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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)

## ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2024

### GROUP FINANCIAL HIGHLIGHTS

	For the year ended December 31,	
	2024	2023
	US\$'000	US\$'000
Revenue	<b>42,795</b>	36,847
Operating loss	<b>(14,454)</b>	(18,183)
Loss attributable to owners of the Company	<b>(18,955)</b>	(22,961)
Profit margin (ratio of loss attributable to owners of the Company to revenue)	<b>-44.3%</b>	-62.3%
Basic loss per share ( <i>US cents</i> )	<b>(5.3)</b>	(6.4)

The board of directors (the “**Board**”) of S.A.I. Leisure Group Company Limited (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended December 31, 2024 (the “**Year**”).

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended December 31, 2024

	<i>Note</i>	<b>2024</b> <i>US\$'000</i>	2023 <i>US\$'000</i>
Revenue	4	<b>42,795</b>	36,847
Cost of inventories sold	7	<b>(4,469)</b>	(4,594)
Food and beverage costs	7	<b>(2,545)</b>	(3,188)
Employee benefit expenses	7	<b>(14,613)</b>	(15,932)
Utilities, repairs and maintenance		<b>(6,598)</b>	(6,172)
Other gains, net	5	<b>1</b>	62
Other operating costs		<b>(25,535)</b>	(26,065)
Other (expenses)/income	7	<b>(3,490)</b>	859
<b>Operating loss</b>		<b>(14,454)</b>	(18,183)
Finance income	6	<b>5</b>	5
Finance costs	6	<b>(4,632)</b>	(4,886)
Finance costs, net	6	<b>(4,627)</b>	(4,881)
<b>Loss before tax</b>	7	<b>(19,081)</b>	(23,064)
Income tax credit	8	<b>5</b>	93
<b>Loss for the year and total comprehensive loss for the year</b>		<b>(19,076)</b>	(22,971)
<b>Loss and total comprehensive loss attributable to:</b>			
Owners of the Company		<b>(18,955)</b>	(22,961)
Non-controlling interests		<b>(121)</b>	(10)
		<b>(19,076)</b>	(22,971)
<b>Loss per share attributable to owners of the Company</b>			
— Basic and diluted (US cents)	10	<b>(5.3)</b>	(6.4)

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2024

	<i>Note</i>	<b>2024</b> <i>US\$'000</i>	2023 <i>US\$'000</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		117,786	130,042
Investment properties		356	353
Intangible assets		38	46
Deferred tax assets		6,583	6,583
Prepayments and deposits		1,422	1,131
		<hr/>	<hr/>
Total non-current assets		126,185	138,155
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>Current assets</b>			
Inventories		3,591	3,131
Trade receivables	<i>11</i>	1,903	5,579
Prepayments, deposits and other receivables		2,501	3,354
Amounts due from related parties		181	105
Income tax recoverable		2,561	2,561
Cash and cash equivalents		3,192	4,438
		<hr/>	<hr/>
Total current assets		13,929	19,168
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>Total assets</b>		<b>140,114</b>	<b>157,323</b>
		<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Issued share capital		461	461
Share premium		38,122	38,122
Capital reserve		28,854	27,006
Other reserve		4,836	4,836
Accumulated losses		(37,822)	(18,867)
		<hr/>	<hr/>
		34,451	51,558
Non-controlling interests		(473)	(352)
		<hr/>	<hr/>
<b>Total equity</b>		<b>33,978</b>	<b>51,206</b>
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	<i>Note</i>	<b>2024</b> <i>US\$'000</i>	2023 <i>US\$'000</i>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Other borrowings		<b>32,242</b>	20,500
Lease liabilities		<b>15,870</b>	16,519
		<hr/>	<hr/>
Total non-current liabilities		<b>48,112</b>	37,019
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>Current liabilities</b>			
Trade and other payables	<i>12</i>	<b>11,857</b>	14,112
Bank borrowings		<b>44,500</b>	47,633
Other borrowings		<b>685</b>	5,936
Lease liabilities		<b>666</b>	917
Amounts due to related parties		<b>279</b>	458
Income tax payable		<b>37</b>	42
		<hr/>	<hr/>
Total current liabilities		<b>58,024</b>	69,098
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>Total liabilities</b>		<b>106,136</b>	106,117
		<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>
<b>Total equity and liabilities</b>		<b>140,114</b>	157,323
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## NOTES TO FINANCIAL INFORMATION

### 1 Corporate and Group Information

The Company is a limited liability company incorporated in the Cayman Islands. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands, and its principal place of business is at 5th Floor, Nanyang Plaza, 57 Hung To Road, Kwun Tong, Kowloon, Hong Kong. The shares of the Company has been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since May 16, 2019 (the “**Listing**”).

The Company is an investment holding company. During the Year, the Group were principally engaged in (i) hotels and resorts operations in Saipan and Guam; (ii) travel retail business of luxury and leisure clothing and accessories in Saipan, Guam and Hawaii; and (iii) provision of destination services in Saipan and Guam.

The immediate holding company and intermediate holding company of the Company are THC Leisure Holdings Limited (“**THC Leisure**”) and Tan Holdings Corporation (“**Tan Holdings**”), respectively. Dr. Tan Siu Lin and Dr. Tan Henry (the son of Dr. Tan Siu Lin) are ultimate controlling parties.

#### 2.1 Basis of Preparation and Presentation

##### *Basis of preparation*

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention. These financial statements are presented in United States dollars (“**US\$**”) and all values are rounded to the nearest thousand except when otherwise indicated.

### ***Basis of presentation***

As at December 31, 2024, the Group had net current liabilities of US\$44,095,000 and incurred a net loss of US\$19,076,000 for the year then ended. In assessing the Group's ability to operate as a going concern, a cash flow projection covering a period of not less than twelve months from December 31, 2024 has been prepared by the management, which, inter alia, takes into account the operating performance of the Group and the following:

- Pursuant to the terms and conditions of the facilities with the bank, the Group will be subject to certain undertakings including but not limited to financial covenants. The Group closely monitors its compliance with the undertakings and financial covenants of the banking facilities. As at December 31, 2024, the Group complies with all financial covenants of the banking facilities with an aggregate amount of US\$48,000,000.

