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, 2025

## GROUP FINANCIAL HIGHLIGHTS

| | For the six months ended June 30, | |
|---|---|---|
| | **2025** | 2024 |
| | ***US$'000*** | *US$'000* |
| | **(Unaudited)** | (Unaudited) |
| Revenue | **21,062** | 21,097 |
| Operating loss | **(7,086)** | (7,033) |
| Loss attributable to owners of the Company | **(9,590)** | (9,667) |
| Profit margin (ratio of loss attributable to owners of the Company to revenue) | **-45.5%** | -45.8% |
| Basic loss per share *(US cents)* | **(2.7)** | (2.7) |

The board of directors (the "**Board**") of S.A.I. Leisure Group Company Limited (the "**Company**") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended June 30, 2025 (the "**Reporting Period**").

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

*FOR THE SIX MONTHS ENDED JUNE 30, 2025*

| | Note | For the six months ended June 30, | |
|---|---|---|---|
| | | **2025** | 2024 |
| | | ***US$'000*** | *US$'000* |
| | | **(Unaudited)** | (Unaudited) |
| Revenue | *3* | **21,062** | 21,097 |
| Cost of inventories sold | | **(1,883)** | (2,053) |
| Food and beverage costs | | **(1,424)** | (1,269) |
| Employee benefit expenses | | **(7,357)** | (7,314) |
| Utilities, repairs and maintenance | | **(3,375)** | (3,280) |
| Other operating costs | | **(14,181)** | (14,215) |
| Other gains, net | *4* | **72** | 1 |
| **Operating loss** | | **(7,086)** | (7,033) |
| Finance costs | *5* | **(2,633)** | (2,710) |
| **Loss before tax** | *6* | **(9,719)** | (9,743) |
| Income tax | *7* | **—** | — |
| **Loss for the period and total comprehensive loss for the period** | | **(9,719)** | (9,743) |
| **Loss and total comprehensive loss attributable to:** | | | |
| Owners of the Company | | **(9,590)** | (9,667) |
| Non-controlling interests | | **(129)** | (76) |
| | | **(9,719)** | (9,743) |
| **Loss per share attributable to owners of the Company** | | | |
| — Basic and diluted *(US cents)* | *8* | **(2.7)** | (2.7) |

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*AS AT JUNE 30, 2025*

| | Note | As at June 30, 2025 US$'000 (Unaudited) | As at December 31, 2024 US$'000 (Audited) |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | | **113,178** | 117,786 |
| Investment properties | | **350** | 356 |
| Intangible assets | | **27** | 38 |
| Deferred income tax assets | | **6,583** | 6,583 |
| Prepayments and deposits | | **1,970** | 1,422 |
| Total non-current assets | | **122,108** | 126,185 |
| **Current assets** | | | |
| Inventories | | **3,215** | 3,591 |
| Trade receivables | *10* | **1,728** | 1,903 |
| Prepayments, deposits and other receivables | | **1,790** | 2,501 |
| Amounts due from related parties | | **50** | 181 |
| Income tax recoverable | | **2,561** | 2,561 |
| Cash and cash equivalents | | **2,463** | 3,192 |
| Total current assets | | **11,807** | 13,929 |
| **Total assets** | | **133,915** | 140,114 |
| **EQUITY** | | | |
| **Equity attributable to owners of the Company** | | | |
| Issued share capital | | **461** | 461 |
| Share premium | | **38,122** | 38,122 |
| Capital reserve | | **28,854** | 28,854 |
| Other reserve | | **4,836** | 4,836 |
| Accumulated losses | | **(47,412)** | (37,822) |
| | | **24,861** | 34,451 |
| Non-controlling interests | | **(602)** | (473) |
| **Total equity** | | **24,259** | 33,978 |

| | Note | As at June 30, 2025 US$'000 (Unaudited) | As at December 31, 2024 US$'000 (Audited) |
|---|---|---|---|
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Other borrowings | | **37,952** | 32,242 |
| Lease liabilities | | **15,443** | 15,870 |
| Total non-current liabilities | | **53,395** | 48,112 |
| **Current liabilities** | | | |
| Trade and other payables | *11* | **11,500** | 11,857 |
| Bank borrowings | | **42,350** | 44,500 |
| Other borrowings | | **1,434** | 685 |
| Lease liabilities | | **556** | 666 |
| Amounts due to related parties | | **384** | 279 |
| Income tax payable | | **37** | 37 |
| **Total current liabilities** | | **56,261** | 58,024 |
| **Total liabilities** | | **109,656** | 106,136 |
| **Total equity and liabilities** | | **133,915** | 140,114 |

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 1 General 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 Company is an investment holding company. During the Reporting Period, the Group was 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.

In the opinion of the directors of the Company (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.

### 2.1 Basis of preparation

The unaudited condensed consolidated interim financial information for the six months ended June 30, 2025 has been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 *Interim Financial Reporting* as issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the applicable disclosure requirements of The Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). 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 29, 2025.

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, 2024 which have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, HKASs and Interpretations) as issued by the HKICPA.

