
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, 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 circular.

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

If you have sold or transferred all your shares in S.A.I. Leisure Group Company Limited (the “**Company**”), you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).



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)

**PROPOSALS FOR GENERAL MANDATES TO
ISSUE AND REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS,
RENEWAL OF CONTINUING CONNECTED TRANSACTIONS
AND REVISION OF ANNUAL CAP
AND
NOTICE OF ANNUAL GENERAL MEETING**

**Independent Financial Adviser to
Independent Board Committee and Independent Shareholders**



A letter from the Board is set out on pages 7 to 27 and a letter from the Independent Board Committee is set out on pages IBC-1 to IBC-2 of this circular. A letter from the Independent Financial Adviser containing its advice and recommendations to the Independent Board Committee and the Independent Shareholders is set out on pages IFA-1 to IFA-16 of this circular.

A notice convening the 2025 Annual General Meeting (“AGM”) of the Company to be held at 5th Floor, Nanyang Plaza, 57 Hung To Road, Kwun Tong, Hong Kong on Thursday, May 29, 2025 at 11:00 a.m. is set out on pages AGM-1 to AGM-7 of this circular. Whether or not you are able to attend the AGM, you are requested to complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company’s Branch Share Registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting if you so wish.

In case of inconsistency between the Chinese version and the English version of this circular, the English version will prevail.

Hong Kong, April 30, 2025

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	
Introduction	7
Proposed Grant of General Mandates	8
Re-election of Directors	9
Renewal of Continuing Connected Transactions and Revision of Annual Cap	11
AGM and Proxy Arrangement	24
Voting by way of Poll	25
Recommendation	25
General	26
Miscellaneous	27
LETTER FROM THE INDEPENDENT BOARD COMMITTEE	IBC-1
LETTER FROM THE INDEPENDENT FINANCIAL ADVISER	IFA-1
APPENDIX I — EXPLANATORY STATEMENT TO THE REPURCHASE MANDATE	I-1
APPENDIX II — DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION	II-1
APPENDIX III — GENERAL INFORMATION	III-1
NOTICE OF ANNUAL GENERAL MEETING	AGM-1

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following respective meanings:

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 Annual Report	the annual report of the Company for the year ended December 31, 2024 dated March 27, 2025
AGM	the annual general meeting of the Company to be held at 5th Floor, Nanyang Plaza, 57 Hung To Road, Kwun Tong, Hong Kong on Thursday, May 29, 2025 at 11:00 a.m., to consider and (if appropriate) to approve the resolutions contained in the notice set out on pages AGM-1 to AGM-7 of this circular, or its adjournment
Announcement	the announcement issued by the Company dated March 27, 2025 in relation to the 2H2025 QZ Framework Agreement and the Revised 2025 QZ Annual Cap
Articles of Association	the articles of association of the Company currently in force
Audit Committee	the audit committee of the Board
Board	the board of Directors

DEFINITIONS

CCASS	The Central Clearing and Settlement System established and operated by the Hong Kong Securities Clearing Company Limited
Century Tours	Century Tours, Inc., a company incorporated in the CNMI with limited liability, which is a wholly-owned subsidiary of the Group
CG Code	Corporate Governance Code contained in Appendix C1 to the Listing Rules
Close Associates	has the meaning ascribed to the term “close associate(s)” under the Listing Rules
CNMI	the Commonwealth of the Northern Mariana Islands, a U.S. territory located in the Western Pacific Region
Companies Act	the Companies Act, Cap. 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands as amended, supplemented or otherwise modified from time to time
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(s)	has the meaning ascribed to it under the Listing Rules
Core Connected Persons	has the meaning ascribed to the term “core connected person(s)” 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

DEFINITIONS

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
Extension Mandate	the general and unconditional mandate proposed to be granted to the Directors to the effect that the number of Shares repurchased during the relevant period under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued (or transferred out of treasury) under the Issue Mandate
Group	the Company and its subsidiaries from time to time
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.
HKSCC Nominees	HKSCC Nominees Limited
HK\$	Hong Kong dollars, the lawful currency of Hong Kong
Holiday Package Transactions	has the meaning ascribed to it under the section headed “ <i>Renewal of Continuing Connected Transactions and Revision of Annual Cap</i> ” of this circular
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

DEFINITIONS

Independent Board Committee	an independent committee of the Board comprising all the INEDs, 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
INED(s)	the independent non-executive Director(s)
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)
Issue Mandate	the general and unconditional mandate proposed to be granted at the AGM to the Directors to allot, issue and deal with additional Shares, including any sale and transfer of Shares out of treasury that are held as treasury Shares, not exceeding 20% of the aggregate number of the issued Shares (excluding treasury Shares, if any) as at the date of passing the resolution granting such mandate
Kanoa Resort	the Group's hotel located in Susupe, Saipan, currently known as "Kanoa Resort"

DEFINITIONS

Latest Practicable Date	April 25, 2025, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information in this circular prior to its publication
Listing Rules	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
Mainland China	the PRC exclusive of Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
Nomination Committee	the nomination committee of the Board
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
Remuneration Committee	the remuneration committee of the Board
Repurchase Mandate	the general and unconditional mandate proposed to be granted at the AGM to the Directors to repurchase Shares during the relevant period not exceeding 10% of the aggregate number of the issued Shares (excluding treasury Shares, if any) as at the date of passing the resolution granting such mandate

DEFINITIONS

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
SFC	the Securities and Futures Commission in Hong Kong
SFO	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
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
Takeovers Code	the Hong Kong Code on Takeovers and Mergers
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
treasury Shares	Shares repurchased and held by the Company in treasury as authorized by the laws of the Cayman Islands and the Articles of Association including Shares repurchased by the Company and held or deposited in CCASS for sale on the Stock Exchange
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.
Year	the year ended December 31, 2024
%	per cent

LETTER FROM THE BOARD



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)

Executive Directors:

Dr. TAN Henry, *BBS, JP*

(Vice Chairman and Chief Executive Officer)

Mr. CHIU George

Mrs. SU TAN Jennifer Sze Tink

Ms. CHEUNG Pik Shan Bonnie

Non-executive Directors:

Dr. TAN Siu Lin, *GBS, SBS (Chairman)*

Mr. TAN Willie

Independent Non-executive Directors:

Mr. CHAN Leung Choi Albert

Mr. MA Andrew Chiu Cheung

Mr. WONG Chun Tat, *JP*

Registered Office:

Cricket Square, Hutchins Drive

P.O. Box 2681, Grand Cayman

KY1-1111, Cayman Islands

*Head office and principal place
of business in Hong Kong:*

5/F, Nanyang Plaza

57 Hung To Road

Kwun Tong, Kowloon

Hong Kong

April 30, 2025

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR GENERAL MANDATES TO
ISSUE AND REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS,
RENEWAL OF CONTINUING CONNECTED TRANSACTIONS
AND REVISION OF ANNUAL CAP
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

Reference is made to the Announcement issued by the Company dated March 27, 2025 in relation to, amongst other things, the renewal of continuing connected transactions pursuant to the 2H2025 QZ Framework Agreement and the Revised 2025 QZ Annual Cap.

LETTER FROM THE BOARD

The Directors will propose resolutions at the AGM for, amongst other matters, (i) the grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate; (ii) the re-election of the Directors; and (iii) the 2H2025 QZ Framework Agreement, the Holiday Package Transactions contemplated thereunder, and the Revised 2025 QZ Annual Cap.

The purpose of this circular is to provide you with information regarding the above resolutions to enable you to make an informed decision on whether to vote for or against those resolutions, including but not limited to: (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) the notice of the AGM and other information as required under the Listing Rules.

PROPOSED GRANT OF GENERAL MANDATES

At the last annual general meeting of the Company held on May 30, 2024, the Directors were granted:

- (i) a general and unconditional mandate to allot, issue and deal with additional Shares with an aggregate number not exceeding 20% of the total number of Shares in issue as at the date of passing of the relevant ordinary resolution;
- (ii) a general and unconditional mandate to repurchase Shares with an aggregate number not exceeding 10% of the total number of Shares in issue as at the date of passing of the relevant ordinary resolution; and
- (iii) the power to extend the general mandate mentioned in (i) above by an amount representing the aggregate number of the Shares repurchased by the Company pursuant to the mandate to repurchase shares referred to in (ii) above.

The above general mandates will expire at the conclusion of the AGM, unless renewed at the AGM. At the AGM, the following ordinary resolutions will, amongst other matters, be proposed:

- (a) based on 360,000,000 Shares in issue as at the Latest Practicable Date (with no treasury Shares) and assuming that no further Shares will be issued and no Shares will be repurchased and cancelled after the Latest Practicable Date and up to the date of the AGM, to grant the Issue Mandate to the Directors to exercise the power of the Company to allot, issue and deal with the Shares, including any sale and transfer of Shares out of

LETTER FROM THE BOARD

treasury that are held as treasury Shares, up to a maximum of 72,000,000 Shares, being 20% of the total number of the issued Shares (excluding treasury Shares, if any) as at the date of passing of such resolution;

- (b) based on 360,000,000 Shares in issue as at the Latest Practicable Date (with no treasury Shares) and assuming that no further Shares will be issued and no Shares will be repurchased and cancelled after the Latest Practicable Date and up to the date of the AGM, to grant the Repurchase Mandate to the Directors to enable them to repurchase the Shares up to a maximum of 36,000,000 Shares, being 10% of the total number of the issued Shares (excluding treasury Shares, if any) as at the date of passing of such resolution; and
- (c) to grant the Extension Mandate to the Directors to increase the total number of Shares which may be allotted and issued (or transferred out of treasury) under the Issue Mandate by adding such number of Shares as repurchased under the Repurchase Mandate.

The full text of these resolutions are set out in resolutions numbered 9 to 11 as set out in the notice of the AGM contained in pages AGM-2 to AGM-6 of this circular.

Each of the Issue Mandate, the Repurchase Mandate and the Extension Mandate will expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company following the AGM; (b) the date by which the next annual general meeting is required by the Companies Act or the Articles of Association to be held; or (c) when the mandate given to the Directors thereunder is revoked or varied by ordinary resolution(s) of the Shareholders in a general meeting of the Company prior to the next annual general meeting of the Company following the AGM.

Under the Listing Rules, the Company is required to give the Shareholders all information which is reasonably necessary to enable the Shareholders to make an informed decision as to whether to vote for or against the resolution in respect of the Repurchase Mandate at the AGM. An explanatory statement for such purpose is set out in Appendix I to this circular.

RE-ELECTION OF DIRECTORS

In accordance with Article 84(1) of the Articles of Association, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation.

LETTER FROM THE BOARD

Any Director appointed pursuant to Article 83(3) of the Articles of Association shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation. In addition, according to the CG Code, every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

To comply with the above, Dr. Tan Henry, *BBS, JP*, Mrs. Su Tan Jennifer Sze Tink and Mr. Wong Chun Tat, *JP* shall retire from office at the AGM and, being eligible, offer themselves for re-election at the AGM.

Article 83(3) of the Articles of Association also provide that any Director appointed by the Board, either to fill a causal vacancy in the Board or as an addition to the existing Board, shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. Accordingly, Ms. Cheung Pik Shan Bonnie, who was appointed by the Board to fill a causal vacancy and took office as an executive Director with effect from April 9, 2025, will hold office until the AGM and, being eligible, offer herself for re-election at the AGM.

