

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **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)**

#### **OTHER – LITIGATION**

This announcement is made by Suncity Group Holdings Limited (the “**Company**”, together with its subsidiaries as the “**Group**”) pursuant to Rule 13.25 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

As disclosed in the annual report of the Company for the year ended 31 December 2016, the Group has been involved in litigation proceedings in relation to various claims (the “**Claims**”).

The Group has recently received an enforcement civil ruling (the “**Judgment**”) from 廣東省深圳市中級人民法院 (the Guangdong Province Shenzhen City Intermediate People’s Court<sup>#</sup>) (the “**Intermediate Court**”) relating to the enforcement of a civil claim (the “**Bank Claim**”) taken out by a bank (the “**Bank**”). As alleged by the Bank under the Bank Claim, the Bank Claim relates to a loan agreement for a loan with principal amount of RMB120,000,000 (the “**Bank Loan**”) and made between the Bank and a company (the “**Borrower**”) established in the People’s Republic of China (the “**PRC**”) as borrower. The Borrower is owned as to 40% by a former director of the Company. Also, pursuant to the Bank Claim, it was alleged that 深圳市紫瑞房地產開發有限公司 (Shenzhen Zirui Real Estate Development Limited<sup>#</sup>) (“**Shenzhen Zirui**”) and 太陽世紀地產集團有限公司 (Sun Century Property Group Company Limited<sup>#</sup>) (“**Sun Century Property**”), both being indirect wholly owned subsidiaries of the Company established in the PRC, together with the other 4 defendants in the Bank Claim, had been acting as guarantors for the Bank Loan.

<sup>#</sup> *For identification purpose only*

Pursuant to the Judgment, the assets of the Borrower, Shenzhen Zirui, Sun Century Property and other defendants under the Bank Claim (up to the sum of RMB807,133,353 with interest accrued thereon together with fees and expenses to be incurred under the enforcement) shall be seized or frozen (the “**Frozen Assets**”) and such Frozen Assets shall be disposed of for repayment of the amounts under the Bank Claim.

As at the date of this announcement, the Frozen Assets comprised bank balances in the aggregate amount of approximately RMB321,000 and inventories (including certain properties disposed of by Shenzhen Zirui but transfer not yet completed) of approximately RMB164,622,000.

The Group also recently received enforcement notice (the “**Enforcement Notice**”) from the Intermediate Court in relation to a civil claim (the “**Consultant Claim**”). Pursuant to the Consultant Claim, an individual (the “**Claimant**”) alleged provision of consultancy services to the Borrower relating to the Bank Loan pursuant to a consultancy agreement (the “**Consultancy Agreement**”) made between the Claimant and the Borrower. It was alleged that Shenzhen Zirui, Sun Century Property and another defendant, had been acting as guarantors in respect of payment of consultancy fee under the Consultancy Agreement. Pursuant to the Enforcement Notice, certain properties held by Shenzhen Zirui (including certain properties disposed of by Shenzhen Zirui but transfer not yet completed) with value of approximately RMB209,754,000 shall be tendered and disposed of to settle the Consultant Claim.

The Group is in the course of seeking legal advices in respect of the Claims, the Judgment and the Enforcement Notice and the Company is in the course of assessing the impact of the Claims to the Group. The Company will make further announcement(s) as and when appropriate should there be any significant progress of the litigation in compliance with the Listing Rules.

**Shareholders and potential investors are advised to exercise caution when dealings in the securities of the Company.**

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

Hong Kong, 26 July 2017

*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.*