

SHANGRI-LA GROUP

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Shangri-La Asia Limited

(Incorporated in Bermuda with limited liability)

website: www.ir.shangri-la.com

(Stock code: 00069)

2024 FINAL RESULTS ANNOUNCEMENT

The board of directors (“**Board**”) of Shangri-La Asia Limited (“**Company**”) wishes to announce the results of the Company and its subsidiaries (“**Group**”), and associates for the year ended 31 December 2024. The consolidated financial statements for the year ended 31 December 2024 have been audited by the Company’s auditor, PricewaterhouseCoopers, in accordance with the Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants and reviewed by the audit & risk committee of the Board. The auditor’s report was unqualified.

The following table summarises the highlights of our financial results:

	2024	2023	
	<i>USD million</i>	<i>USD million</i>	% change
Consolidated revenue	2,185.4	2,141.8	2.0%
Effective share of revenue of the Company, subsidiaries and associates ^(Note 1)	2,653.6	2,769.2	-4.2%
EBITDA ^(Note 2) of the Company and its subsidiaries	503.9	522.2	-3.5%
Effective share of EBITDA ^(Note 3) of the Company, subsidiaries and associates	760.1	873.6	-13.0%
Profit attributable to owners of the Company:			
– Operating items	115.9	129.0	-10.2%
– Non-operating items	45.5	55.1	-17.4%
Total	161.4	184.1	-12.3%
Earnings per share (US cents per share)	4.54	5.17	-12.2%
Net assets attributable to owners of the Company	5,183.5	5,222.4	-0.7%
Net assets per share attributable to owners of the Company (USD)	1.46	1.47	-0.7%

Notes:

1. Effective share of revenue is the aggregate total of the Company's revenue and the Group's share of revenue of subsidiaries and associates based on percentage of equity interests.
2. EBITDA, which is a non-HKFRS financial measure used to measure the Group's operating profitability, is defined as the earnings before finance costs, tax, depreciation and amortisation, gains/losses on disposal of fixed assets and non-operating items such as gains/losses on disposal of interest in investee companies; fair value gains/losses on investment properties and financial assets; and net impairment losses on fixed assets.
3. Effective share of EBITDA is the aggregate total of the Company's EBITDA and the Group's share of EBITDA of subsidiaries and associates based on percentage of equity interests.

The Board recommends a final dividend of HK10 cents (2023: HK15 cents) per ordinary share for 2024. With the interim dividend of HK5 cents (2023: nil) per ordinary share paid in October 2024, total dividend for full year 2024 is HK15 cents (2023: HK15 cents) per ordinary share.

FINANCIAL HIGHLIGHTS

- Consolidated revenue for the year ended 31 December 2024 was USD2,185.4 million, an increase of 2.0%, compared to USD2,141.8 million for the year ended 31 December 2023, despite a changing landscape.
- Effective share of revenue of the Company, subsidiaries and associates for the year ended 31 December 2024 was USD2,653.6 million, a decrease of 4.2%, compared to USD2,769.2 million for the year ended 31 December 2023 primarily due to a sharp 73.9% decline in Property Development for Sale revenue to USD48.5 million (from USD185.5 million in 2023).
- Effective share of EBITDA of the Company, subsidiaries and associates for the year ended 31 December 2024 was USD760.1 million, a decrease of 13.0%, compared to USD873.6 million for the year ended 31 December 2023. This decline is primarily driven by an 87.9% reduction in the effective share of EBITDA from Property Development for Sale, which fell to USD11.8 million from USD97.9 million in the prior year, further compounded by the normalisation of operating expenses in our Hotel Operations segment.
- Profit attributable to owners of the Company from operating items was USD115.9 million for the year ended 31 December 2024, a decrease of 10.2%, compared to USD129.0 million for the year ended 31 December 2023. This reduction was driven largely by the aforementioned decline in the effective share of EBITDA. However, the impact was significantly mitigated by tax savings resulting from lower profits in Property Development for Sale, as well as favourable net exchange gains of USD13.3 million recognised at the corporate level, compared to net exchange losses of USD14.3 million in the prior year.
- All in all, profit attributable to owners of the Company was USD161.4 million for the year ended 31 December 2024, a decrease of 12.3%, compared to USD184.1 million for the year ended 31 December 2023, reflecting a reduction following a year-on-year decrease of USD9.6 million in net gains from non-operating items.

DISCUSSION AND ANALYSIS

The principal activities of the Group remained the same as in 2023. The Group's business is organised into four main segments:





- **Hotel Properties** – development, ownership and operation of hotel properties (including hotels under leases)
- **Hotel Management and Related Services** for Group-owned hotels and for hotels owned by third parties
- **Investment Properties** – development, ownership and operation of office properties, commercial properties and serviced apartments/residences for rental purpose
- **Property Development for Sale** – development and sale of real estate properties

The Group continues to develop hotel properties, investment properties for rental purposes and properties for sale for the above-mentioned business segments.

The Group currently owns and/or manages hotels under the following brands:

- **Shangri-La Hotels and Resorts**
- **Kerry Hotels**
- **JEN by Shangri-La**
- **Traders Hotels**

The following table summarises the hotels and rooms of the Group as at 31 December 2024:

	Owned/Leased		Managed		Total Operating Hotels		Hotels Under Development	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Owned/Leased Hotels	Hotels Under Management Contracts
		<i>in '000</i>		<i>in '000</i>		<i>in '000</i>		
	73	30.7	19	6.0	92	36.7	4	1
	3	1.6	–	–	3	1.6	–	–
	8	3.1	1	0.3	9	3.4	–	1
	–	–	2	0.9	2	0.9	1	–
Total	84	35.4	22	7.2	106	42.6	5	2

Notes:

- (1) Shangri-La Nanshan, Shenzhen (a management hotel owned by a third party) in Mainland China opened for business in January 2024.
- (2) JEN Kunming by Shangri-La (45% equity interest owned by the Group) in Mainland China opened for business in April 2024.
- (3) Shangri-La Phnom Penh (a management hotel owned by a third party) in Cambodia opened for business in December 2024.

The following table summarises the total Gross Floor Area (“GFA”) of the operating investment properties for rental owned by subsidiaries and associates:

	Group's equity interest	Total GFA of the operating investment properties as at 31 December 2024		
		Office spaces	Commercial spaces	Serviced apartments/residential
<i>(in thousand square metres)</i>				
Mainland China	20.0-100.0%	984.9	713.7	266.5
Malaysia	52.78%	45.2	8.5	17.4
Singapore	44.6-100.0%	3.3	22.9	24.7
Australia	100.0%	0.5	11.4	–
Mongolia	51.0%	58.0	39.6	30.0
Myanmar	55.86-59.28%	37.6	11.8	56.8
Sri Lanka	90.0%	59.9	79.5	3.7
TOTAL		1,189.4	887.4	399.1

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

The following table shows the Group's profit or loss for the year ended 31 December 2024 and 2023 presented in the conventional financial statement format and the effective share format, respectively. Amounts presented in the conventional financial statement format refer to the aggregate total of the Company and its subsidiaries at 100% basis less non-controlling interests and add share of profit or loss of associates to come up with the Group's final reported profit or loss attributable to owners of the Company. The alternative presentation of the Group's profit or loss at effective share is a non-HKFRS financial presentation format and the amounts presented at effective share are the aggregate total of the Company and the Group's share of subsidiaries and associates based on percentage of equity interests.

	Profit or loss for the year ended 31 December 2024		Profit or loss for the year ended 31 December 2023		% change	
	Financial statement format	Effective share	Financial statement format	Effective share	Financial statement format	Effective share
<i>(USD million)</i>						
Revenue	2,185.4	2,653.6	2,141.8	2,769.2	2.0%	-4.2%
Cost of sales	(968.6)	(1,112.3)	(975.1)	(1,191.6)	0.7%	6.7%
Gross profit	1,216.8	1,541.3	1,166.7	1,577.6	4.3%	-2.3%
Operating expenses	(715.6)	(783.1)	(650.4)	(707.4)	-10.0%	-10.7%
Other gains – operating items	2.7	1.9	5.9	3.4	-54.2%	-44.1%
EBITDA	503.9	760.1	522.2	873.6	-3.5%	-13.0%
Depreciation and amortisation	(262.3)	(285.8)	(268.8)	(292.6)	2.4%	2.3%
Loss on disposal of fixed assets	(5.3)	(5.2)	(1.7)	(1.5)	-211.8%	-246.7%
Net interest income	50.6	54.3	19.7	25.8	156.9%	110.5%
Other expenses – non-operating items	(46.0)	(46.0)	(40.1)	(39.0)	-14.7%	-17.9%
Other (losses)/gains – non-operating items	(6.0)	131.4	(16.6)	83.9	63.9%	56.6%
Operating profit	234.9	608.8	214.7	650.2	9.4%	-6.4%
Finance cost – net						
– Operating items	(299.0)	(277.1)	(291.8)	(278.8)	-2.5%	0.6%
– Non-operating items	12.7	11.5	33.4	30.1	-62.0%	-61.8%
Share of profit of associates	309.7	–	323.8	–	-4.4%	N/M
Profit before income tax	258.3	343.2	280.1	401.5	-7.8%	-14.5%
Income tax (expense)/credit						
– Operating items	(62.0)	(133.1)	(84.8)	(197.5)	26.9%	32.6%
– Non-operating items	(13.4)	(48.7)	6.3	(19.9)	N/M	-144.7%
Profit for the year	182.9	161.4	201.6	184.1	-9.3%	-12.3%
Less: Profit attributable to non-controlling interests	(21.5)	–	(17.5)	–	-22.9%	N/M
Profit attributable to owners of the Company	161.4	161.4	184.1	184.1	-12.3%	-12.3%

N/M: not meaningful

SUMMARY OF NET ASSET VALUE *(Note 1)*

According to the Group's accounting policies, investment properties are stated at fair value by external valuers while hotel properties are stated at historical cost less depreciation and impairment losses, if any. As a result, the carrying values of the Group's hotel properties do not capture revaluation gains which would otherwise be included in their fair values.

The Group has carried out internal valuations for the hotel properties owned by the Group's subsidiaries and associates based on discounted cash flow projections to assess the potential fair values of the hotel properties and the resulting adjusted net asset value of the Group if the Group's hotel properties were to be stated at fair values. To verify the valuations of the hotel properties, external valuations have been performed by independent professional valuers to determine the fair value of a portfolio of hotel properties owned by the Group's subsidiaries, whose aggregate effective share of the valuation surplus (being the surplus by which its valuation exceeds its carrying value) constitutes at least 50% of the total valuation surplus of all the hotel properties.

As at 31 December 2024, based on external valuations of such portfolio of identified hotel properties and internal valuations of the Group's remaining hotel properties, the effective share of the valuations of all the Group's hotel properties was USD11,648.4 million, of which USD4,803.7 million was derived from external valuations and USD6,844.7 million was derived from internal valuations. When compared to the effective share of the carrying value of the hotel properties, the effective share of the valuation surplus attributable to owners of the Company after deferred tax was USD5,642.5 million, of which USD3,473.2 million was derived from external valuations and USD2,169.3 million was derived from internal valuations. Such valuation surplus attributable to non-controlling interests after deferred tax was USD467.9 million, of which USD290.8 million was derived from external valuations and USD177.1 million was derived from internal valuations.

If all the hotel properties were to be stated at fair values, the Group's net asset value attributable to owners of the Company ("NAV") would therefore be increased from the reported balance of USD5,183.5 million to the adjusted balance of USD10,826.0 million while total equity would be increased from the reported balance of USD5,437.2 million to the adjusted balance of USD11,547.6 million.

<i>(USD million)</i>	Carrying value of hotel properties at effective share <i>(Note 2)</i>	Valuation of hotel properties at effective share <i>(Note 2)</i>	Valuation surplus at effective share after deferred tax <i>(Note 2)</i>
The People's Republic of China			
Hong Kong	728.9	2,497.7	1,694.2
Mainland China	2,214.5	4,598.0	1,787.6
Singapore	471.8	1,918.2	1,328.2
Malaysia	111.6	289.3	135.1
The Philippines	253.7	532.7	209.3
Thailand	87.1	303.4	173.0
Australia	254.2	374.7	84.3
Others <i>(Note 3)</i>	814.9	1,134.4	230.8
Total	4,936.7	11,648.4	5,642.5
	NAV	Non-controlling interests	Total equity
Reported balance based on carrying value of hotel properties	5,183.5	253.7	5,437.2
Add: Valuation surplus of hotel properties after deferred tax	5,642.5	467.9	6,110.4
Adjusted balance based on valuation of hotel properties	10,826.0	721.6	11,547.6
Reported NAV per share <i>(Note 4)</i>	USD1.46 (equivalent to HKD11.32)		
Adjusted NAV per share <i>(Note 4)</i>	USD3.04 (equivalent to HKD23.56)		

Notes:

- (1) Net asset value refers to the Group's total assets less total liabilities (i.e. equity) attributable to owners of the Company.
- (2) The effective share refers to the Group's share of subsidiaries' and associates' carrying value and valuation of hotel properties based on the percentage of equity interests.
- (3) Others include France, Maldives, Turkey, Fiji, Myanmar, Indonesia, Mongolia, Mauritius, Sri Lanka, Japan and United Kingdom.
- (4) NAV per share is computed based on 3,556,496,000 shares in issue after adjusting for shares held by the Group.

