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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 INTERIM RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2022

### GROUP FINANCIAL HIGHLIGHTS

	Six months ended June 30,	
	2022 US\$'000 (Unaudited)	2021 US\$'000 (Unaudited)
Revenue	9,459	8,387
Operating loss	(538)	(2,537)
Loss attributable to owners of the Company	(493)	(2,610)
Profit margin (ratio of loss attributable to owners of the Company to revenue)	-5.2%	-31.1%
Basic loss per share ( <i>US cents</i> )	(0.1)	(0.7)

The board of directors (the “**Board**”) of S.A.I. Leisure Group Company Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended June 30, 2022 (the “**Reporting Period**”).

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022

		<b>Six months ended June 30,</b>	
		<b>2022</b>	<b>2021</b>
	<i>Note</i>	<i>US\$'000</i>	<i>US\$'000</i>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
Revenue	3	<b>9,459</b>	8,387
Cost of inventories sold	5	<b>(2,488)</b>	(1,300)
Food and beverage costs	5	<b>(105)</b>	(281)
Employee benefit expenses	5	<b>(1,798)</b>	(3,349)
Utilities, repairs and maintenance	5	<b>(1,441)</b>	(1,137)
Other gains/(losses), net	4	<b>1</b>	(4)
Operating and other expenses	5	<b>(4,166)</b>	(4,853)
<b>Operating loss</b>		<b>(538)</b>	(2,537)
Finance income	6	—	21
Finance costs	6	<b>(464)</b>	(470)
Finance costs, net	6	<b>(464)</b>	(449)
<b>Loss before income tax</b>		<b>(1,002)</b>	(2,986)
Income tax credit	7	<b>457</b>	388
<b>Loss for the period</b>		<b>(545)</b>	(2,598)
<b>Other comprehensive loss</b>			
Item that may be reclassified to profit or loss			
Change in value of debt investment at fair value through other comprehensive income		—	(166)
<b>Total comprehensive loss for the period</b>		<b>(545)</b>	(2,764)
<b>(Loss)/profit attributable to:</b>			
Owners of the Company		<b>(493)</b>	(2,610)
Non-controlling interests		<b>(52)</b>	12
		<b>(545)</b>	(2,598)

		<b>Six months ended June 30,</b>	
		<b>2022</b>	<b>2021</b>
	<i>Note</i>	<i>US\$'000</i>	<i>US\$'000</i>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Total comprehensive (loss)/income attributable to:</b>			
Owners of the Company		<b>(493)</b>	<b>(2,776)</b>
Non-controlling interests		<b>(52)</b>	<b>12</b>
		<u><b>(545)</b></u>	<u><b>(2,764)</b></u>
<b>Loss per share attributable to owners of the Company</b>			
— Basic and diluted (US cents)	8	<u><b>(0.1)</b></u>	<u><b>(0.7)</b></u>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
*AS AT JUNE 30, 2022*

	<i>Note</i>	<b>As at June 30, 2022 US\$'000 (Unaudited)</b>	<b>As at December 31, 2021 US\$'000 (Audited)</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>117,003</b>	102,300
Investment properties		<b>2,086</b>	2,133
Intangible assets		<b>71</b>	108
Deferred income tax assets		<b>4,798</b>	4,341
Deposits		<b>836</b>	839
		<u><b>124,794</b></u>	<u>109,721</u>
<b>Current assets</b>			
Inventories		<b>1,437</b>	2,562
Trade receivables	10	<b>10,797</b>	12,951
Prepayments and other receivables		<b>1,546</b>	955
Amounts due from related parties		<b>—</b>	1
Income tax recoverable		<b>2,561</b>	2,561
Cash and cash equivalents		<b>8,246</b>	8,077
		<u><b>24,587</b></u>	<u>27,107</u>
<b>Total assets</b>		<u><b>149,381</b></u>	<u>136,828</u>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		<b>461</b>	461
Share premium		<b>38,122</b>	38,122
Capital reserve		<b>27,006</b>	27,006
Other reserve		<b>4,836</b>	4,836
Retained earnings		<b>15,026</b>	15,519
		<u><b>85,451</b></u>	<u>85,944</u>
Non-controlling interests		<u><b>(325)</b></u>	<u>(273)</u>
<b>Total equity</b>		<u><b>85,126</b></u>	<u>85,671</u>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
(CONTINUED)**

AS AT JUNE 30, 2022

	<i>Note</i>	As at <b>June 30, 2022</b> <i>US\$'000</i> (Unaudited)	As at December 31, 2021 <i>US\$'000</i> (Audited)
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities		18,074	18,760
<b>Current liabilities</b>			
Trade and other payables	11	10,445	13,705
Bank borrowing		34,000	17,000
Lease liabilities		1,534	1,539
Amounts due to related parties		165	116
Income tax payable		37	37
		46,181	32,397
<b>Total liabilities</b>		<b>64,255</b>	<b>51,157</b>
<b>Total equity and liabilities</b>		<b>149,381</b>	<b>136,828</b>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 1 General information

S.A.I. Leisure Group Company Limited (the “**Company**”) was incorporated in the Cayman Islands on October 18, 2018 as an exempted company with limited liability under the Companies Law Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is Cricket Square, Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands, and its principal place of business in Hong Kong is at 5th Floor, Nanyang Plaza, 57 Hung To Road, Kwun Tong, Kowloon, Hong Kong.

