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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)**

## **INSIDE INFORMATION**

### **HOTEL MANAGEMENT AGREEMENT WITH THE INTERCONTINENTAL HOTELS GROUP IN RESPECT OF FIESTA RESORT SAIPAN**

This announcement is made pursuant to (1) Rules 13.09 and 13.10 of the Listing Rules, and (2) the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The Board is pleased to announce that on May 1, 2020 (after trading hours), APHI Saipan (an indirectly wholly-owned subsidiary of the Company) entered into the Hotel Management Agreement in respect of Fiesta Resort Saipan with IHC Hotel (an indirectly wholly-owned subsidiary of InterContinental Hotels Group, being an independent third party and acting as Manager and Licensor).

The arrangement under the Hotel Management Agreement is similar to the hotel management agreement entered into between APHI Guam (an indirectly wholly-owned subsidiary of the Company) and IHC Hotel in respect of the Guam Hotel, the details of which have been set out in the announcement of the Company issued on September 10, 2019.

Pursuant to the Hotel Management Agreement, IHC Hotel agreed to, among other things, (1) provide the Hotel Management Services and manage and operate Fiesta Resort Saipan from the Commencement Date (currently expected to be July 1, 2020), (2) provide Fiesta Resort Saipan with access to the worldwide reservation system and loyalty programs administered and operated by the Manager (or its affiliates) from the Commencement Date, and (3) implement the Pre-Opening Program and Rebranding Program on behalf of APhi Saipan necessary to operationally prepare Fiesta Resort Saipan to be rebranded and operated as “Crowne Plaza Resort Saipan” under a license to be granted by the Licensor from the Rebranding Date (currently expected to be July 1, 2022). In consideration for the Manager’s Hotel Management Services and the license granted by the Licensor, IHC Hotel (or its affiliates) will receive the Fees and Contributions prescribed in the Hotel Management Agreement.

The Group currently owns, operates and self-manages Fiesta Resort Saipan. Beginning from the Commencement Date, the Manager will be responsible for the day-to-day management and operations of Fiesta Resort Saipan and will procure that Fiesta Resort Saipan is operated with the benefit of access to the worldwide reservation system and loyalty programs administered and operated by the Manager (or its affiliates). Under the Hotel Management Agreement, APhi Saipan will retain its rights as the hotel owner over certain key managerial, financial and strategic decisions.

With tourists from mainland China, Japan and South Korea (the key tourist make-up of Saipan) becoming more and more sophisticated, the Directors saw the need to elevate Fiesta Resort Saipan from the more competitive mid-market segment to the up-market segment to capture these tourists.

Leveraging on the InterContinental Hotels Group’s extensive hotel management experiences, membership program and loyalty customer base, as well as the brand recognition of the “Crowne Plaza” brand, particularly among mainland Chinese, Japanese and South Korean guests, the Directors expect that the commercial benefits of the Hotel Management Agreement will, in the long term, outweigh the Fees and Contributions payable to IHC Hotel (or its affiliates), enlarge Fiesta Resort Saipan’s revenue base and eventually enhance its room rate commanding power and profitability.

As disclosed in the announcement of the Company issued on April 23, 2020, APhi Saipan agreed and finalized the terms of the new Lease Agreement with the CNMI Department of Public Lands in respect of the Hotel Premises. In accordance with the terms of the Lease Agreement, the Group intends to carry out renovation and construction works in respect of Fiesta Resort Saipan, consisting of (1) the proposed renovation and upgrade of Fiesta Resort Saipan under the existing Asset Rejuvenation Plan and (2) the proposed construction of a new annex tower on a parcel of land within the Hotel Premises (currently used as tennis courts).

The proposed renovation works under the Asset Rejuvenation Plan will form part of the Pre-Opening Program and Rebranding Program to ensure that Fiesta Resort Saipan adheres to the brand standards of the “Crowne Plaza” brand. According to the Hotel Management Agreement, the Rebranding Program is currently expected to be completed on July 1, 2022.