RESULTS OF OPERATIONS

Consolidated Revenue

Consolidated revenue consisted of the following:

<i>(USD million)</i>	For the year ended 31 December		% change
	2024	2023	
Hotel Properties			
Revenue from rooms	1,069.5	1,041.0	2.7%
Food and beverage sales	767.9	788.7	-2.6%
Rendering of ancillary services	106.6	96.6	10.4%
Sub-total of hotel properties	1,944.0	1,926.3	0.9%
Hotel Management and Related Services			
Gross revenue (including revenue earned from subsidiaries)	258.4	224.3	15.2%
Less: Inter-segment revenue elimination with subsidiaries	(160.2)	(129.5)	-23.7%
Net amount after elimination	98.2	94.8	3.6%
Sub-total Hotel Operations	2,042.2	2,021.1	1.0%
Investment Properties	125.8	108.3	16.2%
Property Development for Sale	2.3	1.6	43.8%
Other Business	15.1	10.8	39.8%
Consolidated Revenue	2,185.4	2,141.8	2.0%

- Consolidated revenue was USD2,185.4 million for the year ended 31 December 2024, an increase of 2.0% (or USD43.6 million), compared to USD2,141.8 million for the year ended 31 December 2023. The increase was mainly driven by stable growth in our Hotel Operations business and continuous improvement in our Investment Properties business.
- Consolidated revenue from our Hotel Operations was USD2,042.2 million for the year ended 31 December 2024, an increase of 1.0% (or USD21.1 million), compared to USD2,021.1 million for the year ended 31 December 2023.
- Our Investment Properties business remained as a steady contributor, where consolidated revenue rose to USD125.8 million, an increase of 16.2% (or USD17.5 million), for the year ended 31 December 2024, compared to USD108.3 million for the year ended 31 December 2023. The increase was mainly driven by the improved performance of the Group's Investment Properties in Sri Lanka and Mongolia as well as additional revenue contributed by the Group's wholly owned newly opened Shangri-La Centre, Fuzhou, which had its office component opened in the second half of 2023 and the commercial component opened in the first half of 2024.

(i) Hotel Properties

At 31 December 2024, the Group had equity interest in 81 operating hotels (2023: 80) and 3 hotels under operating lease (2023: 3), representing a room inventory of 35,401 (2023: 35,135) across Asia Pacific, Europe and Africa.

Details of these 84 hotels are as follows:

	Group's equity interest	Available rooms
(A) Hotels owned by the Group		
Hong Kong		
Kowloon Shangri-La, Hong Kong	100%	679
Island Shangri-La, Hong Kong	80%	544
JEN Hong Kong by Shangri-La	30%	283
Kerry Hotel, Hong Kong	100%	546
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Sub-total Hong Kong		2,052
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Mainland China		
Shangri-La Beijing	38%	670
China World Hotel, Beijing	50%	584
China World Summit Wing, Beijing	40.32%	278
JEN Beijing by Shangri-La	40.32%	450
Kerry Hotel, Beijing	23.75%	486
Pudong Shangri-La, Shanghai	100%	950
Jing An Shangri-La, Shanghai	49%	508
Kerry Hotel Pudong, Shanghai	23.2%	574
Shangri-La Shenzhen	72%	522
Futian Shangri-La, Shenzhen	100%	528
Shangri-La Xian	100%	393
Shangri-La Hangzhou	45%	198
Shangri-La Beihai	100%	362
Shangri-La Changchun	100%	382
JEN Shenyang by Shangri-La	100%	407
Shangri-La Shenyang	25%	383
Shangri-La Qingdao	100%	702
Shangri-La Dalian	100%	560
Shangri-La Wuhan	92%	408
Shangri-La Harbin	100%	396
Shangri-La Fuzhou	100%	414
Shangri-La Guangzhou	80%	690
Shangri-La Chengdu	80%	593
Shangri-La Wenzhou	100%	409
Shangri-La Ningbo	95%	562
Shangri-La Guilin	100%	439
Shangri-La Baotou	100%	360
Shangri-La Huhhot	100%	365

	Group's equity interest	Available rooms
Shangri-La Manzhouli	100%	235
Shangri-La Yangzhou	100%	360
Shangri-La Qufu	100%	322
Shangri-La Lhasa	100%	289
Shangri-La Sanya	100%	496
Shangri-La Nanjing	55%	450
Shangri-La Qinhuangdao	100%	323
Shangri-La Hefei	100%	400
Shangri-La Resort, Shangri-La	100%	228
Shangri-La Tianjin	20%	304
Shangri-La Nanchang	20%	473
Shangri-La Tangshan	35%	301
Midtown Shangri-La, Hangzhou	25%	414
Shangri-La Songbei, Harbin	100%	344
Shangri-La Xiamen	100%	325
Shangri-La Jinan	45%	364
Shangri-La Zhoushan	100%	28
Shangri-La Putian	40%	125
JEN Kunming by Shangri-La	45%	274
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Sub-total Mainland China		19,628
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Singapore		
Shangri-La Singapore	100%	792
Shangri-La Rasa Sentosa, Singapore	100%	454
JEN Singapore Tanglin by Shangri-La	44.6%	565
		<hr/>
Sub-total Singapore		1,811
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Malaysia		
Shangri-La Kuala Lumpur	52.78%	655
Shangri-La Rasa Sayang, Penang	52.78%	303
Shangri-La Golden Sands, Penang	52.78%	387
JEN Penang Georgetown by Shangri-La	31.67%	443
Shangri-La Rasa Ria, Kota Kinabalu	64.59%	494
Shangri-La Tanjung Aru, Kota Kinabalu	40%	498
		<hr/>
Sub-total Malaysia		2,780
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The Philippines		
Makati Shangri-La, Manila	100%	696
Edsa Shangri-La, Manila	100%	628
Shangri-La Mactan, Cebu	93.95%	541
Shangri-La Boracay	100%	219
Shangri-La The Fort, Manila	40%	576
		<hr/>
Sub-total The Philippines		2,660
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	Group's equity interest	Available rooms
Thailand		
Shangri-La Bangkok	73.61%	802
Shangri-La Chiang Mai	73.61%	277
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Sub-total Thailand		1,079
		<hr/> <hr/>
Australia		
Shangri-La Sydney	100%	564
Shangri-La The Marina, Cairns	100%	255
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Sub-total Australia		819
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Other areas		
Shangri-La Paris	100%	101
Shangri-La's Villingili Resort & Spa, Maldives	100%	132
JEN Maldives Malé by Shangri-La	100%	114
Shangri-La Bosphorus, Istanbul	50%	186
Shangri-La Yanuca Island, Fiji	71.80%	443
Sule Shangri-La, Yangon	59.16%	462
Shangri-La Jakarta	25%	619
Shangri-La Surabaya	11.35%	365
Shangri-La Ulaanbaatar	51%	290
Shangri-La Le Touessrok, Mauritius	26%	185
Shangri-La Hambantota	90%	274
Shangri-La Colombo	90%	500
		<hr/>
Sub-total other areas		3,671
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Total of 81 owned hotels		34,500
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(B) Hotels under operating lease agreements		
Shangri-La Tokyo		200
Shangri-La The Shard, London		202
JEN Singapore Orchardgateway by Shangri-La		499
		<hr/>
Total of 3 leased hotels		901
		<hr/> <hr/>
Grand total		35,401
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For the year ended 31 December 2024, the increase of consolidated revenue from our hotel properties was driven by further business recoveries in Hong Kong and the Philippines, partially offset by a decrease of consolidated revenue from our hotel properties in Mainland China, Singapore and the United Kingdom.

Please refer to table below for our geographical breakdown of Hotel Properties consolidated revenue for the years ended 31 December 2024 and 2023:

<i>(USD million)</i>	For the year ended 31 December		% change
	2024	2023	
The People's Republic of China			
Hong Kong	321.9	304.3	5.8%
Mainland China	655.2	702.6	-6.7%
Singapore	260.0	264.0	-1.5%
Malaysia	112.0	104.8	6.9%
The Philippines	156.5	134.9	16.0%
Japan	51.6	50.4	2.4%
Thailand	66.2	62.2	6.4%
France	57.5	54.5	5.5%
Australia	88.2	85.7	2.9%
United Kingdom	60.4	60.9	-0.8%
Mongolia	21.7	20.1	8.0%
Sri Lanka	40.5	33.2	22.0%
Other countries	52.3	48.7	7.4%
Consolidated revenue from hotel properties business	<u>1,944.0</u>	<u>1,926.3</u>	0.9%

The key performance indicators of the Group-owned hotels (including hotels under lease) on an unconsolidated basis (including both subsidiaries and associates) for the years ended 31 December 2024 and 2023 are as follows:

Destination	2024 Weighted Average			2023 Weighted Average		
	Occupancy (%)	Room Rate (USD)	RevPAR (USD)	Occupancy (%)	Room Rate (USD)	RevPAR (USD)
The People's Republic of China						
Hong Kong	80	270	215	70	285	199
Mainland China	64	115	73	63	120	76
Tier 1 Cities	72	155	111	70	159	111
Tier 2 Cities	64	94	60	64	98	63
Tier 3+4 Cities	50	88	44	51	100	51
Singapore	78	265	206	78	266	208
Malaysia	66	134	89	64	125	80
The Philippines	55	214	118	58	226	130
Japan	68	643	436	61	689	419
Thailand	62	164	101	61	153	94
France	45	2,323	1,037	43	2,246	970
Australia	84	250	211	81	252	205
United Kingdom	68	766	519	66	797	526
Mongolia	39	255	99	36	248	89
Sri Lanka	39	162	64	36	146	52
Other countries	45	212	95	46	224	102
<i>Non-Mainland China</i>						
Weighted Average	63	239	151	62	241	149
Total Weighted Average	63	170	108	62	173	108

The weighted average occupancy of our hotels was 63% for the year ended 31 December 2024, an increase of 1 percentage point compared to 62% for the year ended 31 December 2023. The weighted average revenue per available room (“RevPAR”) was USD108 for the year ended 31 December 2024, flat, compared to USD108 for the year ended 31 December 2023.

If we exclude Mainland China, weighted average occupancy was 63% for the year ended 31 December 2024, an increase of 1 percentage point compared to 62% for the year ended 31 December 2023. RevPAR was USD151 for the year ended 31 December 2024, an increase of 1%, compared to USD149 for the year ended 31 December 2023.

Below are comments on hotel performances on selected geographies that had reasonable significance to the performance of our Hotel Properties business as a whole:

The People's Republic of China

Hong Kong

For Hong Kong, occupancy was 80% for the year ended 31 December 2024, an increase of 10 percentage points, compared to 70% for the year ended 31 December 2023. RevPAR was USD215 for the year ended 31 December 2024, an increase of 8%, compared to USD199 for the year ended 31 December 2023. Our hotels in Hong Kong continued seeing recovery in both occupancy and RevPAR from improved business and leisure travel demand, mainly from Mainland China. The full reopening of Island Shangri-La was a key factor driving the better performance in Hong Kong. Total revenue from Hong Kong hotel properties for the year ended 31 December 2024 increased by 5.8% to USD321.9 million.

Mainland China

The Group had equity interest in 47 operating hotels in Mainland China as at 31 December 2024, compared to 46 as at 31 December 2023.

For Mainland China, occupancy was 64% for the year ended 31 December 2024, an increase of 1 percentage point, compared to 63% for the year ended 31 December 2023. RevPAR was USD73 for the year ended 31 December 2024, a decrease of 4%, compared to USD76 for the year ended 31 December 2023. During the year ended 31 December 2024, our hotels in Mainland China saw slower momentum, particularly in the second half of the year.

Below is the performance of our hotels in different tiered cities:

- In Tier 1 cities, occupancy was 72% for the year ended 31 December 2024, an increase of 2 percentage points, compared to 70% for the year ended 31 December 2023. RevPAR was USD111 for the year ended 31 December 2024, flat, compared to USD111 for the year ended 31 December 2023. Our hotels in Tier 1 cities demonstrated resilience in performance among market downturns.
- In Tier 2 cities, occupancy was 64% for the year ended 31 December 2024, flat, compared to 64% for the year ended 31 December 2023. RevPAR was USD60 for the year ended 31 December 2024, a decrease of 5%, compared to USD63 for the year ended 31 December 2023.
- In Tier 3 and Tier 4 cities, occupancy was 50% for the year ended 31 December 2024, a decrease of 1 percentage point, compared to 51% for the year ended 31 December 2023. RevPAR was USD44 for the year ended 31 December 2024, a decrease of 14%, compared to USD51 for the year ended 31 December 2023.

Total revenue from Mainland China hotel properties for the year ended 31 December 2024 decreased by 6.7% to USD655.2 million.

Singapore

For Singapore, occupancy was 78% for the year ended 31 December 2024, which was flat, compared to 78% for the year ended 31 December 2023. RevPAR was USD206 for the year ended 31 December 2024, a decrease of 1%, compared to USD208 for the year ended 31 December 2023. Our hotels in Singapore maintained a stable performance despite increased supply in the hotel market. Total revenue from Singapore hotel properties for the year ended 31 December 2024 decreased by 1.5% to USD260.0 million.

Malaysia

For Malaysia, occupancy was 66% for the year ended 31 December 2024, an increase of 2 percentage points, compared to 64% for the year ended 31 December 2023. RevPAR was USD89 for the year ended 31 December 2024, an increase of 11%, compared to USD80 for the year ended 31 December 2023. Increase in flights, particularly with Mainland China, drove our hotels recovery in Malaysia. Total revenue from Malaysia hotel properties for the year ended 31 December 2024 increased by 6.9% to USD112.0 million.

The Philippines

For the Philippines, occupancy was 55% for the year ended 31 December 2024, a decrease of 3 percentage points, compared to 58% for the year ended 31 December 2023. RevPAR was USD118 for the year ended 31 December 2024, a decrease of 9%, compared to USD130 for the year ended 31 December 2023. Nonetheless, total revenue from the Philippines hotel properties for the year ended 31 December 2024 increased by 16.0% to USD156.5 million, due to the reopening of Makati Shangri-La, Manila in the second half of 2023.

Japan

For Japan, occupancy was 68% for the year ended 31 December 2024, an increase of 7 percentage points, compared to 61% for the year ended 31 December 2023. RevPAR was USD436 for the year ended 31 December 2024, an increase of 4%, compared to USD419 for the year ended 31 December 2023. Our hotel in Tokyo continued to benefit from rising travel demand into Japan. Total revenue from our Japan hotel property for the year ended 31 December 2024 increased by 2.4% to USD51.6 million.

