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

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1832)

PROFIT WARNING

This announcement is made by S.A.I. Leisure Group Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to (1) Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”), and (2) the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders and potential investors of the Company that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended June 30, 2021, the Board expects the Group to record an operating loss of approximately US\$3.0 million for the six months ended June 30, 2021, as compared to an operating profit of approximately US\$0.2 million for the corresponding period in 2020. Based on the information currently available to the Board, the amount of loss as aforesaid has taken into account, amongst others, the recognition of depreciation and amortization expenses (non-cash items) relating to the Group’s assets of approximately US\$2.4 million.

Based on the information currently available to the Board, the change from profit to loss is mainly attributable to a significant decrease in revenue caused by:-

- (i) the continued impact of the COVID-19 pandemic since around February 2020, coupled with various precautionary measures imposed by different countries and territories (including travel bans, mandatory quarantine requirements and limitation of business hours), which significantly reduced the demand for leisure travelling;
- (ii) the temporary closure of Fiesta Resort Guam and Fiesta Resort Saipan for the purpose of carrying out renovation and upgrade works in order for them to be reopened as “Crowne Plaza Resort Guam” and “Crown Plaza Resort Saipan” in the near future; and
- (iii) the temporary closure of some of the Group’s luxury travel retail boutiques in Saipan and Guam as well as the Group’s destination services in Saipan.

Nevertheless, the Board notes that the negative impact of the above factors on the Group's financial performance for the six months ended June 30, 2021 has been mitigated by the following:-

- (a) significant decrease in operating expenses as a result of the temporary closure of Fiesta Resort Guam, Fiesta Resort Saipan, some of the Group's luxury travel retail boutiques and destination services, and numerous cost-saving measures; and
- (b) revenue from the continued operation of Kanoa Resort, which was selected by the relevant government authority in the Commonwealth of the Northern Mariana Islands ("CNMI") to provide rooms, facilities and meal services to persons subject to mandatory quarantine requirements upon arrival in Saipan.

With the emergence of COVID-19 variants like the Delta variant in the first quarter of 2021, the duration and extent of the pandemic remain uncertain. The Group will continue to closely monitor the market conditions and will make timely adjustments in its 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 six months ended June 30, 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 six months ended June 30, 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 interim results of the Group for the six months ended June 30, 2021, which is expected to be published in late August 2021.

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, August 6, 2021

As at the date of this announcement, the Board comprises: (1) Dr. TAN Henry, Mr. CHIU George, Mrs. SU TAN Jennifer Sze Tink and Mr. SCHWEIZER Jeffrey William as the Executive Directors; (2) Dr. TAN Siu Lin (Chairman) and Mr. TAN Willie as the Non-Executive Directors; and (3) Prof. CHAN Pak Woon David, Mr. MA Andrew Chiu Cheung and Mr. CHAN Leung Choi Albert as the Independent Non-Executive Directors.