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**LET GROUP
HOLDINGS LIMITED**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1383)

**SUMMIT ASCENT
HOLDINGS LIMITED**

(Incorporated in Bermuda with limited liability)

(Stock Code: 102)

JOINT ANNOUNCEMENT

**(1) MAJOR TRANSACTION AND
CONTINUING CONNECTED TRANSACTIONS IN RELATION TO
THE REVOLVING LOAN AGREEMENT; AND
(2) CHANGE IN USE OF PART OF THE NET PROCEEDS FROM
THE RIGHTS ISSUE AND THE PLACING**

Financial adviser to Summit Ascent



PROVISION OF FINANCIAL ASSISTANCE

On 27 January 2023 (after trading hours of the Stock Exchange), Summit Ascent, as lender, entered into the Revolving Loan Agreement with LET, as borrower, pursuant to which Summit Ascent has conditionally agreed to grant the Revolving Loan in the principal amount up to HK\$500,000,000 to LET.

**CHANGE IN USE OF PART OF THE NET PROCEEDS FROM THE RIGHTS ISSUE
AND THE PLACING**

References are also made to the Placing Announcement and the Placing Completion Announcement. The Placing Announcement and the Placing Completion Announcement originally indicated that all the net proceeds from the Placing of approximately HK\$297 million would be applied to further develop the SA Group's hotel and gaming business in the IEZ Primorye of the Russian Far East.

References are made to the Prospectus and the Rights Issue Results Announcement. The Prospectus and the Rights Issue Results Announcement originally indicated that approximately 37.1% of the net proceeds from the Rights Issue or HK\$601 million would be applied for Phase II development of Tigre de Cristal, which is the SA Group's gaming and hotel property in the IEZ Primorye of the Russian Far East.

As disclosed in the section headed "REASONS FOR AND BENEFITS OF THE REVOLVING LOAN" in this announcement, the impact of the Russia-Ukraine Conflict has severely affected the economy in Russia and the ability for tourists to freely travel into and out of Russia, which in turn severely affects the outlook of Tigre de Cristal. Accordingly, the SA Group's Phase II development of Tigre de Cristal has been suspended. Part of the net proceeds from the Rights Issue and the Placing to the extent of approximately HK\$186.4 million and approximately HK\$292.9 million respectively originally intended for use in the Phase II development of Tigre de Cristal is not required for immediate use by the SA Group for the moment.

Having considered the commercial benefits to the SA Group in deploying the original portion of the net proceeds from the Rights Issue and the Placing for the Phase II development of Tigre de Cristal in the total amount of approximately HK\$479.3 million as Revolving Loan and generating interest income to the SA Group for the moment, the SA Board is of the view that the proposed change in use of the original portion of the net proceeds from the Rights Issue and the Placing for Phase II development of Tigre de Cristal as Revolving Loan is fair and reasonable and in the interests of Summit Ascent and the SA Shareholders as a whole.

LISTING RULES IMPLICATIONS

From Summit Ascent's perspective

The Revolving Loan Agreement constitutes provision of financial assistance by Summit Ascent to LET. The Revolving Loan, on a standalone basis, constitutes a major transaction since one or more of the applicable percentage ratios (as defined under the Listing Rules) are more than 25% but all of such ratios are less than 100%.

LET is the controlling shareholder of Summit Ascent, interested in, directly and indirectly, an aggregate of approximately 69.66% of the SA Shares in issue, and therefore a connected person of Summit Ascent. Accordingly, the Revolving Loan Agreement and the transactions contemplated thereunder constitute a continuing connected transaction for Summit Ascent under the Listing Rules and the Revolving Loan Agreement and the transactions contemplated thereunder are subject to the reporting, announcement, circular and Independent SA Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Reference is made to the circular of Summit Ascent dated 26 October 2021 and the completion announcement of Summit Ascent dated 13 June 2022 in relation to the Loan Variation. As the Loan Variation was completed within a 12-month period of this announcement, the Loan Variation and the Revolving Loan are required to be aggregated under Rules 14.22 and 14A.81 of the Listing Rules.

Although the highest applicable percentage ratio in respect of the Revolving Loan, when aggregated with the Loan Variation, exceeds 100%, the provision of financial assistance does not fall under the acquisition of assets by Summit Ascent and hence the transaction does not fall into the classification of a very substantial acquisition under Rule 14.06(5). Instead it constitutes a major transaction for Summit Ascent and is subject to the reporting, announcement, circular and SA Shareholders' approval requirements under Chapter 14 of the Listing Rules.

From LET's perspective

Summit Ascent is not a "connected subsidiary" or a "commonly held entity" or a "connected person" of LET. The Revolving Loan Agreement does not constitute a transaction or a connected transaction for LET for the purposes of Chapter 14 and Chapter 14A of the Listing Rules respectively.