Pursuant to the terms of the Hotel Management Agreement, APhi Saipan will also construct the additional rooms and related facilities in the proposed new annex tower mentioned above in accordance with the brand standards of the “Crowne Plaza” brand. As per the Hotel Management Agreement, construction is currently expected to be completed by mid-2025.

The Directors consider that the Hotel Management Agreement is in line with the Group’s elaborate business strategies to (1) increase average room rates and achieve stronger yield and (2) expand the long-term accommodation capacity in its Hotels & Resorts Segment as disclosed in the Prospectus.

Based on the Directors’ current estimation, the revenue and profit attributed to Fiesta Resort Saipan in the financial year ending December 31, 2020 is expected to decrease due to the combination of (1) the estimated capital expenditure of the Asset Rejuvenation Plan, Pre-Opening Program and Rebranding Program, (2) impacts on the occupancy rate and average room rate during the course of the Asset Rejuvenation Plan, Pre-Opening Program and Rebranding Program, (3) the Fees and Contributions payable to IHC Hotel (or its affiliates) under the Hotel Management Agreement, (4) the ramp-up period required under the Manager’s management and operation, and (5) the impact of COVID-19 on business operations.

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

The Board is pleased to announce that on May 1, 2020 (after trading hours), APhi Saipan (an indirectly wholly-owned subsidiary of the Company) entered into the Hotel Management Agreement in respect of Fiesta Resort Saipan with IHC Hotel (an indirectly wholly-owned subsidiary of InterContinental Hotels Group, being an independent third party and acting as Manager and Licensor).

### **Fiesta Resort Saipan**

Fiesta Resort Saipan is a 17,644 sq.m. facility strategically located at the heart of the Garapan tourism center of Saipan. As of the date of this announcement, Fiesta Resort Saipan comprises 418 rooms. Fiesta Resort Saipan is operated on leasehold interests held by APhi Saipan. Fiesta Resort Saipan will be rebranded and operated as “Crowne Plaza Resort Saipan” from the Rebranding Date (currently expected to be July 1, 2022).

## **Arrangement under the Hotel Management Agreement**

The arrangement under the Hotel Management Agreement is similar to the hotel management agreement entered into between APhi Guam (an indirectly wholly-owned subsidiary of the Company) and IHC Hotel in respect of the Guam Hotel, the details of which have been set out in the announcement of the Company issued on September 10, 2019.

Pursuant to the Hotel Management Agreement, IHC Hotel agreed to, among other things, (1) provide the Hotel Management Services (further described below) and manage and operate Fiesta Resort Saipan from the Commencement Date (currently expected to be July 1, 2020) during the term of the Hotel Management Agreement, (2) provide Fiesta Resort Saipan with access to the worldwide reservation system and loyalty programs administered and operated by the Manager (or its affiliates) from the Commencement Date, and (3) implement the Pre-Opening Program and Rebranding Program on behalf of APhi Saipan necessary to operationally prepare Fiesta Resort Saipan to be rebranded and operated as “Crowne Plaza Resort Saipan” under a license granted by the Licensor from the Rebranding Date (currently expected to be July 1, 2022). In consideration for the Manager’s Hotel Management Services and the license granted by the Licensor, IHC Hotel (or its affiliates) will receive the Fees and Contributions (further described below) prescribed in the Hotel Management Agreement.

The Group currently owns, operates and self-manages Fiesta Resort Saipan. Beginning from the Commencement Date, the Manager will be responsible for the day-to-day management and operations of Fiesta Resort Saipan and will procure that Fiesta Resort Saipan is operated with the benefit of access to the worldwide reservation system and loyalty programs administered and operated by the Manager (or its affiliates). Under the Hotel Management Agreement, APhi Saipan will retain its rights as the hotel owner over certain key managerial, financial and strategic decisions.

