SHANGRI-LA GROUP

Shangri-La Asia Limited
(Incorporated in Bermuda with limited liability)
website: www.ir.shangri-la.com
(Stock code: 00069)

2026 INTERIM RESULTS ANNOUNCEMENT

The board of directors ("**Board**") of Shangri-La Asia Limited ("**Company**") wishes to announce the unaudited interim results of the Company and its subsidiaries ("**Group**"), and associates for the six months ended 30 June 2026. These results have been reviewed by the Company's auditor, PricewaterhouseCoopers, in accordance with the Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" and by the audit & risk committee of the Board. The review report of the auditor will be included in the interim report sent to the shareholders of the Company.

For the six months ended 30 June 2026, consolidated profit attributable to owners of the Company before non-operating items was USD88.9 million, an increase of 74.7% or USD38.0 million, compared to USD50.9 million for the same period last year. Consolidated profit attributable to owners of the Company after accounting for non-operating items was USD89.0 million, an increase of 53.7% or USD31.1 million, compared to USD57.9 million for the same period last year.

The Board has declared an interim dividend of HK5 cents (2025: HK5 cents) per ordinary share for 2026 payable on Friday, 9 October 2026, to shareholders whose names appear on the registers of members of the Company on Monday, 28 September 2026.

The following table summarises the highlights of our financial results:

	Six months ended 30 June		
	2026	2025	
	USD million	USD million	% change
Consolidated revenue	**1,124.0**	1,056.1	6.4%
Effective share of revenue (Note 1) of the Company, subsidiaries and associates	**1,323.8**	1,262.5	4.9%
EBITDA (Note 2) of the Company and its subsidiaries	**289.5**	251.5	15.1%
Effective share of EBITDA (Note 3) of the Company, subsidiaries and associates	**404.9**	369.5	9.6%
Consolidated profit attributable to owners of the Company:			
– Operating items	**88.9**	50.9	74.7%
– Non-operating items	**0.1**	7.0	-98.6%
Total	**89.0**	57.9	53.7%
Earnings per share (US cents per share)	**2.50**	1.63	53.4%

	As at 30 June 2026 USD million	31 December 2025 USD million	% change
Net assets attributable to owners of the Company	**5,358.9**	5,324.4	0.6%
Net assets per share attributable to owners of the Company (USD)	**1.51**	1.50	0.7%

Notes:

1. Effective share of revenue is the aggregate total of the Company's revenue and the Group's share of revenue of subsidiaries and associates based on percentage of equity interests.

2. EBITDA, which is a non-HKFRS financial measure used to measure the Group's operating profitability, is defined as the earnings before finance costs, tax, depreciation and amortisation, gains/losses on disposal of fixed assets and non-operating items such as gains/losses on disposal of interest in investee companies; fair value gains/losses on investment properties and financial assets; and net impairment losses on fixed assets.

3. Effective share of EBITDA is the aggregate total of the Company's EBITDA and the Group's share of EBITDA of subsidiaries and associates based on percentage of equity interests.

- Consolidated revenue for the six months ended 30 June 2026 was USD1,124.0 million, an increase of 6.4%, compared to USD1,056.1 million for the six months ended 30 June 2025. The increase was mainly due to increase in both consolidated revenue from Hotel Operations and Investment Properties on a year-on-year basis.

- Effective share of revenue of the Company, subsidiaries and associates for the six months ended 30 June 2026 was USD1,323.8 million, an increase of 4.9%, compared to USD1,262.5 million for the six months ended 30 June 2025. The effective share of revenue increase was mainly driven by increased effective share of revenue from Hotel Operations.

- Effective share of EBITDA of the Company, subsidiaries and associates for the six months ended 30 June 2026 was USD404.9 million, an increase of 9.6%, compared to USD369.5 million for the six months ended 30 June 2025. The effective share of EBITDA margin of the Company, subsidiaries and associates for the six months ended 30 June 2026 was 30.6%, increased by 1.3 percentage points compared to 29.3% for the same period last year. The increase in effective share of EBITDA and margin expansion was mainly driven by improved operating efficiency and effective share of revenue growth.

- Consolidated profit attributable to owners of the Company before non-operating items was USD88.9 million for the six months ended 30 June 2026, an increase of 74.7%, compared to USD50.9 million for the six months ended 30 June 2025.

  This increase was mainly driven by increase in the effective share of EBITDA, savings in net interest expenses on a year-on-year basis, and foreign exchange gains in the period of 2026 compared to foreign exchange losses in the same period of 2025.

- All in all, consolidated profit attributable to owners of the Company was USD89.0 million for the six months ended 30 June 2026, an increase of 53.7%, compared to USD57.9 million for the six months ended 30 June 2025 with lower net gains from non-operating items on a year-on-year basis.

  Such decrease in net gains from non-operating items was mainly due to effective share of net fair value losses from investment properties in the period of 2026 compared to effective share of net fair value gains in the same period of 2025 and impairment loss on a hotel property, but partially offset by fair value gains from financial instruments in the period of 2026 compared to fair value losses in the same period of 2025.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

(All amounts in US dollar thousands)

	Note	As at **30 June 2026** **Unaudited**	31 December 2025 Audited
ASSETS			
Non-current assets			
Property, plant and equipment		**3,732,903**	3,788,656
Investment properties		**1,828,786**	1,827,112
Right-of-use assets		**1,175,724**	1,180,894
Intangible assets		**101,610**	102,367
Interest in associates		**4,777,098**	4,545,301
Deferred income tax assets		**54,434**	62,477
Financial assets at fair value through other comprehensive income		**2,412**	2,412
Financial assets at fair value through profit or loss		**10,532**	10,233
Derivative financial instruments		**–**	2,092
Other receivables		**9,524**	9,734
		11,693,023	11,531,278
Current assets			
Inventories		**26,755**	27,847
Properties for sale		**47,818**	49,012
Accounts receivable, prepayments and deposits	4	**205,500**	202,303
Amounts due from associates		**93,891**	56,908
Derivative financial instruments		**11,645**	15,251
Financial assets at fair value through profit or loss		**12,013**	13,748
Bank deposits with original maturities over 3 months		**1,463,193**	288,953
Cash and cash equivalents		**1,263,753**	2,241,234
		3,124,568	2,895,256
Total assets		**14,817,591**	14,426,534

	Note	As at 30 June 2026 Unaudited	As at 31 December 2025 Audited
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital and premium	5	**3,204,924**	3,201,995
Shares held for share award schemes	5	**(12,992)**	(10,180)
Other reserves		**350,703**	366,765
Retained earnings		**1,816,223**	1,765,849
		5,358,858	5,324,429
Non-controlling interests		**276,289**	275,666
Total equity		**5,635,147**	5,600,095
LIABILITIES			
Non-current liabilities			
Bank loans		**4,657,566**	4,508,410
Fixed rate bonds		**1,892,945**	1,683,047
Derivative financial instruments		**15,302**	10,721
Long-term lease liabilities		**690,499**	689,044
Loan from a non-controlling shareholder		**38,452**	38,452
Deferred income tax liabilities		**333,277**	337,164
		7,628,041	7,266,838
Current liabilities			
Accounts payable and accruals	7	**537,045**	605,840
Contract liabilities		**125,214**	120,160
Short-term lease liabilities		**64,228**	64,207
Amounts due to non-controlling shareholders		**80,292**	53,337
Current income tax liabilities		**28,186**	22,448
Bank loans		**410,013**	664,682
Fixed rate bonds		**274,087**	–
Derivative financial instruments		**35,338**	28,927
		1,554,403	1,559,601
Total liabilities		**9,182,444**	8,826,439
Total equity and liabilities		**14,817,591**	14,426,534

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS
(All amounts in US dollar thousands unless otherwise stated)

	Note	Six months ended 30 June **2026** **Unaudited**	2025 Unaudited
Revenue	3	**1,123,962**	1,056,063
Cost of sales	8	**(485,136)**	(466,243)
Gross profit		**638,826**	589,820
Other gains – net	9	**55,681**	35,872
Marketing costs	8	**(42,164)**	(40,798)
Administrative expenses	8	**(143,290)**	(142,093)
Other operating expenses	8	**(294,971)**	(281,032)
Operating profit		**214,082**	161,769
Finance costs – net			
– Interest expense	10	**(152,305)**	(149,212)
– Foreign exchange gains/(losses)	10	**3,656**	(6,889)
Share of profit of associates	11	**83,312**	99,057
Profit before income tax		**148,745**	104,725
Income tax expense	12	**(47,477)**	(40,956)
Profit for the period		**101,268**	63,769
Profit attributable to:			
Owners of the Company		**88,982**	57,914
Non-controlling interests		**12,286**	5,855
		101,268	63,769
Earnings per share for profit attributable to owners of the Company during the period (expressed in US cents per share)			
– basic	13	**2.50**	1.63
– diluted	13	**2.48**	1.62

