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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 financial year ended December 31, 2023 (“**FY2023**”), the Board expects the Group to record a loss attributable to shareholders of the Company of approximately US\$23.0 million for FY2023, as compared to a loss attributable to shareholders of the Company of approximately US\$11.4 million for the preceding financial year ended December 31, 2022.

Based on the information currently available to the Board, the increase in loss is mainly attributable to a significant increase in certain hotel operating expenses in view of the full resumption of business operations of Crowne Plaza Resort Saipan (throughout FY2023) and Crowne Plaza Resort Guam (since March 2023). In particular, there was a sharp increase in (i) utilities and operating expenses and (ii) staff costs as both of the abovementioned hotels maintained a full team of staff since their respective reopening dates in view of operational needs, whilst in the preceding year, both resorts only maintained a full team in the last month of the year. In addition, the Group recognized depreciation and amortization expenses (non-cash items) relating to the Group’s assets of approximately US\$10.9 million.

Nevertheless, the Board notes that the negative impact of the above factors on the Group's financial performance for FY2023 has been mitigated by the following:-

- (a) management of the Group continued to implement effective cost-saving measures to alleviate the negative financial impact during the ramp-up period of Crowne Plaza Resort Guam and Crowne Plaza Resort Saipan as well as the temporary closure of Kanoa Resort; and
- (b) management of the Group has been actively adjusting operation strategies together with IHC Hotel Limited (the "**Hotel Manager**") to improve the operation efficiency of both Crowne Plaza Resort Guam and Crowne Plaza Resort Saipan.

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 FY2023 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 FY2023 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 unaudited annual results of the Group for FY2023, which is expected to be published in late March 2024.

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, BBS, JP
*Vice Chairman, Executive Director
and Chief Executive Officer*

Hong Kong, March 8, 2024

As at the date of this announcement, the Board comprises: (1) Dr. TAN Henry, Mr. CHIU George and Mrs. SU TAN Jennifer Sze Tink as the executive directors; (2) Dr. TAN Siu Lin (Chairman), Mr. TAN Willie and Mr. SCHWEIZER Jeffrey William as the non-executive directors; and (3) Mr. CHAN Leung Choi Albert, Mr. MA Andrew Chiu Cheung and Mr. WONG Chun Tat as the independent non-executive directors.