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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

**If you have sold or transferred** all your shares in LET Group Holdings Limited, you should at once hand this circular with the accompanying form of proxy to the purchaser or transferee or to the bank manager, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**LET GROUP HOLDINGS LIMITED**

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

**(Stock Code: 1383)**

**MAJOR TRANSACTIONS:**

**AGREEMENTS (EE BLACK) AND AGREEMENTS (MDCC)  
IN RESPECT OF THE PROJECT**

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Capitalised terms used in this cover page have the same meanings as those defined in “Definitions” in this circular.

25 September 2024

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## DEFINITIONS

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*In this circular, unless otherwise stated:*

- (a) All references to times and dates are references to Hong Kong time.*
- (b) All references to Rules and Chapters are references to Rules and Chapters of the Listing Rules.*
- (c) When translated, each HK\$ amount stated in this circular was translated at the exchange rate of HK\$1.0 to PHP7.5.*
- (d) The following expressions have the following meanings:*

“Agreements (EE Black)”	collectively, the Design Agreement (EE Black), the SD Agreement (EE Black) and the Installation Agreement (EE Black)
“Agreements (MDCC)”	collectively, the Fit Out Agreement (MDCC) and the Fit Out Agreements Supplemental (MDCC)
“Board”	the board of Directors
“Company”	LET Group Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1383)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Contract Sum (Design-EE Black)”	PHP1,500,000 (equivalent to approximately HK\$200,000), being the contract sum payable by Suntrust to the Contractor (EE Black) under the Design Agreement (EE Black)
“Contract Sum (Installation-EE Black)”	PHP180,347,137.56 (equivalent to approximately HK\$24,046,000), being the contract sum payable by Suntrust to the Contractor (EE Black) under the Installation Agreement (EE Black)
“Contract Sum (MDCC)”	PHP425,575,100 (equivalent to approximately HK\$56,743,000), being the contract sum payable by Suntrust to the Contractor (MDCC) under the Fit Out Agreement (MDCC)
“Contract Sum (SD-EE Black)”	PHP719,405,733.11 (equivalent to approximately HK\$95,921,000), being the contract sum payable by Suntrust to the Contractor (EE Black) under the SD Agreement (EE Black)

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## DEFINITIONS

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“Contract Sum Additional (Installation-MDCC)”	PHP65,659,049.08 (equivalent to approximately HK\$8,755,000), being the contract sum payable by Suntrust to the Contractor (MDCC) under the Fit Out Agreement Supplemental (Installation-MDCC)
“Contract Sum Additional (SD-MDCC)”	PHP430,993,341.57 (equivalent to approximately HK\$57,466,000), being the contract sum payable by Suntrust to the Contractor (MDCC) under the Fit Out Agreement Supplemental (SD-MDCC)
“Contractor (EE Black)”	E.E. Black Ltd., a foreign company incorporated in Hawaii, U.S. and conducts business in the Philippines and an Independent Third Party
“Contractor (MDCC)”	Multi Development and Construction Corporation, a company incorporated in the Philippines and an Independent Third Party
“Controlling Shareholder”	Major Success Group Limited, a company incorporated in the British Virgin Islands and a controlling shareholder of the Company
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Design Agreement (EE Black)”	the Letter of Award in respect of the design and development works dated 1 February 2024 issued by Suntrust to the Contractor (EE Black) and accepted and confirmed by the Contractor (EE Black) in relation to the Design Works (EE Black)
“Design Works (EE Black)”	the design development works for the fit out works for Area 8 Hotel Guestrooms (Tower 2) of the Project set out in “Letter from the Board – Design Agreement (EE Black) – Subject Matter” of this circular
“Directors”	the directors of the Company and a “ <b>Director</b> ” has the corresponding meaning
“Fit Out Agreement (MDCC)”	the Letter of Award to the Fit Out Agreement (MDCC) dated 15 August 2023 issued by Suntrust to the Contractor (MDCC) and accepted and confirmed by the Contractor (MDCC) in relation to the Fit Out Works (MDCC) as supplemented by the Fit Out Agreements Supplemental (MDCC)
“Fit Out Agreement Supplemental (Installation-MDCC)”	the supplemental agreement to the Fit Out Agreement (MDCC) dated 15 August 2024 made between Suntrust and the Contractor (MDCC) in relation to the installation of the Fit Out Works Additional (Installation-MDCC)

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## DEFINITIONS

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“Fit Out Agreement Supplemental (SD-MDCC)”	the supplemental agreement to the Fit Out Agreement (MDCC) dated 15 August 2024 made between Suntrust and the Contractor (MDCC) in relation to the supply and delivery of commercial construction materials in respect of the Fit Out Works Additional (SD-MDCC)
“Fit Out Agreements Supplemental (MDCC)”	collectively, the Fit Out Agreement Supplemental (SD-MDCC) and the Fit Out Agreement Supplemental (Installation-MDCC)
“Fit Out Works (MDCC)”	the fit out works set out in “Letter from the Board – Fit Out Agreement (MDCC) – Subject Matter” of this circular
“Fit Out Works Additional (Installation-MDCC)”	the installation of the fit out works set out in “Letter from the Board – Fit Out Agreement Supplemental (Installation-MDCC) – Subject Matter” of this circular
“Fit Out Works Additional (SD-MDCC)”	the supply and delivery of commercial construction materials in respect of the fit out works set out in “Letter from the Board – Fit Out Agreement Supplemental (SD-MDCC) – Subject Matter” of this circular
“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 (EE Black)”	the Letter of Award in respect of the installation of commercial construction materials dated 15 August 2024 issued by Suntrust to the Contractor (EE Black) and accepted and confirmed by the Contractor (EE Black) in relation to the Installation Works (EE Black)
“Installation Works (EE Black)”	the installation of commercial construction materials for Casino and VIP Gaming (Front of House and 3 Food and Beverage’s GF to L1) of the Project set out in “Letter from the Board – Installation Agreement (EE Black) – Subject Matter” of this circular
“Latest Practicable Date”	19 September 2024, being the latest practicable date prior to the publication of this circular for the purpose of ascertaining certain information contained in this circular

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## DEFINITIONS

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“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Lo”	Mr. Lo Kai Bong, an executive Director and the chairman of the Board
“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 circular
“Project”	Westside City Phase 1 – Site B of a 5-Star hotel and casino (“ <b>Main Hotel Casino</b> ”) erected or to be erected at the three parcels of land located at Manila Bayshore Integrated City in Paranaque City, the Philippines
“Project Manager”	Arcadis Philippines, Inc., the project manager appointed by Suntrust to act for and carry out the duties assigned to it under the Agreements (EE Black) and the Agreements (MDCC) on behalf of Suntrust
“PSE”	The Philippines Stock Exchange, Inc.
“Resumption Guidance”	the resumption guidance required to be met by the Company for the resumption of trading of the Shares on the Main Board of the Stock Exchange set out by the Stock Exchange in its two letters dated 5 April 2024 and 16 May 2024, respectively as announced in the announcements of the Company dated 8 April 2024 and 17 May 2024, respectively
“SD Agreement (EE Black)”	the Letter of Award in respect of the supply and delivery of commercial construction materials dated 15 August 2024 issued by Suntrust to the Contractor (EE Black) and accepted and confirmed by the Contractor (EE Black) in relation to the SD Works (EE Black)
“SD Works (EE Black)”	the supply and delivery of commercial construction materials for Casino and VIP Gaming (Front of House and 3 Food and Beverage’s GF to L1) of the Project set out in “Letter from the Board – SD Agreement (EE Black) – Subject Matter” of this circular
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder”	the holder of any Share or Shares

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## DEFINITIONS

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“Shares”	ordinary shares of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Summit Ascent”	Summit Ascent Holdings Limited, a company incorporated in Bermuda with limited liability, the ordinary shares of which are listed on the Main Board of the Stock Exchange (stock code: 102) and an indirect 69.66% non-wholly owned subsidiary of the Company
“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
“U.S.”	the United States of America
“Works”	collectively, the Design Works (EE Black), the SD Works (EE Black), the Installation Works (EE Black), the Fit Out Works (MDCC), the Fit Out Works Additional (Installation-MDCC) and the Fit Out Works Additional (SD-MDCC)
“%”	per cent

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# LETTER FROM THE BOARD

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## **LET GROUP HOLDINGS LIMITED**

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

**(Stock Code: 1383)**

*Executive Director:*

Mr. Lo Kai Bong (*Chairman*)

*Independent non-executive Directors:*

Mr. Tou Kin Chuen

Mr. Lo Wai Tung John

Mr. Kwok Kai Bun Bennie

*Principal place of business*

*in Hong Kong:*

Unit 1705, 17/F., West Tower

Shun Tak Centre

168-200 Connaught Road Central

Hong Kong

25 September 2024

*To the Shareholders*

Dear Sir or Madam,

### **MAJOR TRANSACTIONS:**

#### **AGREEMENTS (EE BLACK) AND AGREEMENTS (MDCC) IN RESPECT OF THE PROJECT**

#### **INTRODUCTION**

Reference is made to the announcement of the Company dated 15 August 2024 on, among other matters, the Agreements (EE Black) and the Agreements (MDCC) in respect of the Project.

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## LETTER FROM THE BOARD

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The Agreements (EE Black) and the Agreements (MDCC) have been approved by way of written approval of the Controlling Shareholder. The Stock Exchange has granted waivers to despatch this circular beyond the 15-business day timeline as that required under Rule 14.41(a) on or before 25 September 2024. Accordingly, no extraordinary general meeting of the Company will be convened for the purpose of approving the transactions contemplated under the Agreements (EE Black) and the Agreements (MDCC) as major transactions.

The purpose of this circular is to provide you for information purposes only with, among other matters, (i) further details of the Agreements (EE Black) and the Agreements (MDCC); and (ii) certain financial and other information of the Group, all as required to be included in this circular under the Listing Rules.