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
(All amounts in US dollar thousands)

	Six months ended 30 June	
	2026	2025
	Unaudited	Unaudited
Profit for the period	**101,268**	63,769
Other comprehensive income/(loss):		
Item that will not be reclassified subsequently to profit or loss		
Effect of hyperinflation	**7,324**	4,121
Items that may be reclassified subsequently to profit or loss		
Fair value changes of interest rate swap and cross-currency swap contracts – hedging	**(2,852)**	(19,349)
Fair value gains of interest rate swap contract reclassified to profit or loss	**(13,725)**	–
Currency translation differences – subsidiaries	**(136,422)**	45,285
Currency translation differences – associates	**128,478**	38,872
Other comprehensive (loss)/income for the period	**(17,197)**	68,929
Total comprehensive income for the period	**84,071**	132,698
Total comprehensive income attributable to:		
Owners of the Company	**76,368**	118,917
Non-controlling interests	**7,703**	13,781
	84,071	132,698

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
(All amounts in US dollar thousands)

	Unaudited						
	Attributable to owners of the Company						
	Share capital and premium (Note 5)	Shares held for share award schemes (Note 5)	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
At 1 January 2026	**3,201,995**	**(10,180)**	**366,765**	**1,765,849**	**5,324,429**	**275,666**	**5,600,095**
Fair value changes of interest rate swap and cross-currency swap contracts – hedging	–	–	(2,852)	–	(2,852)	–	(2,852)
Fair value gains of interest rate swap contract reclassified to profit or loss	–	–	(13,725)	–	(13,725)	–	(13,725)
Currency translation differences	–	–	(3,361)	–	(3,361)	(4,583)	(7,944)
Effect of hyperinflation	–	–	–	7,324	7,324	–	7,324
Other comprehensive (loss)/income for the period recognised directly in equity	–	–	(19,938)	7,324	(12,614)	(4,583)	(17,197)
Profit for the period	–	–	–	88,982	88,982	12,286	101,268
Total comprehensive (loss)/income for the period	–	–	(19,938)	96,306	76,368	7,703	84,071
Shares issued for share award schemes	2,929	(2,929)	–	–	–	–	–
Share-based compensation under share award schemes	–	–	3,997	–	3,997	–	3,997
Vesting of shares under share award schemes	–	117	(121)	4	–	–	–
Payment of 2025 final dividend	–	–	–	(45,936)	(45,936)	–	(45,936)
Dividend paid and payable to non-controlling shareholders	–	–	–	–	–	(7,118)	(7,118)
Injection of equity loans from non-controlling shareholders	–	–	–	–	–	38	38
	2,929	(2,812)	3,876	(45,932)	(41,939)	(7,080)	(49,019)
At 30 June 2026	**3,204,924**	**(12,992)**	**350,703**	**1,816,223**	**5,358,858**	**276,289**	**5,635,147**

	Unaudited						
	Attributable to owners of the Company						
	Share capital and premium (Note 5)	Shares held for share award schemes (Note 5)	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
At 1 January 2025	3,201,995	(13,595)	279,984	1,715,142	5,183,526	253,644	5,437,170
Fair value changes of interest rate swap and cross-currency swap contracts – hedging	–	–	(19,349)	–	(19,349)	–	(19,349)
Currency translation differences	–	–	76,231	–	76,231	7,926	84,157
Effect of hyperinflation	–	–	–	4,121	4,121	–	4,121
Other comprehensive income for the period recognised directly in equity	–	–	56,882	4,121	61,003	7,926	68,929
Profit for the period	–	–	–	57,914	57,914	5,855	63,769
Total comprehensive income for the period	–	–	56,882	62,035	118,917	13,781	132,698
Shares purchased for share award schemes	–	(5,607)	–	–	(5,607)	–	(5,607)
Share-based compensation under share award schemes	–	–	5,086	–	5,086	–	5,086
Vesting of shares under share award schemes	–	2,194	(2,401)	207	–	–	–
Payment of 2024 final dividend	–	–	–	(45,802)	(45,802)	–	(45,802)
Dividend paid and payable to non-controlling shareholders	–	–	–	–	–	(4,110)	(4,110)
Injection of equity loans from non-controlling shareholders	–	–	–	–	–	36	36
	–	(3,413)	2,685	(45,595)	(46,323)	(4,074)	(50,397)
At 30 June 2025	3,201,995	(17,008)	339,551	1,731,582	5,256,120	263,351	5,519,471

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts in US dollar thousands unless otherwise stated)

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.

These condensed consolidated interim financial statements were approved by the Board for issue on 27 August 2026. These condensed consolidated interim financial statements have been reviewed by the Company's auditor in accordance with the Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

2. Basis of preparation and material accounting policies

These unaudited condensed consolidated interim financial statements for the six months ended 30 June 2026 have been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

The 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.

These condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2025, which have been prepared in accordance with HKFRS Accounting Standards (collectively including Hong Kong Financial Reporting Standards ("**HKFRSs**"), HKASs and interpretations). The accounting policies and methods of computation used in the preparation of these condensed consolidated interim financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2025, except for the adoption of the following amendments to accounting standards which are relevant to the Group's operation and are mandatory for the financial year ending 31 December 2026:

HKFRS 9 and HKFRS 7 (Amendments)	Classification and Measurement of Financial Instruments
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 (Amendments)	Annual Improvements to HKFRS Accounting Standards – Volume 11

The adoption of these amendments to accounting standards did not have material impact to the Group's financial statements. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

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 condensed consolidated interim financial statements during the period are as follows:

	Six months ended 30 June	
	2026	2025
Revenue		
Hotel properties		
Revenue from rooms	**564,822**	516,910
Food and beverage sales	**379,057**	361,017
Rendering of ancillary services	**49,369**	51,254
Hotel management and related services	**48,664**	45,893
Property development for sale	**3,095**	5,581
Other business	**5,628**	7,371
Revenue from contracts with customers	**1,050,635**	988,026
Investment properties	**73,327**	68,037
Total	**1,123,962**	1,056,063

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 developments for sale** – development and sale of real estate properties

The Group is also engaged in other business including wines 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 six months ended 30 June 2026 and 2025 (USD million)

	2026		2025	
	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	**181.4**	**22.1**	158.4	16.4
Chinese Mainland	**312.0**	**(13.7)**	298.1	(8.7)
Singapore	**124.7**	**8.9**	119.3	9.7
Malaysia	**60.1**	**3.2**	54.3	3.8
The Philippines	**87.4**	**10.3**	83.3	12.4
Japan	**31.6**	**5.0**	30.9	5.2
Thailand	**32.3**	**5.3**	31.3	4.8
France	**31.4**	**1.3**	31.3	1.9
Australia	**51.3**	**0.4**	42.4	(0.4)
United Kingdom	**27.0**	**(5.8)**	28.0	(8.8)
Mongolia	**9.6**	**–**	9.6	(0.8)
Sri Lanka	**21.0**	**6.8**	19.5	1.9
Other countries	**23.5**	**2.0**	22.8	–
	993.3	**45.8**	929.2	37.4
Hotel management and related services	**133.2**	**21.4**	122.6	16.0
Sub-total	**1,126.5**	**67.2**	1,051.8	53.4
Investment properties				
Chinese Mainland	**18.4**	**81.6**	17.2	82.9
Singapore	**8.6**	**6.4**	7.6	6.1
Malaysia	**2.5**	**0.4**	2.4	0.3
Mongolia	**21.1**	**7.9**	19.6	6.4
Sri Lanka	**15.2**	**7.3**	13.8	7.1
Other countries	**7.6**	**1.3**	7.4	1.5
	73.4	**104.9**	68.0	104.3
Property development for sale	**3.1**	**1.3**	5.6	1.3
Other business	**5.6**	**(2.3)**	7.4	(2.6)
Total	**1,208.6**	**171.1**	1,132.8	156.4
Less: Hotel management and related services – Inter-segment revenue	**(84.6)**		(76.7)	
Total external revenue	**1,124.0**		1,056.1	
Corporate finance costs (net of interest income)		**(76.3)**		(81.6)
Land cost amortisation and project expenses		**(0.5)**		(3.4)
Corporate expenses		**(12.1)**		(11.6)
Exchange gains/(losses) of corporate investment holding companies		**6.7**		(8.9)
Profit before non-operating items		**88.9**		50.9

	2026	2025
	Profit/(Loss) after tax (Note (a))	Profit/(Loss) after tax (Note (a))
Profit before non-operating items	**88.9**	50.9
Non-operating items		
Share of net fair value (losses)/gains on investment properties	**(3.9)**	10.7
Unrealised (losses)/gains on financial assets at fair value through profit or loss	**(1.0)**	2.8
Impairment loss on a hotel property	**(5.4)**	–
Fair value gains/(losses) on interest rate swap and cross-currency swap contracts – non-hedging	**10.4**	(7.5)
Fair value adjustments on security deposits on leased premises	**0.1**	0.1
Loss on disposal of an associate	**(0.1)**	–
Insurance claims recovered from property damage	**–**	0.9
Total non-operating items	**0.1**	7.0
Consolidated profit attributable to owners of the Company	**89.0**	57.9

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.

