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海天地悅旅集團有限公司
S.A.I. LEISURE GROUP COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1832)

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS AND REVISION OF ANNUAL CAP

Reference is made to the 2024 Announcement with respect to the 1H2025 QZ Framework Agreement and the Existing 2025 QZ Annual Cap.

As disclosed in the 2024 Announcement, the Holiday Package Transactions under the 1H2025 QZ Framework Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

The term of the 1H2025 QZ Framework Agreement will expire on June 30, 2025. Pursuant to the provisions of the 1H2025 QZ Framework Agreement, at any time prior to the expiry of the term thereof, the parties may by mutual agreement renew the term of the framework agreement for a period of not more than three years on the same terms and conditions, save that the parties shall determine new annual cap(s) to apply for each year of the renewed term.

The Company intends to continue to enter into the Holiday Package Transactions contemplated under the 1H2025 QZ Framework Agreement after June 30, 2025. However, as the pace of recovery of the tourism market in Saipan over the course of the next three years remains uncertain, the management of the Group is of the view that it would be difficult for the parties to reasonably determine realistic annual caps for a three-year period at this point in time. As such, the Company has proposed to renew the 1H2025 QZ Framework Agreement for a further period of six months and revise the Existing 2025 QZ Annual Cap in view thereof.

The Board is pleased to announce that, on March 27, 2025 (after trading hours), the Company entered into the 2H2025 QZ Framework Agreement with QZ Tours for a term of six months from July 1, 2025 to December 31, 2025 on the same terms and conditions as 1H2025 QZ Framework Agreement, save that the Revised 2025 QZ Annual Cap shall be US\$2,108,000, subject to and conditional upon the Company's compliance with all applicable provisions of the Listing Rules (including the approval of the Independent Shareholders as necessary).

As one or more of the applicable percentage ratios in respect of the Revised 2025 QZ Annual Cap exceeds 5% and the total consideration is more than HK\$10,000,000 on an annual basis, the same is subject to the reporting, announcement, annual review and shareholders' approval requirements under Chapter 14A of the Listing Rules.

At the upcoming AGM, the Company will propose and the Independent Shareholders will consider and, if thought fit, pass resolutions to approve the 2H2025 QZ Framework Agreement, the Holiday Package Transactions contemplated thereunder, and the Revised 2025 QZ Annual Cap.

The Independent Board Committee has been established to advise the Independent Shareholders on the terms of the 2H2025 QZ Framework Agreement, the Holiday Package Transactions contemplated thereunder, and the Revised 2025 QZ Annual Cap. Lego Corporate Finance Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, amongst other things, (i) information on the 2H2025 QZ Framework Agreement, the Holiday Package Transactions contemplated thereunder, and the Revised 2025 QZ Annual Cap; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) a notice of the AGM is expected to be despatched to the Shareholders on or before April 17, 2025.

BACKGROUND

Reference is made to the 2024 Announcement with respect to the 1H2025 QZ Framework Agreement and the Existing 2025 QZ Annual Cap.

As disclosed in the 2024 Announcement, the Holiday Package Transactions under the 1H2025 QZ Framework Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

The term of the 1H2025 QZ Framework Agreement will expire on June 30, 2025. Pursuant to the provisions of the 1H2025 QZ Framework Agreement, at any time prior to the expiry of the term thereof, the parties may by mutual agreement renew the term of the framework agreement for a period of not more than three years on the same terms and conditions, save that the parties shall determine new annual cap(s) to apply for each year of the renewed term.

The Company intends to continue to enter into the Holiday Package Transactions contemplated under the 1H2025 QZ Framework Agreement after June 30, 2025. However, as the pace of recovery of the tourism market in Saipan over the course of the next three years remains uncertain, the management of the Group is of the view that it would be difficult for the parties to reasonably determine realistic annual caps for a three-year period at this point in time. As such, the Company has proposed to renew the 1H2025 QZ Framework Agreement for a further period of six months and revise the Existing 2025 QZ Annual Cap in view thereof.

