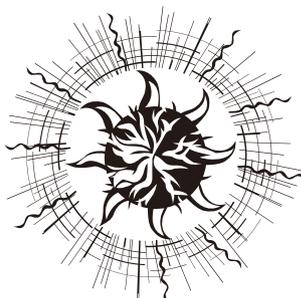


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**太陽城集團**  
**SUNCITY GROUP**

**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)**

**DISCLOSEABLE TRANSACTION  
IN RELATION TO  
ACQUISITION OF 100% EQUITY INTEREST IN  
DONGYANG XINGUANG PACIFIC  
INDUSTRIAL COMPANY LIMITED#**

**THE ACQUISITION**

The Purchaser, an indirect wholly-owned subsidiary of the Company, has succeeded in the Judicial Auction, for the acquisition of 100% equity interest in the Target Company at the Bidding Price of RMB26,500,000 (equivalent to approximately HK\$31,005,000), and was registered as the registered owner of 100% equity interest in the Target Company on 19 November 2020.

**LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the Acquisition are 5% or more but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is therefore subject to reporting and announcement requirements but is exempt from Shareholders' approval requirement under Chapter 14 of the Listing Rules. Once becoming aware that the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules, the Company has taken steps to publish this announcement as soon as practicable to disclose all the relevant information to comply with the relevant requirements under the Listing Rules.

## THE ACQUISITION

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Details of the Judicial Auction are set out below:

<b>Closing date</b>	:	13 November 2020
<b>Owner</b>	:	浙江新光建材裝飾城開發有限公司 (Zhejiang Xinguang Construction Material and Decoration City Development Company Limited#)
<b>Instructing party</b>	:	浙江省金華市中級人民法院 (Intermediate People's Court of Jinhua City, Zhejiang Province)
<b>Purchaser</b>	:	深圳聯天置業有限公司 (Shenzhen Sky Alliance Property Company Limited#), being an indirect wholly-owned subsidiary of the Company
<b>Auctioneer</b>	:	an open auction platform
<b>Subject of the Judicial Auction</b>	:	100% equity interest in the Target Company
<b>Bidding Price</b>	:	RMB26,500,000 (equivalent to approximately HK\$31,005,000)

The Bidding Price for the Acquisition in the amount of RMB26,500,000 (equivalent to approximately HK\$31,005,000) has been settled in the following manners:

- (a) an earnest money in the amount RMB1,600,000 (equivalent to approximately HK\$1,872,000) has been settled by the Purchaser in cash on 9 November 2020 when enrolling for the Judicial Auction, which was used to settle part of the Bidding Price; and
- (b) the remaining balance in the amount of RMB24,900,000 (equivalent to approximately HK\$29,133,000) has been settled by the Purchaser in cash on 17 November 2020.

The Bidding Price was determined with reference to, among other matters, (i) the valuation of 100% equity interest in the Target Company in the amount of RMB22,858,292 (equivalent to approximately HK\$26,744,000) provided by an open auction platform in relation to the Judicial Auction, which was prepared with reference to the net asset value of the Target Company; (ii) the quality of the Shopping Mall being managed by the Target Company and its future development potential; and (iii) the expertise of the management team of the Target Company.

The Bidding Price was financed by the internal resources of the Group.

## **INFORMATION OF THE OWNER**

Based on the public information available to the Company, the Owner is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of 新光圓成股份有限公司 (Neoglory Prosperity Inc.#), the issued shares of which are listed on Shenzhen Stock Exchange (stock code: 002147.SZ). Based on the public information available to the Company, the Owner is principally engaged in the development and sale of commercial house, and leasing of properties in the PRC.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Owner and its ultimate beneficial owners are Independent Third Parties.

## **INFORMATION OF THE TARGET COMPANY**

The Target Company is a company established in the PRC with limited liability. As at the closing date of the Judicial Auction and the date of this announcement, the Target Company has registered and paid-up capital in the amount of RMB10,000,000. The Target Company is principally engaged in management and operation of mall in the PRC.

The Target Company as lessee and the Owner as the landlord entered into a tenancy agreement (as amended and supplemented) in relation to a lease on the Shopping Mall for a term of twenty (20) years commencing on 1 January 2015 and ending on 31 December 2034. The Shopping Mall comprises 620 units with a total floor area of 65,241.98 square metres, and located at 浙江省東陽市吳寧街道南街51號新光天地 (Xinguang Tiandi, No. 51 Wuningjiedao Nanjie, Dongyang City, Zhejiang Province#). Based on the public information, the Shopping Mall currently includes 2 separate phases (namely "Phase 1 Shopping Mall" and "Phase 2 Living Mall") and has been leased to various Independent Third Parties and the occupancy rates of Phase 1 Shopping Mall and Phase 2 Living Mall were approximately 76.96% and 56.04% respectively for the six months ended 30 June 2020.

