

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)

2025 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 2025. The consolidated financial statements for the year ended 31 December 2025 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:

	2025	2024	
	USD million	USD million	% change
Consolidated revenue	2,234.1	2,185.4	2.2%
Effective share of revenue ^(Note 1) of the Company, subsidiaries and associates	2,712.1	2,653.6	2.2%
EBITDA ^(Note 2) of the Company and its subsidiaries	520.9	503.9	3.4%
Effective share of EBITDA ^(Note 3) of the Company, subsidiaries and associates	778.2	760.1	2.4%
Consolidated profit attributable to owners of the Company:			
– Operating items	122.8	115.9	6.0%
– Non-operating items	(10.5)	45.5	N/M
Total	112.3	161.4	-30.4%
Earnings per share (US cents per share)	3.16	4.54	-30.4%
Net assets attributable to owners of the Company	5,324.4	5,183.5	2.7%
Net assets per share attributable to owners of the Company (USD)	1.50	1.46	2.7%

N/M: not meaningful

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 (2024: HK10 cents) per ordinary share for 2025. With the interim dividend of HK5 cents (2024: HK5 cents) per ordinary share paid in October 2025, total dividend for full year 2025 is HK15 cents (2024: HK15 cents) per ordinary share.

FINANCIAL HIGHLIGHTS

- Consolidated revenue for the year ended 31 December 2025 was USD2,234.1 million, an increase of 2.2%, compared to USD2,185.4 million for the year ended 31 December 2024, reflecting the resilience of the Company's global business.
- Effective share of revenue of the Company, subsidiaries and associates for the year ended 31 December 2025 was USD2,712.1 million, an increase of 2.2%, compared to USD2,653.6 million for the year ended 31 December 2024 primarily due to a USD26.3 million increase in effective share of revenue from Hotel Operations to USD2,337.0 million (from USD2,310.7 million in 2024) and a USD37.1 million increase in effective share of revenue from Property Development for Sale to USD85.6 million (from USD48.5 million in 2024).
- Effective share of EBITDA of the Company, subsidiaries and associates for the year ended 31 December 2025 was USD778.2 million, an increase of 2.4%, compared to USD760.1 million for the year ended 31 December 2024. This increase was primarily driven by a USD23.2 million increase in the effective share of EBITDA from Property Development for Sale, which grew to USD35.0 million from USD11.8 million in the prior year.
- Consolidated profit attributable to owners of the Company from operating items was USD122.8 million for the year ended 31 December 2025, an increase of 6.0%, compared to USD115.9 million for the year ended 31 December 2024. This increase was driven largely by the aforementioned growth in the effective share of EBITDA from Property Development for Sale.
- All in all, consolidated profit attributable to owners of the Company was USD112.3 million for the year ended 31 December 2025, a decrease of 30.4%, compared to USD161.4 million for the year ended 31 December 2024, reflecting a year-on-year decrease of USD56.0 million from non-operating items.

DISCUSSION AND ANALYSIS

The principal activities of the Group remained the same as in 2024. The Group's business is organised into four main segments:

- **Hotel Properties** – development, ownership and operation of hotel properties (including hotels under lease)
- **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 purposes
- **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**
- **Shangri-La Signatures** (new brand)
- **Kerry Hotels**
- **JEN by Shangri-La**
- **Traders Hotels**

The following table summarises the hotels and rooms of the Group as at 31 December 2025:

Brands	Owned/Leased		Managed		Total Operating Hotels		Hotels Under Development	
	Hotels	Rooms (in '000)	Hotels	Rooms (in '000)	Hotels	Rooms (in '000)	Owned/Leased Hotels	Hotels Under Management Contracts
 SHANGRI-LA	74	30.9	16	5.1	90	36.0	3	3
 SHANGRI-LA SIGNATURES	1	0.1	-	-	1	0.1	-	-
 KERRY HOTELS	3	1.6	-	-	3	1.6	-	-
 JEN BY SHANGRI-LA	8	3.0	1	0.4	9	3.4	-	1
 TRADERS HOTELS	1	0.5	2	0.9	3	1.4	-	1
Total	87	36.1	19	6.4	106	42.5	3	5

Notes:

- (1) The Silk Lakehouse, Shangri-La Hangzhou (45% equity interest owned by the Group) in Chinese Mainland, under the new brand Shangri-La Signatures, opened for business in May 2025.
- (2) The hotel management agreement with Shangri-La Vancouver (a management hotel owned by third party) in Canada was terminated in June 2025.
- (3) Shangri-La Hongqiao Airport, Shanghai and Traders Hongqiao Airport, Shanghai (hotels under lease) in Chinese Mainland opened for business in October 2025.
- (4) The hotel management agreement with Shangri-La Al Husn, Muscat and Shangri-La Barr Al Jissah, Muscat (management hotels owned by third party) in Oman was terminated in December 2025.

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

(in thousand square metres)	Group's equity interest	Total GFA of the operating investment properties as at 31 December 2025		
		Office spaces	Commercial spaces	Serviced apartments/residences
Chinese Mainland	20.0-100.0%	1,069.1	726.2	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		1,273.6	899.9	399.1

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

The following table shows the Group's profit or loss for the years ended 31 December 2025 and 2024 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 on a 100% basis less non-controlling interests and add the share of profit of associates to arrive at 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 represent the aggregate total of the Company and the Group's share of subsidiaries and associates based on percentage of equity interests.

(USD million)	Profit or loss for the year ended 31 December 2025		Profit or loss for the year ended 31 December 2024		% change	
	Financial statement format	Effective share	Financial statement format	Effective share	Financial statement format	Effective share
Revenue	2,234.1	2,712.1	2,185.4	2,653.6	2.2%	2.2%
Cost of sales	(988.9)	(1,142.7)	(968.6)	(1,112.3)	-2.1%	-2.7%
Gross profit	1,245.2	1,569.4	1,216.8	1,541.3	2.3%	1.8%
Operating expenses	(728.1)	(793.5)	(715.6)	(783.1)	-1.7%	-1.3%
Other gains – Operating items	3.8	2.3	2.7	1.9	40.7%	21.1%
EBITDA	520.9	778.2	503.9	760.1	3.4%	2.4%
Depreciation and amortisation	(246.5)	(272.0)	(262.3)	(285.8)	6.0%	4.8%
Loss on disposal of fixed assets	(4.4)	(3.8)	(5.3)	(5.2)	17.0%	26.9%
Interest income	84.4	85.5	50.6	54.3	66.8%	57.5%
Other expenses – Non-operating items	(30.4)	(30.4)	(46.0)	(46.0)	33.9%	33.9%
Other gains/(losses) – Non-operating items	10.9	26.1	(6.0)	131.4	N/M	-80.1%
Operating profit	334.9	583.6	234.9	608.8	42.6%	-4.1%
Finance cost – net						
– Interest expense						
– Operating items	(309.7)	(297.6)	(310.3)	(288.6)	0.2%	-3.1%
– Non-operating items	0.7	0.7	0.3	0.3	133.3%	133.3%
– Foreign exchange (losses)/gains						
– Operating items	(10.1)	(10.0)	11.3	11.5	N/M	N/M
– Non-operating items	–	–	12.4	11.2	-100%	-100%
Share of profit of associates	208.4	–	309.7	–	-32.7%	N/M
Profit before income tax	224.2	276.7	258.3	343.2	-13.2%	-19.4%
Income tax expense						
– Operating items	(86.3)	(157.5)	(62.0)	(133.1)	-39.2%	-18.3%
– Non-operating items	(3.4)	(6.9)	(13.4)	(48.7)	74.6%	85.8%
Profit for the year	134.5	112.3	182.9	161.4	-26.5%	-30.4%
Less: Profit attributable to non-controlling interests	(22.2)	–	(21.5)	–	-3.3%	N/M
Profit attributable to owners of the Company	112.3	112.3	161.4	161.4	-30.4%	-30.4%

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 2025, 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 USD11,958.7 million, of which USD4,906.2 million was derived from external valuations and USD7,052.5 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 USD5,742.5 million, of which USD3,569.1 million was derived from external valuations and USD2,173.4 million was derived from internal valuations. Such valuation surplus attributable to non-controlling interests after deferred tax was USD478.3 million, of which USD291.9 million was derived from external valuations and USD186.4 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 USD5,324.4 million to the adjusted balance of USD11,066.9 million while total equity would be increased from the reported balance of USD5,600.1 million to the adjusted balance of USD11,820.9 million.

(USD million)	Carrying value of hotel properties at effective share <small>(Note 2)</small>	Valuation of hotel properties at effective share <small>(Note 2)</small>	Valuation surplus at effective share after deferred tax <small>(Note 2)</small>
The People's Republic of China			
Hong Kong	697.8	2,465.2	1,694.6
Chinese Mainland	2,285.8	4,644.0	1,768.6
Singapore	624.9	2,164.5	1,413.2
Malaysia	122.5	313.9	145.5
The Philippines	233.5	521.7	216.1
Thailand	92.4	287.1	155.8
Australia	267.1	432.1	115.5
Others <small>(Note 3)</small>	805.0	1,130.2	233.2
Total	5,129.0	11,958.7	5,742.5

(USD million)	NAV	Non-controlling interests	Total equity
Reported balance based on carrying value of hotel properties	5,324.4	275.7	5,600.1
Add: Valuation surplus of hotel properties after deferred tax	5,742.5	478.3	6,220.8
Adjusted balance based on valuation of hotel properties	11,066.9	754.0	11,820.9
Reported NAV per share <small>(Note 4)</small>	USD1.50 (equivalent to HKD11.63)		
Adjusted NAV per share <small>(Note 4)</small>	USD3.11 (equivalent to HKD24.10)		

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 3,559,869,000 shares in issue after adjusting for shares held by the Group.

