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L E T
LEISURE ENTERTAINMENT TASTE

LET GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1383)

(1) REQUISITION FOR EXTRAORDINARY GENERAL MEETING; AND (2) CONTINUED SUSPENSION OF TRADING

This announcement is made by LET Group Holdings Limited (the “**Company**” or “**LET**”, and together with its subsidiaries, the “**Group**” or “**LET Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

REQUISITION FOR EXTRAORDINARY GENERAL MEETING

The Requisition and Purpose of the EGM

On 4 July 2024, the board of directors (the “**Board**”) of the Company received a notice dated 3 July 2024 (the “**Requisition Notice**”) from HKSCC Nominees Limited. The Requisition Notice was issued by HKSCC Nominees Limited in its capacity as the nominee holder of 4,999,694,857 shares of the Company (the “**Shares**”), which are beneficially owned by Major Success Group Limited (the “**Requisitioning Shareholder**” or “**Major Success**”). As at the date of the Requisition Notice and up to the date of this announcement, these Shares represent approximately 72.07% of the total issued Shares carrying the right to vote at general meetings of the Company.

The Requisitioning Shareholder has requested (the “**Requisition**”) an extraordinary general meeting of the Company (the “**EGM**”) to be convened. The purpose of the EGM is to consider and if thought fit, pass the following ordinary resolutions:

- (1) ‘THAT it is in the interest of the Company to implement the Disposal Plan, and THAT the board of directors of the Company be and it is hereby requested to take steps and to allocate resources to implement the Disposal Plan as soon as possible after the date of passing of this resolution.’
- (2) ‘Subject to (i) a special general meeting of Summit Ascent being requisitioned to be held with the following proposed resolution to be passed:

“THAT it is in the interest of Summit Ascent to implement the Disposal Plan, and THAT the board of directors of Summit Ascent be and it is hereby requested to take steps and to allocate resources to implement the Disposal Plan as soon as possible after the date of passing of this resolution.”

and (ii) the above resolution no.1 of the Requisition Notice being passed, THAT the board of directors of the Company be and it is hereby requested to take steps to procure Summit Ascent to implement the Disposal Plan as soon as possible after the date of passing of this resolution.’

“Disposal Plan” and “Summit Ascent” as referenced in the proposed ordinary resolutions are defined below in this announcement.

Grounds for the Requisition

The Requisition Notice outlines the following grounds for the Requisition:

- 1 As at the date of deposit of the Requisition Notice, (i) the Company together with Victor Sky Holdings Limited (which is a direct wholly-owned subsidiary of the Company) are the owners of a total of approximately 69.66% of the issued share capital in Summit Ascent Holdings Limited (“**Summit Ascent**”), a company incorporated in Bermuda and whose issued ordinary shares are listed on the Stock Exchange (stock code: 102); (ii) Summit Ascent is the indirect owner of 77.5% equity interest in Oriental Regent Limited (“**Oriental Regent**”), a company incorporated in Hong Kong; and (iii) Oriental Regent is the direct owner of the entire issued share capital in G1 Entertainment Limited Liability Company (“**G1 Entertainment**”).

- 2 G1 Entertainment is a limited liability company incorporated in the Russian Federation (“**Russia**”). It holds a gaming license granted by the Russian government and governed by, among others, the Russian Federal Law No.244-FZ of 29 December 2006. It operates a gaming and hotel property known as “Tigre de Cristal”. For further information on G1 Entertainment, please refer to page 3 of Summit Ascent’s annual report 2022 (“**2022 SA Annual Report**”).
- 3 During the period between 2020 and June 2022, the gaming and hotel operation of G1 Entertainment was adversely affected by COVID-19 pandemic. Additionally, since late February 2022, there has been significant escalation in the Russia-Ukraine conflict. Consequent to or in connection with such escalation, the United States (the “**US**”), the European Union and their allies have imposed an unprecedented range of export controls on Russia and sanctions against Russia and its citizens and former citizens and their companies, which aim at weakening its ability to finance the special military operation including, but not limited to, the removal of major Russian banks from the messaging system operated by the Society for Worldwide Interbank Financial Telecommunication (or SWIFT). As mentioned in 2022 SA Annual Report, a number of large global corporations have voluntarily suspended their operations in Russia. Withdrawal of foreign direct investment has been identified as potentially one of the most devastating consequences of sanctions for the Russian economy. Several governments have also banned Russian aircraft from their airspace and have issued travel advisories calling on their nationals to avoid travel to Russia. The Russian government responded with a reciprocal ban against these countries. The escalation in the Russia-Ukraine conflict has a negative effect on the motivation and choices for international tourists to freely travel into and out of Russia, which affects Tigre de Cristal’s customer base. More recently, sanctions have been imposed against Russia (and other Russian or related entities and/or individuals) by the governments of (among other countries) the US and certain Western countries. These sanctions have become more stringent, and also apply to enterprises established or operated in Russia, such as G1 Entertainment. The risks arising therefrom include the ongoing Russia-Ukraine military conflict, sanction risks, supply chain risks, prohibition of fund transfer risks, lack of international tourism, currency risks (including decline, not only by banks of the US or Western countries but also banks of the People’s Republic of China to provide payment or remittance services to Russian enterprises) and human resources risks, including the risk of foreign travel or recruitment restrictions which would impact on the Group’s ability to manage or monitor Tigre de Cristal’s operation. Any escalation of political or operational risks faced by Tigre de Cristal may also have a domino effect on other businesses of the Company. Up to the date of the Requisition Notice, there is no indication on when the military conflict and the related sanctions will end.