The Board is pleased to announce that, on March 27, 2025 (after trading hours), the Company entered into the 2H2025 QZ Framework Agreement with QZ Tours for a term of six months from July 1, 2025 to December 31, 2025 on the same terms and conditions as 1H2025 QZ Framework Agreement, save that the Revised 2025 QZ Annual Cap shall be US\$2,108,000, subject to and conditional upon the Company's compliance with all applicable provisions of the Listing Rules (including the approval of the Independent Shareholders as necessary).

This announcement is to provide information on the 2H2025 QZ Framework Agreement and the Revised 2025 QZ Annual Cap for the year ending December 31, 2025.

PRINCIPAL TERMS OF THE 2H2025 QZ FRAMEWORK AGREEMENT

As disclosed in the 2024 Announcement, the Group enters into Holiday Package Transactions with the QZ Tours Group from time to time in its ordinary and usual course of business.

On March 27, 2025, the Company entered into the 2H2025 QZ Framework Agreement with QZ Tours in respect of the Holiday Package Transactions, which will supersede the 1H2025 QZ Framework Agreement with effect from July 1, 2025. Principal terms of the 2H2025 QZ Framework Agreement are as follows:

Term: Commencing from July 1, 2025 and expiring on December 31, 2025 (subject to and conditional upon the Company's compliance with the requirements of the Listing Rules).

Renewal: The parties may by mutual agreement renew the term of the 2H2025 QZ Framework Agreement for a period of not more than three years on the same terms and conditions (save that the parties shall determine and set out new annual cap(s) to apply for each year of the renewed term), subject always to compliance with the Listing Rules.

Holiday Package Transactions: At any time during the term, the Group may from time to time enter into sales agreements and/or individual purchase orders with the QZ Tours Group for so long as they comply with the provisions of the 2H2025 QZ Framework Agreement and the Listing Rules.

Any Group Company may enter into individual agreements in respect of Holiday Package Transactions with QZ Tours on terms to be agreed, provided always that such individual agreements are, inter alia, (i) in writing; (ii) in the Group's ordinary and usual course of business; (iii) on normal commercial terms; (iv) in compliance with all applicable provisions under the Listing Rules; (v) within the agreed annual caps (or upon the Company taking the appropriate actions to comply with the Listing Rules in respect of any amounts in excess); and (vi) no less favorable to the Group compared to those offered by other independent tour operators of comparable purchase value.

Termination: The 2H2025 QZ Framework Agreement (i) may be terminated by either party giving no less than a month's prior written notice; (ii) will be automatically terminated if QZ Tours ceases to be a connected person under the Listing Rules; (iii) may be terminated if either party commits a material breach that is either non-rectifiable or not rectified within 28 days; and (iv) may be terminated if either party becomes a subject of insolvency or liquidation.

Pricing Policy: When making a decision on the terms and conditions of the Holiday Package Transactions (including pricing, credit, payment and cancellation terms), the Group would take into account, based on arm's length commercial negotiations with QZ Tours, (i) the purchase volume of QZ Tours; (ii) the Group's projected occupancy and other operating conditions; (iii) the rates, terms and conditions offered by the Group's competitors to QZ Tours and other tour operators; (iv) the rates the Group offers through various booking channels and the Group's intended level of profits; and (v) the general market conditions, trends, seasonality, pricing and marketing landscape in the leisure tourism market in Saipan.

Further, any commercial terms that are different to those the Group offers to other independent tour operators must be offered to QZ Tours based on arm's length commercial negotiations principally with reference to its bulk purchase volume and the Group's operating conditions. In doing so, the Directors must specifically disregard the connected person relationship between the Group and QZ Tours.

Special conditions: All sales agreements and individual purchase orders exceeding HK\$3.0 million on an annual aggregate basis must receive, and shall be conditional upon, specific and express approval from the Audit Committee, comprising only of the Company's independent non-executive Directors.

