MANDARIN ORIENTAL INTERNATIONAL LIMITED

Annual Report 2024

Mandarin Oriental Hotel Group is an international hotel investment and management group, with a presence in sought-after destinations around the world. Renowned for creating outstanding properties, each destination reflects the Group's Asian heritage, local culture and unique design. Driven by a passion for the exceptional, every day, everywhere, the Group's mission is to craft time-enriching experiences that transform the ordinary into the exceptional and guests to fans through its legendary service. The Group now operates 41 hotels, 12 residences and 26 exceptional homes in 26 countries and territories, with many more projects under development. Mandarin Oriental regularly receives international recognition and awards for outstanding service and quality management. The Group has equity interests in a number of its properties and adjusted net assets worth approximately US$4.4 billion as at 31 December 2024.

Mandarin Oriental continues to drive its reputation as an innovative leader in luxury hospitality, seeking selective opportunities to expand the reach of the brand, with the aim of maximising profitability and long-term shareholder value.

The parent company, Mandarin Oriental International Limited, is incorporated in Bermuda and has a primary listing in the equity shares (transition) category of the London Stock Exchange, with secondary listings in Bermuda and Singapore. The activities of the Group's hotels are managed from Hong Kong. Mandarin Oriental is a member of the Jardine Matheson group.

A member of the Jardine Matheson Group

Contents

Corporate Information

Directors

Ben Keswick *Chairman*
John Witt
(stepped down on 22 July 2024)
Laurent Kleitman *Group Chief Executive*
Matthew Bishop *Chief Financial Officer*
Cristina Diezhandino
(joined the Board on 1 August 2024)
Jinqing Cai
Adam Keswick
Archie Keswick
Fabrice Megarbane
(joined the Board on 1 August 2024)
Richard Solomons
Scott Woroch
(joined the Board on 4 November 2024)

Company Secretary

Jonathan Lloyd
(resigned on 22 July 2024)
Sean Ward
(appointed on 22 July 2024)

Registered Office

Jardine House
33-35 Reid Street
Hamilton
Bermuda

Senior Management

Laurent Kleitman *Group Chief Executive*
Matthew Bishop *Chief Financial Officer*
Kieren Barry *Group Counsel*
Francesco Cefalu *Chief Development Officer*
Geraldine Dobey *Group Director of Service and Opening Excellence*
Samantha Furlong *Group Director of Rooms*
Amanda Hyndman *Chief Operating Officer and Chief People & Culture Officer*
Vincent Marot *Chief Technical Services Officer*
Jeremy McCarthy *Group Director of Spa & Wellness*
Monika Nerger *Chief Information Officer*
David Nicholls *Group Director of Food and Beverage*
Kristin Ruble *Senior Vice President, Commercial*
Alex Schellenberger *Senior Vice President, Brand*
Torsten van Dullemen *Group Director of Sustainability, Area Vice President, Operations, and General Manager*

Highlights

Mandarin Oriental International Limited

- 13% growth in combined total revenue, up to US$2.1 billion, and 15% growth in hotel management fees driven by strong RevPAR increases in all regions
- Underlying profit after tax of US$75 million in 2024, 8% lower than 2023 due to lower one-off residences branding fees
- Accelerated growth with five new hotels and residences planned to open in 2025
- Strong pipeline replenishment with the announcement of eight new management contracts including the latest additions: Hôtel Lutetia in Paris, the Conservatorium Hotel in Amsterdam, Puerto Rico in the Caribbean, and Suzhou in China
- 41 hotels under management, a milestone in global footprint, with a target to more than double by 2033
- Investing in capability now to achieve long-term targets and sustain accelerated growth
- Paris property disposed for US$382 million advancing asset-light strategy
- Final dividend of US¢3.50 per share, resulting in stable total dividends of US¢5.00 per share

Results

	Year ended 31 December		
	2024 US$m	2023 US$m	Change %
Combined total revenue of hotels under management[1]	**2,127.7**	1,890.2	13
Revenue	**525.8**	558.1	(6)
Underlying EBITDA (Earnings before interest, tax, depreciation and amortisation)[2]	**172.0**	177.6	(3)
Underlying profit attributable to shareholders[3]	**74.7**	81.0	(8)
Revaluation loss on investment properties	**(171.0)**	(486.7)	65
Net gain on sale of subsidiaries and asset disposals	**20.0**	41.3	(52)
Loss attributable to shareholders	**(78.6)**	(365.4)	78
	US¢	US¢	%
Underlying earnings per share[3]	**5.91**	6.41	(8)
Loss per share	**(6.22)**	(28.91)	78
Dividends per share	**5.00**	5.00	–
	US$	US$	%
Net asset value per share	**2.25**	2.34	(4)
Adjusted net asset value per share[4]	**3.50**	3.67	(5)
Net debt/shareholders' funds	**3%**	8%	
Net debt/adjusted shareholders' funds[4]	**2%**	5%	

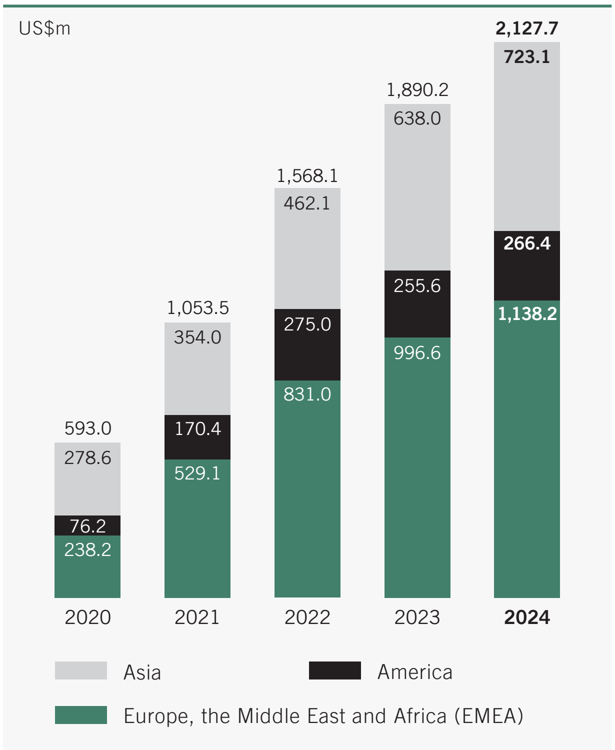
1 Combined revenue includes turnover of the Group's subsidiary hotels in addition to 100% of revenue from associate, joint venture and managed hotels.

2 EBITDA of subsidiaries plus the Group's share of EBITDA of associates and joint ventures.

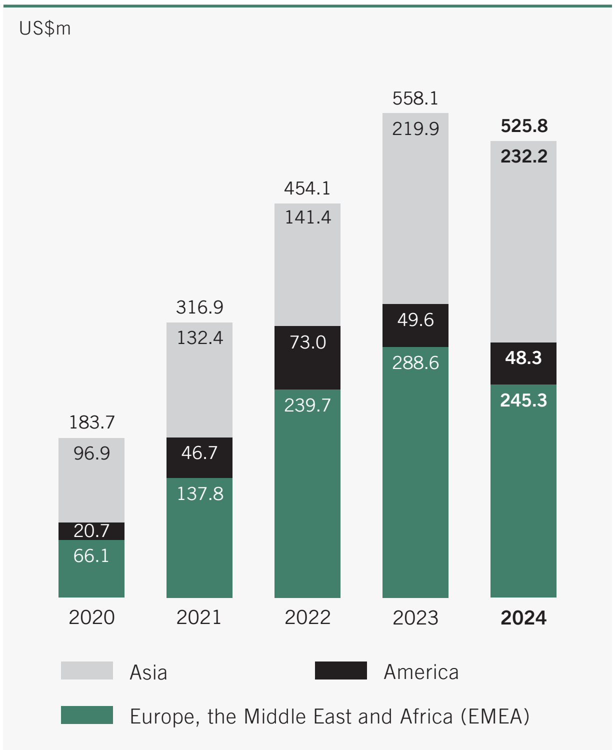
3 The Group uses 'underlying profit' in its internal financial reporting to distinguish between ongoing business performance and non-trading items, as more fully described in note 34 to the financial statements. Management considers this to be a key measure which provides additional information to enhance understanding of the Group's underlying business performance.

4 The Group's investment properties are carried at fair value on the basis of valuations carried out by independent valuers at 31 December 2024. The other freehold and leasehold interests are carried at amortised cost in the consolidated balance sheet. Both the adjusted net asset value per share and net debt/adjusted shareholders' funds at 31 December 2024 have included the market value of the Group's freehold and leasehold interests.

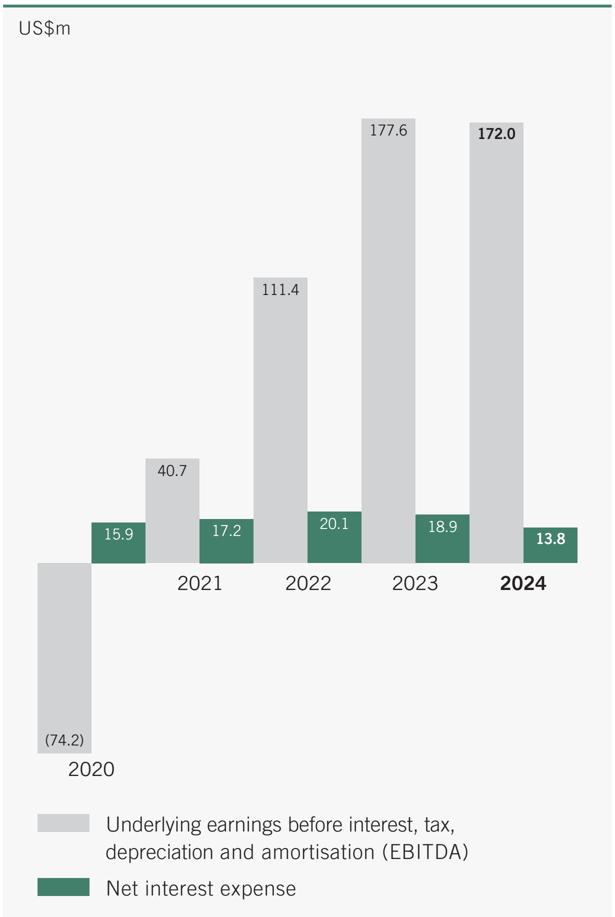
Combined total revenue
by geographical area



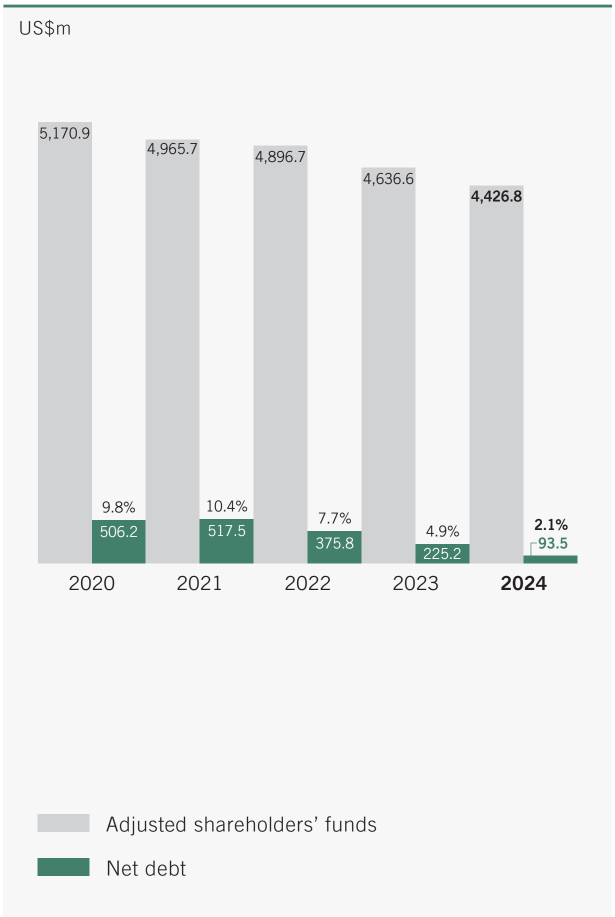
Revenue
by geographical area



Underlying EBITDA and net interest expense



Net debt/adjusted shareholders' funds



Chairman's Statement

Year in review

2024 was a year of significant progress for Mandarin Oriental, marked by strong growth, robust performance, and the launch of our brand-led, guest-centric strategy, paving the way for accelerated further growth over the next decade.

Global luxury hospitality has transitioned from a period of strong resurgence in travel demand following the lifting of pandemic restrictions to a more normal pace of growth in 2024. Against this backdrop, Mandarin Oriental has reported good performance underpinned by its enduring brand desirability, an expanding market-leading portfolio, and exceptional guest experiences.

In the Management Business, improvements in RevPAR performance were supported by strong guest demand for our ultra-luxury hotels, and drove solid combined total revenue performance across all regions, and considerable growth in hotel management fee income, notably in Asia and Europe, the Middle East and Africa (EMEA).

2024 Financial performance

The Management Business reported an underlying profit after tax of US$34 million in 2024, compared to US$41 million in 2023. Strong growth in recurring hotel management fee income was more than offset by reductions in one-off residences branding fees, but recurring profitability continued to improve as the Management Business scales.

The Owned Hotels reported a stable contribution US$45 million profit after tax in 2024. The majority of the Group's Owned Hotels delivered solid revenue and profit growth, with Singapore in particular delivering higher profits after the hotel's renovation in 2023. Tokyo and Madrid benefitted from robust demand and achieved notable improvements in earnings. Earnings from Paris reduced following the disposal of that hotel property together with its retail units in mid-2024.

Overall, underlying profit after tax was US$75 million in 2024 compared to US$81 million in 2023. Underlying earnings per share was US¢5.91, compared with US¢6.41 in 2023. Non-trading losses of US$153 million primarily comprised a non-cash revaluation of *One Causeway Bay* – the Group's redevelopment site in Hong Kong, resulting in a loss attributable to shareholders of US$78 million. Consolidated net debt significantly decreased from US$225 million as at 31 December 2023 to US$94 million as at 31 December 2024, mainly due to the receipt of sale proceeds from Paris hotel and retail properties, partially offset by investment in *One Causeway Bay*. Gearing was 2% of adjusted shareholders' funds, reduced from 5% at the end of 2023.

The Directors recommend a final dividend of US¢3.50 per share. Together with the interim dividend of US¢1.50 per share declared, total dividends are US¢5.00 per share.

Sustainability

As we set our sights on accelerated growth over the next 10 years, we believe firmly in increasing our positive social impact and reducing the intensity of our environmental footprint. We set ambitious environmental targets across energy and emissions intensity, the elimination of single-use plastics, responsible sourcing, sustainable design practices and waste reduction.

Governance

In 2024, a number of changes were made to the composition and operation of the Company's Board and Committees to ensure an effective governance framework that supports the Group's new strategy as a brand-led, guest-centric, global luxury hospitality group.

Board composition

We were delighted to welcome three new Independent Non-Executive Directors to the Board: Cristina Diezhandino, Chief Marketing Officer and a member of Diageo's executive committee, effective 1 August 2024; Fabrice Megarbane, Chief Global Growth Officer and a member of L'Oréal's executive committee, effective 1 August 2024; and Scott Woroch, Managing Director of Kadenwood Partners, effective 4 November 2024.

With effect from 22 July 2024, John Witt stepped down as a Director of the Company and as a member of the Company's Remuneration and Nominations Committees.

Board Committees

With effect from 22 July 2024, Adam Keswick stepped down from the Nominations Committee, and Graham Baker stepped down from the Remuneration Committee. Adam remains as a Director.

On 24 July 2024, the Company's Board approved updated terms of reference for each of the Audit, Remuneration and Nominations Committees, to align them better with the future needs of the business.

Corporate Secretary

On 22 July 2024, Sean Ward was appointed as Corporate Secretary of the Company, succeeding Jonathan Lloyd.

On behalf of the Board, I would like to thank John and Graham for their contributions to the Group, and welcome Cristina, Fabrice, Scott and Sean.

Outlook

Luxury hospitality presents enormous potential for future growth. With dynamic leadership, clarity of vision and strategy, and effective governance, Mandarin Oriental is strategically positioned to enhance further its desirability and scale as an ultra-luxury hospitality brand, and to create value for its shareholders, partners, and communities.

Ben Keswick
Chairman
5 March 2025

Group Chief Executive's Review

In 2024, Mandarin Oriental launched its brand-led, guest-centric strategy and reaffirmed its position as a leader in luxury hospitality anchored on our new vision, *Fans of the Exceptional, Every Day, Everywhere*.

This new vision for Mandarin Oriental encapsulates our relentless commitment to elevating our offering and delivering exceptional experiences wherever we meet guests. In the rapidly evolving world of global hospitality, Mandarin Oriental's Legendary Service, unique dual Asian heritage, and constant innovation will maintain the brand at the pinnacle of luxury.

We have embarked on our new strategy for the next decade, focused on elevating the desirability of the brand, doubling our portfolio in key global cities and sought-after leisure destinations, innovating the guest experience to make every moment exceptional, as well as generating value for our stakeholders. We have shared this new strategy with our hotel owner partners, and our team of over 15,000 colleagues, who are central to the success of the new vision. The new strategy has been extremely well received, bringing clarity, confidence, and pride to the Group. With this vision, we are now building the right capabilities, governance, and culture to drive transformational growth.

2024 Performance

Summary of performance: double-digit total combined revenue growth

Mandarin Oriental now manages 41 hotels, 12 residences, and 26 homes across 26 markets. In 2024, the Group reported solid operating performance. Combined total revenue for hotels under management was US$2.1 billion for the year, up 13% from 2023. This improvement was fuelled by a 7% increase in RevPAR, as occupancy continued to strengthen across all regions. Food & Beverage (F&B) revenue was also 11% higher than 2023, contributing to the healthy growth in top-line performance.

In Europe, the Middle East and Africa (EMEA), RevPAR was US$671, 4% above the record levels set in 2023. RevPAR performance was notably better in Madrid, Costa Navarino, and Zurich, as well as Riyadh which demonstrated the strength of the brand after being rebranded as a Mandarin Oriental hotel in early 2024.

In America, we demonstrated resilient performance and achieved growth in both rates and occupancy, resulting in a 6% year-on-year improvement in RevPAR to US$434.

In Asia, RevPAR was US$242, 14% above 2023. Both rates and occupancy were supported by strong intra-regional travel demand, with Tokyo and Southeast Asia performing particularly well. We continued to see strong domestic demand in China. Our most recent launch, our second hotel in Beijing, has commanded strong rate leadership demonstrating the strength and desirability of the brand.

Management Business: +15% in hotel management fee income

With higher RevPARs and an expanded portfolio, we achieved another year of very strong growth in hotel management fee income over previous record levels. The 15% year-on-year improvement in hotel management fee income was primarily driven by Asia and EMEA, while hotels in America showed steady performance. EBITDA from the Management Business was lower in 2024 compared to 2023, as better recurring hotel management fees were offset by reduced one-off branding fees from the sale of branded residences. With growth of branded residences being a high return priority for the Management Business, we continue to replenish our residences pipeline to drive sustainable growth.

Owned Hotels: strong underlying growth

Following the disposal of our property in Paris, the Group owns or partially owns 12 hotels across the globe. In 2024, Owned Hotels recorded 2% higher EBITDA than in 2023. *Mandarin Oriental, Tokyo*, celebrating its 20th anniversary this year, continued to excel in a competitive market and delivered further revenue and profit growth in 2024. *Mandarin Oriental, Singapore* returned strong revenues and profits after its repositioning. In Europe, *Mandarin Oriental Ritz, Madrid*, achieved record EBITDA in 2024, and was acclaimed with the highest distinction of three Michelin keys by *The MICHELIN Guide*.

A year in review

In 2024, Mandarin Oriental reinforced its appeal as an ultra-luxury hospitality brand and continued to build pipeline for future growth.

Elevating Mandarin Oriental to a distinct luxury brand

Throughout 2024, we enhanced the desirability, awareness and reputation of the Mandarin Oriental brand while reconnecting with our historical roots dating back to 1876, when our iconic Bangkok hotel opened. As we enter 2025, we unveil a refreshed visual identity for Mandarin Oriental. The brand's dual heritage has always been cherished by our Fans, and our colleagues. It sets the brand apart through Mandarin Oriental's fusion of grace and tradition, entrepreneurial energy, mastery of craft, and unrivalled service. The revitalisation of our visual identity personifies this unique and harmonious foundation as we advance our transformative journey to elevating Mandarin Oriental to a distinct luxury brand.

Throughout 2024, we engaged our audiences with extensive media coverage through selected lifestyle publications and digital platforms. These efforts have been complemented by our iconic '*I'm A Fan*' advertising campaign, featuring over 50 celebrity fans. To strengthen further this iconic communication platform, we have announced Yuja Wang the acclaimed world-renowned pianist as our new celebrity fan.

Mandarin Oriental has received global recognition, with over 200 prestigious awards celebrating the exceptional experiences we craft and the unwavering dedication of our colleagues. Highlights include Best Luxury Hotel Brand in the annual *Luxury Travel Intelligence*, ranking #1 for the second consecutive year; World's Best Hotel Spa Brand by World Spa Awards for the third consecutive year; placement of 23 hotels in Forbes 5-Star Awards by *Forbes Travel Guide*. One of our founding hotels – *Mandarin Oriental, Bangkok* – was honoured as Best Hotel in the World and Best Hotel in Asia by *The Telegraph Hotel Awards 2024*. And many new Michelin star accolades were received as testament to our culinary excellence.

As we continue to elevate our guest experience, we announced the enhancement of *The Landmark Mandarin Oriental, Hong Kong*. This rejuvenation will bring a transformed experience to our guests with innovative dining concepts and elevated guestrooms, setting a new benchmark for ultra-luxury hospitality in the heart of Central Hong Kong.

Accelerating expansion of the Management Business globally

Our ambition is for long-term, sustainable growth, and over the course of 2024 the Group has made strides towards our strategic goals.

In January, we rebranded *Mandarin Oriental Al Faisaliah, Riyadh* – our first flag in Saudi Arabia, and opened *Mandarin Oriental Residences, Fifth Avenue* in New York. We opened three new hotels in the rest of the year: *Mandarin Oriental Mayfair, London* in the heart of London's art and fashion district, *Mandarin Oriental, Muscat* overlooking the Gulf of Oman, and *Mandarin Oriental Qianmen, Beijing*, our second property in Beijing, delivering one of the highest rates in mainland China shortly after its opening in September.

Since the start of 2024, we secured eight exceptional hotel and residences projects, reflecting the confidence our Owner Partners have in our brand and Mandarin Oriental as a luxury operator. These projects are:

- A collection of villas in the heart of Rome forming a unique urban resort;
- A secluded beach resort with branded residences on Bali's south coast;
- A beach resort with branded residences on Mexico's Riviera Maya on the Yucatan Peninsula;
- Stunning branded residences in Abu Dhabi's new cultural district;
- The rebranding of the iconic century-old Hôtel Lutetia in Paris, a symbol of Parisian elegance and culture situated on the left bank, complementing *Mandarin Oriental, Paris* on Rue Saint Honoré;
- The rebranding of the Conservatorium Hotel in Amsterdam, the Group's debut project in the Netherlands;
- A beach resort with branded residences facing Boquerón Bay in Puerto Rico; and
- A luxury hotel in Suzhou in mainland China featuring panoramic views of Jinji Lake.

With these additions, our pipeline now comprises 32 hotels and 18 residences. The Group is now expanding at an unprecedented pace, and we will continue to bring Mandarin Oriental to more of the destinations that our discerning guests desire. To ensure successful delivery of this growth plan and pave the way for further growth we have bolstered our leadership, technical, and operational capabilities.

In December, we announced full ownership of *Mandarin Oriental Exceptional Homes*, our collection of the world's finest private vacation homes and mansions. This business was launched in 2022 and has expanded to a global portfolio featuring 26 properties in sought-after destinations today. We look forward to accelerating growth, enhancing our offering, and identifying many more exceptional private homes for this collection.

Reviewing owned assets

We constantly review our deployment of capital to ensure alignment with our strategy. In mid-2024, the Group completed the disposal of our Paris hotel and retail properties for US$382 million and recognised a gain on disposal of US$20 million. A new long-term hotel management contract has been agreed together with a renovation plan to strengthen the positioning of *Mandarin Oriental, Paris*.

Our Grade A mixed-use development in Hong Kong, *One Causeway Bay*, topped out in July 2024 and is due to be completed by the second half of 2025.

Investing in people and transforming culture
In 2024, we strengthened our approach to support talent and leadership. We launched our Colleague Value Proposition – *We're fans. Are you*? This proposition reflects Mandarin Oriental's commitment to a holistic approach to Colleague experience and engagement, and our dedication to putting our people at the heart of everything we do. We announced a partnership with Sommet Education, a global leader in hospitality management education. This collaboration signals our commitment to advancing the hospitality profession by nurturing future talent, championing diversity and delivering innovative learning and development programmes.

Purposeful operations rooted in communities
As Mandarin Oriental continues on a journey of accelerated growth, we will continue to serve in balance our guests, colleagues, partners, communities, and planet. Endeavouring to do the right things earned us three World Sustainable Travel & Hospitality Awards in 2024, recognising our Sustainable Supply Chain Programme, Sustainable Development initiatives, and commitment as a Sustainable Employer. In 2024, the Group spent 78,000 hours giving back to local communities, a 50% increase over the prior year. These endeavours highlight our commitment to community welfare.

The year ahead
In 2024, we united in a bold growth ambition for the next decade. In 2025, we expect to advance in executing against the strategy. Five new hotels and residences are planned to open over the course of the year: our second hotels in Paris and Dubai, our debuts in Amsterdam and Vienna, as well as our first residences in Madrid. We will launch a new mobile application aiming at simplifying our guests' journey. We will continue to deploy our refreshed brand identity and renew our communication, bringing new celebrity fans on board and launching more creative and storytelling content to support brand desirability. We will soon be launching the 150th anniversary of our iconic Bangkok property: in addition to innovations and renovation projects we will announce a series of brand building events starting in the fourth quarter of 2025 and running through the whole of 2026.

Through elevating our brand across all touchpoints, expanding our global footprint, and continuing to shape the modern luxury hospitality landscape, we honour our commitment to crafting more time-enriching experiences that transform the ordinary to the exceptional, and more guests to fans.

Laurent Kleitman
Group Chief Executive
5 March 2025

Operating Summary

Total portfolio RevPAR

US dollar

	2024 US$	2023 US$	% Change
Asia	**239**	209	14
Europe, the Middle East and Africa	**678**	647	5
America	**431**	402	7
Total	**422**	392	8

Constant currency

	2024 US$	2023 US$	% Change
Asia	**243**	209	16
Europe, the Middle East and Africa	**717**	647	11
America	**437**	402	9
Total	**439**	392	12

Occupancy is calculated based on the number of occupied rooms out of the total number of available rooms in which the hotel is in operation during the period. The like-for-like RevPAR presented in the table above includes all hotels that were in the Group's portfolio and operating for the entire year of both 2023 and 2024. Any new openings, closures or disposals during the period are excluded.

Group's subsidiary hotels RevPAR

ASIA

Mandarin Oriental, Hong Kong 100% ownership

	2024	2023	% Change
Available rooms	**447**	447	–
Average occupancy (%)	**68.1**	59.9	14
Average room rate (US$)	**481**	495	(3)
RevPAR (US$)	**327**	297	10

Mandarin Oriental, Tokyo 100% leasehold

	2024	2023	% Change
Available rooms	**179**	179	–
Average occupancy (%)	**81.1**	71.8	13
Average room rate (US$)	**863**	839	3
RevPAR (US$)	**701**	603	16

EUROPE, THE MIDDLE EAST AND AFRICA

Mandarin Oriental Hyde Park, London 100% ownership

	2024	2023	% Change
Available rooms	**181**	181	–
Average occupancy (%)	**67.0**	67.1	–
Average room rate (US$)	**1,521**	1,573	(3)
RevPAR (US$)	**1,019**	1,056	(4)

Mandarin Oriental, Munich 100% ownership

	2024	2023	% Change
Available rooms	**73**	73	–
Average occupancy (%)	**70.2**	67.9	3
Average room rate (US$)	**1,239**	1,130	10
RevPAR (US$)	**870**	767	13

Mandarin Oriental, Geneva 100% ownership

	2024	2023	% Change
Available rooms	**178**	178	–
Average occupancy (%)	**64.1**	65.4	(2)
Average room rate (US$)	**821**	766	7
RevPAR (US$)	**526**	501	5

AMERICA

Mandarin Oriental, Boston 100% ownership

	2024	2023	% Change
Available rooms	**148**	148	–
Average occupancy (%)	**62.2**	63.4	(2)
Average room rate (US$)	**714**	670	7
RevPAR (US$)	**444**	425	5

Development Portfolio

Our development pipeline includes 32 hotels and 18 *Residences at Mandarin Oriental*.

Asia

Mandarin Oriental, Bai Nom
A new resort with branded residences in Phu Yen province, Vietnam offering 72 suites and villas, including 25 *Residences*. The property will spread out across a 29-hectare site with guest accommodation located directly on the beach and dotted through the hills.

Mandarin Oriental, Bali
This exclusive resort set to open in 2026 will offer 110 luxurious suites and villas in addition to 63 *Residences*, located on the picturesque Bukit Peninsula. Designed to provide unparalleled experiences, the resort will feature exceptional dining options, a signature wellness centre, and access to pristine beaches.

Mandarin Oriental Tianfu, Chengdu
A 267-room hotel located in Tianfu, a modern business district south of Chengdu, the capital city of Szechuan province in China.

Mandarin Oriental, Da Nang
A luxury waterfront resort comprising 60 villas and 22 *Residences*, ideally located on a spectacular beach in one of Vietnam's most popular leisure destinations.

Mandarin Oriental, Hangzhou
A 194-room hotel in the new Westlake 66 luxury commercial and retail complex, located close to the West Lake, a UNESCO World Heritage Site and one of China's primary leisure destinations, with easy access to the city's principal business hubs.

Mandarin Oriental, Makati
A 275-room hotel located within the Ayala Triangle in Manila's central business district of Makati.

Mandarin Oriental, Maldives
A picturesque private island resort comprising 120 stand-alone villas, including 10 *Residences*, with panoramic views of the Indian Ocean.

Mandarin Oriental, Nanjing
A 95-room hotel located in a premier mixed-use development on the Qinhuai River, in close proximity to historic landmarks including the Gate of China, which forms part of one of the longest ancient city walls in the world.

Mandarin Oriental, Phuket
A 105-room beachfront resort located on the island's west coast in picturesque Laem Singh Bay on Millionaire's Mile, with panoramic views of the Andaman Sea.

Mandarin Oriental, Saigon
A 228-room hotel located in a mixed-use development in the heart of Ho Chi Minh City, close to key landmarks.

Mandarin Oriental, Setouchi
A collection of three unique boutique properties, branded as Mandarin Oriental, Setouchi. These resorts, totalling 114 rooms, are nestled strategically around the captivating Seto Inland Sea. Each of the trio embodies its distinct character, environment, and purposefully curated experiences.

Mandarin Oriental, Suzhou
A luxury waterfront hotel located on the east bank of Suzhou's famous Jinji lake with panoramic views of the iconic architectural skyline to the west. The hotel will comprise 146 elegantly crafted guestrooms and suites, many with balconies and spectacular views.

Europe, the Middle East and Africa

Conservatorium Hotel
Located in Amsterdam's renowned Museum Quarter, the Conservatorium Hotel is a striking fusion of historical grandeur and modern sophistication. The hotel features 129 spacious rooms and suites, where modern elegance and craftsmanship seamlessly blend with the building's historic architecture. The Group will take over the management of the hotel within 2025 and rebrand the hotel as Mandarin Oriental Conservatorium, Amsterdam in 2026, following a comprehensive upgrade.

Hôtel Lutetia
Founded in 1910 by the Boucicaut family, owners of Le Bon Marché, Hôtel Lutetia has long been a symbol of Parisian elegance and culture. As the only luxury Palace hotel on Paris's Left Bank, the hotel offers 184 spacious and beautifully appointed guest rooms, including 47 suites. The Group will take over the management of the hotel within 2025 and rebrand the hotel as Mandarin Oriental Lutetia, Paris in 2026, following a comprehensive upgrade.

Mandarin Oriental Residences Saadiyat Cultural District, Abu Dhabi
A new development, featuring 228 exceptionally designed homes with unparalleled views of Zayed National Museum. The residences will be situated within Saadiyat Cultural District.

Mandarin Oriental, Athens
A new hotel and accompanying residences on the Athenian coastline. The beach front development will comprise of 123 rooms and suites in addition to 17 *Residences*. The development is within easy reach of the city's famous attractions.

Mandarin Oriental Gellert, Budapest
A re-branding of the historic Gellért Hotel in Budapest, currently closed for renovation. This 143-room Art Nouveau architectural gem is located on the Buda side of the city and just a short walk to the Liberty Bridge, connecting Buda with Pest.

Mandarin Oriental Shepheard, Cairo
A re-branding of the celebrated Shepheard Hotel in Downtown Cairo, currently closed for renovation. This 269-room property is a heritage landmark in the city, with stunning views of the Nile and Gezira island.

Europe, the Middle East and Africa *continued*

Mandarin Oriental Cristallo, Cortina
A re-branding of the historic Hotel Cristallo in Cortina d'Ampezzo, Italy, which will re-open as Mandarin Oriental Cristallo, Cortina, after a comprehensive renovation. This 84-room historic hotel enjoys impressive views of the Dolomites and will be the Group's first alpine resort.

Mandarin Oriental Downtown, Dubai
A 259-room hotel and 266 *Residences*, located on Sheikh Zayed Road, with views over downtown Dubai and direct access to the area's business and leisure attractions.

Mandarin Oriental Residences, Etiler
320 luxurious *Residences* located within three standalone towers in the prestigious Etiler district of Istanbul.

Mandarin Oriental, Kuwait
A new 169-room hotel in the heart of the financial district of Kuwait City. Located in an iconic 80-storey tower, the property is designed by the award-winning architects, Foster + Partners.

Mandarin Oriental Bankside Yards, London
A contemporary standalone property, expected to have 171 guestrooms and 70 *Residences*. Situated on London's South Bank and perfectly positioned to access both the City of London and the West End.

Mandarin Oriental Residences, Madrid
A new development in the heart of Madrid, located on the intersection of Hermosilla Street and Nuñez de Balboa Street will feature 27 exceptional *Residences*.

Mandarin Oriental Punta Negra, Mallorca
A new beach resort in one of the most sought-after locations on the island of Mallorca, occupying an iconic peninsula. Surrounded by natural beauty, the resort spreads over 3 hectares and offers 131 guestrooms, suites and bungalows just steps from the waterfront.

Mandarin Oriental, Porto Cervo
A new 83-room hotel located in the north-east of Sardinia, in the heart of Costa Smeralda. The hotel will offer a perfect blend of accessibility and seclusion, providing breathtaking views and access to a private beach.

Mandarin Oriental, Rome
Nestled within ten historic 19th-century villas, originally built as residences for affluent Romans, this upcoming property offers a serene escape in the heart of the city. Set to open in 2026, the villas are surrounded by lush, landscaped gardens and will feature 108 elegantly designed guestrooms and suites.

Mandarin Oriental, Tel Aviv
A 226-room hotel and 230 *Residences*, in an unrivalled waterfront location overlooking one of the city's pristine beaches.

Mandarin Oriental, Vienna
A 138-room hotel and 25 *Residences*, housed in a heritage building within the Ringstrasse in District One of Vienna, within easy walking distance of the city's major attractions.

America

Mandarin Oriental, Boca Raton
A 163-room hotel and 88 *Residences*, part of a mixed-use complex, surrounded by Boca Raton's most affluent, residential neighbourhoods and a short walk from miles of pristine beaches.

Mandarin Oriental, Grand Cayman
A 92-room beachfront resort and 89 *Residences*, situated on 67 acres at St James Point, on the southern shore of the island.

Mandarin Oriental, Honolulu
A luxury 125-room hotel and 99 *Residences*, located on the Hawaiian island of Oahu, in the heart of the Ala Moana District.

Mandarin Oriental, Miami
A new Mandarin Oriental hotel and branded residences in Brickell Key, Miami one of the city's most prestigious neighbourhoods. Set to open in 2030, the property will feature 121 guestrooms and 94 *Residences*, as well as a stand alone tower with 228 *Residences*.

Mandarin Oriental Esencia, Puerto Rico
Situated in the heart of Boquerón Bay, Cabo Rojo, within the exclusive Esencia development, this luxurious resort will offer 106 elegantly designed rooms and suites, 130 sophisticated branded residences, and panoramic views of Puerto Rico's unspoiled beaches and vibrant natural beauty.

Mandarin Oriental Kanai, Riviera Maya
Offering 120 elegantly refined guestrooms and suites, each with a private pool and breathtaking views over the turquoise waters of the Caribbean Sea, this exceptional resort is set to open in 2028. 50 thoughtfully appointed and spacious branded residences, with access to a private resident-only beach club, will also form part of the overall offering.

Opening dates are determined by each project's owner/developer. All of the above projects will be managed by Mandarin Oriental Hotel Group with no equity investment from the Group.

Room numbers reflect the latest estimate from each project's owner/developer, and may therefore differ from the original announcements and the final number once the project is completed.

International Brand Recognition

Mandarin Oriental continues to be recognised as one of the world's most esteemed luxury hotel brands, earning top accolades in 2024 from *Travel + Leisure* as one of the 'Best Hotel Brands' and from *Luxury Travel Intelligence* as the 'World's Best Luxury Hotel Brand.' Culinary excellence remained a hallmark, with 18 restaurants across the Group awarded a total of 28 Michelin stars, including seven with two-star ratings. The brand's dedication to wellness was also reaffirmed, with Forbes granting 16 hotels 'Five Star Spa' status and World Spa Awards naming Mandarin Oriental the 'World's Best Hotel Spa Brand.'

The Group celebrated major global expansions, including the highly anticipated opening of **Mandarin Oriental Mayfair, London**, praised for seamlessly blending heritage with contemporary luxury. *Bloomberg* called the Zurich property 'simultaneously the city's oldest and newest five-star stay,' while *Robb Report* lauded the Mayfair location's instant prestige. Additionally, **Mandarin Oriental, Costa Navarino** was recognised by *Vogue* for its exceptional spa and world-class dining. With continued innovation across hospitality, wellness, and residential experiences, Mandarin Oriental remains at the forefront of global luxury.

