

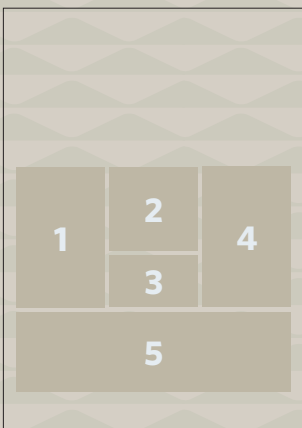
ANNUAL REPORT 2025

SHANGRI-LA ASIA LIMITED

Incorporated in Bermuda with Limited Liability
Stock code: 69



SHANGRI-LA GROUP



Cover Photos:

- 1. China World Hotel, Beijing**
- 2. Shangri-La Boracay**
- 3. SUMA Bar (Shangri-La Kunming)**
- 4. Shangri-La Rasa Ria, Kota Kinabalu**
- 5. The Silk Lakehouse, Shangri-La Hangzhou**

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Abbreviations

The Group's Listed Members

The Group's Business Presence



Asia

Cambodia Phnom Penh ●	Chinese Mainland Baotou ● Beihai ● Beijing ● Changchun ● Chengdu ● Dalian ● Diqing ● Fuzhou ● Guangzhou ● Guilin ● Hangzhou ● Harbin ●	Hefei ● Huhhot ● Jinan ● Kunming ● Lhasa ● Manzhouli ● Nanchang ● Nanjing ● Nanning ● Ningbo ● Putian ● Qindao ● Qinhuangdao ●	Qufu ● Sanya ● Shanghai ● Shenyang ● Shenzhen ● Suzhou ● Tangshan ● Tianjin ● Wenzhou ● Wuhan ● Wuxi ● Xiamen ● Xian ● Yangzhou ●	Yiwu ● Zhengzhou ● Zhoushan ●	Malaysia Kota Kinabalu ● Penang ● Kuala Lumpur ● Maldives Malé ● Villingili ● Mongolia Ulaanbaatar ● Myanmar Yangon ●	Philippines Boracay ● Cebu ● Manila ● Saudi Arabia Jeddah ● Singapore ●	Sri Lanka Colombo ● Hambantota ● Taiwan, China Tainan ● Taipei ● Thailand Bangkok ● Chiang Mai ● United Arab Emirates Abu Dhabi ● Dubai ●
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Financial Highlights

The following table summarises the highlights of our financial results:

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

N/M: not meaningful

Notes:

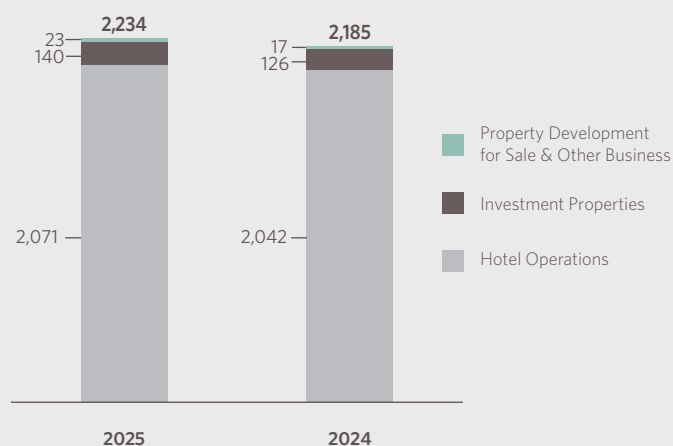
1. Effective share of revenue is the aggregate total of the Company's revenue and the Group's share of revenue of subsidiaries and associates based on percentage of equity interests.
2. EBITDA, which is a non-HKFRS financial measure used to measure the Group's operating profitability, is defined as the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

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

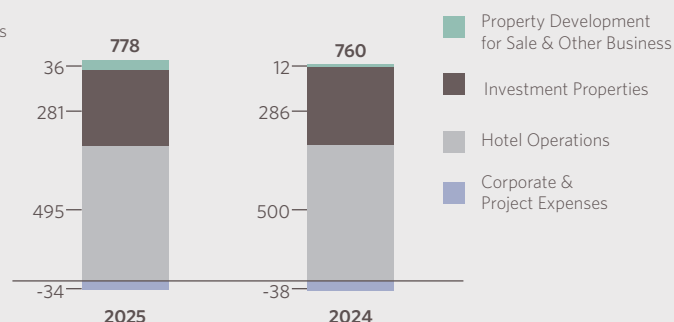
- Consolidated revenue for the year ended 31 December 2025 was USD2,234.1 million, an increase of 2.2%, compared to USD2,185.4 million for the year ended 31 December 2024, reflecting the resilience of the Company's global business.
- Effective share of revenue of the Company, subsidiaries and associates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

Financial Highlights

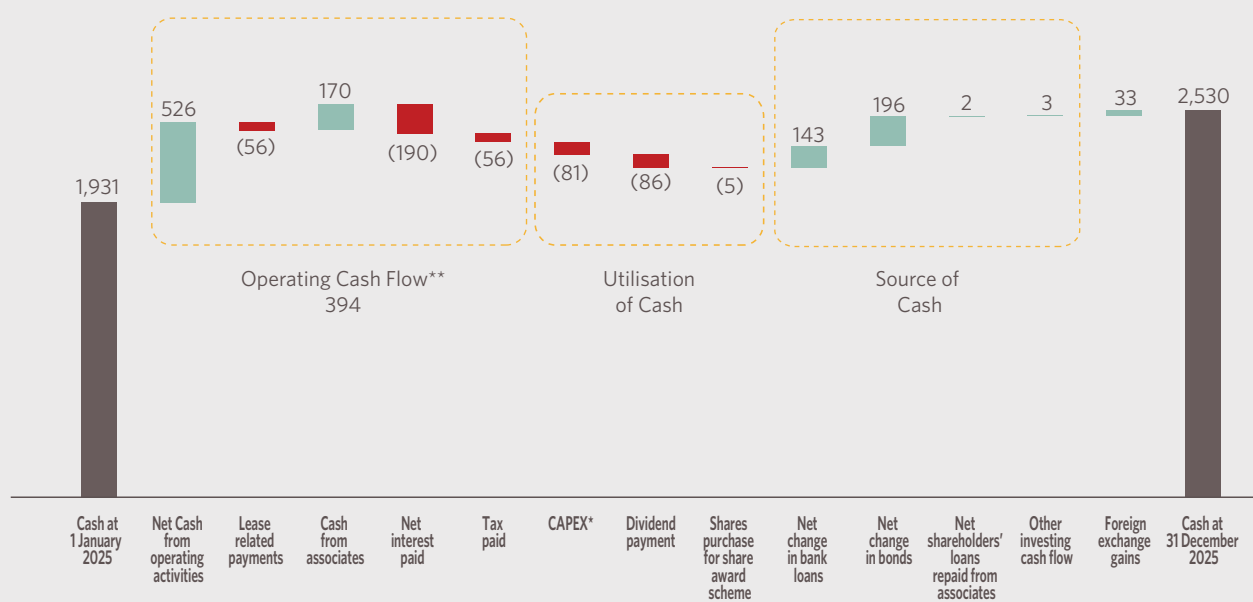
Segment Revenue by Category
(USD million)



Effective Share of EBITDA of the Company, subsidiaries and associates by Category
(USD million)



Movement of Cash Flow (Note)
(USD million)



* Capital expenditure ("CAPEX") includes fund injection to associates for their CAPEX.

** Operating cash flow includes operating cash flow from the Group's subsidiaries as well as interest income and certain cash received from associates by way of interest and dividend payments.

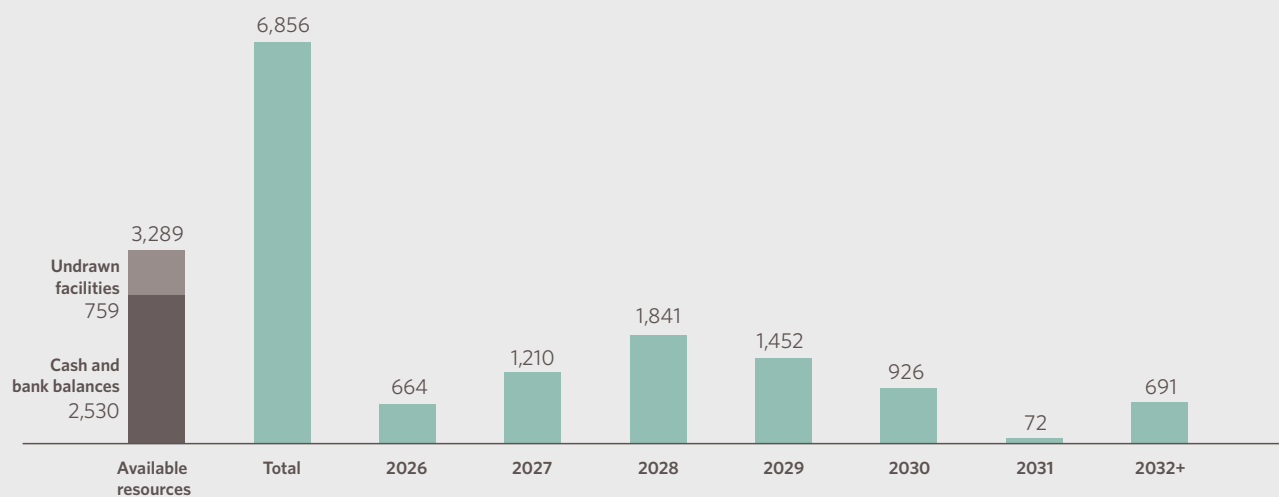
Note: Movement of cash flow is presented from management's perspective which may be different from the cash flow presented in accordance with HKFRS disclosure requirements.

Financial Highlights

Debt refinancing schedule chart including available resources

(USD million)

Weighted Average Term: 3.59 years



Corporate Information

As at 26 March 2026

BOARD OF DIRECTORS

Executive Directors*

Ms KUOK Hui Kwong (*Chairman and Group CEO*)
Mr CHUA Chee Wui (*Group CFO and Group CIO*)

Non-executive Director

Mr LIM Beng Chee

Independent Non-executive Directors

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

EXECUTIVE COMMITTEE

Ms KUOK Hui Kwong (*chairman*)
Mr CHUA Chee Wui

NOMINATION COMMITTEE

Ms KUOK Hui Kwong (*chairman*)
Professor LI Kwok Cheung Arthur
Mr LI Xiaodong Forrest
Ms KHOO Shulamite N K

REMUNERATION & HUMAN CAPITAL COMMITTEE

Ms KHOO Shulamite N K (*chairman*)
Ms KUOK Hui Kwong
Professor LI Kwok Cheung Arthur
Mr YAP Chee Keong

AUDIT & RISK COMMITTEE

Mr YAP Chee Keong (*chairman*)
Professor LI Kwok Cheung Arthur
Ms KHOO Shulamite N K
Mr CHUA Yuan Wen William

COMPANY SECRETARY

Mr SEOW Chow Loong Iain

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor
22/F Prince's Building
Central
Hong Kong SAR

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

28/F Kerry Centre
683 King's Road
Quarry Bay
Hong Kong SAR

REGISTERED ADDRESS

Victoria Place
5/F, 31 Victoria Street
Hamilton HM10
Bermuda

PRINCIPAL SHARE REGISTRAR IN BERMUDA

Appleby Global Corporate Services (Bermuda) Limited
Canon's Court
22 Victoria Street
PO Box HM 1179
Hamilton HM EX
Bermuda

BRANCH SHARE REGISTRAR IN HONG KONG

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong SAR

STOCK CODES

HKSE – 00069
Singapore stock exchange – S07
American Depositary Receipt – SHALY

WEBSITES

Corporate – www.ir.shangri-la.com
Business – www.shangri-la.com/group

INVESTOR RELATIONS CONTACT

admin.ir@shangri-la.com
28/F Kerry Centre
683 King's Road
Quarry Bay
Hong Kong SAR

KEY DATES

Closure of registers of members for Annual General Meeting

26 May 2026 to 29 May 2026, both dates inclusive

Annual General Meeting

29 May 2026

Announcement of 2026 interim results

August 2026

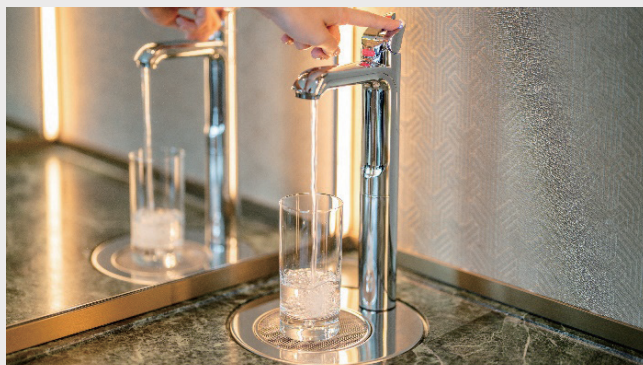
* Mr TEO Nee Chuan will be appointed as an Executive Director with effect from 30 March 2026.

Year in Review



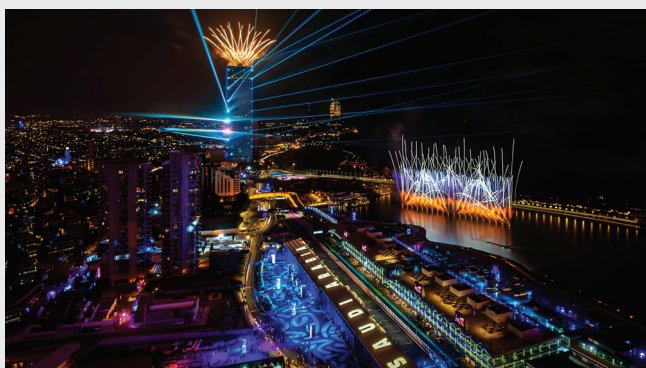
January

In 2025, Shangri-La Group's Jiangnan Wok brand achieved significant milestones. Jiangnan Wok and Jiangnan Wok • Yun, both at Shangri-La Nanjing, received a Black Pearl Two-Diamond rating and a MICHELIN Star respectively. The brand also expanded to Shangri-La Hongqiao Airport, Shanghai, bringing Huaiyang-inspired craftsmanship to a key gateway destination.



February

Shangri-La Group introduced eco-friendly enhancements to elevate guest comfort while supporting a greener future – from bamboo amenities and large-bottle toiletries to redesigned slippers with natural cork soles. The Group also adopted new dry-cleaning technology to reduce emissions while caring for guests' most delicate garments, reinforcing a thoughtful approach to sustainability aligned with guest well-being.



March

Shangri-La Jeddah marked its third anniversary with a landmark occasion during Formula E weekend – a spectacular laser show on the Red Sea Corniche. Paired with fireworks and immersive light displays, the spectacle reflected a bold new era in hospitality, celebrating innovation, guest delight, and the Kingdom's evolving entertainment landscape.



March

This International Women's Day, Shangri-La Group celebrated empowerment through action – from hosting a charity market in Shenzhen, to honouring inspiring team members in Singapore with heartfelt tributes and gifts, and recognising healthcare workers in Dubai. These initiatives demonstrated its group-wide commitment to inclusion, uplifting women in leadership, business, and beyond.

Year in Review



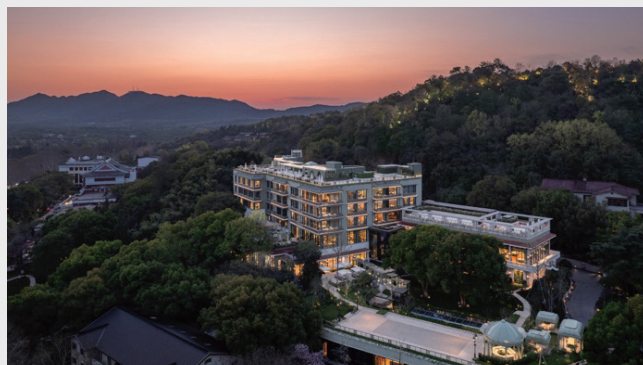
April

Launched under Shangri-La Group's dual-brand project in Kunming, SUMA is Yunnan's first cultural destination bar developed with globally renowned SG Group. It reimagines hyperlocal ingredients into cocktails inspired by the region's biodiversity, culinary traditions, and minority cultures, offering guests a first taste of what's to come with Shangri-La Kunming's grand opening in 2026.



June

Shangri-La Group launched its first cultural summer camp in Beijing for curious young minds and their families. The five-day programme paired hands-on discovery with five-star comfort, inviting children to experience the richness of Chinese heritage through traditional craftsmanship, performance arts and mindful wellness, guided by cultural masters.