Based on the latest communication between management and the bank regarding the compliance of undertakings and financial covenants, the directors are not aware of any intention of the bank to withdraw its banking facilities or demand immediate repayment of the bank borrowings. The Group has also placed an aggregate amount of US\$1,765,000 into its Debt Service Reserve Account with the bank, which is equivalent to three-month loan repayments (including interest payments and principal repayments). Furthermore, as the banking facilities are fully secured by certain of the Group's hotel assets with ample security coverage, the directors believe that the existing banking facilities will continue to be available to the Group given the good track records and relationship the Group has with the bank;

- The Group's hotels in Guam and Saipan operated throughout 2024. The hotels' performance is highly dependent on the international travel sentiments and the resumption of flights, the Group is cautiously optimistic that the leisure travel market and the Group's business operations is gradually recovering, and that the hotels continue to generate operating cash inflows to the Group;
- The Group has obtained shareholder loans facilities from Tan Holdings with an aggregate amount of US\$43,000,000, of which US\$33,300,000 was utilized by the Group as at December 31, 2024. Subsequent to the year end, the Group has received a written commitment from Tan Holdings for a standby shareholder loan facility of US\$9,000,000. Furthermore, Tan Holdings has committed to providing financial support to enable the Group to meet its liabilities when they fall due in the foreseeable future (at least twelve months from the date of the consolidated financial statements). Tan Holdings has undertaken not to demand repayment of the amount due to it by the Group until the Group is in a position to repay without impairing its liquidity and financial position;

- During the Year, Kanoa Resort remained closed while the Group continued to negotiate the renewal of the land lease with the Commonwealth of the Northern Mariana Islands (the “CNMI”) Government. However, subsequent to the reporting period as disclosed in the announcement of the Company dated March 27, 2025, the management of the Group will permanently close Kanoa Resort with effect from the date of expiry of the existing land lease on June 15, 2025. Going forward, the Group will be able to focus on deploying its resources to optimize the performance of the two Crowne Plaza resorts amidst the recovering tourism market in Guam and Saipan; and
- The Group will consider obtaining additional sources of funding as and when needed to enhance its financial position and support the operations of the Group.

The directors believe that, taking into account of the above factors, the Group will have sufficient working capital to meet its financial obligations and commitments as and when they fall due for a period of not less than twelve months from December 31, 2024. Accordingly, the consolidated financial statements have been prepared on the going concern basis which assumes, inter alia, the realization of assets and satisfaction of liabilities in the normal course of business.

### ***Basis of consolidation***

The consolidated financial statements include the financial statements of the Group for the year ended December 31, 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e. existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve and recognizes the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognized in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

## 2.2 Changes in Accounting Policies and Disclosures

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current</i> (the “ <b>2020 Amendments</b> ”)
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i> (the “ <b>2022 Amendments</b> ”)
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

The nature and the impact of the revised HKFRSs are described below:

- (a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.



- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at January 1, 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

- (c) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

### 3 Segment information

The executive directors of the Company have been identified as the Group's chief operating decision-maker (the "CODM"). The CODM has determined the operating segments based on the reports reviewed by them that are used to make strategic decisions and resources allocation. For management purposes, the Group is organized into business units based on their products and services and has three reportable operating segments as follows:

- (a) Hotels and resorts: operation of hotels and leasing of commercial premises located within the hotel buildings in Saipan and Guam (the "**Hotels & Resorts Segment**");
- (b) Luxury travel retail: sales of luxury and leisure clothing and accessories in retail stores in Saipan, Guam and Hawaii (the "**Luxury Travel Retail Segment**"); and
- (c) Destination services: provision of destination activities including (i) operation of souvenir and convenience stores in Saipan and Guam; (ii) excursion tour operation in Saipan; and (iii) provision of land arrangement and concierge services in Saipan (the "**Destination Services Segment**").

The Group's business activities are conducted predominantly in Saipan, Guam and Hawaii.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that other gains, net, finance income, finance costs as well as corporate and other unallocated expenses are excluded from such measurement.

Segment assets and liabilities information is not disclosed as they are not regularly reviewed by the CODM.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

The segment information provided to the Group's CODM for the reportable segments for the years ended December 31, 2024 and 2023 are as follows:

	Hotels and resorts		Luxury travel retail		Destination services		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Segment revenue</b>								
Sales to external customers	<b>34,458</b>	28,194	<b>7,414</b>	7,948	<b>923</b>	705	<b>42,795</b>	36,847
Intersegment sales	<b>74</b>	65	<b>—</b>	—	<b>—</b>	—	<b>74</b>	65
Total segment revenue	<b><u>34,532</u></b>	<u>28,259</u>	<b><u>7,414</u></b>	<u>7,948</u>	<b><u>923</u></b>	<u>705</u>	<b><u>42,869</u></b>	<u>36,912</u>
Reconciliation:								
Elimination of intersegment sales							<u>(74)</u>	<u>(65)</u>
							<b><u>42,795</u></b>	<b><u>36,847</u></b>
Segment results	<b><u>(11,936)</u></b>	<u>(16,036)</u>	<b><u>(514)</u></b>	<u>64</u>	<b><u>(294)</u></b>	<u>(450)</u>	<b><u>(12,744)</u></b>	<u>(16,422)</u>
Other gains, net							1	62
Corporate and other unallocated expenses							(1,711)	(1,823)
Finance income							5	5
Finance costs							<u>(4,632)</u>	<u>(4,886)</u>
<b>Loss before tax</b>							<b><u>(19,081)</u></b>	<b><u>(23,064)</u></b>
Income tax credit							<u>5</u>	<u>93</u>
<b>Loss for the year</b>							<b><u>(19,076)</u></b>	<b><u>(22,971)</u></b>

	Hotels and resorts		Luxury travel retail		Destination services		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Other segment information:</b>								
Depreciation of property, plant and equipment:								
Segment assets	10,556	10,281	517	499	40	48	11,113	10,828
Unallocated assets							1	1
							<u>11,114</u>	<u>10,829</u>
Depreciation of investment properties	16	18	—	—	—	—	16	18
Amortization of intangible assets	20	17	1	1	1	—	22	18
Provision/(reversal of provision) for obsolete inventories	12	—	(91)	(859)	—	—	(79)	(859)
Reversal of impairment of trade receivables	(115)	—	—	—	—	—	(115)	—
Write-off of property, plant and equipment	4	—	—	—	—	—	4	—
Impairment of property, plant and equipment	3,680	—	—	—	—	—	3,680	—
Capital expenditure*:								
Segment assets	2,134	8,750	587	124	19	241	<u>2,740</u>	<u>9,115</u>

\* Capital expenditure consists of addition of property, plant and equipment, investment properties and intangible assets except right-of-use assets.