RESULTS OF OPERATIONS

Consolidated Revenue

Consolidated revenue was presented as follows:

(USD million)	Year ended 31 December		% change
	2025	2024	
Hotel Properties			
Revenue from rooms	1,107.5	1,069.5	3.6%
Food and beverage sales	766.7	767.9	-0.2%
Rendering of ancillary services	99.9	106.6	-6.3%
Sub-total of Hotel Properties	1,974.1	1,944.0	1.5%
Hotel Management and Related Services			
Gross revenue (including revenue earned from subsidiaries)	258.9	258.4	0.2%
Less: Inter-segment revenue elimination with subsidiaries	(161.8)	(160.2)	-1.0%
Net amount after elimination	97.1	98.2	-1.1%
Sub-total Hotel Operations	2,071.2	2,042.2	1.4%
Investment Properties	139.5	125.8	10.9%
Property Development for Sale	9.3	2.3	304.3%
Other Business	14.1	15.1	-6.6%
Consolidated Revenue	2,234.1	2,185.4	2.2%

- Consolidated revenue was USD2,234.1 million for the year ended 31 December 2025, an increase of 2.2% (or USD48.7 million), compared to USD2,185.4 million for the year ended 31 December 2024. The increase was mainly driven by stable growth in our Hotel Operations and continuous improvement in our Investment Properties.
- Consolidated revenue from our Hotel Operations was USD2,071.2 million for the year ended 31 December 2025, an increase of 1.4% (or USD29.0 million), compared to USD2,042.2 million for the year ended 31 December 2024.
- Our Investment Properties remained as a steady contributor, where consolidated revenue rose to USD139.5 million for the year ended 31 December 2025, an increase of 10.9% (or USD13.7 million), compared to USD125.8 million for the year ended 31 December 2024. The growth was primarily driven by the continued improvement of the Group's Investment Properties in Mongolia and Sri Lanka as well as increased contributions from Shangri-La Centre, Fuzhou in Chinese Mainland.

(i) Hotel Properties

For the year ended 31 December 2025, The Silk Lakehouse, Shangri-La Hangzhou, which is 45% owned by the Group, in Chinese Mainland opened for business in May 2025. Additionally, two wholly owned hotels under lease, namely Shangri-La Hongqiao Airport, Shanghai and Traders Hongqiao Airport, Shanghai in Chinese Mainland commenced operations in October 2025.

At 31 December 2025, the Group had equity interests in 82 operating hotels (2024: 81) and 5 hotels under lease (2024: 3), representing a room inventory of 36,084 (2024: 35,401) across Asia Pacific, Europe and Africa.

Details of these 87 hotels are as follows:

	Group's equity interest	Available rooms
(A) Hotels owned by the Group		
Hong Kong		
Kowloon Shangri-La, Hong Kong	100%	688
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		2,061
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Chinese Mainland		
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%	686
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

	Group's equity interest	Available rooms
Shangri-La Guilin	100%	439
Shangri-La Baotou	100%	360
Shangri-La Huhhot	100%	365
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
The Silk Lakehouse, Shangri-La Hangzhou	45%	68
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Sub-total Chinese Mainland		19,680
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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
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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
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Sub-total Malaysia		2,780
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	Group's equity interest	Available rooms
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
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Sub-total The Philippines		2,660
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Thailand		
Shangri-La Bangkok	73.61%	802
Shangri-La Chiang Mai	73.61%	277
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Sub-total Thailand		1,079
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Australia		
Shangri-La Sydney	100%	565
Shangri-La The Marina, Cairns	100%	255
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Sub-total Australia		820
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Other areas		
Shangri-La Paris	100%	101
Shangri-La Villingili, 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
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Sub-total other areas		3,671
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Total of 82 owned hotels		34,562
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	Group's equity interest	Available rooms
(B) Hotels under lease		
Shangri-La Tokyo		200
Shangri-La The Shard, London		212
JEN Singapore Orchardgateway by Shangri-La		499
Shangri-La Hongqiao Airport, Shanghai		91
Traders Hongqiao Airport, Shanghai		520
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Total of 5 leased hotels		1,522
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Grand total		36,084
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For the year ended 31 December 2025, the increase of consolidated revenue from our Hotel Properties was mainly driven by further business recoveries in Hong Kong, Malaysia, the Philippines, Japan, France and Australia, partially offset by a decrease of consolidated revenue from our hotel properties in Chinese Mainland and Singapore.

Please refer to table below for our geographical breakdown of consolidated revenue from Hotel Properties for the years ended 31 December 2025 and 2024:

(USD million)	<u>Year ended 31 December</u>		% change
	2025	2024	
The People's Republic of China			
Hong Kong	338.1	321.9	5.0%
Chinese Mainland	627.9	655.2	-4.2%
Singapore	255.6	260.0	-1.7%
Malaysia	121.8	112.0	8.8%
The Philippines	165.4	156.5	5.7%
Japan	60.4	51.6	17.1%
Thailand	65.0	66.2	-1.8%
France	66.8	57.5	16.2%
Australia	96.4	88.2	9.3%
United Kingdom	62.2	60.4	3.0%
Mongolia	22.8	21.7	5.1%
Sri Lanka	41.0	40.5	1.2%
Other countries	50.7	52.3	-3.1%
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Consolidated revenue from Hotel Properties	1,974.1	1,944.0	1.5%
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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 2025 and 2024 are as follows:

Destinations	2025 Weighted Average			2024 Weighted Average		
	Occupancy (%)	Room Rate (USD)	RevPAR (USD)	Occupancy (%)	Room Rate (USD)	RevPAR (USD)
The People's Republic of China						
Hong Kong	82	281	232	80	270	215
Chinese Mainland	64	112	71	64	115	73
Tier 1 Cities	71	153	109	72	155	111
Tier 2 Cities	64	92	58	64	94	60
Tier 3+4 Cities	52	82	43	50	88	44
Singapore	79	257	203	78	265	206
Malaysia	67	141	94	66	134	89
The Philippines	61	207	127	55	214	118
Japan	76	680	515	68	643	436
Thailand	59	173	102	62	164	101
France	58	2,159	1,254	45	2,323	1,037
Australia	90	262	237	84	250	211
United Kingdom	77	731	565	68	766	519
Mongolia	41	272	112	39	255	99
Sri Lanka	46	143	65	39	162	64
Other countries	46	227	103	45	212	95
<i>Non-Chinese Mainland weighted average</i>	<i>66</i>	<i>245</i>	<i>161</i>	<i>63</i>	<i>239</i>	<i>151</i>
Total weighted average	65	172	111	63	170	108

The weighted average occupancy of our hotels was 65% for the year ended 31 December 2025, an increase of 2 percentage points compared to 63% for the year ended 31 December 2024. The weighted average revenue per available room (“**RevPAR**”) was USD111 for the year ended 31 December 2025, an increase of 3%, compared to USD108 for the year ended 31 December 2024.

Excluding Chinese Mainland, weighted average occupancy was 66% for the year ended 31 December 2025, an increase of 3 percentage points compared to 63% for the year ended 31 December 2024. RevPAR was USD161 for the year ended 31 December 2025, an increase of 7%, compared to USD151 for the year ended 31 December 2024.

Below are comments on hotel performances on selected geographies that had a significant impact on overall results of our Hotel Properties:

The People's Republic of China

Hong Kong

For Hong Kong, occupancy was 82% for the year ended 31 December 2025, an increase of 2 percentage points, compared to 80% for the year ended 31 December 2024. RevPAR was USD232 for the year ended 31 December 2025, an increase of 8%, compared to USD215 for the year ended 31 December 2024. Our hotels in Hong Kong continued to experience improvement in both occupancy and RevPAR, driven by strengthening business and leisure travel demand. Total revenue from Hong Kong hotel properties for the year ended 31 December 2025 increased by 5.0% to USD338.1 million.

Chinese Mainland

The Group had equity interests in 50 operating hotels in Chinese Mainland as at 31 December 2025, compared to 47 as at 31 December 2024.

For Chinese Mainland, occupancy was 64% for the year ended 31 December 2025, flat, compared to 64% for the year ended 31 December 2024. RevPAR was USD71 for the year ended 31 December 2025, a decrease of 3%, compared to USD73 for the year ended 31 December 2024. For the year ended 31 December 2025, the Chinese Mainland market was dragged by lower average daily room rates, but stabilisation was observed in the fourth quarter of 2025.

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

- In Tier 1 cities, occupancy was 71% for the year ended 31 December 2025, a decrease of 1 percentage point, compared to 72% for the year ended 31 December 2024. RevPAR was USD109 for the year ended 31 December 2025, a decrease of 2%, compared to USD111 for the year ended 31 December 2024. Performance in our Tier 1 city hotels was modestly impacted by the ramp-up of recently opened hotels.
- In Tier 2 cities, occupancy was 64% for the year ended 31 December 2025, flat, compared to 64% for the year ended 31 December 2024. RevPAR was USD58 for the year ended 31 December 2025, a decrease of 3%, compared to USD60 for the year ended 31 December 2024.
- In Tier 3 and Tier 4 cities, occupancy was 52% for the year ended 31 December 2025, an increase of 2 percentage points, compared to 50% for the year ended 31 December 2024. RevPAR was USD43 for the year ended 31 December 2025, a decrease of 2%, compared to USD44 for the year ended 31 December 2024.

Total revenue from Chinese Mainland hotel properties for the year ended 31 December 2025 decreased by 4.2% to USD627.9 million.

Singapore

For Singapore, occupancy was 79% for the year ended 31 December 2025, an increase of 1 percentage point, compared to 78% for the year ended 31 December 2024. RevPAR was USD203 for the year ended 31 December 2025, a decrease of 1%, compared to USD206 for the year ended 31 December 2024. Our hotels in Singapore delivered stable performance as the market normalised. Total revenue from Singapore hotel properties for the year ended 31 December 2025 decreased by 1.7% to USD255.6 million.

Malaysia

For Malaysia, occupancy was 67% for the year ended 31 December 2025, an increase of 1 percentage point, compared to 66% for the year ended 31 December 2024. RevPAR was USD94 for the year ended 31 December 2025, an increase of 6%, compared to USD89 for the year ended 31 December 2024, primarily benefiting from increased Chinese outbound travel. Total revenue from Malaysia hotel properties for the year ended 31 December 2025 increased by 8.8% to USD121.8 million.

The Philippines

For the Philippines, occupancy was 61% for the year ended 31 December 2025, an increase of 6 percentage points, compared to 55% for the year ended 31 December 2024. RevPAR was USD127 for the year ended 31 December 2025, an increase of 8%, compared to USD118 for the year ended 31 December 2024, mainly driven by the continuous ramp-up of Makati Shangri-La, Manila. Total revenue from the Philippines hotel properties for the year ended 31 December 2025 increased by 5.7% to USD165.4 million.

Japan

For Japan, occupancy was 76% for the year ended 31 December 2025, an increase of 8 percentage points, compared to 68% for the year ended 31 December 2024. RevPAR was USD515 for the year ended 31 December 2025, an increase of 18%, compared to USD436 for the year ended 31 December 2024. 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 2025 increased by 17.1% to USD60.4 million.