Mandarin Oriental Hotel Group

There's nothing new about hotel chains avoiding ubiquity, and instead alloying signature brand design touches with localised interior flourishes and cultural references that make the hotel feel 'in situ' – but Mandarin Oriental Hotel Group has taken the concept to the next level. If the world were to follow France's lead and launch a distinction above 'five-star', this would surely be a contender.

Robb Report, UK

Mandarin Oriental, Bangkok

Mandarin Oriental, Bangkok puts a spring in your step and a twinkle in your eye from the moment the silk-clad doormen welcome you with their palms pressed together in a traditional 'wai' greeting. Strolling in last week I was struck once again by the glamour of the place. The sunlit lobby is embellished with chandeliers – made of teak, crystal and even a two-storey floral ensemble that changes with the seasons, stitched together by the hotel's 15-strong floristry team. A floating staircase leading to a mezzanine gallery inspires majestic entrances from beautifully coiffed and coutured women… There is simply nowhere else like it, and I was entirely unsurprised that it came out top in The Telegraph Hotel Awards, ranking the 50 world's greatest places to stay.

The Telegraph, UK

Mandarin Oriental Qianmen, Beijing

There is no other place in the country where you can experience the charm of Beijing up close, offering a luxurious stay in the hutongs, or traditional alleyways where so much life happens in this bustling city. Mandarin Oriental Qianmen is the second hotel opened by the Mandarin Oriental Hotel Group in Beijing. For this hotel, they renovated old houses in the traditional hutongs, transforming them into more spacious and modern living spaces while preserving the architectural style of the classic siheyuan (courtyard houses).

The bar is also distinctive, quickly becoming popular right after opening, with many guests waiting outside daily. In addition to excellent service, ambiance, and mixology skills, the bar cleverly combines Eastern and Western ingredients. The cocktail menu pays tribute to Chinese and Asian folklore, as well as hutong life, ensuring an authentic experience for guests.

Condé Nast Traveler.com

Mandarin Oriental, Singapore

Services is everything you expect from five-star South East Asian hospitality, from the concierge team's advice on restaurants to the waiters providing refreshments by the pool. For such a large hotel it is very personal, with all staff attentive to guest's names and preferences.

Condé Nast Traveller, UK

Mandarin Oriental, Costa Navarino

Perched on a picturesque hillside overlooking the protected Navarino Bay, Mandarin Oriental Group's first property in Greece will put you at ease the minute you arrive. Located in the Peloponnese on the Messenian coast, Mandarin Oriental, Costa Navarino is a slice of Greek paradise where you're guaranteed to leave feeling rejuvenated and rebalanced…Beat the hype and enjoy MO Costa Navarino in its tranquil prime – this is a retreat you'll want to return to again and again.

Vogue, US

Mandarin Oriental Bosphorus, Istanbul

From the impeccably styled guests languidly lounging poolside to the impossibly chic set sipping tea at the Bosphorus Lounge, an effortless air of cool permeated every corner. Over two decadent days of shorefront dining, a hammam ritual, and even rubbing shoulders with a celeb or two, the Mandarin rendered me a Turkish delight in human form: proof positive of Mandarin-caliber hospitality brilliance.

Travel + Leisure, US

Mandarin Oriental, Lago di Como

There's no shortage of luxury hotel competition in Lake Como, but Mandarin Oriental, Lago di Como is worthy of being ranked among the world's best.

Travel + Leisure, US

Mandarin Oriental Mayfair, London

One of the most beautiful aspects of Mandarin Oriental Mayfair is the way it takes a natural place in the area. This is a neighborhood which expects only the truly world-class, and opening any business here puts you in some serious company. The discretion and elegance of the styling, the relaxed and affable nature of the hospitality, and the sheer quality of every tiny detail of this hotel make it feel not like a new opening, but like an established pillar of this luxurious community. To do that at all is impressive, but to have achieved it in just a matter of weeks is truly excellent.

Robb Report, US

Mandarin Oriental, Marrakech

With hotels so perfect that the very words 'Mandarin Oriental' have become synonymous with unparalleled luxury, it should come as little surprise that this Marrakech edition would be one of the most spectacular residences in the city.

GQ, UK

Mandarin Oriental, Muscat

Within a short walk to the Muscat Opera House – and on the coastline – the much-anticipated Mandarin Oriental, Muscat has found a very special address. From the moment you are ushered into the lobby, where high-powered meetings and genial ladies' gatherings are being had around handmade copper afternoon tea stands laden with pretty patisserie in the Sawa Lounge and Mandarin Cake Shop, it's clear this new property has already carved its placed among the city's elite. There's something very reassuring about staying at a hotel that has established itself – and is frequented by – its own community.

Harper's Bazaar, Arabia

Mandarin Oriental, Paris

In the bustling heart of Paris, Mandarin Oriental stands as a beacon of contemporary luxury. This exquisite hotel, nestled in the fashionable Rue Saint-Honoré, is a haven of tranquility and modern elegance. The Royale Mandarin Suite, with its minimalist design and floor-to-ceiling windows, offers a serene retreat from the vibrant city life. Every detail, from the plush furnishings to the state-of-the-art amenities, speaks of sophistication and style. The hotel's renowned spa, celebrated for its holistic treatments, provides a blissful escape, while the vibrant Bar 8 is the perfect spot to unwind after a day of exploring the city. Mandarin Oriental, Paris, seamlessly combines the charm of Parisian chic with the finesse of contemporary design, making it an ideal destination for those seeking a luxurious, yet thoroughly modern Parisian experience.

Harpers Bazaar, Italy

Mandarin Oriental Savoy, Zurich

Zurich has few hotels from international luxury brands. So locals have been eager to see what was happening behind the construction plywood at this centrally-located icon, set on the Paradeplatz between the city's ritziest boutiques and major financial institutions. The afternoon I checked in, hours before Mandarin's grand opening reception on December 20, there were camera crews flooding the first floor, with passersby gawking through the automatic doors for a peek at the intimate lobby. If they'd come in, they'd have found a space that's more modern than historic, but with enough preserved details — both in the bones of the building and the best-known venues inside it — to honor its legacy. Now, it's simultaneously the city's oldest and newest five-star stay.

Bloomberg, US

Mandarin Oriental, Boston

Mandarin Oriental, Boston – There is an elegant minimalism here that has long made this Back Bay hotel a Boston favorite. Located on Boylston Street in the center of Back Bay, Mandarin Oriental offers an elegant, refined respite in the heart of it all. As soon as you step into the grand marble lobby, you feel transported from the city's hustle and bustle. This outpost offers all of the things you'd expect from a Mandarin Oriental: a killer urban location, grandiosity and fabulosity, elegant rooms and a luxurious spa. The service is excellent, from start to finish. The MO staff anticipates your every move, but it's the hotels' resident robot MOBI who steals the spotlight these days. It's an expensive spot, but it delivers on every Mandarin Oriental promise when it comes to location, quality, and service.

Condé Nast Traveler, US

Mandarin Oriental, New York

Among the other highpoints is the service, which is as exemplary, intuitive and consistent as in any property that proudly bears the Mandarin Oriental fan logo. I'll also give a special shout-out to the superb five-star spa, rightly acknowledged as one of the best in the city, as well as the extremely pretty afternoon tea, served against an unmissable backdrop of Central Park.

Tatler, Hong Kong

Sustainability

Sustainability update

Sustainability is not just a responsibility, but a cornerstone of excellence for luxury. As stewards of some of the most beautiful and sought-after locations in the world, we are committed to continuing to innovate while setting the highest standards in luxury hospitality, from the unique experiences we create for our guests, to the impact we have on the planet and the communities where we operate.

We have been transparent about our commitment to driving progress in our sustainability agenda for over a decade. Our strategy is grounded in the belief that sharing innovation, insights and learning is critical to making collective progress against the reality of climate change – the single most defining challenge of our time.

In 2024, Mandarin Oriental was honoured as the most awarded Group at the inaugural World Sustainable Travel & Hospitality Awards (WSTHA) in Belize, where it was named the winner in three categories: *World's Leading Sustainable Supply Chain Programme 2024, World's Leading Sustainable Development 2024,* and *World's Leading Sustainable Employer 2024*.

The awards, launched at COP28, recognise organisations that transcend traditional hospitality by prioritising sustainability and environmental stewardship at every level of their operations. Mandarin Oriental was particularly commended for its innovative approach to engaging stakeholders along the Group's sustainability journey from deepening responsible sourcing commitments, driving environmental intensity reduction targets, and contributing to local communities globally through sponsoring one-paid day leave for all colleagues, reinforcing its role as a leader in sustainable practices.

As part of a strategy to seek external validation of our commitment to responsible business practices, we are delighted to have achieved Global Sustainable Tourism Council's GSTC-committed status, reinforcing the Group's commitment to sustainable tourism practices and adherence to international accredited standards. With 23 Mandarin Oriental hotels accredited with GSTC Certification in 2024, we have an ambitious goal to get all our hotels across the portfolio certified by 2025.

Looking ahead, as we set our sights on accelerated growth over the next 10 years, we will continue to extend our commitment to exceptional hospitality to all the people and places where we operate. This includes driving sustainable action across our energy and emissions, the elimination of single-use plastics, responsible sourcing, sustainable design practices and waste reduction, to name just a few areas of focus – ensuring we are scaling our positive impact as we grow.

The Group has continued to explore decarbonisation opportunities and remains on track with steady progress towards our 2030 environmental targets with property-led initiatives to reduce energy, switch to renewables, conserve water, and reduce waste.

To tackle the effects of and reduce the causes of climate change, we must all do our part in transitioning from the world's reliance on fossil fuels to a greater use of clean energy. Our use of renewables have increased year-on-year, progressing more than halfway towards our 15% goal by 2030. Nine of our properties are currently procuring Renewable Energy Certificates for their energy supply.

Energy audits in line with guidance from the American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) Procedures for Commercial Energy Audits at three-year intervals provide insights to our operations, which inform recommended strategies and efficiency projects. A water risk assessment is conducted every two to three years across the portfolio, and regular water audits allow us to see real-time data and adjust our operations where needed.

Minimising food waste is a stand-out challenge across hospitality as organic waste contributes up to 10% of global greenhouse gas emissions, according to the United Nations Environment Programme (UNEP) Food Waste Index 2021. The Group has partnered with Winnow on their food waste management technology using data analysis to inform optimisation of menus and portions and this award-winning AI-powered system is being rolled out across all our kitchens.

The Group has made considerable progress in achieving its sustainability goals through the appointment of internationally recognised LRQA as our third-party auditor to help verify each hotel's compliance for key commitments. The Group has upheld responsible sourcing commitments, verifying 100% responsibly procured coffee, tea, cocoa, vanilla, paper, sugar and avoiding endangered seafoods.

The Group continued its commitment to one day paid leave for volunteering in 2024, with every employee eligible to support charitable causes close to their hearts in their local communities. The result was more than 500 social impact initiatives and over 78,000 volunteer hours contributed to our communities by the dedicated and caring efforts of our colleagues worldwide.

Mandarin Oriental's annual sustainability progress, initiatives, achievements, and best practices are covered in more detail in the Group's annual Sustainability Report.

The following table shares some of the Group's sustainability highlights as well as the corresponding United Nations Sustainable Development Goals (UN SDGs).

FOR THE PLANET

We place great importance on operating sustainably over the long-term as we grow our portfolio of hotels, residences, and homes around the world. We have made commitments towards 'eliminating single-use plastics' and established a programme for responsible procurement that we intend to steadily grow. Our respect for nature and for the people who work in the supply chain has been an important factor in driving these initiatives. Environmental targets for 2030 have been determined for each hotel through a groupwide inventory management plan with consideration of unique locations, utility types used, and on-site renewable sources.

a) Actively eliminated single-use plastics where possible across our hotels with LRQA verification.

b) Achieved 100% LRQA-verified responsibly sourced coffee, tea, cocoa, vanilla, sugar and paper. The Group is also striving towards 100% sourcing cage-free eggs (liquid and shelled) currently at 93% verified rate.

c) Avoided serving 19 types of endangered seafood species which are listed on MOHG's Endangered Seafood Avoid List, aligned with the latest WWF Endangered Seafood Guide.

d) Innovative digital processes continued to significantly reduce paper usage across operations.

e) The Group has been actively expanding our sustainability programme to encompass a good balance of environmental, social and governance components and deepening our commitments and goals. Environmental Policy, Human Rights Policy, Diversity and Inclusion Policy, Modern Slavery Statement and Supplier Code of Conduct were published to actively communicate our ESG commitments on our company website.

f) Winnow Vision's award-winning AI-powered food waste solution is being rolled out across all properties, with a target for full implementation by the end of 2025. The 2023 pilot achieved over 200% ROI in Year 1 and an average 45% reduction in food waste as a percentage of food cost.

g) More than 70% of our hotels now feature on-site Electric Vehicles (EV) charging stations and actively promote electric or hybrid vehicles for guests.

FOR GUESTS AND COLLEAGUES

We foster a culture of inclusivity and empowerment, where colleagues feel comfortable in being themselves and in voicing their ideas. We are also well known for our wellness philosophy and the holistic care of the body, mind and spirit. We offer sustainably sourced in-room and spa amenities across our portfolio, complimentary fitness classes, in-room wellness videos and signature spa treatments for strong healthy bodies and to promote mindfulness.

5 GENDER EQUALITY | 8 DECENT WORK AND ECONOMIC GROWTH | 11 SUSTAINABLE CITIES AND COMMUNITIES | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

a) Ongoing implementation of WeCare programme of enhanced health and safety protocols across our portfolio.

b) Roll out of the annual sustainability training, which was completed by all colleagues in two formats: eLearning and classroom sessions. The topic was on Modern Slavery Awareness and Prevention.

c) Organised a series of 'Inner Strength-Outer Strength' activities on Global Wellness Day to boost colleagues' physical health and mental resilience.

d) Continued to support a cultural shift that proactively encourages Inclusion, Equity and Diversity (IE&D). Ongoing actions are focused on raising awareness and education particularly with senior leadership and executives, listening and engaging with colleagues on the topic and weaving IE&D into the workplace experience.

e) Continued to build a diverse and equitable team in fostering a culture of inclusivity, empowerment, and equal opportunity for all. There are currently five female General Managers and eight female Hotel Managers who are passionate ambassadors of Mandarin Oriental.

FOR COMMUNITIES

We contribute positively to the local communities we belong to. That means supporting on-the-ground initiatives that enhance and benefit our immediate society. Each one of our colleagues are committed to identifying impactful ways to support their local communities and actively engage in initiatives.

a) US-based FANtastic Match donated US$24,000 to US colleague charities.

b) Donated US$40,000 to the Disaster Network of Assistance Rotating Action Group to provide humanitarian relief in communities impacted by Hurricane Beryl in Canouan.

c) 19 years of support for Asian Cultural Council's Mandarin Oriental Fellowship for Cultural Heritage Preservation, and US$30,000 contribution in 2024.

d) In recognising the groupwide *#MOgiving* initiative, all colleagues are offered one-paid day volunteering since 2023.

e) Collectively MOHG has clocked over 78,000 volunteer hours. In-kind donations of US$293,000 and cash contributions of US$227,000 were raised, in support of diverse social segments in various communities.

f) Over 500 community initiatives conducted by colleagues in support of local causes chosen by our colleagues. Initiatives include blood donation drives, mental health awareness, environment clean-ups, food and other in-kind donation, and training opportunities for people with disabilities and special needs.

Some highlights:

i) Mandarin Oriental, Bangkok organised the FANtastic Fundraiser, raising THB1.6 million for the Baan Nokkamin Foundation, which supports orphans, street children, and underprivileged youth. Over 300 colleagues participated in a 5km or 10km run around Lumpini Park. Since its inception in 2013, the hotel has raised over US$200,000.

ii) Since 2000, Mandarin Oriental, Miami has hosted the annual 'Be A Voice Gala,' a black-tie event dedicated to making a meaningful impact on the lives of children in foster care. The culinary and banquets teams volunteered their time for this occasion, which features both silent and live auctions.

iii) Nine colleagues from Mandarin Oriental Hyde Park and Mandarin Oriental Mayfair, London, supported the Nicholls Spinal Injury Foundation (NSIF) by running a total of 712km – just under 17 marathons – in 24 hours. Their efforts raised approximately £10,000 for the charity, which funds research and development aimed at finding a cure for paralysis.

iv) Mandarin Oriental, Jakarta, in collaboration with the Emmanuel Foundation, engaged in a mentoring initiative that includes training workshops. These workshops followed a comprehensive syllabus designed to equip high school students with essential skills for careers in hospitality. The programme comprised 16 modules, delivered through a blend of on-site and virtual hybrid sessions.

v) Mandarin Oriental, Doha, supported the Qatar Animal Welfare Society (QAWS), an organisation founded in 2004 that focuses on helping stray and abandoned animals. Colleagues contributed by walking dogs, socialising and caring for cats, and participating in various activities to promote animal welfare and enhance the animals' socialisation.

TCFD

This section provides Mandarin Oriental's climate-related disclosures in alignment with the Task Force on Climate-Related Financial Disclosures (TCFD) framework. Our disclosure aligns with TCFD's 11 recommended disclosures under its All Sector Guidance, with further advancements planned in scenario analysis.

TCFD recommendation	Recommended disclosures	Location
Governance Disclose the organisation's governance around climate-related risks and opportunities.	a. Describe the Board's oversight of climate-related risks and opportunities.	Annual Report, page 24
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	Annual Report, pages 24-25
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term.	Annual Report, pages 26-28
	b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Annual Report, pages 29-30
	c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Annual Report, page 30
Risk Management Disclose how the organisation identifies, assesses, and manages climate-related risks.	a. Describe the organisation's processes for identifying and assessing climate-related risks.	Annual Report, page 31
	b. Describe the organisation's processes for managing climate-related risks.	Annual Report, page 31
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risks management.	Annual Report, page 31
Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Annual Report, page 32
	b. Disclose Scope 1, Scope 2, and if appropriate, Scope 3 Greenhouse Gas (GHG) emissions and the related risks.	Annual Report, page 32
	c. Disclose the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Annual Report, page 32

Governance

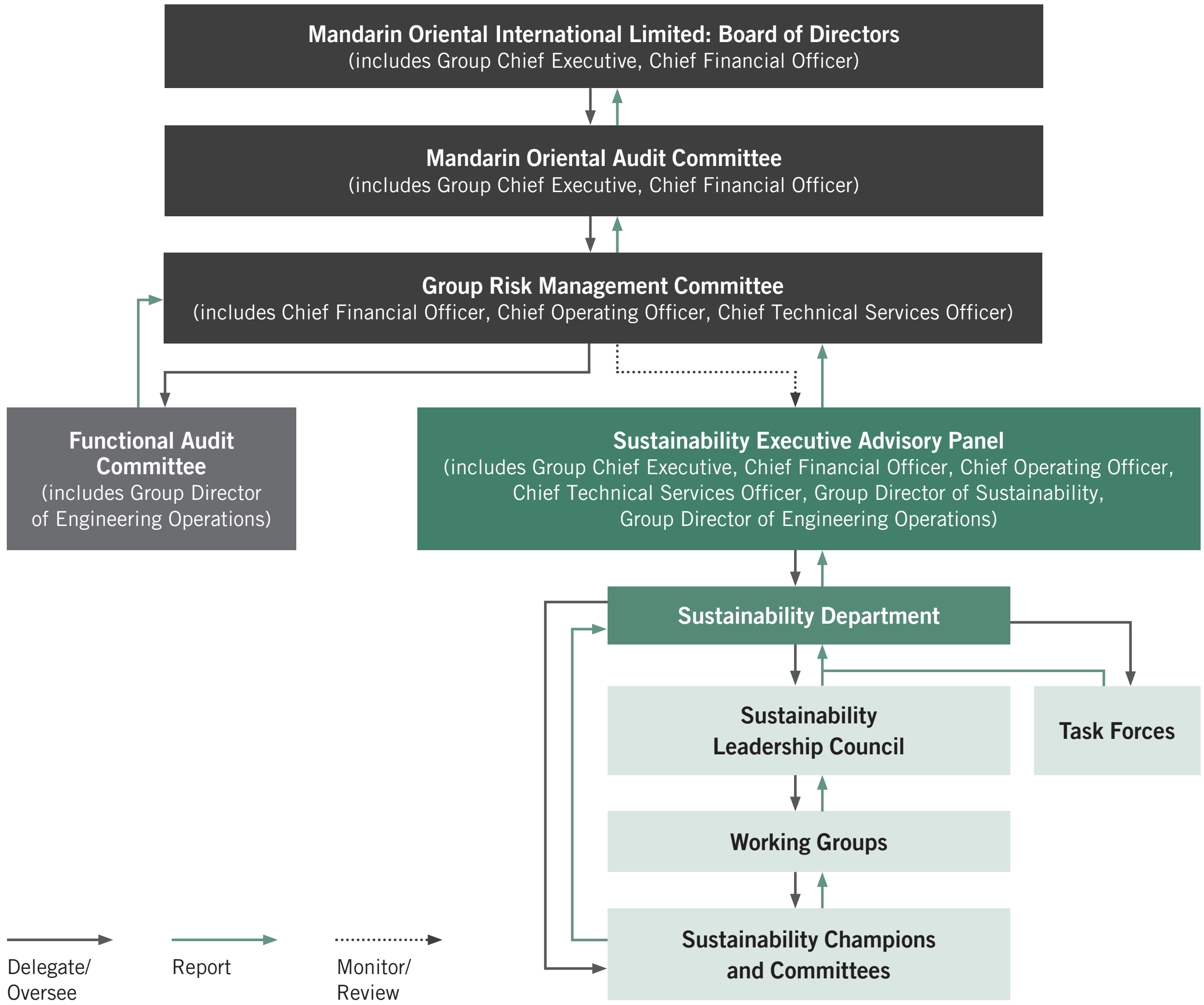
Board's oversight of climate-related risks and opportunities

- The Board of Directors oversees and provides guidance on the Company's sustainability and climate-related risks and opportunities.
- Information on sustainability and climate-related risks and opportunities are reviewed by the Mandarin Oriental Audit Committee before they are reported to the Board.
- The Group Risk Management Committee (GRMC) meets quarterly and advises Mandarin Oriental management on key climate-related risks and opportunities for their awareness and action.
- The Functional Audit Committee meets biannually and monitors and manages climate-related risks and opportunities across the Company.
- The Sustainability Executive Advisory Panel (EAP) meets quarterly to review the Company's plans, initiatives and performance against targets relating to sustainability and climate-related matters.
- The EAP provides regular updates on sustainability strategy and performance to the GRMC. The GRMC advises the EAP on action to be taken for key climate-related risks and opportunities.
- Senior management representatives who sit on the Board, Mandarin Oriental Audit Committee, GRMC and Audit Committee participate in EAP meetings and facilitate the integration of key climate-related risks and opportunities into the Company's sustainability strategy considerations.

Management's role in assessing and managing climate-related risks and opportunities

- The EAP considers climate-related issues, risks and opportunities and integrates them into the Company's sustainability approach. It also provides both resources and mechanisms for accountability.
- Greenview, a leading provider of sustainability programmes and data management for the hospitality and tourism sector, sits on the EAP as technical advisor.
- The execution of the Company-wide sustainability strategy, including climate strategy, is coordinated by the Sustainability Department, which is led by the Group Director of Sustainability and Director of Sustainability, Global Development. The Sustainability Department monitors hotels' sustainability progress and verifies their compliance toward commitments.
- The Chief Financial Officer oversees the finance and procurement functions which play an important role in the governance of climate risks and opportunities. Finance oversees the allocation of resources for climate-related projects, and assesses potential financial risks associated with climate change. Procurement establishes policy and processes that embed our environmental and social commitments throughout the supply chain.
- Sustainability matters cut across functional departments and the Company has put in place a governance structure that facilitates extensive and effective collaboration.

- Each property has a designated Sustainability Champion, supported by a Sustainability Committee. They leverage Company-wide resources and tools to implement location-specific sustainability initiatives.
- An annual budget is reviewed and allocated for executing the Company's sustainability strategy.
- The EAP regularly assesses hotels' performance against Company-wide sustainability targets which are disclosed in our annual Sustainability Report. They include targets that relate to energy and carbon reductions, renewable energy use and waste reduction.
- Sustainability performance is considered in the performance bonuses of top management personnel, including all hotel General Managers.



Strategy

Climate-related risks and opportunities identified over the short, medium and long-term

Mandarin Oriental invests in its exceptional people and facilities to deliver luxury hospitality while driving long-term value for stakeholders. The Group recognises the interconnectedness of its success with environmental and social factors, and integrates climate-related risks and opportunities into its strategy to ensure resilience, exceptional guest experiences, and lasting value for employees and other partners.

Mandarin Oriental has identified key sustainability issues most relevant to our business and stakeholders through a materiality assessment, considering economic, social, and environmental impacts, as well as stakeholder concerns.

In 2022, a sustainability risk assessment was conducted by our third-party consultant, Greenview, for the portfolio. It examined risks associated with climate, water, socioeconomic factors, biodiversity and ESG-related regulations for every location we operate in. Both acute (floods, droughts and cyclones) and chronic (change in long-term precipitation, temperature and sea level rise) physical climate risks, as well as transition climate risks were assessed.

We have evaluated climate-related risks and opportunities across all geographical locations where the company operates. This process enables us to identify key risks and opportunities that could have a significant impact on our portfolio. Climate risks have been added as a category to the Group's integrated enterprise risk register.

The following time horizons specific to climate change are used:

Climate Risk Time Horizon	Reason
Short-term (2025-2027)	Near-term climate risks are integrated into our short-term business decisions within the next three years.
Medium-term (2028-2030)	Our medium-term timeframe aligns with the Paris Agreement's target year for climate mitigation and our 2030 climate-related goals.
Long-term (Beyond 2030)	Beyond 2030, there is greater uncertainty of climate change impacts and regulatory responses. This period is defined as our long-term horizon.

The table provides an overview of key climate risks and opportunities and the corresponding timeframe(s) where they are most material. Physical climate risks have been assessed under the RCP 4.5 scenario, which correlates with temperature increase between 2°C to 3°C.

Transition Risks	Impact	Actions
• Increased pricing of energy (originating from fossil fuels) • Increasing costs directly or indirectly from carbon pricing policies (e.g. tax) • Increased requirements associated with green building policies • Tightening regulations on climate-related disclosures and emissions reporting (e.g. ISSB[1]-aligned climate reporting) *Short and medium-term*	• Increased operational costs due to energy prices, raw material prices and higher compliance costs • Increased energy efficiency and other green building-related requirements • Increased reporting and disclosure requirements	• Environmental, social and governance regulations that are relevant to locations where we operate are tracked via Greenview's Global Policy Tracker. • We are monitoring developments in climate-related disclosure reporting standards (e.g. exploring ISSB recommendations) for potential incorporation into our disclosures. • Energy and emissions targets for 2030 are set for each property, covering planned energy efficiency and renewable energy projects. Progress is reviewed annually. • Properties undergo regular energy audits (generally every three years) to identify and inform owners of necessary improvement projects for implementation. • New hotel developments will prioritise low-carbon initiatives (e.g. reducing gas usage) with consideration for inclusion of energy and emission targets in owner's agreements.

Physical Risks	Impact	Actions
Acute From increased severity of extreme weather events such as cyclones and floods • **Cyclone risk:** High for 15% of the portfolio • **Drought risk:** High or extremely high for a fifth of the portfolio *Short-term*	• Increased capital costs from damaged properties • Reduced revenue from property closures and reduced travel demand • Increased insurance premiums • Reduced revenue and higher costs from negative impacts on workforce (e.g. health, safety, absenteeism)	• Emergency Response Plans and Business Continuity Plans are tested and audited periodically for the safety of staff and guests. • Insurance coverage includes climate risks. • Sustainability risk assessment results are used to inform mitigation and adaptation action plans. • Every year, all properties implement at least one environmental efficiency project that demonstrates measurable improvements in energy, water or waste. • Properties located in water stressed regions prioritise implementation of water reduction initiatives. • We have a preference to work with suppliers that prioritise sustainability per our Supplier Code of Conduct.
Chronic Changes in precipitation patterns, extreme variability in weather pattern, and sea level rise • **Precipitation and temperature changes:** High/very high long-term impact on a third of the portfolio • **Sea level rise:** High vulnerability for a tenth of the portfolio *Medium and long-term*	• Increased insurance premiums • Reduced availability of insurance in locations with high physical climate risks • Increased operational costs due to increased heating and cooling needs, as well as increased water prices in locations with high water scarcity • Increased capital costs due to damage to facilities • Reduced revenue from reduced travel demand • Increased cost of supplies and disruptions to availability	

1 The International Sustainability Standards Board (ISSB) is tasked to develop standards for a global baseline of sustainability disclosures focused on the needs of investors and the financial markets.

Opportunities	Impact	Actions
Use of renewable energy and adoption of efficiency measures *Short and medium-term*	• Reduced exposure to future fossil fuel price increases • Reduced exposure and sensitivity to changes in pricing of GHG emissions • Reduced operational costs from increased efficiency of energy and water use • Increased operational resilience under changing climate conditions	• We are on track to meet our target of at least 15% renewable energy use by 2030. • We are exploring the feasibility of a renewable energy sourcing strategy that assesses opportunities for on-site installations and market procurement options, with consideration to property type and location. • Our hotels promote green transportation modes, including the use of EV in transport fleets and the provision of EV charging stations.
Shift in consumer preferences toward sustainable options (e.g. certified sustainable hotel, vegan/vegetarian menu offerings) *Short-term*	• Increased revenue through leadership position in sustainable luxury hospitality	• We uphold our sustainability programme to the internally-recognised gold standard for sustainable tourism – GSTC Criteria. The Company is GSTC-committed and has 23 certified hotels as of 2024. By 2025, we aim to be 100% GSTC certified. • Staff and guests are engaged for feedback to improve our sustainability programme and sustainable offerings.
Move towards highly efficient and climate resilient buildings *Medium and long-term*	• Reduced operating costs through efficiency gains • Reduced costs from implementation of mitigation measures against extreme weather events • Increased market value of properties that are highly rated as energy efficient and/or climate resilient	• We are piloting energy modelling in the building design phase to better gauge energy use and identify energy efficiency opportunities. • Our Responsible Hotel Development Guideline provides directions for addressing sustainability in design and construction. We have updated an enhanced version for reference in 2025. • New developments will consider low-carbon design (e.g. natural ventilation), enhanced heating, ventilation, and air-conditioning (HVAC) efficiency (e.g. heat pumps), and electrification, where feasible. • Some of our properties have pursued both internationally recognised sustainable building certifications and certifications aligned with local regulatory standards.

Impact on businesses, strategy and financial planning

Impact on business and strategy

Our climate strategy is deeply integrated into all aspects of our business and includes the following key components:

1. GHG emissions quantification
   We have tracked Scope 1 and 2 emissions since 2012. In 2024, we began quantifying Scope 3 emissions to identify further opportunities for de-intensification.

   We have also updated our Scope 1 and 2 models with the latest data, including portfolio growth trajectory.

2. Climate-related targets
   Our 2030 Group targets for energy, carbon, water and waste de-intensification are consolidated from property-level environmental targets which are developed through assessing property-specific data and what is practically achievable based on the property's specific circumstances (e.g. building and equipment) and planned efficiency improvement projects and renewable energy procurement.

3. Climate risk and opportunity assessment
   We assess climate-related risks and opportunities through sustainability risk assessments conducted by Greenview and annual reviews aligned with TCFD guidelines. These assessments inform our risk management strategies, as detailed in the 'Risk management' section.

4. Climate-resilient and low-carbon developments
   Our Responsible Hotel Development Guideline integrates climate resilience and low-carbon principles into building design and development. We are piloting energy modelling during the design phase to optimise energy efficiency and will explore opportunities with hotel owners to enhance energy and emissions performance by incorporating associated targets into owner agreements.

5. Renewable energy sourcing
   We are on track to achieve at least 15% renewable energy use by 2030 and aim to exceed this target. We actively assess renewable energy availability and grid decarbonisation rates across regions, leveraging incentives, subsidies, and favourable policies where applicable. Additionally, we leverage onsite renewable energy generation, considering property type and geographical location to optimise suitability and efficiency.

Our Journey

2022	• Conducted first portfolio-wide sustainability risk assessment • Eliminated 99% of single-use plastic from hotels • Prepared our first TCFD report
2023	• First exercise to model Scope 1 and 2 decarbonisation pathway
2024	• Second exercise to update and enhance Scope 1 and 2 model • Commenced Scope 3 emissions workstream, including initial inventory quantification

6. Energy audits and efficiency projects
   Properties undergo regular energy audits every three years to identify opportunities for energy efficiency projects and sustainable operational practices. These audits are conducted in line with guidance from the American Society of Heating, Refrigerating and Air-conditioning Engineers (ASHRAE) Procedures for Commercial Energy Audits. Capital expenditure is budgeted for energy efficiency projects, such as the implementation of smart building technologies for better energy management, more efficient HVAC equipment (e.g. chillers, boilers) and building electrification.

7. Responsible procurement
   Through the Scope 3 quantification exercise conducted in 2024, we identified that the majority of our Scope 3 emissions stem from goods and services procured, particularly food and beverages. Our responsible procurement policy prioritises partnerships with sustainable suppliers offering goods and services that are local, durable, renewable, low-carbon, and free of single-use plastics.

Impact on financial planning
Capital Expenditure: For major renovations and retrofits, we allocate capital expenditure to energy efficiency upgrades and installations identified through energy audits as key contributors to significant energy savings. These include the implementation of smart building technologies for enhanced energy management, the upgrade of HVAC systems (e.g. chillers, boilers), and building electrification.

Operating Cost: To advance our 2030 Environmental Targets, we allocate a budget for each hotel to undertake at least one efficiency initiative annually. Through these initiatives, we seek to achieve measurable improvements in the priority areas identified for each hotel, which are informed by sustainability risk assessment results. Enhancing operational efficiencies will reduce associated operating expenses and reduced exposure and sensitivity to changes in carbon tax rates.

Indirect Cost: We invest in preventive maintenance programmes to minimise exposure to climate-related physical risks, particularly in regions where the likelihood of more frequent and severe extreme weather events is higher.

Revenues: We endeavour to maintain a strong competitive position by continually enhancing our sustainability performance and sustainable offerings to cater to consumer appetite for sustainable products and services. We continue to refine our sustainable offerings through market research and active engagement of guests for feedback.

Acquisitions/Divestments and Access to Capital: The Company considers climate-related risks in acquisition and divestment decisions, as well as sustainable financing opportunities (e.g. sustainability-linked loans) to leverage on in the implementation of our sustainability strategy.

Resilience of strategy, taking into account different scenarios, including a 2 degree celsius or lower scenario
Our sustainability risk assessment was conducted in accordance with the RCP 4.5 scenario. This scenario correlates with the intermediate pathway where temperature increase ranges from 2°C to 3°C. In our latest Scope 1 and 2 decarbonisation pathway modelling exercise, we took into consideration sector-specific guidance via Net Zero Methodology for Hotels. We will continue to update our decarbonisation pathway annually, reflecting the latest progress and market projections.

Risk management

Process for identifying and assessing climate-related risks

Mandarin Oriental undertakes sustainability risk assessments to identify property-level physical and transition climate risks. Hotels perform overall risk assessment at the property-level annually. As part of this assessment, the physical climate risk of Mandarin Oriental's key assets is evaluated based on the likelihood, financial and reputational impact, and the speed at which the risk materialises, to then determine the inherent risk exposure in a scale. Transition risks are also monitored by keeping abreast of key sustainability related policy changes. Environmental, social and governance regulations for the locations that we operate in are identified via Greenview's Global Policy Tracker. Mitigation measures have been in place to reduce the risk exposure for further monitoring at the residual level.

We will continue to refine our process to improve identification and assessment of climate-related risks.

Processes for managing climate-related risks

Climate-related risks are managed under Mandarin Oriental's Risk Management Framework, which is based on ISO 31000 and COSO principles. The framework includes four main steps: risk identification, risk assessment, risk treatment, and risk reporting and monitoring. This process is informed by the portfolio-wide sustainability risk assessment conducted by our third-party consultant and a comprehensive risk assessment by our insurers.

Risks are accepted if they fall within the Company's risk tolerance level, but if they surpass this threshold, they are mitigated or eliminated. Climate-related risks may be accepted if mitigated to an appropriate level. Strategies for mitigating these risks include comprehensive insurance coverage for natural disasters, increased adoption of clean renewable energy, and the implementation of energy and water efficiency projects, as detailed in the 'Impact on business and strategy' section.

Integration into overall risk management

Mandarin Oriental Audit Committee mandates that the Company conducts its business in accordance with the Group Risk Management Policy. To oversee adherence and reinforce enforcement of this policy, we have established a GRMC vested with the authority to ensure the Company's risk management objectives are achieved. The GRMC comprises key members from various executive functions, including Finance, Operations, IT, Legal, and Engineering, and convenes at least biannually.

The Functional Audit Committee evaluates the Company's primary climate risks, uncertainties, and potential alterations to the risk profile. It assesses the functionality and efficacy of the Company's internal control systems (financial, operational, and compliance), along with the procedures employed for monitoring and mitigating these risks. Regular identification and analysis of climate risks, as well as the review of climate risk management processes, are conducted through the Functional Audit Committee, with inputs from sustainability and climate risk assessments conducted by our third-party consultant and insurers.

Metrics and targets

Metrics used

Mandarin Oriental uses the metrics below in relation to climate-related risks and opportunities.

Energy

Metrics used	2024 Performance
Total Energy Consumption (GJ)	1,971,804
Total Energy Consumption per square metre (MJ/m^2)	1,427
Percentage of Renewable Energy Use[2]	8%

Water

Metrics used	2024 Performance
Total Water Consumption (m^3)	5,350,959
Total Water Consumption per square metre ($Litres/m^2$)	3,873

Waste

Metrics used	2024 Performance
Non-diverted Waste per square metre (kg/m^2)	8.50
Waste Diversion Rate	37%

GHG emissions

Mandarin Oriental's GHG reporting scope covers all 36* hotels that were fully operational in 2024.