Set out below is the disaggregation of the Group's revenue:

**Year ended December 31, 2024**

<b>Segments</b>	<b>Hotels and resorts <i>US\$'000</i></b>	<b>Luxury travel retail <i>US\$'000</i></b>	<b>Destination services <i>US\$'000</i></b>	<b>Total <i>US\$'000</i></b>
<b>Types of goods or services</b>				
<i>Revenue from contracts with customers</i>				
— Room charge	24,864	—	—	24,864
— Food and beverage	8,532	—	—	8,532
— Sale of luxury and leisure clothing and accessories	—	7,414	—	7,414
— Sale of souvenirs and others	—	—	799	799
— Operating excursion tour and rendering of land arrangement services	—	—	124	124
— Other hospitality	896	—	—	896
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue from contracts with customers	34,292	7,414	923	42,629
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Revenue from other sources</i>				
— Rental income	166	—	—	166
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	<u>34,458</u>	<u>7,414</u>	<u>923</u>	<u>42,795</u>

Segments	Hotels and resorts <i>US\$'000</i>	Luxury travel retail <i>US\$'000</i>	Destination services <i>US\$'000</i>	Total <i>US\$'000</i>
<b>Geographical markets</b>				
<i>Revenue from contracts with customers</i>				
— Saipan	14,841	1,434	734	17,009
— Guam	19,451	3,925	189	23,565
— Hawaii	—	2,055	—	2,055
Total revenue from contracts with customers	<u>34,292</u>	<u>7,414</u>	<u>923</u>	<u>42,629</u>
<i>Revenue from other sources</i>				
— Rental income	<u>166</u>	—	—	<u>166</u>
Total revenue	<u><u>34,458</u></u>	<u><u>7,414</u></u>	<u><u>923</u></u>	<u><u>42,795</u></u>
<b>Timing of revenue recognition</b>				
<i>Revenue from contracts with customers</i>				
— Goods transferred at a point in time	9,428	7,414	799	17,641
— Services transferred over time	<u>24,864</u>	—	<u>124</u>	<u>24,988</u>
Total revenue from contracts with customers	<u>34,292</u>	<u>7,414</u>	<u>923</u>	<u>42,629</u>
<i>Revenue from other sources</i>				
— Rental income	<u>166</u>	—	—	<u>166</u>
Total revenue	<u><u>34,458</u></u>	<u><u>7,414</u></u>	<u><u>923</u></u>	<u><u>42,795</u></u>

## Year ended December 31, 2023

Segments	Hotels and resorts <i>US\$'000</i>	Luxury travel retail <i>US\$'000</i>	Destination services <i>US\$'000</i>	Total <i>US\$'000</i>
<b>Types of goods or services</b>				
<i>Revenue from contracts with customers</i>				
— Room charge	19,287	—	—	19,287
— Food and beverage	8,175	—	—	8,175
— Sale of luxury and leisure clothing and accessories	—	7,948	—	7,948
— Sale of souvenirs and others	—	—	606	606
— Operating excursion tour and rendering of land arrangement services	—	—	99	99
— Other hospitality	570	—	—	570
Total revenue from contracts with customers	<u>28,032</u>	<u>7,948</u>	<u>705</u>	<u>36,685</u>
<i>Revenue from other sources</i>				
— Rental income	<u>162</u>	<u>—</u>	<u>—</u>	<u>162</u>
Total revenue	<u><u>28,194</u></u>	<u><u>7,948</u></u>	<u><u>705</u></u>	<u><u>36,847</u></u>
<b>Geographical markets</b>				
<i>Revenue from contracts with customers</i>				
— Saipan	10,241	1,369	657	12,267
— Guam	17,791	4,757	48	22,596
— Hawaii	—	1,822	—	1,822
Total revenue from contracts with customers	<u>28,032</u>	<u>7,948</u>	<u>705</u>	<u>36,685</u>
<i>Revenue from other sources</i>				
— Rental income	<u>162</u>	<u>—</u>	<u>—</u>	<u>162</u>
Total revenue	<u><u>28,194</u></u>	<u><u>7,948</u></u>	<u><u>705</u></u>	<u><u>36,847</u></u>

Segments	Hotels and resorts <i>US\$'000</i>	Luxury travel retail <i>US\$'000</i>	Destination services <i>US\$'000</i>	Total <i>US\$'000</i>
<b>Timing of revenue recognition</b>				
<i>Revenue from contracts with customers</i>				
— Goods transferred at a point in time	8,745	7,948	606	17,299
— Services transferred over time	19,287	—	99	19,386
Total revenue from contracts with customers	28,032	7,948	705	36,685
<i>Revenue from other sources</i>				
— Rental income	162	—	—	162
Total revenue	28,194	7,948	705	36,847

#### 4 Revenue

An analysis of revenue is as follows:

	2024 <i>US\$'000</i>	2023 <i>US\$'000</i>
<i>Revenue from contracts with customers</i>		
Hotels and resorts operations	34,292	28,032
Luxury retail, souvenir and convenience stores operations	8,213	8,554
Excursion tour services	124	99
	42,629	36,685
<i>Revenue from other sources</i>		
Rental income	166	162
	42,795	36,847



## 5 Other gains, net

	2024 <i>US\$'000</i>	2023 <i>US\$'000</i>
Net exchange (losses)/gains	(2)	2
Gains on disposal of low-value assets	—	60
Gain on early termination of lease contract	3	—
	<u>1</u>	<u>62</u>

## 6 Finance costs, net

	2024 <i>US\$'000</i>	2023 <i>US\$'000</i>
Finance income:		
— Interest income from bank deposits	5	5
Finance costs:		
— Interest expenses on lease liabilities	(809)	(862)
— Interest expenses on Paycheck Protection Program loans, net of amounts forgiven	(1)	(2)
— Interest expenses on bank borrowings	(3,583)	(3,586)
— Interest expenses on other borrowings	(4)	(436)
— Imputed interest expenses on other borrowings	(235)	—
	<u>(4,632)</u>	<u>(4,886)</u>
Finance costs, net	<u>(4,627)</u>	<u>(4,881)</u>

## 7 Loss before tax

The Group's loss before tax is arrived at after charging/(crediting):

