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LET GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1383)

DISCLOSEABLE TRANSACTION: SUPPLY AGREEMENT AND INSTALLATION AGREEMENT IN RESPECT OF THE PROJECT AND CONTINUED SUSPENSION OF TRADING

THE SUPPLY AGREEMENT AND THE INSTALLATION AGREEMENT

On 16 July 2024, (i) Suntrust and the Contractor entered into the Supply Agreement pursuant to which Suntrust appointed the Contractor as the contractor to undertake the Supply Works for the Project at the contract sum of PHP144,731,206.80 (equivalent to approximately HK\$19,298,000) under the Supply Agreement; and (ii) Suntrust and the Contractor entered into the Installation Agreement pursuant to which Suntrust appointed the Contractor as the contractor to undertake the Installation Works for the Project at the contract sum of PHP11,768,793.20 (equivalent to approximately HK\$1,569,000) under the Installation Agreement.

LISTING RULES IMPLICATIONS

The Supply Agreement and the Installation Agreement have to be aggregated for the purpose of calculating the percentage ratios under Rule 14.22 as counterparty to both agreements are the same entity (i.e. the Contractor). As one of the applicable percentage ratios (as defined in Rule 14.07) in respect of the Supply Agreement and the Installation Agreement in aggregate is more than 5% but less than 25%, the Supply Agreement and the Installation Agreement constitute a discloseable transaction for the Company under Chapter 14 and is subject to the announcement requirement under Chapter 14.

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 Resumption Guidance (as defined in the Company's announcement dated 8 April 2024 and subsequently revised in the Company's announcement dated 17 May 2024), (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.

INTRODUCTION

By the Supply Agreement, Suntrust appointed the Contractor to supply and deliver the Equipment for the Project.

By the Installation Agreement, Suntrust appointed the Contractor to install the Equipment for the Project.

The dates, parties and terms of the Supply Agreement and the Installation Agreement are set out below.

SUPPLY AGREEMENT

Date: 16 July 2024

Parties: (i) Suntrust, as employer; and
(ii) the Contractor, as contractor.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Contractor and its ultimate beneficial owners is an Independent Third Party.

Subject matter:

The Contractor is to undertake the supply of audio visual system (“**Equipment**”) for the Project, including but not limited to:

1. Casino areas and front of house;
2. The hotel which includes typical rooms, suites, lifestyle room, penthouse, and roof terrace;
3. Food and beverage outlets and restaurants;
4. Meetings, incentives, conferences and exhibitions areas, pre-function room, ballroom, and meeting rooms;
5. Podium including all public areas, retail atrium, spa & wellness, gyms, etc.;
6. External area, including roof terrace, pool deck, gem deck and ground level driveway;
7. Middle of house, training rooms, meeting rooms, and staff dining;
8. Detailed design of audio-visual and background music system integration;
9. The supply and delivery of audio, control, and speaker cables, audio-visual equipment & racks;
10. Fabrication of all brackets and containments, installation of speakers, TVs, stage lighting and all necessary accessories to complete the Project;
11. Interfacing and integration of the background music system to the public address system;
12. Audio-visual provision to coordinate and integrate with LED video wall supplier and contractor;
13. Programming, testing, and commissioning for the entire audio-visual and background music system as per audio-visual consultant specifications and design directions; and
14. Provide training and maintenance on the system installed.

Contract sum:

The contract sum payable by Suntrust to the Contractor under the Supply Agreement is PHP144,731,206.80 (equivalent to approximately HK\$19,298,000) inclusive of value added tax.

The contract sum is payable in the following manner:

- (i) 10% of the contract sum (i.e. PHP14,473,120.68 (equivalent to approximately HK\$1,930,000)) as down payment shall be released to the Contractor by Suntrust upon the signing of the Supply Agreement and the submission by the Contractor to Suntrust of an advance payment bond in an amount equivalent to 10% of the contract sum. As at the date of this announcement, the down payment has not yet been paid;
- (ii) 10% of the contract sum (i.e. PHP14,473,120.68 (equivalent to HK\$1,930,000)) shall be released to the Contractor after two months upon acceptance of the letter of award and the submission by the Contractor to Suntrust of an advance payment bond in an amount equivalent to 10% of the contract sum; and
- (iii) the balance of the contract sum (i.e. PHP115,784,965.44 (equivalent to approximately HK\$15,438,000)) shall be payable by Suntrust to the Contractor based on the progress billings of the Supply Works as certified and duly evaluated by Suntrust 45 days after submission of invoice.

Provided that credit shall be given to the PHP37,050,000.00 payment (equivalent to approximately HK\$4,940,000) paid by Suntrust to the Contractor for works done under the works order for supply and installation of audio-visual system prior to the Supply Agreement.

The contract sum payable by Suntrust under the Supply Agreement will be financed by funds raised by Suntrust for financing the development and construction of the Project.

