

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



**L E T**  
LEISURE ENTERTAINMENT TASTE

## **LET GROUP HOLDINGS LIMITED**

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

**(Stock Code: 1383)**

### **DISCLOSEABLE TRANSACTION IN RELATION TO DISPOSAL OF 100% EQUITY INTEREST IN DONGYANG XINGUANG PACIFIC INDUSTRIAL COMPANY LIMITED#**

#### **THE DISPOSAL**

On 21 September 2023 (after trading hours), the Seller (being an indirect wholly-owned subsidiary of the Company), as seller entered into the Sale and Purchase Agreement with the Buyer, pursuant to which the Seller has conditionally agreed to sell, and the Buyer has conditionally agreed to acquire 100% equity interest in the Target Company, at the Purchase Price of RMB20.0 million (equivalent to approximately HK\$21.4 million) subject to the terms and conditions of the Sale and Purchase Agreement.

#### **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.

On 21 September 2023 (after trading hours), the Seller (being an indirect wholly-owned subsidiary of the Company), as seller entered into the Sale and Purchase Agreement with the Buyer, pursuant to which the Seller has conditionally agreed to sell, and the Buyer has conditionally agreed to acquire 100% equity interest in the Target Company, at the Purchase Price of RMB20.0 million (equivalent to approximately HK\$21.4 million) subject to the terms and conditions of the Sale and Purchase Agreement.

## **THE DISPOSAL**

The principal terms of the Sale and Purchase Agreement are set out below.

**Date:** 21 September 2023

**Parties:** the Seller as seller; and

the Buyer as buyer

The Buyer is a company established in PRC with limited liability and is principally engaged in commercial complex management services and is wholly-owned by Xinguang Yuancheng Stock Company Limited# (新光圓成股份有限公司) which is a company established in the PRC and listed on the National Equities Exchange and Quotations (stock code: 400130). To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Buyer and its ultimate beneficial owners are Independent Third Parties.

### **Assets to be disposed of**

Pursuant to the Sale and Purchase Agreement, the Seller has conditionally agreed to sell, and the Buyer has conditionally agreed to acquire 100% equity interest in the Target Company.

### **Purchase Price**

The Purchase Price for the Disposal is RMB20.0 million (equivalent to approximately HK\$21.4 million). The Buyer shall pay the Purchase Price to the account designated by the Seller in cash within three (3) business days from the date of the Sale and Purchase Agreement.

The Purchase Price was agreed between the Company and the Buyer after arm's length negotiations with reference to the net assets value of the Target Company and the loss making position of the Target Company.

### **Conditions precedent**

Completion is subject to and conditional upon the fulfilment or waiver (other than conditions set out in paragraphs (d) and (e) below which are incapable for being waived) of the following conditions on or before 22 September 2023 (or such later date as may be agreed between the Seller and the Buyer):

- (a) the Buyer and its agent having completed the due diligence review of the Target Company (including its assets, liabilities, rights, guarantees and other information in relation to the Sale and Purchase Agreement);

- (b) all the representations made by the Seller in the Sale and Purchase Agreement shall be true, accurate and complete;
- (c) the Seller having obtained all necessary consents and approvals in relation to the Disposal (including but not limited to approval from its shareholders, board of directors, and other approval required under its articles of association and the applicable laws and regulations);
- (d) the Buyer having obtained all necessary consents and approvals in relation to the Disposal (including but not limited to approval from its shareholders, board of directors, and other approval required under its articles of association and the applicable laws and regulations); and
- (e) the registered capital of the Target Company having been paid-up in full.

### **Completion**

Completion will take place on the date on which the industrial and commercial registration in relation to the Disposal having been completed.

Upon Completion, the Target Company will cease to be a subsidiary of the Company and the financial results of the Target Company will no longer be consolidated into those of the Company.