May

Shangri-La Group unveiled Shangri-La Signatures, a new brand expression rooted in cultural authenticity and thoughtful design, marked by the opening of The Silk Lakehouse, Shangri-La Hangzhou beside UNESCO-listed West Lake. The intimate retreat reimagines modern luxury through art, wellness, gastronomy and storytelling, and was recognised on *DestinAsian's The Luxe List 2025* among Asia-Pacific's best new hotels and resorts.



June

Shangri-La Group welcomed world champion swimmer Pan Zhanle to the Friends of Shangri-La family, celebrating a modern embodiment of Chinese spirit and perseverance. Shaped by discipline, resilience and determination, his journey reflects values deeply rooted in Chinese heritage, and echoes the spirit of Shangri-La: creating moments that inspire and stay with you.

Year in Review



July

In *Travel + Leisure's World's Best Awards 2025*, Shangri-La was recognised among the world's top five hotel brands, as voted by readers.



August

Hong Kong International Airport (HKIA)'s first premium city terminal in the Greater Bay Area (GBA) officially opened at JEN Shenzhen Qianhai by Shangri-La. Located in the Qianhai Free Trade Zone, it strengthens high-end travel services and international connectivity across the GBA, offering self-service check-in kiosks, an elegant VIP lounge, and dedicated shuttle services to HKIA.



September

Shangri-La Group partnered with the Elephant Transit Home in Udawalawe and adopted El-la, a rescued baby elephant, under its global *Sanctuary Programme*. Shangri-La Colombo and Shangri-La Hambantota will fund her full care – nutrition, veterinary support and rewilding, reflecting the Group's commitment to biodiversity and harmony with nature.



October

Shangri-La Group launched its new Employer Brand, bringing to life the spirit of its global family and the joyful moments it creates for its guests, guided by a shared purpose to deliver the art and joy of Asian hosting. The launch is anchored by a new Employer Brand video and a refreshed Careers website, inviting like-minded talent to find their Shangri-La in Shangri-La.

Year in Review



October

Shangri-La Group's dual-branded development and fifth hotel project in Shanghai, Shangri-La Hongqiao Airport, Shanghai and Traders Hongqiao Airport, Shanghai, opened at the heart of the Hongqiao transportation hub. Together, the two complementary properties blend timeless elegance with smart, tech-enabled efficiency to set a new benchmark for airport stays.



December

Shangri-La Group launched *Unveiling Enchanted Wonders* campaign, transforming its global hotels and resorts into enchanting wonderlands filled with festive cheer, heartfelt celebrations and surprises at every turn. Thoughtful décor and themed rooms, family-friendly workshops, refined menus and seasonal flavours came together with heartfelt hospitality, turning both lavish festivities and intimate moments into lasting memories.



November

Kerry Hotel, Hong Kong launched the city's first fully integrated hotel drone show service, elevating celebrations and corporate experiences on Victoria Harbour. An inaugural Corporate Open Day featured 1,500 synchronised drones lighting the skyline. Now open for private and corporate bookings, the customisable service adds a new dimension to events, complemented by reimagined venues and curated dining.



December

Island Shangri-La, Hong Kong was named to *The Gold List 2026* and awarded *Best Family Hotel in China* by *Condé Nast Traveller* — one of the most trusted voices in global travel.

Awards of the Year

Condé Nast Traveller's 2025 Readers' Choice Awards

Best hotels and resorts, various destinations

DestinAsian Readers' Choice Awards 2025

Best hotels and resorts, various destinations

Travel + Leisure World's Best Awards 2025

World's Best Hotel Brand – No.4 (Out of 25)

Top hotels and resorts, various destinations

Forbes Travel Guide

5-Star award winners, various destinations

MICHELIN Key Hotels

One Key Hotels in China, Cambodia, France, Japan and the UK

MICHELIN Guide

One MICHELIN-starred restaurants in Fuzhou, Hong Kong, Nanjing and Yangzhou.

TTG China Travel Awards 2025

Best Luxury Hotel Brand in China

MARKETING-INTERACTIVE's The Loyalty & Engagement Awards 2025

Best CRM Strategy – Gold

Best Loyalty Strategy – Gold

Best Short-Term Loyalty Initiative – Gold

Best Use of Influencers – Silver

Best Use of Content Marketing – Silver

Best Global Reach and Impact – Bronze

Best Social Media Strategy – Bronze

India's Best Awards 2025 by Travel + Leisure India & South Asia

Best Worldwide Hotel Loyalty Programme – Shangri-La Circle

13th Flyer's Preferred Awards

Flyer's Preferred Hotel Loyalty Program – Best Lifestyle Rewards: Shangri-La Circle

Flyer's Preferred Loyalty Co-brand Credit

Card of the Year – Hotel: China CITIC Bank

Shangri-La Co-brand Card

Asia Sustainability Reporting Awards 2025

Asia's Best Workplace Reporting – Bronze

Greater Bay Area ESG Excellent Disclosure List 2025

Hong Kong ESG Reporting Awards 2025

Best International ESG – Commendation

Hong Kong Quality Assurance Agency Hong Kong Green and Sustainable Finance Awards 2025

Pioneering Award for ESG Disclosure Contribution

Master Insight × Hang Seng University of Hong Kong ESG Award 2025

ESG Grand Award

Social Responsibility Conference Honour Award

2025 Responsibility Gold Award

The Hong Kong Corporate Governance and ESG Excellence Awards 2025

Award of Excellence in ESG (Others & GEM Companies)

The Hong Kong Management Association's Hong Kong Sustainability Award 2025

Distinction Award (Large Organisation Category)

Excellence in Environmental Sustainability Initiative

TIME Magazine

Asia-Pacific's Best Companies of 2025 – No. 124 (Out of 500)

LinkedIn

2025 AI Hiring Excellence Award

Chairman's Statement

Dear Shareholders,

On behalf of the Board, I am pleased to present the annual results of Shangri-La Asia Limited ("**Shangri-La**") for the financial year ended 31 December 2025. 2025 was a year of steady progress as Shangri-La continued to strengthen its position amid an evolving global travel landscape. While market recovery remained uneven across regions, overall demand proved resilient, supported by the continued rebound in travel. The Group maintained stable topline and earnings performance, with solid cash generation and sustained balance sheet strength. In 2025, our Group consolidated revenue grew 2.2% from USD2.19 billion in 2024 to USD2.23 billion, and Group consolidated EBITDA also increased by 3.4% to USD520.9 million. Group consolidated Free Cash Flow grew 14.7% to USD313 million. We are pleased to declare a full year dividend of HK15 cents per share, totalling approximately USD70 million. This represents a payout ratio of 56% against Operating Profit after Tax and Minority Interest.

As customer behaviours shift, guests are increasingly seeking experiences and brands that reflect their values and culture. In response, we have invested in elevating our product offerings to meet these evolving needs. In 2025, we launched our Shangri-La Signatures brand with the opening of The Silk Lakehouse, Shangri-La Hangzhou, strengthening our position in experience and culture-led luxury. We also launched our first airport hotel at Shanghai Hongqiao Airport, one of China's most important commercial hubs, with a dual-branded Shangri-La and Traders Hotels property. At the same time, we continued to build our future pipeline through new hotel management agreements that will further strengthen our global presence in strategic locations. Beyond the stay experience, we have invested in connecting with customers across multiple touchpoints in their lives, through the elevation of our food and beverage offerings and our focus on family experiences and wellness.

Alongside this, we remain disciplined in enhancing our financial performance, through improved operating efficiency and effectiveness, and active treasury management.

Last but not the least, I would like to close by thanking our colleagues across the Group. People are our greatest asset, and I am deeply grateful for the dedication and resilience they bring to their work every day. Despite a challenging operating environment, our teams remained committed to bringing the art and joy of Asian hosting to every guest we welcome. I would also like to thank our guests, business partners and shareholders for their unwavering trust and support. We look forward to welcoming you again in the year ahead.

KUOK Hui Kwong
Chairman and Group CEO

Board of Directors, Company Secretary and Senior Management

EXECUTIVE DIRECTORS



KUOK Hui Kwong

Aged 48, Malaysian

Executive Director

Chairman

Group CEO (from 1 August 2025)

Period of service with the Group

- Non-executive Director from October 2014 to June 2016
- Executive Director and Deputy Chairman from June 2016 to December 2016
- Executive Director and Chairman since January 2017
- Group CEO since August 2025

Other current major positions held within the Group

- Executive Committee – chairman
- Nomination Committee – chairman
- Remuneration & Human Capital Committee – member

Directorship of listed companies in the past three years

- China World Trade Center Company Limited (listed on the Shanghai stock exchange), an associate of the Company – director since April 2015; executive director since April 2018

Other current major appointments

- Kerry Group Kuok Foundation (Hong Kong) Limited (charitable organisation) – governor

Other previous experience and major appointments

- SCMP Group Limited (currently known as Great Wall Pan Asia Holdings Limited) (listed on HKSE with stock code 00583) – joined in October 2003; executive director from February 2004 to June 2016 (managing director and chief executive officer from January 2009 to June 2012)
- The Post Publishing Public Company Limited (currently known as Bangkok Post Public Company Limited) (listed on the Thailand stock exchange, delisted in July 2024) – director from November 2012 to June 2016

Academic/professional qualifications

- Bachelor's degree in East Asian Studies – Harvard University, United States

Relationship with significant shareholders

- **Shareholding interest**
 - KGL (Substantial Shareholder) – deemed interest of more than 5%
 - Kuok Brothers Sdn Berhad (Other Major Shareholder) – deemed interest of less than 5%
 - Kuok (Singapore) Limited (Other Major Shareholder) – deemed interest of more than 5%
- **Directorship/office/employment**
 - KGL (Substantial Shareholder) – director
 - KHL (Substantial Shareholder) – director

Board of Directors, Company Secretary and Senior Management



CHUA Chee Wui

Aged 59, Singaporean
Executive Director
Group CFO and Group CIO

Period of service with the Group

- Executive Vice President of Special Projects from February 2018 to December 2018
- Head of Investment and Asset Management from January 2019 to August 2019
- Group CIO since September 2019
- Group CTO from April 2020 to April 2021
- Group CFO since August 2022
- Executive Director since September 2022

Other current major positions held within the Group

- Executive Committee – member

Other previous experience and major appointments

- Keppel Corporation Limited – general manager (Strategic Development) from 2000 to 2010; chief executive officer (Integrated Engineering) from 2004 to 2010
- Singbridge International Singapore Pte Limited (subsidiary of Temasek Holdings (Private) Limited) – executive vice president from January 2010 to February 2013

Academic/professional qualifications

- Bachelor's degree in Engineering Science – University of Oxford, United Kingdom
- Charterholder – Chartered Financial Analyst

NON-EXECUTIVE DIRECTOR



LIM Beng Chee

Aged 58, Singaporean
Non-executive Director

Period of service with the Group

- Non-executive Director from September 2016 to December 2016
- Executive Director and Group CEO from January 2017 to December 2022
- Non-executive Director since January 2023

Directorship of listed companies in the past three years

- China World Trade Center Company Limited (listed on the Shanghai stock exchange), an associate of the Company – chairman and executive director from April 2018 to July 2024

Other current major appointments

- Mandai Park Holdings Pte Limited (subsidiary of Temasek Holdings (Private) Limited) – director since April 2024
- Mandai Resorts Pte Limited (subsidiary of Temasek Holdings (Private) Limited) – director since April 2024

Other previous experience and major appointments

- CapitaMalls Asia Limited (currently known as CapitaLand Mall Asia Limited) (listed on the Singapore stock exchange, delisted in July 2014) – director and chief executive officer from November 2008 to September 2014
- Changi Airports International Pte Limited – non-executive director and audit committee member from May 2015 to June 2017
- Raffles Medical Group Limited (listed on the Singapore stock exchange) – independent director from July 2015 to April 2019

Academic/professional qualifications

- Bachelor's degree in Physics – University of Oxford, United Kingdom
- MBA (Accountancy) – Nanyang Technological University, Singapore

Board of Directors, Company Secretary and Senior Management

INDEPENDENT NON-EXECUTIVE DIRECTORS



LI Kwok Cheung Arthur

Aged 80, Chinese

Independent Non-executive Director

Period of service with the Group

- Independent Non-executive Director since March 2011

Other current major positions held within the Group

- Nomination Committee – member
- Remuneration & Human Capital Committee – member
- Audit & Risk Committee – member

Directorship of listed companies in the past three years

- The Bank of East Asia, Limited (listed on HKSE with stock code 00023) – non-executive director since January 2008; non-executive deputy chairman since April 2009

Other current major appointments

- The Government of the Hong Kong Special Administrative Region, Executive Council – member since July 2002
- The Chinese University of Hong Kong, Department of Surgery – emeritus professor since 2005
- Greater Bay Airlines Company Limited – non-executive director since December 2020
- The Committee for the Basic Law of the Hong Kong Special Administrative Region under the Standing Committee of the National People's Congress – member since August 2021

Other previous experience and major appointments

- The Chinese University of Hong Kong – dean of Faculty of Medicine from 1992 to 1996; vice-chancellor (president) from August 1996 to July 2002
- The National Committee of the Chinese People's Political Consultative Conference – member from 1998 to March 2018

- Hong Kong Applied Science and Technology Research Institute Company Limited – director from May 2000 to July 2002
- Hong Kong Science and Technology Parks Corporation – director from March 2001 to July 2002
- The Government of the Hong Kong Special Administrative Region, Education and Manpower Bureau – secretary from August 2002 to June 2007
- The Government of the Hong Kong Special Administrative Region, Council for Sustainable Development – chairman from March 2015 to February 2021
- The University of Hong Kong – council chairman from January 2016 to December 2021
- Glaxo Wellcome Plc (currently known as GSK Plc) (listed on the London and the New York stock exchanges) – non-executive director from January 1997 to July 2002
- China Mobile (Hong Kong) Limited (currently known as China Mobile Limited) (listed on HKSE with stock code 00941) – independent non-executive director from September 1997 to July 2002
- The Wharf (Holdings) Limited (listed on HKSE with stock code 00004) – independent non-executive director from October 2001 to July 2002 and from July 2012 to August 2013
- Nature Home Holding Company Limited (listed on HKSE with stock code 02083, delisted in October 2021) – independent non-executive director from May 2011 to October 2021

Academic/professional qualifications

- Medical degree – University of Cambridge, United Kingdom

Board of Directors, Company Secretary and Senior Management



YAP Chee Keong

Aged 65, Singaporean

Independent Non-executive Director

Period of service with the Group

- Independent Non-executive Director since December 2017

Other current major positions held within the Group

- Remuneration & Human Capital Committee – member
- Audit & Risk Committee – chairman

Directorship of listed companies in the past three years

- Sembcorp Industries Limited (listed on the Singapore stock exchange) – independent non-executive director since October 2016
- Seatrium Limited (formerly known as Sembcorp Marine Limited) (listed on the Singapore stock exchange) – deputy chairman and independent non-executive director since December 2021
- Olam Group Limited (listed on the Singapore stock exchange) – independent non-executive director from March 2022 to April 2025; non-executive deputy chairman since April 2025.