**Going concern**

As at June 30, 2025, the Group had net current liabilities of US$44,454,000 and incurred a net loss of US$9,719,000 during the six-month period then ended. Included in its current liabilities was an interest-bearing term loan of US$37,350,000 and a revolving loan of US$5,000,000, both of which are repayable on demand, for the renovation and upgrade works of hotels in Guam and Saipan, and its cash and cash equivalents amounted to approximately US$2,463,000. Moreover, the Group had capital commitments of US$166,000 as at June 30, 2025 in relation to the property, plant and equipment which are expected to be settled during the second half of the year ending December 31, 2025.

In view of such circumstances, 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 a 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 facility. As at June 30, 2025, the Group complies with financial covenants of the banking facility in an aggregate amount of US$48,000,000.

    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. The Group has also placed an aggregate amount equivalent to three-month loan repayments (including interest payments and principal repayments) into its Debt Service Reserve Account with the bank. 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 will continue 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;

(iii) The Group has obtained shareholder loan facilities from Tan Holdings with an aggregate amount of US$43,000,000, of which US$38,800,000 was utilized by the Group as at the end of the Reporting Period. In March 2025, 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 condensed consolidated interim financial information). 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; and

(iv) 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 not less than twelve months from June 30, 2025. 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 for a period of not less than twelve months from June 30, 2025. Accordingly, the Directors consider that it is appropriate to prepare the condensed consolidated interim financial information on a going concern basis.

The Group's ability to generate sufficient cash flows to continue as a going concern is subject to significant uncertainty and will depend on the successful outcome of the above plans and measures. 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, 2024, except for the adoption of the following amended HKFRS Accounting Standard for the first time for the current period's condensed consolidated interim financial information.

| | |
|---|---|
| Amendments to HKAS 21 | *Lack of Exchangeability* |

The nature and impact of the amended HKFRS Accounting Standard are described below:

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the condensed consolidated interim financial information.

## 3 Segment and revenue 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 it is 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 six months ended June 30, 2025 and 2024 are as follows:

| | For the six months ended June 30, | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Hotels and resorts | | Luxury travel retail | | Destination services | | Total | |
| | **2025** | 2024 | **2025** | 2024 | **2025** | 2024 | **2025** | 2024 |
| | ***US$'000*** | *US$'000* | ***US$'000*** | *US$'000* | ***US$'000*** | *US$'000* | ***US$'000*** | *US$'000* |
| | **(Unaudited)** | (Unaudited) | **(Unaudited)** | (Unaudited) | **(Unaudited)** | (Unaudited) | **(Unaudited)** | (Unaudited) |
| **Segment revenue** | | | | | | | | |
| Sales to external customers | **17,332** | 17,157 | **3,216** | 3,506 | **514** | 434 | **21,062** | 21,097 |
| Intersegment sales | **38** | 36 | **—** | — | **—** | — | **38** | 36 |
| Total segment revenue | **17,370** | 17,193 | **3,216** | 3,506 | **514** | 434 | **21,100** | 21,133 |
| Reconciliation: | | | | | | | | |
| Elimination of intersegment sales | | | | | | | **(38)** | (36) |
| | | | | | | | **21,062** | 21,097 |
| Segment results | **(5,699)** | (5,784) | **(596)** | (333) | **(226)** | (111) | **(6,521)** | (6,228) |
| Other gains, net | | | | | | | **72** | 1 |
| Corporate and other unallocated expenses | | | | | | | **(637)** | (806) |
| Finance costs | | | | | | | **(2,633)** | (2,710) |
| **Loss before tax** | | | | | | | **(9,719)** | (9,743) |
| Income tax | | | | | | | **—** | — |
| **Loss for the period** | | | | | | | **(9,719)** | (9,743) |
| **Other segment information:** | | | | | | | | |
| Depreciation of property, plant and equipment | **4,950** | 5,287 | **264** | 254 | **22** | 31 | **5,236** | 5,572 |
| Depreciation of investment properties | **9** | 7 | **—** | — | **—** | — | **9** | 7 |
| Amortization of intangible assets | **12** | 8 | **1** | — | **1** | — | **14** | 8 |
| Provision for obsolete inventories | **—** | 12 | **3** | — | **—** | — | **3** | 12 |
| Write-off of other receivables | **132** | — | **—** | — | **—** | — | **132** | — |
| Write-off of property, plant and equipment | **—** | 4 | **—** | — | **—** | — | **—** | 4 |
| Capital expenditure: | | | | | | | | |
| Segment assets | **578** | 1,087 | **12** | 402 | **21** | — | **611** | 1,489 |
| Unallocated assets | | | | | | | **2** | — |
| | | | | | | | **613** | 1,489 |

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

***For the six months ended June 30, 2025***

| **Segments** | **Hotels and resorts** *US$'000* **(Unaudited)** | **Luxury travel retail** *US$'000* **(Unaudited)** | **Destination services** *US$'000* **(Unaudited)** | **Total** *US$'000* **(Unaudited)** |
|---|---|---|---|---|
| **Types of goods or services** | | | | |
| *Revenue from contracts with customers* | | | | |
| — Room charge | 12,331 | — | — | 12,331 |
| — Food and beverage | 4,452 | — | — | 4,452 |
| — Sale of luxury and leisure clothing and accessories | — | 3,216 | — | 3,216 |
| — Sale of souvenirs and others | — | — | 441 | 441 |
| — Operating excursion tours and rendering of land arrangement services | — | — | 73 | 73 |
| — Other hospitality | 457 | — | — | 457 |
| Total revenue from contracts with customers | 17,240 | 3,216 | 514 | 20,970 |
| *Revenue from other sources* | | | | |
| — Rental income | 92 | — | — | 92 |
| Total revenue | 17,332 | 3,216 | 514 | 21,062 |
| **Geographical markets** | | | | |
| *Revenue from contracts with customers* | | | | |
| — Saipan | 6,878 | 485 | 402 | 7,765 |
| — Guam | 10,362 | 1,806 | 112 | 12,280 |
| — Hawaii | — | 925 | — | 925 |
| Total revenue from contracts with customers | 17,240 | 3,216 | 514 | 20,970 |
| *Revenue from other sources* | | | | |
| — Rental income | 92 | — | — | 92 |
| Total revenue | 17,332 | 3,216 | 514 | 21,062 |