The Company is an investment holding company and its subsidiaries (together, the “**Group**”) are principally engaged in hotels and resorts operations in Saipan and Guam, travel retail business of luxury and leisure clothing and accessories in Saipan, Guam and Hawaii and provision of destination services in Saipan.

In the opinion of the Directors, 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.

This condensed consolidated interim financial information is presented in United States dollars (“**US\$**”) and all values are rounded to the nearest thousand (US\$’000), unless otherwise stated. The condensed consolidated interim financial information has been approved for issue by the Board on August 30, 2022.

### 2.1 Basis of preparation

The unaudited condensed consolidated interim financial information for the six months ended June 30, 2022 has been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosure requirements of Appendix 16 to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The unaudited condensed consolidated interim financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual financial statements for the year ended December 31, 2021 which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) (which include all HKFRSs, Hong Kong Accounting Standards and Interpretations) issued by HKICPA.

### ***Going concern***

As at June 30, 2022, the Group had net current liabilities of US\$21,594,000 and incurred a net loss of US\$545,000 during the six-month period then ended. Included in its current liabilities was an interest-bearing bank borrowing of US\$34,000,000 drawn from a banking facility of US\$43,000,000 with scheduled repayments starting from September 2023 but with a repayment-on-demand clause for the renovation and upgrade works of hotels in Guam and Saipan (“**Renovation**”); and the Group had capital commitments of US\$8,887,000 as at June 30, 2022 in relation to the Renovation which are expected to be settled during the second half of the year ending December 31, 2022.

In view of such circumstances, the directors of the Company (the “**Directors**”) have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient resources to continue as a going concern. The following plans and measures have been undertaken to mitigate the liquidity pressure and to improve the financial position of the Group:

- (i) Pursuant to the terms and conditions of the facility with the bank, the Group will be subject to certain undertakings including but not limited to financial covenants and completion of the Renovation at an agreed date. The bank has acknowledged the Group’s latest expected renovation completion date to be in the second half of 2022. From time to time, the Group closely monitor its compliance with the undertakings and financial covenants of the banking facility. When there is any potential breach of undertaking or financial covenants envisaged, the Group will actively negotiate with the bank and obtain a waiver for the relevant undertaking or financial covenant to avoid the bank from requesting for immediate repayment of any outstanding bank borrowing drawn under the facility, such that the facility and bank borrowing will continue to be available to the Group.

Based on the latest communications 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 facility or demand immediate repayment of the bank borrowing. Furthermore, as the banking facility is fully secured by certain of the Group’s hotel assets with ample security coverage, the Directors believe that the existing banking facility will continue to be available to the Group given the good track records and relationship the Group has with the bank;

- (ii) The Group expects to substantially complete on schedule the Renovation for the reopening of the hotels in the second half of 2022. Although the full resumption of the hotel operations and the resulting performance is highly dependent on the development of COVID-19 pandemic, including but not limited to the precautionary measures of different countries, vaccination rates and public health care protocols and procedures by the authorities, the Group is cautiously optimistic that the leisure travel market and the Group's business operations will recover soon after the borders are reopened, and the hotels under Renovation are expected to generate operating cash inflows to the Group;
- (iii) The Group continues its efforts to generate sufficient cash flows from operating activities by implementing measures in expediting the collection of outstanding trade receivables, improving sales and containing capital and operating expenditures to retain sufficient working capital for the operations of the Group;
- (iv) The Group has obtained a commitment of financial support from Tan Holdings, whom has committed to providing financial support to enable the Group to meet its liabilities when they fall due in the foreseeable future (at least 12 months from the date of the financial information); and
- (v) 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 have reviewed the Group's cash flow projections prepared by management, which cover a period of twelve months from June 30, 2022. In the opinion of the Directors, taking into account the anticipated cash flows to be generated from the Group's operations as well as the above plans and measures, the Group will have sufficient working capital to meet its financial obligations and commitments as and when they fall due in the coming twelve months from June 30, 2022. Accordingly, the Directors consider that it is appropriate to prepare the condensed consolidated interim financial information on a going concern basis.

Should the Group be unable to achieve the above plans and measures so as to continue as a going concern, adjustments would have to be made to reduce the carrying values of the Group's assets to their recoverable amounts, to provide for financial liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the unaudited condensed consolidated interim financial information.



## 2.2 Changes in accounting policies

The accounting policies adopted in the preparation of the condensed consolidated interim financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2021, except for the adoption of the following revised HKFRSs for the first time for the current period's financial information.

Amendments to HKFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to HKAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use</i>
Amendments to HKAS 37	<i>Onerous Contracts — Cost of Fulfilling a Contract</i>
<i>Annual Improvements to HKFRSs 2018–2020</i>	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41

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

- (i) Amendments to HKFRS 3 replace a reference to the previous Framework for the Preparation and Presentation of Financial Statements with a reference to the Conceptual Framework for Financial Reporting issued in June 2018 without significantly changing its requirements. The amendments also add to HKFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of HKAS 37 or HK(IFRIC)-Int 21 if they were incurred separately rather than assumed in a business combination, an entity applying HKFRS 3 should refer to HKAS 37 or HK(IFRIC)-Int 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group has applied the amendments prospectively to business combinations that occurred on or after January 1, 2022. As there was no business combination during the period, the amendments did not have any impact on the financial position and performance of the Group.