France

For France, occupancy was 45% for the year ended 31 December 2024, an increase of 2 percentage points, compared to 43% for the year ended 31 December 2023. RevPAR was USD1,037 for the year ended 31 December 2024, an increase of 7%, compared to USD970 for the year ended 31 December 2023, benefiting from the Summer Olympic Games. Total revenue from our France hotel property for the year ended 31 December 2024 increased by 5.5% to USD57.5 million.

Australia

For Australia, occupancy was 84% for the year ended 31 December 2024, an increase of 3 percentage points, compared to 81% for the year ended 31 December 2023. RevPAR was USD211 for the year ended 31 December 2024, an increase of 3%, compared to USD205 for the year ended 31 December 2023. Our hotels in Australia continued to see increase demand from both domestic and international travel, lifting our hotels occupancy. Total revenue from our Australia hotel properties for the year ended 31 December 2024 increased by 2.9% to USD88.2 million.

United Kingdom

For United Kingdom, occupancy was 68% for the year ended 31 December 2024, an increase of 2 percentage points, compared to 66% for the year ended 31 December 2023. RevPAR was USD519 for the year ended 31 December 2024, a decrease of 1%, compared to USD526 for the year ended 31 December 2023. Despite increased occupancy, our hotel in London faced pricing competition as a record number of new supply came into the London market in 2024. Total revenue from our United Kingdom hotel property at The Shard, for the year ended 31 December 2024 decreased by 0.8% to USD60.4 million.

(ii) Hotel Management & Related Services

During the year ended 31 December 2024, JEN Kunming by Shangri-La, which is 45% owned by the Group, in Mainland China opened for business. Additionally, two hotels under management agreement owned by third party, namely Shangri-La Nanshan, Shenzhen in Mainland China and Shangri-La Phnom Penh in Cambodia, opened for operation. As at 31 December 2024, the Group managed a total of 106 hotels and resorts:

- 81 Group-owned hotels
- 3 hotels under lease agreements
- 22 hotels owned by third parties

The 22 operating hotels (7,224 available rooms) owned by third parties are located in the following destinations:

- Cambodia: Phnom Penh
- Canada: Toronto and Vancouver
- Oman: Muscat (2 hotels)
- UAE: Abu Dhabi (2 hotels) and Dubai
- Saudi Arabia: Jeddah
- Malaysia: Kuala Lumpur
- India: New Delhi and Bengaluru
- Taiwan: Taipei and Tainan
- Mainland China: Shenzhen (2 hotels), Suzhou (2 hotels), Yiwu, Nanning, Shanghai and Beijing

The key performance indicators of the hotels under third party hotel management agreements for the years ended 31 December 2024 and 2023 are as follows:

Destination	2024 Weighted Average			2023 Weighted Average		
	Occupancy (%)	Room Rate (USD)	RevPAR (USD)	Occupancy (%)	Room Rate (USD)	RevPAR (USD)
Canada	74	402	298	67	387	261
Oman	39	265	104	38	256	98
UAE	79	174	138	72	176	127
Saudi Arabia	45	632	286	53	831	438
Malaysia	63	118	74	67	106	71
India	70	147	103	63	152	96
Taiwan	71	168	119	72	176	127
Mainland China	63	119	75	62	116	72
Weighted Average	<u>64</u>	<u>171</u>	<u>110</u>	<u>63</u>	<u>179</u>	<u>112</u>

Note: The newly opened hotel in Cambodia commenced its business by the end of December 2024 and its key performance indicators are not included in the above table.

The overall weighted average occupancy of the hotels under third party hotel management agreements was 64% for the year ended 31 December 2024, an increase of 1 percentage point, compared to 63% for the year ended 31 December 2023. The RevPAR was USD110 for the year ended 31 December 2024, a decrease of 2%, compared to USD112 for the year ended 31 December 2023.

Gross revenue for hotel management and related services was USD258.4 million for the year ended 31 December 2024, an increase of 15.2%, compared to USD224.3 million for the year ended 31 December 2023.

After eliminating inter-segment revenue with subsidiaries, the net revenue for hotel management and related services was USD98.2 million for the year ended 31 December 2024, an increase of 3.6%, compared to USD94.8 million for the year ended 31 December 2023.

(iii) Investment Properties

The table below shows the geographical breakdown of our consolidated revenue derived from our Investment Properties.

<i>(USD million)</i>	For the year ended 31 December		% change
	2024	2023	
Mainland China	31.3	25.5	22.7%
Singapore	14.4	14.2	1.4%
Malaysia	4.3	4.5	-4.4%
Mongolia	36.5	31.2	17.0%
Sri Lanka	24.5	18.5	32.4%
Other countries	14.8	14.4	2.8%
Consolidated revenue from investment properties business	125.8	108.3	16.2%

Our investment properties held by subsidiaries in Mongolia and Sri Lanka continued observing revenue growth:

- In Mongolia, our investment properties continued strong performance with increase in rent and a nearly full occupancy.
- In Sri Lanka, both rent and occupancy continued increasing at our investment property, particularly for the commercial component, as the country's financial status further stabilised in 2024.

In Mainland China, additional revenue came from our wholly owned Shangri-La Centre, Fuzhou (Phase II of Shangri-La Fuzhou), which had its office component and commercial component opened in the second half of 2023 and the first half of 2024, respectively.

This increase was partially offset by the decrease in the consolidated revenue from our investment properties located in Malaysia. As a result, consolidated revenue from our investment properties for the year ended 31 December 2024 was USD125.8 million, an increase of 16.2%, compared to USD108.3 million for the year ended 31 December 2023.

(iv) Property Development for Sale

Revenue from property development for sale by subsidiaries for the year ended 31 December 2024 was USD2.3 million, an increase of 43.8%, compared to USD1.6 million for the year ended 31 December 2023, as a result of sales in Sri Lanka.

EBITDA and Aggregate Effective Share of EBITDA

The following table summarises information related to the EBITDA of the Company and its subsidiaries and the aggregate effective share of EBITDA of the Company, subsidiaries and associates for the years ended 31 December 2024 and 2023 by geographical areas and by business segments.

		EBITDA of the Company and its subsidiaries		Effective share of EBITDA of the Company and its subsidiaries		Effective share of EBITDA of associates		Aggregate effective share of EBITDA	
		2024	2023	2024	2023	2024	2023	2024	2023
<i>(USD million)</i>									
Hotel Properties	The People's Republic of China								
	Hong Kong	67.9	62.7	63.9	59.2	1.2	1.1	65.1	60.3
	Mainland China	128.3	166.7	117.3	153.8	39.6	45.4	156.9	199.2
	Singapore	50.7	61.6	50.7	61.5	6.3	6.7	57.0	68.2
	Malaysia	23.4	23.2	12.9	12.8	6.1	5.2	19.0	18.0
	The Philippines	36.6	27.5	35.6	26.5	13.7	13.7	49.3	40.2
	Japan	13.9	13.3	13.9	13.3	–	–	13.9	13.3
	Thailand	25.5	23.4	18.9	17.3	–	–	18.9	17.3
	France	8.5	6.8	8.5	6.8	–	–	8.5	6.8
	Australia	16.3	17.5	16.3	17.5	–	–	16.3	17.5
	United Kingdom	6.5	9.4	6.5	9.4	–	–	6.5	9.4
	Mongolia	9.0	8.0	4.6	4.1	–	–	4.6	4.1
	Sri Lanka	10.9	7.6	9.8	6.9	–	–	9.8	6.9
	Other countries	10.4	9.3	7.4	7.4	4.4	9.0	11.8	16.4
		<u>407.9</u>	<u>437.0</u>	<u>366.3</u>	<u>396.5</u>	<u>71.3</u>	<u>81.1</u>	<u>437.6</u>	<u>477.6</u>
Hotel Management and Related Services		<u>62.2</u>	<u>50.0</u>	<u>62.2</u>	<u>50.0</u>	<u>–</u>	<u>–</u>	<u>62.2</u>	<u>50.0</u>
Sub-total Hotel Operations		<u>470.1</u>	<u>487.0</u>	<u>428.5</u>	<u>446.5</u>	<u>71.3</u>	<u>81.1</u>	<u>499.8</u>	<u>527.6</u>
Investment Properties	Mainland China	13.1	15.1	11.7	13.5	231.8	231.7	243.5	245.2
	Singapore	7.4	7.6	7.4	7.6	5.0	4.5	12.4	12.1
	Malaysia	1.6	1.8	0.9	1.0	–	–	0.9	1.0
	Mongolia	24.9	20.4	12.7	10.4	–	–	12.7	10.4
	Sri Lanka	14.3	9.8	12.9	8.8	–	–	12.9	8.8
	Other countries	6.5	6.3	3.9	3.8	–	–	3.9	3.8
Sub-total Investment Properties		<u>67.8</u>	<u>61.0</u>	<u>49.5</u>	<u>45.1</u>	<u>236.8</u>	<u>236.2</u>	<u>286.3</u>	<u>281.3</u>
Property Development for Sale & Other Business		<u>2.3</u>	<u>2.3</u>	<u>1.4</u>	<u>(0.2)</u>	<u>10.8</u>	<u>95.6</u>	<u>12.2</u>	<u>95.4</u>
Sub-total		<u>540.2</u>	<u>550.3</u>	<u>479.4</u>	<u>491.4</u>	<u>318.9</u>	<u>412.9</u>	<u>798.3</u>	<u>904.3</u>
Corporate and project expenses		<u>(36.3)</u>	<u>(28.1)</u>	<u>(36.3)</u>	<u>(28.1)</u>	<u>(1.9)</u>	<u>(2.6)</u>	<u>(38.2)</u>	<u>(30.7)</u>
Grand total		<u>503.9</u>	<u>522.2</u>	<u>443.1</u>	<u>463.3</u>	<u>317.0</u>	<u>410.3</u>	<u>760.1</u>	<u>873.6</u>

The Group's aggregate effective share of EBITDA was USD760.1 million for the year ended 31 December 2024, a decrease of 13.0%, compared to USD873.6 million for the year ended 31 December 2023. Below shows the breakdown by business segments:

- Effective share of EBITDA from Hotel Properties for the year ended 31 December 2024 was USD437.6 million, a decrease of 8.4%, compared to USD477.6 million for the year ended 31 December 2023. Our Hotel Properties continued recovering in most of the regions but was offset by declined performance mainly in Mainland China and Singapore as operating costs normalised.
- Effective share of EBITDA from Hotel Management and Related Services for the year ended 31 December 2024 was USD62.2 million, an increase of 24.4%, compared to USD50.0 million for the year ended 31 December 2023. The significant improvement of EBITDA was lifted by increase in gross effective share of revenue from Hotel Management and Related Services as well as operations efficiency improvement at the headquarters.
- Effective share of EBITDA from Investment Properties for the year ended 31 December 2024 was USD286.3 million, an increase of 1.8%, compared to USD281.3 million for the year ended 31 December 2023. The performance of Investment Properties held by our subsidiaries in Sri Lanka and Mongolia continuously rose during the year ended 31 December 2024, while the Investment Properties held by our associates in Mainland China remained resilient during the year.
- Effective share of EBITDA from Property Development for Sale & Other Business for the year ended 31 December 2024 was USD12.2 million, a decrease of 87.2%, compared to USD95.4 million for year ended 31 December 2023.

Consolidated Profit or Loss Attributable to Owners of the Company

The following table summarises information related to the consolidated profit or loss attributable to owners of the Company before and after non-operating items for the years ended 31 December 2024 and 2023 by geographical areas and by business segments:

<i>(USD million)</i>		For the year ended		% change
		2024	2023	
Hotel Properties	The People's Republic of China			
	Hong Kong	21.2	17.7	19.8%
	Mainland China	(10.1)	25.0	N/M
	Singapore	30.4	38.7	-21.4%
	Malaysia	7.8	7.4	5.4%
	The Philippines	17.1	8.6	98.8%
	Japan	11.1	5.2	113.5%
	Thailand	13.0	11.1	17.1%
	France	(0.9)	(4.3)	79.1%
	Australia	(1.4)	(1.8)	22.2%
	United Kingdom	(13.7)	(11.8)	-16.1%
	Mongolia	(2.2)	(1.4)	-57.1%
	Sri Lanka	(2.0)	(1.9)	-5.3%
	Other countries	(0.3)	4.1	N/M
		70.0	96.6	-27.5%
Hotel Management and Related Services		37.6	19.4	93.8%
Sub-total Hotel Operations		107.6	116.0	-7.2%
Investment Properties	Mainland China	171.3	164.0	4.5%
	Singapore	10.5	9.4	11.7%
	Malaysia	0.6	0.7	-14.3%
	Mongolia	9.3	8.4	10.7%
	Sri Lanka	5.2	(1.0)	N/M
	Other countries	3.0	3.8	-21.1%
Sub-total Investment Properties		199.9	185.3	7.9%
Property Development for Sale & Other Business		0.4	42.3	-99.1%
Consolidated profit from operating properties		307.9	343.6	-10.4%
Corporate finance costs (net of interest income)		(167.3)	(167.4)	0.1%
Corporate and project expenses		(38.0)	(32.9)	-15.5%
Exchange gains/(losses) of corporate investment holding companies		13.3	(14.3)	N/M
Consolidated profit attributable to owners of the Company before non-operating items		115.9	129.0	-10.2%
Non-operating items		45.5	55.1	-17.4%
Consolidated profit attributable to owners of the Company after non-operating items		161.4	184.1	-12.3%

N/M: not meaningful

Consolidated profit attributable to owners of the Company after non-operating items for the year ended 31 December 2024 was USD161.4 million, a decrease of 12.3%, compared to USD184.1 million for the year ended 31 December 2023. Below shows the breakdown by business segments:

- Hotel Properties registered a profit of USD70.0 million for the year ended 31 December 2024, a decrease of 27.5%, compared to USD96.6 million for the year ended 31 December 2023. The decrease was mainly due to the decrease in effective share of EBITDA from Mainland China and Singapore, partially offset by the increase of effective share of EBITDA from other regions.
- Hotel Management and Related Services registered a profit of USD37.6 million for the year ended 31 December 2024, an increase of 93.8%, compared to USD19.4 million for the year ended 31 December 2023. The improvement was mainly due to increase in effective share of EBITDA from our Hotel Management and Related Services.
- Investment Properties profit for the year ended 31 December 2024 was USD199.9 million, an increase of 7.9%, compared to USD185.3 million for the year ended 31 December 2023. Income from Investment Properties continued to grow steadily.
- Property Development for Sale & Other Business registered a profit of USD0.4 million for the year ended 31 December 2024, compared to USD42.3 million for the year ended 31 December 2023. The decrease was due to declined sales of residential units in the year ended 31 December 2024.