| Segments | Hotels and resorts<br>*US$'000*<br>(Unaudited) | Luxury travel retail<br>*US$'000*<br>(Unaudited) | Destination services<br>*US$'000*<br>(Unaudited) | Total<br>*US$'000*<br>(Unaudited) |
|---|---|---|---|---|
| **Timing of revenue recognition** | | | | |
| *Revenue from contracts with customers* | | | | |
| — Goods transferred at a point in time | **4,909** | **3,216** | **357** | **8,482** |
| — Services transferred over time | **12,331** | **—** | **157** | **12,488** |
| Total revenue from contracts with customers | **17,240** | **3,216** | **514** | **20,970** |
| *Revenue from other sources* | | | | |
| — Rental income | **92** | **—** | **—** | **92** |
| Total revenue | **17,332** | **3,216** | **514** | **21,062** |

*For the six months ended June 30, 2024*

| Segments | Hotels and resorts<br>*US$'000*<br>(Unaudited) | Luxury travel retail<br>*US$'000*<br>(Unaudited) | Destination services<br>*US$'000*<br>(Unaudited) | Total<br>*US$'000*<br>(Unaudited) |
|---|---|---|---|---|
| **Types of goods or services** | | | | |
| *Revenue from contracts with customers* | | | | |
| — Room charge | 12,430 | — | — | 12,430 |
| — Food and beverage | 4,214 | — | — | 4,214 |
| — Sale of luxury and leisure clothing and accessories | — | 3,506 | — | 3,506 |
| — Sale of souvenirs and others | — | — | 370 | 370 |
| — Operating excursion tours and rendering of land arrangement services | — | — | 64 | 64 |
| — Other hospitality | 433 | — | — | 433 |
| Total revenue from contracts with customers | 17,077 | 3,506 | 434 | 21,017 |
| *Revenue from other sources* | | | | |
| — Rental income | 80 | — | — | 80 |
| Total revenue | 17,157 | 3,506 | 434 | 21,097 |
| **Geographical markets** | | | | |
| *Revenue from contracts with customers* | | | | |
| — Saipan | 7,119 | 870 | 346 | 8,335 |
| — Guam | 9,958 | 1,700 | 88 | 11,746 |
| — Hawaii | — | 936 | — | 936 |
| Total revenue from contracts with customers | 17,077 | 3,506 | 434 | 21,017 |
| *Revenue from other sources* | | | | |
| — Rental income | 80 | — | — | 80 |
| Total revenue | 17,157 | 3,506 | 434 | 21,097 |

| Segments | Hotels and resorts<br>*US$'000*<br>(Unaudited) | Luxury travel retail<br>*US$'000*<br>(Unaudited) | Destination services<br>*US$'000*<br>(Unaudited) | Total<br>*US$'000*<br>(Unaudited) |
|---|---|---|---|---|
| **Timing of revenue recognition** | | | | |
| *Revenue from contracts with customers* | | | | |
| — Goods transferred at a point in time | 4,647 | 3,506 | 295 | 8,448 |
| — Services transferred over time | 12,430 | — | 139 | 12,569 |
| Total revenue from contracts with customers | 17,077 | 3,506 | 434 | 21,017 |
| *Revenue from other sources* | | | | |
| — Rental income | 80 | — | — | 80 |
| Total revenue | 17,157 | 3,506 | 434 | 21,097 |

## 4 Other gains, net

| | **For the six months ended June 30,** | |
|---|---|---|
| | **2025**<br>***US$'000***<br>**(Unaudited)** | 2024<br>*US$'000*<br>(Unaudited) |
| Net exchange (losses)/gains | **(1)** | 1 |
| Gains on disposal of property, plant and equipment | **73** | — |
| | **72** | 1 |

## 5 Finance costs

| | For the six months ended June 30, | |
|---|---|---|
| | **2025** | 2024 |
| | ***US$'000*** | *US$'000* |
| | **(Unaudited)** | (Unaudited) |
| Interest expense on lease liabilities | **394** | 414 |
| Interest expenses on bank borrowings | **1,481** | 1,852 |
| Interest expenses on other borrowings | **640** | 444 |
| Imputed interest expenses on other borrowings | **118** | — |
| | **2,633** | 2,710 |