## **Renovation and expansion of Fiesta Resort Saipan**

As disclosed in the announcement of the Company issued on April 23, 2020, APhi Saipan agreed and finalized the terms of the new Lease Agreement with the CNMI Department of Public Lands in respect of the Hotel Premises. In accordance with the terms of the Lease Agreement, the Group intends to carry out renovation and construction works in respect of Fiesta Resort Saipan, consisting of the proposed renovation and upgrade of Fiesta Resort Saipan under the Asset Rejuvenation Plan and the proposed construction of a new annex tower on a parcel of land within the Hotel Premises (currently used as tennis courts).

The proposed renovation works under the Asset Rejuvenation Plan will form part of the Pre-Opening Program and Rebranding Program to ensure that Fiesta Resort Saipan adheres to the brand standards of the “Crowne Plaza” brand. According to the Hotel Management Agreement, the Rebranding Program is currently expected to be completed on July 1, 2022.

Pursuant to the terms of the Hotel Management Agreement, APhi Saipan will also construct the additional rooms and related facilities in the proposed new annex tower mentioned above in accordance with the brand standards of the “Crowne Plaza” brand. As per the Hotel Management Agreement, construction is currently expected to be completed by mid-2025.

### **Principal terms of the Hotel Management Agreement**

Summarized below are the principal terms of the Hotel Management Agreement:

- Date** : May 1, 2020
- Parties** : APhi Saipan (as owner of Fiesta Resort Saipan) and IHC Hotel (as the Manager and as the Licensor)
- Term** : For an initial term of 25 years with two options to renew for an additional 5 years each, subject to early termination as referred to in “Termination” below
- Hotel Management Services** : The Manager will manage and operate Fiesta Resort Saipan in accordance with the “Crowne Plaza” brand standards as prescribed under the Hotel Management Agreement. In providing the Hotel Management Services, the Manager will have authority to, among other things:–
- (1) supervise all personnel matters including recruitment, ongoing management and termination of all employees of Fiesta Resort Saipan;
  - (2) purchase furniture, fixtures and equipment and performance of maintenance and overseeing the works relating to any hotel refurbishments, renovations and capital replacement;

- (3) select suppliers and purchase all food, beverage and other operating supplies and other items used in the operation of Fiesta Resort Saipan;
- (4) undertake budget and accounting matters;
- (5) advertise and promote Fiesta Resort Saipan and coordinate with the international sales and marketing programs of other “Crowne Plaza” brand hotels;
- (6) supervise legal actions and retain professional advisers for matters which relate to the operations of Fiesta Resort Saipan;
- (7) determine all policies and procedures relating to the operation of Fiesta Resort Saipan, including those related to pricing, use of rooms, marketing, sales, personnel and compensation, and
- (8) enter into and perform any contracts in the name of APHI Saipan unless (i) the contract is not terminable at will or without cause on reasonable notice, or (ii) has an aggregate cost in excess of US\$250,000 (subject to annual increase in accordance with consumer price index of Saipan), in which case an approval from APHI Saipan is required.

**Loyalty programs  
and reservation  
system** :

Fiesta Resort Saipan will be given access to and operation of the worldwide reservation system and loyalty programs such as “IHG Rewards Club” administered and operated by the Manager (or its affiliates) from the Commencement Date until the Rebranding Date under its current name “Fiesta Resort & Spa Saipan”. Upon Fiesta Resort Saipan’s re-launch as “Crowne Plaza Resort Saipan”, Fiesta Resort Saipan will continue to be operated with the benefit of access to and operation of such worldwide reservation system and loyalty programs.

**Rebranding and license to use the “Crowne Plaza” brand** : The Manager will implement a Pre-Opening Program and Rebranding Program on behalf of APhi Saipan necessary to operationally prepare Fiesta Resort Saipan to rebrand and operate as “Crowne Plaza Resort Saipan”, including without limitation, the coordination of marketing collateral and relevant sales and marketing programs to promote Fiesta Resort Saipan and its re-branding launch as “Crowne Plaza Resort Saipan”.

