



Press Release

For immediate release

SUNCITY GROUP HOLDINGS LIMITED

REPORTS ANNUAL 2020 RESULTS

SUNCITY PROFIT TURNED POSITIVE T&C ADJUSTED EBITDA TURNED POSITIVE IN 2H 2020 AS A RESULT OF SOLID LOCAL RUSSIAN BUSINESSES IN MASS & ELECTRONIC GAMING DIVERSIFY INTO THE PHILIPPINES, RUSSIA & JAPAN

Hong Kong, 29 March 2021 – Suncity Group Holdings Limited (“Suncity”, the “Group” or “Company”) (Hong Kong Stock Exchange code: 1383) today reported results for the twelve-month periods for the year ended 31 December 2020. All amounts are expressed in RMB unless otherwise stated.

A LETTER TO SHAREHOLDERS FROM THE CHAIRMAN, MR. CHAU CHEOK WA

Dear fellow Suncity shareholders,

Needless to explain, 2020 was one of the worst years in modern history, as the majority of the year has been affected by the COVID-19 pandemic. We were all being led through a roller coaster ride in a mere short year. Global markets initially bottomed then boomed, yet real economic recovery is still underwater. While Suncity was on the way charting to the new lands as a new comer in the entertainment scene, the monster COVID dragged us back from otherwise arriving at our initial promised land. Regrettably, COVID happened at a time when we have just finished sharpening the flagship sword, Hoiana, after years in the making. Full and ready to strike, yet the virus has put Hoiana’s Grand Opening to a halt. Flights and visas to Vietnam are no longer accessible, leaving us no chance to showcase what a masterpiece that we have created. 2020 was history, and letting bygones be bygones would be the best strategy. As long as we stay afloat while we sharpen other swords, and I am not worried about not having chances to strike in the future.

Amidst the doom and gloom, there are silver linings. Under the Suncity portfolio, we also have integrated resorts that are supported by local markets, such as Tigre de Cristal. COVID has offered a chance to prove that an integrated resort with a local exposure could offer some downside protection, such as Tigre de Cristal, for being EBITDA-positive in the second half of 2020 with the support of the local Russian market. I am also pleased to report a net profit attributable to equity holders of RMB 786.4 million, though non-cash in nature, it sets a good start for the transformation of Suncity into a leading Asian integrated resort operator.

Rewinding the clock to a couple of years ago, I came across Tigre de Cristal in a business trip. As an entrepreneur, I see a multitude of opportunities untapped – its already solid local mass and slot businesses; its proximity to South Korea and Japan; as well as its unparalleled profitability profile, are the beauty of operating this resort Tigre de Cristal. Before Suncity took over, Tigre de Cristal has already



delivered fair, though not staggering results. I thought to myself, how could I help to find the missing puzzle to make Tigre de Cristal glow as the highest-return integrated resort in Asia? What if I could take control of it, sprinkle just the right amount of change and add some flavour to make sure that Tigre de Cristal will be the perfect dish that suits well to the tastes of our target Asian customers? This is exactly the gap that Suncity could bridge, because at Suncity we understand the Asian way of conducting entertainment businesses. Now that Suncity has become the parent company of Summit Ascent, I will make sure Suncity will help Tigre de Cristal glow.

I am also blessed to have found another gem in the Philippines, where the next finest and best integrated resort in Entertainment City will be built from scratch with our partner. My team and I are busy crafting the blueprints of this destination on how we could build an integrated resort from the ground up that is tailored to the taste of local Filipino and Asian customers. We gather prime ingredients for a successful integrated resort, putting them under boil utilising the trialled and tested Suncity recipe, while tweaking local flavours to suit each market's local taste. In terms of design, scale and connectivity, I am confident that Westside City Project would be amongst the best in the entire Entertainment City in Manila.

On a strategic geopolitical basis, we diversify our integrated resorts in North, South and East of Asia. Under the Suncity umbrella, we have everything on the menu of integrated resorts for the pleasure of our guests – sun, sea and sand for the entire family in the tropical Hoiana; skiing, shooting and shots of vodka for adults' entertainment in Tigre de Cristal; slots and mass entertainment in Westside City Project in the Philippines. Not only does Suncity build and operate integrated resorts, now Suncity also develops skiing and diving hotels in Niseko and Miyako Islands in Japan, so as to increase customer stickiness on non-gaming perspective. The Suncity standard will ensure that our guests will receive the same level of superior services in all of our integrated resorts. The transformation of the company has been ongoing, as the Group has just announced the disposal of the property leasing and property development businesses in February 2021, indicating that the Group is officially on a fast track to develop its integrated resorts and hotels businesses.