France

For France, occupancy was 58% for the year ended 31 December 2025, an increase of 13 percentage points, compared to 45% for the year ended 31 December 2024. RevPAR was USD1,254 for the year ended 31 December 2025, an increase of 21%, compared to USD1,037 for the year ended 31 December 2024. Our hotel in Paris continued to benefit from strong leisure and business demand. Total revenue from our France hotel property for the year ended 31 December 2025 increased by 16.2% to USD66.8 million.

Australia

For Australia, occupancy was 90% for the year ended 31 December 2025, an increase of 6 percentage points, compared to 84% for the year ended 31 December 2024. RevPAR was USD237 for the year ended 31 December 2025, an increase of 12%, compared to USD211 for the year ended 31 December 2024, driven by continuous growth in international visitor arrivals and a robust events calendar. Total revenue from our Australia hotel properties for the year ended 31 December 2025 increased by 9.3% to USD96.4 million.

United Kingdom

For United Kingdom, occupancy was 77% for the year ended 31 December 2025, an increase of 9 percentage points, compared to 68% for the year ended 31 December 2024. RevPAR was USD565 for the year ended 31 December 2025, an increase of 9%, compared to USD519 for the year ended 31 December 2024, supported by strong leisure and business demand. Total revenue from our United Kingdom hotel property for the year ended 31 December 2025 increased by 3.0% to USD62.2 million.

(ii) Hotel Management and Related Services

During the year ended 31 December 2025, apart from the Group-owned The Silk Lakehouse, Shangri-La Hangzhou and the two hotels at Hongqiao Airport that opened for business, the Group terminated management agreements for three hotels owned by third parties: one in Canada, namely Shangri-La Vancouver and two in Oman, namely Shangri-La Al Husn, Muscat and Shangri-La Barr Al Jissah, Muscat. As at 31 December 2025, the Group managed a total of 106 hotels and resorts:

- 82 Group-owned hotels
- 5 hotels under lease
- 19 hotels owned by third parties

The 19 operating hotels (6,465 available rooms) owned by third parties are located in the following destinations:

- Cambodia: Phnom Penh
- Canada: Toronto
- UAE: Abu Dhabi (2 hotels) and Dubai
- Saudi Arabia: Jeddah
- Malaysia: Kuala Lumpur
- India: New Delhi and Bengaluru
- Taiwan: Taipei and Tainan
- Chinese Mainland: 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 2025 and 2024 are as follows:

Destinations	2025 Weighted Average			2024 Weighted Average		
	Occupancy (%)	Room rate (USD)	RevPAR (USD)	Occupancy (%)	Room rate (USD)	RevPAR (USD)
Cambodia ^(Note 1)	21	186	38	N/A	N/A	N/A
Canada ^(Note 2)	78	405	316	74	402	298
Oman ^(Note 3)	46	285	133	39	265	104
UAE	81	190	153	79	174	138
Saudi Arabia	52	563	295	45	632	286
Malaysia	73	135	98	63	118	74
India	72	161	115	70	147	103
Taiwan	73	176	129	71	168	119
Chinese Mainland	68	122	83	63	119	75
Total weighted average	67	174	116	64	171	110

Notes:

- (1) The hotel in Cambodia commenced business by the end of December 2024 and its key performance indicators are not included in 2024.
- (2) The hotel management agreement with Shangri-La Vancouver (a management hotel owned by third party) in Canada was terminated in June 2025 and its key performance indicators are excluded from then onwards.
- (3) The hotel management agreement with Shangri-La Al Husn, Muscat and Shangri-La Barr Al Jissah, Muscat (management hotels owned by third party) in Oman was terminated in December 2025.

The overall weighted average occupancy of hotels under third party hotel management agreements was 67% for the year ended 31 December 2025, an increase of 3 percentage points, compared to 64% for the year ended 31 December 2024. The weighted average RevPAR was USD116 for the year ended 31 December 2025, an increase of 5%, compared to USD110 for the year ended 31 December 2024.

Gross revenue for hotel management and related services was USD258.9 million for the year ended 31 December 2025, an increase of 0.2%, compared to USD258.4 million for the year ended 31 December 2024.

After elimination of inter-segment revenue with subsidiaries, the net revenue for hotel management and related services was USD97.1 million for the year ended 31 December 2025, a decrease of 1.1%, compared to USD98.2 million for the year ended 31 December 2024.

(iii) Investment Properties

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

(USD million)	Year ended 31 December		% change
	2025	2024	
Chinese Mainland	35.2	31.3	12.5%
Singapore	16.1	14.4	11.8%
Malaysia	4.8	4.3	11.6%
Mongolia	40.1	36.5	9.9%
Sri Lanka	28.4	24.5	15.9%
Other countries	14.9	14.8	0.7%
Consolidated revenue from Investment Properties	139.5	125.8	10.9%

Our investment properties held by subsidiaries in Chinese Mainland, Mongolia and Sri Lanka continued delivering revenue growth:

- In Chinese Mainland, additional revenue mainly came from Shangri-La Centre, Fuzhou (Phase II of Shangri-La Fuzhou), partially offset by decreased revenue from our other investment properties in Chinese Mainland.
- In Mongolia, our investment properties continued to record strong increase in rent and near-full occupancy.
- In Sri Lanka, occupancy continued to increase for the commercial component with stable rent performance.

As a result, consolidated revenue from our investment properties for the year ended 31 December 2025 was USD139.5 million, an increase of 10.9%, compared to USD125.8 million for the year ended 31 December 2024.

(iv) Property Development for Sale

Revenue from property development for sale by subsidiaries for the year ended 31 December 2025 was USD9.3 million, an increase of 304.3%, compared to USD2.3 million for the year ended 31 December 2024, primarily attributable to sales in Colombo, Sri Lanka and Dalian, Chinese Mainland.

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 2025 and 2024 by geographical areas and by business segments:

(USD million)	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	
	2025	2024	2025	2024	2025	2024	2025	2024
Hotel Properties								
The People's Republic of China								
Hong Kong	76.6	67.9	70.7	63.9	0.7	1.2	71.4	65.1
Chinese Mainland	116.3	128.3	106.3	117.3	36.0	39.6	142.3	156.9
Singapore	48.1	50.7	48.1	50.7	6.3	6.3	54.4	57.0
Malaysia	27.8	23.4	15.4	12.9	6.6	6.1	22.0	19.0
The Philippines	37.9	36.6	37.2	35.6	14.0	13.7	51.2	49.3
Japan	17.1	13.9	17.1	13.9	-	-	17.1	13.9
Thailand	20.3	25.5	15.1	18.9	-	-	15.1	18.9
France	10.9	8.5	10.9	8.5	-	-	10.9	8.5
Australia	19.0	16.3	19.0	16.3	-	-	19.0	16.3
United Kingdom	6.5	6.5	6.5	6.5	-	-	6.5	6.5
Mongolia	9.0	9.0	4.8	4.6	-	-	4.8	4.6
Sri Lanka	12.3	10.9	11.1	9.8	-	-	11.1	9.8
Other countries	10.9	10.4	7.8	7.4	7.7	4.4	15.5	11.8
	412.7	407.9	370.0	366.3	71.3	71.3	441.3	437.6
Hotel Management and Related Services	53.4	62.2	53.4	62.2	-	-	53.4	62.2
Sub-total Hotel Operations	466.1	470.1	423.4	428.5	71.3	71.3	494.7	499.8
Investment Properties								
Chinese Mainland	13.2	13.1	12.0	11.7	218.1	231.8	230.1	243.5
Singapore	9.2	7.4	9.2	7.4	5.4	5.0	14.6	12.4
Malaysia	2.0	1.6	1.0	0.9	-	-	1.0	0.9
Mongolia	28.8	24.9	14.9	12.7	-	-	14.9	12.7
Sri Lanka	18.3	14.3	16.4	12.9	-	-	16.4	12.9
Other countries	7.0	6.5	4.2	3.9	-	-	4.2	3.9
Sub-total Investment Properties	78.5	67.8	57.7	49.5	223.5	236.8	281.2	286.3
Property Development for Sale & Other Business	8.3	2.3	6.4	1.4	29.4	10.8	35.8	12.2
Sub-total	552.9	540.2	487.5	479.4	324.2	318.9	811.7	798.3
Corporate and project expenses	(32.0)	(36.3)	(32.0)	(36.3)	(1.5)	(1.9)	(33.5)	(38.2)
Grand total	520.9	503.9	455.5	443.1	322.7	317.0	778.2	760.1

The Group's aggregate effective share of EBITDA was USD778.2 million for the year ended 31 December 2025, an increase of 2.4%, compared to USD760.1 million for the year ended 31 December 2024. Below shows the breakdown by business segments:

- Effective share of EBITDA from Hotel Properties for the year ended 31 December 2025 was USD441.3 million, an increase of 0.8%, compared to USD437.6 million for the year ended 31 December 2024. Our Hotel Properties continued to recover in most regions but were offset by declined performance mainly in Chinese Mainland, Singapore and Thailand as demand softened.
- Effective share of EBITDA from Hotel Management and Related Services for the year ended 31 December 2025 was USD53.4 million, a decrease of 14.1%, compared to USD62.2 million for the year ended 31 December 2024. The EBITDA decline was due to higher operating costs in Hotel Management and Related Services.
- Effective share of EBITDA from Investment Properties for the year ended 31 December 2025 was USD281.2 million, a decrease of 1.8%, compared to USD286.3 million for the year ended 31 December 2024. While the performance of Investment Properties held by subsidiaries in Sri Lanka, Singapore and Mongolia continuously rose during the year ended 31 December 2025, the Investment Properties held by associates in Chinese Mainland faced headwinds during the year due to market softness.
- Effective share of EBITDA from Property Development for Sale & Other Business for the year ended 31 December 2025 was USD35.8 million, an increase of 193.4%, compared to USD12.2 million for year ended 31 December 2024. This sharp increase was mainly driven by sales from Sri Lanka and two associates' properties in Tianjin and Shenyang, Chinese Mainland.