PRICING POLICY AND GUIDELINES

Generally, the Group would enter into sales agreements (on a yearly or half-yearly basis) with different tour operators (including QZ Tours and various independent tour operators and wholesalers) which would give them the right to reserve in bulk a number of “allocated” rooms. The Group would discuss with various tour operators and wholesalers based on the Group’s operating needs and their sales capability to allocate them a number of room nights, which are typically priced at fixed rates categorized by seasonality. The number of rooms allocated and the rates offered to each tour operator and wholesaler are in turn subject to a number of factors, such as the behavior of market peers, source market demand, and their historical purchase volume. Any reservation in excess of the rooms allocated to each tour operator would be separately negotiated under individual purchase orders. As a matter of policy, the levels of discount offered to each tour operator (including QZ Tours) would be determined primarily based on the level of bulk bookings i.e. the higher the volume, the higher the level of discount. The Directors are of the view that this is commensurate with the practices of the global hotels and resorts industry.

Other terms offered to tour operators and wholesalers, such as cancellation policies, will also vary depending on the bulk purchase volume i.e. the higher the volume, the better the terms offered in order to provide incentive for tour operators. Cancellation periods offered to tour operators and wholesalers range from 5 days to 28 days depending on seasonality. As one of the largest customers of the Group, the cancellation periods offered to QZ Tours were generally shorter (as short as 5 days) than other tour operators and wholesalers with much lower purchase volume. The Directors are of the view that this is also commensurate with the practices of the global hotels and resorts industry.

QZ Tours mainly enter into Holiday Package Transactions with the Group for rooms and services for Crowne Plaza Resort Saipan. As previously disclosed, this hotel is being managed by the Hotel Manager. As such, the pricing policy and guidelines for the Holiday Package Transactions to be entered into with QZ Tours will be determined and implemented by the Hotel Manager in accordance with the terms of the 2H2025 QZ Framework Agreement as well as the hotel management agreement for each hotel.

Under the terms of the hotel management agreements, while the Group has the right to approve the annual budget for each hotel, the Hotel Manager has the right to determine all policies and procedures relating to the operation of the hotel, including the prices for any services provided by each hotel (e.g. room rates and food and beverage prices) and sales policies. Such policies and procedures must be consistent with the approved annual budget, the relevant brand standards of the InterContinental Hotels Group as well as industry standards for similarly market-positioned hotels in the geographical area in which the relevant hotel is being operated.

Wholesale contracts are negotiated and signed by the Hotel Manager on behalf of the relevant Group Company with a pre-determined set of rates. These rates will be determined by the Hotel Manager based on source market, seasonality and room types for each hotel. During different seasons, these rates can vary via promotional offers, or rate yielding by closing the wholesale allotment based on demand calendar and room availability. Discounted wholesale rates will be offered by the Hotel Manager to all tour operators and wholesalers, but the levels of discounts, cancellation policies and other terms will vary based on volume. In other words, as per the terms of the 2H2025 QZ Framework Agreement, the levels of discounts, cancellation periods and other terms to be offered to QZ Tours will similarly be offered to independent tour operators with comparable bulk purchase volume.

In accordance with the terms of the 2H2025 QZ Framework Agreement and previous framework agreements entered into with QZ Tours, the Hotel Manager has also been informed that, as a matter of policy, all sales agreements and individual purchase orders with QZ Tours exceeding HK\$3.0 million (on an annual aggregate basis) will need to be submitted to the Audit Committee for approval, and will not be entered into unless with the specific and express approval of the Audit Committee.

Considering the above, coupled with the fact that the commercial negotiations with QZ Tours will be conducted through the Hotel Manager, an independent third party with extensive hotel management experience and expertise, the Directors (excluding the independent non-executive Directors, who will give their opinion after considering the advice from the Independent Financial Adviser) are confident that the Holiday Package Transactions will be conducted on normal commercial terms and not prejudicial to the interests of the Company and its minority shareholders.

REVISED 2025 QZ ANNUAL CAP

The Company and QZ Tours have previously agreed on the Existing 2025 QZ Annual Cap pursuant to the 1H2025 QZ Framework Agreement. In view of the entering into the 2H2025 QZ Framework Agreement for a further term of six months, the Company and QZ Tours have agreed to revise the Existing 2025 QZ Annual Cap to cover Holiday Package Transactions to take place during the second half of the year ending December 31, 2025.