## 6 Loss before tax

The Group's loss before tax is arrived at after charging:

| | For the six months ended June 30, | |
|---|---|---|
| | **2025** | 2024 |
| | ***US$'000*** | *US$'000* |
| | **(Unaudited)** | (Unaudited) |
| Cost of inventories sold | **1,883** | 2,053 |
| Food and beverage costs | **1,424** | 1,269 |
| Employee benefit expenses (including directors' remuneration): | | |
| Wages, salaries and other benefits | **7,325** | 7,293 |
| Pension scheme contributions (defined contribution scheme)* | **32** | 21 |
| | **7,357** | 7,314 |
| Lease payments not included in the measurement of lease liabilities | **520** | 482 |
| Write-off of other receivables | **132** | — |
| Depreciation of property, plant and equipment | **5,236** | 5,572 |
| Write-off of property, plant and equipment | **—** | 4 |
| Depreciation of investment properties | **9** | 7 |
| Amortization of intangible assets | **14** | 8 |
| Provision for obsolete inventories | **3** | 12 |

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

## 7 Income tax

No provision for Hong Kong, the Commonwealth of the Northern Mariana Islands (the "**CNMI**"), Guam and Hawaii profits tax has been made for the six months ended June 30, 2025 and 2024 as the Group did not generate any assessable profits arising in Hong Kong, the CNMI, Guam and Hawaii during these periods.

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

The CNMI imposes progressive (1.5% to 5%) business gross receipt tax payments ("**BGRT**"). Companies incorporated and operating in the CNMI are entitled to use BGRT as tax credits in deriving the corporate income tax during the six months ended June 30, 2025 and 2024.

## 8 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 period attributable to owners of the Company of US$9,590,000 (six months ended June 30, 2024: US$9,667,000), and the weighted average number of ordinary shares of 360,000,000 (six months ended June 30, 2024: 360,000,000) in issue during the Reporting Period.

No adjustment has been made to the basic loss per share amount presented for each of the periods ended June 30, 2025 and 2024 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during each of the periods ended June 30, 2025 and 2024.

## 9 Dividend

The board of directors does not recommend the payment of an interim dividend for the six months ended June 30, 2025 (six months ended June 30, 2024: Nil).

## 10 Trade receivables

| | **As at June 30, 2025** | As at December 31, 2024 |
|---|---|---|
| | ***US$'000*** | *US$'000* |
| | **(Unaudited)** | (Audited) |
| Trade receivables *(Note)* | **2,257** | 2,492 |
| Impairment | **(529)** | (589) |
| | **1,728** | 1,903 |

*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. As at June 30, 2025 and December 31, 2024, the aging analysis of the trade receivables based on invoice date and net of loss allowance, were as follows:

| | **As at June 30, 2025** | As at December 31, 2024 |
|---|---|---|
| | ***US$'000*** | *US$'000* |
| | **(Unaudited)** | (Audited) |
| Within 30 days | **408** | 575 |
| 31 to 60 days | **13** | 16 |
| 61 to 90 days | **5** | 8 |
| Over 90 days | **1,302** | 1,304 |
| | **1,728** | 1,903 |

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 June 30, 2025 *US$'000* (Unaudited) | As at December 31, 2024 *US$'000* (Audited) |
|---|---|---|
| Trade payables | | |
| — to third parties *(Note (i))* | **3,399** | 3,291 |
| — to related parties *(Note (ii))* | **1,031** | 917 |
| Total trade payables | **4,430** | 4,208 |
| Accruals and other payables | | |
| — Accrued staff salaries | **578** | 504 |
| — Other taxes payable | **352** | 503 |
| — Other accruals and payables | **6,140** | 6,642 |
| | **7,070** | 7,649 |
| | **11,500** | 11,857 |

*Notes:*

(i) Trade payables to third parties

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

| | As at June 30, 2025 *US$'000* (Unaudited) | As at December 31, 2024 *US$'000* (Audited) |
|---|---|---|
| Within 30 days | **2,113** | 1,607 |
| 31 to 60 days | **306** | 516 |
| 61 to 90 days | **162** | 150 |
| Over 90 days | **818** | 1,018 |
| | **3,399** | 3,291 |

(ii) Trade payables to related parties

As at June 30, 2025 and December 31, 2024, the trade payables to related parties are unsecured, interest-free and with credit term of 30 days.

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

| | **As at June 30, 2025** | As at December 31, 2024 |
|---|---|---|
| | ***US$'000*** | *US$'000* |
| | **(Unaudited)** | (Audited) |
| Within 30 days | **121** | 123 |
| 31 to 60 days | **54** | 118 |
| 61 to 90 days | **50** | 59 |
| Over 90 days | **806** | 617 |
| | **1,031** | 917 |

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

| | **As at June 30, 2025** | As at December 31, 2024 |
|---|---|---|
| | ***US$'000*** | *US$'000* |
| | **(Unaudited)** | (Audited) |
| US$ | **11,385** | 11,670 |
| HK$ | **115** | 187 |
| | **11,500** | 11,857 |

## MANAGEMENT DISCUSSION AND ANALYSIS

### I. BUSINESS OVERVIEW

The recovery of the global economy has slowed down since the start of 2025 due to high tariffs imposed by the United States of America (the "**U.S.**"), trade tensions and policy uncertainty. In view of this, the economic uncertainties and vulnerabilities which existed since the COVID-19 pandemic intensified. Under these circumstances, the recovery of the tourism market in Guam and the Commonwealth of Northern Mariana Islands (the "**CNMI**") is stalled, and visitor arrivals remained below pre-pandemic levels.