The Board should have a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. To ensure changes to the composition of the Board can be managed without undue disruption, there has been a transparent, considered and formal procedure set out in the nomination policy of the Company for the selection, appointment and re-appointment of Directors, including periodical reviews of such policy.

The Nomination Committee has assessed and confirmed that all the INEDs, including Mr. Wong Chun Tat, remain independent based on the independence criteria as set out in Rule 3.13 of the Listing Rules. The Nomination Committee considers that based on Mr. Wong's perspective, skill and experience, he can bring further contribution to the Board and its diversity. In addition, the Nomination Committee had, amongst other matters, evaluated the performance of each of the Directors subject to re-election and found their performance for the year satisfactory.

Therefore, with the recommendation of the Nomination Committee, the Board has proposed that all the Directors, namely Dr. Tan Henry, *BBS, JP*, Mrs. Su Tan Jennifer Sze Tink, Ms. Cheung Pik Shan Bonnie and Mr. Wong Chun Tat, *JP*, stand for re-election as Directors at the AGM. As a good corporate governance practice, each of the aforesaid Directors abstained from voting at the relevant Board meeting on the respective propositions of their recommendations for re-election by the Shareholders at the AGM.

Particulars of each of the Directors who are proposed to be re-elected at the AGM which are required to be disclosed by the Listing Rules are set out in Appendix II to this circular.

LETTER FROM THE BOARD

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 Group enters into various agreements with the QZ Tours Group from time to time in its ordinary and usual course of business. Such agreements include sales agreements and individual purchase orders that are negotiated and typically signed on an annual basis, 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 (the "**Holiday Package Transactions**"). These travel products and services are often bundled by QZ Tours into holiday packages and on-sold to its customers. The Holiday Package Transactions relate to the Group's operations in Saipan only.

The Holiday Package Transactions constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. On November 28, 2024, the Company entered into the 1H2025 QZ Framework Agreement in respect of the Holiday Package Transactions to renew the Original QZ Framework Agreement and determined the Existing 2025 QZ Annual Cap.

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, subject always to compliance with the Listing Rules.

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.

LETTER FROM THE BOARD

Principal Terms of the 2H2025 QZ Framework Agreement

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.

LETTER FROM THE BOARD

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 : The parties acknowledged as follows:

1. 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.
2. 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 INEDs.

Payment Term

In accordance with the terms of the individual sales agreements and/or purchase orders with QZ Tours in respect of Holiday Package Transactions, invoices will be issued to QZ Tours for each individual booking. Generally, a credit period of net 30 end of the month (i.e., payment is due 30

LETTER FROM THE BOARD

days after the end of the month in which the invoice was issued) is offered to QZ Tours. The same credit period is also offered to independent tour operator customers of the Group with longstanding relationships with the Group and similar credit worthiness as QZ Tours, save and except tour operators in the Korea market. Due to the market practice in Korea, all tour operator customers of the Group are required to pay 5 days before arrival of the customer, regardless of the date of the booking or the date of the invoice.

As the same credit period is offered to independent tour operator customers with similar credit worthiness as QZ Tours, save and except Korean tour operators (the credit period of which will vary on a case-by-case basis due to market practice depending on the time period between the invoice date and the arrival date of the customer) , the Board is of the view that the payment term offered to QZ Tours is fair and reasonable and on normal commercial terms.

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, with longer cancellation periods for peak seasons and shorter cancellation periods for off seasons. As the largest customers of the Group, the cancellation periods offered to QZ Tours were generally shorter (as short as 5 days, depending on seasonality and the bulk purchase volume, after arms’ length negotiations) as compared to cancellation periods offered to other tour operators and wholesalers with much lower purchase volume. The Directors are of the view that offering more favorable cancellation periods to wholesale customers with higher bulk purchase volume is also commensurate with the practices of the global hotels and resorts industry.

LETTER FROM THE BOARD

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, which is commensurate with the global hotels and resorts industry. 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. Nevertheless, as the purchase volume of QZ Tours is generally significantly higher than other independent tour operators, the level of discount offered to QZ Tours were generally higher than those offered to independent tour operators with much lower purchase volume. Such discounts would range from approximately 1% to 10% of the wholesale rate, subject to the bulk purchase volumes. As the level of discounts offered to QZ Tours is determined principally with reference to the level of its bulk bookings, such practice is also commensurate with the practices of the global hotels and resorts industry.

Apart from the purchase volume of QZ Tours, the parties expressly acknowledged under the 2H2025 QZ Framework Agreement that, when making a decision on the terms and conditions of the Holiday Package Transactions, the Group would take into account various other factors. Such factors include, but are not limited to, the rates, terms and conditions offered by the Group's competitors to QZ Tours and other tour operators, as well as the general market conditions, trends, seasonality, pricing and marketing landscape in the leisure tourism market in Saipan.

LETTER FROM THE BOARD

Due to the size of the leisure tourism market in Saipan, the Group's hotels (especially Crowne Plaza Resort Saipan) have a limited number of direct competitors. Century Tours, a subsidiary of the Company, is engaged in destination-based concierge and travel management services in Saipan. As such, the Group would be kept updated on the rates and terms generally offered by competitors to tour operators such as Century Tours. In addition, due to the longstanding relationship between QZ Tours and the Group, QZ Tours would openly share the rates, terms and conditions offered by the Group's competitors with the Group during the negotiation process. The Hotel Manager would also receive up-to-date market information through the Hotel Association of Northern Mariana Islands on a monthly basis. Such market information is gathered through voluntary reporting by various hotels in Saipan, which includes occupancy rates, average length of stay, average room rate, room revenue etc. The Mariana Visitors Authority would also publish tourist arrival statistics for Saipan on its website on a monthly basis. With the benefit of such information on the general market conditions, trends, seasonality, pricing and market landscape in the leisure tourism market in Saipan, the Hotel Manager is well informed when conducting arms' length negotiations with customers (including QZ Tours and other independent tour operators), ensuring that the rates and terms offered by the Group commensurate with market practices.

Under the 2H2025 QZ Framework Agreement, the parties also acknowledged that 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 Group must specifically disregard the connected person relationship between the Group and QZ Tours. As Crowne Plaza Resort Saipan is managed by the Hotel Manager (an independent third party) as mentioned above, the policies and procedures determined by the Hotel Manager ensure that negotiations are carried out on an arm's length basis, and that the rates and terms (including levels of discounts, cancellation periods and other terms) offered to QZ Tours are no less favourable to the Company than those offered to independent customers with comparable bulk purchase volume. The procedures in place provide that wholesale contracts with travel agents will be negotiated through the regional Sales Manager, and there will be an internal control process ensuring that wholesale contracts with any tour operator (including QZ Tours and other independent tour operators) will be subject to review and approval by the Sales Director who has the authority to sign the contract. As both the Sales Manager and the Sales Director are personnel of the Hotel Manager, the negotiation and approval process are conducted through independent third parties. As the owner of the hotel, the Group will be provided with daily flash reports prepared by the Hotel Manager setting out various information, including the total number of rooms sold and the average daily room rate for the hotel. When promotional rates are offered by the Hotel Manager from time to time for a particular period i.e., seasonal discounts, the Group will be informed in a timely manner. Monthly reports will also be provided by the Hotel Manager to the Group detailing the total number of rooms sold through different channels (e.g., wholesale package tours, corporate

LETTER FROM THE BOARD

clients etc.) and the average daily room rate for each sales channel, together with other detailed information such that the Group will be well informed on the revenue and profit/loss of the hotel for the relevant month and year-to-date.

As mentioned above, according to the Hotel Manager's sales policy, 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. Nevertheless, it should be noted that QZ Tours is the largest customer of the Group, accounting for approximately 5.2% of the total revenue of the Group for the year ended December 31, 2024, while the next largest tour operator (an independent third party) accounted for only approximately 1.2% of the Group's total revenue. As such, in practice, the level of discount and terms offered to QZ Tours (based on arms' length negotiations conducted by the Hotel Manager) would consequently be better than other customers whose purchase volume accounts for 1.2% or less of the Group's total revenue.

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 INEDs, 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:

LETTER FROM THE BOARD

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

In view of the entering into the 2H2025 QZ Framework Agreement for a further term of six months from July 1, 2025 to December 31, 2025, there is a need to revise the Existing 2025 QZ Annual Cap (which only covered the Holiday Package Transactions under the 1H2025 QZ Framework Agreement for first six months of the year ending December 31, 2025) in order to cover Holiday Package Transactions to take place during the second half of the year.

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

LETTER FROM THE BOARD

(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 circular. 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. Although flight service operated by United Airlines between Saipan and Tokyo, Japan, commenced in September 2022, it is noted that tourists from Mainland China rarely travel to Saipan via Japan as noted from statistical data published by the Mariana Visitors Authority and information provided by QZ Tours. Historically, QZ Tours would partner with airlines from time to time to provide charter flights between Hong Kong and Saipan or Seoul and Saipan for visitors travelling from Mainland China. However, QZ Tours does not have a partnership with United Airlines as United Airlines does not operate flights from Mainland China to Japan. As such, the availability of flights between Saipan and Japan have not been taken into account when determining the Revised 2025 QZ Annual Cap.

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

LETTER FROM THE BOARD

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 (including the INEDs, 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) and a brother-in-law of Dr. Tan Henry (vice chairman of the Board, executive Director, chief executive officer and Controlling Shareholder), and as to 1% by Ms. Zheng Zhifang (an independent third party).

LETTER FROM THE BOARD

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 (including the INEDs, 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.

LETTER FROM THE BOARD

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 (including the INEDs, 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 INEDs, 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.

LETTER FROM THE BOARD

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 INEDs 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 Hotel Manager has been informed of such policy, and if there is any proposed individual sales agreement or purchase order with QZ Tours exceeding HK\$3.0 million (on an annual aggregate basis), the Hotel Manager will promptly inform the management of the Group accordingly. The management of the Group will then request the Hotel Manager to provide all information relating to the sales agreement or purchase order (including the proposed contractual terms, booking information, prices offered to other tour operators, purchase volume of other tour operators, market information on seasonality etc.) to be submitted to the Audit Committee for consideration and approval. The Hotel Manager will not enter into such sales agreement or purchase order with QZ Tours unless the specific and express approval of the Audit Committee has been obtained.

The Group has in place an internal monitoring mechanism to ensure that the relevant annual caps for the Group's continuing connected transactions, including the Revised 2025 QZ Annual Cap, would not be exceeded. On a monthly basis, a continuing connected transactions monitoring summary would be prepared by the Senior Finance Manager of the Group, detailing (i) the nature of the continuing connected transactions; (ii) the parties to the relevant transactions; (iii) the monthly amount of the relevant transactions; and (iv) the utilization rate of the relevant annual cap. The summary will be submitted to the Group Financial Controller for review on a monthly basis in order to assess whether the relevant annual cap would potentially be exceeded based on the management forecast of upcoming transactions for the remainder of the year with reference to historical data, seasonality, flight availability, as well as the number of block seats secured by QZ Tours with the relevant airlines (as informed by QZ Tours). If the actual utilization rate has reached the threshold of 80% of the relevant annual cap, the Group Financial Controller will inform the management of the Group, who will assess whether there is a need to revise the annual

LETTER FROM THE BOARD

cap based on the estimated amount of upcoming transactions. If the management of the Group decides that there is a need to increase the relevant annual cap, a revised annual cap will be proposed to the Board, and the Company will proceed to take steps to comply with all applicable requirements under the Listing Rules, including obtaining shareholders' approval if required.