- (ii) Amendments to HKAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling any such items, and the cost of those items, in profit or loss. Since there was no items produced while making property, plant and equipment available for use on or after the beginning of the earliest period presented, the amendments did not have any impact on the financial position or performance of the Group.
- (iii) Amendments to HKAS 37 clarify that for the purpose of assessing whether a contract is onerous under HKAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labor and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at January 1, 2022 and no onerous contracts were identified. Therefore, the amendments did not have any impact on the financial position or performance of the Group.
- (iv) *Annual Improvements to HKFRSs 2018–2020* sets out amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41. Details of the amendments that are applicable to the Group are as follows:
- *HKFRS 9 Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment prospectively to financial liabilities that are modified or exchanged on or after January 1, 2022 and the amendment did not have any impact on the financial position or performance of the Group.

- HKFRS 16 *Leases*: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying HKFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying HKFRS 16.

### 3 Segment and revenue information

The executive directors have been identified as the Group's chief operating decision-maker (“**CODM**”). The Group's CODM has determined the operating segments based on the reports reviewed by them that are used to make strategic decisions and resources allocation. The Group's businesses are managed according to the nature of their operations and the products and services they provide.

The CODM has identified three reportable operating segments as follows:

- (a) Hotels and resorts: operation of hotels and leasing of commercial premises located within the hotel premises 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**”);
- (c) Destination services: provision of destination activities in Saipan including (i) operation of souvenir and convenience stores; (ii) excursion tour operation; and (iii) provision of land arrangement and concierge services (the “**Destination Services Segment**”).

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

The Group's CODM assesses the performance of the operating segments based on adjusted operating results. Expenses, where appropriate, are allocated to operating segments with reference to revenue contributions of respective segments. Finance income, finance costs and other gains/(losses), net are not included in the result for each of the operating segment that is reviewed by the Group's CODM.

The segment information provided to the Group's CODM for the reportable segments for the six-month periods ended June 30, 2022 and 2021 are as follows:

	For the six months ended June 30, 2022				
	Hotels & resorts US\$'000 (Unaudited)	Luxury travel retail US\$'000 (Unaudited)	Destination services US\$'000 (Unaudited)	Unallocated US\$'000 (Unaudited)	Total US\$'000 (Unaudited)
<b>Revenue</b>					
Revenue from external customers	5,783	3,574	102	—	9,459
Segment results	676	(165)	(191)	(859)	(539)
Other gains, net					1
Finance costs					(464)
<b>Loss before income tax</b>					(1,002)
Income tax credit					457
<b>Loss for the period</b>					<b>(545)</b>
Loss for the period includes:					
Depreciation for property, plant and equipment	1,262	379	20	10	1,671
Depreciation for investment properties	49	—	—	—	49
Amortization for intangible assets	27	10	—	—	37
Capital expenditure	16,374	4	2	—	16,380

	For the six months ended June 30, 2021				
	Hotels & resorts US\$'000 (Unaudited)	Luxury travel retail US\$'000 (Unaudited)	Destination services US\$'000 (Unaudited)	Unallocated US\$'000 (Unaudited)	Total US\$'000 (Unaudited)
<b>Revenue</b>					
<b>Revenue from external customers</b>	6,522	1,797	68	—	8,387
Segment results	(1,631)	117	(148)	(871)	(2,533)
Other losses, net					(4)
Finance income					21
Finance costs					(470)
<b>Loss before income tax</b>					(2,986)
Income tax credit					388
<b>Loss for the period</b>					<u>(2,598)</u>
Loss for the period includes:					
Depreciation for property, plant and equipment	1,809	487	6	28	2,330
Depreciation for investment properties	49	—	—	—	49
Amortization for intangible assets	53	10	—	—	63
Reversal of provision for obsolete inventories	—	—	(6)	—	(6)
Reversal of provision for impairment of trade receivables	(10)	—	—	—	(10)
Capital expenditure	21,236	—	—	—	21,236

Revenues between segments are carried out in accordance with the terms mutually agreed between the respective group entities. The revenue from external parties is derived from numerous external customers and the revenue reported to management is measured in a manner consistent with that in the condensed consolidated statements of profit or loss and other comprehensive income.



**Six months ended June 30,**  
**2022**                      2021  
*US\$'000*                      *US\$'000*  
**(Unaudited)**                **(Unaudited)**

**Geographical information:**

Revenue from contracts with customers —

Saipan	6,344	6,693
Guam	2,283	967
Hawaii	788	712

	9,415	8,372
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Revenue from other sources —

Saipan	28	—
Guam	16	15

	44	15
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	9,459	8,387
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**4 Other gains/(losses), net**

**Six months ended June 30,**  
**2022**                      2021  
*US\$'000*                      *US\$'000*  
**(Unaudited)**                **(Unaudited)**

**Other gains/(losses), net**

Net exchange gains/(losses)

	1	(4)
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## 5 Expenses by nature