For the first six months of 2025, Guam recorded approximately 336,000 visitor arrivals, which is a decrease of 11.2% when compared to the same period last year and represents approximately 43.2% of the number of visitor arrivals during the same period in 2019 (pre-pandemic). On the other hand, for the first six months of 2025, Saipan recorded approximately 80,000 visitor arrivals, which represents a decrease of 36.2% when compared to the same period last year and represents approximately 32.5% of the number of visitor arrivals during the same period in 2019 (pre-pandemic).

Despite the fact that South Korea remained the leading tourist origin market of both Guam (46.0% of total visitor arrivals for the first six months of 2025) and the CNMI (67.6% of total visitor arrivals for the first six months of 2025), the tourist arrivals from South Korea in Guam and the CNMI declined by 23.2% and 40.1%, respectively, when compared to the same period last year. Visitor arrivals from Japan, another key tourist origin market of Guam, increased by 18.1% when compared to the same period last year, but represents only 35.3% of the number of visitor arrivals in the corresponding period of 2019 (pre-pandemic). On the other hand, Saipan recorded a decrease in visitor arrivals from Japan of 33.2% when compared to the same period of preceding year, representing approximately 68.9% of the number of visitor arrivals from Japan in the same period of 2019 (pre-pandemic).

Following the tragic plane crash in South Korea in December 2024, the government of South Korea increased governmental oversight and imposed strict maintenance requirements on all Korean low-cost carriers and airlines. Since May 2025, various Korean low-cost carriers have reduced and/or suspended the number of daily flights from Seoul to Guam and Saipan as part of the large-scale suspension of hundreds of routes by the airlines due to declined profitability. On the other hand, the continuously strong U.S. dollar against both the Korean won and Japanese yen diminished the spending power of travelers.

Mainland China is another key tourist origin market for Saipan. However, visitor arrivals from Mainland China dropped precipitously since April 2025 due to an abrupt suspension in the processing of travelers' applications under the CNMI Economic Vitality & Security Travel Authorization Program (the "**CNMI EVS-TAP**") by the U.S. Customs and Border Protection. This suspension halted the recovery of tourist arrivals from Mainland China to the CNMI and heavily impacted the tourism-related businesses in the CNMI, and the direct flight from Hong Kong to Saipan has been suspended since late April 2025.

Throughout the Reporting Period, Crowne Plaza Resort Guam, Crowne Plaza Resort Saipan and Century Hotel continued to be open for business. On March 27, 2025, after careful consideration as regards the pace of recovery of the leisure tourism market of Saipan and the substantial amount of capital expenditure required for the renovation and rebranding of Kanoa Resort, the Group has decided not to renew the land lease of Kanoa Resort upon its expiry on June 15, 2025, and, accordingly, Kanoa Resort was permanently closed and the property was returned to the Department of Public Lands on the lease expiry date. All luxury travel retail boutiques in Guam, Saipan and Hawaii as well as some of the Group's excursion tours in Saipan continued to be open for business throughout the Reporting Period.

Stepping into the second half of 2025, the Guam Visitors Bureau (the "**GVB**") continues to take action in accordance with their Short-Term Tactical Plan to address the decline in tourist arrivals and achieve sustainable recovery in the tourism market. Through July to October 2025, various South Korean low-cost carriers and airlines have confirmed to increase flight frequencies from Seoul to Guam, leading to a corresponding increase in tourist arrivals from South Korea to Guam.

On the other hand, the U.S. Customs and Border Protection resumed processing travelers' applications under the CNMI EVS-TAP. In view of this, the management of the Group is optimistic that the direct flight service from Hong Kong to Saipan will resume by late September 2025, leading to a corresponding increase in tourist arrivals from Mainland China to Saipan.

Furthermore, the CNMI Department of Public Lands issued a "Notice of Intent to Award" in relation to the granting of a Master Concession Agreement for Managaha Island to the Group. Managaha Island is an iconic, small and uninhabited island off the west coast of Saipan. It sits in Saipan's lagoon and is known for its beautiful beaches, clear water and various water activities. Managaha Island is a popular day-trip destination for tourists and is about five to ten minutes boat rides from our Crowne Plaza Resort Saipan. By entering into the Master Concession Agreement, the Group will be granted the right to operate businesses relating to the transportation to and from Managaha Island, non-motorized marine sports, recreational activities, food, beverages and souvenirs, which could enhance the overall experience of our hotel guests and expand the excursion tours businesses in Saipan under the Destination Services Segment.

***Revenue and Operating Loss***

For the Reporting Period, the Group recorded a revenue of approximately US$21,062,000, maintaining a similar level of revenue as the corresponding period in the preceding year of approximately US$21,097,000. The total revenue from our Guam businesses increased by 4.6% when compared to the same period in the preceding year, which was offset by a decrease of 6.8% in the total revenue from our Saipan businesses when compared to the same period last year.

During the Reporting Period, Crowne Plaza Resort Guam maintained a similar average room rate and a slight increase in occupancy rate as compared to the same period last year. On the other hand, the average room rate of Crowne Plaza Resort Saipan increased by 7.3% due to the dedicated efforts of the hotel manager, but unfortunately, the halt in the processing of the CNMI EVS-TAP of tourists from Mainland China and the reduction of flights from Seoul to Saipan substantially impacted the number of tourist arrivals. Hence, the occupancy rate of our hotels, as well as the business of our luxury travel retail boutiques and our destination services in Saipan were negatively impacted during the Reporting Period.

