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SUN ENTERTAINMENT GROUP LIMITED

太陽娛樂集團有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 8082)

RESULTS OF THE RIGHTS ISSUE ON THE BASIS OF FOUR (4) RIGHTS SHARES FOR EVERY FIVE (5) SHARES HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS

RESULTS OF THE RIGHTS ISSUE

The Board is pleased to announce that all the conditions of the Rights Issue have been fulfilled and the Rights Issue became unconditional at 4:00 p.m. on Tuesday, 19 October 2021. The net proceeds raised from the Rights Issue are approximately HK\$116.8 million.

As at 4:00 p.m. on Friday, 15 October 2021, being the latest time for acceptance of and payment for the Rights Shares and for the application and payment for the excess Rights Shares,

- (i) a total of 1 valid acceptance of the provisional allotment of Rights Shares made under the PALs was received for a total of 842,196,078 Rights Shares, representing approximately 80.7% of the total number of 1,044,078,404 Rights Shares offered under the Rights Issue; and
- (ii) a total of 1 valid application for excess Rights Shares made under the EAF was received for a total of 3,021,586 Rights Shares, representing approximately 0.3% of the total number of 1,044,078,404 Rights Shares offered under the Rights Issue.

In aggregate, a total of 2 valid acceptances and applications in respect of 845,217,664 Rights Shares, representing approximately 81.0% of the total number of 1,044,078,404 Rights Shares being offered under the Rights Issue, were received. Based on the above results, the Rights Issue was under-subscribed by 198,860,740 Rights Shares, representing approximately 19.0% of the total number of 1,044,078,404 Rights Shares being offered under the Rights Issue.

EXCESS RIGHTS SHARES

Given the under-subscription of the Rights Shares, the Board considers that it is fair and equitable to accept all valid excess applications for a total of 3,021,586 Rights Shares and to allot and issue such number of Rights Shares to the relevant applicants in full.

Therefore, no refund cheques for wholly and partially unsuccessful applications for excess Rights Shares will be posted.

DESPATCH OF SHARE CERTIFICATES FOR FULLY-PAID RIGHTS SHARES

It is expected that the share certificates for the fully-paid Rights Shares will be posted to the allottees by ordinary post to their registered addresses at their own risks on Tuesday, 26 October 2021.

COMMENCEMENT OF DEALINGS IN THE FULLY-PAID RIGHTS SHARES

Dealings in the fully-paid Rights Shares are expected to commence on the Stock Exchange at 9:00 a.m. on Wednesday, 27 October 2021.

References is made to the prospectus (the “**Prospectus**”) of Sun Entertainment Group Limited (the “**Company**”) dated 29 September 2021 in relation to the Rights Issue on the basis of four (4) Rights Shares for every five (5) Shares held on the Record Date on a non-underwritten basis. Unless the context otherwise requires, capitalised terms in this announcement shall have the same meanings as defined in the Prospectus.

RESULTS OF THE RIGHTS ISSUE

The Board is pleased to announce that all the conditions precedent set out in the Prospectus have been fulfilled and the Rights Issue became unconditional at 4:00 p.m. on Tuesday, 19 October 2021. The net proceeds raised from the Rights Issue are approximately HK\$116.8 million.

As at 4:00 p.m. on Friday, 15 October 2021, being the latest time for acceptance of and payment for the Rights Shares and for the application and payment for the excess Rights Shares,

- (i) a total of 1 valid acceptance of the provisional allotment of Rights Shares made under the PALs was received for a total of 842,196,078 Rights Shares, representing approximately 80.7% of the total number of 1,044,078,404 Rights Shares offered under the Rights Issue; and
- (ii) a total of 1 valid application for excess Rights Shares made under the EAF was received for a total of 3,021,586 Rights Shares, representing approximately 0.3% of the total number of 1,044,078,404 Rights Shares offered under the Rights Issue.

Pursuant to the Undertakings, Mr. Chau, Mr. Dong and Mr. Chong have accepted and subscribed for 345,077,456, 230,039,744 and 1,600,000 Rights Shares, respectively, provisionally allotted to them under the PAL.

In aggregate, a total of 2 valid acceptances and applications in respect of 845,217,664 Rights Shares, representing approximately 81.0% of the total number of 1,044,078,404 Rights Shares being offered under the Rights Issue, were received. Based on the above results, the Rights Issue was under-subscribed by 198,860,740 Rights Shares, representing approximately 19.0% of the total number of 1,044,078,404 Rights Shares being offered under the Rights Issue.

All conditions set out in the Prospectus have been fulfilled and the Rights Issue became unconditional at 4:00 p.m. on Tuesday, 19 October 2021.

EXCESS APPLICATION

Given the valid acceptance of provisional allotments under the PALs as mentioned above, 201,882,326 Rights Shares, representing approximately 19.3% of the total number of Rights Shares being offered under the Rights Issue, were available for subscription under the EAFs. Such number of excess Rights Shares was sufficient to satisfy all valid applications for a total number of 3,021,586 excess Rights Shares under the EAFs.

Given the under-subscription of the Rights Shares, the Board considers that it is fair and equitable to accept all valid excess applications for a total of 3,021,586 Rights Shares and to allot and issue such number of Rights Shares to the relevant applicants in full.

