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## **LET GROUP HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1383)**

### **DISCLOSEABLE TRANSACTION IN RELATION TO DISPOSAL OF 100% EQUITY INTEREST IN FAITH BEST ASIA (HK) LIMITED**

#### **THE DISPOSAL**

On 26 October 2023 (after trading hours), the Vendor (being an indirect wholly-owned subsidiary of the Company) as vendor, the Purchaser as purchaser and the Company, entered into the Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire 100% equity interest in the Target Company, at the Consideration of HK\$19.95 million subject to the terms and conditions of the Sale and Purchase Agreement.

#### **LISTING RULES IMPLICATIONS**

As one or more of the relevant applicable percentage ratios in respect of the Disposal are higher than 5% but less than 25%, the Disposal constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules.

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## **THE DISPOSAL**

The principal terms of the Sale and Purchase Agreement are set out below:

Date : 26 October 2023 (after trading hours)

Parties : the Vendor as vendor;  
the Purchaser as purchaser; and  
the Company

The Purchaser is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner, Mr. Zhong, are Independent Third Parties.

### **Assets to be disposed of**

Pursuant to the Sale and Purchase Agreement, the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire 100% equity interest in the Target Company.

### **Consideration**

The Consideration for the Disposal is HK\$19.95 million. The Purchaser shall pay the Consideration to the account designated by the Vendor in cash on the Completion Date. The Consideration was agreed between the Company and the Purchaser after arm's length negotiations with reference to the net assets value of the Target Company and taking into account the time and costs involved in the dissolution of the Target Company and the depreciation trend of RMB against HK\$.

### **Tax indemnity**

Under the Sale and Purchase Agreement, the Vendor and the Company as the indemnifying parties and the Purchaser and the Target Company as the indemnified parties have entered into a deed of indemnity and guarantee upon Completion pursuant to which the Vendor and the Company agree to provide usual tax indemnity in respect of any taxation claims for which no provisions were made in the management accounts of the Target Company in favour of the Purchaser and the Target Company.

### **Completion**

Completion has taken place on the Completion Date.

Upon Completion, the Target Company has ceased to be a subsidiary of the Company and the financial results of the Target Company will no longer be consolidated into those of the Company.

## INFORMATION OF THE TARGET COMPANY

The Target Company is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company. The Target Company has no business operations as at the date of this announcement and was principally engaged in investment holding before cessation of business.

Set out below is a summary of the key financial information of the Target Company as extracted from the unaudited management accounts of the Target Company prepared in accordance with Hong Kong Financial Reporting Standards:

	For the period from 1 January 2023 to 24 October 2023		For the year ended 31 December 2022		For the year ended 31 December 2021	
	<i>RMB</i> <i>(unaudited)</i>	<i>Equivalent to</i> <i>approximately</i> <i>HK\$</i>	<i>RMB</i> <i>(audited)</i>	<i>Equivalent to</i> <i>approximately</i> <i>HK\$</i>	<i>RMB</i> <i>(audited)</i>	<i>Equivalent to</i> <i>approximately</i> <i>HK\$</i>
Revenue	–	–	–	–	–	–
Net (loss)/profit before tax	(7,810,497)	(8,357,232)	27,679,248	29,616,795	–	–
	<i>(Note 1)</i>		<i>(Note 2)</i>			
Net (loss)/profit after tax	(7,810,497)	(8,357,232)	27,679,248	29,616,795	–	–
	<i>(Note 1)</i>		<i>(Note 2)</i>			

### Notes:

- The Target Company recorded net loss of approximately RMB7.81 million during the period from 1 January 2023 to 24 October 2023 as a result of the disposal of 東陽新光太平洋實業有限公司 (Dongyang Xinguang Pacific Industrial Company Limited<sup>#</sup>) (“**Dongyang Xinguang**”) on 18 October 2023. Details of which are disclosed in the announcements of the Company dated 21 September 2023 and 19 October 2023.
- The Target Company recorded net profit of approximately RMB27.68 million for the year ended 31 December 2022 as a result of a gain from debt restructuring of current account between the Target Company and other subsidiary of the Group.

As at 24 October 2023, the unaudited net assets of the Target Company based on the unaudited management accounts of the Target Company attributable to the Group was approximately RMB19.86 million (equivalent to approximately HK\$21.25 million).

<sup>#</sup> For identification purposes only

## **FINANCIAL EFFECT OF THE DISPOSAL**

The Group is expected to record a pre-tax unaudited loss of approximately HK\$2.40 million as a result of the Disposal, which is calculated with reference to (i) the difference between the Consideration and the net assets of the Target Company attributable to the Group of approximately HK\$21.25 million before relevant expenses relating to the Disposal; and (ii) the recognition of loss in translation reserve upon the disposal of the Target Company of approximately HK\$1.10 million, which is subject to final audit to be performed by the auditor of the Company. Based on the Consideration of HK\$19.95 million, the Company is expected to receive pre-tax net proceeds after expenses of approximately HK\$19.80 million from the Disposal. The Company intends to use the net proceeds from the Disposal for the purpose of general working capital of the Group.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

The Company is an investment holding company incorporated in the Cayman Islands with limited liability. The Group is principally engaged in (i) through Suntrust Resort Holdings, Inc. and its subsidiaries, the development and operation of the Main Hotel Casino in the Philippines; (ii) through Summit Ascent Holdings Limited and its subsidiaries, the operation of the hotel and gaming business in the Integrated Entertainment Zone of the Primorye Region in Russia and property development in Japan.

Having considered that the process of dissolving the Target Company is time consuming and costly, the Directors are of the view that the Disposal would provide an opportunity for the Group to realise its investment in the Target Company and the terms of the Sale and Purchase Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As one or more of the relevant applicable percentage ratios in respect of the Disposal are higher than 5% but less than 25%, the Disposal constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the meanings set out below:

“Board”	the board of Directors
“Company”	LET Group Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1383)
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Sale and Purchase Agreement
“Completion Date”	the date of the Sale and Purchase Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the sum of HK\$19.95 million, being the consideration payable by the Purchaser to the Vendor under the Sale and Purchase Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of 100% equity interest in the Target Company pursuant to the terms and conditions of the Sale and Purchase Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) or company(ies) who/which is(are) independent of and not connected with the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Zhong”	Mr. Zhong Jianhua
“PRC”	the People’s Republic of China

“Purchaser”	Great Promise Developments Limited (美諾發展有限公司), a company incorporated in the British Virgin Islands with limited liability
“Sale and Purchase Agreement”	the sale and purchase agreement dated 26 October 2023 and entered into between the Vendor, the Purchaser and the Company in respect of the Disposal
“Share(s)”	the ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Faith Best Asia (HK) Limited (信博亞州(香港)有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company before Completion
“Vendor”	Faith Best Asia Limited (信博亞洲有限公司), a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

*For illustrative purposes only when translated, RMB was translated to HK\$ at the exchange rate of RMB1 to HK\$1.07.*

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

Hong Kong, 26 October 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.*