Details of the historical transaction amounts received by the Group from the QZ Tours Group under the Original QZ Framework Agreement and the 1H2025 QZ Framework Agreement, as well as the Revised 2025 QZ Annual Cap as agreed between the Company and QZ Tours are set out below:-

	For financial years ended/ending December 31,			
	2022 (US\$'000)	2023 (US\$'000)	2024 (US\$'000)	2025 (US\$'000)
Original annual caps	5,079	16,311	17,465	1,185
Actual aggregate amounts received from the QZ Tours Group	Nil <i>Note</i>	326 <i>Note</i>	2,218 <i>Note</i>	332 (for 2 months ended February 28, 2025)
Revised 2025 QZ Annual Cap				2025 (US\$'000) 2,108

Note: There was low utilization of the original annual caps under the Original QZ Framework Agreement for the three years ended December 31, 2022, 2023 and 2024. The low utilization was due to the fact that the original annual caps were determined towards the end of 2021 during the COVID-19 pandemic, when the Directors were cautiously optimistic that year 2022 would be a year of strong recovery for the global leisure travel industry in view of the increasing vaccination rates around the world. It was expected that flights to Saipan would gradually resume and Crowne Plaza Resort Saipan would be reopened in around March 2022, with Kanoa Resort to follow. However, due to the continued impact of the COVID-19 pandemic, Crowne Plaza Resort Saipan only reopened in late October 2022, and Kanoa Resort remained closed since July 2022. The pace of recovery of the tourism market in Saipan continued to remain sluggish throughout 2022 to 2024. Group tours from Mainland China to Saipan only resumed gradually from around August 2023, and direct flights between Hong Kong and Saipan only resumed in late April 2024. As such, the demand for Holiday Package Transactions remained low.

BASIS OF THE REVISED 2025 QZ ANNUAL CAP

QZ Tours mainly enter into Holiday Package Transactions with the Group for rooms and services for Crowne Plaza Resort Saipan to cater for the demand of tourists from Mainland China and Hong Kong. In view of the resumption of direct flights between Hong Kong and Saipan in late April 2024, there has been a gradual increase in the number of visitors from Mainland China (travelling via Hong Kong) since the second half of 2024. As such, the management of the Group noted that the utilization rate of the Existing 2025 QZ Annual Cap is relatively high for the two months ended February 28, 2025.

However, direct flights between cities in Mainland China and Saipan have yet to resume as of the date of this announcement. While the timeline for the resumption of direct flights between Mainland China and Saipan remains uncertain, the management of the Group has been informed by the Mariana Visitors Authority of the Commonwealth of the Northern Mariana Islands that indirect flight service between key tourist origin cities in Mainland China and Saipan via Seoul, South Korea, may commence by partnering with a South Korean airline in the foreseeable future.

In view of the aforesaid, the Directors are cautiously optimistic as regards the pace of recovery of the tourism market in Saipan in year 2025 with availability of flights to and from Hong Kong and other key tourist origin markets such as South Korea and Japan. Crowne Plaza Resort Saipan will continue to operate throughout 2025 and will remain well-positioned to capture any increase in demand. However, Kanoa Resort has not been in operation since July 2022 and will be permanently closed upon expiry of the relevant land lease on June 15, 2025.

In determining the Revised 2025 QZ Annual Cap for Holiday Package Transactions to be entered into during the year ending December 31, 2025, the Directors have considered factors including (i) historical amounts under Holiday Package Transactions, in particular, the latest amounts since the resumption of direct flights between Hong Kong and Saipan in late April 2024, including the two months ended February 28, 2025; and (ii) the estimated level of demand for the Group's tourism products and services during the year ending December 31, 2025, taking into account the expected pace of recovery of the leisure tourism market in Saipan and the potential commencement of indirect flights from key tourist origin cities in Mainland China to Saipan via Seoul, South Korea in the second half of year 2025.

