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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)

INSIDE INFORMATION OVERDUE PROMISSORY NOTE AND CONVERTIBLE BONDS

This announcement is made by LET Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.19 and 13.09(2) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

OVERDUE PROMISSORY NOTE

A promissory note dated 28 August 2018 (as supplemented by a supplemental promissory note dated 3 July 2020) (the “**Promissory Note**”) due on 28 August 2020 was issued by the Company in favour of Star Hope Limited (“**Star Hope**”), a company wholly-owned by Mr. Chau Cheok Wa, the former chairman, executive director and controlling shareholder of the Company, in the principal amount of HK\$303,000,000 with annual interest payable thereon at the rate of 2% per annum. The maturity date of the Promissory Note was subsequently extended to 28 August 2022, or if that is not a business day, the first business day thereafter, i.e. 29 August 2022. The Promissory Note was subsequently acquired by Major Success Group Limited (“**Major Success**”), a company wholly-owned by Mr. Lo Kai Bong (“**Mr. Lo**”), the executive director and controlling shareholder of the Company, on 13 May 2022. For further details of the Promissory Note, please refer to the announcements dated 27 July 2017, 28 August 2018, 3 July 2020 and 6 July 2022 of the Company.

As at the date of this announcement, the Promissory Note remains unpaid. The non-payment constitutes an event of default (“**PN Event of Default**”) of the Promissory Note.

OVERDUE CONVERTIBLE BONDS

HK\$177,000,000 zero coupon convertible bond due on 28 August 2020, the maturity date of which was subsequently extended to 28 August 2022, or if such date is not a business day, the next business day, i.e. 29 August 2022 (“**Star Hope CB**”) was issued by the Company on 28 August 2018 to Star Hope, which are convertible into 196,666,666 shares of the Company at an initial conversion price of HK\$0.90 per conversion share (subject to adjustment in accordance with the terms of the Star Hope CB). The Star Hope CB was subsequently acquired by Major Success on 13 May 2022. For further details of the Star Hope CB, please refer to the announcements dated 27 July 2017, 28 August 2018, 3 July 2020 and 6 July 2022 of the Company.

Separate HK\$120,000,000 zero coupon convertible bond due on 28 August 2020, the maturity date of which was subsequently extended to 28 August 2022, or if such date is not a business day, the next business day, i.e. 29 August 2022 (“**Better Linkage CB**”) was issued by the Company on 28 August 2018 to Better Linkage Limited (“**Better Linkage**”), a company wholly-owned by Mr. Lo, which are convertible into 133,333,333 shares of the Company at an initial conversion price of HK\$0.90 per conversion share (subject to adjustment in accordance with the terms of the Better Linkage CB). The Better Linkage CB was subsequently acquired by Major Success on 13 May 2022. For further details of the Better Linkage CB, please refer to the announcements dated 27 July 2017, 28 August 2018, 3 July 2020 and 6 July 2022 of the Company. Star Hope CB and Better Linkage CB are collectively referred as the “**2018 Convertible Bonds**”.

As at the date of this announcement, the 2018 Convertible Bonds remain unpaid. The non-payment constitutes an event of default of the 2018 Convertible Bonds (“**CB Event of Default**”).

EVENT OF DEFAULT

The PN Event of Default and CB Event of Default have triggered a cross default in respect of another HK\$402,000,000 zero coupon convertible bond issued on 8 December 2018 and due on 7 December 2022 and convertible into 1,546,153,846 shares of the Company at an initial conversion price of HK\$0.26 per conversion share (subject to adjustment in accordance with its terms) (the “**2016 Convertible Bond**”). The 2016 Convertible Bond was subsequently acquired by Major Success on 13 May 2022. For further details of the 2016 Convertible Bond, please refer to the announcements dated 20 September 2016, 8 December 2016, 8 May 2018, 8 November 2018, 15 October 2020 and 6 July 2022 of the Company.

As at the date of this announcement, Major Success has not issued a waiver in respect of each of the PN Event of Default, CB Event of Default and the event of default under the 2016 Convertible Bond. The Company's board of directors and other members of its senior management are reviewing the current situation and is considering a range of solutions to address it, including an extension of the repayment of the Promissory Note, the 2018 Convertible Bonds and 2016 Convertible Bond, and/or waiver from Major Success. In addition, the Company is also exploring a range of other solutions, such as refinancing or assets disposal.

The Company will continue to monitor its financial position and will update its shareholders and other investors of any material development as and when appropriate.

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

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

Hong Kong, 29 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.