

---

# THIS COMPOSITE DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

---

If you are in any doubt as to any aspect of the LET Offers, this Composite Document and/or the accompanying Forms of Acceptance or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in LET GROUP HOLDINGS LIMITED, you should at once hand this Composite Document and the accompanying Forms of Acceptance to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for onward transmission to the purchaser(s) or the transferee(s).

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Composite Document and the accompanying Forms of Acceptance, make no representation as to their 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 Composite Document and the accompanying Forms of Acceptance.

This Composite Document should be read in conjunction with the accompanying Forms of Acceptance, the contents of which form part of the terms and conditions of the LET Offers.

---

**MAJOR SUCCESS GROUP LIMITED**

*(Incorporated in the British Virgin Islands with limited liability)*



**L E T**  
LEISURE ENTERTAINMENT TASTE

**LET GROUP HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1383)**

**COMPOSITE DOCUMENT RELATING TO  
UNCONDITIONAL MANDATORY CASH OFFERS BY  
YU MING INVESTMENT MANAGEMENT LIMITED  
AND KINGSTON SECURITIES LIMITED  
FOR AND ON BEHALF OF MAJOR SUCCESS GROUP LIMITED  
TO ACQUIRE ALL ISSUED SHARES AND TO CANCEL ALL  
OUTSTANDING SHARE OPTIONS OF LET GROUP HOLDINGS LIMITED  
(OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE  
ACQUIRED BY THE OFFEROR AND PARTIES ACTING IN  
CONCERT WITH IT)**

**Joint Financial Advisers to the Offeror**



YU MING INVESTMENT MANAGEMENT LIMITED  
禹銘投資管理有限公司



**金利豐財務顧問**  
KINGSTON CORPORATE FINANCE

**Financial Adviser to LET**

**MERDEKA 領智**

**Independent Financial Adviser to the LET Independent Board Committee**



---

Capitalised terms used in this cover page shall have the same meanings as those defined in this Composite Document.

A letter from Yu Ming and Kingston Securities containing, among other things, the details of the terms and conditions of the LET Offers are set out on pages 13 to 24 of this Composite Document. A letter from the LET Board is set out on pages 25 to 34 of this Composite Document. A letter from the LET Independent Board Committee containing its recommendation in respect of the LET Offers to the Independent LET Shareholders and Independent LET Optionholders is set out on pages 35 to 36 of this Composite Document. A letter from the Independent Financial Adviser containing its advice to the LET Independent Board Committee in respect of the LET Offers is set out on pages 37 to 73 of this Composite Document.

The procedures for acceptance and settlement of the LET Share Offer are set out on pages 74 to 84 in Appendix I to this Composite Document and in the accompanying Forms of LET Share Offer Acceptance. Acceptances of the LET Share Offer must be received by LET's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by no later than 4:00 p.m. on Thursday, 3 November 2022, or such later time and/or date as the Offeror may determine and announce with the consent of the Executive and in accordance with the Takeovers Code.

The procedures for acceptance and settlement of the LET Option Offer are set out on pages 74 to 84 in Appendix I to this Composite Document and in the accompanying Forms of LET Option Offer Acceptance. Acceptances of the LET Option Offer must be received by the company secretary of LET, at Unit 1705, 17th Floor, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong by no later than 4:00 p.m. on Thursday, 3 November 2022, or such later time and/or date as the Offeror may determine and announce with the consent of the Executive and in accordance with the Takeovers Code.

Any persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Composite Document and/or the accompanying Forms of Acceptance to any jurisdiction outside Hong Kong should read the section headed "The LET Offers – Overseas LET Shareholders and Overseas LET Optionholders" in the "Letter from Yu Ming and Kingston Securities" and Appendix I to this Composite Document before taking any action. It is the responsibility of the Overseas LET Shareholders and Overseas LET Optionholders wishing to accept the LET Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the LET Offers, including the obtaining of any governmental, exchange control or other consent and any registration or filing which may be required or the compliance with other necessary formalities, regulatory and/or legal requirement and the payment of any transfer or other taxes due in respect of such jurisdictions. Overseas LET Shareholders and Overseas LET Optionholders are advised to seek professional advice on deciding whether to accept the LET Offers.

13 October 2022

---

# CONTENT

---

	<i>Page</i>
<b>EXPECTED TIMETABLE</b> .....	1
<b>DEFINITIONS</b> .....	3
<b>LETTER FROM YU MING AND KINGSTON SECURITIES</b> .....	13
<b>LETTER FROM THE LET BOARD</b> .....	25
<b>LETTER FROM THE LET INDEPENDENT BOARD COMMITTEE</b> .....	35
<b>LETTER FROM THE INDEPENDENT FINANCIAL ADVISER</b> .....	37
<b>APPENDIX I – FURTHER TERMS AND PROCEDURES OF ACCEPTANCE OF THE LET OFFERS</b> .....	74
<b>APPENDIX II – FINANCIAL INFORMATION OF LET GROUP</b> .....	85
<b>APPENDIX III – PROPERTY VALUATION REPORTS</b> .....	98
<b>APPENDIX IV – GENERAL INFORMATION</b> .....	125
<b>ACCOMPANYING DOCUMENT – FORMS OF ACCEPTANCE</b>	

---

## EXPECTED TIMETABLE

---

*The expected timetable set out below is indicative only and is subject to change. Any change to the timetable will be jointly announced by the Offeror and LET.*

2022

Despatch date of this Composite Document  
and the Forms of Acceptance  
and commencement date of the LET Offers (*Note 1*) . . . . . Thursday, 13 October

Latest time and date for acceptance of the  
LET Offers (*Notes 3, 4 and 5*) . . . . . 4:00 p.m. on  
Thursday, 3 November

Closing Date (*Notes 3, 4 and 5*) . . . . . Thursday, 3 November

Announcement of the results of the LET Offers  
(or its extension or revision, if any) to be posted  
on the website of the Stock Exchange (*Note 4*) . . . . . no later than 7:00 p.m. on  
Thursday, 3 November

Latest date for posting of remittances in respect of  
valid acceptances received under the LET Offers (*Note 5*) . . . . . Monday, 14 November

*Notes:*

1. The LET Offers, open for acceptance on and from Thursday, 13 October 2022, being the date of posting of this Composite Document, and are capable of acceptance on and from that date until the Closing Date.
2. Beneficial owners of LET Share(s) who hold their LET Share(s) in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements (set out in Appendix I) for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures.
3. The latest time and date for acceptance will be 4:00 p.m. on Thursday, 3 November 2022 unless the Offeror revises or extends the LET Offers in accordance with the Takeovers Code. The Offeror and LET will jointly issue an announcement through the website of the Stock Exchange no later than 7:00 p.m. on Thursday, 3 November 2022 stating the results of the LET Offers and whether the LET Offers have been extended, revised or have expired. In the event that the Offeror decides to extend the LET Offers, an announcement of such extension will be published which will state either the next closing date of the LET Offers or that the LET Offers will remain open until further notice. In the latter case, at least 14 days' notice by way of an announcement will be given before the LET Offers are closed to those Independent LET Shareholders and Independent LET Optionholders who have not accepted the LET Offers.
4. Acceptance of the LET Offers shall be irrevocable and is not capable of being withdrawn, except in the circumstances as set out in the paragraph headed "Right of withdrawal" in Appendix I to this Composite Document.
5. Payment in cash in respect of the acceptances of the LET Offers (after deducting the accepting Independent LET Shareholders' share of stamp duty), will be despatched to the accepting Independent LET Shareholders and Independent LET Optionholders at his/her/it own risk as soon as possible but in any event, within seven (7) Business Days following the date on which the duly completed acceptance of the LET Offers and the relevant documents of title of the LET Shares and LET Share Options in respect of such acceptance are received by or for the Offeror to render each such acceptance of the LET Offers complete and valid pursuant to Rule 20.1 and Note 1 to Rule 30.2 of the Takeovers Code.

---

## EXPECTED TIMETABLE

---

6. The latest time and date for acceptance of the LET Offers and the latest date for posting of remittances for the amounts due under the LET Offers in respect of valid acceptances will not take effect if there is a tropical cyclone warning signal number 8 or above, or “extreme conditions” caused by super typhoon or a “black rainstorm warning”, in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the latest date for acceptance of the LET Offers and the latest date for posting of remittances for the amounts due under the LET Offers in respect of valid acceptances. Instead the latest time for acceptance of the LET Offers and the posting of remittances will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m..

**All references to date and time contained in this Composite Document and the Forms of Acceptance refer to Hong Kong date and time.**

---

## DEFINITIONS

---

*In this Composite Document, unless the context otherwise requires, the following terms shall have the following meanings:*

“2018 Convertible Bonds”	Better Linkage CB and Star Hope CB;
“acting in concert”	has the same meaning ascribed to it under the Takeovers Code;
“associate(s)”	has the same meaning ascribed to it under the Takeovers Code;
“Better Linkage”	Better Linkage Limited, a company incorporated in the British Virgin Islands and the entire issued capital of which is wholly owned by Mr. Lo;
“Better Linkage CB”	zero coupon convertible bonds in the aggregate principal amount of HK\$120,000,000, which were convertible into 133,333,333 LET Shares at an initial conversion price of HK\$0.90 per LET Share due on 28 August 2022 issued by LET and owned by Better Linkage prior to Completion. Better Linkage CB was expired on 28 August 2022 and became non-convertible since then. It was defaulted on 29 August 2022 due to non-repayment, and was partially repaid subsequently on 19 September 2022;
“Borrower”	Star Soul Investments Limited, a company incorporated in the British Virgin Islands and the entire issued capital of which is wholly owned by Mr. Chau;
“Business Day(s)”	a day on which the Stock Exchange is open for the transaction of business;
“CBs”	Better Linkage CB, Fame Select CB and Star Hope CB;
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC;
“Closing Date”	Thursday, 3 November 2022, being the closing date of the LET Offers, or if the LET Offers are extended, any subsequent closing date of the LET Offers as extended and announced by the Offeror and approved by the Executive in accordance with the Takeovers Code;
“Completion”	completion of the sale and purchase of the subject matters under the Sale and Purchase Agreements in accordance with the terms and conditions therein;

---

## DEFINITIONS

---

“Composite Document”	this composite offer and response documents jointly issued by the Offeror and LET together with the Forms of Acceptance to the LET Shareholders and LET Optionholders in compliance with the Takeovers Code, containing, among other things, details of the LET Offers, the recommendation from the LET Independent Board Committee to the Independent LET Shareholders and the Independent LET Optionholders and the advice from the Independent Financial Adviser to the LET Independent Board Committee in respect of the LET Offers;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Deed of Assignment”	a deed of assignment dated 13 May 2022 entered between the New Lender, the Lenders and Wooco, whereby the Lenders assigned the Loan together with all of their right under the Facility Agreement (including the securities charged) to the New Lender at the consideration of HK\$344,383,562;
“Demand Letter”	the letter served from the legal advisers of the Lenders and Wooco to the Borrower on 8 December 2021 to demand, inter alia, repayment of the Loan;
“Encumbrances”	any (i) mortgage, charge, pledge, lien, hypothecation encumbrances or other security arrangement of any kind; (ii) any option, equity, claim, adverse interest or other third party right of any kind; (iii) any arrangement by which any right is subordinated to any right of such third party; or (iv) any contractual right of set-off, including any agreement or commitment to create or procure to create, or to permit or suffer to be created or subsisted any of the above;
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director;
“Facility Agreement”	the facility agreement dated 30 July 2021 entered into between the Borrower, the Lenders and Wooco in respect of the Loan;
“Fame Select”	Fame Select Limited, a company incorporated in the British Virgin Islands and the entire issued capital of which was wholly owned by Mr. Chau and Mr. Cheng as to 50% and 50% respectively prior to Completion, and the beneficial interest of the entire issued capital of which has been transferred to the Offeror upon Completion;

---

## DEFINITIONS

---

“Fame Select CB”	zero coupon convertible bonds in the aggregate principal amount of HK\$402,000,000, which are convertible into 1,546,153,846 LET Shares at an initial conversion price of HK\$0.26 per LET Share due on 7 December 2022 issued by LET and owned by Fame Select prior to Completion. Fame Select CB was cross-defaulted on 29 August 2022 due to the default of 2018 Convertible Bonds and PN Loan;
“Fame Select Sale Shares”	130,000 issued share of Fame Select, representing the entire issued share capital of Fame Select;
“Forms of Acceptance”	collectively, the Forms of LET Option Offer Acceptance and the Forms of LET Share Offer Acceptance;
“Form(s) of LET Option Offer Acceptance”	<b>PINK</b> form(s) of acceptance and cancellation of the LET Share Options in respect of the LET Option Offer accompanying this Composite Document;
“Form(s) of LET Share Offer Acceptance”	<b>WHITE</b> form(s) of acceptance and transfer of the LET Share in respect of the LET Share Offer accompanying this Composite Document;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“HKSCC Nominees Limited”	a wholly-owned subsidiary of HKSCC;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Financial Adviser”	Astrum Capital Management Limited, a corporation licensed under the SFO to carry out type 1 (dealing in securities), type 2 (dealing in futures contracts), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities, and a company incorporated in Hong Kong with limited liability, being the independent financial adviser of LET to advise the LET Independent Board Committee and the Independent LET Shareholders and Independent LET Optionholders in relation to the LET Offers;
“Independent LET Optionholders”	LET Optionholder(s) other than the Offeror and parties acting in concert with it;
“Independent LET Shareholder(s)”	LET Shareholder(s) other than the Offeror and parties acting in concert with it;

---

## DEFINITIONS

---

“Joint Announcement”	the joint announcement dated 14 September 2022 jointly issued by LET and the Offeror in relation to the LET Offers which was the announcement made pursuant to Rule 3.5 of the Takeovers Code;
“Kingston Corporate Finance”	Kingston Corporate Finance Limited, a corporation licensed under the SFO to carry out regulated activity of type 6 (advising on corporate finance), and a company incorporated in Hong Kong with limited liability, being one of the joint financial advisers of the Offeror in respect of the LET Offers;
“Kingston Securities”	Kingston Securities Limited, a corporation licensed under the SFO to carry out regulated activity of type 1 (dealing in securities), being the agent of the Offeror to make the LET Offers and the financier of the Offeror;
“Last Trading Day”	12 May 2022, the last trading day for the LET Shares prior to the trading halt of the LET Shares, pending publication of the Rule 3.7 Announcement;
“Latest Practicable Date”	Monday, 10 October 2022, being the latest practicable date prior to the printing of this Composite Document for the purpose of ascertaining certain information contained herein;
“Lenders”	AG Capital Limited, Sun Hung Kai Structured Finance Limited and Mr. Lee Seng Hui;
“LET”	LET Group Holdings Limited (formerly known as Suncity Group Holdings Limited, Stock Code: 1383), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board;
“LET Board”	the board of LET Directors;
“LET Director(s)”	the director(s) of LET;
“LET Group”	LET together with its subsidiaries;
“LET Independent Board Committee”	an independent committee of the LET Board comprising all independent non-executive LET Directors, namely Mr. Tou Kin Chuen, Dr. Wu Kam Fun Roderick and Mr. Lo Wai Tung John, established for the purpose of advising the Independent LET Shareholders and the Independent LET Optionholders in respect of the LET Offers;



---

## DEFINITIONS

---

“LET Offer Share(s)”	all of the LET Share(s) in issue, other than those already owned and/or agreed to be acquired by the Offeror and/or parties acting in concert with it;
“LET Offers”	the LET Share Offer and LET Option Offer;
“LET Optionholder(s)”	holder(s) of the LET Option from time to time;
“LET Option Offer”	the unconditional mandatory cash offer made by Yu Ming and Kingston Securities for and on behalf of the Offeror to the LET Optionholders to cancel all the LET Share Options (other than those already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it) in accordance to Rule 13 of the Takeovers Code;
“LET Sale Shares”	4,991,643,335 LET Shares beneficially owned by the New Lender as at the date of the Sale and Purchase Agreements, representing approximately 74.86% of the entire issued share capital of LET as at the Latest Practicable Date, sold by the New Lender to the Offeror subject to and conditional upon the terms of the SPA (LET Securities), and each a “LET Sale Share”;
“LET Securities”	part of the securities of LET charged under the Facility Agreement, including, Perpetual Securities, Fame Select CB, Star Hope CB, Better Linkage CB, PN Loan, and LET Sale Shares;
“LET Share(s)”	ordinary share(s) of LET of HK\$0.10 each in the issued share capital of LET;
“LET Shareholder(s)”	holder(s) of the LET Shares from time to time;
“LET Share Offer”	the unconditional mandatory cash offer made by Yu Ming and Kingston Securities on behalf of the Offeror to acquire all the issued LET Shares (other than those already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it) in accordance to Rule 26 of the Takeovers Code;
“LET Share Offer Price”	the price at which the LET Share Offer is made, being HK\$0.069 per LET Offer Share;
“LET Share Option(s)”	the option(s) each carrying rights to subscribe for one new LET Share;

---

## DEFINITIONS

---

“LET Share Option Schemes”	the share option scheme adopted by LET pursuant to an ordinary resolution passed by the LET Shareholders on 31 January 2007, which was terminated on 2 June 2016 and the new share option scheme adopted by LET pursuant to an ordinary resolution passed by the LET Shareholders on 2 June 2016;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Loan”	the loan in the principal sum of HK\$300,000,000 granted by the Lenders to the Borrower under the Facility Agreement;
“Loan to Fame Select”	the sums for which Fame Select is presently indebted and may become indebted to Mr. Chau and/or Mr. Cheng, being the subject matter which has been assigned pursuant to the Deed of Assignment;
“Loan to LET”	the sums for which LET is presently indebted and may become indebted to Fame Select, being the subject matter which has been assigned pursuant to the Deed of Assignment;
“Loan to Star Hope”	the sums for which Star Hope is presently indebted and may become indebted to Mr. Chau, being the subject matter which has been assigned pursuant to the Deed of Assignment;
“Main Board”	Main Board of the Stock Exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange;
“Main Hotel Casino”	a hotel casino located at the Entertainment City, Manila, the Philippines;
“Mr. Chau”	Mr. Chau Cheok Wa, the controlling LET Shareholder through his 50% shareholding in Fame Select prior to Completion, the former chairman of the LET Board and a former executive LET Director, and wholly owns the Borrower;
“Mr. Cheng”	Mr. Cheng Ting Kong, the controlling LET Shareholder through his 50% shareholding in Fame Select prior to Completion;
“Mr. Lo”	Mr. Lo Kai Bong, the controlling LET Shareholder after Completion, the chairman of the LET Board, an executive LET Director and wholly owns Better Linkage, the New Lender and the Offeror;

---

## DEFINITIONS

---

“New Lender”	Champion Trade Group Limited, a company incorporated in the British Virgin Islands and the entire issued capital of which is owned by Mr. Lo;
“Notification Letter”	the letter issued by the legal advisers of the Lenders and Wooco to the Borrower on 16 December 2021 to notify the exercise of enforcement right on the Securities by the Lenders under the security documents of the Facility Agreement;
“Offer Facility”	the facility dated 8 September 2022 in the sum of HK\$104 million granted by Kingston Securities in favour of the Offeror;
“Offer Period”	the period commenced on 6 July 2022, being the date of the Rule 3.7 Announcement and ending on the date when the LET Offers closes;
“Offeror”	Major Success Group Limited, a company incorporated in the British Virgin Islands and the entire issued capital of which is owned by Mr. Lo;
“Other Securities”	part of the securities charged under the Facility Agreement, including, Fame Select Sale Shares, Star Hope Sale Share, Loan to Fame Select, Loan to LET and Loan to Star Hope;
“Overseas LET Optionholder(s)”	Independent LET Optionholder(s) whose addresses on the record of LET are outside Hong Kong;
“Overseas LET Shareholder(s)”	Independent LET Shareholder(s) whose addresses, as shown on the register of members of LET are outside Hong Kong;
“Panel”	the Takeovers and Mergers Panel;
“Panel Meeting”	meeting of the Panel dated 11 August 2022 for determination of appropriate offer price under the LET Share Offer;
“Perpetual Securities”	HK\$6,000 million 5.00% perpetual securities in the aggregate outstanding principal amount of HK\$5,408,000,000 issued by LET to Star Hope;
“Personal Guarantee”	the personal guarantee given by Mr. Lo in favour of Kingston Securities under the Offer Facility;

---

## DEFINITIONS

---

“PN Loan”	the loan in the outstanding principal amount of HK\$303,000,000 owed by LET to Star Hope under a promissory note dated 28 August 2018 as amended and/or supplemented by the supplemental promissory note dated 3 July 2020. PN Loan was defaulted on 29 August 2022 due to non-repayment, and fully repaid subsequently on 19 September 2022;
“PRC”	the People’s Republic of China, for the purpose of this Composite Document, shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;
“Registrar”	Tricor Investor Services Limited, the branch share registrar of LET in Hong Kong, situated at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, being the agent to receive the Form of LET Share Offer Acceptance under the LET Share Offer;
“Relevant Period”	the period from 6 January 2022, being the date falling six months preceding the commencement of the Offer Period, up to and including the Latest Practicable Date;
“Rule 3.7 Announcement”	the announcement dated 6 July 2022 jointly issued by LET and the Offeror which was the first announcement made pursuant to Rule 3.7 of the Takeovers Code in respect of the LET Offers;
“Sale and Purchase Agreements”	SPA (LET Securities) and SPA (Other Securities);
“Securities”	LET Securities and Other Securities;
“SFC”	the Securities and Futures Commission of Hong Kong;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share Charge”	the share charge entered into between the Offeror as chargor and Kingston Securities as chargee in respect of up to 1,668,119,411 LET Offer Shares to be held, owned or acquired by the Offeror as a result of acceptances under the LET Share Offer;

---

## DEFINITIONS

---

“SPA (LET Securities)”	the sale and purchase agreement dated 13 May 2022 entered into by the New Lender as vendor and the Offeror as purchaser pursuant to which the New Lender agreed to sell (i) LET Sale Shares; (ii) Fame Select CB; (iii) Star Hope CB; and (iv) Better Linkage CB; and to assign (i) PN Loan; and (ii) Perpetual Securities to the Offeror;
“SPA (Other Securities)”	the sale and purchase agreement dated 13 May 2022 entered into by the New Lender as vendor and the Offeror as purchaser pursuant to which the New Lender agreed to sell (i) Fame Select Sale Shares; and (ii) Star Hope Sale Share and to assign (i) Loan to Fame Select; (ii) Loan to LET; and (iii) Loan to Star Hope to the Offeror;
“Star Hope”	Star Hope Limited, a company incorporated in the British Virgin Islands and the entire issued capital of which was wholly owned by Mr. Chau prior to Completion, and the beneficial interest of the entire issued capital of which has been transferred to the Offeror upon Completion;
“Star Hope CB”	zero coupon convertible bonds in the aggregate principal amount of HK\$177,000,000, which were convertible into 196,666,666 LET Shares at an initial conversion price of HK\$0.90 per LET Share due on 28 August 2022 issued by LET and owned by Star Hope prior to Completion. Star Hope CB was expired on 28 August 2022 and became non-convertible since then. It was defaulted on 29 August 2022 due to non-repayment, and was partially repaid subsequently on 19 September 2022;
“Star Hope Sale Share”	1 issued share of Star Hope, representing the entire issued share capital of Star Hope;
“Stock Exchange”	the Stock Exchange of Hong Kong Limited;
“Summit Ascent”	Summit Ascent Holdings Limited (Stock Code: 102), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board and a non wholly-owned subsidiary of LET;
“Summit Ascent Group”	Summit Ascent together with its subsidiaries;
“Suntrust”	Suntrust Resort Holdings, Inc., a company incorporated in the Philippines, the shares of which are listed on the Philippines Stock Exchange Inc. (Stock Code: SUN) and a 51% owned subsidiary of LET;

---

## DEFINITIONS

---

“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers;
“Tender Process”	the tender process conducted by the financial adviser of the Lenders to make invitations for expression of interest in the Securities;
“Wooco”	Wooco Secretarial Services Limited, a limited liability company incorporated in Hong Kong, the agent and security agent of a syndicate of Lenders;
“Yu Ming”	Yu Ming Investment Management Limited, a corporation licensed under the SFO to carry out regulated activities of type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management), and a company incorporated in Hong Kong with limited liability, being one of the joint financial advisers of the Offeror in respect of the LET Offers; and
“%”	per cent.

1. All time and date references contained in this Composite Document refer to Hong Kong times and dates.
2. Certain amounts and percentage figures in this Composite Document have been subject to rounding adjustments.
3. The singular includes the plural and vice versa, unless the context otherwise requires.
4. References to any appendix, paragraph and any sub-paragraphs of them are references to the appendices to, and paragraphs of, this Composite Document and any sub-paragraphs of them respectively.
5. References to any statute or statutory provision include a statute or statutory provision which amends, consolidates or replaces the same whether before or after the date of this Composite Document.
6. Reference to one gender is a reference to all or any genders.

---

# LETTER FROM YU MING AND KINGSTON SECURITIES

---



YU MING INVESTMENT MANAGEMENT LIMITED  
禹銘投資管理有限公司



金利豐證券  
KINGSTON SECURITIES

*To Independent LET Shareholders and Independent LET Optionholders,*

13 October 2022

Dear Sir or Madam,

**UNCONDITIONAL MANDATORY CASH OFFERS BY  
YU MING INVESTMENT MANAGEMENT LIMITED  
AND KINGSTON SECURITIES LIMITED  
FOR AND ON BEHALF OF MAJOR SUCCESS GROUP LIMITED  
TO ACQUIRE ALL ISSUED SHARES AND TO CANCEL ALL  
OUTSTANDING SHARE OPTIONS OF LET GROUP HOLDINGS LIMITED  
(OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE  
ACQUIRED BY THE OFFEROR AND PARTIES ACTING IN  
CONCERT WITH IT)**

## INTRODUCTION

On 10 December 2021, LET announced that the Demand Letter was served to the Borrower on 8 December 2021 by the legal advisers of the Lenders and Wooco, the agent and security agent of the Lenders, in relation to the Loan in the principal sum of HK\$300,000,000 granted by the Lenders to the Borrower under the Facility Agreement.

According to the Demand Letter, (a) an event of default under the Facility Agreement has occurred by reason of an incident as announced in LET's announcement dated 29 November 2021 in relation to Mr. Chau, who is a guarantor of the Loan, thereby rendering the Securities under the security documents to the Loan are immediately enforceable; and (b) demand for full repayment of the principal amount of the Loan together with interest accrued thereon up to 7 December 2021 in the aggregate amount of HK\$313,610,959 within five (5) business days from 8 December 2021 is made against the Borrower. Failing which, appropriate action will be taken against the Borrower without further notice, including (but not limited to) legal action against the Borrower for recovery of the aforementioned sums together with all related costs, expenses and fees.

On 16 December 2021, LET announced that the Notification Letter was served to the Borrower on the even date by the legal advisers of the Lenders and Wooco. According to the Notification Letter, (a) the Borrower failed to repay the indebtedness (i.e. Loan together with interest accrued thereon up to 7 December 2021 in the aggregate amount of HK\$313,610,959) as demanded under the Demand Letter; and (b) the Lenders have no alternative but to exercise their enforcement rights on the Securities under the security documents including, without limitation, selling, realising, transferring or otherwise disposing of all or any part of them without further notice.

---

## LETTER FROM YU MING AND KINGSTON SECURITIES

---

The Borrower is not a member of the LET Group but a company wholly-owned by Mr. Chau. The Lenders and Wooco are parties independent from and not connected persons of LET.

The Securities charged or otherwise assigned to Wooco under the Facility Agreement to secure repayment of the Loan include, amongst others,

- (i) Perpetual Securities of HK\$5,408,000,000 issued by LET to Star Hope;
- (ii) Fame Select CB with principal amount of HK\$402,000,000 at an initial conversion price of HK\$0.26 per LET Share due on 7 December 2022 issued by LET to Fame Select;
- (iii) Star Hope CB with principal amount of HK\$177,000,000 at an initial conversion price of HK\$0.90 per LET Share due on 28 August 2022 issued by LET to Star Hope;
- (iv) Better Linkage CB with principal amount of HK\$120,000,000 at an initial conversion price of HK\$0.90 per LET Share due on 28 August 2022 issued by LET to Better Linkage;
- (v) PN Loan in the principal amount of HK\$303,000,000 due on 28 August 2022 issued by LET to Star Hope; and
- (vi) LET Sale Shares of 4,991,643,335 LET Shares held by Fame Select.

### TENDER PROCESS

Following the Notification Letter, the Lenders commissioned the Tender Process on 1 April 2022 to seek interested buyers for the Securities.

Mr. Lo participated as a bidder in the Tender Process. The Tender Process was completed on 13 May 2022 and Mr. Lo was awarded the successful contender of the Tender Process.

### DEED OF ASSIGNMENT

On 13 May 2022, the New Lender, a company wholly-owned by Mr. Lo, entered into the Deed of Assignment with the Lenders and Wooco, whereby the Lenders assigned the Loan together with all of its right under the Facility Agreement (including the charged Securities) to the New Lender at the consideration of HK\$344,383,562.

### SALE AND PURCHASE AGREEMENTS

Upon closing of the Tender Process, on 13 May 2022, the New Lender and the Offeror entered into the Sale and Purchase Agreements. SPA (LET Securities) involved the acquisition of the Perpetual Securities, CBs, PN Loan and the LET Sale Shares at a consideration of HK\$344,383,557 and SPA (Other Securities) involved the acquisition of shares in Fame Select, Star Hope and certain loans at a consideration of HK\$5. Completion took place on 13 May 2022.



---

## LETTER FROM YU MING AND KINGSTON SECURITIES

---

Immediately prior to Completion, (i) Mr. Lo, the ultimate beneficial owner of the Offeror held 7,000,000 LET Shares through himself and his wholly-owned entities; and (ii) Mr. Au Chung On John and Mr. Manuel Assis Da Silva (both being LET Directors) held 400,000 and 810,000 LET Shares respectively.

Immediately following Completion, so far as interest in LET Shares is concerned, the Offeror and parties acting in concert with it were interested in (i) 4,991,643,335 LET Sale Shares held by the Offeror; (ii) 7,000,000 LET Shares held by Mr. Lo through himself and his wholly-owned entities ; (iii) 400,000 and 810,000 LET Shares held by Mr. Au Chung On John and Mr. Manuel Assis Da Silva ; (iv) Fame Select CB held by the Offeror which is convertible into 1,546,153,846 LET Shares at an initial conversion price of HK\$0.26 per LET Share; (v) Star Hope CB held by the Offeror which was convertible into 196,666,666 LET Shares at an initial conversion price of HK\$0.90 per LET Share; and (vi) Better Linkage CB held by the Offeror which was convertible into 133,333,333 LET Shares at an initial conversion price of HK\$0.90 per LET Share.

As at the Latest Practicable Date, so far as interest in LET Shares is concerned, the Offeror and parties acting in concert with it were interested in (i) 4,991,643,335 LET Sale Shares held by the Offeror, represent approximately 74.86% of the total issued share capital of LET; (ii) 7,000,000 LET Shares held by Mr. Lo through himself and his wholly-owned entities, representing approximately 0.1% of the total issued share capital of LET; (iii) 400,000 and 810,000 LET Shares held by Mr. Au Chung On John and Mr. Manuel Assis Da Silva, representing approximately 0.01% and 0.01% of the total issued share capital of LET respectively; and (iv) Fame Select CB held by the Offeror which is convertible into 1,546,153,846 LET Shares at an initial conversion price of HK\$0.26 per LET Share. Better Linkage CB and Star Hope CB were expired on 28 August 2022 and became non-convertible since then.

As at the Latest Practicable Date, Mr. Lo was also interested in 40,000,000 LET Share Options (exercise price at HK\$0.455), and Mr. Au Chung On John and Mr. Manuel Assis Da Silva were interested in 40,000,000 (exercise price at HK\$0.900) and 3,000,000 (exercise price at HK\$0.455) LET Share Options respectively.

Accordingly, the Offeror was required to make the LET Share Offer for all the issued LET Shares (other than those already owned or agreed to be acquired by the Offeror and/or parties acting in concert with it) pursuant to Rule 26.1 of the Takeovers Code. The Offeror was also required to make the LET Option Offer to cancel all the outstanding LET Share Options (other than those already owned by the Offeror and/or parties acting in concert with it) pursuant to Rule 13 of the Takeovers Code.

This letter forms part of the Composite Document and sets out, among other things, details of the LET Offers, information on the Offeror, and the Offeror's intentions in relation to LET. Further details on the terms and the procedures for acceptance of the LET Offers are set out in Appendix I to the Composite Document and the accompanying Forms of Acceptance. The Independent LET Shareholders and the Independent LET Optionholders are strongly advised to carefully consider the information contained in the "Letter from the LET Board", the "Letter from the LET Independent Board Committee", the "Letter from the Independent Financial Adviser", the appendices to this Composite Document and the accompanying Forms of Acceptance, and to consult their own professional advisers before reaching a decision as to whether or not to accept the LET Offers.

---

# LETTER FROM YU MING AND KINGSTON SECURITIES

---

## THE LET OFFERS

Yu Ming and Kingston Securities, on behalf of the Offeror, hereby make the LET Offers in compliance with the Takeovers Code on the following basis:-

### LET Share Offer

**For each LET Offer Share . . . . . HK\$0.069 in cash**

As at the Latest Practicable Date, LET had 6,667,972,746 LET Shares in issue. Save for the 4,999,853,335 LET Shares owned by the Offeror and parties acting in concert with it, representing approximately 74.98% of the total issued share capital of LET, the total number of the LET Offer Shares was 1,668,119,411 LET Shares.

The LET Share Offer Price of HK\$0.069 for each LET Offer Share is equivalent to the total consideration under the Sale and Purchase Agreements of HK\$344,383,562 divided by 4,991,643,335 LET Sale Shares, which was determined by the Panel and in accordance with the Panel's decision dated 27 August 2022.

### LET Option Offer

Under the LET Option Offer, since the exercise prices of the outstanding LET Share Options are above the LET Share Offer Price, the outstanding LET Share Options are out of the money and the offer price for the cancellation of each LET Share Option is set at a nominal value of HK\$0.0001 in cash.

<b>Exercise price of LET Share Options</b>	<b>Offer price per LET Share Option</b>	<b>Number of outstanding LET Share Options</b>
HK\$0.344	HK\$0.0001	92,400,187
HK\$0.700	HK\$0.0001	16,500,000
HK\$0.455	HK\$0.0001	52,500,000
HK\$0.900	HK\$0.0001	45,100,000

As at the Latest Practicable Date, save for 83,000,000 LET Share Options owned by the Offeror and parties acting in concert with it, there were 123,500,187 outstanding LET Share Options granted under the LET Share Option Schemes, carrying rights to subscribe for 123,500,187 new LET Shares.

If any LET Share Option is exercised in accordance with the terms of the relevant LET Share Option Scheme prior to the close of the LET Share Offer, any LET Share issued as a result of such exercise will be subject to the LET Share Offer.

As at the Latest Practicable Date, save for the LET Share Options and the Fame Select CB, there were no outstanding options, warrants, derivatives or securities convertible or exchangeable into LET Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code).

---

## LETTER FROM YU MING AND KINGSTON SECURITIES

---

No offer is made for the Fame Select CB as it is held by the Offeror after Completion. The Offeror has also indicated that it will not dispose of the Fame Select CB during the Offer Period. Further information regarding the CBs is set out under the paragraph headed “Information on the LET Group” as set out on page 30 in the “Letter from the LET Board” of this Composite Document.

The LET Offers are extended to all LET Shares and LET Share Options in issue on the date on which the LET Offers are made, being the date of despatch of this Composite Document, and to any further LET Shares and LET Share Options which are unconditionally allotted or issued after the date on which the LET Offers are made and before the date on which the LET Offers close, other than those held by the Offeror and parties acting in concert with it. The LET Shares to be acquired under the LET Share Offer shall be acquired fully-paid and free from all Encumbrances and together with all rights attaching to them, including the rights to receive in full all dividends and other distributions, if any, declared, made or paid by reference to a record date on or after the date on which the LET Share Offer is made, that is, the date of the posting of the Composite Document.

As at the Latest Practicable Date, LET has not declared any dividends which have not been distributed and LET has no plan to declare, recommend, or pay any dividends or make any other distributions until the close of the LET Offers.

Further terms of the LET Offers and the procedures for acceptance are set out in Appendix I to this Composite Document and the accompanying Forms of Acceptance.