### **INFORMATION OF THE TARGET COMPANY**

The Target Company is a company established in the PRC with limited liability. As at the date of this announcement, the Target Company has registered and paid-up capital in the amount of RMB10,000,000. The Target Company is principally engaged in management and operation of malls located in Zhejiang Province, the PRC, in which the Target Company is the lessee in relation to a lease on the Phase 1 Shopping Mall of Xinguang Tiandi# (新光天地一期購物廣場) and Phase 2 Living Mall of Xinguang Tiandi# (新光天地二期生活廣場) comprising 620 units with a total floor area of 65,241.98 m<sup>2</sup> for a term of twenty (20) years commencing on 1 January 2015 and ending on 31 December 2034. The occupancy rates of the Phase 1 Shopping Mall of Xinguang Tiandi# (新光天地一期購物廣場) and Phase 2 Living Mall of Xinguang Tiandi# (新光天地二期生活廣場) as at 30 June 2023 were approximately 78% and 75%, respectively.

Set out below is a summary of the key financial information of the Target Company as extracted from the unaudited management accounts of the Target Company prepared in accordance with Hong Kong Financial Reporting Standards:

	<b>For the eight months ended 31 August 2023 RMB (unaudited)</b>	For the year ended 31 December 2022 RMB (unaudited)	For the year ended 31 December 2021 RMB (unaudited)
Revenue	<b>10,490,111</b>	19,011,709	23,874,540
Net (loss)/profit before tax	<b>(2,386,997)</b>	(27,047)	4,803,284
Net (loss)/profit after tax	<b>(2,292,829)</b>	(640,556)	3,833,360

As at 31 August 2023, the unaudited net assets of the Target Company based on the unaudited management accounts of the Target Company attributable to the Group were approximately RMB20,020,000 (equivalent to approximately HK\$21,421,000).

#### **FINANCIAL EFFECT OF THE DISPOSAL**

The Group is expected to record a pre-tax unaudited loss of approximately HK\$1.5 million as a result of the Disposal, which is calculated with reference to the difference between the Purchase Price and the net assets of the Target Company attributable to the Group of approximately HK\$21.4 million before relevant expenses relating to the Disposal and the recognition of loss in translation reserve upon the disposal of the Target Company of approximately HK\$1.5 million, which is subject to final audit to be performed by the auditors of the Company. Based on the Purchase Price of RMB20.0 million (equivalent to approximately HK\$21.4 million) and the associated estimated direct costs of the Disposal of approximately HK\$0.3 million, the Company is expected to receive pre-tax net proceeds of approximately HK\$21.1 million, from the Disposal. The Company intends to use the net proceeds from the Disposal for the purpose of general working capital of the Group.

#### **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 the Main Hotel Casino 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 Russia and property development in Japan; and (iii) management and operation of malls in the PRC.

The Board is of the view that the Disposal provides a good opportunity for the Group to realise its investment in the Target Company and focus its resources to develop its existing businesses in light of the fact that the Target Company has been in loss making position since May 2022 and there is keen competition between physical stores and online platforms.

Having considered the continual loss making situation of the Target Company and fierce competition from online platforms, the Disposal will avoid the Group to further inject working capital for the deteriorating business, together with the realisation of capital of the Group's other businesses, the Directors are of the view that terms of the Sale and Purchase 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:

“Board”	board of Directors
“Buyer”	浙江旺匯商業管理有限責任公司 (Zhejiang Wanghui Business Management Company Limited <sup>#</sup> ), a company established in the PRC with limited liability
“Company”	LET Group Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1383)
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Sale and Purchase Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

“Director(s)”	director(s) of the Company
“Disposal”	the disposal of 100% equity interest in the Target Company pursuant to the terms and conditions of the Sale and Purchase Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) or company(ies) who/which is(are) independent of and not connected with the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Purchase Price”	The sum of RMB20.0 million (equivalent to approximately HK\$21.4 million), being the purchase price payable by the Buyer to the Seller under the Sale and Purchase Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Seller”	Faith Best Asia (HK) Limited, a company incorporated in Hong Kong 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

“Target Company” 東陽新光太平洋實業有限公司 (Dongyang Xinguang Pacific Industrial Company Limited<sup>#</sup>), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company

“%” per cent

*For illustrative purposes only when translated, RMB was translated to HK\$ at the exchange rate of RMB1 to HK\$1.07.*

<sup>#</sup> *for identification purposes only*

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

Hong Kong, 21 September 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.*