	<b>2024</b>	2023
	<i>US\$'000</i>	<i>US\$'000</i>
Cost of inventories sold	<b>4,469</b>	4,594
Food and beverage costs	<b>2,545</b>	3,188
Employee benefit expenses (including directors' remuneration):		
Wages, salaries and other benefits	<b>14,569</b>	15,883
Pension scheme contributions (defined contribution scheme)*	<b>44</b>	49
	<u><b>14,613</b></u>	<u>15,932</u>
Other expenses/(income):		
Reversal of impairment of trade receivables	<b>(115)</b>	—
Reversal of provision for obsolete inventories	<b>(79)</b>	(859)
Write-off of property, plant and equipment	<b>4</b>	—
Impairment of property, plant and equipment	<b>3,680</b>	—
	<u><b>3,490</b></u>	<u>(859)</u>
Lease payment not included in the measurement of lease liabilities**	<b>1,022</b>	1,029
Depreciation of property, plant and equipment**	<b>11,114</b>	10,829
Depreciation of investment properties**	<b>16</b>	18
Amortization of intangible assets**	<b>22</b>	18
Auditors' remuneration**	<b>222</b>	218

\* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

\*\* These items are included in "Other operating costs" in the consolidated statement of profit or loss and other comprehensive income.

## 8 Income tax credit

No provision for Hong Kong, the CNMI, Guam and Hawaii profits tax has been made for the year ended December 31, 2024 as the Group did not generate any assessable profits arising in Hong Kong, the CNMI, Guam and Hawaii during the Year (2023: Nil).

	<b>2024</b> <i>US\$'000</i>	2023 <i>US\$'000</i>
Current:		
Over-provision in prior years	5	—
Deferred	—	93
	<u>5</u>	<u>93</u>

## 9 Dividend

The board of directors does not recommend the payment of any dividend for the year ended December 31, 2024 (2023: Nil).

## 10 Loss per share attributable to owners of the Company

The calculation of the basic loss per share amount is based on the loss for the year attributable to owners of the Company of US\$18,955,000 (2023: US\$22,961,000), and the weighted average number of ordinary shares of 360,000,000 (2023: 360,000,000) in issue during the Year.

No adjustment has been made to the basic loss per share amount presented for each of the years ended December 31, 2024 and 2023 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during each of the years ended December 31, 2024 and 2023.

## 11 Trade receivables

	<b>2024</b> <i>US\$'000</i>	2023 <i>US\$'000</i>
Trade receivables ( <i>Note</i> )	<b>2,492</b>	6,290
Impairment	<b>(589)</b>	(711)
	<b><u>1,903</u></b>	<b><u>5,579</u></b>

*Note:*

The Group's sale to tour operators on a wholesale basis, traditional travel agents and several corporate customers are mainly on credit and the credit term is generally 30 days from the invoice date. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by the management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances.

The aging analysis of the trade receivables as at December 31, 2024 and 2023, based on invoice date and net of loss allowance, is as follows:

	<b>2024</b> <i>US\$'000</i>	2023 <i>US\$'000</i>
Within 30 days	<b>575</b>	375
31 to 60 days	<b>16</b>	72
61 to 90 days	<b>8</b>	22
Over 90 days	<b>1,304</b>	5,110
	<b><u>1,903</u></b>	<b><u>5,579</u></b>

## 12 Trade and other payables

	2024 <i>US\$'000</i>	2023 <i>US\$'000</i>
Trade payables		
— to third parties ( <i>Note (a)</i> )	3,291	2,811
— to related parties ( <i>Note (b)</i> )	917	572
	<hr/>	<hr/>
Total trade payables	4,208	3,383
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Accruals and other payables		
— Accrued staff salaries	504	553
— Other taxes payable	503	1,432
— Other accruals and payables	6,642	6,612
— Payables for purchase of property, plant and equipment	—	2,132
	<hr/>	<hr/>
	7,649	10,729
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
	<b>11,857</b>	<b>14,112</b>
	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>

*Notes:*

(a) Trade payables to third parties

The aging analysis of the trade payables to third parties based on invoice date is as follows:

	2024 <i>US\$'000</i>	2023 <i>US\$'000</i>
Within 30 days	1,607	1,536
31 to 60 days	516	495
61 to 90 days	150	305
Over 90 days	1,018	475
	<hr/>	<hr/>
	<b>3,291</b>	<b>2,811</b>
	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>

(b) Trade payables to related parties

As at December 31, 2024 and 2023, the trade payables to related parties are unsecured, interest-free and with credit term of 30 days.

The aging analysis of trade payables due to related parties based on invoice date is as follows:

	<b>2024</b> <i>US\$'000</i>	2023 <i>US\$'000</i>
Within 30 days	<b>123</b>	114
31 to 60 days	<b>118</b>	56
61 to 90 days	<b>59</b>	59
Over 90 days	<b>617</b>	343
	<hr/> <b>917</b> <hr/>	<hr/> 572 <hr/>

(c) The carrying amounts of trade and other payables approximate their fair values and are denominated in the following currencies:

	<b>2024</b> <i>US\$'000</i>	2023 <i>US\$'000</i>
US\$	<b>11,670</b>	13,795
HK\$	<b>187</b>	317
	<hr/> <b>11,857</b> <hr/>	<hr/> 14,112 <hr/>

### 13 Event after the reporting period

Subsequent to the end of the reporting period, as disclosed in the announcement of the Company dated March 27, 2025, the management of the Group will permanently close Kanoa Resort with effect from the date of expiry of the existing land lease on June 15, 2025.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Overview

2024 was a challenging year for the Group as economic uncertainties and vulnerabilities remain. Nevertheless, with the global economic outlook stabilizing, the tourism market in Saipan and Guam continued to recover at a moderate pace, even though the pace of recovery slowed down when compared to last year.

For the year 2024, Guam recorded over 739,000 visitor arrivals, which is an increase of approximately 12.7% when compared to the previous year and represents approximately 44.4% of the number of visitor arrivals during 2019 (pre-pandemic). On the other hand, Saipan recorded approximately 229,000 visitor arrivals, which is an increase of approximately 6.2% when compared to last year and represents approximately 47.0% of the number of visitor arrivals during 2019 (pre-pandemic).