Fiesta Resort Saipan will be re-branded and operated as a “Crowne Plaza” hotel and renamed as “Crowne Plaza Resort Saipan” on and from the Rebranding Date under a non-exclusive, non-assignable, non-transferable license granted by the Licensor to use certain trademarks including the use of, among others, the brand name and trademarks of “Crowne Plaza”, “IHG Concerto” and “IHG Rewards Club” by APhi Saipan at Fiesta Resort Saipan.

**Construction of additional rooms** : APhi Saipan will construct additional rooms and related facilities in accordance with the brand standards of the “Crowne Plaza” brand. Construction is currently expected to be completed in mid-2025.

**Fees and Contributions** : The following annual Fees and Contributions are, among others, payable to IHC Hotel (or its affiliates) for the Manager’s Hotel Management Services and the license granted by the Licensor:–

- (1) ***Licence Fee*** — a fixed percentage of the adjusted gross revenue of Fiesta Resort Saipan payable on a monthly basis;
- (2) ***Incentive Management Fee*** — a percentage (variable based on the gross operating profit margin of Fiesta Resort Saipan during the relevant year) of the adjusted gross operating profit of Fiesta Resort Saipan payable on a monthly basis;

- (3) ***System Fund Contribution*** — (i) a fixed percentage of the gross room revenue of Fiesta Resort Saipan as contribution to the InterContinental Hotels Group’s global marketing and reservation system initiatives, and (ii) a fixed percentage of all revenues received by Fiesta Resort Saipan through the InterContinental Hotels Group’s global frequency marketing program (which is currently known as the “IHG Rewards Club”) payable on a monthly basis; and
- (4) ***Technical Services Fee*** — a fixed service fee of US\$200,000 payable in 2 equal instalments upon (i) the execution of the Hotel Management Agreement, and (ii) the 1st anniversary of the Hotel Management Agreement in consideration for the technical consultancy services provided by the Manager in relation to the Asset Rejuvenation Plan.

When used in this announcement, “**adjusted gross revenue**” means, in general, the gross revenue of Fiesta Resort Saipan without taking into account certain ancillary income such as gratuities, taxes and customer credit in the relevant year, and “**adjusted gross operating profit**” means, in general, the gross operating profit of Fiesta Resort Saipan less the license fees payable to IHC Hotel (or its affiliates) in the relevant year.

The Fees and Contributions were determined by the parties on an arm’s length basis with reference to prevailing industry practice for comparable properties, hotel brands and management service providers. Based on the current estimates of the Directors, the annual Fees and Contributions payable to the IHC Hotel (or its affiliates) under the Hotel Management Agreements are expected to be no more than 9% of Fiesta Resort Saipan’s revenue in any of the next 5 financial years. All Fees and Contributions will be funded by the Group’s internal resources.

**Finance and administrative matters**

: Prior to each financial year, the Manager shall prepare and submit to APhi Saipan the budgets (including without limitation (1) estimates of gross revenues, operating costs, gross operating profit, license fees and incentive management fees, (2) cash flow projection on a monthly basis, (3) budgets for capital expenditure, and (4) marketing and human resources plan) and strategic and business plans for APhi Saipan's approval.

The Manager and APhi Saipan will also participate in monthly meetings to review and discuss the financial performance, marketing plans, capital replacement and forthcoming contracts to be entered in the name of APhi Saipan. The Group will also be given access to the accounting system of Fiesta Resort Saipan.

In addition, APhi Saipan is required to contribute a prescribed percentage of Fiesta Resort Saipan's adjusted gross revenue as capital replacement fund as capital expenditure for, among other things, fixtures, furniture, equipment and the operational requirements of Fiesta Resort Saipan.

Each year, the Manager is required to take reasonable steps to enable the estimated gross operating profit as set out in the approved annual budget to be achieved, as well as to ensure that certain capital expenditure does not exceed the amounts specified in the approved annual budget.

