

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



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, 2023, the Board expects the Group to record a loss attributable to shareholders of the Company of approximately US\$13.0 million for the six months ended June 30, 2023, as compared to a loss attributable to shareholders of the Company of approximately US\$0.5 million for the corresponding period in 2022.

Based on the information currently available to the Board, the increase in loss is mainly attributable to a significant increase in operating expenses as a result of the gradual resumption of the Group’s business operations after the COVID-19 pandemic. In particular, there was a sharp increase in staff costs due to the increase in the number of headcount as of June 30, 2023 in view of the recent reopening of Crowne Plaza Resort Saipan and Crowne Plaza Resort Guam. Nevertheless, the Board also noted that, for the six months ended June 30, 2023, there was in fact an increase in the Group’s revenue as compared to the corresponding period in 2022. However, such increase in revenue was not sufficient to offset (1) the significant increase in operating expenses; and (2) the depreciation and amortization expenses (non-cash items) recognized in relation to the Group’s assets of approximately

US\$5.4 million. The Board noted that level of revenue remained low as compared to pre-pandemic levels mainly due to the following factors:-

- (i) Kanoa Resort has been temporarily closed since July 2022 (after completion of the emergency contract with the government of the Commonwealth of the Northern Mariana Islands) 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;
- (ii) the grand opening of Crowne Plaza Resort Guam only took place on March 28, 2023 after completion of a majority of the renovation and rebranding works;
- (iii) the occupancy rates of the Group’s newly opened hotels, namely Crowne Plaza Resort Saipan and Crowne Plaza Resort Guam, remained relatively low as the hotels have been ramping up their operations and competing for their share of the recovering tourism markets in Saipan and Guam respectively;
- (iv) tourist arrivals in Saipan and Guam still remained low as compared to pre-pandemic numbers, partly due to the reduced number of flights to/from Saipan and Guam since the start of the COVID-19 pandemic and, as such, three out of five of the Group’s luxury travel retail boutiques in Saipan remained closed pending visibility of tourists returning; and
- (v) the Group’s luxury travel retail boutiques in Guam were closed for almost one month due to the heavy impact of Typhoon Mawar, the strongest storm to affect Guam since 2002, which hit the island on May 24, 2023.

Nevertheless, gradual recovery in the world tourism industry has been underway. With Crowne Plaza Resort Saipan and Crown Plaza Resort Guam being the newest hotels in town, the management of the Group is confident that these two hotels will be uniquely positioned to capture the pent-up travel demand as the leisure tourism markets continues to recover.

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, 2023 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, 2023 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 unaudited interim results of the Group for the six months ended June 30, 2023, which is expected to be published in late August 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, July 28, 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. CHAN Leung Choi Albert, Mr. MA Andrew Chiu Cheung and Mr. WONG Chun Tat as the independent non-executive directors.