	<b>Six months ended June 30,</b>	
	<b>2022</b>	2021
	<i>US\$'000</i>	<i>US\$'000</i>
	<b>(Unaudited)</b>	(Unaudited)
Cost of inventories sold	<b>2,488</b>	1,300
Food and beverage costs	<b>105</b>	281
Employee benefit expenses	<b>1,798</b>	3,349
Utilities, repairs and maintenance	<b>1,441</b>	1,137
Short-term leases expenses*	<b>162</b>	91
Variable lease payments expenses*	<b>193</b>	167
Rent concession from lessors*	<b>(401)</b>	(613)
Depreciation of property, plant and equipment*	<b>1,671</b>	2,330
Depreciation of investment properties*	<b>49</b>	49
Amortization of intangible assets*	<b>37</b>	63
Other taxes and licenses*	<b>513</b>	511
Supplies and tools*	<b>169</b>	153
Shared-services expenses*	<b>191</b>	155
Laundry expenses*	<b>42</b>	77
Temporary labour costs*	<b>90</b>	78
Commission expenses*	<b>20</b>	22
Insurance expenses*	<b>469</b>	431
Reversal of provision for obsolete inventories*	<b>—</b>	(6)
Reversal of provision for impairment of trade receivables*	<b>—</b>	(10)
Other miscellaneous expenses* ( <i>Note</i> )	<b>961</b>	1,355
	<b>9,998</b>	10,920



**Six months ended June 30,**

	<b>2022</b>	2021
	<i>US\$'000</i>	<i>US\$'000</i>
	<b>(Unaudited)</b>	(Unaudited)

Representing:

Cost of inventories sold	<b>2,488</b>	1,300
Food and beverage costs	<b>105</b>	281
Employee benefit expenses	<b>1,798</b>	3,349
Utilities, repairs and maintenance	<b>1,441</b>	1,137
Operating and other expenses	<b>4,166</b>	4,853
	<hr/>	<hr/>
	<b>9,998</b>	10,920
	<hr/> <hr/>	<hr/> <hr/>

\* Included in "Operating and other expenses"

*Note:* Other miscellaneous expenses mainly represent professional fees, donations, promotion, communication, transportation and entertainment expenses.

## 6 Finance costs, net

	<b>Six months ended June 30,</b>	
	<b>2022</b>	<b>2021</b>
	<b>US\$'000</b>	<b>US\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Finance income:		
— Interest income from bank deposits	—	21
Finance costs:		
— Interest expense on lease liabilities	(464)	(452)
— Interest expenses on Paycheck Protection Program loans	—	(18)
— Interest expenses on bank borrowing	(323)	—
	(787)	(470)
Less: Amounts capitalized	323	—
	(464)	(470)
Finance costs, net	<u>(464)</u>	<u>(449)</u>

## 7 Income tax credit

No provision for the Commonwealth of the Northern Mariana Islands (“CNMI”), Guam and Hawaii corporate income tax has been made as the Group did not generate any assessable profits arising in the CNMI, Guam and Hawaii during each reporting period.

	<b>Six months ended June 30,</b>	
	<b>2022</b>	<b>2021</b>
	<b>US\$'000</b>	<b>US\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	<u>457</u>	<u>388</u>

The Group’s subsidiaries incorporated in the CNMI, Guam and Hawaii were subject to corporate income tax rate of 21%.

Companies incorporated and operating in the CNMI are entitled to use their business gross receipt tax payments as tax credits in deriving the corporate income tax during the six months ended June 30, 2022 and 2021.

## 8 Loss per share

### (a) Basic

The basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the respective periods.

	<b>Six months ended June 30,</b>	
	<b>2022</b>	<b>2021</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Loss attributable to owners of the Company (US\$'000)	<b>(493)</b>	(2,610)
Weighted average number of ordinary shares in issue (thousands)	<u><b>360,000</b></u>	<u>360,000</u>
Basic loss per share (US cents)	<u><u><b>(0.1)</b></u></u>	<u><u>(0.7)</u></u>

### (b) Diluted

Diluted loss per share for the six months ended June 30, 2022 and 2021 is the same as the basic loss per share as there was no potential dilutive ordinary shares outstanding during the respective periods.

## 9 Dividend

No dividend was paid during the six months ended June 30, 2022.

The directors of the Company do not recommend the payment of an interim dividend for the six months ended June 30, 2022 (for the six months ended June 30, 2021: Nil).

## 10 Trade receivables

	As at <b>June 30,</b> <b>2022</b> <i>US\$'000</i> <b>(Unaudited)</b>	As at December 31, 2021 <i>US\$'000</i> <b>(Audited)</b>
Trade receivables from third parties ( <i>Note</i> )	<b>11,503</b>	13,657
Less: provision for impairment	<b>(706)</b>	<b>(706)</b>
	<hr/>	<hr/>
Total trade receivables, net	<b><u>10,797</u></b>	<b><u>12,951</u></b>

*Note:*

The majority of the Group's sales are with credit terms of 30 days from the invoice date. As at June 30, 2022 and December 31, 2021, the aging analysis of the trade receivables based on invoice date were as follows:

	As at <b>June 30,</b> <b>2022</b> <i>US\$'000</i> <b>(Unaudited)</b>	As at December 31, 2021 <i>US\$'000</i> <b>(Audited)</b>
Within 30 days	<b>1,459</b>	1,823
31 to 60 days	<b>12</b>	1,702
61 to 90 days	<b>726</b>	1,297
Over 90 days	<b>9,306</b>	8,835
	<hr/>	<hr/>
	<b><u>11,503</u></b>	<b><u>13,657</u></b>

The maximum exposure to credit risk at the reporting date was the carrying value mentioned above. The Group did not hold any collateral as security. The carrying amounts of trade receivables approximate their fair values and are denominated in US\$.