### **LET Share Offer Price**

The LET Share Offer Price of HK\$0.069 per LET Offer Share represents:

- (i) a premium of approximately 23.21% over the closing price of HK\$0.056 per LET Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 13.11% over the average closing price of approximately HK\$0.061 per LET Share for the 5 trading days up to and including the Last Trading Day;
- (iii) a premium of approximately 6.15% to the average closing price of approximately HK\$0.065 per LET Share for the 10 trading days up to and including the Last Trading Day;
- (iv) the average closing price of approximately HK\$0.069 per LET Share for the 30 trading days up to and including the Last Trading Day;
- (v) a discount of approximately 59.41% to the closing price of HK\$0.170 per LET Share on 11 August 2022, being the last trading day for the LET Shares, pending publication of the Joint Announcement;
- (vi) a discount of approximately 50.00% to the closing price of HK\$0.138 per LET Share on 10 October 2022, being the Latest Practicable Date;
- (vii) a discount of approximately 86.63% to the audited consolidated net assets attributable to equity holders of LET of approximately HK\$0.516 per LET Share as at 31 December 2021 as set out in the annual report of LET for the year ended 31 December 2021;

---

## LETTER FROM YU MING AND KINGSTON SECURITIES

---

- (viii) a discount of approximately 84.67% to the unaudited consolidated net assets attributable to equity holders of LET of approximately HK\$0.450 per LET Share as at 30 June 2022 as set out in the interim report of LET for the six months ended 30 June 2022; and
- (ix) a discount of approximately 86.03% to the adjusted unaudited consolidated net assets attributable to equity holders of LET of approximately HK\$0.494 per LET Share as at 30 June 2022. The calculation of the adjusted unaudited consolidated net assets attributable to equity holders of LET per LET Share as at 30 June 2022 is set out under the paragraph headed “Adjusted unaudited net asset value” as set out on page 86 in Appendix II to this Composite Document.

### **Value of the LET Offers**

Assuming the LET Offers are accepted in full on the basis that (i) none of the LET Share Options are exercised prior to the close of the LET Offers; and (ii) there is no change in the issued share capital of LET up to the close of the LET Offers, a total of 1,668,119,411 issued LET Shares (representing the LET Shares not already held or to be acquired by the Offeror and parties acting in concert with it) will be subject to the LET Share Offer and a total of 123,500,187 outstanding LET Share Options will be subject to the LET Option Offer. The maximum cash consideration payable by the Offeror under the LET Share Offer and LET Option Offer would be approximately HK\$115,100,239 and HK\$12,350, respectively.

Assuming that (i) all of the LET Share Options are exercised in full by the Independent LET Optionholders prior to the close of the LET Offers; and (ii) there is no other change in the issued share capital of LET up to the close of the LET Offers, a total of 1,791,619,598 LET Shares (representing 1,668,119,411 not already held or to be acquired by the Offeror and parties acting in concert with it, and 123,500,187 new LET Shares to be issued pursuant to the exercise in full by the Independent LET Optionholders), will be subject to the LET Share Offer, the maximum cash consideration payable by the Offeror under the LET Offers would amount to approximately HK\$123,621,752.

### **Highest and lowest closing price of the LET Shares**

During the Relevant Period, the highest and lowest closing price of the LET Shares as quoted on the Stock Exchange was HK\$0.285 per LET Share on 18 July 2022 and HK\$0.056 per LET Share on 12 May 2022, respectively.

### **Confirmation of financial resources**

The Offeror intends to finance the entire consideration payable under the LET Offers by its internal cash resources of HK\$20 million and the Offer Facility of HK\$104 million granted to it by Kingston Securities.

The Offeror confirms that the payment of interest on, repayment of or security for any liability (contingent or otherwise) in relation to the aforementioned financing arrangements will not depend to any significant extent on the business of the LET Group. Kingston Corporate Finance, being one of the joint financial advisers to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the total consideration payable by the Offeror upon full acceptances of the LET Offers.

---

## LETTER FROM YU MING AND KINGSTON SECURITIES

---

### **Effect of accepting the LET Offers**

By validly accepting the LET Share Offer, the Independent LET Shareholders would sell their tendered LET Shares to the Offeror free from all Encumbrances and together with all rights and benefits attaching or accruing to them, including the rights to receive in full all dividends and other distributions, if any, declared, made or paid by reference to a record date on or after the date on which the LET Share Offer is made, that is, the date of the posting of the Composite Document. As at the Latest Practicable Date, LET has not declared any dividends which have not been distributed and LET has no plan to declare, recommend, or pay any dividends or make any other distributions until the close of the LET Offers.

Acceptances of the LET Option Offer by Independent LET Optionholders will result in the cancellation of those outstanding LET Share Options, together with all rights attaching thereto.

Acceptance of the LET Offers would be irrevocable and would not be capable of being withdrawn, subject to the provisions of the Takeovers Code.

### **Overseas LET Shareholders and Overseas LET Optionholders**

The Offeror intends to make the LET Offers available to all the Independent LET Shareholders and the Independent LET Optionholders, including the Overseas LET Shareholders and Overseas LET Optionholders. However, the LET Offers are in respect of securities of a company incorporated in the Cayman Islands and is subject to the procedural and disclosure requirements of Hong Kong which may be different from other jurisdictions.

Overseas LET Shareholders and Overseas LET Optionholders who wish to participate in the LET Offers but with a registered address outside Hong Kong are subject to, and may be limited by, the laws and regulations of their respective jurisdictions in connection with their participation in the LET Offers. Overseas LET Shareholders and Overseas LET Optionholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe relevant applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the responsibility of the Overseas LET Shareholders and Overseas LET Optionholders who wish to accept the LET Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the LET Offers (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such accepting Overseas LET Shareholders and Overseas LET Optionholders in respect of such jurisdictions).

**Any acceptance by Independent LET Shareholders or Independent LET Optionholders and beneficial owners of the LET Shares or LET Share Options who are citizens, residents or nationals of a jurisdiction outside Hong Kong will be deemed to constitute a representation and warranty from such persons to the Offeror that the local laws and requirements have been complied with. Independent LET Shareholders and Independent LET Optionholders should consult their respective professional advisers if in doubt. Independent LET Shareholders or Independent LET Optionholders who are in doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.**

---

## LETTER FROM YU MING AND KINGSTON SECURITIES

---

### **Hong Kong stamp duty**

Seller's Hong Kong ad valorem stamp duty on acceptances of the LET Share Offer at a rate of 0.13% (or part thereof) of the consideration payable in respect of the relevant acceptance by the Independent LET Shareholders or if higher, the market value of the LET Shares, will be deducted from the cash amount payable by the Offeror to such Independent LET Shareholders who accept the LET Share Offer (where the stamp duty calculated includes a fraction of HK\$1, the stamp duty would be rounded-up to the nearest HK\$1). The Offeror will arrange for payment of the seller's Hong Kong ad valorem stamp duty on behalf of the relevant Independent LET Shareholders accepting the LET Share Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the LET Share Offer and the transfer of the LET Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

No stamp duty is payable in connection with the acceptances of the LET Option Offer.

### **Taxation advice**

Independent LET Shareholders and Independent LET Optionholders are recommended to consult their own professional advisers as to the taxation implications of accepting or rejecting the LET Offers. None of the Offeror and/or parties acting in concert with it, LET, Yu Ming, Kingston Corporate Finance, Kingston Securities, Merdeka Corporate Finance Limited, the Independent Financial Adviser, the Registrar nor their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the LET Offers accepts any responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the LET Offers.

### **INFORMATION ON THE OFFEROR**

The Offeror is an investment holding company incorporated in the British Virgin Islands with limited liability on 4 January 2022, is wholly owned by Mr. Lo. The directors of the Offeror are Mr. Lo, Mr. Xu Haohao and Mr. Choi Kin Man.

Mr. Lo has obtained a Bachelor of Arts degree from the University of Winnipeg in Canada. On 9 March 2017, Mr. Lo was appointed as an executive LET Director. On 31 August 2022, Mr. Lo has been appointed as the chairman of LET. On 12 December 2018, Mr. Lo was appointed as a non-executive director of Summit Ascent and 26 April 2019, Mr. Lo was redesignated as an executive director of Summit Ascent and appointed as the deputy chairman of Summit Ascent. On 31 August 2022, Mr. Lo has been redesignated as the chairman of Summit Ascent. On 4 May 2021, Mr. Lo was appointed as a director of Suntrust Resort Holdings, Inc., an indirect non-wholly owned subsidiary of LET, of which the shares are listed on The Philippine Stock Exchange, Inc.. On 26 October 2021, Mr. Lo was appointed as the chairman of Suntrust Resort Holdings, Inc.. Mr. Lo is experienced in corporate management, mergers and acquisitions and in the gaming industry.

---

# LETTER FROM YU MING AND KINGSTON SECURITIES

---

## **INFORMATION ON LET**

LET is an investment holding company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board. LET Group is principally engaged in (i) through Suntrust and its subsidiaries, the development and operation of the Main Hotel Casino in the Philippines; (ii) through Summit Ascent Group, the operation of the hotel and gaming business in the Integrated Entertainment Zone of the Primorye Region in the Russian Federation; (iii) property development in Japan; and (iv) management and operation of malls in the PRC.

Your attention is drawn to the details of the information of the LET Group as set out under the paragraph headed “Information on the LET Group” as set out on page 30 in the “Letter from the LET Board” and in Appendices II, III and IV to this Composite Document.

## **INTENTIONS OF THE OFFEROR IN RELATION TO LET**

The Offeror intends to continue the existing businesses of LET. However, given (i) the CBs and PN Loan were defaulted on 29 August 2022; (ii) the auditors of LET had issued a qualified opinion for the financial year ended 31 December 2021 and a disclaimer of conclusion for the six months ended 30 June 2022 due to uncertainties relating to going concern; and (iii) the latest financial situation of LET, the Offeror will procure LET to consider disposing of its valuable assets (save for the investment in Suntrust) rigorously and/or refinancing from third parties. As at the Latest Practicable Date, LET has not identified any specific asset of LET Group for potential disposal.

The Offeror has no plan to inject any assets or businesses into LET or to procure LET to acquire other businesses or any assets. Immediately after the close of the LET Offers, the Offeror will conduct a review of the financial position and operations of LET in order to formulate a long-term strategy for LET and explore other business/investment opportunities for enhancing its future development and strengthening its revenue bases. As at the Latest Practicable Date, the Offeror has not identified such investment or business opportunities.

The Offeror intends to nominate new directors to the LET Board after close of the LET Offers. Any changes to the LET Board composition will be made in compliance with the Takeovers Code and the Listing Rules. However, as at the Latest Practicable Date, the Offeror has not identified any personnel for the purpose of appointment as the new LET Directors. Other than that, the Offeror has no intention to terminate any employment of the employees of LET or to make significant changes to any employment of LET Group.

## **Maintaining the listing status of LET**

The Offeror has no intention to privatise LET and intends to maintain the listing of the LET Shares on the Stock Exchange. All directors of the Offeror and all existing LET Directors have jointly and severally undertaken, and all new LET Director(s) to be nominated by the Offeror will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that not less than 25% of the entire issued share capital of LET will continue to be held by the public at all times.

---

## LETTER FROM YU MING AND KINGSTON SECURITIES

---

The Stock Exchange has indicated that if, upon closing of the LET Offers, less than the minimum prescribed percentage applicable to LET, being 25% of the issued LET Shares, are held by the public or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the LET Shares; or
- (ii) there are insufficient LET Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend dealing in the LET Shares until the prescribed level of public float is restored.

### ACCEPTANCES OF THE LET OFFERS

#### Procedures for Acceptance

To accept the LET Offers, the Independent LET Shareholders and/or Independent LET Optionholders should complete and sign the accompanying Forms of Acceptance in accordance with the instructions printed thereon, which instructions form part of the terms and conditions of the LET Offers.

In respect of the LET Share Offer, the duly completed and signed Form of LET Share Offer Acceptance, should be sent, together with the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof), to the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, marked “LET Group Holdings Limited – LET Share Offer” on the envelope, in any event not later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and announce with the consent of the Executive and in accordance with the Takeovers Code.

In respect of the LET Option Offer, the duly completed and signed Form of LET Option Offer Acceptance, should be sent, together with the relevant certificate(s) of LET Share Options or other documents (if any) evidencing the grant of the LET Share Options and any documents of title or entitlement (and/or any satisfactory indemnity or indemnities required in respect thereof) to the company secretary of LET at Unit 1705, 17/F., West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong, in any event not later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and announce with the consent of the Executive and in accordance with the Takeovers Code.

No acknowledgment of receipt of any Forms of Acceptance, share certificate (s) and/or transfer receipt(s), certificate(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

Your attention is drawn to the paragraph headed “Procedures for acceptance ” as set out on page 74 in Appendix I to this Composite Document and the accompanying Forms of Acceptance.



---

# LETTER FROM YU MING AND KINGSTON SECURITIES

---

## **Settlement of the Offer**

Payment in cash in respect of the acceptances of the LET Offers (after deducting the accepting Independent LET Shareholders' share of stamp duty), will be despatched to the accepting Independent LET Shareholders and Independent LET Optionholder at his/her/it own risk as soon as possible but in any event, within seven (7) Business Days following the date on which the duly completed acceptance of the LET Offers and the relevant documents of title of the LET Shares and LET Share Options in respect of such acceptance are received by or for the Offeror to render each such acceptance of the LET Offers complete and valid pursuant to Rule 20.1 and Note 1 to Rule 30.2 of the Takeovers Code.

No fractions of a cent will be payable and the amount of cash consideration will be rounded up to the nearest cent.

## **Nominee registration**

To ensure equality of treatment of all Independent LET Shareholders, those Independent LET Shareholders who hold LET Offer Shares as nominees on behalf of more than one beneficial owners should, as far as practicable, treat the holding of such beneficial owners separately. In order for beneficial owners of LET Offer Shares, whose investments are registered in the names of nominees, to accept the LET Share Offer, it is essential that they provide instructions of their intentions with regard to the LET Share Offer to their nominees.

## **Taxation implications**

Independent LET Shareholders and Independent LET Optionholders are recommended to consult their own professional advisers as to the taxation implications of accepting or rejecting the LET Offers. The Offeror accepts no responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the LET Offers.

## **COMPULSORY ACQUISITION**

The Offeror does not intend to avail itself of any powers of compulsory acquisition of the LET Shares after the close of the LET Offers.

## **GENERAL**

All documents and remittances will be sent to the Independent LET Shareholders and Independent LET Optionholders by ordinary post at their own risk. These documents and remittances will be sent to them at their respective addresses as they appear in the register of members, in case of joint holders whose name appear first in the said register of members, unless otherwise specified in the accompanying Forms of Acceptance completed, returned and received by the Registrar. None of the Offeror and parties acting in concert with it, LET, Yu Ming, Kingston Corporate Finance, Kingston Securities, Merdeka Corporate Finance Limited, the Independence Financial Adviser, the Registrar or any of their ultimate beneficial owners, respective directors, officers, associates, agents or any other person involved in the LET Offers will be responsible for any loss or delay in transmission of such documents and remittances or any other liabilities that may arise as a result thereof.

---

## LETTER FROM YU MING AND KINGSTON SECURITIES

---

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information regarding the LET Offers set out in the appendices to this Composite Document and the accompanying Forms of Acceptance, which form part of this Composite Document. In addition, your attention is also drawn to the “Letter from the LET Board”, the letter of recommendation from the LET Independent Board Committee to the Independent LET Shareholders and Independent LET Optionholders as set out in the “Letter from the LET Independent Board Committee” and the letter of advice by the Independent Financial Adviser to the LET Independent Board Committee as set out in the “Letter from the Independent Financial Adviser” contained in this Composite Document.

Yours faithfully,  
For and on behalf of  
**Yu Ming Investment Management Limited**  
**Warren Lee**  
*Managing Director*

Yours faithfully,  
For and on behalf of  
**Kingston Securities Limited**  
**Chu, Nicholas Yuk-yui**  
*Director*

---

## LETTER FROM THE LET BOARD

---



### **LET GROUP HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1383)**

*Executive Directors:*

Lo Kai Bong (*Chairman*)  
Au Chung On John  
Manuel Assis Da Silva

*Independent Non-executive Directors:*

Tou Kin Chuen  
Wu Kam Fun Roderick  
Lo Wai Tung John

*Registered Office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Principal Place of Business in*

*Hong Kong:*  
Unit 1705, 17/F.  
West Tower  
Shun Tak Centre  
168-200 Connaught Road Central  
Hong Kong

13 October 2022

*To the Independent LET Shareholders and Independent LET Optionholders*

Dear Sir or Madam,

**UNCONDITIONAL MANDATORY CASH OFFERS BY  
YU MING INVESTMENT MANAGEMENT LIMITED  
AND KINGSTON SECURITIES LIMITED  
FOR AND ON BEHALF OF MAJOR SUCCESS GROUP LIMITED  
TO ACQUIRE ALL ISSUED SHARES AND TO CANCEL ALL  
OUTSTANDING SHARE OPTIONS OF LET GROUP HOLDINGS LIMITED  
(OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE  
ACQUIRED BY THE OFFEROR AND PARTIES ACTING IN  
CONCERT WITH IT)**

#### **INTRODUCTION**

On 10 December 2021, LET was informed by the Borrower that it was served with the Demand Letter on 8 December 2021 by the legal advisers of the Lenders and Wooco, the agent and security agent of the Lenders, in relation to the Loan in the principal sum of HK\$300,000,000 granted by the Lenders to the Borrower under the Facility Agreement dated 30 July 2021.

---

## LETTER FROM THE LET BOARD

---

According to the Demand Letter, (a) an event of default under the Facility Agreement has occurred by reason of an incident as announced in LET's announcement dated 29 November 2021 in relation to Mr. Chau, who is a guarantor of the Loan, thereby rendering the Securities under the security documents to the Loan are immediately enforceable; and (b) demand for full repayment of the principal amount of the Loan together with interest accrued thereon up to 7 December 2021 in the aggregate amount of HK\$313,610,959 within five (5) business days from 8 December 2021 is made against the Borrower. Failing which, appropriate action will be taken against the Borrower without further notice, including (but not limited to) legal action against the Borrower for recovery of the aforementioned sums together with all related costs, expenses and fees.

On 16 December 2021, LET was informed by the Borrower that it was served with the Notification Letter on the even date by the legal advisers of the Lenders and Wooco. According to the Notification Letter, (a) the Borrower failed to repay the indebtedness (i.e. Loan together with interest accrued thereon up to 7 December 2021 in the aggregate amount of HK\$313,610,959) as demanded under the Demand Letter; and (b) the Lenders have no alternative but to exercise their enforcement rights on the Securities under the security documents including, without limitation, selling, realising, transferring or otherwise disposing of all or any part of them without further notice.

The Borrower is not a member of the LET Group but a company wholly-owned by Mr. Chau. The Lenders and Wooco are parties independent from and not connected persons of LET.

The Securities charged or otherwise assigned to Wooco under the Facility Agreement to secure repayment of the Loan include, amongst others,

- (i) Perpetual Securities of HK\$5,408,000,000 issued by LET to Star Hope;
- (ii) Fame Select CB with principal amount of HK\$402,000,000 at an initial conversion price of HK\$0.26 per LET Share due on 7 December 2022 issued by LET to Fame Select;
- (iii) Star Hope CB with principal amount of HK\$177,000,000 at an initial conversion price of HK\$0.90 per LET Share due on 28 August 2022 issued by LET to Star Hope;
- (iv) Better Linkage CB with principal amount of HK\$120,000,000 at an initial conversion price of HK\$0.90 per LET Share due on 28 August 2022 issued by LET to Better Linkage;
- (v) PN Loan in the principal amount of HK\$303,000,000 due on 28 August 2022 issued by LET to Star Hope; and
- (vi) LET Sale Shares of 4,991,643,335 LET Shares held by Fame Select.

### TENDER PROCESS

Following the Notification Letter, the Lenders commissioned the Tender Process on 1 April 2022 to seek interested buyers for the Securities. The Tender Process was completed on 13 May 2022 and Mr. Lo was awarded the successful contender of the Tender Process.

---

## LETTER FROM THE LET BOARD

---

### DEED OF ASSIGNMENT

On 13 May 2022, the New Lender entered into the Deed of Assignment with the Lenders and Wooco, whereby the Lenders assigned the Loan together with all of its right under the Facility Agreement (including the charged Securities) to the New Lender at the consideration of HK\$344,383,562. The New Lender is wholly-owned by Mr. Lo.

### SALE AND PURCHASE AGREEMENTS

Upon closing of the Tender Process, on 13 May 2022, the New Lender and the Offeror entered into the Sale and Purchase Agreements. SPA (LET Securities) involved the acquisition of the Perpetual Securities, CBs, PN Loan and the LET Sale Shares at a consideration of HK\$344,383,557 and SPA (Other Securities) involved the acquisition of shares in Fame Select, Star Hope and certain loans at a consideration of HK\$5. Completion took place on 13 May 2022.

Immediately prior to Completion, (i) Mr. Lo, the ultimate beneficial owner of the Offeror held 7,000,000 LET Shares through himself and his wholly-owned entities; and (ii) Mr. Au Chung On John and Mr. Manuel Assis Da Silva (both being LET Directors) held 400,000 and 810,000 LET Shares respectively.

Immediately following Completion, so far as interest in LET Shares is concerned, the Offeror and parties acting in concert with it were interested in (i) 4,991,643,335 LET Sale Shares held by the Offeror; (ii) 7,000,000 LET Shares held by Mr. Lo through himself and his wholly-owned entities ; (iii) 400,000 and 810,000 LET Shares held by Mr. Au Chung On John and Mr. Manuel Assis Da Silva ; (iv) Fame Select CB held by the Offeror which is convertible into 1,546,153,846 LET Shares at an initial conversion price of HK\$0.26 per LET Share; (v) Star Hope CB held by the Offeror which was convertible into 196,666,666 LET Shares at an initial conversion price of HK\$0.90 per LET Share; and (vi) Better Linkage CB held by the Offeror which was convertible into 133,333,333 LET Shares at an initial conversion price of HK\$0.90 per LET Share.

As at the Latest Practicable Date, so far as interest in LET Shares is concerned, the Offeror and parties acting in concert with it were interested in (i) 4,991,643,335 LET Sale Shares held by the Offeror, represent approximately 74.86% of the total issued share capital of LET; (ii) 7,000,000 LET Shares held by Mr. Lo through himself and his wholly-owned entities, representing approximately 0.1% of the total issued share capital of LET; (iii) 400,000 and 810,000 LET Shares held by Mr. Au Chung On John and Mr. Manuel Assis Da Silva, representing approximately 0.01% and 0.01% of the total issued share capital of LET respectively; and (iv) Fame Select CB held by the Offeror which are convertible into 1,546,153,846 LET Shares at an initial conversion price of HK\$0.26 per LET Share. Better Linkage CB and Star Hope CB were expired on 28 August 2022 and became non-convertible since then.

As at the Latest Practicable Date, Mr. Lo was also interested in 40,000,000 LET Share Options (exercise price at HK\$0.455), and Mr. Au Chung On John and Mr. Manuel Assis Da Silva were interested in 40,000,000 (exercise price at HK\$0.900) and 3,000,000 (exercise price at HK\$0.455) LET Share Options respectively.

---

## LETTER FROM THE LET BOARD

---

Accordingly, the Offeror was required to make the LET Share Offer for all the issued LET Shares (other than those already owned or agreed to be acquired by the Offeror and/or parties acting in concert with it) pursuant to Rule 26.1 of the Takeovers Code. The Offeror was also required to make the LET Option Offer to cancel all the outstanding LET Share Options (other than those already owned by the Offeror and/or parties acting in concert with it) pursuant to Rule 13 of the Takeovers Code.

### LET INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 2.1 of the Takeovers Code, the LET Independent Board Committee, comprising the independent non-executive Directors, namely, comprising all independent non-executive LET Directors, namely Mr. Tou Kin Chuen, Dr. Wu Kam Fun Roderick and Mr. Lo Wai Tung John who have no direct or indirect interest in the LET Offers, has been established to advise the Independent LET Shareholders and Independent LET Optionholders in respect of the LET Offers, as to whether the terms of the LET Offers are fair and reasonable and as to the acceptance of the LET Offers.

Astrum Capital Management Limited has been appointed as the Independent Financial Adviser with the approval of the LET Independent Board Committee to advise the LET Independent Board Committee in respect of the LET Offers.

This letter forms part of the Composite Document and sets out, among other things, details of the LET Offers, information on the Offeror, and the Offeror's intentions in relation to LET. Further details on the terms and the procedures for acceptance of the LET Offers are set out in Appendix I to the Composite Document and the accompanying Forms of Acceptance. The Independent LET Shareholders and the Independent LET Optionholders are strongly advised to carefully consider the information contained in the "Letter from the LET Board", the "Letter from the LET Independent Board Committee", the "Letter from the Independent Financial Adviser", the appendices to this Composite Document and the accompanying Forms of Acceptance, and to consult their own professional advisers before reaching a decision as to whether or not to accept the LET Offers.

### THE LET OFFERS

As at the Latest Practicable Date, LET had 6,667,972,746 LET Shares in issue. Save for the 4,999,853,335 LET Shares owned by the Offeror and parties acting in concert with it, representing approximately 74.98% of the total issued share capital of LET, the total number of the LET Offer Shares was 1,668,119,411 LET Shares.

As at the Latest Practicable Date, save for the 83,000,000 LET Share Options owned by the Offeror and parties acting in concert with it there were 123,500,187 outstanding LET Share Options granted under the LET Share Option Schemes, carrying rights to subscribe for 123,500,187 new LET Shares.

As at the Latest Practicable Date, save for the LET Share Options and the Fame Select CB, there were no outstanding options, warrants, derivatives or securities convertible or exchangeable into LET Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code).

No offer is made for the Fame Select CB as it is held by the Offeror and parties acting in concert with it after Completion. The Offeror has also indicated that it will not dispose of the Fame Select CB during the Offer Period.

---

# LETTER FROM THE LET BOARD

---

## Principal terms of the LET Offers

The “Letter from Yu Ming and Kingston Securities” to this Composite Document contains the information in respect of the LET Offers including those set out below.

Yu Ming and Kingston Securities, on behalf of the Offeror, are making the LET Offers in compliance with the Takeovers Code on the following basis:-

### LET Share Offer

**For each LET Offer Share . . . . . HK\$0.069 in cash**

The LET Share Offer Price of HK\$0.069 for each LET Offer Share under the LET Share Offer is equivalent to the total consideration under the Sale and Purchase Agreements of HK\$344,383,562 divided by 4,991,643,335 LET Sale Shares which was determined by the Panel and in accordance with the Panel’s decision dated 27 August 2022.

### LET Option Offer

Under the LET Option Offer, since the exercise prices of the outstanding LET Share Options are above the LET Share Offer Price, the outstanding LET Share Options are out of the money and the offer price for the cancellation of each Share Option is set at a nominal value of HK\$0.0001 in cash.

<b>Exercise price of LET Share Options</b>	<b>Offer price per LET Share Option</b>	<b>Number of outstanding LET Share Options</b>
HK\$0.344	HK\$0.0001	92,400,187
HK\$0.700	HK\$0.0001	16,500,000
HK\$0.455	HK\$0.0001	52,500,000
HK\$0.900	HK\$0.0001	45,100,000

If any LET Share Option is exercised in accordance with the terms of the relevant LET Share Option Schemes prior to the close of the LET Share Offer, any LET Share issued as a result of such exercise will be subject to the LET Share Offer.

The LET Offers are extended to all LET Shares and LET Share Options in issue on the date on which the LET Offers are made, being the date of despatch of this Composite Document, and to any further LET Shares and LET Share Options which are unconditionally allotted or issued after the date on which the LET Offers are made and before the date on which the LET Offers closes, other than those held by the Offeror and parties acting in concert with it. The LET Shares to be acquired under the LET Share Offer shall be acquired fully-paid and free from all Encumbrances and together with all rights attaching to them, including the rights to receive in full all dividends and other distributions, if any, declared, made or paid by reference to a record date on or after the date on which the LET Share Offer is made, that is, the date of the posting of this Composite Document.

---

## LETTER FROM THE LET BOARD

---

As at the Latest Practicable Date, LET has not declared any dividends which have not been distributed and LET has no plan to declare, recommend, or pay any dividends or make any other distributions until the close of the LET Offers.

### **Further details of the LET Offers**

Further details regarding the LET Offers, including the terms and procedures for acceptance of the LET Offers are set out in the “Letter from Yu Ming and Kingston Securities” and Appendix I to this Composite Document and the accompanying Forms of Acceptance.

### **INFORMATION ON THE LET GROUP**

LET is an investment holding company and was incorporated in the Cayman Islands with limited liability on 20 July 2006 and LET Shares have been listed on the Main Board since 22 February 2007 under the stock code 1383.

LET Group is principally engaged in (i) through Suntrust and its subsidiaries, the development and operation of the Main Hotel Casino in the Philippines; (ii) through Summit Ascent Group, the operation of the hotel and gaming business in the Integrated Entertainment Zone of the Primorye Region in the Russian Federation; (iii) property development in Japan; and (iv) management and operation of malls in the PRC. As at the Latest Practicable Date, LET has no intention or plan to acquire other businesses or assets from other parties.

Your attention is drawn to Appendices II and IV to this Composite Document which contain further financial and general information of the LET Group.

In deciding whether or not to accept the LET Offers, the Independent LET Shareholders and the Independent LET Optionholders should consider the disclaimer of conclusion expressed by the independent auditors of LET on the interim results of LET Group for the six months ended 30 June 2022 (for further details please refer to Appendix II to this Composite Document) and the latest status of the default of CBs and PN Loan as set out in the sub-section headed “Default of CBs and PN Loan” below, which may have an impact to the financial results of LET.

Pursuant to Note 3 to Rule 2 of the Takeovers Code, the LET Board would like to draw the attention of the Independent LET Shareholders and the Independent LET Optionholders to the disclaimer of conclusion (please refer to Appendix II to this Composite Document for details). The disclaimer of conclusion means that the Independent LET Shareholders and Independent LET Optionholders are advised to take into account the foregoing and consider carefully the terms of the LET Offers. If the Independent LET Shareholders and Independent LET Optionholders decide not to accept the LET Offers, they should be aware of the potential risks associated with the disclaimer of conclusion.



## LETTER FROM THE LET BOARD

### Default of CBs and PN Loan

Reference is made to the announcements of LET dated 29 August 2022, 2 September 2022 and 19 September 2022. According to the relevant terms and conditions of 2018 Convertible Bonds and PN Loan, all of the said securities have become due on 28 August 2022 (if that is not a business day, the first business day thereafter, i.e. 29 August 2022). Since they remained unpaid on due date, 2018 Convertible Bonds and PN Loan were considered defaulted. The default had also triggered a cross default of Fame Select CB. The Offeror (as the holder of the CBs and PN Loan) has indicated that it is in principle agreeable not to demand for immediate payment of all amounts due and payable under 2018 Convertible Bonds and PN Loan prior to 7 December 2022, i.e. the maturity date of Fame Select CB, or such later date as the Offeror may agree in writing.

On 19 September 2022, LET (as borrower) and four independent third party lenders (as lenders) entered into a loan agreement for a loan facility of HK\$400,000,000. HK\$380,000,000 was utilised as the full repayment of the PN loan and accrued interest thereon and the partial repayment of the 2018 Convertible Bonds. As at the Latest Practicable Date, the remaining outstanding principal amount of the 2018 Convertible Bonds was approximately HK\$226 million.

### SHAREHOLDING STRUCTURE OF LET

The table below sets out the shareholding structure of LET immediately prior to the transactions under the Deed of Assignment and the Sale and Purchase Agreements and upon Completion and as at the Latest Practicable Date.

	<b>Immediately prior to the transactions under the Deed of Assignment and the Sale and Purchase Agreements</b>		<b>Upon Completion and as at the Latest Practicable Date</b>	
	<i>No. of LET Shares</i>	<i>%</i>	<i>No. of LET Shares</i>	<i>%</i>
<b>Offeror and parties acting in concert with it</b>				
The Offeror ( <i>Note 1</i> )	–	–	4,991,643,335	74.86%
Mr. Lo ( <i>Note 2</i> )	7,000,000	0.10%	7,000,000	0.10%
Mr. Au Chung On John ( <i>Note 3</i> )	400,000	0.01%	400,000	0.01%
Mr. Manuel Assis Da Silva ( <i>Note 4</i> )	810,000	0.01%	810,000	0.01%
	<u>8,210,000</u>	<u>0.12%</u>	<u>4,999,853,335</u>	<u>74.98%</u>
Fame Select ( <i>Note 5</i> )	4,991,643,335	74.86%	–	–
Public Shareholders	1,668,119,411	25.02%	1,668,119,411	25.02%
	<u>6,667,972,746</u>	<u>100%</u>	<u>6,667,972,746</u>	<u>100%</u>

---

## LETTER FROM THE LET BOARD

---

*Notes:*

1. The entire issued share capital of the Offeror is owned by Mr. Lo. On 13 May 2022, the Offeror has obtained a facility from Get Nice Securities Limited to finance the consideration payable under the Deed of Assignment. The Offeror has pledged the LET Securities, including LET Sale Shares, as securities under such facility. On 19 September 2022, such facility was fully settled and the pledge of LET Securities was released.
2. Immediately prior to the transactions under the Deed of Assignment and the Sale and Purchase Agreements, Mr. Lo, the ultimate beneficial owner of the Offeror held 7,000,000 LET Shares by himself and through his wholly-owned entities.
3. Mr. Au Chung On John, being an executive LET Director, is interested in 400,000 LET Shares.
4. Mr. Manuel Assis Da Silva, being an executive LET Director, is interested in 810,000 LET Shares.
5. Fame Select is owned as to 50% by Mr. Chau and 50% by Mr. Cheng prior to Completion. As such, Mr. Chau and Mr. Cheng are deemed to be interested in 4,991,643,335 LET Shares.

Immediately prior to the transactions under the Deed of Assignment, the interest in LET Securities, including LET Sale Shares held by Fame Select, were charged in favour of Wooco as security agent for the AG Capital Limited, Sun Hung Kai Structured Finance Limited and Mr. Lee Seng Hui under the Facility on 30 July 2021. AG Capital Limited is wholly-owned by AG Capital Holding Limited which in turn is wholly-owned by Allied Group Limited. Allied Group Limited is a controlled corporation of Mr. Lee Seng Hui, Mr. Lee Seng Huang and Ms. Lee Su Hwei. Sun Hung Kai Structured Finance Limited is wholly-owned by Shipshape Investments Limited which in turn is wholly-owned by Sun Hung Kai & Co. Limited.

### INFORMATION ON THE OFFEROR

Your attention is drawn to the paragraph headed “Information on the Offeror” in the “Letter from Yu Ming and Kingston Securities” as set out on pages 13 to 24 of this Composite Document.

### INTENTION OF THE OFFEROR REGARDING THE LET GROUP

The Offeror intends to continue the existing businesses of LET. However, given (i) the CBs and PN Loan were defaulted on 29 August 2022; (ii) the auditors of LET had issued a qualified opinion for the financial year ended 31 December 2021 and a disclaimer of conclusion for the six months ended 30 June 2022 due to uncertainties relating to going concern; and (iii) the latest financial situation of the LET, the Offeror will procure LET to consider disposing of its valuable assets (save for the investment in Suntrust) rigorously and/or refinancing from third parties. As at the Latest Practicable Date, LET has not identified any specific asset of LET Group for potential disposal.

LET Board notes that the Offeror has no plan to inject any assets or businesses into LET or to procure LET to acquire other businesses or any assets. Immediately after the close of the LET Offers, the Offeror will conduct a review of the financial position and operations of LET in order to formulate a long-term strategy for LET and explore other business/investment opportunities for enhancing its future development and strengthening its revenue bases. As at the Latest Practicable Date, the Offeror has not identified such investment or business opportunities.

---

## LETTER FROM THE LET BOARD

---

The Offeror intends to nominate new directors to the LET Board after close of the LET Offers. Any changes to the LET Board composition will be made in compliance with the Takeovers Code and the Listing Rules. However, as at the Latest Practicable Date, the Offeror has not identified any personnel for the purpose of appointment as the new LET Directors. Other than that, the Offeror has no intention to terminate any employment of the employees of LET or to make significant changes to any employment of LET Group.

LET Board is willing to render co-operation with the Offeror and would continue to act in the best interests of the LET Group and LET Shareholders as a whole.

### **Maintaining the listing status of LET**

The Offeror has no intention to privatise LET and intends to maintain the listing of the LET Shares on the Stock Exchange. All directors of the Offeror and all existing LET Directors have jointly and severally undertaken, and all new LET Director(s) to be nominated by the Offeror will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that not less than 25% of the entire issued share capital of LET will continue to be held by the public at all times.

The Stock Exchange has indicated that if, upon closing of the LET Offers, less than the minimum prescribed percentage applicable to LET, being 25% of the issued Shares, are held by the public or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the LET Shares; or
- (ii) there are insufficient LET Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend dealing in the LET Shares until the prescribed level of public float is restored.