Other current major appointments

- Ensign Infosecurity Pte Limited – independent non-executive director since September 2019
- Pacific International Lines (Pte) Limited – independent non-executive director since March 2021
- Singapore Life Holdings Pte Limited (formerly known as Aviva Singlife Holdings Pte Limited) – independent non-executive director since August 2021
- OFI Group Limited – non-executive director since July 2025

Other previous experience and major appointments

- Singapore Power Limited – chief financial officer from September 2002 to January 2009
- CapitaMalls Asia Limited (currently known as CapitaLand Mall Asia Limited) (listed on the Singapore stock exchange, delisted in July 2014) – independent non-executive director from October 2009 to April 2013

- Tiger Airways Holdings Limited (listed on the Singapore stock exchange, delisted in May 2016) – independent non-executive director from December 2009 to May 2016
- Hup Soon Global Corporation Limited (listed on the Singapore stock exchange, delisted in April 2013) – independent non-executive director from April 2010 to April 2013
- Citibank Singapore Limited – independent non-executive director from December 2011 to June 2020
- The Straits Trading Company Limited (listed on the Singapore Stock Exchange) – executive director from January 2013 to August 2014; director from May 2009 to April 2018
- ARA Asset Management Limited (listed on the Singapore stock exchange, delisted in April 2017) – non-executive director from January 2014 to April 2017
- Certis CISCO Security Pte Limited – independent non-executive director from December 2014 to November 2020
- InterOil Corporation (listed on the New York stock exchange, delisted in February 2017) – independent non-executive director from March 2015 to February 2017
- MediaCorp Pte Limited – independent non-executive director from November 2015 to September 2023
- Olam International Limited (listed on the Singapore stock exchange, delisted in March 2022) – independent non-executive director from December 2015 to March 2022
- Malaysia Smelting Corporation Berhad (listed on the Malaysia and the Singapore stock exchanges) – non-executive director from May 2016 to May 2018
- Maxeon Solar Technologies, Limited (listed on the Nasdaq) – independent non-executive director from August 2020 to June 2021

Academic/professional qualifications

- Bachelor's degree in Accountancy – National University of Singapore
- Fellow – CPA, Australia
- Fellow – Institute of Singapore Chartered Accountants
- Fellow – Singapore Institute of Directors

Board of Directors, Company Secretary and Senior Management



LI Xiaodong Forrest

Aged 48, Singaporean
Independent Non-executive
Director

Period of service with the Group

- Independent Non-executive Director since May 2019

Other current major positions held within the Group

- Nomination Committee – member

Directorship of listed companies in the past three years

- Sea Limited (listed on the New York stock exchange) – chairman and chief executive officer since May 2009

Other current major appointments

- Singapore Economic Development Board – board member since February 2020
- Advisory Council of Stanford University's Graduate School of Business – member since September 2020
- Board of Trustees for the National University of Singapore – member since April 2021
- Football Association of Singapore – president since April 2025

Other previous experience and major appointments

- Singapore's Committee on the Future Economy – member from January 2016 to February 2017

Academic/professional qualifications

- Bachelor's degree in Engineering – Shanghai Jiao Tong University, Chinese Mainland
- MBA – Stanford Graduate School of Business, Stanford University, United States



ZHUANG Chenchao

Aged 50, Singaporean
Independent Non-executive
Director

Period of service with the Group

- Independent Non-executive Director since December 2019

Directorship of listed companies in the past three years

- Jianpu Technology Inc (listed on the New York stock exchange) – director from February 2014 to June 2023

Other current major appointments

- Zebra Global Capital – partner since March 2016

Other previous experience and major appointments

- Shawei.com – chief technology officer from April 1999 to June 2001
- World Bank – system architect from September 2001 to January 2005
- Qunar.com – president from February 2005 to June 2011; chief executive officer from July 2011 to January 2016

Academic/professional qualifications

- Bachelor's degree in Electrical Engineering – Peking University, Chinese Mainland

Board of Directors, Company Secretary and Senior Management



KHOO Shulamite N K

Aged 64, Singaporean
Independent Non-executive
Director

Period of service with the Group

- Independent Non-executive Director since November 2020

Other current major positions held within the Group

- Nomination Committee - member
- Remuneration & Human Capital Committee - chairman
- Audit & Risk Committee - member

Directorship of listed companies in the past three years

- CIMB Group Holdings Berhad (listed on the Malaysia stock exchange) - independent director since May 2020
- AIA Group Limited (listed on HKSE with stock code 01299) - independent non-executive director since February 2026

Other current major appointments

- AIA Company Limited - independent non-executive director since October 2022

Other previous experience and major appointments

- Prudential plc - different frontline businesses, client services and operational roles in Singapore and Hong Kong from 1984 to December 2004
- AXA Group SA - regional head, human resources & internal communications from 2005 to 2008; group executive vice president and global head of human resources from 2008 to 2010
- International Advisory Panel of Singapore Public Service Division - member from 2011 to 2017
- AIA Group Limited - group chief human resources officer from January 2011 to February 2018; executive committee member from January 2011 to June 2017
- Kerry Logistics Network Limited (currently known as KLN Logistics Group Limited) (listed on HKSE with stock code 00636) - independent non-executive director from July 2017 to October 2021

Academic/professional qualifications

- Bachelor's degree in Science - University of Toronto, Canada
- Fellow - Chartered Institute of Personnel and Development



CHUA Yuan Wen William

Aged 56, Chinese
Independent Non-executive
Director (from 16 March
2026)

Period of service with the Group

- Independent Non-executive Director since March 2026

Other current major positions held within the Group

- Audit & Risk Committee - member (from 16 March 2026)

Other previous experience and major appointments

- Sullivan & Cromwell LLP - partner from January 2003 to December 2015
- Debevoise & Plimpton LLP - partner from December 2015 to April 2023

Academic/professional qualifications

- Bachelor of Arts degree in Economics - Princeton University, United States
- Juris Doctor degree - Harvard Law School, United States
- Member - New York State Bar
- Solicitor - Hong Kong SAR

Board of Directors, Company Secretary and Senior Management

COMPANY SECRETARY

SEOW Chow Loong Iain

Aged 60, Singaporean
Company Secretary

Period of service with the Group

- joined the Group in November 2011 as Senior Legal Counsel
- General Counsel since June 2017
- Company Secretary since January 2019

Other previous experience and major appointments

- Jones Day – Partner
- CMON Limited (listed on HKSE with stock code 01792) – independent non-executive director from November 2016 to April 2020

Academic/professional qualifications

- Bachelor's degree in Laws – King's College London, United Kingdom
- Solicitor – Hong Kong, England and Wales
- Advocate & Solicitor (non-practising) – Singapore

SENIOR MANAGEMENT

KUOK Hui Kwong

Aged 48, Malaysian
Chairman and Group CEO

- The biography is set out in the previous subsection.

CHUA Chee Wui

Aged 59, Singaporean
Group CFO and Group CIO

- The biography is set out in the previous subsection.

PAW Chuen Kee

Aged 68, Singaporean
Group COO

Period of service with the Group

- joined the Group in March 1994 as Hotel Manager of Traders Hotel, Beijing
- General Manager of several Shangri-La and Traders hotels in Chinese Mainland from October 1995 to November 1999 and October 2008 to December 2011
- Vice President, Sales & Marketing in Chinese Mainland from November 1999 to October 2008
- Executive Vice President, Operations (North China) from December 2011 to October 2019
- Deputy Regional CEO (North China) from November 2019 to November 2020
- Deputy CEO (China) and Executive Vice President, Operations (China) from November 2020 to March 2025
- Group COO since October 2021

Other previous experience and major appointments

- over 35 years of experience in hospitality industry and held management posts in Chinese Mainland, the United States and Singapore

Academic/professional qualifications

- Bachelor's degree in Hotel Management, Computer Science and Psychology – Brigham Young University, Hawaii, United States

Board of Directors, Company Secretary and Senior Management

PHONG Siew San Christopher

Aged 56, Singaporean

Group Head of Investment and Asset Management

Period of service with the Group

- joined the Group in January 2024 as Group Head of Investment and Asset Management

Directorship of listed companies in the past three years

- Shangri-La Hotels (Malaysia) Berhad (listed on the Malaysia stock exchange), a subsidiary of the Company – managing director since March 2024
- Shangri-La Hotel Public Company Limited (listed on the Thailand stock exchange), a subsidiary of the Company – director since April 2024

Other previous experience and major appointments

- PT Adaro Power (independent power producer business unit of PT Adaro Energy, the shares of which are listed on the Jakarta stock exchange) – senior leadership roles from 2015 to 2023
- over 30 years of experience in business development, including investment, banking, infrastructure and construction sectors, as well as investments in urban infrastructure, power, and agri-infrastructure and acquisitions of assets

Academic/professional qualifications

- Bachelor's degree in Political Science & Economics – The University of Calgary, Canada
- MBA (Business Law) – Nanyang Technological University, Singapore

TEO Nee Chuan

Aged 55, Malaysian

Group Head of Investment & Asset Management (China) (from 1 September 2025)

Period of service with the Group

- joined the Group in May 2025 as Senior Vice President, Finance Officer, New Development, China
- Group Head of Investment & Asset Management (China) since September 2025

Directorship of listed companies in the past three years

- 111, Inc (listed on the Nasdaq) – independent director since September 2018
- China World Trade Center Company Limited (listed on the Shanghai stock exchange), an associate of the Company – chairman and executive director since November 2025

Other previous experience and major appointments

- DDB Greater China Group – chief financial officer from September 2009 to November 2011
- Rnomac International Limited – chief financial officer from November 2011 to August 2015
- H World Group Limited (listed on HKSE with stock code 1179 and the Nasdaq) – deputy chief financial officer from November 2015 to March 2016 and chief financial officer from March 2016 to May 2021
- BioDuro-Sundia – chief financial officer from May 2021 to September 2022
- SICC Co Limited – chief financial officer from October 2022 to September 2024

Academic/professional qualifications

- Bachelor's degree in Accounting and Financial Analysis – University of Warwick, United Kingdom
- Fellow – Association of Chartered Certified Accountants, United Kingdom
- Member – American Institute of Certified Public Accountants
- Member – Hong Kong Institute of Certified Public Accountants

* As per the Company's HKSE announcement(s), with effect from 30 March 2026, Mr TEO Nee Chuan will be appointed as Executive Director and hold the roles of Group CFO and Group Head of Investment and Asset Management (China).

Board of Directors, Company Secretary and Senior Management

XU Hao Chun

Aged 57, Chinese
Chief Officer, New Development (China)
(from 10 October 2025)

Period of service with the Group

- joined the Group in October 2025 as Chief Officer, New Development, China

Other previous experience and major appointments

- H World Group Limited (listed on HKSE with stock code 1179 and the Nasdaq) – co-chief operating officer from May 2006 to July 2025

Academic/professional qualifications

- Master's degree in Tourism and Hotel Management – The Hong Kong Polytechnic University

ZHANG Weifeng

Aged 48, Chinese
Group CHRO (from 5 January 2026)

Period of service with the Group

- joined the Group in January 2026 as Group CHRO

Other previous experience and major appointments

- H World Group Limited (listed on HKSE with stock code 1179 and the Nasdaq) – chief human resources officer from January 2022 to December 2025
- Starbucks China – partner resources & retail operations head from April 2017 to December 2021
- Yum China Holdings, Inc. (listed on HKSE with stock code 09987 and the New York stock exchange) – HR director, HR operations & excellence from September 2009 to April 2017

Academic/professional qualifications

- Bachelor's degree in Management – Jiangsu University of Technology, Chinese Mainland
- MBA – Southeast University, Chinese Mainland

TUNG Pen Hung

Aged 56, Taiwanese
Group CMO and CEO (China) (from 3 March 2025)

Period of service with the Group

- joined the Group in March 2025 as Group CMO and CEO (China)

Other previous experience and major appointments

- Alibaba Group Holding Limited (listed on HKSE with stock code 09988 and the New York stock exchange) – chief marketing officer from January 2016 to April 2023; president from May 2023 to January 2025

Academic/professional qualifications

- Bachelor's degree in Electrical Engineering – National Taiwan University
- Master of Science in Industrial Engineering – University of Michigan, United States



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Discussion and Analysis

DISCUSSION AND ANALYSIS

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

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

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

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

- **Shangri-La Hotels and Resorts**
- **Shangri-La Signatures** (new brand)
- **Kerry Hotels**
- **JEN by Shangri-La**
- **Traders Hotels**

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

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

Notes:

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

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

Total GFA of the operating investment properties as at 31 December 2025				
(in thousand square metres)	Group's equity interest	Office spaces	Commercial spaces	Serviced apartments/ residences
Chinese Mainland	20.0-100.0%	1,069.1	726.2	266.5
Malaysia	52.78%	45.2	8.5	17.4
Singapore	44.6-100.0%	3.3	22.9	24.7
Australia	100.0%	0.5	11.4	–
Mongolia	51.0%	58.0	39.6	30.0
Myanmar	55.86-59.28%	37.6	11.8	56.8
Sri Lanka	90.0%	59.9	79.5	3.7
Total		1,273.6	899.9	399.1

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

The following table shows the Group's profit or loss for the years ended 31 December 2025 and 2024 presented in the conventional financial statement format and the effective share format, respectively. Amounts presented in the conventional financial statement format refer to the aggregate total of the Company and its subsidiaries on a 100% basis less non-controlling interests and add the share of profit of associates to arrive at the Group's final reported profit or loss attributable to owners of the Company. The alternative presentation of the Group's profit or loss at effective share is a non-HKFRS financial presentation format and the amounts presented at effective share represent the aggregate total of the Company and the Group's share of subsidiaries and associates based on percentage of equity interests.

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

N/M: not meaningful

SUMMARY OF NET ASSET VALUE (Note 1)

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

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

As at 31 December 2025, based on external valuations of such portfolio of identified hotel properties and internal valuations of the Group's remaining hotel properties, the effective share of the valuations of all the Group's hotel properties was USD11,958.7 million, of which USD4,906.2 million was derived from external valuations and USD7,052.5 million was derived from internal valuations. When compared to the effective share of the carrying value of the hotel properties, the effective share of the valuation surplus attributable to owners of the Company after deferred tax was USD5,742.5 million, of which USD3,569.1 million was derived from external valuations and USD2,173.4 million was derived from internal valuations. Such valuation surplus attributable to non-controlling interests after deferred tax was USD478.3 million, of which USD291.9 million was derived from external valuations and USD186.4 million was derived from internal valuations.

If all the hotel properties were to be stated at fair values, the Group's net asset value attributable to owners of the Company ("**NAV**") would therefore be increased from the reported balance of USD5,324.4 million to the adjusted balance of USD11,066.9 million while total equity would be increased from the reported balance of USD5,600.1 million to the adjusted balance of USD11,820.9 million.

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

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

Notes:

- (1) NAV refers to the Group's total assets less total liabilities (i.e. equity) attributable to owners of the Company.
- (2) The effective share refers to the Group's share of subsidiaries' and associates' carrying value and valuation of hotel properties based on the percentage of equity interests.
- (3) Others include France, Maldives, Turkey, Fiji, Myanmar, Indonesia, Mongolia, Mauritius, Sri Lanka, Japan and United Kingdom.
- (4) NAV per share is computed based on 3,559,869,000 shares in issue after adjusting for shares held by the Group.

RESULTS OF OPERATIONS

Consolidated Revenue

Consolidated revenue was presented as follows:

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

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

(i) Hotel Properties

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

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

Details of these 87 hotels are as follows:

	Group's equity interest	Available rooms
(A) Hotels owned by the Group		
Hong Kong		
Kowloon Shangri-La, Hong Kong	100%	688
Island Shangri-La, Hong Kong	80%	544
JEN Hong Kong by Shangri-La	30%	283
Kerry Hotel, Hong Kong	100%	546
Sub-total Hong Kong		2,061
Chinese Mainland		
Shangri-La Beijing	38%	670
China World Hotel, Beijing	50%	584
China World Summit Wing, Beijing	40.32%	278
JEN Beijing by Shangri-La	40.32%	450
Kerry Hotel, Beijing	23.75%	486
Pudong Shangri-La, Shanghai	100%	950
Jing An Shangri-La, Shanghai	49%	508
Kerry Hotel Pudong, Shanghai	23.2%	574
Shangri-La Shenzhen	72%	522
Futian Shangri-La, Shenzhen	100%	528
Shangri-La Xian	100%	393
Shangri-La Hangzhou	45%	198
Shangri-La Beihai	100%	362
Shangri-La Changchun	100%	382
JEN Shenyang by Shangri-La	100%	407
Shangri-La Shenyang	25%	383
Shangri-La Qingdao	100%	686
Shangri-La Dalian	100%	560
Shangri-La Wuhan	92%	408
Shangri-La Harbin	100%	396
Shangri-La Fuzhou	100%	414
Shangri-La Guangzhou	80%	690
Shangri-La Chengdu	80%	593
Shangri-La Wenzhou	100%	409
Shangri-La Ningbo	95%	562
Shangri-La Guilin	100%	439
Shangri-La Baotou	100%	360
Shangri-La Huhhot	100%	365
Shangri-La Manzhouli	100%	235