The Revised 2025 QZ Annual Cap has been arrived at on the assumptions that (i) Crowne Plaza Resort Saipan will continue to operate throughout year 2025 but Kanoa Resort will not be in operation; (ii) all of the Group's other hotels, luxury travel retail boutiques and destination services in Saipan will continue to remain in full operation throughout year 2025; (iii) direct flights from various key cities in Mainland China to Saipan will not resume during the year 2025; (iv) indirect flights from certain key cities in Mainland China to Saipan via Seoul, South Korea will commence during the second half of year 2025; and (v) demand for leisure travel to Saipan from Mainland China (travelling via Hong Kong and Seoul) will continue to gradually recover in year 2025.

In view of the above, the Directors (excluding the independent non-executive Directors, who will give their opinion after considering the advice from the Independent Financial Adviser) consider that the Revised 2025 QZ Annual Cap is fairly and reasonably determined. As mentioned above, to further safeguard the reasonableness and fairness of the Holiday Package Transactions, the 2H2025 QZ Framework Agreement provides that all sales agreements and individual purchase orders exceeding HK\$3.0 million (on an annual aggregate basis) must receive specific and express approval from the Audit Committee.

If the actual amount receivable by the Group under the Holiday Package Transactions shall exceed the Revised 2025 QZ Annual Cap during the year ending December 31, 2025, the Company will re-comply with all applicable requirements under the Listing Rules accordingly.

INFORMATION OF QZ TOURS AND QZ TOURS GROUP

QZ Tours is a tour operator based in Beijing. As part of its product offering, the QZ Tours Group charters flights from Mainland China to Saipan, procures local travel products and services from the Group and other independent suppliers, and sells them on to end-travelers through its extensive sales network and to other online travel agents and traditional travel agents. Aside from its business relationship with the Group, the QZ Tours Group has a diverse and sizeable base of accommodation and other travel service suppliers, including other hotels and resorts in Guam and Saipan.

The principal business activities of the QZ Tours Group include the operation of domestic, inbound and outbound leisure travel tours and arranging holidays for tourists from Mainland China.

QZ Tours is owned as to 99% by Mr. Zhou Xindong, who is a son-in-law of Dr. Tan Siu Lin (chairman of the Board, non-executive Director and controlling shareholder of the Company) and a brother-in-law of Dr. Tan Henry (vice chairman of the Board, executive Director, chief executive officer and controlling shareholder of the Company), and as to 1% by Ms. Zheng Zhifang (an independent third party).

REASONS AND BENEFITS OF THE RENEWAL

The Group has developed a close and long-term collaboration with QZ Tours since 2012. Before the COVID-19 pandemic, QZ Tours has been providing the Group with a stable volume of room nights for its hotels and resorts. Since after the COVID-19 pandemic, for the year ended December 31, 2024, QZ Tours remained one of the largest customers of the Group, accounting for approximately 5.2% of the total sales of the Group.

A framework agreement between the Group and QZ Tours provides flexibility for the Group to (subject to the terms and conditions thereof and approval from the Audit Committee, if required) enter into the Holiday Package Transactions in the form of sales agreements or individual purchase orders based on the Group's operating conditions, and regulates the Holiday Package Transactions within the boundary of the Listing Rules. In addition, the 2H2025 QZ Framework Agreement does not restrict each of the parties from transacting with other China-based tour operators, giving the Group flexibility to select tour operators based on its operating needs and financial conditions. With QZ Tours' bulk purchase volume, the Directors believe that the Group could optimize its revenue and yield and hedge its risks against the cyclical and seasonal downside of the leisure tourism market in Saipan. Accordingly, the Directors consider that it is in the interest of the Group and the Shareholders as a whole to renew the existing framework agreement with QZ Tours so that the Group may continue to regulate current and future Holiday Package Transactions under a clear framework agreement.

Nevertheless, as the pace of recovery of the tourism market in Saipan over the course of the next three years remains uncertain, the management of the Group consider that it would be difficult for the parties to reasonably determine realistic annual caps in relation to the Holiday Package Transactions beyond the year 2025. As such, the parties have agreed to enter into the 2H2025 QZ Framework Agreement for a term of six months ending December 31, 2025, pending further clarity as regards the resumption of direct and/or indirect flights to and from key tourist origin cities in Mainland China.