INDEPENDENT SA BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent SA Board Committee, comprising all the independent non-executive SA Directors, has been established to advise and give recommendation to the Independent SA Shareholders on the Revolving Loan Agreement, including the proposed Cap Amount, and the transactions contemplated thereunder.

An independent financial adviser will be appointed to advise the Independent SA Board Committee and the Independent SA Shareholders on, among other matters, the fairness and reasonableness of the Revolving Loan Agreement, including the proposed Cap Amount, and the transactions contemplated thereunder.

SGM

A SGM will be convened and held by Summit Ascent to consider and, if thought fit, approve the Revolving Loan Agreement, including the proposed Cap Amount, and the transactions contemplated thereunder. The voting at the SGM will be taken by poll.

At the SGM, any SA Shareholders with a material interest in the Revolving Loan Agreement and the transactions contemplated thereunder are required to abstain from voting on the proposed resolution(s) to be put forwarded to the Independent SA Shareholders at the SGM for approving the Revolving Loan Agreement and the transactions contemplated thereunder. Mr. Lo Kai Bong is a common director of Summit Ascent, LET and Suntrust and is the controlling shareholder of LET, being interested in approximately 74.98% of the issued LET Shares. Accordingly, LET and its associate, Victor Sky, each holding 123,255,000 SA Shares and 3,018,306,811 SA Shares respectively (representing an aggregate of approximately 69.66% interest in SA Shares), and Mr. Lo Kai Bong's associates, Better Linkage Limited and Ever Smart Capital Limited, each holding 520,000 SA Shares and 4,452,000 SA Shares respectively (representing an aggregate of approximately 0.11% interest in SA Shares), will therefore be abstained from voting on the resolution(s) approving the Revolving Loan Agreement and the transactions contemplated thereunder at the SGM. Save as aforementioned, to the best of the SA Directors' knowledge, information and belief, having made all reasonable enquiries, no other SA Shareholders are materially interested in the Revolving Loan Agreement and the transactions contemplated thereunder who are required to abstain from voting at the SGM on the resolution(s) approving the Revolving Loan Agreement and the transactions contemplated thereunder.

A circular containing, among other things, (i) details of the Revolving Loan Agreement and the transactions contemplated thereunder; (ii) a letter of recommendation from the Independent SA Board Committee to the Independent SA Shareholders; (iii) a letter of advice from the independent financial adviser to the Independent SA Board Committee and the Independent SA Shareholders; (iv) other information as required under the Listing Rules; and (v) a notice convening the SGM, is expected to be despatched to the SA Shareholders on or around 17 February 2023.

THE REVOLVING LOAN

On 27 January 2023 (after trading hours of the Stock Exchange), Summit Ascent, as lender, entered into the Revolving Loan Agreement with LET, as borrower, pursuant to which Summit Ascent has conditionally agreed to grant the Revolving Loan in the principal amount up to HK\$500,000,000 to LET.

THE REVOLVING LOAN AGREEMENT

Principal terms of the Revolving Loan Agreement are set out below:

- Date : 27 January 2023
- Parties : (i) Summit Ascent (as lender); and
(ii) LET (as borrower).
- Effective Date : The Revolving Loan Agreement will be effective upon the date on which all Conditions Precedent having been fulfilled (the “**Effective Date**”).
- Principal amount of the Revolving Loan : Up to a maximum of HK\$500,000,000.

LET may draw the Revolving Loan in one or multiple tranches of no less than HK\$50 million per tranche from the Effective Date.
- Purpose of the Revolving Loan : (i) To fully repay the Existing Loan and all interest accrued thereon; (ii) repay other outstanding liabilities; (iii) business development; and (iv) general working capital. Any drawdown and subsequent use of the proceeds from the Revolving Loan by the LET Group will be done in compliance with all relevant rules, codes, regulations and guidances and LET will update the LET Shareholders of any material development as and when appropriate.

Pursuant to the terms and conditions of the Revolving Loan Agreement, LET shall not use and shall procure the Revolving Loan shall not be used for any purposes other than the purpose set out above.
- Arrangement fee : HK\$10 million, being two percent (2%) of the maximum principal amount of the Revolving Loan, payable from LET to Summit Ascent on the Effective Date.

Interest rate : Six percent (6%) per annum calculated on the basis of the actual number of days elapsed and accrued on a daily basis, payable in arrears on an annual basis and the first interest payment shall be made on the date falling one (1) year after the date of drawdown of the first tranche of the advance of the Revolving Loan and the last interest payment shall be made on the Maturity Date (as defined below) together with the Revolving Loan and all other monies payable under the Revolving Loan Agreement (except those interests accrued on such principal amount of the Revolving Loan which have been early repaid to Summit Ascent and not re-borrowed in accordance with the terms and conditions of the Revolving Loan Agreement).