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.

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 Annual Report, the net asset value of the Company as at December 31, 2024 was approximately US\$34.0 million.

AGM AND PROXY ARRANGEMENT

At the upcoming AGM, amongst other things, 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 notice convening the AGM is set out on pages AGM-1 to AGM-7 of this circular.

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you intend to attend the AGM, you are requested to complete and return the form of proxy to the Company's Branch Share Registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours

LETTER FROM THE BOARD

before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting if you so wish and, in such event, the proxy form shall be deemed to be revoked.

VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules and Article 66(1) of the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administration matter to be voted or by a show of hands.

Therefore, all proposed resolutions put to vote at the AGM shall be taken by way of poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

THC Leisure (holder of 270,000,000 Shares representing 75% of the issued share capital of the Company as at the date of this circular), 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, the Holiday Package Transactions contemplated thereunder 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.

RECOMMENDATION

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.

Your attention is drawn to (i) the letter from the Independent Board Committee set out on pages IBC-1 to IBC-2 of this circular which contains the recommendation of the Independent Board Committee to the Independent Shareholders regarding the resolutions to approve the 2H2025 QZ Framework Agreement, the Holiday Package Transactions contemplated thereunder, and the Revised 2025 QZ Annual Cap; (ii) the letter from the Independent Financial Adviser, set out on pages IFA-1 to IFA-16 of this circular which contains its advice to the Independent Board

LETTER FROM THE 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; and (iii) the additional information set out in the Appendix III to this circular.

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, considers 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 and, in the ordinary and usual course of business of the Group, and in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the AGM to approve the 2H2025 QZ Framework Agreement, the Holiday Package Transactions contemplated thereunder, and the Revised 2025 QZ Annual Cap.

The Directors (including the INEDs, after considering the advice from the Independent Financial Adviser) are of the view 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. The Board therefore recommends the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM to approve the 2H2025 QZ Framework Agreement, the Holiday Package Transactions contemplated thereunder, and the Revised 2025 QZ Annual Cap.

The Directors further consider that the other proposed resolutions set out in the notice of the AGM, including the grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate, and the re-election of the Directors are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend Shareholders to vote in favour of such resolutions to be proposed at the AGM.

GENERAL

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

LETTER FROM THE BOARD

MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of a letter from the Independent Board Committee to the Independent Shareholders in relation to the 2H2025 QZ Framework Agreement, the Holiday Package Transactions contemplated thereunder and the Revised 2025 QZ Annual Cap for inclusion in this circular:



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)

April 30, 2025

To the Independent Shareholders

Dear Sir or Madam,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS AND REVISION OF ANNUAL CAP

We refer to the circular of the Company dated April 30, 2025 (the “**Circular**”) to the Shareholders, of which this letter forms part. Unless the context specifies otherwise, capitalized terms used herein have the same meanings as defined in the Circular.

We have been appointed by the Board as the Independent Board Committee to consider and advise the Independent Shareholders on whether, in our opinion, (i) the terms 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 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.

We wish to draw your attention to (i) the letter from the Independent Financial Adviser containing details of the advice from the Independent Financial Adviser, together with the principal factors and reasons it has taken into consideration, as set out on pages IFA-1 to IFA-16 of the Circular; and (ii) the letter from the Board as set out on pages 7 to 27 of the Circular.

Having taken into account the opinion of the Independent Financial Adviser as set out in its letter, we 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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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.

Accordingly, we recommend that the Independent Shareholders vote in favour of all the resolutions to be proposed at the AGM to approve the 2H2025 QZ Framework Agreement, the Holiday Package Transactions contemplated thereunder and the Revised 2025 QZ Annual Cap.

Yours faithfully,
For and on behalf of
the Independent Board Committee

CHAN Leung Choi Albert

MA Andrew Chiu Cheung

WONG Chun Tat

Independent Non-Executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter of advice from Lego Corporate Finance Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the 2H2025 QZ Framework Agreement, the Holiday Package Transactions contemplated thereunder, and the Revised 2025 QZ Annual Cap, which has been prepared for the purpose of incorporation in this circular.



April 30, 2025

To the Independent Board Committee and the Independent Shareholders

Dear Sirs or Madams,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS AND REVISION OF ANNUAL CAP

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the 2H2025 QZ Framework Agreement, the Holiday Package Transactions contemplated thereunder, and the Revised 2025 QZ Annual Cap, details of which are set out in the “Letter from the Board” (the “**Letter from the Board**”) contained in the circular issued by the Company to the Shareholders dated April 30, 2025 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

References are made to (i) the 2024 Announcement with respect to the 1H2025 QZ Framework Agreement and the Existing 2025 QZ Annual Cap; and (ii) the Announcement in relation to, amongst other things, the renewal of continuing connected transactions pursuant to the 2H2025 QZ Framework Agreement and the Revised 2025 QZ Annual Cap.

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 thereof, the parties may by mutual agreement renew 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

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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.

As at the Latest Practicable Date, 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). 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 Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders as to whether (i) the entering into of the 2H2025 QZ Framework Agreement is in the ordinary and usual course of business of the Group based on normal commercial terms; and (ii) the terms of the 2H2025 QZ Framework Agreement, the Holiday Package Transactions contemplated thereunder, and the Revised 2025 QZ Annual Cap, are fair and reasonable so far as the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders as to whether to vote in favour of the relevant resolutions to be proposed at the AGM to approve the 2H2025 QZ Framework Agreement, the Holiday Package Transactions contemplated thereunder, and the Revised 2025 QZ Annual Cap. As the Independent Financial Adviser, our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders in such regards.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

OUR INDEPENDENCE

As at the Latest Practicable Date, Lego Corporate Finance Limited did not have any relationships or interests with the Company or any other parties that could reasonably be regarded as relevant to the independence of Lego Corporate Finance Limited. In the last two years, there was no engagement between the Company and Lego Corporate Finance Limited. Apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, no arrangement exists whereby we had received or will receive any fees or benefits from the Company or any other party to the transactions. Accordingly, we consider that we are eligible to give independent advice on the entering into of the 2H2025 QZ Framework Agreement, the Holiday Package Transactions contemplated thereunder, and the Revised 2025 QZ Annual Cap.

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied on (i) the information and facts contained or referred to in the Circular; (ii) the information supplied by the Company; (iii) the opinions expressed by and the representations of the Directors and the management of the Group (the “**Management**”); and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all respects at the time they were made and up to the Latest Practicable Date and may be relied upon. We have also assumed that all such statements of belief, opinions and intention of the Directors and the Management and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and/or the Management. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Circular and that all information or representations provided to us by the Directors and the Management were true, accurate, complete and not misleading in all respects at the time they were made and continued to be so up to the date of the AGM.

We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Management, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Group, the QZ Tours Group or any of their respective subsidiaries or associates.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our recommendation, we have considered the following principal factors and reasons:

1. Information on the parties to the 2H2025 QZ Framework Agreement

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.

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.

2. Reasons for and benefits of the entering into of the 2H2025 QZ Framework Agreement

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. Based on the review of the top customers list of the Group, we noted that QZ Tours remained the largest customer of the Group, accounting for approximately 5.2% of the total sales of the Group for the year ended December 31, 2024.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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 optimise 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, and we concur, 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 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 from July 1, 2025 to December 31, 2025, pending further clarity as regards the resumption of direct and/or indirect flights to and from the key tourist origin cities in Mainland China.

Taking into consideration the above and in particular that (i) (a) hotel and resort operations in Guam and Saipan; and (b) 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 are the Group's principal businesses and the Group has been conducting the Holiday Package Transactions to the QZ Tours Group for years; (ii) QZ Tours has been one of the Group's largest customers; (iii) the 2H2025 QZ Framework Agreement does not preclude the Group from choosing other tour operators; (iv) the Group and QZ Tours have established a long-standing business relationship and mutual understanding of the standards, requirements and specific needs of each other; and (v) the Group may continue to regulate current and future Holiday Package Transactions under a clear framework agreement, we are of the opinion that the renewal of the 2H2025 QZ Framework Agreement is within the ambit of the businesses currently run by the Group and is therefore conducted in the ordinary and usual course of the Group's businesses and in the interests of the Group and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

3. Principal terms of the 2H2025 QZ Framework Agreement

In view of the entering into of 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 six months ending December 31, 2025, while all the terms and conditions of the 2H2025 QZ Framework Agreement shall remain the same as the 1H2025 QZ Framework Agreement, details of which are disclosed in the section headed “Principal Terms of the 2H2025 QZ Framework Agreement” of the Letter from the Board.

Payment Term

In accordance with the terms of the individual sales agreements and/or purchase orders with QZ Tours in respect of Holiday Package Transactions, invoices will be issued to QZ Tours for each individual booking. Generally, a credit period of net 30 end of the month (i.e., payment is due 30 days after the end of the month in which the invoice was issued) is offered to QZ Tours. The same credit period is also offered to an independent tour operator customer of the Group with longstanding relationship with the Group and similar credit worthiness as QZ Tours.

In assessing the fairness and reasonableness of the payment term under the Holiday Package Transactions, we have reviewed the room rental agreements provided by the Company in respect of the Holiday Package Transactions with QZ Tours and independent tour operator customers in Mainland China, Japan and South Korea entered into for the period from April 1, 2023 to March 31, 2025 (the “**Review Period**”), which demonstrates the market condition post-COVID-19.

Based on our review, we noted that the credit term offered to QZ Tours is in line with that offered to other independent tour operator customer with similar credit worthiness as QZ Tours by the Group, save and except South Korean and other small tour operators (the credit period of which will vary on a case-by-case basis due to market practice depending on the time period between the invoice date and the arrival date of the customer). As such, the Board is of the view, and we concur, that the payment term offered to QZ Tours is fair and reasonable and on normal commercial terms.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Pricing Policy and Guidelines

As disclosed in the Letter from the Board, apart from the purchase volume of QZ Tours, the parties expressly acknowledged under the 2H2025 QZ Framework Agreement that, when making a decision on the terms and conditions of the Holiday Package Transactions, the Group would take into account various other factors. Such factors include, but are not limited to, the rates, terms and conditions offered by the Group's competitors to QZ Tours and other tour operators, as well as the general market conditions, trends, seasonality, pricing and marketing landscape in the leisure tourism market in Saipan.

Due to the size of the leisure tourism market in Saipan, the Group's hotels (especially Crowne Plaza Resort Saipan) have a limited number of direct competitors. Century Tours, a subsidiary of the Company, is engaged in destination-based concierge and travel management services in Saipan. As such, the Group would be kept updated on the rates and terms generally offered by competitors to tour operators such as Century Tours. In addition, due to the longstanding relationship between QZ Tours and the Group, QZ Tours would openly share the rates, terms and conditions offered by the Group's competitors with the Group during the negotiation process. The Hotel Manager would also receive up-to-date market information through the Hotel Association of Northern Mariana Islands on a monthly basis. Such market information is gathered through voluntary reporting by various hotels in Saipan, which includes occupancy rates, average length of stay, average room rate, room revenue, etc. The Mariana Visitors Authority (the "MVA") would also publish tourist arrival statistics for Saipan on its website on a monthly basis. With the benefit of such information on the general market conditions, trends, seasonality, pricing and market landscape in the leisure tourism market in Saipan, the Hotel Manager is well informed when conducting arms' length negotiations with customers (including QZ Tours and other independent tour operators), ensuring that the rates and terms offered by the Group commensurate with market practices.