- 4 LET Group and Summit Ascent and its subsidiaries (“**SA Group**”) have assets and/or operations in Japan and the Philippines, being the most significant assets of the Company, the continuing development of which is financed by bank loans. Continuing to hold G1 Entertainment carries risks of sanctions being imposed on these assets or LET or SA by these countries and territories (namely, Philippines and Japan), all of which are allied with the US.
- 5 Despite G1 Entertainment accounting for a significant portion of LET Group’s revenue and SA Group’s total assets, revenue and profit in recent years, Major Success is of the view that continuing to hold G1 Entertainment will bring too much uncertainties and risks to the development and prospects of LET Group and SA Group.
- 6 Against such background, Major Success considers it appropriate to ascertain the wishes of the shareholders of LET (“**LET Shareholders**”) and (subject to the Company and/or Victor Sky requisitioning similar special general meeting of Summit Ascent) the shareholders of Summit Ascent (“**SA Shareholders**”), as to whether a majority of the LET Shareholders (and/or, as the case may be, a majority of the SA Shareholders) are in favour of the Proposed Disposal. For the purpose of the Requisition Notice, the “**Proposed Disposal**” means a proposed disposal by Oriental Regent of the entirety (or a majority) of the issued shares in G1 Entertainment (or, where appropriate, by Summit Ascent of its holding (or a majority of its holding) in Oriental Regent) on such terms as set out in the section headed “Disposal Plan” below. If the proposed resolutions at the requisitioned general meetings are passed, the board of directors of LET Group (or, as the case may be, the board of directors of Summit Ascent) may then allocate appropriate level of efforts and resources to identify buyer(s) of G1 Entertainment (or, as the case may be, Oriental Regent), and to take steps to negotiate and (where appropriate) enter into (or to procure the relevant subsidiary(ies) to enter into) agreement for the Proposed Disposal and to implement the Proposed Disposal accordingly.

- 7 It should be noted that the Proposed Disposal (if implemented) is likely to constitute a very substantial disposal (as defined in the Listing Rules) on the part of the Company and/or Summit Ascent. Further, in connection with the implementation of the Proposed Disposal, there may be implications under (i) the Listing Rules, such as Rule 13.24 (concerning the sufficient level of assets or operations of the business of LET Group (or, as the case may be, SA Group) after the Proposed Disposal, to support its operations to warrant the continued listing of the securities of the Company (or, as the case may be, Summit Ascent) or Rule 14.06E (concerning the disposal by a listed issuer of all or a material part of its existing business for a period of 36 months from a change in control, unless the remaining group can meet the relevant requirement under the Listing Rules), and/or (ii) the Code on Takeovers and Mergers (“**Takeovers Code**”) issued by the Securities and Futures Commission of Hong Kong. Accordingly, further shareholders’ approval (“**Rules-based Shareholders Approval**”) of the agreement for the Proposed Disposal and the transactions contemplated by such agreement may have to be obtained under the Listing Rules or (where applicable) the Takeovers Code.
- 8 For the avoidance of doubt, the passing of the proposed resolutions at the requisitioned EGM does not (and is not intended to) replace nor be treated as equivalent to the passing of Rules-based Shareholders Approval. As mentioned in paragraph 6 above, the purpose of the requisitioned general meetings is to enable the respective boards of directors of LET Group and Summit Ascent to take account of the wishes of the LET Shareholders and the SA Shareholders relating to the Disposal Plan.