The interest rate of the Revolving Loan was determined based on arm's length negotiations with reference to (i) the interest rates of the SA Group's existing loans as lender; (ii) the prevailing market interest rate; and (iii) the value of the Pledged SA Shares provided by the LET Group as security for the Revolving Loan.

Default interest rate : Eight percent (8%) per annum.

Availability period : Within eighteen months from the Effective Date (or such longer period as may be agreed by the parties to the Revolving Loan Agreement).

Drawdown conditions : The drawdown of each tranche of the advance of the Revolving Loan by LET is also subject to the conditions that:

(a) LET shall have provided to Summit Ascent the following documents:

(1) one original of the LET SA Share Charge duly executed by LET;

- (2) one original of the Victor Sky SA Share Charge duly executed by Victor Sky;
- (3) documents required to be delivered under the Security Documents;
- (4) a duly completed and signed original notice of drawing not later than 12:00 noon (Hong Kong time) on the date falling three (3) months immediately before the relevant date of drawdown;
- (5) certified true copy of the resolutions of the LET Board approving the Revolving Loan Agreement, the Security Documents to which it is a party, and the transactions contemplated respectively thereunder;
- (6) certified true copy of the resolutions of the board of directors of Victor Sky approving the Security Documents to which it is a party, and the transactions contemplated thereunder;
- (7) evidence to the satisfaction of Summit Accent that such tranche will be applied for the purpose as defined under the Revolving Loan Agreement; and
- (8) such other information and/or document as Summit Ascent may reasonably require;

- (b) the principal amount of such tranche shall not be less than HK\$50,000,000; and
- (c) the aggregate outstanding principal amount of the Revolving Loan after the drawdown of such tranche shall not exceed HK\$500,000,000.

The abovementioned drawdown condition (a)(4) can be waived at the sole discretion of Summit Ascent in the event that sufficient funds for the tranche to be drawdown are available to be advanced earlier than three (3) months immediately before the relevant date of drawdown. Save for the aforementioned, no other drawdown conditions under the Revolving Loan Agreement can be waived.

Maturity date : three (3) years from the Effective Date (the “**Maturity Date**”).

Repayment : All advanced amounts under the Revolving Loan together with all interest accrued thereon and all amounts due and owing under the Revolving Loan Agreement shall be repaid in full by LET the earlier of:

- (i) the Maturity Date; and
- (ii) forthwith upon the occurrence of an event of default.

Early repayment : LET may early repay and without any penalty the whole or any part of the Revolving Loan advanced to LET by Summit Ascent on any Business Day provided that:

- (1) LET shall have given to Summit Ascent not less than two (2) Business Days’ notice in writing of its intention to make such early repayment, specifying the amount to be early repaid and the date on which the early repayment is to be made; and
- (2) LET shall at the same time of the early repayment pay to Summit Ascent all interest accrued on the early repaid amount up to the date of the early repayment.

Subject to the terms and conditions of the Revolving Loan Agreement, any amounts early repaid shall be available for re-borrowing and drawing provided always that the aggregate outstanding principal amount of the Revolving Loan shall not exceed HK\$500,000,000 and the principal amount of each tranche advanced shall not be less than HK\$50,000,000 (unless the remaining principal amount of the Revolving Loan available for drawing is less than HK\$50,000,000 in which case the whole (but not part only) of that amount may be drawn).

Security : Immediately prior to or contemporaneously with the drawdown of the Revolving Loan, LET shall execute the LET SA Share Charge and Victor Sky shall execute the Victor Sky SA Share Charge.

Conditions Precedent : The Revolving Loan Agreement and the availability of the Revolving Loan are subject to the satisfaction of the following conditions:

- (i) Summit Ascent having obtained approval of the Revolving Loan Agreement and all transactions contemplated thereunder from the Independent SA Shareholders in compliance with the Listing Rules and complied with the requirements as the Stock Exchange may require;
- (ii) all necessary consents and approvals required to be obtained on the part of Summit Ascent in respect of the Revolving Loan Agreement and the transactions contemplated thereunder having been obtained;
- (iii) all necessary consents and approvals required to be obtained on the part of LET in respect of the Revolving Loan Agreement and the transactions contemplated thereunder having been obtained;

- (iv) none of the warranties given by LET under the Revolving Loan Agreement having been breached in any material respect (or, if capable of being remedied, has not been remedied), or is misleading or untrue in any material respect; and
- (v) no events of default or potential events of default defined under the Revolving Loan Agreement shall have occurred (or would likely to occur as a result of the Revolving Loan being made).

The Conditions Precedent are incapable of being waived. If any of the Conditions Precedent shall not have been fulfilled on or before the Long Stop Date, the Revolving Loan Agreement shall cease and determine and no party shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Revolving Loan Agreement save in respect of any antecedent breach of any obligation thereof.