	Group's equity interest	Available rooms
Shangri-La Yangzhou	100%	360
Shangri-La Qufu	100%	322
Shangri-La Lhasa	100%	289
Shangri-La Sanya	100%	496
Shangri-La Nanjing	55%	450
Shangri-La Qinhuangdao	100%	323
Shangri-La Hefei	100%	400
Shangri-La Resort, Shangri-La	100%	228
Shangri-La Tianjin	20%	304
Shangri-La Nanchang	20%	473
Shangri-La Tangshan	35%	301
Midtown Shangri-La, Hangzhou	25%	414
Shangri-La Songbei, Harbin	100%	344
Shangri-La Xiamen	100%	325
Shangri-La Jinan	45%	364
Shangri-La Zhoushan	100%	28
Shangri-La Putian	40%	125
JEN Kunming by Shangri-La	45%	274
The Silk Lakehouse, Shangri-La Hangzhou	45%	68
Sub-total Chinese Mainland		19,680
Singapore		
Shangri-La Singapore	100%	792
Shangri-La Rasa Sentosa, Singapore	100%	454
JEN Singapore Tanglin by Shangri-La	44.6%	565
Sub-total Singapore		1,811
Malaysia		
Shangri-La Kuala Lumpur	52.78%	655
Shangri-La Rasa Sayang, Penang	52.78%	303
Shangri-La Golden Sands, Penang	52.78%	387
JEN Penang Georgetown by Shangri-La	31.67%	443
Shangri-La Rasa Ria, Kota Kinabalu	64.59%	494
Shangri-La Tanjung Aru, Kota Kinabalu	40%	498
Sub-total Malaysia		2,780
The Philippines		
Makati Shangri-La, Manila	100%	696
Edsa Shangri-La, Manila	100%	628
Shangri-La Mactan, Cebu	93.95%	541
Shangri-La Boracay	100%	219
Shangri-La The Fort, Manila	40%	576
Sub-total The Philippines		2,660

	Group's equity interest	Available rooms
Thailand		
Shangri-La Bangkok	73.61%	802
Shangri-La Chiang Mai	73.61%	277
Sub-total Thailand		1,079
Australia		
Shangri-La Sydney	100%	565
Shangri-La The Marina, Cairns	100%	255
Sub-total Australia		820
Other areas		
Shangri-La Paris	100%	101
Shangri-La Villingili, Maldives	100%	132
JEN Maldives Malé by Shangri-La	100%	114
Shangri-La Bosphorus, Istanbul	50%	186
Shangri-La Yanuca Island, Fiji	71.80%	443
Sule Shangri-La, Yangon	59.16%	462
Shangri-La Jakarta	25%	619
Shangri-La Surabaya	11.35%	365
Shangri-La Ulaanbaatar	51%	290
Shangri-La Le Touessrok, Mauritius	26%	185
Shangri-La Hambantota	90%	274
Shangri-La Colombo	90%	500
Sub-total other areas		3,671
Total of 82 owned hotels		34,562
(B) Hotels under lease		
Shangri-La Tokyo		200
Shangri-La The Shard, London		212
JEN Singapore Orchardgateway by Shangri-La		499
Shangri-La Hongqiao Airport, Shanghai		91
Traders Hongqiao Airport, Shanghai		520
Total of 5 leased hotels		1,522
Grand total		36,084

For the year ended 31 December 2025, the increase of consolidated revenue from our Hotel Properties was mainly driven by further business recoveries in Hong Kong, Malaysia, the Philippines, Japan, France and Australia, partially offset by a decrease of consolidated revenue from our hotel properties in Chinese Mainland and Singapore.

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

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

The key performance indicators of the Group-owned hotels (including hotels under lease) on an unconsolidated basis (including both subsidiaries and associates) for the years ended 31 December 2025 and 2024 are as follows:

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

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

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

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

The People's Republic of China

Hong Kong

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

Chinese Mainland

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

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

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

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

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

Singapore

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

Malaysia

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

The Philippines

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

Japan

For Japan, occupancy was 76% for the year ended 31 December 2025, an increase of 8 percentage points, compared to 68% for the year ended 31 December 2024. RevPAR was USD515 for the year ended 31 December 2025, an increase of 18%, compared to USD436 for the year ended 31 December 2024. Our hotel in Tokyo continued to benefit from rising travel demand into Japan. Total revenue from our Japan hotel property for the year ended 31 December 2025 increased by 17.1% to USD60.4 million.

France

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

Australia

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

United Kingdom

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

(ii) Hotel Management and Related Services

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

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

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

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

The key performance indicators of the hotels under third party hotel management agreements for the years ended 31 December 2025 and 2024 are as follows:

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

Notes:

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

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

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

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

(iii) Investment Properties

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

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

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

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

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

(iv) Property Development for Sale

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

EBITDA and Aggregate Effective Share of EBITDA

The following table summarises information related to the EBITDA of the Company and its subsidiaries and the aggregate effective share of EBITDA of the Company, subsidiaries and associates for the years ended 31 December 2025 and 2024 by geographical areas and by business segments:

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

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

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

Consolidated Profit or Loss Attributable to Owners of the Company

The following table summarises information related to the consolidated profit or loss attributable to owners of the Company before and after non-operating items for the years ended 31 December 2025 and 2024 by geographical areas and by business segments:

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

N/M: not meaningful

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

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

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

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

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

CORPORATE DEBT AND FINANCIAL CONDITIONS

As at 31 December 2025, the Group's net borrowings (total bank loans and fixed rate bonds less cash and bank balances and short-term fund placements) was USD4,325.9 million, a substantial reduction of USD95.4 million, compared to USD4,421.3 million as at 31 December 2024. The decrease was primarily driven by robust cash flows generated from property operations, complemented by return of capital from associates in the form of dividends and capital reductions during the year. Meanwhile, our capital expenditure moderated, resulting in a record-high free cash flow.

The Group's net borrowings to total equity ratio, i.e. the gearing ratio, decreased to 77.2% as at 31 December 2025 from 81.3% as at 31 December 2024. This reduction primarily reflects the aforementioned decrease in net borrowings, supported by robust operating cash flows and restrained capital expenditure.

During the year, the Group secured bank loan agreements totalling approximately USD857.1 million at the corporate level to refinance maturing loans. The majority of these loans were denominated in Renminbi, reflecting the Group's strategic focus on leveraging Renminbi financing. These agreements included:

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

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

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

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

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

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

The aforementioned strategic Renminbi debt refinancing initiative delivered several key benefits. Firstly, it diversified the Group's funding sources, increasing the proportion of Renminbi borrowings to 68% of total Group borrowings as at 31 December 2025. This shift reduced reliance on traditional financing channels, enhanced financial flexibility, and provided access to onshore Renminbi capital markets through the panda bond issuances. Secondly, the initiative lowered the Group's overall borrowing costs, as Renminbi debt carries an average interest rate significantly below that of non-Renminbi debt. This reduction enhances the Group's financial resilience, particularly in the current high-interest rate environment. Furthermore, the increased use of Renminbi borrowings strengthens the Group's currency matching strategy, offering a natural hedge against its substantial Renminbi assets in Chinese Mainland and reducing currency risk exposure tied to these investments denominated in Renminbi.

As at 31 December 2025, the Group had sustainability-linked bank loan facilities and/or green loan facilities to a total amount of approximately USD3.9 billion. Such sustainability-linked bank loan agreements are linked to the Group's various sustainability performances and support the Group's dedication in achieving certain long-term sustainability goals. Upon reaching certain predetermined performance targets as agreed with the banks, the Group will also benefit from paying lower interest rates.

The Group has not encountered any difficulty when drawing loans from committed banking facilities. None of the banking facilities were cancelled by the banks during the year or after 31 December 2025.

The Group maintains sufficient cash reserves and undrawn facilities to address refinancing needs for debt obligations maturing over the next two years, with coverage extending through the end of 2027. This strong liquidity position provides the Group with flexibility to explore diverse funding options and enhances its negotiating leverage with financial institutions to secure more favourable financing terms. This strategy has resulted in an increase in both the Group's gross borrowings and cash balances, with the net borrowing position remains unchanged. Furthermore, the excess cash reserves generate interest income at rates comparable to the Group's borrowing costs, thereby ensuring no increase in the Group's net interest expense after interest income.

The Group has satisfactorily complied with all covenants under its borrowing agreements. As at 31 December 2025, the adjusted total equity of the Group for financial covenants calculation purpose is USD9.4 billion and the resulting indebtedness ratio^(Note) as calculated is 74.6%.

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

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

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

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

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

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

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

Details of financial guarantees, contingencies and charges over assets as at 31 December 2025 are disclosed in Note 38 to the Financial Statements.

TREASURY POLICIES

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

(A) Minimising Interest Risks

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

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

To minimise the overall interest cost, the Group has strategically shifted from HKD/USD bank loans at higher interest cost to Renminbi borrowings at lower interest cost. This strategy has yielded positive results, with the Group's average interest cost lowered to 4.0% per annum for the year ended 31 December 2025 comparing to 4.5% per annum for last year.

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

To mitigate medium-term interest rate risks associated with the Group's bank loans, the Group has entered into fixed-rate HIBOR and SOFR interest rate swap contracts to hedge the interest payments for its HKD and USD bank loans. As at 31 December 2025, the outstanding interest rate swap contracts were:

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

The adoption of predominantly fixed rate Renminbi borrowings has not only contributed to lowering the average interest cost but has also strengthened the Group's fixed rate debt ratio. Taking into account the fixed rate bonds, fixed rate bank loans and the interest rate swap contracts (including the cross-currency swap contracts that fix the interest rates on certain bank borrowings), 79.5% of the Group's outstanding borrowings carried fixed interest rates as at 31 December 2025, remaining stable with 79.9% as at 31 December 2024.

(B) Minimising Currency Risks

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

To further mitigate currency risks associated with foreign currency borrowings, the Group strategically executes cross-currency swap contracts. During the year, a cross-currency swap contract of USD35 million between US dollar and Singapore dollar matured. As at 31 December 2025, the Group has the following cross-currency swap contracts:

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

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

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

INVESTMENT PROPERTIES VALUATION

Investment properties of subsidiaries and associates continue to be stated at fair value and are reviewed semi-annually (including those properties being constructed for future use as investment properties for which fair value becomes reliably determinable). The fair values of investment properties are based on opinions from independent professional valuers as obtained by the Group and the relevant associates which own the investment properties. All changes in the fair value of investment properties are recorded in the statement of profit or loss. For the year ended 31 December 2025, the Group recorded an overall effective share of net fair value gains of USD17.9 million for its investment properties.

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

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

Investment properties are stated at professional valuations carried out by the following independent firms of professional valuers engaged by the Group or the relevant associates as at 31 December 2025:

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

IMPAIRMENT PROVISION

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

Based on the Group's internal assessment and independent professional valuations, an impairment loss of USD30.4 million was recognised for a hotel located in United Kingdom for the year ended 31 December 2025.

FINANCIAL ASSETS – TRADING SECURITIES

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

DEVELOPMENT PROGRAMMES

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

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

Construction work on the following projects is on-going:

(A) Hotel Developments

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

(B) Composite Developments and Investment Property Developments

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

* Being developed in phases

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

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

Hotel development

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

Composite development

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

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

MANAGEMENT CONTRACTS FOR HOTELS OWNED BY THIRD PARTIES

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

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

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

HUMAN RESOURCES

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

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

Strengthening Our Leadership

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

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

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

Developing Workforce Capabilities

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

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

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

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

Recognising and Rewarding Our People

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

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

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

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

We continued our complimentary rooms and staff rates programme as our appreciation and reward to our people for their dedication to the Group. Over 14,600 colleagues enjoyed the programme in 2025. We also continued our global recognition programme "Moments of Joy" as part of our appreciation culture and to recognise our people for their demonstration of our beliefs and values. Over 7,000 colleagues were recognised and awarded under this programme in 2025.

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

Fostering Shangri-La Culture

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

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

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

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

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

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

PROSPECTS

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

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

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

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

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



02
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Properties
Under
Development

(A) HOTELS OWNED AND MANAGED BY THE GROUP

Location	Properties	Group's equity interest as at Year End	Approximate total site area (m ²)	Approximate total gross floor area (m ²)	Number of projected rooms
Hotels in Chinese Mainland					
1 Zhengzhou, China	Shangri-La Zhengzhou (part of composite development)	45%	N/A	38,235	314
Hotel in Japan					
2 Kyoto, Japan	Shangri-La Kyoto	20%	5,830	11,817	77
Total					391

(B) OTHER PROPERTIES OWNED BY THE GROUP

Location	Properties/Purpose	Group's equity interest as at Year End	Approximate total site area (m ²)	Approximate total gross floor area (m ²)
In Chinese Mainland				
1 Shenyang, China	Shenyang Kerry Centre (Phase III)	25%	41,432	
	- Residential			136,394
	- Office			69,144
	- Commercial			93,418
2 Zhengzhou, China	Composite development	45%	22,816	
	- Office			58,946

Stage of completion	Projected opening	Address
Mechanical, electrical, plumbing, interior decoration and landscape work in progress	2027	East of Huayuan Road, South of Weier Road, Zhengzhou, Henan Province, The People's Republic of China
Main structure completed. Mechanical, electrical, plumbing, façade, interior decoration and landscape work in progress	2026	536-71, Maruta-machidori, Kuromon Higashiiru Waraya-cho, Kamigyo-ku Kyoto, Japan
Stage of completion	Projected opening	Address
Residential: Construction of external wall insulation and aluminum panels work in progress Office: Main structure work in progress Commercial: Insulation and aluminum plate installation work in progress	In phases from 2026 onwards	Lot No. 2007-053, No. 8 Golden Corridor, 113 Qingnian Da Street, Shenhe District, Shenyang, Liaoning Province, The People's Republic of China
Mechanical, electrical, plumbing, interior decoration and landscape work in progress	In phases from 2030 onwards	East of Huayuan Road, South of Weier Road, Zhengzhou, Henan Province, The People's Republic of China

(C) PROPERTIES UNDER CONCEPT PLANNING

Location	Purpose	Group's equity interest as at Year End	Approximate total site area (m ²)	Approximate total gross floor area (m ²)
In other countries				
1 Accra, The Republic of Ghana	Composite development	45%	49,874	35,545
2 Rome, Italy	Hotel	100%	1,489	8,840
3 Yangon, Myanmar	Hotel	55.86%	36,038	75,035
4 Bangkok, Thailand	Hotel	73.61%	2,820	27,000

Address

 Airport North on Spintex Road, City of Accra, The Republic of Ghana

 Roma via Vittorio Veneto 90, 92, 94, 96, 98, 98A, 100, 102 and Roma via Lombardia 4, 6, 8, Rome, Italy

 No. 150/150 (A), Kan Yeik Thar Road, Between Upper Pansodan Road and Thein Phyu Road, Mingalar Tuang Nyunt Township, Yangon, Myanmar

 Soi Sukhumvit 55 (Thonglor) Sukhumvit Road, Klongton Nua, Vadhana, Bangkok, Thailand



03
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Directors'
Report

The Directors submit this Directors' Report together with the Financial Statements for the Financial Year.

GENERAL DISCLOSURE ITEMS

Principal Activities and Geographical Analysis of Operations

The principal activity of the Company is investment holding.

The principal activities of the Group are the development, ownership and operation of hotel properties, the provision of hotel management and related services, the development, ownership and operation of investment properties, and property development for sale. The Group operates its business under various brand names including "Shangri-La", "Shangri-La Signatures", "Kerry Hotels", "JEN by Shangri-La", "Traders Hotels", "Rasa", "Summer Palace", "Shang Palace" and "CHI, The Spa at Shangri-La".

The principal activities of the Group's associates are the development, ownership and operation of hotel properties, the development, ownership and operation of investment properties as well as property development for sale.

An analysis of the performance of the Group for the Financial Year by geographical and business segments is set out in Note 5 to the Financial Statements.

Business Review

Business and financial performances

A review of the Company's business and financial performances is set out in the section entitled "Discussion and Analysis" in the Annual Report.

Compliance with laws

The Company has complied with relevant laws and regulations that have a significant impact on the Company throughout the Financial Year. Management committees have been set up to oversee the implementation of corporate governance in the Company's daily business. Details are set out in the section entitled "Corporate Governance Report" in the Annual Report and the Sustainability Report respectively.

Environmental policies and performance

The Company's sustainability framework underpinned by strong corporate governance, is built on three areas: Stay, Savour, and Shine, representing our rooms business, food and beverage business and our people respectively. Each area addresses ESG topics that are determined to be material for the Company's business and stakeholders.

The Company's environmental policy sets out our commitments towards climate change, energy efficiency, our carbon footprint, water conservation, waste management, biodiversity, and our Group's environmental principles. The policy has been posted on the Company's corporate website.

The Company implements green building standards in the design and construction of the Company's new properties and renovation projects and strives to reduce the environmental footprint of the Company's property portfolio over time by achieving continuous improvement in operational efficiencies and avoiding waste.

The Company set more ambitious 2030 environmental goals and achieved its intensity reduction targets for carbon emission, energy, water and single-use plastics. Performance highlights are appended as follows and the details are set out in the Sustainability Report.