I am also delighted to welcome a team of veteran integrated resort professionals to join the Group. Considering Macau is an exemplary illustration of running the world's most successful integrated resorts, together, we will continue to make good use of Macau as a headquarter for Suncity's global integrated resort operations. We will bring the Macau-style "World Centre of Tourism and Leisure" hospitality to a global stage by forming a portfolio of integrated resorts in alliance altogether in strategic locations in North, South and East of Asia. The reopening of borders will unleash pent-up demand from tourists where they can travel freely to our integrated resorts for the unparalleled entertainment experience we offer.

Although 2020 was far from perfect, I am grateful to the Chinese government and the Macau government for their swift and decisive actions to protect their citizens during the pandemic. I would also like to thank the Russian government for starting to offer vaccines to our Russian staff, as well as to the Vietnamese and Filipino governments for successfully controlling the pandemic locally. Asia is way ahead of the rest of the world in the pandemic. Progressively, I am glad to witness local businesses are coming back. In undue hard times like now, our guests and our staff's safety are of utmost priority to us. Our team will deliver all necessary precautionary measures recommended by the local authorities to ensure a worry-free entertainment experience for our guests.



Finally, I would like to extend my gratitude to our global team, our shareholders, our suppliers, our investment partners and our guests for going through a tough 2020 with us. I would also like to thank our valuable team members for their hard work and their patience to grow together with the company. 2020 may have been tough, yet we passed every single hurdle that was laid ahead of us before, and I am sure there is no difference this time.

Mr Alvin Chau Cheok Wa
Chairman
Suncity Group Holdings Limited

FULL YEAR ANNUAL 2020 RESULTS HIGHLIGHTS

Suncity: Significant Turnaround to Profit; though Primarily Non-Cash in Nature

- Since October 2020, Summit Ascent Holdings Limited (“Summit Ascent”) became a subsidiary of Suncity. Suncity now owns approximately 69.66% of Summit Ascent. Subsequently, Summit Ascent increased holdings of Tigre de Cristal to approximately 77.5%
- Full Year Group Total Revenue of RMB199.3 million, down 67% year-on-year
- Full Year Group Consolidated Adjusted EBITDA of RMB(105.2) million, versus RMB(59.4) million in 2019
- Full Year Group Net Profit Attributable to Equity Holders of the Company of RMB786.4 million in 2020, significantly turnaround from Net Loss Attributable to Equity Holders of the Company of RMB(1,484.3) million in 2019, though primarily non-cash in nature

Group & Segmental Results: New Segment in Operation of Integrated Resorts Started to Contribute Following the Acquisition of Summit Ascent

- Full Year Travel Related Products and Services Segment Revenue of approximately RMB110.0 million, down 79% year-on-year
- Post-acquisition operations of integrated resort¹ - Tigre de Cristal contributed revenue from gaming and hotel operations of approximately RMB42.4 million to the Group
- Full Year property leasing and management and operation of malls segment revenue of approximately RMB39.0 million, down 12.8% year-on-year
- Full Year hotel and integrated resort general consultancy services segment revenue of approximately RMB7.9 million, down 45% year-on-year

Tigre de Cristal: Solid Local Mass & Electronic Gaming Businesses when Borders were Closed; Adjusted EBITDA Turned Positive in 2H 2020, Cost-Cutting Initiative in Place

- Tigre de Cristal recorded a decent recovery in mass and electronic gaming businesses in 2H
- Full Year Net Revenue from gaming operations of HK\$202.9 million, down 58% year-on-year
- Full Year Total Gross Gaming Revenue (“GGR”) of HK\$249.7 million, down 69% year-on-year
- Full Year Adjusted EBITDA of HK\$(14.7)million, compared to a positive Adjusted EBITDA of HK\$214.8 million in 2019
- 2H Adjusted EBITDA of HK\$7.4 million, down 93% year-on-year and turned from Adjusted EBITDA of HK\$(22.1) million in 1H to positive
- Average Hotel occupancy was 12% during weekends and 19% during weekdays in 2020