### **RECOMMENDATION**

The LET Independent Board Committee has been established to make recommendation to the Independent LET Shareholders and Independent LET Optionholders as to whether the LET Offers are fair and reasonable and as to the acceptance of the LET Offers.

Your attention is drawn to the “Letter from the LET Independent Board Committee” and the “Letter from the Independent Financial Adviser” of this Composite Document, which contain, among other things, their advice in relation to the LET Offers and the principal factors considered by them in arriving at their recommendation.

The Independent LET Shareholders and Independent LET Optionholders are urged to read those letters carefully before taking any action in respect of the LET Offers.

---

## LETTER FROM THE LET BOARD

---

### ADDITIONAL INFORMATION

You are recommended to read this Composite Document and the Forms of Acceptance for information relating to the terms of the LET Offers and procedures for acceptance and settlement of the LET Offers.

Your attention is also drawn to the additional information set out in the appendices to this Composite Document.

In considering what action to take in connection with the LET Offers, you should consider your own tax positions, if any, and, in case of any doubt, consult your professional advisers.

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

---

# LETTER FROM THE LET INDEPENDENT BOARD COMMITTEE

---



## **LET GROUP HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1383)**

*To the Independent LET Shareholders and Independent LET Optionholders,*

13 October 2022

Dear Sir or Madam,

**UNCONDITIONAL MANDATORY CASH OFFERS BY  
YU MING INVESTMENT MANAGEMENT LIMITED  
AND KINGSTON SECURITIES LIMITED  
FOR AND ON BEHALF OF MAJOR SUCCESS GROUP LIMITED  
TO ACQUIRE ALL ISSUED SHARES AND TO CANCEL ALL  
OUTSTANDING SHARE OPTIONS OF LET GROUP HOLDINGS LIMITED  
(OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE  
ACQUIRED BY THE OFFEROR AND PARTIES ACTING IN  
CONCERT WITH IT)**

### **INTRODUCTION**

We refer to the Composite Document dated 13 October 2022 jointly issued by the Offeror and LET of which this letter forms part. Terms used in this letter shall have the meanings as those defined in the Composite Document unless the context requires otherwise.

We have been appointed by the LET Board as members of the LET Independent Board Committee to make recommendation to you as to (i) whether, in our opinion, the terms of the LET Offers are fair and reasonable so far as the Independent LET Shareholders and Independent LET Optionholders are concerned; and (ii) acceptance of the LET Offers, after taking into account the advice from the Independent Financial Adviser.

Details of its advice from the Independent Financial Adviser and the principal factors it has taken into consideration in arriving at its recommendations are set out in the “Letter from the Independent Financial Adviser” to the Composite Document. Details of the LET Offers are set out in the “Letter from Yu Ming and Kingston Securities”, Appendix I to the Composite Document and the accompanying Forms of Acceptance.

---

## **LETTER FROM THE LET INDEPENDENT BOARD COMMITTEE**

---

We also wish to draw your attention to the sections headed “Letter from the LET Board” and the additional information set out in the appendices to the Composite Document.

### **RECOMMENDATION**

Having taken into account the terms of the LET Offers, the information contained in the Composite Document and the advice and recommendations of the Independent Financial Adviser and the principal factors taken into consideration by it in arriving at its opinion as set out in its letter of advice, we are of the opinion that (i) the terms of the LET Share Offer are not fair and reasonable so far as the Independent LET Shareholders are concerned; and (ii) the terms of the LET Option Offer are fair and reasonable so far as the Independent LET Optionholders are concerned. Accordingly, we recommend (i) the Independent LET Shareholders not to accept the LET Share Offer; and (ii) the Independent LET Optionholders to accept the LET Option Offer.

However, the Independent LET Shareholders and Independent LET Optionholders, in particular those who intend to accept the LET Offers, are reminded to note the recent fluctuation in the price of the LET Shares. There is no guarantee that the current market price of the LET Shares will or will not sustain and will or will not be higher than the LET Share Offer Price during and after the period for the acceptance of the LET Offers. The Independent LET Shareholders and Independent LET Optionholders who intend to accept the LET Offers are reminded to closely monitor the market price and the liquidity of the LET Shares during the period for the acceptance of the LET Offers and shall, having regard to their own circumstances and investment objectives, consider selling their LET Shares or LET Share Options in the open market, instead of accepting the LET Offers, if the net proceeds from the sale of such LET Shares or LET Share Options, net of all transaction costs, would be higher than that to be received under the LET Offers.

Furthermore, the Independent LET Shareholders and Independent LET Optionholders are also reminded that their decisions to dispose of or hold their investment in the securities of LET are subject to their individual circumstances and investment objectives.

Notwithstanding our recommendation, the Independent LET Shareholders and Independent LET Optionholders should consider carefully the terms of the LET Offers and the “Letter from the Independent Financial Adviser” in the Composite Document.

Yours faithfully,

The Independent Board Committee  
**LET GROUP HOLDINGS LIMITED**

**Mr. Tou Kin Chuen**

**Dr. Wu Kam Fun Roderick**  
*Independent non-executive LET Directors*

**Mr. Lo Wai Tung John**

---

# LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

*The following is the text of a letter of advice from the Independent Financial Adviser regarding its advice on the terms of the LET Offers prepared for the purpose of incorporation into this Composite Document.*



Room 2704, 27/F, Tower 1, Admiralty Centre,  
18 Harcourt Road, Admiralty, Hong Kong

13 October 2022

*To the Independent Board Committee of  
LET Group Holdings Limited*

Dear Sir or Madam,

**UNCONDITIONAL MANDATORY CASH OFFERS BY  
YU MING INVESTMENT MANAGEMENT LIMITED AND  
KINGSTON SECURITIES LIMITED  
FOR AND ON BEHALF OF MAJOR SUCCESS GROUP LIMITED  
TO ACQUIRE ALL ISSUED SHARES AND  
TO CANCEL ALL OUTSTANDING SHARE OPTIONS OF  
LET GROUP HOLDINGS LIMITED  
(OTHER THAN THOSE ALREADY OWNED OR  
AGREED TO BE ACQUIRED BY THE OFFEROR AND  
PARTIES ACTING IN CONCERT WITH IT)**

## **INTRODUCTION**

We refer to our engagement as the independent financial adviser to make recommendations to the independent board committee (the “**LET Independent Board Committee**”) of LET Group Holdings Limited (“**LET**”) in relation to the unconditional mandatory cash offers (the “**LET Offers**”) being made by Yu Ming Investment Management Limited (“**Yu Ming**”) and Kingston Securities Limited (“**Kingston Securities**”) for and on behalf of Major Success Group Limited (the “**Offeror**”) to acquire all issued shares and to cancel all outstanding share options of LET (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it). Details of the LET Offers are disclosed in the composite offer and response document in respect of the LET Offers jointly issued by the Offeror and LET dated 13 October 2022 (the “**Composite Document**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Composite Document unless the context otherwise requires.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

On 10 December 2021, LET announced that the Demand Letter was served to the Borrower on 8 December 2021 by the legal advisers of the Lenders and Wooco, the agent and security agent of the Lenders, in relation to the Loan in the principal sum of HK\$300,000,000 granted by the Lenders to the Borrower under the Facility Agreement.

According to the Demand Letter, (a) an event of default under the Facility Agreement has occurred by reason of an incident as announced in LET's announcement dated 29 November 2021 in relation to Mr. Chau, who is a guarantor of the Loan, thereby rendering the Securities under the security documents to the Loan are immediately enforceable; and (b) demand for full repayment of the principal amount of the Loan together with interest accrued thereon up to 7 December 2021 in the aggregate amount of HK\$313,610,959 within five (5) business days from 8 December 2021 is made against the Borrower. Failing which, appropriate action will be taken against the Borrower without further notice, including (but not limited to) legal action against the Borrower for recovery of the aforementioned sums together with all related costs, expenses and fees.

On 16 December 2021, LET announced that the Notification Letter was served to the Borrower on the even date by the legal advisers of the Lenders and Wooco. According to the Notification Letter, (a) the Borrower failed to repay the indebtedness (i.e. Loan together with interest accrued thereon up to 7 December 2021 in the aggregate amount of HK\$313,610,959) as demanded under the Demand Letter; and (b) the Lenders have no alternative but to exercise their enforcement rights on the Securities under the security documents including, without limitation, selling, realising, transferring or otherwise disposing of all or any part of them without further notice.

The Borrower is not a member of the LET Group but a company wholly-owned by Mr. Chau. The Lenders and Wooco are parties independent from and not connected persons of LET.

The Securities charged or otherwise assigned to Wooco under the Facility Agreement to secure repayment of the Loan include, amongst others,

- (i) Perpetual Securities of HK\$5,408,000,000 issued by LET to Star Hope;
- (ii) Fame Select CB with principal amount of HK\$402,000,000 at an initial conversion price of HK\$0.26 per LET Share due on 7 December 2022 issued by LET to Fame Select;
- (iii) Star Hope CB with principal amount of HK\$177,000,000 at an initial conversion price of HK\$0.90 per LET Share due on 28 August 2022 issued by LET to Star Hope;
- (iv) Better Linkage CB with principal amount of HK\$120,000,000 at an initial conversion price of HK\$0.90 per LET Share due on 28 August 2022 issued by LET to Better Linkage;
- (v) PN Loan in the principal amount of HK\$303,000,000 due on 28 August 2022 issued by LET to Star Hope; and
- (vi) LET Sale Shares of 4,991,643,335 LET Shares held by Fame Select.



---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

Following the Notification Letter, the Lenders commissioned the Tender Process on 1 April 2022 to seek interested buyers for the Securities. Mr. Lo participated as a bidder in the Tender Process. The Tender Process was completed on 13 May 2022 and Mr. Lo was awarded the successful contender of the Tender Process.

On 13 May 2022, the New Lender, a company wholly-owned by Mr. Lo, entered into the Deed of Assignment with the Lenders and Wooco, whereby the Lenders assigned the Loan together with all of its right under the Facility Agreement (including the charged Securities) to the New Lender at the consideration of HK\$344,383,562.

Upon closing of the Tender Process, on 13 May 2022, the New Lender and the Offeror entered into the Sale and Purchase Agreements. SPA (LET Securities) involved the acquisition of the Perpetual Securities, CBs, PN Loan and the LET Sale Shares at a consideration of HK\$344,383,557 and SPA (Other Securities) involved the acquisition of shares in Fame Select, Star Hope and certain loans at a consideration of HK\$5. Completion took place on 13 May 2022.

Immediately prior to Completion, (i) Mr. Lo, the ultimate beneficial owner of the Offeror held 7,000,000 LET Shares through himself and his wholly-owned entities; and (ii) Mr. Au Chung On John and Mr. Manuel Assis Da Silva (both being LET Directors) held 400,000 and 810,000 LET Shares respectively.

Immediately following Completion, so far as interest in LET Shares is concerned, the Offeror and parties acting in concert with it were interested in (i) 4,991,643,335 LET Sale Shares held by the Offeror; (ii) 7,000,000 LET Shares held by Mr. Lo through himself and his wholly-owned entities ; (iii) 400,000 and 810,000 LET Shares held by Mr. Au Chung On John and Mr. Manuel Assis Da Silva ; (iv) Fame Select CB held by the Offeror which is convertible into 1,546,153,846 LET Shares at an initial conversion price of HK\$0.26 per LET Share; (v) Star Hope CB held by the Offeror which was convertible into 196,666,666 LET Shares at an initial conversion price of HK\$0.90 per LET Share; and (vi) Better Linkage CB held by the Offeror which was convertible into 133,333,333 LET Shares at an initial conversion price of HK\$0.90 per LET Share.

As at the Latest Practicable Date, so far as interest in LET Shares is concerned, the Offeror and parties acting in concert with it were interested in (i) 4,991,643,335 LET Sale Shares held by the Offeror, represent approximately 74.86% of the total issued share capital of LET; (ii) 7,000,000 LET Shares held by Mr. Lo through himself and his wholly-owned entities, representing approximately 0.1% of the total issued share capital of LET; (iii) 400,000 and 810,000 LET Shares held by Mr. Au Chung On John and Mr. Manuel Assis Da Silva, representing approximately 0.01% and 0.01% of the total issued share capital of LET respectively; and (iv) Fame Select CB held by the Offeror which were convertible into 1,546,153,846 LET Shares at an initial conversion price of HK\$0.26 per LET Share. Better Linkage CB and Star Hope CB were expired on 28 August 2022 and became non-convertible since then.

As at the Latest Practicable Date, Mr. Lo was also interested in 40,000,000 LET Share Options (exercise price at HK\$0.455), and Mr. Au Chung On John and Mr. Manuel Assis Da Silva were interested in 40,000,000 (exercise price at HK\$0.900) and 3,000,000 (exercise price at HK\$0.455) LET Share Options respectively.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

Accordingly, the Offeror was required to make the LET Share Offer for all the issued LET Shares (other than those already owned or agreed to be acquired by the Offeror and/or parties acting in concert with it) pursuant to Rule 26.1 of the Takeovers Code. The Offeror was also required to make the LET Option Offer to cancel all the outstanding LET Share Options (other than those already owned by the Offeror and/or parties acting in concert with it) pursuant to Rule 13 of the Takeovers Code.

### THE LET INDEPENDENT BOARD COMMITTEE

Pursuant to Rule 2.1 and Rule 2.8 of the Takeovers Code, the LET Independent Board Committee comprising all independent non-executive LET Directors, namely Mr. Tou Kin Chuen, Dr. Wu Kam Fun Roderick and Mr. Lo Wai Tung John who have no direct or indirect interest in the LET Offers, has been established to advise the Independent LET Shareholders and Independent LET Optionholders in respect of the LET Offers, as to whether the terms of the LET Offers are fair and reasonable and as to the acceptance of the LET Offers. We, Astrum Capital Management Limited, have been appointed as the independent financial adviser to advise the LET Independent Board Committee in this regard. Our appointment has been approved by the LET Independent Board Committee in accordance with Rule 2.1 of the Takeovers Code.

### INDEPENDENCE DECLARATION

During the last two years, we have acted as (i) the independent financial adviser of LET in respect of a connected transaction; (ii) the independent financial adviser of Summit Ascent in respect of certain connected transactions; (iii) the independent financial adviser of Imperium Financial Group Limited (stock code: 8029) and Imperium Technology Group Limited (stock code: 776), where Mr. Cheng (who was one of the controlling LET Shareholders through his 50% shareholding in Fame Select prior to Completion) is an executive director, chairman of board of directors and one of the controlling shareholders of both of the listed companies, in respect of certain connected transactions; and (iv) the independent financial adviser of Times Universal Group Holdings Limited (stock code: 2310), where Mr. Cheng was one of the controlling shareholders prior to completion of sale of shares in December 2021, in respect of mandatory unconditional cash offer (the “**Previous Engagements**”). In view of the facts that (i) each of the Previous Engagements was an individual appointment of Astrum Capital Management Limited to act as independent financial adviser for providing independent opinion to the independent board committee and the independent shareholders in connection with different transactions; (ii) under the Previous Engagements, Astrum Capital Management Limited received normal professional fees from the relevant companies; and (iii) the professional fees in connection with the Previous Engagements have been fully settled, we are of the view that none of the Previous Engagements shall affect our independence nor cause Astrum Capital Management Limited to have conflict of interest in acting as the independent financial adviser to the LET Independent Board Committee regarding the LET Offers.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

Save as disclosed above, we were not aware of any relationships or interests between Astrum Capital Management Limited, LET, the Offeror, Mr. Lo, the New Lender, Better Linkage, Star Hope, Fame Select, Mr. Chau, the Borrower, Mr. Cheng, the Lenders, Wooco or any of their respective substantial shareholders, directors or chief executive, or any of their respective associates, and/or any party acting, or presumed to be acting, in concert with any of them, and there was no other engagement between the LET Group and Astrum Capital Management Limited during the last two years. Apart from the normal advisory fees payable to us for this engagement, no other arrangement exists whereby we will receive any fees and/or benefits from the LET Group. Accordingly, Astrum Capital Management Limited is independent as defined under the Listing Rules and the Takeovers Code to act as the independent financial adviser to the LET Independent Board Committee in connection with the LET Offers.

### **BASIS OF OUR OPINION**

In formulating our opinion and recommendations, we have reviewed, amongst others, the Joint Announcement, the annual report of LET for the year ended 31 December 2021 (the “**2021 Annual Report**”), the interim report of LET for the six months ended 30 June 2022 (the “**2022 Interim Report**”), the Panel’s decision dated 27 August 2022 in relation to the determination of the LET Share Offer Price and the information contained in the Composite Document. We have also discussed with and reviewed the information provided by the management of the LET Group (the “**LET Management**”) regarding the business and outlook of the LET Group.

We have relied on the information and facts provided, and the opinions expressed, by the LET Directors and the LET Management, which we have assumed to be true, accurate, complete and not misleading in all material aspects as at the Latest Practicable Date and the LET Shareholders will be notified of any material changes to such representations and the content of this letter as soon as possible in accordance with Rule 9.1 of the Takeovers Code. We have sought and received confirmation from the LET Directors that no material facts have been omitted from the information provided and opinions expressed by them to us. We consider that the information which we have received is sufficient for us to reach our opinion and recommendations as set out in this letter and to justify our reliance on such information. We have no reason to doubt the truth, accuracy or completeness of the information provided to us or to believe that any material information has been omitted or withheld. We have not, however, conducted any independent investigation into the business and affairs of the LET Group nor have we carried out any independent verification of the information provided.

We have not considered the tax and regulatory implications to the Independent LET Shareholders and the Independent LET Optionholders of their acceptances or non-acceptances of the LET Offers since these are particular to their own individual circumstances. In particular, the Independent LET Shareholders and the Independent LET Optionholders, who are residents outside Hong Kong or subject to overseas taxes or Hong Kong taxation on securities dealings, should consider their own tax positions with regard to the LET Offers and, if in any doubt, should consult their own professional advisers.

---

# LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

## PRINCIPAL TERMS OF THE LET OFFERS

Yu Ming and Kingston Securities are, on behalf of the Offeror, making the LET Offers in compliance with the Takeovers Code on the following basis:

### LET Share Offer

**For each LET Offer Share . . . . . HK\$0.069 in cash**

As at the Latest Practicable Date, LET had 6,667,972,746 LET Shares in issue. Save for the 4,999,853,335 LET Shares owned by the Offeror and parties acting in concert with it, representing approximately 74.98% of the total issued share capital of LET, the total number of the LET Offer Shares was 1,668,119,411 LET Shares.

The LET Share Offer Price of HK\$0.069 for each LET Offer Share is equivalent to the total consideration under the Sale and Purchase Agreements of HK\$344,383,562 divided by 4,991,643,335 LET Sale Shares, which was determined by the Panel and in accordance with the Panel's decision dated 27 August 2022.

### LET Option Offer

Under the LET Option Offer, since the exercise prices of the outstanding LET Share Options are above the LET Share Offer Price, the outstanding LET Share Options are out of the money and the offer price for the cancellation of each LET Share Option is set at a nominal value of HK\$0.0001 in cash.

<b>Exercise price of LET Share Options</b>	<b>Offer price per LET Share Option</b>	<b>Number of outstanding LET Share Options</b>
HK\$0.344	HK\$0.0001	92,400,187
HK\$0.700	HK\$0.0001	16,500,000
HK\$0.455	HK\$0.0001	52,500,000
HK\$0.900	HK\$0.0001	45,100,000

As at the Latest Practicable Date, save for 83,000,000 LET Share Options owned by the Offeror and parties acting in concert with it, there were 123,500,187 outstanding LET Share Options granted under the LET Share Option Schemes, carrying rights to subscribe for 123,500,187 new LET Shares.

If any LET Share Option is exercised in accordance with the terms of the relevant LET Share Option Scheme prior to the close of the LET Share Offer, any LET Shares issued as a result of such exercise will be subject to the LET Share Offer.

As at the Latest Practicable Date, save for the LET Share Options and the Fame Select CB, there were no outstanding options, warrants, derivatives or securities convertible or exchangeable into LET Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code).

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

No offer is made for the Fame Select CB as it is held by the Offeror after Completion. The Offeror has also indicated that it will not dispose of the Fame Select CB during the Offer Period. Further information regarding the CBs is set out under the paragraph headed “Information on LET” in the Letter from the LET Board.

The LET Offers are extended to all LET Shares and LET Share Options in issue on the date on which the LET Offers are made, being the date of despatch of the Composite Document, and to any further LET Shares and LET Share Options which are unconditionally allotted or issued after the date on which the LET Offers are made and before the date on which the LET Offers close, other than those held by the Offeror and parties acting in concert with it. The LET Shares to be acquired under the LET Share Offer shall be acquired fully-paid and free from all Encumbrances and together with all rights attaching to them, including the rights to receive in full all dividends and other distributions, if any, declared, made or paid by reference to a record date on or after the date on which the LET Share Offer is made, that is, the date of the posting of the Composite Document.

As at the Latest Practicable Date, LET had not declared any dividends which have not been distributed and LET had no plan to declare, recommend, or pay any dividends or make any other distributions until the close of the LET Offers.

For further details of the LET Offers (including the terms and procedures for acceptance of the LET Offers), please refer to the “Letter from Yu Ming and Kingston Securities” as set out on pages 13 to 24 of the Composite Document, Appendix I to the Composite Document and the accompanying Forms of Acceptance.

### **PRINCIPAL FACTORS AND REASONS CONSIDERED**

In arriving at our opinion in respect of the terms of the LET Offers, we have considered the following principal factors and reasons:

#### **1. Business, financial performance and prospects of the LET Group**

##### ***A. Business of the LET Group***

LET is an investment holding company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board. The LET Group is principally engaged in (i) through Suntrust and its subsidiaries, the development and operation of the Main Hotel Casino in the Philippines; (ii) through Summit Ascent Group, the operation of the hotel and gaming business in the Integrated Entertainment Zone of the Primorye Region (the “**IEZ Primorye**”) in the Russian Federation; (iii) property development in Japan; and (iv) management and operation of malls in the PRC.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

### B. Financial information of the LET Group

The table below summarises the audited consolidated financial results of the LET Group for the year ended 31 December 2020 and 31 December 2021 (“FY2020” and “FY2021”, respectively) as extracted from the 2021 Annual Report and the unaudited condensed consolidated interim results of the LET Group for the six months ended 30 June 2021 and 30 June 2022 (“1H2021” and “1H2022”, respectively) as extracted from the 2022 Interim Report:

**Table 1: Summary of the consolidated financial results of the LET Group**

	FY2020 (audited) (restated) HK\$'000	FY2021 (audited) HK\$'000	1H2021 (unaudited) (restated) HK\$'000	1H2022 (unaudited) HK\$'000
<b>Revenue from continuing operations</b>	<b>181,858</b>	<b>340,437</b>	<b>144,619</b>	<b>190,445</b>
– Income from management and operation of mall	1,503	28,789	15,167	12,553
– Gaming and hotel operations <sup>(Note 1)</sup>	47,685	265,519	129,452	177,892
– Travel agency services income <sup>(Note 2)</sup>	1,596	702	–	–
– Sales of travel related products <sup>(Note 2)</sup>	122,208	41,491	–	–
– Hotel and integrated resort general consultancy services income <sup>(Note 2)</sup>	8,866	3,284	–	–
– Aircraft chartering services <sup>(Note 2)</sup>	–	652	–	–
<b>Gross profit</b>	<b>27,174</b>	<b>90,110</b>	<b>40,362</b>	<b>93,798</b>
<b>Profit/(loss) before taxation</b>	<b>1,277,229</b>	<b>(623,063)</b>	<b>240,706</b>	<b>(181,624)</b>
<b>Profit/(loss) for the year/period from continuing operations</b>	<b>1,273,633</b>	<b>(646,212)</b>	<b>228,899</b>	<b>(181,292)</b>
<b>Profit/(loss) for the year/period from discontinued operations</b>	<b>(402,067)</b>	<b>176,815</b>	<b>114,360</b>	<b>(52,722)</b>
<b>Profit/(loss) for the year/period</b>	<b>871,566</b>	<b>(469,397)</b>	<b>343,259</b>	<b>(234,014)</b>
<b>Profit/(loss) for the year/period attributable to equity holders of LET</b>	<b>884,781</b>	<b>(258,265)</b>	<b>384,317</b>	<b>(252,965)</b>

# LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

*Notes:*

1. Gaming and hotel operations reported in 1H2021 and 1H2022 are classified as operation of integrated resort in the Russian Federation in 1H 2022.
2. These business segments have been discontinued in 1H2022.

	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>31 December</b>	<b>31 December</b>	<b>30 June</b>
	<b>2020</b>	<b>2021</b>	<b>2022</b>
	(audited)	(audited)	(unaudited)
	(restated)		
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Bank balances and cash	2,634,018	1,571,507	1,503,014
Non-current assets	7,056,422	5,615,172	5,130,236
Current assets	3,674,442	2,716,659	2,750,609
Current (liabilities)	(2,068,882)	(2,017,404)	(2,268,388)
Net current assets	1,605,560	699,255	482,221
Non-current (liabilities)	(3,195,483)	(1,487,659)	(1,236,083)
Total assets	10,730,864	8,331,831	7,880,845
Total (liabilities)	(5,264,365)	(3,505,063)	(3,504,471)
Equity attributable to equity holders of LET	3,814,513	3,439,134	2,998,869

*Source: the 2021 Annual Report and the 2022 Interim Report*

(i) *For the year ended 31 December 2021 (i.e. FY2021)*

Revenue from continuing operations of the LET Group increased from approximately HK\$181.9 million in FY2020 to approximately HK\$340.4 million in FY2021, representing an increase of approximately 87.2%. Such increase was mainly attributable to (i) the surge in revenue from gaming and hotel operations in the IEZ Primorye in the Russian Federation (through Summit Ascent, the 69.67% owned subsidiary of LET since October 2020) by approximately 456.8% from approximately HK\$47.7 million in FY2020 to approximately HK\$265.5 million in FY2021; and (ii) the increase in income from management and operation of mall in Zhejiang Province in the PRC (through a wholly-owned subsidiary, Dongyang Xinguang Pacific Industrial Company Limited (“**Dongyang Xinguang**”) since November 2020) by approximately 1,815.4% from approximately HK\$1.5 million in FY2020 to approximately HK\$28.8 million in FY2021, which was partially offset by the decrease in sales of travel related products by approximately 66.0% from approximately HK\$122.2 million in FY2020 to approximately HK\$41.5 million in FY2021 as a result of the prolonged effect of COVID-19 pandemic and the suspension of operation with effect from 1 December 2021. Due to the increase in total revenue, the LET Group’s gross profit also rose by approximately 231.6% from approximately HK\$27.2 million in FY2020 to approximately HK\$90.1 million in FY2021.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

Notwithstanding the increase in gross profit, the LET Group recorded loss from continuing operations of approximately HK\$646.2 million in FY2021, comparing to profit from continuing operations of approximately HK\$1,273.6 million in FY2020. Such change from profit making position to loss making position was mainly due to:

- (a) the decrease in the fair value gain of derivative financial instruments by approximately HK\$704.4 million to approximately HK\$825.8 million in FY2021 (FY2020: HK\$1,530.3 million);
- (b) the absence of gain on bargain purchase on acquisition of subsidiaries (i.e. Summit Ascent Group) in FY2021 (FY2020: HK\$348.3 million);
- (c) the recognition of impairment losses on loans to, equity loans to, and amounts due from, the joint venture company (namely, Gold Yield Enterprises Limited, through which the LET Group holds approximately 34% equity interest in the integrated resort development project located in Hoi An South, Quang Nam Province, Vietnam, “**JV Company**”) of an aggregate of approximately HK\$336.8 million in FY2021 (FY2020: nil);
- (d) the recognition of impairment loss of approximately HK\$287.1 million after the reassessment of the fair values of Summit Ascent Group’s property, operating right and equipment in relation to Tigre de Cristal and the changes in cash flow expectations (FY2020: nil);
- (e) the absence of the change in fair value of Better Linkage CB, Fame Select CB and Star Hope CB in FY2021 (FY2020: fair value gain of HK\$240.2 million);
- (f) the increase in share of loss of the JV Company by approximately HK\$160.5 million to approximately HK\$438.0 million in FY2021 (FY2020: HK\$277.5 million); and
- (g) the increase in administrative expenses by approximately HK\$80.5 million to approximately HK\$269.7 million in FY2021 (FY2020: HK\$189.2 million) due to the increase in staff costs since the acquisition of Summit Ascent in the fourth quarter of 2020,

which was partially offset by (i) the absence of loss on remeasurement of existing interest in an associate (i.e. Summit Ascent) upon business combination in FY2021 (FY2020: 122.4 million); (ii) the increase in gross profit by approximately HK\$62.9 million to approximately HK\$90.1 million in FY2021 (FY2020: HK\$27.2 million); (iii) the absence of impairment loss on interest in an associate (i.e. Summit Ascent) in FY2021 (FY2020: HK\$53.3 million); and (iv) the decrease in finance cost by approximately HK\$45.2 million to approximately HK\$283.9 million in FY2021 (FY2020: HK\$329.1 million) due to the capitalization of interest on lease liabilities incurred by Suntrust for the construction of the Main Hotel Casino.



---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

In FY2021, the LET Group recorded profit from discontinued operations of approximately HK\$176.8 million, comparing to a loss from discontinued operations of approximately HK\$402.1 million in FY2020. Such discontinued operations includes the property development and property leasing in Shenzhen under Access Achievement Limited and its subsidiaries. The LET Group disposed of the entire equity interest in Access Achievement Limited in FY2021 and recognised a disposal gain of approximately HK\$201.7 million. The disposal gain, offsetting by the loss from discontinued operations of approximately HK\$24.9 million, contributed a net profit from discontinued operations of approximately HK\$176.8 million in FY2021.

As at 31 December 2021, the LET Group's total assets and total liabilities amounted to approximately HK\$8,331.8 million (31 December 2020: approximately HK\$10,730.9 million) and approximately HK\$3,505.1 million (31 December 2020: approximately HK\$5,264.4 million), respectively. Equity attributable to equity holders of LET decreased from approximately HK\$3,814.5 million as at 31 December 2020 to approximately HK\$3,439.1 million as at 31 December 2021. Such decrease was primarily due to the loss attributable to equity holders of LET of approximately HK\$258.3 million in FY2021 and the loss of approximately HK\$226.8 million from exchange differences on translating foreign operations in FY2021.

*(ii) For the six months ended 30 June 2022 (i.e. 1H2022)*

In 1H2022, the LET Group engaged in the following continuing operations: (i) through Suntrust Group, the development and operation of an integrated resort in the Philippines; (ii) through Summit Ascent Group, the operation of the hotel and gaming business in the IEZ Primorye in the Russian Federation; (iii) property development in Japan; and (iv) management and operation of malls in the PRC. With effect from 1 April 2022, the LET Group ceased and discontinued the operations in travel related products and services and hotel and integrated resort general consultancy services businesses. Revenue from continuing operations of the LET Group increased from approximately HK\$144.6 million in 1H2021 to approximately HK\$190.4 million in 1H2022, representing an increase of approximately 31.7%. Such increase was mainly attributable to the increase in revenue from gaming and hotel operations in the IEZ Primorye in the Russian Federation from approximately HK\$129.5 million in 1H2021 to approximately HK\$177.9 million in 1H2022, but slightly offset by the decrease in income from management and operation of mall in Zhejiang Province in the PRC from approximately HK\$15.2 million in 1H2021 to approximately HK\$12.6 million in 1H2022. Due to the increase in total revenue, the LET Group's gross profit also rose by approximately 132.4% from approximately HK\$40.4 million in 1H2021 to approximately HK\$93.8 million in 1H2022.

Notwithstanding the increase in gross profit, the LET Group recorded loss for the period of approximately HK\$234.0 million in 1H2022, comparing to a profit of approximately HK\$343.3 million in 1H2021. Such change was mainly due to:

- (a) the decrease in fair value gain of derivative financial instruments by approximately HK\$526.1 million to approximately HK\$13.2 million in 1H2022 (1H2021: HK\$539.3 million);

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

- (b) the recognition of loss from discontinued operations of approximately HK\$52.7 million in 1H2022 (1H2021: profit of approximately HK\$114.4 million (as restated)); and
- (c) the recognition of impairment losses on loans to, equity loans to, and amounts due from the JV Company of approximately HK\$47.3 million in 1H2022 (1H2021: nil),

which was partially offset by (i) the increase in gross profit by approximately HK\$53.4 million to approximately HK\$93.8 million in 1H2022 (1H2021: HK\$40.4 million); and (ii) the increase in other income, gains and losses by approximately HK\$85.7 million to approximately HK\$144.8 million in 1H2022 (1H2021: HK\$59.1 million) due to (a) the net exchange gains recognised in 1H2022 of approximately HK\$81.9 million (1H2021: net exchange gains of HK\$10.0 million) which was primarily due to the translation of assets and liabilities which denominated in foreign currencies during 1H2022 and (b) the increase in bank interest income.

As at 30 June 2022, the LET Group's total assets and total liabilities amounted to approximately HK\$7,880.8 million (31 December 2021: approximately HK\$8,331.8 million) and approximately HK\$3,504.5 million (31 December 2021: approximately HK\$3,505.1 million), respectively. Equity attributable to equity holders of LET decreased from approximately HK\$3,439.1 million as at 31 December 2021 to approximately HK\$2,998.9 million as at 30 June 2022. Such decrease was primarily due to the loss attributable to equity holders of LET of approximately HK\$253.0 million in 1H2022 and the loss of approximately HK\$190.2 million from exchange differences on translating foreign operations in 1H2022.

*(iii) Going concern*

As disclosed in the 2022 Interim Report, the following conditions indicate the existence of material uncertainties which may cast significant doubt on the LET Group's ability to continue as a going concern: (i) the LET Group recorded net loss of approximately HK\$234.0 million and net operating cash outflow of approximately HK\$65.8 million in 1H2022; (ii) as at 30 June 2022, the LET Group had committed capital expenditure of approximately HK\$3.3 billion; (iii) as at 30 June 2022, the LET Group had the PN Loan in the principal amount of HK\$303 million and interest thereon, and the 2018 Convertible Bonds in the principal amount of HK\$297 million due on 28 August 2022, which were defaulted on 29 August 2022; and (iv) as at 30 June 2022, the LET Group had the Fame Select CB in the principal amount of HK\$402 million due on 7 December 2022, which was cross-defaulted on 29 August 2022.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

The LET Board have taken certain measures to mitigate the liquidity pressure and to improve its financial position and performance of the LET Group which include, but not limited to (i) the completion of the Disposal (as defined and detailed in the next paragraph headed “(iv) Events after reporting period”) in July 2022, which discharged its obligations to repay other borrowings of approximately HK\$929.6 million as at 30 June 2022 and interests thereon; (ii) the commencement of negotiation for the disposal of certain of its non-core assets, including but not limited to the parcels of land in Japan; (iii) the negotiation with immediate holding company including extension of repayment, and/or waiver on defaults and not demand immediate repayment; (iv) the continuation of taking active measures to control operating expenses; and (v) the continuation of exploring debt or equity financing. The LET Directors were of the opinion that, taking into account the above measures, the LET Group would have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within the next twelve months from 30 June 2022. However, significant uncertainties exist as to whether the LET Group can achieve the plans and measures described in items (ii) to (v) above. The sufficiency of the LET Group’s working capital to satisfy its present obligations for at least the next twelve months from 30 June 2022 is dependent on the LET Group’s ability to generate adequate financing and operating cash flows.

*(iv) Events after reporting period*

A. Completion of the Disposal

As mentioned in the announcement of LET dated 10 May 2022 (the “**Disposal Announcement**”), LET and Kingdom Rich Holdings Limited (a wholly-owned subsidiary of LET, “**Kingdom Rich**”), as vendors, and Great Promise Developments Limited (“**Great Promise**”), as purchaser, entered into a sale and purchase agreement on 10 May 2022, pursuant to which, LET and Kingdom Rich agreed to sell, and Great Promise agreed to purchase, the entire issued share capital of Goal Explore Investments Limited and Boshing Investments Limited (together with their subsidiaries, the “**Disposal Groups**”) at a consideration of HK\$1 (the “**Disposal**”). Please refer to the Disposal Announcement for further details of the Disposal.

According to the announcement of LET dated 22 July 2022, completion of the Disposal took place on 22 July 2022 in accordance with the terms and conditions of the sale and purchase agreement. As advised by the LET Management, the gain on the Disposal is estimated to be approximately HK\$182.0 million, subject to audit.