**Termination**

: The Hotel Management Agreement may be terminated in the following circumstances, among others:–

- (1) by either party with immediate effect if the other party is declared bankrupt or commits an act of bankruptcy or becomes insolvent;
- (2) by either party by giving a 30 days' written notice if the other party commits a material breach of the Hotel Management Agreement; or
- (3) by APhi Saipan (exercisable after the later of the Rebranding Date and the 3<sup>rd</sup> anniversary of the Commencement Date) if for two consecutive years the gross operating profit and the RevPAR of Fiesta Resort Saipan did not meet a prescribed threshold.

## **Information of the Group and APhi Saipan**

The Group is principally engaged in (1) hotel and resort operations in Saipan and Guam; (2) travel retail business of luxury and leisure clothing and accessories in Saipan, Guam and Hawaii; and (3) the provision of destination services in Saipan including the operation of souvenir and convenience stores, the operation of excursion tours and the provision of land arrangement and concierge services.

APhi Saipan is an operating subsidiary of the Group which currently owns, operates and self-manages Fiesta Resort Saipan and the Group's other hotels and resorts in Saipan. It is an indirectly wholly-owned subsidiary of the Company.

## **Information of the Manager and the Licensor**

The Manager and Licensor, IHC Hotel, is an indirectly wholly-owned subsidiary of InterContinental Hotels Group, the shares of which are dual listed on the New York Stock Exchange (stock code: IHG) and London Stock Exchange (stock code: IHG). InterContinental Hotels Group is a British multinational hospitality company which owns hospitality brands including, among others, "InterContinental® Hotels & Resorts", "Crowne Plaza® Hotels & Resorts", "Hotel Indigo®", "Holiday Inn®" and "Holiday Inn Express®". To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, each of IHC Hotel and the InterContinental Hotels Group is an independent third party.

## **Reasons and benefits for entering into the Hotel Management Agreement**

One of the principal businesses of the Group is the operation of hotels and resorts in Saipan and Guam. It has been the Group's elaborate business strategies on future business development to maintain and further the market leadership of the Group's hotels and resorts by, in particular, increasing its average room rates and achieving a stronger yield growth.

Fiesta Resort Saipan currently operates in the mid-market segment and close to full capacity. The competition in Saipan's hospitality industry is particularly intensive in the mid-market segment, which constantly gives Fiesta Resort Saipan pricing pressure. With tourists from mainland China, Japan and South Korea (the key tourist make-up of Saipan) becoming more and more sophisticated, the Directors saw the need to elevate Fiesta Resort Saipan from the more competitive mid-market segment to the up-market segment to capture these tourists.

The Prospectus has disclosed that, as the Group upgrades its accommodation and service offering in Saipan and Guam under the Asset Rejuvenation Plan, the Group may explore collaboration opportunities with international hospitality chains, which may take place in various manners such as access to their membership program and their loyalty customer base, obtaining marketing and operational support, use of their booking engines and reservation systems or a rebranding exercise.

The Directors consider that the Hotel Management Agreement presents an attractive business opportunity in furtherance of the Group's operating performance, market position and future business development. Re-branding and upgrading of Fiesta Resort Saipan under the Pre-Opening Program and the Rebranding Program is expected to lift Fiesta Resort Saipan from the more competitive mid-market segment (with around seven peers) towards the more attractive up-market segment, which has limited competition in Saipan (with two competitors).

Leveraging on the InterContinental Hotels Group's extensive hotel management experiences, membership program and loyalty customer base, as well as the brand recognition of the "Crowne Plaza" brand, particularly among mainland Chinese, Japanese and South Korean guests, the Directors expect that the commercial benefits of the Hotel Management Agreement will, in the long term, outweigh the Fees and Contributions payable to IHC Hotel (or its affiliates), enlarge Fiesta Resort Saipan's revenue base and eventually enhance its room rate commanding power and profitability.

The Directors consider that the Hotel Management Agreement is in line with the Group's elaborate business strategies to (1) increase average room rates and achieve stronger yield and (2) expand the long-term accommodation capacity in its Hotels & Resorts Segment as disclosed in the Prospectus.