¹Represents Post-acquisition results of Summit Ascent since October 2020



FULL YEAR ANNUAL 2020 RESULTS HIGHLIGHTS (con't)

Hoiana: Cost-Cutting Initiative in Place ; Ensuring Fiscal Survivability

- Extremely challenging business environment due to COVID-19
- Post-Preview² Total Net Revenue of approximately US\$4.8 million
- Post-Preview² Total GGR of US\$8.9 million
- Post-Preview² Total Adjusted EBITDA of US\$(32.0) million
- Hoiana played unlucky in its gaming operations which decreased its Adjusted EBITDA by approximately US\$1.2 million. Normalised Adjusted EBITDA was US\$(30.8) million in 2020

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

- Main Shareholder Mr. Chau exchanged his shareholder's loans into perpetual securities, and committed to a total of HK\$6 billion
- Enhanced Group's Net Asset Position; Enlarged its Capital Base and Reduced Gearing
- Bank balances and cash of RMB2.2 billion as at 31 December 2020
- Total Bank and other borrowings of approximately RMB1.3 billion as at 31 December 2020

Development Updates: Clear Roadmap for Integrated Resort Development in Asia

- Russia: Tigre de Cristal Phase I upgrade ready – Brand-new Suncity VIP room, restaurants and a new private club are now ready. Phase II planning & design on its way, although there were minor delays due to COVID-19
- Philippines: Westside City Project's main design and piling works are now completed; Moving onto building the superstructure above the ground
- Vietnam: To ensure fiscal survivability in Hoiana until travel resumes
- Japan: Moving forward with plans to develop a diving resort in Miyako Islands, Okinawa; and a skiing resort in Niseko, Hokkaido
- Other international locations: Actively exploring other overseas markets

²Post-preview refers to the period from 28 June 2020 (the date of commencement of casino operations) to 31 December 2020

Market Overview

Unsurprisingly, all jurisdictions that Suncity has exposure to, were affected by COVID-19 to a various extent as tourism has been seriously affected in 2020.

In Russia, the Russian government stopped all tourist arrivals from 16 March 2020¹ with limited international flights resumed only until July 2020. The issuance of tourist visas, including visas in the form of an electronic document, has also been temporarily suspended. Until December 2020, borders were open to only 14 countries. All non-essential businesses were mandated to close from 28 March 2020 and were allowed to be reopened gradually later. Russia's GDP declined 3.1%² year-on-year in 2020. Net inflows of foreign direct investment ("FDI") was US\$1.4 billion in 2020, down 95% year-on-year. In 2020, total tourism arrivals in Primorsky Region decreased 86% year-on-year to 132,228³. The Russian Federation has begun COVID-19 vaccinations in Moscow in December 2020, and has already approved mass use in other cities including Vladivostok, where Tigre de Cristal is located.

Vietnam has suspended all inbound international flights and the entry of all foreigners since 22 March



2020 to contain COVID-19. In 2020, approximately 3.8 million⁴ international tourist arrivals were recorded, down 78% year-on-year. GDP in 2020 was estimated to increase by 2.9%⁵ year-on-year, the lowest rate in the period 2011-2020 in the context of the COVID-19 pandemic. FDI recorded VND463.3 trillion (equivalent to approximately US\$20.1 billion), down 1.3% year-on-year. The Vietnamese government plans to roll out mass Covid-19 vaccinations in March 2021. Meanwhile, Vietnam has commenced the first phase of human trials of one of the four domestic COVID-19 vaccine in December 2020 and has completed the second phase of human trials in February 2021.

In the Philippines, all integrated resorts were required to be closed from 15 May 2020 onwards and PAGCOR-licensed integrated resorts in Manila were allowed to operate at only 30% operational capacity since 24 August 2020. The tourism industry which involves airlines, hotels, and tourist attractions, and shopping malls were not allowed to operate during the 2-month lockdown. The Philippines total Gross Gaming Revenue (“GGR”) in 2020 was PHP151.5 billion (equivalent to approximately US\$3.1 billion), down 24%⁶ year-on-year. Foreign arrivals decreased 82.1% year-on-year to 1.5 million. GDP in Philippines declined by 9.5%⁷ year-on-year in 2020.