B. Financing

As disclosed in the announcement of LET dated 29 August 2022 (the “**Aug 2022 Announcement**”), the PN Loan, the Star Hope CB and the Better Linkage CB (together with the Star Hope CB, the “**2018 Convertible Bonds**”) were due on 28 August 2022. As at the date of the Aug 2022 Announcement, the PN Loan and the 2018 Convertible Bonds remained unpaid. The non-payment constituted an event of default of the PN Loan and the 2018 Convertible Bonds, which, in turn, triggered a cross default in respect of the Fame Select CB due on 7 December 2022.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

On 19 September 2022, LET, as borrower, entered into a loan agreement (the “**Loan Agreement**”) with four independent third party lenders (the “**2022 Lenders**”), as lenders, for the advance of a loan facility of HK\$400,000,000 (the “**2022 Loan**”) for a term of 12 months maturing on 18 September 2023. The interest rate (the “**Interest Rate**”) payable under the 2022 Loan is the higher of (i) 18% per annum; or (ii) the aggregate of 13% per annum and the HK\$ prime lending rate as may be offered by The Hongkong and Shanghai Banking Corporation Limited (“**HSBC**”) from time to time, payable quarterly in arrears. In the event of default, the default interest rate payable under the 2022 Loan would be the aggregate of the Interest Rate and 6% per annum, payable on demand. Pursuant to the Loan Agreement, (i) LET and Victor Sky Holdings Limited (“**Victor Sky**”), a wholly-owned subsidiary of LET, pledged 123,255,000 and 3,018,306,811 ordinary shares in Summit Ascent respectively to the 2022 Lenders, representing in aggregate approximately 69.67% of the total issued shares of Summit Ascent, as security for the 2022 Loan; and (ii) LET entered into a debenture to create a first fixed and floating charge over its undertaking, property, and assets as security for the 2022 Loan. Please refer to the announcement of LET dated 19 September 2022 (the “**Sep 2022 Announcement**”) for further details of the 2022 Loan.

According to the Sep 2022 Announcement, the 2022 Loan is to be utilised (i) as to HK\$380,000,000 for the full repayment of the PN Loan (including interest accrued thereon) of HK\$309,441,863 and for the partial repayment of the 2018 Convertible Bonds of HK\$70,558,137; and (ii) as to the remaining balance of the 2022 Loan (after deducting the relevant expenses) for the general working capital of the LET Group.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

The table below summaries the LET Group's liabilities as at the Latest Practicable Date:

		<b>Outstanding principal amount</b>	<b>Interest rate</b>	<b>Due date</b>
1.	2018 Convertible Bonds	HK\$226,441,863	Nil	28 August 2022 ( <i>Note</i> )
2.	Fame Select CB	HK\$402,000,000	Nil	7 December 2022
3.	2022 Loan	HK\$400,000,000	the higher of (i) 18% per annum; or (ii) the aggregate of 13% per annum and the HK\$ prime lending rate as may be offered by HSBC from time to time	18 September 2023

*Note:* The 2018 Convertible Bonds were originally due on 28 August 2022. According to the announcement of LET dated 2 September 2022, the Offeror indicated that it is in principle agreeable not to demand for immediate payment of all amounts due and payable under the 2018 Convertible Bonds prior to 7 December 2022, i.e. the maturity date of the Fame Select CB, or such later date as the Offeror may agree in writing.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

(v) *Adjusted unaudited net asset value*

According to the paragraph headed “*Adjusted unaudited net asset value*” under the section headed “*1. Three-year summary of financial information*” in Appendix II to the Composite Document, the following table sets out the adjusted unaudited consolidated net asset value attributable to the equity holders of LET as at 30 June 2022 (the “**Adjusted Unaudited NAV**”), taking into account the effect of (i) the completion of the Disposal in July 2022; and (ii) revaluation arising from the valuation of the property interests held by the LET Group as at 31 August 2022:

	<i>HK\$'000</i>
Unaudited consolidated net asset value attributable to equity holders of LET as at 30 June 2022	2,998,869
<i>Adjustment:</i>	
(i) Effect of the Disposal	182,001
(ii) Revaluation surplus arising from the valuation <i>(Note 1)</i>	<u>115,077</u>
Adjusted Unaudited NAV	<u><u>3,295,947</u></u>
Adjusted Unaudited NAV per LET Share (HK\$) <i>(Note 2)</i>	<u><u>0.494</u></u>

*Notes:*

1. Represents the revaluation surplus arising from the increase in the market value of the property interests held by the LET Group in existing state of approximately HK\$115.5 million as at 31 August 2022, as appraised by independent valuers, as compared to their corresponding net book value of approximately HK\$2,893.9 million as at 30 June 2022. Summaries of the property valuation reports issued by Grant Sherman Appraisal Limited, Vincorn Consulting and Appraisal Limited and Jones Lang LaSalle Corporate Appraisal and Advisory Limited, being independent property valuers to the LET Group, in respect of the valuation of the property interests held by the LET Group as at 31 August 2022 are set out in Appendix III to the Composite Document.
2. Based on 6,667,972,746 LET Shares in issue as at the Latest Practicable Date.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

*(vi) Analysis*

In view of the above, in particular (i) the LET Group recorded net loss of approximately HK\$234.0 million and net operating cash outflow of approximately HK\$65.8 million in 1H2022; (ii) the prospects and future performance of the LET Group remains uncertain (please refer to our analysis as set out in the paragraph headed “C. *Business prospects of the LET Group*” below); (iii) as at 30 June 2022, the LET Group had committed capital expenditure of approximately HK\$3.3 billion; and (iv) the LET Group is under tremendous pressure to deal with its financial obligations due within the next twelve months including the 2018 Convertible Bonds, the Fame Select CB and the 2022 Loan with an aggregate outstanding principal amount of HK\$1,028.4 million, it is uncertain as to whether the LET Group can improve its financial performance in the near future, and whether the LET Group is able to re-finance or settle the 2018 Convertible Bonds, the Fame Select CB and the 2022 Loan promptly. Those Independent LET Shareholders who wish to retain some or all of the LET Shares should consider the past financial performance of the LET Group and the business prospects of the LET Group as detailed in the paragraph headed “C. *Business prospects of the LET Group*” below, or otherwise are reminded to closely monitor the development of the LET Group and the publications of LET (including the Composite Document) in this regard.

*(vii) Dividend payout*

According to the 2021 Annual Report, in deciding whether to propose or declare a dividend and in determining the dividend amount and means of payments, the LET Board shall take into account, among others: (i) general business conditions and other internal or external factors that may have an impact on the business of LET; (ii) the financial performance and position of the LET Group; (iii) the liquidity position of the LET Group; (iv) the capital and debt level of the LET Group; (v) the expected capital requirements and future expansion plans of the LET Group; (vi) statutory and regulatory restrictions; (vii) contractual restrictions on the payment of dividends by the LET Group to the shareholders or by the subsidiaries of LET to LET; and (viii) other factors the LET Board may deem relevant. On 5 February 2010, the LET Board declared a special dividend of HK\$0.15 per LET Share (the “**2010 Special Dividend**”). Save for the 2010 Special Dividend, the LET Board did not declare any dividend since the listing of LET Shares on the Stock Exchange in February 2007.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

Given that (i) save for the 2010 Special Dividend, the LET Board did not declare any dividend since the listing of LET Shares on the Stock Exchange in February 2007; (ii) the LET Group only generates income from management and operation of malls in the PRC and through Summit Ascent Group, the operation of the hotel and gaming business in the IEZ Primorye in the Russian Federation; (iii) the historical income derived from management and operation of malls is minimal comparing to the cash requirement of the LET Group; (iv) the cash within Summit Ascent Group, though consolidated in the balance sheet of the LET Group, cannot be utilized by the LET Group unless Summit Ascent declares dividend to its shareholders (including LET); (v) the LET Group had to re-finance or settle the 2018 Convertible Bonds and the Fame Select CB due on 7 December 2022 and the 2022 Loan due on 18 September 2023; (vi) the LET Group bears extra finance cost in the amount of a minimum of HK\$72 million as a result of the drawdown of the 2022 Loan in September 2022; and (viii) the LET Group had committed capital expenditure of approximately HK\$3.3 billion as at 30 June 2022, it is unlikely that LET will pay dividends to the LET Shareholders in the foreseeable future.

### *C. Business prospects of the LET Group*

The LET Group is principally engaged in (i) through Suntrust and its subsidiaries, the development and operation of the Main Hotel Casino in the Philippines; (ii) through Summit Ascent Group, the operation of the hotel and gaming business in the IEZ Primorye in the Russian Federation; (iii) property development in Japan; and (iv) management and operation of malls in the PRC. As disclosed in the 2022 Interim Report, the LET Group has commenced the negotiation for the disposal of the parcels of land in Japan to mitigate the liquidity pressure of the LET Group. Therefore, we focused on analysing the prospect of (i) operation of integrated resort in the Philippines; (ii) operation of integrated resort in the Russian Federation; and (iii) management and operation of malls in the PRC.

#### *(i) Operation of integrated resort in the Philippines*

As at the Latest Practicable Date, the building structure of the Main Hotel Casino has progressed up to the fifth floor and the installation of exterior curtain walls has commenced. The Main Hotel Casino is expected to commence operation in 2024.



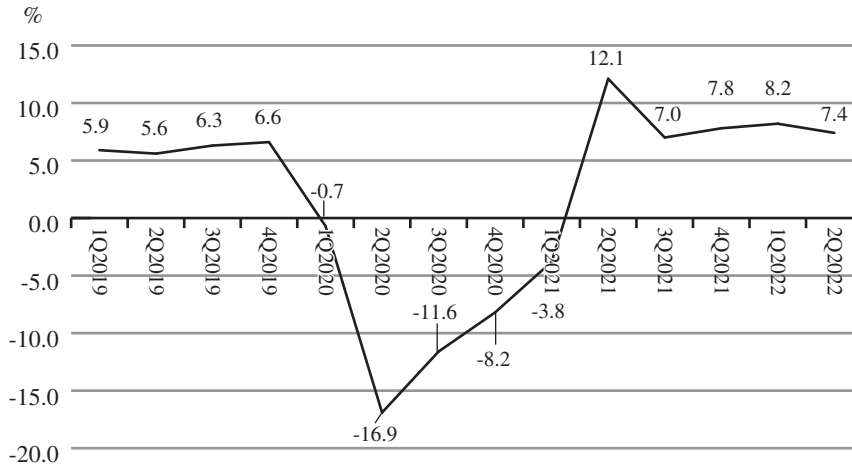
---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

Since the second quarter of 2021, the economy of the Philippines started to recover from COVID-19. According to the website of the Philippine Statistics Authority of the Philippines Government, the gross domestic product (“GDP”) of the Philippines has resumed positive year-on-year growth since the second quarter of 2021 and maintained over 7% year-on-year growth since the second quarter of 2021 and until the second quarter of 2022. Set out below is the diagram showing the year-on-year growth rate of the GDP of the Philippines from the first quarter of 2019 to the second quarter of 2022:

**Chart 1: Year-on-year growth rate of the GDP of the Philippines**



*Source: the Philippine Statistics Authority of the Philippines Government*

The Philippines Government has reopened its borders for fully-vaccinated international tourists in February 2022 after borders closed to international tourists nearly two years due to the outbreak of COVID-19 since 2020. In March 2022, the Philippines Government also announced to allow integrated resorts in Manila to operate at full capacity. According to the website of Manila International Airport Authority, the number of arriving international passengers in Ninoy Aquino International Airport (which is the busiest airport in the Philippines and the closest airport to the Main Hotel Casino) increased by approximately 3.5 times from approximately 380,000 for 1H2021 to approximately 1,695,000 for 1H2022. Nevertheless, the number of arriving international passengers for 1H2022 was still much below its pre-pandemic level and represented merely approximately 27.1% of that in the first half of 2019 (“1H2019”). According to the website of the Philippine Amusement and Gaming Corp (a state-run gaming regulator and operator), gross gaming revenue (“GGR”) in the Philippines increased by approximately 77.4% from approximately PHP51.7 billion for 1H2021 to approximately PHP91.7 billion for 1H2022. The recovery of gaming industry has been continuing and the GGR in the Philippines for 1H2022 reached around three-fourth of that in 1H2019. The tourism industry in the Philippines has been recovering at a steady pace though it has not yet restored to its pre-pandemic level.

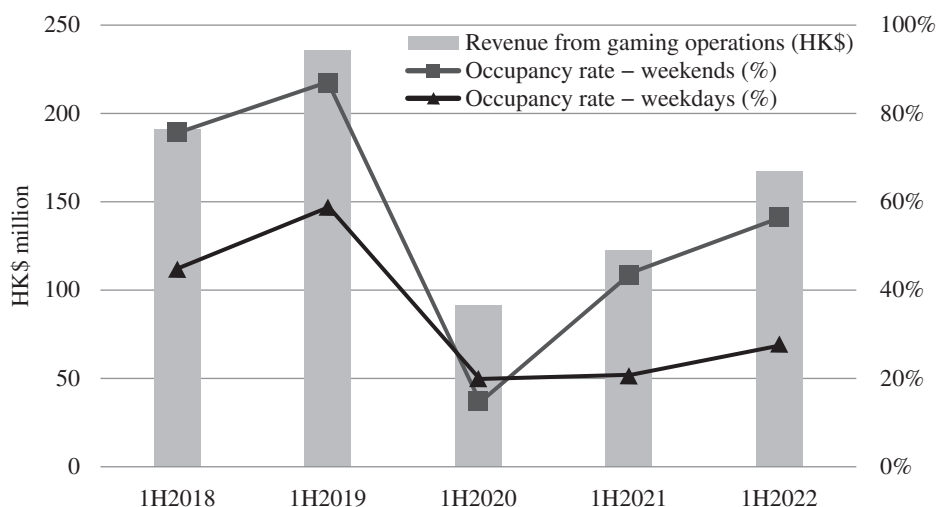
Notwithstanding the recovery of the gaming and tourism industry, we are of the view that the development of COVID-19 in the Philippines and the government’s corresponding measures and policies may hinder the progress of the construction and renovation of the Main Hotel Casino, and thus the opening of the Main Hotel Casino.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

### (ii) Operation of integrated resort in the Russian Federation

The operation of Tigre de Cristal has been recovering from COVID-19, the revenue from gaming operations and average hotel occupancy rate has continuously improved after the significant drop in 2020 due to the outbreak of COVID-19. Set out below is the diagram showing the revenue from gaming operations and the average occupancy rate of Tigre de Cristal for each of the first half of year from 2018 to 2022:

**Chart 2: Revenue from gaming operations and average occupancy rate of Tigre de Cristal**



Source: Financial reports of LET and Summit Ascent

As shown in Chart 2 above, the revenue from gaming operations of Tigre de Cristal increased from approximately HK\$92.3 million in 1H2020 to approximately HK\$122.7 million in 1H2021, and further to approximately HK\$167.6 million in 1H2022. The average occupancy rate of Tigre de Cristal during weekdays increased from approximately 20% in 1H2020 to approximately 21% in 1H2021, and further to approximately 28% in 1H2022. The improvement of the average occupancy rate of Tigre de Cristal during weekends was even more encouraging, increasing from approximately 15% in 1H2020 to approximately 44% in 1H2021, and further to approximately 57% in 1H2022. However, the operation of Tigre de Cristal has not yet fully recovered from COVID-19. The revenue from gaming operations of Tigre de Cristal in 1H2022 represented only approximately 70.8% of that in 1H2019 while the average occupancy rate in 1H2022 was also significantly lower than that in 1H2019.

The Russian Government has reopened its borders for tourists from Kazakhstan and Mongolia in March 2022 after borders closed to international tourists since March 2020 due to the outbreak of COVID-19, and further lifted restrictions for tourists who have negative test results for COVID-19 upon entry by air, sea and land in July 2022.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

However, Russia-Ukraine conflict caused international sanctions imposed by several developed countries (such as United States, Canada, and the European Union) against the Russian Federation while the Russian Government responded with sanctions against several countries, including ban of food imports and control of gas supply to Europe. As the development of Russia-Ukraine conflict remains uncertain in the near future, it is expected that Russia-Ukraine conflict may cause significant long-term damage to the Russian economy and its tourism industry.

Notwithstanding that the operating performance of Tigre de Cristal has been continuously recovering from the adverse effect of COVID-19 and the Russian Government has reopened its borders for tourists recently, we are of the view that the development of Russia-Ukraine conflict will remain the most uncertain factor for the recovery of the Russian economy and its tourism industry, and that the prospect of the operation of integrated resort in the Russian Federation remains uncertain.

*(iii) Management and operation of malls in the PRC*

The LET Group is currently engaged in the management and operation of malls (i.e. Phase 1 Shopping Mall and Phase 2 Living Mall of Xinguang Tiandi, the “Malls”) located in Dongyang City, Zhejiang Province, the PRC with a total floor area of 65,241.98 meter square. Since the LET Group acquired the entire interest of Dongyang Xinguang in November 2020, the occupancy rates of the Malls maintained around the level of 80%.

According to the website of Dongyang Municipality Bureau of Statistics\* (東陽市統計局), the GDP of Dongyang increased from approximately RMB63.8 billion in 2020 to approximately RMB73.1 billion in 2021, representing an increase of approximately 14.5%. The GDP of Dongyang in the first quarter of 2022 also increased to approximately RMB17.5 billion, representing a period-to-period growth of approximately 5.7% as compared to that of approximately RMB16.6 billion in the first quarter of 2021. In addition, the average annual disposable income of the residents in Dongyang increased from approximately RMB48,837 in 2020 to approximately RMB54,431 in 2021, representing an annual growth rate of approximately 11.5%, while the average annual consumption expenditure of the residents in Dongyang increased from approximately RMB33,573 in 2020 to approximately RMB39,409 in 2021, representing an annual growth rate of approximately 17.4%. According to the Report on the Work of the Dongyang Municipal People’s Government\* (東陽市人民政府工作報告) published on the website of the Dongyang Municipal People’s Government on 11 February 2022, Dongyang municipality set the growth rate targets of GDP and the average annual disposable income of the residents in 2022 at 7.5% and 8%, respectively. As the GDP, average annual disposable income and average annual consumption expenditure of the residents in Dongyang demonstrated a growing trend, it is expected that the LET Group’s commission income based on sales made by concessionaries might be beneficial, and the high occupancy rates of the Malls can be sustained, which in turn, maintain the demand for the property management service in near futures.

---

# LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

Notwithstanding that the demand for property management services in Dongyang is expected to maintain in near futures, having considered the facts that (i) the revenue generated from operation of integrated resort in the Russian Federation accounted for approximately 78.0% of the LET Group's total revenue from continuing operations in FY2021, however, Russia-Ukraine conflict continues to pose a significant risk to the operation of integrated resort in the Russian Federation and the prospect of the operation of integrated resort in the Russian Federation remains uncertain; and (ii) the development of COVID-19 in the Philippines and the government's corresponding measures and policies may hinder the progress of the construction and renovation of the Main Hotel Casino, and thus the opening of the Main Hotel Casino, we are of the view that the prospects and future performance of the LET Group remains uncertain.

## 2. Principal terms of the LET Offers

### LET Share Offer

**For each LET Offer Share . . . . . HK\$0.069 in cash**

The LET Share Offer Price of HK\$0.069 for each LET Offer Share is equivalent to the total consideration under the Sale and Purchase Agreements of HK\$344,383,562 divided by 4,991,643,335 LET Sale Shares, which was determined by the Panel and in accordance with the Panel's decision dated 27 August 2022.

The LET Share Offer is extended to all LET Shares in issue on the date on which the LET Share Offer is made, being the date of despatch of the Composite Document, and to any further LET Shares which are unconditionally allotted or issued after the date on which the LET Share Offer is made and before the date on which the LET Share Offer closes, other than those held by the Offeror and parties acting in concert with it. The LET Shares to be acquired under the LET Share Offer shall be acquired fully-paid and free from all Encumbrances and together with all rights attaching to them, including the rights to receive in full all dividends and other distributions, if any, declared, made or paid by reference to a record date on or after the date on which the LET Share Offer is made, that is, the date of the posting of the Composite Document.

As at the Latest Practicable Date, LET had not declared any dividends which have not been distributed and LET had no plan to declare, recommend, or pay any dividends or make any other distributions until the close of the LET Offers.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

The LET Share Offer Price of HK\$0.069 per LET Offer Share represents:

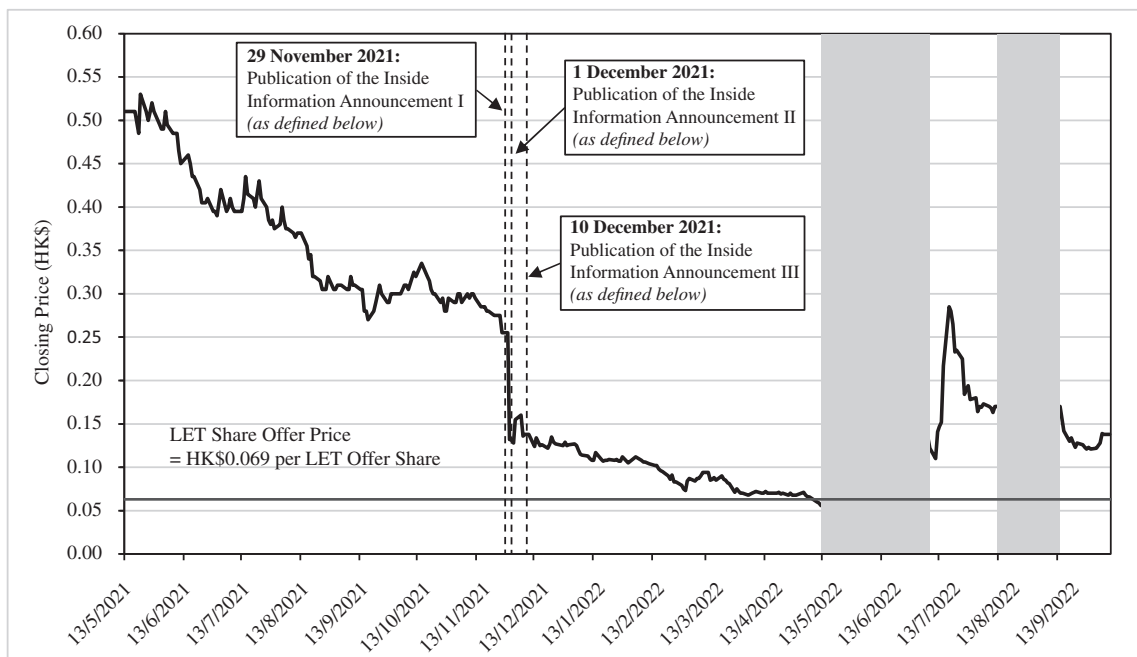
- (i) a premium of approximately 23.21% over the closing price of HK\$0.056 per LET Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 13.11% over the average closing price of approximately HK\$0.061 per LET Share for the 5 trading days up to and including the Last Trading Day (the “**Last 5 Trading Days**”);
- (iii) a premium of approximately 6.15% to the average closing price of approximately HK\$0.065 per LET Share for the 10 trading days up to and including the Last Trading Day (the “**Last 10 Trading Days**”);
- (iv) the average closing price of approximately HK\$0.069 per LET Share for the 30 trading days up to and including the Last Trading Day;
- (v) a discount of approximately 59.41% to the closing price of HK\$0.170 per LET Share on 11 August 2022, being the last trading day for the LET Shares, pending publication of the Joint Announcement;
- (vi) a discount of 50.00% to the closing price of HK\$0.138 per LET Share on 10 October 2022, being the Latest Practicable Date;
- (vii) a discount of approximately 86.63% to the audited consolidated net assets attributable to equity holders of LET of approximately HK\$0.516 per LET Share as at 31 December 2021 as set out in the 2021 Annual Report;
- (viii) a discount of approximately 84.67% to the unaudited consolidated net assets attributable to equity holders of LET of approximately HK\$0.450 per LET Share as at 30 June 2022 as set out in the 2022 Interim Report; and
- (ix) a discount of approximately 86.03% to the Adjusted Unaudited NAV of approximately HK\$0.494 per LET Share as at 30 June 2022, the calculation of which is set out under the paragraph headed “*Adjusted unaudited net asset value*” under the section headed “*I. Three-year summary of financial information*” in Appendix II to the Composite Document.

# LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

## A. Historical price performance of LET Shares

Set out below is the chart showing the daily closing price of LET Shares as quoted on the Stock Exchange during the period commencing from 13 May 2021, being the twelve-month period prior to the Last Trading Day, up to and including the Latest Practicable Date (the “**Review Period**”), which we consider to be reasonably long enough to illustrate the historical trend and level of movement of the closing prices of LET Shares:

**Chart 3: Closing prices of LET Shares during the Review Period**



Source: the website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk))

Note: Trading in LET Shares was suspended (i) on 29 November 2021 pending the release of an announcement in relation to news coverage regarding Mr. Chau, which constitutes inside information of LET; (ii) on 1 December 2021 pending the release of an announcement on news coverage in relation to VIP business carried out in Macau by Sun City Gaming Promotion Company Limited (“SCGPCL”, a company wholly-owned by Mr. Chau), which constitutes inside information of LET; (iii) from 9 December 2021 to 10 December 2021 pending the release of an announcement in relation to a possible loan default by the Borrower and possible enforcement of securities charged, which constitute inside information of LET; (iv) from 13 May 2022 to 6 July 2022 pending the release of the Rule 3.7 Announcement; and (v) from 12 August 2022 to 14 September 2022 pending the release of the Joint Announcement.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

As illustrated in Chart 3 above, during the Review Period, the closing price of LET Shares ranged from the lowest closing price of HK\$0.056 per LET Share as recorded on 12 May 2022 to the highest closing price of HK\$0.530 per LET Share as recorded on 21 May 2021, with an average price of approximately HK\$0.233 per LET Share. The LET Share Offer Price represents (i) a premium of approximately 23.2% over the lowest closing price of the LET Shares; (ii) a discount of approximately 87.0% to the highest closing price of the LET Shares; and (iii) a discount of approximately 70.4% to the average closing price of the LET Shares during the Review Period, respectively. During the Review Period, there were only 12 trading days on which the closing price of the LET Shares was lower than or equal to the LET Share Offer Price.

During the period from 13 May 2021 to 26 November 2021, the closing price of LET Shares exhibited a declining trend and reached the relatively low closing price of HK\$0.255 per LET Share on 26 November 2021. We have discussed with the LET Management regarding the downward trend of the LET Share price and were advised that save for the publication of (i) the unaudited quarterly results announcements of Suntrust, a 51% owned subsidiary of LET, for the three months ended 31 March 2021, 30 June 2021 and 30 September 2021 on 14 May 2021, 16 August 2021 and 15 November 2021, respectively; (ii) the interim results announcement of LET on 31 August 2021; and (iii) the joint announcement of LET and Summit Ascent dated 20 September 2021 in relation to the entering into of subscription agreement and set-off deed between SA Investments (a direct wholly-owned subsidiary of Summit Ascent) and Suntrust, they are not aware of other particular reason that led to the declining trend of the price of LET Shares.

At the request of LET, trading in LET Shares on the Stock Exchange was halted on 29 November 2021 pending the release of an announcement in relation to news coverage regarding Mr. Chau. As mentioned in the announcement of LET dated 29 November 2021 (the “**Inside Information Announcement I**”), the LET Board noted that there was 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, 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 IEZ Primorye in the Russian Federation and whose 77.5% of the controlling interest was indirectly held by Summit Ascent) being involved in cross border gambling activities by sending officers to solicit for customers in the PRC for its gaming operations (the “**Incident**”). SCGPCL, a company wholly-owned by Mr. Chau, is a key supplier of hotel accommodation products to the LET Group under its travel and related business segment, which contributed approximately 18.1% of the LET Group’s total revenue from continuing operations for 1H2021. In the event of any inability of SCGPCL to provide hotel accommodation products to the LET Group, and the LET Group is unable to secure alternative supplies, the travel related businesses segment of the LET Group will be adversely affected. Furthermore, as disclosed in the interim report of LET for 1H2021, the LET Group is dependent on the financial support from Mr. Chau and his related companies. In the event that the LET Group loses the support of Mr. Chau for whatever reason, the financial position, business and operation of the LET Group will be adversely affected. As to the allegation regarding the involvement of Tigre de Cristal in cross border gambling activities, the LET Board clarified that such allegation is untrue, and none of the directors, officers or staff of any members of the LET Group has engaged in the solicitation for customers in the PRC for the gaming operations of Tigre de Cristal. Mr. Chau had also indicated his intention to resign from the posts of the chairman of the LET Board and an executive LET Director in the Inside Information Announcement I.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

Following the resumption of trading on 30 November 2021, the closing price of LET Shares plunged to HK\$0.132 per LET Share, representing a drop of approximately 48.2% as compared to that of HK\$0.255 per LET Share on 26 November 2021 (being the last trading day before the publication of the Inside Information Announcement I). We reckon that such drop in the closing price of the LET Shares was likely due to the market reaction to the Inside Information Announcement I.

At the request of LET, trading in LET Shares on the Stock Exchange was halted on 1 December 2021 pending the release of an announcement on news coverage in relation to VIP business carried out in Macau by SCGPCL. According to the announcement of LET dated 1 December 2021 (the “**Inside Information Announcement II**”), the LET Board noted that there was news coverage concerning the VIP business being carried out in Macau by SCGPCL ceased operation completely from 1 December 2021 onward. Some of the news coverage mentioned that such VIP business has been carried on by the LET Group, and employees of the VIP business will become subject to leave without pay arrangement. The LET Board clarified that the LET Group has not been carrying on any VIP business in Macau, and such business has been carried on by SCGPCL. In addition, the LET Board announced that a letter was received from Mr. Chau, tendering his resignation from the posts of the chairman of the LET Board and an executive LET Director, with effect from 1 December 2021. After the publication of the Inside Information Announcement II, trading in LET Shares resumed on 2 December 2021. The closing prices of LET Shares during the period commencing from 2 December 2021 to 8 December 2021 fluctuated within a range from HK\$0.128 per LET Share to HK\$0.160 per LET Share.



---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

At the request of LET, trading in LET Shares on the Stock Exchange was halted from 9 December 2021 to 10 December 2021 pending the release of an announcement in relation to a possible loan default by the Borrower and possible enforcement of securities charged. On 10 December 2021, LET announced that the Demand Letter was served to the Borrower on 8 December 2021 by the legal advisers of the Lenders and Wooco, the agent and security agent of the Lenders, in relation to the Loan in the principal sum of HK\$300,000,000 granted by the Lenders to the Borrower under the Facility Agreement. Please refer to the announcement of LET dated 10 December 2021 (the “**Inside Information Announcement III**”, and together with the Inside Information Announcement I and the Inside Information Announcement II, the “**Inside Information Announcements**”) for further details of the Demand Letter. Following the resumption of trading on 13 December 2021, the closing price of LET Shares exhibited a downward trend and hit the lowest point of HK\$0.056 per LET Share on 12 May 2022. We have enquired with the LET Management and were advised that save for the publication of (i) the announcement of LET on 15 December 2021 in relation to disposal of aircraft; (ii) the inside information announcement of LET on 16 December 2021 in relation to the serving of the Notification Letter to the Borrower by the legal advisers of the Lenders and Wooco; (iii) the announcement of LET on 23 March 2022 in relation to profit warning for FY2021 and default of loan to the JV Company; (iv) the annual results announcement of LET for FY2021 on 30 March 2022; (v) the inside information announcement of LET on 1 April 2022 regarding the cessation of the LET Group’s travel and related business with effect from 1 April 2022; and (vi) the announcement of LET on 10 May 2022 relating to the Disposal, they are not aware of other particular reason that led to the declining trend of the price of the LET Shares.

Trading in LET Shares on the Stock Exchange was then suspended from 13 May 2022 to 6 July 2022 at the request of LET pending the release of the Rule 3.7 Announcement. Subsequent to the resumption of trading on 7 July 2022, the closing price of LET Shares rebounded from its lowest level of HK\$0.056 per LET Share on 12 May 2022 to a relatively high level of HK\$0.285 per LET Share on 18 July 2022. We reckon that such rebound in the closing price of LET Shares was likely due to the market reaction to the announcement of the LET Offers. Afterward, the closing price of LET Shares showed a decreasing trend and dropped to HK\$0.170 per LET Share on 11 August 2022 before another round of trading suspension.

At the request of LET, trading in LET Shares on the Stock Exchange was suspended from 12 August 2022 to 14 September 2022 pending the release of the Joint Announcement. After the publication of the Joint Announcement, trading in LET Shares resumed on 15 September 2022. LET Shares were then traded within a range from HK\$0.121 per LET Share to HK\$0.157 per LET, and were closed at HK\$0.138 per LET Share on the Latest Practicable Date.

Independent LET Shareholders should note that the information set out above is not an indicator of the future performance of the LET Shares and that the price of the LET Shares may increase or decrease from its closing price after the Latest Practicable Date.

# LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

## B. Historical trading volume of LET Shares

The following table sets out the trading volume of LET Shares during the Review Period:

**Table 2: Trading volume of LET Shares during the Review Period**

Month/period (Note 1)	Total trading volume (No. of LET Shares)	No. of trading days	Average daily trading volume (No. of LET Shares)	Percentage of the average daily trading volume to the total number of issued LET Shares (Note 2)	Percentage of the average daily trading volume to the number of issued LET Shares held by public LET Shareholders (Note 3)
May 2021					
(From 13 May)	112,511,824	12	9,375,985	0.1406%	0.5621%
June 2021	214,661,516	21	10,221,977	0.1533%	0.6128%
July 2021	265,195,900	21	12,628,376	0.1894%	0.7570%
August 2021	279,366,000	22	12,698,455	0.1904%	0.7612%
September 2021	96,451,800	21	4,592,943	0.0689%	0.2753%
October 2021	46,182,200	18	2,565,678	0.0385%	0.1538%
November 2021	253,529,200	21	12,072,819	0.1811%	0.7237%
December 2021	509,849,517	19	26,834,185	0.4024%	1.6086%
January 2022	125,152,799	21	5,959,657	0.0894%	0.3573%
February 2022	83,393,088	17	4,905,476	0.0736%	0.2941%
March 2022	226,253,292	23	9,837,100	0.1475%	0.5897%
April 2022	26,992,000	18	1,499,556	0.0225%	0.0899%
May 2022	11,470,423	7	1,638,632	0.0246%	0.0982%
June 2022	–	–	N/A	N/A	N/A
July 2022	1,239,830,631	17	72,931,214	1.0938%	4.3721%
August 2022	31,320,139	9	3,480,015	0.0522%	0.2086%
September 2022	130,996,600	12	10,916,383	0.1637%	0.6544%
October 2022 (up to the Latest Practicable Date)	28,431,400	5	5,686,280	0.0853%	0.3409%

Source: the website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk))

---

# LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

*Notes:*

1. Trading in LET Shares was suspended (i) on 29 November 2021 pending the release of the Inside Information Announcement I; (ii) on 1 December 2021 pending the release of the Inside Information Announcement II; (iii) from 9 December 2021 to 10 December 2021 pending the release of the Inside Information Announcement III; (iv) from 13 May 2022 to 6 July 2022 pending the release of the Rule 3.7 Announcement; and (v) from 12 August 2022 to 14 September 2022 pending the release of the Joint Announcement.
2. The calculation is based on the average daily trading volume of LET Shares divided by the total issued share capital of LET as at the Latest Practicable Date (i.e. 6,667,972,746 LET Shares).
3. The calculation is based on the average daily trading volume of LET Shares divided by the number of LET Shares held by public LET Shareholders as at the Latest Practicable Date (i.e. 1,668,119,411 LET Shares).

As illustrated in Table 2 above, the average daily trading volume for the respective month/period during the Review Period ranged from approximately 1,499,556 LET Shares to approximately 72,931,214 LET Shares, representing approximately 0.0225% to approximately 1.0938% of the total number of issued LET Shares as at the Latest Practicable Date, or approximately 0.0899% to approximately 4.3721% of the total number of issued LET Shares held by public LET Shareholders as at the Latest Practicable Date.

During the period from 13 May 2021 until the Last trading Day (the “**Pre-announcement Period**”), we noted that the average daily trading volume of the LET Shares in December 2021 was relatively high, as compared to other months during the Pre-announcement Period. We have discussed with the LET Management regarding the relatively high trading volume of LET Shares in December 2021 and were advised that the relatively high trading volume of LET Shares in December 2021 was likely attributable to the publication of the Inside Information Announcements. Save for the particularly high daily trading volume of the LET Shares in December 2021 as mentioned above, the average daily trading volume of the LET Shares was thin during the Pre-announcement Period.

During the period from 7 July 2022 (being the first trading day after the publication of the Rule 3.7 Announcement) to the Latest Practicable Date (the “**Post-announcement Period**”), the average daily trading volume of LET Shares surged to approximately 33,269,274 Shares from approximately 9,340,289 LET Shares during the Pre-announcement Period. We believe that the increase in trading volume of the LET Shares during the Post-announcement Period was possibly due to the market reaction to the announcement of the LET Offers.

