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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 ALERT – REDUCTION IN LOSS

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 financial year ended December 31, 2021, the Board expects the Group to record an operating loss of approximately US\$6.3 million for the financial year ended December 31, 2021, as compared to an operating loss of approximately US\$12.2 million for the preceding financial year ended December 31, 2020, which represents a reduction in loss of approximately 48.4%.

Based on the information currently available to the Board, although the revenue of the Group for the financial year ended December 31, 2021 is expected to be approximately US\$19.8 million as compared to a revenue of approximately US\$40.8 million for the preceding financial year ended December 31, 2020 (representing a decrease in revenue of approximately 51.5%) due to the continued impact of the COVID-19 pandemic across our business segments, the expected reduction in operating loss for the financial year ended December 31, 2021 is mainly attributable to the following factors:-

- (a) the significant decrease in operating expenses of approximately US\$17.8 million as compared to the preceding financial year, which resulted from the full-year closure of the Group’s two key hotels, Fiesta Resort Guam (to be rebranded as “Crowne Plaza Resort Guam”) and Fiesta Resort & Spa Saipan (to be rebranded as “Crowne Plaza Resort Saipan”), and numerous other cost-saving measures;

- (b) the absence of impairment losses relating to the Group’s operating assets as compared to impairment losses of approximately US\$3.4 million in the preceding financial year; and
- (c) the reduction of depreciation and amortization expenses for the Group’s operating assets by approximately US\$4.1 million as compared to the preceding financial year.

With more and more countries seemingly adopting the policy of “co-living with the virus”, coupled with the increasing COVID-19 vaccination rates in the Group’s key tourist origin markets, the Directors are cautiously optimistic that the global tourism industry is on its way to a long-term and sustainable recovery and the Group’s business operations may be able to fully resume in the foreseeable future.

Nevertheless, the development of the COVID-19 pandemic remains unpredictable. The Group’s management will continue to closely monitor market conditions, changes in the global travel sentiment and market behavior, and will make timely adjustments to the Group’s 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 financial year ended December 31, 2021 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, 2021 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 final results of the Group for the financial year ended December 31, 2021, which is expected to be published in late March 2022.

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, March 10, 2022

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.