Based on the above, the Directors (excluding the independent non-executive Directors, who will give their opinion after considering the advice from the Independent Financial Adviser) consider that (i) the terms and conditions of the 2H2025 QZ Framework Agreement (including the Revised 2025 QZ Annual Cap); and (ii) the Holiday Package Transactions contemplated under the 2H2025 QZ Framework Agreement are and will be fair and reasonable, on normal commercial terms or better, in the ordinary and usual course of business of the Group, and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS OF THE LISTING RULES

As mentioned above, QZ Tours is owned as to 99% by Mr. Zhou Xindong, who is a son-in-law of Dr. Tan Siu Lin and a brother-in-law of Dr. Tan Henry. QZ Tours is thus a majority-controlled corporation of a deemed connected person of the Company under Rule 14A.21(1)(a) of the Listing Rules, and thus a deemed connected person of the Company under Rule 14A.21(1)(b) of the Listing Rules. As such, the transactions contemplated under the 2H2025 QZ Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Revised 2025 QZ Annual Cap exceeds 5% and the total consideration is more than HK\$10,000,000 on an annual basis, the same is subject to the reporting, announcement, annual review and shareholders' approval requirements under Chapter 14A of the Listing Rules.

DIRECTORS' INTERESTS

None of the Directors has a material interest in the 2H2025 QZ Framework Agreement, the Holiday Package Transactions contemplated thereunder and the Revised 2025 QZ Annual Cap, but each of Dr. Tan Siu Lin, Dr. Tan Henry, Mrs. Su Tan Jennifer Sze Tink and Mr. Tan Willie has voluntarily abstained from voting on the board resolutions of the Company approving the 2H2025 QZ Framework Agreement and the Revised 2025 QZ Annual Cap.

Subject to approval of the Independent Shareholders at the AGM and compliance with all applicable provisions of the Listing Rules, all other Directors (excluding the independent non-executive Directors, who will give their opinion after considering the advice from the Independent Financial Adviser) have reviewed and approved the 2H2025 QZ Framework Agreement and the Revised 2025 QZ Annual Cap.

INTERNAL CONTROL MEASURES

The Audit Committee, which comprises only of the Group's independent non-executive Directors, continuously monitors and will continuously monitor the Group's continuing connected transactions on an on-going basis.

On an annual basis, an annual review report on continuing connected transactions will be compiled by the Audit Committee. The Audit Committee will carefully consider whether all of the continuing connected transactions of the Group are entered into in the ordinary and usual course of business of the Group, on normal commercial terms or, if applicable, on terms no less favorable to the Group than those available to or from (as appropriate) independent third parties, and are fair and reasonable to the Group and in the interests of the Company and the Shareholders as a whole.

The Audit Committee is also empowered with various functions and powers to safeguard the annual review of the continuing connected transactions, including but not limited to meeting every six months to review the reports on continuing connected transactions, authority to appoint any financial or legal adviser as it considers necessary for its review, power to require alterations, modifications or changes to the terms of the continuing connected transactions in whatever manner as the independent non-executive Directors see fit to ensure all continuing connected transactions are carried out on an arm's length basis.

Directors who may be perceived to have conflicts of interests, such as Directors who hold controlling interests in the connected persons, will not participate in any meetings or discussions of the Board and the Audit Committee, or be included in any decision making processes relating to such conflicting matters.

In addition, the Audit Committee is also empowered under the 2H2025 QZ Framework Agreement to consider and, if appropriate, give specific and express approval to all sales agreements and individual purchase orders exceeding HK\$3.0 million on an annual aggregate basis (being the *de minimis* threshold under Rule 14A.76(1) of the Listing Rules).