4. Accounts receivable, prepayments and deposits

	As at 30 June 2026	31 December 2025
Trade receivables	**84,215**	88,371
Less: Provision for impairment of receivables	**(9,726)**	(11,347)
Trade receivables – net (Note (b))	**74,489**	77,024
Other receivables	**59,841**	55,807
Prepayments and other deposits	**71,170**	69,472
	205,500	202,303

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:

	As at	
	30 June 2026	31 December 2025
0 – 3 months	**66,429**	67,323
4 – 6 months	**5,392**	5,491
Over 6 months	**2,668**	4,210
	74,489	77,024

5. Share capital and premium and shares held for share award schemes

		Amount		
	Number of shares ('000)	**Share capital**	**Share premium**	**Total**
Share capital and premium				
Authorised				
– Ordinary shares of HKD1 each				
At 1 January 2025, 31 December 2025 and 30 June 2026	**5,000,000**	**646,496**	**–**	**646,496**
Issued and fully paid				
– Ordinary shares of HKD1 each				
At 1 January 2025 and 31 December 2025	**3,585,525**	**462,904**	**2,739,091**	**3,201,995**
Shares issued for share award schemes	**5,591**	**721**	**2,208**	**2,929**
At 30 June 2026	**3,591,116**	**463,625**	**2,741,299**	**3,204,924**
Shares held for share award schemes				
At 1 January 2025	(18,528)	(2,390)	(11,205)	(13,595)
Shares purchased for share award schemes	(10,000)	(1,290)	(4,317)	(5,607)
Vesting of shares under share award schemes	3,196	412	1,782	2,194
At 30 June 2025	(25,332)	(3,268)	(13,740)	(17,008)
Vesting of shares under share award schemes	10,177	1,313	5,515	6,828
At 31 December 2025 and 1 January 2026	**(15,155)**	**(1,955)**	**(8,225)**	**(10,180)**
Shares issued for share award schemes	**(5,591)**	**(721)**	**(2,208)**	**(2,929)**
Vesting of shares under share award schemes	**174**	**23**	**94**	**117**
At 30 June 2026	**(20,572)**	**(2,653)**	**(10,339)**	**(12,992)**

As at 30 June 2026, except for shares held for share award schemes as shown above, 10,501,055 (31 December 2025: 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 reward and options scheme, on 12 June 2025. During the six months ended 30 June 2026, the share award schemes of the Group issued 5,591,100 ordinary shares in the Company and 174,300 shares were transferred to the awardees upon vesting of the awarded shares. The remaining 20,571,900 shares were held in trust under the share award schemes as at 30 June 2026. Details of the share award schemes were disclosed in Note 6 to the condensed consolidated interim financial statements.

Share options

During the six months ended 30 June 2026, no share options were granted, vested, exercised, lapsed or cancelled.

6. Share Award Schemes

The Group operates the share award schemes 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 six months ended 30 June 2026, a total of 174,300 shares were vested to the qualified awardees. There were no shares granted to the qualified awardees during the period. A total of 20,571,900 shares were held in trust under the share award schemes as at 30 June 2026. During the period, an expense of USD3,997,000 (2025: USD5,086,000) for the award shares granted was charged to the condensed consolidated interim statement of profit or loss.

Details of the awarded shares granted and vested during 2026 and 2025 are as follows:

Grant date	Fair value per share	Number of awarded shares granted	Number of awarded shares vested: Before 2025	For the year ended 31 December 2025	For the six months ended 30 June 2026	Vesting period
In year 2022						
6 May 2022	HKD5.85	12,458,000	6,754,000	2,879,000	**–**	6 May 2022 to 6 May 2025
Total for 2022		12,458,000				
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		18,930,100				
In year 2024						
2 Jan 2024	HKD5.36	522,900	–	174,300	**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		16,160,900				
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		19,375,100				
Grand Total		66,924,100	12,288,300	13,372,600	**174,300**	

Further details of the share award schemes are set out under the sections headed "2012 Share Award Scheme" and "2025 Share Scheme" of the Company's 2025 annual report.

7. Accounts payable and accruals

	As at 30 June 2026	As at 31 December 2025
Trade payables	**56,486**	83,116
Other payables and accrued expenses	**480,559**	522,724
	537,045	605,840

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

	As at 30 June 2026	As at 31 December 2025
0 – 3 months	**53,345**	80,668
4 – 6 months	**560**	1,088
Over 6 months	**2,581**	1,360
	56,486	83,116

8. Expenses by nature

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

	Six months ended 30 June 2026	Six months ended 30 June 2025
Depreciation of property, plant and equipment	**91,956**	98,789
Amortisation of trademark, and website and system development	**1,359**	2,943
Depreciation of right-of-use assets	**29,806**	22,162
Provision for impairment loss on property, plant and equipment	**5,389**	–
Employee benefit expenses excluding directors' emoluments	**411,655**	391,716
Cost of sales of properties	**968**	2,032
Cost of inventories sold or consumed in operation	**132,067**	127,416
Loss on disposal of property, plant and equipment and investment properties	**1,197**	709
Pre-opening expenses	**–**	2,023

9. Other gains – net

	Six months ended 30 June 2026	Six months ended 30 June 2025
(Losses)/gains on short-term investments	**(869)**	3,712
Fair value gains/(losses) on club debentures	**299**	(628)
Fair value gains/(losses) on interest rate swap and cross-currency swap contracts	**6,266**	(12,406)
Fair value gains on investment properties	**6,198**	5,864
Interest income	**42,493**	37,389
Dividend income from listed shares	**596**	593
Gain on sale of investment properties	**789**	424
Insurance claims recovered from property damage	**–**	924
Loss on disposal of an associate	**(91)**	–
	55,681	35,872

10. Finance costs – net

	Six months ended 30 June	
	2026	2025
Interest expense on:		
– bank loans	**107,992**	118,086
– fixed rate bonds	**28,060**	29,564
– other loans	**1,352**	999
– interest rate swap contracts	**(4,149)**	(12,965)
– lease liabilities	**19,050**	13,770
	152,305	149,454
Less: Amount capitalised	**–**	(242)
	152,305	149,212
Foreign exchange (gains)/losses	**(3,656)**	6,889
	148,649	156,101

The effective capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is 3.7% (2025: 4.0%) per annum.

11. Share of profit of associates

	Six months ended 30 June	
	2026	2025
Share of profit before tax of associates before share of net fair value changes of investment properties	**123,661**	124,023
Share of net fair value changes of investment properties	**(7,539)**	11,802
Share of profit before tax of associates	**116,122**	135,825
Share of tax before provision for deferred tax on net fair value changes of investment properties	**(34,695)**	(33,799)
Share of provision for deferred tax on net fair value changes of investment properties	**1,885**	(2,969)
Share of associates' taxation	**(32,810)**	(36,768)
Share of profit of associates	**83,312**	99,057

12. Income tax expense

	Six months ended 30 June 2026	2025
Current income tax		
– Hong Kong profits tax	**5,713**	–
– overseas profits tax	**24,111**	19,755
– withholding tax	**9,292**	5,589
Deferred income tax	**8,361**	15,612
	47,477	40,956

(a) Hong Kong profits tax is provided at a rate of 16.5% (2025: 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 overseas profits 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 six months ended 30 June 2026. 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 six months ended 30 June 2026, 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 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 USD302,000 for the six months ended 30 June 2026. This is included in income tax in the condensed consolidated interim 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 period after adjustment of those issued ordinary shares of the Company held by a subsidiary and the share award schemes.

	Six months ended 30 June 2026	2025
Profit attributable to owners of the Company (USD'000)	**88,982**	57,914
Weighted average number of ordinary shares in issue (thousands)	**3,560,036**	3,553,758
Basic earnings per share (US cents per share)	**2.50**	1.63

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 schemes for the six months ended 30 June 2026 and 2025.

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

	Six months ended 30 June	
	2026	2025
Profit attributable to owners of the Company (USD'000)	**88,982**	57,914
Weighted average number of ordinary shares in issue (thousands)	**3,560,036**	3,553,758
Adjustments (thousands)	**33,418**	28,998
Weighted average number of ordinary shares for diluted earnings per share (thousands)	**3,593,454**	3,582,756
Diluted earnings per share (US cents per share)	**2.48**	1.62

14. Dividends

	Six months ended 30 June	
	2026	2025
Interim dividend of HK5 cents (2025: HK5 cents) per ordinary share	**23,052**	22,967

Notes:

(a) 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, which was paid on 15 June 2026, and has been reflected as a charge against retained earnings for the six months ended 30 June 2026.