Greenhouse Gas Emissions†	2024 Performance
Total GHG Emissions (metric tons CO_2e)	202,162
Scope 1 Emissions (metric tons CO_2e)	26,016
Scope 2 Emissions (metric tons CO_2e)	176,145
GHG Emissions per square metre (kg CO_2e)	146

* Properties excluded: Mandarin Oriental, Canouan (closed for six months), The Landmark Mandarin Oriental, Hong Kong (closed for four months), and Mandarin Oriental Mayfair, London, Mandarin Oriental, Muscat, and Mandarin Oriental Qianmen, Beijing (opened within 2024).

† GHG emissions are based on market-based calculations.

Targets used and performance against targets

To assess and manage relevant climate-related risks and opportunities, Mandarin Oriental set the following 2030 Environmental Targets:

2030 Targets	2024 Achievement
50% GHG intensity reduction[3]	32% reduction
15% renewable energy use	8%

[2] Either produced onsite or procured

[3] Baseline year 2012

Financial Review

Results

Overall

In 2024, combined total revenue from all hotels under management reached US$2,128 million, reflecting a 13% increase from the previous year driven by robust RevPAR and occupancy improvements across all regions.

The Group's consolidated revenue, consisting of revenues from subsidiary hotels, and management and residences branding fees from the Management Business, was US$526 million, 6% lower than 2023 due to the disposal of the Paris and Jakarta hotel and retail properties.

The Group uses underlying[1] earnings before interest, tax, depreciation, and amortisation (EBITDA) to analyse operating performance. In 2024, the Group achieved underlying EBITDA of US$172 million, 3% lower than 2023, primarily due to disposals and lower one-off branding fees from the sale of branded residences. Underlying EBITDA by business activity is shown below:

	2024 US$m	2023 US$m
Management Business	47	53
Owned Hotels		
– Subsidiary hotels	86	102
– Share of results of associate and joint venture hotels	43	24
	129	126
Property Development	(4)	(1)
Underlying EBITDA	172	178

Management Business

	2024 US$m	2023 US$m
Revenue	95	94
Underlying EBITDA from Management Business	47	53
Less: depreciation and amortisation	(8)	(9)
Underlying operating profit	39	44
Net financing income	5	3
Tax	(10)	(6)
Underlying profit attributable to shareholders	34	41

Revenue in the Management Business consists of hotel and residences management fees, and residences branding fees. The Group's strategic priority is to accelerate the growth of the Management Business by opening more hotels in key cities and destinations whilst replenishing the development pipeline.

In 2024, total hotel management fees were US$89 million, a 15% increase over 2023. This growth was driven by strong performances in Asia and Europe, the Middle East and Africa (EMEA), while hotels in America had consistent year on year performance. The growth in Asia was driven by Tokyo, and Singapore after its reopening following renovation in 2023. In EMEA, Zurich, Madrid, Barcelona, and Doha delivered robust performances.

While recurring hotel management fee income continued to improve as the Management Business scales, the reduction in underlying EBITDA was mainly due to a US$10 million decrease in one-off residences branding fees, which are generated from the sale of individual residences or the achievement of specific development milestones. As a result, the Management Business reported an underlying profit of US$34 million, compared to US$41 million in 2023.

[1] The Group uses 'underlying profit' in its internal financial reporting to distinguish between ongoing business performance and non-trading items, as more fully described in note 34 to the financial statements. Management considers this to be a key measure which provides additional information to enhance understanding of the Group's underlying business performance.

Owned Hotels

Following the sale of the Paris hotel in April 2024, the Group has an equity interest in 12 hotel properties. The sale of the Paris hotel resulted in a US$44 million decrease in Owned Hotel Revenue.

Subsidiary hotels

The Group's results from its subsidiary hotels were as follows:

	2024 US$m	2023 US$m
Revenue	**454**	487
Underlying EBITDA from subsidiary hotels	**86**	102
Less: depreciation and amortisation	**(35)**	(43)
Underlying operating profit	**51**	59
Net financing charges	**(10)**	(9)
Tax	**(10)**	(5)
Underlying profit attributable to shareholders	**31**	45

In 2024, subsidiary hotels delivered revenue of US$454 million and EBITDA of US$86 million, slightly lower than the revenue of US$487 million and the EBITDA of US$102 million in 2023, due to the sale of Paris property in the first half of 2024.

Depreciation and amortisation for subsidiary hotels, which is a non-cash item, was lower in 2024. Net financing charges increased slightly relative to last year. Tax for the year was US$10 million, compared to US$5 million in 2023 which included a non-recurring tax credit of US$5 million.

Overall, subsidiary hotels reported an underlying profit of US$31 million, compared to an underlying profit of US$45 million in 2023.

Associate and joint venture hotels

The Group's share of results from associate and joint venture hotels was as follows:

	2024 US$m	2023 US$m
Underlying EBITDA from associate and joint venture hotels	**43**	24
Less: depreciation and amortisation	**(16)**	(15)
Underlying operating profit	**27**	9
Net financing charges	**(9)**	(9)
Tax	**(4)**	–
Underlying profit attributable to shareholders	**14**	–

The Group reported an underlying profit of US$14 million from its associate and joint venture hotels in 2024, marking a notable improvement from the previous year's performance. This improvement was largely driven by strong revenue and profit growth in Singapore post-renovation, while Madrid achieved record EBITDA in 2024.

Underlying earnings attributable to shareholders

The underlying profit attributable to shareholders is as follows:

	2024 US$m	2023 US$m
Management Business	**34**	41
Owned Hotels		
– Subsidiary hotels	**31**	45
– Share of results of associate and joint venture hotels	**14**	–
	45	45
Property Development	**(4)**	(5)
Total underlying profit attributable to shareholders	**75**	81

In 2024, the Group reported an underlying profit of US$75 million, down from US$81 million in 2023. The decline was due to reduced contributions from Paris following the property disposal, a reduction in one-off residences branding fees in the Management Business, as well as a non-recurring tax credit received in 2023.

Non-trading items

	2024 US$m	2023 US$m
Changes in fair value of investment properties	**(171)**	(487)
Net gain on sale of subsidiaries and asset disposals	**20**	41
Other	**(2)**	–
Total	**(153)**	(446)

In 2024, the Group recorded a net non-trading loss of US$153 million, predominantly due to a US$171 million non-cash reduction in the fair value of *One Causeway Bay*, valued at US$2 billion at the end of 2024. This loss was partially offset by a US$20 million net gain realised from the sale of the Paris properties in 2024.

Cash flow

The Group's consolidated cash flows are summarised as follows:

	2024 US$m	2023 US$m
Operating activities	**78**	141
Investing activities		
Capital expenditure on existing properties	**(14)**	(14)
Acquisition of *Mandarin Oriental Exceptional Homes* business	**(5)**	–
Redevelopment of *One Causeway Bay*	**(163)**	(71)
Net proceeds from asset disposals	**321**	76
Net repayment from associates and joint ventures	**–**	47
Other	**(11)**	(7)
	128	31
Financing activities		
Net repayment of borrowings	**(108)**	(190)
Dividends	**(63)**	(19)
Other	**(7)**	(6)
	(178)	(215)
Net increase/(decrease) in cash	**28**	(43)
Cash and cash equivalents at 1 January	**190**	226
Effect of exchange rate changes	**(3)**	7
Cash and cash equivalents at 31 December	**215**	190
Gross debt at 31 December	**(309)**	(415)
Closing net debt at 31 December	**(94)**	(225)

The Group's cash inflow from operating activities was US$78 million in 2024, lower than the US$141 million in 2023, predominantly due to reduced earnings due to lower branding fees and the disposals in Paris, as well as a one-off tax credit received in 2023.

In investing activities, the Group generated a net cash inflow of US$128 million, mostly driven by net proceeds from the sale of the Paris properties of US$321 million. This was partially offset by the continued investment in *One Causeway Bay* in Hong Kong of US$163 million, investment in the Group's existing hotel properties of US$14 million, as well as the purchase of *Mandarin Oriental Exceptional Homes* business of US$5 million. The Group is committed to investing another US$179 million in *One Causeway Bay* which is expected to be completed half way through 2025.

Dividends

A final dividend of US¢3.50 per share has been proposed to the Board. This, together with the interim dividend of US¢1.50 per share declared, will result in total dividends of US¢5.00 per share.

Treasury activities

The Group manages its exposure to financial risk using a variety of techniques and instruments. The main objective is to manage foreign exchange and interest rate risks and to provide a degree of certainty in respect of costs. At the end of 2024, the Group had fixed or capped interest rates on 40% of its gross borrowings. In respect of specific hotel financing, borrowings are normally taken in local currency to hedge partially the investment and the projected income. At 31 December 2024, the Group's net assets were denominated in the following currencies:

	Shareholders' funds/ net assets		Adjusted shareholders' funds/ net assets*	
	US$m	%	US$m	%
Hong Kong dollar	2,039	72	2,943	67
United Kingdom Sterling	207	7	415	9
United States dollar	259	9	313	7
Singapore dollar	65	2	274	6
Euro	153	6	267	6
Thai baht	23	1	112	3
Swiss franc	59	2	59	1
Other	36	1	44	1
Total	**2,841**	**100**	**4,427**	**100**

*See supplementary information section below.

The Group, excluding associates and joint ventures, had committed borrowing facilities totalling US$733 million, of which US$309 million was drawn at 31 December 2024. The principal amounts due for repayment are as follows:

	Facilities committed US$m	Facilities drawn US$m	Unused facilities US$m
Within one year	322	104	218
Between one and two years	–	–	–
Between two and three years	155	155	–
Between three and four years	–	–	–
Between four and five years	256	50	206
Beyond five years	–	–	–
Total	**733**	**309**	**424**

In February 2025, the Group has refinanced bank facilities of US$359 million for three to five years to replace the US$322 million facilities due within 2025.

At 31 December 2024, consolidated net debt was US$94 million, and gearing was 3%, lower than consolidated net debt of US$225 million and gearing of 8% at 31 December 2023. Reduced net debt was primarily driven by net proceeds received from the sale of the Paris properties (US$321 million), partially offset by investment in *One Causeway Bay*, as well as ongoing hotel capital expenditure. Gearing was 2% of adjusted shareholders' funds[2] at 31 December 2024, lower than the prior year of 5%.

The Group's liquidity position remains robust with US$424 million of committed, undrawn facilities in addition to its cash balances of US$215 million. The average tenor of the Group's borrowings was 2.2 years compared to 0.9 years in 2023.

[2] Adjusted shareholders' funds take into account the fair market value of the Group's freehold and leasehold interests (which are accounted for at amortised cost).

Interest cover

EBITDA is used as an indicator of the Group's ability to service debt and finance its future capital expenditure, although there are no cash-based covenants in the Group's debt facilities. Interest cover[3] in 2024 was 7.2 times, marginally higher than the 7.1 times interest cover in 2023.

Supplementary information

Although the Group's accounting policy in respect of its freehold land and buildings and the building component of owner-occupied leasehold properties is based on the amortised cost model, the Directors continue to review on an annual basis the fair market values in conjunction with independent appraisers. The fair market value of both freehold and leasehold land and buildings is used by the Group to calculate adjusted net assets, which the Directors believe gives important supplementary information regarding net asset value per share and gearing as shown in the table below.

The decrease in 2024 adjusted shareholders' funds was primarily due to the total loss attributable to shareholders of US$78 million, mainly due to the non-cash revaluation of *One Causeway Bay*, partially compensated by the net gain on sale of the Paris properties.

	2024		2023	
	US$m	**Per share US$**	US$m	Per share US$
Shareholders' funds/ net assets	**2,841**	**2.25**	2,960	2.34
Add: surplus for fair market value of freehold and leasehold land and buildings	**1,586**	**1.25**	1,677	1.33
Adjusted shareholders' funds/net assets	**4,427**	**3.50**	4,637	3.67

Principal risks and uncertainties

A review of the principal risks and uncertainties facing the Group is set out on pages 138 to 144.

Accounting policies

The Directors continue to review the developments in International Financial Reporting Standards and their impact on the Group's accounting policies. The accounting policies adopted are consistent with those of the previous year.

Matthew Bishop
Chief Financial Officer
5 March 2025

[3] Interest cover is calculated as underlying EBITDA (including the Group's share of underlying EBITDA from associates and joint ventures) before the deduction of amortisation/depreciation of right-of-use assets and net of actual lease payments, divided by net financing charges (including the Group's share of net financing charges from associates and joint ventures) before the deduction of capitalised interest and excluding interest on lease liabilities.

Directors’ Profiles

Ben Keswick* *Chairman*
Ben Keswick joined the Board from April 2012 until June 2020. He has been Chairman since 2013. He was also managing director of Jardine Matheson from 2012 to 2020, and chairman of DFI Retail Group from May 2013 until July 2024, and Hongkong Land Holdings Limited from April 2021 until October 2024, and Jardine Cycle & Carriage from April 2012 to August 2024. He has held a number of executive positions since joining the Jardine Matheson group in 1998, including finance director and then chief executive officer of Jardine Pacific between 2003 and 2007, and group managing director of Jardine Cycle & Carriage until March 2012. He is executive chairman of Jardine Matheson. He is also a commissioner of Astra. He has an MBA from INSEAD.

Laurent Kleitman* *Group Chief Executive*
Laurent Kleitman joined the Board as Group Chief Executive in September 2023. His career is centred on building and leading iconic brands, including in high-end luxury segment, as well as growth strategies focused on customer-centric innovation and experience. He was previously President and Chief Executive of Parfums Christian Dior, the largest luxury fashion beauty business of LVMH, before which he was President of the Consumer Beauty division of Coty in New York and held global and regional leadership roles at Unilever in UK, Europe and Asia.

Matthew Bishop* *Chief Financial Officer*
Matthew Bishop joined the Board as Chief Financial Officer in 2021. A Chartered Accountant, he joined the Jardine Matheson group in 2009 and held a number of senior finance positions across the group, including most recently group treasurer of Jardine Matheson since January 2019. He was previously a diplomat with the Foreign & Commonwealth Office in Beijing and London.

Jinqing Cai
Jinqing Cai joined the Board in 2021. She is a member of the Audit Committee of the Company. She is the president, Greater China at Kering, vice chairman of Teach for China and an independent non-executive director of Xiaomi Corporation. Jinqing was former president and chairman of Christie’s China.

Adam Keswick
Adam Keswick joined the Board in 2012. Having joined Jardine Matheson in 2001, he was appointed to the Jardine Matheson board in 2007 and was deputy managing director from 2012 to 2016. He was a director of DFI Retail Group. Adam is a director of Hongkong Land. He is also a director of Ferrari NV and Yabuli China Entrepreneurs Forum and vice chairman of the supervisory board of Rothschild & Co.

* Executive Director

Archie Keswick
Archie Keswick joined the Board in 2019. Having joined the Jardine Matheson group in 2007, he held a number of senior executive positions within the group, including most recently CEO, Pizza Hut Vietnam and the general manager of The Landmark Mandarin Oriental, Hong Kong.

Richard Solomons
Richard Solomons joined the Board in 2021. He is the Chairman of the Audit Committee of the Company. He is the non-executive chairman of Rentokil Initial plc and the chair of its nomination committee. He is also the chairman of HBX Group International plc and a member of its nomination committee. Richard was previously the chief executive officer of InterContinental Hotels Group plc and a non-executive director of Aston Martin Lagonda Global Holdings plc and Marks and Spencer Group plc.

Cristina Diezhandino
Cristina Diezhandino joined the Board in August 2024. She is also the chief marketing officer and a member of the executive committee of Diageo plc. Prior to joining Diageo, Cristina held marketing leadership roles at Allied Domecq and at Unilever in the United States, UK, and Spain.

Fabrice Megarbane
Fabrice Megarbane joined the Board in August 2024. He is also the chief global growth officer of L'Oréal and a member of its global executive committee. Fabrice started his marketing career at L'Oréal S.A. in 2000. He has held a variety of senior executive positions, including president and chief executive officer of L'Oréal, North Asia, and chief executive officer of L'Oréal, China.

Scott Woroch
Scott Woroch joined the Board in November 2024. He has 30 years in the luxury hospitality sector in Asia, Europe and North America. He is the co-founder and managing director of Kadenwood Partners. Prior to co-founding Kadenwood Partners, he worked at Four Seasons Hotels and Resorts for over 15 years, holding a range of senior development positions in Asia and North America, most recently as executive vice president, worldwide development and also as a member of its management committee.

Consolidated Profit and Loss Account

for the year ended 31 December 2024

	Note	2024 Underlying business performance US$m	2024 Non-trading items US$m	2024 Total US$m	2023 Underlying business performance US$m	2023 Non-trading items US$m	2023 Total US$m
Revenue	2	**525.8**	**–**	**525.8**	558.1	–	558.1
Cost of sales		**(282.2)**	**–**	**(282.2)**	(308.7)	–	(308.7)
Gross profit		**243.6**	**–**	**243.6**	249.4	–	249.4
Selling and distribution costs		**(36.9)**	**–**	**(36.9)**	(35.6)	–	(35.6)
Administration expenses		**(121.4)**	**–**	**(121.4)**	(116.7)	–	(116.7)
Other operating (expense)/income		**–**	**(1.4)**	**(1.4)**	5.2	(0.4)	4.8
Change in fair value of investment properties	12	**–**	**(171.0)**	**(171.0)**	–	(486.7)	(486.7)
Net gain on sale of subsidiaries and asset disposals	8	**–**	**29.6**	**29.6**	–	43.8	43.8
Operating (loss)/profit	3	**85.3**	**(142.8)**	**(57.5)**	102.3	(443.3)	(341.0)
Financing charges		**(10.1)**	**(0.4)**	**(10.5)**	(17.6)	–	(17.6)
Interest income		**5.5**	**1.1**	**6.6**	7.7	–	7.7
Net financing charges	4	**(4.6)**	**0.7**	**(3.9)**	(9.9)	–	(9.9)
Share of results of associates and joint ventures	5	**14.2**	**(0.9)**	**13.3**	(0.3)	(0.6)	(0.9)
(Loss)/profit before tax		**94.9**	**(143.0)**	**(48.1)**	92.1	(443.9)	(351.8)
Tax	6	**(20.0)**	**(10.3)**	**(30.3)**	(11.0)	(2.5)	(13.5)
(Loss)/profit after tax		**74.9**	**(153.3)**	**(78.4)**	81.1	(446.4)	(365.3)
Attributable to:							
Shareholders of the Company	7&8	**74.7**	**(153.3)**	**(78.6)**	81.0	(446.4)	(365.4)
Non-controlling interests		**0.2**	**–**	**0.2**	0.1	–	0.1
		74.9	**(153.3)**	**(78.4)**	81.1	(446.4)	(365.3)
		US¢		**US¢**	US¢		US¢
(Loss)/earnings per share	7						
– basic and diluted		**5.91**		**(6.22)**	6.41		(28.91)

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2024

	Note	2024 US$m	2023 US$m
Loss for the year		**(78.4)**	(365.3)
Other comprehensive expense			
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit plans	16	**(0.5)**	(2.5)
Tax on items that will not be reclassified	6	**0.1**	0.4
		(0.4)	(2.1)
Items that may be reclassified subsequently to profit or loss:			
Net exchange translation differences			
– net (loss)/gain arising during the year		**(13.1)**	34.0
– transfer to profit and loss		**39.2**	33.5
Cash flow hedges			
– net loss arising during the year		**(3.2)**	(15.1)
Tax relating to items that may be reclassified	6	**0.6**	1.3
Share of other comprehensive (expense)/income of associates and joint ventures		**(0.8)**	0.4
		22.7	54.1
Other comprehensive income for the year, net of tax		**22.3**	52.0
Total comprehensive expense for the year		**(56.1)**	(313.3)
Attributable to:			
Shareholders of the Company		**(56.0)**	(314.2)
Non-controlling interests		**(0.1)**	0.9
		(56.1)	(313.3)

Consolidated Balance Sheet

at 31 December 2024

	Note	2024 US$m	2023 US$m
Net assets			
Intangible assets	9	**57.0**	43.7
Tangible assets	10	**589.1**	618.6
Right-of-use assets	11	**216.4**	229.1
Investment properties	12	**2,085.6**	2,060.3
Associates and joint ventures	13	**143.2**	155.8
Other investments	14	**13.3**	14.0
Deferred tax assets	15	**13.0**	14.0
Pension assets	16	**0.5**	0.6
Non-current debtors	17	**61.4**	10.9
Non-current assets		**3,179.5**	3,147.0
Stocks		**5.2**	5.0
Current debtors	17	**115.5**	80.3
Current tax assets		**1.2**	1.7
Cash and bank balances	18	**215.0**	178.8
		336.9	265.8
Assets classified as held for sale	19	**–**	331.9
Current assets		**336.9**	597.7
Current creditors	20	**(188.5)**	(158.0)
Current borrowings	21	**(103.7)**	(414.9)
Current lease liabilities	22	**(6.1)**	(5.8)
Current tax liabilities		**(23.2)**	(22.1)
		(321.5)	(600.8)
Liabilities directly associated with assets classified as held for sale	19	**–**	(24.1)
Current liabilities		**(321.5)**	(624.9)
Net current assets/(liabilities)		**15.4**	(27.2)
Long-term borrowings	21	**(204.8)**	(0.6)
Non-current lease liabilities	22	**(96.3)**	(110.6)
Deferred tax liabilities	15	**(44.8)**	(42.0)
Pension liabilities	16	**(0.1)**	–
Non-current creditors	20	**(2.7)**	(1.1)
Non-current liabilities		**(348.7)**	(154.3)
		2,846.2	2,965.5
Total equity			
Share capital	24	**63.2**	63.2
Share premium	25	**500.9**	500.9
Revenue and other reserves		**2,277.1**	2,396.3
Shareholders' funds		**2,841.2**	2,960.4
Non-controlling interests		**5.0**	5.1
		2,846.2	2,965.5

Approved by the Board of Directors

Laurent Kleitman
Matthew Bishop
Directors
5 March 2025

Consolidated Statement of Changes in Equity

for the year ended 31 December 2024

	Share capital US$m	Share premium US$m	Capital reserves US$m	Revenue reserves US$m	Asset revaluation reserves US$m	Hedging reserves US$m	Exchange reserves US$m	Attributable to shareholders of the Company US$m	Attributable to non-controlling interests US$m	Total equity US$m
2024										
At 1 January	**63.2**	**500.9**	**258.9**	**(815.9)**	**3,023.2**	**1.7**	**(71.6)**	**2,960.4**	**5.1**	**2,965.5**
Total comprehensive income	**–**	**–**	**–**	**(79.0)**	**–**	**(2.6)**	**25.6**	**(56.0)**	**(0.1)**	**(56.1)**
Dividends paid by the Company	**–**	**–**	**–**	**(63.2)**	**–**	**–**	**–**	**(63.2)**	**–**	**(63.2)**
At 31 December	**63.2**	**500.9**	**258.9**	**(958.1)**	**3,023.2**	**(0.9)**	**(46.0)**	**2,841.2**	**5.0**	**2,846.2**
2023										
At 1 January	63.2	500.7	258.9	(428.8)	3,023.2	15.4	(138.5)	3,294.1	3.5	3,297.6
Total comprehensive income	–	–	–	(367.6)	–	(13.7)	67.1	(314.2)	0.9	(313.3)
Dividends paid by the Company	–	–	–	(19.0)	–	–	–	(19.0)	–	(19.0)
Unclaimed dividend forfeited	–	–	–	0.1	–	–	–	0.1	–	0.1
Subsidiary disposed of	–	–	0.2	(0.6)	–	–	(0.2)	(0.6)	0.7	0.1
Transfer	–	0.2	(0.2)	–	–	–	–	–	–	–
At 31 December	63.2	500.9	258.9	(815.9)	3,023.2	1.7	(71.6)	2,960.4	5.1	2,965.5

Revenue reserves as at 31 December 2024 included cumulative fair value losses on the investment property under development of US$1,378.8 million *(2023: US$1,207.8 million)*.

Consolidated Cash Flow Statement

for the year ended 31 December 2024

	Note	2024 US$m	2023 US$m
Operating activities			
Operating loss	3	**(57.5)**	(341.0)
Depreciation, amortisation and impairment		**42.8**	51.1
Other non-cash items	28a	**143.1**	440.3
Movements in working capital	28b	**(21.0)**	(2.8)
Interest received		**5.3**	8.5
Interest and other financing charges paid		**(12.2)**	(17.6)
Tax paid for underlying business performance		**(14.7)**	(2.0)
Tax paid for sale of subsidiaries and asset disposals		**(8.9)**	(0.6)
Total tax paid		**(23.6)**	(2.6)
		76.9	135.9
Dividends and interest from associates and joint ventures		**1.0**	5.3
Cash flows from operating activities		**77.9**	141.2
Investing activities			
Purchase of tangible assets		**(13.5)**	(13.7)
Additions to investment properties		**(162.7)**	(71.0)
Purchase of intangible assets		**(11.7)**	(6.4)
Purchase of Mandarin Oriental Exceptional Homes business	28c	**(4.7)**	–
Purchase of other investments		**(0.1)**	(0.1)
Advance to associates and joint ventures	28d	**–**	(20.7)
Repayment of loans to associates and joint ventures	28e	**0.1**	67.2
Sale of subsidiaries	28f	**215.7**	75.6
Net proceeds from asset disposals	19	**105.4**	–
Cash flows from investing activities		**128.5**	30.9
Financing activities			
Drawdown of borrowings	21	**422.2**	58.1
Repayment of borrowings	21	**(530.5)**	(247.9)
Principal elements of lease payments	28g	**(6.5)**	(6.2)
Dividends paid by the Company	26	**(63.2)**	(19.0)
Cash flows from financing activities		**(178.0)**	(215.0)
Net increase/(decrease) in cash and cash equivalents		**28.4**	(42.9)
Cash and cash equivalents at 1 January		**190.3**	226.2
Effect of exchange rate changes		**(3.7)**	7.0
Cash and cash equivalents at 31 December	28h	**215.0**	190.3

Notes to the Financial Statements

General information

Mandarin Oriental International Limited (the Company), is incorporated in Bermuda and has a primary listing in the equity shares (transition) category of the London Stock Exchange, with secondary listings in Bermuda and Singapore. The address of the registered office is given on page 3.

The principal activities of the Company and its subsidiaries, and the nature of the Group's operations are set out on pages 8 to 11 and note 33 of the financial statements.

1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards), including International Accounting Standards (IAS) and Interpretations as issued by the International Accounting Standards Board (IASB). The financial statements have been prepared on a going concern basis and under the historical cost convention except as disclosed in the accounting policies.

Details of the Group's material accounting policies are included in note 34.

There are no amendments, which are effective in 2024 and relevant to the Group's operations, that have a significant impact on the Group's results, financial position and accounting policies.

The Group has not early adopted any standard, interpretation or amendments that have been issued but not yet effective *(refer note 35)*.

The principal operating subsidiaries, associates and joint ventures have different functional currencies in line with the economic environments of the locations in which they operate. The functional currency of the Company is United States dollars. The consolidated financial statements are presented in United States dollars.

The Group's reportable segments are set out in note 2.

2 Segmental information and revenue

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Executive Directors of the Company for the purpose of resource allocation and performance assessment. The Group has three *(2023: three)* distinct business activities: Hotel ownership, Hotel & Residences branding and management, and Property development which form the basis of its operating and reportable segments. The Property development segment represents the redevelopment of The Excelsior, Hong Kong as a commercial building following the closure of the hotel on 31 March 2019 (One Causeway Bay). The redevelopment is expected to complete in 2025.

In addition, The Group is operated on a worldwide basis in three *(2023: three)* regions: Asia, Europe, the Middle East and Africa (EMEA), and America. The Group's segmental information for non-current assets is set out in note 23.

Revenue

	2024 US$m	2023 US$m
Analysis by business activity		
Hotel ownership	**453.6**	486.8
Hotel & Residences branding and management	**95.3**	94.5
Less: intra-segment revenue	**(23.1)**	(23.2)
	525.8	558.1
Analysis by geographical area		
Asia	**232.2**	219.9
EMEA	**245.3**	288.6
America	**48.3**	49.6
	525.8	558.1
From contracts with customers		
Recognised at a point in time	**155.3**	163.7
Recognised over time	**356.6**	375.8
	511.9	539.5
From other sources		
Rental income	**13.9**	18.6
	525.8	558.1

Contract balances

Setup costs in order to secure long-term hotel management contracts are capitalised under intangible assets and amortised in profit and loss when the related revenue is recognised. Management reviews the capitalised costs on a regular basis and expects the setup costs to be recoverable.

2 Segmental information and revenue *continued*

Contract balances continued

Contract liabilities primarily relate to the advance consideration received from customers relating to gift cards and advance customer deposits for hotel services.

Contract liabilities are further analysed as follows:

	2024 US$m	2023 US$m
Contract liabilities *(refer note 20)*		
– gift cards	**9.8**	10.1
– advance customer deposits and other	**10.6**	9.8
	20.4	19.9

Revenue recognised in relation to contract liabilities

Revenue recognised in the current year relating to carried-forward contract liabilities:

	2024 US$m	2023 US$m
Gift cards	**6.4**	6.4
Advance customer deposits and other	**8.2**	5.5
	14.6	11.9

Revenue expected to be recognised on unsatisfied contracts with customers

Timing of revenue to be recognised on unsatisfied performance obligations:

	Gift cards **US$m**	Advance customer deposits and other **US$m**	Total **US$m**
2024			
Within one year	**3.8**	**14.1**	**17.9**
Between one and two years	**4.1**	**–**	**4.1**
Between two and three years	**1.2**	**–**	**1.2**
Between three and four years	**0.5**	**–**	**0.5**
Between four and five years	**0.2**	**–**	**0.2**
	9.8	**14.1**	**23.9**
2023			
Within one year	3.9	16.8	20.7
Between one and two years	4.2	–	4.2
Between two and three years	1.3	–	1.3
Between three and four years	0.5	–	0.5
Between four and five years	0.2	–	0.2
	10.1	16.8	26.9

3 EBITDA (earnings before interest, tax, depreciation and amortisation) and operating loss from subsidiaries

	2024 US$m	2023 US$m
Analysis by business activity		
Hotel ownership	**85.7**	101.9
Hotel & Residences branding and management	**45.9**	52.5
Property development	**(3.5)**	(1.0)
Underlying EBITDA from subsidiaries	**128.1**	153.4
Non-trading items *(refer note 8)*		
– change in fair value of investment properties	**(171.0)**	(486.7)
– change in fair value of other investments	**(0.8)**	(0.4)
– (loss)/gain on sale of subsidiaries	**(31.2)**	43.8
– gain on asset disposals	**60.8**	–
– acquisition-related costs for Mandarin Oriental Exceptional Homes business	**(0.6)**	–
	(142.8)	(443.3)
EBITDA from subsidiaries	**(14.7)**	(289.9)
Underlying depreciation and amortisation from subsidiaries	**(42.8)**	(51.1)
Operating loss	**(57.5)**	(341.0)
Analysis by business activity		
Hotel ownership	**115.0**	145.4
Hotel & Residences branding and management	**44.7**	52.4
Property development	**(174.4)**	(487.7)
EBITDA from subsidiaries	**(14.7)**	(289.9)
Hotel ownership	**79.2**	102.4
Hotel & Residences branding and management	**38.0**	44.3
Property development	**(174.7)**	(487.7)
Operating loss	**(57.5)**	(341.0)
Analysis by geographical area		
Asia	**44.3**	41.5
EMEA	**83.8**	108.5
America	**–**	3.4
Underlying EBITDA from subsidiaries	**128.1**	153.4

3 EBITDA (earnings before interest, tax, depreciation and amortisation) and operating loss from subsidiaries *continued*

	2024 US$m	2023 US$m
The following items have been credited/(charged) in arriving at operating loss:		
Rental income *(refer note 10)*	**13.9**	18.6
Amortisation and impairment of intangible assets *(refer note 9)*	**(4.1)**	(5.5)
Depreciation of tangible assets *(refer note 10)*	**(31.9)**	(38.9)
Amortisation/depreciation of right-of-use assets *(refer note 11)*	**(6.8)**	(6.7)
Employee benefit expense		
– salaries and benefits in kind	**(221.0)**	(226.5)
– defined benefit pension plans *(refer note 16)*	**(2.9)**	(2.7)
– defined contribution pension plans	**(3.0)**	(2.2)
	(226.9)	(231.4)
Net foreign exchange (loss)/gain	**(1.4)**	0.1
Expenses relating to low value leases	**(0.3)**	(0.2)
Expenses relating to short-term leases	**(1.0)**	(1.0)
Expenses relating to variable lease payments not included in lease liabilities	**(6.2)**	(5.6)
Auditors' remuneration		
– audit	**(2.2)**	(1.9)
– non-audit services	**(0.1)**	(0.2)
	(2.3)	(2.1)

4 Net financing charges

	2024 US$m	2023 US$m
Interest expense		
– bank loans	**(18.8)**	(22.1)
– interest on lease liabilities	**(1.6)**	(1.7)
	(20.4)	(23.8)
Interest capitalised	**10.7**	6.8
Commitment and other fees	**(0.4)**	(0.6)
Financing charges	**(10.1)**	(17.6)
Interest income	**5.5**	7.7
Net financing charges	**(4.6)**	(9.9)
Non-trading items		
– commitment and other fees	**(0.4)**	–
– interest income on deferred consideration	**1.1**	–
– net financing income on deferred consideration	**0.7**	–
	(3.9)	(9.9)

5 Share of results of associates and joint ventures

	EBITDA US$m	Depreciation and amortisation US$m	Operating profit/ (loss) US$m	Net financing charges US$m	Tax US$m	Net profit/ (loss) US$m
2024						
Analysis by business activity						
Hotel ownership	**43.2**	**(15.9)**	**27.3**	**(9.1)**	**(4.2)**	**14.0**
Other	**0.7**	**(0.5)**	**0.2**	**(0.1)**	**0.1**	**0.2**
	43.9	**(16.4)**	**27.5**	**(9.2)**	**(4.1)**	**14.2**
Non-trading items						
– closure costs	**(0.9)**	**–**	**(0.9)**	**–**	**–**	**(0.9)**
	43.0	**(16.4)**	**26.6**	**(9.2)**	**(4.1)**	**13.3**
Analysis by geographical area						
Asia	**29.9**	**(11.7)**	**18.2**	**(3.4)**	**(4.2)**	**10.6**
EMEA	**7.6**	**(3.1)**	**4.5**	**(3.8)**	**0.1**	**0.8**
America	**6.4**	**(1.6)**	**4.8**	**(2.0)**	**–**	**2.8**
	43.9	**(16.4)**	**27.5**	**(9.2)**	**(4.1)**	**14.2**
Non-trading items						
– closure costs	**(0.9)**	**–**	**(0.9)**	**–**	**–**	**(0.9)**
	43.0	**(16.4)**	**26.6**	**(9.2)**	**(4.1)**	**13.3**
2023						
Analysis by business activity						
Hotel ownership	23.8	(15.2)	8.6	(8.9)	0.2	(0.1)
Other	0.4	(0.5)	(0.1)	(0.1)	–	(0.2)
	24.2	(15.7)	8.5	(9.0)	0.2	(0.3)
Non-trading items						
– closure costs	(0.6)	–	(0.6)	–	–	(0.6)
	23.6	(15.7)	7.9	(9.0)	0.2	(0.9)
Analysis by geographical area						
Asia	10.4	(10.1)	0.3	(3.3)	0.1	(2.9)
EMEA	5.5	(3.6)	1.9	(3.3)	0.1	(1.3)
America	8.3	(2.0)	6.3	(2.4)	–	3.9
	24.2	(15.7)	8.5	(9.0)	0.2	(0.3)
Non-trading items						
– closure costs	(0.6)	–	(0.6)	–	–	(0.6)
	23.6	(15.7)	7.9	(9.0)	0.2	(0.9)

6 Tax

	2024 US$m	2023 US$m
Tax charged to profit and loss is analysed as follows:		
– current tax	**(25.8)**	(11.8)
– deferred tax *(refer note 15)*	**(4.5)**	(1.7)
	(30.3)	(13.5)
Analysis by business activity		
Hotel ownership	**(20.3)**	(7.2)
Hotel & Residences branding and management	**(10.0)**	(6.3)
	(30.3)	(13.5)
Analysis by geographical area		
Asia	**(9.3)**	(8.3)
EMEA	**(19.8)**	(4.3)
America	**(1.2)**	(0.9)
	(30.3)	(13.5)
Reconciliation between tax expense and tax at the applicable tax rate*:		
Tax at applicable tax rate	**10.6**	56.2
Income not subject to tax		
– change in fair value of other investments	**–**	0.1
– gain on sale of a subsidiary	**–**	9.3
– other items	**2.2**	3.8
Expenses not deductible for tax purposes		
– change in fair value of investment properties	**(28.1)**	(80.3)
– change in fair value of other investments	**(0.1)**	–
– other items	**(6.7)**	(5.2)
Tax losses and temporary differences not recognised	**(4.4)**	(4.1)
Utilisation of previously unrecognised tax losses and temporary differences	**6.0**	7.9
Recognition of previously unrecognised tax losses and temporary differences	**3.2**	4.1
Deferred tax assets written off	**(0.8)**	–
Withholding tax	**(10.8)**	(4.6)
Under-provision in prior years	**(1.4)**	(0.5)
Change in tax rates	**–**	(0.2)
	(30.3)	(13.5)
Tax relating to components of other comprehensive income is analysed as follows:		
Remeasurements of defined benefit plans	**0.1**	0.4
Cash flow hedges	**0.6**	1.3
	0.7	1.7

Tax on profits has been calculated at rates of taxation prevailing in the territories in which the Group operates.

In 2024, current tax included non-trading capital gain tax charges of US$5.4 million in relation to the sale of 100% ownership stake in the owning companies of Mandarin Oriental, Paris (the Paris Hotel), and US$4.9 million in relation to the disposal of the two retail units adjoining the Paris Hotel *(refer note 19)*. In 2023, current tax included a non-trading capital gain tax charge of US$2.5 million in relation to the sale of 96.9% ownership stake in the owning company of Mandarin Oriental, Jakarta *(refer note 31)*.

* The applicable tax rate for the year was 17% *(2023: 16%)* and represents the weighted average of the rates of taxation prevailing in the territories in which the Group operates.

6 Tax *continued*

The Group is within the scope of the OECD Pillar Two model rules, and has applied the exception to recognising and disclosing information about deferred tax assets and liabilities relating to Pillar Two income taxes from 1 January 2023.