The overall decline in operating profit from operating properties was primarily driven by underperformance in Hotel Properties, coupled with a reduction in profit from Property Development for Sale.

- Non-operating items for the year ended 31 December 2024 was an aggregate gain of USD45.5 million, a decrease of 17.4%, compared to an aggregate gain of USD55.1 million for the year ended 31 December 2023. For the year ended 31 December 2024, amongst other items, major components included:
 - An exceptional foreign exchange gain of USD11.2 million arising from the appreciation of the Sri Lankan rupee, compared to an exceptional foreign exchange gain of USD29.9 million for the year ended 31 December 2023 due to the appreciation of the Sri Lankan rupee arising from the foreign currency bank loans borrowed by our Sri Lanka entity.
 - Effective share of net fair value gains on investment properties of USD74.9 million for the year ended 31 December 2024, a decrease of 0.4%, compared to effective share of net fair value gains on investment properties of USD75.2 million for the year ended 31 December 2023.
 - Net impairment losses of USD46.0 million, inclusive of impairment losses of USD51.8 million from our hotels in Mainland China and Maldives, partially offset by reversal of prior years' impairment losses of USD5.8 million from our hotel in Japan, for the year ended 31 December 2024, compared to net impairment losses of USD39.0 million for the year ended 31 December 2023.

CORPORATE DEBT AND FINANCIAL CONDITIONS

As at 31 December 2024, the Group's net borrowings (total bank loans and fixed rate bonds less cash and bank balances and short-term fund placements) was USD4,421.3 million, a substantial reduction of USD296.3 million, compared to USD4,717.6 million as at 31 December 2023. The decrease was primarily driven by robust cash flows generated from property operations, complemented by return of capital from associates in the form of dividends and capital reductions during the year. Meanwhile, our capital expenditure moderated, resulting in a record-high free cash flow.

The Group's net borrowings to total equity ratio, i.e. the gearing ratio, decreased to 81.3% as at 31 December 2024 from 86.3% as at 31 December 2023. This reduction primarily reflects the aforementioned decrease in net borrowings, supported by robust operating cash flows and restrained capital expenditure.

During the year, the Group secured bank loan agreements totalling approximately USD1,784.0 million at the corporate level to refinance maturing loans. The majority of these loans were denominated in Renminbi, reflecting the Group's strategic focus on leveraging Renminbi financing. These agreements included:

- Three 3-year bank loan agreements totalling RMB2,350 million (equivalent to USD326.9 million)
- One 3.5-year bank loan agreement of RMB900 million (equivalent to USD125.2 million)
- One 4-year bank loan agreement of RMB1,000 million (equivalent to USD139.1 million)
- One 4-year bank loan agreement of HKD1,000 million (equivalent to USD129.0 million)
- Six 5-year bank loan agreements totalling RMB5,740 million (equivalent to USD798.5 million)
- One 5-year bank loan agreement of HKD1,000 million (equivalent to USD129.0 million)
- One 6-year bank loan agreement of RMB980 million (equivalent to USD136.3 million)

In June 2024, the Group successfully issued its first panda bonds in Mainland China, raising RMB1,000 million (equivalent to USD139.1 million) through a 3-year medium-term note with a coupon rate of 2.50% per annum. This issuance marked the lowest coupon rate achieved for a panda medium-term note by an offshore non-state-owned entity. Building on this success, in July 2024, the Group further issued two additional panda bond tranches totalling RMB1,000 million (equivalent to USD139.1 million), comprising a RMB600 million 3-year medium-term note with a coupon rate of 2.27% per annum and a RMB400 million 5-year medium-term note with a coupon rate of 2.50% per annum.

At the subsidiary level, the Group also executed the following bank loan agreements totalling approximately USD279.9 million during the year:

- Seven bank loan agreements totalling RMB1,662.3 million (equivalent to USD231.2 million) with maturities ranging from 3 to 10 years for financing maturing loans
- One 5-year bank loan agreement of RMB350 million (equivalent to USD48.7 million) for financing a project development

This strategic Renminbi debt refinancing initiative delivered several key benefits. Firstly, it diversified the Group's funding sources, increasing the proportion of Renminbi borrowings to 53% of total Group borrowings as at 31 December 2024. This shift reduced reliance on traditional financing channels, enhanced financial flexibility, and provided access to onshore Renminbi capital markets through the panda bond issuances. Secondly, the initiative lowered the Group's overall borrowing costs, as Renminbi debt carries an average interest rate significantly below that of non-Renminbi debt. This reduction enhances the Group's financial resilience, particularly in the current high-interest rate environment. Furthermore, the increased use of Renminbi borrowings strengthens the Group's currency matching strategy, offering a natural hedge against its substantial Renminbi assets in Mainland China and reducing currency risk exposure tied to these investments denominated in Renminbi.

As at 31 December 2024, the Group had sustainability-linked bank loan facilities and/or green loan facilities to a total amount of approximately USD4.2 billion. Such sustainability-linked bank loan agreements are linked to the Group's various sustainability performances and support the Group's dedication in achieving certain long-term sustainability goals. Upon reaching certain predetermined performance targets as agreed with the banks, the Group will also benefit from paying lower interest rates.

The Group has not encountered any difficulty when drawing loans from committed banking facilities. None of the banking facilities were cancelled by the banks during the year or after 31 December 2024.

The Group maintains sufficient cash reserves and undrawn facilities to address refinancing needs for debt obligations maturing over the next two years, with coverage extending through the end of 2026. This strong liquidity position provides the Group with flexibility to explore diverse funding options and enhances its negotiating leverage with financial institutions to secure more favourable financing terms. This strategy has resulted in an increase in both the Group's gross borrowings and cash balances, with the net borrowing position remains unchanged. Furthermore, the excess cash reserves generate interest income at rates comparable to the Group's borrowing costs, thereby ensuring no increase in the Group's net interest expense after interest income.

The Group has satisfactorily complied with all covenants under its borrowing agreements. As at 31 December 2024, the adjusted total equity of the Group for financial covenants calculation purpose is USD9.1 billion and the resulting indebtedness ratio^(Note) as calculated is 71.0%.

Note: Indebtedness ratio is defined as the sum of consolidated total financial indebtedness and contingent liabilities totalling USD6.5 billion divided by the Group's adjusted total equity of USD9.1 billion.

The analysis of borrowings outstanding as at 31 December 2024 is as follows:

<i>(USD million)</i>	Maturities of Borrowings Contracted as at 31 December 2024				
	Repayment				Total
	Within 1 year	In the 2nd year	In the 3rd to 5th year	After 5 years	
Borrowings					
Corporate borrowings					
– unsecured bank loans	5.6	1,080.9	2,705.3	166.3	3,958.1
– fixed rate bonds	640.3	–	515.0	256.3	1,411.6
Bank loans of subsidiaries					
– unsecured	226.5	67.7	476.0	212.4	982.6
Total outstanding balance	872.4	1,148.6	3,696.3	635.0	6,352.3
% of total outstanding balance	13.7%	18.1%	58.2%	10.0%	100.0%
Undrawn but committed facilities					
Bank loans	11.3	261.3	902.7	157.7	1,333.0

The currency mix of borrowings and cash and bank balances as at 31 December 2024 is as follows:

<i>(USD million)</i>	Borrowings	Cash and Bank Balances <i>(Note)</i>
In United States dollars	976.7	923.8
In Hong Kong dollars	786.5	157.0
In Singapore dollars	1,116.7	115.3
In Renminbi	3,364.2	397.8
In Japanese yen	104.6	16.4
In Fijian dollars	3.6	13.3
In Thai baht	–	83.8
In Philippines pesos	–	62.4
In Malaysian ringgit	–	53.9
In Euros	–	41.5
In Sri Lankan rupee	–	36.7
In Australian dollars	–	18.8
In British pounds	–	6.1
In Mongolian tugrik	–	0.9
In Myanmar kyat	–	0.6
In other currencies	–	2.7
	6,352.3	1,931.0

Note: Cash and bank balances as stated included short-term fund placements.

The majority of the Group's borrowings, including the new Renminbi bank loans and fixed rate bonds issued at the corporate level, are carrying fixed interest rates. The remaining borrowings, which are subject to floating interest rates, are substantially hedged through interest rate swap contracts to mitigate medium-term interest rate risks. Further details are provided in the subsequent section.

Details of financial guarantees, contingencies and charges over assets as at 31 December 2024 are disclosed in Note 15 to the consolidated financial statements included in this announcement.

TREASURY POLICIES

The Group's treasury policies are aimed at minimising interest and currency risks. The Group assesses the market environment and its financial position and adjusts its tactics from time to time.

(A) Minimising Interest Risks

The Group employs a comprehensive strategy to minimise interest risks across its diverse borrowing portfolio.

The majority of the Group's borrowings are in US dollar, HK dollar, Renminbi and Singapore dollar with centralised management at the corporate level. Corporate bonds have been issued at fixed rates. The Group closely monitors the cash flow forecasts across all subsidiaries, and arranges the transfer of surplus cash to the corporate entity to optimise debt reduction.

To minimise the overall interest cost, the Group has strategically shifted from HKD/USD bank loans at higher interest cost to Renminbi borrowings at lower interest cost. This strategy has yielded positive results, with the Group's average interest cost maintained at 4.5% per annum for the year ended 31 December 2024 despite the high interest rate environment this year.

The Group has also implemented intra-group loan arrangements and Renminbi cash pooling in Mainland China to efficiently allocate surplus cash from cash rich subsidiaries to meet the funding requirements of other group entities. These intra-group financing arrangements are subject to periodic review and adjustment in response to fluctuations in currency exchange rates and bank loan interest rates.

To mitigate medium-term interest rate risks associated with the Group's bank loans, the Group has entered into fixed HIBOR and SOFR interest rate swap contracts to hedge its interest payment for HKD/USD bank loans. During the year, interest rate swap contracts totalling HKD1,300 million (equivalent to USD167.7 million) and USD405 million were matured. On the other hand, the Group had executed new cross-currency swap contract to swap USD bank loan of USD33.5 million to Renminbi bank loan with a lower interest rate of 4.18% per annum. As at 31 December 2024, the outstanding interest rate swap contracts are:

- USD600 million at a fixed rate of 1.460% per annum maturing in March 2027
- HKD3,620 million (equivalent to USD467.1 million) at fixed rates ranging between 1.505% and 1.855% per annum maturing from June to August 2026

All these interest rate swap contracts qualify for hedge accounting.

The adoption of predominantly fixed rate Renminbi borrowings has not only contributed to lowering the average interest cost, but also enhanced the Group's fixed rate debt ratio. Taking into account the fixed rate bonds, fixed rate bank loans and the interest rate swap contracts (including the cross-currency swap contracts that fix the interest rates of certain bank borrowings), the Group has 79.9% of its outstanding borrowings at fixed interest rates as at 31 December 2024, an increase from 65.8% as at 31 December 2023.

(B) Minimising Currency Risks

The Group employs a strategic approach of utilising local currency bank borrowings to finance capital expenditures and operational funding requirements for properties and development projects in their respective countries. This strategy aims to achieve natural hedging of the Group's assets against currency fluctuations. Given the Group's significant exposure to Renminbi assets, efforts have been made to increase Renminbi borrowings. This approach not only contributes to reducing the Group's average interest cost, as previously discussed, but also enhances the hedging ratio for Renminbi assets.

To further mitigate currency risks associated with foreign currency borrowings, the Group strategically executes cross-currency swap contracts. As at 31 December 2024, the Group has the following cross-currency swap contracts:

- 7-year term USD35 million between US dollar and Singapore dollar to hedge the US dollar fixed rate bonds at a fixed interest rate of 4.25% per annum maturing November 2025
- 7-year term JPY8,000 million between Japanese yen and HK dollar to swap bank borrowings from Japanese yen at a floating interest rate to HK dollar at fixed interest rate of 3.345% per annum maturing July 2026
- 5-year term USD293.5 million between US dollar and Renminbi to swap bank borrowings from US dollar at floating interest rates to Renminbi at fixed interest rates ranging between 4.18% and 4.29% per annum maturing December 2028

The majority of the Group's hotels denominate room tariffs in local currencies. The Group's policy, wherever and to the extent possible, is to quote tariffs in the major or stable currency and maintain bank balances in that currency, if legally permitted.

This comprehensive approach to currency risk management demonstrates the Group's commitment to financial stability and prudent asset-liability matching across its diverse international portfolio.

INVESTMENT PROPERTIES VALUATION

Investment properties of subsidiaries and associates continue to be stated at fair value and are reviewed semi-annually (including those properties being constructed for future use as investment properties for which fair value becomes reliably determinable). The fair values of investment properties are based on opinions from independent professional valuers as obtained by the Group and the relevant associates which own the investment properties. All changes in the fair value of investment properties are recorded in the statement of profit or loss. For the year ended 31 December 2024, the Group recorded an overall effective share of net fair value gains of USD74.9 million for its investment properties.