- Carbon intensity (kg CO₂e/m²): Reduced by 29% relative to 2019 baseline, on track to achieve a 23% reduction by 2030
- Energy intensity (kWh/m²): Reduced by 16% relative to 2019 baseline, on track to achieve a 23% reduction by 2030
- Water intensity (m³/occupied room night): Reduced by 16% relative to 2019 baseline, on track to achieve a 8% reduction by 2030
- Single use plastics intensity (g/occupied room night): Reduced by 54% relative to 2019 baseline, on track to achieve a 65% reduction by 2030

Stakeholders engagement

The Company's sustainability framework is continually adapting to reflect the evolving needs and expectations of key stakeholder groups. The Company seeks to engage with and gather feedback from stakeholders through various channels to understand stakeholders' thoughts and to collect their input relating to ESG matters. The details are set out in the Sustainability Report.

Dividends

The Board declared an interim dividend of HK5 cents per Share and proposes a final dividend of HK10 cents per Share for the Financial Year.

The details of dividends paid and proposed for the Financial Year are set out in Note 36 to the Financial Statements.

Reserves

The details of movements in reserves during the Financial Year are set out in Notes 18 and 20 to the Financial Statements.

Donations

Charitable donations and other donations made by the Group during the Financial Year amounted to USD1,994,000.

Pre-emptive Rights

There is no provision for pre-emptive rights under the Bye-Laws or the laws of Bermuda.

Share Capital

The details of the Company's share capital are set out in Note 18 to the Financial Statements.

Management Contracts

No contract with any person or entity concerning the management and administration of the whole or any substantial part of the business of the Group (other than contract of service with any Director or employee of the Group) was entered into or existed during the Financial Year.

Directors and Officers Liability Insurance

An insurance policy with permitted indemnity provision insuring claims made against, amongst others, the directors and the management officers of the Group members and the persons representing the Group as directors or management officers in the Group's associates was in effect throughout the Financial Year and remained in effect up to the date of the Annual Report.

Major Customers and Suppliers

The percentages of the five largest customers combined and the five largest suppliers combined are less than 10% of the Group's total revenue and purchases, respectively.

DIRECTORS

The Directors who held office during the Financial Year and the period thereafter up to the date of this Directors' Report were:

Executive Directors

Ms KUOK Hui Kwong (*Chairman and Group CEO*)

Mr CHUA Chee Wui (*Group CFO and Group CIO*)

Non-executive Director

Mr LIM Beng Chee

Independent Non-executive Directors

Professor LI Kwok Cheung Arthur

Mr YAP Chee Keong

Mr LI Xiaodong Forrest

Mr ZHUANG Chenchao

Ms KHOO Shulamite N K

Mr CHUA Yuan Wen William (appointment effective on 16 March 2026)

Mr TEO Nee Chuan will be appointed as an Executive Director with effect from 30 March 2026.

At the Annual General Meeting, (1) Mr CHUA Chee Wui, Mr LIM Beng Chee and Mr YAP Chee Keong will retire in accordance with the Bye-Law 99, and (2) Mr CHUA Yuan Wen William and Mr TEO Nee Chuan will retire in accordance with Bye-Law 102(B). All retiring Directors, being eligible, have offered themselves for re-election.

Independence of Independent Non-executive Directors

The Board has received from each Independent Non-executive Director confirmation of such director's independence according to the guidelines set out in Rule 3.13 of the Listing Rules. The Nomination Committee, on behalf of the Board, has assessed the independence of each of the existing Independent Non-executive Directors and considers all the Independent Non-executive Directors independent.

Changes in Directors' Information

There have been changes in the information of the Directors since the date of the Company's last interim report. Details of the changes required to be disclosed under Rule 13.51B(1) of the Listing Rules are as follows:

- (1) As part of the regular compensation review, the Remuneration & Human Capital Committee has reviewed and approved the proposed monthly base salary of an Executive Director (ie, Ms KUOK Hui Kwong) for 2026. The increment of her monthly salary is 4% and effective as of 1 January 2026.
- (2) On 28 April 2025, Mr LI Xiaodong Forrest was elected as the president of the Football Association of Singapore.

- (3) On 5 February 2026, Ms KHOO Shulamite N K was appointed as an independent non-executive director of AIA Group Limited.
- (4) On 16 March 2026, Mr CHUA Yuan Wen William was appointed as an Independent Non-executive Director and a member of the Audit & Risk Committee.
- (5) With effect from 30 March 2026, Mr. TEO Nee Chuan will be appointed as an Executive Director, a member of the Executive Committee and succeed Mr CHUA Chee Wui as Group CFO. Thereafter, Mr TEO will serve as Group CFO and Group Head of Investment and Asset Management (China), and Mr CHUA will continue as Group CIO.

SIGNIFICANT SHAREHOLDERS' INTERESTS

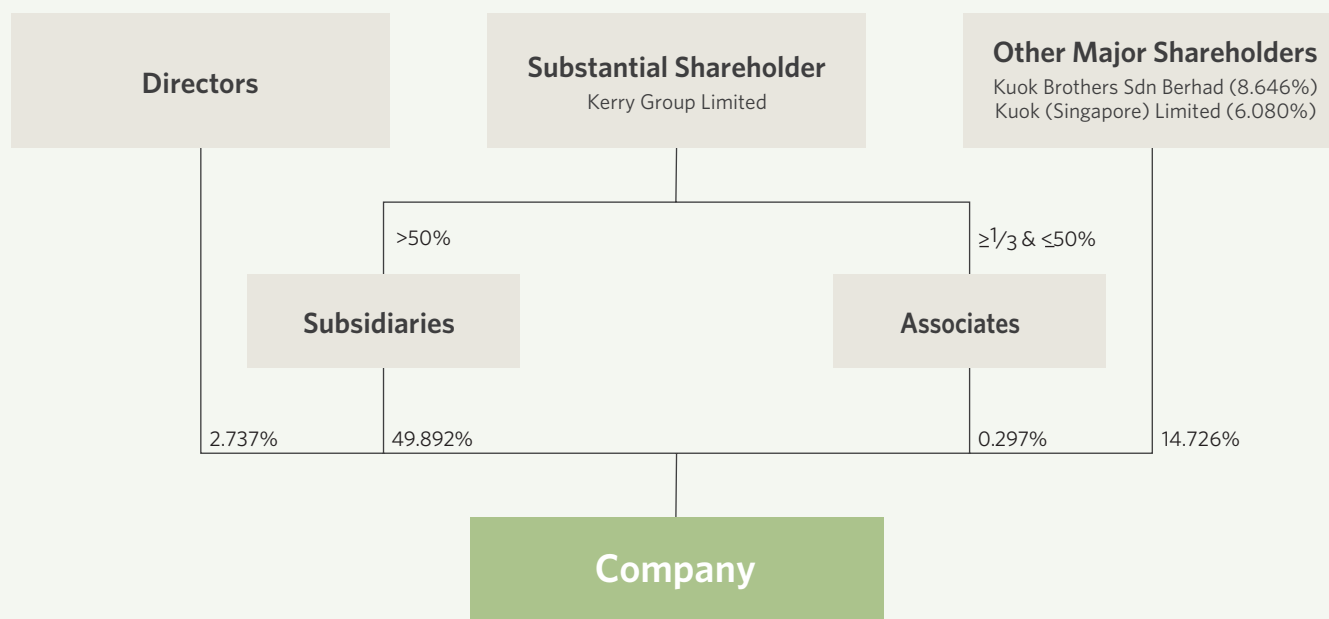
As at Year End, the interests and short positions of those persons (other than the Directors) in Shares and underlying Shares as recorded in the register that is required to be kept by the Company under Section 336 of the SFO were as follows:

Name	Capacity	Number of Shares held	Approximate % of total issued Shares
Substantial Shareholders			
KGL (<i>Note 1</i>)	Interest of controlled companies	1,799,537,010	50.189
KHL (<i>Notes 1 and 2</i>)	Beneficial owner	87,237,052	2.433
	Interest of controlled corporations	1,538,441,491	42.907
Caninco Investments Limited ("Caninco") (<i>Note 2</i>)	Beneficial owner	568,568,684	15.857
	Interest of controlled corporations	157,280,233	4.387
Paruni Limited ("Paruni") (<i>Note 2</i>)	Beneficial owner	382,904,547	10.679
	Interest of controlled corporations	36,667,449	1.023
Other Major Shareholders			
Darmex Holdings Limited ("Darmex") (<i>Note 2</i>)	Beneficial owner	267,068,070	7.449
Kuok Brothers Sdn Berhad	Beneficial owner	84,441,251	2.355
	Interest of controlled corporations	225,569,761	6.291
Kuok (Singapore) Limited ("KSL") (<i>Note 3</i>)	Interest of controlled corporations	218,008,907	6.080
Baylite Company Limited ("Baylite") (<i>Note 3</i>)	Beneficial owner	218,008,907	6.080

Notes:

- KHL is a wholly owned subsidiary of KGL and accordingly, the Shares in which KHL is shown as interested are also included in the Shares in which KGL is shown as interested.
- Caninco, Paruni and Darmex are wholly owned subsidiaries of KHL and accordingly, the Shares in which Caninco, Paruni and Darmex are shown as interested are also included in the Shares in which KHL is shown as interested.
- Baylite is a wholly owned subsidiary of KSL and accordingly, the Shares in which Baylite is shown as interested are also included in the Shares in which KSL is shown as interested.

Deemed interests of Directors, Substantial Shareholder and Other Major Shareholders (as at Year End)



DIRECTORS' INTERESTS

Directors' Interest in Securities of the Company and its Associated Corporations

As at Year End, the interests and short positions of the Directors in shares, underlying shares and debentures in/of the Company and its associated corporations (within the meaning of Part XV of the SFO) ("**Associated Corporations**") as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and HKSE pursuant to the Securities Model Code were as follows:

(A) Long positions in shares in the Company and Associated Corporations

Name of company	Name of Director	Class of shares	Number of shares held					Approximate % of total issued shares in the relevant company
			Personal interests	Family interests	Corporate interests	Other interests	Total	
The Company	KUOK Hui Kwong	Ordinary	⁽¹⁾ 2,998,333	⁽²⁾ 674,294	⁽³⁾ 2,000,000	⁽⁴⁾ 90,251,718	95,924,345	2.675
	CHUA Chee Wui	Ordinary	1,162,400	–	–	–	1,162,400	0.032
	LIM Beng Chee	Ordinary	1,058,000	–	–	–	1,058,000	0.030
	Total		5,218,733	674,294	2,000,000	90,251,718	98,144,745	2.737

Notes:

- 32,000 shares were held jointly by Ms KUOK Hui Kwong and her spouse.
- These shares were the deemed interest of Ms KUOK Hui Kwong's spouse.
- These shares were held through a company owned by Ms KUOK Hui Kwong.
- These shares were held through discretionary trusts of which Ms KUOK Hui Kwong is a discretionary beneficiary.

(B) Long positions in underlying shares in the Company and Associated Corporations

As at Year End, there were share awards held by Directors with rights to Shares. Details of such underlying shares are set out in the sections entitled "2012 Share Award Scheme" and "2025 Share Scheme" of this Directors' Report.

Directors' Dealings

During the Financial Year, no Directors have any dealings in Shares (other than acceptance/vesting/lapse of share awards, if any).

Directors' Interests in Contracts

Save as disclosed, if any, in the sections entitled "Connected Transactions" and "Continuing Connected Transactions" of this Directors' Report, no contract of significance in relation to the Group's business to which any member of the Group was a party and in which any Director had a material interest subsisted at Year End or at any time during the Financial Year.

Directors' Service Contracts

No Director proposed for re-election at the Annual General Meeting has entered into a service contract with any member of the Group which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

Directors' Interests in Competing Business

Pursuant to Rule 8.10(2) of the Listing Rules, subject to the disclosure below, none of the Directors during the Financial Year and up to the date of this Directors' Report (for the period the respective Directors acted as Directors) have notified the Company of interests (other than as directors representing the Group's interest) in businesses that compete or are likely to compete, either directly or indirectly, with the businesses of the Group.

Mr LIM Beng Chee is a director of Mandai Park Holdings Pte Limited ("**Mandai Park Holdings**") and its wholly owned subsidiary, Mandai Resorts Pte Limited ("**Mandai Resorts**"). Mandai Park Holdings is the holding company of Mandai Wildlife Group which oversees the Mandai Wildlife Reserve and its zoological parks in Singapore. Mandai Resorts owns a single hotel located solely within the Mandai Wildlife Reserve that mainly serves visitors of the Mandai Wildlife Reserve. In light of the above, the Directors do not believe that these companies compete or are likely to compete, directly or indirectly, with the Group's business.

Mandai Park Holdings and Mandai Resorts are wholly owned subsidiaries of Temasek Holdings (Private) Limited, with boards and management that are independent from the Group. Accordingly, the Group is capable of carrying on its business independently of, and at arm's length from such companies.

2012 SHARE AWARD SCHEME

A share award scheme of the Company was adopted by Shareholders on 28 May 2012 and was revised on 10 August 2012, 31 May 2018, 29 December 2022 and 12 June 2025 ("**2012 Award Scheme**"). Under the terms of the 2012 Award Scheme, award shares of the Company granted thereunder can only be funded by existing shares of the Company.

The major terms of the 2012 Award Scheme are as follows:

(a) Purpose of the 2012 Award Scheme

The purpose of the 2012 Award Scheme is to support the long-term growth of the Group and enhance its reputation as an employer-of-choice in the industry. In particular, the 2012 Award Scheme is intended to attract suitable personnel for the further development of the Group, to recognise contributions by qualified participants and incentivise them to continue making contributions to the Group and to retain talent. The 2012 Award Scheme will also help to align the interests of Directors and senior management of the Group with the Group's long-term performance.

(b) Qualified participants of the 2012 Award Scheme

The qualified participants of the 2012 Award Scheme include:

- (a) a director or an employee of any member of the Group;
- (b) a director or an employee of any associated company of the Company; or
- (c) an individual or an entity that provides services to any member of the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group,

other than those who reside in jurisdictions where the grant of Shares or the transfer of Shares to such persons under the 2012 Award Scheme will not be permitted under the laws and regulations of such jurisdictions, or will be subject to requirements with which compliance will, at the Scheme Administrator's sole discretion, be unduly burdensome or impractical.

(c) Life of the 2012 Award Scheme

The 2012 Award Scheme shall remain valid and effective for an initial term of 10 years from its date of adoption ("**Initial Term**") which shall be automatically extended by 7 successive extended terms of 10 years each ("**Subsequent Term**") unless (a) the Board decides not to continue with any new Subsequent Term; or (b) the 2012 Award Scheme is terminated early by a resolution of the Board or the Shareholders, provided that the duration of the 2012 Award Scheme shall not exceed 80 years. Subject to any early termination, the remaining life of the 2012 Award Scheme is approximately 66 years.

(d) Maximum number of Shares available to be granted under the 2012 Award Scheme

The total number of the Shares, excluding those that would not be vested or have been forfeited ("**Lapsed Shares**"), granted and to be granted to qualified participants under the 2012 Award Scheme shall not exceed 10% of the Shares in issue from time to time. No further grant may be made under the 2012 Award Scheme if this will result in the aforesaid limit being exceeded.

As at the date of this Directors' Report, the total number of shares available for grant under the 2012 Award Scheme was 309,717,105 Shares (representing about 8.64% of Shares in issue).

(e) Maximum number of Shares allowed to be granted to any one grantee under the 2012 Award Scheme

The maximum number of Shares granted and to be granted to any one grantee (including Shares that have been vested and/or accepted and Lapsed Shares) in any 12-month period shall not exceed 1% of the Shares in issue from time to time.

(f) Vesting

The vesting conditions (if any) of Shares granted under the 2012 Award Scheme shall be determined by the Scheme Administrator in its absolute discretion at the time of grant, provided that the grantee shall accept the Shares within 6 months from the Shares becoming vested. If no acceptance is received within the stipulated period, such unaccepted vested Shares shall be forfeited.

(g) Consideration for Shares granted under the 2012 Award Scheme

The price/consideration (if any) per Share to be granted under the 2012 Award Scheme shall be determined by the Scheme Administrator in its absolute discretion at the time of grant and shall be payable by the grantee upon the grantee accepting the vested Shares.

(h) Operation and administration of the 2012 Award Scheme

The Scheme Administrator may select and grant to any qualified participant Shares under the 2012 Award Scheme for free or at a price/consideration per Share. A trust has been set up for the operation of the 2012 Award Scheme. The Board may from time to time pay to the trustee monies to enable the trustee to purchase Shares on HKSE such Shares that will be held upon trust pending the making of grants to or acceptance by qualified participants under the 2012 Award Scheme. A trustee has been appointed for the purpose of the trust and the trustee will hold and deal with the assets of the trust for the benefit of the qualified participants.