Pillar Two legislation has been enacted or substantially enacted in certain jurisdictions in which the Group operates. The legislation has become effective for the Group's financial year ended 31 December 2024. The Group is in scope of the enacted or substantively enacted legislation and has performed an assessment of the Group's potential exposure to Pillar Two income taxes.

The assessment of the potential exposure to Pillar Two income taxes is based on the latest financial information for the year ended 31 December 2024 of the constituent entities in the Group. Based on the assessment, the effective tax rates in most of the jurisdictions in which the Group operates are above 15%. However, there are a limited number of jurisdictions where the effective tax rate is slightly below or close to 15%. The income tax expense related to Pillar Two income taxes in the relevant jurisdictions is assessed to be immaterial.

Share of tax charge of associates and joint ventures of US$4.1 million *(2023: share of tax credit of US$0.2 million)* is included in share of results of associates and joint ventures *(refer note 5)*.

7 (Loss)/earnings per share

Loss per share is calculated using loss attributable to shareholders of US$78.6 million *(2023: US$365.4 million)* and the weighted average number of 1,263.8 million *(2023: 1,263.8 million)* shares in issue during the year.

Additional earnings per share are also calculated based on underlying profit attributable to shareholders. A reconciliation of loss/earnings is set out below:

	2024		2023	
	US$m	**(Loss)/earnings per share US¢**	US$m	(Loss)/earnings per share US¢
Loss attributable to shareholders	**(78.6)**	**(6.22)**	(365.4)	(28.91)
Non-trading items *(refer note 8)*	**153.3**		446.4	
Underlying profit attributable to shareholders	**74.7**	**5.91**	81.0	6.41

8 Non-trading items

An analysis of non-trading items after interest, tax and non-controlling interests is set out below:

	2024 US$m	2023 US$m
Change in fair value of investment properties	**(171.0)**	(486.7)
Change in fair value of other investments	**(0.8)**	(0.4)
(Loss)/gain on sale of subsidiaries *(refer notes 19 and 31)*	**(36.6)**	41.3
Gain on asset disposals *(refer note 19)*	**55.9**	–
Net financing income on deferred consideration receivable *(refer note 19)*	**0.7**	–
Acquisition-related costs for Mandarin Oriental Exceptional Homes business *(refer note 31)*	**(0.6)**	–
	(152.4)	(445.8)
Share of results of associates and joint ventures – closure costs	**(0.9)**	(0.6)
	(153.3)	(446.4)

9 Intangible assets

	Goodwill US$m	Computer software US$m	Development project contract costs US$m	Mandarin Oriental Exceptional Homes contracts US$m	Total US$m
2024					
Cost	**21.1**	**34.2**	**28.0**	**–**	**83.3**
Amortisation and impairment	**–**	**(25.2)**	**(14.4)**	**–**	**(39.6)**
Net book value at 1 January	**21.1**	**9.0**	**13.6**	**–**	**43.7**
Exchange differences	**–**	**–**	**0.1**	**–**	**0.1**
Additions	**2.9**	**9.0**	**2.7**	**2.7**	**17.3**
Amortisation and impairment charge	**–**	**(3.2)**	**(0.9)**	**–**	**(4.1)**
Net book value at 31 December	**24.0**	**14.8**	**15.5**	**2.7**	**57.0**
Cost	**24.0**	**43.0**	**24.7**	**2.7**	**94.4**
Amortisation and impairment	**–**	**(28.2)**	**(9.2)**	**–**	**(37.4)**
	24.0	**14.8**	**15.5**	**2.7**	**57.0**
2023					
Cost	23.9	30.2	28.0	–	82.1
Amortisation and impairment	–	(21.3)	(15.1)	–	(36.4)
Net book value at 1 January	23.9	8.9	12.9	–	45.7
Exchange differences	–	0.1	(0.1)	–	–
Additions	–	4.5	1.9	–	6.4
Disposals	(2.8)	–	–	–	(2.8)
Classified as held for sale	–	(0.1)	–	–	(0.1)
Amortisation and impairment charge	–	(4.4)	(1.1)	–	(5.5)
Net book value at 31 December	21.1	9.0	13.6	–	43.7
Cost	21.1	34.2	28.0	–	83.3
Amortisation and impairment	–	(25.2)	(14.4)	–	(39.6)
	21.1	9.0	13.6	–	43.7

Management has performed an impairment review of the carrying amount of goodwill amounted to US$21.1 million *(2023: US$21.1 million)* at 31 December 2024 and 2023 respectively. For the purpose of impairment review, goodwill acquired has been allocated to the relevant hotel and is reviewed for impairment based on the forecast operating performance and cash flows of the hotel. Cash flow projections for the impairment review is based on a value-in-use calculation using the latest hotel forecasts (including the following year's hotel budget) with assumptions updated for the prevailing market conditions, and are discounted appropriately. Key assumptions used for the value-in-use calculation include an average annual growth rate of 2% *(2023: 2%)* to forecast cash flows over a five-year period, after which the growth rate is assumed to be up to 2% *(2023: 2%)* in perpetuity. Growth assumptions are based on management expectations for each market's development. A pre-tax discount rate of 8% *(2023: 8%)* is applied to the cash flow projections. The discount rate used reflects the business specific risks relating to the business life-cycle and geographical location. On the basis of the review, management concluded that no impairment exists.

The amortisation charges are all recognised in arriving at operating profit and are included in cost of sales, selling and distribution costs, administration expenses and other operating expense.

The amortisation periods for intangible assets in 2024 and 2023 are as follows:

Computer software	3 to 5 years
Development project contract costs	20 to 40 years
Mandarin Oriental Exceptional Homes contracts	3 to 5 years

10 Tangible assets

	Freehold properties US$m	Properties on leasehold land & leasehold improvements US$m	Plant & machinery US$m	Furniture, equipment & motor vehicles US$m	Total US$m
2024					
Cost	**470.5**	**342.4**	**87.0**	**228.0**	**1,127.9**
Depreciation and impairment	**(78.2)**	**(178.6)**	**(70.7)**	**(181.8)**	**(509.3)**
Net book value at 1 January	**392.3**	**163.8**	**16.3**	**46.2**	**618.6**
Exchange differences	**(6.1)**	**(3.0)**	**(0.4)**	**(1.6)**	**(11.1)**
Additions	**–**	**3.6**	**0.9**	**9.0**	**13.5**
Depreciation charge	**(6.2)**	**(9.3)**	**(3.2)**	**(13.2)**	**(31.9)**
Net book value at 31 December	**380.0**	**155.1**	**13.6**	**40.4**	**589.1**
Cost	**462.6**	**328.5**	**86.4**	**220.3**	**1,097.8**
Depreciation and impairment	**(82.6)**	**(173.4)**	**(72.8)**	**(179.9)**	**(508.7)**
	380.0	**155.1**	**13.6**	**40.4**	**589.1**
2023					
Cost	736.3	353.4	116.4	218.0	1,424.1
Depreciation and impairment	(81.7)	(189.2)	(81.5)	(155.4)	(507.8)
Net book value at 1 January	654.6	164.2	34.9	62.6	916.3
Exchange differences	25.9	6.3	0.4	1.4	34.0
Additions	0.3	0.6	2.1	10.1	13.1
Disposals	–	–	(0.2)	(0.6)	(0.8)
Reclassification	–	10.3	–	(10.3)	–
Classified as held for sale *(refer note 19)*	(279.9)	(6.6)	(15.7)	(2.9)	(305.1)
Depreciation charge	(8.6)	(11.0)	(5.2)	(14.1)	(38.9)
Net book value at 31 December	392.3	163.8	16.3	46.2	618.6
Cost	470.5	342.4	87.0	228.0	1,127.9
Depreciation and impairment	(78.2)	(178.6)	(70.7)	(181.8)	(509.3)
	392.3	163.8	16.3	46.2	618.6

Rental income from properties and other tangible assets amounted to US$13.9 million *(2023: US$18.6 million) (refer note 3)*.

The maturity analysis of the undiscounted lease payments to be received after the balance sheet date are as follows:

	2024 US$m	2023 US$m
Within one year	**9.3**	16.0
Between one and two years	**7.6**	13.9
Between two and five years	**5.8**	34.7
Beyond five years	**–**	16.3
	22.7	80.9

At 31 December 2024, none of the carrying amount of hotel properties pledged as security for bank borrowings *(2023: US$355.4 million) (refer note 21)*.

11 Right-of-use assets

	Leasehold land US$m	Properties US$m	Total US$m
2024			
Cost	**133.0**	**189.1**	**322.1**
Amortisation/depreciation and impairment	**(9.8)**	**(83.2)**	**(93.0)**
Net book value at 1 January	**123.2**	**105.9**	**229.1**
Exchange differences	**0.7**	**(9.4)**	**(8.7)**
Additions	**–**	**2.8**	**2.8**
Amortisation/depreciation charge	**(0.2)**	**(6.6)**	**(6.8)**
Net book value at 31 December	**123.7**	**92.7**	**216.4**
Cost	**133.7**	**172.4**	**306.1**
Amortisation/depreciation and impairment	**(10.0)**	**(79.7)**	**(89.7)**
	123.7	**92.7**	**216.4**
2023			
Cost	133.3	199.9	333.2
Amortisation/depreciation and impairment	(9.6)	(81.2)	(90.8)
Net book value at 1 January	123.7	118.7	242.4
Exchange differences	(0.1)	(6.7)	(6.8)
Additions	–	0.1	0.1
Disposals	(0.2)	–	(0.2)
Remeasurement	–	0.3	0.3
Amortisation/depreciation charge	(0.2)	(6.5)	(6.7)
Net book value at 31 December	123.2	105.9	229.1
Cost	133.0	189.1	322.1
Amortisation/depreciation and impairment	(9.8)	(83.2)	(93.0)
	123.2	105.9	229.1

At 31 December 2024, none of the carrying amount of leasehold land pledged as security for bank borrowings *(2023: US$121.8 million) (refer note 21)*. None of the other right-of-use assets have been pledged at 31 December 2024 and 2023.

The typical lease term associated with the right-of-use assets in 2024 and 2023 are as follows:

Leasehold land	20 to 895 years
Properties	2 to 30 years

12 Investment properties

	Under development leasehold commercial property US$m	Completed leasehold residential property US$m	Total US$m
2024			
At 1 January	**1,971.9**	**88.4**	**2,060.3**
Exchange differences	**13.6**	**0.6**	**14.2**
Additions	**182.1**	**–**	**182.1**
Decrease in fair value	**(171.0)**	**–**	**(171.0)**
At 31 December	**1,996.6**	**89.0**	**2,085.6**
2023			
At 1 January	2,384.9	87.7	2,472.6
Exchange differences	(5.3)	(0.2)	(5.5)
Additions	79.9	–	79.9
(Decrease)/increase in fair value	(487.6)	0.9	(486.7)
At 31 December	1,971.9	88.4	2,060.3

The Group measures its investment properties at fair value. The fair values of the Group's investment properties have been determined on the basis of valuations carried out by independent valuers who hold a recognised relevant professional qualification and have recent experience in the location and segment of the investment properties valued.

The Group employed Jones Lang LaSalle to value its under development commercial property in Hong Kong which is held under leases with unexpired lease terms of more than 20 years. The valuation, which conforms to the International Valuation Standards issued by the International Valuation Standards Council and the HKIS Valuation Standards issued by the Hong Kong Institute of Surveyors, was derived using the residual method. The Report of the Valuers is set out on page 109.

The valuations are comprehensively reviewed by the Group.

Fair value measurements of completed residential property using no significant unobservable inputs (Level 2)

Fair value of the completed residential property is generally derived using the direct comparison method. This valuation method is based on comparing the property to be valued directly with other comparable properties, which have recently transacted. However, given the heterogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative differences that may affect the price likely to be achieved by the property under consideration.

12 Investment properties *continued*

Fair value measurements of under development commercial property using significant unobservable inputs (Level 3)

The fair value of the under development commercial property was derived using the residual method. The residual method assesses the value of the asset by reference to its development potential, by deducting development costs together with developer's profit and risk from the estimated capital value of the proposed development assuming completion as at the date of valuation.

The table below analyses the Group's investment properties carried at fair value, by the levels in the fair value measurement hierarchy:

	Commercial properties Under development **US$m**	Residential properties Completed **US$m**	Total **US$m**
2024			
Fair value measurements using			
– no significant unobservable inputs	**–**	**89.0**	**89.0**
– significant unobservable inputs	**1,996.6**	**–**	**1,996.6**
	1,996.6	**89.0**	**2,085.6**
2023			
Fair value measurements using			
– no significant unobservable inputs	–	88.4	88.4
– significant unobservable inputs	1,971.9	–	1,971.9
	1,971.9	88.4	2,060.3

Movement of investment properties which are valued based on significant unobservable inputs during the year ended 31 December 2024 and 2023 are as follows:

	Commercial properties Under development **US$m**
2024	
At 1 January	**1,971.9**
Exchange differences	**13.6**
Additions	**182.1**
Decrease in fair value	**(171.0)**
At 31 December	**1,996.6**
2023	
At 1 January	2,384.9
Exchange differences	(5.3)
Additions	79.9
Decrease in fair value	(487.6)
At 31 December	1,971.9

12 Investment properties *continued*

Fair value measurements of under development commercial property using significant unobservable inputs (Level 3) continued

Information about fair value measurements of the Group's under development commercial property using significant unobservable inputs at 31 December 2024 and 2023:

			Range of significant unobservable inputs	
	Fair value US$m	Valuation method	Prevailing market rent per month/ Average unit price US$	Capitalisation rate %
2024				
Hong Kong	**1,996.6**	Residual*	Prevailing market rent per month of 7.2 to 9.8 per square foot	2.55 to 3.95
2023				
Hong Kong	1,971.9	Residual*	Prevailing market rent per month of 8.2 to 10.4 per square foot	2.55 to 3.95

* In using the residual method to make fair value measurements of the under development commercial property, unobservable inputs relating to the estimated costs to complete the development and the developer's estimated profit and margin for risk have been used.

Prevailing market rents are estimated based on independent valuers' view of recent lettings. Capitalisation rates are estimated by independent valuers based on the risk profile of the property being valued.

An increase/decrease to prevailing market rent will increase/decrease valuations, while an increase/decrease to capitalisation rate will decrease/increase valuations. Sensitivity analyses have been performed on the under development commercial property (which contributed 96% *(2023: 96%)* of the total investment properties balance at 31 December 2024 and 2023 respectively, to assess the impact on the valuation of changes in the two significant unobservable inputs: prevailing market rent per month and capitalisation rate. The impact of any reasonably possible change in the assumptions for other investment properties would not be material. The Group believes the changes in assumptions in the table below capture a reasonable range of variations in these key valuation assumptions.

		Increase/(decrease) in valuation	
	Change in assumption %	Increase in assumption US$m	Decrease in assumption US$m
2024			
Prevailing market rent per month	**5.00**	**104.3**	**(104.3)**
Capitalisation rate	**0.10**	**(76.0)**	**82.4**
2023			
Prevailing market rent per month	5.00	110.0	(115.2)
Capitalisation rate	0.10	(83.2)	83.2

The Group's operating lease in respect of the completed residential property is for a term of three years. The lease was terminated in 2023.

13 Associates and joint ventures

	2024 US$m	2023 US$m
Associates		
Listed associate – OHTL PLC (OHTL)	**13.6**	6.9
Unlisted associates	**46.0**	42.8
Share of attributable net assets	**59.6**	49.7
Goodwill on share repurchase	**5.5**	5.5
Goodwill on acquisition	**3.6**	2.1
	68.7	57.3
Amounts due from associates	**36.3**	58.7
	105.0	116.0
Joint ventures		
Share of attributable net liabilities of unlisted joint ventures	**(24.4)**	(29.9)
Goodwill on acquisition	**5.8**	6.1
	(18.6)	(23.8)
Amounts due from joint ventures	**56.8**	63.6
	38.2	39.8
	143.2	155.8

Amounts due from associates are interest free, unsecured and have no fixed terms of repayment.

Amounts due from joint ventures are unsecured, bear interest at rates ranging from approximately 3.05% to 5.13% *(2023: 1.15% to 5.00%)* per annum and are repayable within one year *(2023: two years)*, except for amounts of US$30.0 million *(2023: US$31.9 million)* with no fixed terms of repayment. The Group is expected to extend the repayment of an amount of US$26.8 million to 2030 upon its maturity and accordingly the loan is classified under non-current assets.

The Group's share of the carrying value of hotel properties (including properties, plant and equipment, and leasehold land) owned by the Group's associates and joint ventures amounted to US$213.5 million *(2023: US$218.8 million)* and US$98.4 million *(2023: US$107.5 million)* respectively.

	Associates		Joint ventures	
	2024 US$m	2023 US$m	2024 US$m	2023 US$m
Movements of associates and joint ventures during the year:				
At 1 January	**116.0**	97.9	**39.8**	105.9
Exchange differences	**–**	(0.1)	**(3.7)**	4.4
Share of results after tax and non-controlling interests	**12.5**	0.4	**0.8**	(1.3)
Share of other comprehensive (expense)/income after tax and non-controlling interests	**(2.1)**	1.5	**1.3**	(1.1)
Interest received	**(1.0)**	(1.0)	**–**	(4.3)
Advance to associates and joint ventures *(refer note 28d)*	**–**	20.3	**–**	0.4
Repayment of loans to associates and joint ventures *(refer note 28e)*	**(0.1)**	(3.0)	**–**	(64.2)
Transfer to current debtors	**(20.3)**	–	**–**	–
At 31 December	**105.0**	116.0	**38.2**	39.8
Fair value of listed associate	**186.0**	187.2	**n/a**	n/a

13 Associates and joint ventures *continued*

a) Investment in associates

The material associates of the Group are listed below. These associates have share capital consisting solely of ordinary shares, which are held directly by the Group.

Nature of investments in material associates in 2024 and 2023:

Name of entity	Nature of business	Country of incorporation and principal place of business/ place of listing	% of ownership interest 2024	2023
OHTL	Owner of Mandarin Oriental, Bangkok	Thailand/Thailand	**47.6%**	47.6%
Marina Bay Hotel Private Ltd. (Marina Bay Hotel)	Owner of Mandarin Oriental, Singapore	Singapore/Unlisted	**50.0%**	50.0%

At 31 December 2024, the fair value of the Group's interest in OHTL, which is listed on the Thailand Stock Exchange, was US$186.0 million *(2023: US$187.2 million)* and the carrying amount of the Group's interest was US$19.1 million *(2023: US$12.4 million)*.

Summarised financial information for material associates

Summarised balance sheet at 31 December

	OHTL		Marina Bay Hotel		Total	
	2024 US$m	2023 US$m	**2024 US$m**	2023 US$m	**2024 US$m**	2023 US$m
Non-current assets	**99.7**	106.7	**175.2**	181.8	**274.9**	288.5
Current assets						
Cash and cash equivalents	**8.2**	6.0	**11.7**	12.9	**19.9**	18.9
Other current assets	**3.2**	3.8	**5.1**	7.1	**8.3**	10.9
Total current assets	**11.4**	9.8	**16.8**	20.0	**28.2**	29.8
Non-current liabilities						
Financial liabilities*	**(24.8)**	(43.8)	**(35.3)**	(60.1)	**(60.1)**	(103.9)
Other non-current liabilities*	**(20.7)**	(21.5)	**(6.3)**	–	**(27.0)**	(21.5)
Total non-current liabilities	**(45.5)**	(65.3)	**(41.6)**	(60.1)	**(87.1)**	(125.4)
Current liabilities						
Financial liabilities*	**(32.8)**	(33.2)	**(18.6)**	(13.9)	**(51.4)**	(47.1)
Other current liabilities*	**(4.3)**	(3.5)	**(4.2)**	(2.6)	**(8.5)**	(6.1)
Total current liabilities	**(37.1)**	(36.7)	**(22.8)**	(16.5)	**(59.9)**	(53.2)
Net assets	**28.5**	14.5	**127.6**	125.2	**156.1**	139.7

* Financial liabilities excluding trade and other payables and provisions, which are presented under other current and non-current liabilities.

13 Associates and joint ventures *continued*

a) Investment in associates *continued*

Summarised financial information for material associates *continued*

Summarised statement of comprehensive income for the year ended 31 December

	OHTL		Marina Bay Hotel		Total	
	2024 US$m	2023 US$m	**2024 US$m**	2023 US$m	**2024 US$m**	2023 US$m
Revenue	**76.7**	72.4	**102.2**	41.2	**178.9**	113.6
Depreciation and amortisation	**(8.1)**	(8.4)	**(12.8)**	(9.2)	**(20.9)**	(17.6)
Interest expense	**(3.0)**	(3.6)	**(1.8)**	(0.8)	**(4.8)**	(4.4)
Profit/(loss) from underlying business performance	**15.1**	11.5	**13.6**	(17.0)	**28.7**	(5.5)
Income tax (charge)/credit	**(1.4)**	(1.8)	**(6.4)**	1.9	**(7.8)**	0.1
Profit/(loss) after tax	**13.7**	9.7	**7.2**	(15.1)	**20.9**	(5.4)
Other comprehensive income/(expense)	**0.3**	0.3	**(4.8)**	3.1	**(4.5)**	3.4
Total comprehensive income/(expense)	**14.0**	10.0	**2.4**	(12.0)	**16.4**	(2.0)

The information contained in the summarised balance sheet and statement of comprehensive income reflects the amounts presented in the financial statements of the associates adjusted for differences in accounting policies between the Group and the associates, and fair value of the associates at the time of acquisition.

Reconciliation of the summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interests in its material associates for the year ended 31 December:

	OHTL		Marina Bay Hotel		Total	
	2024 US$m	2023 US$m	**2024 US$m**	2023 US$m	**2024 US$m**	2023 US$m
Net assets at 1 January	**14.5**	4.5	**125.2**	137.2	**139.7**	141.7
Profit/(loss) for the year	**13.7**	9.7	**7.2**	(15.1)	**20.9**	(5.4)
Other comprehensive income/(expense)	**0.3**	0.3	**(4.8)**	3.1	**(4.5)**	3.4
Net assets at 31 December	**28.5**	14.5	**127.6**	125.2	**156.1**	139.7
Effective interest in associates (%)	**47.6**	47.6	**50.0**	50.0		
Group's share of net assets in associates	**13.6**	6.9	**63.8**	62.6	**77.4**	69.5
Goodwill*	**5.5**	5.5	**–**	–	**5.5**	5.5
Carrying value	**19.1**	12.4	**63.8**	62.6	**82.9**	75.0
Fair value	**186.0**	187.2	**n/a**	n/a	**186.0**	187.2

* OHTL repurchased some of its own shares in 2013 which were subsequently cancelled in 2016. The number of OHTL shares held by the Group remained unchanged. As a result of the share repurchase, goodwill of US$5.5 million was recognised and the Group's effective interest increased to 47.6%.

The Group has interests in a number of individually immaterial associates. The following table analyses, in aggregate, the share of profit and other comprehensive expense and carrying amount of these associates.

	2024 US$m	2023 US$m
Share of profit	**2.4**	3.3
Share of other comprehensive income/(expense)	**0.1**	(0.2)
Share of total comprehensive income	**2.5**	3.1
Carrying amount of interests in these associates	**22.1**	41.0

13 Associates and joint ventures *continued*

a) Investment in associates continued

Commitments and contingent liabilities in respect of associates

There were no commitments and contingent liabilities relating to the Group's interest in associates at 31 December 2024 and 2023.

b) Investment in joint ventures

The material joint venture of the Group is listed below. This joint venture has share capital consisting solely of ordinary shares, which are held directly by the Group.

Nature of investment in material joint venture in 2024 and 2023:

Name of entity	Nature of business	Country of incorporation and principal place of business	% of ownership interest 2024	2023
Ritz Madrid, S.A. (Ritz Madrid)	Owner of Mandarin Oriental Ritz, Madrid	Spain	**50.0%**	50.0%

Summarised financial information for material joint venture

Summarised balance sheet at 31 December

	Ritz Madrid 2024 US$m	2023 US$m
Non-current assets	**214.5**	246.4
Current assets		
Cash and cash equivalents	**15.5**	8.3
Other current assets	**6.8**	5.3
Total current assets	**22.3**	13.6
Non-current liabilities		
Financial liabilities*†	**(243.7)**	(265.7)
Other non-current liabilities*	**(32.1)**	(46.3)
Total non-current liabilities	**(275.8)**	(312.0)
Current liabilities		
Other current liabilities*	**(9.8)**	(7.8)
Net liabilities	**(48.8)**	(59.8)

* Financial liabilities excluding trade and other payables and provisions, which are presented under other current and non-current liabilities.
† Including shareholders' loans from joint venture partners of US$113.6 million *(2023: US$127.2 million)*.

Summarised statement of comprehensive income for the year ended 31 December

	Ritz Madrid 2024 US$m	2023 US$m
Revenue	**58.5**	49.9
Depreciation and amortisation	**(6.1)**	(7.1)
Interest expense	**(12.3)**	(11.5)
Profit/(loss) from underlying business performance	**1.5**	(6.4)
Income tax credit	**0.1**	0.2
Profit/(loss) after tax	**1.6**	(6.2)
Other comprehensive income/(expense)	**9.4**	(2.3)
Total comprehensive income/(expense)	**11.0**	(8.5)

13 Associates and joint ventures *continued*

b) Investment in joint ventures *continued*

Summarised financial information for material joint venture *continued*

The information contained in the summarised balance sheet and statement of comprehensive income reflects the amounts presented in the financial statements of the joint venture adjusted for differences in accounting policies between the Group and the joint venture, fair value of the joint venture at the time of acquisition, and elimination of interest on shareholders' loan.

Reconciliation of the summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interests in its material joint venture for the year ended 31 December:

	Ritz Madrid	
	2024 US$m	2023 US$m
Net liabilities at 1 January	**(59.8)**	(51.3)
Profit/(loss) for the year	**1.6**	(6.2)
Other comprehensive income/(expense)	**9.4**	(2.3)
Net liabilities at 31 December	**(48.8)**	(59.8)
Effective interest in joint venture (%)	**50.0**	50.0
Group's share of net liabilities in joint venture	**(24.4)**	(29.9)
Goodwill on acquisition	**5.8**	6.1
Shareholders' loans	**56.8**	63.6
Carrying value	**38.2**	39.8

The Group has no other joint ventures other than Ritz Madrid.

Commitments and contingent liabilities in respect of joint venture

There were no commitments and contingent liabilities relating to the Group's interest in its joint venture at 31 December 2024 and 2023.

14 Other investments

	2024 US$m	2023 US$m
Investment measured at fair value through profit and loss – unlisted investments	**13.3**	14.0

Movements of these investments which were valued based on unobservable inputs during the year are disclosed in note 36.

15 Deferred tax assets/(liabilities)

	Accelerated tax depreciation and lease liabilities US$m	Fair value gains/(losses) US$m	Losses US$m	Employee benefits US$m	Provisions and other temporary differences US$m	Total US$m
2024						
At 1 January	**(37.7)**	**(0.5)**	**11.2**	**(1.0)**	**–**	**(28.0)**
Exchange differences	**0.2**	**–**	**(0.2)**	**–**	**(0.1)**	**(0.1)**
Disposals	**–**	**–**	**–**	**–**	**0.1**	**0.1**
(Charged)/credited to profit and loss	**(3.1)**	**–**	**(1.5)**	**–**	**0.1**	**(4.5)**
Credited to other comprehensive income	**–**	**0.6**	**–**	**0.1**	**–**	**0.7**
At 31 December	**(40.6)**	**0.1**	**9.5**	**(0.9)**	**0.1**	**(31.8)**
Deferred tax assets	**1.8**	**0.1**	**9.5**	**0.2**	**1.4**	**13.0**
Deferred tax liabilities	**(42.4)**	**–**	**–**	**(1.1)**	**(1.3)**	**(44.8)**
	(40.6)	**0.1**	**9.5**	**(0.9)**	**0.1**	**(31.8)**
2023						
At 1 January	(36.2)	(1.7)	12.9	(1.3)	(1.1)	(27.4)
Exchange differences	(1.1)	(0.1)	0.3	(0.1)	–	(1.0)
Disposals	0.3	–	–	0.2	–	0.5
Classified as held for sale	–	–	–	–	(0.1)	(0.1)
(Charged)/credited to profit and loss	(0.7)	–	(2.0)	(0.2)	1.2	(1.7)
Credited to other comprehensive income	–	1.3	–	0.4	–	1.7
At 31 December	(37.7)	(0.5)	11.2	(1.0)	–	(28.0)
Deferred tax assets	1.2	–	11.2	0.3	1.3	14.0
Deferred tax liabilities	(38.9)	(0.5)	–	(1.3)	(1.3)	(42.0)
	(37.7)	(0.5)	11.2	(1.0)	–	(28.0)

Deferred tax balances predominantly comprise non-current items. Deferred tax assets and liabilities are netted when the taxes relate to the same taxation authority and where offsetting is allowed.

The recognition of deferred tax assets on tax losses of US$9.5 million *(2023: US$11.2 million)* is based on management's review of future taxable profit that will be available against which the tax losses can be utilised, referencing to individual hotel forecast operating performance.

Deferred tax assets of US$27.9 million *(2023: US$60.7 million)* arising from unused tax losses of US$138.3 million *(2023: US$264.0 million)* have not been recognised in the financial statements. Included in the unused tax losses, US$128.4 million have no expiry date and the remaining balance will expire at various dates up to and including 2030.

Deferred tax assets of US$2.6 million *(2023: US$3.0 million)* have not been recognised in relation to temporary differences in subsidiaries.

The Group has no unrecognised deferred tax liabilities arising on temporary differences associated with investments in subsidiaries at 31 December 2024 and 2023.

16 Pension plans

The Group operates defined benefit pension plans in the main territories in which it operates, with the majority of the plans in Hong Kong. Most of the pension plans are final salary defined benefit plans calculated based on members' length of service and their salaries in the final years leading up to retirement. In Hong Kong, the pension benefits are paid in one lump sum. With the exception of certain plans in Hong Kong, all the defined benefit plans are closed to new members. In addition, although all plans are impacted by the discount rate, liabilities are driven by salary growth.

The Group's defined benefit plans are either funded or unfunded, with the assets of the funded plans held independently of the Group's assets in separate trustee administered funds. Plan assets held in trusts are governed by local regulations and practice in each country. Responsibility for governance of the plans, including investment decisions and contribution schedules, lies jointly with the Company and the boards of trustees. The Group's major plans are valued by independent actuaries annually using the projected unit credit method.

The amounts recognised in the consolidated balance sheet are as follows:

	2024 US$m	2023 US$m
Fair value of plan assets	**43.8**	41.5
Present value of funded obligations	**(43.3)**	(40.9)
	0.5	0.6
Present value of unfunded obligations	**(0.1)**	–
Net pension assets	**0.4**	0.6
Analysis of net pension assets		
Pension assets	**0.5**	0.6
Pension liabilities	**(0.1)**	–
	0.4	0.6

16 Pension plans *continued*

The movement in the net pension assets is as follows:

	Fair value of plan assets US$m	Present value of obligation US$m	Total US$m
2024			
At 1 January	**41.5**	**(40.9)**	**0.6**
Translation differences	**0.3**	**(0.3)**	**–**
Current service cost	**–**	**(2.7)**	**(2.7)**
Interest income/(expense)	**1.7**	**(1.6)**	**0.1**
Administration expenses	**(0.3)**	**–**	**(0.3)**
	1.4	**(4.3)**	**(2.9)**
	43.2	**(45.5)**	**(2.3)**
Remeasurements			
– return on plan assets, excluding amounts included in interest income	**0.9**	**–**	**0.9**
– change in financial assumptions	**–**	**(0.5)**	**(0.5)**
– experience losses	**–**	**(1.0)**	**(1.0)**
– demographic assumption changes	**–**	**0.1**	**0.1**
	0.9	**(1.4)**	**(0.5)**
Contributions from employers	**3.2**	**–**	**3.2**
Contributions from plan participants	**0.7**	**(0.7)**	**–**
Benefit payments	**(5.2)**	**5.2**	**–**
Transfer to other plans	**1.0**	**(1.0)**	**–**
At 31 December	**43.8**	**(43.4)**	**0.4**
2023			
At 1 January	46.7	(43.8)	2.9
Translation differences	(0.1)	0.1	–
Current service cost	–	(2.5)	(2.5)
Past service cost – plan amendments	–	(0.3)	(0.3)
Interest income/(expense)	2.2	(2.0)	0.2
Administration expenses	(0.1)	–	(0.1)
	2.1	(4.8)	(2.7)
	48.7	(48.5)	0.2
Remeasurements			
– return on plan assets, excluding amounts included in interest income	2.1	–	2.1
– change in financial assumptions	–	(1.6)	(1.6)
– experience losses	–	(2.9)	(2.9)
– demographic assumption change	–	(0.1)	(0.1)
	2.1	(4.6)	(2.5)
Contributions from employers	3.9	–	3.9
Contributions from plan participants	0.7	(0.7)	–
Benefit payments	(12.9)	12.9	–
Transfer to other plans	0.2	(0.2)	–
Disposals	(1.2)	0.2	(1.0)
At 31 December	41.5	(40.9)	0.6

16 Pension plans *continued*

The weighted average duration of the defined benefit obligation at 31 December 2024 is 4.7 years *(2023: 4.6 years)*.

Expected maturity analysis of undiscounted pension benefits at 31 December is as follows:

	2024 US$m	2023 US$m
Within one year	**10.5**	8.6
Between one and two years	**5.1**	6.3
Between two and five years	**18.4**	15.6
Between five and ten years	**24.3**	24.5
Between ten and fifteen years	**17.2**	15.1
Between fifteen and twenty years	**11.5**	9.9
Beyond twenty years	**6.6**	5.5
	93.6	85.5

The principal actuarial assumptions used for accounting purposes at 31 December are as follows:

	Hong Kong	
	2024 %	2023 %
Discount rate	**4.50**	4.30
Salary growth rate	**4.50**	4.00

As participants of the plans relating to Hong Kong usually take lump sum amounts upon retirement, mortality is not a principal assumption for these plans.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

		(Increase)/decrease on defined benefit obligation	
	Change in assumption **%**	Increase in assumption **US$m**	Decrease in assumption **US$m**
Discount rate	**1.00**	**1.9**	**(2.1)**
Salary growth rate	**1.00**	**(1.8)**	**1.7**

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the balance sheet.

16 Pension plans *continued*

The analysis of the fair value of plan assets at 31 December is as follows:

	2024 US$m	2023 US$m
Equity investments		
– Asia Pacific	**1.9**	3.4
– Europe	**3.4**	3.6
– North America	**10.0**	8.4
– Global	**0.4**	1.2
	15.7	16.6
Investment funds		
– Asia Pacific	**5.8**	4.9
– Europe	**5.4**	5.2
– North America	**13.7**	12.6
– Global	**4.2**	3.4
	29.1	26.1
Total investments	**44.8**	42.7
Cash and cash equivalents	**1.3**	1.4
Benefits payable and other	**(2.3)**	(2.6)
	43.8	41.5

As at 31 December 2024, 90.2% of equity investments and 88.2% of investment funds were quoted on active markets *(2023: 89.2% and 89.4% respectively)*.

The strategic asset allocation is derived from the asset-liability modelling (ALM) review, done triennially to ensure the plans can meet future funding and solvency requirements. The last ALM review was completed in 2024. The next ALM review is scheduled for 2027.

As at 31 December 2024, the Hong Kong plans had assets of US$43.8 million *(2023: US$41.5 million)*.

The Group maintains an active and regular contribution schedule across all the plans. The contribution to all its plans in 2024 were US$3.2 million and the estimated amount of contributions expected to be paid to all its plans in 2025 is US$3.2 million.

17 Debtors

	2024 US$m	2023 US$m
Trade debtors		
– third parties	**42.4**	42.4
– associates and joint ventures	**4.9**	2.9
	47.3	45.3
– provision for impairment	**(1.4)**	(1.6)
	45.9	43.7
Other debtors		
– third parties	**109.6**	46.4
– associates and joint ventures	**24.6**	3.8
	134.2	50.2
– provision for impairment	**(3.2)**	(2.7)
	131.0	47.5
	176.9	91.2
Non-current		
– other debtors	**61.4**	10.9
Current		
– trade debtors	**45.9**	43.7
– other debtors	**69.6**	36.6
	115.5	80.3
	176.9	91.2
Analysis by geographical area		
Asia	**68.2**	52.6
EMEA	**80.4**	31.9
America	**28.3**	6.7
	176.9	91.2
Analysis by fair value		
Trade debtors	**45.9**	43.7
Other debtors*	**105.5**	32.1
	151.4	75.8

* Excluding prepayments.

Derivative financial instruments are stated at fair value. Other debtors are stated at amortised cost. The fair values of short-term debtors approximate their carrying amounts.

17 Debtors *continued*

Trade and other debtors

The average credit period on provision of services varies among Group businesses and is generally not more than 30 days.

Other debtors are further analysed as follows:

	2024 US$m	2023 US$m
Derivatives financial instruments *(refer note 29)*	**0.1**	2.4
Deferred consideration receivables on asset disposals *(refer note 19)*/sale of a subsidiary *(refer note 28f)*	**49.9**	3.2
Loan to an associate	**20.3**	–
Other amounts due from third parties	**21.0**	16.1
Other amounts due from associates and joint ventures	**4.3**	3.8
VAT and other non-income tax recoverable	**2.1**	1.3
Rental and other deposits	**5.0**	3.5
Other receivables	**2.8**	1.8
Financial assets	**105.5**	32.1
Prepayments	**25.5**	15.4
	131.0	47.5

No debtors and prepayments have been pledged as security.

The loan to an associate is unsecured, bears interest at 5% per annum and is repayable on 31 May 2025.

Impairment of trade debtors and other debtors

Before accepting any new customer, the individual Group business assesses the potential customer's credit quality and sets credit limits by customer using internal credit scoring systems. These limits and scoring are reviewed periodically.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payment are considered indicators that the debtor is impaired. An allowance for impairment of trade debtors is made based on the estimated irrecoverable amount determined by reference to past default experience.

The Group applied the simplified approach to measure expected credit loss, that is a lifetime expected loss allowance for trade debtors. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Changes in certain macroeconomic information such as GDP and inflation rate, are relevant for determining expected credit loss rates.

The expected loss rates are based on the historical payment profiles of sales and the corresponding historical credit losses. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors and industry trends affecting the ability of the customers to settle the receivables.