In Macau, total GGR for 2020 was MOP60.4 billion⁸, down 79.3% year-on-year. The travel restrictions entering the region, and suspension of Individual Visit Scheme (IVS) for mainland visitors started from late January for eight straight months of the year significantly affected tourist visitations. Total tourism arrivals in 2020 decreased 85%⁹ year-on-year to 5.9 million. The average hotel occupancy rate in Macau in 2020 was 28.6%¹⁰, down 62.2 percentage points year-on-year.

Group Financial Results

The Group recorded total revenue of RMB199.3 million, down 67.4% year-on-year. Adjusted EBITDA was RMB(105.2) million versus RMB(59.4) million in 2019. Net profit attributable to equity holders of the Company was RMB786.4 million, significantly turnaround from net loss attributable to equity holders of the Company of RMB1,484.3 million in 2019.

The profit for the year attributable to equity holders of the Company in 2020 was mainly attributable to (i) a gain on change in fair value of derivative financial instruments of approximately RMB1,359.9 million; (ii) a gain on change in fair value of convertible bonds of approximately RMB213.5 million as a result of the extension of maturity dates of the convertible bonds issued by the Company during the year; (iii) a net gain on bargain purchase on acquisition of Summit Ascent Holdings Limited (“Summit Ascent”, together with its subsidiaries as “Summit Ascent Group”) of approximately RMB200.7 million; and (iv) partially offset by (a) a loss on change in fair value of investment properties of approximately RMB415.8 million; (b) finance costs of approximately RMB345.6 million; (c) share of loss of a joint venture of approximately RMB246.6 million; and (d) impairment loss on interest in an associate of approximately RMB47.4 million.

¹ Russia Federal Agency for Tourism

² Federal Office for State Statistics, Russia

³ The Border Service of the Federal Security Service of the Russian Federation

^{4&5} General Statistics Office of Vietnam

⁶ Philippines Amusement and Gaming Corporation

⁷ Philippines Statistics Authority

⁸ Gaming Inspection and Coordination Bureau, Macao SAR

^{9&10} Statistics and Census Service, Macao SAR



Upon the completion of Summit Ascent Rights Issue, Summit Ascent owned 60% equity interest in Oriental Regent Limited (“ORL”) and it further acquired 17.5% equity interest in ORL in November 2020, since then Summit Ascent owned approximately 77.5% interest of the integrated resort in the Integrated Entertainment Zone of the Primorye Region in the Russian Federation, Tigre de Cristal, contributed revenue from gaming and hotel operations of approximately RMB42.4 million to the Group during the year, with contribution of approximately RMB45 million total gross gaming revenue (“GGR”) to the Group.

Revenue

Revenue for the year was approximately RMB199.3 million, decreased by approximately RMB412.5 million or 67.4% when compared to approximately RMB611.8 million in 2019. The revenue was derived from (i) property development, (ii) property leasing and management and operation of malls, (iii) provision of hotel and integrated resort general consultancy services, (iv) provision of travel related products and services, (v) operation of integrated resort in the Philippines and (vi) operation of integrated resort in the Russian Federation. The significant decrease was mainly attributable to the significant 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 nil m² (2019: 621 m²). Since there are no units delivered during the year ended 31 December 2020, no revenue was recognised during the year.
- ii) Property leasing and management and operation of malls – The revenue represented mainly rental income from the leasing of Gang Long City Shopping Centre. It recorded a decrease from approximately RMB44.8 million to approximately RMB37.7 million for the year resulting from the continual decrease in occupancy rate from 60% to 58%. The revenue also included approximately RMB1.3 million of revenue for concessionaire sales and provision of retail management and related services as well as revenue from the management and operation of the Group’s leased assets, namely Phase 1 Shopping Mall and Phase 2 Living Mall of Xinguang Tiandi in Zhejiang Province, the PRC, which was generated by a newly acquired wholly-owned subsidiary since 19 November 2020. The occupancy rates of Phase 1 Shopping Mall and Phase 2 Living Mall of Xinguang Tiandi as at 31 December 2020 were 87% and 79% respectively.
- iii) Hotel and integrated resort general consultancy services – The Group has entered into several technical service agreements and casino management agreement with integrated resorts since 2017, which generated revenue of approximately RMB7.9 million for the year (2019: RMB14.5 million).
- iv) Travel related products and services – Revenue mainly represented the sale of hotel accommodation products and travel agency service income. Due to the outbreak of COVID-19, there has been a significant impact on the Group’s travel and tourism related business in 2020, the Group recorded a substantial decrease in revenue from this segment by approximately RMB415.5 million to approximately RMB110.0 million during the year (2019: RMB525.5 million).
- v) Operation of integrated resort in the Philippines – through an indirect 51% owned subsidiary of the Company, Suntrust Home Developers, Inc. (“SunTrust”), the Group is currently developing a