### **AGREEMENTS (EE BLACK) AND AGREEMENTS (MDCC)**

#### **Agreements (EE Black)**

By the Design Agreement (EE Black), Suntrust appointed the Contractor (EE Black) as the contractor to undertake the Design Works (EE Black) of the Project. By the SD Agreement (EE Black), Suntrust appointed the Contractor (EE Black) as the contractor to undertake the SD Works (EE Black) of the Project. By the Installation Agreement (EE Black), Suntrust appointed the Contractor (EE Black) as the contractor to undertake the Installation Works (EE Black) of the Project.

#### **Agreements (MDCC)**

By the Fit Out Agreement (MDCC) (as revised and supplemented by the Fit Out Agreements Supplemental (MDCC)), Suntrust appointed the Contractor (MDCC) as the contractor to undertake the Fit Out Works (MDCC), the Fit Out Works Additional (SD-MDCC) and the Fit Out Works Additional (Installation-MDCC) of the Project.

The Fit Out Agreements Supplemental (MDCC) revised and supplemented the Fit Out Agreement (MDCC) by including additional works to be done by the Contractor (MDCC) and the corresponding additional contract sum payable to the Contractor (MDCC), while leaving all other terms of the Fit Out Agreement (MDCC) unchanged. Details of the specific additional works and the corresponding additional contract sum payable are set out in “Letter from the Board – Fit Out Agreement Supplemental (SD-MDCC) – Subject Matter, Contract Sum Additional (SD-MDCC)” and “Letter from the Board – Fit Out Agreement Supplemental (Installation-MDCC) – Subject Matter, Contract Sum Additional (Installation-MDCC)” of this circular.

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## LETTER FROM THE BOARD

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The dates, parties and terms of the Agreements (EE Black) and Agreements (MDCC) are set out below.

### **AGREEMENTS (EE BLACK)**

#### **Design Agreement (EE Black)**

**Date:** 1 February 2024

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

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

**Subject matter:** The Contractor (EE Black) is to undertake the design development works for the fit out works for Area 8 Hotel Guestrooms (Tower 2) of the Project, including but not limited to:

1. Provide design input and production for certain units on Level 8 and room types in Hotel Guestrooms (Tower 2); and
2. Conducting site survey and as-built examination as necessary to complete the construction drawings.

**Contract Sum (Design-EE Black):** The contract sum payable by Suntrust to the Contractor (EE Black) under the Design Agreement (EE Black) is PHP1,500,000 (equivalent to approximately HK\$200,000).

The Contract Sum (Design-EE Black) is inclusive of value added tax and other necessary duties, fees and taxes and all costs necessary for the proper execution of the Design Works (EE Black).

The Contract Sum (Design-EE Black) is payable within thirty (30) days of receiving the Contractor (EE Black)'s application in the following manner, subject to adjustment as may be determined by Suntrust (contingent on progress billings, substantiation, and actual progress, as completed):

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## LETTER FROM THE BOARD

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- (i) PHP150,000 (equivalent to approximately HK\$20,000) equivalent to 10% of the Contract Sum (Design-EE Black) (“**1st 10% Payment (Design-EE Black)**”) upon completion of schematic design. As at the Latest Practicable Date, the 1st 10% Payment (Design-EE Black) has not yet been paid;
- (ii) PHP450,000 (equivalent to approximately HK\$60,000) equivalent to 30% of the Contract Sum (Design-EE Black) (“**2nd 30% Payment (Design-EE Black)**”) upon completion of design development. As at the Latest Practicable Date, the 2nd 30% Payment (Design-EE Black) has not yet been paid; and
- (iii) PHP900,000 (equivalent to approximately HK\$120,000), being the 60% balance of the Contract Sum (Design-EE Black) (“**60% Balance (Design-EE Black)**”), shall be paid by Suntrust to the Contractor (EE Black) upon completion of construction drawings. As at the Latest Practicable Date, the 60% Balance (Design-EE Black) has not yet been paid.

The Contract Sum (Design-EE Black) payable by Suntrust under the Design Agreement (EE Black) will be financed by bank borrowings already raised by Suntrust for financing the development and construction of the Project.

The Contract Sum (Design-EE Black) was determined after arm’s length negotiation with the Contractor (EE Black) with reference to the estimated cost of the Design Works (EE Black), the market price for Design Works (EE Black) of similar scope and nature, and tender prices of other tenderers for the Design Works (EE Black). The Design Agreement (EE Black) was awarded to the Contractor (EE Black) as it has vast experiences as contractor for the Design Works (EE Black) and its tender is the lowest amongst all tenderers for the Design Works (EE Black).

### **SD Agreement (EE Black)**

**Date:** 15 August 2024

**Parties:**

- (i) Suntrust, as employer; and
- (ii) the Contractor (EE Black), as contractor.

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## LETTER FROM THE BOARD

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

**Subject matter:**

The Contractor (EE Black) is to undertake the supply and delivery of commercial construction materials for Casino and VIP Gaming (Front of House and 3 Food and Beverage's GF to L1) of the Project, including but not limited to:

1. Floor, wall and ceiling system
2. Millwork and joinery
3. Wood doors and ironmongery
4. Stone and other finishes
5. Glass
6. Waterproofing
7. Access panels
8. Sanitary fittings

**Conditions Precedent:**

The SD Agreement (EE Black) and the transactions contemplated thereunder are subject to the obtaining of the necessary approval from the Shareholders in accordance with the Listing Rules.

**Contract Sum (SD-EE Black):**

The contract sum payable by Suntrust to the Contractor (EE Black) under the SD Agreement (EE Black) is PHP719,405,733.11 (equivalent to approximately HK\$95,921,000).

The Contract Sum (SD-EE Black) is inclusive of value added tax and other necessary duties, fees and taxes and all costs necessary for the proper execution of the SD Works (EE Black).

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## LETTER FROM THE BOARD

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The Contract Sum (SD-EE Black) is payable in the following manner:

- (i) PHP46,999,010.28 (equivalent to approximately HK\$6,267,000) equivalent to 10% of the Contract Sum (SD-EE Black), excluding a provisional sum of PHP249,415,630.29 (equivalent to approximately HK\$33,255,000) (“**Provisional Sum (SD-EE Black)**”), as advance payment (“**1st 10% Payment (SD-EE Black)**”) shall be released to the Contractor (EE Black) by Suntrust following the issuance by the Contractor (EE Black) of its conformity and signed acceptance of the SD Agreement (EE Black) and return to Suntrust and the submission by the Contractor (EE Black) to Suntrust of an advance payment bond in an amount same as the 1st 10% Payment (SD-EE Black) and the 2nd 10% Payment (SD-EE Black) (as defined below) from an approved insurance company or bank acceptable to Suntrust. As at the Latest Practicable Date, the 1st 10% Payment (SD-EE Black) has not yet been paid;
- (ii) PHP46,999,010.28 (equivalent to approximately HK\$6,267,000) equivalent to 10% of the Contract Sum (SD-EE Black), excluding the Provisional Sum (SD-EE Black), as advance payment (“**2nd 10% Payment (SD-EE Black)**”) shall be released to the Contractor (EE Black) by Suntrust after two (2) months from the issuance by the Contractor (EE Black) of its conformity and signed acceptance of the SD Agreement (EE Black) and return to Suntrust. As at the Latest Practicable Date, the 2nd 10% Payment (SD-EE Black) has not yet been paid; and
- (iii) the balance of the Contract Sum (SD-EE Black) shall be paid by Suntrust to the Contractor (EE Black) on a progress basis commensurate with the progress of the SD Works (EE Black). Suntrust shall within 28 days effect payment of the amount set out in the interim certificate as may be issued by the Contractor (EE Black),

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## LETTER FROM THE BOARD

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Provided that credit shall be given to the PHP100,000,000 payment (equivalent to approximately HK\$13,333,000) to be paid by Suntrust to the Contractor (EE Black) for works done under a temporary works order dated 15 May 2024 (“**Temporary Works Order**”) for, among others, providing preliminary works to support site progress and facilitate inspections, implementing mock-ups and benchmarks, and managing the ordering and installation of materials, for Casino and VIP Gaming (Front of House and 3 Food and Beverage’s GF to L1) prior to the SD Agreement (EE Black). As at the Latest Practicable Date, a deposit of PHP20,456,172 (equivalent to approximately HK\$2,727,000) under the Temporary Works Order has been paid. Any payment made under the Temporary Works Order shall be a set-off and considered to be partial payment of the Contract Sum (SD-EE Black). The remaining balance under the Temporary Works Order shall be paid in accordance with the payment manner mentioned in “Contract Sum (SD-EE Black) (iii)” above in this circular.

The Contract Sum (SD-EE Black) payable by Suntrust under the SD Agreement (EE Black) will be financed by bank borrowings already raised by Suntrust for financing the development and construction of the Project.

The Contract Sum (SD-EE Black) was determined after arm’s length negotiation with the Contractor (EE Black) with reference to the estimated cost of the SD Works (EE Black), the market price for SD Works (EE Black) of similar scope and nature, and tender prices of other tenderers for the SD Works (EE Black). The SD Agreement (EE Black) was awarded to the Contractor (EE Black) as it has vast experiences as contractor for the SD Works (EE Black) and its tender is the lowest amongst all tenderers for the SD Works (EE Black).

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## LETTER FROM THE BOARD

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**Other bonds from the Contractor  
(EE Black):**

Apart from the advance payment bond mentioned in “Contract Sum (SD-EE Black) (i)” above in this circular for the 1st 10% Payment (SD-EE Black) and the 2nd 10% Payment (SD- EE Black), the Contractor (EE Black) has to provide Suntrust with the following:

- (a) a performance bond from an approved insurance company or bank acceptable to Suntrust in the sum of 15% of the Contract Sum (SD-EE Black), excluding the Provisional Sum (SD-EE Black), equal to PHP70,498,515 (equivalent to approximately HK\$9,400,000) as security for the due performance of the Contractor (EE Black)’s obligations under the SD Agreement (EE Black) and related contracts; and
- (b) a guarantee bond from an approved insurance company or bank acceptable to Suntrust equivalent to 5% of the Contract Sum (SD-EE Black), excluding the Provisional Sum (SD-EE Black), equal to PHP23,499,505 (equivalent to approximately HK\$3,133,000) as security for the due performance of the Contractor (EE Black)’s obligations under the SD Agreement (EE Black) and related contracts during the defects liability period.