Disposal Plan

The key terms of the Disposal Plan referenced in the Requisition Notice are as follows:

- (a) **Subject matter:** The subject matter to be disposed of is (i) the entirety (or a majority) of the issued shares in G1 Entertainment held by Oriental Regent, or (ii) all the issued shares in Oriental Regent held by Summit Ascent Russia Limited, a wholly-owned direct subsidiary of Summit Ascent (or a majority of such issued shares in Oriental Regent).
- (b) **Seller:** If the subject matter is (i) the issued shares in G1 Entertainment, the seller will be Oriental Regent; or (ii) the issued shares in Oriental Regent, the seller will be Summit Ascent Russia Limited and/or the other shareholder(s) of Oriental Regent.
- (c) **Buyer(s):** The buyer(s) and its (their) ultimate beneficial owner(s) must be third party(ies) independent of LET Group (or, as the case may be, Summit Ascent) and connected persons of these listed issuers.

- (d) Sale price: If the subject matter to be sold is the entire issued shares in G1 Entertainment, the sale price should be no less than US\$92.8 million (which is equivalent to 80% of US\$116 million, being the consideration for the sale of the same subject matter as mentioned in Summit Ascent's announcement dated 17 January 2024).

If the subject matter to be sold is part (instead of the entirety) of all the issued shares in G1 Entertainment (or, as the case may be, Oriental Regent), the sale price should be no less than US\$92.8 million multiplied by the respective shareholding proportion to be sold.

If there is any dividend being declared or paid by G1 Entertainment, the consideration will be adjusted by reducing the amount of dividend to be declared or paid to Oriental Regent.

- (e) Use of proceeds: In respect of the net sale price receivable by Summit Ascent or its subsidiary, certain portion should be distributed as special dividend to SA Shareholders on a record date to be determined by the board of directors of Summit Ascent and every one share of Summit Ascent shall receive a special dividend in cash not less than the share price of Summit Ascent immediately before suspension (i.e. HK\$0.047), and the remaining part should be used by SA Group to further invest in Suntrust Resort Holdings, Inc. (a 51% subsidiary of LET) for the construction of the Main Hotel Casino in the Philippines and as general working capital.

In respect of the special dividend receivable by LET Group from Summit Ascent, such special dividend received should be used by LET Group for general working capital (including repayment of third party loans) and the construction of the Main Hotel Casino in the Philippines.

- (g) Other terms and conditions: The board of directors of the relevant seller will have discretion to include those terms and conditions which are customary for a transaction of this nature in the agreement for the Proposed Disposal.

RIGHT OF THE REQUISITIONING SHAREHOLDER TO REQUISITION THE EGM

Article 58 of the Articles of Association of the Company (the “**Articles**”) empowers any one or more duly registered holders of Shares holding at the date of deposit of the requisition in aggregate not less than one-tenth of the voting rights (on a one vote per Share basis) in the share capital of the Company by written requisition to the Board or the company secretary of the Company to require an extraordinary general meeting of the Company to be called by the Board for the transaction of any business or resolution specified in such requisition, and such meeting shall be held within two months after the deposit of such requisition. As a holder of 72.07% of the Shares carrying the right to vote at general meetings of the Company, the Requisitioning Shareholder has the right to make the Requisition under Article 58 of the Articles.

The Board will convene the EGM in accordance with the Articles, applicable laws, rules and regulations as requested in the Requisition Notice. As noted in paragraph 6 above under “Requisition for Extraordinary General Meeting – Grounds for the Requisition” of this announcement, the purpose of the requisitioned EGM is to enable the respective boards of directors of the Company and Summit Ascent to take account of the wishes of the LET Shareholders and the SA Shareholders relating to the Disposal Plan. As further noted in paragraph 8 above under “Requisition for Extraordinary General Meeting – Grounds for the Requisition” of this announcement, the passing of the proposed resolutions at the requisitioned EGM does not (and is not intended to) replace nor be treated as equivalent to the passing of Rules-based Shareholders Approval.

CONTINUED SUSPENSION OF TRADING

Trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 14 February 2024 and will remain suspended until the Company has (i) met all the resumption guidance for the Company issued by the Stock Exchange on 5 April 2024 and 16 May 2024, respectively, (ii) remedied the issues causing its trading suspension and (iii) fully complied with the Listing Rules to the satisfaction of the Stock Exchange.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

By order of the Board
LET Group Holdings Limited
Lo Kai Bong
Chairman

Hong Kong, 9 July 2024

As at the date of this announcement, the executive Director is Mr. Lo Kai Bong (Chairman); and the independent non-executive Directors are Mr. Tou Kin Chuen, Mr. Lo Wai Tung John and Mr. Fu Chi King Johnson.