

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

VOLUNTARY ANNOUNCEMENT

FULLY EXEMPT CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF AN ADDITIONAL 5% OF THE ISSUED SHARE CAPITAL OF GEMKELL SAIPAN AND GEMKELL GUAM

On September 3, 2019 (after trading hours of the Stock Exchange), the Purchasers (each a wholly-owned subsidiary of the Company) and the Vendor (a connected person of the Group at subsidiary level) entered into the Sale and Purchase Agreements, pursuant to which the Purchasers agreed to purchase, and the Vendor agreed to sell, the Sale Shares (representing 5% of the issued share capital in each of the Target Companies, Gemkell Saipan and Gemkell Guam) at a cash consideration of US\$300,000 in aggregate.

Upon completion (which had taken place simultaneously with the execution of the Sale and Purchase Agreements) of the Acquisitions, the Target Companies are each held as to 80% indirectly by the Company through the Purchasers and as to 20% by the Vendor. The Target Companies will each continue to constitute a subsidiary of the Company within the meanings of the Listing Rules and be consolidated into the financial statements of the Group.

As the highest of the applicable percentage ratios (calculated with reference to Rule 14.07 of the Listing Rules) in respect of the Acquisitions is less than 5% , the Acquisitions do not constitute a notifiable transaction under Rule 14.08 of the Listing Rules. In addition, the aggregate consideration is less than HK\$3,000,000, the Acquisitions (on an aggregate basis) are fully exempted from the shareholders' approval, annual review and all disclosure requirements under Rule 14A.76(1)(c) of the Listing Rules. Accordingly, this announcement is made on a voluntary basis for shareholders' and investors' information.

THE ACQUISITIONS

The Board is pleased to announce that on September 3, 2019 (after trading hours of the Stock Exchange), the Purchasers (each a wholly-owned subsidiary of the Company) and the Vendor (a connected person of the Group at subsidiary level) entered into the Sale and Purchase Agreements, pursuant to which the Purchasers agreed to purchase, and the Vendor agreed to sell, the Sale Shares (representing 5% of the issued share capital in each of the Target Companies).

Target Companies

The Target Companies are Gemkell Saipan and Gemkell Guam, which engage in the Group's luxury travel retail activities in Saipan, Guam and Hawaii. Immediately prior to Completion, Gemkell Saipan and Gemkell Guam were each owned as to 75% indirectly by the Company through the Purchasers, and as to 25% by the Vendor.

Sale Shares

The Sales Shares are 5,000 shares in Gemkell Saipan and 4,000 shares in Gemkell Guam, representing 5% of the issued share capital in each of the Target Companies.

Principal terms of the Sale and Purchase Agreements

The Sale and Purchase Agreements are the Gemkell Saipan SPA and Gemkell Guam SPA, which have the following principal terms:-

Gemkell Saipan SPA

Date: September 3, 2019

Vendor: Mr. Richard Mark HAWES

Purchaser: S.A.I. CNMI Tourism

Gemkell Guam SPA

Date: September 3, 2019

Vendor: Mr. Richard Mark HAWES

Purchaser: S.A.I. Guam Tourism

Consideration

The consideration of the Acquisitions is US\$300,000 in aggregate, which was paid by the Group in cash upon completion.

The consideration was determined after arm's length negotiations between the parties with reference to the aggregate net book value of the Target Companies as of June 30, 2019 on a pro rata basis based on the unaudited management accounts of the Group.

Completion

Completion of the Acquisitions had taken place simultaneously with the execution of the Sale and Purchase Agreements.

Upon completion of the Acquisitions, the Target Companies are each held as to 80% indirectly by the Company through the Purchasers (being an increase of 5% from 75%) and as to 20% by the Vendor (being a reduction of 5% from 25%). The Target Companies will each continue to constitute a subsidiary of the Company within the meanings of the Listing Rules and be consolidated into the financial statements of the Group.

INFORMATION OF THE PURCHASERS AND THE GROUP

Each of the Purchasers is an investment holding company of the Group and an indirectly wholly-owned subsidiary of the Company.

The Group is a leisure tourism group in Saipan, Guam and Hawaii, each a United States territory. The Group's business can be segmented into the (1) hotels and resorts, (2) luxury travel retail, and (3) destination services.