The following table shows the fair value (losses)/gains of the investment properties held by the Group's subsidiaries and associates for the year ended 31 December 2024:

<i>(USD million)</i>	Subsidiaries		Associates		Total	
	100%	Effective share	100%	Effective share	100%	Effective share
(Losses)/gains	(20.7)	(23.9)	373.0	147.4	352.3	123.5
Deferred tax	(13.4)	(11.9)	(93.0)	(36.7)	(106.4)	(48.6)
Net (losses)/gains	<u>(34.1)</u>	<u>(35.8)</u>	<u>280.0</u>	<u>110.7</u>	<u>245.9</u>	<u>74.9</u>

Investment properties are stated at professional valuations carried out by the following independent firms of professional valuers engaged by the Group or the relevant associates as at 31 December 2024:

CHFT Advisory and Appraisal Ltd, Jones Lang LaSalle Ltd, Cushman & Wakefield Limited, and Savills Valuation and Professional Services Limited	:	For properties in Mainland China
CHFT Advisory and Appraisal Ltd	:	For properties in Mongolia
Colliers International Consultancy & Valuation (Singapore) Pte Ltd and Savills Valuation and Professional Services (S) Pte Ltd	:	For properties in Singapore
W. M. Malik & Kamaruzaman Sdn. Bhd.	:	For properties in Malaysia
Jones Lang LaSalle Advisory Services Pty Ltd	:	For properties in Australia
Knight Frank Chartered (Thailand) Company Limited	:	For properties in Myanmar
Sunil Fernando & Associates (Pvt) Ltd.	:	For properties in Sri Lanka

IMPAIRMENT PROVISION

The Group assesses the carrying value of the Group-owned properties during the year when there is any indication that the assets may be impaired. Indicative criteria include continuing adverse changes in the local market conditions in which the property operates or will operate, or when the property continues to operate at a loss position or materially behind budget. At the end of the reporting period, the Group assessed the carrying value of all Group-owned operating hotels and properties under development. Professional valuations have been carried out by independent professional firms for those properties for which the internal assessment results need independent confirmation.

Based on the Group's internal assessment and independent professional valuations, a total impairment loss of USD51.8 million was recognised for three hotels located in the Maldives and Mainland China for the year ended 31 December 2024. On the other hand, impairment losses of USD5.8 million, previously recorded for a hotel in Japan, were reversed during the year. This reversal reflects the hotel's sustained profitability and optimistic future prospects, supported by improved operational results and favourable market trends.

FINANCIAL ASSETS – TRADING SECURITIES

As at 31 December 2024, the market value of the Group's investment portfolio was USD10.9 million, which mainly included 4,483,451 ordinary shares in Kerry Properties Limited amounting to USD8.9 million and 2,241,725 ordinary shares in Kerry Logistics Network Limited amounting to USD2.0 million. The Group recorded a net gain of USD0.3 million through profit or loss for the year ended 31 December 2024. Dividend income of USD1.0 million was recognised during the year.

DEVELOPMENT PROGRAMMES

Construction work on the following projects is on-going:

(A) Hotel Developments

	Group's Equity Interest	Hotel Rooms	Projected Opening
In Mainland China			
Shangri-La Kunming	45%	75	2025
Shangri-La Zhengzhou	45%	314	2026
In Japan			
Shangri-La Kyoto	20%	77	2026

The Shangri-La and Traders Hongqiao Airport, Shanghai, hotels with 611 rooms operated under an operating lease, will open for business in 2025.

(B) Composite Developments and Investment Property Developments

	Group's Equity Interest	Total gross floor area upon completion (excluding hotel component) (approximate in square metres)			Scheduled Completion
		Residential	Office	Commercial	
In Mainland China					
Shenyang Kerry Centre – Phase III	25%	251,467	69,144	93,417	2025 onwards*
Composite development project in Zhengzhou	45%	–	58,946	–	2026 onwards*
Tianjin Kerry Centre – Phase II	20%	27,817	92,651	17,490	2025
TOTAL		<u>279,284</u>	<u>220,741</u>	<u>110,907</u>	

* Being developed in phases

During the year, the Group's wholly owned Shangri-La Centre, Fuzhou (Phase II of Shangri-La Fuzhou) opened its commercial component in April 2024, following the opening of its office component in 2023.

The Group is currently reviewing the development plans of the following projects:

Hotel development

- Rome, Italy (wholly owned by the Group)
- Lakeside Shangri-La, Yangon, Myanmar (55.86% equity interest owned by the Group)
- Bangkok, Thailand (73.61% equity interest owned by the Group)

Composite development

- Accra, the Republic of Ghana (45% equity interest owned by the Group)

The Group continues to review its asset portfolio and may sell assets it considers non-core at an acceptable price and introduce strategic investors for some of its operating assets/development projects. The Group adjusts its development plans and investment strategy from time to time in response to changing market conditions and to improve the financial position of the Group.

MANAGEMENT CONTRACTS FOR HOTELS OWNED BY THIRD PARTIES

During the year ended 31 December 2024, two hotels under management agreements owned by third parties, namely Shangri-La Nanshan, Shenzhen in Mainland China and Shangri-La Phnom Penh in Cambodia, opened for business in January 2024 and December 2024, respectively. As at 31 December 2024, the Group has management agreements for 22 operating hotels owned by third parties. In addition, the Group also has agreements on hand for the development of 2 new hotels currently under development and owned by third parties. The development projects are located in Hangzhou (Mainland China) and Melbourne (Australia).

The Group continues to review proposals it receives for management opportunities and intends to secure management agreements for third party owned hotels that do not require capital commitment in locations/cities which it considers to be of long-term strategic interest.

HUMAN RESOURCES

Our business has always been fundamentally about people, including both our customers and committed employees. Shangri-La is a proud employer of more than 42,000 talented and dedicated people, who work together as one team in pursuit of our Vision to be the best-loved hospitality group, pioneering new horizons and setting new benchmarks.

In 2024, we continued to invest in, engage and develop our people. Our efforts were guided by four strategic pillars: (1) strengthening our leadership, (2) developing workforce capabilities (3) recognising and rewarding our people, (4) fostering Shangri-La culture, with key achievements below.

Strengthening Our Leadership

Developing our leaders has always been a key priority at Shangri-La. During the year, we conducted our flagship leadership development programmes with eligible employees. These programmes included:

- The Business Leaders Programme designed to develop future hotel general managers
- The Operational Leaders Programme which caters to future hotel resident managers
- The Emerging Leaders Programme which focuses on future mid-level managers

More than 1,400 leaders and future leaders have benefited from these programmes to-date.

While a Leadership Transformation Workshop has been specially curated in 2023, helping to align our leaders' understanding for the Group's aspirations and to embed specific leadership skills that we believe will support our sustained success, we have extended the leadership transformation workshops to hotel executive levels in 2024 to optimise the leadership capabilities. More than 1,700 hotel leaders from all hotels in our Group joined the workshops. The workshop is to inspire all leaders to better build optimal working relationships and support the improvement of the organisation capabilities.

Dedicated to nurturing a robust talent pipeline and fostering internal advancement, we assessed more than 2,750 incumbents occupying leadership roles at Shangri-La. These evaluations delved into organisational structure, leadership qualities, and functional expertise. The insights we gleaned have enabled us to further equip our leaders with the ability to guide their teams towards delivering our current objectives and future aspirations.

Developing Workforce Capabilities

Our unwavering dedication lies in offering career development opportunities for all our people. To this end, in 2024 we rolled out a comprehensive suite of customised learning and development programmes, along with on-the-job training opportunities, meticulously designed to cater to individual growth needs befitting the business requirements.

Capitalising on our upgraded digital learning platform, Shangri-La Academy delivered a diverse array of virtual interactive learning programmes. These offerings allowed our team members to engage at their convenience, with personalised recommendations tailored to their needs. In 2024, we launched 38 courses developed in-house with 133,815 enrolments. On average, each employee dedicated approximately 35.6 hours to learning throughout the year.

In our pursuit of ensuring transparency with clarity regarding annual objectives and pathways to achievement, we have implemented substantial enhancements to our global performance management framework. The entailed formalising Performance Development Conversations within our goal-setting and year-end review process, empowering managers to align and evaluate the team performance effectively. Consequently, each employee has formulated personalised objectives grounded in the Group's Operating Framework, alongside individualised development action plans aimed at fostering personal and professional growth.

Enhancing HR Efficiency Through HRIS Implementation

In 2024, we embarked on a global Human Resources Information System (HRIS) implementation, reaching a significant milestone in our Human Resources Information Technology (HRIT) modernisation journey. The HRIS has laid a solid foundation for future technological advancements and further enhances our data analytic capability. Through in-depth data analytics, patterns and trends could be further identified to provide senior management valuable insights when making strategic HR decisions.

Recognising and Rewarding Our People

The Group's remuneration philosophy is to reward our people competitively and fairly, to incentivise and recognise the achievement of short and long-term business goals, and to attract, retain and motivate the very best talent in the industry.

Our core remuneration programmes are tied to our performance development review programme, which is designed to evaluate colleagues' contributions, impact, and areas for development throughout the performance review cycle. The Group's balanced scorecard measures the performance of business units in the areas of financial achievement, guest satisfaction, people development, initiatives, community responsibility and compliance. The financial and non-financial measures are carefully considered in the reward programmes to ensure alignment between remuneration and our business strategy. Our remuneration programmes are governed by the Group's remuneration policies, guidelines and processes.

We maintained salaries and benefits, including provident fund contributions, insurance and medical coverage, and a share award scheme, at competitive levels in 2024.

The Group has granted shares under the share award scheme to attract, retain and motivate key talent to achieve long term growth and to align management with shareholders' value creation.

To strengthen our pay programmes and practices, we reviewed the job grading structure in the Group globally and piloted job family framework for selected entities of the Group. This initiative facilitated a systematic job management approach which enabled our managers to make more efficient and meaningful HR and pay decisions by referencing to accurate benchmarks and productivity analyses. It also served as a solid foundation for our people and career development within the Group.

We continued our complimentary rooms and staff rates programme as our appreciation and reward to our people for their dedication to the Group. Over 12,000 employees enjoyed the programme in 2024. We also continued our global recognition programme "Moments of Joy" as part of our appreciation culture and to recognise our people for their demonstration of our beliefs and values. Over 5,000 employees were recognised and awarded under this programme in 2024.

As at 31 December 2024, the Company and its subsidiaries had approximately 25,500 employees. The number of people employed by Shangri-La Group, including all operating hotels, was 42,600. The Group's total employee benefit expenses (excluding directors' emoluments) amounted to USD802.2 million (2023: USD762.1 million).

Fostering Shangri-La Culture

Our passionate employees across the Group are the foundation of Shangri-La's strong culture. Our employee's varied national and cultural backgrounds contribute to the success of the Group by providing a multitude of viewpoints and insights. Our employees share our Vision, Purpose, Business, and Beliefs. Do good, obsess over customer experience, own our success, compete to win, and never give up are the code of behaviours we live by.

As we constantly strive to meet the employee's expectations, encourage their engagement, and put their wellbeing first, listening to the voice of people is crucial on our Group's transformation.

Since we first introduced the company-wide Culture Pulse Survey in 2022 for employees to express their opinions about our engagement and culture initiatives, the survey was held for the third year in a row in 2024. The insights from the survey results not only gave us a clear picture of where we stand now, but also made it possible for us to hear our employees' voices. With an overall culture score of 3.82 (out of four), we achieved a new record-high completion rate of 99.5% this year, compared to 99.2% in 2023. Notably, nearly half of the respondents submitted open-ended remarks, indicating a high degree of engagement with the survey and a commitment to contribute in shaping the Company's future. Respondents also provided practical recommendations that will help us enhance our employee experiences, development initiatives, and maintain a positive work environment at the Group.

Setting New Benchmarks

In 2024, Shangri-La International Hotel Management Limited was honoured with three distinguished Employee Experience Awards accredited by Human Resources Online, recognising our commitment to excellence in various domains in relation to Human Resources.

We received the Silver Award for the Best Graduate Training Program, rewarding our dedication to nurturing young talent through comprehensive and impactful training initiatives. The Gold Award for the Best Holistic Leadership Development Strategy underscored our effective approach to cultivating strong leadership skills and fostering a culture of continuous growth, while our efforts in driving cultural and behavioural change were also acknowledged with the Gold Award for the Best Culture Transformation & Change Management, reflecting our successful initiatives in bringing our beliefs to life.

Apart from the three awards accredited by Human Resources Online, a Gold Award for Best Talent Acquisition Team has been honoured by LinkedIn. This accolade recognised our innovative strategies and excellence in engaging and nurturing top talent. Our Human Resources team's dedication to identifying and attracting the best candidates has been instrumental in building a strong and diverse workforce, ensuring that the Group continues to thrive and excel in a competitive landscape.

PROSPECTS

In 2024, we navigated a changing landscape as the initial surge of “revenge travel” gave way to more stabilised growth in the second half of the year. Despite this, we achieved record-high free cash flow of USD273 million from high returns from our investment properties. This strong cash flow position will enable us to maintain financial flexibility, support our strategic initiatives, and explore new opportunities for growth. We are pleased to declare a full year dividend of HK15 cents per share.

We were able to contain our interest cost by maintaining our borrowing costs at 4.5% despite a rising interest rate environment by diversifying our funding sources, including the raising of two Panda Bonds. Both issuances, which achieved various firsts not only allowed us to tap into the Onshore Mainland China capital markets for the first time, but further helped us to better match our asset liability exposure.

We remained focused on enhancing returns and creating value for our stakeholders through strategic projects and initiatives, as we revamp our portfolio in 2024 to better serve our guests’ and customers’ needs, especially in the leisure segment. At Island Shangri-La, Hong Kong, we introduced new themes rooms and suites which redefined family-friendly experiences. We also introduced Ming Pavilion, a differentiated and elevated take on authentic Fujian cuisine. Both were launched in February 2024. The unveiling of JEN Kunming by Shangri-La in April 2024, marked the introduction of our dual-brand strategy, which will include the Shangri-La Kunming (set to open in the fourth quarter of 2025) in the same building. This approach allows us to cater to a broader range of guests, maximise the utilisation of the property, and uplift returns. Meanwhile, BaFunHui by Shangri-La, a shopping mall in Fuzhou, Mainland China opened in April 2024, provides a more integrated experience for our guests in Shangri-La Fuzhou.