5-star hotel and casino complex at the Entertainment City, Manila, the Philippines (“Main Hotel Casino” or “Westside City Project”) of which SunTrust would be the sole and exclusive operator and manager to operate and manage the Main Hotel Casino upon commencement of operation of the Main Hotel Casino in 2023. During the year ended 31 December 2020, the Group has completed architectural design works and the piling works of the Main Hotel Casino. No revenue was recognised during the year.

- vi) Operation of integrated resort in the Russian Federation – Summit Ascent became an approximately 69.66% owned subsidiary of the Company immediately after the taking up of rights shares of Summit Ascent by Victor Sky Holdings Limited (a wholly-owned subsidiary of the Company) as underwriter and shareholder and by the Company as shareholder pursuant to the rights issue of Summit Ascent on the basis of three rights shares for every two existing shares of Summit Ascent at a subscription price of HK\$0.6 per rights share of Summit Ascent (“Summit Ascent Rights Issue”). Since the completion of Summit Ascent Rights Issue in October 2020, Summit Ascent contributed revenue from gaming and hotel operations in the Integrated Entertainment Zone of the Primorye Region in the Russian Federation through its approximately 77.5% owned subsidiary of approximately RMB42.4 million to the Group during the year.

Operations of Integrated Resorts

Tigre de Cristal

Gaming operations

Net Gaming revenue of Tigre de Cristal, which consists of three main sources namely the rolling chip business, mass table business and electronic gaming business, was approximately HK\$203 million in 2020, decreased by 58% compared to approximately HK\$482 million in 2019.

Rolling chip volume (measured as the sum of all non-negotiable chips wagered and lost by players) at Tigre de Cristal was approximately HK\$1.4 billion in 2020, representing a decrease of 91% compared to 2019. Net win after all commissions rebated directly or indirectly to customers from rolling chip business decreased by 85% to approximately HK\$18 million in 2020 compared to approximately HK\$122 million in 2019. Gross win percentage (represented the ratio of gross win to rolling chip volume) increased from 2.90% in 2019 to 3.84% in 2020.

Mass table drop (measured as the sum of gaming chips purchased or exchanged at the cage) decreased by 52% to approximately HK\$362 million in 2020, compared to approximately HK\$751 million in 2019. Net win from mass table business decreased by 53% to approximately HK\$82 million in 2020, compared to approximately HK\$174 million in 2019. Net win rate percentage (represented mass table net win as a percent of mass table drop) decreased slightly from 23.2% in 2019 to 22.7% in 2020.

Electronic gaming volume (measured as the total value of electronic gaming credits wagered by players) was approximately HK\$2.2 billion in 2020, decreased by 35% compared to approximately HK\$3.4 billion in 2019. The electronic gaming business recorded net revenue of approximately HK\$103 million, down



45% compared to approximately HK\$186 million in 2019. The average net win rate percentage decreased to 4.6% in 2020 from 5.5% in 2019. The average number of electronic gaming machines deployed decreased by 18% to 277 in 2020, compared to 336 in 2019.

Hotel Operations

Revenue from hotel operations, which is largely dependent on foreign guests, decreased to HK\$8 million in 2020 or by 84% compared to 2019. Average hotel occupancy rates dropped substantially to 12% (2019: 88%) during weekends and 19% (2019: 63%) during weekdays in 2020.