As at the date of this announcement, save for the approval set out in the condition (i) above, the consent from the lenders of the Existing Loan and the approval of the LET Board and the SA Board in relation to the Revolving Loan Agreement and the transactions contemplated thereunder, each of LET and Summit Ascent is not aware of any other consents and approvals required to be obtained on its part in respect of the Revolving Loan Agreement and the transactions contemplated thereunder. As at the date of this announcement, the lenders of the Existing Loan agree in principle to give consent, and the approval of the LET Board and the SA Board in relation to the Revolving Loan Agreement and the transactions contemplated thereunder have been obtained.

LET is the controlling shareholder of Summit Ascent, interested in, directly and indirectly, an aggregate of approximately 69.66% of the SA Shares in issue, and therefore a connected person of Summit Ascent.

INFORMATION OF LET AND SUMMIT ASCENT

LET is an investment holding company incorporated in the Cayman Islands with limited liability. The LET Group is principally engaged in (i) through Suntrust and its subsidiaries, the development and operation of the Main Hotel Casino in the Philippines; (ii) through the SA Group, the operation of the hotel and gaming business in the Integrated Entertainment Zone of the Primorye Region (the “**IEZ Primorye**”) in Russia; (iii) property development in Japan; and (iv) management and operation of malls in the PRC.

Summit Ascent is an investment holding company incorporated in Bermuda with limited liability. The SA Group is principally engaged in the operation of the hotel and gaming business in the IEZ Primorye in Russia. The gaming and hotel operations of the SA Group are conducted through its 77.5% equity interest in Oriental Regent Limited, an indirect non wholly-owned subsidiary of Summit Ascent. Summit Ascent is an approximately 69.66% owned subsidiary, in aggregate directly and indirectly, of LET.

USE OF PROCEEDS BY THE LET GROUP

The LET Group intends to use the proceeds from the Revolving Loan for the purpose of (i) fully repay the Existing Loan and all interest accrued thereunder; (ii) repay other outstanding liabilities; (iii) business development; and (iv) general working capital. Any drawdown and subsequent use of the proceeds from the Revolving Loan by the LET Group will be done in compliance with all relevant rules, codes, regulations and guidances and LET will update the LET Shareholders of any material development as and when appropriate.

REASONS FOR AND BENEFITS OF THE REVOLVING LOAN

As disclosed in the Placing Announcement, all of the net proceeds from the Placing of approximately HK\$297 million would be applied to further develop the SA Group’s hotel and gaming business in the IEZ Primorye of the Russian Far East.

As disclosed in the Prospectus, approximately 37.1% of the net proceeds from the Rights Issue or HK\$601 million would be applied for the Phase II development of Tigre de Cristal, which is the SA Group’s gaming and hotel property in the IEZ Primorye of the Russian Far East.

Since the beginning of 2020, the COVID-19 epidemic has had serious negative impacts on the global economy and severely affected tourism. As disclosed in Summit Ascent’s 2022 interim report, the average hotel occupancy rate for Tigre de Cristal deteriorated from about 88% during weekends and about 63% during weekdays in 2019 to about 12% and about 19% during weekends and weekdays respectively in 2020 and about 55% and about 25% during weekends and weekdays respectively in 2021. The COVID-19 epidemic also hindered the pre-construction phase, including design, procurement of construction materials tendering and associated payments of Tigre de Cristal Phase II.

When the Russian tourism industry is merely emerging from the COVID-19 pandemic, it now faces huge uncertainty from the impact of the significant escalation in the Russia-Ukraine Conflict since late February 2022. The United States, the European Union and their allies have imposed an unprecedented range of sanctions and export controls on Russia, which aim at weakening its ability to finance the special military operation including, but not limited to, removal of major Russian banks from the SWIFT messaging system operated by the Society for Worldwide Interbank Financial Telecommunication. A lot of large global corporations have also voluntarily suspended their operations in Russia. Several governments have 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 mutual ban for these countries. The aforementioned escalation in conflict and sanctions severely affects the ability for international tourists to freely travel into and out of Russia, which affects Tigre de Cristal's customer base. There is currently no indication on when the conflict and the related sanctions will end.

Taking into account the abovementioned effects and uncertainties of the Russia-Ukraine Conflict, the SA Board does not have a positive outlook for Tigre de Cristal and is of the opinion that developing Phase II would result in significantly increased expenditures with minimal potential return on investment in the current economic environment.