We also continued to expand our footprint through managed contracts. Shangri-La Nanshan, Shenzhen which opened in January 2024, marks our fourth property in Shenzhen. Meanwhile, we debuted in Cambodia with Shangri-La Phnom Penh in December 2024.

The rejuvenation of Shangri-La Hangzhou, set for reopening in the second quarter of 2025, will set new benchmarks in customer experience. Meanwhile, we will apply our dual-brand concept to Traders and Shangri-La Hongqiao, which is slated to open in the second half of 2025.

We remain dedicated to delivering our renowned Asian hospitality and look forward to welcoming guests from around the world to both our time-honoured and new properties alike. As we push forward, we will also stay vigilant on costs to continue ensuring topline growth translates to stronger bottom line, and more importantly, cash generation. Meanwhile, we remain selective, strategic and returns-focused in all our project undertakings, ensuring we allocate resources to opportunities with the most significant potential for sustainable growth while balancing our reserves to provide returns for our shareholders.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December	
		2024	2023
	Note	USD'000	USD'000
ASSETS			
<i>Non-current assets</i>			
Property, plant and equipment		3,768,173	3,998,055
Investment properties		1,784,273	1,803,429
Right-of-use assets		1,004,424	1,051,345
Intangible assets		103,132	104,661
Interest in associates		4,280,314	4,304,252
Deferred income tax assets		73,331	76,625
Financial assets at fair value through other comprehensive income		2,101	2,101
Financial assets at fair value through profit or loss		10,787	11,563
Derivative financial instruments		25,102	42,173
Other receivables		11,482	12,615
		<u>11,063,119</u>	<u>11,406,819</u>
<i>Current assets</i>			
Inventories		29,271	30,054
Properties for sale		52,577	52,125
Accounts receivable, prepayments and deposits	4	226,737	236,122
Amounts due from associates		160,157	126,596
Derivative financial instruments		24,658	32,609
Financial assets at fair value through profit or loss		10,948	10,639
Bank deposits with original maturities over 3 months		113,916	96,825
Cash and cash equivalents		1,817,076	870,797
		<u>2,435,340</u>	<u>1,455,767</u>
Total assets		<u><u>13,498,459</u></u>	<u><u>12,862,586</u></u>

		As at 31 December	
		2024	2023
	<i>Note</i>	USD '000	USD '000
EQUITY			
<i>Capital and reserves attributable to owners of the Company</i>			
Share capital and premium	5	3,201,995	3,201,995
Shares held for share award scheme	5	(13,595)	(15,645)
Other reserves		279,984	406,450
Retained earnings		1,715,142	1,629,620
		5,183,526	5,222,420
Non-controlling interests		253,644	245,623
		5,437,170	5,468,043
LIABILITIES			
<i>Non-current liabilities</i>			
Bank loans		4,708,500	3,907,801
Fixed rate bonds		771,291	1,168,534
Derivative financial instruments		21,100	13,665
Long-term lease liabilities		506,059	530,560
Loan from a non-controlling shareholder		38,452	–
Deferred income tax liabilities		321,297	305,816
		6,366,699	5,926,376
<i>Current liabilities</i>			
Accounts payable and accruals	7	599,329	639,048
Contract liabilities		107,407	101,051
Short-term lease liabilities		42,777	41,792
Amounts due to non-controlling shareholders		51,416	44,981
Current income tax liabilities		19,087	24,239
Bank loans		232,148	506,600
Fixed rate bonds		640,324	102,271
Derivative financial instruments		2,102	8,185
		1,694,590	1,468,167
Total liabilities		8,061,289	7,394,543
Total equity and liabilities		13,498,459	12,862,586

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Year ended 31 December	
		2024	2023
	Note	USD'000	USD'000
Revenue	3	2,185,356	2,141,790
Cost of sales	8	<u>(968,538)</u>	<u>(975,048)</u>
Gross profit		1,216,818	1,166,742
Other gains – net	9	47,328	9,050
Marketing costs	8	(86,896)	(80,205)
Administrative expenses	8	(283,121)	(241,069)
Other operating expenses	8	<u>(659,238)</u>	<u>(639,812)</u>
Operating profit		234,891	214,706
Finance costs – net			
– Interest expense	10	(309,961)	(272,303)
– Net foreign exchange gains	10	23,746	13,925
Share of profit of associates	11	<u>309,658</u>	<u>323,818</u>
Profit before income tax		258,334	280,146
Income tax expense	12	<u>(75,408)</u>	<u>(78,470)</u>
Profit for the year		<u>182,926</u>	<u>201,676</u>
<i>Profit attributable to:</i>			
Owners of the Company		161,387	184,139
Non-controlling interests		<u>21,539</u>	<u>17,537</u>
		<u>182,926</u>	<u>201,676</u>
<i>Earnings per share for profit attributable to owners of the Company during the year (expressed in US cents per share)</i>			
– basic	13	<u>4.54</u>	<u>5.17</u>
– diluted	13	<u>4.50</u>	<u>5.13</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2024	2023
	<i>USD'000</i>	<i>USD'000</i>
Profit for the year	182,926	201,676
<i>Other comprehensive income/(loss):</i>		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Fair value changes of financial assets at fair value through other comprehensive income	–	24
Remeasurements of post-employment benefit obligations	(1,422)	(615)
Effect of hyperinflation	16,182	7,653
<i>Items that may be reclassified subsequently to profit or loss</i>		
Fair value changes of interest rate swap and cross-currency swap contracts – hedging	(32,726)	(51,072)
Currency translation differences – subsidiaries	(24,989)	(28,407)
Currency translation differences – associates	(69,328)	(81,492)
Other comprehensive loss for the year	(112,283)	(153,909)
Total comprehensive income for the year	70,643	47,767
<i>Total comprehensive income attributable to:</i>		
Owners of the Company	47,968	31,513
Non-controlling interests	22,675	16,254
	70,643	47,767

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company						
	Share capital and premium <i>USD'000</i>	Shares held for share award scheme <i>USD'000</i>	Other reserves <i>USD'000</i>	Retained earnings <i>USD'000</i>	Total <i>USD'000</i>	Non- controlling interests <i>USD'000</i>	Total equity <i>USD'000</i>
<i>Note</i>							
At 1 January 2024	3,201,995	(15,645)	406,450	1,629,620	5,222,420	245,623	5,468,043
Remeasurements of post-employment benefit obligations	-	-	-	(1,255)	(1,255)	(167)	(1,422)
Effect of hyperinflation	-	-	-	16,182	16,182	-	16,182
Fair value changes of interest rate swap and cross-currency swap contracts – hedging	-	-	(32,726)	-	(32,726)	-	(32,726)
Currency translation differences	-	-	(95,620)	-	(95,620)	1,303	(94,317)
Other comprehensive (loss)/income for the year recognised directly in equity	-	-	(128,346)	14,927	(113,419)	1,136	(112,283)
Profit for the year	-	-	-	161,387	161,387	21,539	182,926
Total comprehensive (loss)/income for the year	-	-	(128,346)	176,314	47,968	22,675	70,643
Shares purchase for share award scheme	5	(5,335)	-	-	(5,335)	-	(5,335)
Share-based compensation under share award scheme	-	-	10,119	-	10,119	-	10,119
Vesting of shares under share award scheme	5	7,385	(8,239)	854	-	-	-
Payment of 2023 final dividend	-	-	-	(68,701)	(68,701)	-	(68,701)
Payment of 2024 interim dividend	-	-	-	(22,945)	(22,945)	-	(22,945)
Dividend paid and payable to non-controlling shareholders	-	-	-	-	-	(16,276)	(16,276)
Injection of equity loan from non-controlling shareholders	-	-	-	-	-	1,622	1,622
	-	2,050	1,880	(90,792)	(86,862)	(14,654)	(101,516)
At 31 December 2024	3,201,995	(13,595)	279,984	1,715,142	5,183,526	253,644	5,437,170

		Attributable to owners of the Company						
		Share capital and premium USD'000	Shares held for share award scheme USD'000	Other reserves USD'000	Retained earnings USD'000	Total USD'000	Non- controlling interests USD'000	Total equity USD'000
	Note							
At 1 January 2023		3,201,995	(6,111)	568,847	1,489,310	5,254,041	170,474	5,424,515
Fair value changes of financial assets at fair value through other comprehensive income		-	-	10	-	10	14	24
Remeasurements of post-employment benefit obligations		-	-	-	(622)	(622)	7	(615)
Effect of hyperinflation		-	-	-	7,653	7,653	-	7,653
Fair value changes of interest rate swap and cross-currency swap contracts – hedging		-	-	(48,983)	-	(48,983)	(2,089)	(51,072)
Currency translation differences		-	-	(110,684)	-	(110,684)	785	(109,899)
Other comprehensive (loss)/income for the year recognised directly in equity		-	-	(159,657)	7,031	(152,626)	(1,283)	(153,909)
Profit for the year		-	-	-	184,139	184,139	17,537	201,676
Total comprehensive (loss)/income for the year		-	-	(159,657)	191,170	31,513	16,254	47,767
Shares purchase for share award scheme	5	-	(13,900)	-	-	(13,900)	-	(13,900)
Share-based compensation under share award scheme		-	-	7,889	-	7,889	-	7,889
Vesting of shares under share award scheme	5	-	4,366	(4,212)	(154)	-	-	-
Transfer gain on change in fair value of equity instruments sold to retained earnings		-	-	(201)	201	-	-	-
Transfer from share option reserve to retained earnings		-	-	(6,216)	6,216	-	-	-
Dividend paid and payable to non-controlling shareholders		-	-	-	-	-	(1,927)	(1,927)
Capital reduction for subsidiaries		-	-	-	-	-	(3,576)	(3,576)
Injection of equity loan from non-controlling shareholders		-	-	-	-	-	7,191	7,191
Return of equity loan to a non-controlling shareholder		-	-	-	-	-	(2,640)	(2,640)
Acquisition of equity interest in a subsidiary from a non-controlling shareholder		-	-	-	(57,123)	(57,123)	59,847	2,724
		-	(9,534)	(2,740)	(50,860)	(63,134)	58,895	(4,239)
At 31 December 2023		3,201,995	(15,645)	406,450	1,629,620	5,222,420	245,623	5,468,043

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 General information

The principal activities of the Group are the development, ownership and operation of hotel properties, the provision of hotel management and related services, the development, ownership and operation of investment properties and property development for sale.

The Company is a limited liability company incorporated in Bermuda. The address of its registered office is Victoria Place, 5/F, 31 Victoria Street, Hamilton HM10, Bermuda.

The Company has its primary listing on the Main Board of The Stock Exchange of Hong Kong Limited with secondary listing on the Singapore Exchange Securities Trading Limited.

2 Basis of preparation and accounting policies

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRS**”) and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention except that certain financial assets, financial liabilities (including derivative financial instruments) and investment properties are stated at fair value.

New accounting standards, amendments and interpretations to accounting standards adopted by the Group

The Group has applied the following amendments to accounting standards for the first time for the financial year beginning on 1 January 2024:

HKFRS 16 (Amendments)	Lease Liability in a Sale and Leaseback
HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current
HKAS 1 (Amendments)	Non-current Liabilities with Covenants
HKAS 7 and HKFRS 7 (Amendments)	Supplier Finance Arrangements
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The adoption of these amendments to accounting standards has no material impact on the Group’s financial statements.

New standards, amendments and interpretations to existing standards not yet adopted by the Group

Certain new accounting standards, amendments and interpretations to existing standards have been published that are not mandatory for the year 2024 and have not been early adopted by the Group. These standards are not expected to have a material impact to the Group in the current or future reporting periods and on foreseeable future transactions.

3 Revenue and segment information

The Group owns/leases and operates hotels and associated properties; and provides hotel management and related services. The Group also owns investment properties for property rentals and engages in property sales business. Most of the associates are engaged in hotel ownership, property rentals and property sales businesses and these revenues of the associates are not included in the consolidated revenue of the Group. Revenue recognised in the consolidated financial statements during the year are as follows:

	2024 <i>USD'000</i>	2023 <i>USD'000</i>
Revenue		
Hotel properties		
Revenue from rooms	1,069,464	1,041,003
Food and beverage sales	767,961	788,677
Rendering of ancillary services	106,602	96,600
Hotel management and related services	98,190	94,736
Property development for sale	2,314	1,620
Other business	15,065	10,845
	<hr/>	<hr/>
Revenue from contracts with customers	2,059,596	2,033,481
Investment properties	125,760	108,309
	<hr/>	<hr/>
Total consolidated revenue	2,185,356	2,141,790

The Group is domiciled in Hong Kong. The revenue from external customers attributed to Hong Kong and other countries are USD381,614,000 (2023: USD366,295,000) and USD1,803,742,000 (2023: USD1,775,495,000), respectively.

The total of non-current assets other than financial assets at fair value through other comprehensive income (“FVOCI”) and fair value through profit or loss (“FVPL”), derivative financial instruments and deferred income tax assets, located in Hong Kong and other countries are USD876,995,000 (2023: USD888,141,000) and USD10,074,803,000 (2023: USD10,386,216,000), respectively.

In accordance with HKFRS 8 “Operating Segments”, segment information disclosed in the consolidated financial statements has been prepared in a manner consistent with the reports reviewed by the chief operating decision maker that are used to make strategic decisions.

The Group’s revenue is derived from various external customers in which there is no significant revenue derived from a single external customer of the Group. The Group’s management considers the business from both a geographic and business perspective.