For the six months ended June 30, 2025, the operating loss of the Group was approximately US$7,086,000, maintaining a similar level of operating loss of the Group as compared to the same period last year of approximately US$7,033,000. With the continuous efforts of the management of the Group in improving operational efficiency as well as implementing effective cost-saving measures, the Group managed to control the costs of the Group during this difficult time. It should also be noted that the said amount of operating loss during the Reporting Period 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$5,259,000.

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 82.3%, 15.3% and 2.4% 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$17,332,000, representing a slight increase when compared with the corresponding period in 2024 of approximately US$17,157,000. As mentioned above, Crowne Plaza Resort Guam increased its revenue by 4.1% due to the increase in the occupancy rate. Such increase was offset by the decrease of 2.6% in the revenue of Crowne Plaza Resort Saipan due to an abrupt suspension in the processing of travelers' application under the CNMI EVS-TAP by the U.S. Customs and Border Protection as well as the reduction in the number of flights from Seoul to Saipan, which resulted in a decline in occupancy rate. On the other hand, no revenue was generated by Kanoa Resort during the Reporting Period as it remained closed until the expiry of the land lease.

For the six months ended June 30, 2025, the Hotels & Resorts Segment has a negative segmental margin of approximately US$5,699,000, representing a slight decrease in loss when compared to the same period of the preceding year. 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. The said amount of negative segmental margin has taken into account, amongst others, (1) the recognition of depreciation and amortization expenses (non-cash items) relating to the Group's assets of approximately US$4,971,000; and (2) the write-off of assets of Kanoa Resort of approximately US$132,000.

***Crowne Plaza Resort Guam***

For the Reporting Period, revenue from Crowne Plaza Resort Guam increased by US$412,000, representing an increase of 4.1% as compared to the preceding year and an increase of 6.2% as compared to the revenue of Fiesta Resort Guam (now rebranded as Crowne Plaza Resort Guam) for the six months ended June 30, 2019 (pre-pandemic).

Although tourist arrivals in Guam declined when compared to the same period last year, the occupancy rate of Crowne Plaza Resort Guam increased during the Reporting Period due to the completion of the re-construction and repair works of the seawall located at the hotel property line, which was damaged by Typhoon Mawar in 2023. The works were carried out in the second quarter of 2024, which negatively impacted the hotel guests' overall experience and thus the resort's occupancy rate in the relevant period.

The Group benefits from the use of the booking engines of the InterContinental Hotels Group ("**IHG**") and enjoys IHG's marketing and operational support. In addition, perpetual improvement in operation efficiency and optimization of our sales channels and business mix helped enhance customers' loyalty and reduced our reliance on wholesales agents. During the Reporting Period, Crowne Plaza Resort Guam successfully maintained average room rate comparable to the same period last year, resulting in a positive gross operating profit.

***Crowne Plaza Resort Saipan***

For the six months ended June 30, 2025, revenue from Crowne Plaza Resort Saipan decreased by approximately US$184,000 or 2.6% as compared to the same period in the preceding year and represented approximately 43.8% of the revenue of Fiesta Resort Saipan (now rebranded as Crowne Plaza Resort Saipan) for the six months ended June 30, 2019 (pre-pandemic).

Since late April 2025, an abrupt suspension in the processing of travelers' applications under the CNMI EVS-TAP by the U.S. Customs and Border Protection halted the recovery of tourist arrivals from Mainland China to the CNMI and led to the suspension of the direct flight service from Hong Kong to Saipan. On the other hand, following the tragic plane crash in South Korea in December 2024, the government of South Korea has increased governmental oversight and imposed strict maintenance requirements on all Korean low-cost carriers and airlines. Since May 2025, various Korean low-cost carriers have reduced and/or suspended the number of daily flights from Seoul to Saipan due to declined profitability, which further impacted the number of tourist arrivals in Saipan. The decline in tourist arrivals negatively impacted the occupancy rate of Crowne Plaza Resort Saipan as well as the Group's other tourism-related businesses in Saipan. Nevertheless, the management's dedication in pushing up the average room rate of Crowne Plaza Resort Saipan throughout the Reporting Period helped narrow the decline in revenue.

### *Kanoa Resort*

Kanoa Resort completed the emergency contract with the CNMI Homeland Security and Emergency Management in July 2022, and remained closed since then. Accordingly, no revenue was generated from Kanoa Resort during the Reporting Period. On March 27, 2025, after careful consideration as regards the pace of recovery of the leisure tourism market of Saipan and the substantial amount of capital expenditure required for the renovation and rebranding of Kanoa Resort, the Group has decided not to renew the land lease of Kanoa Resort upon its expiry on June 15, 2025, and, accordingly, Kanoa Resort was permanently closed and the property was returned to the Department of Public Lands on the lease expiry date.

### *Luxury Travel Retail Segment*

For the Reporting Period, revenue from the Luxury Travel Retail Segment was approximately US$3,216,000, representing a decrease of US$290,000 or 8.3% as compared to the same period in the preceding year. On one hand, revenue from our Guam and Hawaii Luxury Travel Retail businesses in fact increased by US$95,000 or 3.6% as compared to the same period last year despite the decline in the number of tourist arrivals in Guam. However, on the other hand, revenue from our Saipan Luxury Travel Retail business suffered a substantial decrease of US$385,000 or 44.3% as compared to the same period last year. This is a result of the decline in the number of tourists arrivals in Saipan from Mainland China and South Korea as mentioned above, coupled with the impact of the continuously strong U.S. dollar as well as economic uncertainties and vulnerabilities, which continued to diminish travelers' spending power.