It is uncertain as to whether there would be sufficient liquidity in the LET Shares for the Independent LET Shareholders to dispose of a large volume of LET Shares in the open market without depressing the LET Share price. Therefore, we are of the view that the LET Share Offer represents an opportunity for the Independent LET Shareholders, particularly for those who hold a large volume of LET Shares, to dispose of part or all of their LET Shares at the LET Share Offer Price if they so wish to.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

### *C. Comparison with other comparable companies*

In assessing the fairness and reasonableness of the LET Share Offer Price, we attempted to compare the LET Share Offer Price against the market valuation of other comparable companies using the price-to-earnings ratio (“**PE ratio**”) and the price-to-book ratio (“**PB ratio**”) given that PE ratio and PB ratio are the commonly used valuation benchmarks in assessing the valuation of a company since the data for calculating these ratios can be obtained directly from publicly available information and reflect the value of the company determined by the open market. However, since LET recorded loss attributable to equity holders of LET of approximately HK\$258.3 million in FY2021, the assessment of the fairness and reasonableness of the LET Share Offer Price by using the implied PE ratio was infeasible.

Given that (i) approximately 78.0% of the LET Group’s revenue from continuing operations for FY2021 was generated from the gaming and hotel operations in the IEZ Primorye in the Russian Federation through Summit Ascent; and (ii) the market capitalization of LET was approximately HK\$920.2 million as at the Latest Practicable Date, we attempted to identify companies listed on the Stock Exchange based on the criteria that (i) over 75% of revenue for the latest full financial year was generated from gaming and hotel operations in the Russian Federation; and (ii) market capitalization of which is less than HK\$1 billion as at the Latest Practicable Date. However, save for Summit Ascent, we could not locate any comparable company that met the above-mentioned selection criteria.

In this regard, we relaxed the selection criteria to those companies (the “**Comparable Companies**”) listed on the Stock Exchange which (i) over 75% of revenue for the latest full financial year was generated from gaming and hotel operations; (ii) over 90% of revenue for the latest full financial year was generated from operations in Asia (including the Russian Federation); and (iii) market capitalization of which is less than HK\$2 billion as at the Latest Practicable Date. Based on the information available from the website of the Stock Exchange, we have identified an exhaustive list of 2 Comparable Companies which met the said criteria as at the Latest Practicable Date.

# LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

**Table 3: Details of the Comparable Companies**

Company name (Stock code)	Principal activities	Market capitalization as at the Latest Practicable Date (HK\$'000)	Net assets attributable to equity holders based on the latest published financial statements prior to the Latest Practicable Date (Note 1) (HK\$'000)	PB ratio (times)
Emperor Entertainment Hotel Limited (stock code: 296)	Engaged in gaming and hotel operation, as well as leasing of investment properties in the hotel and serviced apartments in Macau and Hong Kong	594,745	3,794,415	0.16
Macau Legend Development Limited (stock code: 1680)	Engaged in the provision of gaming related services in Macau, the operation of casino in the Lao People's Democratic Republic, and the operation of hotels, entertainment and leisure facilities within its properties	1,506,888	3,827,120	0.39
			<b>Maximum:</b>	<b>0.39</b>
			<b>Minimum:</b>	<b>0.16</b>
			<b>Average:</b>	<b>0.28</b>
			<b>Median:</b>	<b>0.28</b>
LET		460,090 (Note 2)	3,295,947 (Note 3)	0.14

*Sources: the website of the Stock Exchange (www.hkex.com.hk) and the financial reports of the respective Comparable Companies*

*Notes:*

1. Based on the figures of the respective Comparable Companies as published in the latest published annual reports or interim reports.
2. The market capitalization of LET is calculated based on the LET Share Offer Price and the number of issued LET Shares as at the Latest Practicable Date (i.e. 6,667,972,746 LET Shares).
3. Based on the Adjusted Unaudited NAV of approximately HK\$3,295,947,000 as at 30 June 2022 (please refer to the paragraph headed "Adjusted unaudited net asset value" under the section headed "1. Three-year summary of financial information" in Appendix II to the Composite Document for the details of the calculation of the Adjusted Unaudited NAV).

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

As set out in Table 3 above, the PB ratios of the Comparable Companies ranged from approximately 0.16 times to approximately 0.39 times with an average of approximately 0.28 times and a median of approximately 0.28 times. The PB ratio of LET implied by the LET Share Offer Price of approximately 0.14 times is lower than the minimum of the PB ratios of the Comparable Companies.

### ***D. Conclusion***

Notwithstanding the facts that:

- (i) the LET Share Offer Price represents a premium of approximately 23.21%, approximately 13.11% and approximately 6.15% over the average closing price of the LET Shares on the Last Trading Day, the Last 5 Trading Days and the Last 10 Trading Days, respectively; and
- (ii) the trading volume of the LET Shares was low during the Review Period (save for the particularly high average daily trading volume of the LET Shares in December 2021 and the Post-announcement Period), and it is uncertain as to whether there would be sufficient liquidity in the LET Shares for the Independent LET Shareholders to dispose of a significant number of the LET Shares in the open market without depressing the LET Share price,

having considered the facts that (i) during the Review Period, there were only 12 trading days on which the closing price of the LET Shares was lower than or equal to the LET Share Offer Price; and (ii) the LET Share Offer Price represents (a) a deep discount of approximately 70.4% to the average closing price of the LET Shares during the Review Period; (b) a discount of 50.0% to the closing price of the LET Shares on the Latest Practicable Date; (c) the PB ratio of LET implied by the LET Share Offer Price of approximately 0.14 times is lower than the minimum of the PB ratios of the Comparable Companies; and (d) a discount of approximately 86.03% to the Adjusted Unaudited NAV per LET Share as at 30 June 2022, we are of the view that the LET Share Offer Price is not fair and reasonable so far as the Independent LET Shareholders are concerned.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

### 3. Information on the Offeror and the intention of the Offeror in relation to the LET Group

#### A. Information on the Offeror

According to the “Letter from Yu Ming and Kingston Securities” contained in the Composite Document, the Offeror is an investment holding company incorporated in the British Virgin Islands with limited liability on 4 January 2022 and it is wholly owned by Mr. Lo. The directors of the Offeror are Mr. Lo, Mr. Xu Haohao and Mr. Choi Kin Man.

Mr. Lo has obtained a Bachelor of Arts degree from the University of Winnipeg in Canada. On 9 March 2017, Mr. Lo was appointed as an executive LET Director. On 31 August 2022, Mr. Lo has been appointed as the chairman of LET. On 12 December 2018, Mr. Lo was appointed as a non-executive director of Summit Ascent and on 26 April 2019, Mr. Lo was redesignated as an executive director of Summit Ascent and appointed as the deputy chairman of Summit Ascent. On 31 August 2022, Mr. Lo has been redesignated as the chairman of Summit Ascent. On 4 May 2021, Mr. Lo was appointed as a director of Suntrust, an indirect non-wholly owned subsidiary of LET, of which the shares are listed on The Philippine Stock Exchange, Inc. On 26 October 2021, Mr. Lo was appointed as the chairman of Suntrust. Mr. Lo is experienced in corporate management, mergers and acquisitions and in the gaming industry.

#### B. Intention of the Offeror in relation to the LET Group

As stated in the “Letter from Yu Ming and Kingston Securities” contained in the Composite Document, the Offeror intends to continue the existing businesses of LET. However, given (i) the CBs and PN Loan were defaulted on 29 August 2022; (ii) the auditors of LET had issued a disclaimer opinion for the financial year ended 31 December 2021 and a disclaimer of conclusion for the six months ended 30 June 2022 due to uncertainties relating to going concern; and (iii) the latest financial situation of LET, the Offeror will procure LET to consider disposing of its valuable assets (save for the investment in Suntrust) rigorously and/or refinancing from third parties. As at the Latest Practicable Date, LET has not identified any specific asset of LET Group for potential disposal.

The Offeror has no plan to inject any assets or businesses into LET or to procure LET to acquire other businesses or any assets. Immediately after the close of the LET Offers, the Offeror will conduct a review of the financial position and operations of LET in order to formulate a long-term strategy for LET and explore other business/investment opportunities for enhancing its future development and strengthening its revenue bases. As at the Latest Practicable Date, the Offeror has not identified such investment or business opportunities.

The Offeror intends to nominate new directors to the LET Board after close of the LET Offers. Any changes to the LET Board composition will be made in compliance with the Takeovers Code and the Listing Rules. However, as at the Latest Practicable Date, the Offeror has not identified any personnel for the purpose of appointment as the new LET Directors. Other than that, the Offeror has no intention to terminate any employment of the employees of LET or to make significant changes to any employment of the LET Group.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

Having considered the facts that (i) Mr. Lo is the existing chairman of the LET Board and intends to continue the existing businesses of the LET Group; (ii) the prospects and future performance of the LET Group remains uncertain (please refer to our analysis as disclosed in the paragraph headed “C. Business prospects of the LET Group” under the section headed “1. Business, financial performance and prospects of the LET Group” above for further details); (iii) the LET Group is under tremendous pressure to deal with its financial obligations due within the next twelve months including the outstanding 2018 Convertible Bonds, the Fame Select CB and the 2022 Loan with an aggregate outstanding principal amount of HK\$1,028.4 million; (iv) the Offeror intends to nominate new directors to the LET Board after close of the LET Offers, however, the Offeror has not identified any personnel for the purpose of appointment as the new LET Directors as at the Latest Practicable Date; and (v) it is unknown as to whether the new LET Directors to be appointed possess sufficient experience in managing the relevant businesses of the LET Group, particularly under such challenging operating environment, we are of the opinion that there remains uncertainty in the future performance of the LET Group under the leadership of Mr. Lo and new LET Directors to be appointed.

### *C. Public float and maintaining the listing status of LET*

As stated in the “Letter from Yu Ming and Kingston Securities” contained in the Composite Document, the Offeror has no intention to privatise LET and intends to maintain the listing of the LET Shares on the Stock Exchange. All directors of the Offeror and all existing LET Directors have jointly and severally undertaken, and all new LET Director(s) to be nominated by the Offeror will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that not less than 25% of the entire issued share capital of LET will continue to be held by the public at all times.

The Stock Exchange has indicated that if, upon closing of the LET Offers, less than the minimum prescribed percentage applicable to LET, being 25% of the issued Shares, are held by the public or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the LET Shares; or
- (ii) there are insufficient LET Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend dealing in the LET Shares until the prescribed level of public float is restored.

### **The Option Offer**

As at the Latest Practicable Date, save for 83,000,000 LET Share Options owned by the Offeror and parties acting in concert with it, there were 123,500,187 outstanding LET Share Options granted under the LET Share Option Schemes, carrying rights to subscribe for 123,500,187 new LET Shares.

Given that the exercise prices of the outstanding LET Share Options (being HK\$0.344, HK\$0.700, HK\$0.455 and HK\$0.900) are significantly higher than the LET Share Offer Price, the outstanding LET Share Options are deeply out of the money. We consider that the offer price of a nominal value of HK\$0.0001 for the cancellation of each LET Share Option is fair and reasonable so far as the Independent LET Optionholders are concerned.



---

# LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

## OPINION AND RECOMMENDATION

### The LET Share Offer

Having considered the price comparison of the LET Share below:

- (i) during the Review Period, there were only 12 trading days on which the closing price of the LET Shares was lower than or equal to the LET Share Offer Price;
- (ii) the LET Share Offer Price represents (a) a deep discount of approximately 70.4% to the average closing price of the LET Shares during the Review Period; (b) a discount of 50.0% to the closing price of the LET Shares on the Latest Practicable Date; and (c) a discount of approximately 86.03% to the Adjusted Unaudited NAV per LET Share as at 30 June 2022; and
- (iii) the PB ratio of LET implied by the LET Share Offer Price of approximately 0.14 times is lower than the minimum of the PB ratios of the Comparable Companies,

we are of the view that the terms of the LET Share Offer (including the LET Share Offer Price) are not fair and not reasonable so far as the Independent LET Shareholders are concerned. Accordingly, we recommend the LET Independent Board Committee to advise, and we ourselves recommend, the Independent LET Shareholders not to accept the LET Share Offer.

However, we would like to draw the attention of the Independent LET Shareholder that:

- (i) the LET Group's financial performance and position remains severe given that (i) the LET Group recorded net loss of approximately HK\$234.0 million and net operating cash outflow of approximately HK\$65.8 million in 1H2022; (ii) as at 30 June 2022, the LET Group had committed capital expenditure of approximately HK\$3.3 billion; and (iii) the LET Group is under tremendous pressure to deal with its financial obligations due within the next twelve months including the outstanding 2018 Convertible Bonds, the Fame Select CB and the 2022 Loan with an aggregate outstanding principal amount of HK\$1,028.4 million (please refer to the paragraph headed "B. Financial Information of the LET Group" under the section headed "1. Business, financial performance and prospects of the LET Group" above for further details); and
- (ii) there are uncertainties in the future performance of the Group including (i) Russia-Ukraine conflict continues to pose a significant risk to the operation of integrated resort in the Russian Federation; and (ii) the development of COVID-19 in the Philippines and the government's corresponding measures and policies may hinder the progress of the construction and renovation of the Main Hotel Casino, and thus the opening of the Main Hotel Casino (please refer to the paragraph headed "C. Business prospects of the LET Group" under the section headed "1. Business, financial performance and prospects of the LET Group" above for further details).

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

If the Independent LET Shareholders have grave concern on the fundamental and prospect of the LET Group, they should consider selling the LET Shares directly in the open market instead of accepting the LET Share Offer if the net proceeds from such sale of LET Shares would exceed the net amount receivable under the LET Share Offer. However, the Independent LET Shareholders (especially those with relatively sizeable shareholdings) should beware of the possible difficulties in selling a significant number of LET Shares in the open market within a short period of time without disturbing the market price. If the Independent LET Shareholders (especially those with relatively sizeable shareholdings) wish to dispose of the LET Shares in open market but facing difficulties to do so due to the liquidity issue, they should reconsider to accept the LET Share Offer despite the unfavorable LET Share Offer Price as the LET Share Offer still provides the Independent LET Shareholders an opportunity to exit the investment in one attempt during the Offer Period. In any cases, the Independent LET Shareholders who wish to dispose of the LET Shares should closely monitor the trading of the LET Shares in the open market and also be mindful of the last day of the Offer Period (being Thursday, 3 November 2022, based on the latest timetable of the LET Offers as set out in the section headed “Expected Timetable” in the Composite Document) and make the divestment decision according to the market circumstances and their individual circumstances.

On the other hand, for those Independent LET Shareholders who are confident in the future prospects of the LET Group, given the background and future intention of the Offeror as detailed in the “Letter from Yu Ming and Kingston Securities” contained in the Composite Document, they may, having regard to their own circumstances, consider retaining some or all of their interest in the LET Shares. However, they should also carefully monitor the financial performance, position and prospect of the LET Group and the intention of the Offeror in relation to the development strategy of the LET Group. They should also beware of the potential difficulties they may encounter in disposing of their investments in the LET Shares after the close of the LET Share Offer. The Independent LET Shareholders are strongly advised that the decision to realise or to continue to hold their investments in the LET Shares is subject to individual circumstances and investment objectives.

### **The LET Option Offer**

Given that the exercise prices of the outstanding LET Share Options (being HK\$0.344, HK\$0.700, HK\$0.455 and HK\$0.900) are significantly higher than the LET Share Offer Price, the outstanding LET Share Options are deeply out of the money. We consider that the offer price of a nominal value of HK\$0.0001 for the cancellation of each LET Share Option is fair and reasonable so far as the Independent LET Optionholders are concerned. Accordingly, we recommend the LET Independent Board Committee to advise the Independent LET Optionholders to accept the LET Option Offer.

### **Important Notice**

**In deciding whether or not to accept the LET Offers, the Independent LET Shareholders and the Independent LET Optionholders should consider the disclaimer of conclusion expressed by the independent auditors of LET on the interim results of the Group in 1H2022 (for further details please refer to Appendix II to the Composite Document) and the latest status of the default of CBs and PN Loan as set out in the sub-section headed “Default of CBs and PN Loan” in the Letter from the LET Board, which may have an impact to the financial results of LET.**

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

Pursuant to Note 3 to Rule 2 of the Takeovers Code, the LET Board would like to draw the attention of the Independent LET Shareholders and the LET Independent Board Committee to the disclaimer of conclusion (please refer to Appendix II to the Composite Document for details). The disclaimer conclusion means that the Independent LET Shareholders and Independent LET Optionholders are advised to take into account the foregoing and consider carefully the terms of the LET Offers. If the Independent LET Shareholders and Independent LET Optionholders decide not to accept the LET Offers, they should be aware of the potential risks associated with the disclaimer of conclusion.

The Independent LET Shareholders and the Independent LET Optionholders are also reminded to read carefully the procedures for accepting the LET Offers, details of which are set out in Appendix I to the Composite Document and the accompanying Forms of Acceptance, if they wish to accept the LET Offers.

Yours faithfully,  
For and on behalf of  
**Astrum Capital Management Limited**  
**Hidulf Kwan**  
*Managing Director*

*Note:* Mr. Hidulf Kwan has been a responsible officer of Type 6 (advising on corporate finance) regulated activity under the SFO since 2006 and has participated in and completed various independent financial advisory transactions.

**1. PROCEDURES FOR ACCEPTANCE****The LET Share Offer**

- (a) To accept the LET Share Offer, you should complete and sign the Form of LET Share Offer Acceptance in accordance with the instructions printed thereon, which form part of the terms of the LET Share Offer.
- (b) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your LET Shares is/are in your name, and you wish to accept the LET Share Offer in respect of your LET Shares (whether in full or in part), you must send the duly completed and signed Form of LET Share Offer Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) for the number of LET Shares in respect of which you intend to accept the LET Share Offer, by post or by hand, to the Registrar, being Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, in an envelope marked “LET Group Holdings Limited – LET Share Offer”, as soon as possible, and in any event no later than 4:00 p.m. on the Closing Date or such later time(s) and/or date(s) as the Offeror may determine and announce in accordance with the Takeovers Code.
- (c) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your LET Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the LET Share Offer (whether in full or in part), you must either:
  - (i) lodge your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) with the nominee company, or other nominee, with instructions authorising it to accept the LET Share Offer on your behalf and requesting it to deliver in an envelope marked “LET Group Holdings Limited – LET Share Offer” the duly completed and signed Form of LET Share Offer Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar; or
  - (ii) arrange for the LET Shares to be registered in your name by LET through the Registrar, and deliver in an envelope marked “LET Group Holdings Limited – LET Share Offer” the duly completed and signed Form of LET Share Offer Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar; or

- (iii) if your LET Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees Limited to accept the LET Share Offer on your behalf on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or
  - (iv) if your LET Shares have been lodged with your investor participant's account maintained with CCASS, authorise your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set by HKSCC Nominees Limited.
- (d) If the share certificate(s) and/or transfer receipts and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your LET Shares is/are not readily available and/or is/are lost and you wish to accept the LET Share Offer in respect of your LET Shares, the Form of LET Share Offer Acceptance should nevertheless be duly completed and signed and delivered in an envelope marked "LET Group Holdings Limited – LET Share Offer" to the Registrar together with a letter stating that you have lost one or more of your share certificate(s) and/or transfer receipts and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) or that it/they is/are not readily available. If you find such document(s) or if it/they become(s) available, it/they should be forwarded to the Registrar as soon as possible thereafter. If you have lost your share certificate(s), you should also write to the Registrar for a letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Registrar.
- (e) If you have lodged transfer(s) of any of your LET Shares for registration in your name and have not yet received your share certificate(s), and you wish to accept the LET Share Offer in respect of your LET Shares, you should nevertheless complete and sign the Form of LET Share Offer Acceptance and deliver it in an envelope marked "LET Group Holdings Limited – LET Share Offer" to the Registrar together with the transfer receipt(s) duly signed by yourself. Such action will be deemed to be an irrevocable instruction and authority to each of Yu Ming and/or Kingston Securities and/or the Offeror and/or any of their respective agent(s) to collect from LET or the Registrar on your behalf the relevant share certificate(s) when issued and to deliver such certificate(s) to the Registrar and to authorise and instruct the Registrar to hold such share certificate(s), subject to the terms and conditions of the LET Share Offer, as if it was/they were delivered to the Registrar with the Form of LET Share Offer Acceptance.

- (f) Acceptance of the LET Share Offer will be treated as valid only if the duly completed and signed Form of LET Share Offer Acceptance is received by the Registrar by no later than 4:00 p.m. on the Closing Date or such later time(s) and/or date(s) as the Offeror may determine and announce in accordance with the Takeovers Code and the Registrar has recorded that the Form of LET Share Offer Acceptance and any relevant documents required by Note 1 to Rule 30.2 of the Takeovers Code have been so received, and is:
- (i) accompanied by the relevant share certificate(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and, if those share certificate(s) is/are not in your name, such other documents (e.g. a duly stamped transfer of the relevant LET Share(s) in blank or in your favour executed by the registered holder) in order to establish your right to become the registered holder of the relevant LET Shares; or
  - (ii) from a registered LET Shareholder or his personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the LET Shares which are not taken into account under the other subparagraph of this paragraph (f)); or
  - (iii) certified by the Registrar or the Stock Exchange. If the Form of LET Share Offer Acceptance is executed by a person other than the registered LET Shareholder, appropriate documentary evidence of authority (such as grant of probate or certified copy of power of attorney) to the satisfaction of the Registrar must be produced.
- (g) In Hong Kong, seller's ad valorem stamp duty on acceptances of the LET Share Offer at a rate of 0.13% (or part thereof) of the consideration payable in respect of the relevant acceptance by the Independent LET Shareholders or if higher, the market value of the LET Shares, will be deducted from the cash amount payable by the Offeror to such Independent LET Shareholders who accept the LET Share Offer (where the stamp duty calculated includes a fraction of HK\$1, the stamp duty would be rounded-up to the nearest HK\$1). The Offeror will arrange for payment of the seller's Hong Kong ad valorem stamp duty on behalf of the relevant Independent LET Shareholders accepting the LET Share Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the LET Share Offer and the transfer of the LET Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).
- (h) No acknowledgement of receipt of any Form of LET Share Offer Acceptance, share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

**The LET Option Offer**

- (a) To accept the LET Option Offer, you should complete and sign the Form of LET Option Offer Acceptance in accordance with the instructions printed thereon, which form part of the terms of the LET Option Offer.
- (b) If you are an Independent LET Optionholder and you wish to accept the LET Option Offer in respect of your LET Share Options (whether in full or in part), you must send duly completed and signed Form of LET Option Offer Acceptance, together with the relevant certificate(s) of the LET Share Options (if applicable) and/or other document(s) of title or entitlement (and/or satisfactory indemnity or indemnities required in respect thereof) for the aggregate principal amount of LET Share Options which you hold that you wish to tender to the LET Option Offer, by post or by hand, to the company secretary of LET, at Unit 1705, 17th Floor, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong as soon as possible and in any event no later than 4:00 p.m. on the Closing Date or such later time(s) and/or date(s) as the Offeror may determine and announce in compliance with the requirements of the Takeovers Code.
- (c) No stamp duty is payable in connection with the acceptances of the LET Option Offer.
- (d) No acknowledgement of receipt of any Form of LET Option Offer Acceptance, certificate(s) of the LET Share Options (if applicable) and/or any other documents of title (and/or any satisfactory indemnity/indemnities required in respect thereof) will be given.

**2. SETTLEMENT UNDER THE LET OFFERS****The LET Share Offer**

Provided that a valid Form of LET Share Offer Acceptance and the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the relevant LET Shares as required by Note 1 to Rule 30.2 of the Takeovers Code are complete and in good order in all respects and have been received by the Registrar by 4:00 p.m. on the Closing Date, a cheque or a banker's cashier order for the amount due to each of the Independent LET Shareholders who accepts the LET Share Offer less seller's ad valorem stamp duty in respect of the LET Offer Shares tendered by him/her/it under the LET Share Offer will be despatched to such Independent LET Shareholder by ordinary post at his/her/its own risk as soon as possible but in any event within seven (7) Business Days following the date on which the duly completed acceptances of the LET Share Offer and the relevant documents of title in respect of such acceptances are received by the Registrar to render each such acceptance complete and valid.

**The LET Option Offer**

Provided that a valid Form of LET Option Offer Acceptance and the relevant certificate(s) of LET Share Options or other documents (if any) evidencing the grant of the LET Share Options and any documents of title or entitlement (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the relevant LET Share Options are complete and in good order in all respects and have been received by the company secretary of LET by 4:00 p.m. on the Closing Date, a cheque or a banker's cashier order for the amount due to each of the Independent LET Optionholders who accept the LET Option Offer in respect of the LET Share Options tendered by him/her under the LET Option Offer will be despatched to such Independent LET Optionholder by ordinary post at his/her own risk as soon as possible but in any event within seven (7) Business Days following the date on which the duly completed acceptances of the LET Option Offer and the relevant documents of title in respect of such acceptances are received by the company secretary of LET to render each such acceptance complete and valid.

Settlement of the consideration to which any LET Shareholder or LET Optionholder is entitled under the LET Share Offer or the LET Option Offer, as the case may be, will be implemented in full in accordance with its terms (save in respect of the payment of the seller's ad valorem stamp duty in respect of the LET Share Offer) without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Independent LET Shareholder or Independent LET Optionholder.

No fraction of a cent will be payable and the amount of cash consideration payable to an Independent LET Shareholder or Independent LET Optionholder who accepts the LET Share Offer or the LET Option Offer will be rounded up to the nearest cent.

**3. ACCEPTANCE PERIOD AND REVISIONS**

- (a) Unless the LET Offers have previously been revised or extended, with the consent of the Executive, in accordance with the Takeovers Code, the Forms of Acceptance must be received by the Registrar (in respect of the LET Share Offer) or LET (in respect of the LET Option Offer) by 4:00 p.m. on the Closing Date in accordance with the instructions printed on the relevant Form of Acceptance, and the LET Offers will be closed on the Closing Date. The LET Offers are unconditional.
- (b) The Offeror and LET will jointly issue an announcement in accordance with the Takeovers Code through the websites of the Stock Exchange and LET no later than 7:00 p.m. on the Closing Date stating whether the LET Offers have been extended, revised or has expired.
- (c) In the event that the Offeror decides to extend the LET Offers, at least fourteen (14) days' notice by way of announcement will be given, before the latest time and date for acceptance of the LET Offers, to those Independent LET Shareholders or Independent LET Optionholders who have not accepted the LET Offers.



- (d) If the Offeror revises the terms of the LET Offers, all Independent LET Shareholders and Independent LET Optionholders, whether or not they have already accepted the LET Offers will be entitled to the revised terms. The revised LET Offers must be kept open for at least fourteen (14) days following the date on which the revised offer document is posted.
- (e) If the Closing Date of the LET Offers is extended, any reference in this Composite Document and in the Forms of Acceptance to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the Closing Date of the LET Offers so extended.

#### **4. EXERCISE OF LET SHARE OPTIONS**

Independent LET Optionholders who wish to accept the LET Share Offer may (i) exercise his/her/its LET Share Options (to the extent exercisable) by completing, signing and delivering a notice for exercising the LET Share Options together with a cheque for payment of the subscription monies and the related certificates (if applicable) for the LET Share Options to the company secretary of LET before the LET Offers close; and (ii) at the same time, or in any event no later than 4:00 p.m. on the Closing Date, complete and sign the Form of LET Share Offer Acceptance and deliver it to the Registrar together with a copy of the set of documents delivered to the company secretary of LET for exercising the LET Share Options. Exercise of the LET Share Options is subject to the respective terms and conditions of the LET Share Option Schemes and the terms attaching to the grant of the relevant LET Share Options. Delivery of the completed and signed Form of LET Share Offer Acceptance to the Registrar will not serve to complete the exercise of the LET Share Options but will only be deemed to be an irrevocable authority to the Offeror and/or Yu Ming and/or Kingston Securities and/or any of their respective agent(s) or such other person(s) as they may direct to collect from LET or the Registrar on his/her/its behalf the relevant share certificate(s) when issued on exercise of the LET Share Options as if it/they were delivered to the Registrar with the Form of LET Share Offer Acceptance. If the LET Optionholder fails to exercise his/her/its LET Share Options as aforesaid and in accordance with the respective terms and conditions of the LET Share Option Schemes, there is no guarantee that LET may issue the relevant share certificate in respect of the LET Shares allotted pursuant to his/her/its exercise of the LET Share Option(s) to such LET Optionholder in time for it to accept the LET Share Offer as a LET Shareholder of such LET Shares under the terms of the LET Share Offer.

#### **5. LET SHARE OPTIONS WILL NOT LAPSE AS A RESULT OF THE LET OFFERS**

Pursuant to the terms of the LET Share Option Scheme, if a general offer by way of takeover is made to all the Independent LET Shareholders and such offer becomes or is declared unconditional prior to the expiry of the LET Share Options, the Independent LET Optionholders shall be entitled to exercise the LET Share Options in full (to the extent not already exercised even though the exercise period of the relevant LET Share Option has not come into effect during the occurrence of the general offer) at any time after twenty-one (21) days of the notice given by any such offeror that the general offer becomes unconditional and up to the Closing Date. For the avoidance of doubt, the LET Share Option not so exercised shall remain valid in accordance with its terms and subject to such restrictions as applied to it before the general offer. Accordingly, the outstanding LET Share Options which are not exercised in accordance with the LET Share Option Scheme shall remain valid and shall not lapse after the expiry of the Offer Period.

Save as the above, nothing in this Composite Document or the LET Option Offer will serve to extend the life of any LET Share Options which lapses under the LET Share Option Schemes. No exercise of LET Share Options or acceptance of the LET Option Offer may be made in relation to any LET Share Option that has lapsed.

## **6. NOMINEE REGISTRATION**

To ensure equality of treatment of all Independent LET Shareholders, those registered Independent LET Shareholders who hold the LET Shares as nominees for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. It is essential for the beneficial owner of the LET Shares whose investments are registered in the names of a nominee to provide instructions to their nominee of their intentions with regards to the LET Share Offer.

## **7. ANNOUNCEMENTS**

- (a) By 6:00 p.m. on the Closing Date (or such later time and/or date as the Executive may in exceptional circumstances permit), the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the expiry, revision or extension of the LET Offers. The Offeror must post an announcement on the Stock Exchange's website by 7:00 p.m. on the Closing Date stating the results of the LET Offers and whether, amongst other information required under Rule 19.1 of the Takeovers Code, the LET Offers have been revised, extended or has expired.

The announcement must state the following:

- (i) the total number of LET Offer Shares for which acceptances for the LET Share Offer have been received;
- (ii) the total number of LET Share Options for which acceptances of the LET Option Offer have been received;
- (iii) the number of LET Shares and rights over LET Shares held, controlled or directed by the Offeror and parties acting in concert with it before the Offer Period; and
- (iv) the total number of LET Shares and rights over LET Shares acquired or agreed to be acquired during the Offer Period by the Offeror and persons acting in concert with it.

The announcement must also include details of any relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) in LET which the Offeror or any person acting in concert with it has borrowed or lent (save for any borrowed LET Shares which have been either on-lent or sold) and specify the percentages of the issued share capital of LET and the percentages of voting rights of LET represented by these numbers.

- (b) In computing the total number or principal amount of LET Shares and LET Share Options represented by acceptances, only valid acceptances that are complete, in good order and fulfill the acceptance conditions set out in section 1 of this Appendix, and which have been received by the Registrar (in respect of the LET Share Offer) or the company secretary of LET (in respect of the LET Option Offer) respectively no later than 4:00 p.m. on the Closing Date shall be included.
- (c) As required under the Takeovers Code, all announcements in relation to the LET Offers which the Executive and the Stock Exchange have confirmed that they have no further comments thereon must be made in accordance with the requirements of the Takeovers Code and the Listing Rules.

## **8. RIGHT OF WITHDRAWAL**

Acceptance of the LET Offers tendered by the Independent LET Shareholders and the Independent LET Optionholders shall be irrevocable and cannot be withdrawn, except in the circumstances set out in the next paragraph.

If the Offeror is unable to comply with the requirements set out in the paragraph headed “7. Announcements” in this appendix, the Executive may require, pursuant to Rule 19.2 of the Takeovers Code, that the Independent LET Shareholders and the Independent LET Optionholders who have tendered acceptances of the LET Offers, be granted a right of withdrawal on terms that are acceptable to the Executive until the requirements of Rule 19 of the Takeovers Code are met.

In such case, when the Independent LET Shareholders and/or Independent LET Optionholders withdraw their acceptances, the Offeror shall, as soon as possible but in any event within ten (10) days thereof, return by ordinary post the LET Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the LET Offer Shares and/or LET Share Options (as the case may be) lodged with the Form(s) of Acceptance to the relevant Independent LET Shareholders and the Independent LET Optionholders (as the case may be) at their own risk.

## **9. OVERSEAS LET SHAREHOLDERS AND OVERSEAS LET OPTIONHOLDERS**

Overseas LET Shareholders and Overseas LET Optionholders who wish to participate in the LET Offers but with a registered address outside Hong Kong are subject to, and may be limited by, the laws and regulations of their respective jurisdictions in connection with their participation in the LET Offers. Overseas LET Shareholders and Overseas LET Optionholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe relevant applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the responsibility of the Overseas LET Shareholders and Overseas LET Optionholders who wish to accept the LET Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the LET Offers (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such accepting Overseas LET Shareholders and Overseas LET Optionholders in respect of such jurisdictions).

**Any acceptance by Independent LET Shareholders or Independent LET Optionholders and beneficial owners of the LET Shares or LET Share Options who are citizens, residents or nationals of a jurisdiction outside Hong Kong will be deemed to constitute a representation and warranty from such persons to the Offeror that the local laws and requirements have been complied with. Independent LET Shareholders and Independent LET Optionholders should consult their respective professional advisers if in doubt. Independent LET Shareholders or Independent LET Optionholders who are in doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.**

#### **10. TAXATION ADVICE**

Independent LET Shareholders and Independent LET Optionholders are recommended to consult their own professional advisers as to the taxation implications of accepting or rejecting the LET Offers. None of the Offeror and/or parties acting in concert with it, LET, Yu Ming, Kingston Corporate Finance, Kingston Securities, Merdeka Corporate Finance Limited, the Independent Financial Adviser, the Registrar nor their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the LET Offers accepts any responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the LET Offers.

#### **11. GENERAL**

- (a) All communications, notices, Form(s) of Acceptance, share certificate(s), transfer receipts(s), other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to settle the consideration payable under the LET Offers to be delivered by or sent to or from the LET Shareholders and/or LET Optionholders will be delivered by or sent to or from them, or their designated agents by post at their own risk, and the Offeror, its beneficial owners, LET, Yu Ming, Kingston Corporate Finance, Kingston Securities, Merdeka Corporate Finance Limited, the Independent Financial Adviser, the Registrar or any of their respective directors and professional advisers or the company secretary of LET, and any other parties involved in the LET Offers and any of their respective agents do not accept any liability for any loss or delay in postage or any other liabilities that may arise as a result thereof.
- (b) The provisions set out in the Form of LET Share Offer Acceptance and Form of LET Option Offer Acceptance form part of the terms and conditions of the LET Share Offer and LET Option Offer, respectively.
- (c) The accidental omission to despatch this Composite Document and/or Form(s) of Acceptance or any of them to any person to whom the LET Offers are made will not invalidate either the LET Share Offer or the LET Option Offer in any way.
- (d) The LET Offers are, and all acceptances will be, governed by and construed in accordance with the laws of Hong Kong.

