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LET GROUP HOLDINGS LIMITED

(Formerly known as Suncity Group Holdings Limited 太陽城集團控股有限公司)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1383)

PROFIT WARNING

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

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2022, the Group is expected to record a loss attributable to Shareholders of approximately HK\$387.1 million, as compared to a profit attributable to Shareholders of HK\$251.1 million (as restated) for the six months ended 30 June 2021.

Due to the suspension of the travel related products and services business since December 2021 and the cessation of the Group’s travel related products and services and hotel and integrated resort general consultancy services businesses with effect from 1 April 2022 respectively, there was no revenue generated from these segments for the six months ended 30 June 2022. Although the Group’s overall operations are still impacted by COVID-19 and relevant social distancing and travel-related restrictions, the Group is expected to record an increase in revenue from continuing operations of approximately 31.7% for the six months ended 30 June 2022, which is mainly attributable to the increase in revenue from the operation of integrated resort in the Russian Federation.

Based on the relevant information currently available, the Board considers the loss attributable to Shareholders for the six months ended 30 June 2022 as compared to the profit attributable to Shareholders for the six months ended 30 June 2021 was mainly due to: (i) the decrease in gain on change in fair value of derivative financial instruments of approximately HK\$526.1 million during the six months ended 30 June 2022; (ii) the loss from discontinued operations of approximately HK\$52.7 million for the six months ended 30 June 2022, as compared to a profit from discontinued operations of HK\$114.4 million (as restated) for the six months ended 30 June 2021; and (iii) the impairment loss on equity loans to, loans to and amounts due from a joint venture of approximately HK\$47.3 million for the six months ended 30 June 2022.

The Company is still in the process of finalising the unaudited interim results of the Group for the six months ended 30 June 2022. The information contained in this announcement is only a preliminary assessment by the Board based on the currently available information, including the unaudited consolidated management accounts of the Group for the six months ended 30 June 2022, which have not been confirmed or reviewed by the auditor or the audit committee of the Company and may be subject to change. As such, the actual financial results of the Group for the six months ended 30 June 2022 may be different from those disclosed in this announcement. The Group's announcement on the interim results for the six months ended 30 June 2022 is expected to be announced on 29 August 2022.

Reference is made to the announcements of the Company dated 6 July 2022 (the “**3.7 Announcement**”) and 8 August 2022 in relation to the unconditional mandatory cash offers of the Company. The Company is currently in the offer period (as defined in the Takeovers Code) with respect to the Offers (as defined in the 3.7 Announcement).

Pursuant to the Takeovers Code, the profit warning included in this announcement (the “**Profit Warning**”) constitutes a profit forecast under Rule 10 of the Takeovers Code and should be reported on by the Company's financial adviser and auditors or accountants in accordance with Rule 10.4 of the Takeovers Code. In view of the requirements of timely disclosure of the Profit Warning under Rule 13.09(2) of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) of Part XIVA of the SFO, the Company has encountered genuine practical difficulties in meeting the requirements of Rule 10.4 of the Takeovers Code. Accordingly, the Profit Warning does not meet the standard required by Rule 10 of the Takeovers Code.

Under Rule 10.4 and Practice Note 2 of the Takeovers Code, if a profit forecast is made by the Company during an offer period and the forecast is published first in an announcement, it must be repeated in full, together with the reports from the Company's financial adviser and auditors on the said profit forecast, in the next document to be sent to the shareholders (the "**Shareholders' Document**"). However, as the unaudited interim results of the Group for the six months ended 30 June 2022 are expected to be published prior to the despatch of the Shareholders' Document, the requirements to report on the financial information in relation to the Profit Warning under Rule 10.4 of the Takeovers Code will no longer apply in the event that the unaudited consolidated interim results of the Group for the six months ended 30 June 2022 are published which fall within the ambit of Rule 10.9 of the Takeovers Code before the despatch of Shareholders' Document. Otherwise the said financial information in relation to the Profit Warning will be reported on in accordance with Rule 10 of the Takeovers Code and the relevant reports will be included in the Shareholders' Document.

Warnings: Shareholders and potential investors of the Company should note that the Profit Warning has not been reported on in accordance with the requirements under Rule 10 of the Takeovers Code and does not meet the standard required by Rule 10 of the Takeovers Code. Shareholders and potential investors of the Company should therefore exercise caution in placing reliance on the Profit Warning in assessing the merits and demerits of the Offers as disclosed in the 3.7 Announcement. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

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

Hong Kong, 19 August 2022

As at the date of this announcement, the executive Directors are Mr. Lo Kai Bong, Mr. Au Chung On John and Mr. Manuel Assis Da Silva; and the independent non-executive Directors are Mr. Tou Kin Chuen, Dr. Wu Kam Fun Roderick and Mr. Lo Wai Tung John.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.