## 11 Trade and other payables

	As at <b>June 30,</b> <b>2022</b> <i>US\$'000</i> <b>(Unaudited)</b>	As at December 31, 2021 <i>US\$'000</i> <b>(Audited)</b>
Trade payables		
— to third parties ( <i>Note (a)</i> )	1,127	1,105
— to related parties ( <i>Note (b)</i> )	79	50
	<hr/>	<hr/>
Total trade payables	<b>1,206</b>	1,155
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Accruals and other payables		
— Accrued staff salaries	338	434
— Other taxes payable	2,368	2,149
— Other accruals and payables	4,763	4,828
— Payables for purchase of property, plant and equipment	1,770	2,877
— Deferred government grants ( <i>Note (c)</i> )	—	2,262
	<hr/>	<hr/>
	<b>9,239</b>	12,550
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
	<b>10,445</b>	13,705
	<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 were as follows:

	As at <b>June 30,</b> <b>2022</b> <i>US\$'000</i> <b>(Unaudited)</b>	As at December 31, 2021 <i>US\$'000</i> <b>(Audited)</b>
Within 30 days	731	642
31 to 60 days	165	71
61 to 90 days	—	62
Over 90 days	231	330
	<hr/>	<hr/>
	<b>1,127</b>	1,105
	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>

**(b) Amounts due to related parties**

As at June 30, 2022 and December 31, 2021, the amounts due to related parties are unsecured, interest-free and with credit term of 30 days.

The aging analysis of amounts due to related parties based on invoice date were as follows:

	<b>As at June 30, 2022 US\$'000 (Unaudited)</b>	<b>As at December 31, 2021 US\$'000 (Audited)</b>
Within 30 days	<b>10</b>	1
31 to 60 days	—	4
61 to 90 days	<b>9</b>	22
Over 90 days	<b>60</b>	23
	<b>79</b>	<b>50</b>

**(c) Deferred government grants**

For the six-month period ended June 30, 2022, Paycheck Protection Program (“PPP loan”) of approximately US\$2,093,000 (2021: US\$807,000) has been forgiven by the government and recognized in the condensed consolidated statement of profit or loss and other comprehensive income over the six-month period ended June 30, 2022 to match them with the costs that they are intended to compensate. As at June 30, 2022, no PPP loan outstanding was recognized as deferred government grant in the condensed consolidated statement of financial position (December 31, 2021: US\$2,262,000).

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

	<b>As at June 30, 2022 US\$'000 (Unaudited)</b>	<b>As at December 31, 2021 US\$'000 (Audited)</b>
US\$	<b>10,303</b>	13,306
HK\$	<b>142</b>	399
	<b>10,445</b>	<b>13,705</b>

## MANAGEMENT DISCUSSION AND ANALYSIS

### I. BUSINESS OVERVIEW

Since the start of 2022, the Omicron variant of the coronavirus swept through the world and brought massive waves of infections in different countries. Having said that, most countries have recognized the endemic nature of COVID-19 and have conformed to “co-living with the virus”. Riding on the high double-jabbed vaccination rate and further emphasis on the booster shot, countries like Japan and South Korea, the Group’s key tourist origin markets, continue in their efforts to scrap travel restrictions and reopen borders for international travelers.

Throughout the first half of 2022, the government of Japan continued to relax border control measures to set the stage for reopening tourism. In March 2022, those returning to Japan from all over the U.S. (including Guam and the CNMI) who have completed their third vaccine were exempted from quarantine if they tested negative for COVID-19 upon return. With effect from June 1, 2022, arrival control was further relaxed and travelers returning to Japan from the U.S. are no longer required to be tested and are no longer subject to quarantine requirements, regardless of whether they have a vaccination certificate or not.

Similarly, the government of South Korea has extensively eased the overseas arrival protocols in April 2022. Travelers fully vaccinated in Korea and overseas are exempt from the 7-day quarantine requirement. Furthermore, with effect from June 1, 2022, PCR test is only required for overseas arrivals and no antigen test is required on Day 5–6. With the relaxation of the overseas arrival protocols, flights between South Korea and Guam as well as between South Korea and Saipan continue to resume, unleashing the pent-up travel demand since the lock down due to COVID-19.

Both local governments of Guam and the CNMI have lifted the mandatory quarantine requirement for arriving travelers if they are fully vaccinated with a valid COVID vaccine certificate. Besides, with the high local vaccination rate, both Guam and the CNMI have further removed various social distancing restrictions that have been in place in the past years in an effort to reopen tourism to Guam and the CNMI. For the first half of 2022, Guam recorded over 85,000 visitor arrivals, which was three times over the visitor arrivals of the same period last year. On the other hand, riding on the successful travel bubble agreement with the South Korean government launched in late 2021, Saipan had over 30,000 tourist arrivals from South Korea in the first six months of 2022 (for the first six months of 2021: 16 tourist arrivals).

