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LET GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1383)

FURTHER ANNOUNCEMENT TO DISCLOSEABLE TRANSACTION DISPOSAL OF PROPERTY

Reference is made to the announcements (collectively, the “**Announcements**”) of LET Group Holdings Limited (the “**Company**”) dated 28 April 2023 and 31 July 2023, respectively, in relation to the discloseable transaction involving the disposal of the property (the “**Property**”) located at Aza-Yamada, Kutchan-cho, Abuta-gun, Hokkaido, Japan with a total land area of 220,194 square meters at the at the purchase price of US\$27 million (equivalent to approximately HK\$211.95 million). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

The Board wishes provide the following additional information in relation to the principal terms of the Sale and Purchase Agreement as set out below.

SALE AND PURCHASE AGREEMENT

Date: 31 July 2023

Parties: HONOUR CITY KABUSHIKI KAISHA as seller; and

ST MORITZ GROUP INC, as buyer

The Buyer is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding and is wholly-owned by Raymond Shao Leong Yap as a nominee of the ultimate beneficial owner of NAUTICAWT ENERGY PTE. LTD. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Buyer and its ultimate beneficial owner(s) are Independent Third Parties.

Assets to be disposed of

Subject to the terms and conditions of the Sale and Purchase Agreement, on the date of Closing (as defined below) (the “**Closing Date**”), the Seller will sell, convey and transfer to the Buyer, and the Buyer will purchase and acquire, the Property, free and clear of any and all mortgage, deed of trust, pledge, hypothecation, encumbrance, security interest, claim, charge or other lien of any kind; provided that lien shall not include any mortgage over the Property made in favor of the Buyer in connection with the First Installment and the Second Installment (collectively, the “**Deposit**”).

Purchase Price

The Purchase Price for the Property shall be US\$27 million (equivalent to approximately HK\$211.95 million) (inclusive of any applicable consumption taxes). For the avoidance of doubt, at Closing the Deposit shall be applied in full to the Purchase Price and the Buyer shall only be required to remit the remaining unpaid portion of the Purchase Price to the Seller. The Buyer shall make such payment in cash.

Deposit

In accordance with the terms of the Head of Agreements, the Seller has received the First Installment in the amount of US\$1 million (equivalent to approximately HK\$7.85 million). On the date of the Sale and Purchase Agreement, the Buyer has remitted to the Seller the Second Installment in the amount of US\$1.7 million (equivalent to approximately HK\$13.35 million).

The Buyer shall be required to pay the remaining portion of the Purchase Price, being US\$24.3 million (equivalent to approximately HK\$190.76 million), to the Seller at Closing.

Mortgage

If requested by the Buyer, the Seller shall grant a mortgage over the Property in favor of the Buyer to secure against the Seller’s obligation to refund the Second Installment in accordance with the Sale and Purchase Agreement.

Closing

Pursuant to the Sale and Purchase Agreement, subject to the satisfaction (and/or waiver by the relevant party, as applicable) of the following conditions:

- (a) each of the representations and warranties of the Seller contained in the Sale and Purchase Agreement shall be true and correct in all material respects and each of the covenants and agreements of the Seller to be performed as of or prior to the closing shall have been duly performed in all material respects;

- (b) the Seller shall have delivered to the Buyer all documents and instruments required to be delivered by the Seller pursuant to the Sale and Purchase Agreement;
- (c) each of the representations and warranties of the Buyer contained in the Sale and Purchase Agreement shall be true and correct in all material respects and each of the covenants and agreements of the Buyer to be performed as of or prior to the closing shall have been duly performed in all material respects; and
- (d) the Buyer shall have delivered to the Seller the Purchase Price (less the amount of the First Installment and the Second Installment to be applied to the Purchase Price at Closing),

the consummation of the purchase and sale of the Property (the “**Closing**”) shall take place on or prior to 31 August 2023 (or such other date as the Seller and the Buyer may mutually agree in writing or such later date as may be necessary for a party hereto to cure any event of default (other than an uncurable default) arising prior to such date); provided, however, if the Buyer is unable to close by 31 August 2023 (or any other date mutually agreed for the Closing) as a result of the internal processes of the bank providing the Buyer with financing for the purchase of the Property, the Seller and the Buyer shall negotiate in good faith an extension of such date that is reasonably sufficient to allow the Buyer to obtain such financing so long as the Buyer notifies the Seller in writing of such facts on or prior to 21 August 2023 and submits to the Seller a commitment letter setting forth the bank’s commitment to provide the necessary financing to the Buyer.

Termination

Pursuant to the Sale and Purchase Agreement, at any time prior to the Closing, the Sale and Purchase Agreement may be terminated by:

- (a) mutual written agreement of the Seller and the Buyer;
- (b) the Buyer, with prior written notice to the Seller if an event of default occurs with respect of the Seller;
- (c) the Buyer, with prior written notice to the Seller in the event of the occurrence of unrepaired damage (including damage which requires excessive costs for repair) as a result of natural disaster or other casualty or other force majeure to all or any material portion of the Property or condemnation proceedings are commenced against the Property; or
- (d) the Seller, with prior written notice to the Buyer if an event of default occurs with respect of the Buyer.

In the event that the Buyer terminates the Sale and Purchase Agreement as set out in paragraph (b) above, the Seller shall refund the full amount of the Deposit without any interest accrued thereon and the Seller shall pay to the Buyer the amount of US\$2.7 million (equivalent to approximately HK\$21.19 million) (i.e. 10% of the Purchase Price) as the Buyer's sole and exclusive remedy within three (3) business days of the date of termination by the Buyer.

In the event that the Buyer terminates the Sale and Purchase Agreement as set out in paragraph (c) above, the Seller shall refund the full amount of the Deposit without any interest accrued thereon.

In the event that the Seller terminates the Sale and Purchase Agreement as set out in paragraph (d) above, the Seller shall be entitled to keep and retain the full amount of the Deposit as the Seller's sole and exclusive remedy in accordance with the terms of the Sale and Purchase Agreement.

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

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

Hong Kong, 4 August 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.