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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)

**(1) INSIDE INFORMATION – ANNOUNCEMENT MADE PURSUANT TO
RULES 13.51(2)(v) AND 13.51B(2) OF THE LISTING RULES; AND
(2) RESUMPTION OF TRADING**

**(1) INSIDE INFORMATION – ANNOUNCEMENT MADE PURSUANT TO RULES
13.51(2)(v) AND 13.51B(2) OF THE LISTING RULES**

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of Suncity Group Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules (“**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), and to Rule 13.51B(2) of the Listing Rules in relation to certain information required to be disclosed under Rule 13.51(2)(v) of the Listing Rules.

The Board noted that there was news coverage (the “**News Coverage**”) concerning (i) the approval of arrest (批准逮捕) by the People’s Procuratorate of Wenzhou City (溫州市人民檢察院) on 26 November 2021 of Mr. Chau Cheok Wa (“**Mr. Chau**”, the chairman of the Board, an executive Director and a controlling shareholder of the Company), in which it was alleged that Mr. Chau has been involved in illegal cross border gambling activities; (ii) the arrest and detainment of Mr. Chau by the Macau Judicial Police and it was alleged that Mr. Chau has been involved in illegal gaming and money laundering; and (iii) the integrated resort named “Tigre de Cristal” (which is located at the Integrated Entertainment Zone of the Primorye Region in the Russian Federation and whose 77.5% of the controlling interest was indirectly held by Summit Ascent Holdings Limited) being involved in cross border gambling activities by sending officers to solicit for customers in the People’s Republic of China (the “**PRC**”) for its gaming operations (the “**Incident**”). Summit Ascent Holdings Limited (“**Summit Ascent**”) is a non-wholly owned subsidiary of the Company, and the shares of Summit Ascent are listed on the Stock Exchange (stock code: 102).

As at the date of this announcement, so far as the Board is aware, other than Mr. Chau, neither the Company nor any of its subsidiaries nor any director, officer or staff of any member of the Group is under any investigation and/or charges in connection with the Incident.

As disclosed in the Company’s interim report for the six months ended 30 June 2021 dated 31 August 2021 (the “**Interim Report**”), the Group’s revenue from continuing operations for the six months ended 30 June 2021 was represented by (i) operation of integrated resort in the Russian Federation; (ii) travel related businesses; (iii) hotel and integrated resort general management consultancy services; and (iv) management and operation of mall in the PRC, contributing respectively 72.5%, 18.1%, 0.9% and 8.5% of the Group’s total revenue from continuing operations for such six-month period. As mentioned in the Company’s circular dated 3 December 2019, Sun City Gaming Promotion Company Limited (“**SCGPCL**”, a company wholly-owned by Mr. Chau) is a key supplier of hotel accommodation products to the Group under its travel and related business segment. For the six months ended 30 June 2021, the total purchases from SCGPCL amounted to RMB25,272,000 and the revenue from sales of hotel accommodation products amounted to RMB25,877,000, representing approximately 17.4% of the total revenue from continuing operations of the Group. In the event of any inability of SCGPCL to provide hotel accommodation products to the Group, and the Group is unable secure alternative supplies, the travel related businesses segment of the Group will be adversely affected.

As disclosed in the Interim Report, the Group is dependent on the financial support from Mr. Chau and his related companies. In the event that the Group losses the support of Mr. Chau for whatever reason, the financial position, business and operation of the Group will be adversely affected.

As to the allegation regarding the involvement of Tigre de Cristal in cross border gambling activities, the Board would like to clarify that such allegation is untrue. None of the directors, officers or staff of any members of the Group has engaged in the solicitation for customers in the PRC for the gaming operations of Tigre de Cristal.

The Board is of the view that, save as mentioned above in connection with the potential risk of SCGPCL being unable to supply hotel accommodation products to the Group (under the Group's travel and related business segment) and the potential risk of loss of financial support of Mr. Chau, the Incident does not have any direct material adverse impact on the financial position, business or operation of the Group. As the Group is operated by a team of management personnel, the Board does not expect the Incident to have a material adverse impact on the daily operations of the Group, and as of the date of this announcement, there is no material disruption to the Group's businesses. The Board would also like to point out that members of the Group have been conducting, and will continue to conduct, their businesses in accordance with the applicable laws and regulations of their respective places of operation.

As informed by Mr. Chau, he has indicated his intention to resign from the posts of the chairman of the Board and an executive Director of the Company. The Board will update shareholders and potential investors of the Company on any further development on the matter by way of further announcement(s) (including any developments of the proposed resignation of Mr. Chau) as and when necessary in accordance with the Listing Rules.

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

(2) SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in shares (the “**Shares**”) of the Company on the Stock Exchange was halted with effect from 9:00 a.m. on 29 November 2021 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 30 November 2021.

By order of the Board
Suncity Group Holdings Limited
Chiu King Yan
Company Secretary

Hong Kong, 29 November 2021

This announcement has been approved by all Directors (other than Mr. Chau).

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.