During the Reporting Period, Kanoa Resort remained in operation and continued to support the local government authorities of Saipan by providing its hotel rooms, facilities, and meal services to persons subject to mandatory quarantine requirements upon arrival or during their stay in Saipan. Century Hotel and all the Group's luxury travel retail boutiques in Guam and Hawaii have also been open for business. One out of the Group's five luxury travel retail boutiques in Saipan and one out of the Group's three excursion tours have also resumed business in November 2021 and April 2022, respectively. For CP Guam and CP Saipan, the Group continued to focus its efforts on the renovation and upgrade works under its asset rejuvenation plan during the Reporting Period.

### ***Revenue and Operating Loss***

For the Reporting Period, the Group recorded a revenue of US\$9,459,000, representing an increase of US\$1,072,000 from US\$8,387,000 in the preceding year. The total revenue from the Group's Guam businesses increased by 134.1%, whilst that of Saipan businesses decreased by 4.8% when compared with the preceding year. The slight increase in revenue was mainly due to the gradual recovery of the Guam tourism market, boosting the sales of the Group's luxury travel retail segment.

For the first six months of 2022, the operating loss of the Group was US\$538,000, representing a decrease in loss of US\$1,999,000 when compared with the operating loss of US\$2,537,000 in the corresponding period in 2021. Effective cost-saving measures are still in place throughout the six-month period to mitigate the financial impacts of the pandemic on the Group. The said amount of operating loss 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\$1,757,000.

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

## **II. SEGMENTAL REVIEW**

The Hotels & Resorts Segment, Luxury Travel Retail Segment and Destination Services Segment respectively accounted for approximately 61.1%, 37.8% and 1.1% of the Group's total revenue for the Reporting Period.



### *Hotels & Resorts Segment*

During the Reporting Period, revenue generated from the Hotels & Resorts Segment was approximately US\$5,783,000, representing a decrease of US\$739,000 or 11.3% when compared with the corresponding period in 2021. The slight decrease in revenue was mainly due to the decrease in the occupancy of Kanoa Resort due to the decrease in number of travellers subject to mandatory quarantine. The positive segmental operating margin for the Reporting Period fluctuated in the same manner as the revenue. As certain assets were non-profit-generating during the Reporting Period due to the closure of two out of the Group's four hotels, the depreciation and amortization expenses (non-cash items) for the first six months of 2022 under the Hotels & Resorts Segment was approximately US\$1,338,000.

### *CP Guam and CP Saipan*

Throughout the first half of 2022, the Group continued to focus its effort on the renovation and upgrade works of CP Guam and CP Saipan under its asset rejuvenation plan. The Directors are of the view that the progress of the renovation and upgrade works of both hotels were satisfactory. As of the date of this announcement, the Group's management expects that CP Guam will be rebranded and re-opened as "Crowne Plaza Resort Guam" and CP Saipan will be rebranded and reopened as "Crowne Plaza Resort Saipan" in the third to fourth quarter of 2022, subject to final confirmation by IHC Hotel Limited ("**Hotel Manager**") (a subsidiary of InterContinental Hotels Group PLC ("**InterContinental Hotels Group**")).

### *Kanoa Resort*

During the Reporting Period, Kanoa Resort continued to assist the CNMI Homeland Security and Emergency Management by providing its hotel rooms, facilities and meal services to persons subject to the mandatory quarantine requirements upon their arrival in Saipan. The Group received various fees during the Reporting Period for the services that have been provided to the local government of the CNMI under the relevant emergency contract. The Group is honored to be able to offer its continuous support to the local government in the fight against COVID-19.

### *Luxury Travel Retail Segment*

For the first six months of 2022, revenue from the Luxury Travel Retail Segment was US\$3,574,000, representing an increase of US\$1,777,000 or 98.9% as compared with the corresponding period in 2021 of US\$1,797,000. The substantial increase was mainly due to the gradual recovery of the Guam local and tourism markets, boosting the revenue from the Group's operation in Guam.

In the beginning of 2022, the Group's luxury travel retail boutiques in Guam and Hawaii operated under the same business hours as in 2021. In March 2022, with the local and the tourism markets in Guam gradually recovering, all luxury travel retail boutiques in Guam resumed operating under normal business hours on a daily basis. One out of the Group's five luxury travel retail boutiques in Saipan has resumed its operation since November 2021. The temporary closure of the remaining luxury travel retail boutiques in Saipan have effectively cut down the operating costs and thus alleviated the negative financial and operational impacts of the pandemic on the Luxury Travel Retail Segment. The Group's management continued exercise due care in inventory management, which substantially reduced the Group's inventory level.

### ***Destination Services Segment***

During the Reporting Period, revenue from the Destination Services Segment was US\$102,000, representing an increase of US\$34,000 as compared to the preceding year. Riding on the first ever travel bubble agreement with South Korea, the influx of tourists from South Korea to Saipan led to the business resumption of one of the Group's three excursion tours and raised the sales of the convenience store operation under the Segment. The segmental loss of US\$191,000 was mainly due to the fact that the tourism market has yet to recover in full and certain business operations of the Group under the Destination Services Segment remained temporarily closed throughout the first half of 2022.

## **III. MATERIAL ACQUISITIONS, DISPOSALS AND SIGNIFICANT INVESTMENTS**

During the Reporting Period, the Group did not make any material acquisitions and disposals of subsidiaries, associates or joint ventures.

The Group had no significant investments held during the Reporting Period.