Key Financial Data of Tigre de Cristal

	FY2020 <i>HK\$'million</i>	FY2019 <i>HK\$'million</i>
Revenue:		
Net Gaming	203	482
Hotel/F&B/Others	<u>8</u>	<u>51</u>
Total Net Revenue	211	533
Adjusted EBITDA	(15)	215
Adjusted EBITDA margin	N/A	40%

Gaming Statistics

<i>(HK\$' million)</i>	Q12020	Q22020	Q32020	Q42020	FY2020	FY2019
Total GGR					250	815
Rolling Chip Volume	1,167	25	100	63	1,355	15,215
Gross Win Rate %	4.03%	12.00%	2.00%	0%	3.84%	2.90%
Gross Win	47	3	2	0	52	441
Mass Table Drop	136	5	105	116	362	751
Net Win Rate %	24.3%	20.0%	20.0%	23.3%	22.7%	23.2%
Net Win	33	1	21	27	82	174
Electronic Gaming						
Volume	782	28	664	743	2,217	3,404
Net Win Rate %	5.0%	7.1%	4.8%	4.0%	4.6%	5.5%
Net Win	39	2	32	30	103	186



Hoiana

As at 31 December 2020, the Group held approximately 34% indirect equity interest in Hoiana through the investment in a joint venture. The Certificate for the Eligibility for Casino Business in relation to the casino operation of Hoiana in Vietnam was granted in May 2020, and the preview took place on 28 June 2020. Hoiana features an integrated resort with a casino that holds gaming tables, electronic gaming machines, Asian delights and other international cuisine with more than 1,000 hotel rooms and an eighteen-hole golf course. The commencement of operation of Hoiana was in the midst of the pandemic when international travel restrictions were in place which had significant impact on its business performance. The Group will continue to ramp up the property to prepare for more VIP rooms, hotel rooms, additional food & beverage and retail outlets.

Hoiana's net revenue since its preview in 2020 was approximately US\$4.8 million. Adjusted EBITDA was approximately US\$(32.0) million. Hoiana played unlucky in its gaming operations which decreased its Adjusted EBITDA by approximately US\$1.2 million. Normalised Adjusted EBITDA was approximately US\$(30.8) million in 2020.

Key Financial Data of Hoiana

	FY2020⁽ⁱ⁾
	<i>US\$'000</i>
Revenue:	
Net Gaming	3,455
Hotel/F&B/Others	1,323
Total Net Revenue	4,778
Adjusted EBITDA	(31,951)
Adjusted EBITDA margin	N/A

(i) For the period from 28 June 2020 (the date of commencement of casino operation) to 31 December 2020.



Gaming Statistics

(US\$' 000)	Q32020 ⁽ⁱ⁾	Q42020	FY2020 ⁽ⁱⁱ⁾
Total GGR	1,432	7,501	8,933
Rolling Chip Volume	84,506	165,530	250,036
Gross Win Rate %	NEG ⁽ⁱⁱⁱ⁾	3.5%	2.2%
Gross Win	(461)	5,837	5,376
Mass Table Drop	5,806	6,342	12,148
Gross Win Rate %	18.8%	17.8%	18.3%
Gross Win	1,089	1,131	2,220
Electronic Gaming Volume	9,482	6,208	15,690
Gross Win Rate %	8.5%	8.6%	8.5%
Gross Win	804	533	1,337

⁽ⁱ⁾ For the period from 28 June 2020 (the date of commencement of casino operation) to 30 September 2020.

⁽ⁱⁱ⁾ For the period from 28 June 2020 (the date of commencement of casino operation) to 31 December 2020.

⁽ⁱⁱⁱ⁾ NEG represents negative win rate percentage.

Development Update

Tigre de Cristal, Russia





Tigre de Cristal Phase I upgrade has already been completed. A brand-new Suncity VIP room has been already set up and is now operational. A new authentic hotpot restaurant and a new private club are opened to welcome guests.

Phase II planning and construction are well underway except minor delays due to COVID-19. When Phase I & II are both running, Tigre de Cristal will triple in its number of rooms, and double in number in its gaming facilities.