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 2025 and 2024 by geographical areas and by business segments:

(USD million)	Year ended 31 December		% change
	2025	2024	
Hotel Properties			
The People's Republic of China			
Hong Kong	32.0	21.2	50.9%
Chinese Mainland	(14.3)	(10.1)	-41.6%
Singapore	24.0	30.4	-21.1%
Malaysia	9.8	7.8	25.6%
The Philippines	17.9	17.1	4.7%
Japan	8.4	11.1	-24.3%
Thailand	9.4	13.0	-27.7%
France	2.7	(0.9)	N/M
Australia	3.0	(1.4)	N/M
United Kingdom	(14.2)	(13.7)	-3.6%
Mongolia	0.6	(2.2)	N/M
Sri Lanka	8.0	(2.0)	N/M
Other countries	2.9	(0.3)	N/M
	<u>90.2</u>	<u>70.0</u>	28.9%
Hotel Management and Related Services	<u>26.2</u>	<u>37.6</u>	-30.3%
Sub-total Hotel Operations	<u>116.4</u>	<u>107.6</u>	8.2%
Investment Properties			
Chinese Mainland	153.9	171.3	-10.2%
Singapore	11.7	10.5	11.4%
Malaysia	0.7	0.6	16.7%
Mongolia	13.3	9.3	43.0%
Sri Lanka	14.2	5.2	173.1%
Other countries	3.1	3.0	3.3%
Sub-total Investment Properties	<u>196.9</u>	<u>199.9</u>	-1.5%
Property Development for Sale & Other Business	<u>15.1</u>	<u>0.4</u>	3,675.0%
Consolidated profit from operating properties	<u>328.4</u>	<u>307.9</u>	6.7%
Corporate finance costs (net of interest income)	(161.5)	(167.3)	3.5%
Corporate and project expenses	(35.0)	(38.0)	7.9%
Exchange (losses)/gains of corporate investment holding companies	(9.1)	13.3	N/M
Consolidated profit attributable to owners of the Company before non-operating items	<u>122.8</u>	<u>115.9</u>	6.0%
Non-operating items	<u>(10.5)</u>	<u>45.5</u>	N/M
Consolidated profit attributable to owners of the Company after non-operating items	<u><u>112.3</u></u>	<u><u>161.4</u></u>	-30.4%

N/M: not meaningful

Consolidated profit attributable to owners of the Company after non-operating items for the year ended 31 December 2025 was USD112.3 million, a decrease of 30.4%, compared to USD161.4 million for the year ended 31 December 2024. Below shows the breakdown by business segments:

- Hotel Properties registered a profit of USD90.2 million for the year ended 31 December 2025, an increase of 28.9%, compared to USD70.0 million for the year ended 31 December 2024. The increase was mainly due to the increase in effective share of EBITDA in most regions including Hong Kong, Malaysia, the Philippines, France, Australia and Sri Lanka, partially offset by the decline in Chinese Mainland, Singapore and Thailand.
- Hotel Management and Related Services registered a profit of USD26.2 million for the year ended 31 December 2025, a decrease of 30.3%, compared to USD37.6 million for the year ended 31 December 2024. The decrease was mainly due to higher operating costs in Hotel Management and Related Services.
- Investment Properties registered a profit of USD196.9 million for the year ended 31 December 2025, a decrease of 1.5%, compared to USD199.9 million for the year ended 31 December 2024. The decrease was mainly due to Chinese Mainland market softness but largely offset by strong performance in Sri Lanka and Mongolia.
- Property Development for Sale & Other Business registered a profit of USD15.1 million for the year ended 31 December 2025, compared to USD0.4 million for the year ended 31 December 2024. The increase was mainly driven by sales of residential units from Sri Lanka and an associate's property in Tianjin.

The overall increase in operating profit from operating properties was primarily driven by Hotel Operations improvement and an increase in profit from Property Development for Sale.

Non-operating items resulted in a net loss of USD10.5 million for the year ended 31 December 2025, a decrease of USD56.0 million, compared to a net gain of USD45.5 million for the year ended 31 December 2024. For the year ended 31 December 2025, amongst other items, major components included:

- Effective share of net fair value gains on investment properties of USD17.9 million for the year ended 31 December 2025, a decrease of 76.1%, compared to effective share of net fair value gains on investment properties of USD74.9 million for the year ended 31 December 2024.
- An impairment loss of USD30.4 million from a hotel in United Kingdom, a decrease of 33.9%, compared to net impairment losses of USD46.0 million, inclusive of impairment losses of USD51.8 million partially offset by reversal of prior years' impairment losses of USD5.8 million, from our hotel properties for the year ended 31 December 2024.

CORPORATE DEBT AND FINANCIAL CONDITIONS

As at 31 December 2025, the Group's net borrowings (total bank loans and fixed rate bonds less cash and bank balances and short-term fund placements) was USD4,325.9 million, a substantial reduction of USD95.4 million, compared to USD4,421.3 million as at 31 December 2024. 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 77.2% as at 31 December 2025 from 81.3% as at 31 December 2024. 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 USD857.1 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:

- One 3-year multi-currency bank loan agreement of HKD780 million (equivalent to USD100.6 million)
- Three 5-year bank loan agreements totalling HKD1,570 million (equivalent to USD202.6 million)
- One 7-year multi-currency bank loan agreement of HKD500 million (equivalent to USD64.5 million)
- Two 3-year bank loan agreements totalling RMB800 million (equivalent to USD113.8 million)
- Two 4-year bank loan agreements totalling RMB2,100 million (equivalent to USD298.8 million)
- One 5-year multi-currency bank loan agreement of RMB540 million (equivalent to USD76.8 million)

Throughout the year of 2025, the Group continued to tap on onshore RMB funding channel via issuance of panda bonds in Chinese Mainland, raising total RMB2,800 million (equivalent to USD398.4 million) through three issuances with record low coupon rate, which reflected the strong confidence in the Group's credit from onshore investors. These bonds details are:

- One issuance of RMB1,000 million comprising two tranches of RMB600 million 3-year medium note with a coupon rate of 2.18% p.a. and RMB400 million 5-year medium note with a coupon rate of 2.49% p.a.
- One issuance of RMB1,000 million comprising two tranches of RMB500 million 3-year medium note with a coupon rate of 2.03% p.a. and RMB500 million 5-year medium note with a coupon rate of 2.38% p.a.
- One issuance of RMB800 million 3-year medium note with a coupon rate of 2.14% p.a.

The Group also completed re-financing for the SGD825 million bond expired in November 2025. A total of SGD615 million (equivalent to USD478.0 million) bond proceeds were raised with five issuances or re-taps. We have received staunch support from offshore investors and achieved record low offshore bond coupons or re-tap yields (ranging from 2.95% to 3.54%) to further reduce the Group's borrowing costs. These two bond-series are:

- SGD255 million 7-year medium note with a coupon rate of 3.54% p.a. (two re-taps completed at 3.50% and 2.95% yield)
- SGD360 million 7-year medium note with a coupon rate of 3.48% p.a. (one re-tap completed at 3.14% yield)

At the subsidiary level, the Group also executed three bank loan agreements totalling RMB503.2 million (equivalent to USD71.6 million) with maturities of 3 years for financing maturing loans during the year.

The aforementioned strategic Renminbi debt refinancing initiative delivered several key benefits. Firstly, it diversified the Group's funding sources, increasing the proportion of Renminbi borrowings to 68% of total Group borrowings as at 31 December 2025. 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 Chinese Mainland and reducing currency risk exposure tied to these investments denominated in Renminbi.

As at 31 December 2025, the Group had sustainability-linked bank loan facilities and/or green loan facilities to a total amount of approximately USD3.9 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 2025.

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 2027. 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 2025, the adjusted total equity of the Group for financial covenants calculation purpose is USD9.4 billion and the resulting indebtedness ratio^(Note) as calculated is 74.6%.

Note: Indebtedness ratio is defined as the sum of consolidated total financial indebtedness and contingent liabilities totalling USD7.0 billion divided by the Group's adjusted total equity of USD9.4 billion.

The analysis of borrowings outstanding as at 31 December 2025 is as follows:

(USD million)	Maturities of Borrowings Contracted as at 31 December 2025				
	Repayment				Total
	Within 1 year	In the 2nd year	In the 3rd to 5th year	After 5 years	
Borrowings					
Corporate borrowings					
– unsecured bank loans	570.2	817.4	2,747.5	64.0	4,199.1
– fixed rate bonds	–	355.4	848.8	478.8	1,683.0
Bank loans of subsidiaries					
– unsecured	94.5	36.8	622.7	220.0	974.0
Total outstanding balance	664.7	1,209.6	4,219.0	762.8	6,856.1
<i>% of total outstanding balance</i>	<i>9.7%</i>	<i>17.7%</i>	<i>61.5%</i>	<i>11.1%</i>	<i>100.0%</i>
Undrawn but committed facilities					
Bank loans	9.0	0.2	664.9	84.9	759.0

The currency mix of borrowings and cash and bank balances as at 31 December 2025 is as follows:

(USD million)	Borrowings	Cash and bank balances <small>(Note)</small>
In United States dollars	937.6	1,566.5
In Hong Kong dollars	171.7	80.8
In Singapore dollars	1,002.3	103.6
In Renminbi	4,637.0	433.8
In Japanese yen	104.7	24.1
In Fijian dollars	2.8	13.7
In Thai baht	–	91.1
In Philippines pesos	–	59.2
In Malaysian ringgit	–	66.4
In Euros	–	14.3
In Sri Lankan rupee	–	41.4
In Australian dollars	–	15.2
In British pounds	–	10.8
In Mongolian tugrik	–	1.7
In Myanmar kyat	–	3.9
In other currencies	–	3.7
Total	6,856.1	2,530.2

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 2025 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 lowered to 4.0% per annum for the year ended 31 December 2025 comparing to 4.5% per annum for last year.

The Group has also implemented intra-group loan arrangements and Renminbi cash pooling in Chinese Mainland 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-rate HIBOR and SOFR interest rate swap contracts to hedge the interest payments for its HKD and USD bank loans. As at 31 December 2025, the outstanding interest rate swap contracts were:

- USD600 million at a fixed rate of 1.460% per annum maturing in March 2027, which qualifies for hedge accounting
- HKD1,300 million (equivalent to USD167.7 million) at fixed rates ranging between 1.555% and 1.855% per annum maturing from July to August 2026, which qualifies for hedge accounting
- HKD2,320 million (equivalent to USD299.4 million) at fixed rates ranging between 1.505% and 1.850% per annum maturing from June to August 2026, which does not qualify for hedge accounting following the early repayment of the higher-interest HKD bank loans by late 2025

The adoption of predominantly fixed rate Renminbi borrowings has not only contributed to lowering the average interest cost but has also strengthened 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 on certain bank borrowings), 79.5% of the Group's outstanding borrowings carried fixed interest rates as at 31 December 2025, remaining stable with 79.9% as at 31 December 2024.

(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. During the year, a cross-currency swap contract of USD35 million between US dollar and Singapore dollar matured. As at 31 December 2025, the Group has the following cross-currency swap contracts:

- 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 a fixed interest rate of 3.345% per annum maturing in 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 in 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 2025, the Group recorded an overall effective share of net fair value gains of USD17.9 million for its investment properties.