**Defects liability period:**

One year from the date stated in the taking over certificate of the SD Works (EE Black) up to the date stated in the certificate of completion of making good defects.

**Installation Agreement (EE Black)**

**Date:**

15 August 2024

**Parties:**

- (i) Suntrust, as employer; and
- (ii) the Contractor (EE Black), as contractor.

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

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## LETTER FROM THE BOARD

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**Subject matter:**

The Contractor (EE Black) is to undertake the installation of commercial construction materials for Casino and VIP Gaming (Front of House and 3 Food and Beverage's GF to L1) of the Project, including but not limited to:

1. Floor, wall and ceiling system
2. Millwork and joinery
3. Wood doors and ironmongery
4. Stone and other finishes
5. Glass
6. Waterproofing
7. Access panels
8. Sanitary fittings

**Conditions Precedent:**

The Installation Agreement (EE Black) and the transactions contemplated thereunder are subject to the obtaining of the necessary approval from the Shareholders in accordance with the Listing Rules.

**Contract Sum (Installation-EE Black):**

The contract sum payable by Suntrust to the Contractor (EE Black) under the Installation Agreement (EE Black) is PHP180,347,137.56 (equivalent to approximately HK\$24,046,000).

The Contract Sum (Installation-EE Black) is inclusive of value added tax and other necessary duties, fees and taxes and all costs necessary for the proper execution of the Installation Works (EE Black).

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## LETTER FROM THE BOARD

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The Contract Sum (Installation-EE Black) is payable in the following manner:

- (i) 10% of the Contract Sum (Installation-EE Black) (i.e. PHP18,034,713.76 (equivalent to approximately HK\$2,405,000)) as advance payment (“**1st 10% Payment (Installation-EE Black)**”) shall be released to the Contractor (EE Black) by Suntrust following the issuance by the Contractor (EE Black) of its conformity and signed acceptance of the Installation Agreement (EE Black) and return to Suntrust and the submission by the Contractor (EE Black) to Suntrust of an advance payment bond in an amount same as the 1st 10% Payment (Installation-EE Black) and the 2nd 10% Payment (Installation-EE Black) (as defined below) from an approved insurance company or bank acceptable to Suntrust. As at the Latest Practicable Date, the 1st 10% Payment (Installation-EE Black) has not yet been paid;
- (ii) 10% of the Contract Sum (Installation-EE Black) (i.e. PHP18,034,713.76 (equivalent to approximately HK\$2,405,000)) as advance payment (“**2nd 10% Payment (Installation-EE Black)**”) shall be released to the Contractor (EE Black) by Suntrust after two (2) months from the issuance by the Contractor (EE Black) of its conformity and signed acceptance of the Installation Agreement (EE Black) and return to Suntrust. As at the Latest Practicable Date, the 2nd 10% Payment (Installation-EE Black) has not yet been paid; and
- (iii) the balance of the Contract Sum (Installation-EE Black) shall be paid by Suntrust to the Contractor (EE Black) on a progress basis commensurate with the progress of the Installation Works (EE Black). Suntrust shall within 28 days effect payment of the amount set out in the interim certificate as may be issued by the Contractor (EE Black).

The Contract Sum (Installation-EE Black) payable by Suntrust under the Installation Agreement (EE Black) will be financed by bank borrowings already raised by Suntrust for financing the development and construction of the Project.

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## LETTER FROM THE BOARD

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The Contract Sum (Installation-EE Black) was determined after arm's length negotiation with the Contractor (EE Black) with reference to the estimated cost of the Installation Works (EE Black), the market price for Installation Works (EE Black) of similar scope and nature, and tender prices of other tenderers for the Installation Works (EE Black). The Installation Agreement (EE Black) was awarded to the Contractor (EE Black) as it has vast experiences as contractor for the Installation Works (EE Black) and its tender is the lowest amongst all tenderers for the Installation Works (EE Black).

**Other bonds from the Contractor (EE Black):**

Apart from the advance payment bond mentioned in "Contract Sum (Installation-EE Black) (i)" above in this circular for the 1st 10% Payment (Installation-EE Black) and the 2nd 10% Payment (Installation-EE Black), the Contractor (EE Black) has to provide Suntrust with the following:

- (a) a performance bond from an approved insurance company or bank acceptable to Suntrust in the sum of 15% of the Contract Sum (Installation-EE Black) equal to PHP27,052,070.63 (equivalent to approximately HK\$3,607,000) as security for the due performance of the Contractor (EE Black)'s obligations under the Installation Agreement (EE Black) and related contracts; and
- (b) a guarantee bond from an approved insurance company or bank acceptable to Suntrust equivalent to 5% of the Contract Sum (Installation-EE Black) equal to PHP9,017,356.88 (equivalent to approximately HK\$1,202,000) as security for the due performance of the Contractor (EE Black)'s obligations under the Installation Agreement (EE Black) and related contracts during the defects liability period.

**Defects liability period:**

One year from the date stated in the taking over certificate of the Installation Works (EE Black) up to the date stated in the certificate of completion of making good defects.

**AGREEMENTS (MDCC)**

**Fit Out Agreement (MDCC)**

**Date:** 15 August 2023

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## LETTER FROM THE BOARD

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**Parties:**

- (i) Suntrust, as employer; and
- (ii) the Contractor (MDCC), as contractor.

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

**Subject matter:**

The Contractor (MDCC) is to undertake the fit out works of Area 2 Podium Public Area – the Main Lobby Atrium from Ground Floor to Level 2 of the Project, including but not limited to the supply and installation of the following:

1. Partition Wall and Interior Glazing;
2. Doors, Ironmongery and Glass Doors;
3. Ceiling, Wall and Floor Finishes;
4. Built-in Furniture; and
5. Waterproofing.

**Contract Sum (MDCC):**

The contract sum payable by Suntrust to the Contractor (MDCC) under the Fit Out Agreement (MDCC) is PHP425,575,100 (equivalent to approximately HK\$56,743,000).

The Contract Sum (MDCC) is inclusive of value added tax and other necessary duties, fees and taxes and all costs necessary for the proper execution of the Fit Out Works (MDCC).

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## LETTER FROM THE BOARD

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The Contract Sum (MDCC) is payable in the following manner:

- (i) PHP42,557,510 (equivalent to approximately HK\$5,674,300) equivalent to 10% of the Contract Sum (MDCC) as advance payment (“**1st 10% Payment (MDCC)**”) shall be released to the Contractor (MDCC) by Suntrust following the issuance by the Contractor (MDCC) of its conformity and signed acceptance of the Fit Out Agreement (MDCC) and return to Suntrust and the submission by the Contractor (MDCC) to Suntrust of an advance payment bond in an amount same as the 1st 10% Payment (MDCC) and the 2nd 10% Payment (MDCC) (as defined below) from an approved insurance company or bank acceptable to Suntrust. As at the Latest Practicable Date, the 1st 10% Payment (MDCC) has been paid;
- (ii) PHP42,557,510 (equivalent to approximately HK\$5,674,300) equivalent to 10% of the Contract Sum (MDCC) as advance payment (“**2nd 10% Payment (MDCC)**”) shall be released to the Contractor (MDCC) by Suntrust after two (2) months from the issuance by the Contractor (MDCC) of its conformity and signed acceptance of the Fit Out Agreement (MDCC) and return to Suntrust. As at the Latest Practicable Date, the 2nd 10% Payment (MDCC) has been paid; and
- (iii) the balance of the Contract Sum (MDCC) shall be paid by Suntrust to the Contractor (MDCC) on a progress basis commensurate with the progress of the Fit Out Works (MDCC). Suntrust shall within 28 days effect payment of the amount set out in the interim certificate as may be issued by the Contractor (MDCC).

The Contract Sum (MDCC) payable by Suntrust under the Fit Out Agreement (MDCC) was and will be financed by bank borrowings already raised by Suntrust for financing the development and construction of the Project.

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## LETTER FROM THE BOARD

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The Contract Sum (MDCC) was determined after arm's length negotiation with the Contractor (MDCC) with reference to the estimated cost of the Fit Out Works (MDCC), the market price for Fit Out Works (MDCC) of similar scope and nature, and tender prices of other tenderers for the Fit Out Works (MDCC). The Fit Out Agreement (MDCC) was awarded to the Contractor (MDCC) as it has vast experiences as contractor for the Fit Out Works (MDCC) and its tender is the lowest amongst all tenderers for the Fit Out Works (MDCC).

**Other bonds from the Contractor (MDCC):**

Apart from the advance payment bond mentioned in "Contract Sum (MDCC)" above in this circular for the 1st 10% Payment (MDCC) and the 2nd 10% Payment (MDCC), the Contractor (MDCC) has to provide Suntrust with the following:

- (a) a performance bond from an approved insurance company or bank acceptable to Suntrust in equivalent to 15% of the Contract Sum (MDCC) equal to PHP63,836,265 (equivalent to approximately HK\$8,512,000) as security for the due performance of the Contractor (MDCC)'s obligations under the Fit Out Agreement (MDCC); and
- (b) a guarantee bond from an approved insurance company or bank acceptable to Suntrust in equivalent to 5% of Contract Sum (MDCC) equal to PHP21,278,755 (equivalent to approximately HK\$2,837,000) as security for the due performance of the Contractor (MDCC)'s obligations under the Fit Out Agreement (MDCC) during the defects liability period.

**Defects liability period:**

One year from the date stated in the taking over certificate of the Fit Out Works (MDCC) up to the date stated in the certificate of completion of making good defects.

**Fit Out Agreement Supplemental (SD-MDCC)**

**Date:** 15 August 2024

**Parties:**

- (i) Suntrust, as employer; and
- (ii) the Contractor (MDCC), as contractor.

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## LETTER FROM THE BOARD

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**Subject matter:**

The Contractor (MDCC) as contractor is to undertake the supply and delivery of commercial construction materials in respect of the following additional fit out works (“**Fit Out Works Additional (SD-MDCC)**”) of Area 2 Podium Public Area – the Main Lobby Atrium from Ground Floor to Level 2 of the Project, including but not limited to:

1. Demising walls of hotel towers;
2. Security vestibule;
3. Passenger lifts;
4. VIP and VVIP lobby;
5. Casino back of the house; and
6. Meetings, incentives, conferences and events.