17 Debtors *continued*

Impairment of trade debtors and other debtors continued

The loss allowances for trade debtors and other debtors at 31 December 2024 and 2023 were determined as follows:

	Below 30 days	Between 31 and 60 days	Between 61 and 120 days	More than 120 days	Total
2024					
Trade debtors					
Expected loss rate	**–**	**2%**	**–**	**21%**	**3%**
Gross carrying amount (US$m)	**35.0**	**4.3**	**1.9**	**6.1**	**47.3**
Loss allowance (US$m)	**–**	**0.1**	**–**	**1.3**	**1.4**
Other debtors					
Expected loss rate	**–**	**–**	**–**	**82%**	**2%**
Gross carrying amount (US$m)	**125.1**	**3.7**	**1.5**	**3.9**	**134.2**
Loss allowance (US$m)	**–**	**–**	**–**	**3.2**	**3.2**
2023					
Trade debtors					
Expected loss rate	–	13%	–	15%	4%
Gross carrying amount (US$m)	31.9	5.3	2.0	6.1	45.3
Loss allowance (US$m)	–	0.7	–	0.9	1.6
Other debtors					
Expected loss rate	–	–	17%	84%	5%
Gross carrying amount (US$m)	43.9	2.6	0.6	3.1	50.2
Loss allowance (US$m)	–	–	0.1	2.6	2.7

Movements in the provisions for impairment are as follows:

	Trade debtors		Other debtors	
	2024 US$m	2023 US$m	**2024 US$m**	2023 US$m
At 1 January	**(1.6)**	(2.3)	**(2.7)**	(2.3)
Exchange difference	**–**	(0.1)	**–**	–
Classified as held for sale	**–**	0.1	**–**	–
Additional provisions	**(0.6)**	(0.3)	**(2.2)**	(1.2)
Unused amounts reversed	**0.8**	0.8	**1.7**	0.8
Amounts written off	**–**	0.2	**–**	–
At 31 December	**(1.4)**	(1.6)	**(3.2)**	(2.7)

Trade debtors and other debtors are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

18 Cash and bank balances

	2024 US$m	2023 US$m
Deposits with banks and financial institutions – unrestricted	**102.4**	70.4
Bank balances	**112.0**	107.9
Cash balances	**0.6**	0.5
	215.0	178.8
Analysis by currency		
Euro	**19.9**	15.9
Hong Kong dollar	**11.6**	14.7
Indonesian rupiah	**0.7**	0.8
Japanese yen	**15.9**	14.1
Swiss franc	**6.6**	3.0
United Kingdom sterling	**19.4**	16.4
United States dollar	**128.4**	100.5
Other	**12.5**	13.4
	215.0	178.8

The weighted average interest rate on deposits with banks and financial institutions at 31 December 2024 was 4.9% *(2023: 4.4%)* per annum.

19 Assets classified as held for sale

	2024 US$m	2023 US$m
Intangible assets	**–**	0.1
Tangible assets	**–**	305.1
Deferred tax assets	**–**	0.1
Current assets*	**–**	26.6
Total assets	**–**	331.9
Current liabilities	**–**	(24.1)

* Included cash and bank balances of US$11.5 million *(refer note 28h)*.

In December 2023, the Group has signed an option to sell its interests in the owning companies of the Paris Hotel to SLH Hotels Srl (Statuto Group), the owner of Mandarin Oriental, Milan. The Group has agreed a new long-term management agreement to manage and brand the Paris Hotel. The two retail units (the Retail Units) adjoining the Paris Hotel were not included in the sale and were being actively marketed for sale at 31 December 2023. The Group purchased the building containing the Paris Hotel and the Retail Units in 2013, and divided them into separate titles before the completion of the sale of the Paris Hotel to Statuto Group at a gross consideration of US$221.5 million in April 2024. The Group has recognised a post-tax, non-trading loss of US$36.6 million which included cumulative exchange translation loss of US$28.2 million and a tax charge of US$5.4 million in 2024 *(refer notes 6, 8 and 28f)*.

In July 2024, the Group completed the disposal of the Retail Units to Lavender Propco SNC, an entity controlled by Blackstone Europe LLP at a total gross consideration of US$160.5 million, consisting of US$106.5 million cash consideration and US$54.0 million deferred consideration receivable within three years according to the deed of sale. The Group has recognised a post-tax, non-trading gain of US$55.9 million which included cumulative exchange translation loss of US$11.0 million and a tax charge of US$4.9 million. Net financing income on the deferred consideration of US$0.7 million has been recognised as non-trading gain *(refer notes 6 and 8)*.

20 Creditors

	2024 US$m	2023 US$m
Trade creditors	**32.0**	12.7
Accruals	**108.8**	97.8
Rental and other refundable deposits	**5.3**	3.8
Contingent consideration payable on purchase of Mandarin Oriental Exceptional Homes business *(refer note 31)*	**0.9**	–
Derivative financial instruments *(refer note 29)*	**0.9**	–
Other creditors	**22.1**	24.0
Financial liabilities	**170.0**	138.3
Contract liabilities *(refer note 2)*	**20.4**	19.9
Rental income received in advance	**0.8**	0.9
	191.2	159.1
Non-current	**2.7**	1.1
Current	**188.5**	158.0
	191.2	159.1
Analysis by geographical area		
Asia	**114.9**	91.4
EMEA	**45.2**	39.3
America	**31.1**	28.4
	191.2	159.1

Derivative financial instruments are stated at fair value. Other creditors are stated at amortised cost. The fair values of these creditors approximate their carrying amounts.

At 31 December 2024, non-current creditors included amounts of US$1.0 million *(2023: US$1.1 million)* due to a service provider of a joint outlet and US$0.9 million *(2023: nil)* due to an associate company in relation to the purchase of Mandarin Oriental Exceptional Homes business. The amounts are repayable according to the terms of the joint outlet agreement and business sale agreement respectively.

Provision for reinstatement and restoration costs comprised the estimated costs, to be incurred by the Group as lessees, in dismantling and removing the underlying assets, restoring the sites on which they are located or restoring the underlying assets to the condition required by the terms and conditions of the leases. The expected costs of US$0.8 million *(2023: US$0.8 million)* were included in accruals at 31 December 2024.

21 Borrowings

	2024		2023	
	Carrying amount US$m	**Fair value US$m**	Carrying amount US$m	Fair value US$m
Current portion of long-term borrowings				
– bank loans	**103.7**	**103.7**	414.9	414.9
Long-term borrowings				
– bank loans	**204.8**	**204.8**	0.6	0.6
	308.5	**308.5**	415.5	415.5

The Group has borrowing facilities of US$322.0 million due to mature within 2025. In February 2025, the Group has refinanced bank facilities of US$359.0 million for three to five years.

The fair values are estimated using the expected future payments discounted at market interest rate from 4.7% to 6.1% *(2023: 2.1% to 5.9%)* per annum. This is in line with the definition of 'observable current market transactions' under the fair value measurement hierarchy. The fair value of current borrowings approximates their carrying amount, as the impact of discounting is not significant.

	2024 US$m	2023 US$m
Secured	**–**	414.9
Unsecured	**308.5**	0.6
	308.5	415.5

No borrowing *(2023: US$414.9 million)* was secured against the tangible fixed assets and right-of-use assets of certain subsidiaries at 31 December 2024. The book value of the tangible fixed assets and right-of-use assets was US$477.2 million in 2023.

The borrowings at 31 December are further summarised as follows:

	Fixed rate borrowings				
	Weighted average interest rates **%**	Weighted average period outstanding **Years**	**US$m**	Floating rate borrowings **US$m**	Total **US$m**
2024					
Hong Kong dollar	**5.1**	**2.0**	**103.0**	**155.2**	**258.2**
United Kingdom sterling	**5.7**	**3.0**	**18.9**	**31.4**	**50.3**
			121.9	**186.6**	**308.5**
2023					
Hong Kong dollar	4.5	0.2	160.0	191.3	351.3
United Kingdom sterling	3.0	0.3	50.9	13.3	64.2
			210.9	204.6	415.5

The weighted average interest rates and period of fixed rate borrowings are stated after taking into account hedging transactions *(refer note 29)*.

21 Borrowings *continued*

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at 31 December after taking into account hedging transactions are as follows:

	2024 US$m	2023 US$m
Floating rate borrowings	**186.6**	204.6
Fixed rate borrowings		
– Within one year	**–**	210.9
– Between one and two years	**32.2**	–
– Between two and three years	**89.7**	–
– Between three and four years	**–**	–
– Between four and five years	**–**	–
– Beyond five years	**–**	–
	121.9	210.9
	308.5	415.5

The movements in borrowings are as follows:

	Long-term borrowings **US$m**	Short-term borrowings **US$m**	Total **US$m**
2024			
At 1 January	**415.5**	**–**	**415.5**
Exchange differences	**1.3**	**–**	**1.3**
Drawdown of borrowings	**422.2**	**–**	**422.2**
Repayment of borrowings	**(530.5)**	**–**	**(530.5)**
At 31 December	**308.5**	**–**	**308.5**
2023			
At 1 January	599.8	2.2	602.0
Exchange differences	3.2	0.1	3.3
Drawdown of borrowings	58.1	–	58.1
Repayment of borrowings	(245.6)	(2.3)	(247.9)
At 31 December	415.5	–	415.5

22 Lease liabilities

	2024 US$m	2023 US$m
At 1 January	**116.4**	129.4
Exchange differences	**(10.3)**	(7.2)
Additions	**2.8**	0.1
Lease payments	**(8.0)**	(7.9)
Interest expense	**1.5**	1.7
Remeasurement	**–**	0.3
At 31 December	**102.4**	116.4
Non-current	**96.3**	110.6
Current	**6.1**	5.8
	102.4	116.4

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

The Group is not exposed to any residual guarantees in respect of the leases entered into at 31 December 2024 and 2023.

There is no lease contract entered but not commenced at 31 December 2024 and 2023.

23 Segmental information for non-current assets

Set out below is an analysis of the Group's non-current assets, excluding amounts due from associates and joint ventures, other investments, deferred tax assets, pension assets and derivative financial instruments, by reportable segment.

	2024 US$m	2023 US$m
Analysis by geographical area		
Asia	**2,524.1**	2,492.8
EMEA	**434.2**	404.5
America	**101.5**	102.2
	3,059.8	2,999.5

24 Share capital

	Ordinary shares in millions			
	2024	2023	**2024 US$m**	2023 US$m
Authorised				
Shares of US¢5.00 each	**1,500.0**	1,500.0	**75.0**	75.0
Issued and fully paid				
At 1 January	**1,263.8**	1,263.7	**63.2**	63.2
Issued under share-based long-term incentive plans	**–**	0.1	**–**	–
At 31 December	**1,263.8**	1,263.8	**63.2**	63.2

25 Share premium

	2024 US$m	2023 US$m
At 1 January	**500.9**	500.7
Transfer from capital reserves	**–**	0.2
At 31 December	**500.9**	500.9

26 Dividends

	2024 US$m	2023 US$m
Final dividend in respect of 2023 of US¢3.50 *(2022: nil)* per share	**44.2**	–
Interim dividend in respect of 2024 of US¢1.50 *(2023: US¢1.50)* per share	**19.0**	19.0
	63.2	19.0

A final dividend in respect of 2024 of US¢3.50 *(2023: US¢3.50)* per share amounting to a total of US$44.2 million *(2023: US$44.2 million)* is proposed by the Board. The dividend proposed will not be accounted for until it has been approved at the 2025 Annual General Meeting. The amount will be accounted for as an appropriation of revenue reserves in the year ending 31 December 2025.

27 Performance guarantees

In limited cases, the Group may provide performance guarantees to third-party hotel owners. At 31 December 2024, the exposure under performance guarantees of a hotel in operation was US$7.8 million *(2023: US$7.8 million)*. The Group has assessed its performance guarantees provided to third-party hotel owners and concluded that the insurance related revenue and expenses of performance guarantees are immaterial for the year ended 31 December 2023 and 2024, and the insurance receivables of performance guarantees are immaterial at 31 December 2023 and 2024 under IFRS 17.

28 Notes to consolidated cash flow statement

a) Other non-cash items

	2024 US$m	2023 US$m
Fair value loss on investment properties	**171.0**	486.7
Fair value loss on other investments	**0.8**	0.4
Loss/(gain) on sale of subsidiaries	**31.2**	(43.8)
Gain on asset disposals	**(60.8)**	–
Other	**0.9**	(3.0)
	143.1	440.3

b) Movements in working capital

	2024 US$m	2023 US$m
Decrease/(increase) in stocks	**0.6**	(0.9)
Increase in debtors	**(17.5)**	(17.0)
(Decrease)/increase in creditors	**(3.8)**	16.3
Decrease in pension obligations	**(0.3)**	(1.2)
	(21.0)	(2.8)

c) Purchase of Mandarin Oriental Exceptional Homes business *(refer note 31)*

	2024 US$m	2023 US$m
Fair value of intangible assets acquired	**(2.7)**	–
Goodwill	**(2.9)**	–
Total consideration	**(5.6)**	–
Contingent consideration payable	**0.9**	–
Net cash outflow	**(4.7)**	–

d) In 2023, the Group provided shareholder loan to Mandarin Oriental, Miami of US$20.3 million and Mandarin Oriental Ritz, Madrid of US$0.4 million.

e) During 2024, the Group received repayments on its shareholder loans previously provided to River City Shopping Complex of US$0.1 million. In 2023, the Group received repayments on its shareholder loan previously provided to Mandarin Oriental Ritz, Madrid of US$64.2 million and Mandarin Oriental, Miami of US$3.0 million.

28 Notes to consolidated cash flow statement *continued*

f) Sale of subsidiaries

In April 2024, the Group completed the sale of 100% ownership stake in the owning companies of the Paris Hotel to Statuto Group *(refer note 19)*.

In June 2023, the Group completed the sale of 96.9% ownership stake in the owning company of Mandarin Oriental, Jakarta, to P.T. Astra Land Indonesia, a subsidiary of Jardine Matheson Holdings Limited, the Group's ultimate holding company *(refer note 31)*.

Net cash inflow for the sale of subsidiaries is summarised as follows:

	2024 US$m	2023 US$m
Non-current assets	**218.8**	4.8
Currents assets	**5.6**	5.2
Non-current liabilities	**–**	(0.6)
Current liabilities	**(5.7)**	(4.0)
Non-controlling interests	**–**	0.4
Net assets	**218.7**	5.8
Cumulative exchange translation difference	**28.2**	33.1
(Loss)/profit on disposal before tax	**(31.2)**	43.8
Sales proceeds (net of selling expenses)	**215.7**	82.7
Adjustment for deferred payments	**–**	(3.2)
Cash and cash equivalents of a subsidiary disposed of	**–**	(3.9)
Net cash inflow	**215.7**	75.6

g) Cash outflows for leases

	2024 US$m	2023 US$m
Lease rentals paid	**(15.6)**	(14.7)
The above cash outflows are included in		
– operating activities	**(9.1)**	(8.5)
– financing activities	**(6.5)**	(6.2)
	(15.6)	(14.7)

h) Analysis of balances of cash and cash equivalents

	2024 US$m	2023 US$m
Cash and bank balances *(refer note 18)*	**215.0**	178.8
Cash and cash equivalents of subsidiaries classified as held for sale *(refer note 19)*	**–**	11.5
	215.0	190.3

29 Derivative financial instruments

The fair values of derivative financial instruments at 31 December are as follows:

	2024		2023	
	Positive fair value US$m	**Negative fair value US$m**	Positive fair value US$m	Negative fair value US$m
Designated as cash flow hedges				
– interest rate swaps	**0.1**	**(0.9)**	2.4	–

Interest rate swaps

The notional principal amounts of the outstanding interest rate swap contracts at 31 December 2024 were US$121.9 million *(2023: US$210.9 million)*.

At 31 December 2024, the fixed interest rates relating to interest rate swaps varied from 3.9% to 4.1% *(2023: 1.2% to 1.8%)* per annum.

The fair values of interest rate swaps at 31 December 2024 were based on the estimated cash flows discounted at market rates ranging from 0.9% to 1.0% *(2023: 0.9% to 1.0%)* per annum.

30 Commitments

	2024 US$m	2023 US$m
Capital commitments		
Authorised not contracted		
– other	**95.9**	92.4
Contracted not provided		
– other	**96.4**	262.2
	192.3	354.6

This primarily related to capital commitments for One Causeway Bay, which is expected to complete in 2025.

At 31 December 2024 and 2023, there were no short-term lease commitments which were significantly dissimilar to those relating to the portfolio of short-term leases for which expenses were recognised for the year ended 31 December 2024 and 2023.

31 Related party transactions

The parent company of the Group is Jardine Strategic Limited (JSL) and the ultimate holding company of the Group is Jardine Matheson Holdings Limited (JMH). Both JMH and JSL are incorporated in Bermuda.

In the normal course of business, the Group undertakes a variety of transactions with its associates and joint ventures, and with JMH's subsidiaries, associates and joint ventures. The more significant of these transactions are described below:

The Group managed six *(2023: six)* associate and joint venture hotels and received management fees of US$18.9 million *(2023: US$14.3 million)* based on long-term management agreements on normal commercial terms.

31 Related party transactions *continued*

The Group provided hotel management services to Hongkong Land group (HKL), a subsidiary of JMH. Total management fees received from HKL in 2024 amounted to US$2.1 million *(2023: US$2.2 million)*, based on long-term management agreements on normal commercial terms.

The Group pays a management fee to Jardine Matheson Limited, a subsidiary of JMH, in consideration for certain management consultancy services. The fee is calculated as 0.5% of the Group's net profit. No fee was paid in 2024 and 2023 (due to net losses).

In respect of One Causeway Bay, the Group paid consultancy fees of US$2.1 million *(2023: US$1.9 million)* to HKL in consideration for project management consultancy services. In addition, Gammon Construction Limited (GCL), a joint venture of JMH, completed value of works of US$164.2 million *(2023: US$59.8 million)*. The HKL agreement and GCL contract were arranged on normal commercial terms.

In November 2024, the Group completed the acquisition of Mandarin Oriental Exceptional Homes business from Stay One Degree Limited, an associate company of the Group, at a total consideration of US$5.6 million, consisting of US$4.7 million cash consideration and US$0.9 million contingent consideration payable within two years upon the fulfilment of certain criteria according to the business sale agreement.

In June 2023, the Group completed the sale of 96.9% ownership stake in the owning company of Mandarin Oriental, Jakarta in Indonesia, to P.T. Astra Land Indonesia, a subsidiary of JMH, at a total consideration of US$84.8 million. The Group has recognised a post-tax, non-trading gain of US$41.3 million which included cumulative exchange translation loss of US$33.1 million and a tax charge of US$2.5 million. The Group has retained the hotel management contracts to manage and brand the hotel *(refer notes 8 and 28f)*.

The outstanding balances with associates and joint ventures are set out in debtors in note 17.

Details of Directors' emoluments (being the key management personnel compensation) are shown on page 132 under the heading of 'Remuneration outcomes in 2024'.

32 Summarised balance sheet of the Company

Included below is certain summarised balance sheet information of the Company disclosed in accordance with Bermuda Law.

	2024 US$m	2023 US$m
Subsidiaries	**1,255.1**	1,322.1
Net current liabilities	**(1.6)**	(1.8)
Net assets	**1,253.5**	1,320.3
Share capital *(refer note 24)*	**63.2**	63.2
Share premium *(refer note 25)*	**500.9**	500.9
Revenue and other reserves	**689.4**	756.2
Shareholders' funds	**1,253.5**	1,320.3

Subsidiaries are shown at cost less amount provided, and include amounts due from and due to subsidiaries.

33 Principal subsidiaries, associates, joint ventures and managed hotels

The principal subsidiaries, associates, joint ventures and managed hotels of the Group at 31 December 2024 are set out below.

Principal place of business	Name of entity	Nature of business	Attributable interest % 2024	2023	Proportion of ordinary shares and voting powers at 31 December 2024 held by the Group %	non-controlling interests %	Hotel profile
Subsidiaries							
Hong Kong	Mandarin Oriental Hotel Group International Limited	Management	**100**	100	**100**	**–**	–
Hong Kong	Mandarin Oriental Hotel Group Limited	Management	**100**	100	**100**	**–**	–
Hong Kong	Mandarin Oriental, Hong Kong Limited	Owner: Mandarin Oriental, Hong Kong	**100**	100	**100**	**–**	447 rooms. Lease expiry 2895
Hong Kong	Excelsior Hotel (BVI) Limited	One Causeway Bay	**100**	100	**100**	**–**	–
Japan	Mandarin Oriental Tokyo KK	Owner: Mandarin Oriental, Tokyo	**100**	100	**100**	**–**	179 rooms. Lease expiry 2050
United Kingdom	Mandarin Oriental Hyde Park Limited	Owner: Mandarin Oriental Hyde Park, London	**100**	100	**100**	**–**	181 rooms. Freehold
Switzerland	Société Immobilière de Mandarin Oriental (Genèva) SA	Owner: Mandarin Oriental, Geneva	**85.3**	85.3	**85.3**	**14.7**	Lease expiry 2040
Switzerland	Société pour l' Exploitation de Mandarin Oriental (Genèva) SA		**100**	100	**100**	**–**	178 rooms
Germany	Dinavest International Holdings B.V.	Owner: Mandarin Oriental, Munich	**100**	100	**100**	**–**	73 rooms. Freehold
United States	Boylston Street Hotel LLC	Owner: Mandarin Oriental, Boston	**100**	100	**100**	**–**	148 rooms. Freehold
Associates and joint ventures							
Singapore	Marina Bay Hotel Private Limited	Owner: Mandarin Oriental, Singapore	**50**	50	**50**	**50**	510 rooms. Lease expiry 2079
Thailand	OHTL PCL	Owner: Mandarin Oriental, Bangkok	**47.6**	47.6	**47.6**	**52.4**	331 rooms. Various freehold/leasehold
Malaysia	Asas Klasik Sdn Bhd	Owner: Mandarin Oriental, Kuala Lumpur	**25**	25	**25**	**75**	629 rooms. Freehold
Thailand	Chaophaya Development Corporation Limited	Owner: River City Shopping Complex	**49**	49	**49**	**51**	–
Spain	Ritz Madrid, S.A.	Owner: Mandarin Oriental Ritz, Madrid	**50**	50	**50**	**50**	153 rooms. Freehold
United States	ICD Columbus Centre Hotel LLC	Owner: Mandarin Oriental, New York	**25.1**	25.1	**25.1**	**74.9**	244 rooms. Freehold
United States	Swire Brickell Key Hotel Limited	Owner: Mandarin Oriental, Miami	**25**	25	**25**	**75**	326 rooms. Freehold
Hong Kong	Stay One Degree Limited	Online booking service platform for luxury homes	**30.4**	22.4	**30.4**	**69.6**	–
Managed hotels							
Hong Kong	The Landmark Mandarin Oriental, Hong Kong		**–**	–	**–**	**–**	111 rooms
Macau	Mandarin Oriental, Macau		**–**	–	**–**	**–**	213 rooms
China	Mandarin Oriental, Sanya		**–**	–	**–**	**–**	278 rooms
China	Mandarin Oriental, Guangzhou		**–**	–	**–**	**–**	263 rooms
China	Mandarin Oriental Pudong, Shanghai		**–**	–	**–**	**–**	362 rooms
China	Mandarin Oriental Wangfujing, Beijing		**–**	–	**–**	**–**	73 rooms
China	Mandarin Oriental, Shenzhen		**–**	–	**–**	**–**	178 rooms
China	Mandarin Oriental Qianmen, Beijing		**–**	–	**–**	**–**	42 rooms
Taiwan	Mandarin Oriental, Taipei		**–**	–	**–**	**–**	293 rooms
Indonesia	Mandarin Oriental, Jakarta		**–**	–	**–**	**–**	272 rooms
Czech Republic	Mandarin Oriental, Prague		**–**	–	**–**	**–**	99 rooms
Spain	Mandarin Oriental, Barcelona		**–**	–	**–**	**–**	120 rooms
Turkey	Mandarin Oriental, Bodrum		**–**	–	**–**	**–**	125 rooms
Turkey	Mandarin Oriental Bosphorus, Istanbul		**–**	–	**–**	**–**	100 rooms
Switzerland	Mandarin Oriental Palace, Luzern		**–**	–	**–**	**–**	136 rooms
Switzerland	Mandarin Oriental Savoy, Zurich		**–**	–	**–**	**–**	80 rooms
Italy	Mandarin Oriental, Milan		**–**	–	**–**	**–**	104 rooms
Italy	Mandarin Oriental, Lago di Como		**–**	–	**–**	**–**	75 rooms
France	Mandarin Oriental, Paris		**–**	–	**–**	**–**	135 rooms
United Kingdom	Mandarin Oriental Mayfair, London		**–**	–	**–**	**–**	50 rooms
Greece	Mandarin Oriental, Costa Navarino		**–**	–	**–**	**–**	99 rooms
Morocco	Mandarin Oriental, Marrakech		**–**	–	**–**	**–**	65 rooms
Qatar	Mandarin Oriental, Doha		**–**	–	**–**	**–**	249 rooms
United Arab Emirates	Mandarin Oriental Jumeira, Dubai		**–**	–	**–**	**–**	232 rooms
United Arab Emirates	Emirates Palace Mandarin Oriental, Abu Dhabi		**–**	–	**–**	**–**	390 rooms
Saudi Arabia	Mandarin Oriental Al Faisaliah, Riyadh		**–**	–	**–**	**–**	325 rooms
Oman	Mandarin Oriental, Muscat		**–**	–	**–**	**–**	150 rooms
Chile	Mandarin Oriental, Santiago		**–**	–	**–**	**–**	297 rooms
Saint Vincent and the Grenadines	Mandarin Oriental, Canouan		**–**	–	**–**	**–**	35 rooms

34 Material accounting policies

Basis of consolidation

i) The consolidated financial statements include the financial statements of the Company, its subsidiaries, and the Group's interests in associates and joint ventures.

ii) A subsidiary is an entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition includes the fair value at the acquisition date of any contingent consideration. The Group recognises the non-controlling interest's proportionate share of the recognised identifiable net assets of the acquired subsidiary. In a business combination achieved in stages, the Group remeasures its previously held interest in the acquiree at its acquisition-date fair value and recognises the resulting gain or loss in profit and loss. Changes in a parent's ownership interest in a subsidiary that do not result in the loss of control are accounted for as equity transactions. When control over a previous subsidiary is lost, any remaining interest in the entity is remeasured at fair value and the resulting gain or loss is recognised in profit and loss.

All material intercompany transactions, balances and unrealised surpluses and deficits on transactions between Group companies have been eliminated. The cost of and related income arising from shares held in the Company by subsidiaries are eliminated from shareholders' funds and non-controlling interests, and profit, respectively.

iii) An associate is an entity, not being a subsidiary or joint venture, over which the Group exercises significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Associates and joint ventures are included on the equity basis of accounting.

Profits and losses resulting from upstream and downstream transactions between the Group and its associates and joint ventures are recognised in the consolidated financial statements only to the extent of unrelated investor's interests in the associates and joint ventures.

iv) Non-controlling interests represent the proportion of the results and net assets of subsidiaries and their associates and joint ventures not attributable to the Group.

v) The results of subsidiaries, associates and joint ventures are included or excluded from their effective dates of acquisition or disposal, respectively. The results of entities other than subsidiaries, associates and joint ventures are included to the extent of dividends received when the right to receive such dividend is established.

Foreign currencies

Transactions in foreign currencies are accounted for at the exchange rates ruling at the transaction dates.

Assets and liabilities of subsidiaries, associates and joint ventures, together with all other monetary assets and liabilities expressed in foreign currencies, are translated into United States dollars at the rates of exchange ruling at the year end. Results expressed in foreign currencies are translated into United States dollars at the average rates of exchange ruling during the year, which approximate the exchange rates at the dates of the transactions.

Exchange differences arising from the retranslation of the net investment in foreign subsidiaries, associates and joint ventures, and of financial instruments which are designated as hedges of such investments, are recognised in other comprehensive income and accumulated in equity under exchange reserves. On the disposal of these investments, such exchange differences are recognised in profit and loss. Exchange differences on other investments measured at fair value through profit and loss are recognised in profit and loss as part of the gains and losses arising from changes in their fair value. Exchange differences on other investments measured at fair value through other comprehensive income are recognised in other comprehensive income as part of the gains and losses arising from changes in their fair value. All other exchange differences are recognised in profit and loss.

34 Material accounting policies *continued*

Foreign currencies *continued*

Goodwill and fair value adjustments arising on acquisition of a foreign entity after 1 January 2003 are treated as assets and liabilities of the foreign entity and translated into United States dollars at the rate of exchange ruling at the year end.

Impairment of non-financial assets

Assets that have indefinite useful lives are not subject to amortisation and are tested for impairment annually and whenever there is an indication that the assets may be impaired. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows. Cash-generating units or groups of cash-generating units to which goodwill has been allocated are tested for impairment annually and whenever there is an indication that the units may be impaired. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's fair value less costs to sell and value in use. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment annually.

Intangible assets

i) Goodwill represents the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the acquisition-date fair value of any previously held equity interest in the acquiree over the acquisition-date fair value of the Group's share of the net identifiable assets acquired. Non-controlling interests are measured at their proportionate share of the net identifiable assets at the acquisition date. If the cost of acquisition is less than the fair value of the net assets acquired, the difference is recognised directly in profit and loss. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates and joint ventures is included in investment in associates and joint ventures. Goodwill is allocated to cash-generating units or groups of cash-generating units for the purpose of impairment testing and is carried at cost less accumulated impairment loss.

The profit or loss on disposal of subsidiaries, associates and joint ventures is stated after deducting the carrying amount of goodwill relating to the entity sold.

ii) Computer software represents acquired computer software licences which are capitalised on the basis of the costs incurred to acquire and bring to use the specific software and are stated at cost less accumulated amortisation. Amortisation is calculated on the straight-line basis to allocate the cost over their estimated useful lives.

iii) Development project contract costs are setup costs in order to secure long-term hotel management contracts and directly attributable to hotel projects under development, which are capitalised to the extent that such expenditure is expected to generate future economic benefits and upon completion of the project. Capitalised development project contract costs are amortised over the term of the management contracts when the related revenue is recognised.

Where the carrying amount of a development project contract cost is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

iv) Mandarin Oriental Exceptional Homes contracts represent acquired booking service rights under the homeowner agreements in respect of rental of luxury homes. The contracts are recognised initially at fair value upon the acquisition of Mandarin Oriental Exceptional Homes business in 2024 and are stated less accumulated amortisation. Amortisation is calculated on the straight-line basis to allocate the cost over their estimated useful lives.

34 Material accounting policies *continued*

Tangible fixed assets and depreciation

Freehold properties comprised land and buildings. Freehold land is stated at cost less any impairment. No depreciation is provided on freehold land as it is deemed to have an indefinite life. Properties on freehold and leasehold land are stated at cost less any accumulated depreciation and impairment. Other tangible fixed assets are stated at cost less amounts provided for depreciation.

Depreciation of tangible fixed assets is calculated on the straight-line basis to allocate the cost or valuation of each asset to its residual value over its estimated useful life. The residual values and useful lives are reviewed at each balance sheet date. The estimated useful lives are as follows:

Properties on freehold land and under leases more than 20 years	21 years to 150 years
Properties under leases less than 20 years	over unexpired period of lease
Surfaces, finishes and services of hotel properties	20 years to 30 years
Leasehold improvements	shorter of unexpired period of the lease or useful life
Plant and machinery	5 years to 15 years
Furniture, equipment and motor vehicles	3 years to 10 years

Where the carrying amount of a tangible fixed asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

The profit or loss on disposal of tangible fixed assets is recognised by reference to their carrying amount.

Where the Group holds land or building which it intends to occupy and provide hotel services, and to enhance customer experience, it is classified as tangible fixed assets.

Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Lease contracts may contain lease and non-lease components. The Group allocates the consideration in the contract to lease and non-lease component based on their relative stand-alone prices. For property leases where the Group is a lessee, it has elected not to separate lease and immaterial non-lease components and accounts for these items as a single lease component.

i) **As a lessee**

The Group enters into property leases for use as hotels or offices.

The Group recognises right-of-use assets and lease liabilities at the lease commencement dates, that is the dates the underlying assets are available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment, and adjusted for any remeasurement of lease liabilities. The cost of the right-of-use assets includes amounts of the initial measurement of lease liabilities recognised, lease payments made at or before the commencement dates less any lease incentives received, initial direct costs incurred and restoration costs. Right-of-use assets are depreciated using the straight-line method over the shorter of their estimated useful lives and the lease terms.

When right-of-use assets meet the definition of investment properties, they are presented in investment properties, and are initially measured at cost and subsequently measured at fair value, in accordance with the Group's accounting policy.

The Group also has interests in leasehold land for use in its operations. Lump sum payments were made upfront to acquire these land interests from their previous registered owners or governments in the jurisdictions where the land is located. There are no ongoing payments to be made under the term of the land leases, other than insignificant lease renewal costs or payments based on rateable value set by the relevant government authorities. These payments are stated at cost and are amortised over the term of the lease which includes the renewal period if the lease can be renewed by the Group without significant cost.

34 Material accounting policies *continued*

Leases continued

i) As a lessee *continued*

Lease liabilities are measured at the present value of lease payments to be made over the lease terms. Lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised and payments of penalties for terminating a lease, if the lease term reflects the Group exercising that option. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. Lease liabilities are measured at amortised cost using the effective interest method. After the commencement date, the amount of lease liabilities is increased by the interest costs on the lease liabilities and decreased by lease payments made.

The carrying amount of lease liabilities is remeasured when there is a change in the lease term, or there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise an extension or a termination option. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low value assets and short-term leases. Low value assets comprised office equipment. Short-term leases are leases with a lease term of 12 months or less. Lease payments associated with these leases are recognised on a straight-line basis as an expense in profit and loss over the lease term.

Lease liabilities are classified as non-current liabilities unless payments are within 12 months from the balance sheet date.

ii) As a lessor

The Group enters into contracts with lease components as a lessor primarily on its properties. These leases are operating leases as they do not transfer the risk and rewards incidental to the underlying properties. The Group recognises the lease payments received under these operating leases on a straight-line basis over the lease term as part of revenue in the profit and loss.

Investment properties

Properties including those under operating leases which are held for long-term rental yields or capital gains are classified and accounted for as investment properties, but the business model does not necessarily envisage that the properties will be held for their entire useful life. Investment properties are carried at fair value, representing estimated open market value determined annually by independent qualified valuers who have recent experience in the location and segment of the investment property being valued.

The market value of the under development commercial property is derived using the residual method. The residual method is based on the estimated capital value of the proposed development assuming completion as at the date of valuation, after deducting development costs together with developer's profit and risk. The market value of the residential property is arrived at by reference to market evidence of transaction prices for similar properties. Changes in fair value are recognised in profit and loss.

34 Material accounting policies *continued*

Investments

The Group classifies its investments into the following measurement categories:

i) Those to be measured subsequently at fair value, either through other comprehensive income or through profit and loss; and

ii) Those to be measured at amortised cost.

The classification is based on the management's business model and their contractual cash flows characteristics.

Investments are measured at fair value with fair value gains and losses recognised in profit and loss, unless management has elected to recognise the fair value gains and losses through other comprehensive income. For investments measured at fair value through other comprehensive income, gains or losses realised upon disposal are not reclassified to profit and loss.

At initial recognition, the Group measures an investment at its fair value plus, in the case of the investment not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the investment. Transaction costs of investments carried at fair value through profit and loss are expensed in profit and loss.

All purchases and sales of investments are recognised on the trade date, which is the date that the Group commits to purchase or sell the investments.

Investments are classified as non-current assets.

Stocks

Stocks, which principally comprise beverages and consumables, are stated at the lower of cost and net realisable value. Cost is determined by the first-in, first-out method.

Debtors

Trade debtors are recognised initially at the amount of consideration that is unconditional and measured subsequently at amortised cost using effective interest method. All other debtors, excluding derivative financial instruments, are measured at amortised cost except where the effect of discounting would be immaterial. The impairment measurement is subject to whether there has been a significant increase in credit risk. For trade debtors, the Group applied the simplified approach as permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the debtors. Provision for impairment is established by considering potential financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in arriving at operating profit. When a debtor is uncollectible, it is written off against the allowance account. Subsequent recoveries of amount previously written off are credited to profit and loss.

Debtors with maturities greater than 12 months after the balance sheet date are classified under non-current assets.

Assets classified as held for sale

Assets are classified as held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amounts are expected to be recovered principally through a sale transaction within 12 months after the balance sheet rather than through continuing use. Once classified as held for sale, the assets are no longer amortised or depreciated.

34 Material accounting policies *continued*

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise deposits at call with banks and financial institutions and cash and bank balances, with original maturities of three months or less, net of bank overdrafts. In the balance sheet, bank overdrafts are included in current borrowings.

Provisions

Provisions are recognised when the Group has present legal or constructive obligations as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations, and a reliable estimate of the amount of the obligations can be made.

Borrowings and borrowing costs

Borrowings are initially recognised at fair value, net of transaction costs incurred. In subsequent periods, borrowings are stated at amortised cost using the effective interest method.

Borrowing costs relating to major development projects are capitalised until the asset is substantially completed. Capitalised borrowing costs are included as part of the cost of the asset. All other borrowing costs are expensed as incurred.

Borrowings are classified as current liabilities, at the end of the reporting period, unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Current and deferred tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values. Deferred tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Provision for deferred tax is made on the revaluation of certain non-current assets and, in relation to acquisitions, on the difference between the fair value of the net assets acquired and their tax base. Deferred tax is provided on temporary differences associated with investments in subsidiaries, associates and joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

34 Material accounting policies *continued*

Employee benefits

The Group operates a number of defined benefit and defined contribution plans, the assets of which are held in trustee administered funds.

Pension accounting costs for defined benefit plans are assessed using the projected unit credit method. Under this method, the costs of providing pensions are charged to profit and loss spreading the regular cost over the service lives of employees in accordance with the advice of qualified actuaries, who carry out a full valuation of major plans every year. The pension obligations are measured as the present value of the estimated future cash outflows by reference to market yields on high quality corporate bonds which have terms to maturity approximating the terms of the related liability. Plan assets are measured at fair value.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income in the year in which they occur.

Past service costs are recognised immediately in profit and loss.

The Group's total contributions relating to the defined contribution plans are charged to profit and loss in the year to which they relate.