(b) At a meeting held on 27 August 2026, the Board declared an interim dividend of HK5 cents per ordinary share for the year ending 31 December 2026. This declared dividend is not reflected as a dividend payable in these financial statements but reflected as an appropriation of retained earnings for the year ending 31 December 2026. The declared interim dividend of USD23,052,000 for the six months ended 30 June 2026 is calculated based on 3,591,116,156 shares of the Company in issue as at 27 August 2026, after elimination on consolidation the amount of USD68,000 for the 10,501,055 ordinary shares in the Company held by a subsidiary of the Company and USD49,000 for 7,628,300 ordinary shares held by the Company's share award trust for the share award schemes.

15. Financial guarantees, contingencies and charges over assets

(a) Financial guarantees

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 USD38,012,000 (31 December 2025: USD129,949,000).

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 30 June 2026 and 31 December 2025, there were no material contingent liabilities.

(c) Charges over assets

As at 30 June 2026 and 31 December 2025, there were no charges over assets for borrowings.

16. Commitments

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

	As at	
	30 June 2026	31 December 2025
Existing properties – property, plant and equipment and investment properties		
– contracted but not provided for	**12,682**	12,975
– authorised but not contracted for	**23,171**	21,054
Development projects		
– contracted but not provided for	**1,105**	1,160
– authorised but not contracted for	**46,662**	49,010
Total	**83,620**	84,199

DISCUSSION AND ANALYSIS

The principal activities of the Group remained the same as in 2025. 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 purpose
- **Property Development for Sale –** development and sale of real estate properties

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

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

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

The following table summarises the hotels and rooms of the Group as at 30 June 2026:

	Owned/Leased		Managed		Total Operating Hotels		Hotels Under Development	
Brands	**Hotels**	**Rooms (in '000)**	**Hotels**	**Rooms (in '000)**	**Hotels**	**Rooms (in '000)**	**Owned/ Leased Hotels**	**Hotels under Management Contracts**
SHANGRI-LA	75	30.9	16	5.2	91	36.1	2	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	–	3
Total	**88**	**36.1**	**19**	**6.5**	**107**	**42.6**	**2**	**7**

Notes:

(1) Shangri-La Kunming (45% equity interest owned by the Group) in Chinese Mainland opened for business in April 2026.

(2) Subsequent to 30 June 2026, JEN Hangzhou by Shangri-La (a management hotel owned by a third party) in Chinese Mainland opened for business in August 2026.

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

		Total GFA of the operating investment properties as at 30 June 2026		
(in thousand square metres)	**Group's equity interest**	**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	27.5
Myanmar	55.86-59.28%	37.6	11.8	56.8
Sri Lanka	90.0%	59.9	79.5	3.5
Total		**1,273.6**	**899.9**	**396.4**

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

The following table shows the Group's profit or loss for the six months ended 30 June 2026 and 2025 presented in both 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.

	Profit or loss for the six months ended 30 June 2026		Profit or loss for the six months ended 30 June 2025		% change	
(USD million)	**Financial statement format**	**Effective share**	Financial statement format	Effective share	Financial statement format	Effective share
Revenue	**1,124.0**	**1,323.8**	1,056.1	1,262.5	6.4%	4.9%
Cost of sales	**(485.1)**	**(540.2)**	(466.3)	(525.0)	-4.0%	-2.9%
Gross profit	**638.9**	**783.6**	589.8	737.5	8.3%	6.3%
Operating expenses	**(350.9)**	**(379.7)**	(339.3)	(368.8)	-3.4%	-3.0%
Other gains – Operating items	**1.5**	**1.0**	1.0	0.8	50.0%	25.0%
EBITDA	**289.5**	**404.9**	251.5	369.5	15.1%	9.6%
Depreciation and amortisation	**(123.1)**	**(136.5)**	(123.9)	(135.7)	0.6%	-0.6%
Loss on disposal of fixed assets	**(1.1)**	**(0.9)**	(0.7)	(0.7)	-57.1%	-28.6%
Interest income	**42.5**	**43.6**	37.4	37.8	13.6%	15.3%
Other expenses – Non-operating items	**(5.4)**	**(5.4)**	–	–	N/M	N/M
Other gains/(losses) – Non-operating items	**11.7**	**4.9**	(2.5)	10.8	N/M	-54.6%
Operating profit	**214.1**	**310.6**	161.8	281.7	32.3%	10.3%
Finance cost – net						
– Interest expense						
– Operating items	**(152.4)**	**(147.1)**	(149.3)	(143.0)	-2.1%	-2.9%
– Non-operating items	**0.1**	**0.1**	0.1	0.1	0.0%	0.0%
– Foreign exchange gains/(losses)						
– Operating items	**3.7**	**4.0**	(6.9)	(7.0)	N/M	N/M
Share of profit of associates	**83.3**	**–**	99.1	–	-15.9%	N/M
Profit before income tax	**148.8**	**167.6**	104.8	131.8	42.0%	27.2%
Income tax expense						
– Operating items	**(45.9)**	**(79.0)**	(39.5)	(69.9)	-16.2%	-13.0%
– Non-operating items	**(1.6)**	**0.4**	(1.5)	(4.0)	-6.7%	N/M
Profit for the period	**101.3**	**89.0**	63.8	57.9	58.8%	53.7%
Less: Profit attributable to non-controlling interests	**(12.3)**	**–**	(5.9)	–	-108.5%	N/M
Profit attributable to owners of the Company	**89.0**	**89.0**	57.9	57.9	53.7%	53.7%

N/M: not meaningful

FINANCIAL HIGHLIGHTS

- Consolidated revenue for the six months ended 30 June 2026 was USD1,124.0 million, an increase of 6.4%, compared to USD1,056.1 million for the six months ended 30 June 2025. The increase was mainly due to increase in both consolidated revenue from Hotel Operations and Investment Properties on a year-on-year basis.

- Effective share of revenue of the Company, subsidiaries and associates for the six months ended 30 June 2026 was USD1,323.8 million, an increase of 4.9%, compared to USD1,262.5 million for the six months ended 30 June 2025. The effective share of revenue increase was mainly driven by increased effective share of revenue from Hotel Operations.

- Effective share of EBITDA of the Company, subsidiaries and associates for the six months ended 30 June 2026 was USD404.9 million, an increase of 9.6%, compared to USD369.5 million for the six months ended 30 June 2025. The effective share of EBITDA margin of the Company, subsidiaries and associates for the six months ended 30 June 2026 was 30.6%, increased by 1.3 percentage points, compared to 29.3% for the same period last year. The increase in effective share of EBITDA and margin expansion was mainly driven by improved operating efficiency and effective share of revenue growth.

- Effective share of operating profit for the six months ended 30 June 2026 was USD310.6 million, an increase of 10.3%, compared to USD281.7 million for the same period in 2025. The increase was primarily due to higher effective share of EBITDA.

- Effective share of profit before income tax was USD167.6 million for the six months ended 30 June 2026, an increase of 27.2%, compared to USD131.8 million for the corresponding period in 2025. The increase was mainly due to higher effective share of EBITDA, net interest expense savings and foreign exchange gains for the six months ended 30 June 2026, compared to foreign exchange losses for the same period last year.

- All in all, consolidated profit attributable to owners of the Company was USD89.0 million for the six months ended 30 June 2026, an increase of 53.7%, compared to USD57.9 million for the six months ended 30 June 2025.

RESULTS OF OPERATIONS

Consolidated Revenue

Details of the segment revenue information are provided in Note 3 to the condensed consolidated interim financial statements included in this interim results announcement.

(USD million)	Six months ended 30 June 2026	2025	% change
Hotel Properties	**993.3**	929.2	6.9%
Hotel Management and Related Services			
Gross revenue (including revenue earned from subsidiaries)	**133.2**	122.6	8.6%
Less: Inter-segment revenue elimination with subsidiaries	**(84.6)**	(76.7)	-10.3%
Net amount after elimination	**48.6**	45.9	5.9%
Sub-total Hotel Operations	**1,041.9**	975.1	6.9%
Investment Properties	**73.4**	68.0	7.9%
Property Development for Sale	**3.1**	5.6	-44.6%
Other Business	**5.6**	7.4	-24.3%
Consolidated Revenue	**1,124.0**	1,056.1	6.4%

– Consolidated revenue for the six months ended 30 June 2026 was USD1,124.0 million, an increase of 6.4%, compared to USD1,056.1 million for the six months ended 30 June 2025. The increase was mainly due to increase in both consolidated revenue from Hotel Operations and Investment Properties on a year-on-year basis.