## **IV. SUBSEQUENT EVENTS**

Despite the fact that international tourism remained 61% below 2019 levels as of the first quarter of 2022, the pent-up demand for leisure travel is gradually unleashed. With Europe leading the sector's rebound, global tourism industry is on its way to a long-term and sustainable recovery with a strong pace.

Subsequent to the end of the Reporting Period, the Group continues to focus its efforts on completing the renovation and upgrade works of CP Guam and CP Saipan. On the other hand, Century Hotel remains open for business, Kanoa Resort continued to support the local government by providing its hotel rooms, facilities and meal services to persons subject to the mandatory quarantine requirements. As of the date of this announcement, the emergency contract between the Group and the relevant government authority has completed.

All luxury travel retail boutiques in Guam and Hawaii have resumed daily operation as per pre-COVID times. Besides, one out of the Group's five luxury travel retail boutiques in Saipan continues to be open for business since its resumption in November 2021. As of the date of this announcement, considering the gradual recovery of the Saipan tourism market, two more luxury travel retail boutiques in Saipan have resumed operation.

## **V. LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE**

Riding on the gradual resumption of some of the Group's business operations, the financial position of the Group remained healthy. The Group generally finances its operations with internally generated cash flows, proceeds from the Listing and external financing. As at June 30, 2022, the total amount of cash and bank deposits of the Group was approximately US\$8,246,000, which is comparable to the balance as at December 31, 2021 amounting to approximately US\$8,077,000.

During the Reporting Period, the Group continued to draw down its existing banking facility to finance the renovation and upgrade works of CP Guam and CP Saipan under the Group's asset rejuvenation plan. The Group's total bank borrowing as at June 30, 2022 was US\$34,000,000, representing an increase of US\$17,000,000 as compared to that as at December 31, 2021 mainly due to capital expenditure for the asset rejuvenation plan of the Group throughout the Reporting Period.

As at June 30, 2022, the Group had US\$34,000,000 interest-bearing bank borrowing (As at December 31, 2021: US\$17,000,000), and the undrawn portion of the relevant banking facility amounted to US\$9,000,000. Based on the scheduled repayments set out in the relevant banking facility letter, the maturity profile of the banking facility is spread over a period of five years, with approximately US\$1,492,000 repayable in the second year and approximately US\$32,508,000 repayable in the third to fifth year.

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 June 30, 2022.

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 period and multiplied by 100%. As at June 30, 2022, the gearing ratio of the Group was 39.9% (As at December 31, 2021: 19.8%).

The capital structure of the Group consists of debt 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 condensed consolidated statement of financial position. There has been no change in the share capital structure of the Company since the Listing Date.

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.

## **VI. FOREIGN EXCHANGE RISK MANAGEMENT**

The subsidiaries of the Group mainly operate in Saipan, Guam and Hawaii with most of the transactions settled in United States Dollars ("US\$"). 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 June 30, 2022, the financial assets and liabilities of the subsidiaries of the Group in Saipan, Guam and Hawaii are primarily denominated in US\$. Therefore, the Group's foreign exchange risk is insignificant.

## **VII. FUTURE PLANS AND MARKET PROSPECTS**

Despite the fact that the coronavirus kept evolving into more transmissible new variants, it is believed that the new variants cause milder symptoms and appear to put less strain on the health infrastructure of various countries. Riding on the high vaccination rates and the availability of effective COVID-19 treatments, policy makers appear to be getting more and more ready to further relax various arrival protocols and accelerate the opening up of borders.

The travel bubble agreement between Saipan and South Korea is ongoing with a promising influx of tourists, and Saipan remains the only place that the travel bubble is kept intact. Riding on the success of the South Korea travel bubble, the tourism resumption investment plan (“TRIP”) task force is focusing their effort to work on the travel bubble program with Japan. With effect from September 2022, United Airlines will provide direct flights to Saipan from Japan, supporting the revival of the CNMI’s tourism industry with a sustainable increase of tourists.

In view of the above, certain industry expert expects that the global tourism industry is on its way to a long-term and sustainable recovery.

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

The renovation and upgrade works of CP Guam and CP Saipan under the asset rejuvenation plan and the rebranding works under the hotel management agreements with the Hotel Manager are ongoing. The Group’s management expects that CP Guam will be rebranded and reopened as “Crowne Plaza Resort Guam” and CP Saipan will be rebranded and reopened as “Crowne Plaza Resort Saipan” in the third to fourth quarter of 2022, subject to final confirmation by the Hotel Manager. Being the newest hotels in town, the Group’s management is confident that these two hotels will be uniquely positioned to capture the pent-up travel demand from the date of grand opening.

As of the date of this announcement, Kanoa Resort has completed the emergency contract with the CNMI Homeland Security and Emergency Management. As announced on December 29, 2020, the Group has entered into the hotel management agreement in respect of Kanoa Resort with the Hotel Manager and Kanoa Resort will be rebranded as “voco Resort Saipan” after the completion of renovation and rebranding works. Kanoa Resort is temporarily closed as of the date of this announcement and the Group will commence the planning and design works for the renovation and rebranding in due course.

The capital expenditure to be incurred in respect of the renovation and upgrade works of CP Guam, CP Saipan and Kanoa Resort will be funded partly by the proceeds from Listing, partly by the Group’s internal resources and partly by external financing.