Derivative financial instruments

The Group only enters into derivative financial instruments in order to hedge underlying exposures and not as speculative investments. Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss is dependent on the nature of the item being hedged. The Group designates certain derivatives as a hedge of a forecasted transaction or of the foreign currency risk on a firm commitment (cash flow hedge), or a hedge of a net investment in a foreign entity.

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges and that are highly effective, are recognised in other comprehensive income and accumulated in equity under hedging reserves. Changes in the fair value relating to the ineffective portion is recognised immediately in profit and loss. Where the hedged item results in the recognition of a non-financial asset or of a non-financial liability, the deferred gains and losses and included in the initial measurement of the cost of the asset or liability. The deferred amounts are ultimately recognised in profit and loss as the hedged item affects profit and loss. Otherwise, amounts deferred in hedging reserves are transferred to profit and loss in the same periods during which the hedged firm commitment or forecasted transaction affects profit and loss. The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit and loss within finance cost at the same time as the interest expense on the hedged borrowings. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in hedging reserves at that time remains in the hedging reserves and is recognised when the committed or forecasted transaction ultimately is recognised in profit and loss. When a committed or forecasted transaction is no longer expected to occur, the cumulative gain or loss that was reported in hedging reserves is immediately transferred to profit and loss.

Certain derivative transactions, while providing effective economic hedges under the Group's risk management policies, do not qualify for hedge accounting under the specific rules in IFRS 9. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting under IFRS 9 are recognised immediately in profit and loss.

Hedges of net investments in foreign entities are accounted for on a similar basis to that used for cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in exchange reserves; the gain or loss relating to the ineffective portion is recognised immediately in profit and loss.

34 Material accounting policies *continued*

Derivative financial instruments continued
The fair value of derivatives which are designated and qualify as effective hedges are classified as non-current assets or liabilities if the remaining maturities of the hedged assets or liabilities are greater than 12 months after the balance sheet date.

Offsetting financial instruments
Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

Non-trading items
Non-trading items are separately identified to provide greater understanding of the Group's underlying business performance. Items classified as non-trading items include fair value gains or losses on revaluation of investment properties and investments which are measured at fair value through profit and loss; gains and losses arising from the sale of businesses, investments and properties; impairment of non-depreciable intangible assets, associates and joint ventures and other investments; provisions for the closure of businesses; acquisition-related costs in business combinations; and other credits and charges of a non-recurring nature that require inclusion in order to provide additional insight into underlying business performance.

Earnings per share
Basic earnings per share are calculated on profit attributable to shareholders and on the weighted average number of shares in issue during the year. For the purpose of calculating diluted earnings per share, the weighted average number of shares is adjusted for the number of shares which are deemed to be issued for no consideration under the share-based long-term incentive plans based on the average share price during the year.

Dividends
Dividends proposed or declared after the balance sheet date are not recognised as a liability at the balance sheet date.

Revenue recognition
i) Revenue from hotel ownership comprises amounts earned in respect of rental of rooms, food and beverage sales, and other ancillary services and goods supplied by the subsidiary hotels.

Revenue is recognised over the period when rooms are occupied or services are performed.

Revenue from the sale of food and beverages and goods is recognised at the point of sale when the food and beverages and goods are delivered to customers.

Payment is due immediately when the hotel guest occupies the room and receives the services and goods.

ii) Revenue from hotel and residences branding and management comprises gross fees earned from the branding and management of all the hotels and residences operated by the Group.

Branding and management fees are recognised over time as determined by the relevant contract, taking into account the performance of the hotels, and the sales and operating expenses of the residences. Fees charged to the subsidiary hotels are eliminated upon consolidation.

Hotels and residences are invoiced in accordance with the terms of contract and fees are payable when invoiced.

iii) Rental income from properties and other tangible assets are accounted for on an accrual basis over the lease terms.

35 Standards and amendments issued but not yet effective

A number of amendments effective for accounting periods beginning after 2024 have been published and will be adopted by the Group from their effective dates. The Group is currently assessing the potential impact of these standards and amendments but expects their adoption will not have a significant impact on the Group's consolidated financial statements. The more important standard and amendments that are relevant to the Group are set out below.

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 *(effective from 1 January 2026)*
These amendments clarify i) the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; ii) further guidance for assessing whether a financial asset meets the solely payments of principal and interest criterion; iii) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and iv) update the disclosures for equity instruments designated at fair value through other comprehensive income. The Group is assessing the impact on the Group's consolidated financial statements.

IFRS 18 'Presentation and Disclosure in Financial Statements' *(effective from 1 January 2027)*
The standard requires new presentation and disclosure in financial statements, which replaces IAS 1, with a focus on updates to the statement of profit and loss. The key new concepts introduced in IFRS 18 relate to i) the structure of the statement of profit and loss with defined subtotals; ii) requirement to determine the most useful structure summary for presenting expenses in the statement of profit and loss; iii) required disclosures in a single note within the financial statements for certain profit and loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and iv) enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. The Group is assessing the changes on presentation and disclosure required in the Group's consolidated financial statements.

36 Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

The Group's treasury function co-ordinates, under the directions of the Board of Mandarin Oriental International Limited, financial risk management policies and their implementation on a Group-wide basis. The Group's treasury policies are designed to manage the financial impact of fluctuations in interest rates and foreign exchange rates and to minimise the Group's financial risks. The Group uses derivative financial instruments, principally interest rate swaps and caps, and forward foreign exchange contracts as appropriate for hedging transactions and managing the Group's assets and liabilities in accordance with the Group's financial risk management policies. Financial derivative contracts are executed between third party banks and the Group entity that is directly exposed to the risk being hedged. Hedge accounting is applied to remove the accounting mismatch between the hedging instrument and the hedged item. The effective portion of the change in the fair value of the hedging instrument is deferred into the cash flow hedge reserve through other comprehensive income and will be recognised in profit and loss when the hedged item affects profit and loss. The ineffective portion will be recognised in the profit and loss immediately. In general, the volatility in profit or loss can be reduced by applying hedge accounting.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

36 Financial risk management *continued*

Financial risk factors continued

The Group enters into interest rate swaps and caps that have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. The Group does not hedge 100% of its loans, therefore the hedged item is identified as a proportion of the outstanding loans up to the notional amount of the swaps. As all critical terms matched during the year, effective economic relationship existed between the swaps and the loans.

The Group performs a qualitative assessment of effectiveness. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness.

Hedge ineffectiveness for interest rate swaps may occur due to:

i) The credit value/debit value adjustment on the interest rate swaps which is not matched by the loan; and

ii) Differences in critical terms between the interest rate swaps and loans.

The ineffectiveness during 2024 or 2023 in relation to the interest rate swaps was not material.

i) Market risk

Foreign exchange risk

Entities within the Group are exposed to foreign exchange risk from future commercial transactions, net investments in foreign operations and net monetary assets and liabilities that are denominated in a currency that is not the entity's functional currency.

Group entities are required to manage their foreign exchange risk against their functional currency. To manage their foreign exchange risk arising from future commercial transactions, entities in the Group use forward foreign exchange contracts in a consistent manner to hedge firm and anticipated foreign exchange commitments. The Group does not usually hedge its net investments in foreign operations except in circumstances where there is a material exposure arising from a currency that is anticipated to be volatile and the hedging is cost effective.

Currency risks as defined by IFRS 7 arise on account of monetary assets and liabilities being denominated in a currency that is not the functional currency. In 2024 and 2023, the Group's principal foreign exchange exposure was with the Euro. At 31 December 2024, if the United States dollar had strengthened/weakened by 10% against Euro with all other variables unchanged, the Group's loss after tax would have been US$0.5 million *(2023: US$0.5 million)* higher/lower, arising from foreign exchange losses/gains taken on translation. The impact on amounts attributable to the shareholders of the Company would be US$0.5 million *(2023: US$0.5 million)* lower/higher. This sensitivity analysis ignores any offsetting foreign exchange factors and has been determined assuming that the change in foreign exchange rates had occurred at the balance sheet date. The stated change represents management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual balance sheet date. There are no other significant monetary balances held by Group companies at 31 December 2024 that are denominated in a non-functional currency. Differences resulting from the translation of financial statements into the Group's presentation currency are not taken into consideration.

36 Financial risk management *continued*

Financial risk factors continued

i) **Market risk** *continued*

Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets. These exposures are managed partly by using natural hedges that arise from offsetting interest rate sensitive assets and liabilities, and partly through fixed rate borrowings and the use of derivative financial instruments such as interest rate swaps and caps. The Group monitors interest rate exposure on a monthly basis by currency and business unit, taking into consideration proposed financing and hedging arrangements. The Group's guideline is to maintain 40% to 60% of its gross borrowings, in fixed rate instruments. At 31 December 2024, the Group's interest rate hedge was 40% *(2023: 51%)*, with an average tenor of 2.2 years *(2023: 0.2 years)*. The interest rate profile of the Group's borrowings after taking into account hedging transactions are set out in note 21.

Cash flow interest rate risk is the risk that changes in market interest rates will impact cash flows arising from variable rate financial instruments. Borrowings at floating rates therefore expose the Group to cash flow interest rate risk. The Group manages this risk by using forward rate agreements to a maturity of one year, and by entering into interest rate swaps and caps for a maturity of up to seven years. Forward rate agreements and interest rate swaps have the economic effect of converting borrowings from floating rate to fixed rate, caps provide protection against a rise in floating rates above a pre-determined rate. Details of interest rate swaps are set out in note 29.

At 31 December 2024, if interest rates had been 100 basis points higher/lower with all other variables held constant, the Group's loss after tax would have been US$0.5 million *(2023: US$1.0 million)* higher/lower, and hedging reserves would have been US$2.1 million *(2023: US$0.5 million)* higher/lower, as a result of fair value changes to cash flow hedges. The sensitivity analysis has been determined assuming that the change in interest rates had occurred at the balance sheet date and had been applied to the exposure to interest rate risk for both derivative and non-derivative financial instruments in existence at that date. There is no significant sensitivity resulting from interest rate caps. The 100 basis point increase or decrease represents management's assessment of a reasonably possible change in those interest rates which have the most impact on the Group, specifically the United States, Hong Kong, United Kingdom and European rates, over the period until the next annual balance sheet date. Changes in market interest rates affect the interest income or expense of non-derivative variable-interest financial instruments, the interest payments of which are not designated as hedged items of cash flow hedges against interest rate risks. As a consequence, they are included in the calculation of loss after tax sensitivities. Changes in the market interest rate of financial instruments that were designated as hedging instruments in a cash flow hedge to hedge payment fluctuations resulting from interest rate movements affect the hedging reserves and are therefore taken into consideration in the equity-related sensitivity calculations.

36 Financial risk management *continued*

Financial risk factors *continued*

i) Market risk *continued*

Price risk

The Group is exposed to price risk from its investments which are measured at fair value through profit and loss. Gains and losses arising from changes in the fair value of these investments are recognised in profit and loss or other comprehensive income according to their classification. The performance of these investments are monitored regularly, together with an assessment of their relevance to the Group's long-term strategic plans. Details of these investments are contained in note 14.

The Group's interest in these investments are unhedged. At 31 December 2024, if the price of these investments had been 25% higher/lower with all other variables held constant, non-trading operating profit and total equity would have been US$3.3 million *(2023: US$3.5 million)* higher/lower. The sensitivity analysis has been determined based on a reasonable expectation of possible valuation volatility over the next 12 months.

ii) Credit risk

The Group's credit risk is primarily attributable to deposits with banks, credit exposures to customers and derivative financial instruments with a positive fair value. The Group has credit policies in place and the exposures to these credit risks are monitored on an ongoing basis.

The Group manages its deposits with banks and financial institutions and transactions involving derivative financial instruments by monitoring credit ratings and capital adequacy ratios of counterparties, and limiting the aggregate risk to any individual counterparty. The utilisation of credit limits is regularly monitored. Similarly transactions involving derivative financial instruments are with banks with sound credit ratings and capital adequacy ratios. In developing countries it may be necessary to deposit money with banks that have a lower credit rating, however the Group only enters into derivative transactions with counterparties which have credit rating of at least investment grade. Management does not expect any counterparty to fail to meet its obligations.

In respect of credit exposures to customers, the Group has policies in place to ensure that sales on credit without collateral are made principally to travel agents and corporate companies with an appropriate credit history. Sales to other customers are made in cash or by major credit cards.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet after deducting any impairment allowance.

36 Financial risk management *continued*

Financial risk factors continued

iii) Liquidity risk

Prudent liquidity risk management includes managing the profile of debt maturities and funding sources, maintaining sufficient cash and marketable securities, and ensuring the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions. The Group's ability to fund its existing and prospective debt requirements is managed by maintaining diversified funding sources with adequate committed funding lines from high quality lenders, and by monitoring rolling short-term forecasts of the Group's cash and gross debt on the basis of expected cash flows. In addition, long-term cash flows are projected to assist with the Group's long-term debt financing plans.

At 31 December 2024, total available borrowing facilities amounted to US$733 million *(2023: US$1,074 million)* of which US$309 million *(2023: US$415 million)* was drawn down. Undrawn committed facilities, in the form of revolving credit and term loan facilities totalled US$424 million *(2023: US$659 million)*, in addition to cash and bank balances of US$215 million *(2023: US$190 million*)*.

Included in the total available borrowing facilities of US$733 million, the Group has borrowing facilities of US$322 million due to mature within 2025. The Group has refinanced bank facilities of US$359 million for three to five years in February 2025.

The table below analyses the Group's non-derivative financial liabilities and net settled derivative financial liabilities into relevant maturity groupings based on the remaining period at 31 December 2024 and 2023 to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Within one year US$m	Between one and two years US$m	Between two and three years US$m	Between three and four years US$m	Between four and five years US$m	Beyond five years US$m	Total undiscounted cash flows US$m
2024							
Borrowings	**117.7**	**10.8**	**158.5**	**3.0**	**50.6**	**–**	**340.6**
Lease liabilities	**7.9**	**7.2**	**5.2**	**4.9**	**4.3**	**88.8**	**118.3**
Creditors	**169.1**	**–**	**–**	**–**	**–**	**–**	**169.1**
Net settled derivative financial instruments	**0.3**	**0.4**	**0.2**	**–**	**–**	**–**	**0.9**
2023							
Borrowings	423.2	0.7	–	–	–	–	423.9
Lease liabilities	7.7	7.5	7.1	5.2	4.8	102.8	135.1
Creditors	157.0	–	–	–	–	–	157.0

* In 2023, the cash and bank balances of US$190 million included cash and bank balances of US$11 million classified as assets held for sale *(refer note 19)*.

36 Financial risk management *continued*

Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern whilst seeking to maximise benefits to shareholders and other stakeholders. Capital is equity as shown in the consolidated balance sheet plus net debt.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, purchase Group shares, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the Group's consolidated gearing ratio and consolidated interest cover before taking into account the impact of IFRS 16 'Leases'. The gearing ratio is calculated as net debt divided by shareholders' funds on an IFRS basis, where the Group's freehold and leasehold interests are carried in the consolidated balance sheet at amortised cost, or alternatively on an adjusted shareholders' funds basis which takes into account the fair market value of the Group's freehold and leasehold interests. Net debt is calculated as total borrowings less bank and cash balances. Interest cover is calculated as underlying operating profit before the deduction of amortisation/depreciation of right-of-use assets, net of actual lease payments, and the Group's share of underlying results of associates and joint ventures, divided by net financing charges before the deduction of capitalised interest and excluding interest on lease liabilities. The Group does not have a defined gearing or interest cover benchmark or range.

The ratios at 31 December 2024 and 2023 are as follows:

	2024	2023
Gearing ratio		
– based on shareholders' funds	**3%**	8%
– based on adjusted shareholders' funds	**2%**	5%
Interest cover	**7.2**	6.7

Fair value estimation

i) **Financial instruments that are measured at fair value**
For financial instruments that are measured at fair value in the balance sheet, the corresponding fair value measurements are disclosed by level of the following fair value measurement hierarchy:

a) *Inputs other than quoted prices in active markets that are observable for the asset or liability, either directly or indirectly (observable current market transactions/Level 2)*
The fair values of derivative financial instruments are determined using rates quoted by the Group's bankers at the balance sheet date. The rates for interest rate swaps and caps and forward foreign exchange contracts are calculated by reference to market interest rates and foreign exchange rates.

The fair values of unlisted investments, mainly include club and school debentures, are determined using prices quoted by brokers at the balance sheet date.

b) *Inputs for assets or liabilities that are not based on observable market data (unobservable inputs/Level 3)*
The fair values of other unlisted investments, are determined using valuation techniques by reference to observable current market transactions (including price-to earnings and price-to book ratios of listed securities of entities engaged in similar industries) or the market prices of the underlying investments with certain degree of entity specific estimates or discounted cash flow by projecting the cash inflows from these investments.

There were no changes in valuation techniques during the year.

36 Financial risk management *continued*

Fair value estimation continued

i) **Financial instruments that are measured at fair value** *continued*

The table below analyses financial instruments carried at fair value at 31 December 2024 and 2023, by the levels in the fair value measurement hierarchy.

	Observable current market transactions US$m	Unobservable inputs US$m	Total US$m
2024			
Assets			
Other investments	**4.8**	**8.5**	**13.3**
Derivative financial instruments at fair value – through other comprehensive income	**0.1**	**–**	**0.1**
	4.9	**8.5**	**13.4**
Liabilities			
Contingent consideration payable	**–**	**(0.9)**	**(0.9)**
Derivative financial instruments at fair value – through other comprehensive income	**(0.9)**	**–**	**(0.9)**
	(0.9)	**(0.9)**	**(1.8)**
2023			
Assets			
Other investments	5.6	8.4	14.0
Derivative financial instruments at fair value – through other comprehensive income	2.4	–	2.4
	8.0	8.4	16.4

There were no transfers among the two categories during the year ended 31 December 2024 and 2023.

Movements of financial instruments which are valued based on unobservable inputs during the year ended 31 December are as follows:

	Unlisted investments	
	2024 US$m	2023 US$m
At 1 January	**8.4**	8.0
Additions	**0.1**	0.4
At 31 December	**8.5**	8.4

ii) **Financial instruments that are not measured at fair value**

The fair values of current debtors, cash and bank balances, current creditors, current borrowings and current lease liabilities are assumed to approximate their carrying amounts due to the short-term maturities of these assets and liabilities.

The fair values of long-term borrowings are based on market prices or are estimated using the expected future payments discounted at market interest rates. The fair values of non-current lease liabilities are estimated using the expected future payments discounted at market interest rates.

36 Financial risk management *continued*

Financial instruments by category

The fair values of financial assets and financial liabilities, together with carrying amounts at 31 December 2024 and 2023 are as follows:

	Fair value of hedging instruments US$m	Fair value through profit and loss US$m	Financial assets at amortised cost US$m	Other financial liabilities US$m	Total carrying amount US$m	Fair value US$m
2024						
Financial assets measured at fair value						
Other investments	**–**	**13.3**	**–**	**–**	**13.3**	**13.3**
Derivative financial instruments	**0.1**	**–**	**–**	**–**	**0.1**	**0.1**
	0.1	**13.3**	**–**	**–**	**13.4**	**13.4**
Financial assets not measured at fair value						
Amounts due from associates and joint ventures	**–**	**–**	**113.4**	**–**	**113.4**	**113.4**
Debtors	**–**	**–**	**131.0**	**–**	**131.0**	**131.0**
Cash and bank balances	**–**	**–**	**215.0**	**–**	**215.0**	**215.0**
	–	**–**	**459.4**	**–**	**459.4**	**459.4**
Financial liabilities measured of fair value						
Derivative financial instruments	**(0.9)**	**–**	**–**	**–**	**(0.9)**	**(0.9)**
Contingent consideration payable	**–**	**(0.9)**	**–**	**–**	**(0.9)**	**(0.9)**
	(0.9)	**(0.9)**	**–**	**–**	**(1.8)**	**(1.8)**
Financial liabilities not measured at fair value						
Borrowings	**–**	**–**	**–**	**(308.5)**	**(308.5)**	**(308.5)**
Lease liabilities	**–**	**–**	**–**	**(102.4)**	**(102.4)**	**(102.4)**
Trade and other payables excluding non-financial liabilities	**–**	**–**	**–**	**(168.2)**	**(168.2)**	**(168.2)**
	–	**–**	**–**	**(579.1)**	**(579.1)**	**(579.1)**
2023						
Financial assets measured at fair value						
Other investments	–	14.0	–	–	14.0	14.0
Derivative financial instruments	2.4	–	–	–	2.4	2.4
	2.4	14.0	–	–	16.4	16.4
Financial assets not measured at fair value						
Amounts due from associates and joint ventures	–	–	122.3	–	122.3	122.3
Debtors	–	–	87.1	–	87.1	87.1
Cash and bank balances	–	–	190.3	–	190.3	190.3
	–	–	399.7	–	399.7	399.7
Financial liabilities not measured at fair value						
Borrowings	–	–	–	(415.5)	(415.5)	(415.5)
Lease liabilities	–	–	–	(116.4)	(116.4)	(116.4)
Trade and other payables excluding non-financial liabilities	–	–	–	(157.0)	(157.0)	(157.0)
	–	–	–	(688.9)	(688.9)	(688.9)

37 Critical accounting estimates and judgements

Estimates and judgements used in preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable according to circumstances and conditions available. The existing and potential impacts arising from climate change has been considered when applying estimates and assumptions in the preparation of the financial statements, including the Group's assessment of impairment of assets and the independent valuers' valuation of the Group's investment properties.

The estimates and assumptions that have a significant effect on the reported amounts of assets and liabilities, and income and expenses are discussed below.

Significant areas of estimation uncertainty

Investment properties

The fair value of the under development commercial property is determined by independent valuers on an open market basis using the residual method. The residual method is based on assumptions about the estimated costs to complete the development, the developer's estimated profit and margin for risk, prevailing market rent and capitalisation rates *(refer note 12)*.

Consideration has been given to assumptions that are mainly based on market conditions existing at the balance sheet date.

The independent valuers have considered climate change, sustainability, resilience and environmental, social and governance (ESG) within their valuations. Properties held by the Group are considered to currently display ESG characteristics that would be expected in the market, and therefore there were no direct and tangible pricing adjustments required to the valuation of the investment properties. The Group will monitor these considerations for each reporting period.

Significant areas of judgement

Impairment of assets

The Group tests annually whether goodwill that has indefinite useful life suffered any impairment. Other assets such as tangible fixed assets and development project contract costs are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset or a cash generating unit is determined based on the higher of its fair value less costs to sell and its value in use, calculated on the basis of management's assumptions and estimates. Changing the key assumptions, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the value-in-use calculations.

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the balance sheet date *(refer note 17)*.

Tangible fixed asses and depreciation

Management determines the estimated useful lives and related depreciation charges for the Group's tangible fixed assets. Management will revise the depreciation charge where useful lives are different to those previously estimated, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned.

37 Critical accounting estimates and judgements *continued*

Significant areas of judgement *continued*

Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Provision of deferred tax follows the way management expects to recover or settle the carrying amount of the related assets or liabilities, which the management may expect to recover through use, sale or combination of both. Accordingly, deferred tax will be calculated at income tax rate, capital gains tax rate or combination of both. There is a rebuttable presumption in International Financial Reporting Standards that investment properties measured at fair value are recovered through sale. Thus deferred tax on revaluation of investment property under development held by the Group is calculated at the capital gain tax rate.

Recognition of deferred tax assets, which principally relate to tax losses, depends on the management's expectation of future taxable profit that will be available against which the tax losses can be utilised. The outcome of their actual utilisation may be different.

Pension obligations

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/income for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation.

Other key assumptions for pension obligations are based in part on current market conditions.

Leases

Liabilities and the corresponding right-of-use assets arising from leases are initially measured at the present value of the lease payments at the commencement date, discounted using the interest rates implicit in the leases, or if that rate cannot be readily determinable, the Group uses the incremental borrowing rate. The Group generally uses the incremental borrowing rate as the discount rate.

The Group applies the incremental borrowing rate with reference to the rate of interest that the Group would have to pay to borrow, over a similar term as that of the lease, the funds necessary to obtain an asset of a similar value to the right-of-use asset in the country where it is located.

Lease payments to be made during the lease term will be included in the measurement of a lease liability. The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any period covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Non-trading items

The Group uses underlying business performance in its internal financial reporting to distinguish between the underlying profits and non-trading items. The identification of non-trading items requires judgement by management, but follows the consistent methodology as set out in the Group's accounting policies.

Independent Auditor's Report

To the members of Mandarin Oriental International Limited

(incorporated in Bermuda with limited liability)

Report on the Audit of the Consolidated Financial Statements

Opinion

What we have audited

The consolidated financial statements of Mandarin Oriental International Limited (the 'Company') and its subsidiaries (the 'Group'), included within the Annual Report, which comprise:

- the Consolidated Balance Sheet as at 31 December 2024;
- the Consolidated Profit and Loss Account for the year then ended;
- the Consolidated Statement of Comprehensive Income for the year then ended;
- the Consolidated Statement of Changes in Equity for the year then ended;
- the Consolidated Cash Flow Statement for the year then ended; and
- the notes to the Financial Statements, comprising material accounting policy information and other explanatory information.

Certain required disclosures have been presented elsewhere in the Annual Report, rather than in the notes to the consolidated financial statements. These disclosures are cross-referenced from the consolidated financial statements and are identified as audited.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standard Board (IASB).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Our Audit Approach

Overview

Materiality

- Overall Group materiality: US$28.4 million *(2023: US$29.6 million)*, based on 1% *(2023: 1%)* of the net assets of the Group.
- Specific Group materiality, applied to balances and transactions not related to investment properties: US$4.7 million *(2023: US$4.3 million)*, based on 5% *(2023: 5%)* of consolidated underlying profit before tax of the Group.

Audit scope

- A full scope audit was performed on six of the Group's hotels, two entities engaged in hotel management services and the two entities holding the under development leasehold commercial investment property and the completed leasehold residential investment property.
- We performed specified audit procedures over certain balances within one further hotel.
- These hotels and entities, together with procedures performed at the Group level, accounted for 94% of the Group's revenue, 94% of the Group's loss before tax, 87% of the Group's underlying profit before tax and 87% of the Group's net assets.

Key audit matter identified in our audit is summarised as follows:

- Valuation of under development leasehold commercial investment property.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the consolidated financial statements as a whole.

Overall group materiality	US$28.4 million *(2023: US$29.6 million)*
How we determined it	1% of the net assets of the Group *(2023: 1% of the net assets of the Group)*
Rationale for the materiality benchmark applied	Net assets is a primary measure used by the shareholders in assessing the performance of the Group, together with the consolidated underlying profit before tax, which we have used as the basis for our specific group materiality as detailed below.

We set a specific materiality level of US$4.7 million *(2023: US$4.3 million)*, which was applied to balances and transactions not related to investment properties. This was based upon 5% of the Group's consolidated underlying profit before tax for the year ended 31 December 2024 *(2023: 5% of the Group's consolidated underlying profit before tax for the year ended 31 December 2023)*. In arriving at this judgement, we had regard to the fact that underlying profit before tax is one of the primary financial indicators of the Group.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above US$0.5 million *(2023: US$0.4 million)*, other than classifications within the Consolidated Profit and Loss Account or Consolidated Balance Sheet, which were only reported above US$3.0 million *(2023: US$3.0 million)*. We would also report misstatements below these amounts that in our view, warranted reporting for qualitative reasons.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of under development leasehold commercial investment property	
Refer to note 37 (Critical accounting estimates and judgements) and note 12 (Investment properties) to the consolidated financial statements. The fair value of the Group's under development leasehold commercial investment property amounted to US$1,996.6 million at 31 December 2024, with a revaluation loss of US$171.0 million recognised as a non-trading item in the Consolidated Profit and Loss Account for the year. The valuation of the under development leasehold commercial investment property is inherently subjective due to, among other factors, the individual nature of the property, its location, prevailing market rents and the expected future rentals. The valuation was carried out by a third-party valuer (the valuer) and was derived using the residual method. Judgement is required in determination of capital value, estimated costs to complete and expected developer's profit margin. There is inherent estimation uncertainty in determining a property's valuation as the valuer make assumptions, judgements and estimates in key areas. We focused on the valuation of the under development leasehold commercial investment property due to the significant judgements and estimates involved in determining the valuation.	We understood management's controls and processes for determining the valuation and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and the judgement involved in determining assumptions to be applied. We assessed the valuer's qualification and expertise, considering whether there were any matters that might have affected their objectivity or may have imposed scope limitations upon their work. We found no evidence to suggest that the objectivity of the valuer in their performance of the valuation was compromised. We read the valuation report to consider whether the valuation methodology used was appropriate in determining the fair value. The audit team, including our valuation experts, attended meetings with the valuer at which the valuations, methodology and key assumptions used, and climate change risk considerations were discussed. We assessed the appropriateness of the key assumptions adopted in the assessment of the estimated capital value by comparing them with available market data on yields and unit rentals. We compared the developer's profit to the market norm and evaluated the estimated construction costs to complete against the approved budget.

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of under development leasehold commercial investment property continued	With the support of our valuation experts, we also questioned the external valuer as to the extent to which recent market transactions and expected rental values, which they made use of in deriving their valuation, took into account the impact of climate change and related ESG considerations. Based on the procedures performed, we found the key assumptions used in the valuations were appropriate. We also assessed the adequacy of the disclosures related to the under development leasehold commercial investment property and related fair value measurements in the context of IFRS Accounting Standards. We are satisfied that appropriate disclosure has been made.

How We Tailored Our Group Audit Scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industries in which the Group operates.

The Group's accounting processes are structured around finance functions in each business unit, which are responsible for their own accounting records and controls, which in turn, report financial information to the Group's finance function to enable them to prepare consolidated financial statements.

In establishing the overall approach to the Group audit, we determined the type of work that needed to be performed by members of the Group engagement team or by component auditors from member firms within the PwC Network operating under our instruction. Where the work was performed by component auditors, we determined the level of involvement necessary for us to have in the audit work at those components to be able to conclude whether sufficient, appropriate audit evidence had been obtained as a basis for our opinion on the financial statements as a whole. The Group engagement team was involved in the significant reporting entities in scope for Group reporting during the audit cycle through a combination of meetings, visits and conference calls. The engagement partner and other senior team members undertook visits to both London and Geneva during the year to direct and oversee the audit, along with regular communication through conference calls and remote review of the work of component teams.

A full scope audit was performed on six of the Mandarin Oriental hotels, two entities engaged in hotel management services and the two entities holding the under development leasehold commercial investment property and the completed leasehold residential investment property. Specified audit procedures were performed on certain balances within one further hotel. These hotels and entities, together with audit procedures performed centrally at the Group level (on the consolidation, and various balances and activities accounted for and managed centrally), accounted for 94% of the Group's revenue, 94% of the Group's loss before tax, 87% of the Group's underlying profit before tax and 87% of the Group's net assets.

This gave us the evidence we needed for our opinion on the consolidated financial statements as a whole.

Other Information

The Directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and the Audit Committee for the Consolidated Financial Statements

As explained more fully in the Responsibility Statements and the Corporate Governance section in the Annual Report, the Directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee assists the Directors in discharging their responsibilities for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We are also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Use of this report

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 90 of the Companies Act 1981 (Bermuda) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, including without limitation under any contractual obligations of the Company, save where expressly agreed by our prior consent in writing.

The engagement partner on the audit resulting in this independent auditor's report is Pui Shan, Lo.

Other Matter

The Company is required by the United Kingdom Financial Conduct Authority Disclosure Guidance and Transparency Rule to include these consolidated financial statements in an annual financial report prepared under the structured digital format required by DTR 4.1.15R – 4.1.18R and filed on the National Storage Mechanism of the Financial Conduct Authority. This auditors' report provides no assurance over whether the structured digital format annual financial report has been prepared in accordance with those requirements.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong
5 March 2025

Report of the Valuers

To Mandarin Oriental International Limited

Dear Sirs

Revaluation of Under Development Leasehold Commercial Investment Property

Further to your instruction, we have valued in our capacity as external valuers of the Causeway Bay site under development at No. 281 Gloucester Road, Causeway Bay, Hong Kong (or known as One Causeway Bay), being a commercial investment property held on lease as described in the consolidated financial statements of Mandarin Oriental International Limited. We are of the opinion that the market value of the commercial investment property as at 31 December 2024 was US$1,996,600,000 (United States Dollar One Billion Nine Hundred Ninety Six Million Six Hundred Thousand).

Our valuation was prepared in accordance with the International Valuation Standards by the International Valuation Standards Council and The HKIS Valuation Standards by The Hong Kong Institute of Surveyors. We have inspected the property without either conducting site nor structural surveys or testing of the services.

We have been provided with details of tenure, proposed development scheme and other relevant information. The property has been valued by the residual method, which is based on an assessment of the completed gross development value and the deduction of development costs and the developer's return to arrive at the residual value of a development property. For the assessment of the completed gross development value, given the heterogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative or quantitative differences that may affect the values likely to be achieved by the property under consideration.

Yours faithfully

For and on behalf of
Jones Lang LaSalle Limited
Hong Kong
25 February 2025

Five Year Summary

Consolidated Profit and Loss Account

	2020 US$m	2021 US$m	2022 US$m	2023 US$m	**2024 US$m**
Revenue	183.7	316.9	454.1	558.1	**525.8**
Operating loss	(660.0)	(99.3)	(42.6)	(341.0)	**(57.5)**
Net financing charges	(12.6)	(12.7)	(14.4)	(9.9)	**(3.9)**
Share of results of associates and joint ventures	(26.8)	(21.8)	9.7	(0.9)	**13.3**
Loss before tax	(699.4)	(133.8)	(47.3)	(351.8)	**(48.1)**
Tax	19.4	(7.6)	(2.1)	(13.5)	**(30.3)**
Loss after tax	(680.0)	(141.4)	(49.4)	(365.3)	**(78.4)**
Loss attributable to shareholders	(680.1)	(141.4)	(49.5)	(365.4)	**(78.6)**
Underlying profit/(loss) attributable to shareholders	(205.9)	(68.1)	7.6	81.0	**74.7**
Loss per share (US¢)	(53.84)	(11.19)	(3.92)	(28.91)	**(6.22)**
Underlying earnings/(loss) per share (US¢)	(16.30)	(5.39)	0.60	6.41	**5.91**
Dividends per share (US¢)	–	–	–	5.00	**5.00**

Consolidated Balance Sheet

	2020 US$m	2021 US$m	2022 US$m	2023 US$m	**2024 US$m**
Intangible assets	45.4	46.7	45.7	43.7	**57.0**
Tangible assets	1,181.5	1,098.2	916.3	618.6	**589.1**
Right-of-use assets	297.4	273.3	242.4	229.1	**216.4**
Investment properties	2,528.3	2,462.0	2,472.6	2,060.3	**2,085.6**
Associates and joint ventures	231.6	201.5	203.8	155.8	**143.2**
Other investments	16.1	16.5	14.0	14.0	**13.3**
Deferred tax assets	17.8	13.7	14.2	14.0	**13.0**
Pension assets	5.5	7.1	3.0	0.6	**0.5**
Non-current debtors	5.1	8.9	12.2	10.9	**61.4**
Net current assets/(liabilities)	19.5	113.2	142.9	(27.2)	**15.4**
Long-term borrowings	(606.6)	(727.8)	(599.8)	(0.6)	**(204.8)**
Non-current lease liabilities	(170.1)	(147.4)	(123.5)	(110.6)	**(96.3)**
Deferred tax liabilities	(47.1)	(50.1)	(41.6)	(42.0)	**(44.8)**
Pension liabilities	(0.3)	(0.3)	(0.1)	–	**(0.1)**
Non-current creditors	(10.9)	(3.2)	(4.5)	(1.1)	**(2.7)**
Net assets	3,513.2	3,312.3	3,297.6	2,965.5	**2,846.2**
Share capital	63.2	63.2	63.2	63.2	**63.2**
Share premium	499.7	500.5	500.7	500.9	**500.9**
Revenue and other reserves	2,946.6	2,745.1	2,730.2	2,396.3	**2,277.1**
Shareholders' funds	3,509.5	3,308.8	3,294.1	2,960.4	**2,841.2**
Non-controlling interests	3.7	3.5	3.5	5.1	**5.0**
Total equity	3,513.2	3,312.3	3,297.6	2,965.5	**2,846.2**
Net asset value per share (US$)	2.78	2.62	2.61	2.34	**2.25**

Consolidated Cash Flow Statement

	2020 US$m	2021 US$m	2022 US$m	2023 US$m	**2024 US$m**
Cash flows from operating activities	(83.5)	26.4	56.5	141.2	**77.9**
Cash flows from investing activities	(108.5)	(32.5)	86.7	30.9	**128.5**
Net cash flow before financing activities	(192.0)	(6.1)	143.2	172.1	**206.4**
Cash flow per share from operating activities (US¢)	(6.61)	2.09	4.47	11.17	**6.16**

Responsibility Statements

The Directors of the Company confirm that, to the best of their knowledge:

a) the consolidated financial statements prepared in accordance with International Financial Reporting Standards, including International Accounting Standards and Interpretations as issued by the International Accounting Standards Board, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group; and

b) the Chairman's Statement, Group Chief Executive's Review, Financial Review and the description of Principal Risks and Uncertainties facing the Group as set out in this Annual Report, which constitute the management report required by the Disclosure Guidance and Transparency Rule 4.1.8, include a fair review of all information required to be disclosed under Rules 4.1.8 to 4.1.11 of the Disclosure Guidance and Transparency Rules issued by the Financial Conduct Authority in the United Kingdom.

For and on behalf of the Board

Laurent Kleitman
Matthew Bishop
Directors
5 March 2025

Corporate Governance

Overview of the Group's governance approach

The Mandarin Oriental Hotel Group (Mandarin Oriental International Limited (the Company) and its subsidiaries together known as the Group) understands the value of good corporate governance in driving the long-term sustainable success of its business. It attaches importance to the corporate stability that strong governance brings, and the opportunities that result from it being part of the Jardine Matheson Holdings Limited (the Jardine Matheson) group.

The Group is committed to high standards of governance and has evolved an approach, over many years, that it regards as appropriate, taking account of the Group's size, ownership structure, complexity and breadth of its business and the long-term strategy it pursues in its Asian markets. It enables the Group to benefit from Jardine Matheson's professional expertise while at the same time ensuring that the independence of the Board is respected and clear operational accountability rests with the Company's senior management teams.