The Audit Committee is of the opinion that (i) the pricing policy and the terms under the 2H2025 QZ Framework Agreement are clear and specific; (ii) the Revised 2025 QZ Annual Cap is fair and reasonable taking into account historical transactions and management projections; (iii) the methods and procedures established by the Company are sufficient to ensure that the Holiday Package Transactions contemplated under the 2H2025 QZ Framework Agreement will be conducted on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders; (iv) appropriate internal control procedures are in place, and the Company's internal audit will review the Holiday Package Transactions contemplated under the 2H2025 QZ Framework Agreement; and (v) they are provided by the management of the Company with sufficient information for the discharge of their duties.

AGM

At the upcoming AGM, the Company will propose and the Independent Shareholders will consider and, if thought fit, pass resolutions to approve the 2H2025 QZ Framework Agreement, the Holiday Package Transactions contemplated thereunder, and the Revised 2025 QZ Annual Cap.

THC Leisure (holder of 270,000,000 Shares representing 75% of the issued share capital of the Company as at the date of this announcement), is a controlled corporation of Dr. Tan Siu Lin and Dr. Tan Henry. Considering Dr. Tan Siu Lin's and Dr. Tan Henry's relationship with Mr. Zhou Xindong (the ultimate beneficial owner of QZ Tours), THC Leisure will voluntarily abstain from voting on the resolutions approving the 2H2025 QZ Framework Agreement and the Revised 2025 QZ Annual Cap.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no other Shareholder has a material interest in the 2H2025 QZ Framework Agreement, the Holiday Package Transactions contemplated thereunder, and the Revised 2025 QZ Annual Cap. Therefore, no other Shareholder is required to abstain from voting at the AGM for the relevant resolutions.

The Independent Board Committee has been established to advise the Independent Shareholders on the terms of the 2H2025 QZ Framework Agreement, the Holiday Package Transactions contemplated thereunder, and the Revised 2025 QZ Annual Cap. Lego Corporate Finance Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

DESPATCH OF CIRCULAR

A circular containing, amongst other things, (i) information on the 2H2025 QZ Framework Agreement, the Holiday Package Transactions contemplated thereunder, and the Revised 2025 QZ Annual Cap; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) a notice of the AGM is expected to be despatched to the Shareholders on or before April 17, 2025.

INFORMATION OF THE GROUP

The Group is principally engaged in (i) hotel and resort operations in Guam and Saipan; (ii) travel retail business of luxury and leisure clothing and accessories in Guam, Saipan and Hawaii; and (iii) the provision of destination services including the operation of souvenir and convenience stores in Guam and Saipan, the operation of excursion tours in Saipan and the provision of land arrangement and concierge services in Saipan.

Based on the 2024 Results Announcement, the net asset value of the Company as at December 31, 2024 was approximately US\$34.0 million.

DEFINITIONS

1H2025 QZ Framework Agreement	the framework agreement entered into on November 28, 2024 between the Company and QZ Tours in respect of Holiday Package Transactions
2H2025 QZ Framework Agreement	the framework agreement entered into on March 27, 2025 between the Company and QZ Tours in respect of Holiday Package Transactions
2024 Announcement	the announcement issued by the Company dated November 28, 2024 in relation to, amongst others, the 1H2025 QZ Framework Agreement and the Existing 2025 QZ Annual Cap
2024 Results Announcement	the announcement of final results for the year ended December 31, 2024 published by the Company on March 27, 2025
AGM	the upcoming annual general meeting of the Company which is expected to be held in May 2025
Audit Committee	the audit committee of the Board
Board	the board of Directors
CNMI	the Commonwealth of the Northern Mariana Islands, a U.S.territory located in the Western Pacific Region
Company	S.A.I. Leisure Group Company Limited, a 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: 1832)
controlling shareholder	has the meaning ascribed to it under the Listing Rules
Crowne Plaza Resort Guam	the Group’s hotel located in Tumon Bay, Guam which is currently operating as “Crowne Plaza Resort Guam”
Crowne Plaza Resort Saipan	the Group’s hotel located in Garapan, Saipan, which is currently operating as “Crowne Plaza Resort Saipan”