Same as the year 2023, South Korea remained the top tourist origin market of both Guam (50.7% of total visitor arrivals in 2024) and the CNMI (72.8% of total visitor arrivals in 2024). For Japan, another key tourist origin market of Guam, its economy remained sluggish due to inflations, weakened currency and stagnant economy. However, the number of visitor arrivals from Japan to Guam surged in 2024 by approximately 52.8% when compared to last year, making Japan the second largest tourist origin market of Guam (approximately 28.3% of total visitor arrivals) in 2024 and represents approximately 30.5% of the number of visitor arrivals from Japan during 2019 (pre-pandemic). On the other hand, Saipan recorded approximately 14,000 visitors from Japan (6.0% of total visitor arrivals) in 2024, which represents an increase of approximately 68.0% when compared to the preceding year and represents approximately 80.5% of the number of visitor arrivals from Japan during 2019 (pre-pandemic).

On April 28, 2024, Hong Kong Airlines resumed direct flight service from Hong Kong to Saipan, which marked a good start in reconnecting different cities in China and the CNMI. Prior to the resumption of the direct flights, Chinese tourists had to travel to Saipan via Japan or South Korea and thus the number of tourist arrivals from China was limited. With the resumption of the direct flight service, the number of visitors arrival from China (including Hong Kong) to Saipan increased from approximately 6,000 visitors in 2023 to over 18,000 visitors in 2024 and represents approximately 10.0% of the number of visitor arrivals from China (including Hong Kong) during 2019 (pre-pandemic).

Throughout the Year, Crowne Plaza Resort Guam, Crowne Plaza Resort Saipan and Century Hotel continued to be open for business. Kanoa Resort remained closed during the Year while the Group was in the process of negotiating the renewal of the land lease with the CNMI Government. All luxury travel retail boutiques in Guam, Saipan and Hawaii as well as certain of the Group's excursion tours continued to be open for business throughout the Year.

### **Revenue and Operating Loss**

For the Year, the Group recorded a revenue of approximately US\$42,795,000, representing an increase of US\$5,948,000 or 16.1% from approximately US\$36,847,000 in the preceding year. The total revenue from our Guam businesses increased by 4.3% whilst that from our Saipan businesses increased by 38.4% when compared to the preceding year. The increase in revenue was mainly due to the increase in occupancy rates and average room rates of the Group's hotels and resorts, in particular, Crowne Plaza Resort Guam and Crowne Plaza Resort Saipan. Especially for Saipan, the resumption of direct flight service from Hong Kong to Saipan has boosted the number of visitor arrivals from China (including Hong Kong) and hence the occupancy rate of Crowne Plaza Resort Saipan. Furthermore, the continuous efforts of the Marianas Visitors Authority (the "MVA") to reaffirm ties and collaboration with key tourism partners in South Korea, including but not limited to travel agencies, airlines and government departments, as well as participating in different marketing campaigns held in South Korea and the Mainland China in promoting Saipan as a travel destination that is safe, relaxed and with a unique cultural experience, have intensified the continuous recovery of the South Korea and China market.

For the Year, the operating loss of the Group was approximately US\$14,454,000, representing a decrease in loss of US\$3,729,000 or 20.5% when compared with the operating loss of approximately US\$18,183,000 last year. In addition to the increase in revenue, the continuous implementation of effective cost-saving measures and improvement of operation efficiency have also contributed to the reduction in the operating loss for the Year. In particular, there has been a decrease in staff costs of approximately US\$1,319,000 for the Year as compared to the preceding year, as well as a reduction in food and beverage costs of approximately US\$643,000 as compared to the preceding year. However, it was also noted that the said amount of operating loss has taken into account, amongst others, (1) the provision for impairment of assets of Kanoa Resort of US\$3,680,000 and (2) the recognition of depreciation and amortization expenses (non-cash items) relating to the Group's assets of approximately US\$11,152,000.



Performance of the Group's business is covered in more detail under the "Segmental Review" section below.

## **Segmental Review**

The Hotels & Resorts Segment, Luxury Travel Retail Segment and Destination Services Segment respectively accounted for approximately 80.5%, 17.3% and 2.2% of the Group's total revenue for the Year.

### ***Hotels & Resorts Segment***

During the Year, revenue generated from the Hotels & Resorts Segment was approximately US\$34,458,000, representing an increase of US\$6,264,000 or 22.2% when compared with the year 2023. The net increase in revenue was mainly due to the increase in occupancy rates and average room rates of both Crowne Plaza Resort Guam and Crowne Plaza Resort Saipan, which contributed an increase in revenue of approximately US\$1,666,000 and approximately US\$4,489,000, respectively. The two Crowne Plaza resorts continue their efforts in competing for their share of the recovering tourism markets in Guam and Saipan throughout the Year. With the resumption of the direct flight service from Hong Kong to Saipan since April 2024, the increase in the number of visitor arrivals from China (including Hong Kong) to Saipan was intensified and improved the occupancy rates of Crowne Plaza Resort Saipan. Nevertheless, no revenue was generated by Kanoa Resort as it remained closed since July 2022 after completion of the emergency contract with the CNMI Homeland Security and Emergency Management during the COVID-19 pandemic.

For the Year, the Hotels & Resorts Segment has a negative segmental margin of approximately US\$11,936,000, representing a decrease in loss of US\$4,100,000 or 25.6% when compared to the preceding year. The said amount of negative segmental margin has taken into account, amongst others, (1) the provision for impairment of assets of Kanoa Resort of US\$3,680,000 and (2) the recognition of depreciation and amortization expenses (non-cash items) relating to the Group's assets of approximately US\$10,592,000. The management of the Group continued to implement effective cost-saving measures and strived to improve the operation efficiency of both Crowne Plaza resorts to improve the segmental margin and, in particular, staff costs of the Year were reduced by 7.8% and the food and beverage costs of the Year were reduced by 20.2% when compared with the preceding year.

### ***Crowne Plaza Resort Guam***

For the Year, revenue from Crowne Plaza Resort Guam increased by US\$1,666,000, representing an increase of 9.3% as compared to last year.

Back in May 2023, Typhoon Mawar lashed Guam for hours, damaging buildings, cutting electricity and access to water for most areas of Guam. Crowne Plaza Resort Guam managed to remain in operation after the typhoon hit. However, the seawall located at the property line was damaged and the re-construction and repair works of the seawall were approved to proceed only in the second quarter of 2024. In this regard, Crowne Plaza Resort Guam underwent the re-construction and repair works of the seawall, which adversely affected the hotel guests' overall experience, and thus both the occupancy rates and the average room rates dropped substantially in April and May 2024. Having said that, Crowne Plaza Resort Guam managed to increase its year-to-date occupancy rates from 62.9% in 2023 to 71.0% in 2024, whilst the average room rates have increased by 1.8% when compared to last year.