The following table shows the fair value gains of the investment properties, net of tax held by the Group's subsidiaries and associates for the year ended 31 December 2025:

(USD million)	Subsidiaries		Associates		Total	
	100%	Effective share	100%	Effective share	100%	Effective share
Gains	14.8	7.8	25.2	17.0	40.0	24.8
Deferred tax	(3.4)	(2.8)	(6.0)	(4.1)	(9.4)	(6.9)
Gains, net of tax	<u>11.4</u>	<u>5.0</u>	<u>19.2</u>	<u>12.9</u>	<u>30.6</u>	<u>17.9</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 2025:

CHFT Advisory and Appraisal Ltd, Jones Lang LaSalle Ltd and Cushman & Wakefield Limited	: For properties in Chinese Mainland
CHFT Advisory and Appraisal Ltd	: For properties in Mongolia
Newmark Real Estate 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, an impairment loss of USD30.4 million was recognised for a hotel located in United Kingdom for the year ended 31 December 2025.

FINANCIAL ASSETS – TRADING SECURITIES

As at 31 December 2025, the market value of the Group's investment portfolio was USD13.7 million, which mainly included 4,483,451 ordinary shares in Kerry Properties Limited amounting to USD11.7 million and 2,241,725 ordinary shares in KLN Logistics Group Limited (formerly known as Kerry Logistics Network Limited) amounting to USD2.0 million. The Group recorded a gain of USD2.8 million through profit or loss for the year ended 31 December 2025. Dividend income of USD0.9 million was recognised during the year.

DEVELOPMENT PROGRAMMES

During 2025 and early 2026, the Group continued to expand its footprint through new property openings in Chinese Mainland.

- The Shangri-La Hongqiao Airport, Shanghai and Traders Hongqiao Airport, Shanghai (hotels under lease) commenced business in October 2025
- The 75-room Shangri-La Kunming (in which the Group holds a 45% equity interest) also commenced operations in the first half of 2026

Construction work on the following projects is on-going:

(A) Hotel Developments

	Group's equity interest	Hotel rooms	Projected opening
Chinese Mainland			
Shangri-La Zhengzhou	45%	314	2027
Japan			
Shangri-La Kyoto	20%	77	2026

(B) Composite Developments and Investment Property Developments

	Group's equity interest	Total GFA upon completion (excluding hotel component) (approximate in square metres)			Scheduled completion
		Residential	Office	Commercial	
Chinese Mainland					
Shenyang Kerry Centre – Phase III	25%	136,394	69,144	93,418	2026 onwards*
Composite development project in Zhengzhou	45%	–	58,946	–	2030 onwards*
Total		136,394	128,090	93,418	

* Being developed in phases

In June 2025, the Group's 20% equity interest owned Tianjin Kerry Centre – Phase II opened.

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 2025, hotel management agreements for three operating hotels owned by third parties were terminated, namely Shangri-La Vancouver in Canada, and Shangri-La Al Husn, Muscat together with Shangri-La Barr Al Jissah, Muscat in Oman. As at 31 December 2025, the Group held management agreements for 19 operating hotels owned by third parties.

In addition, the Group signed two new hotel management agreements for properties currently under development and owned by third parties. These agreements were entered into during 2025 for hotels located in Wuxi (Chinese Mainland – a dual-brand project comprising two hotels) and Bodrum (Turkey). The Group currently has management agreements in place for the development of five new hotels owned by third parties, located in Wuxi (Chinese Mainland – two hotels), Hangzhou (Chinese Mainland), Melbourne (Australia) and Bodrum (Turkey).

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

At Shangri-La Group, our success has always been shaped by people, both in how we create meaningful experiences for our guests and in how we enable the business to grow and perform. As a proud employer of more than 40,000 colleagues worldwide, including all operating hotels, we work as one team in pursuit of our Vision to become the best-loved hospitality group, pioneering new horizons and setting new benchmarks, while supporting the growth of our business, footprint and wider operations through strengthened people capability.

Throughout 2025, we continued to invest in, engage and develop our people, guided by four strategic pillars: (1) strengthening our leadership, (2) developing workforce capabilities, (3) recognising and rewarding our people, and (4) fostering Shangri-La culture, with key priorities and achievements outlined below.

Strengthening Our Leadership

Developing our leaders continues to be a key priority at Shangri-La. In 2025, we focused on deepening leadership alignment and capability building of managers through the Leadership Transformation Workshop (LTW). The programme supports leaders in strengthening their awareness of the Group's transformation journey and the core capabilities required for future success. This year, the programme was substantially broadened to encompass a greater number of managers from both our hotels and corporate offices. A total of 384 face-to-face workshops were conducted, reaching 6,640 managers globally. The workshops empowered leaders to build more effective working relationships, enhance leadership capabilities through improved communication, and actively support the organisation's transformation towards a new benchmark of excellence.

In addition, the Growth Horizon Programme was created, aimed at strengthening leaders' practical, day-to-day managerial skills. Launched in 2025 with a pilot covering three Performance Development Conversation modules, the programme was offered to 22 leaders in headquarters, equipping them with stronger capabilities in conducting effective performance review discussions. Looking ahead to 2026, we intend to expand the programme by developing additional practical content and exercises, with the goal of implementing it across all managers in headquarters and regional operations.

Talent Review and Succession Planning continued to serve as a vital enabler of the Group's talent agenda, supporting leadership continuity and ensuring future capability. In 2025, the exercise placed stronger emphasis on development-driven and action-oriented outcomes, ensuring that identified talents received more targeted and meaningful career support. As part of this enhanced approach, more than 1,000 leadership roles were thoroughly reviewed, and over 1,200 identified talents completed a tailored Critical Development Action (CDA) Plan, enabling more focused development aligned with individual needs and organisational priorities. This strengthened emphasis on actionable development helped build a future-ready and resilient talent pipeline across the Group.

Developing Workforce Capabilities

In 2025, we strengthened workforce capability through expanded learning access and advanced service excellence initiatives. We scaled digital learning across the organisation, launching over 90 global courses and achieving more than 190,000 enrolments, ensuring colleagues could acquire relevant skills anytime and anywhere. On average, each colleague completed 28 hours of training, reflecting our commitment to continuous development.

A major advancement in service capability was the launch of the global Art of Asian Hosting programme – an upgraded evolution of our guest-hosting approach. This signature initiative forms a core pillar of our workforce capability strategy, equipping our people with the critical behaviours and cultural understanding required to set new service benchmarks. 2,500 hotel leaders were engaged in the first phase through online alignment sessions, across 11 English and Mandarin cohorts. 600 leaders have provided valuable insights to co-create future hosting content, contributing to defining the next chapter of Shangri-La's guest experience. 10 face-to-face and virtual workshops have been delivered across multiple functions to further enhance functional competencies, benefiting over 400 colleagues with timely, industry-aligned content. To showcase our benchmark for excellence, two learning tours at The Silk Lakehouse, Shangri-La Hangzhou, our new hotel under the new brand Shangri-La Signatures, have been arranged for 20 top performers based on nomination. These immersive experiences enabled colleagues to explore new possibilities in guest hosting and contributed to setting new benchmarks for future capability-building.

To support managers and employees in clearly aligning and achieving performance expectations, we revamped the way performance management was done and launched a multi-year plan in 2025. This initiative began with facilitating goals setting that was tightly aligned with business priorities, ensuring effective cascading and supporting these objectives with a robust feedback system and clear performance measurement standards. A Performance Development Conversations (PDC) programme for managers was also launched to encourage on-going conversations and feedback.

In 2025, we reached an important milestone with the successful launch of the Group's new global human resources system. This marked the completion of a core phase that gave us a unified and reliable foundation for our people data. With this backbone now in place, we are better positioned to streamline key human resources processes and support our business more effectively. This foundation also sets the stage for building a more integrated human resources technology ecosystem in the years ahead, enabling future enhancements in our workforce initiatives.

Recognising and Rewarding Our People

The Group's remuneration philosophy is to reward colleagues competitively and fairly, recognising the achievement of short and long-term business goals, and aligning interests of the Group and shareholders, while strengthening our ability to attract, retain and motivate talent.

Our remuneration programmes are integrated with our performance management framework and are designed to reflect colleagues' contributions and impact. The Group's balanced scorecard provides a holistic assessment of business unit performance across financial achievement, guest satisfaction, people development, initiatives, community responsibility and compliance. By considering both financial and non-financial measures, our reward programmes reinforce alignment between remuneration and our business strategy. These programmes are governed by the Group's remuneration policies, guidelines and processes.

In 2025, we maintained salaries and benefits including provident fund contributions, insurance and medical coverage at competitive levels.

The Group granted long-term incentive awards anchored in the Talent Review & Succession Planning process, which identified key positions and succession readiness to help retain critical talent and support leadership continuity.

We continued our complimentary rooms and staff rates programme as our appreciation and reward to our people for their dedication to the Group. Over 14,600 colleagues enjoyed the programme in 2025. 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 7,000 colleagues were recognised and awarded under this programme in 2025.

As of 31 December 2025, the Company and its subsidiaries had approximately 24,800 employees. The number of people employed by Shangri-La Group, including all operating hotels, was 41,000. The Group's total employee benefit expenses (excluding directors' emoluments) amounted to USD812.4 million (2024: USD802.2 million).

Fostering Shangri-La Culture

Shangri-La's culture is anchored in a shared commitment to purpose, performance and people. Guided by our Business, Purpose, Values and Vision (BPVV), our culture shapes how we think, act and lead as a global hospitality group.

In response to changing manpower dynamics and the evolving expectations of future generations of talent, the Group launched a brand-new Employer Brand to strengthen our positioning as an employer of choice with a tagline "Find Your Shangri-La in Shangri-La". Rooted in our culture and purpose, the updated Employer Brand articulated a clear and compelling proposition centred on growth, belonging and the joy of creating meaningful experiences.

In support of this strategy, a refreshed global careers website was launched to attract, inspire and engage talent across multiple markets, supported by a hero video and renewed "Joy" storytelling, and featuring authentic colleague stories and career journeys that highlight development, mobility and contribution across the Group's brands and businesses. This digital presence was amplified through targeted social media storytelling and the systematic alignment of hiring channels from global to regional and local levels.

To bring the Employer Brand to life internally, a series of global and local initiatives were rolled out to engage colleagues and build advocacy. These included curated launches, branded publications, interactive activities and ongoing communications guided by our Shangri-La Culture. A Diversity, Equity, and Inclusion (DEI) framework has also been built to sharpen our DEI focus, strategising our initiatives to create a diverse, equitable, and inclusive workplace globally.