**Contract Sum Additional (SD-MDCC):**

The contract sum payable by Suntrust to Contractor (MDCC) under the Fit Out Agreement Supplemental (SD-MDCC) shall consist of a fixed price lump sum of PHP178,706,414.95 (“**Fixed Price Lump Sum (SD-MDCC)**”) and a provisional sum of PHP252,286,926.62 (“**Provisional Sum (SD-MDCC)**”), with an aggregate amount of PHP430,993,341.57 (equivalent to approximately HK\$57,466,000).

The Contract Sum Additional (SD-MDCC) is inclusive of expanded value added tax and subject to deduction for the applicable withholding tax, and other necessary duties, fees and taxes.

The Contract Sum Additional (SD-MDCC) is payable in the following manner:

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## LETTER FROM THE BOARD

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- (i) advance payment for 20% of the Fixed Price Lump Sum (SD-MDCC) shall be released to the Contractor (MDCC) by Suntrust in the same manner as the payment of the 1st 10% Payment (MDCC) and the 2nd 10% Payment (MDCC);

Set out below is the payment manner for illustrative purpose:

- (a) PHP17,870,641.50 (equivalent to approximately HK\$2,383,000) equivalent to 10% of the Fixed Price Lump Sum (SD-MDCC) as advance payment (“**1st 10% Payment (FPLS SD-MDCC)**”) shall be released to the Contractor (MDCC) by Suntrust following the issuance by the Contractor (MDCC) of its conformity and signed acceptance of the Fit Out Agreement Supplemental (SD-MDCC) and return to Suntrust and the submission by the Contractor (MDCC) to Suntrust of an advance payment bond in an amount same as the 1st 10% Payment (FPLS SD-MDCC) and the 2nd 10% Payment (FPLS SD-MDCC) (as defined below) from an approved insurance company or bank acceptable to Suntrust. As at the Latest Practicable Date, the 1st 10% Payment (FPLS SD-MDCC) has not yet been paid;
- (b) PHP17,870,641.50 (equivalent to approximately HK\$2,383,000) equivalent to 10% of the Fixed Price Lump Sum (SD-MDCC) as advance payment (“**2nd 10% Payment (FPLS SD-MDCC)**”) shall be released to the Contractor (MDCC) by Suntrust after two (2) months from the issuance by the Contractor (MDCC) of its conformity and signed acceptance of the Fit Out Agreement Supplemental (SD-MDCC) and return to Suntrust. As at the Latest Practicable Date, the 2nd 10% Payment (FPLS SD-MDCC) has not yet been paid;

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## LETTER FROM THE BOARD

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- (ii) advance payment for 20% of the Provisional Sum (SD-MDCC) shall be released to the Contractor (MDCC) by Suntrust following the issuance of the Project Manager's instruction regarding the expenditure of the Provisional Sum (SD-MDCC) and in the same manner as the payment of the 1st 10% Payment (MDCC) and the 2nd 10% Payment (MDCC); and

Set out below is the payment manner for illustrative purpose:

- (a) PHP25,228,692.66 (equivalent to approximately HK\$3,364,000) equivalent to 10% of the Provisional Sum (SD-MDCC) as advance payment ("**1st 10% Payment (Provisional SD-MDCC)**") shall be released to the Contractor (MDCC) by Suntrust following the issuance by the Contractor (MDCC) of its conformity and signed acceptance of the Fit Out Agreement Supplemental (SD-MDCC) and return to Suntrust and the submission by the Contractor (MDCC) to Suntrust of an advance payment bond in an amount same as the 1st 10% Payment (Provisional SD-MDCC) and the 2nd 10% Payment (Provisional SD-MDCC) (as defined below) from an approved insurance company or bank acceptable to Suntrust. As at the Latest Practicable Date, the 1st 10% Payment (Provisional SD-MDCC) has not yet been paid;
- (b) PHP25,228,692.66 (equivalent to approximately HK\$3,364,000) equivalent to 10% of the Provisional Sum (SD-MDCC) as advance payment ("**2nd 10% Payment (Provisional SD-MDCC)**") shall be released to the Contractor (MDCC) by Suntrust after two (2) months from the issuance by the Contractor (MDCC) of its conformity and signed acceptance of the Fit Out Agreement Supplemental (SD-MDCC) and return to Suntrust. As at the Latest Practicable Date, the 2nd 10% Payment (Provisional SD-MDCC) has not yet been paid;

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## LETTER FROM THE BOARD

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- (iii) the balance of the Contract Sum Additional (SD-MDCC) shall be paid by Suntrust to the Contractor (MDCC) on a progress basis commensurate with the progress of the Fit Out Works Additional (SD-MDCC). Suntrust shall within 28 days effect payment of the amount set out in the interim certificate as may be issued by the Contractor (MDCC).

The Contract Sum Additional (SD-MDCC) payable by Suntrust under the Fit Out Agreement Supplemental (SD-MDCC) will be financed by bank borrowings already raised by Suntrust for financing the development and construction of the Project.

The Contract Sum Additional (SD-MDCC) payable by Suntrust under the Fit Out Agreement Supplemental (SD-MDCC) was determined after arm's length negotiation with Contractor (MDCC) with reference to the estimated cost of the Fit Out Works Additional (SD-MDCC) and the market price for the Fit Out Works Additional (SD-MDCC) of similar scope and nature.

The advance payments, although not based on progress of the Fit Out Works Additional (SD-MDCC), are standard practice for contracts similar to the Fit Out Agreement Supplemental (SD-MDCC) in the Philippines. Contractors typically require such advance payments to initiate the agreed-upon works and for mobilisation of related preparatory expenses. The Directors are of the view that these payments are fair and reasonable and in the interests of the Shareholders.

**Condition Precedent:**

The Fit Out Agreement Supplemental (SD-MDCC) is conditional on the obtaining of the necessary approval of the Shareholders to the Fit Out Agreement (MDCC) (as revised and supplemented by the Fit Out Agreements Supplemental (MDCC)) and the transactions contemplated under thereunder in accordance with the Listing Rules.

**Fit Out Agreement Supplemental (Installation-MDCC)**

**Date:** 15 August 2024

**Parties:**

- (i) Suntrust, as employer; and
- (ii) the Contractor (MDCC), as contractor.

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## LETTER FROM THE BOARD

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**Subject matter:**

The Contractor (MDCC) as contractor is to undertake the installation of the following additional fit out works (“**Fit Out Works Additional (Installation-MDCC)**”) of Area 2 Podium Public Area – the Main Lobby Atrium from Ground Floor to Level 2 of the Project, including but not limited to:

1. Demising walls of hotel towers
2. Security vestibule
3. Passenger lifts
4. Casino back of the house
5. Meetings, incentives, conferences and events

**Contract Sum Additional (Installation-MDCC):**

The contract sum payable by Suntrust to Contractor (MDCC) under the Fit Out Agreement Supplemental (Installation-MDCC) shall consist of a fixed price lump sum of PHP65,659,049.08 (equivalent to approximately HK\$8,755,000).

The Contract Sum Additional (Installation-MDCC) is inclusive of expanded value added tax and subject to deduction for the applicable withholding tax, and other necessary duties, fees and taxes.

The Contract Sum Additional (Installation-MDCC) is payable in the following manner:

- (i) PHP6,565,904.90 (equivalent to approximately HK\$875,000) equivalent to 10% of the Contract Sum Additional (Installation-MDCC) as advance payment (“**1st 10% Payment (Installation-MDCC)**”) shall be released to the Contractor (MDCC) by Suntrust following the issuance by the Contractor (MDCC) of its conformity and signed acceptance of the Fit Out Agreement Supplemental (Installation-MDCC) and return to Suntrust and the submission by the Contractor (MDCC) to Suntrust of an advance payment bond in an amount same as the 1st 10% Payment (Installation-MDCC) and the 2nd 10% Payment (Installation-MDCC) (as defined below) from an approved insurance company or bank acceptable to Suntrust. As at the Latest Practicable Date, the 1st 10% Payment (Installation-MDCC) has not yet been paid;

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## LETTER FROM THE BOARD

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- (ii) PHP6,565,904.90 (equivalent to approximately HK\$875,000) equivalent to 10% of the Contract Sum Additional (Installation-MDCC) as advance payment (“**2nd 10% Payment (Installation-MDCC)**”) shall be released to the Contractor (MDCC) by Suntrust after two (2) months from the issuance by the Contractor (MDCC) of its conformity and signed acceptance of the Fit Out Agreement Supplemental (Installation-MDCC) and return to Suntrust. As at the Latest Practicable Date, the 2nd 10% Payment (Installation-MDCC) has not yet been paid; and
- (iii) the balance of the Contract Sum Additional (Installation-MDCC) shall be paid by Suntrust to the Contractor (MDCC) on a progress basis commensurate with the progress of the Fit Out Works Additional (Installation-MDCC). Suntrust shall within 28 days effect payment of the amount set out in the interim certificate as may be issued by the Contractor (MDCC).

The Contract Sum Additional (Installation-MDCC) payable by Suntrust under the Fit Out Agreement Supplemental (Installation-MDCC) will be financed by bank borrowings already raised by Suntrust for financing the development and construction of the Project.

The Contract Sum Additional (Installation-MDCC) payable by Suntrust under the Fit Out Agreement Supplemental (Installation-MDCC) was determined after arm’s length negotiation with Contractor (MDCC) with reference to the estimated cost of the Fit Out Works Additional (Installation-MDCC) and the market price for the Fit Out Works Additional (Installation-MDCC) of similar scope and nature.

The advance payments, although not based on progress of the Fit Out Works Additional (Installation-MDCC), are standard practice for contracts similar to the Fit Out Agreement Supplemental (Installation-MDCC) in the Philippines. Contractors typically require such advance payments to initiate the agreed-upon works and for mobilisation of related preparatory expenses. The Directors are of the view that these payments are fair and reasonable and in the interests of the Shareholders.