The Group benefits from the use of the InterContinental Hotels Group's booking engines and enjoys the InterContinental Hotels Group's marketing and operational support. During the Year, in addition to the support from the U.S. market as well as the continuous recovery of tourist arrivals from South Korea and Japan, the management of Crowne Plaza Resort Guam strived to improve the hotel's operation efficiency as well as optimizing its sales channels and business mix, which helped increase the hotel's average room rates, enhance customers' loyalty and reduce the hotel's reliance on wholesales agents as one of its dominant sales channels in the past. The perpetual improvement in operation efficiency and the implementation of effective cost-saving measures enabled the hotel to achieve a positive gross operating profit for the Year.

#### *Crowne Plaza Resort Saipan*

For the Year, revenue from Crowne Plaza Resort Saipan increased by US\$4,489,000 or 44.7% as compared to the preceding year.

The resumption of direct flight service between Hong Kong and Saipan since April 2024 fetched an increased number of visitors from China (including Hong Kong) to Saipan. On the other hand, the Group also benefited from the efforts of the MVA to reaffirm ties and collaboration with key tourism partners in South Korea, including but not limited to travel agencies, airlines and government departments, as well as participating in different marketing campaigns held in South Korea in promoting Saipan as a travel destination. Such efforts have intensified the continuous recovery of the South Korea market. For the China market, the management of Crowne Plaza Resort Saipan has also participated in the marketing campaigns held in certain China cities in promoting Saipan as a safe, relaxed and fun travel destination with numerous historical sites to enrich the tourists' cultural exchange experience.

In 2024, Crowne Plaza Resort Saipan was awarded as Micronesia's Leading Resort for the second consecutive year by World Travel Awards as well as the 2025 GO TRAVEL Hotel Traveler's Choice — Best Island Resort of the Year by GO TRAVEL. During the Year, the year-to-date occupancy rates of Crowne Plaza Resort Saipan increased from 28.7% in 2023 to 47.1% in 2024.

## *Kanoa Resort*

In July 2022, Kanoa Resort completed the emergency contract with the CNMI Homeland Security and Emergency Management and remained closed since then. During the Year, the Group was in the process of negotiating the renewal of the land lease with the CNMI Government. However, considering the fact that the recovery of the tourism market in Saipan remains sluggish, the Group has provided for an impairment of assets of Kanoa Resort during the Year amounting to US\$3,680,000.

## *Luxury Travel Retail Segment*

For the Year, revenue from the Luxury Travel Retail Segment was US\$7,414,000, representing a decrease of US\$534,000 or 6.7% as compared to the preceding year. Despite the fact that visitor arrivals from the Group's key tourist origin markets, namely South Korea, Japan and China (including Hong Kong) gradually recovered throughout the Year, 2024 was still a challenging year for the Luxury Travel Retail Segment as the overall purchasing power of the visitors was reduced due to weakened currencies.

The franchise agreement between the Group and a brand expired on January 31, 2024. By mutual agreement, the term of the franchise agreement was further extended for one month and was finally completed on February 29, 2024. As the boutique which carried the brand was one of our most popular boutiques in Saipan, its closure contributed to the decrease in revenue of the Luxury Travel Retail Segment. As of the date of this announcement, the Group carries a total of seven renowned brands and operates a total of twelve boutiques in Guam, Saipan and Hawaii.

For the Year, the Luxury Travel Retail Segment had a negative segmental margin of approximately US\$514,000. The said amount of negative segmental margin 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\$518,000. In order to alleviate the negative financial impact on the segmental results, the management of the Group continued to implement effective cost-saving measures and cautiously reviewed and eliminated loss-making brands. Three boutiques in Guam were relocated to stronger retail spaces and were newly renovated and re-opened in the second half of the Year. The management of the Group is cautiously optimistic that segmental profitability will be improved going forward.

## ***Destination Services Segment***

For the Year, revenue from the Destination Services Segment was US\$923,000, representing an increase of US\$218,000 or 30.9% as compared to the preceding year. The increase in revenue was mainly contributed by (1) the substantial increase in revenue from the operation of the two convenience stores located within the hotel premises of Crowne Plaza Resort Guam and Crowne Plaza Resort Saipan in light of the increase in occupancy rates and also non-hotel guests; and (2) the increase in revenue from the excursion activities operated by the Group in view of the recovery of the tourism market in Saipan.

The segmental loss of the Destination Services Segment for the Year was US\$294,000, representing a decrease in loss of US\$156,000 or 34.7% when compared to the preceding year. The management of the Group is cautiously optimistic that the performance of the Destination Services Segment would be improved upon the increase in the volume of transactions as a result of the progressive recovery of the tourist markets in Guam and Saipan. Depreciation and amortization expenses (non-cash items) recognized during the Year under the Destination Services Segment was approximately US\$41,000.

## **Acquisitions and Investments**

During the Year, the Group did not make any material acquisition and disposals of subsidiaries, associates, or joint ventures.

The Group has no significant investments held during the Year.

## **Events Subsequent to the End of the Financial Year**

Subsequent to the Year, the number of visitor arrivals of Saipan and Guam remains sluggish due to the strong US Dollar, which severely impacts competitiveness against domestic and regional competitors.

The management of the Group and the Hotel Manager continue to endeavor to improve the operational efficiency of both Crowne Plaza resorts and implement effective cost-saving measures to improve the segmental margin. Sales efforts have been made to promote Saipan as the travel destination in both South Korea and certain China cities. Century Hotel remains open for business and Kanoa Resort remained closed while the Group continued to negotiate the renewal of the land lease with the CNMI Government. However, as disclosed in the announcement of the Company dated March 27, 2025, the management of the Group will permanently close Kanoa Resort with effect from the date of expiry of the existing land lease on June 15, 2025. Going forward, the Group will be able to focus on deploying its resources to optimize the performance of the two Crowne Plaza resorts amidst the recovering tourism market in Guam and Saipan.

All our luxury travel retail boutiques in Guam, Saipan and Hawaii continue to remain in operation under normal business hours on a daily basis. It is expected that the renovation and relocation of one other boutique in Guam will be completed by the end of the first quarter of 2025, and the management of the Group is cautiously optimistic that the segmental profitability will be improved going forward.

The convenience stores located within the hotel premises of the Crowne Plaza resorts and the Group's excursion activities under the Destination Services Segment continue to operate in 2025.