– Consolidated revenue from our Hotel Operations increased to USD1,041.9 million for the six months ended 30 June 2026, an increase of 6.9%, compared to USD975.1 million for the six months ended 30 June 2025. The growth was mainly driven by continued improvements of the Group's hotels in Hong Kong, Chinese Mainland, Singapore, Malaysia and Australia.

– Consolidated revenue from our Investment Properties increased by 7.9% to USD73.4 million for the six months ended 30 June 2026 from USD68.0 million for the same period of 2025. The growth was primarily driven by continued improvements of the Group's Investment Properties in Chinese Mainland, Mongolia and Sri Lanka.

(i) Hotel Properties

For the six months ended 30 June 2026, the increase in consolidated revenue from our Hotel Properties was mainly driven by revenue increase in Hong Kong, Chinese Mainland, Singapore, Malaysia and Australia, but partially offset by revenue decrease in United Kingdom compared to the same period in 2025.

Please refer to the following table for geographical breakdown of consolidated revenue from Hotel Properties for the six months ended 30 June 2026 and 2025:

	Six months ended 30 June		
(USD million)	**2026**	2025	% change
The People's Republic of China			
Hong Kong	**181.4**	158.4	14.5%
Chinese Mainland	**312.0**	298.1	4.7%
Singapore	**124.7**	119.3	4.5%
Malaysia	**60.1**	54.3	10.7%
The Philippines	**87.4**	83.3	4.9%
Japan	**31.6**	30.9	2.3%
Thailand	**32.3**	31.3	3.2%
France	**31.4**	31.3	0.3%
Australia	**51.3**	42.4	21.0%
United Kingdom	**27.0**	28.0	-3.6%
Mongolia	**9.6**	9.6	0.0%
Sri Lanka	**21.0**	19.5	7.7%
Other countries	**23.5**	22.8	3.1%
Consolidated revenue from Hotel Properties	**993.3**	929.2	6.9%

The key performance indicators of the Group-owned hotels (including hotels under lease) on an unconsolidated basis (including both subsidiaries and associates) for the six months ended 30 June 2026 and 2025 are as follows:

	2026 Weighted Average			2025 Weighted Average		
Destinations	**Occupancy (%)**	**Room Rate (USD)**	**RevPAR (USD)**	Occupancy (%)	Room Rate (USD)	RevPAR (USD)
The People's Republic of China						
Hong Kong	**81**	**305**	**248**	82	271	222
Chinese Mainland	**61**	**117**	**72**	61	111	68
Tier 1 Cities	***69***	***158***	***109***	*70*	*151*	*106*
Tier 2 Cities	***60***	***95***	***57***	*60*	*91*	*55*
Tier 3+4 Cities	***51***	***86***	***43***	*48*	*81*	*39*
Singapore	**78**	**256**	**200**	77	248	192
Malaysia	**61**	**147**	**91**	64	134	86
The Philippines	**65**	**209**	**136**	61	216	131
Japan	**72**	**752**	**545**	77	697	537
Thailand	**60**	**174**	**105**	59	168	99
France	**53**	**2,178**	**1,147**	56	2,104	1,172
Australia	**90**	**285**	**258**	87	240	208
United Kingdom	**75**	**658**	**496**	73	686	498
Mongolia	**38**	**242**	**91**	37	251	93
Sri Lanka	**52**	**140**	**73**	44	147	65
Other countries	**42**	**220**	**93**	41	224	93
Non-Chinese Mainland weighted average	***65***	***249***	***162***	*64*	*239*	*153*
Total weighted average	**63**	**177**	**111**	62	169	105

The weighted average occupancy of our hotels was 63% for the six months ended 30 June 2026, an increase of 1 percentage point, compared to 62% for the six months ended 30 June 2025. The weighted average revenue per available room ("**RevPAR**") was USD111 for the six months ended 30 June 2026, an increase of 6%, compared to USD105 for the same period in 2025.

Excluding Chinese Mainland, weighted average occupancy was 65% for the six months ended 30 June 2026, an increase of 1 percentage point, compared to 64% for the six months ended 30 June 2025. RevPAR was USD162 for the six months ended 30 June 2026, an increase of 6%, compared to USD153 for the same period in 2025.

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

The People's Republic of China

Hong Kong

For Hong Kong, occupancy was 81% for the six months ended 30 June 2026, a decrease of 1 percentage point, compared to 82% for the same period in 2025. RevPAR was USD248 for the six months ended 30 June 2026, an increase of 12%, compared to USD222 for the six months ended 30 June 2025, largely driven by higher average daily rates supported by strong leisure demand from international visitor arrivals. Consequently, total revenue from Hong Kong hotel properties for the six months ended 30 June 2026 increased by 14.5% to USD181.4 million.

Chinese Mainland

The Group had equity interest in 51 operating hotels in Chinese Mainland as at 30 June 2026, compared to 48 as at 30 June 2025.

For Chinese Mainland, occupancy was 61% for the six months ended 30 June 2026, remained flat, compared to the same period in 2025. RevPAR was USD72 for the six months ended 30 June 2026, an increase of 6%, compared to USD68 for the six months ended 30 June 2025, primarily driven by higher average daily rates.

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

- In Tier 1 cities, occupancy was 69% for the six months ended 30 June 2026, a slight decrease of 1 percentage point, compared to 70% for the same period in 2025. RevPAR was USD109 for the six months ended 30 June 2026, an increase of 3%, compared to USD106 for the six months ended 30 June 2025. The growth was mainly driven by higher average daily rates as our hotels benefited from the rising number of inbound travellers.

- In Tier 2 cities, occupancy was 60% for the six months ended 30 June 2026, remained flat, compared to the same period in 2025. RevPAR was USD57 for the six months ended 30 June 2026, an increase of 4%, compared to USD55 for the six months ended 30 June 2025.

- In Tier 3 and Tier 4 cities, occupancy was 51% for the six months ended 30 June 2026, an increase of 3 percentage points, compared to 48% for the same period in 2025. RevPAR was USD43 for the six months ended 30 June 2026, an increase of 10%, compared to USD39 for the six months ended 30 June 2025. The growth was mainly driven by strong leisure demand which drove both higher occupancy rate and average daily rates.

Total revenue from Chinese Mainland hotel properties for the six months ended 30 June 2026 increased by 4.7% to USD312.0 million.

Singapore

For Singapore, occupancy was 78% for the six months ended 30 June 2026, an increase of 1 percentage point, compared to 77% for the same period in 2025. RevPAR was USD200 for the six months ended 30 June 2026, an increase of 4%, compared to USD192 for the six months ended 30 June 2025. Total revenue from Singapore hotel properties for the six months ended 30 June 2026 increased by 4.5% to USD124.7 million. Our hotels in Singapore started with strong momentum in the beginning of the year with growth in both occupancy rate and average daily rates. However, we saw some headwinds from the second quarter onwards, as the Middle East conflict resulted in less long-haul and transit international visitor arrivals.

Malaysia

For Malaysia, occupancy was 61% for the six months ended 30 June 2026, a decrease of 3 percentage points, compared to 64% for the same period in 2025. RevPAR was USD91 for the six months ended 30 June 2026, an increase of 6%, compared to USD86 for the six months ended 30 June 2025, primarily driven by leisure traveller with higher average daily rates. Total revenue from Malaysia hotel properties for the six months ended 30 June 2026 increased by 10.7% to USD60.1 million.

The Philippines

For the Philippines, occupancy was 65% for the six months ended 30 June 2026, an increase of 4 percentage points, compared to 61% for the same period in 2025. RevPAR was USD136 for the six months ended 30 June 2026, an increase of 4%, compared to USD131 for the six months ended 30 June 2025, largely driven by business travel demand but with relative lower average daily rates. Total revenue from hotel properties in the Philippines for the six months ended 30 June 2026 increased by 4.9% to USD87.4 million.

Japan

For Japan, occupancy was 72% for the six months ended 30 June 2026, a decrease of 5 percentage points, compared to 77% for the same period in 2025. RevPAR was USD545 for the six months ended 30 June 2026, an increase of 1%, compared to USD537 for the six months ended 30 June 2025. The RevPAR growth was mainly driven by higher average daily rates but offset by less leisure travellers from both local market and Chinese Mainland market. Total revenue from our Japan hotel property for the six months ended 30 June 2026 increased by 2.3% to USD31.6 million.

France

For France, occupancy was 53% for the six months ended 30 June 2026, a decrease of 3 percentage points, compared to 56% for the same period in 2025. RevPAR was USD1,147 for the six months ended 30 June 2026, a decrease of 2%, compared to USD1,172 for the six months ended 30 June 2025. The decline in occupancy rate was mainly due to less leisure travel demand and renovation in February. Total revenue from our France hotel property for the six months ended 30 June 2026 increased by 0.3% to USD31.4 million.