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## LETTER FROM THE BOARD

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**Condition Precedent:**

The Fit Out Agreement Supplemental (Installation-MDCC) is conditional on the obtaining of the necessary approval of the Shareholders to the Fit Out Agreement (MDCC) (as revised and supplemented by the Fit Out Agreements Supplemental (MDCC)) and the transactions contemplated under thereunder in accordance with the Listing Rules.

**EVALUATION OF CONTRACT SUM**

The Group's evaluation of contract sums submitted by multiple contractors involves:

**Market Comparison and Cost Estimation**

- **Market Trend:** Market information on material costs, equipment costs, manpower costs and price trend, are provided by external cost consultant.
- **Budgeted Costs (Cost Estimation):** Based on the internal assessment and external data, factoring the size of the works and design of the Project, budgeted cost (cost estimation) for a particular work is determined and prepared jointly by the internal quantity surveyor team and external consultants against which tender prices (contract sums) from contractors are to be compared.

**Pricing Evaluation and Benchmarking**

- The selection and evaluation will also factor the experience and qualifications, technical approach, and schedule adherence of the tenderers/contractors by the internal Project team and external consultants for assessment of suitability among the tenderers/contractors.
- The tender prices (contract sums) from contractors are assessed and compared with the budgeted costs (costs estimation) for reasonableness by the internal Project team and external consultants.

**Final Approval**

Project team evaluates the tender(s) based on the pricing evaluation and benchmarking as mentioned above and makes recommendation to the Project director and the management team of Suntrust for final approval before awarding the contract to the tender/contractor.

**JUSTIFICATION FOR ADVANCE PAYMENTS PAYABLE UNDER THE AGREEMENTS (EE BLACK) AND THE AGREEMENTS (MDCC)**

Set out below are the justifications for the advance payments payable under the Agreements (EE Black) and the Agreements (MDCC) outside progress payments which the Directors considered fair and reasonable and in the interests of the Shareholders:

**Mobilization Costs**

- Contractors often incur significant expenses to secure mobilization of critical resources/services before work commencement, including equipment, materials, temporary structures, licensing, insurance, initial labour costs and the like.

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## LETTER FROM THE BOARD

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- Advance payments can incentivize contractors to begin work promptly, potentially accelerating the Project timeline and achieving early opening of the Main Hotel Casino.

### **Long Lead-Time Materials**

- The Project requires materials with long lead-time for manufacturing and delivery.
- Advance payments of these materials will secure their timely arrival and minimizing Project delays.

### **Incentivize the Contractors**

- The contractors require cash flow to cover initial project expenses. Lack of initial cash flow potentially hinder their ability to undertake the work effectively and smoothly.
- The advance payments enable Suntrust to engage the specific contractor with niche expertise or with a strong track record. The advance payments also act as an incentive for the contractors to achieve early completion of the Project.

### **Risk Management**

- Advance payments reduce contractor's financial risks, potentially lowering overall project costs by minimizing risks of contractor's default.

### **Seasonal Consideration**

- The Philippines has limited construction seasons. The advance payments allow for off-season preparation and planning.

The interests of the Shareholders are served as the above factors demonstrates prudent financial management, mitigates risks and allows Suntrust to execute its strategic plans effectively and within the Project timeline.

### **ADVANCE PAYMENT BONDS AND PERFORMANCE BONDS**

The advance payment bonds and performance bonds mentioned in "Letter from the Board – SD Agreement (EE Black) – Contract Sum (SD-EE Black), Other bonds from the Contractor (EE Black)", "Letter from the Board – Installation Agreement (EE Black) – Contract Sum (Installation-EE Black), Other bonds from the Contractor (EE Black)", "Letter from the Board – Fit Out Agreement (MDCC) – Contract Sum (MDCC), Other bonds from the Contractor (MDCC)", "Letter from the Board – Fit Out Agreement Supplemental (SD-MDCC) – Contract Sum Additional (SD-MDCC)" and, "Letter from the Board – Fit Out Agreement Supplemental (Installation-MDCC) – Contract Sum Additional (Installation-MDCC)" above in this circular have been provided by the Contractor (EE Black) or as the case may be, the Contractor (MDCC).

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## **LETTER FROM THE BOARD**

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The advance payment bonds are to indemnify Suntrust in case of default, delay or failure by the Contractor (EE Black) or as the case may be, the Contractor (MDCC). The advance payment bonds are callable by Suntrust in the event the Contractor (EE Black) or as the case may be, the Contractor (MDCC) fails to perform its agreed-upon work under the relevant Agreements (EE Black) or as the case may be, the Agreements (MDCC).

The performance bonds are to indemnify Suntrust for the actual loss it may suffer as a consequence of the default, delay or failure by the Contractor (EE Black) or as the case may be, the Contractor (MDCC) to perform its obligations under the relevant Agreements (EE Black) or as the case may be, the Agreements (MDCC). The bonds are callable on demand by Suntrust in the event that the Contractor (EE Black) or as the case may be, the Contractor (MDCC) fails to perform its obligations in the relevant Agreements (EE Black) or as the case may be, the Agreements (MDCC) upon proof by Suntrust of the actual loss or damage it suffered or sustained.

### **FINANCIAL EFFECTS OF THE AGREEMENTS (EE BLACK) AND THE AGREEMENTS (MDCC)**

Following the completion of the Works, the property, plant and equipment of the Group are expected to be increased by approximately PHP1,821,980,361.32 (equivalent to approximately HK\$242,931,000) representing the aggregate of the Contract Sum (Design-EE Black), the Contract Sum (SD-EE Black), the Contract Sum (Installation-EE Black), the Contract Sum (MDCC), the Contract Sum Additional (SD-MDCC) and the Contract Sum Additional (Installation-MDCC) payable by the Group. The increase in property, plant and equipment will be offset by the decrease in the bank balances and cash of the Group of approximately PHP1,821,980,361.32 (equivalent to approximately HK\$242,931,000). As a result, the net asset value of the Group is expected to have no significant changes.

The Company does not expect the completion of the Works will have any material impact on the Group's earnings immediately after their completion. The commencement of the operation of the Project is expected to have a positive impact on the Group's earnings in the long run.

### **INFORMATION OF THE CONTRACTORS**

The Contractor (EE Black) is a foreign company incorporated in Hawaii, U.S. and conducts business in the Philippines. The Contractor (EE Black) is held by Tutor Perini Corporation, the shares of which are listed on the New York Stock Exchange (NYSE: TPC) in the U.S. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Contractor (EE Black) and its ultimate beneficial owners are Independent Third Parties. The Contractor (EE Black) is primarily engaged in civil, structural, architectural, mechanical, electrical, plumbing, multi-disciplined engineering and management, general contracting and design-build services.

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## **LETTER FROM THE BOARD**

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The Contractor (MDCC) is a company incorporated in the Philippines. The Contractor (MDCC) is held by Ma. Isabel A. Calma (81.00%), Pablito L. Calma (16.99%), Juan Carlo Pablo A. Calma (1.00%), Jose Paolo Gregorio A. Calma (1.00%) and Nestor C. Angeles (0.01%). To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Contractor (MDCC) and its ultimate beneficial owners are Independent Third Parties. The Contractor (MDCC) is primarily engaged in interior design fit out engineering, procurement and construction (EPC) services, marine leisure services, parametric real estate developments, material engineering innovations, and multi-disciplined design and construction.

### **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.

### **REASONS FOR AND BENEFITS OF THE AGREEMENTS (EE BLACK) AND THE AGREEMENTS (MDCC)**

Suntrust has been appointed as the sole and exclusive operator and manager of the Main Hotel Casino. Construction and development of the Main Hotel Casino in the Philippines are underway and progressing as planned. Various contractors are being appointed to facilitate the opening of the Main Hotel Casino, targeted for 2025. The Works are essential for the completion of the Project and revenue contribution from Suntrust is expected upon the completion of the Project.

Contractor has to be appointed to carry out the Design Works (EE Black), the SD Works (EE Black) and the Installation Works (EE Black). By the Agreements (EE Black), the Contractor (EE Black) was appointed as the contractor for the Design Works (EE Black), the SD Works (EE Black) and the Installation Works (EE Black). With about 60 years of experience in the industry, the Contractor (EE Black) has vast experiences as contractor for the Design Works (EE Black), the SD Works (EE Black) and the Installation Works (EE Black), and has completed similar works for certain leading hotels and resorts in the Philippines. The Directors anticipate that such a proven track record, experiences and expertise could be leveraged to deliver a high-quality outcome for the Project that aligns with their standards and expectations and therefore have selected the Contractor (EE Black).

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## LETTER FROM THE BOARD

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Contractor has to be appointed to carry out the Fit Out Works (MDCC), the Fit Out Works Additional (SD-MDCC) and the Fit Out Works Additional (Installation-MDCC). By the Agreements (MDCC), the Contractor (MDCC) was appointed as the contractor for the Fit Out Works (MDCC), the Fit Out Works Additional (SD-MDCC) and the Fit Out Works Additional (Installation-MDCC). With over 40 years of experience in the industry, the Contractor (MDCC) has vast experiences as contractor for the Fit Out Works (MDCC), the Fit Out Works Additional (SD-MDCC) and the Fit Out Works Additional (Installation-MDCC), and has completed similar works for certain leading hotels and resorts in the Philippines. The Directors anticipate that such a proven track record, experiences and expertise could be leveraged to deliver a high-quality outcome for the Project that aligns with their standards and expectations and therefore have selected the Contractor (MDCC).

The Directors consider that the Agreements (EE Black) and the Agreements (MDCC) are on terms fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors would recommend Shareholders to vote in favour of the relevant resolutions put to vote at a general meeting of the Company if a general meeting were required to be convened to approve the transactions contemplated under the Agreements (EE Black) and the Agreements (MDCC).

No Director is interested in the Agreements (EE Black) and/or the Agreements (MDCC). None of the Directors was required to abstain from voting on the resolutions of the Board approving the Agreements (EE Black) and the Agreements (MDCC).