As disclosed in the inside information announcement of LET dated 19 September 2022, the Existing Loan, which would mature by September 2023, is secured by 3,141,561,811 SA Shares (the "**Pledged SA Shares**"), representing approximately 69.66% of the issued SA Shares, held by the LET Group. As at 31 December 2022, the total outstanding amount under the Existing Loan is HK\$402,449,316, comprising outstanding principal amount of the Existing Loan of HK\$400,000,000 and interest accrued of HK\$2,449,316. The drawing of the Revolving Loan is conditional upon the release of the Pledged SA Shares from the security created in favour of the lenders of the Existing Loan, which, in turn, is subject to the settlement of the Existing Loan. In the event that the Pledged SA Shares are not yet released as security for the Existing Loan before the drawdown of the Revolving Loan, any drawdown of the Revolving Loan must be used for the sole purpose of repaying all outstanding amounts due under the Existing Loan in full to facilitate the release of the charge of the Pledged SA Shares as security for the Existing Loan and allow for the LET SA Share Charge and the Victor Sky SA Share Charge to be executed in favour of Summit Ascent simultaneously. The market value of the Pledged SA Shares as at the Last Trading Day is approximately HK\$709,992,969 (based on the market price of the SA Shares of HK\$0.226 as at the Last Trading Day) being approximately 42.00% higher than the maximum principal amount of the Revolving Loan of HK\$500,000,000. Aside from the Pledged SA Shares, there will be no other securities held by the LET in the LET Securities Account and by Victor Sky in the Victor Sky Securities Account.

In the event that LET defaults on certain liabilities and enters receivership, there may be a potential change in the controlling shareholder of Summit Ascent and may also result in complicated legal proceedings involving the SA Group and Suntrust of which the SA Group holds convertible bonds issued by Suntrust. The Pledged SA Shares may be sold to outside investors. It is also unknown how long such proceedings may take, especially due to the large size of LET's debts and the market value of Summit Ascent. This may result in the SA Group not having a clear management structure for an undefined period, which may lead to additional operational risks. New investors may also be unfamiliar with the principal business of the SA Group resulting in an unclear direction for the SA Group's development. The SA Group currently holds PHP5.6 billion (equivalent to approximately HK\$785.1 million) and PHP6.4 billion (equivalent to approximately HK\$897.3 million) convertible bonds issued by Suntrust, a non-wholly owned subsidiary of LET. In the potential event that LET enters receivership, the LET Group's equity interests in Suntrust may be sold to an outside investor. There are many unknown factors in the aforementioned default scenario, such as whether the Main Hotel Casino project would be halted and for how long and whether any investor would want to continue the Main Hotel Casino project. Accordingly, there are significant uncertainties and risks related to the SA Group's future management and operations in the event that the LET Group defaults on its debts.

Part of the net proceeds from the Rights Issue and the Placing to the extent of HK\$479.3 million originally intended for use in the Phase II development of Tigre de Cristal is not required for immediate use by the SA Group for the moment, and such amount is placed as short-term fixed deposits at licensed banks in Hong Kong and the interest rates ranged from 2.10% to 5.08% per annum. The SA Directors noted from the market that the Hong Kong 5 years government bonds had a 3.014% yield as at the Last Trading Day with a downward trend from a peak of 4.384% in October 2022 and that the one month Hong Kong Interbank Offered Rate (HIBOR) has also decreased from 5.04% in December 2022 to 2.94% in January 2023. Such significant decrease in government bond yields and HIBOR indicates a significant and overall downward trend in interest rates across the Hong Kong debt market. The provision of the Revolving Loan allows the SA Group to secure an interest rate on its idle cash higher than prevailing market rates of its short-term fixed deposits and a fixed 6% per annum interest rate for a term of up to 3 years during a downward trend in interest rates. Taking into account the aforementioned factors, the SA Directors are of the opinion that the interest rate under the Revolving Loan of 6.00% is fair and reasonable.

The SA Directors have reviewed the working capital needs and projections of the SA Group to ensure the granting of the Revolving Loan will not affect the SA Group's ordinary business operations. Based on the recent market price of the SA Shares (i.e. an average of HK\$0.175 per SA Share for the last 30 trading days up to and including the Last Trading Day), the market value of the Pledged SA Shares of approximately HK\$549.8 million exceeds the maximum principal amount of the Revolving Loan. The LET Group also has various significant assets aside from its equity interest in the SA Group. As the Revolving Loan has a drawdown notice period of three (3) months, the SA Group can continue to place any undrawn amounts to be reserved for the Revolving Loan in short-term fixed deposits to continue generating interest. Taking into account the aforementioned factors, the SA Directors are of the opinion that the Revolving Loan is relatively low risk in relation to the operations of the SA Group and the recoverability of any amounts advanced under the Revolving Loan.

Taking into account the abovementioned factors, the SA Board (other than the independent non-executive SA Directors whose opinion will be deferred after receiving the advice of the independent financial adviser) is of the view that the Revolving Loan Agreement, the proposed Cap Amount and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and, while not in the ordinary and usual course of business of the SA Group, in the interests of Summit Ascent and the SA Shareholders as a whole. Mr. Lo Kai Bong, being common directors of Summit Ascent, LET and Suntrust and the controlling shareholder of LET, is regarded as having a material interest (or as the case may be, potential conflict of interest) in the Revolving Loan Agreement, the proposed Cap Amount and the transactions contemplated thereunder. At the meeting of the SA Board approving the Revolving Loan Agreement, the proposed Cap Amount and the transactions contemplated thereunder, Mr. Lo Kai Bong had abstained from voting on the resolutions approving the Revolving Loan Agreement, the proposed Cap Amount and the transactions contemplated thereunder.