Australia

For Australia, occupancy was 90% for the six months ended 30 June 2026, an increase of 3 percentage points, compared to 87% for the same period in 2025. RevPAR was USD258 for the six months ended 30 June 2026, an increase of 24%, compared to USD208 for the six months ended 30 June 2025. Our hotels in Australia continued to benefit from strong growth in international visitor arrivals. Total revenue from Australia hotel properties for the six months ended 30 June 2026 increased by 21.0% to USD51.3 million.

United Kingdom

For United Kingdom, occupancy was 75% for the six months ended 30 June 2026, an increase of 2 percentage points, compared to 73% for the same period in 2025. RevPAR was USD496 for the six months ended 30 June 2026, a decrease of 0.4%, compared to USD498 for the six months ended 30 June 2025. The occupancy rate increase was mainly due to strong business travel demand. The slight RevPAR decline was dragged by lower average daily rates from change in customer mix. Total revenue from our United Kingdom hotel property for the six months ended 30 June 2026 decreased by 3.6% to USD27.0 million.

(ii) Hotel Management and Related Services

As at 30 June 2026, the Group managed a total of 107 hotels and resorts:

- 83 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 overall weighted average occupancy of the hotels under third party hotel management agreements was 66% for the six months ended 30 June 2026, an increase of 1 percentage point, compared to 65% for the six months ended 30 June 2025. The RevPAR was USD111 for the six months ended 30 June 2026, a decrease of 3%, compared to USD115 for the six months ended 30 June 2025. The decline in RevPAR was mainly due to negative impact from middle east conflict, but partially offset by improvements in Chinese Mainland.

Gross revenue for hotel management and related services was USD133.2 million for the six months ended 30 June 2026, an increase of 8.6%, compared to USD122.6 million for the six months ended 30 June 2025.

After eliminating inter-segment revenue with subsidiaries, the net revenue for hotel management and related services was USD48.6 million for the six months ended 30 June 2026, increased by 5.9%, compared to USD45.9 million for the six months ended 30 June 2025.

(iii) Investment Properties

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

	Six months ended 30 June		
(USD million)	**2026**	2025	% change
Chinese Mainland	**18.4**	17.2	7.0%
Singapore	**8.6**	7.6	13.2%
Malaysia	**2.5**	2.4	4.2%
Mongolia	**21.1**	19.6	7.7%
Sri Lanka	**15.2**	13.8	10.1%
Other countries	**7.6**	7.4	2.7%
Consolidated revenue from Investment Properties	**73.4**	68.0	7.9%

Our investment properties held by subsidiaries in Chinese Mainland, Mongolia and Sri Lanka saw significant revenue improvement:

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

- In Mongolia, our investment properties continued to perform strongly, supported by rental rates increase and occupancy rates remained close to full capacity.

- In Sri Lanka, our investment properties recorded higher rental rates and occupancy rates in both the commercial component and the office component.

As a result, consolidated revenue from our investment properties for the six months ended 30 June 2026 was USD73.4 million, an increase of 7.9%, compared to USD68.0 million for the six months ended 30 June 2025.

(iv) Property Development for Sale

Revenue from property development for sale by subsidiaries for the six months ended 30 June 2026 was USD3.1 million, a decrease of USD2.5 million, compared to USD5.6 million for the six months ended 30 June 2025 mainly driven by fewer residential unit sales in Sri Lanka.

EBITDA and Aggregate Effective Share of EBITDA

The following table summarises information related to the EBITDA of the Company and its subsidiaries and the aggregate effective share of EBITDA of the Company, subsidiaries and associates for the six months ended 30 June 2026 and 2025 by geographical areas and by business segments:

	EBITDA of the Company and its subsidiaries		Effective share of EBITDA of the Company and its subsidiaries		Effective share of EBITDA of associates		Aggregate effective share of EBITDA	
(USD million)	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025
Hotel Properties								
The People's Republic of China								
Hong Kong	**47.2**	38.2	**43.3**	35.4	**–**	0.6	**43.3**	36.0
Chinese Mainland	**57.7**	56.1	**52.6**	50.8	**17.1**	16.3	**69.7**	67.1
Singapore	**26.5**	21.1	**26.5**	21.1	**2.8**	2.8	**29.3**	23.9
Malaysia	**12.4**	10.2	**6.7**	5.6	**2.4**	3.3	**9.1**	8.9
The Philippines	**23.7**	23.3	**23.3**	22.8	**6.7**	7.4	**30.0**	30.2
Japan	**10.2**	9.5	**10.2**	9.5	**–**	–	**10.2**	9.5
Thailand	**10.4**	10.1	**7.7**	7.5	**–**	–	**7.7**	7.5
France	**4.1**	5.3	**4.1**	5.3	**–**	–	**4.1**	5.3
Australia	**9.6**	7.1	**9.6**	7.1	**–**	–	**9.6**	7.1
United Kingdom	**4.0**	0.8	**4.0**	0.8	**–**	–	**4.0**	0.8
Mongolia	**2.9**	3.8	**1.5**	2.0	**–**	–	**1.5**	2.0
Sri Lanka	**7.0**	5.9	**6.3**	5.4	**–**	–	**6.3**	5.4
Other countries	**6.1**	3.6	**4.8**	2.6	**2.2**	3.2	**7.0**	5.8
	221.8	195.0	**200.6**	175.9	**31.2**	33.6	**231.8**	209.5
Hotel Management and Related Services	**37.3**	26.7	**37.3**	26.7	**–**	–	**37.3**	26.7
Sub-total Hotel Operations	**259.1**	221.7	**237.9**	202.6	**31.2**	33.6	**269.1**	236.2
Investment Properties								
Chinese Mainland	**5.7**	7.7	**5.0**	7.0	**113.8**	113.6	**118.8**	120.6
Singapore	**5.0**	4.6	**5.0**	4.6	**2.7**	2.9	**7.7**	7.5
Malaysia	**1.0**	0.9	**0.5**	0.5	**–**	–	**0.5**	0.5
Mongolia	**15.2**	14.1	**7.8**	7.2	**–**	–	**7.8**	7.2
Sri Lanka	**10.0**	9.0	**9.0**	8.1	**–**	–	**9.0**	8.1
Other countries	**3.1**	3.4	**1.8**	2.0	**–**	–	**1.8**	2.0
Sub-total Investment Properties	**40.0**	39.7	**29.1**	29.4	**116.5**	116.5	**145.6**	145.9
Property Development for Sale & Other Business	**2.4**	3.7	**1.9**	3.2	**0.8**	(1.3)	**2.7**	1.9
Sub-total	**301.5**	265.1	**268.9**	235.2	**148.5**	148.8	**417.4**	384.0
Corporate and project expenses	**(12.0)**	(13.6)	**(12.0)**	(13.6)	**(0.5)**	(0.9)	**(12.5)**	(14.5)
Grand total	**289.5**	251.5	**256.9**	221.6	**148.0**	147.9	**404.9**	369.5

The Group's aggregate effective share of EBITDA was USD404.9 million for the six months ended 30 June 2026, an increase of 9.6%, compared to USD369.5 million for the six months ended 30 June 2025. Below shows the breakdown by business segments:

- Effective share of EBITDA from Hotel Properties for the six months ended 30 June 2026 was USD231.8 million, an increase of 10.6%, compared to USD209.5 million for the six months ended 30 June 2025. The increase was mainly due to improved operating efficiency and growth in RevPAR.

- Effective share of EBITDA from Hotel Management and Related Services for the six months ended 30 June 2026 was USD37.3 million, an increase of 39.7%, compared to USD26.7 million for the six months ended 30 June 2025. The increase was mainly due to higher revenue and improved operating efficiency.

- Effective share of EBITDA from Investment Properties for the six months ended 30 June 2026 was USD145.6 million, slightly decreased by 0.2%, compared to USD145.9 million for the six months ended 30 June 2025. The overall business of our Investment Properties remained stable during the period.

- Effective share of EBITDA from Property Development for Sale & Other Business for the six months ended 30 June 2026 was USD2.7 million, an increase of USD0.8 million, compared to USD1.9 million for the six months ended 30 June 2025. The increase was mainly due to more residential unit sales in Chinese Mainland but partially offset by fewer residential unit sales in Sri Lanka.

