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)

PROFIT WARNING

This announcement is made by S.A.I. Leisure Group Company Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to (1) Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**"), and (2) the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board of directors of the Company (the "**Board**") wishes to inform the shareholders and potential investors of the Company that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended June 30, 2020, the Board expects the Group to record a profit attributable to owners of the Company of approximately US$0.3 million for the six months ended June 30, 2020, which represents a decrease of approximately 94.5% as compared to the profit attributable to owners of the Company for the corresponding period in 2019.

Based on the information currently available to the Board, the decrease in profit is mainly attributable to a significant decrease in revenue caused by:–

(i) the global outbreak of COVID-19 which, coupled with various measures imposed by different countries and territories (including travel bans and mandatory quarantine requirements), caused a sharp decline in the number of tourists travelling to Saipan and Guam since around February 2020; and

(ii) the temporary suspension of operation of a number of our hotels and resorts, our luxury travel retail boutiques and destination services with effect from around late March 2020 until further notice.

Nevertheless, the Board notes that the negative impact of the above factors on the Group's financial performance for the six months ended June 30, 2020 has been mitigated by the following:–

(a) a significant decrease in operating expenses as a result of the temporary suspension of operation of a number of our hotels and resorts, our luxury travel retail boutiques and destination services since around late March 2020; and

(b) revenue from one of the Group's hotels in Saipan, Kanoa Resort, which has continued to operate during the COVID-19 outbreak in view of an emergency contract entered into between the Group and the relevant government authority in the Commonwealth of the Northern Mariana Islands in March 2020 for the provision of rooms, facilities and meal services to persons subject to mandatory quarantine requirements upon arrival in Saipan, as previously announced. The Group is honored to be able to assist the local government in the fight against COVID-19.

The Group has been actively managing operating expenses in order to minimize the overall impact of the COVID-19 outbreak, and has reacted promptly by taking stringent cost-cutting measures as previously announced and mentioned above. As the duration of the COVID-19 outbreak remains uncertain, the Group will continue to closely monitor the market conditions and will make timely adjustments in its business strategies when necessary.

The information contained in this announcement is only based on the preliminary assessment of unaudited information currently available to the Board. The results of the Group for the six months ended June 30, 2020 have not been finalized as at the date of this announcement and have not been reviewed by the Board's audit committee and the Company's independent auditor. The actual results of the Group for the six months ended June 30, 2020 may be different from what is disclosed in this announcement.

Shareholders and potential investors are advised to carefully read the upcoming announcement of the Company in relation to the interim results of the Group for the six months ended June 30, 2020, which is expected to be published in late August 2020.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, August 3, 2020

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