LISTING RULES IMPLICATIONS

From Summit Ascent's perspective

The Revolving Loan Agreement constitutes provision of financial assistance by Summit Ascent to LET. The Revolving Loan, on a standalone basis, constitutes a major transaction since one or more of the applicable percentage ratios (as defined under the Listing Rules) are more than 25% but all of such ratios are less than 100%.

LET is the controlling shareholder of Summit Ascent, interested in, directly and indirectly, an aggregate of approximately 69.66% of the SA Shares in issue, and therefore a connected person of Summit Ascent. Accordingly, the Revolving Loan Agreement and the transactions contemplated thereunder constitute a continuing connected transaction for Summit Ascent under the Listing Rules and the Revolving Loan Agreement and the transactions contemplated thereunder are subject to the reporting, announcement, circular and Independent SA Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Reference is made to the circular of Summit Ascent dated 26 October 2021 and the completion announcement of Summit Ascent dated 13 June 2022 in relation to the Loan Variation. As the Loan Variation was completed within a 12-month period of this announcement, the Loan Variation and the Revolving Loan are required to be aggregated under Rules 14.22 and 14A.81 of the Listing Rules.

Although the highest of the applicable percentage ratios in respect of the Revolving Loan, when aggregated with the Loan Variation, exceeds 100%, the provision of financial assistance does not fall under the acquisition of assets by Summit Ascent and hence the transaction does not fall into the classification of a very substantial acquisition under Rule 14.06(5). Instead it constitutes a major transaction for Summit Ascent and is subject to the reporting, announcement, circular and SA Shareholders' approval requirements under Chapter 14.

From LET's perspective

Summit Ascent is not a "connected subsidiary" or a "commonly held entity" or a "connected person" of LET. The Revolving Loan Agreement does not constitute a transaction or a connected transaction for LET for the purposes of Chapter 14 and Chapter 14A of the Listing Rules respectively.

INDEPENDENT SA BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent SA Board Committee, comprising all the independent non-executive SA Directors, has been established to advise and give recommendation to the Independent SA Shareholders on the Revolving Loan Agreement, including the proposed Cap Amount, and the transactions contemplated thereunder.

An independent financial adviser will be appointed to advise the Independent SA Board Committee and the Independent SA Shareholders on, among other matters, the fairness and reasonableness of the Revolving Loan Agreement, including the proposed Cap Amount, and the transactions contemplated thereunder.

SGM

A SGM will be convened and held by Summit Ascent to consider and, if thought fit, approve the Revolving Loan Agreement, including the proposed Cap Amount, and the transactions contemplated thereunder. The voting at the SGM will be taken by poll.

At the SGM, any SA Shareholders with a material interest in the Revolving Loan Agreement and the transactions contemplated thereunder are required to abstain from voting on the proposed resolution(s) to be put forwarded to the Independent SA Shareholders at the SGM for approving the Revolving Loan Agreement and the transactions contemplated thereunder. Mr. Lo Kai Bong is a common director of Summit Ascent, LET and Suntrust and is the controlling shareholder of LET, being interested in approximately 74.98% of the issued LET Shares. Accordingly, LET and its associate, Victor Sky, each holding 123,255,000 SA Shares and 3,018,306,811 SA Shares respectively (representing an aggregate of approximately 69.66% interest in SA Shares), and Mr. Lo Kai Bong's associates, Better Linkage Limited and Ever Smart Capital Limited, each holding 520,000 SA Shares and 4,452,000 SA Shares respectively (representing an aggregate of approximately 0.11% interest in SA Shares), will therefore be abstained from voting on the resolution(s) approving the Revolving Loan Agreement and the transactions contemplated thereunder at the SGM. Save as aforementioned, to the best of the SA Directors' knowledge, information and belief, having made all reasonable enquiries, no other SA Shareholders are materially interested in the Revolving Loan Agreement and the transactions contemplated thereunder who are required to abstain from voting at the SGM on the resolution(s) approving the Revolving Loan Agreement and the transactions contemplated thereunder.

A circular containing, among other things, (i) details of the Revolving Loan Agreement and the transactions contemplated thereunder; (ii) a letter of recommendation from the Independent SA Board Committee to the Independent SA Shareholders; (iii) a letter of advice from the independent financial adviser to the Independent SA Board Committee and the Independent SA Shareholders; (iv) other information as required under the Listing Rules; and (v) a notice convening the SGM, is expected to be despatched to the SA Shareholders on or around 17 February 2023.