### **LISTING RULES IMPLICATIONS**

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

#### **The Agreements (EE Black)**

The applicable percentage ratios (as defined in Rule 14.07) in respect of the Design Agreement (EE Black) alone are less than 5% and does not constitute discloseable transaction for the Company under Chapter 14 and is not subject to the announcement, circular and Shareholders' approval requirements under Chapter 14.

The Agreements (EE Black) have to be aggregated for the purpose of calculating the percentage ratios under Rule 14.22 as the counterparty to the Design Agreement (EE Black), the SD Agreement (EE Black) and the Installation Agreement (EE Black) is the same entity, i.e. the Contractor (EE Black). As one of the applicable percentage ratios (as defined in Rule 14.07) in respect of the Agreements (EE Black) is more than 25% but all relevant percentage ratios are less than 100%, the Agreements (EE Black) constitute a major transaction for the Company under Chapter 14 and is subject to the announcement, circular and Shareholders' approval requirements under Chapter 14.

#### **The Agreements (MDCC)**

The applicable percentage ratios (as defined in Rule 14.07) in respect of the Fit Out Agreement (MDCC) alone are less than 5% and does not constitute discloseable transaction for the Company under Chapter 14 and is not subject to the announcement, circular and Shareholders' approval requirements under Chapter 14.

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## LETTER FROM THE BOARD

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As one of the applicable percentage ratios (as defined in Rule 14.07) in respect of the Fit Out Agreement (MDCC) (as revised and supplemented by the Fit Out Agreements Supplemental (MDCC)) is more than 25% but all relevant percentage ratios are less than 100%, the Fit Out Agreement (MDCC) (as revised and supplemented by the Fit Out Agreements Supplemental (MDCC)) constitute a major transaction for the Company under Chapter 14 and is subject to the announcement, circular and Shareholders' approval requirements under Chapter 14.

### **Written approval by the Controlling Shareholder**

Under Rule 14.44 of the Listing Rules, Shareholders' approval for a major transaction may be obtained by way of written shareholders' approval in lieu of holding a general meeting if (a) no shareholder is required to abstain from voting if the issuer were to convene a general meeting for the approval of the transaction; and (b) the written shareholders' approval has been obtained from a shareholder or a closely allied group of shareholders (as defined under the Listing Rules) who together hold more than 50% of the voting rights at that general meeting to approve the transaction.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders or any of their respective close associates have any material interest in the transactions contemplated under the Agreements (EE Black) and the Agreements (MDCC), and therefore none of them is required to abstain from voting if the Company were to convene a general meeting for the approval of the transactions contemplated under the Agreements (EE Black) and the Agreements (MDCC). As such, written shareholders' approval may be accepted in lieu of holding a general meeting pursuant to Rule 14.44(2) of the Listing Rules.

On 15 August 2024, the Controlling Shareholder, a controlling shareholder of the Company holding 4,999,694,857 Shares, representing approximately 72.07% of the issued share capital of the Company as at such date, had given its written approval on the transactions contemplated under the Agreements (EE Black) and the Agreements (MDCC). As at the Latest Practicable Date, the Controlling Shareholder was wholly-owned by Mr. Lo, an executive Director and the chairman of the Board. Application has been made by the Company to the Stock Exchange for and the Stock Exchange has on 22 August 2024 granted a waiver from strict compliance with Rule 14.41(a) to despatch this circular within 15 business days as that required under that Rule to on or before 23 September 2024 as time is required by the Company to gather the information required to be included in this circular, including, among others, the statement of indebtedness and the statement of working capital sufficiency. Given additional time is required for the Company to finalise certain information required for inclusion in this circular and to arrange for its bulk printing and despatch, the date of despatch of this circular has been postponed from 23 September 2024 to on or before 25 September 2024. The Company has applied for and the Stock Exchange has on 20 September 2024 granted a waiver to despatch this circular on or before 25 September 2024. Accordingly, no extraordinary general meeting of the Company will be convened for the purpose of approving the transactions contemplated under the Agreements (EE Black) and the Agreements (MDCC) as major transactions.

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## LETTER FROM THE BOARD

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### 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 the Resumption Guidance, (ii) remedied the issues causing its trading suspension and (iii) fully complied with the Listing Rules to the satisfaction of the Stock Exchange.

### FURTHER INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,  
By order of the Board  
**LET Group Holdings Limited**  
**Lo Kai Bong**  
*Chairman*

**1. FINANCIAL SUMMARY**

Details of the unaudited consolidated financial information of the Group for the six months ended 30 June 2023 and the audited consolidated financial information of the Group for the years ended 31 December 2020, 2021 and 2022 are disclosed in the following documents which have been published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company (<http://www.letgroupholdings.com>).

- (i) The unaudited financial information of the Group for the six months ended 30 June 2023 is disclosed in the interim report of the Company for the six months ended 30 June 2023 published on 29 September 2023, from pages 36 to 107;

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0929/2023092900630.pdf>

- (ii) The audited financial information of the Group for the year ended 31 December 2022 is disclosed in the annual report of the Company for the year ended 31 December 2022 published on 27 April 2023, from pages 104 to 278;

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0427/2023042704730.pdf>

- (iii) The audited financial information of the Group for the year ended 31 December 2021 is disclosed in the annual report of the Company for the year ended 31 December 2021 published on 28 April 2022, from pages 105 to 296;

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0428/2022042801713.pdf>

- (iv) The audited financial information of the Group for the year ended 31 December 2020 is disclosed in the annual report of the Company for the year ended 31 December 2020 published on 28 April 2021, from pages 134 to 376;

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0428/2021042802298.pdf>

**2. STATEMENT OF INDEBTEDNESS**

As at 31 July 2024, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the Group had the following aggregate outstanding indebtedness:

	<b>Secured</b> <i>HK\$'000</i>	<b>Unsecured</b> <i>HK\$'000</i>	<b>Total</b> <i>HK\$'000</i>
Carrying amount of bank borrowings	1,400,684	–	1,400,684
Carrying amount of other borrowings	137,500	–	137,500
Principal amount of loans from non-controlling shareholders of a subsidiary	–	91,007	91,007
Principal amount of loan from a joint venture	–	68,788	68,788
Principal amount of loan from immediate holding company	–	46,871	46,871
Carrying amount of interest payables of loan from immediate holding company	–	3,008	3,008
Principal amount of convertible bond	–	23,436	23,436
Lease liabilities	11,360	898,641	910,001
	<u>1,549,544</u>	<u>1,131,751</u>	<u>2,681,295</u>
Principal amount of perpetual securities issued	<u>–</u>	<u>5,396,000</u>	<u>5,396,000</u>
Proposed distributions arose from the perpetual securities issued	<u>–</u>	<u>1,055,977</u>	<u>1,055,977</u>

As at 31 July 2024, except for the bank borrowings of approximately HK\$1,400,684,000 were guaranteed by Mr. Lo, all of the above indebtedness was unguaranteed.

**Pledged assets**

As at 31 July 2024, the indirect equity interest of approximately 34% in Hoi An South Development Limited (“**HASD**”), a subsidiary of LET’s joint venture, were pledged to a bank for the facilities granted to HASD.

As at 31 July 2024, the indirect equity interest of approximately 68% in Hoi An South Investment Pte. Limited, the immediate holding company of HASD, was pledged to certain independent lenders for loans granted to Gold Yield Enterprises Limited (a 50% owned joint venture of the Group), and the approximately 66% equity interest of HASD were pledged to certain lenders for loans granted to HASD.

As at 31 July 2024, the bank borrowings of approximately HK\$1,400,684,000 were secured by i) all assets of Suntrust and material contracts entered into by Suntrust in relation to the construction of the Main Hotel Casino; ii) certain shares of a subsidiary of the Company; and iii) a first charge and an assignment over all present and future convertible bonds issued or to be issued by Suntrust to certain members of the Group.

As at 31 July 2024, the other borrowings of HK\$137,500,000 were secured by certain shares of subsidiaries; and debentures incorporating first fixed charges and first floating charges over certain undertaking, property and assets of the Group.

### **Contingent liabilities**

On 30 June 2021, pursuant to the sale and purchase agreement in relation to the disposal of Access Achievement Limited (“**Access Achievement**”) and a deed of indemnity entered into by the Company, the purchaser and Access Achievement, the Company will indemnify the purchaser against certain tax, litigation and contingent liabilities which, except for litigation liabilities, in aggregate cannot exceed the sum of (i) the consideration of the disposal of Access Achievement amounting to RMB155,290,000 (equivalent to approximately HK\$167,104,000); and (ii) the principal amount of the loan receivable by Shenzhen Sky Alliance Property Company Limited amounting to RMB519,249,000 (equivalent to approximately HK\$558,753,000), in the aggregate amount of RMB674,539,000 (equivalent to approximately HK\$725,857,000). In this regard, approximately RMB20,481,000 (equivalent to approximately HK\$22,039,000) was recorded as provision for indemnity included in “other payables” in the consolidated financial statements as at 31 July 2024.

As at 31 July 2024, save for the above, the Group did not have any other contingent liabilities.

### **General**

Save as aforesaid and apart from intra-group liabilities and normal trade payables arising in the ordinary course of business, the Group did not have any debt securities, issued and outstanding, and authorised or otherwise created but unissued, any other outstanding loan capital, any other borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptance (other than normal trade bills), mortgages and charges, acceptance credits, hire purchase commitments, other contingent liabilities or guarantees outstanding as at 31 July 2024.

**3. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2022 (being the date to which the latest published audited consolidated financial statements of the Company were made up) save the following:

- (a) As detailed in the announcements of the Company dated 26 August 2024 and 28 August 2024, regarding the preliminary review of the Group's latest unaudited consolidated management accounts for the six months ended 30 June 2024, the Group is expected to record a loss attributable to Shareholders of approximately HK\$74.9 million for the six months ended 30 June 2024 as compared to the profit attributable to Shareholders of approximately HK\$450.6 million for the corresponding period in 2023;
- (b) as detailed in the announcement of the Company dated 28 March 2024, the Group is expected to record a reduction in loss for the year ended 31 December 2023 as compared to the loss of approximately HK\$408.8 million for the year ended 31 December 2022 attributable to Shareholders; and
- (c) as detailed in the annual report of the Company for the year ended 31 December 2022, the Group recorded a loss attributable to Shareholders of approximately HK\$408.8 million for the year ended 31 December 2022.