Director(s)	the director(s) of the Company
Existing 2025 QZ Annual Cap	the annual cap in respect of the amounts payable by the QZ Tours Group to the Group under the 1H2025 QZ Framework Agreement for the financial year ending December 31, 2025 as disclosed in the 2024 Announcement
Group	the Company and its subsidiaries
Group Company	the Company or any of its subsidiaries
Guam	Guam, a U.S. territory located in the Western Pacific Region
Hawaii	the State of Hawaii, U.S.
Holiday Package Transactions	individual agreements from time to time made between the Group and the QZ Tours Group, pursuant to which the QZ Tours Group would (i) reserve bulk accommodation in the Group's hotels and resorts; (ii) purchase meal coupons from the Group's on-site restaurants and self-operated excursion tours; and (iii) procure destination-based, concierge and travel management services from the Group's destination services business segment (including typical sales agreements that are negotiated and typically signed on an annual basis with the QZ Tours Group and individual purchase orders)
Hong Kong	the Hong Kong Special Administrative Region of the PRC
Hotel Manager	IHC Hotel Limited (a wholly-owned subsidiary of InterContinental Hotels Group), currently the hotel manager of Crowne Plaza Resort Guam and Crowne Plaza Resort Saipan

Independent Board Committee	an independent committee of the Board comprising all the independent non-executive Directors, established for the purpose of advising the Independent Shareholders on the 2H2025 QZ Framework Agreement, the Holiday Package Transactions contemplated thereunder, and the Revised 2025 QZ Annual Cap
Independent Financial Adviser or Lego Corporate Finance Limited	Lego Corporate Finance Limited, a licenced corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the 2H2025 QZ Framework Agreement, the Holiday Package Transactions contemplated thereunder, and the Revised 2025 QZ Annual Cap
Independent Shareholders	Shareholders other than those who have a material interest in the 2H2025 QZ Framework Agreement, the Holiday Package Transactions contemplated thereunder, and the Revised 2025 QZ Annual Cap
independent third party(ies)	has the meaning ascribed to it under the Listing Rules
InterContinental Hotels Group	InterContinental Hotels Group Plc., the shares of which are dual listed on the New York Stock Exchange (stock code: IHG) and the London Stock Exchange (stock code: IHG)
Kanoa Resort	the Group’s hotel located in Susupe, Saipan, currently known as “Kanoa Resort”
Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange
Mainland China	the PRC exclusive of Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
Original QZ Framework Agreement	the framework agreement entered into on April 9, 2019 between the Company and QZ Tours in respect of Holiday Package Transactions, the term of which was renewed for a further period of three years from January 1, 2022 to December 31, 2024

PRC	the People's Republic of China
QZ Tours	泉州市世紀旅遊投資有限公司, a company established in the PRC on August 30, 2012 with limited liability
QZ Tours Group	QZ Tours and its subsidiaries collectively
Revised 2025 QZ Annual Cap	the proposed revised annual cap in respect of the amounts payable by the QZ Tours Group to the Group under the 1H2025 QZ Framework Agreement and the 2H2025 QZ Framework Agreement during the financial year ending December 31, 2025
Saipan	Saipan, the largest and most populated island in the CNMI
Share(s)	ordinary share(s) in the share capital of the Company
Shareholder(s)	holder(s) of Share(s)
Stock Exchange	The Stock Exchange of Hong Kong Limited
THC Leisure	THC Leisure Holdings Limited, a company incorporated under the laws of the British Virgin Islands with limited liability, the controlling shareholder of the Company
U.S.	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
US\$	United States dollars, the lawful currency of the U.S.

On behalf of the Board
S.A.I. Leisure Group Company Limited
Henry Tan, BBS, JP
*Vice Chairman, Executive Director
and Chief Executive Officer*

Hong Kong, March 27, 2025

As at the date of this announcement, the Board comprises: (1) Dr. TAN Henry, Mr. CHIU George and Mrs. SU TAN Jennifer Sze Tink as the executive Directors; (2) Dr. TAN Siu Lin (Chairman), Mr. TAN Willie and Mr. SCHWEIZER Jeffrey William as the non-executive Directors; and (3) Mr. CHAN Leung Choi Albert, Mr. MA Andrew Chiu Cheung and Mr. WONG Chun Tat as the independent non-executive Directors.