Under the 2H2025 QZ Framework Agreement, the parties also acknowledged that 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 Group must specifically disregard the connected person relationship between the Group and QZ Tours. As Crowne Plaza Resort Saipan is managed by the Hotel Manager (an independent third party) as mentioned above, the policies and procedures determined by the Hotel Manager ensure that negotiations are carried out on an arm's length basis, and that the rates and terms (including levels of discounts, cancellation periods and other terms) offered to QZ Tours are no less favourable to the Company than those offered to independent customers with comparable bulk purchase volume. The procedures in place provide that wholesale contracts with travel agents will be negotiated through the regional Sales Manager, and there will be an internal control process ensuring that

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

wholesale contracts with any tour operator (including QZ Tours and other independent tour operators) will be subject to review and approval by the Sales Director who has the authority to sign the contract. As both the Sales Manager and the Sales Director are personnel of the Hotel Manager, the negotiation and approval process are conducted through independent third parties. As the owner of the hotel, the Group will be provided with daily flash reports prepared by the Hotel Manager setting out various information, including the total number of rooms sold and the average daily room rate for the hotel. When promotional rates are offered by the Hotel Manager from time to time for a particular period i.e., seasonal discounts, the Group will be informed in a timely manner. Monthly reports will also be provided by the Hotel Manager to the Group detailing the total number of rooms sold through different channels (e.g., wholesale package tours, corporate clients, etc.) and the average daily room rate for each sales channel, together with other detailed information such that the Group will be well informed on the revenue and profit/loss of the hotel for the relevant month and year-to-date.

As mentioned above, according to the Hotel Manager's sales policy, 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 assessing the fairness and reasonableness of the pricing basis under the Holiday Package Transactions, we have reviewed (i) all the room rental agreements provided by the Company in respect of the Holiday Package Transactions with QZ Tours entered into for the Review Period; and (ii) six sets of randomly selected comparable agreements provided by the Company in respect of the sales of hotels and resorts room nights between the Group and other independent tour operators entered into for the Review Period, which demonstrates the market condition post-COVID-19.

We considered such review on a random sampling basis was sufficient and representative from the independent financial adviser's perspective and nothing has come to our attention that causes us to believe that such agreements did not follow the internal control measures, after taking into account that the sample agreements (i) covered all places of operation of tour operators, namely, Mainland China, South Korea and Japan; (ii) stipulated the room rates for all seasons, namely peak season, on season, shoulder season and off season; and (iii) stipulated the room rates for all room categories and capacity.

Based on the review of these comparable agreements, we noted that the pricing terms offered by the Group were in accordance to the pricing policies of the Group. The comparison shows that the room rates during different seasons can vary and discounted wholesale rates applied to the tour operators and wholesalers, but the levels of discounts, cancellation policies and other terms varied based on volume. We noted that the number of rooms reserved and actually purchased by QZ Tours for the Review Period were generally significantly higher than that reserved and purchased

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

by other independent tour operators. We further noted that the room rates offered to QZ Tours were generally lower than independent tour operators, from approximately 1% to 10% subject to the bulk purchase volume.

Taking into consideration the abovementioned, and particularly the following factors, we concur with the Management's view that the pricing terms offered by the Group were no more favourable to QZ Tours than those offered to other independent tour operators in the comparable transactions:

- (i) We have discussed with the Management and were given to understand that the rates and terms are pre-determined by the Hotel Manager (an independent third party) based on source market, seasonality and room types for each hotel, which apply to both QZ Tours and all other independent tour operators consistently, and there are policies and procedures (the **"Policies and Procedures"**) determined by the Hotel Manager to ensure that negotiations are carried out on an arm's length basis (including levels of discounts). The wholesale contracts with travel agents will be negotiated through the regional Sales Manager, and there will be an internal control process ensuring that wholesale contracts with any tour operator (including QZ Tours and other independent tour operators) will be subject to review and approval by the Sales Director who has the authority to sign the contract. As both the Sales Manager and the Sales Director are personnel of the Hotel Manager, the negotiation and approval process are conducted through independent third parties.
- (ii) We have reviewed the Policies and Procedures, which provided the Hotel Manager with guidance to determine rates for the hotel accounts. We noted that the Policies and Procedures applied to all the hotels across the globe managed by the Hotel Manager and nothing has come to our attention that causes us to believe that the Hotel Manager did not follow the Policies and Procedures.
- (iii) The pricing terms the Group offered to QZ Tours were determined principally with reference to the level of its bulk bookings, which is commensurate with the practices of the global hotels and resorts industry. None of the other independent tour operators (including those which also placed bulk bookings with the Group) had placed bookings on a comparable level to that of QZ Tours during the Review Period. For the year ended December 31, 2024, QZ Tours contributed approximately 5.2% of the Group's total revenue, whereas the next largest tour operator of the Group accounted for only approximately 1.2% of the Group's total revenue.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (iv) The Group also generally offers discount to other tour operators which place bulk bookings with the Group and such discount is primarily determined based on the level of purchase volume.

In addition to the aforementioned sample agreements, we have reviewed the internal control manual, the monthly connected transactions monitoring summary submitted to the Group Financial Controller, and the Audit Committee meeting minutes for the three years ended December 31, 2024. We noted that the Senior Finance Manager of the Group submitted the connected transactions monitoring summary (detailing (i) the nature of the continuing connected transactions; (ii) the parties to the relevant transactions; (iii) the monthly amount of the relevant transactions; and (iv) the utilisation rate of the relevant annual cap) to the Group Financial Controller for review and assessment on a monthly basis, and the Audit Committee convened meeting in every six months to review the Holiday Package Transactions, which were in compliance with the internal control measures.

We further noted that the Audit Committee confirmed that the Holiday Package Transactions (i) were entered into in the ordinary and usual course of business of the Group; (ii) were either on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; and (iii) were in accordance with relevant agreements governing them on terms that were fair and reasonable and in the interest of the Shareholders as a whole. Accordingly, we understand the Group has a positive track record in respect of compliance with the pricing policies and the internal control measures. We consider the effective implementation of such internal control measures will help to ensure fair pricing of the Holiday Package Transactions. In light of the above, we concur with the Management's view that the pricing basis for the Holiday Package Transactions is fair and reasonable.

Based on the foregoing, we are of the view that the terms of the 2H2025 QZ Framework Agreement (including the payment and the pricing terms) are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned, and in the interest of the Company as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

4. Review of the historical transaction amount

The table below sets out the historical transaction amounts and the annual caps for the Holiday Package Transactions for the three years ended December 31, 2024 and the year ending December 31, 2025:

	For financial years ended/ending December 31,			
	2022	2023	2024	2025
	(US\$'000)	(US\$'000)	(US\$'000)	(US\$'000)
Original annual caps	5,079	16,311	17,465	1,185
Actual aggregate amounts received				
from the QZ Tours Group	Nil	326	2,218	332 ^(Note)
Utilisation rates (%)	—	2.00	12.70	28.0

Note: For two months ended February 28, 2025

There was low utilisation of the original annual caps under the Original QZ Framework Agreement for the three years ended December 31, 2022, 2023 and 2024. As disclosed in the Letter from the Board, the low utilisation 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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

5. Revised 2025 QZ Annual Cap

For the financial
year ending
December 31,
2025
(US\$'000)

Revised 2025 QZ Annual Cap	2,108
-----------------------------------	-------

As disclosed in the Letter from the Board, in view of the entering into of the 2H2025 QZ Framework Agreement for a further term of six months from July 1, 2025 to December 31, 2025, there is a need to revise the Existing 2025 QZ Annual Cap (which only covered the Holiday Package Transactions under the 1H2025 QZ Framework Agreement for first six months of the year ending December 31, 2025) in order to cover Holiday Package Transactions to take place during the second half of the year.

In order to assess the fairness and reasonableness of the Revised 2025 QZ Annual Cap, we have obtained and reviewed the estimation of the Revised 2025 QZ Annual Cap prepared by the Company, and discussed with the Management regarding the basis and assumptions underlying the estimation of the Revised 2025 QZ Annual Cap. During our review of the calculation of the Revised 2025 QZ Annual Cap, we noted that the Revised 2025 QZ Annual Cap is determined based on (i) historical amounts of the Holiday Package Transactions; 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. Although flight service operated by United Airlines between Saipan and Tokyo, Japan, commenced in September 2022, it is noted that tourists from Mainland China rarely travel to Saipan via Japan as noted from statistical data published by the MVA and information provided by QZ Tours. Historically, QZ Tours would partner with airlines from time to time to provide charter flights between Hong Kong and Saipan or Seoul and Saipan for visitors travelling from Mainland China. However, QZ Tours does not have a partnership with United Airlines as United Airlines does not operate flights from Mainland China to Japan. As such, the availability of flights between Saipan and Japan have not been taken into account when determining the Revised 2025 QZ Annual Cap.

For illustrative purpose, the annualised actual aggregate amounts received from the QZ Tours Group for the year ending December 31, 2025 (which is calculated based on the amounts received from the QZ Tours Group of approximately US\$332,000 for two months ended February 28, 2025) amounts to approximately US\$1,992,000 (the “**Annualised Service Fees**”), which exceeds the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Existing 2025 QZ Annual Cap of approximately US\$1,185,000 for the year ending December 31, 2025. In addition, the actual aggregate amounts received from QZ Tours Group for the year ended December 31, 2024 was US\$2,218,000, also higher than the Existing 2025 QZ Annual Cap. As such, the Company considers the Existing 2025 QZ Annual Cap will not be sufficient to meet its requirements.

Based on the above and taking into account that (i) the actual aggregate amounts received from the QZ Tours Group for the year ended December 31, 2024 amounted to approximately US\$2,218,000, which represents approximately 105.2% of the Revised 2025 QZ Annual Cap of approximately US\$2,108,000; and (ii) the Annualised Service Fees of approximately US\$1,992,000 represents approximately 94.5% of the Revised 2025 QZ Annual Cap of approximately US\$2,108,000, we are of the view that the latest estimation of the expected amounts under Holiday Package Transactions for the year ending December 31, 2025 are fair and reasonable.

As disclosed in the Letter from the Board, there has been a gradual increase in the number of visitors from Mainland China (travelling via Hong Kong) since the second half of 2024, primarily attributable to the resumption of direct flights between Hong Kong and Saipan in late April 2024. However, direct flights between cities in Mainland China and Saipan have yet to resume as at the Latest Practicable Date. We have discussed with the Management and were given to understand that while the timeline for the resumption of direct flights between Mainland China and Saipan remains uncertain, the Management has been informed by the MVA 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. We have reviewed the press releases dated February 3, 2025, March 3, 2025 and March 5, 2025 issued by the MVA (<https://mva.mymarianas.com/press-release-reports/>) and noted that the MVA has developed a sustainable tourism plan aimed at promoting Saipan as a unique and culturally rich destination, including initiatives to enhance local cultural events. The MVA launched its new marketing campaign, focusing on sports and leisure tourism in Saipan, in late February 2025 in Korea, and appointed a South Korean actress as an ambassador. An annual signature event of the MVA, Saipan Marathon, has been held on March 8, 2025, with runners from 19 countries and territories including Mainland China, South Korea and Japan. The 26th Annual Taste of The Marianas International Food Festival will be held every Saturday in May 2025 at American Memorial Park in Saipan, featuring some of the destination's best cuisine and entertainment. Having considered the aforementioned, and (i) the MVA has been working on improving the infrastructure and marketing strategies to promote and develop the Northern Mariana Islands as a premiere destination of choice for visitors by holding various cultural events across the Northern Mariana Islands, in particular Saipan throughout the year; and (ii) based on the statistics published by the MVA, visitors from Mainland China recorded an increase of approximately 137.2% in January

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

2025 as compared to January 2024, the Management is of the view, and we concur, that it is fair and reasonable for the Group to adjust the Existing 2025 QZ Annual Cap upward to correspond to the potential increase in availability of flights in the second half of year 2025.

