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For Immediate Release

**Competition Commission issues infringement notices to six hotel groups  
and a tour counter operator for facilitating a price-fixing cartel**

The Competition Commission (“Commission”) has issued infringement notices<sup>1</sup> to seven entities, including six hotel groups and a tour counter operator (collectively, the “Recipients”), for facilitating a cartel arrangement between two competing travel service providers, namely *Gray Line Tours of Hong Kong Limited* (“Gray Line”) and *Tink Labs Limited* (“Tink Labs”), to fix and/or control prices of tourist attractions and transportation tickets sold at the premises of certain hotels in Hong Kong.

The seven Recipients have cooperated with the Commission in its investigation and have made commitments required by the infringement notices. They are:

1. *China Asia Property Limited*, owner and operator of City Garden Hotel;
2. *Harilela Hotels Limited*, owner of Holiday Inn Golden Mile;
3. *Holiday Inns Crowne Plaza (Hong Kong) Inc.*, operator of Holiday Inn Golden Mile;
4. *Imperial Tours Limited*, tour counter operator inside the premises of Holiday Inn Golden Mile;
5. *Hotel Panorama Company Limited*, owner and operator of the former Hotel Panorama;
6. *The Hongkong Hotel Limited*, *The Marco Polo Hotel (Hong Kong) Limited*, *The Prince Hotel Limited* and *Wharf Hotels Management Limited*, owners and operator of the Marco Polo Hongkong Hotel, Marco Polo Gateway and Marco Polo Prince respectively; and
7. *Royal Plaza Hotel Management Limited*, *Leverson Limited* and *Royal Park Hotel Management Limited*, operators of Royal Plaza Hotel, Royal View Hotel and Royal Park Hotel respectively

The Commission found in its investigation that between March 2016 and May 2017, Gray Line and Tink Labs agreed to fix the prices at which tourist attractions and transportation tickets were sold at various hotels in Hong Kong, including those operated by the Recipients. The Recipients acted as facilitators by passing on pricing information between these two competitors in circumstances where they had actively contributed to the implementation of the price fixing agreement. The Commission has reasonable cause to believe that the above arrangement (“Subject Arrangement”) had the object of harming competition in Hong Kong in contravention of the First Conduct Rule of the Competition Ordinance (“Ordinance”).

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<sup>1</sup> Pursuant to section 67(2) of the Competition Ordinance, the Commission may, instead of bringing proceedings in the Competition Tribunal against a person in the first instance, issue an infringement notice offering not to bring those proceedings on condition that the person makes a commitment to comply with the requirements of the notice.

The Commission considers the use of infringement notices and getting commitments from the seven Recipients over bringing actions against them in the Competition Tribunal to be the most appropriate approach proportionate to the circumstances in this case. It is also accepted by the Recipients as the best way to resolve the matter.

In the infringement notices, each of the seven Recipients admitted that they had contravened section 6(1) of the Ordinance and committed to take concrete measures to effectively enhance competition compliance within their respective businesses. Specifically, five of the larger Recipients have committed to appoint an Independent Compliance Advisor who will provide them with advice and propose rectifying measures to minimise their risk of engaging in similar anti-competitive conduct in future. The remaining two Recipients have committed to a specific set of compliance oriented measures that are appropriate to their size and business circumstances.

Mr. Samuel Chan, Chairman of the Commission, said, “This is the first time the Commission pursues facilitators of cartel conduct, driving home the message that not only cartelists, but third parties who facilitate anti-competitive conduct between competing businesses may also be subject to the Commission’s enforcement action.”

“Compliance with the Competition Ordinance is the duty of any undertaking in Hong Kong. This enforcement outcome will help the Recipients, which include some of the largest hotel groups in Hong Kong, to get back on the right track and strengthen competition compliance, and at the same time sending a signal to other undertakings in the industry to steer clear of similar conduct. It is expected that consumers, travel service operators and the industry as a whole will all benefit from it.”

The Commission’s investigation against other parties in this case is ongoing.

The infringement notices and commitments made by the Recipients are published on the Commission’s website ([www.compcomm.hk](http://www.compcomm.hk)).

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