Details and movements of award shares that were granted under the 2012 Award Scheme and remained outstanding during the Financial Year are as follows:

		Number of award shares						
Grantees	Date of grant	Balance as at 1 Jan 2025	Granted during the period	Lapsed during the period	Vested during the period	Balance as at 31 Dec 2025	Consideration per award share (HKD)	Vesting date/period
1. Directors								
KUOK Hui Kwong	6 May 2022	216,000	–	–	(216,000)	–	Nil	6 May 2025
	17 Jul 2023	718,900	–	–	(354,100)	364,800	Nil	17 Jul 2025 - 17 Jul 2026
	5 Jul 2024	1,501,000	–	–	(495,300)	1,005,700	Nil	5 Jul 2025 - 5 Jul 2027
CHUA Chee Wui	6 May 2022	126,000	–	–	(126,000)	–	Nil	6 May 2025
	17 Jul 2023	370,000	–	–	(182,200)	187,800	Nil	17 Jul 2025 - 17 Jul 2026
	5 Jul 2024	763,700	–	–	(252,000)	511,700	Nil	5 Jul 2025 - 5 Jul 2027
2. Employees								
	6 May 2022	2,625,200	–	(112,200)	(2,513,000)	–	Nil	6 May 2025
	17 Jul 2023	9,892,300	–	(531,800)	(4,701,500)	4,659,000	Nil	17 Jul 2025 - 17 Jul 2026
	2 Jan 2024	522,900	–	–	(174,300)	348,600	Nil	1 Jan 2025 - 1 Jan 2027
	5 Jul 2024	12,942,700	–	(690,600)	(4,191,700)	8,060,400	Nil	5 Jul 2025 - 5 Jul 2027
	2 Oct 2024	247,700	–	(247,700)	–	–	Nil	20 Feb 2027
Total		29,926,400	–	(1,582,300)	(13,206,100)*	15,138,000		

* 166,500 awards shares were deemed to be vested ahead of the original vesting date, during the financial year ended 31 December 2024, due to the accelerated vesting of award shares to a deceased grantee's beneficiary.

The five individuals whose emoluments were the highest in the Group for the Financial Year include the above-mentioned two Directors. Among the above granted award shares, those that were granted to such remaining three highest paid individuals (other than Directors) are extracted and summarised as follows:

Grantees	Date of grant	Number of award shares					Consideration per award share (HKD)	Vesting date/period
		Balance as at 1 Jan 2025	Granted during the period	Lapsed during the period	Vested during the period	Balance as at 31 Dec 2025		
Remaining three highest paid individuals	6 May 2022	68,000	-	-	(68,000)	-	Nil	6 May 2025
	5 Jul 2024	1,069,400	-	-	(352,900)	716,500	Nil	5 Jul 2025 - 5 Jul 2027
Total		1,137,400	-	-	(420,900)	716,500		

Notes:

1. No share awards were granted or cancelled under the 2012 Award Scheme during the Financial Year.
2. The weighted average closing price of the Shares immediately before the dates on which awards were vested during the Financial Year was HKD4.534.
3. At the beginning and the end of the Financial Year, a maximum of respectively 55,693,551 and 308,262,605 Shares (representing 1.55% and 8.60% of the issued Shares thereby) were available for grant under the 2012 Award Scheme.

Further details of the 2012 Award Scheme are set out in note 19 to the Financial Statements.

2025 SHARE SCHEME

A share scheme of the Company was adopted by Shareholders on 12 June 2025 ("**2025 Share Scheme**"). Under the terms of the 2025 Share Scheme, the Company may grant options and/or awards funded by existing Shares, treasury Shares and/or the issuance of Shares.

The major terms of the 2025 Share Scheme are as follows:

(a) Purpose of the 2025 Share Scheme

The purpose of the 2025 Share Scheme is to support the long-term growth of the Group and enhance its reputation as an employer-of-choice in the industry. In particular, the 2025 Share Scheme is intended to enable the Group to (a) recognise and reward the contributions that eligible participants have made or may make to the Group; (b) attract, retain and incentivise the eligible participants to continue to contribute to the growth and development of the Group; and (c) align the interests of the eligible participants with the Group's long-term performance by providing eligible participants with the opportunity to acquire equity interests in the Company.

(b) Eligible participants of the 2025 Share Scheme

The eligible participants of the 2025 Share Scheme include:

- (a) a director or an employee of any member of the Group;
- (b) a director or an employee of any associated company of the Company ("**Related Entity Participant**"); or
- (c) an individual (other than employee of the Group) or an entity that provides services to any member of the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group ("**Service Provider(s)**"),

other than those who reside in jurisdictions where the grant of Shares or the allotment and issue or transfer of Shares to such persons under the 2025 Share Scheme will not be permitted under the laws and regulations of such jurisdictions, or will be subject to requirements with which compliance will, at the Scheme Administrator's sole discretion, be unduly burdensome or impractical.

(c) Life of the 2025 Share Scheme

Subject to any early termination as may be determined by the Scheme Administrator, the 2025 Share Scheme shall remain valid and effective for a term of 10 years from its date of adoption and has a remaining life of approximately 9 years.

(d) Maximum number of Shares available to be issued under the 2025 Share Scheme

The total number of the Shares which may be allotted and issued in respect of all options and awards to be granted under the 2025 Share Scheme and any other schemes (which for the avoidance of doubt shall not include the 2012 Award Scheme) shall not, in aggregate, exceed 10% of the Shares in issue (excluding treasury shares, if any) as at the date of adoption or the date of approval of the refreshed scheme mandate limit, whichever is the latest ("**Scheme Mandate Limit**").

Within the Scheme Mandate Limit, the total number of new Shares which may be issued in respect of all options and awards granted under the 2025 Share Scheme and any other schemes to the Service Provider(s) must not exceed 1% in aggregate of the Shares in issue (excluding treasury shares, if any) as at the date of adoption or the date of approval of the refreshed scheme mandate limit, whichever is the latest ("**Service Provider Sublimit**").

Options or awards which have lapsed in accordance with the terms of the 2025 Share Scheme or any other scheme shall not be counted for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.

As at the date of this Directors' Report, the total number of shares available for issue under the 2025 Share Scheme was 341,382,205 Shares (representing about 9.52% of Shares in issue (excluding treasury shares, if any)).

(e) Maximum number of Shares allowed to be issued to any one eligible participant under the 2025 Share Scheme

The maximum number of Shares issued and to be issued in respect of all options and awards granted under the 2025 Share Scheme or any other scheme to any one eligible participant (excluding any lapsed options or awards) in any 12-month period up to and including the date of grant shall not exceed 1% in aggregate of the Shares in issue (excluding treasury shares, if any) ("**1% individual limit**").

The maximum number of Shares issued and to be issued in respect of all options and awards granted under the 2025 Share Scheme or any other scheme to a Director (other than an independent non-executive director) or chief executive of the Company, or any of their respective associates (excluding any lapsed awards) in any 12-month period up to and including the date of grant shall not exceed 0.1% in aggregate of the Shares in issue (excluding treasury shares, if any).

The maximum number of Shares issued and to be issued in respect of all options and awards granted under the 2025 Share Scheme or any other scheme to an independent non-executive director or substantial shareholder of the Company, or any of their respective associates (excluding any lapsed awards) in any 12-month period up to and including the date of grant shall not exceed 0.1% in aggregate of the Shares in issue (excluding treasury shares, if any).

(f) Exercise or vesting

The exercise period, vesting period and conditions (if any) of options and awards granted under the 2025 Share Scheme shall be determined by the Scheme Administrator in its absolute discretion at the time of grant provided that the exercise period for any options shall in any event be no longer than 10 years from the grant date.

(g) Consideration options and awards granted under the 2025 Share Scheme

The consideration (if any) payable in respect of options and awards granted under the 2025 Share Scheme and the period within which payments may be made shall be determined by the Scheme Administrator in its absolute discretion at the time of grant.

The exercise price in relation to each option shall be determined by the Scheme Administrator in its absolute discretion but in any event shall be at least the higher of (i) the closing price of the Shares as stated in the daily quotations sheet issued by the HKSE on the date of grant; and (ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the HKSE for the five business days immediately preceding the date of grant.

(h) Operation and administration of the 2025 Share Scheme

The Scheme Administrator may select and grant to any qualified participant Shares under the 2025 Share Scheme for free or at a price/consideration per Share. A trust has been set up for the operation of the 2025 Share Scheme. The Board may from time to time (i) allot and issue such number of Shares to the trustee as approved by the Scheme Administrator under the Scheme Mandate Limit, the Service Provider Sublimit or the refreshed Scheme Mandate Limit granted or to be granted by the Shareholders at general meetings of the Company from time to time; and/or (ii) pay to the trustee such monies in such amount as approved by the Scheme Administrator, and may give directions or a recommendation to the trustee to apply such monies, paid or already held as part of the funds of the trust to acquire such number of Shares on the market; and/or (iii) give directions to the trustee to receive the treasury shares for the award shares; and/or (iv) give directions to the trustee to apply any returned shares held in the trust, to satisfy in full the award shares are vested and/or which shall be vested shortly. A trustee has been appointed for the purpose of the trust and the trustee will hold and deal with the assets of the trust for the benefit of the qualified participants.

Details and movements of awards granted under the 2025 Share Scheme and remaining outstanding during the Financial Year are as follows:

			Number of award shares						
Grantees	Date of grant	Total fair value at grant date (HKD) (see note 7)	Balance as at 1 Jan 2025	Granted during the period	Lapsed during the period	Vested during the period	Balance as at 31 Dec 2025	Consideration per award share (HKD)	Vesting date/period
1. Directors									
KUOK Hui Kwong	7 Jul 2025	9,510,282	–	2,099,400	–	–	2,099,400	Nil	7 Jul 2026 – 7 Jul 2028
CHUA Chee Wui	7 Jul 2025	4,416,750	–	975,000	–	–	975,000	Nil	7 Jul 2026 – 7 Jul 2028
2. Employees									
	7 Jul 2025	71,024,964	–	15,678,800	(906,500)	–	14,772,300	Nil	7 Jul 2026 – 7 Jul 2028
	12 Dec 2025	2,910,492	–	621,900	–	–	621,900	Nil	7 Jul 2026 – 7 Jul 2028
Total		87,862,488	–	19,375,100	(906,500)	–	18,468,600		

The five individuals whose emoluments were the highest in the Group for the Financial Year include the above-mentioned two Directors. Among the above granted award shares, those that were granted to such remaining three highest paid individuals (other than Directors) are extracted and summarised as follows:

Grantees	Date of grant	Total fair value at grant date (HKD) (see note 7)	Number of award shares				Balance as at 31 Dec 2025	Consideration per award share (HKD)	Vesting date/period
			Balance as at 1 Jan 2025	Granted during the period	Lapsed during the period	Vested during the period			
Remaining three highest paid individuals	7 Jul 2025	10,274,040	-	2,268,000	-	-	2,268,000	Nil	7 Jul 2026 - 7 Jul 2028
Total		10,274,040	-	2,268,000	-	-	2,268,000		

Notes:

- No options were granted, vested, lapsed or cancelled during the Financial Year.
- No share awards were vested or cancelled during the Financial Year.
- The award shares granted during the Financial Year will be satisfied by way of issuance of new Shares.
- No awards were granted in excess of the 1% individual limit or with performance targets. The closing price of the Shares, immediately before the awards were granted on 7 July 2025 and 12 December 2025, were HKD4.44 and HKD4.62 respectively.
- The fair value per Share of awards granted on 7 July 2025 and 12 December 2025 were HKD4.53 and HKD4.68 respectively, determined based on the quoted market price of the Company on the grant dates which are amortised over the relevant vesting periods. Details of the accounting standard and policy adopted are set out in note 2.26 to the Financial Statements.
- As at the date of adoption of the 2025 Share Scheme and as at 31 December 2025, a maximum of respectively 358,552,505 and 340,083,905 Shares (representing 10% and 9.48% of the issued Shares thereby) were available for grant under the Scheme Mandate Limit; and a maximum of respectively 35,855,250 and 35,855,250 Shares (representing 1% and 1% of the issued Shares thereby) were available for grant under the Service Provider Sublimit.
- The number of Shares that may be issued in respect of options and awards granted under all schemes of the Company during the Financial Year divided by the weighted average number of Shares in issue (excluding treasury shares) for the period is 0.54%.
- Other than the above disclosed grant, no awards were granted to other categories of participants under Rule 17.07 of the Listing Rules.

CONNECTED TRANSACTIONS

During the Financial Year, the Group entered into the following connected transactions that are subject to the reporting requirements under Chapter 14A of the Listing Rules. Details of the transactions are as follows:

- (1) On 5 December 2025, Shangri-La International Hotel Management Pte Limited and GWC Commercial Pte Limited ("**GWC**"), a subsidiary of Allgreen Properties Limited ("**Allgreen**") which is an associate of KHL (Substantial Shareholder) entered into a tenancy offer letter in relation to the lease of various office premises at Great World City for a term of seven years commencing on 1 January 2026 ("**Lease**").

The monthly rental for the tenancy of the office premises is SGD51,219.20 (excluding the monthly service charge of SGD6,402.40).

The Lease is regarded as an acquisition of right-of-use assets of the Group. The value of the right-of-use assets amounted to SGD4,200,000.

GWC is a subsidiary of Allgreen which is an associate of KHL (Substantial Shareholder). Accordingly, GWC is a connected person of the Company at holding level, and the Lease constitutes a connected transaction for the Company.

- (2) On 12 December 2025, SLIM-HK and Ubagan Limited ("**Ubagan**"), a subsidiary of KHL (Substantial Shareholder) entered into a tenancy offer letter to renew the tenancy of various levels of office premises at Kerry Centre for a term of two years commenced on 19 November 2025 ("**Renewal**") and to continue the licences of one floating and three fixed car parking spaces at Kerry Centre.

The monthly rental for (a) the tenancy of the office premises is HKD2,142,948 (excluding the management fee and air-conditioning charge of HKD500,091.60, subject to revision); and (b) each floating car parking space and each fixed car parking space are HKD3,350 and HKD4,200, respectively, subject to revision.

The Renewal is regarded as an acquisition of right-of-use assets of the Group. The value of the right-of-use assets amounted to HKD49,000,000.

Ubagan is a subsidiary of KHL (Substantial Shareholder). Accordingly, Ubagan is a connected person of the Company at holding level, and the Renewal constitutes a connected transaction for the Company.

The transaction constitutes a related party transaction in accordance with HKFRS and the amount of the transactions for the Financial Year is included in the payment of office rental, management fees and rates under Note 40(a) to the Financial Statements.

CONTINUING CONNECTED TRANSACTIONS

During the Financial Year, there were also continuing connected transactions for the Company in effect that are subject to the reporting requirements under Chapter 14A of the Listing Rules. Details of these transactions are as follows:

- (1) On 28 January 1995, the Company entered into a disclosable and connected transaction to acquire various hotel interests from certain parties, including connected persons of the Company. Included in these hotel interests was Edsa Shangri-La, Manila ("**Edsa Hotel**") which was built on land leased from Shang Properties, Inc ("**SPI**") under a 25-year lease commencing in 1992, with an option to renew the lease for a further term of 25 years ("**Renewal Term**"). SPI agreed that, upon expiration of the Renewal Term, it would grant to Edsa Shangri-La Hotel & Resort, Inc ("**Edsa Co**", the owner of Edsa Hotel) a new lease term of 25 years subject to the prevailing Philippines laws.

On 28 August 2017, the Company announced that the lease had been renewed for another three-year term that would expire on 27 August 2020. Upon expiry of the initial three-year term and thereafter, Edsa Co has the right to decide whether the term shall be renewed for successive terms of three years each provided that the entirety of the Renewal Term shall not be longer than 25 years from 28 August 2017. The said lease was renewed on 27 August 2020 as previously announced by the Company.

On 25 August 2023, the Company announced that the said lease had been further renewed for a successive three-year term that would expire on 27 August 2026.

SPI is an associate of KPL which in turn is a subsidiary of KHL (Substantial Shareholder). Accordingly, SPI is a connected person of the Company at holding level, and the lease as described above constitutes a continuing connected transaction for the Company.

Based on the terms of the said lease and the expected occupancy of the hotel, taking into account possible inflation and fluctuation in currency exchange rates, as well as a buffer for reasonable increases in occupancy and room rates, the Company has set an annual cap for each of the following financial years:

Financial year	Annual cap (USD)
2025	2,600,000
2026 (for the entire year assuming the lease will be renewed upon expiry in the year)	2,700,000

For the Financial Year, the actual aggregate transaction amount with SPI under the said lease was USD2,005,000 (2024: USD1,971,000).