The contract sum payable by Suntrust under the Supply Agreement was determined after arm's length negotiation with the Contractor with reference to the estimated cost of the Supply Works, the market price for Supply Works of similar scope and nature, and tender prices of other tenderers for the Supply Works. The Supply Agreement was awarded to the Contractor as it has vast experiences as contractor for the Supply Works and its tender is the lowest amongst all tenderers for the Supply Works.

Other bonds from the Contractor:

The Contractor has to provide to Suntrust with the following surety bonds in such form and substance acceptable to Suntrust and issued by an insurance company acceptable to Suntrust which shall remain in full force and effect throughout the duration of the Supply Agreement:

- (a) a performance bond from an approved insurance company or bank acceptable to Suntrust in the sum of 15% of the contract sum (i.e. PHP21,709,681.02 (equivalent to approximately HK\$2,895,000)) only as security for the due performance of the Contractor's obligations under the Supply Agreement; and
- (b) a guarantee bond from an approved insurance company or bank acceptable to Suntrust equivalent to 5% of the contract sum or equal to PHP7,236,560.34 (equivalent to approximately HK\$965,000) only as security for the due performance of the Contractor's obligation under the Supply Agreement during the defects liability period.

Defects liability period:

12 months from the date of taking over by Suntrust of the Project

Completion Date:

The date of the issuance of the taking over certificate by Suntrust, which is when in the opinion of Suntrust, the Contractor has achieved completion of the Supply Works, and the Supply Works are fit and ready for taking over. The target completion date is 30 June 2025.

INSTALLATION AGREEMENT

Date: 16 July 2024

Parties: (i) Suntrust, as employer; and
(ii) the Contractor, as contractor.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Contractor and its ultimate beneficial owners is an Independent Third Party.

Subject matter: The Contractor is to undertake the installation of audio visual system, consisting the Equipment for the Project, including but not limited to:

1. develop a design concept of an audio visual system that will support future setups that comply with plans provided;
2. provide shop drawings for approval;
3. coordinate with other contractors and engineers on the proper methodology and other related engineering works; and
4. mobilization and demobilization of all necessary labour, tools and equipment.

Contract sum: The contract sum payable by Suntrust to the Contractor under the Installation Agreement is PHP11,768,793.20 (equivalent to approximately HK\$1,569,000) inclusive of value added tax.

The contract sum is payable in the following manner:

- (i) 10% of the contract sum (i.e. PHP1,176,879.32 (equivalent to approximately HK\$157,000)) as down payment shall be released to the Contractor by Suntrust upon the signing of the Installation Agreement and the submission by the Contractor to Suntrust of an advance payment bond in an amount equivalent to 10% of the contract sum. As at the date of this announcement, the down payment has not yet been paid;
- (ii) 10% of the contract sum (i.e. PHP1,176,879.32 (equivalent to HK\$157,000)) shall be released to the Contractor after two months upon acceptance of the letter of award and the submission by the Contractor to Suntrust of an advance payment bond in an amount equivalent to 10% of the contract sum; and
- (iii) the balance of the contract sum shall be payable by Suntrust to the Contractor based on the progress billings of the Installation Works as certified and duly evaluated by Suntrust 45 days after submission of invoice.

The contract sum payable by Suntrust under the Installation Agreement will be financed by funds raised by Suntrust for financing the development and construction of the Project.

The contract sum payable by Suntrust under the Installation Agreement was determined after arm's length negotiation with the Contractor with reference to the estimated cost of the Installation Works, the market price for Installation Works of similar scope and nature, and tender prices of other tenderers for the Installation Works. The Installation Agreement was awarded to the Contractor as it has vast experiences as contractor for the Installation Works and its tender is the lowest amongst all tenderers for the Installation Works.

Other bonds from the Contractor:

The Contractor has to provide to Suntrust with the following surety bonds in such form and substance acceptable to Suntrust and issued by an insurance company acceptable to Suntrust which shall remain in full force and effect throughout the duration of the Installation Agreement:

- (a) a performance bond from an approved insurance company or bank acceptable to Suntrust in the sum of 15% of the contract sum (i.e. PHP1,765,318.98 (equivalent to approximately HK\$235,000)) only as security for the due performance of the Contractor's obligations under the Installation Agreement; and
- (b) a guarantee bond from an insurance company or bank acceptable to Suntrust equivalent to 5% of the contract sum or equal to PHP588,439.66 (equivalent to approximately HK\$78,500) only as security for the due performance of the Contractor's obligations under the Installation Agreement during the defects liability period.

Defects liability period:

12 months from the date of taking over by Suntrust of the Project

Completion date:

The date of the issuance of the taking over certificate by Suntrust, which is when in the opinion of Suntrust, the Contractor has achieved completion of the Installation Works, and the Installation Works are fit and ready for taking over. The target completion date is 30 June 2025.