INFORMATION OF THE VENDOR

Upon completion of the Acquisitions, the Vendor is a 20% shareholder and a director of the Target Companies and is therefore a connected person of the Group at subsidiary level under Rule 14A.07 of the Listing Rules.

REASONS AND BENEFITS FOR THE ACQUISITIONS

The luxury travel retail business is one of the principal activities of the Group. The Acquisitions will enable the Group to enlarge its equity interests and control in its luxury travel retail business which saw a consistent revenue growth following its expansion in Saipan, Guam and Hawaii. Having taken into account factors such as market outlook and future earnings potentials, the Directors (including the independent non-executive Directors) are of the view that the terms of the Sale and Purchase Agreements are fair and reasonable, the Acquisitions are on normal commercial terms, conducted in the ordinary and usual course of business of the Group, and are in the interests of the Company and the Shareholders as a whole. None of the Directors has a material interest in the Acquisitions or was required to abstain from voting on the Board resolutions approving the Acquisitions.

LISTING RULES IMPLICATION

As the highest of the applicable percentage ratios (calculated with reference to Rule 14.07 of the Listing Rules) in respect of the Acquisitions is less than 5% , the Acquisitions do not constitute a notifiable transaction under Rule 14.08 of the Listing Rules. In addition, the aggregate consideration is less than HK\$3,000,000, the Acquisitions (on an aggregate basis) are fully exempted from the shareholders' approval, annual review and all disclosure requirements under Rule 14A.76(1)(c) of the Listing Rules. Accordingly, this announcement is made on a voluntary basis for shareholders' and investors' information.

Shareholders and investors should exercise cautions when dealing in the securities of the Company.

DEFINITIONS

| | |
|---------------------|--|
| Acquisitions | (1) the acquisition of 5,000 shares in Gemkell Saipan, representing 5% of its issued share capital, by S.A.I. CNMI Tourism from the Vendor pursuant to the Gemkell Saipan SPA, and (2) the acquisition of 4,000 shares in Gemkell Guam, representing 5% of its issued share capital, by S.A.I. Guam Tourism from the Vendor pursuant to the Gemkell Guam SPA |
| Board | the board of directors of the Company |
| CNMI | Commonwealth of the Northern Mariana Islands, a United States territory |

| | |
|-------------------------------------|--|
| 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) |
| Directors | the directors of the Company |
| Gemkell Guam | Gemkell Corporation, a corporation incorporated on January 26, 2004 in Guam with limited liability. Gemkell Guam is a non-wholly owned subsidiary of the Company |
| Gemkell Guam SPA | the stock purchase agreement dated September 3, 2019 entered into between S.A.I. Guam Tourism as purchaser and the Vendor as vendor |
| Gemkell Saipan | Gemkell (Saipan) Corporation, a corporation incorporated on June 10, 2016 in the CNMI with limited liability. Gemkell Saipan is a non-wholly owned subsidiary of the Company. |
| Gemkell Saipan SPA | the Stock Purchase Agreement dated September 3, 2019 entered into between S.A.I. CNMI Tourism as purchaser and the Vendor as vendor |
| Group | the Company and its subsidiaries |
| Listing Rules | the Rules Governing the Listing of Securities on the Stock Exchange |
| Purchasers | S.A.I. CNMI Tourism and S.A.I. Guam Tourism |
| S.A.I. CNMI Tourism | S.A.I. CNMI Tourism Inc., a corporation incorporated on November 9, 2018 in the CNMI with limited liability. S.A.I. CNMI Tourism is an indirectly wholly-owned subsidiary of the Company |
| S.A.I. Guam Tourism | S.A.I. Guam Tourism Inc., a corporation incorporated on October 24, 2018 in Guam with limited liability. S.A.I. Guam Tourism is an indirectly wholly-owned subsidiary of the Company |
| Sale and Purchase Agreements | the Gemkell Saipan SPA and the Gemkell Guam SPA |

| | |
|-------------------------|---|
| Sale Shares | 5,000 shares in Gemkell Saipan and 4,000 shares in Gemkell Guam |
| Stock Exchange | The Stock Exchange of Hong Kong Limited |
| Target Companies | Gemkell Saipan and Gemkell Guam |
| US\$ | United States dollars, the lawful currency of the United States of America |
| Vendor | Mr. Richard Mark HAWES, a connected person of the Group at subsidiary level |

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

Hong Kong, September 3, 2019

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