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海天地悅旅集團有限公司
S.A.I. LEISURE GROUP COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1832)

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 (the “**Listing Rules**”), and (2) the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board 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 financial year ended December 31, 2022, the Board expects the Group to record a loss attributable to owners of the Company of approximately US\$12.0 million for the financial year ended December 31, 2022, as compared to a loss attributable to owners of the Company of approximately US\$6.0 million for the preceding financial year ended December 31, 2021. Based on the information currently available to the Board, the amount of loss as aforesaid has taken into account, amongst others, the recognition of depreciation and amortization expenses (non-cash items) relating to the Group’s assets of approximately US\$4.3 million.

Based on the information currently available to the Board, the increase in loss is attributable to the following factors:-

- (1) a decrease in revenue generated by the Group's hotels and resorts segment due to (i) the decrease in occupancy of Kanoa Resort in view of the relaxation of mandatory quarantine requirements in Saipan, (ii) the completion of the emergency contract in respect of Kanoa Resort with the government of the Commonwealth of the Northern Mariana Islands in July 2022, and (iii) the temporary closure of Kanoa Resort after completion of the emergency contract for the purpose of carrying out planning and design work for the renovation and rebranding of the hotel as "voco Resort Saipan" in the near future;
- (2) a one-time write-off of the Group's property, plant and equipment amounting to approximately US\$0.5 million as a result of the renovation works anticipated to be carried out to Kanoa Resort; and
- (3) an increase in operating expenses due to the incurrence of one-time pre-opening expenses for Crowne Plaza Resort Saipan and Crowne Plaza Resort Guam amounting to approximately US\$0.2 million and approximately US\$0.2 million, respectively.

Nevertheless, the Board notes that the negative impact of the above factors on the Group's financial performance for the financial year ended December 31, 2022 has been mitigated by the following:-

- (a) Crowne Plaza Resort Saipan was reopened in October 2022 and Crowne Plaza Resort Guam had its soft opening in November 2022, seeking to capture the accelerating market demand in view of the gradual recovery of the global leisure travel tourism market;
- (b) despite the fact that two of the Group's hotels were reopened, there was a decrease in operating expenses in the Group's hotels and resorts segment due to effective cost-saving measures; and
- (c) there was an increase in revenue of approximately US\$3.0 million in the Group's luxury travel retail segment (representing an increase of over 70%) in view of the resumption of normal business operations of a majority of the Group's luxury travel retail boutiques in Hawaii, Guam and Saipan.

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 financial year ended December 31, 2022 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 financial year ended December 31, 2022 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 annual results of the Group for the financial year ended December 31, 2022, which is expected to be published by the end of March 2023.

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, BBS, JP
*Vice Chairman, Executive Director
and Chief Executive Officer*

Hong Kong, March 10, 2023

As at the date of this announcement, the Board 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) Mr. MA Andrew Chiu Cheung, Mr. CHAN Leung Choi Albert and Mr. WONG Chun Tat as the Independent Non-Executive Directors.