REASONS FOR AND BENEFITS OF THE SUPPLY AGREEMENT AND THE INSTALLATION AGREEMENT

Contractors have to be appointed to carry out the Supply Works and the Installation Works. By the Supply Agreement, the Contractor was appointed as the contractor for the Supply Works. By the Installation Agreement, the Contractor was appointed as the contractor for the Installation Works.

The Directors consider that each of the Supply Agreement and the Installation Agreement are on terms fair and reasonable and in the interests of the Company and the Shareholders as a whole.

No Director is interested in the Supply Agreement and/or the Installation Agreement. None of the Directors was required to abstain from voting on the resolutions of the Board approving the Supply Agreement and the Installation Agreement.

INFORMATION OF THE CONTRACTOR

The Contractor is a company incorporated in the Philippines. The Contractor is held by Hanzhel Joseph N. Dizon (6.25%), Jose Elston Q. Yabut (8.75%), Oliver C. Yulo (8.75%), Luis D. Quintos (1%), Ricky O. Chua (0.25%) and Systech Holdings, Inc. (75%). Systech Holdings, Inc. is held by Hanzhel Joseph N. Dizon (25%), Jose Elston Q. Yabut (1%), Oliver C. Yulo (1%), Luis D. Quintos (1%), Conrado D. Gabinete Jr. (1%) and Joint Venture Holdings Inc. (71%). Joint Venture Holdings Inc. is in turn held by Oliver C. Yulo (49.60%), Jose Elston Q. Yabut (49.60%), Luis D. Quintos (0.64%), Conrado D. Gabinete Jr. (0.08%) and Michael Dennis M. Vasquez (0.08%). The Contractor and its ultimate beneficial owners are Independent Third Parties. The Contractor is principally engaged in the design, supply, installation and maintenance of audio visual systems.

INFORMATION OF SUNTRUST AND THE GROUP

Suntrust is a company incorporated in the Philippines, the shares of which are listed on the PSE. Suntrust and its subsidiaries are principally engaged in the development and operation of a 5-Star hotel and casino in the Philippines which is expected to commence operations in 2025.

The Group is principally engaged in (a) the development and operation of a 5-Star hotel and casino in the Philippines; (b) the operation of hotel and gaming business in the Integrated Entertainment Zone of the Primorye Region in the Russian Federation; and (c) property development in Niseko and Miyako Island of Japan.

LISTING RULES IMPLICATIONS

The Project is for the Group's own use in its usual course of business.

The Supply Agreement and the Installation Agreement have to be aggregated for the purpose of calculating the percentage ratios under Rule 14.22 as the counterparty to both agreements are the same entity (i.e. the Contractor). As one of the applicable percentage ratios (as defined in Rule 14.07) in respect of the Supply Agreement and the Installation Agreement in aggregate is more than 5% but less than 25%, the Supply Agreement and the Installation Agreement constitute a discloseable transaction for the Company under Chapter 14 and is subject to the announcement requirement under Chapter 14.

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

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Board”	the board of Directors
“Company”	LET Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability with its issued Shares listed on the Main Board of the Stock Exchange (stock code: 1383)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Contractor”	Systech Lighting & Controls Inc., a company incorporated in the Philippines and an Independent Third Party
“Directors”	the directors of the Company and each a “Director”
“Equipment”	the equipment to be (i) supplied and delivered and (ii) installed for the Project set out in “Supply Agreement – Subject Matter” and “Installation Agreement – Subject Matter” respectively of this announcement
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Party”	a third party independent of and not connected with the Company and any connected person of the Company and is itself not a connected person of the Company
“Installation Agreement”	the memorandum of agreement in respect of the installation of audio visual system for the Project made between the Contractor and Suntrust dated 16 July 2024
“Installation Works”	the installation of Equipment under the Installation Agreement set out in “Installation Agreement – Subject Matter” of this announcement
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“PHP”	Philippine Peso, the lawful currency of Philippines
“PRC”	the People’s Republic of China excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purposes of this announcement
“Project”	Westside City Phase 1 – Site B of a 5-Star hotel and casino erected or to be erected at the three parcels of land located at Manila Bayshore Integrated City in Paranaque City, the Philippines
“PSE”	The Philippines Stock Exchange, Inc.
“Shareholder”	the holder of any Shares
“Shares”	ordinary shares of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Suntrust”	Suntrust Resort Holdings, Inc., a company incorporated in the Philippines, the shares of which are listed on the PSE (stock code: SUN) and a 51% owned subsidiary of the Company

“Supply Agreement”	the memorandum of agreement in respect of the supply and delivery of audio visual system for the Project made between the Contractor and Suntrust dated 16 July 2024
“Supply Works”	the supply and delivery of Equipment under the Supply Agreement set out in “Supply Agreement – Subject Matter” of this announcement
“%”	per cent

Note:

- (a) When translated, each HK\$ amount stated in this announcement was translated at the exchange rate of HK\$1.0 to PHP7.5.
- (b) All references to Rules and Chapters are references to Rules and Chapters of the Listing Rules unless otherwise stated.

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

Hong Kong, 16 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.