Taking into account the overall benefits and the market landscape of Fiesta Resort Saipan, the Directors (including the independent non-executive Directors), having reviewed and approved the Hotel Management Agreement and based on their industry experiences, are of the view that (1) the operation and management of Fiesta Resort Saipan by the Manager and its eventual rebranding as "Crowne Plaza Resort Saipan" will position Fiesta Resort Saipan at a high-end market position capable of commanding a higher revenue and reaching out to a wider and more premium customer base, (2) the terms and conditions (including the Fees and Contributions) of the Hotel Management Agreement are fair and reasonable, on normal commercial terms and generally in line with the industry practice for comparable properties, hotel brands and management service providers, (3) the arrangements contemplated under the Hotel Management Agreement are on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

None of the Directors has a material interest in the Hotel Management Agreement or was required to abstain from voting on the Board resolutions approving the Hotel Management Agreement.

### **Renovation and construction costs**

The Asset Rejuvenation Plan (which will form part of the Pre-Opening Program and the Rebranding Program) will be undertaken in the manner described in the Prospectus. As set out in the Prospectus and the 2019 Annual Report, the potential capital expenditure in respect of the renovation under the Asset Rejuvenation Plan will be funded partly by the net proceeds from the Listing and partly by the Group's internal resources. As for the construction cost of the proposed new annex tower, it is the Directors' intention that the potential capital expenditure will be funded by the Group's internal resources and external financing.

There is no change to or further delay in the use of proceeds from the Listing as disclosed in the Prospectus and supplemented by the 2019 Annual Report.

### **Potential impact on revenue and profit**

Based on the Directors' current estimation, the revenue and profit attributed to Fiesta Resort Saipan in the financial year ending December 31, 2020 is expected to decrease due to the combination of (1) the estimated capital expenditure of the Asset Rejuvenation Plan, Pre-Opening Program and Rebranding Program, (2) impacts on the occupancy rate and average room rate during the course of the Asset Rejuvenation Plan, Pre-Opening Program and Rebranding Program, (3) the Fees and Contributions payable to IHC Hotel (or its affiliates) under the Hotel Management Agreement, (4) the ramp-up period required under the Manager's management and operation, and (5) the impact of COVID-19 on business operations.

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

## DEFINITIONS

<b>2019 Annual Report</b>	the annual report of the Company dated March 26, 2020 for the financial year ended December 31, 2019
<b>APHI Guam</b>	Asia Pacific Hotels, Inc. (Guam), a corporation incorporated on April 29, 2002 in Guam with limited liability, which is an indirectly wholly-owned subsidiary of the Company
<b>APHI Saipan</b>	Asia Pacific Hotels, Inc., a corporation incorporated on November 19, 1997 in the CNMI with limited liability, which is an indirectly wholly-owned subsidiary of the Company
<b>Asset Rejuvenation Plan</b>	the renovation, refurbishment and fit-out works contemplated for Fiesta Resort Saipan as detailed in the Prospectus and supplemented by the 2019 Annual Report
<b>Board</b>	the board of directors of the Company
<b>CNMI</b>	the Commonwealth of the Northern Mariana Islands, a U.S. territory located in the Western Pacific Region
<b>CNMI Department of Public Lands</b>	the Department of Public Lands established under Public Law 15-2 of the CNMI, which has the authority and responsibility over the management, use and disposition of public lands in the CNMI
<b>Commencement Date</b>	the date following the completion of the Pre-Opening Program and notified by Manager to APHI Saipan in writing, which is currently expected to be July 1, 2020
<b>Company</b>	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)
<b>COVID-19</b>	the disease named “COVID-19” by the World Health Organization, which is a respiratory disease caused by a novel coronavirus first detected in 2019
<b>Director(s)</b>	the director(s) of the Company

