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LET GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1383)

DISCLOSEABLE TRANSACTION DISPOSAL OF PROPERTY

THE DISPOSAL

On 28 April 2023 (after trading hours), the Seller (being an indirect wholly-owned subsidiary of the Company), as seller, entered into the legally binding Heads of Agreement with the Buyer, as buyer, pursuant to which the Seller has agreed to sell, and the Buyer has agreed to acquire the Property, at the Purchase Price of US\$27 million (equivalent to approximately HK\$211.95 million).

LISTING RULES IMPLICATIONS

As one or more of the relevant applicable percentage ratios in respect of the Disposal are higher than 5% but less than 25%, the Disposal constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules.

The Board wishes to announce that on 28 April 2023 (after trading hours), the Seller (being an indirect wholly-owned subsidiary of the Company), as seller, entered into the legally binding Heads of Agreement with the Buyer, as buyer, pursuant to which the Seller has agreed to sell, and the Buyer has agreed to acquire the Property, at the Purchase Price of US\$27 million (equivalent to approximately HK\$211.95 million). The principal terms of the Heads of Agreement are set out below.

THE HEADS OF AGREEMENT

Date: 28 April 2023

Parties: the Seller as seller; and

the Buyer as buyer

The Buyer is a company incorporated in Singapore with limited liability and is principally engaged in the oil and gas industry and making strategic investment and is owned as to 100% by Mr. Cheah Meng Fui. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Buyer and its ultimate beneficial owner are Independent Third Parties.

Assets to be disposed of

On the Closing Date, subject to the execution of the Definitive Documentation, the Seller shall sell, assign, transfer and deliver to the Buyer, free and clear of all liens and encumbrances (other than those created in favor of the Buyer pursuant to the Heads of Agreement), the Property, and the Buyer, by payment of the Purchase Price, shall purchase the Property pursuant to the Definitive Documentation.

Purchase Price

The Purchase Price for the Disposal is US\$27 million (equivalent to approximately HK\$211.95 million). The Buyer shall make such payment in cash.

The Buyer shall remit and pay the deposit in the amount of US\$2.7 million (equivalent to approximately HK\$21.20 million) as part of the Purchase Price in two (2) installments, as follows:

- (i) on the date of the Heads of Agreement, the Buyer has paid to the Seller US\$1 million (equivalent to approximately HK\$7.85 million) (the "**First Installment**"); and
- (ii) on the date of signing of the Definitive Documentation, the Buyer shall pay to the Seller the remaining balance of the deposit in the amount of US\$1.7 million (equivalent to approximately HK\$13.35 million) (the "**Second Installment**").

If the Closing takes place, the deposit shall be applied to the Purchase Price. If the Buyer terminates the Heads of Agreement pursuant to the terms thereof, the Seller shall remit and return any portion of the deposit actually received to the bank account designated by the Buyer within three (3) business days after the date the Buyer terminates the Heads of Agreement together with any other amounts owing by the Seller to the Buyer pursuant to the terms of the Heads of Agreement.

On the Closing Date, pursuant to the Definitive Documentation, the Buyer shall pay to the Seller the remaining portion of the Purchase Price and the Seller shall deliver or cause to be delivered to the Buyer (or, as applicable, the Buyer's judicial scrivener) documents necessary to transfer ownership of the Property to the Buyer and documents necessary for the application to change the registered ownership of the Property.

The Purchase Price was agreed between the Seller and the Buyer after arm's length negotiations with reference to, amongst other things, (i) the carrying value of the Property of approximately HK\$170.6 million; (ii) the valuation of the Property of approximately JPY2,995 million (equivalent to approximately HK\$176.71 million) as at 31 December 2022; and (iii) the prevailing market price of other comparable properties located in the nearby location of the Property.

Definitive Documentation

Immediately upon the execution by the parties of the Heads of Agreement, the Buyer and the Seller shall proceed to negotiate in good faith and, subject to the satisfaction and completion of any conditions or procedures required by applicable laws and regulations, execute the Definitive Documentation, in each case, on terms consistent with the Heads of Agreement.

Mortgage

The Seller shall grant a mortgage over the Property in form and substance reasonably acceptable to the Buyer in favor of the Buyer to secure against the Seller's obligation to repay the First Installment and, if requested by Buyer at the time of the payment of the Second Installment, another mortgage to secure against the Seller's obligation to repay the Second Installment.

Termination and liquidated damages

The Heads of Agreement may be terminated:

- (a) by the parties at any time pursuant to a written agreement signed by the parties;
- (b) by written notice from the non-breaching party to the breaching party upon the occurrence of an event of default; or
- (c) by written notice from a party to the other party if it becomes apparent that the purpose of the Heads of Agreement cannot be achieved due to the willful misconduct or gross negligence of such other party.

The Seller agrees that if (A) the Buyer terminates the Heads of Agreement pursuant to the termination provision as set out above, or (B) the Seller fails for any reason to enter into mutually agreeable Definitive Documentation (other than due to any material default by the Buyer under the Heads of Agreement), in either case, in addition to any other amounts that the Buyer may be entitled to receive thereunder, the Buyer shall be entitled to receive as compensation (and not as a penalty), and the Seller agrees to pay to the Buyer, without limitation, an amount equal to US\$5.4 million (equivalent to approximately HK\$42.39 million) (being 20% of the Purchase Price).