Hoiana, Vietnam



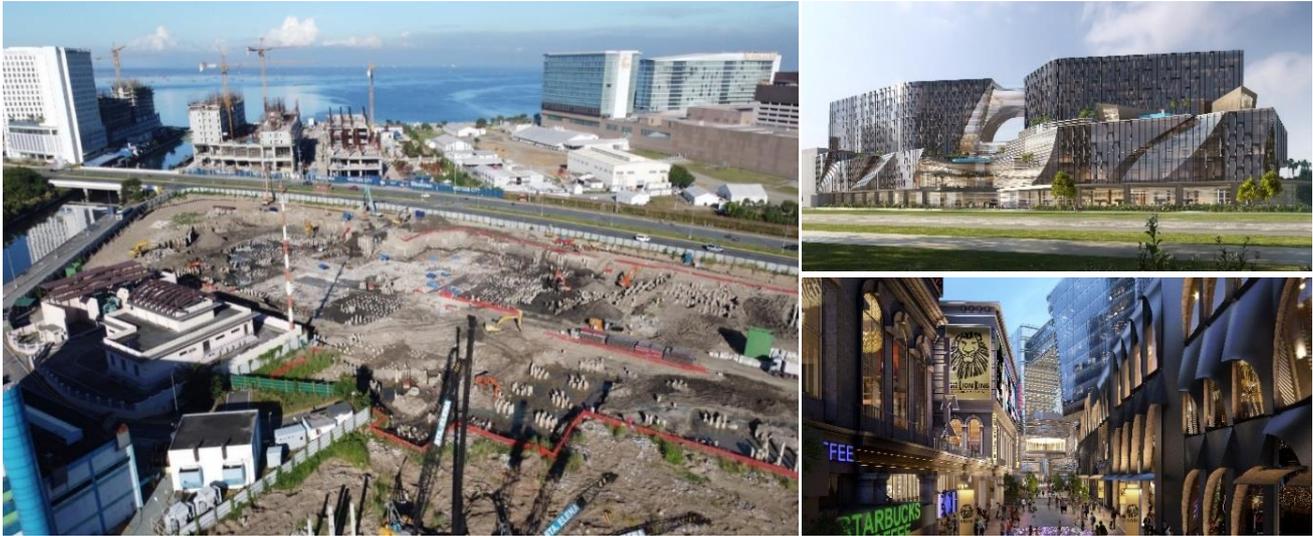
Hoiana Phase 1 is not yet fully opened. Only the mass gaming floor, the VIP rooms, some hotel rooms and the golf course entered into preview on 28 June 2020.

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.



Westside City Project, Philippines



The main design has already been completed. Piling works in Westside City Project has also been completed. Megawide Construction Corporation has been appointed as the main contractor in Manila, the Philippines for the Westside City Project. Construction works at the site is going on at full steam. Westside City Project is expected to be completed in 2023.

When all phases of Westside City Project are ready, it will consist of:

- Approximately 400 gaming tables;
- Over 1,200 electronic gaming machines;
- Over 450 five-star hotel rooms;
- Approximately 1,000 car park spaces; and
- Pool club & leisure club etc.

Westside City Project will be integrated with the shopping malls, theatres, restaurants, and shopping streets, etc. to be built by Suncity's partner Westside / Travellers international Hotel Group Inc. They will also build additional hotel rooms, a shopping mall, a Grand Opera House, restaurants, a theatre district and an additional of approximately 2,000 car park spaces.

Other international locations

The Group plans to develop a diving resort and a skiing resort in Japan, located in Okinawa and in Hokkaido. In Miyako Islands, Okinawa, the Group plans to develop 40 villas and a hotel with more than 100 rooms. In Niseko, Hokkaido, near Grand Hirafu Mountain, the Group plans to develop 50 villas, 20 townhouses and a hotel with over 40 rooms.



Outlook

We believe that COVID-19 will continue to impact all of the Group's integrated resorts in the near future. We are especially pleased to see that vaccination progress has been ongoing in Macau and China, with Macau serving as the only cross-border location for Chinese residents to visit without the need to be in quarantine. We are also pleased to witness the start of the vaccination programme for our staff members in Tigre de Cristal in Russia. We are also confident that the vaccination will be rolled out worldwide soon. In that case, countries where the Group has invested in such as Vietnam and the Philippines will no longer be restricted by quarantine, flights or visa constraints.