CHANGE IN USE OF PART OF THE NET PROCEEDS FROM THE RIGHTS ISSUE AND THE PLACING

The Placing Announcement and the Placing Completion Announcement originally indicated that all the net proceeds from the Placing of approximately HK\$297 million would be applied to further develop the SA Group's hotel and gaming business in the IEZ Primorye of the Russian Far East.

The Prospectus and the Rights Issue Results Announcement originally indicated that approximately 37.1% of the net proceeds from the Rights Issue or HK\$601 million would be applied for Phase II development of Tigre de Cristal, which is the SA Group's gaming and hotel property in the IEZ Primorye of the Russian Far East.

As disclosed in the section headed “REASONS FOR AND BENEFITS OF THE REVOLVING LOAN” in this announcement, the impact of Russia-Ukraine Conflict has severely affected the economy in Russia and the ability for tourists to freely travel into and out of Russia which, in turn, severely affects the outlook of Tigre de Cristal. Accordingly the SA Group’s Phase II development of Tigre de Cristal has been suspended. Part of the net proceeds from the Rights Issue and the Placing to the extent of approximately HK\$186.4 million and approximately HK\$292.9 million respectively originally intended for use in the Phase II development of Tigre de Cristal is not required for immediate use by the SA Group for the moment.

Having considered the commercial benefits to the SA Group in deploying the original portion of the net proceeds from the Rights Issue and the Placing for the Phase II development of Tigre de Cristal in the total amount of approximately HK\$479.3 million as Revolving Loan and generating interest income to the SA Group for the moment, the SA Board is of the view that the proposed change in use of the original portion of the net proceeds from the Rights Issue and the Placing for Phase II development of Tigre de Cristal as Revolving Loan is fair and reasonable and in the interests of Summit Ascent and the SA Shareholders as a whole.

DEFINITIONS

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

“associate”	has the meaning ascribed to it under the Listing Rules
“Business Day”	a day (excluding Saturday and Sunday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business
“Cap Amount”	the maximum aggregate amount of HK\$500,000,000 to be made available by Summit Ascent for drawdown by LET under the Revolving Loan Agreement for a term of thirty six (36) months commencing from the Effective Date
“Conditions Precedent”	the conditions precedent to the Revolving Loan Agreement as set out in the section headed “THE REVOLVING LOAN AGREEMENT”

“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“COVID-19”	novel coronavirus (COVID-19), a coronavirus identified as the cause of an outbreak of respiratory illness
“Existing Loan”	the outstanding loan facility of HK\$400,000,000 advanced to LET by four independent third party lenders pursuant to a loan agreement dated 18 September 2022, further details of which are disclosed in the inside information announcement of LET dated 19 September 2022
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent SA Board Committee”	the independent board committee of the SA Board comprising all the independent non-executive SA Directors established to advise the Independent SA Shareholders on, among other matters, the fairness and reasonableness of the Revolving Loan Agreement and the transactions contemplated thereunder
“Independent SA Shareholders”	SA Shareholders, other than LET and its associates and Mr. Lo Kai Bong’s associates, who have no material interest in the Revolving Loan Agreement and the transactions contemplated thereunder
“Independent Third Party”	a third party independent of and not connected with Summit Ascent and any connected person of Summit Ascent and is itself not a connected person of Summit Ascent
“Last Trading Day”	26 January 2023, being the last trading day prior to the signing of the Revolving Loan Agreement
“LET”	LET Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability with its issued shares listed on the Main Board of the Stock Exchange (stock code: 1383) and a controlling shareholder of Summit Ascent

“LET Board”	the Board of LET Directors
“LET Director(s)”	directors of LET
“LET Group”	LET and its subsidiaries from time to time, including Summit Ascent
“LET SA Share Charge”	the charge over 123,255,000 SA Shares and LET Securities Account to be entered into between LET as chargor and Summit Ascent as chargee, as security for the Revolving Loan and other amounts payable under the Revolving Loan Agreement
“LET Securities Account”	the securities account in the name of LET opened and maintained with an independent third party securities house
“LET Shareholders”	the holders of the issued LET Share(s)
“LET Shares”	ordinary shares of par value of HK\$0.10 each in the issued and unissued share capital of LET
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Variation”	the extension and set off of a loan, in the principal amount of US\$120,000,000 (equivalent to HK\$935.6 million) advanced by Summit Ascent Investments Limited, a wholly-owned subsidiary of Summit Ascent, to Suntrust, pursuant to a conditional subscription agreement dated 20 September 2021 entered into by Suntrust as issuer and Summit Ascent Investments Limited as subscriber of convertible bonds in the aggregate principal amount of up to PHP6.4 billion (equivalent to approximately HK\$897.3 million), further details of which are disclosed in the circular of Summit Ascent dated 26 October 2021
“Long Stop Date”	the last time for fulfillment or, as the case may be, waiver of the Conditions Precedent, being 5:00 p.m. on 30 June 2023 (or such later time and date as LET and SA may agree in writing)