After registering as the registered owner of 100% equity interest in the Target Company on 19 November 2020, the Purchaser conducted due diligence on the Target Company. Set out below is a summary of the key financial information of the Target Company as extracted from the unaudited management accounts of the Target Company prepared in accordance with accounting principles generally accepted in the PRC:

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2018</b>	<b>2019</b>
	<i>RMB</i>	<i>RMB</i>
	(unaudited)	(unaudited)
Revenue	78,337,786	69,375,803
Net profit before tax	10,441,573	5,868,580
Net profit after tax	7,790,031	4,384,686

As at 30 November 2020, the unaudited net assets of the Target Company based on the unaudited management accounts of the Target Company was approximately RMB24,491,000 (equivalent to approximately HK\$28,654,000).

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Group is principally engaged in (i) property development in Guangdong and Anhui Provinces in the PRC; (ii) property leasing in Shenzhen in the PRC; (iii) provision of hotel and integrated resort general consultancy service in Vietnam; (iv) provision of travel related products and services; (v) development and operation of integrated resort in the Philippines; and (vi) operation of the hotel and gaming business in the Integrated Entertainment Zone of the Primorye Region in the Russian Federation.

Given (i) that the Acquisition would broaden the Group's source of income and diversify its business portfolio; (ii) the expertise of the management team of the Target Company and the potential synergies to the Group's leasing business, and (iii) the quality of the Shopping Mall and the potential for further enhancement, the Directors (including the independent non-executive Directors) consider that the Acquisition is in the interests of the Company and the Shareholders as a whole and the terms thereof are on normal commercial terms, fair and reasonable.

## LISTING RULES IMPLICATIONS

The Company became aware of the Judicial Auction in early November 2020. As the Judicial Auction was administered by an open auction platform on the instruction of 浙江省金華市中級人民法院 (Intermediate People’s Court of Jinhua City, Zhejiang Province), no access to the underlying books and records of the Target Company was provided. Prior to making the bid at the Judicial Auction, the Company had taken steps to gather information of the Target Company through different means, including but not limited to the public announcements made by the holding company of the Owner. The Company estimated the financial figures attributable to the Target Company based on the limited information obtained by the Company, in particular, the financial information of the holding company of the Owner disclosed by way of public announcements. Based on such estimated figures, the Company considered that the Acquisition would not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules at the time of placing the bid.

As disclosed above, after registering as the registered owner of 100% equity interest in the Target Company on 19 November 2020, the Purchaser conducted due diligence on the Target Company. Based on the results of the due diligence, one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the Acquisition should be 5% or more but less than 25%.

As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the Acquisition are 5% or more but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is therefore subject to reporting and announcement requirements but is exempt from Shareholders’ approval requirement under Chapter 14 of the Listing Rules. Once becoming aware that the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules, the Company has taken steps to publish this announcement as soon as practicable to disclose all the relevant information to comply with the relevant requirements under the Listing Rules.

## DEFINITIONS

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meaning:

“Acquisition”	the acquisition of 100% equity interest in the Target Company at the Bidding Price through the Judicial Auction
“Bidding Price”	RMB26,500,000 (equivalent to approximately HK\$31,005,000), being the bidding price for the Acquisition

“Board”	board of Directors
“Company”	Suncity Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the main board of the Stock Exchange (stock code: 1383)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the Listing Rules
“Judicial Auction”	the judicial auction administered by an open auction platform on the instruction of 浙江省金華市中級人民法院 (Intermediate People’s Court of Jinhua City, Zhejiang Province) in relation to 100% equity interest in the Target Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Owner”	浙江新光建材裝飾城開發有限公司 (Zhejiang Xinguang Construction Material and Decoration City Development Company Limited <sup>#</sup> ), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of 新光圓成股份有限公司 (Neoglory Prosperity Inc. <sup>#</sup> ), the issued shares of which are listed on Shenzhen Stock Exchange (stock code: 002147.SZ)

“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Purchaser”	深圳聯天置業有限公司 (Shenzhen Sky Alliance Property Company Limited <sup>#</sup> ), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Shopping Mall”	新光天地一期購物廣場 (Phase 1 Shopping Mall of Xinguang Tiandi <sup>#</sup> ) and 新光天地二期生活廣場 (Phase 2 Living Mall of Xinguang Tiandi <sup>#</sup> ) comprising 620 units with a total floor area of 65,241.98 square metres, and located at 浙江省東陽市吳寧街道南街51號新光天地 (Xinguang Tiandi, No. 51 Wuningjiedao Nanjie, Dongyang City, Zhejiang Province <sup>#</sup> )
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	東陽新光太平洋實業有限公司 (Dongyang Xinguang Pacific Industrial Company Limited <sup>#</sup> ), a company established in the PRC with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

Note:

*For the purpose of this announcement, unless otherwise indicated, conversion of Renminbi into Hong Kong dollars is calculated at the approximate exchange rate of RMB1.00 to HK\$1.17. This exchange rate is adopted for the purpose of illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be, exchanged at this rate or any other rates at all.*

# *the English translation of Chinese names or words in this announcement, where indicated, is included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

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

Hong Kong, 18 December 2020

*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.*