- (e) Due execution of the Form(s) of Acceptance will constitute an irrevocable authority to the Offeror, Yu Ming or Kingston Securities or such person or persons as the Offeror may direct to complete, amend and execute any document on behalf of the person or persons accepting the LET Offers and to do any other act that may be necessary or expedient for the purposes of vesting in the Offeror, or such person or persons as it may direct, the LET Shares or the LET Share Options in respect of which such person or persons has/have accepted the LET Offers.
- (f) Acceptance of the LET Offers by any Independent LET Shareholders or Independent LET Optionholders will be deemed to constitute a warranty by such person or persons to the Offeror and LET that their LET Shares or LET Share Options under the LET Offers (as the case may be) are free from all third party rights and Encumbrances whatsoever and together with all rights accruing or attaching thereto including in the case of the LET Shares, the right to receive in full all dividends and distributions recommended, declared, made or paid on or after the date of this Composite Document.
- (g) References to the LET Offers in this Composite Document and the Form(s) of Acceptance shall include any revision and/or extension thereof.
- (h) The making of the LET Offers to the Overseas LET Shareholders and Overseas LET Optionholders may be prohibited or affected by the laws of the relevant jurisdictions. The Overseas LET Shareholders and Overseas LET Optionholders should inform themselves about and observe any applicable legal or regulatory requirements. It is the responsibility of each Overseas LET Shareholders and Overseas LET Optionholders who wishes to accept the LET Offers to satisfy himself/herself/itself as to the full observance of the laws and regulations of all relevant jurisdictions in connection therewith, including, but not limited to the obtaining of any governmental, exchange control or other consents and any registration or filing which may be required and the compliance with all necessary formalities, regulatory and/or legal requirements. Such Overseas LET Shareholders and Overseas LET Optionholders shall be fully responsible for the payment of any transfer or cancellation or other taxes and duties due by such Overseas LET Shareholders and Overseas LET Optionholders in respect of the relevant jurisdictions. The Overseas LET Shareholders and Overseas LET Optionholders are recommended to seek professional advice on deciding whether or not to accept the LET Offers.
- (i) Acceptances of the LET Offers by any nominee will be deemed to constitute a warranty by such nominee to LET that the number of the LET Shares or LET Share Options in respect of which as indicated in the Form(s) of Acceptance is the aggregate number of LET Shares or LET Share Options held by such nominee for such beneficial owner who is accepting the LET Offers.

- (j) In making their decision, the Independent LET Shareholders and Independent LET Optionholders must rely on their own examination of the Offeror, the LET Group and the terms of the LET Share Offer and the LET Option Offer, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein together with the Form(s) of Acceptance shall not be construed as any legal or business advice on the part of the Offeror, its beneficial owners, LET, Yu Ming, Kingston Corporate Finance, Kingston Securities, Merdeka Corporate Finance Limited or the Independent Financial Adviser or their respective professional advisers. The Independent LET Shareholders and Independent LET Optionholders should consult their own professional advisers for professional advice.
  
- (k) All acceptances, instructions, authorities and undertakings given by the Independent LET Shareholders and Independent LET Optionholders in the Form(s) of Acceptance shall be irrevocable except as permitted under the Takeovers Code.

## 1. THREE-YEAR SUMMARY OF FINANCIAL INFORMATION

The following is a summary of the audited consolidated financial results of the LET Group for each of the three financial years ended 31 December 2019, 2020 and 2021 as extracted from the annual reports of LET for the years ended 31 December 2019, 2020 and 2021 and unaudited consolidated interim financial results of the LET Group for the six months ended 30 June 2021 and 2022 as extracted from the interim report of LET for the six months ended 30 June 2022.

	For the year ended 31 December			For the six months ended 30 June	
	2019	2020	2021	2021	2022
	RMB'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Audited)	(Audited)	(Audited)	(Unaudited)	(Unaudited)
<b>Revenue from continuing operations</b>	572,269	181,858	340,437	144,619	190,445
(Loss)/profit before taxation from continuing operations	(1,495,053)	1,277,229	(623,063)	240,706	(181,624)
Taxation from continuing operations	(14,219)	(3,596)	(23,149)	(11,807)	332
<b>(Loss)/profit continuing operations</b>	(1,509,272)	1,273,633	(646,212)	228,899	(181,292)
(Loss)/profit from discontinued operations	–	(402,067)	176,815	114,360	(52,722)
<b>(Loss)/profit for the year/period</b>	(1,509,272)	871,566	(469,397)	343,259	(234,014)
(Loss)/profit attributable to equity holders of LET	(1,484,266)	884,781	(258,265)	384,317	(252,965)
(Loss)/profit attributable to non-controlling interests	(25,006)	(13,215)	(211,132)	(41,058)	18,951
<b>Other comprehensive income/(expense) for the year/period:</b>					
Exchange differences arising on translation from functional currency to presentation currency	–	270,142	62,910	62,910	–
Exchange differences on translating foreign operations	45,080	(271,652)	(286,536)	(118,666)	(219,343)
Share of other comprehensive expense of a joint venture and an associate, net of related income tax	462	(3,745)	(900)	(353)	2,163
Release of reserve upon remeasurement of existing interest in an associate upon business combination	–	(27,132)	–	–	–
Release of reserve upon disposal of an associate	–	–	(76)	(76)	–
	45,542	(32,387)	(224,602)	(56,185)	(217,180)
<b>Total comprehensive (loss)/income for the year/period:</b>					
Total comprehensive (loss)/income attributable to equity holders of LET	(1,439,585)	850,507	(441,959)	336,531	(441,027)
Total comprehensive loss attributable to non-controlling interests	(24,145)	(11,328)	(252,040)	(49,457)	(10,167)
	(1,463,730)	839,179	(693,999)	287,074	(451,194)

	<i>RMB cent</i>	<i>HK cent</i>	<i>HK cent</i>	<i>HK cent</i>	<i>HK cent</i>
Basic earnings/(loss) per LET Share from continuing and discontinued operations	10.65	11.94	(7.91)	3.77	(5.80)
Diluted earnings/(loss) per LET Share from continuing and discontinued operations	(10.72)	(12.09)	(15.52)	(2.93)	(6.15)
Total dividends declared/paid per LET Share	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

*Note:*

The disposal of the operations in the PRC carried out by Access Achievement Limited (together with its subsidiaries, the “**Disposal Group**”) was completed on 30 June 2021. The financial results of the Disposal Group were presented as “Profit (Loss) from Discontinued Operations” on a net basis and comparative figures for the year ended 31 December 2020 had been restated accordingly. However, the financial results of 2019 have not been restated and hence there was nil profit for discontinued operations.

Save as disclosed in the section headed “3. Disclaimer of Opinion or Conclusion” to this appendix, the LET Group had no exceptional or extraordinary items which were exceptional because of its size, nature or incidence for each of the three years ended 31 December 2019, 2020 and 2021.

**Adjusted unaudited net asset value**

The following sets out the adjusted unaudited consolidated net asset value attributable to the equity holders of LET as at 30 June 2022 (“**Adjusted Unaudited NAV**”), taking into account the effect of (i) the completion of the disposal of the Disposal Group in July 2022; and (ii) revaluation arising from the valuation of the property interests held by LET Group as at 31 August 2022:

	<i>HK\$’000</i>
Unaudited consolidated net asset value attributable to the equity holders of LET as at 30 June 2022	2,998,869
<i>Adjustments:</i>	
(i) Effect of the disposal of the Disposal Group	182,001
(ii) Revaluation surplus arising from the valuation <sup>(Note 1)</sup>	<u>115,077</u>
Adjusted Unaudited NAV	<u><u>3,295,947</u></u>
Adjusted Unaudited NAV per LET Share <i>(HK\$)</i> <sup>(Note 2)</sup>	<u><u>0.494</u></u>



*Notes:*

1. Represents the revaluation surplus arising from the increase in the market value of the property interests held by LET Group in existing state of approximately HK\$115.5 million as at 31 August 2022, as appraised by independent valuers, as compared to their corresponding net book value of approximately HK\$2,893.9 million as at 30 June 2022. Summaries of the property valuation reports issued by Grant Sherman Appraisal Limited, Vincorn Consulting and Appraisal Limited and Jones Lang LaSalle Corporate Appraisal and Advisory Limited, being independent property valuers to LET Group, in respect of the valuation of the property interests held by the LET Group as at 31 August 2022 are set out in Appendix III to this Composite Document.
2. Based on 6,667,972,746 LET Shares in issue as at the Latest Practicable Date.

## 2. CONSOLIDATED FINANCIAL STATEMENTS

The LET Group is required to set out or refer to in this Composite Document the consolidated statement of financial position, consolidated statement of cash flows and any other primary statement as shown in the audited consolidated financial statements of the LET Group for the years ended 31 December 2019 (the “**2019 Financial Statements**”), 31 December 2020 (the “**2020 Financial Statements**”) and 31 December 2021 (the “**2021 Financial Statements**”), the unaudited consolidated financial statements of the LET Group for the six months ended 30 June 2022 (the “**2022 Interim Financial Statements**”) and significant accounting policies together with the notes to the relevant published accounts which are of major relevance to the appreciation of the above financial information.

The 2019 Financial Statements are set out on pages 90 to 272 of the 2019 annual report of the LET Group (the “**2019 Annual Report**”), which was published on 11 June 2020. The 2019 Annual Report is posted on the website of the Stock Exchange (<http://www.hkexnews.hk>), and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0611/2020061100380.pdf>

The 2020 Financial Statements are set out on pages 134 to 376 of the 2020 annual report of the LET Group (the “**2020 Annual Report**”), which was published on 28 April 2021. The 2020 annual report is posted on the website of the Stock Exchange (<http://www.hkexnews.hk>), and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0428/2021042802298.pdf>

The 2021 Financial Statements are set out on pages 105 to 296 of the 2021 annual report of the LET Group (the “**2021 Annual Report**”), which was published on 28 April 2022. The 2021 Annual Report is posted on the website of the Stock Exchange (<http://www.hkexnews.hk>), and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0428/2022042801713.pdf>

The 2022 Interim Financial Statements are set out on pages 36 to 125 of the 2022 interim report the LET Group (the “**2022 Interim Report**”), which was published on 30 September 2022. The 2022 Interim Report is posted on the website of the Stock Exchange (<http://www.hkexnews.hk>), and is accessible via the following hyperlink:

<https://www1.hkexnews.hk//listedco/listconews/sehk/2022/0929/2022092901392.pdf>

The 2019 Financial Statements, 2020 Financial Statements, the 2021 Financial Statements and the 2022 Interim Financial Statements (but not any other part of the 2019 Annual Report, 2020 Annual Report, 2021 Annual Report and 2022 Interim Report in which they respectively appear) are incorporated by reference into this Composite Document and form part of this Composite Document.

### **3. DISCLAIMER OF OPINION OR CONCLUSION**

#### ***FOR THE SIX MONTHS ENDED 30 JUNE 2022***

As set out in the 2022 Interim Report, Crowe (HK) CPA Limited expressed a disclaimer of conclusion on the LET Group’s condensed consolidation financial statements for the six months ended 30 June 2022, an extract of which is as follows:

#### **DISCLAIMER OF CONCLUSION**

We do not express a conclusion on the interim financial information of the Group. Because of the matters as described in the Basis for Disclaimer of Conclusion section of our report, it is not possible for us to form a conclusion on the interim financial information.

#### **BASIS FOR DISCLAIMER OF CONCLUSION**

##### **Multiple Uncertainties Relating to Going Concern**

As set out in Note 2 to the condensed consolidated financial statements, the Group incurred a net loss of approximately HK\$234,014,000 and net operating cash outflow of approximately HK\$65,752,000 for the six months ended 30 June 2022. The Group had committed capital expenditure of approximately HK\$3,254,000,000 as at 30 June 2022.

In addition, the Group had amount due to the immediate holding company in the principal amount of HK\$303,000,000 and convertible bonds in the principal amount of HK\$297,000,000 which were due on 28 August 2022 (or if that is not a business day, the first business day thereafter, i.e. 29 August 2022), and convertible bonds in the principal amount of HK\$402,000,000 due on 7 December 2022. As at the date of this announcement, each of the amount due to the immediate holding company in the principal amount of HK\$303,000,000 and interest thereon, and convertible bonds in the principal amount of HK\$297,000,000 remain unpaid respectively, the non-payment constitutes events of default. Such events of default have triggered a cross default in respect of another convertible bonds in the principal amount of HK\$402,000,000 due on 7 December 2022.

These conditions indicate the existence of material uncertainties which may cast significant doubt on the Group’s ability to continue as a going concern.

The directors of the Company have been undertaking measures to improve the Group's liquidity and financial position, to refinance its operations and to restructure its borrowings, details of which are set out in Note 2 to the condensed consolidated financial statements. The validity of the going concern assumptions on which the condensed consolidated financial statements have been prepared depends on the outcome of these measures, which are subject to multiple uncertainties, including i) realising the Group's non-current assets, including the parcels of land in Japan, to obtain new sources of fund; ii) agreeing with the immediate holding company of the Group including extension of repayment, and/or waiver on defaults from the immediate holding company so that it will not demand immediate repayment of the overdue convertible bonds and, amount due to the immediate holding company and interest thereon or take further actions against the Group; iii) successfully taking active measures to control operating expenses; and iv) being able to obtain new sources of debt or equity financing.

Should the Group be unable to operate as a going concern, adjustments would have to be made to write down the carrying value of the Group's assets to their recoverable amounts, to provide for any further liabilities which may arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these condensed consolidated financial statements.

#### ***FOR THE YEAR ENDED 31 DECEMBER 2021***

As set out in the 2021 Annual Report, Crowe (HK) CPA Limited expressed a qualified opinion in its auditor's report on the LET Group's consolidated financial statements, an extract of which is as follows:

#### **QUALIFIED OPINION**

We were engaged to audit the consolidated financial statements of LET Group Holdings Limited (the "**Company**") and its subsidiaries (together "**the Group**") set out on pages 105 to 296, which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

#### **BASIS FOR QUALIFIED OPINION**

Multiple uncertainties relating to going concern.

As set out in Note 2 to the consolidated financial statements, the Group incurred a net loss for the year of approximately HK\$469,397,000 and net operating cash outflow of approximately HK\$219,471,000 for the year ended 31 December 2021. The Group had committed capital expenditure of approximately HK\$3,600,183,000 as at 31 December 2021.

In addition, the Group had amounts due to a related company in the principal amount of approximately HK\$303,000,000 due on 28 August 2022, other borrowings of approximately HK\$823,101,000 due within one year, including HK\$366,928,000 due on 31 March 2022 and approximately HK\$220,157,000 due on 30 April 2022 respectively, convertible bonds in the principal amount of HK\$297,000,000 due on 28 August 2022 and HK\$402,000,000 due on 7 December 2022, respectively.

These conditions indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

The directors have been undertaking measures to improve the Group's liquidity and financial position, to refinance its operations and to restructure its borrowings, details of which are set out in Note 2 to the consolidated financial statements. The validity of the going concern assumptions on which the consolidated financial statements have been prepared depends on the outcome of these measures, which are subject to multiple uncertainties, including i) agreeing with the Group's existing lenders for the renewal of or extension for repayments of all borrowings; ii) agreeing with the convertible bonds holders for the extension of repayment dates; iii) able to obtain new sources of financing or successful negotiation with debtors for prompt settlements; iv) realising the Group's non-current assets, including the parcels of land in Japan, to obtain new sources of financing; and v) successfully taking active measures to control operating expenses.

Should the Group be unable to operate as a going concern, adjustments would have to be made to write down the carrying value of the Group's assets to their recoverable amounts, to provide for any further liabilities which may arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

#### ***FOR THE YEAR ENDED 31 DECEMBER 2020***

As set out in the 2020 Annual Report, Crowe (HK) CPA Limited expressed a qualified opinion in its auditor's report on the LET Group's consolidated financial statements, an extract of which is as follows:

#### **QUALIFIED OPINION**

We have audited the consolidated financial statements of LET Group Holdings Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 134 to 376, which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for qualified opinion section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### **BASIS FOR QUALIFIED OPINION**

The consolidated financial statements of the Company for the year ended 31 December 2019 were audited by another auditor who expressed a modified opinion on those statements on 8 June 2020.

As detailed in the auditor’s report dated 8 June 2020, certain bank accounts with restricted bank deposits of the Group amounting to RMB22,969,000 as at 31 December 2019 were frozen by the relevant local bureau in the People’s Republic of China (the “**2019 Frozen Bank Accounts**”) as set out on Note 25 to the consolidated financial statements.

During the year ended 31 December 2020, one of such frozen bank accounts with a balance of approximately RMB22,969,000 was released in June 2020, while another bank account with a balance of approximately RMB250 remained frozen as at 31 December 2020 but was subsequently released in February 2021. During the year ended 31 December 2020, in July 2020, certain bank balances, in aggregate, of approximately RMB858,000 as at 31 December 2020 were frozen by the relevant local bureau in the People’s Republic of China (the “**2020 Frozen Bank Accounts**”). Management was unable to obtain sufficient information from the relevant local bureau or the bank for the 2020 Frozen Bank Accounts. The Group did not recognise any provision as a result of such frozen actions as at 31 December 2020. There were no alternative audit procedures that we could perform to satisfy ourselves whether the balances of the 2019 and 2020 Frozen Bank Accounts were free from material misstatement or whether any potential liabilities should be recognised. Any adjustments found to be necessary may have an effect on the balances of the 2019 and 2020 Frozen Bank Accounts as at 31 December 2020 and 2019, the profit or loss and cash flows of the Group for the year then ended, as well as the related disclosures in the consolidated financial statements.

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (“**the Code**”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

*FOR THE YEAR ENDED 31 DECEMBER 2019*

As set out in the 2019 Annual Report, Deloitte Touche Tohmatsu expressed a qualified opinion in its auditor's report on the LET Group's consolidated financial statements, an extract of which is as follows:

**QUALIFIED OPINION**

We have audited the consolidated financial statements of LET Group Holdings Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 90 to 272, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

**BASIS FOR QUALIFIED OPINION**

As disclosed in note 26 to the consolidated financial statements, certain bank accounts with restricted bank deposits of the Group amounting to RMB22,969,000 were frozen by the relevant local bureau in the People's Republic of China (the "**Frozen Bank Accounts**"). Management was unable to provide sufficient information from the relevant local bureau or banks in relation to the Frozen Bank Accounts. There were no alternative audit procedures that we could perform to satisfy ourselves whether the balances of the Frozen Bank Accounts were free from material misstatement or any potential liabilities should be recognised. Any adjustments found necessary may have an effect on the restricted bank deposits as at 31 December 2019, the loss and cash flows of the Group for the year then ended, as well as the related disclosures in the consolidated financial statements.

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "**Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

## INDEBTEDNESS

As at 31 August 2022, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this Composite Document, the LET Group had the following aggregate outstanding indebtedness:

	<b>Secured</b> <i>HK\$'000</i>	<b>Unsecured</b> <i>HK\$'000</i>	<b>Total</b> <i>HK\$'000</i>
Principal amount of loans from non-controlling shareholders of subsidiaries	75,014	193,082	268,096
Carrying amount of interest payables of loans from non-controlling shareholders of a subsidiary	–	5,391	5,391
Carrying amount of amount due to a former director	–	484	484
Principal amount of amount due to immediate holding company	–	303,000	303,000
Carrying amount of interest payables of amount due to immediate holding company	–	6,126	6,126
Principal amount of convertible bonds payable to immediate holding company	–	699,000	699,000
Principal amount of convertible bond payable to a former non-controlling shareholder of a subsidiary	–	23,547	23,547
Lease liabilities	11,092	913,058	924,150
	<u>86,106</u>	<u>2,143,688</u>	<u>2,229,794</u>
Principal amount of perpetual securities issued	<u>–</u>	<u>5,408,000</u>	<u>5,408,000</u>
Proposed distributions arose from the perpetual securities issued	<u>–</u>	<u>538,282</u>	<u>538,282</u>

*Pledged assets*

As at 31 August 2022, pledged bank deposits of approximately HK\$1.5 million were pledged for the license and suppliers in relation to Sun Travel Ltd., a wholly-owned subsidiary of LET.

As at 31 August 2022, the indirect equity interest of approximately 34% in Hoi An South Development Limited (“**HASD**”), a subsidiary of LET’s joint venture, were pledged to a bank for the facilities granted to HASD.

As at 31 August 2022, the indirect equity interest of approximately 68% in Hoi An South Investment Pte. Limited (“**HASI**”, the immediate holding company of HASD) and approximately 66% equity interest in HASD were pledged to the joint venture partner for loans granted to HASD and HASI.

*Contingent liabilities*

On 30 June 2021, pursuant to the sale and purchase agreement in relation to the disposal of Access Achievement Limited (“**Access Achievement**”) and a deed of indemnity entered into by LET, the purchaser and Access Achievement, LET will indemnify the purchaser against certain tax, litigation and contingent liabilities which, except for litigation liabilities, in aggregate cannot exceed the sum of (i) the consideration of the disposal of Access Achievement amounting to RMB155,290,000 (equivalent to approximately HK\$176,888,000); and (ii) the principal amount of the loan receivable by Shenzhen Sky Alliance Property Company Limited amounting to RMB519,249,000 (equivalent to approximately HK\$591,467,000), in the aggregate amount of RMB674,539,000 (equivalent to approximately HK\$768,355,000). In this regard, approximately RMB20,481,000 (equivalent to approximately HK\$23,329,000) was recorded as provision for indemnity included in “other payables” in the consolidated financial statements as at 31 August 2022.

*General*

Save as aforesaid and apart from intra-group liabilities and normal trade payables arising in the ordinary course of business, the LET Group did not have any debt securities, issued and outstanding, and authorised or otherwise created but unissued, any other outstanding loan capital, any other borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptance (other than normal trade bills), mortgages and charges, acceptance credits, hire purchase commitments, other material contingent liabilities or guarantees outstanding as at 31 August 2022.



#### 4. MATERIAL CHANGE

Save as disclosed below, the LET Directors confirmed that as at the Latest Practicable Date, there had been no material changes in the financial or trading position or outlook of the LET Group since 31 December 2021, being the date to which the latest published audited financial statements of LET were made up, up to and including the Latest Practicable Date:

- (a) With effect from 1 April 2022, the LET Group ceased and discontinued the operations in travel related products and services and hotel and integrated resort general consultancy services businesses. Details of the cessation of the LET Group's travel related products and services business are set out in the announcement of LET dated 1 April 2022;
- (b) On 10 May 2022, LET entered into a sale and purchase agreement (the “**2022 May S&P Agreement**”) with an independent third party. Pursuant to the 2022 May S&P Agreement, LET and its subsidiaries agreed to sell and the purchaser agreed to purchase the entire equity interest of wholly-owned subsidiaries of LET including (i) Goal Explore Investments Limited and its subsidiaries save for Dongyang Xinguang Pacific Enterprises Limited (“**Dongyang Xinguang**”) and (ii) Boshing Investments Limited and its subsidiaries, at a total cash consideration of HK\$1 subject to the terms and conditions of the 2022 May S&P Agreement (the “**2022 May Disposal**”). Completion of the 2022 May Disposal took place on 22 July 2022. Details of which are set out in the announcements of LET dated 10 May 2022 and 22 July 2022;
- (c) according to the 2022 Interim Report, the LET Group recorded loss attributable to equity holders of LET of approximately HK\$234.0 million for the six months ended 30 June 2022 (“**1H2022**”), comparing to a profit of approximately HK\$343.3 million for the six months ended 30 June 2021 (“**1H2021**”). Such change was mainly due to: (a) the decrease in the change in fair value gain of derivative financial instruments by approximately HK\$526.1 million to approximately HK\$13.2 million in 1H2022 (1H2021: HK\$539.3 million); (b) the recognition of loss from discontinued operations of approximately HK\$52.7 million in 1H2022 (1H2021: profit of approximately HK\$114.4 million (as restated)); and (c) the recognition of impairment losses on loans to, equity loans to, and amounts due from the JV Company of approximately HK\$47.3 million in 1H2022 (1H2021: nil), which was partially offset by (i) the increase in gross profit by approximately HK\$53.4 million to approximately HK\$93.8 million in 1H2022 (1H2021: HK\$40.4 million); and (ii) the increase in other income, gains and losses by approximately HK\$85.7 million to approximately HK\$144.8 million in 1H2022 (1H2021: HK\$59.1 million) due to (a) the net exchange gains recognised in 1H2022 of approximately HK\$81.9 million (1H2021: net exchange gains of HK\$10.0 million) which was primarily due to the translation of assets and liabilities which denominated in foreign currencies during 1H2022 and (b) the increase in bank interest income;

- (d) As stated in the 2022 Interim Report, during the first half of 2022, the social distancing and travel-related measures implemented by governments to combat the spread of COVID-19 in the LET Group's operating and customer markets have persistently impacted the LET Group's overall operations. In addition, the Western sanctions on Russia resulting from the Russia-Ukraine conflict may cause significant long-term damage to the Russian economy and its tourism industry, which may have negative impact on the LET Group's hotel and gaming business in the IEZ Primorye in the Russian Federation;
- (e) A special resolution in relation to the change of company name was passed by the LET Shareholders at the extraordinary general meeting of LET held on 15 August 2022. A Certificate of Incorporation on Change of Name was issued by the Registrar of Companies in the Cayman Islands on 16 August 2022 certifying the change of the name of LET from "Suncity Group Holdings Limited 太陽城集團控股有限公司" to "LET Group Holdings Limited". Details of which are disclosed in the announcement of LET dated 18 August 2022;
- (f) As stated in the 2022 Interim Report, subsequent to 30 June 2022, the exchange rate of the Russian ruble ("**RUB**") has depreciated by approximately 20% against HK\$. Summit Ascent Group is mainly exposed to currency risk arising from RUB against HK\$, the functional currency of Summit Ascent Group and the LET Group. The carrying amounts of the LET Group's RUB denominated monetary assets and liabilities attributable from Summit Ascent Group as at 30 June 2022 are approximately HK\$555,032,000 and HK\$70,544,000, respectively. Based on the sensitivity analysis including outstanding RUB denominated monetary items and adjusting their translation as at 30 June 2022, a decrease of approximately HK\$80,748,000 in post-tax profit for 1H2022 is indicated where RUB weaken 20% against HK\$;
- (g) On 29 August 2022, the PN Loan in the principal amount of HK\$303,000,000 and interest thereon due on 28 August 2022 (or if that is not a business date, the first business date thereafter, i.e. 29 August 2022), and the 2018 Convertible Bonds in the aggregate principal amount of HK\$297,000,000 due on 28 August 2022 (or if that is not a business date, the first business date thereafter, i.e. 29 August 2022) remain unpaid respectively, the non-payment constitutes event of defaults ("**PN Event of Default and 2018 CB Event of Default**"). The PN Event of Default and 2018 CB Event of Default have triggered a cross default in respect of the Fame Select CB in the principal amount of HK\$402,000,000 due on 7 December 2022. Details of which are set out in the announcements of LET dated 29 August 2022 and 2 September 2022; and

- (h) On 19 September 2022, LET (as borrower) and four independent third party lenders (as lenders) entered into a loan agreement for a loan facility of HK\$400,000,000 (the “**2022 September Loan**”) (the “**2022 September Loan Agreement**”). Pursuant to the 2022 September Loan Agreement, (i) LET and Victor Sky Holdings Limited, a wholly-owned subsidiary of the LET, pledged 123,255,000 and 3,018,306,811 ordinary shares in Summit Ascent respectively to the Lenders as security for the 2022 September Loan. As at 19 September 2022, such pledged shares represent approximately 69.67% of the total issued shares of Summit Ascent; and (ii) LET also entered into a debenture to create a first fixed and floating charge over its undertaking, property, and assets as security for the 2022 September Loan. HK\$380,000,000 of the 2022 September Loan was utilised as the full repayment of the PN Loan and accrued interest thereon and the partial repayment of the 2018 Convertible Bonds. The remaining outstanding principal amount of the 2018 Convertible Bonds was approximately HK\$226 million. Details of which are set out in the announcement of LET dated 19 September 2022.

*The following are the texts of letters, summaries of valuation and valuation certificates, prepared for the purpose of incorporation in this Composite Document, received from Grant Sherman Appraisal Limited (“Grant Sherman”), Vincorn Consulting and Appraisal Limited (“Vincorn”) and Jones Lang LaSalle Corporate Appraisal and Advisory Limited (“JLL”), three independent valuers, in connection with their valuations as at 31 August 2022 of the property interests held by the LET Group. Terms defined in this appendix applies to this appendix only.*

**A. VALUATION REPORT FROM GRANT SHERMAN FOR PROPERTIES LOCATED IN PHILIPPINES**



Grant Sherman Appraisal Limited  
Unit 2204, 22/F  
Tung Wai Commercial Building  
109-111 Gloucester Road  
Wanchai, Hong Kong

13 October 2022

The Board of Directors

LET Group Holdings Limited  
Unit 1705, 17/F  
West Tower, Shun Tak Centre  
168-200 Connaught Road Central, Hong Kong

Dear Sirs,

**Re.: Valuation of Market Value of the construction in progress (the “CIP”) of Suntrust Resort Holdings, Inc. situated at Westside City, Brgy. Tambo, Paranaque City, Metro Manila, the Philippines (the “Property”)**

**Background**

In accordance with your instructions for us to value the CIP held by LET Group Holdings Limited (hereinafter referred to as the “Company”), formerly known as Suncity Group Holdings Limited, and its subsidiaries (hereinafter referred to as the “Group”) in the Republic of the Philippines (hereinafter referred to as the “Philippines”), we confirm that we have made relevant enquiries and obtained further information as we consider necessary for providing you with our opinion of the Market Value of the CIP under the premise of value of the highest and best use as at 31 August 2022 (“the Valuation Date”) for the purpose of incorporation into the composite document to be dispatched to the shareholders of the Company for the general offer on the date hereof.

Construction in progress represented the expenditure made for the construction of property, plant and equipment. In this appraisal, the CIP comprises the accumulated construction cost incurred (the “**Incurred Construction Cost**”), the capitalized interests on lease liabilities of the lease of the land, as well as the capitalized amortization of the right-of-use assets, which is the lease of the land.

Our valuation is our opinion of the market value of the CIP. Market Value, in accordance with International Valuation Standard published by International Valuation Standard Council (“**IVSC**”), is defined as “the estimated amount for which a property should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion”.

Market Value is understood as the value of a property estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

### **Valuation Methodology**

In valuing the CIP of the Property which is currently under construction as at the Valuation Date, we have assumed that it will be developed and completed in accordance with the latest construction contracts provided to us by the Group.

In arriving at our opinion of value, given the ownership of the land parcels of the Property does not belong to the Group and hence no commercial value ascribed, we have taken into account the accrued construction cost and professional fees relevant to the stage of construction as at the valuation date. We have relied on the accrued construction cost and professional fees information provided by the Group according to the stage of construction of the Property as at the Valuation Date and we did not find any material inconsistency from those of other similar developments.

### **General Assumptions**

Our valuation has been made on the assumption that the owner sells the CIP on the open market in its existing state without the benefit of a deferred terms contract, leaseback, joint venture, management agreement, or any similar arrangement which would serve to increase the value of the CIP. In addition, no forced sale situation in any manner is assumed in our valuation.

No allowance has been made in our valuation for any charge, mortgage, or amount owing on the CIP nor for any expenses or taxation which may be incurred in effecting a sale. It is assumed that the CIP is free from encumbrances, restrictions, and outgoings of an onerous nature which could affect its value.

No environmental impact study has been ordered or made. Full compliance with applicable national, provincial, and local environmental regulations and laws is assumed unless otherwise stated, defined, and considered in the valuation report. It is also assumed that all required licences, consents, or other legislative or administrative authority from any local, provincial, or national government private entity or organization either have been or can be obtained or renewed for any use that the valuation report covers.

We have assumed that there is no change and / or additional requirement from the relevant governmental authorities regarding the consents, approvals, and licences of the Property and CIP mentioned in the legal opinions (the “**Philippines Legal Opinions**”) provided by the Group’s Philippines legal adviser, Martinez Vergara Gonzalez & Serrano dated 24 February 2020 and 3 October 2022. We also assumed that there will be no undue time delay in the progress of the CIP as scheduled.

### **Title Investigation**

We have been provided with copies of extracts of title documents relating to the CIP. However, we have not caused title searches to be made for the CIP under the Property’s leasehold at the relevant government bureaus in the Philippines and we have not inspected the original documents to verify the ownership, encumbrances or the existence of any subsequent amendments which may not appear on the copies handed to us. In undertaking our valuation for the CIP in the Philippines, we have relied on the legal opinions and underlying assumptions of the Philippines Legal Opinions, which specifies the ownership and legitimacy of the land<sup>note 1(a)</sup>.

According to the Philippines Legal Opinions, the Group has been granted the rights to conceptualize, design, develop, and construct developments erected on the subject land with approvals from the relevant local authority. Pursuant to Building Permit No. 210200045, together with Environmental Compliance Certificate No. ERC-NCR-2108-0017, permission by the relevant local authority was given to commence the construction of the Property with a total gross floor area of approximately 206,625.91 sq.m.

### **Sources of Information**

We have relied to a considerable extent on information provided by the Group and have accepted the advice given to us by the Group and the Philippines Legal Opinions on such matters as planning approvals or statutory notices, easements, tenure, occupancy, lettings, site and floor areas, and in the identification of the CIP and other relevant matter. We have no reason to doubt the truth and accuracy of the information provided to us by the Group which is material to the valuation. We have also been advised by the Group that no material facts had been concealed or omitted in the information provided to us and have no reason to suspect that any material information has been withheld. All documents have been used for reference only. We consider that we have been provided with sufficient information to reach an informed view.

All dimensions, measurements, and areas included in the valuation report are based on information contained in the documents provided to us by the Group and are approximations only. No on-site measurement has been taken.

**Site Investigation**

Due to the outbreak of the 2019 Novel Coronavirus (COVID-19) in Asia including the Philippines, it is infeasible and impractical for us to carry out a site inspection for the CIP during the course of our valuation.

We have not carried out a structural survey nor have we inspected woodwork or other parts of the structures which are covered, unexposed or inaccessible and we are therefore unable to report that any such parts of the CIP is free from defect though in the course of our inspections we did not note any serious defects. No tests were carried out on any of the services.

We have not carried out an investigation to determine the suitability of the ground conditions or the services for any property developments to be erected thereon. Our valuation is on the basis that these aspects are satisfactory and that no extraordinary expense or delay will be incurred during the construction period.

**Valuation Standards**

In valuing the CIP, our valuation has been prepared in accordance with the RICS Valuation – Global Standards published by the Royal Institution of Chartered Surveyors (“RICS”), the International Valuation Standards published by IVSC and the requirements set out in Chapter 5 of and Practice Note 12 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and Rule 11 of the Code on Takeovers and Mergers issued by Securities and Futures Commission.

For the purpose of compliance with Rule 11.3 of the Code on Takeovers and Mergers and according to the Philippines Legal Opinions, the potential tax liabilities would arise on the disposal of the CIP held by the Group in the Philippines. Per the Philippines Legal Opinions, the CIP constitutes an asset property used in trade or business and classified as “ordinary asset” as opposed to a “capital asset”, any gain or loss from the sale of the CIP constitutes ordinary gain or loss subject to the 25% / 20% corporate income tax, which in general the corporate income tax rate for domestic corporation is 25% on net income from all sources and 20% for domestic corporations with total assets not exceeding one hundred million Philippines Pesos and a total net taxable income not exceeding five million Philippines Pesos, and to 12% value added tax. Moreover, the sale thereof may also be subject to documentary stamp tax at the rate of fifteen Philippines Pesos for every one thousand Philippines Pesos of the selling price. The exact amount of the tax payable upon realisation of the CIP will be subject to the formal tax advice issued by the relevant tax authorities at the time of disposal by presenting the relevant transaction documents. Further, as advised by the Company, the likelihood of the potential tax liability being crystallized is remote as the Company has no intention to dispose of them.

**Service terms**

Unless otherwise stated, all values are denominated in the Philippines Peso (PHP). The exchange rate used in valuing the CIP are the rate as at the Valuation Date, which was HKD1:PHP7.1310. There has been no significant fluctuation in the exchange rate for PHP against Hong Kong Dollars between that date and the date of this letter.

We enclose herewith the valuation report.

Yours faithfully,

For and on behalf of

**GRANT SHERMAN APPRAISAL LIMITED**

**Derek T.Y. Wong**

*ASA, CFA, CMA, CVA, FRM, MIPA,*

*MRICS, RICS Registered Valuer*

*Director*

*Note:*

Mr. Derek T.Y. Wong is an Accredited Senior Appraiser (Business Valuation) of the American Society of Appraisers, a CFA Charterholder, a Certified Management Accountant, a Chartered Valuer and Appraiser, a Certified FRM, a Member of the Institute of Public Accountants, a Chartered Member and Registered Valuer of RICS. He has been working in the financial industry since 2003, with experiences covering the areas of corporate banking, corporate finance, equity analysis, and real estate, business and derivatives valuation.