The Buyer may assign its contractual position and its rights and obligations under the Heads of Agreement with prior written notice to the Seller to an entity (the “Assignee”) established for the purposes of holding the Property in a tax efficient structure, provided always that (i) the Buyer shall be the majority investor in the Assignee; and (ii) the Assignee and its ultimate beneficial owner(s) shall be independent of and not connected with the Seller, the Company and their respective connected persons.

INFORMATION OF THE PROPERTY

The Property is located at Aza-Yamada, Kutchan-cho, Abuta-gun, Hokkaido, Japan with a total land area of 220,194 square meters. The Group originally intended to build over 50 villas and 20 townhouses and a hotel with over 40 rooms on the Property. As at the date of this announcement, the Property is still under preliminary planning stage and no construction work has been commenced on the Property.

FINANCIAL EFFECT OF THE DISPOSAL

The Group is expected to record a pre-tax unaudited gain of approximately HK\$35.0 million as a result of the Disposal, which is calculated with reference to the difference between the carrying value of the Property of HK\$170.6 million and the Purchase Price after relevant expenses relating to the Disposal, which is subject to final audit to be performed by the auditors of the Company. Based on the Purchase Price of US\$27 million (equivalent to approximately HK\$211.95 million) and the associated estimated direct costs of the Disposal of approximately US\$0.81 million (equivalent to approximately HK\$6.4 million), the Company is expected to receive pre-tax net proceeds of approximately US\$26.2 million (equivalent to approximately HK\$205.6 million), from the Disposal. The Company intends to use the net proceeds from the Disposal for the purpose of (i) repay the outstanding liabilities of the Group; (ii) business development; and (iii) general working capital.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Company is an investment holding company incorporated in the Cayman Islands with limited liability. The Group is principally engaged in (i) through Suntrust Resort Holdings, Inc. and its subsidiaries, the development and operation of an integrated resort in the Philippines; (ii) through Summit Ascent Holdings Limited and its subsidiaries, 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 People's Republic of China.

As disclosed in the annual reports of the Company for the year ended 31 December 2021 and 2022, the Group has been implementing cost-cutting programme and non-core businesses has been and would continue to be sold. The Group would continue to offload assets to aid survival by focusing on the most profitable business segments only. In particular, the Group has planned and negotiated for the disposal of certain of the Group's non-core assets, including but not limited to parcels of land in Japan (which includes the Property).

Having considered (i) the expected pre-tax net gain from the Disposal of approximately HK\$35.0 million; (ii) the valuation of the Property of approximately JPY2,995 million (equivalent to approximately HK\$176.71 million) as at 31 December 2022; and (iii) the intended use of net proceeds from the Disposal as set out above, the Directors are of the view that the terms of the Heads of Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the relevant applicable percentage ratios in respect of the Disposal are higher than 5% but less than 25%, the Disposal constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the meanings set out below:

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| “Board” | board of Directors |
| “Buyer” | NAUTICAWT ENERGY PTE. LTD., a company incorporated in Singapore with limited liability |
| “Closing” | closing of the Disposal in accordance with the terms and conditions of the Heads of Agreement and the Definitive Documentation |

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| “Closing Date” | the date of the Closing which shall be on or prior to 3 August 2023 (or other date as the Seller and the Buyer may agree upon) |
| “Company” | LET Group Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1383) |
| “connected person(s)” | has the meaning ascribed to it under the Listing Rules |
| “Definitive Documentation” | a sale and purchase agreement and any and all other documentation necessary or desirable to consummate the sale of the Property by the Seller to the Buyer |
| “Director(s)” | director(s) of the Company |
| “Disposal” | the disposal of the Property pursuant to the terms and conditions of the Heads of Agreement |
| “Group” | the Company and its subsidiaries |
| “Heads of Agreement” | the legally binding heads of agreement dated 28 April 2023 and entered into between the Seller and the Buyer in relation to the Disposal |
| “HK\$” | Hong Kong dollar(s), the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Independent Third Party(ies)” | person(s) or company(ies) who/which is(are) independent of the Company and its connected persons |
| “JPY” | Japanese Yen, the lawful currency of Japan |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Property” | the property located at Aza-Yamada, Kutchan-cho, Abuta-gun, Hokkaido, Japan, Plots 17-1, 17-2, 17-3, 17-4, 24-1, 24-2, 24-3, 24-4, 24-6, 24-7, 25-4, 48-2 and 48, with total land area of 220,194 square meters and land category on registry as forest, plain or miscellaneous respectively |

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| “Purchase Price” | the aggregate sum of US\$27 million (equivalent to approximately HK\$211.95 million), being the purchase price payable by the Buyer for the Property under the Heads of Agreement |
| “Seller” | HONOUR CITY KABUSHIKI KAISHA, a company incorporated in Japan with limited liability and an indirect wholly-owned subsidiary of the Company |
| “Share(s)” | the ordinary share(s) of HK\$0.1 each in the share capital of the Company |
| “Shareholder(s)” | holder(s) of the issued Shares |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “US\$” | United States dollar(s), the lawful currency of the United States of America |
| “%” | per cent |

For illustrative purposes only when translated, US\$ was translated to HK\$ at the exchange rate of US\$1 to HK\$7.85 and JPY was translated to HK\$ at the exchange rate of JPY1 to HK\$0.059.

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

Hong Kong, 28 April 2023

As at the date of this announcement, the Company’s executive director is Mr. Lo Kai Bong (Chairman), and the Company’s independent non-executive directors are Mr. Tou Kin Chuen, Dr. Wu Kam Fun Roderick and Mr. Lo Wai Tung John.