The Group is managed on a worldwide basis in the following main segments:

- i. **Hotel properties** – development, ownership and operation of hotel properties (including hotels under leases)*
 - The People’s Republic of China
 - Hong Kong
 - Mainland China
 - Singapore
 - Malaysia
 - The Philippines
 - Japan
 - Thailand
 - France
 - Australia
 - United Kingdom
 - Mongolia
 - Sri Lanka
 - Other countries (including Fiji, Myanmar, Maldives, Indonesia, Turkey and Mauritius)

- ii. **Hotel management and related services** for Group-owned hotels and for hotels owned by third parties*

- iii. **Investment properties** – development, ownership and operation of office properties, commercial properties and serviced apartments/residences for rental purpose*
 - Mainland China
 - Singapore
 - Malaysia
 - Mongolia
 - Sri Lanka
 - Other countries (including Australia and Myanmar)

- iv. **Property development for sale** – development and sale of real estate properties*

The Group is also engaged in other business including wine trading, amusement park, retail business and restaurant operation outside hotels. These other business did not have a material impact on the Group’s results.

The chief operating decision maker assesses the performance of the operating segments based on a measure of the share of profit or loss after tax and non-controlling interests. This measurement basis excludes the effects of land cost amortisation and project expenses, corporate expenses and other non-operating items such as fair value gains or losses on investment properties, fair value adjustments on monetary items and impairments for any isolated non-recurring event.

Segment profit or loss

For the year ended 31 December 2024 and 2023 (USD million)

	2024		2023	
	Revenue (Note b)	Profit/(Loss) after tax (Note a)	Revenue (Note b)	Profit/(Loss) after tax (Note a)
Hotel properties				
The People's Republic of China				
Hong Kong	321.9	21.2	304.3	17.7
Mainland China	655.2	(10.1)	702.6	25.0
Singapore	260.0	30.4	264.0	38.7
Malaysia	112.0	7.8	104.8	7.4
The Philippines	156.5	17.1	134.9	8.6
Japan	51.6	11.1	50.4	5.2
Thailand	66.2	13.0	62.2	11.1
France	57.5	(0.9)	54.5	(4.3)
Australia	88.2	(1.4)	85.7	(1.8)
United Kingdom	60.4	(13.7)	60.9	(11.8)
Mongolia	21.7	(2.2)	20.1	(1.4)
Sri Lanka	40.5	(2.0)	33.2	(1.9)
Other countries	52.3	(0.3)	48.7	4.1
	<u>1,944.0</u>	<u>70.0</u>	<u>1,926.3</u>	<u>96.6</u>
Hotel management and related services	<u>258.4</u>	<u>37.6</u>	<u>224.3</u>	<u>19.4</u>
Sub-total hotel operation	<u>2,202.4</u>	<u>107.6</u>	<u>2,150.6</u>	<u>116.0</u>
Investment properties				
Mainland China	31.3	171.3	25.5	164.0
Singapore	14.4	10.5	14.2	9.4
Malaysia	4.3	0.6	4.5	0.7
Mongolia	36.5	9.3	31.2	8.4
Sri Lanka	24.5	5.2	18.5	(1.0)
Other countries	14.8	3.0	14.4	3.8
	<u>125.8</u>	<u>199.9</u>	<u>108.3</u>	<u>185.3</u>
Property development for sale	<u>2.3</u>	<u>6.0</u>	<u>1.6</u>	<u>46.5</u>
Other business	<u>15.1</u>	<u>(5.6)</u>	<u>10.8</u>	<u>(4.2)</u>
Total	<u>2,345.6</u>	<u>307.9</u>	<u>2,271.3</u>	<u>343.6</u>
Less: Hotel management – Inter-segment revenue	<u>(160.2)</u>		<u>(129.5)</u>	
Total external revenue	<u><u>2,185.4</u></u>		<u><u>2,141.8</u></u>	
Corporate finance costs (net of interest income)		(167.3)		(167.4)
Land cost amortisation and project expenses		(7.5)		(4.1)
Corporate expenses		(30.5)		(28.8)
Exchange gains/(losses) of corporate investment holding companies		13.3		(14.3)
Profit before non-operating items		<u><u>115.9</u></u>		<u><u>129.0</u></u>

	2024 Profit/(Loss) after tax (Note a)	2023 Profit/(Loss) after tax (Note a)
Profit before non-operating items	115.9	129.0
Non-operating items		
Share of net fair value gains on investment properties	74.9	75.2
Net unrealised gains/(losses) on financial assets at fair value through profit or loss	0.5	(3.9)
Fair value adjustments on security deposits on leased premises	0.3	0.2
Net impairment losses on hotel properties	(46.0)	(39.0)
Fair value gains/(losses) on cross-currency swap contracts – non-hedging	7.7	(7.3)
Foreign exchange gain arising from appreciation of Sri Lankan rupee	11.2	29.9
Loss on disposal of an associate	(4.4)	–
Insurance claims recovered from property damage	4.1	–
Write-off of property, plant and equipment due to property damage and obsolescence	(2.8)	–
Total non-operating items	45.5	55.1
Consolidated profit attributable to owners of the Company	161.4	184.1

Notes:

- a. Profit/(Loss) after tax includes net of tax results from associates and the Company and its subsidiaries after share of non-controlling interests.
- b. Revenue excludes revenue of associates.

The Group's share of profit/(loss) of associates (excluding projects under development) by operating segments included in profit before non-operating items in the segment profit or loss is analysed as follows:

<i>(USD million)</i>	2024	2023
	Share of profit/(loss) of associates	Share of profit/(loss) of associates
<i>Hotel properties</i>		
The People's Republic of China		
Hong Kong	(0.3)	(0.4)
Mainland China	5.1	7.0
Singapore	1.4	2.0
Malaysia	3.5	3.3
The Philippines	8.6	8.4
Other countries	1.0	5.2
	<hr/> 19.3 <hr/>	<hr/> 25.5 <hr/>
<i>Investment properties</i>		
Mainland China	171.9	168.5
Singapore	4.5	3.2
	<hr/> 176.4 <hr/>	<hr/> 171.7 <hr/>
<i>Property development for sale</i>	5.4	46.5
<i>Other business</i>	0.1	0.3
Total	<hr/> 201.2 <hr/> <hr/>	<hr/> 244.0 <hr/> <hr/>

The amount of depreciation and amortisation and income tax expense/(credit) before share of non-controlling interests included in the results of operating segments from the Company and its subsidiaries (excluding projects under development) are analysed as follows:

<i>(USD million)</i>	2024		2023	
	Depreciation and amortisation	Income tax expense/(credit)	Depreciation and amortisation	Income tax expense/(credit)
<i>Hotel properties</i>				
The People's Republic of China				
Hong Kong	39.8	1.9	36.4	1.4
Mainland China	97.6	20.1	102.2	25.7
Singapore	17.5	5.2	17.1	8.5
Malaysia	9.9	3.2	10.2	3.2
The Philippines	19.3	6.3	21.2	4.0
Japan	4.5	(3.6)	4.8	1.1
Thailand	4.8	6.1	4.7	5.8
France	6.1	–	6.6	–
Australia	12.0	–	11.7	0.8
United Kingdom	7.5	–	8.5	–
Mongolia	8.3	0.1	8.2	0.1
Sri Lanka	8.4	5.3	8.1	1.0
Other countries	7.4	0.1	9.2	0.6
	<u>243.1</u>	<u>44.7</u>	<u>248.9</u>	<u>52.2</u>
<i>Hotel management and related services</i>	<u>14.9</u>	<u>9.6</u>	<u>17.5</u>	<u>11.7</u>
<i>Sub-total hotel operations</i>	<u>258.0</u>	<u>54.3</u>	<u>266.4</u>	<u>63.9</u>
<i>Investment properties</i>				
Mainland China	–	5.2	–	13.2
Singapore	–	1.2	–	1.3
Malaysia	–	0.5	–	0.6
Mongolia	–	2.1	–	1.3
Sri Lanka	0.2	(0.6)	0.2	0.7
Other countries	0.1	0.3	0.1	(1.2)
	<u>0.3</u>	<u>8.7</u>	<u>0.3</u>	<u>15.9</u>
<i>Property development for sale</i>	–	0.2	–	2.6
<i>Other business</i>	<u>4.0</u>	–	<u>1.6</u>	<u>(0.7)</u>
Total	<u><u>262.3</u></u>	<u><u>63.2</u></u>	<u><u>268.3</u></u>	<u><u>81.7</u></u>

Segment assets
As at 31 December 2024 and 2023 (USD million)

	As at 31 December	
	2024	2023
<i>Hotel properties</i>		
The People's Republic of China		
Hong Kong	814.1	801.0
Mainland China	2,137.7	2,224.3
Singapore	481.6	510.3
Malaysia	257.9	243.6
The Philippines	300.3	284.0
Japan	62.7	61.3
Thailand	238.3	223.9
France	232.3	251.5
Australia	269.5	298.1
United Kingdom	239.5	242.6
Mongolia	110.2	107.0
Sri Lanka	146.6	109.6
Other countries	132.9	141.3
	5,423.6	5,498.5
<i>Investment properties</i>		
Mainland China	598.8	645.1
Singapore	506.0	519.6
Malaysia	70.0	66.9
Mongolia	355.6	342.8
Sri Lanka	191.0	203.4
Other countries	196.7	204.6
	1,918.1	1,982.4
<i>Property development for sale</i>		
Mainland China	33.0	33.8
Sri Lanka	19.5	18.3
	52.5	52.1
<i>Hotel management and related services</i>	375.7	257.1
Less: Elimination	(69.7)	(57.7)
Total segment assets	7,700.2	7,732.4
Assets allocated to projects and other business	263.1	322.8
Unallocated assets	1,151.8	398.4
Intangible assets	103.1	104.7
Total assets of the Company and its subsidiaries	9,218.2	8,558.3
Interest in associates	4,280.3	4,304.3
Total assets	13,498.5	12,862.6

Unallocated assets mainly comprise other assets of the Company and non-properties holding companies of the Group as well as the financial assets at FVOCI and FVPL, derivative financial instruments and deferred income tax assets.

4 Accounts receivable, prepayments and deposits

	2024 <i>USD'000</i>	2023 <i>USD'000</i>
Trade receivables	89,987	95,811
Less: Provision for impairment of receivables	<u>(10,184)</u>	<u>(12,123)</u>
Trade receivables – net (<i>Note (b)</i>)	79,803	83,688
Other receivables	54,771	62,407
Prepayments and other deposits	<u>92,163</u>	<u>90,027</u>
	<u><u>226,737</u></u>	<u><u>236,122</u></u>

There is no concentration of credit risk with respect to trade receivables, as the Group has a large number of customers, internationally dispersed.

Notes:

- (a) The fair values of the trade and other receivables are not materially different from their carrying values.
- (b) A significant part of the Group's sales are by credit cards or against payment of deposits. The remaining amounts are with general credit term of 30 days. The Group has a defined credit policy. The ageing analysis of the trade receivables based on invoice date after provision for impairment is as follows:

	2024 <i>USD'000</i>	2023 <i>USD'000</i>
0 – 3 months	65,790	63,275
4 – 6 months	6,847	8,140
Over 6 months	<u>7,166</u>	<u>12,273</u>
	<u><u>79,803</u></u>	<u><u>83,688</u></u>

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivables mentioned above.

5 Share capital and premium and shares held for share award scheme

	Number of shares '000	Amount		Total USD'000
		Ordinary shares USD'000	Share premium USD'000	
Share capital and premium				
Authorised				
– Ordinary shares of HKD1 each				
At 1 January 2023, 31 December 2023 and 31 December 2024				
	5,000,000	646,496	–	646,496
Issued and fully paid				
– Ordinary shares of HKD1 each				
At 1 January 2023, 31 December 2023 and 31 December 2024				
	3,585,525	462,904	2,739,091	3,201,995
Shares held for share award scheme				
At 1 January 2023	(9,134)	(1,178)	(4,933)	(6,111)
Shares purchase for share award scheme	(16,882)	(2,178)	(11,722)	(13,900)
Vesting of shares under share award scheme	5,204	671	3,695	4,366
At 31 December 2023 and 1 January 2024	(20,812)	(2,685)	(12,960)	(15,645)
Shares purchase for share award scheme	(7,804)	(1,007)	(4,328)	(5,335)
Vesting of shares under share award scheme	10,088	1,302	6,083	7,385
At 31 December 2024	(18,528)	(2,390)	(11,205)	(13,595)

As at 31 December 2024, except for shares held for share award scheme as shown above, 10,501,055 (2023: 10,501,055) ordinary shares in the Company were held by a subsidiary which was acquired in late 1999. The cost of these shares was recognised in equity in prior years.

Share awards

During the year ended 31 December 2024, the share award scheme of the Group acquired 7,804,000 ordinary shares in the Company through purchases on the open market and 10,088,300 shares were transferred to the awardees upon vesting of the awarded shares. The remaining 18,527,700 shares were held in trust under the share award scheme as at 31 December 2024. Details of the share award scheme were disclosed in Note 6 to this consolidated financial statements.

Share options

The shareholders of the Company approved the adoption of a share option scheme on 28 May 2012 (“**Share Option Scheme**”). The term of the Share Option Scheme already expired on 28 May 2022 and no new option was granted thereafter. The options granted on 23 August 2013 under the Share Option Scheme were immediately exercisable on the grant date and have a contractual option term of ten years with 22 August 2023 being the last exercisable date. All outstanding option shares not exercised on the last exercisable date were lapsed and the Group has no legal or constructive obligation to repurchase or settle the options in cash. No share option was exercised during the year ended 31 December 2023.

Movements of the number of outstanding option shares with exercise price of HKD12.11 per option share and their related weighted average exercise prices were as follows:

	For the year ended 31 December 2023	
	Weighted average exercise price in HKD per option share	Number of outstanding option shares
At 1 January 2023	12.11	6,508,000
Exercised	–	–
Lapsed	12.11	<u>(6,508,000)</u>
At 31 December 2023	–	<u><u>–</u></u>

6 Share award scheme

The Group operates the share award scheme as part of the benefits for its employees and the Company’s directors which allows shares of the Company to be granted to the awardees. The awarded shares are purchased on the open market and held in trust before vesting.

Most of the awarded shares vest progressively over the vesting period after the awards are granted and the ultimate number of shares being vested is conditional upon the passage of time and/or is conditional on the satisfaction of performance conditions set by the management of the Group.