In light of the above, we are of the view that the Revised 2025 QZ Annual Cap and the major factors considered as the bases of determining the Revised 2025 QZ Annual Cap are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

However, the Shareholders should note that as the Revised 2025 QZ Annual Cap is determined based on various factors relating to future events and assumptions which may or may not remain valid for the entire period up to December 31, 2025, and they do not represent any forecasts or estimations of the Group's financial performance. Consequently, we express no opinion as to how closely the actual future transaction amounts of the continuing connected transactions will correspond with the Revised 2025 QZ Annual Cap.

6. Internal control measures

As stated in the Letter from the Board, the internal control measures in connection with the Holiday Package Transactions are as follows:

- (i) 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.
- (ii) 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.
- (iii) 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

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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.

- (iv) 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.
- (v) 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 Hotel Manager has been informed of such policy, and if there is any proposed individual sales agreement or purchase order with QZ Tours exceeding HK\$3.0 million (on an annual aggregate basis), the Hotel Manager will promptly inform the Management accordingly. The Management will then request the Hotel Manager to provide all information relating to the sales agreement or purchase order (including the proposed contractual terms, booking information, prices offered to other tour operators, purchase volume of other tour operators, market information on seasonality etc.) to be submitted to the Audit Committee for consideration and approval. The Hotel Manager will not enter into such sales agreement or purchase order with QZ Tours unless the specific and express approval of the Audit Committee has been obtained.
- (vi) The Group has in place an internal monitoring mechanism to ensure that the relevant annual caps for the Group's continuing connected transactions, including the Revised 2025 QZ Annual Cap, would not be exceeded. On a monthly basis, a continuing connected transactions monitoring summary would be prepared by the Senior Finance Manager of the Group, detailing (i) the nature of the continuing connected transactions; (ii) the parties to the relevant transactions; (iii) the monthly amount of the relevant transactions; and (iv) the utilisation rate of the relevant annual cap. The summary will be submitted to the Group Financial Controller for review on a monthly basis in order to assess whether the relevant annual cap would potentially be exceeded based on the management forecast of upcoming transactions for the remainder of the year with reference to historical data, seasonality, flight availability, as well as the number of block seats secured by QZ Tours with the relevant airlines (as informed by QZ Tours). If the actual utilisation rate has reached the threshold of 80% of the relevant annual cap, the Group Financial Controller will inform the Management, who will assess whether there is a need to revise the annual cap based on the estimated amount of upcoming transactions. If the Management decides that there is a need to increase the relevant

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

annual cap, a revised annual cap will be proposed to the Board, and the Company will proceed to take steps to comply with all applicable requirements under the Listing Rules, including obtaining shareholders' approval if required.

As the above internal control procedures would be reviewed by the Audit Committee and the auditors of the Group to ensure full compliance with the Listing Rules, we concur with the Directors' view that there are adequate internal control procedures and external supervision measures to ensure that the Holiday Package Transactions will be conducted on normal commercial terms and not prejudicial to the interests of the Company and the Shareholders as a whole.

RECOMMENDATION

Having considered the principal factors and reasons described above, we are of the opinion that (i) the entering into of the 2H2025 QZ Framework Agreement is in the ordinary and usual course of business of the Group; and (ii) the terms of the 2H2025 QZ Framework Agreement are on normal commercial terms, and together with the adoption of the Revised 2025 QZ Annual Cap, are fair and reasonable so far as the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders and advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM to approve the 2H2025 QZ Framework Agreement, the Holiday Package Transactions contemplated thereunder, and the Revised 2025 QZ Annual Cap.

Yours faithfully,
For and on behalf of
Lego Corporate Finance Limited
Kristie Ho
Managing Director

Ms. Kristie Ho is a licensed person registered with the Securities and Futures Commission and a responsible officer of Lego Corporate Finance Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. She has over 20 years of experience in the securities and investment banking industries.

APPENDIX I EXPLANATORY STATEMENT TO THE REPURCHASE MANDATE

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide the Shareholders with all the requisite information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution to approve the grant of the Repurchase Mandate.

SHAREHOLDERS' APPROVAL

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase shares on the Stock Exchange and any other stock exchange on which securities of the company are listed and such exchange is recognized by the SFC subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such company must be fully paid up and all repurchases of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general mandate or by specific approval of a particular transaction.

SHARE CAPITAL

As at the Latest Practicable Date, 360,000,000 Shares were in issue and fully paid and there are no treasury Shares.

Subject to the passing of the relevant ordinary resolutions and on the basis that no further Shares will be issued and repurchased prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 36,000,000 Shares, representing 10% of the Shares in issue (excluding treasury Shares, if any) as at the date of passing of the Repurchase Mandate.

The Repurchase Mandate will expire at the earliest of: (i) the conclusion of the next annual general meeting of the Company following the AGM; (ii) the date by which the next annual general meeting is required by the Companies Act or the Articles of Association to be held; or (iii) when the mandate given to the Directors thereunder is revoked or varied by ordinary resolution(s) of the Shareholders in a general meeting of the Company prior to the next annual general meeting of the Company following the AGM.

REASONS FOR REPURCHASE

The Directors have no present intention to repurchase any Shares, but the Directors believe that it is in the interests of the Company and its Shareholders for the Directors to have a general authority from Shareholders to enable the Company to repurchase Shares in the market. Repurchase of Shares will only be made when the Directors believe that such repurchase will

APPENDIX I EXPLANATORY STATEMENT TO THE REPURCHASE MANDATE

benefit the Company and its Shareholders as a whole. Such repurchase may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share.

FUNDING OF REPURCHASE

Pursuant to the Repurchase Mandate, any repurchase will only be funded out of funds of the Company legally available for the purpose of making the proposed purchases in accordance with the Company's Articles of Association, the applicable laws and regulations of the Cayman Islands and the Listing Rules.

The Companies Act provides that the amount of capital repaid in connection with a share repurchase may be paid out of the profits of the Company or the proceeds of a fresh issue of Shares made for the purposes of the repurchase or out of capital subject to and in accordance with the Companies Act. The amount of premium payable on repurchase may only be paid out of either the profits of the Company or out of the share premium account before or at the time the Shares are repurchased in the manner provided for in the Companies Act.

EFFECT OF EXERCISING THE REPURCHASE MANDATE

There might be a material adverse impact on the working capital and/or gearing position of the Company (as compared with the position disclosed in the Company's most recent published audited accounts) in the event that the repurchase of Shares were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company and/or the gearing position of the Company, which in the opinion of the Directors are from time to time appropriate for the Company.

GENERAL

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective Close Associates, has any present intention to sell any Share to the Company or its subsidiaries under the Repurchase Mandate if the same is approved by the Shareholders at the AGM.

No Core Connected Persons has notified the Company that he/she/it has a present intention to sell Shares to the Company, or has undertaken not to do so in the event that the Repurchase Mandate is approved by the Shareholders at the AGM.

APPENDIX I EXPLANATORY STATEMENT TO THE REPURCHASE MANDATE

The Directors will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws and regulations of the Cayman Islands and in accordance with the regulations set out in the Articles of Association. Neither this explanatory statement nor the proposed share repurchase has any unusual features.

In the event of a Share repurchase, the Company may cancel any repurchased Shares or hold them as treasury Shares, subject to market conditions and the Group's capital management needs at the relevant time of the repurchases.

For any treasury Shares deposited with CCASS pending resale on the Stock Exchange, the Company shall (i) procure its broker not to give any instructions to HKSCC Nominees to vote at general meetings of the Company for the treasury Shares deposited with CCASS; and (ii) in the case of dividends or distributions, withdraw the treasury Shares from CCASS, and either re-register them in its own name as treasury Shares or cancel them, in each case before the record date for the dividends or distributions, or take any other measures to ensure that it will not exercise any shareholders' rights or receive any entitlements which would otherwise be suspended under the applicable laws if those Shares were registered in its own name as treasury Shares.

EFFECT OF THE TAKEOVERS CODE

If a Shareholder's proportionate interest in the voting rights of the Company increases as a result of the Company's exercise of the powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition of voting rights for the purpose of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert (as defined in the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 and 32 of the Takeovers Code.

APPENDIX I EXPLANATORY STATEMENT TO THE REPURCHASE MANDATE

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, the following Shareholders were interested in more than 5% of the Company's issued share capital:

Name of Shareholder	Long/Short position	Capacity/Nature of interest	Number of Shares	Approximate percentage of shareholding	Approximate percentage of shareholding if the Repurchase Mandate is exercised in full
				in the Company ^(a)	
Dr. TAN Siu Lin ^(b)	Long	Interests in a controlled corporation	270,000,000	75%	83.33%
Dr. TAN Henry ^(c)	Long	Interests in a controlled corporation	270,000,000	75%	83.33%
THC Leisure Holdings Limited ("THC Leisure") ^(d)	Long	Beneficial interests	270,000,000	75%	83.33%
Tan Holdings Corporation ("Tan Holdings") ^(d)	Long	Interests in a controlled corporation	270,000,000	75%	83.33%
Leap Forward Limited ("Leap Forward") ^(d)	Long	Interests in a controlled corporation	270,000,000	75%	83.33%
Supreme Success Limited ("Supreme Success") ^(d)	Long	Interests in a controlled corporation	270,000,000	75%	83.33%

Notes:

- (a) The percentages have been compiled based on the total number of Shares in issue (i.e. 360,000,000) as at the Latest Practicable Date.
- (b) Dr. Tan Siu Lin is deemed under the SFO to be interested in 270,000,000 Shares held by THC Leisure because (i) he acts in concert with Dr. Tan Henry in respect of the affairs of the Group; (ii) he and Dr. Tan Henry together control the majority of the board of directors of Supreme Success, which is the registered owner of the entire interests in Leap Forward as the trustee of a discretionary family trust; (iii) he and Dr. Tan Henry together control the majority of the protectors of the said discretionary family trust and the board of directors of Leap Forward, and are thus entitled to exercise the voting rights in Leap Forward; (iv) he is

APPENDIX I EXPLANATORY STATEMENT TO THE REPURCHASE MANDATE

the founder of the said discretionary family trust; (v) Leap Forward is the registered owner of a 39% interest in Tan Holdings, and (vi) Tan Holdings is the registered owner of the entire interests in THC Leisure. As such, THC Leisure is a controlled corporation of Dr. Tan Siu Lin.