## VALUATION CERTIFICATE

Property	Description and Tenure	Particulars of occupancy	Market Value in existing state as at the Valuation Date
The construction works in progress of Suntrust Resort Holdings, Inc. situated at Westside City, Brgy. Tambo, Paranaque City, Metro Manila, the Philippines	<p>The CIP comprises the Incurred Construction Cost, the capitalized interests on lease liabilities of the lease of the land, as well as the capitalized amortization of the right-of-use assets, which is the lease on the land.</p> <p>According to information provided by the Group, the Property comprises various construction works in progress. The incurred construction cost of the CIP as at the Valuation Date is PHP8,398,000,000 (equivalent to HK\$1,178,000,000). Foundation works of the CIP have been carried out in 2021 and the podium structure of the CIP is building as at the Valuation Date. Phase 1 of the Property is estimated to be completed and operation commences in 2024.</p> <p>The Property comprises the leasehold interests of the portion of the three adjacent land parcels of the Property with a total site area of approximately 44,531.90 sq.m.</p> <p>The land use rights of the Property were leased for a term expiring on 19 August 2039, for integrated hotel and casino complex uses.</p>	The CIP was under construction as at the Valuation Date.	No commercial value

*Notes:*

1. According to the Philippines Legal Opinions provided by the Group's Philippine legal adviser, Martinez Vergara Gonzalez & Serrano:

(a) The registered owner of the land with a total site area of approximately 134,292 sq.m. are as follows:

Lot Nos.	Approximate Site Area (sq.m.)	Owner(s)
Lot 4	68,953	Philippine Amusement and Gaming Corporation
Lot 5	54,276	Nayong Pilipino Foundation
Lot 6	11,063	Philippine Amusement and Gaming Corporation
Total	<u>134,292</u>	

(b) Lots 4, 5 and 6 are all held on freehold basis.

- (c) According to a Joint Venture Agreement (the “**JVA**”) entered into between Philippine Amusement and Gaming Corporation (“**PAGCOR**”) and Travellers International Hotel Group, Inc. (“**Travellers**”) dated 7 May 2010, the ownership of Lots 4 and 6 (the “**Lots**”) will be transferred from PAGCOR to Travellers upon completion of development on the Lots. Subsequently, the interests of Travellers in the JVA was transferred from Travellers to Westside City Resorts World Inc. (“**Westside City**”) (formerly known as “**Resorts World Bayshore City, Inc.**”) according to a Deed of Accession.
  - (d) According to Lease Agreement (the “**NPF Lease**”) entered into between Nayong Pilipino Foundation (“**Nayong**”) and Westside City dated August 20, 2014, Lot 5 was leased from Nayong to Westside City for a term of 25 years, renewable for a further term of 25 years.
  - (e) The owners of the Property are PAGCOR and Nayong and the ownership of the Property is not vested in the Group, hence the Group is not entitled to transfer the Property.
2. Pursuant to Building Permit No. 210200045, together with Environmental Compliance Certificate No. ERC-NCR-2108-0017, permission by the relevant local authority was given to commence the construction of the Property with a total gross floor area of approximately 206,625.91 sq.m.
  3. According to the Co-development Agreement entered into between Westside City and Suntrust Resort Holdings Inc. (“**Suntrust**”, formerly known as “**Suntrust Home Developers Inc.**”) dated 28 October 2019 provided by the Group, Westside City and Suntrust shall enter into a lease agreement (the “**Lease Agreement**”) as more particularly described in Note 3. Suntrust shall pay Westside City US\$200,000,000 for occupation of the Property and reimbursement of costs incurred on the Property.
  4. Pursuant to the Lease Agreement to be entered into between Westside City and Travellers (the “**Lessor**”) and Suntrust (the “**Lessee**”), the land parcels of the Property (the “**Land Parcels**”) with a total site area of 44,531.9 sq.m. were leased from the Lessor to the Lessee at an annual rental of US\$10,600,000 exclusive of the applicable value added tax commencing on the latter of the first day of commencement of operation of Casino Establishment and the conditions precedent as contained in the Lease Agreement. The Property shall be leased for a term of 20 years from the date of handover of the Property and expiring on 19 August 2039. The details are as follows:

<b>Lot Nos.</b>	<b>Approximate Site Area (sq.m.)</b>
Portion of Lot 4	1,386.75
Portion of Lot 5	32,092.00
Portion of Lot 6	11,053.15
	_____
Total	44,531.90

The Property is permitted to be developed into an integrated hotel and casino complex with tourism-oriented facilities and attractions, commercial and mixed-use facilities, and food and beverage outlets.

5. According to the information provided by the Group, as at the Valuation Date, the CIP is free from any mortgages, orders and other legal encumbrances which may cause adverse effect to the title of the CIP.
6. According to information provided by the Group, Phase 1 of the Property is estimated to be completed and operation commences in 2024.
7. According to information provided by the Group, Suntrust is an indirectly 51% owned subsidiary of the Company.
8. According to information provided by the Group, the Property comprises various construction works in progress. The incurred construction cost as at the Valuation Date is PHP8,398,000,000 (equivalent to HK\$1,178,000,000).

9. We have been instructed to value the construction works in progress portion of the Property only. However, the construction works in progress could not be transferred freely without any land attached thereto. In the course of our valuation, we have ascribed no commercial value to the CIP.

For the indicative purpose, the market value of the CIP as at the Valuation Date is PHP10,196,000,000 (equivalent to HK\$1,429,000,000), in which the Incurred Construction Cost of the CIP is PHP8,551,000,000 (equivalent to HK\$1,199,000,000), by assuming that the Property would have been granted the relevant consent and freely transferrable in the market, and given the capitalized interests on lease liabilities amounted to approximately PHP388,000,000 (equivalent to HK\$54,000,000), and the capitalized amortization of right-of-use assets amounted to approximately PHP1,257,000,000 (equivalent to HK\$176,000,000), according to the information provided by the Group.

The market value of 51% interests of the Incurred Construction Cost of the CIP of the Property and the CIP of the Property to be attributed to the Group as at the Valuation Date is, therefore, PHP4,361,000,000 (equivalent to HK\$611,000,000) and PHP5,200,000,000 (equivalent to HK\$729,000,000) respectively, by assuming the Property would have been granted the relevant consent and freely transferrable in the market.

**B. VALUATION REPORT FROM VINCORN FOR PROPERTIES LOCATED IN JAPAN**

**Vincorn Consulting and Appraisal Limited**  
Units 1602-4, 16/F  
FWD Financial Centre  
No. 308 Des Voeux Road Central  
Hong Kong

**The Board of Directors**

LET Group Holdings Limited  
Unit 1705, 17th Floor,  
West Tower, Shun Tak Centre,  
Nos. 168-200 Connaught Road Central,  
Hong Kong

13 October 2022

Dear Sirs,

**INSTRUCTION AND VALUATION DATE**

We refer to your instructions for us to assess the Market Values of the property interests located in Japan held by LET Group Holdings Limited (the “**Company**”) and its subsidiaries (hereinafter together referred to as the “**Group**”) for the purposes of public disclosure. We confirm that we have carried out inspection, made relevant enquiries and searches and obtained such further information as we consider necessary in order to provide you with our opinion of the Market Values of the property interests as at 31 August 2022 (the “**Valuation Date**”).

**VALUATION STANDARDS**

The valuation has been prepared in accordance with the HKIS Valuation Standards 2020 published by The Hong Kong Institute of Surveyors effective from 31 December 2020 with reference to the International Valuation Standards published by the International Valuation Standards Council effective from 31 January 2022; and the requirements set out in the Chapter 5 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; and Rule 11 of the Code on Takeovers and Mergers published by the Securities and Futures Commission.

**VALUATION BASIS**

Our valuation has been undertaken on the basis of Market Value. Market Value is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

**VALUATION ASSUMPTIONS**

Our valuation has been made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interests.

No allowances have been made for any charges, mortgages or amounts owing on the property interests, nor for any expenses or taxations which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interests are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect the values of the property interests.

As the property interests are held under freehold interests, we have assumed that the owner has free and uninterrupted rights to use the property interests.

**VALUATION METHODOLOGY**

When valuing the property interests held by the Group, we have adopted Market Approach.

Market Approach is universally considered as the most accepted valuation approach for valuing most forms of property. This involves the analysis of recent market evidence of similar properties to compare with the subject under valuation. Each comparable is analysed on the basis of its unit rate; each attribute of the comparables is then compared with the subject and where there are any differences, the unit rate is adjusted in order to arrive at the appropriate unit rate for the subject. This is done by making percentage adjustments to the unit rate for various factors, such as time, location, size, configuration and so on.

**POTENTIAL TAX LIABILITIES**

As advised by the Group, the potential tax liabilities which may arise from the sale of the property interests located in Japan include:

- (i) A property tax to be assessed at a standard rate of 1.4% on the taxable value of the property;
- (ii) For sale of a property with a holding period equal to or less than 5 years after 31 March 2023, a capital gains tax to be assessed on the basis of 10% of the corporate income tax payable in the year of sale; and
- (iii) For sale of a property with a holding period more than 5 years after 31 March 2023, a capital gains tax to be assessed on the basis of 5% of the corporate income tax payable in the year of sale.

For the property interests held by the Group in Japan, they are currently held by the Group and are not undergoing transaction as at the date of this report. Hence, the likelihood of any potential tax liabilities of these property interests being crystallized is remote.

#### **LAND TENURE AND TITLE INVESTIGATION**

We have been provided with copies of documents, including the title registration documents from the Legal Affairs Bureau, in relation to the titles of the property interests. However, we have not scrutinized the original documents to verify ownership or to verify any amendments, which may not appear on the copies handed to us. We have relied to a considerable extent on information provided by the Group.

All legal documents disclosed in this letter, the valuation summary and the valuation certificates are for reference only. No responsibility is assumed for any legal matters concerning the legal titles to the property interests set out in this letter, the valuation summary and the valuation certificates.

#### **INFORMATION SOURCES**

We have relied to a considerable extent on the information provided by the Group. We have also accepted advice given to us on matters such as identification of the properties, particulars of occupancy, areas and all other relevant matters. Dimensions, measurements and areas included in the valuation are based on information contained in the documents provided to us and are, therefore, only approximations.

We have also been advised by the Group that no material factors or information have been omitted or withheld from information supplied and consider that we have been provided with sufficient information to reach an informed view. We believe that the assumptions used in preparing our valuation are reasonable and have had no reason to doubt the truth and accuracy of information provided to us by the Group which is material to the valuation.

#### **INSPECTION AND INVESTIGATIONS**

The properties were inspected externally and internally by Iori Tsunehiro *FD Land Surveying* and Yuka Miyagi *BA* on 21 September 2022 and 22 September 2022 respectively. Although not all areas were accessible for viewing at the time of inspection, we have endeavoured to inspect all areas of the properties. Investigations were carried out as necessary. Our investigations have been conducted independently and without influence from any third party in any manner.

We have not tested any services of the properties and are therefore unable to report on their present conditions. We have not carried out any investigations on site to determine the suitability of the ground conditions for any future developments. Our valuation is prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be required.

We have not carried out any on-site measurements to verify the correctness of the areas in respect of the properties but have assumed that the areas shown on the documents or deduced from the plans are correct. All documents and plans have been used as reference only and all dimensions, measurements and areas are therefore approximations.

**CURRENCY**

Unless otherwise stated, all monetary figures stated in this report are in Japanese Yen (“**JPY**”) and Hong Kong Dollar (“**HKD**”). The exchange rate adopted in our valuation is approximately JPY1.00 = HKD0.0567 which was approximately the prevailing exchange rate as at the Valuation Date.

The valuation summary and the valuation certificates are attached hereto.

Yours faithfully,

For and on behalf of

**Vincorn Consulting and Appraisal Limited**

**Vincent Cheung**

*BSc(Hons) MBA FRICS MHKIS RPS(GP)*

*MCIREA MHKSI MISCM MHIREA*

*RICS Registered Valuer*

*Registered Real Estate Appraiser & Agent PRC*

*Managing Director*

*Note:*

*Vincent Cheung is a fellow of the Royal Institution of Chartered Surveyors, a member of the Hong Kong Institute of Surveyors, a Registered Professional Surveyor (General Practice) under the Surveyors Registration Ordinance (Cap. 417) in Hong Kong, a member of China Institute of Real Estate Appraisers and Agents, a member of Hong Kong Securities and Investment Institute, a member of Institute of Shopping Centre Management, a member of Hong Kong Institute of Real Estate Administrators, a Registered Valuer of the Royal Institution of Chartered Surveyors and a Registered Real Estate Appraiser and Agent People’s Republic of China. He is suitably qualified to carry out the valuation and has over 25 years of experience in the valuation of properties of this magnitude and nature in the subject region.*

## VALUATION SUMMARY

## Property Interests held by the Group in Japan for Future Development

No.	Property	Market Value as at 31 August 2022	Interest Attributable to the Group	Market Value as at 31 August 2022 Attributable to the Group
1	Lot Nos. 17-1, 17-2, 17-3, 17-4, 24-1, 24-2, 24-3, 24-4, 24-6, 24-7, 25-4, 48 and 48-2, Aza Yamada, Kutchan Town, Abuta District, Hokkaido Prefecture, Japan	JPY2,950,000,000 (Equivalent to HKD167,265,000)	100%	JPY2,950,000,000 (Equivalent to HKD167,265,000)
2	Lot Nos. 693-2, 693-6, 693-8, 756-1, 762-1, 762-2, 763-1, 763-2, 764-1, 764-2, 764-3, 766-1, 766-2, 767-1, 769-1, 775, 776, 777-2, 779-2, 780-1, 780-2, 780-3, 781, 783-1, 783-2, 785-1, 787-1 and 787-3, Nikadori, Hirara, Miyakojima City, Okinawa Prefecture, Japan	JPY4,896,000,000 (Equivalent to HKD277,603,200)	51%	JPY2,496,960,000 (Equivalent to HKD141,577,632)
<b>Total:</b>		<b>JPY7,846,000,000</b> (Equivalent to <b>HKD444,868,200</b> )		<b>JPY5,446,960,000</b> (Equivalent to <b>HKD308,842,632</b> )



## VALUATION CERTIFICATE

## Property Interests held by the Group in Japan for Future Development

No.	Property	Description and Tenure	Occupancy Particulars	Market Value as at 31 August 2022
1	Lot Nos. 17-1, 17-2, 17-3, 17-4, 24-1, 24-2, 24-3, 24-4, 24-6, 24-7, 25-4, 48 and 48-2, Aza Yamada, Kutchan Town, Abuta District, Hokkaido Prefecture, Japan	<p>The property comprises 13 adjoining land parcels located in Aza Yamada, Kutchan Town, Abuta District, Hokkaido Prefecture, Japan.</p> <p>As per the title registration documents, the property has a total site area of approximately 220,194.00 square metres (“sq.m.”).</p> <p>According to the latest development control stated in Note No. 5, the maximum permissible gross floor area (“GFA”) of the property is approximately 440,388.00 sq.m.</p> <p>The property is held under freehold interests.</p>	As per our on-site inspection and the information provided by the Group, the property is currently vacant.	<p>JPY2,950,000,000 (Equivalent to HKD167,265,000)</p> <p>100% Interest Attributable to the Group:</p> <p>JPY2,950,000,000 (Equivalent to HKD167,265,000)</p>

## Notes:

- The property was inspected by Iori Tsunehiro *FD Land Surveying* on 21 September 2022.
- The valuation and this certificate were prepared by Vincent Cheung *BSc(Hons) MBA FRICS MHKIS RPS(GP) MCIREA MHKSI MISC MHI REA RICS Registered Valuer Registered Real Estate Appraiser & Agent PRC* and Kit Cheung *BSc(Hons) MRICS MHKIS RPS(GP) MCIREA RICS Registered Valuer Registered Real Estate Appraiser PRC*.

3. The details of the title registration documents of the property dated 15 September 2022 are summarised below:-

<b>Item</b>	<b>Details</b>
Lot Numbers:	17-1, 17-2, 17-3, 17-4, 24-1, 24-2, 24-3, 24-4, 24-6, 24-7, 25-4, 48 and 48-2
Registered Owner:	Honour City 株式会社 (“ <b>Honour City</b> ”) By an assignment dated 14 January 2021, registered vide Memorial No. 168
Tenure:	Freehold
Total Site Area:	220,194.00 sq.m.
Mortgage:	Nil

4. Pursuant to the Specific Restricted Area Location Map, dated 25 March 2009 and issued by the Government of Kutchan Town, the property is zoned as “Rural Residential Area”, which is permitted for the uses excluding factories with a prime mover and a site coverage over 500 sq.m., storages of explosive goods, karaoke boxes, mahjong clubs, pachinko shops, shooting ranges, off-track betting places, off-course betting branches, public bath houses, logistics warehouses, shops or restaurants with a site coverage of more than 1,500 sq.m., bowling centres, ice rinks, golf driving ranges, baseball batting cages, cabarets, night clubs, dance halls, theatres, cinemas, opera houses and bleacher seating places.
5. Pursuant to the Kutchan Town Quasi-city Planning Area Plan, dated 8 February 2008 and issued by the Government of Kutchan Town, the property falls within “Futagoyama Area”, which is subject to the maximum plot ratio, maximum site coverage and maximum building height of 2.0, 40% and 13.0 metres respectively.
6. As per the information provided by the Group, Honour City is a wholly owned subsidiary of the Company.
7. The general description and market information of the property are summarized below:

Location:	The property is located in Aza Yamada, Kutchan Town, Abuta District, Hokkaido Prefecture, Japan.
Transportation:	New Chitose Airport and Kutchan Railway Station are located approximately 109.0 kilometres and 3.7 kilometres away from the property respectively.
Nature of Surrounding Area:	The area is predominately a rural area with few low to medium-rise residential and commercial buildings in Abuta District.

8. In the course of our valuation of the property, we have considered and analysed the land sale comparables in the vicinity. These comparables are adopted as they are considered relevant to the property in terms of physical and locational attributes. The unit rates of the adopted comparables are ranging from JPY3,781 to JPY9,074 per sq.m. on the basis of maximum permissible GFA. The unit rate adopted in the valuation are consistent with the unit rates of the relevant comparables after due adjustments in terms of different attributes. The adopted unit rate of the property is JPY6,700 per sq.m. on the basis of maximum permissible GFA.

No.	Property	Description and Tenure	Occupancy Particulars	Market Value as at 31 August 2022
2	Lot Nos. 693-2, 693-6, 693-8, 756-1, 762-1, 762-2, 763-1, 763-2, 764-1, 764-2, 764-3, 766-1, 766-2, 767-1, 769-1, 775, 776, 777-2, 779-2, 780-1, 780-2, 780-3, 781, 783-1, 783-2, 785-1, 787-1 and 787-3, Nikadori, Hirara, Miyakojima City, Okinawa Prefecture, Japan	<p>The property comprises 28 adjoining land parcels located in Nikadori, Hirara, Miyakojima City, Okinawa Prefecture, Japan.</p> <p>As per the title registration documents, the property has a total site area of approximately 108,799.00 sq.m.</p> <p>According to the latest development control stated in Note No. 5, the maximum permissible GFA of the property is approximately 217,598.00 sq.m.</p> <p>The property is held under freehold interests.</p>	As per our on-site inspection and the information provided by the Group, the property is currently vacant.	<p>JPY4,896,000,000 (Equivalent to HKD277,603,200)</p> <p>51% Interest Attributable to the Group:</p> <p>JPY2,496,960,000 (Equivalent to HKD141,577,632)</p>

*Notes:*

- The property was inspected by Yuka Miyagi BA on 22 September 2022.
- The valuation and this certificate were prepared by Vincent Cheung *BSc(Hons) MBA FRICS MHKIS RPS(GP) MCIREA MHKSI MISC MHIREA RICS Registered Valuer Registered Real Estate Appraiser & Agent PRC* and Kit Cheung *BSc(Hons) MRICS MHKIS RPS(GP) MCIREA RICS Registered Valuer Registered Real Estate Appraiser PRC*.
- The details of the title registration documents of the property dated 15 September 2022 are summarised below:-

Item	Details
Lot Numbers:	693-2, 693-6, 693-8, 756-1, 762-1, 762-2, 763-1, 763-2, 764-1, 764-2, 764-3, 766-1, 766-2, 767-1, 769-1, 775, 776, 777-2, 779-2, 780-1, 780-2, 780-3, 781, 783-1, 783-2, 785-1, 787-1 and 787-3
Registered Owner:	MSRD Corporation Limited (“MSRD”)  By an assignment dated 1 November 2018, registered vide Memorial No. 4837
Tenure:	Freehold
Total Site Area:	108,799.00 sq.m.
Mortgage:	<p>(i) A mortgage at a loan amount of JPY1,053,000,000 dated 23 July 2019, registered vide Memorial No. 3044</p> <p>(ii) A mortgage at a loan amount of JPY270,000,000 dated 23 July 2019, registered vide Memorial No. 3044</p> <p>(iii) A mortgage at a maximum loan amount of JPY1,377,000,000 dated 21 October 2019, registered vide Memorial No. 4593</p>

- Pursuant to the Certificate of Development Approval, dated 27 July 2017 and issued by the Governor of Okinawa Prefecture, the proposed land uses for hotel and resort development of the master area, namely 99 Fun, 2 Hoka, No. 693 Nishihara, Nikadori, Hirara, Miyakojima City, where the property situated in, was permitted.
- Pursuant to the prevailing Miyakojima City Quasi-city Planning Area Plan issued by the Government of Miyakojima City, the property falls within “Central Area”, which is subject to the maximum plot ratio and maximum site coverage of 2.0 and 60% respectively.
- As per the information provided by the Group, MSRD is an indirect 51% owned subsidiary of the Company.

7. The general description and market information of the property are summarized below:

Location:	The property is located in Nikadori, Hirara, Miyakojima City, Okinawa Prefecture, Japan.
Transportation:	Miyako Airport and Hirara Port are located approximately 8.6 kilometres and 3.0 kilometres away from the property respectively.
Nature of Surrounding Area:	The area is predominately a rural area with few low to medium-rise residential and commercial buildings in Hirara.

8. In the course of our valuation of the property, we have considered and analysed the land sale comparables in the vicinity. These comparables are adopted as they are considered relevant to the property in terms of physical and locational attributes. The unit rates of the adopted comparables are ranging from JPY20,819 to JPY30,298 per sq.m. on the basis of maximum permissible GFA. The unit rate adopted in the valuation are consistent with the unit rates of the relevant comparables after due adjustments in terms of different attributes. The adopted unit rate of the property is JPY22,500 per sq.m. on the basis of maximum permissible GFA.

## C. VALUATION REPORT FROM JLL FOR PROPERTIES LOCATED IN RUSSIA



Jones Lang LaSalle Corporate Appraisal and Advisory Limited  
7/F One Taikoo Place 979 King's Road Hong Kong  
tel +852 2846 5000 fax +852 2169 6001  
Company Licence No.: C-030171

13 October 2022

The Board of Directors  
**LET Group Holdings Limited**  
Unit 1705, 17/F  
West Tower, Shun Tak Centre  
168-200 Connaught Road Central  
Hong Kong

Dear Sirs,

In accordance with your instructions to value the property interests held by LET Group Holdings Limited (the “**Company**”) and its subsidiaries (hereinafter together referred to as the “**Group**”), we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the property interests as at 31 August 2022 (the “**valuation date**”).

Our valuation is carried out on a market value basis. Market value is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

Due to the subleased land nature the property, we have valued the property interest of the building portion only on the basis of its depreciated replacement cost. Depreciated replacement cost is defined as “the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimization.” It is based on an estimate of the market value for the existing use of the land, plus the current cost of replacement (reproduction) of the improvements, less deductions for physical deterioration and all relevant forms of obsolescence and optimization. Due to the subleased land nature the property, we have valued the property interest of the building portion only for reference purpose.

Our valuation has been made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interests.

No allowance has been made in our report for any charge, mortgage or amount owing on any of the property interests valued nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value.

In valuing the property interests, we have complied with all requirements contained in Rule 11 of the Code on Takeovers and Mergers (the “**Takeovers Code**”). Moreover, we have complied with all requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited; the RICS Valuation – Global Standards published by the Royal Institution of Chartered Surveyors; the HKIS Valuation Standards published by the Hong Kong Institute of Surveyors; and the International Valuation Standards published by the International Valuation Standards Council.

We have relied to a very considerable extent on the information given by the Group and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and other relevant matters.

We have been shown copies of various title documents including land lease documents, sublease documents, certificates of state registration of title, building plans and concept design scheme relating to the property interests and have made relevant enquiries. Where possible, we have examined the original documents to verify the existing title to the property interests in the countries and any material encumbrance that might be attached to the property interests or any tenancy amendment. We have relied considerably on the advice dated 13 September 2022 given by the Company’s legal advisers, “NORINA & PARTNERS”, concerning the validity of the property interests in Russia (the “**Russia Legal Opinion**”).

We have not carried out detailed measurements to verify the correctness of the areas in respect of the property but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

We have inspected the exterior and where possible, the interior of the property. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory. Moreover, no structural survey has been made, but, in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the property is free of rot, infestation or any other structural defect. No tests were carried out on any of the services.

The site inspection was carried out on 27 September 2022 by Mr. Dmitry Davydov. Mr. Dmitry is a chartered surveyor and a member of RICS with over 20 years’ professional experience in real estate valuations in Russia.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive at an informed view, and we have no reason to suspect that any material information has been withheld.

Unless otherwise stated, all monetary figures stated in this report are in Russian Ruble (RUB). The exchange rate adopted in our valuation is approximately RUB1=HK\$0.1298 which was approximately the prevailing exchange rate as at the valuation date.

**Potential Tax Liabilities**

For the purpose of compliance with Rule 11.3 of the Takeovers Code and as advised by the Group, the potential tax liabilities which may arise from the sale of the property interests under valuation include the Russian Corporate Profit Tax at a rate of 20% on the profit of the seller generated for a financial year and the Russian value-added tax at a rate of 20% on the difference between the sale price and the depreciated value of the property interests under valuation, subject to certain conditions and exemptions. As confirmed by the Group, as at the Latest Practicable Date, the Group has no intention to dispose of the property interests under valuation and therefore the likelihood of the relevant tax liabilities crystallising is remote.

We are instructed to provide our opinion of values as per the valuation date only. It is based on economic, market and other conditions as they exist on, and information made available to us as of, the valuation date and we assume no obligation to update or otherwise revise these materials for events in the time since then. In particular, the outbreak of the Novel Coronavirus (COVID-19) since declared Global Pandemic on 11 March 2020 has caused much disruption to economic activities around the world. As of the report date, Russia's economy is experiencing gradual recovery and it is anticipated that disruption to business activities will steadily reduce. We also note that market activity and market sentiment in these particular market sectors remain stable. However, we remain cautious due to uncertainty for the pace of global economic recovery in the midst of the outbreak which may have future impact on the real estate market. Therefore, we recommend that you keep the valuation of this property under frequent review.

Our valuation is summarized below and the valuation certificate is attached.

Yours faithfully,

for and on behalf of

**Jones Lang LaSalle Corporate Appraisal and Advisory Limited**

**Gilbert C. H. Chan**

*MRICS MHKIS RPS (GP)*

*Senior Director*

*Note:* Gilbert C.H. Chan is a Chartered Surveyor who has 28 years' experience in the valuation of properties in Hong Kong and 26 years of property valuation experience in the Asia-Pacific region.

## SUMMARY OF VALUE

## Property interest held by the Group in Russia

<b>Property</b>	<b>Market value in existing state as at 31 August 2022 RUB</b>
One parcel of land with land area of 90,455 square meters (“ <b>Lot 9</b> ”) with an integrated resort known as “Tigre de Cristal Resort” erected thereabove, and two other parcels of land with land area 73,460 square meters (“ <b>Lot 8</b> ”) and 154,351 square meter (“ <b>Lot 10</b> ”), all three parcel of land are within a land Lot with cadastral number 25:27:020102:133 located at bld. 11, coat of the Pionerskaya bay, town of Artyom, Primorski krai, Russia	No commercial value (see note below)

*Note:* We have attributed no commercial value to the property due to the subleased land nature on which the buildings and structures erected. However, for reference purpose, we are of the opinion that the depreciated replacement cost of the building and structures (excluding land portion) as at valuation date would be RUB9,725,000,000 (equivalent to HK\$1,262,305,000).



## VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market value
			in existing state as at 31 August 2022 RUB
One parcel of land with land area of 90,455 square meters (“ <b>Lot 9</b> ”) with an integrated resort known as “Tigre de Cristal” erected thereabove, and two other parcels of land with land area 73,460 square meters (“ <b>Lot 8</b> ”) and 154,351 square meter (“ <b>Lot 10</b> ”), all three parcels of land are within a land Lot with cadastral number 25:27:020102:133 located at bld. 11, coat of the Pionerskaya bay, town of Artyom, Primorski krai, Russia	The property comprises three parcels of land which form part of land Lot with cadastral number 25:27:020102:133 located at bld. 11, coat of the Pionerskaya bay, town of Artyom, Primorski krai, Russia.	Lot 9 is currently occupied for integrated resort comprising hotel and casino use. Portion of Lot 8 are erected with dormitories and gas-powered station and remaining portion of Lot 8 and Lot 10 are vacant land.	No commercial value (see note 8)
	The site area of the subject three parcels of land, in accordance with sublease agreements, are as follows:		
		<b>Site area (sq.m.)</b>	
	Lot 8	73,460 (the sum of land areas of 27,727 sq.m., 17,941 sq.m. and 27,792 sq.m.)	
	Lot 9	90,455	
	Lot 10	154,351	
	An integrated resort known as “Tigre de Cristal” is current erected on the site of Lot 9. The development was completed in about 2015 and comprising 121 hotel guest rooms. Gross Floor Area of the development is approximately 35,983.2 sq.m. as follows:		
	<b>Level</b>	<b>Gross Floor Area (sq.m.)</b>	
	Ground floor	8,581.2	
	Casino floor	8,924.0	
	Offices floor	8,426.5	
	Hotel 2nd floor	4,878.5	
	Hotel 3rd floor	4,878.5	
	Exits to the roof	294.5	
	<b>Total:</b>	<b>35,983.2</b>	

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 August 2022 RUB
	<p>The property is located in the Primorye Integrated Entertainment Zone (IEZ), It is the only place in the Russian Far East where gaming activities are permitted. The town of Artyom is about 52.5 kilometres from the centre of Vladivostok and approximately 12 kilometres from International Airport Knevichi.</p>		
	<p>Except dormitories and gas-powered station with Gross Floor Area of 2,097 sq.m. completed in 2020 and Gross Floor Area of 2,632 sq.m. (including tanks storage area 329 sq.m. and gas station 143 sq.m.) completed in 2015 respectively erected on portion of Lot 8, the remaining portion of Lot 8 and Lot 10 are vacant site held for future Phase II development of Tigre de Cristal which is currently in planning stage, targeting an opening no earlier than 2025.</p>		
	<p>Lot 8, Lot 9 and Lot 10 are held by the Group under various sublease agreements and supplementary agreements. Sublease period of Lot 8 and Lot 9 are effective up to 20 July 2025 whilst Lot 10 is effective up to 30 December 2025.</p>		

*Notes:*

1. According to a copy of translated version of Gambling Permit of 25 August 2015 with Primary State Registration Number of Legal Entity 1102502002239 provided by the Group, the said permit has been granted to G1 Entertainment Limited Liability Company (G1 Entertainment LLC), an indirect non-wholly owned subsidiary of the Company, and is entitled to start gambling activities since 27 March 2015.

2. According to a copy of translated version of Certificate of State Registration of Title issued by “MINISTRY OF ECONOMIC DEVELOPMENT OF THE RUSSIAN FEDERATION, THE FEDERAL SERVICE OF STATE REGISTRATION, CADASTER AND CARTOGRAPHY (ROSREESTR), THE DIRECTORATE OF THE FEDERAL SERVICE OF STATE REGISTRATION, CADASTER AND CARTOGRAPHY FOR PRIMORSKI REGION”, documents and title are mentioned as below:
- i) Sublease agreement No. 1 dated 27 July 2011, date registered 23 September 2011, No. 25-25-06/041/2011-307.
  - ii) Supplementary agreement to the sublease agreement No. 1 dated 27 July 2011 dated 5 December 2011, date registered 26 December 2011, No. 25-25-06/069/2011-027.
  - iii) Permit for construction dated 31 May 2012 No. RU25302000-000032, issuing authority: The Department for Architecture and Urban Development of Artem City District Administration, Primorski Region.
  - iv) Cadastral certificate for the facility under construction dated 14 February 2013, the issuing authority: the Branch of the Federal State Budgetary Institution “The Federal Cadastral Chamber of the Federal Service of State Registration, Cadaster and Cartography” for Primorski Region.
  - v) Permit for putting the facility into operation dated 1 October 2015 No. RU25-302-046-2015, the issuing authority: The Department for architecture and Urban Development of the Artem City District Administration.

**Legal entity (subjects):** G1 Entertainment, Limited Liability Company, TIN: 2502041903, PSRN: 1102502002239

**Type of the title:** Ownership

**Legal facility:** Hotel with Casino (first stage of construction), purpose: non-residential building, area 31,487.1 sq.m., number of floors: 2,3,5, address (location) of the facility: 73 Muravyinaya Bay, Artem, Primorski Region.

**Existing restrictions (encumbrances) of the title:** not registered

3. According to the Group’s information and Russia Legal Opinion, Open Joint Stock Company “**Nash Dom – Primorye**”, hereinafter referred to as “**the Lessee**”, has subleased the Lot (Lot 9) with site area of 90,455.0 sq.m. under cadastral number 25:27:020102:133/45 to “**The First Gambling Company of the East, Limited Liability Company**” (**the former name of G1 Entertainment LLC**), hereinafter referred to as “**the Sublessee**”, for construction project “Multifunctional entertainment complex with a casino” under Sublease Contract No.1 dated 27 July 2011 and various Supplementary Agreements dated 5 December 2011, 12 April 2012, 28 December 2012, 6 September 2013 and 27 February 2019. The sublease period is effective up to 20 July 2025.
4. According to the Group’s information and Russia Legal Opinion, Open Joint Stock Company “**Nash Dom – Primorye**”, hereinafter referred to as “**the Lessee**”, has subleased the Lot (Lot 10) with site area 154,351.0 sq.m. under cadastral number 25:27:020102:133/60 to Limited Liability Company “**DALTA-Vostok-1**”, hereinafter referred to as “**the Sublessee**”, for construction of “4-star Hotel with a Casino” facility under Sublease Contract No.3 dated 30 December 2011 and various Supplementary Agreements dated 29 May 2013 and 27 October 2021. The sublease period is effective up to 30 December 2025.
- As advised by the Group, the rights and obligations under the Land Sublease Contract No.3 dated 30 December, 2011 were transferred from DALTA-Vostok-1, LLC to First Gambling Company of the East, LLC (the former name of G1 Entertainment LLC) under the Agreement dated 26 December 2013.
5. According to the Group’s information and Russia Legal Opinion, Open Joint Stock Company “**Nash Dom – Primorye**”, hereinafter referred to as **the Lessee**, has subleased the Lot (Lot 8) with total site area 73,460.0 sq.m. (including site area of 17,941.0 sq.m. under cadastral number 25:27:020102:133/48, site area of 27,727.0 sq.m. under cadastral number 25:27:020102:133/42 and site area of 27,792.0 sq.m. under cadastral number 25:27:020102:133/54) to **The First Gambling Company of the East, Limited Liability Company (the former name of G1 Entertainment LLC)**, hereinafter referred to as **the Sublessee**, for construction of “Service Zone” facilities under Sublease Contract No.2 dated 27 July 2011 and various Supplementary Agreements dated 5 December 2011, 28 December 2012, 6 September 2013 and 27 February 2019. The sublease period is effective up to 20 July 2025.
6. The First Gambling Company of the East, LLC was renamed as G1 Entertainment LLC. in the year of 2015.