<b>Fees and Contributions</b>	the aggregate fees and contributions payable by APhi Saipan to the Manager, Licensor and/or their affiliates under the Hotel Management Agreement
<b>Fiesta Resort Saipan</b>	the Group’s full-service, family-style resort located in Garapan, Saipan, which is currently operating as “Fiesta Resort & Spa Saipan”
<b>Group</b>	the Company and its subsidiaries
<b>Guam</b>	Guam, a U.S. territory located in the Western Pacific Region
<b>Guam Hotel</b>	the Group’s hotel located in Tumon Bay, Guam which is currently operated as “Fiesta Resort Guam”
<b>Hawaii</b>	the State of Hawaii, U.S.
<b>Hong Kong</b>	the Hong Kong Special Administrative Region of the PRC
<b>Hotels &amp; Resorts Segment</b>	the business segment of the Group which involves the operation of four hotels and resorts in Saipan and Guam (including Fiesta Resort Saipan) and related food and beverage, meetings, banquet and other hospitality services
<b>Hotel Management Agreement</b>	the hotel management agreement dated May 1, 2020 entered into between APhi Saipan and the Manager and Licensor in respect of, among other things, the Hotel Management Services to be provided by the Manager at Fiesta Resort Saipan
<b>Hotel Management Services</b>	the various management and operational services to be carried out by the Manager under the Hotel Management Agreement, including without limitation, the day-to day management and operations of Fiesta Resort Saipan in accordance with the “Crowne Plaza” brand standards as prescribed under the Hotel Management Agreement
<b>Hotel Premises</b>	the parcel of land on which Fiesta Resort Saipan is constructed known as Tract 21663 (with an area of approximately 30,739 square meters) located in Garapan, Saipan

<b>IHC Hotel, Manager or Licensor</b>	IHC Hotel Limited, a limited company incorporated in England, which is an indirectly wholly-owned subsidiary of InterContinental Hotels Group
<b>independent third party(ies)</b>	has its meanings ascribed to it under the Listing Rules
<b>InterContinental Hotels Group</b>	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)
<b>Lease Agreement</b>	the Lease Agreement for a term of 40 years commencing from July 1, 2021 (may be extended for up to 15 years subject to approval by the legislature of the CNMI) agreed and finalized between the CNMI Department of Public Lands and APhi Saipan in relation to the Hotel Premises, the principal terms of which are disclosed in the announcement of the Company issued on April 23, 2020
<b>Listing</b>	the listing of the shares of the Company on the Main Board Stock Exchange on May 16, 2019
<b>Listing Rules</b>	the Rules Governing the Listing of Securities on the Stock Exchange
<b>Pre-Opening Program</b>	certain services including, without limitation, the coordination of marketing collateral, human resources and training plan, annual budget and sales and marketing program, to be provided by the Manager under the Hotel Management Agreement prior to the Commencement Date to prepare Fiesta Resort Saipan for the Hotel Management Services
<b>Prospectus</b>	the prospectus of the Company published on April 30, 2019
<b>Rebranding Date</b>	the date following the completion of the Rebranding Program and notified by Manager to APhi Saipan in writing, which is currently expected to be July 1, 2022

<b>Rebranding Program</b>	certain services including, without limitation, to the coordination of marketing coordination, sales and marketing program, information technology and business name registration, to be provided by the Manager under the Hotel Management Agreement prior to the Rebranding Date to prepare Fiesta Resort Saipan for its re-launch as “Crowne Plaza Resort Saipan”
<b>RevPAR</b>	revenue per available room, a performance metric used in the hotels and resorts industry that is calculated by dividing the gross room revenue by the number of available rooms
<b>Saipan</b>	Saipan, the largest and most populated island in the CNMI
<b>Shareholder(s)</b>	shareholder(s) of the Company
<b>Stock Exchange</b>	The Stock Exchange of Hong Kong Limited
<b>U.S.</b>	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
<b>US\$</b>	United States dollars, the lawful currency of the U.S.
<b>Western Pacific Region</b>	a sub-region of the Oceania continent which comprises Guam, the CNMI, the Republic of Palau, the Federated States of Micronesia, the Republic of Marshall Islands and other islands in the western Pacific Ocean

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

Hong Kong, May 3, 2020

*As at 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.*