We are dedicated to listening to our employees because we recognise the value of learning from their views. To drive engagement through continuous employee listening, we introduced Periodic Check-Ins in 2025 whereby employees were encouraged to have regular conversations with their manager – not just focusing on progress updates but to also cover employee's development, career aspirations and support needed in order to succeed in Shangri-La. Two-way dialogues were consistently maintained through multiple channels, including monthly dialogues between managers and line colleagues, as well as quarterly Global Townhalls.

Looking ahead, our people are primed to support the continued growth of the Group's business, footprint and operations, positioning the Group to scale New Horizons and deliver sustainable value creation in the years to come.

PROSPECTS

2025 was a year of steady progress as Shangri-La continued to strengthen its position amid an evolving global travel landscape. While market recovery remained uneven across regions, overall demand proved resilient, supported by the continued rebound in intra-Asia travel. Through disciplined financial management and operational focus, the Group maintained stable topline and earnings performance, with solid cash generation and sustained balance sheet strength. We are pleased to declare a final dividend of HK10 cents per share, bringing full year dividend to HK15 cents per share.

Guided by our vision to be the best-loved hospitality group, we continued to advance our brand and portfolio strategy. In May 2025, we launched Shangri-La Signatures with the opening of The Silk Lakehouse, Shangri-La Hangzhou, reinforced our commitment to differentiated, experienced luxury and extended our reach into the ultra-luxury segment. In October 2025, we launched our second dual-brand project at Hongqiao, comprising Shangri-La Hongqiao Airport and Traders Hongqiao Airport in Shanghai, marking our first airport properties and the debut of our refreshed Traders brand to better capture the upper midscale market whilst extending our footprint in one of China's most important commercial hubs. This dual-brand concept enables us to serve a broader range of customers and enhance the overall utilisation of our properties. Looking ahead, Shangri-La Kunming, the second part of our first dual brand (which saw the launch of JEN Kunming by Shangri-La in April 2024) is scheduled to open in the first half of 2026.

We also continued to build our future pipeline through new hotel management agreements. The positive response to Shangri-La's refreshed designs from our potential hotel management agreement partners helped us secure new opportunities, including our newly signed dual-brand contract in Wuxi, in Chinese Mainland that will pair Shangri-La and Traders, and also Bodrum in Turkey. These signings further build on our asset-light growth strategy, leveraging our brand equity and operating expertise to expand our presence in a capital-efficient manner, further diversify our geographic presence and deepen our exposure to both resort and urban demand over the medium term.

Our financial discipline including but not limited to continuous enhancement of operating efficiency remained a core element of our strategy. Active treasury management and diversified funding channels helped us keep borrowing costs contained, reflecting continued confidence from capital markets in our business fundamentals and long-term outlook. Ongoing conflicts in the Middle East have added uncertainty and increased volatility in energy prices and global financial markets, which may weigh on business sentiment and travel demand in the near term. We have been actively exploring ways to expand our presence in the Middle East and there are some initial green shoots. However, for the time being Shangri-La has four managed hotels in the region and therefore direct financial impact to the Group is limited. At the same time, we have taken measures to ensure the safety of our people, their families and guests in the region.

Looking ahead, our Group 2026 performance to date has been encouraging both on the topline and bottom-line. Structural growth drivers for travel and hospitality in Asia, including rising incomes and growing intra-regional travel, remain supportive over the medium term, positioning Shangri-La to navigate ongoing uncertainties while continuing to create value for our guests, partners and shareholders.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December	
	Note	2025	2024
		USD'000	USD'000
ASSETS			
<i>Non-current assets</i>			
Property, plant and equipment		3,788,656	3,768,173
Investment properties		1,827,112	1,784,273
Right-of-use assets		1,180,894	1,004,424
Intangible assets		102,367	103,132
Interest in associates		4,545,301	4,280,314
Deferred income tax assets		62,477	73,331
Financial assets at fair value through other comprehensive income		2,412	2,101
Financial assets at fair value through profit or loss		10,233	10,787
Derivative financial instruments		2,092	25,102
Other receivables		9,734	11,482
		<u>11,531,278</u>	<u>11,063,119</u>
<i>Current assets</i>			
Inventories		27,847	29,271
Properties for sale		49,012	52,577
Accounts receivable, prepayments and deposits	4	202,303	226,737
Amounts due from associates		56,908	160,157
Derivative financial instruments		15,251	24,658
Financial assets at fair value through profit or loss		13,748	10,948
Bank deposits with original maturities over 3 months		288,953	113,916
Cash and cash equivalents		2,241,234	1,817,076
		<u>2,895,256</u>	<u>2,435,340</u>
Total assets		<u><u>14,426,534</u></u>	<u><u>13,498,459</u></u>

		As at 31 December	
		2025	2024
	Note	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	(10,180)	(13,595)
Other reserves		366,765	279,984
Retained earnings		1,765,849	1,715,142
		<hr/> 5,324,429	<hr/> 5,183,526
<i>Non-controlling interests</i>		275,666	253,644
		<hr/> 5,600,095	<hr/> 5,437,170
LIABILITIES			
<i>Non-current liabilities</i>			
Bank loans		4,508,410	4,708,500
Fixed rate bonds		1,683,047	771,291
Derivative financial instruments		10,721	21,100
Long-term lease liabilities		689,044	506,059
Loan from a non-controlling shareholder		38,452	38,452
Deferred income tax liabilities		337,164	321,297
		<hr/> 7,266,838	<hr/> 6,366,699
<i>Current liabilities</i>			
Accounts payable and accruals	7	605,840	599,329
Contract liabilities		120,160	107,407
Short-term lease liabilities		64,207	42,777
Amounts due to non-controlling shareholders		53,337	51,416
Current income tax liabilities		22,448	19,087
Bank loans		664,682	232,148
Fixed rate bonds		–	640,324
Derivative financial instruments		28,927	2,102
		<hr/> 1,559,601	<hr/> 1,694,590
Total liabilities		<hr/> 8,826,439	<hr/> 8,061,289
Total equity and liabilities		<hr/> 14,426,534	<hr/> 13,498,459

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	Year ended 31 December	
		2025 USD'000	2024 USD'000
Revenue	3	2,234,072	2,185,356
Cost of sales	8	(988,888)	(968,538)
Gross profit		1,245,184	1,216,818
Other gains – net	9	99,183	47,328
Marketing costs	8	(88,713)	(86,896)
Administrative expenses	8	(308,089)	(283,121)
Other operating expenses	8	(612,683)	(659,238)
Operating profit		334,882	234,891
Finance costs – net			
– Interest expense	10	(308,906)	(309,961)
– Foreign exchange (losses)/gains	10	(10,149)	23,746
Share of profit of associates	11	208,359	309,658
Profit before income tax		224,186	258,334
Income tax expense	12	(89,672)	(75,408)
Profit for the year		134,514	182,926
Profit attributable to:			
Owners of the Company		112,293	161,387
Non-controlling interests		22,221	21,539
		134,514	182,926
Earnings per share for profit attributable to owners of the Company during the year (expressed in US cents per share)			
– basic	13	3.16	4.54
– diluted	13	3.13	4.50

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2025	2024
	USD'000	USD'000
Profit for the year	134,514	182,926
Other comprehensive (loss)/income:		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Remeasurements of post-employment benefit obligations	(243)	(1,422)
Effect of hyperinflation	6,209	16,182
<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	(34,202)	(32,726)
Currency translation differences – subsidiaries	29,887	(24,989)
Currency translation differences – associates	107,480	(69,328)
Other comprehensive income/(loss) for the year	109,131	(112,283)
Total comprehensive income for the year	243,645	70,643
Total comprehensive income attributable to:		
Owners of the Company	205,025	47,968
Non-controlling interests	38,620	22,675
	243,645	70,643

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company						Total equity USD'000
	Share capital and premium USD'000 (Note 5)	Shares held for share award scheme USD'000 (Note 5)	Other reserves USD'000	Retained earnings USD'000	Total USD'000	Non-controlling interests USD'000	
At 1 January 2025	3,201,995	(13,595)	279,984	1,715,142	5,183,526	253,644	5,437,170
Remeasurements of post-employment benefit obligations	-	-	-	(207)	(207)	(36)	(243)
Effect of hyperinflation	-	-	-	6,209	6,209	-	6,209
Fair value changes of interest rate swap and cross-currency swap contracts – hedging	-	-	(34,202)	-	(34,202)	-	(34,202)
Currency translation differences	-	-	120,932	-	120,932	16,435	137,367
Other comprehensive income for the year recognised directly in equity	-	-	86,730	6,002	92,732	16,399	109,131
Profit for the year	-	-	-	112,293	112,293	22,221	134,514
Total comprehensive income for the year	-	-	86,730	118,295	205,025	38,620	243,645
Shares purchased for share award scheme	-	(5,607)	-	-	(5,607)	-	(5,607)
Share-based compensation under share award scheme	-	-	10,254	-	10,254	-	10,254
Vesting of shares under share award scheme	-	9,022	(10,203)	1,181	-	-	-
Payment of 2024 final dividend	-	-	-	(45,802)	(45,802)	-	(45,802)
Payment of 2025 interim dividend	-	-	-	(22,967)	(22,967)	-	(22,967)
Dividend paid and payable to non-controlling shareholders	-	-	-	-	-	(16,503)	(16,503)
Injection of equity loans from a non-controlling shareholder	-	-	-	-	-	75	75
Repayment of equity loans from a non-controlling shareholder	-	-	-	-	-	(170)	(170)
	-	3,415	51	(67,588)	(64,122)	(16,598)	(80,720)
At 31 December 2025	3,201,995	(10,180)	366,765	1,765,849	5,324,429	275,666	5,600,095

Attributable to owners of the Company

	Share capital and premium USD'000 (Note 5)	Shares held for share award scheme USD'000 (Note 5)	Other reserves USD'000	Retained earnings USD'000	Total USD'000	Non- controlling interests USD'000	Total equity USD'000
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 purchased for share award scheme	-	(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	-	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 loans 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

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 HKFRS Accounting Standards (collectively including Hong Kong Financial Reporting Standards (“**HKFRSs**”), Hong Kong Accounting Standards (“**HKAS**”) and interpretations) 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 2025:

HKAS 21 and HKFRS 1 (Amendments)	Lack of Exchangeability
----------------------------------	-------------------------