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 six months ended 30 June 2026 and 2025 by geographical areas and by business segments:

	Six months ended 30 June		
(USD million)	**2026**	2025	% change
Hotel Properties			
The People's Republic of China			
Hong Kong	**22.1**	16.4	34.8%
Chinese Mainland	**(13.7)**	(8.7)	-57.5%
Singapore	**8.9**	9.7	-8.2%
Malaysia	**3.2**	3.8	-15.8%
The Philippines	**10.3**	12.4	-16.9%
Japan	**5.0**	5.2	-3.8%
Thailand	**5.3**	4.8	10.4%
France	**1.3**	1.9	-31.6%
Australia	**0.4**	(0.4)	N/M
United Kingdom	**(5.8)**	(8.8)	34.1%
Mongolia	**–**	(0.8)	N/M
Sri Lanka	**6.8**	1.9	257.9%
Other countries	**2.0**	–	N/M
	45.8	37.4	22.5%
Hotel Management and Related Services	**21.4**	16.0	33.8%
Sub-total Hotel Operations	**67.2**	53.4	25.8%
Investment Properties			
Chinese Mainland	**81.6**	82.9	-1.6%
Singapore	**6.4**	6.1	4.9%
Malaysia	**0.4**	0.3	33.3%
Mongolia	**7.9**	6.4	23.4%
Sri Lanka	**7.3**	7.1	2.8%
Other countries	**1.3**	1.5	-13.3%
Sub-total Investment Properties	**104.9**	104.3	0.6%
Property Development for Sale & Other Business	**(1.0)**	(1.3)	23.1%
Consolidated profit from operating properties	**171.1**	156.4	9.4%
Corporate finance costs (net of interest income)	**(76.3)**	(81.6)	6.5%
Corporate and project expenses	**(12.6)**	(15.0)	16.0%
Exchange gains/(losses) of corporate investment holding companies	**6.7**	(8.9)	N/M
Consolidated profit attributable to owners of the Company before non-operating items	**88.9**	50.9	74.7%
Non-operating items	**0.1**	7.0	-98.6%
Consolidated profit attributable to owners of the Company	**89.0**	57.9	53.7%

N/M: not meaningful

Consolidated profit attributable to owners of the Company after non-operating items for the six months ended 30 June 2026 was USD89.0 million, an increase of 53.7% or USD31.1 million, compared to USD57.9 million for the six months ended 30 June 2025. Below shows the breakdown by business segments:

- Hotel Properties registered a profit of USD45.8 million for the six months ended 30 June 2026, an increase of 22.5% or USD8.4 million compared to USD37.4 million for the six months ended 30 June 2025. The increase was mainly due to higher profits from Hong Kong and Sri Lanka but partially offset by larger losses from Chinese Mainland and reduced profits from the Philippines.

- Hotel Management and Related Services registered a profit of USD21.4 million for the six months ended 30 June 2026, an increase of 33.8% or USD5.4 million, compared to USD16.0 million for the six months ended 30 June 2025. The increase was mainly due to a higher gross revenue from Hotel Management and Related Services and improved operating efficiency.

- Investment Properties' profit for the six months ended 30 June 2026 was USD104.9 million, an increase of 0.6% or USD0.6 million, compared to USD104.3 million for the six months ended 30 June 2025. Investment Properties continued to provide stable profit.

- Property Development for Sale & Other Business registered a loss of USD1.0 million for the six months ended 30 June 2026, compared to USD1.3 million loss for the six months ended 30 June 2025.

As a result, consolidated profit from operating properties increased by 9.4% to USD171.1 million for the six months ended 30 June 2026 from USD156.4 million for the same period in 2025.

- Non-operating items for the six months ended 30 June 2026 was an aggregate gain of USD0.1 million, a decrease of 98.6% or USD6.9 million, compared to an aggregate gain of USD7.0 million for the six months ended 30 June 2025. Effective share of net fair value losses on investment properties of USD3.9 million was recognised for the six months ended 30 June 2026, compared to gains of USD10.7 million for the six months ended 30 June 2025. The Group recognised net fair value gains of USD9.4 million on financial instruments, compared to net fair value losses of USD4.7 million for the same period last year. In addition, the Group also recognised impairment loss of USD5.4 million for a hotel property during the period.

CORPORATE DEBT AND FINANCIAL CONDITIONS

As at 30 June 2026, the Group's net borrowings (total bank loans and fixed rate bonds less cash and bank balances and short-term fund placements) amounted to USD4,507.7 million, representing an increase of USD181.8 million from USD4,325.9 million as at 31 December 2025. The increase in net borrowings was primarily attributable to the utilisation of part of the Group's cash resources to repay borrowings of associates, as well as the increase in the translated US dollar value of the Group's borrowings resulting from the appreciation of the Renminbi during the period. As the majority of the Group's borrowings are denominated in Renminbi, the strengthening of the Renminbi against the US dollar resulted in a higher reported borrowing balance when translated into US dollars. Consequently, the Group's net borrowings to total equity ratio, i.e. the gearing ratio, increased to 80.0% as at 30 June 2026 from 77.2% as at 31 December 2025 reflecting the increase in net borrowings during the period.

During the six months ended 30 June 2026, the Group continued to implement its treasury and funding strategy with a focus on refinancing existing borrowings at reduced interest costs and extending the maturity profile of its debt. The Group continued to increase its Renminbi debt portfolio as Renminbi funding costs were relatively lower, thereby helping to reduce its overall interest expense. The increased Renminbi borrowings also provided a natural hedge for the Group's Renminbi-denominated assets and investments, strengthening the matching of the Group's assets and liabilities by currency and mitigating the potential impact of Renminbi exchange rate fluctuations.

At the corporate level, the Group executed the following bank loan agreements for refinancing purposes:

– Two 5-year bank loan agreements totalling RMB5,900 million (equivalent to USD866.3 million)

– Two 4-year bank loan agreements totalling HKD800 million (equivalent to USD103.2 million)

– One 6-year bank loan agreement of HKD500 million (equivalent to USD64.5 million)

All of the above loan agreements may be drawn down in either Hong Kong dollars or Renminbi at the Group's discretion. The proceeds are primarily used to refinance existing borrowings carrying higher interest costs.

At the subsidiary level, the Group executed the following bank loan agreements for refinancing borrowings at reduced interest costs:

– Eight 5-year bank loan agreements totalling RMB1,527.9 million (equivalent to USD224.3 million)

– Two 7.5-year bank loan agreements totalling RMB677 million (equivalent to USD99.4 million)

– One 10-year bank loan agreement of RMB240 million (equivalent to USD35.2 million)

In addition to the bank loan agreements, the Group also completed two issuances of Panda bonds totalling RMB3,200 million (equivalent to US$469.8 million) in Chinese Mainland during the period. The first issuance in April 2026 comprised RMB400 million of 3-year notes (with an option to extend the maturity by two years to five years) and RMB800 million of 5-year notes. The second issuance in June 2026 comprised RMB1,000 million of 3-year notes (with an option to extend the maturity by two years to five years) and RMB1,000 million of 5-year notes. The June 2026 Panda bond issuance achieved the Group's record-low coupon rates of 1.82% for the 3-year notes and 2.15% for the 5-year notes. The RMB1,000 million 5-year notes issuance also represented the largest single 5-year notes Panda bond issuance completed by the Group to date. These issuances further strengthened the Group's Renminbi funding base, diversified its financing sources and contributed to reducing its overall borrowing costs.

The above refinancing activities are expected to support the Group's liquidity management, reduce its funding costs and extend the weighted average maturity of its borrowings. The Group maintains sufficient cash reserves and undrawn committed facilities to meet its refinancing requirements for debt maturities falling due over the next two to three years, with coverage extending into 2029. This strong liquidity position provides the Group with enhanced financial flexibility, supports proactive refinancing and strengthens its ability to secure competitive financing terms from diversified funding sources.

The Group's treasury strategy is focused on maintaining an optimal balance among liquidity, funding costs and financial flexibility. Accordingly, the Group maintains sufficient cash buffers while prudently managing its debt portfolio. While both gross borrowings and cash balances have increased, net borrowings have remained broadly stable. Surplus cash is placed in interest-bearing deposits which generate yields broadly comparable to or higher than the Group's cost of borrowing. Accordingly, the additional interest income earned on such surplus cash mitigates the effect of higher gross debt levels and resulted in a reduction in the Group's net interest expense.

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 period or after 30 June 2026. The Group has satisfactorily complied with all covenants under its borrowing agreements. As at 30 June 2026, the adjusted total equity of the Group for financial covenants calculation purpose was USD9.4 billion and the resulting indebtedness ratio(Note) as calculated was 77.4%.

Note: Indebtedness ratio is defined as the sum of consolidated total financial indebtedness and contingent liabilities totalling USD7.3 billion divided by the Group's adjusted total equity of USD9.4 billion.

