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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 ALERT

This announcement is made by Suncity Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) 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 (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2020, the Group is expected to record a profit attributable to shareholders of the Company of approximately RMB750.4 million as compared to the loss attributable to shareholders of the Company of RMB1,484.3 million for the year ended 31 December 2019.

The outbreak of COVID-19 has significantly impacted on the overall businesses of the Group with the revenue of the Group for the year ended 31 December 2020 significantly decreased from RMB611.8 million to RMB199.3 million as compared to those in the year ended 31 December 2019. However, the Group is expected to record a profit attributable to shareholders of the Company due to the following:

- (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 convertible bonds issued by the Company during the year;
- (iii) a net gain on bargain purchase on acquisition of Summit Ascent Holdings Limited of approximately RMB200.7 million; and
- (iv) the partial offset of abovementioned items 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 RMB206.0 million; and (d) impairment loss on interest in an associate of approximately RMB47.4 million.

The Company is still in the process of finalising the annual results of the Group for the year ended 31 December 2020. The information contained in this announcement is only a preliminary assessment by the Board based on the currently available information, including the unaudited consolidated management accounts of the Group for the year ended 31 December 2020, which have not been confirmed or reviewed by the auditor or the audit committee of the Company and may be subject to change. As such, the actual financial results of the Group for the year ended 31 December 2020 may be different from those disclosed in this announcement. The Group's announcement on the annual results for the year ended 31 December 2020 is expected to be announced on 29 March 2021.

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, 22 March 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.