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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)

COMPLETION OF MAJOR TRANSACTION IN RELATION TO DISPOSAL OF ACCESS ACHIEVEMENT LIMITED

Financial adviser to the Company



Reference is made to (i) the announcements of Suncity Group Holdings Limited (the “**Company**”) dated 21 February 2021, 18 May 2021 and 31 May 2021; and (ii) the circular of the Company dated 26 April 2021 (the “**Circular**”), in relation to, among other things, the disposal of Access Achievement Limited. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Circular.

COMPLETION OF THE DISPOSAL

The Board is pleased to announce that Completion took place on 30 June 2021 in accordance with the terms and conditions of the Sale and Purchase Agreement. Upon Completion, the Company no longer holds any equity interest in the Disposal Company and accordingly all of the companies under the Disposal Group ceases to be subsidiaries of the Group and the financial results of the Disposal Group will no longer be consolidated into those of the Group.

SHENZHEN SKY ALLIANCE LOAN

As disclosed in the Circular, at the Completion Date, Shenzhen Zirui, Shenzhen Sky Alliance and Mr. Chiu have entered into the Shenzhen Sky Alliance Loan Agreements in relation to the repayment of the Shenzhen Sky Alliance Loan.

As further disclosed in the Circular, the outstanding balance of the Shenzhen Sky Alliance Loan is dependent on the actual Completion Date as Shenzhen Sky Alliance may be required to provide additional credit under the Shenzhen Sky Alliance Loan to the Disposal Group in order to meet the outstanding obligations under the CITIC Loans according to the schedule as set out in the paragraph headed “Shenzhen Sky Alliance Loan” under the section headed “THE DISPOSAL” in the Circular. As at the date of this announcement, Shenzhen Sky Alliance has provided additional credit of RMB7,500,000 and RMB10,000,000 to the Disposal Group on 22 April 2021 and 22 June 2021 respectively (the “**Additional Balance**”) in accordance with the aforementioned schedule as outlined in the Circular. Accordingly, as at the Completion Date, the outstanding balance of the Shenzhen Sky Alliance Loan is RMB519,249,000. As disclosed in the paragraph headed “Repayment Arrangement” under the section headed “THE DISPOSAL” in the Circular, the Additional Balance shall be repaid within 1 month from the Completion Date (i.e. 31 July 2021).

As disclosed in the Circular, in respect of the repayment of the original balance of the Shenzhen Sky Alliance Loan of RMB501,749,000, the proceeds will be utilised to settle other borrowings of the Group. Details of which have been set out in the section headed “INTENDED USE OF PROCEEDS” in the Circular. In respect of the repayment of the Additional Balance of RMB17,500,000, the proceeds will be utilised to settle additional bank and/or other borrowings of the Group.

In respect of the net proceeds from the Consideration of approximately HK\$184,420,000, (i) approximately HK\$166,265,000 (the “**Re-allocated Net Proceeds**”) was intended to be utilised to repay a loan from a related company due on 7 January 2022 (the “**Loan**”); and (ii) the remaining HK\$18,155,000 will be utilised as general working capital of the Group. As at the date of this announcement, as the Loan has been repaid, the Board resolved to re-allocate the use of the Re-allocated Net Proceeds of HK\$166,265,000 from the intended use for the repayment of the Loan to repayment of bank and/or other borrowing(s) of the Group.

Save for the aforesaid change, there is no other change in the intended use of the net proceeds as disclosed in the Circular.

The Board is of the view that the re-allocation of the Re-allocated Net Proceeds for the repayment of bank and/or other borrowing(s) of the Group is fundamentally the same as the original intended use of the Re-allocated Net Proceeds for the repayment of the Loan and accordingly is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

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

Hong Kong, 30 June 2021

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.

In this announcement, amounts in RMB are translated to HK\$ on the basis of RMB1=HK\$1.20. The conversions are for illustration purpose only and should not be taken as a representation that RMB could actually be converted into HK\$ at that rate or at other rates or at all.