- (c) Dr. Tan Henry is deemed under the SFO to be interested in 270,000,000 Shares held by THC Leisure because (i) he acts in concert with Dr. Tan Siu Lin in respect of the affairs of the Group; (ii) he and Dr. Tan Siu Lin together control the majority of the board of directors of Supreme Success, which is the registered owner of the entire interests in Leap Forward as the trustee of a discretionary family trust; (iii) he and Dr. Tan Siu Lin together control the majority of the protectors of the said discretionary family trust and the board of directors of Leap Forward and are thus entitled to exercise the voting rights in Leap Forward; (iv) Leap Forward is the registered owner of a 39% interest in Tan Holdings; and (v) Tan Holdings is the registered owner of the entire interests in THC Leisure. As such, THC Leisure is a controlled corporation of Dr. Tan Henry. He is also the founder of a discretionary family trust which is the registered owner of a 20% interest in Tan Holdings.
- (d) THC Leisure directly holds 270,000,000 Shares. THC Leisure is 100% directly owned by Tan Holdings. Leap Forward holds 39% interest in Tan Holdings directly and Supreme Success holds 100% interest in Leap Forward.

In the event that the Directors exercise in full the power to repurchase Shares pursuant to the Repurchase Mandate, then the shareholding of the above Shareholders would be increased to approximately 83.33%. In the opinion of the Directors, such increase will not give rise to a mandatory offer in accordance with Rule 26 and 32 of the Takeovers Code. Save as disclosed above, the Directors are not aware of any consequence which may arise under the Takeovers Code as a consequence of any repurchase of Shares under the Repurchase Mandate.

The Listing Rules prohibit a company from making any repurchase on the Stock Exchange if the repurchase would result in less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the issued shares of that company (excluding treasury shares, if any) in public hands. In any event, the Directors will not exercise the Repurchase Mandate to such an extent that will result in the number of Shares in the hands of public falling below the prescribed minimum percentage of 25% (excluding treasury Shares, if any).

SHARE REPURCHASE MADE BY THE COMPANY

No repurchase of Shares has been made by the Company during the six months immediately preceding the Latest Practicable Date, whether on the Stock Exchange or otherwise.

APPENDIX I EXPLANATORY STATEMENT TO THE REPURCHASE MANDATE

SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve months before the Latest Practicable Date were as follows:

	Share prices	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2024		
May	0.59	0.55
June	0.68	0.59
July	0.65	0.60
August	0.60	0.55
September	0.65	0.50
October	0.67	0.55
November	0.53	0.50
December	0.57	0.53
2025		
January	0.53	0.50
February	0.52	0.50
March	0.52	0.50
April (up to the Latest Practicable Date)	0.51	0.45

APPENDIX II DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

As required by the Listing Rules, the following sets out the biographical information of the four Directors who will retire as required by the Articles of Association and the Listing Rules and are proposed to be re-elected at the AGM.

1. **TAN Henry**, *BBS, JP*

Dr. TAN Henry, *BBS, JP*, (“**Dr. Tan**”) aged 71, has been the Vice Chairman of the Board, an Executive Director and the Chief Executive Officer of the Company since November 2018. He is also a member of our Nomination and Remuneration Committees. He joined the Group in April 1997. Dr. Tan has over 40 years of experience in conducting business in mainland China, Hong Kong and the Western Pacific Region and has gained in-depth local knowledge, business and personal connections and market insight in the region. Dr. Tan is passionate about serving the community. He is a court member of The Hong Kong Polytechnic University, a member of the Council and the chairman of the Advisory Committee of College of Professional and Continuing Education of The Hong Kong Polytechnic University, and an honorary court member of the Hong Kong Baptist University. Dr. Tan is a member of the Election Committee of the Hong Kong Special Administrative Region and a member of the National Committee of the Chinese People’s Political Consultative Conference of the People’s Republic of China. He is an honorary trustee of Peking University (北京大學) and a director of the board of Huaqiao University (華僑大學). Dr. Tan is an honorable life-chairman of the Hong Kong General Chamber of Textiles since 2009 and an honorary chairman of the Textile Council of Hong Kong since December 2023. Dr. Tan was a Hong Kong Deputy to the 13th National People’s Congress of the People’s Republic of China and a former chairman of Po Leung Kuk. He was awarded a Bronze Bauhinia Star in November 2005 and was appointed as Justice of the Peace in July 2008 by the Government of Hong Kong Special Administrative Region. Dr. Tan holds a bachelor’s degree and a master’s degree in business administration from the University of Guam. He also received an honorary doctorate in humane letters from the University of Guam in recognition of his contribution in the Western Pacific Region. Since June 2020, Dr. Tan has been the independent non-executive director of SinoMedia Holding Limited (Stock Code: 623), the shares of which are listed on the Main Board of the Stock Exchange.

Dr. Tan is a son of Dr. Tan Siu Lin (Chairman, a non-Executive Director and a controlling shareholder), a brother of Mr. Tan Willie (a Non-Executive Director) and Mr. Tan Jerry Cho Yee (a member of our senior management), the father of Mrs. Su Tan Jennifer Sze Tink (an Executive Director and the Executive Vice President), and a brother-in-law of Mr. Chiu George (an Executive Director). Dr. Tan is a director of S.A.I. CNMI Holdings Limited, S.A.I. CNMI Tourism Inc., S.A.I. Guam Holdings Limited, Gemkell Corporation and Gemkell U.S.A. LLC, all of which are our subsidiaries. Dr. Tan is also a controlling shareholder of the Company.

APPENDIX II DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

Save as disclosed above, Dr. Tan had not held any directorships in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years prior to the Latest Practicable Date.

As at the Latest Practicable Date, Dr. Tan was interested or deemed to be interested in 270,000,000 Shares pursuant to Part XV of the SFO and hence is a Controlling Shareholder of the Company.

Save as disclosed above, Dr. Tan is not connected with any other Directors, senior management, substantial Shareholders or Controlling Shareholders of the Company.

Dr. Tan had entered into a renewed service agreement with the Company for a term of three years commencing from April 9, 2025, and thereafter on a month-to-month basis, subject to the right of termination by either the Company or Dr. Tan by giving not less than three months' notice in writing to the other party. He is subject to retirement by rotation and re-election in accordance with the Articles of Association. Under the service agreement, Dr. Tan is entitled to a salary of HK\$2,181,504 per annum. Dr. Tan is also entitled to a bonus, which shall be determined in accordance with the Articles of Association and by the board and/or the Company's Remuneration Committee. The Company has made contribution to the mandatory provident fund in accordance with the applicable legal requirement. Dr. Tan will also be entitled to reimbursement of all reasonable expenses properly incurred and in connection with the performance of his duties or in connection with his office. Dr. Tan's remuneration was determined by reference to the prevailing market condition and his knowledgeable experience for the industry. On January 1, 2025, Dr. Tan agreed to waive any emoluments from the Company for the financial year ending December 31, 2025.

Save as disclosed above, there are no other matters concerning Dr. Tan that need to be brought to the attention of the Shareholders and there is no other information to be disclosed to Rule 13.51(2)(h) to (v) of the Listing Rules.

2. SU TAN Jennifer Sze Tink

Mrs. SU TAN Jennifer Sze Tink ("Mrs. Su Tan"), aged 42, has been an Executive Director of the Company since November 2018. She is also the Executive Vice President of our Group. Mrs. Su Tan joined our Group in February 2017. She has a solid background and experience in the hotel and hospitality industry and marketing. Mrs. Su Tan is a member of the Industry Advisory Committee of the School of Hotel and Tourism Management of The Hong Kong Polytechnic University. She won the Guangdong-Hong Kong-Macao Greater Bay Area Outstanding Youth Entrepreneurs Award in September 2022 and in 2023, the Economic Observer conferred the 2023 Outstanding Women Business Leaders Award on Mrs. Su Tan and she was also awarded as one of the 2023

APPENDIX II DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

Most Powerful Women by Fortune China. Mrs. Su Tan was featured in China Newsweek in 2024 for her role in enhancing the Group's tourism products to increase attractions. She was also highlighted in the report of Caijing.com.cn about her clout over the tourism industry. Mrs. Su Tan holds a bachelor's degree in science majoring in hotel and restaurant administration from Cornell University, the U.S.

Mrs. Su Tan is a granddaughter of Dr. Tan Siu Lin (Chairman, a Non-Executive Director and a controlling shareholder), a daughter of Dr. Tan Henry (Vice Chairman, an Executive Director, the Chief Executive Officer and a controlling shareholder) and a niece of Mr. Chiu George (an Executive Director), Mr. Tan Willie (a Non-Executive Director) and Mr. Tan Jerry Cho Yee (a member of our senior management). Mrs. Su Tan is also a director of Asia Pacific Hotels, Inc., Asia Pacific Hotels, Inc. (Guam) and Century Tours, Inc., all of which are our subsidiaries.

Save the offices held in the Group, Mrs. Su Tan had not held any directorships in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years prior to the Latest Practicable Date.

As at the Latest Practicable Date, Mrs. Su Tan was not interested or deemed to be interested in any Share and the shares of the Company's associated corporations pursuant to Part XV of the Securities and Future Ordinance.

Save as disclosed above, Mrs. Su Tan is not connected with any existing Directors, senior management, substantial Shareholders or Controlling Shareholders.

Mrs. Su Tan had entered into a renewed service agreement with the Company for a term of three years commencing from April 9, 2025, and thereafter on a month-to-month basis, subject to the right of termination by either the Company or Mrs. Su Tan by giving not less than three months' notice in writing to the other party. She is subject to retirement by rotation and re-election in accordance with the Articles of Association. Under the service agreement, Mrs. Su Tan is entitled to a salary of HK\$1,300,000 per annum. Mrs. Su Tan is also entitled to a bonus, which shall be determined in accordance with the Articles of Association and by the board and/or the Company's Remuneration Committee. The Company has made contribution to the mandatory provident fund in accordance with the applicable legal requirement. Mrs. Su Tan will also be entitled to reimbursement of all reasonable expenses properly incurred and in connection with the performance of her duties or in connection with her office. Mrs. Su Tan's remuneration was determined by reference to the prevailing market condition and her knowledgeable experience for the industry.

APPENDIX II DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

Save as disclosed above, there are no other matters concerning Mrs. Su Tan that need to be brought to the attention of the Shareholders and there is no other information to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

3. **CHEUNG Pik Shan Bonnie**

Ms. CHEUNG Pik Shan Bonnie (“**Ms. Cheung**”), aged 48, has been our Group Financial Controller since November 2018 and was appointed as the Company Secretary of the Company since April 2019. She joined the Group in April 2018. Ms. Cheung has over 25 years of experience in the field of auditing and accounting. Before transferring to the Group, she was a vice president of the corporate finance division of Luen Thai Holdings Limited (Stock code: 311), a company listed on the Main Board of the Stock Exchange. Ms. Cheung completed the Business Sustainability Management Programme designed by the Institute for Sustainability Leadership of the University of Cambridge in 2022. Ms. Cheung is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. Ms. Cheung holds a bachelor’s degree in accountancy from the Hong Kong Polytechnic University.

Save as disclosed above, Ms. Cheung had not held any directorships in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years prior to the Latest Practicable Date.

As at the Latest Practicable Date, Ms. Cheung was not interested or deemed to be interested in any Share and the shares of the Company’s associated corporations pursuant to Part XV of the SFO.

Ms. Cheung does not have any relationships with any other Directors, senior management, substantial Shareholders or Controlling Shareholders of the Company.