**4. SUFFICIENCY OF WORKING CAPITAL**

As at 31 July 2024, the Group's total borrowings comprising bank and other borrowings, loans from an immediate holding company and non-controlling shareholders of a subsidiary, convertible bonds and lease liabilities amounted to approximately HK\$2,681 million.

The Directors have reviewed the Group's cash flow projections which cover a period of not less than twelve months from the date of this circular. After taking into account the existing banking facility, the fund raising plan of Suntrust, the plan of disposal of non-core assets of the Group, alignment in drawdown of the banking facility for the construction of Main Hotel Casino, the existing cash and bank balances and the internal resources, the Directors are of the opinion that the Group will not have sufficient working capital for its present requirements principally to support the construction of the Main Hotel Casino in the coming twelve months from the date of this circular unless upon successful implementation of the following measures which will generate adequate financing and operating cash inflows for the Group.

In the case of the measures could not be implemented, the construction progress of the Main Hotel Casino would be delay and which the Directors are of the opinion that the impact of the working capital sufficiency forecast will be minimal.

- (i) Suntrust will continue to fulfil the conditions of fund infusion requirement stated in the bank loan agreement and draw down of approximately HK\$1,960,000,000 under the banking facility by installments during the working capital forecast period and explore other debts and/or equity financings to satisfy the funding need for the construction and development of the Main Hotel Casino in the next twelve months from the date of this circular.

- (ii) Suntrust will raise gross proceed of approximately HK\$1,463,000,000 to be received from the potential investor(s) for the new fund infusion to Suntrust for the construction of the Main Hotel Casino during the working capital forecast period.
- (iii) The Group is negotiating for the disposal of non-core assets of the Group including but not limited to the land parcels in Japan, and assumed that total net sale proceeds of approximately HK\$441,274,000 will be received by the Group and/or its subsidiaries, the total net proceeds will be used for the repayment of other borrowings with principal amount of HK\$137,500,000 and the accrued interest thereon, and financing the construction of Main Hotel Casino.
- (iv) The Group assumed the banking facility that can be arranged to drawdown to align with the funding needs and timely completion of the Main Hotel Casino during the working capital forecast period.

Notwithstanding the above, significant uncertainties exist as to whether the Group can achieve the plans and measures described above. The sufficiency of the Group's working capital to satisfy its present requirements for at least the next twelve months for the construction of the Main Hotel Casino from the date of this circular is highly dependent on Group's ability to generate adequate financing cash flows through continuous drawdown of the financing from the banking facility, fund raising plan of Suntrust, the plan of disposal of non-core assets of the Group, alignment in drawdown of the banking facility for the construction of Main Hotel Casino is accepted by the bank in the next twelve months from the date of this circular.

## **5. FINANCIAL AND TRADING PROSPECT OF THE GROUP**

The Group continued to engage in (i) property development in Japan; (ii) through Suntrust and its subsidiaries, the development and operation of an integrated resort in the Philippines; and (iii) through Summit Ascent and its subsidiaries, the operation of the hotel and gaming business in the Integrated Entertainment Zone of the Primorye Region in the Russian Federation (“**Russia**”).

Summit Ascent is a 69.66% subsidiary of the Group and it has an indirect controlling interest of 77.5% in an integrated resort named “Tigre de Cristal” in the Russian Far East. Phase I of Tigre de Cristal has commenced operation since 2015 and is comprised of gaming area with about 30 VIP gaming tables, 35 mass gaming tables and 330 electronic gaming machines and a 121-room 5-star hotel with food and beverage and retail outlets. During the period between 2020 and June 2022, the gaming and hotel operation of Tigre de Cristal was adversely affected by COVID-19 pandemic. Additionally, since late February 2022, there has been significant escalation in the Russia-Ukraine conflict. Consequent to or in connection with such escalation, the United States (the “US”), the European Union and their allies have imposed an unprecedented range of export controls on Russia and sanctions against Russia and its citizens and former citizens and their companies, which aim at weakening its ability to finance the special military operation including, but not limited to, the removal of major Russian banks from the messaging system operated by the Society for Worldwide Interbank Financial Telecommunication (or SWIFT). A number of large global corporations have voluntarily suspended their operations in Russia. Withdrawal of foreign direct investment has been identified as potentially one of the most devastating consequences of sanctions for the Russian economy. Several governments have also banned Russian aircraft from their airspace and have issued travel advisories calling on their nationals to avoid travel to Russia. The Russian government responded with a reciprocal ban against these countries. The escalation in the Russia-Ukraine conflict has a negative effect on the motivation and choices for international tourists to freely travel into and out of the Russian Federation, which affects Tigre de Cristal’s customer base. More recently, sanctions have been imposed against Russia (and other Russian or related entities and/or individuals) by the governments of (among other countries) the US and certain Western countries. These sanctions have become more stringent, and also apply to enterprises established or operated in Russia, such as G1 Entertainment. The risks arising therefrom include the ongoing Russia-Ukraine military conflict, sanction risks, supply chain risks, prohibition of fund transfer risks, lack of international tourism, currency risks (including decline, not only by banks of the US or Western countries but also banks of the People’s Republic of China, to provide payment or remittance services to Russian enterprises) and human resources risks, including the risk of foreign travel or recruitment restrictions which would impact on the Group’s ability to manage or monitor Tigre de Cristal’s operation. Any escalation of political or operational risks faced by Tigre de Cristal may also have a domino effect on other businesses of the Company. As at the Latest Practicable Date, there is no indication on when the military conflict and the related sanctions will end.

The Group owns 100% of MSRDC Corporation Limited, which held a plot of land with a total site area of 108,799 sq.m. located on Miyako Island, Okinawa, Japan.

The Group owns 100% of Honour City Limited, which held the land parcels with a total site area of 220,194 sq.m. in Niseko, Hokkaido, Japan.

Suntrust is a 51% owned subsidiary of the Group. Pursuant to the operations and management/services agreement dated 4 May 2020 entered into between Westside City Resorts World Inc. as appointer and Suntrust as appointee in relation to the appointment of Suntrust as the sole and exclusive operator and manager to operate and manage the Main Hotel Casino as contemplated under the co-development agreement dated 28 October 2019 (as the same is supplemented and amended from time to time), Suntrust will be the sole and exclusive operator and manager of the Main Hotel Casino (i.e. the Project). Construction and development of the Main Hotel Casino in the Philippines are underway and progressing as planned. Various contractors have been appointed as detailed in the Company's announcements dated 14 May 2024, 16 May 2024, 17 May 2024, 12 July 2024, 16 July 2024 and 15 August 2024 up to the Latest Practicable Date. Additional contractors are expected to be appointed in due course to facilitate the anticipated opening of the Main Hotel Casino in 2025.

The Group will be focusing on the construction, development and operation of the Main Hotel Casino and other than Suntrust, the Group is considering to dispose of its other assets to facilitate the operation of the Main Hotel Casino.

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DISCLOSURE OF INTERESTS

### Directors' and chief executives' interests in the Company or its associated corporations

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to (i) Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors or chief executives of the Company were taken or deemed to have under such provisions of the SFO); (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by the Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Listing Rules, were as follows:

#### (i) Long positions in the Shares and/or the underlying Shares of the Company

Name of Director	Capacity/ nature of interest	Number of Shares held	Number of underlying Shares held under equity derivatives	Percentage of the issued share capital of the Company (Note 3)
Mr. Lo	Interest of controlled corporation	4,999,694,857 (Note 1)	–	72.07%
	Beneficial owner	10,580,000	40,000,000 (Note 2)	0.73%

- These Shares are held by Major Success Group Limited ("Major Success"). Major Success is wholly-owned by Mr. Lo, who is also a director of Major Success. By virtue of Part XV of the SFO, Mr. Lo is taken to be interested in all these Shares in which Major Success is interested. As at the Latest Practicable Date, the entire 130,000 shares of Major Success in issue and 4,999,694,857 Shares held by Major Success were charged in favour of a security agent as security for a syndicate of loan advanced to Mr. Lo.

2. Mr. Lo is interested in 40,000,000 share options at an exercise price of HK\$0.455 per Share to subscribe for Shares.
3. The percentage has been calculated based on a total number of 6,936,972,746 Shares in issue as at the Latest Practicable Date.

**(ii) Long position in the shares and/or the underlying shares of the Company's associated corporations**

Name of associated corporation	Name of Director	Capacity/ nature of interest	Number of shares of the Company's associated corporation held	Percentage
				of the issued share capital of the Company's associated corporation (Note 3)
Summit Ascent	Mr. Lo	Interest of controlled corporation	3,146,533,811 (Note 1)	69.78%
		Beneficial owner	968,000	0.02%
Major Success	Mr. Lo	Beneficial owner	130,000 (Note 2)	100%

*Notes:*

1. These shares were held by controlled corporations of Mr. Lo, of which (a) 123,255,000 shares by the Company (in which Mr. Lo has a controlling interest of 72.22%, of which 72.07% was held through Major Success, and 0.15% was held by Mr. Lo); (b) 3,018,306,811 shares by Victor Sky Holdings Limited, which is 100% owned by the Company; (c) 520,000 shares by Better Linkage Limited, a company wholly owned by Mr. Lo; and (d) 4,452,000 shares by Ever Smart Capital Limited, a company wholly-owned by Better Linkage Limited. By virtue of Part XV of the SFO, Mr. Lo is taken to be interested in all these shares of Summit Ascent in which these companies are interested.
2. Major Success is the holding company of the Company. As at the Latest Practicable Date, the entire issued share capital of Major Success comprising 130,000 shares were charged by Major Success in favour of Wooco Secretarial Services Limited as security agent on 21 March 2023 as security for a syndicate of loan advanced to Mr. Lo.
3. The percentage has been calculated based on a total number of 4,509,444,590 shares of Summit Ascent in issue as at the Latest Practicable Date.