For the six months ended June 30, 2025, the Luxury Travel Retail Segment had a negative segmental margin of approximately US$596,000. 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$265,000. During the Reporting Period, the management of the Group continued to implement effective cost-saving measures to alleviate the negative financial impact on the segmental results. With the renovation of our last boutique in Guam being completed in early July 2025, all boutiques have now been relocated to stronger retail spaces, and the management of the Group is cautiously optimistic that segmental profitability would gradually pick up.

*Destination Services Segment*

For the Reporting Period, revenue from the Destination Services Segment was approximately US$514,000, representing an increase of US$80,000 or 18.4% as compared to corresponding period of the preceding year. The increase in revenue was mainly contributed by the two convenience stores located within the hotel premises of Crowne Plaza Resort Guam and Crowne Plaza Resort Saipan.

For the six months ended June 30, 2025, the segmental loss of the Destination Services Segment was approximately US$226,000, representing an increase in loss of US$115,000 when compared to the same period in preceding year. The decrease in the number of tourist arrivals in Saipan during the Reporting Period negatively impacted the excursion tours business. Depreciation and amortization expenses (non-cash items) recognized during the Reporting Period under the Destination Services Segment was approximately US$23,000. The management of the Group is cautiously optimistic that the performance of the Destination Service Segment, in particular, our excursion tours business will improve along with the progressive recovery of the tourism market in Saipan.

## 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

Subsequent to the Reporting Period, the Group continues its efforts in expanding its share of the tourism markets in Guam and Saipan. For Guam, the GVB continues to take action in accordance with their Short-Term Tactical Plan to address the decline in tourist arrivals and achieve sustainable recovery in the tourism market. Starting in July 2025, various South Korean low-cost carriers and airlines have increased flight frequencies from Seoul to Guam, adding approximately 95,000 air seats, a 63.4% increase when compared to the same period last year from July to October 2025. Coupled with ongoing efforts by the GVB to promote visitor-friendly sites, businesses and attractions in Guam to boost Guam's visibility in the target tourist origin markets, the management of the Group is optimistic that the number of tourist arrivals will gradually improve.

In mid-July 2025, the U.S. Customs and Border Protection has resumed the processing of travelers' applications under the CNMI EVS-TAP. In view of this, the management of the Group is optimistic that the direct flight service from Hong Kong to Saipan will resume by late September 2025. In addition to the resumption of the direct flight service from Hong Kong to Saipan, the management of the Group continues its efforts to liaise with the airline to increase weekly flight frequency, aiming to increase the volume and secure better time slots for flights. On the other hand, the management of the Group is engaging with airlines in Mainland China with the hope of resuming direct flight services from select cities thereto Saipan in the foreseeable future. All of these are expected to reinforce the tourist arrivals from Mainland China to Saipan.

On July 22, 2025, the CNMI Department of Public Lands issued a "Notice of Intent to Award" in relation to the granting of a Master Concession Agreement for Managaha Island to the Group. Managaha Island is an iconic, small and uninhabited island off the west coast of Saipan. It sits in Saipan's lagoon and is known for its beautiful beaches, clear water and various water activities. Managaha Island is a popular day-trip destination for tourists and is about five to ten minutes boat rides from our Crowne Plaza Resort Saipan. By entering into the Master Concession Agreement, the Group will be granted the right to operate businesses relating to the transportation to and from Managaha Island, non-motorized marine sports, recreational activities, food, beverages and souvenirs, which could enhance the overall experience of our hotel guests and expand the excursion tours business in Saipan under the Destination Services Segment.

Further, in March 2025, the Group has received a written commitment from Tan Holdings for a standby shareholder loan facility of US$9,000,000 for the purpose of financing the general working capital of the Group going forward.

After the end of the Reporting Period, the management of the Group and the Hotel Manager continue their efforts in improving the operational efficiency of both Crowne Plaza resorts, and continue to implement effective cost-saving measures to improve the segmental margin of our Hotels & Resorts Segment. Both Crowne Plaza resorts and Century Hotel remain open for business. For our Luxury Travel Retail Segment, all luxury travel retail boutiques in Guam, Saipan and Hawaii remain in operation under normal business hours on a daily basis. Under the Destination Services Segment, the convenience stores located within the hotel premises of the Crowne Plaza resorts and the Group's excursion tours continue to operate.

## V. LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

In the first half of 2025, the financial position of the Group remained healthy. The Group generally finances its operations with internally generated cash flows, shareholder's loans and external financing. As at June 30, 2025, the total amount of cash and bank deposits of the Group was approximately US$2,463,000, which is comparable to that as at December 31, 2024.

As at June 30, 2025, the Group had an interest-bearing term loan of US$37,350,000 (As at December 31, 2024: US$39,500,000) and a revolving loan of US$5,000,000 (As at December 31, 2024: US$5,000,000). The relevant banking facilities were fully drawn down as at June 30, 2025. 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$5,650,000 repaid as at June 30, 2025, approximately US$4,300,000 repayable within one year, approximately US$26,609,000 repayable in the second year, and approximately US$6,441,000 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:

| | Date of Loan Agreement | Amount of Loan Facility | Interest Rate | Maturity Date |
|---|---|---|---|---|
| 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.