The Group remains long-term positive to our integrated resort portfolio. Before Suncity's management stepped in to transform the operations of Tigre de Cristal, Tigre de Cristal itself has already been self-running with a positive Adjusted EBITDA. After the Company became its largest shareholder, as the new operator of Tigre de Cristal, bringing in a wealth of experience in gaming operations, the Group helps Summit Ascent to upgrade its hardware, the facilities; and its software, its service standards. Right now, both software and hardware in Tigre de Cristal are ready for guests once the borders reopen.

In the short run, the Group will bring three major changes to Tigre de Cristal. Firstly, the Group will continue to help to upgrade Tigre de Cristal's hardware. Secondly, the Group will help to introduce a brand-new Direct VIP segment using the Group's customer base. Thirdly, the Group will help to bring in a new Premium mass segment, all to be under Tigre de Cristal. The Group will make good use of Tigre de Cristal's proximity to the Korean and Japanese markets as these two markets are relatively untapped in the north of Asia. The true harvest year for Summit Ascent will be the time when Tigre de Cristal Phase II is up-and-running. Capacity-wise, Phase II will triple the current number of rooms, and double the number of tables and electronic gaming machines.

Hoiana Phase 1 is not yet fully opened. Unfortunately, Hoiana was ready at a time when the pandemic was in full swing. Only a preview could take place in June 2020. Hoiana's current focus is to stay afloat while continuing marketing to local expats and the Viet Kieu community in the short run. 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 for families in South-East Asia. While the pandemic continues to impede Hoiana's performance post-preview, we remain hopeful that the situation could have been improved when flights and visas resume.

We like the Philippines as one of the fastest-growing Asian gaming jurisdictions. When Westside City Project is completed, Westside City Project will be running at a similar scale as the other operators in Entertainment City in Manila. With the Group's expertise in gaming, we are confident that Westside City Project will be one of the best integrated resorts in the Philippines in terms of facilities, design and amenities.

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. 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	
Best IR Company – Mid Cap Best IR by Chairman / CEO – Andrew Lo – Mid Cap Best Investor Meeting – Mid Cap	Hong Kong Investor Relations Association
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
2020 China’s Top 500 Listed Companies	Asiabrand, Brand Management Expert Committee of China-Asia Economic and Asiabrand.com
TIGRE DE CRISTAL, RUSSIA	
Corporate Travel Awards 2020 (Hotel Resort of the Year)	CEO Today Magazine
Winner of the XVI Business Prize of Primorsky Krai (Company of the Year 2019)	Zolotoy Rog
Top 5 nominees of “Russia’s Leading Resort 2019”	World Travel Awards
HOIANA, VIETNAM	
Best Integrated Resort of the Year - Best of the Best Awards 2020	Robb Report
Asia's Leading Tourism Development Project 2020	World Travel Awards
Best Companies to Work for in Asia 2020	HR Asia
World's Best New Golf Course 2020	World Golf Awards
GEO Certified® Development status (Hoiana Shores is the first and only golf property in Asia-Pacific to achieve this designation, and one of only half a dozen worldwide)	Scotland-based GEO Foundation



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

Suncity Group Holdings Limited (“**Suncity**” or “**the Group**”) is a holding company that manages integrated resorts across Asia including Russia, the Philippines, Vietnam and Japan. The Group also operates in the travel segment and the property segment.

Suncity holds approximately 69.66% of Summit Ascent Holdings Limited (“**Summit Ascent**” HKEx stock code: 102), the operator of one of the largest integrated resorts in Russia, known as Tigre de Cristal in Vladivostok. Summit Ascent holds approximately 77.5% in Tigre de Cristal. Situated midway from the Vladivostok International Airport to Vladivostok city, Tigre de Cristal is ideally located geographically in the heart of Northeast Asia.

Suncity is also the controlling shareholder of Suntrust Home Developers, Inc. (PSE: SUN), who develops Westside City Project in the heart of Entertainment City in Manila, the Philippines. In terms of its design, scale and connectivity, Westside City Project will be one of the best integrated resorts in the Philippines.

Hoiana is an integrated resort that Suncity jointly develops with our investment partners. Located in Central Vietnam, Hoiana Phase 1 is an integrated resort with over 1,000 rooms, award-winning golf course and pristine beaches. The Group also plans to develop skiing and diving resorts in Miyako Islands and Niseko in Japan. In addition, the Group operates a travel agency, and operates in the property management segment.

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

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