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 2025 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. Most of the associates are engaged in hotel ownership, property rentals and property sales 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:

	2025 USD'000	2024 USD'000
Revenue		
Hotel properties		
Revenue from rooms	1,107,549	1,069,464
Food and beverage sales	766,658	767,961
Rendering of ancillary services	99,861	106,602
Hotel management and related services	97,131	98,190
Property development for sale	9,243	2,314
Other business	14,143	15,065
	<hr/>	<hr/>
Revenue from contracts with customers	2,094,585	2,059,596
Investment properties	139,487	125,760
	<hr/>	<hr/>
Total	2,234,072	2,185,356
	<hr/> <hr/>	<hr/> <hr/>

The Group is domiciled in Hong Kong. The revenue from external customers attributed to Hong Kong and other countries are USD400,857,000 (2024: USD381,614,000) and USD1,833,215,000 (2024: USD1,803,742,000), 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 USD841,758,000 (2024: USD876,995,000) and USD10,612,306,000 (2024: USD10,074,803,000), 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 lease)
 - The People’s Republic of China
 - Hong Kong
 - Chinese Mainland
 - 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
 - Chinese Mainland
 - 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. This other business does 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 years ended 31 December 2025 and 2024 (USD million)

	2025		2024	
	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	338.1	32.0	321.9	21.2
Chinese Mainland	627.9	(14.3)	655.2	(10.1)
Singapore	255.6	24.0	260.0	30.4
Malaysia	121.8	9.8	112.0	7.8
The Philippines	165.4	17.9	156.5	17.1
Japan	60.4	8.4	51.6	11.1
Thailand	65.0	9.4	66.2	13.0
France	66.8	2.7	57.5	(0.9)
Australia	96.4	3.0	88.2	(1.4)
United Kingdom	62.2	(14.2)	60.4	(13.7)
Mongolia	22.8	0.6	21.7	(2.2)
Sri Lanka	41.0	8.0	40.5	(2.0)
Other countries	50.7	2.9	52.3	(0.3)
	1,974.1	90.2	1,944.0	70.0
Hotel management and related services	258.9	26.2	258.4	37.6
Sub-total	2,233.0	116.4	2,202.4	107.6
Investment properties				
Chinese Mainland	35.2	153.9	31.3	171.3
Singapore	16.1	11.7	14.4	10.5
Malaysia	4.8	0.7	4.3	0.6
Mongolia	40.1	13.3	36.5	9.3
Sri Lanka	28.4	14.2	24.5	5.2
Other countries	14.9	3.1	14.8	3.0
	139.5	196.9	125.8	199.9
Property development for sale	9.3	21.1	2.3	6.0
Other business	14.1	(6.0)	15.1	(5.6)
Total	2,395.9	328.4	2,345.6	307.9
Less: Hotel management and related services – Inter-segment revenue	(161.8)		(160.2)	
Total external revenue	2,234.1		2,185.4	
Corporate finance costs (net of interest income)		(161.5)		(167.3)
Land cost amortisation and project expenses		(7.4)		(7.5)
Corporate expenses		(27.6)		(30.5)
Exchange (losses)/gains of corporate investment holding companies		(9.1)		13.3
Profit before non-operating items		122.8		115.9

	<u>2025</u>	<u>2024</u>
	Profit/(Loss) after tax (Note (a))	Profit/(Loss) after tax (Note (a))
Profit before non-operating items	122.8	115.9
Non-operating items		
Share of net fair value gains on investment properties	17.9	74.9
Unrealised gains on financial assets at fair value through profit or loss	3.0	0.5
Fair value adjustments on security deposits on leased premises	0.7	0.3
Net impairment losses on hotel properties	(30.4)	(46.0)
Fair value (losses)/gains on cross-currency swap contracts – non-hedging	(4.6)	7.7
Foreign exchange gain arising from appreciation of Sri Lankan rupee	–	11.2
Loss on disposal of an associate	–	(4.4)
Insurance claims recovered from property damage	2.9	4.1
Write-off of property, plant and equipment due to property damage and obsolescence	–	(2.8)
Total non-operating items	(10.5)	45.5
Consolidated profit attributable to owners of the Company	112.3	161.4

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:

(USD million)	<u>2025</u>	<u>2024</u>
	Share of profit/(loss) of associates	Share of profit/(loss) of associates
Hotel properties		
The People's Republic of China		
Hong Kong	(0.5)	(0.3)
Chinese Mainland	(3.0)	5.1
Singapore	0.8	1.4
Malaysia	3.9	3.5
The Philippines	9.1	8.6
Other countries	4.1	1.0
	<u>14.4</u>	<u>19.3</u>
Investment properties		
Chinese Mainland	162.0	171.9
Singapore	4.5	4.5
	<u>166.5</u>	<u>176.4</u>
Property development for sale	16.1	5.4
Other business	0.2	0.1
Total	<u><u>197.2</u></u>	<u><u>201.2</u></u>

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:

(USD million)	2025		2024	
	Depreciation and amortisation	Income tax expense/(credit)	Depreciation and amortisation	Income tax expense/(credit)
Hotel properties				
The People's Republic of China				
Hong Kong	40.3	2.8	39.8	1.9
Chinese Mainland	86.6	19.4	97.6	20.1
Singapore	19.8	3.8	17.5	5.2
Malaysia	10.9	4.5	9.9	3.2
The Philippines	19.1	8.7	19.3	6.3
Japan	5.2	1.7	4.5	(3.6)
Thailand	5.1	5.2	4.8	6.1
France	7.0	1.1	6.1	–
Australia	10.7	(0.2)	12.0	–
United Kingdom	7.3	–	7.5	–
Mongolia	5.3	(0.5)	8.3	0.1
Sri Lanka	4.3	0.6	8.4	5.3
Other countries	7.0	1.1	7.4	0.1
	228.6	48.2	243.1	44.7
Hotel management and related services	12.9	16.0	14.9	9.6
Sub-total	241.5	64.2	258.0	54.3
Investment properties				
Chinese Mainland	–	15.1	–	5.2
Singapore	–	1.5	–	1.2
Malaysia	–	0.6	–	0.5
Mongolia	–	0.9	–	2.1
Sri Lanka	0.2	2.2	0.2	(0.6)
Other countries	0.1	0.5	0.1	0.3
	0.3	20.8	0.3	8.7
Property development for sale	–	0.5	–	0.2
Other business	4.6	0.5	4.0	–
Total	246.4	86.0	262.3	63.2

Segment assets

As at 31 December 2025 and 2024 (USD million)

	2025	2024
Hotel properties		
The People's Republic of China		
Hong Kong	781.2	814.1
Chinese Mainland	2,231.4	2,137.7
Singapore	593.5	481.6
Malaysia	289.8	257.9
The Philippines	270.1	300.3
Japan	68.5	62.7
Thailand	271.2	238.3
France	255.0	232.3
Australia	282.5	269.5
United Kingdom	225.6	239.5
Mongolia	112.7	110.2
Sri Lanka	145.0	146.6
Other countries	135.0	132.9
	<u>5,661.5</u>	<u>5,423.6</u>
Investment properties		
Chinese Mainland	570.0	598.8
Singapore	530.0	506.0
Malaysia	78.4	70.0
Mongolia	379.6	355.6
Sri Lanka	206.8	191.0
Other countries	190.4	196.7
	<u>1,955.2</u>	<u>1,918.1</u>
Property development for sale		
Chinese Mainland	32.6	33.0
Sri Lanka	16.4	19.5
	<u>49.0</u>	<u>52.5</u>
Hotel management and related services		
Less: Elimination	346.7	375.7
	<u>(57.3)</u>	<u>(69.7)</u>
Total segment assets	7,955.1	7,700.2
Assets allocated to projects and other business	232.7	263.1
Unallocated assets	1,591.0	1,151.8
Intangible assets	102.4	103.1
	<u>9,881.2</u>	<u>9,218.2</u>
Total assets of the Company and its subsidiaries	9,881.2	9,218.2
Interest in associates	4,545.3	4,280.3
	<u>4,545.3</u>	<u>4,280.3</u>
Total assets	14,426.5	13,498.5
	<u><u>14,426.5</u></u>	<u><u>13,498.5</u></u>

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

	2025 USD'000	2024 USD'000
Trade receivables	88,371	89,987
Less: Provision for impairment of receivables	<u>(11,347)</u>	<u>(10,184)</u>
Trade receivables – net (Note (b))	77,024	79,803
Other receivables	55,807	54,771
Prepayments and other deposits	<u>69,472</u>	<u>92,163</u>
	<u>202,303</u>	<u>226,737</u>

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

The maximum exposure to credit risk at the end of the reporting period is the carrying value of each class of receivables mentioned above.

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:

	2025 USD'000	2024 USD'000
0 – 3 months	67,323	65,790
4 – 6 months	5,491	6,847
Over 6 months	<u>4,210</u>	<u>7,166</u>
	<u>77,024</u>	<u>79,803</u>

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

	Number of shares '000	Amount		
		Share capital USD'000	Share premium USD'000	Total USD'000
Share capital and premium				
Authorised				
– Ordinary shares of HKD1 each				
At 1 January 2024, 31 December 2024 and 31 December 2025	5,000,000	646,496	–	646,496
Issued and fully paid				
– Ordinary shares of HKD1 each				
At 1 January 2024, 31 December 2024 and 31 December 2025	3,585,525	462,904	2,739,091	3,201,995
Shares held for share award scheme				
At 1 January 2024	(20,812)	(2,685)	(12,960)	(15,645)
Shares purchased 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 and 1 January 2025	(18,528)	(2,390)	(11,205)	(13,595)
Shares purchased for share award scheme	(10,000)	(1,290)	(4,317)	(5,607)
Vesting of shares under share award scheme	13,373	1,725	7,297	9,022
At 31 December 2025	(15,155)	(1,955)	(8,225)	(10,180)

As at 31 December 2025, except for shares held for share award scheme as shown above, 10,501,055 (2024: 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

The shareholders of the Company approved the adoption of its 2025 Share Scheme, which included new share award and option scheme, on 12 June 2025. During the year ended 31 December 2025, the share award scheme of the Group acquired 10,000,000 ordinary shares in the Company through purchases on the open market and 13,372,600 shares were transferred to the awardees upon vesting of the awarded shares. The remaining 15,155,100 shares were held in trust under the share award scheme as at 31 December 2025. Details of the share award scheme were disclosed in Note 6 to these consolidated financial statements.

Share options

During the year ended 31 December 2025, no share options were granted, exercised or lapsed.