As at June 30, 2025, the Company had drawn down the full loan facility amount of Loans 1 to 5 and an amount of US$6,800,000 of Loan 6.

In March 2025, the Group has received a written commitment from Tan Holdings for a standby shareholder loan facility of US$9,000,000.

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, 2025.

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 June 30, 2025, the gearing ratio of the Group was 174.6% (2024: 131.0%).

The capital structure of the Group consists of debts which include bank borrowings, shareholder's loans, 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 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.

## 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. 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, 2025, the financial assets and liabilities of the subsidiaries of the Group in Saipan, Guam and Hawaii are primarily denominated in United States Dollars. Therefore, the Group's foreign exchange risk is insignificant.

## VII. FUTURE PLANS AND MARKET PROSPECTS

The tourism industry remains the focus of both Guam and Saipan. In December 2024, the GVB published a *Short-term Tourism Recovery Plan and Situation Report* in relation to the tourism industry of Guam. In the second half of 2025, it is expected that the GVB will continue to take action in accordance with their Short-Term Tactical Plan to halt the decline in tourist arrivals and achieve a sustainable recovery in the tourism market. Over the past few months, the GVB has attended various travel expos held in Taiwan and the Philippines to connect with local agents to promote Guam travel packages. In addition, there has also been ongoing efforts by the GVB to promote visitor-friendly sites, businesses and attractions in Guam to boost Guam's visibility in the target tourist origin markets.

For Saipan, the Marianas Visitors Authority (the "**MVA**") continues to take the lead in reaffirming ties and collaboration with key tourism partners in South Korea, Japan and China by attending various international travel expo to intensify the continuous recovery of tourist arrivals from all target tourist origin markets.

### *Hotels & Resorts Segment*

As of the date of this announcement, the Hotel Manager of the two Crowne Plaza resorts continues its efforts in expanding the hotels' respective share of the tourism markets in Guam and Saipan and improving operational efficiency. The Hotel Manager continues to reach out to our tourist origin markets through participation in various marketing campaigns and international travel fairs held in South Korea, Japan, Taiwan, Shanghai and Shenzhen. Riding on the use of IHG's booking engines, coupled with the marketing and operational support from IHG, the management of the Group expects to be able to continue to optimize the sales channels and business mix of the Crowne Plaza resorts, which will help maintain or even increase the hotels' average room rates and further enhance customer loyalty.

### *Luxury Travel Retail Segment*

All boutiques in Guam have been settled in stronger retail spaces with a view to improving segmental profitability. For Saipan and Hawaii, all of the Group's luxury travel retail boutiques continue to operate under normal business hours on a daily basis. With the expected resumption of tourist arrivals from Mainland China to Saipan following the resumption in the processing of CNMI EVS-TAP applications, the management of the Group is cautiously optimistic that segmental profitability would gradually pick up.

***Destination Services Segment***

In view of the anticipated grant of a Master Concession Agreement for Managaha Island by the CNMI Department of Public Lands to the Group, the management of the Group is in the process of planning and designing how it could extend and enhance the overall experience of its hotel guests and expand its Saipan excursion tours business under the Destination Services Segment. The management of the Group believes that the operation of different businesses on the iconic Managaha Island could create positive synergy by enhancing the overall experience of its guests in Saipan, which will be beneficial to the long-term growth of the Group.

***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 cautiously explore possible merger and acquisition opportunities.

## VIII. CONTINGENT LIABILITIES

As at June 30, 2025, the Group did not have any material contingent liabilities.

## IX. EMPLOYEES AND EMOLUMENT POLICY

As at June 30, 2025, the Group had a total of 343 (as at June 30, 2024: 351) full-time employees, including 206 employed in Saipan, 127 employed in Guam, 5 employed in Hawaii and 5 employed in Hong Kong. During the Reporting Period, the management of the Group reviewed the operation efficiency and reduced some headcount as of June 30, 2025. 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$7,357,000 (for the six months ended June 30, 2024: US$7,314,000). 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, 2025.

## 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. 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 Mr. WONG Chun Tat. 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.

## XII. INTERIM DIVIDEND

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

## XIII. CORPORATE GOVERNANCE PRACTICES

The Board has adopted the applicable code provisions of the Corporate Governance Code (the "**CG Code**") set out in Appendix C1 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.

## XIV. 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 C3 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.

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

The interim report will be published on the websites of the Company (www.saileisuregroup.com) and the Stock Exchange (www.hkex.com.hk) in accordance with Rule 13.48(1) of the Listing Rules.

By order of the Board
**S.A.I. Leisure Group Company Limited**
**Henry Tan**, *SBS, BBS, JP*
*Vice Chairman, Executive Director*
*and Chief Executive Officer*

Hong Kong, August 29, 2025

*As at the date of this announcement, the Board comprises: (1) Dr. TAN Henry, Mr. CHIU George, Mrs. SU TAN Jennifer Sze Tink and Ms. CHEUNG Pik Shan Bonnie as the Executive Directors; (2) Dr. TAN Siu Lin (Chairman) and Mr. TAN Willie as the Non-Executive Directors; and (3) Mr. CHAN Leung Choi Albert, Mr. MA Andrew Chiu Cheung and Mr. WONG Chun Tat as the Independent Non-Executive Directors.*