### **Future Plans and Market Prospects**

The tourism industry is an undeniable cornerstone for each of the local economies of Saipan and Guam. Stepping into 2025, both Saipan and Guam have their own plans and strategies to strengthen the continuous recovery of the tourism markets.

In December 2024, the Guam Visitors Bureau issued a *Short-term Tourism Recovery Plan and Situation Report*, which highlighted the key challenges that Guam has been facing since the prolonged pandemic closures and the damage of Typhoon Mawar. The Short-Term Tactical Plan outlined urgent, targeted actions to provide critical triage through focused actions that can be implemented immediately and completed within 2025 in order to halt the decline in arrivals and begin a sustainable recovery. In particular, Guam will support the route restoration of different airlines with incentives and cooperative marketing, as well as tailoring approaches to attract and retain air services from South Korea, Japan and Taiwan. Besides, Guam will also launch premium and value campaigns to attract both high-spending and budget-conscious travelers through highlighting signature events, sports tourism and promoting Guam's unique experiences.

For Saipan, the MVA continues to take the lead in reaffirming ties and collaboration with key tourism partners in South Korea, intensifying the continuous recovery of the South Korea market. On the other hand, in order to recapture the Japanese market, MVA continues to work on different campaigns to refresh and expand the historical ties with Japan, especially with the 80<sup>th</sup> anniversary of the end of World War II approaching. The MVA has also been working on a renewed and expanded relationship between the islands and Japan by inviting members of Hiroshima Prefecture Assembly and a number of businesspersons to visit Saipan and Tinian on a whirlwind tour in January 2025, hoping to bring forth continued partnership. Subsequent to the year end, MVA is putting effort to line up the partnership of a South Korean airline and certain travel agencies 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.

## ***Hotels & Resorts Segment***

With the recent management decision to permanently close Kanoa Resort with effect from June 15, 2025, the Group will be able to focus on deploying our resources to optimize the performance of the two Crowne Plaza resorts in Guam and Saipan.

The Hotel Manager of the Crowne Plaza resorts will continue its efforts in expanding the hotels' respective share of the recovering tourism markets in Guam and Saipan, as well as improving operational efficiency. In addition, the management of the Crowne Plaza resorts continues to reach out to our tourist origin markets through participation in different marketing campaigns held in South Korea, Japan, Taiwan, Shanghai and Shenzhen.

With the InterContinental Hotels Group managing Crowne Plaza Resort Guam and Crowne Plaza Resort Saipan, our management expects that this will continue to create positive synergy among the two major hotels of the Group when the leisure travel market fully recovers.

## ***Luxury Travel Retail Segment***

The renovation and relocation of another boutique in Guam to a stronger retail space is expected to be completed by the end of the first quarter of 2025. The management of the Luxury Travel Retail Segment is cautiously optimistic that segmental profitability will be improved going forward. All boutiques in Guam, Saipan and Hawaii continue to operate under normal business hours on a daily basis.

## ***Other plans and prospects***

To maintain the Group's long-term growth and for the best interests of the Group and the shareholders of the Company as a whole, the Group's management continues to explore possible merger and acquisition opportunities.

## **Investor Relations and Communications**

The Group acknowledges the importance of communication with our shareholders. The Group promotes investor relations proactively through meeting with analysts and investors, media luncheon and company interviews. Each year, an annual general meeting will be called by giving not less than 20 clear business days' notice and the Directors will be available at the annual general meeting to answer questions on the Group's business.

The Group encourages two-way communication with both private and institutional investors and responds to their enquiries in an informative and timely manner. The Group has established various forms of communication channels to improve its transparency,

including proactive and timely issuance of press releases to inform investors of our latest development. The Group regularly updates its corporate information on the Company's website ([www.saileisuregroup.com](http://www.saileisuregroup.com)) in both English and Chinese.

### **Contingent Liabilities**

As at December 31, 2024 and 2023, the Group did not have any material contingent liabilities.

### **Liquidity, Financial Resources and Capital Structure**

During the Year, both Crowne Plaza Resort Guam and Crowne Plaza Resort Saipan kept ramping up their operations and competing for their share of the recovering tourism markets in Guam and Saipan. The management of the Group's Hotels and Resorts Segment and the Luxury Travel Retail Segment continued to implement effective cost-saving measures to improve the segmental margin. During the Year, certain boutiques in Guam under the Luxury Travel Retail Segment have relocated to stronger retail spaces in view of improving the revenue and thus the segmental margin. The financial position of the Group remained healthy throughout the Year.

The Group generally finances its operations with internally generated cash flows, proceeds from the Company's listing on the Main Board of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**" or "**HKEx**") on May 16, 2019 (the "**Listing**"), shareholder's loans and external financing. As at December 31, 2024, the total amount of cash and bank deposits of the Group was approximately US\$3,192,000, which is slightly decreased as compared to that as at December 31, 2023.

During the Year, the Group continues to use internally generated cash flows, proceeds from the Listing and shareholder's loans to finance the asset rejuvenation plan of the Group. As at December 31, 2024, the full amount of the banking facilities were drawn to finance the renovation and upgrade works carried out to Crowne Plaza Resort Guam and Crowne Plaza Resort Saipan. During the Year, the total capital expenditure for the asset rejuvenation plan was approximately US\$977,000.

As at December 31, 2024, the Group had an interest-bearing term loan of US\$39,500,000 (As at December 31, 2023: US\$42,633,000) and a revolving loan of US\$5,000,000 (As at December 31, 2023: US\$5,000,000). The relevant banking facilities were fully drawn down as at December 31, 2024. Based on the scheduled repayments set out in the relevant banking facility letter, the maturity profile of the term loan is spread over a period of five years, with approximately US\$367,000 repaid in 2023, approximately US\$3,133,000 repaid during the Year, approximately US\$4,300,000 repayable in 2025, approximately US\$15,833,000 repayable in 2026, and approximately US\$19,367,000 repayable within 2027.

Since 2022, the Group entered into six loan agreements with Tan Holdings, a controlling shareholder of the Company, for a total of six unsecured, interest-bearing loan facilities for the purpose of financing the general working capital of the Group, as detailed below:

	<b>Date of Loan Agreement</b>	<b>Amount of Loan Facility</b>	<b>Interest Rate</b>	<b>Maturity Date</b>
1.	August 30, 2022	US\$5,000,000	2% per annum	August 29, 2030*
2.	December 16, 2022	US\$8,000,000	2% per annum	December 15, 2029*
3.	February 28, 2023	US\$8,000,000	2% per annum	February 27, 2030*
4.	August 1, 2023	US\$7,000,000	5% per annum	July 31, 2030*
5.	February 29, 2024	US\$4,000,000	5% per annum	February 28, 2031*
6.	November 26, 2024	US\$11,000,000	5% per annum	November 25, 2029

\* On December 2, 2024, the Group obtained an extension of 5 years on the loan repayment dates of each of the loan agreements with Tan Holdings.