- (2) On 2 June 2010, SLIM-HK and Shanghai Pudong Kerry City Properties Co, Limited ("**Pudong Kerry Co**", a company owned as to 23.2% by the Company, 40.8% by KPL, 16% by Allgreen Properties Limited ("**Allgreen**") and 20% by Shanghai Lujiazui Finance & Trade Zone Development Co, Limited whose shares are listed on the Shanghai stock exchange and its principal activities are land development and development, construction, operation and management of real estate properties) entered into a hotel management agreement pursuant to which SLIM-HK was appointed as manager to provide Hotel Management Services to Kerry Hotel Pudong, Shanghai, a hotel owned by Pudong Kerry Co. The agreement has a three-year term commencing on the date of approval of the said agreement by the Chinese Mainland government. Upon expiry of the initial three-year term and thereafter, SLIM-HK has the right to decide whether the term shall be renewed for successive terms of three years each provided that the entire term of the agreement as renewed shall not be longer than 20 years. The said agreement was renewed on 11 June 2013, 26 January 2017, 23 December 2019 and 28 December 2022 as previously announced by the Company.

On 5 July 2024, SLIM-HK, SLIM-PRC and Pudong Kerry Co entered into supplemental agreements to, amongst other things, supplement the terms of the hotel management agreement and training services agreement. SLIM-PRC and Pudong Kerry Co also entered into a proprietary technology services agreement pursuant to which SLIM-PRC would provide proprietary technology services to Kerry Hotel Pudong, Shanghai.

On 30 December 2025, the Company announced that the said agreements had been further renewed for a successive three-year term that would expire on 5 January 2029.

Pudong Kerry Co is an associate of KPL which in turn is a subsidiary of KHL (Substantial Shareholder). Accordingly, Pudong Kerry Co is a connected person of the Company at holding level, and the agreements as described above constitute a continuing connected transaction for the Company.

Based on the terms of the said agreements (as supplemented on 5 July 2024 where applicable) and the expected occupancy of the hotel, taking into account possible inflation and fluctuation in currency exchange rates, as well as a buffer for reasonable increases in occupancy and room rates, the Company has set an annual cap for each of the following financial years:

Financial year	Annual cap (USD)
2025	6,700,000
2026	6,500,000
2027	7,300,000
2028	7,800,000

For the Financial Year, the actual aggregate transaction amount with Pudong Kerry Co was USD4,596,000 (2024: USD4,067,000). The transaction also constitutes a related party transaction in accordance with HKFRS and the amount of the transaction for the Financial Year is included in the receipt of hotel management, consultancy and related services and royalty fees under Note 40(b) to the Financial Statements.

- (3) On 17 October 2012, SLIM-HK and Shanghai Ji Xiang Properties Co, Limited ("**Jing An Co**", a company owned as to 49% by the Company and 51% by KPL) entered into a hotel management agreement pursuant to which SLIM-HK would provide Hotel Management Services to Jing An Shangri-La, Shanghai ("**Jing An Hotel**"), a hotel owned by Jing An Co. The agreement has a 20-year term commencing on the opening date of Jing An Hotel. The Company obtained an independent financial adviser's opinion confirming that it is normal business practice for the agreement to be of such duration.

Jing An Co is a subsidiary of KPL which in turn is a subsidiary of KHL (Substantial Shareholder). Accordingly, Jing An Co is a connected person of the Company at holding level, and the agreement as described above constitutes a continuing connected transaction for the Company.

Based on the terms of the said agreement and the expected occupancy of the hotel, taking into account possible inflation and fluctuation in currency exchange rates, as well as a buffer for reasonable increases in occupancy and room rates, the annual cap set for each financial year throughout the duration of the said agreement ending 31 December 2033 is USD14,000,000.

For the Financial Year, the actual aggregate transaction amount with Jing An Co was USD6,585,000 (2024: USD5,781,000). The transaction also constitutes a related party transaction in accordance with HKFRS and the amount of the transaction for the Financial Year is included in the receipt of hotel management, consultancy and related services and royalty fees under Note 40(a) to the Financial Statements.

- (4) On 26 June 2014, SLIM-HK and Shangri-La Hotel (Nanjing) Co, Limited (previously known as Ji Xiang Real Estate (Nanjing) Co, Limited) ("**Nanjing Co**", a company owned as to 55% by the Company and 45% by KPL) entered into a hotel management agreement pursuant to which SLIM-HK would provide Hotel Management Services to Shangri-La Nanjing ("**Nanjing Hotel**") which is owned by Nanjing Co. The said agreement has a three-year term commencing on the opening date of Nanjing Hotel. Upon expiry of the initial three-year term and thereafter, SLIM-HK has the right to decide whether the term shall be renewed for successive terms of three years each provided that the entire term of the said agreement shall not be longer than 20 years. The said agreement was renewed on 23 October 2017 and 23 October 2020 as previously announced by the Company.

On 24 October 2023, the Company announced that the said agreement had been further renewed for a successive three-year term that would expire on 25 October 2026.

Nanjing Co is an associate of KPL which in turn is a subsidiary of KHL (Substantial Shareholder). Accordingly, Nanjing Co is a connected person of the Company at holding level, and the agreement as described above constitutes a continuing connected transaction for the Company.

Based on the terms of the said agreement and the expected occupancy of the hotel, taking into account possible inflation and fluctuation in currency exchange rates, as well as a buffer for reasonable increases in occupancy and room rates, the Company has set annual cap for each of the following financial years:

Financial year	Annual cap (USD)
2025	3,500,000
2026 (for the entire year assuming the relevant agreement will be renewed upon expiry in the year)	3,600,000

For the Financial Year, the actual aggregate transaction amount with Nanjing Co was USD3,214,000 (2024: USD2,971,000).

- (5) On 17 July 2015, SLIM-HK and Ruihe Real Estate (Tangshan) Co, Limited ("**Tangshan Co**", a company owned as to 35% by the Company, 40% by KPL and 25% by Allgreen) entered into a hotel management agreement pursuant to which SLIM-HK would provide Hotel Management Services to Shangri-La Tangshan ("**Tangshan Hotel**"), a hotel owned by Tangshan Co. The agreement has a 20-year term commencing on the opening date of Tangshan Hotel. The Company obtained an independent financial adviser's opinion confirming that it is normal business practice for the agreement to be of such duration.

Tangshan Co is an associate of KPL which in turn is a subsidiary of KHL (Substantial Shareholder). Accordingly, Tangshan Co is a connected person of the Company at holding level, and the agreement as described above constitutes a continuing connected transaction for the Company.

Based on the terms of the said agreement and the expected occupancy of the hotel, taking into account possible inflation and fluctuation in currency exchange rates, as well as a buffer for reasonable increases in occupancy and room rates, the annual cap set for each financial year throughout the duration of the said agreement ending 31 December 2035 is RMB39,000,000.

For the Financial Year, the actual aggregate transaction amount with Tangshan Co was USD871,000 (equivalent to RMB6,215,000) (2024: USD919,000 (equivalent to RMB6,540,000)). The transaction also constitutes a related party transaction in accordance with HKFRS and the amount of the transaction for the Financial Year is included in the receipt of hotel management, consultancy and related services and royalty fees under Note 40(b) to the Financial Statements.

- (6) On 4 March 2016, SLIM-HK and SLIM-PRC entered into a hotel management agreement and a marketing services agreement, respectively, with Kerry Real Estate (Hangzhou) Co, Limited ("**Hangzhou Co**", a company owned as to 25% by the Company and 75% by KPL), pursuant to which SLIM-HK and SLIM-PRC would provide Hotel Management Services to Midtown Shangri-La, Hangzhou ("**Hangzhou Midtown Hotel**") which is owned by Hangzhou Co. Each of the said agreements has a 20-year term commencing on the opening date of Hangzhou Midtown Hotel. The Company obtained an independent financial adviser's opinion confirming that it is normal business practice for the agreements to be of such duration.

Hangzhou Co is a subsidiary of KPL which in turn is a subsidiary of KHL (Substantial Shareholder). Accordingly, Hangzhou Co is a connected person of the Company at holding level, and the agreements as described above constitute continuing connected transactions for the Company.

Based on the terms of the said agreements and the expected occupancy of the hotel, taking into account possible inflation and fluctuation in currency exchange rates, as well as a buffer for reasonable increases in occupancy and room rates, the annual cap set for each financial year throughout the duration of the said agreements ending 31 December 2036 is RMB93,000,000.

For the Financial Year, the actual aggregate transaction amount with Hangzhou Co was USD2,756,000 (equivalent to RMB19,664,000) (2024: USD2,506,000 (equivalent to RMB17,834,000)). The transactions also constitute related party transactions in accordance with HKFRS and the amount of the transactions for the Financial Year is included in the receipt of hotel management, consultancy and related services and royalty fees under Note 40(a) to the Financial Statements.

- (7) On 24 January 2018, the Company announced that Shang Global City Properties, Inc (“**Fort Manila Co**”, a company owned as to 40% by the Company and 60% by SPI) entered into hotel agreements, being (a) the marketing and reservations agreement dated 10 December 2014 (as varied) with SLIM-HK, (b) the licence agreement dated 10 December 2014 (as varied) with Shangri-La International Hotel Management Limited, incorporated in the British Virgin Islands, (“**SLIM-BVI**”, a wholly owned subsidiary of the Company and the head-licensor of the intellectual property in relation to the brand of Shangri-La (“**IP**”)) and (c) the licence agreement dated 10 December 2014 (as varied) with Shangri-La International Hotel Management Pte Limited (“**SLIM-SG**”, a wholly owned subsidiary of the Company and the current IP sub-licensor) in relation to the provision of (i) the Hotel Management Services for Shangri-La The Fort, Manila (“**Fort Manila Hotel**”, a hotel owned by Fort Manila Co), and (ii) the licence of the IP to Fort Manila Co enabling it to operate its hotel bearing the name of Shangri-La for a term which would expire on 31 December 2020.

Each of the said agreements lists the operating term which commenced on the opening date of Fort Manila Hotel (being 1 March 2016) and ended on 31 December of the first anniversary of such opening date (ie, 31 December 2017). Each of SLIM-HK, SLIM-BVI and SLIM-SG under its respective agreement has the right to decide whether the term shall be renewed for another successive three-year term (or part thereof of the remaining term) provided that the entire initial term of each agreement shall not be longer than 10 years from the opening date of the said hotel. Upon expiry of the said initial term of 10 years, the relevant parties may elect to extend the term for successive three-year terms (or part thereof) provided that the aggregate term of the renewal period shall not exceed a further 10 years. The said agreements were renewed on 31 December 2020 as previously announced by the Company.

On 12 December 2023, the Company announced that the said agreements had been renewed for the remaining initial term that would expire on 28 February 2026.

Fort Manila Co is a subsidiary of SPI, an associate of KPL which in turn is a subsidiary of KHL (Substantial Shareholder). Accordingly, Fort Manila Co is a connected person of the Company at holding level, and the agreements as described above constitute continuing connected transactions for the Company.

Based on the terms of the said agreements and the expected occupancy of the hotel, taking into account possible inflation and fluctuation in currency exchange rates, as well as a buffer for reasonable increases in occupancy and room rates (as further revised on 12 December 2023), the Company has set an annual cap for each of the following financial years:

Financial year	Annual cap (USD)
2025	11,000,000
2026 (for the entire year assuming the agreements will be renewed upon expiry in the year)	12,000,000

For the Financial Year, the actual aggregate transaction amount with Fort Manila Co was USD6,621,000 (2024: USD6,095,000). The transactions also constitute related party transactions in accordance with HKFRS and the amounts of the transactions for the Financial Year are included in the receipt of hotel management, consultancy and related services and royalty fees under Note 40(b) to the Financial Statements.

- (8) SLIM-HK and Beijing Kerry Hotel Co, Limited ("**Beijing Co**", a company owned as to 23.75% by the Company, 71.25% by KPL and 5% by Beijing Beiao Group Corp, Limited) entered into a management and marketing services agreement pursuant to which SLIM-HK managed and operated Kerry Hotel, Beijing ("**Beijing Kerry Hotel**") which is owned by Beijing Co. Such agreement expired on 27 August 2019.

On 26 August 2019, SLIM-HK and SLIM-PRC entered into a hotel management agreement and a marketing and training services agreement, respectively, with Beijing Co, pursuant to which SLIM-HK and SLIM-PRC would continue to provide Hotel Management Services to Beijing Kerry Hotel. Each of the said agreements has a 20-year term commencing on 28 August 2019. The Company obtained an independent financial adviser's opinion confirming that it is normal business practice for the agreements to be of such duration.

Beijing Co is an associate of KPL which in turn is a subsidiary of KHL (Substantial Shareholder). Accordingly, Beijing Co is a connected person of the Company at holding level, and the agreements as described above constitute continuing connected transactions for the Company.

Based on the terms of the said agreements and the expected occupancy of the hotel, taking into account possible inflation and fluctuation in currency exchange rates, as well as a buffer for reasonable increases in occupancy and room rates, the annual cap set for each financial year up to expiry is RMB110,000,000.

For the Financial Year, the actual aggregate transaction amount with Beijing Co was USD3,173,000 (equivalent to RMB22,639,000) (2024: USD3,261,000 (equivalent to RMB23,207,000)). The transactions also constitute related party transactions in accordance with HKFRS and the amount of the transactions for the Financial Year is included in the receipt of hotel management, consultancy and related services and royalty fees under Note 40(a) to the Financial Statements.

- (9) SLIM-SG and Cuscaden Properties Pte Limited ("**Cuscaden Co**", a company owned as to 44.6% by the Company and 55.4% by Allgreen) entered into a management agreement and a marketing and reservations agreement pursuant to which SLIM-SG managed and operated JEN Singapore Tanglin by Shangri-La ("**Singapore Tanglin Hotel**") which is owned by Cuscaden Co. Such agreements expired on 31 March 2021.

On 8 March 2021, SLIM-SG and Cuscaden Co entered into a hotel management agreement, pursuant to which SLIM-SG would continue to provide Hotel Management Services to Singapore Tanglin Hotel. The agreement has a three-year term which commenced on 1 April 2021 that would expire on 31 March 2024. Upon expiry of the initial three-year term and thereafter, save where SLIM-SG determines that it is not able to comply with the applicable requirements under the Listing Rules, the term shall be renewed for successive terms of three-year periods each provided that the entire term of the said agreement shall not be longer than 9 years.

On 26 March 2024, the Company announced that the said agreement had been renewed for a successive three-year term that would expire on 31 March 2027.

Cuscaden Co is a subsidiary of Allgreen which in turn is an associate of KHL (Substantial Shareholder). Accordingly, Cuscaden Co is a connected person of the Company at holding level, and the agreement as described above constitutes a continuing connected transaction for the Company.

Based on the terms of the said agreement and the expected occupancy of the hotel, taking into account possible inflation and fluctuation in currency exchange rates, as well as a buffer for reasonable increases in occupancy and room rates, the Company has set an annual cap for each of the following financial years:

Financial year	Annual cap (USD)
2025	5,300,000
2026	5,500,000
2027 (for the entire year assuming the relevant agreement will be renewed upon expiry in the year)	5,800,000

For the Financial Year, the actual aggregate transaction amount with Cuscaden Co was USD3,219,000 (2024: USD3,567,000). The transaction also constitutes a related party transaction in accordance with HKFRS and the amount of the transaction for the Financial Year is included in the receipt of hotel management, consultancy and related services and royalty fees under Note 40(b) to the Financial Statements.

- (10) SLIM-HK and SLIM-PRC entered into a hotel management agreement and a marketing services agreement with Kerry Real Estate (Nanchang) Co, Limited ("**Nanchang Co**", a company owned as to 20% by the Company and 80% by KPL) on 25 December 2014 and 1 November 2017 respectively, pursuant to which SLIM-HK and SLIM-PRC would provide Hotel Management Services to Shangri-La Nanchang ("**Nanchang Hotel**") which is owned by Nanchang Co.

On 5 July 2024, SLIM-HK and SLIM-PRC entered into supplemental agreements with Nanchang Co to, amongst other things, renew and supplement the terms of the hotel management agreement and marketing services agreement. SLIM-PRC also entered into a proprietary technology services agreement with Nanchang Co, pursuant to which SLIM-PRC would provide proprietary technology services to Nanchang Hotel.

The initial term commenced on the hotel opening date of Nanchang Hotel and ended on its third anniversary. Upon expiry of each term, both parties may by agreement renew the agreements for successive three-year terms, provided that the entire term as renewed shall not exceed 20 years from the hotel opening date.

Nanchang Co is an associate of KPL which is in turn a subsidiary of KHL (Substantial Shareholder). Accordingly, Nanchang Co is a connected person of the Company at holding level, and the agreements as described above constitute continuing connected transactions for the Company.