#### 4. COMPETING INTEREST

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors nor any of their close associates had interest in any business apart from the Group's business which competed or would likely to compete, either directly or indirectly, with the businesses of the Group.

## 5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any existing or proposed service contract with the any member of the Group which was not determinable by the relevant member of the Group within one year without payment of compensation (other than statutory compensation).

## 6. DIRECTORS' INTERESTS IN ASSETS, CONTRACTS OR ARRANGEMENT

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to any business of the Group.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets which had been since 31 December 2022 (being the date to which the latest published audited consolidated financial statements of the Company were made up) acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

## 7. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by members of the Group within the two years immediately preceding the date of this circular and are, or may be, material:

- (1) a supplemental agreement dated 30 April 2024 entered into between Suntrust and Summit Ascent Investments Limited (“**SA Investments**”) extending the long stop date of the New CB Subscription Agreement (as defined in paragraph (11) below) from 5:00 p.m. on 30 April 2024 to 5:00 p.m. on 30 April 2025;
- (2) an agreement dated 15 January 2024 entered into by Oriental Regent Limited (a member of the Group) as seller and Limited Liability Company “Dalnevostochnyj Aktiv” as buyer in relation to the sale and purchase of the entire issued share capital of G1 Entertainment Limited Liability Company at a consideration of US\$116,000,000;
- (3) a sale and purchase agreement dated 26 October 2023 entered into between Faith Best Asia Limited (信博亞洲有限公司) (“**Faith Best**”) (an indirect wholly-owned subsidiary of the Company), as vendor, Great Promise Developments Limited (美諾發展有限公司) (“**Great Promise**”), as purchaser and the Company, pursuant to which Faith Best conditionally agreed to sell, and Great Promise conditionally agreed to acquire 100% equity interest in Faith Best Asia (HK) Limited (信博亞州(香港)有限公司) at a consideration of HK\$19.95 million;
- (4) a second amendment agreement dated 29 September 2023 entered into between Honour City and Moritz Group amending the Hokkaido Lands Sale Agreement which amendments are detailed in the announcement of the Company dated 29 September 2023 (as capitalised terms used in this paragraph are as defined in paragraph (16) below);

- (5) an amendment agreement dated 25 September 2023 entered into between Honour City and Moritz Group amending the Hokkaido Lands Sale Agreement which amendments are detailed in the announcement of the Company dated 25 September 2023 (as capitalised terms used in this paragraph are as defined in paragraph (16) below);
- (6) a sale and purchase agreement dated 21 September 2023 entered into between Faith Best Asia (HK) Limited (“**Faith Best (HK)**”) (an indirect wholly-owned subsidiary of the Company), as seller and 浙江旺匯商業管理有限責任公司 (transliterated as Zhejiang Wanghui Business Management Company Limited for identification purpose only) (“**Zhejiang Wanghui**”), as buyer, pursuant to which Faith Best (HK) conditionally agreed to sell, and Zhejiang Wanghui conditionally agreed to acquire 100% equity interest in 東陽新光太平洋實業有限公司 (transliterated as Dongyang Xinguang Pacific Industrial Company Limited for identification purpose only) at the purchase price of RMB20.0 million;
- (7) a conditional supplemental deed poll executed by Suntrust and Summit Ascent Investments on 26 July 2023 amending certain terms and conditions of the 6.0% coupon rate convertible bonds in the aggregate principal amount of PHP5.6 billion issued by Suntrust to SA Investments on 30 December 2020 convertible into shares of Suntrust at an initial conversion price (subject to adjustment) of PHP 1.8 per Suntrust’s share;
- (8) a conditional supplemental deed poll executed by Suntrust and SA Investments on 26 July 2023 amending certain terms and conditions of the 6.0% coupon rate convertible bonds in the aggregate principal amount of PHP6.4 billion issued by Suntrust to SA Investments on 10 June 2022 convertible into shares of Suntrust at an initial conversion price (subject to adjustment) of PHP 1.65 per Suntrust’s share;
- (9) a subordination agreement dated 26 July 2023 executed by SA Investments in relation to the subordination by SA Investments of all present and future indebtedness, liabilities or obligations of Suntrust, direct or indirect, contingent or non-contingent, owing to SA Investments under all advances and loans to Suntrust to all amounts owing to and all expenses as may be incurred by China Banking Corporation, its facility agent, security trustee and share custodian pursuant to the terms of the Loan Agreement (as defined in paragraph (13) below);
- (10) an undertaking dated 26 July 2023 executed by SA Investments in favour of China Banking Corporation;
- (11) a conditional subscription agreement dated 26 July 2023 (“**New CB Subscription Agreement**”) entered into by Suntrust as issuer and SA Investments as subscriber in respect of the subscription by SA Investments of the New CB the zero coupon convertible bonds in the aggregate principal amount of up to PHP13,511.1 million proposed to be issued by Suntrust to SA Investments at the subscription price of up to PHP13,511.1 million;
- (12) a conditional loan agreement dated 26 July 2023 entered into between SA Investments as lender and Suntrust as borrower in relation to a loan facility in the principal sum of up to US\$20,000,000 conditionally agreed to be granted by the SA Investments to Suntrust;

- (13) an omnibus loan and security agreement dated 8 June 2023 as amended by an amendment agreement dated 26 July 2023 (“**Loan Agreement**”) in relation to the grant of a term loan in the principal amount of up to PHP 25.0 billion by China Banking Corporation to Suntrust as borrower entered into by, among other parties, China Banking Corporation, Suntrust as borrower, Mr. Lo as surety and SA Investments as one of the security providers;
- (14) a conditional sale and purchase agreement dated 18 May 2023 entered into between the Company, as seller, and Summit Ascent Holding Limited (“**Summit Ascent**”) (an indirect non-wholly owned subsidiary of the Company), as buyer, pursuant to which the Company conditionally agreed to sell and Summit Ascent conditionally agreed to acquire the entire issued share capital of Modest Achieve Limited (“**Target Company A**”) and the outstanding non-interest bearing liabilities owed by Target Company A to the Company amounting to approximately HK\$174.5 million at a consideration of HK\$142.8 million;
- (15) a conditional sale and purchase agreement dated 18 May 2023 entered into between Solid Impact Limited (“**Solid Impact**”), as seller, and Summit Ascent, as buyer, pursuant to which Solid Impact conditionally agreed to sell, and Summit Ascent conditionally agreed to acquire, the entire issued share capital of Joyful Award Limited (“**Target Company B**”) and the outstanding non-interest bearing liabilities owed by Target Company B to Solid Impact amounting to approximately HK\$80.7 million at a consideration of HK\$137.2 million;
- (16) a real estate purchase and sale agreement (“**Hokkaido Lands Sale Agreement**”) dated 31 July 2023 entered into between Honour City Kabushiki Kaisha (“**Honour City**”) (an indirect wholly-owned subsidiary of the Company) as seller and St Moritz Group Inc (“**Moritz Group**”) in relation to the sale by Honour City as seller and the purchase by Moritz Group as purchaser of certain pieces of lands located at Aza-Yamada, Kutchan-cho, Abuta-gun, Hokkaido, Japan, Plots 17-1, 17-2, 17-3, 17-4, 24-1, 24-2, 24-3, 24-4, 24-6, 24-7, 25-4, 48-2 and 48 (“**Hokkaido Lands**”) at a consideration of US\$27 million;
- (17) the heads of agreement dated 28 April 2023 entered into between Honour City as seller and Nauticawt Energy Pte. Ltd. (“**Nauticawt**”) in relation to the sale by Honour City as seller and the purchase by Nauticawt as purchaser of the Hokkaido Lands at a consideration of US\$27 million which rights, title, obligations and interest of Nauticawt under the heads of agreement were assigned to Moritz Group as the buyer;
- (18) a conditional revolving loan agreement dated 27 January 2023 entered into between the Company as borrower and Summit Ascent as lender pursuant to which Summit Ascent conditionally agreed to grant a revolving loan in the principal amount up to HK\$500,000,000 to the Company that was subsequently terminated pursuant to a termination deed dated 10 May 2023 entered into between the Company and Summit Ascent; and

- (19) a loan agreement dated 19 September 2022 entered into between the Company, as borrower, and four independent third party lenders, as lenders, for the advance of a loan facility of HK\$400,000,000 for a term of 12 months maturing on 18 September 2023, with the interest rate payable at the higher of (i) 18% per annum; or (ii) the aggregate of 13% per annum and the HK\$ prime lending rate as may be offered by The Hongkong and Shanghai Banking Corporation Limited from time to time, payable quarterly in arrears, while the Company and Victor Sky Holdings Limited, a wholly-owned subsidiary of the Company, pledged 123,255,000 and 3,018,306,811 ordinary shares in Summit Ascent.

## **8. LITIGATION**

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, no member of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group that would have a material adverse effect on the results of operation or financial condition of the Group.

## **9. DOCUMENTS ON DISPLAY**

Copies of the following documents will be available for display on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.letgroup Holdings.com>) for a period of 14 days from the date of this circular (both days inclusive):

- (a) the Design Agreement (EE Black);
- (b) the SD Agreement (EE Black);
- (c) the Installation Agreement (EE Black);
- (d) the Fit Out Agreement (MDCC);
- (e) the Fit Out Agreement Supplemental (SD-MDCC); and
- (f) the Fit Out Agreement Supplemental (Installation-MDCC).

**10. MISCELLANEOUS**

- (a) The company secretary of the Company is Mr. Chiu King Yan, who is a member of the Hong Kong Institute of Certified Public Accountants.
- (b) The Company currently does not have a registered office in the Cayman Islands, as it does not have a registered agent there.
- (c) The head office and principal place of business of the Company in Hong Kong is at Unit 1705, 17/F., West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong.
- (d) The principal share registrar of the Company is Suntera (Cayman) Limited, Suite 3204, Unit 2A, Block 3, Building D, P.O. Box 1586, Gardenia Court, Camana Bay, Grand Cayman KY1-1110, Cayman Islands.
- (e) The branch share registrar of the Company in Hong Kong is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (f) The English text of this circular shall prevail over its Chinese text.