The Directors are of the view that the Group has adequate liquidity to meet its expected working capital requirements and capital expenditure requirements in the coming twelve months from December 31, 2024.

The gearing ratio of the Group is calculated based on the total interest-bearing bank borrowings divided by total equity as at the end of respective periods and multiplied by 100%. As at December 31, 2024, the gearing ratio of the Group was 131.0% (2023: 93.0%).

The capital structure of the Group consists of debts which include bank borrowings, shareholder's loan, net of cash and cash equivalents and equity attributable to owners of the Company, which comprises issued share capital, share premium and various reserves as shown in the consolidated statement of financial position. There has been no changes in the capital structure of the Company since the date of Listing.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximize the return to the shareholders through the optimization of the debt and equity balance. The Directors review the capital structure regularly, taking into account the cost of capital and the risk associated with the capital.



## **Charge on Assets**

As at December 31, 2024 and 2023, the Group had aggregate banking facilities of US\$48,000,000 and US\$48,000,000, respectively, which were fully utilized and were secured by certain buildings and investment properties owned by the Group.

## **Foreign Exchange Risk Management**

The subsidiaries of the Group mainly operate in Saipan, Guam and Hawaii with most transactions settled in United States dollars (“**US Dollars**”). Foreign exchange rate risk arises when recognized financial assets and liabilities are denominated in a currency that is not the entity’s functional currency. As at December 31, 2024, the financial assets and liabilities of the subsidiaries of the Group in Saipan, Guam and Hawaii are also primarily denominated in US Dollars. Therefore, the Group’s foreign exchange risk is insignificant.

## **Employees and Emolument Policy**

As at December 31, 2024, the Group had a total of 331 (as at December 31, 2023: 402) full-time employees, including 186 employed in Saipan, 135 employed in Guam, 5 employed in Hawaii and 5 employed in Hong Kong. During the Year, all of our business segments, in particular, Crowne Plaza Resort Guam and the Luxury Travel Retail Segment reviewed their operation efficiency and reduced their respective headcount as of December 31, 2024. As a responsible employer, the Group continues to value its employees and continues to strive to provide an excellent working environment. The Group has complied with all relevant labor laws and regulations and has formulated a set of human resources policies relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal employment opportunity, diversity, anti-discrimination and other benefits and welfare. Remuneration is determined with reference to market terms and performance, qualification and experience of individual directors and employees. During the Year, the total staff costs (including directors’ emoluments) amounted to US\$14,613,000 (2023: US\$15,932,000). The Company has adopted the Post-IPO Share Option Scheme on April 9, 2019 for the purpose of providing incentives and rewards to eligible persons, including the employees of the Group, for their contribution to the Group.

## **Purchase, Sale or Redemption of Listed Securities of the Company**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed shares during the Year. As at December 31, 2024 and the date of this announcement, the Company does not hold any treasury shares.

## **USE OF PROCEEDS FROM LISTING**

The net proceeds from the Company's Listing was US\$39,400,000 (equivalent to HK\$307,400,000, after deduction of underwriting fees and commissions and estimated expenses payable by the Company in connection with the Listing). The Company has applied the net proceeds from the Listing for the purposes as set out in the section headed "Future Plans and Use of Proceeds" in the prospectus of the Company published on April 30, 2019 and supplemented by the 2019 Annual Report published on April 17, 2020, the 2020 Annual Report published on April 16, 2021, the 2021 Annual Report published on April 23, 2022, the 2022 Annual Report published on April 16, 2023, the 2023 Interim Report published on September 8, 2023, the 2023 Annual Report published on April 12, 2024 and the 2024 Interim Report published on September 13, 2024. During the Year, the Group had fully utilized the net proceeds from the Listing. Further details on the use of proceeds from the Listing will be disclosed in the annual report of the Company for the Year.

## **CORPORATE GOVERNANCE PRACTICES**

The Company has adopted the principles in the Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") as its code of corporate governance.

During the Year and up to the date of this announcement, the Company has complied with all applicable code provisions of the CG Code.

## **AUDIT COMMITTEE**

The Audit Committee of the Company was established on the Listing Date with written terms of reference in compliance with the CG Code.

The consolidated financial statements of the Group for the Year have been reviewed with no disagreement by the Audit Committee. The Audit Committee is of the view that these financial statements have been prepared in accordance with the applicable accounting standards, the Listing Rules, statutory provisions, and sufficient disclosures have been made.

## **THE EXTERNAL AUDITOR**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Year as set out in the preliminary announcement have been agreed by the Company's auditor, Ernst & Young, to the amounts set out in the Group's draft consolidated financial statements for the Year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Ernst & Young on the preliminary announcement.

## **FINAL DIVIDEND**

No interim dividend (2023: Nil) was declared during the Year. The Board has resolved not to recommend the payment of a final dividend for the Year (2023: Nil).

## **CLOSURE OF REGISTER OF MEMBERS**

For the purpose of ascertaining shareholders' right to attend and vote at the upcoming annual general meeting of the Company intended to be held on May 29, 2025 ("AGM"), the register of members of the Company will be closed from May 26 to May 29, 2025 (both days inclusive), during which period no transfers of shares will be registered. In order to qualify for attending and voting at the AGM, all transfer documents, accompanied by the relevant share certificates, must be lodged 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.

## **PUBLIC FLOAT**

As at the date of this announcement, the Company has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Company and within the knowledge of the Directors.

## **PUBLICATION OF ANNUAL REPORT**

The annual report of the Company for the Year containing the information required by the Listing Rules will be dispatched to the shareholders and published on the websites of the Company ([www.saileisuregroup.com](http://www.saileisuregroup.com)) and the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) in due course.

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

Hong Kong, March 27, 2025

*As at the date of this announcement, the Board comprises: (1) Dr. TAN Henry, Mr. CHIU George and Mrs. SU TAN Jennifer Sze Tink as the Executive Directors; (2) Dr. TAN Siu Lin (Chairman), Mr. TAN Willie and Mr. SCHWEIZER Jeffrey William 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.*