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 either newly issued by the Company or 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. During the year ended 31 December 2025, a total of 19,375,100 shares and 13,372,600 shares were granted and vested to the qualified awardees, respectively. A total of 15,155,000 shares were held in trust under the share award scheme as at 31 December 2025. During the year ended 31 December 2025, an expense of USD10,254,000 (2024: USD10,119,000) for the award shares granted was charged to the consolidated statement of profit or loss.

Details of the awarded shares granted and vested during 2025 and 2024 are as follows:

Grant date	Fair value per share	Number of awarded shares granted	Number of awarded shares vested			Vesting period
			Before 2024	2024	2025	
In year 2021						
1 Apr 2021	HKD7.86	52,000	52,000	–	–	Nil
7 Jun 2021	HKD7.27	5,986,000	3,326,000	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	160,000	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	2,879,000	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	5,290,200	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	–	–	174,300	2 Jan 2024 to 1 Jan 2027
5 Jul 2024	HKD5.49	15,390,300	–	–	5,029,100	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>				
In year 2025						
7 Jul 2025	HKD4.53	18,753,200	–	–	–	7 Jul 2025 to 7 Jul 2028
12 Dec 2025	HKD4.68	621,900	–	–	–	12 Dec 2025 to 7 Jul 2028
Total for 2025		<u>19,375,100</u>				
Grand Total		<u><u>73,310,100</u></u>	<u><u>7,228,000</u></u>	<u><u>10,088,300</u></u>	<u><u>13,372,600</u></u>	

7 Accounts payable and accruals

	2025 USD'000	2024 USD'000
Trade payables	83,116	78,795
Other payables and accrued expenses	522,724	520,534
	<u>605,840</u>	<u>599,329</u>

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

	2025 USD'000	2024 USD'000
0 – 3 months	80,668	72,646
4 – 6 months	1,088	3,999
Over 6 months	1,360	2,150
	<u>83,116</u>	<u>78,795</u>

8 Expenses by nature

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

	2025 USD'000	2024 USD'000
Depreciation of property, plant and equipment	191,144	210,630
Amortisation of trademark, and website and system development	5,423	7,113
Depreciation of right-of-use assets	50,060	44,531
Provision for impairment losses on property, plant and equipment	–	51,802
Reversal of prior years' impairment losses on property, plant and equipment	–	(5,835)
Provision for impairment losses on right-of-use assets	30,395	–
Employee benefit expenses excluding directors' emoluments	812,204	800,954
Cost of sales of properties	3,275	946
Cost of inventories sold or consumed in operation	275,034	275,450
Loss on disposal of property, plant and equipment; and partial replacement of investment properties	4,576	2,670
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	(110)	(95)
Operating lease expenses	32,686	35,043
Pre-opening expenses	4,897	6,322
Auditors' remuneration for audit services	2,588	2,437

9 Other gains – net

	2025 USD'000	2024 USD'000
Fair value gains/(losses) on investment properties	14,786	(20,714)
Gains on short-term investments	4,438	1,709
Fair value losses on club debentures	(554)	(775)
Fair value (losses)/gains on cross-currency swap contracts	(10,463)	13,883
Gain on sale of investment properties	2,873	1,695
Insurance claims recovered from property damage	2,928	4,224
Loss on disposal of an associate	–	(4,352)
Interest income	84,319	56,940
Waiver of prior years' interest income from an associate	–	(6,299)
Dividend income from listed shares	856	1,017
	<u>99,183</u>	<u>47,328</u>

10 Finance costs – net

	2025 USD'000	2024 USD'000
Interest expense on:		
– bank loans	232,498	275,566
– fixed rate bonds	66,892	55,668
– other loans	1,775	781
– interest rate swap contracts	(23,002)	(49,156)
– lease liabilities	31,091	27,914
	<u>309,254</u>	310,773
Less: Amount capitalised	(348)	(812)
	<u>308,906</u>	309,961
Foreign exchange losses/(gains)	10,149	(23,746)
	<u>319,055</u>	<u>286,215</u>

The effective capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is 4.0% (2024: 4.5%) per annum.

11 Share of profit of associates

	2025 USD'000	2024 USD'000
Share of profit before tax of associates before share of net fair value changes of investment properties	273,221	276,936
Share of net fair value changes of investment properties	<u>16,978</u>	<u>147,410</u>
Share of profit before tax of associates	<u>290,199</u>	<u>424,346</u>
Share of tax before provision for deferred tax on net fair value changes of investment properties	(77,714)	(77,952)
Share of provision for deferred tax on net fair value changes of investment properties	<u>(4,126)</u>	<u>(36,736)</u>
Share of associates' taxation	<u>(81,840)</u>	<u>(114,688)</u>
Share of profit of associates	<u>208,359</u>	<u>309,658</u>

12 Income tax expense

	2025 USD'000	2024 USD'000
Current income tax		
– Hong Kong profits tax	2,994	2
– overseas taxation	43,235	37,720
– withholding tax	18,352	20,268
Deferred income tax	<u>25,091</u>	<u>17,418</u>
	<u>89,672</u>	<u>75,408</u>

Share of associates' taxation for the year ended 31 December 2025 of USD81,840,000 (2024: USD114,688,000) 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% (2024: 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 is within the scope of the Organisation for Economic Co-operation and Development (“OECD”) Pillar Two model rules, and it applies the HKAS 12 exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes for the year ended 31 December 2025. The Group will incur top-up taxes due to the Pillar Two legislation that became effective 1 January 2025. Under the legislation, the Group is liable to pay a top-up tax for the difference between its Global Anti-Base Erosion rules (“GloBE”) effective tax rate in each jurisdiction and the 15% minimum rate.

For the year ended 31 December 2025, the Group has estimated that the effective tax rates exceed 15% or qualified transitional safe harbour relief in all jurisdictions in which it operates, except for Fiji and Samoa where the Group has operations. Considering the impact of specific adjustments in the Pillar Two legislation, the Group recognised a current income tax expense of USD891,000 for the year. This is included in income tax in the statement of profit or loss.

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.

	2025	2024
Profit attributable to owners of the Company (USD'000)	<u>112,293</u>	<u>161,387</u>
Weighted average number of ordinary shares in issue (thousands)	<u>3,556,388</u>	<u>3,553,432</u>
Basic earnings per share (US cents per share)	<u>3.16</u>	<u>4.54</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 2025 and 2024.

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

	2025	2024
Profit attributable to owners of the Company (USD'000)	<u>112,293</u>	<u>161,387</u>
Weighted average number of ordinary shares in issue (thousands)	<u>3,556,388</u>	<u>3,553,432</u>
Adjustments (thousands)	<u>32,049</u>	<u>30,092</u>
Weighted average number of ordinary shares for diluted earnings per share (thousands)	<u>3,588,437</u>	<u>3,583,524</u>
Diluted earnings per share (US cents per share)	<u>3.13</u>	<u>4.50</u>

14 Dividends

	Group		Company	
	2025	2024	2025	2024
	USD'000	USD'000	USD'000	USD'000
Interim dividend paid of HK5 cents (2024: HK5 cents) per ordinary share	22,967	22,945	23,035	23,012
Proposed final dividend of HK10 cents (2024: HK10 cents) per ordinary share	45,936	45,895	46,072	46,030
	68,903	68,840	69,107	69,042

At a meeting held on 26 March 2026, the Board proposed a final dividend of HK10 cents per ordinary share for the year ended 31 December 2025. This proposed dividend is not reflected as dividend payable in these financial statements.

The proposed final dividend of USD45,936,000 for the year ended 31 December 2025 is calculated based on 3,585,525,056 shares of the Company in issue as at 26 March 2026, after elimination on consolidation the amount of USD136,000 for the 10,501,055 ordinary shares in the Company held by a subsidiary of the Company and USD193,000 for 14,980,800 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 2025, 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 USD129,949,000 (2024: USD105,958,000).

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 2025 and 2024, there were no material contingent liabilities.

(c) Charges over assets

As at 31 December 2025 and 2024, 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:

	2025 USD'000	2024 USD'000
Existing properties – property, plant and equipment and investment properties		
– contracted but not provided for	12,975	11,046
– authorised but not contracted for	21,054	17,323
Development projects		
– contracted but not provided for	1,160	12,497
– authorised but not contracted for	49,010	62,169
	<u>84,199</u>	<u>103,035</u>

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

	2025 USD'000	2024 USD'000
Not later than one year	74,644	80,081
Later than one year and not later than five years	97,771	128,007
Later than five years	15,137	14,869
	<u>187,552</u>	<u>222,957</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 2025 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 2025, 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 2025 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 things) 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 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 Code throughout the year ended 31 December 2025 except for the deviation from Code Provision C.2.1 which provides that the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual.

Ms KUOK Hui Kwong has served as both chairman and chief executive officer of the Company since her appointment as Group Chief Executive Officer on 1 August 2025. Ms KUOK has played a key leadership role in the Company since her appointment as an Executive Director in June 2016 and as Chairman in January 2017. She has been primarily responsible for formulating the Company's strategic priorities and steering the Company towards its goals. The combination of the roles of Chairman and Chief Executive Officer under the leadership of Ms KUOK enhances the Company's strategic cohesion and operational execution by ensuring a unified and consistent vision across all levels of leadership. An appropriate balance of power and authority is ensured by the Company's governance and internal controls framework, including the operation of the Board with active participation from Directors, a majority of the Board comprising Independent Non-Executive Directors ("INEDs"), and the Audit & Risk Committee and Remuneration & Human Capital Committee being chaired by INEDs. The Company will continue to review and monitor its practices for the purpose of complying with the CG Code and maintaining a high standard of corporate governance.

QUALIFICATION FOR PROPOSED FINAL DIVIDEND

The proposed final dividend of HK10 cents per share in the Company for 2025 (subject to shareholders' approval at the forthcoming annual general meeting of the Company) will be payable on 15 June 2026 to shareholders (excluding any holders of treasury shares) whose names appear on the registers of members of the Company on 4 June 2026.

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 Investor Services Limited of 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong SAR, no later than 4:30 pm on 4 June 2026.

The Company will withdraw all treasury shares (if any) from CCASS, and either re-register them in its own as treasury shares or cancel them, in each case before 4 June 2026.

On behalf of the Board of
Shangri-La Asia Limited
KUOK Hui Kwong
*Chairman & Group
Chief Executive Officer*

Hong Kong, 26 March 2026

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

Executive directors

*Ms KUOK Hui Kwong (Chairman & Group
Chief Executive Officer)
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
Mr CHUA Yuan Wen William*