With the InterContinental Hotels Group managing CP Guam, CP Saipan and Kanoa Resort after their respective rebranding as “Crowne Plaza Resort Guam”, “Crowne Plaza Resort Saipan” and “voco Resort Saipan”, the Group’s management expects that this will create positive synergy among the three major hotels of the Group.

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

Riding on the gradual resumption of tourism markets, the Group's management will seek for expansion opportunities to bolster the Group's revenue source in the Luxury Travel Retail Segment. For Guam, the Group's management is negotiating with the landlord for stronger retail spaces to improve the segmental profitability. For Saipan, the Group's management will continue to closely monitor market conditions and changes in the global travel sentiment to gradually resume the full operations of the boutiques. For the expansion of the Group's footprint in Hawaii, the Group's management is seeking to identify stronger spaces with good adjacencies and reasonable rental conditions for new retail stores.

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

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

## **VIII. CONTINGENT LIABILITIES**

As at June 30, 2022, the Group did not have any material contingent liabilities.

## **IX. EMPLOYEES AND EMOLUMENT POLICY**

As at June 30, 2022, the Group had a total of 178 (as at June 30, 2021: 190) full-time employees, including 105 employed in Saipan, 57 employed in Guam, 11 employed in Hawaii and 5 employed in Hong Kong. The reduced headcount was part of the cost-saving measures during the temporary closure of the Group's hotels and resorts as well as luxury travel retail boutiques. 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 Reporting Period, the total staff costs (including directors' emoluments) amounted to US\$1,798,000 (for the six months ended June 30, 2021: US\$3,349,000). 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. During the Reporting Period, no options were granted, exercised, cancelled, or lapsed under the Share Option Scheme and there were no options outstanding as at June 30, 2022.

## X. PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## XI. UPDATE ON THE USE OF PROCEEDS

The net proceeds from the Company's Listing was US\$39,400,000 (equivalent to HK\$307,320,000, after deduction of underwriting fees and commissions and estimated expenses payable by the Company in connection with the Listing). The Company has applied and will continue to apply 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, 2020 Annual Report and 2021 Annual Report published on April 17, 2020, April 16, 2021 and April 23, 2022, respectively. During the Reporting Period, US\$62,000 of the net proceeds from the Listing had been utilized. The following table sets forth the use of proceeds by the Group as at June 30, 2022:

	<b>Net proceeds from Listing US\$'000</b>	<b>Utilization as at June 30, 2022 US\$'000</b>	<b>Unutilized amount US\$'000</b>
Asset rejuvenation plan	29,555	25,730	3,825
New travel retail boutiques	2,000	2,000	—
IT upgrades	2,000	995	1,005
Digital sales and marketing	2,000	851	1,149
General working capital	3,945	3,945	—
Total <sup>(a)</sup>	<u>39,400<sup>(b)</sup></u>	<u>33,521</u>	<u>5,979<sup>(b)</sup></u>

Notes:

- (a) The inconsistency between the sum of the numbers in this table and the total figures is due to rounding.
- (b) In respect of the amount of net proceeds from Listing, the exchange rate applied is US\$1.0 = HK\$7.8 and the amount in US\$ is calculated according to such exchange rate. As a result, the difference between the net value of the remaining funds in the above table and the actual amount of funds in the retained account is due to the difference between the controlling exchange rate and the actual exchange rate.

Currently, the Group holds the unutilized net proceeds as deposit with creditworthy banks with no recent history of default.

## **XII. REVIEW OF INTERIM FINANCIAL INFORMATION**

The Audit Committee of the Company consists of the Independent Non-Executive Directors, namely Mr. MA Andrew Chiu Cheung, Mr. CHAN Leung Choi Albert and Prof. CHAN Pak Woon David. Mr. MA Andrew Chiu Cheung is the Chairman of the Audit Committee.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and has discussed with the management regarding the auditing, internal control and financial reporting matters. The Audit Committee has discussed and reviewed the unaudited condensed consolidated interim financial information for the Reporting Period with no disagreement.

Such unaudited condensed consolidated interim financial information has also been reviewed by the Company's auditor, Ernst & Young, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

## **XIII. INTERIM DIVIDEND**

The Board has resolved not to declare an interim dividend for the Reporting Period.

## **XIV. CORPORATE GOVERNANCE PRACTICES**

The Board has adopted the applicable code provisions of the Corporate Governance Code (the "CG Code") set out in Appendix 14 to the Listing Rules as its code of corporate governance. The Board has reviewed the Company's corporate governance practices and is satisfied that the Company has complied with the code provisions set out in the CG Code throughout the Reporting Period.



## **XV. MODEL CODE**

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standards set out in the Model Code as set out in Appendix 10 to the Listing Rules. After having made specific enquiries to all Directors, the Directors confirmed that they have complied with the required standards as set out in the Model Code and the code of conduct regarding securities transactions by Directors adopted by the Company during the Reporting Period.

## **XVI. DISCLOSURE OF INFORMATION ON THE COMPANY AND THE STOCK EXCHANGE'S WEBSITE**

This interim report will be 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 accordance with Rule 13.48(1) of the Listing Rules.

By order of the Board  
**TAN Henry**  
*Vice Chairman, Executive Director and  
Chief Executive Officer*

Hong Kong, August 30, 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) Mr. CHAN Leung Choi Albert, Prof. CHAN Pak Woon David and Mr. MA Andrew Chiu Cheung as the Independent Non-Executive Directors.*