7. We have been provided with a Russia Legal Opinion regarding the property interests held by the Group, which contains, inter alia, the following:

*G1 Entertainment LLC (hereinafter referred to as the “G1 Company”)*

*G1 Company’s rights to the Properties (save for land plots):*

- i) *Pursuant to the information from G1 Company, the Properties set forth in clauses 1.1.2 through 1.1.14. of the present opinion are fully owned by the G1 Company. The title is registered in the Russian Unified State Register of Real Estate in accordance with established procedures, which fact can be verified by any interested person by the way of obtainment of extracts from Unified State Register of Real Estate (including via official website of the Russian Rosreestr/Federal Service for State Registration, Cadastre and Cartography).*

*Clause 1.1.2.: Hotel resort with a Casino (cadastral number 25:27:020102:983) (hereinafter referred to as “Capital facility No. 1”)*

*Clause 1.1.14.: Communal zone of the Gambling area “Primorye” (first stage). Water supply lines (cadastral number 25:27:020102:1011)*

- ii) *According to the information from G1 Company kept in the Unified State Register of Real Estate with respect to the Properties specified in clauses 1.1.2. through 1.1.14. of the present opinion, there are no pledges, other restrictions and encumbrances (except for third party leasehold interests under concluded leasing agreements as specified in clause 3.2.3 of the present opinion). We have also checked the database of court cases and have not found any pending litigation related to the Properties.*

*Clause 3.2.3.: As to the Property “Hotel Complex with a Casino”, the Unified State Register contains information on the registration of a long-term leasehold for a period of more than one year. Registration numbers:*

*– No. 25:27:020102:983-25/006/2017-3 dated 28 April 2017;*

*– No. 25:27:020102:983-25/006/2017-4 dated 26 May 2017;*

*– No. 25:27:020102:983-25/006/2019-17 dated 21 August 2019;*

*– No. 25:27:020102:983-25/006/2018-18 dated 21 August 2019.*

*According to the information from G1 Company, short-term leasing agreements for a period of less than one year have been also concluded with respect to a number of premises (these are not subject to state registration).*

- iii) *Based on the foregoing, the G1 Company is the sole owner of the Capital Facility No. 1 and other Properties referred to in clauses 1.1.2. through 1.1.14. hereof, and has the right to occupy, use and dispose of the specified Properties at its discretion, and specifically sell, lease out, deposit as pledge and utilize the specified property for any activities not prohibited by the laws of the Russian Federation.*
- iv) *The G1 Company title is protected by the effective laws. The G1 Company may not be unreasonably divested of its title to the Properties.*

*Lots of the land plot of 2,630,928 sq.m. under cadastral number 25:27:02 01 02:133 (hereinafter referred to as the “Land Plot”)*

*The G1 Company’s rights to the Land Plot:*

- i) The G1 Company uses allocated lots of the Land Plot on the basis of the executed sublease agreements:

*Sublease Agreement No. 1 dated 27 July 2011 as amended by Addenda No. 1 dated 5 December 2011, No. 1 dated 12 April 2012, No. 2 dated 28 December 2012, dated 6 March 2013, No. 3 dated 27 February 2019 and No. 4 dated 27 October 2021 valid until 20 July 2025 in relation to the lot of the Land Plot with an area of 90,455.0 sq.m. under cadastral number 25: 27: 020102: 133/45 for construction of the objects of the gambling zone (“Hotel complex with a casino”, “Transport substation”, “Cable line”, “Low-rise park-hotel”, “Multifunctional entertainment complex “Tigre de Cristal”, Phase II” (Lot 9)*

*Sublease Agreement No.2 dated 27 July 2011 as amended by Addenda No.1 dated 5 December 2011, No. 1 dated 28 December 2012, dated 6 September 2013, No. 2 dated 27 February 2019 valid until 20 July 2025:*

- *in relation to the lot of the Land Plot with an area of 17,941.0 sq.m. under cadastral number 25:27:020102:133/48 for construction of “Service zone” facilities (Lot 8(part I));*
- *in relation to the lot of the Land Plot with an area of 27,727.0 sq.m. under cadastral number 25:27:020102:133/42 for construction of “Service zone” facilities (Lot 8(part II));*
- *in relation to the lot of the Land Plot with an area of 27,792.0 sq.m. under cadastral number 25:27:020102:133/54 for construction of “Service zone” facilities (Lot 8(part III));*

*Sublease Agreement No. 3 dated 30 December 2011 (subject to Addendums dated 29 May 2013 and dated 27 October 2021) valid until 30 December 2025 in relation to the lot of the Land Plot with an area of 154, 351.0 sq.m. under cadastral number 25:27:020102:133/60 for construction of ““Multifunctional entertainment complex “Tigre de Cristal”, Phase II”“4-star Hotel with a Casino” facility (Lot 10). Initially, Sublease Agreement No.3 was concluded with DALTA-Vostok-1 LLC, then the rights and obligations under the agreement were assigned to G1 Company according to the agreement dated 26 December 2013 on assignment of rights and transfer of obligations under Sublease Agreement No. 3 dated 30 December 2011 made between DALTA-Vostok-1 LLC and OOO Pervaya Igrovaya Companya Vostoka.*

- ii) The G1 Company’s underlease in relation to the respective lots of the Land Plot (Lot 8(part I), Lot 8(part II), Lot 8(part III), Lot 9 and Lot 10) is registered with the Unified State Register of Real Estate as per established procedures. Lot 8(part I), Lot 8(part II), Lot 8(part III), Lot 9 and Lot 10 are not separate land plots, but are parts of the single Land Plot with an area of 2,630,928 sq.m.
- iii) As a subtenant, the G1 Company enjoys equal rights with the tenant to occupy and use the subleased lots of the Land Plot, in particular, for the purpose of construction of real estate facilities.
- iv) Capital Facility No. 1 is located on Lot 9 and the G1 Company has an exclusive right to acquire ownership of the above lot by its purchase or lease. Auxiliary utility facilities specified in clauses 1.1.3. through 1.1.14 of the present opinion, are partially located on Lot 8 and Lot 9, due to which fact the G1 Company has also an exclusive right to acquire ownership by purchasing or leasing Lot 9.

Clause 1.1.3.: Outside gas-supply system (cadastral number 25:27:020102:985)

Clause 1.1.14.: Communal zone of the Gambling area “Primorye” (first stage). Water supply lines (cadastral number 25:27:020102:1011).

- v) After completion of construction and commissioning of facilities located on Lot 8 (part II), Lot 8 (part III) and Lot 10, the G1 Company will have the same rights to acquire the ownership to or lease the above lots of the Land Plot.

*Conclusion:*

- i)* The G1 Company is the beneficial owner of the Properties set out in clauses 1.1.2. through 1.1.14 of the present opinion, and that the G1 Company is entitled to occupy, use, lease, assign, charge and otherwise dispose of the Properties specified.
  - ii)* As of the date hereof, the G1 Company enjoys an exclusive right to acquire the ownership to Lot 8(part I) and Lot 9.
  - iii)* *Regardless of whether the G1 Company acquired ownership to lots of the Land Plot (Lot 8(part I), Lot 8(part II), Lot 8(part III), Lot 9, Lot 10), the G1 Company shall have the right to occupy and use these lots required for operation of real estate facilities owned by the G1 Company."*
8. In our valuation, we have relied on the various translated version of sublease agreements and supplementary agreements for Lot 8, Lot 9 and Lot 10 and also consider the Russia Legal Opinion regarding the property interests held by the Group. We have attributed no commercial value to the property due to the subleased land nature on which the buildings and structures erected. However, for reference purpose, we are of the opinion that the depreciated replacement cost of the buildings and structures (excluding the land parcel) as at the valuation date would be RUB9,725,000,000 (equivalent to HK\$1,262,305,000).
  9. As informed by the Group, phase II development of Tigre de Cristal on Lot 8 and Lot 10 is currently in planning stage, targeting an opening no earlier than 2025.

## 1. RESPONSIBILITY STATEMENT

This Composite Document includes particulars given in compliance with the Takeovers Code for the purpose of giving information with regard to the LET Offers, the Offeror and the LET Group.

The LET Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than the information relating to the Offeror and parties acting in concert with it), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than the opinions expressed by the directors of the Offeror in their capacity as directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement contained in this Composite Document misleading.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than the information relating to LET), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than the opinions expressed by the LET Directors in their capacity as LET Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement contained in this Composite Document misleading.

## 2. SHARE CAPITAL OF LET

As at the Latest Practicable Date, LET had an authorised ordinary share capital of HK\$5,000,000,000 divided into 50,000,000,000 LET Shares of HK\$0.10 each. The authorised and issued ordinary share capital of LET as at the Latest Practicable Date were as follows:

### As at the Latest Practicable Date

<i>Authorised:</i>	<i>HK\$</i>
50,000,000,000 LET Shares	5,000,000,000.00
 <i>Issued and fully-paid:</i>	
6,667,972,746 LET Shares in issue	666,797,274.60

All the LET Shares in issue rank *pari passu* in all respects with each other, including the rights in respect of capital and dividends and voting.

LET had not issued or repurchased any LET Share since 31 December 2021 (being the date to which the latest published audited financial statements of the LET Group were made up) and up to and including the Latest Practicable Date. Further, no LET Shares had been repurchased by LET during the period of 12 months immediately preceding the Latest Practicable Date.

As at the Latest Practicable Date, LET had 206,500,187 outstanding LET Share Options and the details of those are set out below:

<b>Date of Grant</b>	<b>Exercise price per LET Share Option (HK\$)</b>	<b>Exercise period</b>	<b>Outstanding as at Latest Practicable Date</b>
12 December 2013	0.344	13 December 2013 – 12 December 2023	92,400,187
19 April 2017	0.700	19 April 2017 – 18 April 2027	16,500,000
4 September 2017	0.455	4 September 2017 – 3 September 2027	10,500,000
4 September 2017	0.455	4 September 2018 – 3 September 2027	15,750,000
4 September 2017	0.455	4 September 2019 – 3 September 2027	26,250,000
22 September 2020	0.900	22 September 2020 – 21 September 2030	13,530,000
22 September 2020	0.900	22 September 2021 – 21 September 2030	13,530,000
22 September 2020	0.900	22 September 2022 – 21 September 2030	18,040,000
		<b>Total</b>	<b>206,500,187</b>

As at the Latest Practicable Date, LET had the non-interest bearing Fame Select CB in the aggregate principal amount of HK\$402,000,000, convertible into 1,546,153,846 LET Shares at an initial conversion price of HK\$0.26 per LET Share, and due on 7 December 2022.

Save as disclosed above, LET had no outstanding options, warrants, derivatives or securities convertible or exchangeable into LET Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code).



### 3. MARKET PRICES

The table below sets out the closing prices of the LET Shares as quoted on the Stock Exchange on (i) the last Business Day of each of the calendar months during the Relevant Period; (ii) the Last Trading Day; (iii) the last trading day immediately before the date of the Joint Announcement; and (iv) the Latest Practicable Date:

<b>Date</b>	<b>Closing price per LET Share HK\$</b>
31 January 2022	0.105
28 February 2022	0.079
31 March 2022	0.070
29 April 2022	0.068
12 May 2022 (being the Last Trading Day)	0.056
30 June 2022 <sup>1</sup>	Suspended
29 July 2022	0.178
11 August 2022 (being the last trading day immediately before the date of the Joint Announcement)	0.170
31 August 2022 <sup>2</sup>	Suspended
30 September 2022	0.121
Latest Practicable Date	0.138

*Notes:*

- (1) Trading of the LET Shares was suspended from 13 May 2022 to 6 July 2022 pending the release of the Rule 3.7 Announcement; and
- (2) Trading of the LET Shares was suspended from 12 August 2022 to 14 September 2022 pending the release of the Joint Announcement.

During the Relevant Period, the highest and lowest closing price of the LET Shares as quoted on the Stock Exchange was HK\$0.285 per LET Share on 18 July 2022 and HK\$0.056 per LET Share on 12 May 2022, respectively.

## 4. DISCLOSURE OF INTEREST

## (a) Interests and short positions of the LET Directors and chief executive

Save as disclosed below, as at the Latest Practicable Date, none of the LET Directors had, or were deemed to have, interests and short positions in the LET Shares, underlying LET Shares and debentures of LET or shares, underlying shares and debentures of any of LET's associated corporations (within the meaning of Part XV of the SFO), which are (i) required to be notified to LET and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which are (ii) required, pursuant to Section 352 of the SFO, to be entered into the register referred to therein, or which are (iii) required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules, to be notified to LET and the Stock Exchange, or which are required to be disclosed under the Takeovers Code:

**Long positions in the LET Shares**(i) *Long position in the LET Shares and/or underlying LET Shares*

Name of LET Director	Capacity/nature of interest	Number of LET Shares	Number of underlying LET Shares held under equity derivatives	Total	Percentage of aggregate interest LET Shares to total number of shares in issue
Mr. Lo	Interest in a controlled corporation	4,997,413,335 <sup>1</sup>	1,546,153,846 <sup>2</sup>	6,543,567,181	98.13%
	Beneficial owner	1,230,000	40,000,000 <sup>3</sup>	41,230,000	0.61%
Mr. Au Chung On John	Beneficial owner	–	40,000,000 <sup>4</sup>	40,000,000	0.59%
	Interest of spouse	400,000	–	400,000	0.01%
Mr. Manuel Assis Da Silva	Beneficial owner	290,000	3,000,000 <sup>5</sup>	3,290,000	0.04%
	Interest of spouse	520,000	–	520,000	0.01%

*Notes:*

1. This represents the interests held by Mr. Lo through the Offeror, Better Linkage and Ever Smart Capital Limited (all being companies wholly and beneficially owned by Mr. Lo).
2. This represents the maximum of 1,546,153,846 conversion LET Shares issuable upon the full conversion of the Fame Select CB previously issued by LET.
3. This represents Mr. Lo's interests in the 40,000,000 LET Share Options with exercise price at HK\$0.455 per LET Share Option.
4. This represents Mr. Au Chung On John's interests in the 40,000,000 LET Share Options with exercise price at HK\$0.900 per LET Share Option.
5. This represents Mr. Manuel Assis Da Silva's interests in the 3,000,000 LET Share Options with exercise price at HK\$0.455 per LET Share Option.

**(ii) Long position in debentures of LET**

<b>Name of LET Director</b>	<b>Capacity/nature of interest</b>	<b>Aggregate value of the debenture</b>
Mr. Lo	Interest in a controlled corporation	HK\$5,634,441,863 <sup>(Note)</sup>

*Note:* This represents Mr. Lo's interests in the Perpetual Securities in the outstanding amount of HK\$5,408,000,000 and the non-convertible 2018 Convertible Bonds in the outstanding amount of HK\$226,441,863 held by Mr. Lo through the Offeror.

**(iii) Long position in the shares and/or underlying shares of LET's associated corporation**

<b>Name of Associated Corporation</b>	<b>Name of LET Director</b>	<b>Capacity/Nature of Interest</b>	<b>Number of Shares held</b>	<b>Percentage of number of shares in issue</b>
Summit Ascent	Mr. Lo	Interest of controlled corporation	3,146,533,811 <sup>1</sup>	69.77% <sup>2</sup>
The Offeror	Mr. Lo	Beneficial owner	130,000	100.00% <sup>3</sup>

*Notes:*

1. These 3,146,533,811 shares in Summit Ascent represent 3,141,561,811 shares in Summit Ascent beneficially owned by LET and its subsidiaries and 4,972,000 shares of Summit Ascent beneficially held by Mr. Lo through Better Linkage and Ever Smart Capital Limited (both being companies wholly and beneficially owned by Mr. Lo). On 19 September 2022, LET and its wholly owned subsidiary pledged a total of 3,141,561,811 ordinary shares of Summit Ascent in favour of four independent third party lenders as a security of a loan facility provided by such lenders to LET.

2. The percentage has been calculated based on the total number of shares of Summit Ascent in issue as at the Latest Practicable Date (i.e. 4,509,444,590 shares of Summit Ascent).
3. The percentage has been calculated based on the total number of shares of the Offeror in issue as at the Latest Practicable Date (i.e. 130,000 shares of the Offeror).

**(b) Interests and short positions of substantial LET Shareholders**

Save as disclosed below, as at the Latest Practicable Date, so far as is known to any LET Director or chief executive of LET, the Directors were not aware of any other person (other than the Directors and chief executive of LET) who had, or was deemed or taken to have, an interest or short position in the LET Shares and underlying LET Shares of LET which are required to be notified to LET and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, as recorded in the register required to be kept by LET pursuant to Section 336 of the SFO, or who were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the LET Group.

Name	Capacity/nature of interest	Number LET Shares	Number of underlying LET Shares held under equity derivatives	Total	Percentage of aggregate interest LET Shares to total number of shares in issue
The Offeror	Beneficial owner	4,991,643,335	1,546,153,846 <sup>1</sup>	6,537,797,181	98.05%
Mr. Lo	Interest in a controlled corporation	4,997,413,335 <sup>2</sup>	1,546,153,846 <sup>1</sup>	6,543,567,181	98.13%
	Beneficial owner	1,230,000	40,000,000 <sup>3</sup>	41,230,000	0.61%

*Notes:*

1. This represents the maximum of 1,546,153,846 conversion LET Shares issuable upon the full conversion of the Fame Select CB previously issued by LET.
2. This represents the interests held by Mr. Lo through the Offeror, Better Linkage and Ever Smart Capital Limited (all being companies wholly and beneficially owned by Mr. Lo).
3. This represents Mr. Lo's interests in the 40,000,000 LET Share Options with exercise price at HK\$0.455 per LET Share Option.

**(c) Interests of parties acting in concert with the Offeror in the LET Shares**

As at the Latest Practicable Date, the Offeror and parties acting in concert with it are interested in (i) 4,991,643,335 LET Sale Shares held by the Offeror, represent approximately 74.86% of the total issued share capital of LET; (ii) 7,000,000 LET Shares held by Mr. Lo through himself and his wholly owned entities, representing approximately 0.1% of the total issued share capital of LET; (iii) 400,000 and 810,000 LET Shares held by Mr. Au Chung On John and Mr. Manuel Assis Da Silva, representing approximately 0.01% and 0.01% of the total issued share capital of LET respectively; and (iv) Fame Select CB held by the Offeror which are convertible into 1,546,153,846 LET Shares at an initial conversion price of HK\$0.26 per LET Share.

**5. ADDITIONAL DISCLOSURE OF INTERESTS AND DEALINGS**

- (a) save for (i) transactions contemplated under the Deed of Assignment and the Sale and Purchase Agreements where Completion of which took place on 13 May 2022; (ii) the pledge of the CBs by the Offeror to Get Nice Securities Limited following the Completion; (iii) the pledge of the LET Securities by the Offeror to Get Nice Securities Limited as securities under a loan facility dated 13 May 2022; and (iv) Kingston Securities (in respect of the Share Charge given in favour of Kingston Securities by the Offeror and the non-discretionary dealings on behalf of its clients), none of the Offeror, the directors of the Offeror or any parties acting in concert with any of them had dealt for value in any LET Share or convertible securities, options, warrants or derivatives of LET during the Relevant Period.
- (b) as at the Latest Practicable Date, save for (i) the LET Sale Shares held by the Offeror; (ii) 7,000,000 LET Shares held by Mr. Lo through himself and his wholly-owned entities and 40,000,000 LET Share Options held by Mr. Lo; (iii) 400,000 LET Shares and 40,000,000 LET Share Options held by Mr. Au Chung On John; (iv) 810,000 LET Shares and 3,000,000 LET Share Options held by Mr. Manuel Assis Da Silva; and (v) the Fame Select CB, none of the Offeror, its directors, ultimate beneficial owner or parties acting in concert with any of them owned or had control or direction over any voting rights or rights over the LET Shares or convertible securities, options, warrants or derivatives of LET.
- (c) as at the Latest Practicable Date, save for the Share Charge, the securities acquired in pursuance of the LET Offers will not be transferred, charged or pledged to any other persons and there is no agreement, arrangement or understanding in this regard.
- (d) as at the Latest Practicable Date, no person (including the LET Directors) had irrevocably committed themselves to accept or reject the LET Offers.
- (e) as at the Latest Practicable Date, save for the Offer Facility, Share Charge and Personal Guarantee, none of the Offeror or any of parties acting in concert with it had entered into any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with any other persons.

- (f) as at the Latest Practicable Date, none of the Offeror or any parties acting in concert with any of them had borrowed or lent any LET Shares or any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in LET.
- (g) as at the Latest Practicable Date, save for the Offer Facility, Share Charge and Personal Guarantee, there was no agreement, arrangement or understanding (including any compensation arrangement) exists between the Offeror or any of parties acting in concert with it and any LET Directors, recent LET Directors, LET Shareholders or recent LET Shareholders having any connection with or dependence upon the LET Offers.
- (h) as at the Latest Practicable Date, there was no agreement or arrangement to which the Offeror is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the LET Offers.
- (i) as at the Latest Practicable Date, there was no arrangement of the kind referred to in the third paragraph of Note 8 to Rule 22 of the Takeovers Code which exists between the Offeror, or any of parties acting in concert with it, and any other person.
- (j) as at the Latest Practicable Date, LET did not have any beneficial interest in the shares, convertible securities, warrants, options and derivatives of the Offeror, and LET had not dealt for value in any shares, convertible securities, warrants, options or derivatives of the Offeror during the Relevant Period.
- (k) as at the Latest Practicable Date, save for Mr. Lo, being the ultimate beneficial owner of the Offeror, none of the LET Directors had any interests in any shares, convertible securities, warrants, options or other derivatives of the Offeror, and other than the pledge of the entire issued share capital of the Offeror to Get Nice Securities Limited as security under a loan facility dated 13 May 2022 (which was subsequently fully settled with the relevant pledge released on 19 September 2022), none of the LET Directors had dealt for value in any shares, convertible securities, warrants, options or other derivatives of the Offeror during the Relevant Period.
- (l) save for (i) the transactions contemplated under the Deed of Assignment and the Sale and Purchase Agreements; (ii) the pledge of the CBs by the Offeror to Get Nice Securities Limited following the Completion; and (ii) the pledge of the LET Securities by the Offeror to Get Nice Securities Limited as securities under a loan facility dated 13 May 2022, none of the LET Directors had dealt for value in any LET Shares, convertible securities, warrants, options or other derivatives of LET during the Relevant Period.
- (m) none of (i) the subsidiaries of LET; (ii) the pension fund of LET or of a subsidiary of LET; or (iii) any person who is presumed to be acting in concert with LET by virtue of class (5) of the definition of “acting in concert” or classified as an associate of LET by virtue of class (2) of the definition of “associate” under the Takeovers Code but excluding exempt principal traders and exempt fund managers owned or controlled the LET Shares, convertible securities, warrants, options or derivatives of LET as at the Latest Practicable Date, and none of them had dealt for value in any LET Shares, convertible securities, warrants, options or derivatives of LET during the Relevant Period.

- (n) as at the Latest Practicable Date, save for the LET Offers Shares to be held by the Offeror upon completion of the LET Share Offer pursuant to the Share Charge, no LET Shares, warrants, options, derivatives or other securities convertible into the LET Shares was owned or controlled by a person who had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with LET or with any person who is presumed to be acting in concert with LET by virtue of classes (1), (2), (3) and (5) of the definition of “acting in concert” or who is an associate of LET by virtue of classes (2), (3) and (4) of the definition of “associate” under the Takeovers Code, and, save for Kingston Securities (in respect of the Share Charge given in favour of Kingston Securities by the Offeror and the non-discretionary dealings on behalf of its clients), no such other person had dealt for value in any LET Shares, convertible securities, warrants, options or derivatives of LET during the Relevant Period.
- (o) no LET Shares, convertible securities, warrants, options or derivatives of LET were managed on a discretionary basis by any fund managers connected with LET as at the Latest Practicable Date, and none of them had dealt for value in any LET Shares, convertible securities, warrants, options or derivatives of LET during the Relevant Period.
- (p) as at the Latest Practicable Date, save as disclosed in paragraph headed “4. Disclosure of interest” in this appendix (i.e. Mr. Lo, Mr. Au Chung On John and Mr. Manuel Assis Da Silva who are all parties acting in concert with the Offeror), none of the LET Directors had any beneficial shareholdings in LET.
- (q) as at the Latest Practicable Date, no LET Shares or other securities of LET carrying voting rights or convertible securities, warrants, options or derivatives of LET had been borrowed or lent by any of the LET Directors or by LET.
- (r) as at the Latest Practicable Date, no benefit (other than statutory compensation) was or will be given to any LET Director as compensation for loss of office in any members of the LET Group or otherwise in connection with the LET Offers.
- (s) as at the Latest Practicable Date, there was no agreement or arrangement between any LET Directors and any other person which is conditional on or dependent upon the outcome of the LET Offers or otherwise connected with the LET Offers.
- (t) save and except for the Deed of Assignment, the Sale and Purchase Agreements, the Offer Facility, the Share Charge and the Personal Guarantee, no material contracts had been entered into by the Offeror in which any LET Directors had a material personal interest.
- (u) there is no understanding, arrangement, agreement or special deal between any LET Shareholder; and (a) the Offeror and/or parties acting in concert with it; or (b) LET, its subsidiaries or associated companies.

## 6. LET DIRECTORS' SERVICE CONTRACTS

On 26 October 2021, Mr. Lo entered into an engagement letter with Suntrust Resort Holdings, Inc. (an indirect non-wholly owned subsidiary of LET) for his position as the chairman of the board of Suntrust Resort Holdings, Inc. for a term of three years commencing from 26 October 2021 to 25 October 2023 and with a consultancy fee of US\$30,000 per month. No variable remuneration is payable under the said engagement letter.

On 26 April 2022, Mr. Lo entered into a letter of appointment with Summit Ascent (the “**Letter of Appointment**”) for his position of an executive director and deputy chairman of Summit Ascent for a term of three years commencing from 26 April 2022 to 25 April 2025, which term will be automatically renewed for consecutive term(s) of three years, subject to retirement by rotation and re-election at the annual general meeting in accordance with the Listing Rules and the bye-laws of Summit Ascent. Mr. Lo is entitled to a director’s fee of HK\$1,200,000 per annum. On 1 August 2022, Mr. Lo entered into a supplemental letter (together with the Letter of Appointment, the “**Appointment Letters**”) with Summit Ascent in respect of benefits in kind borne by Summit Ascent of approximately HK\$2,400,000 per annum, representing the estimated money value of the annual market rental of the accommodation provided to Mr. Lo. On 31 August 2022, Mr. Lo entered into a letter of appointment with Summit Ascent in respect of the re-designation from deputy chairman to chairman of the board of Summit Ascent with all other terms and conditions of the Appointment Letters remaining unchanged. No variable remuneration is payable under the Appointment Letters.

Save as disclosed above, as at the Latest Practicable Date, none of the LET Directors had entered into a service contract with any member of the LET Group or the associated companies of LET which:

- (i) have been entered into or amended (including both continuous and fixed term contracts) within six months prior to the commencement of the Offer Period;
- (ii) are continuous contracts with a notice period of twelve months or more; or
- (iii) are fixed term contracts with more than twelve months to run irrespective of the notice period.

## 7. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business of the LET Group) have been entered into by members of the LET Group within two years immediately preceding the date of commencement of the Offer Period and up to the Latest Practicable Date which are or may be material:

- (1) the conditional agreement for sale and purchase dated 30 October 2020 entered into between Sharp Way Group Limited (“**Sharp Way**”) as vendor, Summit Ascent Russia Limited (“**SA Russia**”), a direct wholly-owned subsidiary of Summit Ascent, as purchaser and Summit Ascent in relation to the acquisition of 3,500 shares of Oriental Regent Limited (“**ORL**”) and US\$1,892,275 shareholder’s loan to ORL at the consideration of US\$3,000,000 (equivalent to HK\$23,250,000) satisfied by the zero coupon convertible bonds in the aggregate principal amount of US\$3,000,000 convertible into shares of Summit Ascent at an initial conversion price of HK\$3.5 per share for a term of 5 years from the date of their issue of the Summit Ascent to Sharp Way;



- (2) the conditional agreement for sale and purchase dated 30 October 2020 entered into between Joyful Happiness Limited (“**Joyful**”) as vendor and SA Russia as purchaser in relation to the acquisition of 7,000 shares of ORL and US\$3,784,550 shareholder’s loan to ORL in consideration of US\$5,382,758 (equivalent to HK\$41,716,375);
- (3) the letter of award dated 13 November 2020 issued by Suntrust to Megawide Construction Corporation (“**Megawide**”) and accepted and confirmed by Megawide on 13 November 2020 in relation to the construction of basement, podium and tower of the Main Hotel Casino with a contract sum of PHP4,017,000,000 (equivalent to approximately HK\$644.9 million) (“**Construction Agreement I**”) and the letter of award dated 13 November 2020 issued by Suntrust to Megawide and accepted and confirmed by Megawide on 13 November 2020 in relation to the construction work of pile cap, excavation and lateral support and additional pile cap area of the Main Hotel Casino with a contract sum of PHP2,268,888,888 (equivalent to approximately HK\$364.3 million) (“**Construction Agreement II**”, together with Construction Agreement I, the “**Construction Agreements**”);
- (4) the conditional subscription agreement dated 16 November 2020 entered into between ORL, SA Russia and Firich Investment Limited (“**Firich**”) in relation to, among others, the subscription of 234,755 ordinary shares in ORL by SA Russia in the consideration of US\$53,598,293 (equivalent to approximately HK\$415,386,771);
- (5) the completion agreement dated 18 November 2020 entered into between Shenzhen Sky Alliance Property Company Limited, and 浙江省金華市中級人民法院 (Intermediate People’s Court of Jinhua City, Zhejiang Province), for the acquisition of 100% equity interest in Dongyang Xinguang at the bidding price of RMB26,500,000 (equivalent to approximately HK\$31,005,000) through a judicial auction, which was administrated by an open auction platform on the instruction of Intermediate People’s Court of Jinhua City, Zhejiang Province, on 13 November 2020;
- (6) the supplemental agreement to the Construction Agreements entered into between Suntrust and Megawide on 18 December 2020 in relation to, among others, the increase of the contract sum of PHP19,600,000,000 (equivalent to approximately HK\$3,146.8 million) for Construction Agreement I and the increase of the contract sum of PHP400,000,000 (equivalent to approximately HK\$64.2 million) for Construction Agreement II, both as a result of additional scope of works of Megawide as the main contractor;
- (7) the agreement dated 8 January 2021 entered into between Sun Travel Ltd. (“**Sun Travel**”) and Mr. Chau in relation to the provision and obtaining of aircraft chartering services by and between Sun Travel and Mr. Chau and his associates as defined under the Listing Rules with the annual caps determined by the LET Board of HK\$8,000,000 and HK\$8,000,000 for each of the two years ending 31 December 2022 respectively;
- (8) the agreement dated 8 January 2021 entered into between Sun Travel and Mr. Chau in relation to the provision and obtaining of travel related services by and between Sun Travel and Mr. Chau and his associates as defined under the Listing Rules with the annual caps determined by the LET Board of HK\$2,400,000 and HK\$2,400,000 for each of the two years ending 31 December 2022 respectively;

- (9) the conditional sale and purchase agreement dated 21 February 2021 entered into between Wit Dragon Limited and LET in respect of the proposed disposal of 100,000 shares of Access Achievement Limited by LET to Wit Dragon Limited for a consideration of RMB155,290,000 (equivalent to approximately HK\$186,348,000);
- (10) the conditional loan agreement dated 23 February 2021 entered into between Summit Ascent Investments Limited, a wholly-owned subsidiary of Summit Ascent (“SA Investments”) as lender and Suntrust as borrower in relation to a loan of US\$120,000,000 (equivalent to HK\$930,000,000) with a term of 3 months and an interest rate of 6% per annum;
- (11) the conditional sale and purchase agreement dated 25 March 2021 entered into between Suntrust as Vendor and Asian E-Commerce, Inc. as purchaser in relation to the sale of 48,062,500 shares of First Oceanic Property Management, Inc, a wholly-owned subsidiary of Suntrust and an indirect 51% owned subsidiary of LET for a consideration of PHP153,728,294 (equivalent to approximately HK\$24,681,431);
- (12) the conditional subscription agreement dated 20 September 2021 entered into between SA Investments as subscriber and Suntrust as issuer in respect of the 6% convertible bonds in the maximum aggregate principal amount of PHP6.4 billion with an initial term of 3 years and extendable up to 6 years upon mutual agreement;
- (13) the conditional sale and purchase agreement dated 15 December 2021 entered into between Golden Medal Limited, an indirect wholly-owned subsidiary of LET, as seller and Jetcraft Global (UK) Limited as purchaser in respect of the disposal of an aircraft for a consideration of US\$10,000,000 (equivalent to HK\$77,500,000);
- (14) the conditional sale and purchase agreement dated 10 May 2022 entered into among Kingdom Rich Holdings Limited, a wholly-owned subsidiary of LET, and LET as sellers and Great Promise Developments Limited as purchaser in respect of the entire issued share capitals of Goal Explore Investments Limited and Boshing Investments Limited for an aggregation consideration of HK\$1; and
- (15) the loan agreement dated 19 September 2022 entered into between LET (as borrower) and four independent third party lenders (as lenders) for the advance of a loan facility of HK\$400,000,000 for a term of 12 months with the interest rate payable under the loan being is the higher of (i) 18% per annum; or (ii) the aggregate of 13% per annum and the HK\$ prime lending rate as may be offered by The Hongkong and Shanghai Banking Corporation Limited from time to time, payable quarterly in arrears.

## 8. LITIGATION

As at the Latest Practicable Date, neither LET nor any of its subsidiaries was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was pending or threatened against either the LET or any of its subsidiaries.

## 9. QUALIFICATION AND CONSENTS OF EXPERTS

The following are the qualifications of the experts who have given opinions or advice which are contained in this Composite Document:

Name	Qualification
Astrum Capital Management Limited	a licensed corporation permitted to carry out types 1 (dealing in securities), 2 (dealing in futures contracts), 6 (advising on corporate finance) and 9 (asset management) regulated activities under the SFO
Grant Sherman Appraisal Limited	Independent professional valuer
Jones Lang LaSalle Corporate Appraisal and Advisory Limited	Independent professional valuer
Kingston Corporate Finance	a licensed corporation permitted to carry out type 6 (advising on corporate finance) regulated activity under the SFO
Kingston Securities	a licensed corporation permitted to carry out type 1 (dealing in securities) regulated activity under the SFO
Vincorn Consulting and Appraisal Limited	Independent professional valuer
Yu Ming	a licensed corporation permitted to carry out types 1 (dealing in securities), 4 (advising on securities), 6 (advising on corporate finance) and 9 (asset management) regulated activities under the SFO

Each of the above experts has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion in this Composite Document of the text of its letter and references to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, none of the above experts had any shareholding in any member of the LET Group and did not have any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the LET Group.

As at the Latest Practicable Date, none of the above experts had any direct or indirect interest in any assets which have been, since 31 December 2021 (being the date to which the latest published audited consolidated financial statements of the LET Group were made up), acquired or disposed of by or leased to any member of the LET Group, or are proposed to be acquired or disposed of by or leased to any member of the LET Group.

**10. DOCUMENTS ON DISPLAY**

Copies of the following documents are available for inspection on the website of the SFC ([www.sfc.hk](http://www.sfc.hk)) and on the website of LET ([www.letgroup Holdings.com](http://www.letgroup Holdings.com)), from the date of this Composite Document up to and including the Closing Date or the date on which the LET Offers lapse or is withdrawn (whichever is earlier):

- (a) the memorandum and articles of association of the LET;
- (b) the memorandum and articles of association of the Offeror;
- (c) the Sale and Purchase Agreements;
- (d) the annual reports of LET for the years ended 31 December 2019, 2020 and 2021;
- (e) the interim report of LET for the six months ended 30 June 2022;
- (f) the letter from Yu Ming and Kingston Securities, the text of which is set out on pages 13 to 24 of this Composite Document;
- (g) the letter from the LET Board, the text of which is set out on pages 25 to 34 of this Composite Document;
- (h) the letter from the LET Independent Board Committee to the Independent LET Shareholders, the text of which is set out on pages 35 to 36 of this Composite Document;
- (i) the letter from the Independent Financial Adviser to the LET Independent Board Committee, the text of which is set out on pages 37 to 73 of this Composite Document;
- (j) the material contracts referred to under the paragraph headed “7. Material Contracts” in this Appendix IV;
- (k) the written consents referred to under the paragraph headed “9. Qualification and Consents of Experts” in this Appendix IV;
- (l) the service contracts of LET Directors referred to in the section headed “6. LET Directors’ Service Contracts” in this Appendix IV; and
- (m) the full property valuation reports (including valuation certificates) from Grant Sherman Appraisal Limited, Vincorn Consulting and Appraisal Limited and Jones Lang LaSalle Corporate Appraisal and Advisory Limited, summaries of which are set out in Appendix III of this Composite Document.

**11. MISCELLANEOUS**

- (a) The registered office of LET is situated at Cricket Square, Hutchins Drive P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its head office and principal place of business in Hong Kong is Unit 1705., 17/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong.
- (b) The branch share registrar and transfer agent of LET in Hong Kong is Tricor Investor Services Limited, which is situated at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (c) The Offeror is ultimately beneficially owned as to 100% by Mr. Lo. The directors of the Offeror are Mr. Lo, Mr. Xu Haohao and Mr. Choi Kin Man and their correspondence address is Unit 1705, 17/F., West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong.
- (d) The registered office of the Offeror is situated at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands and its correspondence address is Unit 1705, 17/F., West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong.
- (e) The registered office of Merdeka Corporate Finance Limited is situated at Room 1108-1110, 11/F, Wing On Centre, 111 Connaught Road, Central, Hong Kong.
- (f) The registered office of Kingston Corporate Finance and Kingston Securities are situated at 72nd Floor, The Center, 99 Queen's Road Central, Central, Hong Kong.
- (g) The registered office of Yu Ming is situated at Room 1801, 18/F, Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong.
- (h) The registered office of the Independent Financial Adviser is situated at Room 2704, 27/F, Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong.
- (i) The English text of this Composite Document and the accompanying Forms of Acceptance shall prevail over their respective Chinese text in case of inconsistency.