Therefore, no refund cheques for wholly and partially unsuccessful applications for excess Rights Shares will be posted.

SHAREHOLDING STRUCTURE OF THE COMPANY

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the shareholding structure of the Company immediately before and after the completion of the Rights Issue is as follows:

| | Immediately before completion of Rights Issue | | Immediately after completion of Rights Issue | |
|----------------------------|--|---------------------|---|---------------------|
| | <i>Number of Shares</i> | <i>%</i> | <i>Number of Shares</i> | <i>%</i> |
| Mr. Chau (<i>Note 1</i>) | 431,346,823 | 34.5 | 776,424,279 | 37.0 |
| Mr. Dong (<i>Note 1</i>) | 287,549,682 | 23.0 | 517,589,426 | 24.7 |
| The Concert Group | 718,896,505 | 57.5 | 1,294,013,705 | 61.7 |
| Mr. Chui (<i>Note 2</i>) | 149,474,298 | 12.0 | 209,416,296 | 10.0 |
| Mr. Chong | 2,000,000 | 0.2 | 3,600,000 | 0.2 |
| Public Shareholders | 380,427,204 | 30.3 | 588,985,670 | 28.1 |
| Total | <u>1,250,798,007</u> | <u>100.0</u> | <u>2,096,015,671</u> | <u>100.0</u> |

Notes:

1. Mr. Dong, Mr. Cheng Ting Kong and Mr. Chau are parties acting in concert in respect of the Company pursuant to a deed in relation to parties acting in concert dated 23 January 2018.
2. 98,472,498 Shares out of 149,474,298 Shares are held by New Brilliant Investments Limited, which is a company incorporated under the laws of the British Virgin Islands, the entire issued share capital of which is wholly and beneficially owned by Mr. Chui Bing Sun (“**Mr. Chui**”). 36,000,000 and 15,000,000 Shares out of 149,474,298 Shares are held by Checkmate Capital Limited and Grand Sea Limited, respectively, which are both companies incorporated in Hong Kong, the entire issued share capital of which are both wholly and beneficially owned by Mr. Chui. The remaining 1,800 Shares out of the 149,474,298 Shares are held by Mr. Chui in personal interests.

DESPATCH OF SHARE CERTIFICATES FOR FULLY-PAID RIGHTS SHARES

It is expected that the share certificates for the fully-paid Rights Shares will be posted to the allottees by ordinary post to their registered addresses at their own risks on Tuesday, 26 October 2021.

COMMENCEMENT OF DEALINGS IN THE FULLY-PAID RIGHTS SHARES

Dealings in the fully-paid Rights Shares are expected to commence on the Stock Exchange at 9:00 a.m. on Wednesday, 27 October 2021.

ADJUSTMENTS IN RELATION TO OUTSTANDING SHARE OPTIONS OF THE COMPANY

As a result of the Rights Issue, adjustments to the exercise price and the number of Shares to be issued upon exercise of the Outstanding Share Options, pursuant to the terms and conditions of the Share Option Scheme, Rule 23.03(13) of the GEM Listing Rules in relation to the adjustment to the terms of the Share Option Scheme and the note thereto and the supplementary guidance issued by the Stock Exchange on 5 September 2005, are as follows and will become effective from Tuesday, 26 October 2021 upon the allotment and issue of the Rights Shares pursuant to the Rights Issue:

| Date of grant | Exercise period | Immediately before completion of the Rights Issue | | Immediately after completion of the Rights Issue | |
|---------------|-----------------------------------|---|---|--|---|
| | | Number of Outstanding Share Options | Exercise price per Share <i>HK\$</i> | Number of Outstanding Share Options | Exercise price per Share <i>HK\$</i> |
| 12 July 2019 | 12 July 2019 to 11 July 2029 | 16,300,000 | 0.740 | 20,766,200 | 0.581 |
| 12 April 2021 | 12 April 2021 to 11 April 2024 | 48,500,000 | 0.296 | 61,789,000 | 0.232 |
| 12 April 2021 | 12 April 2022 to 11 April 2025 | 50,500,000 | 0.296 | 64,337,000 | 0.232 |

Save for the above adjustments, all other terms and conditions of the Outstanding Share Options granted under the Share Option Scheme remain unchanged.

The Independent Financial Adviser has reviewed the calculations and confirmed to the Directors in writing that the calculation is accurate and the above adjustments are in accordance with the terms and conditions of the Share Option Scheme upon completion of the Rights Issue and appropriate and satisfy the requirements of Rule 23.03(13) of the GEM Listing Rules and the supplementary guidance issued by the Stock Exchange on 5 September 2005.

On behalf of the Board of
Sun Entertainment Group Limited
Dong Choi Chi, Alex
Chairman and executive Director

Hong Kong, 25 October 2021

As at the date of this announcement, the Board comprises two executive directors, namely Mr. Dong Choi Chi, Alex (the chairman) and Mr. Chong Cho Lam (chief executive officer), and three independent non-executive directors, namely Mr. Chan Wai Man, Dr. Ip Wai Hung and Mr. Siu Hi Lam, Alick.

This announcement, for which the directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for a minimum period of 7 days from the date of its publication and on the Company’s website at www.8082.com.hk.