The fair values of the awarded shares granted are based on the quoted market price of the Company on the grant dates which are amortised over the relevant vesting periods. For the year ended 31 December 2024, a total of 16,160,900 shares and 10,088,300 shares were granted and vested to the qualified awardees, respectively. A total of 18,527,700 shares were held in trust under the share award scheme as at 31 December 2024. During the year ended 31 December 2024, an expense of USD10,119,000 (2023: USD7,889,000) for the award shares granted was charged to the consolidated statement of profit or loss.

Details of the awarded shares granted and vested during 2024 and 2023 are as follows:

Grant date	Fair value per share	Number of awarded shares granted	Number of awarded shares vested			Vesting period
			Before 2023	2023	2024	
In year 2021						
1 Apr 2021	HKD7.86	52,000	52,000	–	–	Nil
7 Jun 2021	HKD7.27	5,986,000	1,804,000	1,522,000	1,366,000	7 Jun 2021 to 7 Jun 2024
15 Oct 2021	HKD6.35	80,000	80,000	–	–	Nil
15 Oct 2021	HKD6.35	268,000	88,000	72,000	44,000	15 Oct 2021 to 15 Oct 2024
Total for 2021		<u>6,386,000</u>				
In year 2022						
6 May 2022	HKD5.85	12,458,000	–	3,610,000	3,144,000	6 May 2022 to 6 May 2025
Total for 2022		<u>12,458,000</u>				
In year 2023						
17 Jul 2023	HKD6.37	18,930,100	–	–	5,534,300	17 Jul 2023 to 17 Jul 2026
Total for 2023		<u>18,930,100</u>				
In year 2024						
2 Jan 2024	HKD5.36	522,900	–	–	–	2 Jan 2024 to 1 Jan 2027
5 Jul 2024	HKD5.49	15,390,300	–	–	–	5 Jul 2024 to 5 Jul 2027
2 Oct 2024	HKD5.64	247,700	–	–	–	2 Oct 2024 to 20 Feb 2027
Total for 2024		<u>16,160,900</u>				
Grand Total		<u><u>53,935,000</u></u>	<u><u>2,024,000</u></u>	<u><u>5,204,000</u></u>	<u><u>10,088,300</u></u>	

7 Accounts payable and accruals

	2024 <i>USD'000</i>	2023 <i>USD'000</i>
Trade payables	78,795	81,186
Other payables and accrued expenses	<u>520,534</u>	<u>557,862</u>
	<u>599,329</u>	<u>639,048</u>

The ageing analysis of the trade payables based on invoice date is as follows:

	2024 <i>USD'000</i>	2023 <i>USD'000</i>
0 – 3 months	72,646	77,015
4 – 6 months	3,999	1,958
Over 6 months	<u>2,150</u>	<u>2,213</u>
	<u>78,795</u>	<u>81,186</u>

8 Expenses by nature

Expenses included in cost of sales, marketing costs, administrative expenses and other operating expenses are analysed as follows:

	2024 <i>USD'000</i>	2023 <i>USD'000</i>
Depreciation of property, plant and equipment	210,630	215,049
Amortisation of trademark, and website and system development	7,113	9,419
Depreciation of right-of-use assets	44,531	44,371
Provision for impairment losses on property, plant and equipment	51,802	41,209
Reversal of prior years' impairment losses on property, plant and equipment	(5,835)	(1,139)
Employee benefit expenses excluding directors' emoluments	800,954	759,628
Cost of sales of properties	946	630
Cost of inventories sold or consumed in operation	275,450	279,174
Loss on disposal of property, plant and equipment; and partial replacement of investment properties	2,670	2,731
Write-off of property, plant and equipment due to property damage and obsolescence	2,775	–
Gain on derecognition of right-of-use assets and lease liabilities	(95)	(989)
Operating lease expenses	35,043	32,381
Pre-opening expenses	6,322	4,093
Auditors' remuneration for audit services	2,437	2,250

9 Other gains – net

	2024	2023
	<i>USD'000</i>	<i>USD'000</i>
Net fair value losses on investment properties	(20,714)	(3,522)
Net gains/(losses) on short-term investments	1,709	(2,307)
Fair value losses on club debentures	(775)	(1,340)
Fair value gains/(losses) on cross-currency swap contracts	13,883	(9,387)
Gain on sale of investment properties	1,695	4,956
Insurance claims recovered from property damage	4,224	–
Loss on disposal of an associate	(4,352)	–
Interest income	56,940	19,733
Reversal of prior years' interest income from an associate	(6,299)	–
Dividend income	1,017	917
	47,328	9,050

10 Finance costs – net

	2024	2023
	<i>USD'000</i>	<i>USD'000</i>
Interest expense on:		
– bank loans	275,566	257,977
– fixed rate bonds	55,668	50,365
– other loans	781	263
– interest rate swap contracts	(49,156)	(60,771)
– lease liability	27,914	27,949
	310,773	275,783
Less: Amount capitalised	(812)	(3,480)
	309,961	272,303
Net foreign exchange gains	(23,746)	(13,925)
	286,215	258,378

The effective capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is 4.5% (2023: 4.4%) per annum.

11 Share of profit of associates

	2024 <i>USD'000</i>	2023 <i>USD'000</i>
Share of profit before tax of associates before share of net fair value changes of investment properties	276,936	361,443
Share of net fair value changes of investment properties	<u>147,410</u>	<u>106,810</u>
Share of profit before tax of associates	<u>424,346</u>	<u>468,253</u>
Share of tax before provision for deferred tax on net fair value changes of investment properties	(77,952)	(118,449)
Share of provision for deferred tax on net fair value changes of investment properties	<u>(36,736)</u>	<u>(25,986)</u>
Share of associates' taxation	<u>(114,688)</u>	<u>(144,435)</u>
Share of profit of associates	<u><u>309,658</u></u>	<u><u>323,818</u></u>

12 Income tax expense

	2024 <i>USD'000</i>	2023 <i>USD'000</i>
Current income tax		
– Hong Kong profits tax	2	(3)
– overseas taxation	57,988	59,076
Deferred income tax	<u>17,418</u>	<u>19,397</u>
	<u><u>75,408</u></u>	<u><u>78,470</u></u>

Share of associates' taxation for the year ended 31 December 2024 of USD114,688,000 (2023: USD144,435,000) is included in the consolidated statement of profit or loss as share of profit of associates.

- (a) Hong Kong profits tax is provided at a rate of 16.5% (2023: 16.5%) on the estimated assessable profits of group companies operating in Hong Kong.
- (b) Taxation outside Hong Kong includes withholding tax paid and payable on dividends from subsidiaries and tax provided at the prevailing rates on the estimated assessable profits of group companies operating outside Hong Kong.

(c) Pillar Two Income Taxes:

The Group operates in multiple jurisdictions, some of which have enacted or are expected to enact tax laws to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (“OECD”). These rules, effective from 1 January 2024 or 1 January 2025 depending on the jurisdiction, aim to ensure a global minimum tax rate of 15%. For the year ended 31 December 2024, the Group has no current tax exposure related to Pillar Two income taxes. The Group has applied the temporary mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to HKAS 12 issued in July 2023.

Under these new rules, the Group is liable to pay a top-up tax in jurisdictions where its effective tax rate falls below 15%. The Group’s effective tax rates exceed 15% in most jurisdictions, except for its operations in Fiji and Sri Lanka where tax exemptions under local tax laws would result in effective tax rates below 15%. However, specific adjustments required by the Pillar Two legislation along with potential eligibility for Safe Harbour rules may reduce or eliminate the top-up tax exposure. Based on management’s assessment, the potential top-up tax exposure is not expected to be material to the Group once the Pillar Two rules take effect.

13 Earnings per share

Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year after adjustment of those issued ordinary shares of the Company held by a subsidiary and the share award scheme.

	2024	2023
Profit attributable to owners of the Company (<i>USD '000</i>)	<u>161,387</u>	<u>184,139</u>
Weighted average number of ordinary shares in issue (<i>thousands</i>)	<u>3,553,432</u>	<u>3,561,673</u>
Basic earnings per share (<i>US cents per share</i>)	<u>4.54</u>	<u>5.17</u>

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has the potential dilutive effect on the non-vested awarded shares under the share award scheme for the years ended 31 December 2024 and 2023.

The dilution effect on the earnings per share is as follows:

	2024	2023
Profit attributable to owners of the Company (<i>USD '000</i>)	<u>161,387</u>	<u>184,139</u>
Weighted average number of ordinary shares in issue (<i>thousands</i>)	3,553,432	3,561,673
Adjustments (<i>thousands</i>)	<u>30,092</u>	<u>26,981</u>
Weighted average number of ordinary shares for diluted earnings per share (<i>thousands</i>)	<u>3,583,524</u>	<u>3,588,654</u>
Diluted earnings per share (<i>US cents per share</i>)	<u>4.50</u>	<u>5.13</u>

14 Dividends

	Group		Company	
	2024 <i>USD'000</i>	2023 <i>USD'000</i>	2024 <i>USD'000</i>	2023 <i>USD'000</i>
Interim dividend paid of HK5 cents (2023: nil) per ordinary share	22,945	–	23,012	–
Proposed final dividend of HK10 cents (2023: HK15 cents) per ordinary share	<u>45,895</u>	<u>68,739</u>	<u>46,030</u>	<u>68,942</u>
	<u>68,840</u>	<u>68,739</u>	<u>69,042</u>	<u>68,942</u>

At a meeting held on 27 March 2025, the Board proposed a final dividend of HK10 cents per ordinary share for the year ended 31 December 2024. This proposed dividend is not reflected as a dividend payable in these financial statements.

The proposed final dividend of USD45,895,000 for the year ended 31 December 2024 is calculated based on 3,585,525,056 shares in issue as at 27 March 2025, after elimination on consolidation the amount of USD135,000 for the 10,501,055 ordinary shares in the Company held by a subsidiary of the Company and USD235,000 for 18,186,900 ordinary shares held by the Company's share award trust for the share award scheme.

15 Financial guarantees, contingencies and charges over assets

(a) Financial guarantees

As at 31 December 2024, the Group executed proportionate guarantees in favour of banks for securing banking facilities granted to certain associates. The utilised amount of such facilities covered by the Group's guarantees for these associates amounted to USD105,958,000 (2023: USD116,628,000).

Guarantees are stated at their respective contracted amounts. The Board is of the opinion that it is not probable that the above guarantees will be called upon.

(b) Contingent liabilities

As at 31 December 2024 and 2023, there were no material contingent liabilities.

(c) Charges over assets

As at 31 December 2024 and 2023, there were no charges over assets for borrowings.

16 Commitments

- (a) The Group's commitments for capital expenditure at the end of the reporting period but not yet incurred are as follows:

	2024 <i>USD'000</i>	2023 <i>USD'000</i>
Existing properties – property, plant and equipment and investment properties		
– contracted but not provided for	11,046	22,261
– authorised but not contracted for	17,323	22,252
Development projects		
– contracted but not provided for	12,497	27,343
– authorised but not contracted for	62,169	72,349
	<u>103,035</u>	<u>144,205</u>

- (b) The Group had future aggregate minimum lease rental receivable under non-cancellable operating leases in respect of land and buildings as follows:

	2024 <i>USD'000</i>	2023 <i>USD'000</i>
Not later than one year	80,081	69,205
Later than one year and not later than five years	128,007	107,206
Later than five years	14,869	15,080
	<u>222,957</u>	<u>191,491</u>

SCOPE OF WORK ON ANNUAL ANNOUNCEMENT

The Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and the related notes in respect of this results announcement of the Group's results for the year ended 31 December 2024 have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by the auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the auditor on this results announcement.

REPURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 December 2024, save for the purchase of shares in the Company for the purpose of the Company's share award scheme as disclosed in Note 5 to the consolidated financial statements, neither the Company nor any of its subsidiaries repurchased, sold or redeemed any of the listed securities of the Company (including any sale or transfer of treasury shares).

During the year ended 31 December 2024 and as at the date of this announcement, the Company does not have any treasury shares (including any treasury shares held or deposited with the Central Clearing and Settlement System ("CCASS")).

CORPORATE GOVERNANCE

The Company recognises the importance of transparency in governance and accountability to shareholders and that shareholders benefit from good corporate governance. The Company reviews its corporate governance framework on an ongoing basis to ensure compliance with best practices.

The Board adopts a composite handbook ("**Directors Handbook**") comprising (among other principles) a set of corporate governance principles of the Company, whose terms align with or are stricter than the requirements set out in the code provisions under the Corporate Governance Code ("**CG Model Code**") as contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, save for the provision in the Directors Handbook that the positions of the chairman and the chief executive officer of the Company may be served by the same person. The Directors Handbook serves as a comprehensive guidebook for all directors of the Company.

The Company has complied with the CG Model Code throughout the year ended 31 December 2024.

QUALIFICATION FOR PROPOSED FINAL DIVIDEND

The proposed final dividend of HK10 cents per share in the Company for 2024 (subject to shareholders' approval at the forthcoming annual general meeting of the Company) will be payable on 27 June 2025 to shareholders (excluding any holders of treasury shares) whose names appear on the registers of members of the Company on 17 June 2025.

To qualify for the proposed final dividend, all share transfers accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Abacus Limited of 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong SAR, no later than 4:30 pm on 17 June 2025.

The Company will withdraw all treasury shares (if any) from CCASS, and either re-register them in its own name as treasury shares or cancel them, in each case before 17 June 2025.

On behalf of the Board of
Shangri-La Asia Limited
KUOK Hui Kwong
Chairman

Hong Kong, 27 March 2025

As at the date hereof, the directors of the Company are:

Executive directors

Ms KUOK Hui Kwong (Chairman)
Mr CHUA Chee Wui (Group Chief Financial
Officer & Group Chief Investment Officer)

Non-executive director

Mr LIM Beng Chee

Independent non-executive directors

Professor LI Kwok Cheung Arthur
Mr YAP Chee Keong
Mr LI Xiaodong Forrest
Mr ZHUANG Chenchao
Ms KHOO Shulamite N K