The Company also ensures that the Group retains and promotes those characteristics and values that have enabled the Group to prosper over the long-term:

- **A long-term perspective** – the Group takes a long-term view in its decision-making and investments, drawing on the expertise and experience of our Directors, and does not focus on short-term profits. This leads to long-term, sustainable growth for our shareholders and benefits the communities where we operate.
- **Credibility, stability and trust** – the credibility, stability and trust built up by the Group over many generations are highly valued by our partners and other stakeholders, especially in developing markets.
- **Deep knowledge of our markets** – the extensive experience and long track record of the Group have led to a deep understanding of how to drive successful growth across our markets, giving the Group a competitive advantage.

The Group believes that its stakeholders gain significant value from the long-term approach it takes. It is also important, however, to adapt to changing circumstances in our markets and, where appropriate, to the developing expectations of stakeholders and changes in best practice. In this context, over the past year the Group has strengthened the Company's Board and leadership teams, bringing in expertise to support our businesses in highly dynamic and competitive markets. In parallel, we have continued to enhance our approach to governance to be more focused, and to drive better decision-making and results.

In order to ensure clear allocation of accountability, the Company's strengthened leadership team is responsible for developing and executing the Group's business strategies and delivering on performance. These leadership teams are directly accountable to their respective boards, which provide robust challenge, support and guidance, bolstered by extensive industry-specific expertise and experience from independent non-executive directors (INEDs).

INEDs with a broad and diverse range of backgrounds are a valuable source of external perspectives and are a key element of good governance and decision-making. The Company has taken further steps over the past years to increase the independence and diversity of its Board.

During the year, the Company underwent several changes in its governance. On 22 July 2024, John Witt stepped down as a Director from the Board and as members of the Remuneration and Nominations Committees, Adam Keswick and Graham Baker also resigned as members of the Nominations Committee and Remuneration Committee respectively on the same day. The Company further appointed Cristina Diezhandino and Fabrice Megarbane as INEDs on 1 August 2024, and Scott Woroch as an additional INED on 4 November 2024. As a result of these changes, the Board comprises ten Directors, of whom 50% are considered INEDs, taking into account the independence considerations under the UK Corporate Governance Code (the Code), and 20% are female.

Having an effective corporate governance framework supports the Board in delivering the Group's strategy and supports long-term sustainable growth, and ensuring it operates transparently and in accordance with the best practice.

Group structure

Jardine Matheson is the ultimate holding company of the Group. The structural relationship between the Jardine Matheson group and the Group is considered a key element of the Group's success. By establishing common values and standards, and sharing experience, contacts and business relationships, the Jardine Matheson group companies, including Mandarin Oriental Hotel Group, aim to optimise their opportunities across the countries in which they operate.

Governance and legal framework

The Company is incorporated in Bermuda and was established as an Asian-based hotel group, and has since extended its operations to numerous destinations around the world. The primary listing of the Company's equity shares is in the Equity Shares (Transition) Category (the Transition Category) of the Main Market of the London Stock Exchange (LSE). The Company also has secondary listings in Singapore and Bermuda. As the Company has only secondary listings on these exchanges, many of the listing rules of such exchanges are not applicable. Instead, the Company must release the same information in Singapore and Bermuda as it is required to release under the rules which apply to it as a result of being listed in the Transition Category on the LSE.

As a company incorporated in Bermuda, the Company is governed by:

- The Bermuda Companies Act 1981 (the Bermuda Companies Act);
- The Bermuda Mandarin Oriental International Limited Consolidation and Amendment Act 1988 (as amended), pursuant to which the Company was incorporated, and the Bermuda Mandarin Oriental International Limited Regulations 1993 (as amended, the Regulations) were implemented; and
- The Company's Memorandum of Association and Bye-Laws.

The Bermuda Takeover Code for the Company is set out in the Regulations and is based on the UK City Code on Takeovers and Mergers. It provides an orderly framework within which takeover offers can be conducted and the interests of shareholders protected.

Other acquisition mechanisms available under the Bermuda Companies Act include schemes of arrangement and amalgamation and mergers. The Bermuda Companies Act provides a framework within which such procedures can be conducted and the interests of shareholders protected.

The shareholders can amend the Company's Bye-Laws by way of a special resolution at a general meeting of the Company. The Company will modernise the provisions in the Bye-Laws and seek shareholders' approval at the 2025 annual general meeting (AGM) for the adoption of the new Bye-Laws.

The Company's listing in the Transition Category of LSE means that it is bound by many, but not all, of the same rules as companies which fall within the Equity Shares (Commercial Companies) categories (the Commercial Companies Category) of the LSE, under the UK Listing Rules, the Disclosure Guidance and Transparency Rules (DTRs) issued by the Financial Conduct Authority in the United Kingdom (FCA), the UK Market Abuse Regulation (MAR) and the Prospectus Regulation Rules. This includes rules relating to continuous disclosure, periodic financial reporting, disclosure of interests in shares, market abuse and the publication and content of prospectuses in connection with admission to trading or the offering of securities to the public. In addition, the Company is subject to regulatory oversight from the FCA, as the Company's principal securities regulator, and is required to comply with the Admission and Disclosure Standards of the Main Market of the LSE.

The Company and its Directors are also subject to legislation and regulations in Singapore relating, among other things, to insider dealing.

When the shareholders approved the Company's move to a standard listing from a premium listing in 2014, the Company stated that it intended to maintain certain governance principles, which were applicable to it at that time by virtue of its UK premium listing. As a result, the Company adopted a number of governance principles (the Governance Principles) based on the applicable requirements for a UK premium listing in 2014, which went further than the standard listing requirements at the time.

Governance and legal framework *continued*

Following the FCA's recent reform of the UK listing regime, including the introduction of new UK Listing Rules which came into effect on 29 July 2024 (the 2024 UK Listing Rules), the replacement of the previous UK premium and standard segments of the Official List of the FCA with the UK commercial companies category and the transfer of the listing of the Company's equity shares to the new UK transition category, the Company has undertaken a review of the Governance Principles to ensure they remain appropriate and take into account market practice.

Following such review, the Board considers that certain amendments to the Governance Principles are appropriate to align more closely with, and have regard to, the 2024 UK Listing Rules that other UK listed companies are subject to and to reflect the modernisation of the governance of the Company. With immediate effect, the Company intends to have regard to the 2024 UK Listing Rules (as in effect on 29 July 2024) applicable to the UK commercial companies category, when applying the Governance Principles in relation to significant transactions and related party transactions.

This means that the key elements of the Governance Principles are now updated as follows:

- If the Company carries out a related party transaction which, if its shares were listed on the UK commercial companies category would require a sponsor to provide a fair and reasonable opinion under the provisions of the 2024 UK Listing Rules, it will engage an independent financial adviser to confirm that the terms of the transaction are fair and reasonable as far as the shareholders of the Company are concerned.
- If the Company carries out such a related party transaction or a significant transaction (one that would be classified as a significant transaction under the provisions of the 2024 UK Listing Rules), as soon as reasonably practical after the terms are agreed, the Company will issue an announcement, providing such details of the transaction as are necessary for investors to evaluate the effect of the transaction on the Company.
- At each AGM, the Company will seek shareholders' approval to issue new shares on a non-pre-emptive basis for up to 33% of the Company's issued share capital, of which new shares representing up to 5% of the Company's issued share capital can be issued for cash consideration.
- The Company adheres to a set of Securities Dealing Rules which follow the provisions of MAR with respect to market abuse and disclosure of interests in shares.

The Company is not required to comply with the Code, which applies to all UK commercial companies category issuers and sets out the governance principles and provisions expected to be followed by companies subject to the Code. However, the Company does have regard to the Code in developing and implementing its approach to corporate governance and disclosure.

The management of the Group

The Board

The Board is responsible for ensuring that the Group is appropriately managed and achieves its strategic objectives in a way that is supported by the right culture, values and behaviours. The Group's culture provides the foundation for the delivery of our strategy and our long-term, sustainable success. Our workforce policies and practices are consistent with and support our culture. Periodic colleague surveys are conducted to assess the culture and enable management to identify actions that could be taken to further improve our culture.

The Board is also responsible for ensuring that appropriate systems and controls are in place to enable efficient management and well-informed decision-making. Our business processes incorporate efficient internal reporting, robust internal controls, and supervision of current and emerging risk themes, all of which form a vital part of our governance framework. As a key part of this, the Company Secretary has set up processes and systems to ensure that all Directors receive information in a timely, accurate and clear manner. We use a board paper distribution portal to disseminate board and committee papers securely to Directors.

The Board continued

The Chairman facilitates discussions at Board meetings, by ensuring all Directors have an opportunity to make comments and ask questions. In addition, the Chairman discusses matters with Directors individually and collectively outside of Board meetings. The Chairman also uses other gatherings of the Directors, such as Board dinners, to facilitate discussions in a less formal environment.

The Board has full power to manage the business affairs of the Company, other than matters reserved to be exercised by the Company in general meeting under Bermuda legislation or the Company's Bye-Laws. Key matters for which the Board is responsible include:

- The overall strategic aims and objectives of the Group;
- Establishing the Company's purpose and values;
- Approval of the Group's strategy and risk appetite to align with the Group's purpose and values;
- Approval and oversight of the Group policy framework and approval of appropriate Group policies;
- Approval of the annual budget and monitoring of performance against it;
- Oversight of the Group's activities;
- Approval of major changes to the Group's corporate or capital structure;
- Approval of major capital expenditure and significant transactions in terms of size or reputational impact;
- Approval of interim and final financial statements, Annual Report and Accounts, and interim management statements, upon recommendation from the Audit Committee;
- Approval of dividend policy and the amount and form of interim and final dividend payments, for approval by shareholders as required;
- Ensuring relevant sustainability and ESG matters are incorporated into purpose, governance, strategy, decision-making, and risk management;
- Overseeing the management of risk within the Group;
- Any significant changes to the Company's accounting policies or practices, upon recommendation from the Audit Committee;
- Appointment, re-appointment or removal of the external auditor, subject to shareholders' approval, upon recommendation from the Audit Committee;
- Approval of matters relating to the AGM resolutions and shareholder documentation;
- Approval of all shareholder circulars, prospectuses and listing particulars issued by the Company; and
- Approval of material public announcements concerning matters decided by the Board.

Responsibility for certain matters, including the approval of loans and derivatives transactions (other than significant capital expenditure required to be approved by the Board), has been assigned to the finance director of Jardine Matheson group, with specific written terms of reference outlining his role and authorities.

The Company sees the value of regularly reviewing the effectiveness of its processes, and making improvements where appropriate.

The Board *continued*

Board activities

Set out below is a summary of the key areas of activity of the Board:

1. Strategy

To facilitate oversight and provide opportunities for the Board to challenge and measure progress against the Group's strategic priorities, at each Board meeting the Group Chief Executive and Chief Financial Officer provide updates on the operational and financial performance of the Group.

2. Operational performance

Our business operates in highly dynamic markets and constantly need to innovate and adapt to remain relevant and achieve long-term, sustainable success. In the last few years, Asia has seen a large influx of new capital, the rapid rise of digital companies and an increasing desire among consumers for convenient digital services. In response, we have put innovation, operational excellence and an entrepreneurial spirit at the heart of everything they do.

At each Board meeting, an update is provided on the operational performance of each business segment, which offers important insights into the opportunities and challenges faced. In addition, Directors are provided with a deeper understanding of how our varied markets function and the implications for stakeholder-related issues, in order to equip the Board with the necessary perspective to enhance strategic decision-making.

3. Supporting leadership teams and colleagues

The Group attaches great importance to attracting, developing and retaining leadership talent. We strive to develop leaders who are entrepreneurial in how they develop their businesses.

The Group is focused on enhancing performance management structures to recognise, reward and retain talent, with incentives aligned to drive shareholder value by building better, stronger businesses.

The Company is also committed to creating an inclusive workplace which reflects the diversity of the communities we serve.

The Board is provided with regular people updates to enable it to support talent attraction, development and retention, and the progress of Inclusion, Equity and Diversity (IE&D) and colleague engagement initiatives.

The Board continued

4. Financial performance and risk

The Board oversees the actions the Company takes to deliver superior, long-term returns for our shareholders from our market-leading businesses. We aim for decisive management built on a disciplined, long-term approach to capital allocation approach and investment expertise, to maximise financial performance, maintain our financial strength and manage risks. Over time, and in addition to be being part of the Jardine Matheson group of business, we have developed deep relationships with a wide range of well-capitalised, leading banks and corporate partners, which support the Group's financial strength.

Our approach is underpinned by the Company always seeking to maintain a strong balance sheet and liquidity position. This has enabled the Group to move with confidence in making some of our most substantial acquisitions at times of market dislocation.

The Chief Financial Officer presents a detailed overview of the financial performance of the Group at each Board meeting, to ensure that Directors' are provided with sufficient information to enable them to provide the appropriate financial oversight, and have the opportunity to challenge management as appropriate. The information provided includes details of the financial performance of each business unit.

The Board also reviews the Group's capital allocation, dividend policy and shareholder returns, as well as the management of Group debt levels, interest cover and capital markets activities.

The Board has overall responsibility for risk management and is actively engaged in regular discussions about the principal risks faced by the Group. The Audit Committee, on behalf of the Board, undertakes an annual assessment of the effectiveness of the management of the principal risks facing by the Group and actions taken to mitigate them, validating the key risks and approving any necessary actions arising from the risk assessments. This process takes into account the key risks faced, and the risk management approach taken, by the Group.

Maintaining and enhancing the risk and internal control environment is fundamental to the Group's governance framework and the Board's stewardship of the Company.

5. Governance and stakeholder engagement

A range of governance matters are discussed at Board meetings, including directors' and officers' insurance, litigation, regulatory changes, review and approval of statutory reporting and shareholder documentation and governance-related matters.

The Chief Financial Officer provides Directors with regular updates on stakeholder engagement, including engagement with shareholders, governments, civil society and other relevant third parties, and relevant regulatory developments. Increasing the Directors' understanding of stakeholder views and priorities, and the actions being taken by the Group to address them, supports the Board's decision-making.

Updates from the Chief Financial Officer provide the Board with feedback on investor views and expectations, visibility of market conditions, share price performance, shareholder returns and the future outlook.

The Chief Financial Officer provides the Board with Sustainability updates twice a year, which include the progress being made by the Group in implementing the Group in progressing sustainability priorities, including achieving climate action objective, particularly in relation to decarbonisation, as well as updates on responsible consumption and social inclusion initiatives.

The Committee Chairs provide updates on the activities of the Committees at the Board meeting following each Committee meeting.

Board composition and operational management

The Board's composition and the way it operates provide stability, allowing the Company to take a long-term view as it seeks to grow its business and pursue investment opportunities.

The Chairman has been appointed in accordance with the provisions of the Bye-Laws of the Company, which provide that the chairman of Jardine Matheson, or any Director nominated by him, shall be the Chairman of the Company.

The presence of Jardine Matheson representatives on the Company's Board and its Committees provides an added element of stability to the Company's financial planning and supervision, enhancing its ability to raise finance and take a long-term view of business development. It also strengthens the ability of management to work effectively together in exploiting the full range of the Jardine Matheson group's commercial strengths.

As at 5 March 2025, the Company comprises ten Directors, five of whom (50%) – Jinqing Cai, Richard Solomons, Cristina Diezhandino, Fabrice Megarbane and Scott Woroch – are considered as independent, taking into account the relevant considerations under the Code.

There were a number of Board changes during the year: Y.K. Pang retired from the Board on 31 March 2024. On 22 July 2024, John Witt stepped down from the Board. On 1 August 2024, the Company appointed Fabrice Megarbane and Cristina Diezhandino as INEDs. On 4 November 2024, the Company further appointed Scott Woroch as an additional INED. There are detailed plans in place to ensure orderly succession for the Board.

The names of all the Directors and brief biographies appear on pages 38 and 39 of this Annual Report.

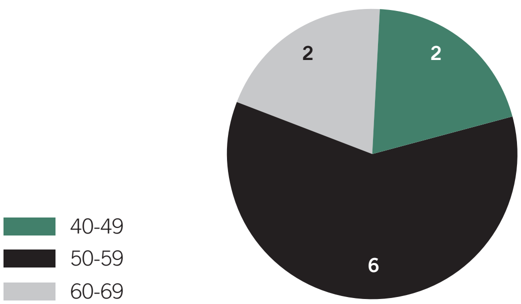
Ben Keswick has been Chairman of the Board since 16 May 2013. Laurent Kleitman has been Group Chief Executive since 1 September 2023.

Board composition and operational management *continued*

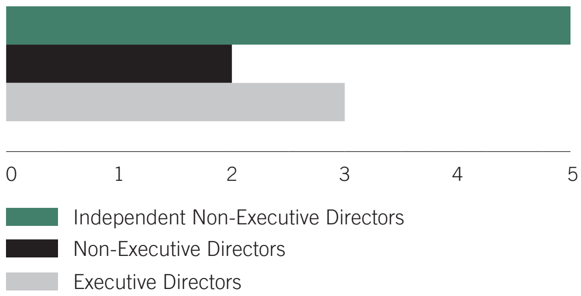
The Board has considered that there is a clear division of responsibilities among the Chairman and the Group Chief Executive to ensure an appropriate balance of power and authority is maintained at all times.

Board composition as at 5 March 2025 are shown below.

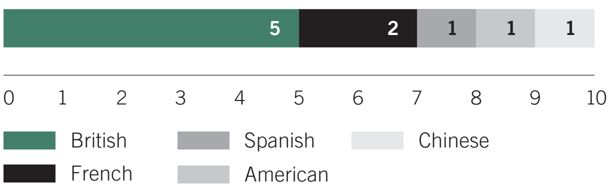
Age of Directors



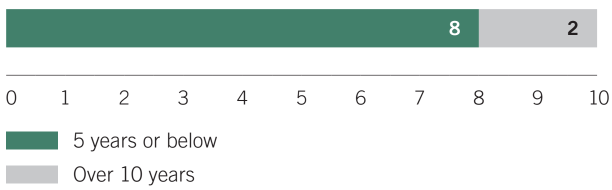
Capacity of Directors



Nationality of Directors



Tenure of Directors



Directors' experience

Board composition and operational management *continued*

The Board has considered the diversity of the Company's Board and senior management in the context of the requirements under the UK Listing Rules that UK listed companies should publish information on the gender and ethnic representation of their Board and senior management. As at 31 December 2024, being the reference date for the purposes of 22.2.30R(1)(a) of the UK Listing Rules, which requires the disclosure of certain diversity statistics, and as shown below:

- The Board met its target of having one Director from a minority ethnic background;
- The Company does not currently meet the target of the Board comprising at least 40% female directors but will continue to take IE&D considerations into account for future Board appointments; and
- The Board does not currently meet the target to have a female director occupying one of the senior Board positions (Chairman, Group Chief executive or Chief Financial Officer). The Directors who hold these roles were appointed following formal, rigorous and transparent nomination procedures and are the most suitable and experienced individuals for their roles and the Group's needs. The Board will continue to take IE&D considerations into account for future appointments for these roles.

The Company did not meet the targets under the UK Listing Rules of the Board comprising at least 40% female directors, and having one of the senior Board positions occupied by a female director, due to the significant change to the composition of the Board and senior management which would be required to meet these requirements. The Company has taken substantive steps in the past year to increase the diversity of the Board. A second female INED was appointed in August 2024, bringing the position of female directors on Board to 20%. The Company will continue to take IE&D considerations into account with respect to future appointments of Directors and senior management positions.

The table below, which follows the format and categories prescribed by the UK Listing Rules, illustrates the ethnic background and gender diversity of the Group's Board and senior management – which includes the Company Secretary, but excludes administrative or support staff – pursuant to 22.2.30R(2) of UK Listing Rules, as at 31 December 2024, which is our chosen reference date in accordance with the UK Listing Rules[1].

As at 31 December 2024	Number of Board members	Percentage of the Board	Number of senior positions on the Board (Chairman, Group Chief Executive,and Chief Financial Officer)	Number in senior management (including the Company Secretary)	Percentage of senior management (including the Company Secretary)
Gender diversity					
Men	8	80%	3	10	67%
Women	2	20%	–	5	33%
Not specified/prefer not to say	–	–	–	–	–
Ethnic diversity					
White British or other White (including minority-white groups)	8	80%	2	13	87%
Mixed/Multiple Ethnic Groups	1	10%	1	2	13%
Asian/Asian British	1	10%	–	-	–
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group, including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

[1] Data relating to the gender and ethnic diversity of the Board and senior management was gathered by the Company Secretary via the collection of each individual's identification documents, which are held within the Company's secure filing system.

Board composition and operational management *continued*

The Company has a Board Diversity Policy that guides the appointments to the Board and its Committees. There is no separate Diversity Policy for the Committees. IE&D considerations are, and will be, taken into account where relevant to Board and its Committees appointments.

Chairman

The Chairman's role is to lead the Board, ensure its effectiveness while taking into account the Company's various stakeholders' interests, and promote high standards of corporate governance.

The Chairman's principal responsibilities are in the areas of strategy, external relationships, governance and people. The Chairman leads the Board in overseeing the long-term strategic direction of the Group and approving its key business priorities. His key responsibilities include:

- Leading, with the Group Chief Executive, the development of the culture and values of the Group;
- Supporting the development and maintenance of relationships with existing and new key business partners, governments and shareholders;
- Ensuring, together with the Group Chief Executive, an appropriate focus on attracting and retaining the right people and carrying out succession planning for senior management positions;
- Creating a culture of openness and transparency at Board meetings;
- Building an effective Board supported by a robust governance framework;
- Ensuring all Directors effectively contribute to discussions and feel comfortable in engaging in healthy debate and constructive challenge;
- Leading the succession planning for the Group Chief Executive;
- Ensuring all Directors receive accurate, timely and clear information; and
- Promoting effective communication between Executive and Non-Executive Directors, including INEDs.

Group Chief Executive

The responsibility for running the Group's business and all the executive matters affecting the Group rest with the Group Chief Executive. The implementation of the Group's strategy is delegated to the Company's senior management, with decision-making authority within designated financial parameters delegated to the finance director of the Jardine Matheson group. The Group Chief Executive has day-to-day operational responsibility for:

- Effective management of the Company and its business;
- Leading the development of the Company's strategic direction and implementing the strategy approved by the Board;
- Identifying and executing new business opportunities;
- Managing the Group's risk profile and implementing and maintaining an effective framework of internal controls;
- Developing targets and goals for his executive team;
- Ensuring effective communication with shareholders and key stakeholders and regularly updating institutional investors on the business strategy and performance;
- Providing regular operational updates to the Board on all matters of significance relating to the Group's business or reputation;
- Overseeing the Group's approach to capital allocation, business planning and performance;
- Ensuring, together with the Chairman, an appropriate focus on attracting and retaining the right people and carrying out succession planning for senior management positions; and
- Fostering innovation and entrepreneurialism to support the growth of the Group's business.

Non-Executive Directors

The Non-Executive Directors bring insight and relevant experience to the Board. They have responsibility for constructively challenging the strategies proposed by the Executive Directors, and scrutinising the performance of management in achieving agreed goals and objectives. In addition, Non-Executive Directors work on individual initiatives as appropriate.

Board meetings

The Board usually holds four scheduled meetings each year, and ad hoc meetings when appropriate to deal with urgent matters that arise between scheduled meetings. Board meetings are usually held in different locations around the Group's markets.

The Board receives high-quality, up-to-date information in advance of each meeting, which is provided to Directors via a secure online board information portal. The Company reviews the information provided to the Board regularly to ensure that it remains relevant to the needs of the Board in carrying out its duties.

The Directors who are based outside Asia, visit the region regularly to review and discuss the Group's business and inspect the Group's hotels and branded residences. The knowledge these Directors have of the Group's affairs, as well as their experience of the wider Group, provides significant value to the ongoing review by the Company of the Group's performance and reinforces the Board oversight process.

Board attendance

Directors are expected to attend all Board meetings. The table below shows the attendance at the scheduled 2024 Board meetings:

	Meetings eligible to attend	% Attendance
Current Directors		
Non-Executive Directors		
Jinqing Cai	4/4	100%
Adam Keswick	4/4	100%
Archie Keswick	4/4	100%
Richard Solomons	4/4	100%
Cristina Diezhandino[1]	1/1	100%
Fabrice Megarbane[1]	1/1	100%
Scott Woroch[2]	1/1	100%
Executive Directors		
Ben Keswick	4/4	100%
Laurent Kleitman	4/4	100%
Matthew Bishop	4/4	100%
Former Director		
Y.K. Pang[3]	0/1	0%
John Witt[4]	2/2	100%

[1] Cristina Diezhandino and Fabrice Megarbane joined the Board as Director on 1 August 2024. In 2024, only one Board meeting was held after 1 August 2024.
[2] Scott Woroch joined the Board as Director on 4 November 2024. In 2024, only one Board meeting was held after 4 November 2024.
[3] Y.K. Pang retired as Director on 31 March 2024. In 2024, only one Board meeting was held before 31 March 2024.
[4] John Witt stepped down as Director on 22 July 2024. In 2024, two Board meetings were held before 22 July 2024.

Appointment and retirement of Directors

There are detailed plans in place to ensure orderly succession to the Board. The Board is focused on development and succession plans at both Board and senior management level, to strengthen the management pipeline. The Chairman, in conjunction with other Directors, reviews the size, composition, tenure and skills of the Board. The Chairman leads the process for new appointments, monitors Board succession planning, and considers independence, diversity, inclusion and Group governance matters, as well as relevant expertise and experience, when recommending appointments to the Board. Non-Executive Directors are appointed on merit, against objective criteria, and are initially appointed for a three-year term.

Prior to appointment, the Chairman assesses the commitments of a proposed candidate, including other directorships, to ensure they have sufficient time to devote to the role. The Chairman also regularly assesses the time commitments of Directors, to ensure that they each continue to have sufficient time for their role. He also considers the potential additional time required in the event of urgent corporate events. Any Director's external appointments, which may affect existing time commitments relevant to the Board, must be agreed with the Chairman in advance.

Upon appointment, all new Directors receive a comprehensive induction programme over several months. This is designed to facilitate their understanding of the business and is tailored to their individual needs. The Chief Financial Officer and the Company Secretary are responsible for briefing covering the Company's core purpose and values, strategy, key areas of the business and corporate governance.

Appointment and retirement of Directors *continued*
The Board appoints each new Director, and the Nominations Committee has been established to assist the Board in such matters. In accordance with the Company's Bye-Laws, each new Director is subject to retirement and re-election at the first AGM after their appointment. Directors are then subject to retirement by rotation requirements under the Bye-Laws, whereby one-third of the Directors retire at the AGM each year. These provisions apply to both Executive and Non-Executive Directors, but the requirement to retire by rotation does not extend to the Chairman of the Company.

The Company has determined that it is appropriate for the Chairman to be exempted from the retirement by rotation requirements. An important part of the Group's strong governance is corporate stability, which is provided by the stewardship over the long-term of the business by family, as well as related and like-minded shareholders, who hold a significant proportion of the shares of the Company. The Group believes that its stakeholders gain significant value from the long-standing governance approach the Group has taken.

In accordance with Bye-Law 85, Adam Keswick will retire by rotation at this year's AGM and, being eligible, offer himself for re-election. In accordance with Bye-Law 92, Richard Solomons will also retire and, being eligible, offer himself for re-election. Neither Adam Keswick nor Richard Solomons have service contracts with the Company or its subsidiaries.

Company Secretary
All Directors have access to advice and support from the Company Secretary, who is responsible for advising the Board on all governance matters.

Insurance and indemnification
The Company purchases insurance to cover its Directors against their costs in defending themselves in civil proceedings taken against them in that capacity, as well as in respect of damages resulting from the unsuccessful defence of any proceedings. To the extent permitted by applicable law, every Director shall be indemnified and secured harmless out of the assets of the Company against all liability and loss suffered and expenses reasonably incurred. However, neither insurance nor indemnity provides cover where the Director has acted fraudulently or dishonestly.

Delegations of authority
The Group has in place an organisational structure with defined lines of responsibility and appropriate delegations of authority in place.

The Group's delegation of authority framework establishes a clear pathway for decision-making. This ensures that judgements are made at the correct business level by those team members most equipped to do so. Every decision made aligns with the Group's culture and values, taking into account the advantages, risks, financial consequences, and effects on all stakeholders. The Board, supported by the Audit Committee, places significant emphasis on maintaining high governance standards throughout the Group. This focus assists the Board in accomplishing its strategic goals and fulfilling key performance objectives.

Directors' responsibilities in respect of the financial statements
Under the Bermuda Companies Act, the Directors are required to prepare financial statements for each financial year and present them annually to the Company's shareholders at the AGM. The financial statements are required to present fairly, in accordance with International Financial Reporting Standards (IFRS), the financial position of the Group at the end of the year, and the results of its operations and its cash flows for the year then ended. The Directors consider that applicable accounting policies under IFRS, applied on a consistent basis and supported by prudent and reasonable judgements and estimates, have been followed in preparing the financial statements. The financial statements have been prepared on a going concern basis.

Substantial shareholders

As a non-UK issuer, the Company is subject to the provisions of the DTRs, which require that a person must, in certain circumstances, notify the Company of the percentage of voting rights attaching to the share capital of the Company that person holds. The obligation to notify arises if that person acquires or disposes of shares in the Company and that results in the percentage of voting rights which the person holds reaching, exceeding, or falling below, 5%, 10%, 15%, 20%, 25%, 30%, 50% and 75%.

The Company has been informed of the holding of voting rights of 5% or more attaching to the Company's issued ordinary share capital by Jardine Strategic Limited (the Jardine Strategic), which is directly interested in 1,112,719,720 ordinary shares carrying 88.04% of the voting rights. By virtue of its interest in Jardine Strategic, Jardine Matheson is also interested in the same ordinary shares. Apart from this shareholding, the Company is not aware of any holders of voting rights of 5% or more attaching to the Company's issued ordinary share capital as of 5 March 2025.

There were no contracts of significance with substantial corporate shareholders during the year under review.

Related party transactions

Details of transactions with related parties entered into by the Company during the course of the year are included in note 31 to the financial statements on pages 80 and 81.

Engagement with shareholders, other stakeholders and colleagues

We engage regularly with our stakeholders, including our employees, investors, creditors, partners and government and this enables the Company to understand their perspectives and ensure we address their expectations and shape our actions accordingly.

The Group regularly engages with its shareholders to provide an opportunity to ask questions of senior management. Since the beginning of 2024, the Group have held two results briefings and nine analyst and institutional shareholder meetings to answer those questions, discuss concerns, and hear feedback on areas where improvements could be made.

The Group has also engaged with thought leaders to listen, learn and understand how we can improve. They include global and regional non-profit associations at the forefront of driving sustainable travel and tourism, an independent think tank and the world's leading conservation non-governmental organisation. The engagements provide an opportunity for us to explore and discuss key social, environmental and economic issues facing society and where our businesses operate. They also provide an important touch point to sense-check the issues that matter most to society and help us better understand evolving expectations. The meetings with key thought leaders are attended by senior management including the Group Chief Executive.

Securities purchase arrangements

The Directors have the power, under the Bermuda Companies Act and the Company's Memorandum of Association, to purchase the Company's shares. Any shares so purchased are required to be treated as cancelled and, therefore, reduce the Company's issued share capital. The Board regularly considers the possibility of share repurchases. When doing so, it considers the potential for enhancing earnings or asset values per share. When purchasing such shares, the Company is subject to the provisions of MAR.

Colleague engagement

The Group works hard to support the growth of the next generation of leaders within our businesses, ensuring our colleagues can develop the skills they need and further their careers within the Group.

We aim to create an owner mindset among our senior management and are supporting this by enhancing our incentive structures to focus less on current profits and more on value creation over a longer time horizon. This longer-term view also incentivises creativity and innovation.

The Group conducted a colleague experience survey with a global completion rate of 96%. Results from the survey led to a global sustainable engagement score of 89%, compared to 90% in 2023, which remains substantially ahead of the Travel & Leisure norm and in line with the High Performance Norm and a global colleague retention score of 62%, compared to 63% in 2023. Action plans have been developed by each business as well as the corporate teams to address the survey outcomes.

Annual General Meeting

The Company's 2025 AGM will be held on 2 May 2025. The full text of the resolutions and explanatory notes regarding the meeting are contained in the Notice of AGM that is published at the same time as this Annual Report and can be found at www.mandarinoriental.com/en/investors/regulatory.

Corporate website

The Company's corporate website, which contains a wide range of additional information of interest to investors, can be found at www.mandarinoriental.com.

Group policies

Code of Conduct

The Group conducts business in a professional, ethical and even-handed manner. Its ethical standards are clearly set out in its Code of Conduct, a set of guidelines to which every employee must adhere and which is reinforced and monitored by regular training and compliance certification process. It also modelled on the Jardine Matheson group's code of conduct. The Code of Conduct requires that all Group companies and employees comply with all laws of general application, all rules and regulations that are industry specific and proper standards of business conduct. In addition, the Code of Conduct prohibits the giving or receiving of illicit payments. It requires that all Directors and employees must be fully aware of their obligations under the Code of Conduct and establish procedures to ensure compliance at all levels within their businesses.

The Company's policy on commercial conduct underpins internal control processes, particularly in the area of compliance. The policy is also set out in the Group's Code of Conduct.

Data privacy

The Group is committed to being a responsible custodian of the data entrusted to it by customers, employees, business partners and other stakeholders. In addition, it is subject to multiple data privacy and security laws and regulations in the global jurisdictions in which it operates. Accordingly, the Group is dedicated to complying with such laws and regulations, regularly monitoring for legislative changes and adjusting its policies and procedures when appropriate. Appropriate protections are in place to prevent misuse and unauthorised disclosure of personal data.

The Group's Privacy Policy, and internal guidelines and procedures, underline the Group's commitment to being a responsible data custodian and ensuring compliance with applicable law.

Whistleblowing policy
The Group has a whistleblowing policy covering how employees can report matters of serious concern. The Audit Committee is responsible for overseeing the effectiveness of the formal procedures for colleagues to raise such matters and is required to review any reports made under those procedures referred to it by the internal audit function.

In addition, the Group has a whistleblowing service managed by an independent third-party service provider, which supplement existing whistleblowing channels to assist employees and third parties in raising matters of concern and report cases of suspected illegal or unethical behaviour. This service, which aims to help foster an inclusive, safe and respectful workplace, is available 24 hours a day in multiple local languages and is accessible through several channel. Colleagues may make anonymous submissions in situations where it is inappropriate or not possible to report a matter of concern to a manager supervisor, People & Culture, Executive Directors, Legal representative or Chief Financial Officer.

Reports may be lodged by one of three channels: email, website or telephone hotline. Each report is allocated a unique case number which enables follow-up with the reporter, if applicable. Once a report is lodged, it is sent to certain authorised persons at the relevant business units. These include senior representatives from legal, compliance and People & Culture teams who have experience in dealing with such matters. The authorised persons will follow up on the report and investigate where necessary. The reporter, if they choose to, will be notified of the outcome.

All reports are treated confidentially and any retaliation against a person reporting a potential breach of the Code of Conduct is a cause for disciplinary action under the Group's whistleblowing policy.

Inclusion, Equity and Diversity
We understand that our greatest asset is our people. Their diverse talent, experiences, and backgrounds drive our growth. We are committed to fostering an environment that values every individual, ensuring every voice contributes to our collective success.

The Group applies the principle that colleagues should always treat others in a way they would expect others to treat them. Bullying, intimidation, discrimination, and harassment of others have no place in the Group and will not be tolerated.

As a global hospitality employer, the Group believes in promoting equal opportunities in recruiting and developing all employees, regardless of ethnicity, gender, age, sexual orientation, disability, background or religion, should be treated fairly and with respect, and be valued for the contributions they make in their role. The high service expectations and overall quality of the Mandarin Oriental brand necessitate that the Group seeks the best people from the communities in which they operate most suited to their needs.

All colleagues are encouraged and supported to develop their full potential and contribute to the sustainable growth of the Group. Colleagues' views and ideas are essential, and they are encouraged to express them respectfully with colleagues at all levels within the organisation.

To build an inclusive workplace which helps progress our ambitions across the Group, we incorporate IE&D principles across our businesses and People & Culture practices. This includes:

- Ongoing collaboration to ensure a set of inclusive working arrangements and policies to support IE&D;
- Keeping our recruitment, promotion, and retention systems fair, based on aptitude, merit and ability;
- Providing active talent management and career support for the Group's colleagues to open up opportunities that will facilitate a future pipeline of excellent leaders; and
- Cultivating the right set of leadership behaviour through learning campaigns to ensure colleagues behave in accordance with the Group's value.

The Company keeps the composition of its Board and senior management positions under review, to ensure that it remains appropriate to face the challenges of the changing business landscape. The Company is actively focused on increasing gender diversity at all levels of the organisation.

Committees

The Board is supported by the activities of its Committees (the Nominations, Remuneration and Audit Committees), which ensure the right level of attention and consideration are given to specific matters. Matters considered by each of the Committees are set out in their respective terms of reference. Copies of these documents can be obtained from the Company's website at www.mandarinoriental.com.

Nominations Committee

The Board established a Nominations Committee in March 2021. The role of the Nominations Committee is governed by its terms of reference. The key responsibilities of the Nominations Committee are to:

- Review the structure, size and composition of the Board and its committees and make recommendations to the Board on any appointments to maintain a right balance of skills, knowledge and experience and independence, as well as a diversity of perspectives;
- Support the Chairman to lead the process for Board appointments and nominate suitable candidates to the Board;
- Assess suitable candidates based on merit and objective criteria (giving consideration to the promotion of the diversity of social and ethnic backgrounds, knowledge, experience and skills), taking into account their ability to meet the required time commitments;
- Oversee the development of succession pipelines for both the Board and senior management positions to ensure talent is identified and nurtured to meet the challenges and opportunities facing the Group; and
- Satisfy itself that any skill gaps are addressed in the reviews of Board composition and that appropriate development opportunities are in place for Directors to keep abreast of market knowledge and industry trends to perform their role effectively.