Ms. Cheung had entered into a service agreement with the Company for a period of three years commencing from April 9, 2025, and thereafter on a month-to-month basis, subject to the right of termination by either the Company or Ms. Cheung by giving not less than three months’ notice in writing to the other party. She is subject to retirement by rotation and re-election in accordance with the Articles of Association. Under the service agreement, Ms. Cheung is entitled to a salary of HK\$1,300,000 per annum. Ms. Cheung is also entitled to a bonus, which shall be determined in accordance with the Articles of Association and by the Board and/or our Remuneration Committee. The Company has made contribution to the pension fund in accordance with the applicable legal requirement. Ms. Cheung will also be entitled to reimbursement of all

APPENDIX II DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

reasonable expenses properly incurred and in connection with the performance of her duties or in connection with her office. Ms. Cheung's remuneration was determined by reference to the prevailing market condition and her knowledgeable experience for the industry.

Save as disclosed above, there are no other matters concerning Ms. Cheung that need to be brought to the attention of the Shareholders and there is no other information to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

4. **WONG Chun Tat, JP**

Mr. WONG Chun Tat, JP ("**Mr. Wong**"), aged 44, has been an Independent Non-Executive Director of the Company since December 2022 and is the Chairman of our Nomination Committee and a member of our Audit and Remuneration Committees. Mr. Wong has over 10 years of experience in the tourism industry. He has been the general manager of Sin Ma Tours Limited since February 2019, an executive director of Hong Thai Golf Centre Limited since July 2021 and an executive director of Hong Thai Expo & Business Centre Limited since October 2022. Mr. Wong is actively engaged in public and community services with a focus on developing the Hong Kong tourism industry. He is currently the honorary adviser of the Hong Kong Travel Industry Council, a former board member of the Hong Kong Tourism Board, member of the Community Involvement, Culture and Recreation Committee & Development Planning Committee of Southern District Council. Mr. Wong is also currently a standing committee member of the Chinese Chamber of Commerce, Hong Kong, chairman of the Youth Executives' Committee of the Chinese Chamber of Commerce, Hong Kong, executive vice-chairman of the Y. Elites Association, member of the Chongqing Committee of the Chinese People's Political Consultative Conference (the 6th session), member of the Thirteenth Committee of the All-China Youth Federation and member of the Election Committee of the Hong Kong Special Administrative Region. In addition, Mr. Wong is currently an independent non-executive director of South China Holdings Company Limited (Stock Code: 413), the shares of which are listed on the Main Board of the Stock Exchange. Mr. Wong holds a bachelor's degree in tourism management in 2003 and a master's degree in professional accounting in 2008, both from the Hong Kong Polytechnic University.

Save as disclosed above, Mr. Wong had not held any directorships in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years prior to the Latest Practicable Date.

As at the Latest Practicable Date, Mr. Wong was not interested or deemed to be interested in any Share and the shares of the Company's associated corporations pursuant to Part XV of the SFO.

APPENDIX II DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

Mr. Wong does not have any relationships with any other Directors, senior management, substantial Shareholders or Controlling Shareholders of the Company.

Pursuant to a letter of appointment, Mr. Wong was appointed as independent non-executive director for a term of three years commencing from December 16, 2022 with an annual director fee of HK\$300,000 per annum. He is subject to retirement by rotation and re-election in accordance with the Articles of Association. His director's fee has been determined by reference to the level of remuneration for independent non-executive directors of Hong Kong listed companies and the demand for the Company on Mr. Wong's attention as its independent non-executive Director.

Save as disclosed above, there are no other matters concerning Mr. Wong that need to be brought to the attention of the Shareholders and there is no other information to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

1. RESPONSIBILITY STATEMENT

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

2. INTERESTS AND SHORT POSITIONS OF DIRECTORS AND THE CHIEF EXECUTIVES IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

At the Latest Practicable Date, the interests and short positions of the Directors or the chief executives of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or were required, pursuant to Section 352 of the SFO, to be entered on the register maintained by the Company referred to therein, or which were required, pursuant to Part XV of the SFO or the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Directors	Number of Shares			Percentage of interests in the Company as at the Latest Practicable Date^(a)
	Personal interests (held as beneficial owner)	Corporate interests (interests of controlled corporations)	Total interests	
Dr. Tan Siu Lin ^(b)	—	270,000,000	270,000,000	75%
Dr. Tan Henry ^(c)	—	270,000,000	270,000,000	75%

Notes:

- (a) The percentage has been compiled based on the total number of Shares issued (i.e. 360,000,000) as at the Latest Practicable Date.

- (b) Dr. Tan Siu Lin is deemed to be interested in 270,000,000 Shares under the SFO (representing 75% of the Company's entire issued share capital) held by THC Leisure because (i) he acts in concert with Dr. Tan Henry in respect of the affairs of the Group; (ii) he and Dr. Tan Henry together control the majority of the board of directors of Supreme Success, which is the registered owner of the entire interests in Leap Forward as the trustee of a discretionary family trust; (iii) he and Dr. Tan Henry together control the majority of the protectors of the said discretionary family trust and the board of directors of Leap Forward, and are thus entitled to exercise the voting rights in Leap Forward; (iv) he is the founder of the said discretionary family trust; (v) Leap Forward is the registered owner of a 39% interest in Tan Holdings; and (vi) Tan Holdings is the registered owner of the entire interests in THC Leisure. As such, THC Leisure is a controlled corporation of Dr. Tan Siu Lin.
- (c) Dr. Tan Henry is deemed to be interested in 270,000,000 Shares under the SFO (representing 75% of the Company's entire issued share capital) held by THC Leisure because (i) he acts in concert with Dr. Tan Siu Lin in respect of the affairs of the Group; (ii) he and Dr. Tan Siu Lin together control the majority of the board of directors of Supreme Success, which is the registered owner of the entire interests in Leap Forward as the trustee of a discretionary family trust; (iii) he and Dr. Tan Siu Lin together control the majority of the protectors of the said discretionary family trust and the board of directors of Leap Forward and are thus entitled to exercise the voting rights in Leap Forward; (iv) Leap Forward is the registered owner of a 39% interest in Tan Holdings; and (v) Tan Holdings is the registered owner of the entire interests in THC Leisure. As such, THC Leisure is a controlled corporation of Dr. Tan Henry. He is also the founder of a discretionary family trust which is the registered owner of a 20% interest in Tan Holdings.

As at the Latest Practicable Date, save as disclosed above, none of the Directors nor the chief executive of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were deemed or taken to have under such provisions of the SFO), or were required, pursuant to Section 352 of the SFO, to be entered on the register maintained by the Company referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

3. INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN THE SHARE CAPITAL OF THE COMPANY

As at the Latest Practicable Date, so far as was known to the Directors, the interests and short positions of the persons (other than the interests and short positions of the Directors or chief executive of the Company as disclosed above) in the Shares and/or underlying Shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, or as otherwise notified to the Company are set out below:

Shareholders	Capacity/ Nature of interests	Number of Shares	Percentage of interest in the Company as at the Latest Practicable Date ^(a)
Dr. Tan Siu Lin ^(b)	Interests in a controlled corporation	270,000,000	75%
Dr. Tan Henry ^(c)	Interests in a controlled corporation	270,000,000	75%
THC Leisure ^(d)	Beneficial interests	270,000,000	75%
Tan Holdings ^(d)	Interests in a controlled corporation	270,000,000	75%
Leap Forward ^(d)	Interests in a controlled corporation	270,000,000	75%
Supreme Success ^(d)	Interests in a controlled corporation	270,000,000	75%

Notes:

- (a) The percentage has been compiled based on the total number of Shares in issue (i.e. 360,000,000) as at the Latest Practicable Date.
- (b) Dr. Tan Siu Lin is deemed to be interested in 270,000,000 Shares under the SFO (representing 75% of the Company's entire issued share capital) held by THC Leisure because (i) he acts in concert with Dr. Tan Henry in respect of the affairs of the Group; (ii) he and Dr. Tan Henry together control the majority of the board of directors of Supreme Success, which is the registered owner of the entire interests in Leap Forward

as the trustee of a discretionary family trust; (iii) he and Dr. Tan Henry together control the majority of the protectors of the said discretionary family trust and the board of directors of Leap Forward, and are thus entitled to exercise the voting rights in Leap Forward; (iv) he is the founder of the said discretionary family trust; (v) Leap Forward is the registered owner of a 39% interest in Tan Holdings; and (vi) Tan Holdings is the registered owner of the entire interests in THC Leisure. As such, THC Leisure is a controlled corporation of Dr. Tan Siu Lin.

- (c) Dr. Tan Henry is deemed to be interested in 270,000,000 Shares under the SFO (representing 75% of the Company's entire issued share capital) held by THC Leisure because (i) he acts in concert with Dr. Tan Siu Lin in respect of the affairs of the Group; (ii) he and Dr. Tan Siu Lin together control the majority of the board of directors of Supreme Success, which is the registered owner of the entire interests in Leap Forward as the trustee of a discretionary family trust; (iii) he and Dr. Tan Siu Lin together control the majority of the protectors of the said discretionary family trust and the board of directors of Leap Forward and are thus entitled to exercise the voting rights in Leap Forward; (iv) Leap Forward is the registered owner of a 39% interest in Tan Holdings; and (v) Tan Holdings is the registered owner of the entire interests in THC Leisure. As such, THC Leisure is a controlled corporation of Dr. Tan Henry. He is also the founder of a discretionary family trust which is the registered owner of a 20% interest in Tan Holdings.
- (d) THC Leisure directly holds 270,000,000 Shares (representing 75% of the Company's entire issued share capital). THC Leisure is 100% directly owned by Tan Holdings. Leap Forward holds 39% interest in Tan Holdings directly and Supreme Success holds 100% interest in Leap Forward.

As at the Latest Practicable Date, save as disclosed above, so far as was known to the Directors, no other person (other than the Directors or chief executives of the Company) had any interests or short position in the Shares and/or underlying Shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, or as notified to the Company.

4. NO MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirm that there was no material adverse change in the financial or trading position of the Group since December 31, 2024, being the date up to which the latest published audited consolidated financial statements of the Group were made.

5. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered or proposed to enter into any service agreements with any member of the Group, excluding contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation).

6. EXPERT QUALIFICATION AND CONSENT

The following is the qualification of the expert who has made statement in this circular:

Name	Qualification
Lego Corporate Finance Limited	A licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the SFO

Lego Corporate Finance Limited, the Independent Financial Adviser, has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter, recommendation, opinion and/or references to its name in the form and context in which they are included.

7. EXPERT'S INTERESTS

As at the Latest Practicable Date,

- (a) the Independent Financial Adviser did not have any direct or indirect interest in any assets which have been, since December 31, 2024, being the date to which the latest published audited consolidated financial statements of the Company were made up, acquired, disposed of by, or leased to, any member of the Group, or were proposed to be acquired or disposed of by, or leased to, any member of the Group; and
- (b) the Independent Financial Adviser did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

8. LITIGATION

As at the Latest Practicable Date, none of the members of the Group were engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance is known to the Directors to be pending or threatened by or against any member of the Group.

9. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or their respective close associates had any interest in a business, which competes or may compete with the businesses of the Group (which would be required to be disclosed under Rule 8.10 of the Listing Rules as if each of them were treated as a controlling shareholder of the Company).

10. DIRECTORS' INTERESTS IN ASSETS AND CONTRACTS OF THE GROUP

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which had, since December 31, 2024 (being the date to which the latest published audited consolidated financial statements of the Company were made up), been acquired or disposed of by, or leased to, the Company or any member of the Group, or were proposed to be acquired or disposed of by, or leased to, the Company or any member of the Group; and none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group subsisting at such date and which was significant in relation to the businesses of the Group as at the Latest Practicable Date.

11. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.saileisuregroup.com) for a period of 14 days from the date of this circular:

- (a) the letter of recommendation from the Independent Board Committee, the text of which is set out on pages IBC-1 to IBC-2 this circular;
- (b) the letter of advice from the Independent Financial Adviser, the text of which is set out on pages IFA-1 to IFA-16 of this circular;
- (c) 2H2025 QZ Framework Agreement; and
- (d) this circular.

12. GENERAL

- (a) The address of the registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The head office and principal place of business of the Company is at 5/F, Nanyang Plaza, 57 Hung To Road, Kwun Tong, Kowloon, Hong Kong.

- (b) The company secretary of the Company is Ms. Cheung Pik Shan Bonnie, who is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants.
- (c) The principal share registrar and transfer office of the Company in the Cayman Islands is Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (d) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (e) In case of inconsistency, the English text of this circular shall prevail over the Chinese text.

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“AGM”) of S.A.I. Leisure Group Company Limited (the “**Company**”) will be held at 5th Floor, Nanyang Plaza, 57 Hung To Road, Kwun Tong, Hong Kong on Thursday, May 29, 2025 at 11:00 a.m. for the following purposes:

Ordinary Resolutions

As ordinary business:

1. To receive and consider the audited consolidated financial statements of the Company and its subsidiaries together with the reports of the directors and the auditors of the Company for the financial year ended December 31, 2024;
2. To re-elect Dr. Tan Henry, *BBS, JP* as executive director of the Company;
3. To re-elect Mrs. Su Tan Jennifer Sze Tink as executive director of the Company;
4. To re-elect Ms. Cheung Pik Shan Bonnie as executive director of the Company;
5. To re-elect Mr. Wong Chun Tat, *JP* as independent non-executive director of the Company;
6. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) the 2H2025 QZ Framework Agreement (as defined in the circular of the Company dated April 30, 2025 (the “**Circular**”), a copy of which is tabled at the meeting and marked “A” and initialled by the chairman of the meeting for identification

NOTICE OF ANNUAL GENERAL MEETING

purpose) for a term of six months from July 1, 2025 to December 31, 2025 and the Holiday Package Transactions (as defined in the Circular) contemplated thereunder be and are hereby approved, ratified and confirmed in all respects;

- (b) the Revised 2025 QZ Annual Cap (as defined in the Circular) in relation to the Holiday Package Transactions for the year ending December 31, 2025 as set out in the Circular be and are hereby approved; and
 - (c) any one director of the Company be and is hereby generally and unconditionally authorized to do all such further acts and things and to sign and execute all such other or further documents and to take all such steps which in the opinion of such director may be necessary, appropriate, desirable or expedient to implement and/or give effect to the 2H2025 QZ Framework Agreement or the Holiday Package Transactions contemplated thereunder as aforesaid.”
7. To authorize the board of directors of the Company (the “**Board**”) to fix the remuneration of the directors of the Company for the financial year ending December 31, 2025;
8. To re-appoint Messrs. Ernst & Young as the auditors of the Company and to authorize the Board to fix their remuneration;
9. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c) below and pursuant to the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the directors of the Company (the “**Directors**”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with any unissued shares in the capital of the Company (the “**Shares**”), including any sale and transfer of Shares out of treasury that are held as treasury shares (which shall have the meaning ascribed to it under the Listing Rules from time to time), and to make or grant offers, agreements and options (including but not limited to bonds and debentures convertible into shares of the Company) which might require the exercise of such power be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the approval in paragraph (a) above shall authorize the Directors during the Relevant Period to make or grant offers, agreements and options (including bonds and debentures convertible into shares of the Company) which might require the Shares to be issued (or transferred out of treasury) either during or after the end of the Relevant Period;
- (c) the total number of the Shares allotted and issued (or transferred out of treasury) or agreed conditionally or unconditionally to be allotted and issued (or transferred out of treasury) (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as hereinafter defined); or
 - (ii) an issue of Shares (or transfer out of treasury) upon the exercise of options which may be granted under any share option scheme or under any option scheme or similar arrangement for the time being adopted for the grant or issue to the directors, officers and/or employees of the Company and/or any of its subsidiaries or any other person of Shares or rights to acquire Shares; or
 - (iii) any scrip dividend schemes or similar arrangements providing for the allotment and issue of Shares (or transfer out of treasury) in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time,

shall not exceed 20% of the total number of the issued Shares (excluding treasury Shares, if any) at the date of the passing of this resolution and the said approval shall be limited accordingly; and

- (d) for the purpose of this resolution,

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;

NOTICE OF ANNUAL GENERAL MEETING

- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, the Companies Act, Cap. 22 (Act 3 of 1961, as consolidated or revised) of the Cayman Islands (as amended, supplemented or otherwise modified from time to time) or any other applicable laws of the Cayman Islands to be held; or
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking, varying or renewing the authority given to the Directors by this resolution; and

“Rights Issue” means an offer of Shares or issue of option, warrants or other securities giving the right to subscribe for Shares, open for a period fixed by the Directors to the holders of Shares, whose names appear on the register of members of the Company (and, where appropriate, to the holders of other securities of the Company entitled to the offer) on a fixed record date in proportion to their then holdings of such Shares (or, where appropriate, such other securities) (subject in all cases to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory applicable to the Company).”

10. To consider and, if thought fit, pass with or without amendments the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (b) below, the exercise by the directors of the Company (the **“Directors”**) during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase shares of the Company (the **“Shares”**) on The Stock Exchange of Hong Kong Limited (the **“Stock Exchange”**) or on any other stock exchange on which the Shares may be listed and which is recognized by the Securities and Futures Commission of Hong Kong (the **“Commission”**) and the Stock Exchange for this purpose, subject to and in accordance with the Companies Act, Cap. 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands (as amended, supplemented or otherwise modified from time to time) or any other applicable laws, the Code on Share Buy-backs approved by the Commission and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange, be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the total number of the Shares which the Company is authorized to repurchase pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the total number of the issued Shares (excluding treasury Shares, if any) at the date of the passing of this resolution, and the authority granted pursuant to paragraph (a) above shall be limited accordingly;
- (c) subject to the passing of each of the paragraphs (a) and (b) of this resolution, any prior approvals of the kind referred to in paragraphs (a) and (b) of this resolution which has been granted to the Directors and which are still in effect be and are hereby revoked; and
- (d) for the purposes of this resolution,

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, the Companies Act, Cap. 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands (as amended, supplemented or otherwise modified from time to time) or any applicable laws of the Cayman Islands to be held; or
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking, varying or renewing the authority given to the Directors by this resolution.”
11. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT conditional upon the ordinary resolutions set out in paragraphs 9 and 10 of the notice convening this meeting (the **“Notice”**) being passed, the general mandate granted to the directors of the Company (the **“Directors”**) to allot, issue and deal with any unissued shares of the Company (the **“Shares”**), including any sale and transfer of Shares out of treasury that are held as treasury shares (which shall have the meaning ascribed to it under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited from time to time), pursuant to the ordinary resolution set out in paragraph 9 of the Notice be and is hereby extended by the addition to the number of the Shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate of an amount representing the number of the Shares repurchased by the Company under the authority

NOTICE OF ANNUAL GENERAL MEETING

granted pursuant to the ordinary resolution set out in paragraph 10 of the Notice, provided that such extended amount shall not exceed 10% of the total number of the issued Shares (excluding treasury Shares, if any) as at the date of the passing of this resolution.”

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

Hong Kong, April 30, 2025

As at the date of this notice, the Board comprises: (1) Dr. TAN Henry, Mr. CHIU George, Mrs. SU TAN Jennifer Sze Tink and Ms. CHEUNG Pik Shan Bonnie as the executive directors; (2) Dr. TAN Siu Lin (Chairman) and Mr. TAN Willie 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.

Notes:

1. A member of the Company (the “**Member**”) entitled to attend and vote at the AGM or its adjourned meeting (as the case may be) is entitled to appoint another person as his/her/its proxy to attend and, on a poll, vote in his/her/its stead. A Member who is the holder of two or more Shares may appoint more than one proxy to represent him/her/it and, on a poll, vote on his/her/its behalf. A proxy need not be a Member.
2. In order to be valid, the duly completed and signed form of proxy together with any power of attorney or other authority (if any) under which it is signed or a certified copy of such power or authority, must be deposited at the office of the Company’s Branch Share Registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 48 hours before the time appointed for holding the AGM or its adjournment.

3. For AGM

The register of Members will be closed from May 26 to May 29, 2025 (both days inclusive), during which period no transfer of Shares will be registered, for ascertaining Shareholders’ entitlement to attend and vote at the AGM. In order to qualify for attending and voting at the AGM, non-registered Shareholders must lodge all duly completed transfer forms accompanied by the relevant share certificates with the Company’s Branch Share Registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on May 23, 2025.

4. According to Rule 13.39(4) of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and Article 66(1) of the Articles of Association, any vote of Members at general meeting of the Company must be taken by poll. Therefore, all proposed resolutions put to the vote at the AGM will be taken by poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING

5. With regard to the proposed ordinary resolutions set out in paragraphs 2 to 5 of this Notice, Dr. Tan Henry, *BBS, JP*, Mrs. Su Tan Jennifer Sze Tink, Ms. Cheung Pik Shan Bonnie and Mr. Wong Chun Tat, *JP* will retire as Directors at the AGM and, being eligible, offer themselves for re-election. Details of the above Directors are set out in Appendix II to the Circular.
6. With regard to the proposed ordinary resolution set out in paragraph 8 of this Notice, the Board concurs with the views of the audit committee of the Board and has recommended that Messrs. Ernst & Young be re-appointed as the auditors of the Company.
7. With regard to the proposed ordinary resolution set out in paragraph 9 of this Notice, approval is being sought from the Members for the grant to the Directors of a general mandate to authorize the allotment and issue of Shares (including any sale and transfer of treasury Shares) under the Listing Rules. The Directors have no immediate plans to issue any new Shares.
8. With regard to the proposed ordinary resolution set out in paragraph 10 of this Notice, the Directors wish to state that they will exercise the powers conferred thereby to repurchase Shares only in the circumstances which they consider appropriate for the benefit of the Company and the Members as a whole. An explanatory statement containing the information necessary to enable the Members to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in Appendix I to the Circular.
9.
 - (a) Subject to paragraph (b) below, if a tropical cyclone warning signal No. 8 or above is expected to be hoisted or a rainstorm warning signal is expected to be in force at any time between 7:00 a.m. and 5:00 p.m. on the date of the AGM, the AGM will be postponed and the Members will be informed of the date, time and venue of the postponed AGM by an announcement posted on the respective websites of the Company and the Stock Exchange.
 - (b) If a tropical cyclone warning signal No. 8 or above or a rainstorm warning signal is lowered or cancelled at or before three hours before the time fixed for holding the AGM and where conditions permit, the AGM will be held as scheduled.
 - (c) The AGM will be held as scheduled when an amber or a thunderstorm warning signal or typhoon signal No. 3 or below is in force.
 - (d) After considering their own situations, the Members should decide on their own as to whether they would attend the AGM under any bad weather condition and if they do so, they are advised to exercise care and caution.
10. The translation into Chinese language of this Notice is for reference only. In case of any inconsistency, the English version shall prevail.