“Main Hotel Casino”	the 5-Star hotel and casino complex erected or to be erected at three parcels of land located at Manila Bayshore Integrated City in Paranaque City, the Philippines
“percentage ratios”	has the meaning as defined in Rule 14.07 of the Listing Rules
“PHP”	Philippine peso, the lawful currency of Philippines
“Placing”	the placing of new SA Shares under general mandate of Summit Ascent completed on 19 August 2019
“Placing Announcement”	the announcement of Summit Ascent dated 25 July 2019 in relation to, among other things, the Placing
“Placing Completion Announcement”	the announcement of Summit Ascent dated 19 August 2019 in relation to, among other things, the completion of the Placing
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus of Summit Ascent dated 18 September 2020 in relation to, among other things, the Rights Issue
“PSE”	The Philippine Stock Exchange, Inc.
“Revolving Loan”	the revolving loan facility of an amount not exceeding HK\$500,000,000 to be provided by Summit Ascent to LET under and pursuant to the revolving Loan Agreement
“Revolving Loan Agreement”	the conditional revolving loan agreement dated 27 January 2023 in relation to the Revolving Loan entered into between Summit Ascent as lender and LET as borrower
“Rights Issue”	the rights issue of Summit Ascent on the basis of three (3) rights shares for every two (2) SA Shares completed on 15 October 2020 at the subscription price of HK\$0.6 per rights share as disclosed in the circular of Summit Ascent dated 14 August 2020 and the Prospectus

“Rights Issue Results Announcement”	the announcement of Summit Ascent dated 14 October 2020 in relation to, among other things, the results of the Rights Issue
“Russia”	the Russian Federation
“Russia-Ukraine Conflict”	the ongoing conflict between Russia and Ukraine since February 2014 that escalated in February 2022
“SA Board”	the board of SA Directors
“SA Directors”	the directors of Summit Ascent and each a “SA Director”
“SA Group”	Summit Ascent and its subsidiaries
“SA Share(s)”	ordinary shares of par value of HK\$0.025 each in the issued and unissued share capital of Summit Ascent
“SA Shareholder(s)”	the holder(s) of the issued SA Shares
“Security Documents”	the LET SA Share Charge and the Victor Sky SA Share Charge or such other security documents as may have been or may hereafter be executed by LET or any other person in favour of Summit Ascent as security for the performance of LET’s obligations under the Revolving Loan Agreement and all documents ancillary to or derived from any of them
“SGM”	the special general meeting of Summit Ascent to be convened and held to consider, among others, the Revolving Loan Agreement and the transactions contemplated thereunder
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Summit Ascent”	Summit Ascent Holdings Limited, a company incorporated in Bermuda with limited liability, and the SA Shares of which are listed on the Main Board of the Stock Exchange (stock code: 102) and an approximately 69.66% owned subsidiary of LET
“Suntrust”	Suntrust Resort Holdings, Inc., formerly known as Suntrust Home Developers, Inc., a company incorporated in the Philippines, the shares of which are listed on the PSE (stock code: SUN) and an indirect 51% owned subsidiary of LET

“US\$”	United States dollars, the lawful currency of the United States
“Victor Sky”	Victor Sky Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of LET
“Victor Sky SA Share Charge”	the charge over 3,018,306,811 SA Shares and the Victor Sky Securities Account to be entered into between Victor Sky as chargor and Summit Ascent as chargee, as security for the Revolving Loan and other amounts payable under the Revolving Loan Agreement
“Victor Sky Securities Account”	the securities account in the name of Victor Sky opened and maintained with an independent third party securities house
“%”	per cent

Notes: In this announcement, unless otherwise stated:

- (1) all references to times and dates are references to Hong Kong time;
- (2) all references to Rules and Chapters are references to those of the Listing Rules; and
- (3) for illustrative purposes only when translated, US\$ was translated to HK\$ at the exchange rate of US\$1 to HK\$7.7965 and PHP was translated to HK\$ at the exchange rate of HK\$1 to PHP7.1324.

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

By order of the SA Board
Summit Ascent Holdings Limited
Lo Kai Bong
Chairman

Hong Kong, 27 January 2023

As at the date of this announcement, LET’s executive directors are Mr. Lo Kai Bong (Chairman), and the independent non-executive directors are Mr. Tou Kin Chuen, Dr. Wu Kam Fun Roderick and Mr. Lo Wai Tung John.

As at the date of this announcement, Summit Ascent’s executive directors are Mr. Lo Kai Bong (Chairman), Mr. Chua Ming Huat David (Chief Executive Officer) and Mr. Chiu King Yan, and the independent non-executive directors are Mr. Lam Kwan Sing, Mr. Lau Yau Cheung and Mr. Li Chak Hung.