The Nominations Committee consists of a minimum of three members, selected by the Chairman of the Board. The Chairman of the Board is the chairman of the Nominations Committee. The current members of the Nominations Committee are Ben Keswick, Cristina Diezhandino and Raymond Co (Jardine Matheson's group head of people & culture). The Nominations Committee meets at least annually, or by the circulation of Committee circulars and recommendations to the Board for approval as it deems appropriate. It plays a key role in the process of recruiting Board members and senior management. Candidates for appointment as Executive Directors of the Company or other senior management positions may be sourced internally or externally, including by using the services of specialist executive search or recruitment firms. The aim is to appoint individuals who combine international business knowledge and experience, industry knowledge and experience, if possible, and familiarity with, or adaptability to, Asian markets. When appointing Non-Executive Directors, the Nominations Committee pays particular attention to the Asian business experience and relationships that they can bring.

Remuneration Committee Report

Chair's introduction

I am delighted to present the Remuneration Committee's report for the year ended 31 December 2024. The report outlines our approach to aligning Directors and senior management's compensation with the Company's objectives, strategies and long-term performance.

We strive for fair and transparent compensation practices across the Company to support the Company's pay-for-performance culture. This year, we enhanced our performance management framework to link individual performance to the Group's business performance to help drive the new business strategy and create long-term shareholder value.

We also revisited our salary increase guidelines to maintain market competitiveness and payouts were adjusted to align with market conditions. During the year, we engaged an external consultant to create a new long-term rewards scheme that rewards senior leadership with the value created under the new strategy to better align senior leadership with shareholders.

Details of the Remuneration Committee's key responsibilities and the Group's remuneration policy are set out in below sections. The full terms of reference are available on the Company's website at www.mandarinoriental.com.

Ben Keswick
Chair of the Remuneration Committee

The Group's remuneration philosophy and framework for rewarding staff

The remuneration outcomes in 2024 reflect the intended operation of the remuneration framework.

The Company aims to ensure that its remuneration system is designed in a manner that is aligned with the values and strategic priorities of the Company. The Company's remuneration framework serves to attract, motivate and retain colleagues at all levels, while aligning the interests of senior management and shareholders and taking account of stakeholder expectations, as appropriate. The Company's rewards approach is to reward all individuals competitively, fairly and free from gender, race, ethnicity, age, disability and other non-performance-related considerations.

It does this through:

- Performance-based variable compensation;
- Incentives based on financial measures and strategic objectives that reflect key goals critical to long-term sustainable organisational success;
- Consideration of business and operational risk as well as a sustainability development goal through the design of performance objectives;
- Providing incentives and policies which align the interests of senior management to those of shareholders;
- Best-practice governance and ensuring remuneration outcomes are reasonable, taking into account community and stakeholder expectations; and
- Targeting remuneration levels and outcomes appropriately reflect the challenge and complexity of being a multinational Asian-based hotel group with diverse hospitality businesses.

The Group's remuneration philosophy and framework for rewarding staff *continued*

The Company's policy is to offer competitive remuneration packages to its senior management. The Company relies on a reward framework that provides varying levels of remuneration and benefits depending on colleague level. It is recognised that, given the nature of the Group and its diverse geographic base, a number of its senior management are required to be offered international terms, and the nature of the remuneration packages is designed to reflect this. This structure of remuneration varies from senior management to more junior level colleagues, but the link of remuneration to strategic goals is consistent. The nature of goals used for remuneration varies depending on colleague level, but the Company ensures goals are relevant and measurable while aligned with company values and strategic priorities. In addition, Executive Directors joining from outside the Group may be offered an initial fixed-term service contract to reflect any requirement for them to relocate.

Accordingly, the remuneration mix for colleagues varies depending on level. At senior management levels, more remuneration is variable, depending on performance levels against goals. At more junior levels, remuneration is directed toward fixed remuneration. The Company strives to provide an appropriate amount of remuneration 'at risk' for the achievement of goals – whether those are short- or long-term in nature.

Directors' Remuneration

Shareholders decide in general meetings the Directors' fees which are payable to all Directors other than the Group Chief Executive and the Chief Financial Officer, as provided for by the Company's Bye-Laws.

The remuneration of the Company's Non-Executive Directors is not linked to performance. This is consistent with Non-Executive Directors being responsible for objective and independent oversight of the Group. The total amount provided to all Directors (excluding the salaried Executive Directors who are not entitled to such fees) must not exceed the sum agreed by shareholders at a general meeting. The maximum aggregate remuneration of US$1.0 million per annum was approved by shareholders at the 2022 AGM, and this total sum will be kept under review over time. Executive Directors are paid a basic fixed salary as well as discretionary annual incentive bonuses and receive certain employee benefits from the Group. Non-Executive Directors do not receive bonuses or any other incentive payments or retirement benefits. The Non-Executive Directors are reimbursed for expenses properly incurred in performing their duties as a Director of the Company.

The level of fees paid to the Company's Non-Executive Directors is kept under regular review. Fees are benchmarked against a peer group of similar companies and a proposal is taken to the Board every two years.

The schedule of fees paid to Directors in respect of the financial year 2024 is set out in the table below. Fees are annual fees, unless otherwise stated:

USD (per annum)	
Chairman fee:	100,000
Base Director fee[1]:	100,000
Audit Committee fee (Chair):	45,000
Audit Committee fee (member):	35,000
Remuneration Committee fee (Chair):	25,000
Remuneration Committee fee (member):	20,000
Nominations Committee fee:	15,000

[1] The director fee payable to each Non-Executive Director increased to US$100,000 per annum with effect from 22 July 2024. In March 2025, the Board has further approved an increase in base director fee (including the Chair's fee) from US$100,000 to US$105,000 per annum.

Directors' Remuneration continued

	Director	Director Fee US$	Audit Committee Fee US$	Nominations Committee Fee US$	Remuneration Committee Fee US$	Total Fees US$
Current Directors						
1	Ben Keswick (Chairman)	100,000	–	15,000	11,134	126,134*
2	Laurent Kleitman	–	–	–	–	–
3	Matthew Bishop	–	–	–	–	–
4	Jinqing Cai	94,454	35,000	–	–	129,454
5	Cristina Diezhandino[2]	41,803	–	6,270	8,361	56,434
6	Adam Keswick[3]	94,454	–	6,680	–	101,134*
7	Archie Keswick	94,454	–	–	–	94,454
8	Fabrice Megarbane[4]	41,803	–	–	–	41,803
9	Richard Solomons	94,454	45,000	–	–	139,454
10	Scott Woroch[5]	15,847	–	–	–	15,847
Former Directors						
11	John Witt[6]	55,464	–	8,320	–	63,784*
12	Y.K. Pang[7]	22,377	8,702	–	–	31,079*
	Total	**655,110**	**88,702**	**36,270**	**19,495**	**799,577**

* Fees surrendered to Jardine Matheson

[2] Cristina Diezhandino was appointed as an INED, and members of each of the Remuneration Committee and Nominations Committee on 1 August 2024.

[3] Adam Keswick ceased to be a member of the Nominations Committee with effect from 22 July 2024.

[4] Fabrice Megarbane was appointed as an INED on 1 August 2024.

[5] Scott Woroch was appointed as an INED on 4 November 2024.

[6] John Witt ceased to be a Director of the Company, and resigned as members of each of the Remuneration Committee and Nominations Committee, with effect from 22 July 2024.

[7] Y.K. Pang retired from the Board and Audit Committee on 31 March 2024.

Remuneration Committee

The Board has overall responsibility for setting remuneration across the Group, ensuring it is appropriate and supports the Group's strategy, creating value for stakeholders. The Remuneration Committee has been established to assist the Board in these remuneration matters.

The Board established a Remuneration Committee in December 2021. The role of the Remuneration Committee is governed by its terms of reference. The key responsibilities of the Remuneration Committee are to:

- Oversee the formulation of a Group-wide reward strategy and ensure the business implements the reward strategy in alignment with its industry-specific needs;
- Review and approve the Company's overall rewards strategy and remuneration framework;
- Review the terms of and design of performance-related incentives (both short- and long-term), including the review and approval of any changes to plan design, targets and metrics;
- Review and approve the overall compensation costs, including salary and bonus budgets, of the business; and
- Remain abreast of trends and developments in senior management's compensation and corporate governance related to the Group's industry and countries of operation.

Remuneration Committee *continued*

The Remuneration Committee consists of a minimum of three members, selected by the Chairman of the Board. The Chairman of the Board is the chairman of the Remuneration Committee. The current members of the Remuneration Committee are Ben Keswick, Cristina Diezhandino and Raymond Co (Jardine Matheson's group head of people & culture). The Group Chief Executive and the Chief People & Culture Officer will generally attend meetings of the Remuneration Committee. The Remuneration Committee shall meet at least twice a year and as required, or by circulation of Committee circulars which make recommendations to the Board for approval as it deems appropriate.

How remuneration framework is linked to the business strategy

The Group's remuneration strategy is designed to support and reinforce its business and sustainability strategies, both short- and long-term. The 'at risk' components of remuneration are tied to measures that reflect the successful execution of these strategies in both the short- and long-terms. Our strategic drivers of 'Elevating our brand, Lifting our people, Powering our core and Exceptional quality' are reflected in bonus performance measures. So, the Group's actual performance directly affects what senior management are paid.

Remuneration outcomes in 2024

For the year ended 31 December 2024, the Directors received from the Group US$8.6 million *(2023: US$7.9 million)* in Directors' fees and employee benefits, being:

	2024	2023
Director's fees	**US$0.8 million**	US$0.8 million
Short-term employee benefits including salary, bonuses, accommodation and deemed benefits in kind	**US$3.4 million**	US$5.3 million
Post-employment benefits	**US$0.1 million**	US$0.2 million
Long-term incentive benefits	**US$4.3 million**	US$1.6 million

The information set out in the section above headed 'Remuneration outcomes in 2024' forms part of the audited financial statements.

Share schemes

Share-based long-term incentive plans have also been established to provide incentives for Executive Directors and senior managers. The scheme trustee grants share options and share awards after consultation between the Chairman and the Group Chief Executive and other Directors as they consider appropriate. Share options are granted at prevailing market prices, while share awards will vest free of payment. The share options and share awards normally vest on or after the third anniversary of the grant date. Grants may be made in several instalments. Share options and share awards are not granted to Non-Executive Directors.

Directors' share interests

The Directors of the Company in office on 5 March 2025 do not hold any interests in the Company's ordinary share capital.

Audit Committee Report

Chair's introduction

I am pleased to present the Audit Committee's report for the year ended 31 December 2024. In our ongoing efforts to enhance corporate governance, the Audit Committee convened three times during the year, with an additional meeting in November. This extra session was designed to identify potential issues early that could affect our year-end results.

This year, the Audit Committee has focused heavily on the Group's transition to an asset-lite business, paying close attention to the valuation of investment properties, hotel sales, various reporting matters, and legal and tax issues, including litigation and disputes.

We have consistently examined key accounting issues and management judgments to ensure the accuracy and integrity of the Company's financial reporting. For more details, please refer to note 37 to the financial statements on pages 100 to 101.

The Audit Committee has also overseen the Company's framework for non-financial reporting, ensuring it adapts to evolving environmental, social, and governance responsibilities. Regular updates from management inform us about the broader control environment, including financial reporting controls. We also review progress in addressing any deficiencies, with insights from the Jardine Matheson group's audit and risk management function (GARM) and our external auditor, PwC.

The Audit Committee has actively reviewed and monitored the Company's principal risks through a combination of business reviews, focused engagements, and regular updates from management, GARM, and PwC. Following the announcement of a new business strategy in May 2024, which focuses on specific strategic goals, the Group's risk register and evaluation of Principal Risks and Uncertainties have been updated to align with our current business and market conditions. The Group's risk register and Principal Risks and Uncertainties are reviewed twice a year.

The Audit Committee is tasked with overseeing the effectiveness of the Company's financial reporting, including disclosures related to ESG and climate change, internal control systems, and risk management. Additionally, we ensure the integrity of both external and internal audit processes.

Details of the Audit Committee's key responsibilities are set out in below sections. The full terms of reference are available on the Company's website at www.mandarinoriental.com.

Richard Solomons
Chair of the Audit Committee

Audit Committee

The Board has established an Audit Committee in December 2021. The Audit Committee consists a minimum of three members, the current members of which are:

- Richard Solomons (Chair of the Audit Committee and INED);
- Jinqing Cai (INED); and
- Graham Baker (Financial Expert).

None of them is directly involved in the operational management of the Company. A majority members of the Audit Committee are independent members with recent financial experience and expertise, as well as a deep understanding of risk management.

The Group Chief Executive and Chief Financial Officer, together with representatives of the internal and external auditors, also attend the Audit Committee meetings by invitation. Other individuals may attend part of a meeting for specific agenda items as appropriate. The Audit Committee meets on a schedule basis three times a year (the number of annual meetings was increased from two to three in 2024 as part of the Group's focus on improving its governance approach further and strengthening the oversight of the Audit Committee).

The Audit Committee reports to the Board after each meeting.

Audit Committee continued

The role of the Audit Committee is governed by its terms of reference. The Audit Committee's remit includes:

- Independent oversight and assessment of financial reporting processes, including related internal controls;
- Independent oversight of risk management and compliance;
- Independent oversight and responsibility for cybersecurity;
- Monitoring and reviewing the effectiveness of the internal audit function and the Group's external auditor;
- Considering the independence and objectivity of the external auditor; and
- Reviewing and approving the level and nature of non-audit work performed by the external auditor.

Before completion and announcement of the Company's half-year and full-year results, a review is undertaken by the Audit Committee, with the senior management, of the Company's financial information and any issues raised in connection with the preparation of the results, including the adoption of new accounting policies. A report is also received by the Audit Committee from the external auditor. The external auditor also have access, when necessary, to the full Board, in addition to the Group Chief Executive, Chief Financial Officer and other senior management. The Audit Committee confirms, to the best of its knowledge, the consolidated financial statements prepared in accordance with IFRS, including International Accounting Standards and Interpretations as issued by the International Accounting Standards Board, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group.

The matters considered by the Audit Committee during 2024 included:

- Reviewing the 2023 annual financial statements, 2024 half-year financial statements, and interim management statement, with particular focus on the assets impairment assessments, assumptions that underpinned key valuation models and effectiveness of financial controls;
- Reviewing the significant actions and judgements of management in relation to changes in accounting policies and practices to ensure clarity and accuracy of disclosures and compliance with new accounting standards;
- Receiving reports from the internal audit function on the status of the control and compliance environment of the Group, with particular focus on the mechanisms supporting financial reporting, and its business divisions and progress made in resolving matters identified in the reports;
- Reviewing the principal risks, evolving trends and emerging risks that affect the Group, and monitoring changes to the risk profile, as well as the effectiveness of risk management measures and crisis management arrangements;
- Receiving updates on the cybersecurity threat landscape and the Group's cybersecurity environment, risk management approach, training, priorities and control effectiveness;
- Receiving reports from risk management and legal functions on key legal matters and compliance and code of conduct issues, and the actions taken in addressing those issues and strengthening controls;
- Reviewing the annual internal audit plan and status updates;
- Reviewing the Group's governance approach to cybersecurity management, data security and privacy management across its businesses;
- Reviewing the independence, audit scope and fees of PwC, and recommending their re-appointment as the external auditor at general meeting; and
- Conducting a review of the terms of reference of the Audit Committee.

Audit Committee attendance

The table below shows the attendance at the scheduled 2024 Audit Committee meetings:

	Meetings eligible to attend	% Attendance
Members of the Audit Committee		
Richard Solomons	3/3	100%
Jinqing Cai	3/3	100%
Graham Baker	3/3	100%

Auditor independence and effectiveness

The independence and objectivity of the Group's external auditor are safeguarded by control measures including:

- Reviewing the nature of non-audit services (including the amending of the non-audit services policy);
- The external auditor's own internal processes to approve requests for non-audit work to the external audit work;
- Monitoring changes in legislation related to auditor independence and objectivity;
- The rotation of the lead audit partner after seven years;
- Independent reporting lines from the external auditor to the Audit Committee and providing an opportunity for the external auditor to have in-camera sessions with the Audit Committee;
- Restrictions on the employment by the Group of certain employees of the external auditor;
- Providing a confidential helpline that employees can use to report any concerns; and
- An annual review by the Audit Committee of the policy to ensure the objectivity and independence of the external auditor.

The Board's annual review in 2024 of the external auditor's independence and effectiveness found that they performed their duties effectively. The Board found the level of professional scepticism, the number and regularity of meetings with the Audit Committee, feedback from the Audit Committee members and internal stakeholders and the levels of technical skills and experience to be effective.

At each AGM of the Company, the Company is required to appoint an external auditor to hold office until the conclusion of the next AGM. The Company's shareholders approved the reappointment of PwC HK as the Company's external auditor at the AGM on 8 May 2024.

Risk management and internal control

The Board has overall responsibility for the Group's risk management systems and internal control. The Board has delegated responsibility to the Audit Committee for providing oversight regarding risk management activities. The Audit Committee considers the Group's principal risks and uncertainties and potential changes to the risk profile. It reviews the operation and effectiveness of the Group's internal control systems (financial, operational and compliance) and the procedures by which these risks are monitored and mitigated.

The Audit Committee considers the systems and procedures regularly and reports to the Board semi-annually. GARM is appointed to assist the Audit Committee in fulfilling its assurance and reporting roles. GARM adheres to international standards for the professional practice of internal audit. To safeguard its independence and objectivity, GARM reports functionally to the Audit Committee and has full and unrestricted access to all business functions, records, properties and personnel.

The internal control systems are designed to manage, rather than eliminate, business risk; to help safeguard the Group's assets against fraud and other irregularities; and give reasonable, but not absolute, assurance against material financial misstatement or loss. Senior management is responsible for implementing the systems of internal control throughout the Group.

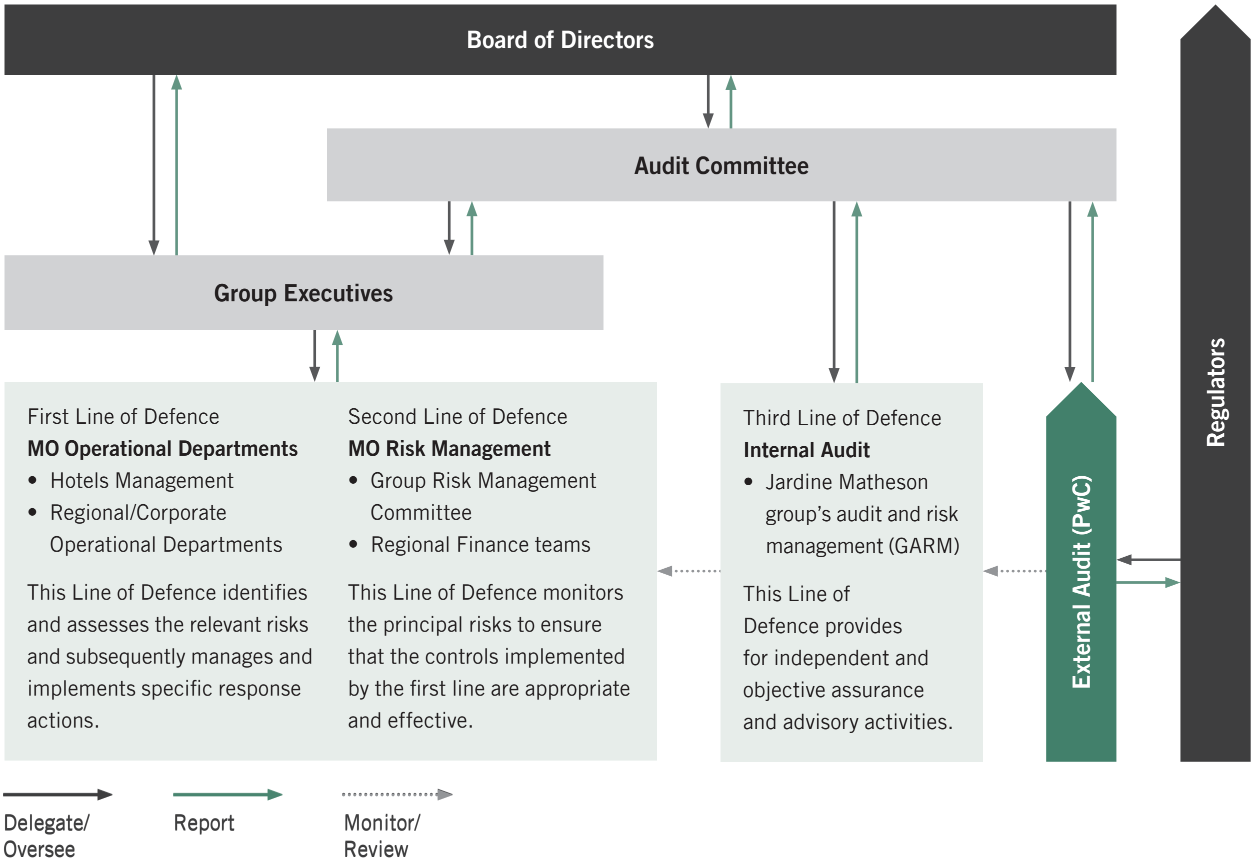
The Group has an established risk management process that is reviewed regularly and covers all business units within the Group. This includes the maintenance of risk registers that detail the emerging and existing risks to the future success of the business and the relevant key controls and mitigating factors that address those risks. The Group's risk management process and risk registers are reviewed on a regular basis.

Risk management and internal control *continued*

The internal audit function also monitors the approach taken by the business units to risk. The internal audit function is independent of the operating businesses and reports its findings and recommendations for any corrective action required to the Audit Committee.

The Company's principal risks and uncertainties are set out on pages 138 to 144.

Risk governance structure

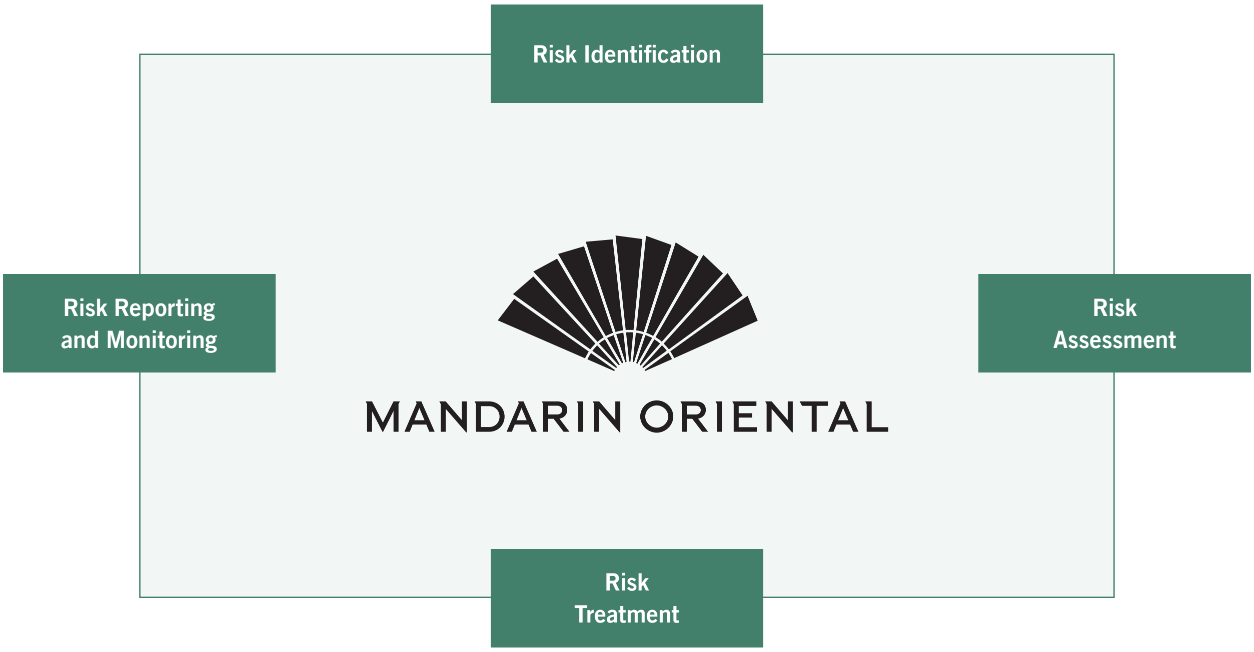


The Group's management is responsible for:

- Identifying and assessing principal risks and uncertainties to which it is exposed;
- Implementing the most appropriate actions to mitigate and control those risks to an acceptable level;
- Providing adequate resources to minimise, offset or transfer the effects of any loss that may occur while managing acceptable risk/benefit relationships;
- Monitoring the effectiveness of the systems of risk management and internal control;
- Reporting periodically to the Board via the Audit Committee and GARM on the principal risks and uncertainties; and
- Working with external and internal auditors to monitor and improve its control environment.

Risk Management Framework

Risk management is integrated into each business unit's strategic planning, budgeting, decision-making and operations. Central to this is the continuous and systematic application of:



A Risk Management Framework based on ISO 31000 and COSO principles is embedded in the Group to identify, assess and define the strategies to monitor risks. The risk registers prepared by each business unit provide the basis for the aggregation process, which summarises the principal risks and uncertainties facing the Group as a whole.

Risk Identification	▪ Identify and document the Group's exposure to uncertainty with existing strategic objectives. ▪ Adopt structured and methodical techniques to identify critical risks.
Risk Assessment	▪ Evaluate risks by estimating likelihood, financial and reputational damage, and the speed at which the risk materialises, based on its inherent and residual level. ▪ Determine risk rating using the risk heatmap, with four levels of residual risk status.
Risk Treatment	▪ Tolerate – accept if within the Group's risk appetite. ▪ Terminate – dispose or avoid risks were no appetite. ▪ Risks may be accepted if mitigated to an appropriate level via: – Transfer – take out insurance or share risk through contractual arrangements with business partners; and – Treat – redesign or monitor existing controls or introduce new controls.
Risk Reporting and Monitoring	▪ Periodic review of principal risks and uncertainties. ▪ Setting key risk indicators to enhance monitoring and mitigation of risks. ▪ Regular reporting of principal risks and uncertainties from the Group's business units to the Board via Audit Committee and GARM.

Principal risks and uncertainties

Set out below are the principal risks and uncertainties facing the Company as required to be disclosed pursuant to the DTRs issued by the FCA, as well as a summary of the steps taken to mitigate those risks. These risks are in addition to the matters referred to in the Chairman's Statement, Group Chief Executive's Review, and other parts of this Annual Report.

Ranking	Risk	Risk description
1 —	**Reputation risk and brand name**	Adverse perception of guest or employee health or safety, the occurrence of accidents or injuries, cyber-attacks, security breaches, natural disasters, crime, failure of suppliers, business partners to comply with relevant regulations and contractual requirements relating to a variety of issues could harm our reputation and create adverse publicity and cause a loss of consumer confidence in our business and brand. **Mitigations** 1. Establish a range of financial policies, procedures and audits to prevent and mitigate risk impacts. 2. Establish a range of service standards and audits to ensure consistency of service quality. 3. Ensure media response plans are in place to manage any negative publicity. 4. Maintain a global Sustainability programme to monitor and minimise the impact of the Group's operations on the environment and support the Group's goal of acting in a socially responsible manner. 5. The Group's trademark protection programme proactively registers and monitors the Group's core marks in key markets and pursues infringements as appropriate. 6. Operate an extensive Fire, Life, Health, Safety, Security and Environment programme with related annual audits which helps ensure key elements of the operations are maintained and inspected on a regular basis, business continuity plans (BCPs) are regularly reviewed and tested. 7. Maintain a robust cybersecurity environment. Perform regular cybersecurity and data vulnerability assessments and testing to identify weaknesses.

Principal risks and uncertainties *continued*

Ranking	Risk	Risk description
2 ↑	**Natural and man-made disaster and pandemic**	Environmental disasters such as earthquakes, floods and typhoons could damage the Group's assets and disrupt operations. Climate change may lead to higher insurance premiums or reduced coverage for natural disasters. Man-made disasters such as hazardous material spills, explosions, chemical or biological attacks, nuclear blasts, traffic collisions could cause deaths, injuries, and loss of property. COVID-19 has demonstrated the wide-ranging and long-lasting impacts and disruptions for businesses, communities and employees that may result from the spread of a pandemic. Significant disruptions and uncertainties would likely result from global or regional pandemics of a similar nature if they raise the prospect of lockdowns, restrictions on cross-border mobility, interruptions to supply chains, and dampened consumer sentiment. There is potential for negative publicity and operational disruption arising from conflict between activists and the Group's businesses that are perceived to be engaged in trade or activities that impact the environment. **Mitigations** 1. Conduct climate risk assessments and adaptation action plans based on recommendations of Task Force on Climate-Related Financial Disclosures. 2. Ensure comprehensive BCPs are fully developed and periodically updated at the Group level and in each location where the Group operates. 3. Seek geographic diversity of hotels which would mitigate the impact of such incidents on the Group's overall financial performance. 4. Maintain cost containment procedures enabling the hotels to reduce or even suspend operations if necessary to reduce costs. 5. Maintain protocols to ensure the safety of colleagues and guests, such as temperature monitoring, the issuing of personal protective equipment, sanitisation standards, and cleaning regimes. 6. Procure insurance covering property damage and business interruption due to natural and man-made disaster.

Principal risks and uncertainties *continued*

Ranking	Risk	Risk description
3 (Clarified)	**Partnerships and investments**	The Group has an accelerated development strategy to scale the Management Business. The Group may fail to achieve targeted revenue growth due to inability to acquire new management contracts, or access targeted markets. The Group may fail to create value as planned due to delays in new hotel openings. If the Group is unable to develop and maintain good relationships with third-party owners and/or if agreements with owners are terminated, revenues could decrease. If owners are not able to maintain brand standards, our business and reputation could be harmed. **Mitigations** 1. Launch a multi-property ownership strategy and conduct sufficient research, due diligence and evaluation of investment opportunities and potential business partners. 2. Deploy resources to ensure efficient portfolio management. Develop clear frameworks and governance structure to track and manage project status. 3. Maintain framework to ensure owners maintain properties to brand standards.
4 ↑	**Political and economic risk**	Political risk Changes and uncertainties in the political landscape pose risks for business activity and sentiment in the territories where the Group operates and consequently for the current investments and future growth of the Group. Rising costs of fuel and staple foods may heighten the risk of civil discontent and political instability. The imposition of export bans by some governments on food and raw materials may add further uncertainties in the availability and cost of necessary supplies. Economic risk The Group's business is exposed to the risk of adverse developments in global and regional economies and financial markets. These developments could include recession, inflation, deflation, currency fluctuations, restrictions in the availability of credit, business failures, or increases in financing costs, oil prices or the cost of raw materials. Such developments might increase operating costs, reduce revenues, lower asset values or result in some or all of the Group's hotels and residences being unable to meet their strategic objectives. **Mitigations** 1. Maintain the Group's financial strength and funding sources under scenarios of economic downturn and other stresses. 2. Monitor the macroeconomic environment and consider economic factors in strategic and financial planning processes. 3. Procure insurance covering business interruption due to civil unrest and terrorism.

Principal risks and uncertainties *continued*

Ranking	Risk	Risk description
5 ↑	**IT and cybersecurity**	The Group's businesses are reliant on technology in their operations and face security threats targeting both individuals and businesses. As a result, the privacy and security of customer and corporate information are at risk of being compromised through a breach of our suppliers' IT systems or the unauthorised or inadvertent release of information, which may result in brand damage, impaired customer trust, loss of competitiveness or regulatory action. Security breaches stemming from inadequate cybersecurity or lack of employee cybersecurity awareness may also adversely affect the Group's ability to manage daily business operations, resulting in business interruption, reputational damage, regulatory penalties, lost revenues, repair or other costs. **Mitigations** 1. Define cybersecurity programme to provide oversight, promote cybersecurity hygiene, strengthen cybersecurity defences and manage cybersecurity incidents. 2. Perform regular vulnerability assessment and penetration testing to identify weaknesses. 3. Maintain disaster recovery plans and backups for data restoration. 4. Arrange regular security awareness training at least annually and phishing testing to raise users' cybersecurity awareness. 5. Conduct regular internal audits of IT general controls and cybersecurity.

Principal risks and uncertainties *continued*

Ranking	Risk	Risk description
6 ↑	**People and talent**	The competitiveness of the Group's businesses depends on the quality of the people that it attracts and retains. The unavailability of needed human resources may impact the ability of the Group's businesses to operate at capacity, implement initiatives and pursue opportunities. The Group needs to maintain critical capabilities required for expansion (by function and by geographic markets), develop the right organisation design and talent location, recruitment and management strategies. Capability gaps may undermine the accelerated growth strategy. Inappropriate allocation of resources may lead to inefficient scaling of the Management Business. **Mitigations** 1. Support workforce practices that promote well-being and work arrangements that are competitive with the market. 2. Ensure that organisational structure and resource allocation addresses the capabilities needed to support strategic growth, and Management Business scaling. 3. Ensure proactive manpower planning and succession planning are in place. 4. Enhance employer branding, training for staff members, compensation and benefits, including retention incentives. 5. Enhance talent development plans to increase employees' visibility of future career paths, including identifying strategic talent pools.
7 (Clarified)	**Customer's changing behaviours and market competition**	The Group is operating in a highly competitive market with both globally scaled chains and boutique competitors. In addition to these traditional sector peers, home sharing services, short-term rental platforms and other intermediaries intensify the competition. Online travel agents, luxury travel agent consortia and other key global sales accounts compete with our direct channels of distribution, potentially diluting both profitability and our customers' loyalty. If we cannot manage and balance our distribution channels, we risk loss of net revenue and customer ownership. **Mitigations** 1. Elevate Mandarin Oriental's brand and brand value through a clearly defined Brand strategy to grow guests' awareness, purchase and retention. 2. Optimise channel mix and direct ownership of targeted customer segment. 3. Strengthen customer relationship management and digital commerce capabilities.

Principal risks and uncertainties *continued*

Ranking	Risk	Risk description
8 ↓	**Concentration risk**	Certain locations in Asia contribute a significant portion of the Group's underlying profit. Adverse conditions such as social upheaval, erosion of the rule of law or travel restrictions could reduce a location's competitiveness and impact the Group's businesses with operations in and exposure to that jurisdiction. **Mitigation** 1. Seek geographical diversification of Management Business income.
9 (New)	**Third-party service provider and supply chain management**	Our hotels and residences rely on third-party service providers for the provision of various services and goods required for our business. Mis-selection or mis-management of vendors, disruption of the supply chain, failure to satisfy our brand standards and safety requirements may cause damage to brand, operations and results. The Group is highly reliant on technology in business operations. Third-party technical service providers deliver access to our systems. Unauthorised access to/use of confidential or proprietary information, breach of sensitive data and delay of service delivery may negatively affect our brand, operations and results. Mis-selection of vendors may hinder introduction or development of information technology needed to support efficient scaling of the Group. **Mitigations** 1. Carefully evaluate and select vendors and third-party service providers, including an information security assessment where appropriate. 2. Engage suppliers only if they agree to comply with our supplier's code of conduct.

Principal risks and uncertainties *continued*

Ranking	Risk	Risk description
10 ↓	**Financial strength and funding**	The Group's activities expose it to a variety of risks to its financial strength and funding, including market risk, credit risk and liquidity risk. The market risk the Group faces includes i) foreign exchange risk from future commercial transactions, net investments in foreign operations and net monetary assets and liabilities that are denominated in a currency that is not the entity's functional currency; and ii) interest rate risk through the impact of rate changes on interest bearing assets and liabilities. The Group's credit risk may be primarily attributable to deposits with banks, contractual cash flows of debt investments and credit exposures to customers. The Group may face liquidity risk if its credit standing deteriorates or if it is unable to meet its financing commitments. **Mitigations** 1. Set clear policies and limits on market, credit, and liquidity risks, including in relation to foreign exchange exposure, interest rate risks, cash management and prohibition on derivatives not used in hedging. 2. Adopt appropriate credit guidelines to manage counterparty risk. 3. Fix a portion of borrowings in fixed rates and take borrowings in local currency to hedge foreign exchange exposures on investments. 4. Maintain adequate headroom in committed facilities to facilitate the Group's capacity to pursue new investment opportunities and to provide some protection against market uncertainties. 5. Keep an appropriate funding balance between equity and debt from banks and capital markets, both short- and long-term in tenor, to give flexibility to develop the business. 6. The Group's treasury operations are managed as cost centres and are not permitted to undertake speculative transactions unrelated to underlying financial exposures.

Effectiveness review of risk management and internal control systems

The effectiveness of the Company's risk management and internal control systems is monitored by the Group Audit and Risk Management team, which reports functionally to the Audit Committee of the Group. The findings of the internal audit function and recommendations for any corrective action required are reported to the Audit Committee and, if appropriate, to Jardine Matheson's Audit Committee.

Shareholder Information

Financial calendar

2024 full-year results announced	5 March 2025
Shares quoted ex-dividend	20 March 2025
Share registers closed	24 to 28 March 2025
Annual General Meeting to be held	2 May 2025
2024 final dividend payable	14 May 2025
2025 half-year results to be announced	28 July 2025 *
Shares quoted ex-dividend	21 August 2025 *
Share registers to be closed	25 to 29 August 2025 *
2025 interim dividend payable	15 October 2025 *

* Subject to change

Dividends

Shareholders will receive cash dividends in United States Dollars, except where elections are made for alternate currencies in the following circumstances:

Shareholders on the Jersey Branch Register

Shareholders registered on the Jersey branch register can elect for their dividends to be paid in Pounds Sterling. These shareholders may make new currency elections for the 2024 final dividend by notifying the United Kingdom transfer agent in writing by 25 April 2025. The Pounds Sterling equivalent of dividends declared in United States Dollars will be calculated by reference to an exchange rate prevailing on 30 April 2025.

Shareholders holding their shares through the CREST system in the United Kingdom will receive cash dividends in Pounds Sterling only as calculated above.

Shareholders on the Singapore Branch Register who hold their shares through The Central Depository (Pte) Limited (CDP)

Shareholders who are enrolled in CDP's Direct Crediting Service (DCS)

Those shareholders who are enrolled in CDP's DCS will receive their cash dividends in Singapore Dollars unless they opt out of CDP Currency Conversion Service, through CDP, to receive United States Dollars.

Shareholders who are not enrolled in CDP's DCS

Those shareholders who are not enrolled in CDP's DCS will receive their cash dividends in United States Dollars unless they elect, through CDP, to receive Singapore Dollars.

Registrars and transfer agent

Shareholders should address all correspondence with regard to their shareholdings or dividends to the appropriate registrar or transfer agent.

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Jersey Branch Registrar

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Singapore Branch Registrar

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