The analysis of borrowings outstanding as at 30 June 2026 is as follows:

(USD million)	Maturities of Borrowings Contracted as at 30 June 2026				
	Repayment				
	Within 1 year	**In the 2nd year**	**In the 3rd to 5th year**	**After 5 years**	**Total**
Borrowings					
Corporate borrowings					
– unsecured bank loans	325.0	666.3	3,088.9	39.6	4,119.8
– fixed rate bonds	274.1	249.1	1,168.0	475.8	2,167.0
Bank loans of subsidiaries					
– unsecured	85.0	46.1	661.7	155.0	947.8
Total outstanding balance	684.1	961.5	4,918.6	670.4	7,234.6
% of total outstanding balance	*9.5%*	*13.3%*	*68.0%*	*9.2%*	*100.0%*
Undrawn but committed facilities					
Bank loans	9.7	140.0	582.7	298.7	1,031.1

The currency mix of borrowings and cash and bank balances as at 30 June 2026 is as follows:

(USD million)	**Borrowings**	**Cash and bank balances** (Note)
In United States dollars	336.9	1,732.5
In Hong Kong dollars	197.5	88.5
In Singapore dollars	996.3	92.0
In Renminbi	5,597.9	484.5
In Japanese yen	103.6	27.8
In Fijian dollars	2.4	12.8
In Thai baht	–	89.1
In Philippines pesos	–	56.3
In Malaysian ringgit	–	58.8
In Euros	–	15.1
In Sri Lankan rupee	–	39.3
In Australian dollars	–	16.1
In British pounds	–	8.2
In Mongolian tugrik	–	3.2
In Myanmar kyat	–	1.0
In other currencies	–	1.7
Total	7,234.6	2,726.9

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 30 June 2026 are disclosed in Note 15 to the condensed consolidated interim financial statements included in this interim results 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 Renminbi, US dollar, HK dollar 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 3.7% per annum for the six months ended 30 June 2026 from 4.0% per annum for the same period 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 HIBOR and SOFR interest rate swap contracts to hedge its interest payment for HKD and USD bank loans. During the period, the Group repaid the USD600 million bank loan that was previously hedged under an interest rate swap contract. Following this loan repayment, the related USD600 million interest rate swap contract no longer qualifies for hedge accounting. As at 30 June 2026, the outstanding interest rate swap contracts were as follows:

– 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

– HKD1,500 million (equivalent to USD193.5 million) at fixed rates ranging between 1.505% and 1.850% per annum maturing from July to August 2026, which does not qualify for hedge accounting

– USD600 million at a fixed rate of 1.460% per annum maturing in March 2027, which does not qualify for hedge accounting

The adoption of predominantly fixed rate Renminbi borrowings has not only contributed to lowering the average interest cost, but also enhanced the Group's fixed rate debt ratio. Taking into account the fixed rate bonds, fixed rate bank loans and the interest rate swap contracts (including the cross-currency swap contracts that fix the interest rates of certain bank borrowings), the Group has 78.1% of its outstanding borrowings at fixed interest rates as at 30 June 2026, a slight decrease from 79.5% as at 31 December 2025.

(B) Minimising Currency Risks

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

To further mitigate currency risks associated with foreign currency borrowings, the Group strategically executes cross-currency swap contracts. As at 30 June 2026, 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 six months ended 30 June 2026, the Group recorded an overall effective share of net fair value losses of USD3.9 million for its investment properties.

The following table shows the fair value gains and losses of the investment properties, net of tax held by the Group's subsidiaries and associates for the six months ended 30 June 2026:

	Subsidiaries		**Associates**		**Total**	
(USD million)	**100%**	**Effective share**	**100%**	**Effective share**	**100%**	**Effective share**
Gains/(losses)	6.2	3.2	(26.6)	(7.5)	(20.4)	(4.3)
Deferred tax	(1.6)	(1.4)	6.6	1.8	5.0	0.4
Gains/(losses), net of tax	4.6	1.8	(20.0)	(5.7)	(15.4)	(3.9)

FINANCIAL ASSETS – TRADING SECURITIES

As at 30 June 2026, the market value of the Group's investment portfolio was USD12.0 million, which mainly included 4,483,451 ordinary shares in Kerry Properties Limited amounting to USD10.4 million and 2,241,725 ordinary shares in KLN Logistics Group Limited amounting to USD1.6 million. The Group recorded a loss of USD1.7 million through profit or loss for the six months ended 30 June 2026. Dividend income of USD0.6 million was recognised during the current period.

DEVELOPMENT PROGRAMMES

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

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

JEN Hangzhou by Shangri-La, a hotel owned by a third party, commenced operations in early August 2026. At the same time, the hotel management agreement in respect of Shangri-La Bengaluru in India, which is also owned by a third party, will be terminated at the end of August 2026. As at the date of this announcement, the Group has management agreements in place for 19 operating hotels owned by third parties after excluding Shangri-La Bengaluru.

During the six months ended 30 June 2026, the Group entered into two new hotel management agreements for third-party owned hotels currently under development in Harbin and Zhengzhou, Chinese Mainland. Both hotels will be managed under the Traders brand. As at the date of this announcement, the Group has management agreements in place for six third-party owned hotels under development, located in Wuxi (two hotels), Harbin and Zhengzhou (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

As at 30 June 2026, the Company and its subsidiaries had approximately 24,000 employees. The number of people employed by Shangri-La Group, including all operating hotels, was 39,800. Remuneration policies, share award schemes and training schemes have been consistently applied by the Group as disclosed in 2025 annual report.

PROSPECTS

We delivered a solid set of results in the first half of 2026 despite headwinds arising from conflicts in the Middle East region. The Group's effective share of revenue grew by 4.9% year-on-year to USD1.3 billion. The effective share of EBITDA grew faster by 9.6% year-on-year to USD404.9 million with a 1.3 percentage point expansion in EBITDA margin from operational improvement and disciplined execution. Supported by our improved earnings performance and strong cash flow generation, we are pleased to declare an interim dividend of HK5 cents per share for the six months ended 30 June 2026.

During the first six months of 2026, guided by our vision of becoming the best-loved hospitality group, we continued to advance our brand and portfolio strategy. In April 2026, we launched Shangri-La Kunming, completing the second phase of our first dual-brand development following the opening of JEN Kunming by Shangri-La in April 2024. The market response to our new Shangri-la product has been encouraging. The Silk Lakehouse, Shangri-La Hangzhou, our flagship property under the Shangri-La Signatures brand, as well as the dual-brand development of Shangri-La Hongqiao Airport and Traders Hongqiao Airport, Shanghai, both opened last year, have continued to receive positive feedback from guests and prospective hotel management agreement partners. The favorable response to Shangri-La's refreshed brand positioning and design concepts and financial performances has also helped us secure new management opportunities. As at the end of June 2026, we had several major hotel management agreements in our pipeline, including but not limited to a dual-brand Shangri-La and Traders hotels development in Wuxi, Chinese Mainland, as well as a new project in Bodrum, Turkey. These signings further support our asset-light growth strategy, leveraging our strong brand equity and operating expertise to expand our footprint in a capital-efficient manner. In addition, we are actively pursuing growth opportunities in China through the expansion of our refreshed Traders brand, supported by new product offerings and design concepts. In the first half of 2026, we successfully signed two hotel management agreements under the Traders brand in China. These signings will further strengthen our presence in the Chinese market and expand our customer base in the mass-market travel segment, positioning the Group to deliver sustainable growth and accelerate earnings growth over the medium term.

Financial discipline, including the continuous enhancement of operating efficiency, remains a core pillar of our strategy. During the first half of 2026, we began to see initial results from several efficiency initiatives implemented across the Group, contributing to our EBITDA margin expansion year over year. In treasury management, we successfully completed the issuances of a RMB1.2 billion and RMB2.0 billion Panda Bond in April 2026 and June 2026, respectively, further reducing our borrowing costs and strengthening our funding profile. The successful issuances reflect the capital markets' continued confidence in our business fundamentals, financial discipline and long-term growth prospects.

Looking ahead, we remain cautiously optimistic about the industry outlook for the second half of 2026. While travel demand continues to be supported by favorable long-term fundamentals, ongoing conflicts in the Middle East and extreme weather conditions in China could bring uncertainties and volatility for the operating environment in the near term. Nevertheless, these near-term headwinds do not alter our long-term strategy. We remain committed to strengthening our brands, advancing our asset-light growth initiatives, enhancing operational efficiency and maintaining prudent financial discipline. We believe these priorities will continue to strengthen the Group's resilience, support sustainable value creation for our guests, partners and shareholders, and position us well to capture future growth opportunities as market conditions evolve.

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

During the underlying six-month period, 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 underlying six-month period 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 has adopted a composite handbook ("**Directors Handbook**") comprising (amongst 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 underlying six-month period 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 INTERIM DIVIDEND

To qualify for the interim 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 28 September 2026.

The Company will withdraw all treasury shares (if any) from CCASS, and either re-register them in its own name as treasury shares or cancel them, in each case before 28 September 2026.

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

Hong Kong, 27 August 2026

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

Executive directors
Ms KUOK Hui Kwong
(Chairman and Group Chief Executive Officer)
Mr TEO Nee Chuan
(Group Chief Financial Officer and Group Head of Investment and Asset Management (China))

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