Based on the terms of the said agreements (as supplemented on 5 July 2024 where applicable) and the expected occupancy of the hotel, taking into account possible inflation and fluctuation in currency exchange rates, as well as a buffer for reasonable increases in occupancy and room rates, the Company has set annual cap for each of the following financial years:

Financial year	Annual cap (USD)
2025	2,400,000
2026	2,700,000
2027 (for the entire year assuming the relevant agreements will be renewed upon expiry in the year)	2,900,000

For the Financial Year, the actual aggregate transaction amount with Nanchang Co was USD1,773,000 (2024: USD1,652,000). The transactions also constitute related party transactions in accordance with HKFRS and the amount of the transactions for the Financial Year is included in the receipt of hotel management, consultancy and related services and royalty fees under Note 40(a) to the Financial Statements.

- (11) On 29 April 2024, SLIM-HK and SLIM-PRC entered into a hotel management agreement, a sales and marketing, training and Shangri-La Circle services agreement, a proprietary technology services agreement and a property management system online hosting agreement with Kunming Co, pursuant to which SLIM-HK and SLIM-PRC would provide Hotel Management Services, proprietary technology services and property management system services to JEN Kunming by Shangri-La (phase 1) and Shangri-La Kunming (phase 2) (altogether "**Kunming Hotels**") which are owned by Kunming Co.

The said agreements have a three-year term commencing on the opening date of phase 1 of Kunming Hotels (being 30 April 2024). Upon expiry of the initial three-year term and thereafter, SLIM-HK, SLIM-PRC and Kunming Co have the right to decide whether the term shall be renewed for successive terms of three years each provided that the entire term of the said agreements shall not be longer than 20 years.

Kunming Co is a subsidiary of KPL which in turn is a subsidiary of KHL (Substantial Shareholder). Accordingly, Kunming Co is a connected person of the Company at holding level, and the agreements as described above constitute continuing connected transactions for the Company.

Based on the terms of the said agreements and the expected occupancy of the hotels, taking into account possible inflation and fluctuation in currency exchange rates, as well as a buffer for reasonable increases in occupancy and room rates, the Company has set an annual cap for each of the following financial years:

Financial year	Annual cap (USD)
2025	2,600,000
2026	3,300,000
2027 (for the entire year assuming the relevant agreements will be renewed upon expiry in the year)	3,800,000

For the Financial Year, the actual aggregate transaction amount with Kunming Co was USD1,024,000 (2024: USD331,000). The transactions also constitute related party transactions in accordance with HKFRS and the amount of the transactions for the Financial Year is included in the receipt of hotel management, consultancy and related services and royalty fees under Note 40(a) to the Financial Statements.

The continuing connected transactions mentioned in (1) to (11) (collectively, “**Disclosed Continuing Connected Transactions**”) above have been reviewed by the Independent Non-executive Directors. The Independent Non-executive Directors have confirmed that the transactions have been entered into:

1. in the ordinary and usual course of business of the Group;
2. either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Group than terms available to or from (as appropriate) independent third parties; and
3. in accordance with the relevant agreements governing such transactions and on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

Pursuant to Rule 14A.56 of the Listing Rules, the Board engaged the Auditor to report on the Group’s continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” and with reference to Practice Note 740 “Auditor’s Letter on Continuing Connected Transactions under the Hong Kong Listing Rules” issued by the Hong Kong Institute of Certified Public Accountants. The Auditor has reported its findings on the Disclosed Continuing Connected Transactions to the Board stating that:

1. nothing has come to its attention that causes it to believe that the Disclosed Continuing Connected Transactions have not been approved by the Board;
2. for the Disclosed Continuing Connected Transactions involving the provisions of goods or services by the Group, nothing has come to its attention that causes it to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group;
3. nothing has come to its attention that causes it to believe that the Disclosed Continuing Connected Transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
4. with respect to the aggregate amount of each of the Disclosed Continuing Connected Transactions, nothing has come to its attention that causes it to believe that the transactions have exceeded the annual cap as set by the Company.

On behalf of the Board

KUOK Hui Kwong
Chairman and Group CEO

Hong Kong, 26 March 2026



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Corporate Governance Report

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

DIRECTORS HANDBOOK AND CORPORATE GOVERNANCE FUNCTIONS

Directors Handbook

The Board adopts a composite handbook ("**Directors Handbook**") comprising the Securities Principles and the CG Principles, whose terms align with or are stricter than the requirements set out in the Securities Model Code and the CG Code, save for the provision in the Directors Handbook that the positions of the Chairman and the CEO may be served by the same person. The Directors Handbook serves as a comprehensive guidebook for all Directors.

The Directors Handbook incorporates (amongst other things):

(1) *Securities Principles*

- (a) restrictions on Directors' dealings in relation to the Company's securities;
- (b) the Directors' obligations and the board procedures for mandatory notification to and acknowledgement from the Company prior to any deemed dealings of Directors and required notification to the Company subsequent to such dealings;
- (c) the requirements of the Directors' mandatory filing with relevant regulatory bodies of their deemed dealings; and
- (d) extended application of the Securities Principles to non-Directors.

(2) *CG Principles*

- (a) the terms of the operation of the Board including the obligations of each Director;
- (b) the establishment of each Board committee, including the terms of reference of and/or the policy for each such committee;
- (c) the terms of the corporate governance functions;
- (d) the rights of each Director (including members of any Board committee) for and/or the procedures for independent access to the Group's information and professional advice;
- (e) the written procedures resolved by the Board for Shareholders to exercise certain rights in the Company; and
- (f) the references to and/or the summary of various important regulatory rules and the Company's corporate policies that the Directors are obliged to strictly observe.

The Directors Handbook is updated and revised from time to time where necessary to, amongst other things, (a) align with relevant mandatory requirements under the Listing Rules and/or any other governing rules, and (b) incorporate any corporate governance terms that the Board considers necessary for better corporate governance of the Company. Any change to the terms of the Securities Principles and the CG Principles shall be determined and approved by the Board.

Code on Securities Transactions

The Company has made specific enquiry of each of the Directors, and all the Directors have confirmed compliance with the Securities Model Code and the Securities Principles throughout the Financial Year.

The Securities Principles also apply to certain employees (“**Relevant Employees**”) in respect of their dealings in the securities of the Company for the Financial Year. The code with which the Relevant Employees are obliged to comply is similar to that with which the Directors are obliged to comply except that the Relevant Employees are not required to fulfil the public filing requirement.

Code on Corporate Governance

The Company has complied with the CG Code throughout the Financial Year except for the deviation from Code Provision C.2.1 which provides that the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual.

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

Corporate Governance Functions

Under the CG Principles, the Audit & Risk Committee has the delegated responsibility to oversee, monitor and observe the terms of the Company’s corporate governance functions which include the following major duties:

- (1) to review the Company’s policies and practices on corporate governance and to make recommendations to the Board;
- (2) to review and monitor the training and continuous professional development of Directors and Senior Management;
- (3) to review and monitor the Company’s policies and practices on compliance with legal and regulatory requirements;
- (4) to review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors of the members of the Group;
- (5) to review the Company’s compliance with the relevant code and disclosure requirements in relation to corporate governance in accordance with the Listing Rules;
- (6) to review the Directors Handbook from time to time to ensure the Directors Handbook has sufficiently covered the corporate governance matters that the Board and the Company are required to observe under the Listing Rules; and
- (7) to monitor whether the terms set out in the Directors Handbook are duly observed and complied with.

The Audit & Risk Committee has duly performed its duties relating to the corporate governance functions and it is not aware of any terms of corporate governance being violated during the Financial Year.

BOARD

The Board is accountable to Shareholders for leading the Group in a responsible and effective manner.

The list of the members of the Board and their designations during the Financial Year and up to the date of the Annual Report has been set out in the Directors' Report.

Mr CHUA Yuan Wen William (who was appointed as an independent non-executive Director on 16 March 2026) and Mr TEO Nee Chuan (who will be appointed as an Executive Director on 30 March 2026), each obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 11 March 2026 and 26 March 2026 respectively, and have each confirmed that he understood his obligations as a Director.

Members, Meetings Held and Attendance

During the Financial Year, the Board held four board meetings. The Directors during the Financial Year, along with the attendance of each of them at the meetings, are as follows:

Name of Director	Meetings attended/ eligible to attend
Executive Directors	
KUOK Hui Kwong	4/4
CHUA Chee Wui	4/4
Non-executive Director	
LIM Beng Chee	4/4
Independent Non-executive Directors	
LI Kwok Cheung Arthur	4/4
YAP Chee Keong	4/4
LI Xiaodong Forrest	3/4
ZHUANG Chenchao	3/4
KHOO Shulamite N K	4/4

Other than the above full Board meetings, the Chairman also held four meetings in 2025 with the Independent Non-executive Directors without the presence of the other Directors. The attendance of the Directors during the Financial Year at the meeting was as follows:

Name of Director	Attendance
Chairman	
KUOK Hui Kwong	4/4
Independent Non-executive Directors	
LI Kwok Cheung Arthur	4/4
YAP Chee Keong	4/4
LI Xiaodong Forrest	3/4
ZHUANG Chenchao	3/4
KHOO Shulamite N K	4/4

The relationship between members of the Board, if any, is set out in the section entitled "Board of Directors, Company Secretary and Senior Management" in the Annual Report.

Term of Appointment of Directors

Each Director shall be subject to terms of retirement, but shall be eligible for re-election, in accordance with the Bye-Laws, the Listing Rules and the Company's nomination policy, in particular:

- (1) any Director who was newly appointed by the Board or by the Shareholders in a general meeting to fill a casual vacancy, or as an addition to the Board, shall retire from office at the next annual general meeting of the Company;
- (2) every Director shall retire from office by rotation no later than the third annual general meeting after such director was last elected or re-elected; and
- (3) at each annual general meeting, not less than one-third (or otherwise the number nearest one-third) of the Directors for the time being shall retire from office by rotation.

Accordingly, the term of appointment of each Director is effectively not more than approximately three years.

The dates of appointment and last election/re-election of the Directors were as follows:

Name of Director	Date of first appointment	Tenure as at 31 December 2025 (years)	Date of last election/ re-election by the Shareholders
Executive Directors			
KUOK Hui Kwong	27 October 2014	11	12 June 2025
CHUA Chee Wui	1 September 2022	3	1 June 2023
TEO Nee Chuan	30 March 2026	N/A	N/A
Non-executive Director			
LIM Beng Chee	26 September 2016	9	1 June 2023
Independent Non-executive Directors			
LI Kwok Cheung Arthur	30 March 2011	14	30 May 2024
YAP Chee Keong	11 December 2017	8	30 May 2024
LI Xiaodong Forrest	1 May 2019	6	12 June 2025
ZHUANG Chenchao	1 December 2019	6	12 June 2025
KHOO Shulamite N K	1 November 2020	5	30 May 2024
CHUA Yuan Wen William	16 March 2026	N/A	N/A

Directors' Training

The Directors participate in continuous professional development to enhance and refresh their skills and knowledge for their role as Directors. The Company also organises presentations and training sessions and circulates reading materials that help update Directors on the latest corporate governance and regulatory/legal issues as well as other current topics (including the Group's business developments/operations). In addition to these activities, some Directors also attend external training sessions and presentations.

A summary of each current Director's continuous professional development initiatives during the Financial Year is set out below:

	Internal training ¹	External training ²	Speaking events ³	Self-study ⁴	Total
Executive Directors					
KUOK Hui Kwong	7 hours E and F	-	12 hours A, E and F	12 hours A, B, C, D and E	31 hours
CHUA Chee Wui	7 hours E and F	-	-	12 hours A, B, C, D and E	18 hours
Non-executive Director					
LIM Beng Chee	3 hours E and F	-	-	12 hours A, B, C, D and E	15 hours
Independent Non-executive Directors					
LI Kwok Cheung Arthur	3 hours E and F	1.5 hour C, F	-	36.5 hours A, B, C, D and E	55 hours
YAP Chee Keong	-	4 hours A, D, E, F	-	12 hours A, B, C, D and E	16 hours
LI Xiaodong Forrest	-	-	-	12 hours A, B, C, D and E	12 hours
ZHUANG Chenchao	-	-	-	12 hours A, B, C, D and E	12 hours
KHOO Shulamite N K	-	19 hours A, B, C, D, E and F	-	12 hours A, B, C, D and E	31 hours

Topics

- A: Board/directors responsibilities and board effectiveness
 B: Legal and regulatory updates
 C: Corporate governance and/or ESG
 D: Risk management and/or internal controls
 E: Industry trends and/or strategy updates
 F: Others (e.g. leadership, economic outlook, accounting, etc)

Notes:

- Internal training includes attending as participant at presentations, conferences or events organised by the Group (such as the Group's annual global conference held in May 2025).
- External training includes courses, workshops, roundtables, seminars or webinars organised by professional, industry, business or other external bodies or entities (such the Hong Kong Institute of Directors).
- Speaking events includes preparing for and attending as speaker or panellist at Group events and external events organised by professional, industry, business or other external bodies or entities (including for example, a panel discussion on customer-centricity in June 2025).
- Self-study includes self-study by way of reading relevant reports, articles, and other written materials and/or by way of completing online e-learning modules.
- Each of these Directors have participated in continuous professional development as required under Rule 3.09F and 3.09G of the Listing Rules during the Financial Year. Rule 3.09H of the Listing Rules did not apply to any Director during the Financial Year. The above training records do not include Mr CHUA Yuan Wen William and Mr TEO Nee Chuan as they were not Directors during the Financial Year.

Independent Views and Input to the Board

During the Financial Year, five of the members of the Board (representing 62.5%) were Independent Non-executive Directors. The strong independent element on the Board supports effective exercise of independent judgement.

Initiatives have been introduced by Chairman to facilitate effective contribution of Directors. In addition to the four regular board meetings during the Financial Year, Chairman also held four meetings with the Independent Non-executive Directors (without the presence of the other Directors and Senior Management) whereby they could have sufficient time to share their constructive and independent views and raise any concerns.

The Directors Handbook incorporates the terms and guidelines for Directors or members of Board Committees to seek independent professional advice whenever necessary at the expense of the Company for the purposes of fulfilling their duties.

Mechanisms are therefore in place to ensure independent views and input are available to the Board, and the Board is of the view that the implementation and effectiveness of such mechanisms during the Financial Year was satisfactory.

EXECUTIVE COMMITTEE

The Executive Committee was established by the Board on 21 June 1993. The Executive Committee is delegated with the power and authority to oversee the Group's ordinary business, transactions and development. The Executive Committee's written terms of reference include its defined powers and duties, except that the following matters are explicitly reserved for the Board for decision:

- (1) constitution and share capital;
- (2) corporate objectives and strategy;
- (3) corporate policies relating to securities transactions by Directors and senior management;
- (4) interim and annual results;
- (5) significant investments;
- (6) major financings, borrowings and guarantees other than those of ordinary terms and for the ordinary operations or for general working capital requirements of the Group;
- (7) corporate governance and internal controls;
- (8) risk management;
- (9) major acquisitions and disposals;
- (10) material contracts;
- (11) Board members and Auditor; and
- (12) any other significant matters that will affect the operations of the Group as a whole.

Members, Meetings Held and Attendance

During the Financial Year, the majority of the Executive Committee's material decisions were recorded by written resolutions. The members of the Executive Committee during the Financial Year and up to the date of the Annual Report were as follows:

Member	Board capacity during committee membership
KUOK Hui Kwong (<i>chairman</i>)	ED, Chairman & Group CEO
CHUA Chee Wui	ED, Group CFO & Group CIO

NOMINATION COMMITTEE

The Nomination Committee was established by the Board on 19 March 2012. The Nomination Committee, amongst other things, considers any proposed change to members or composition of the Board and/or evaluates the performance of Directors in accordance with the Company's nomination policy. The written terms of reference of the Nomination Committee include the following major duties:

- (1) to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually, assist the Board in maintaining a board skill matrix, and to make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- (2) to identify individuals suitably qualified to become members of the Board and to select or make recommendations to the Board on the selection of individuals nominated for directorships;
- (3) to assess the independence of each newly proposed Independent Non-executive Director and the existing Independent Non-executive Directors on an annual basis or as and when the Nomination Committee considers necessary;
- (4) to make recommendations to the Board on the proposed appointment, designation, election or re-election of Directors and succession planning for Directors, in particular the Chairman and the CEO;
- (5) to support the Company's regular evaluation of the Board's performance;
- (6) to assess, at least annually, each Director's time commitment to the Board, as well as the Director's ability to discharge their responsibilities effectively;
- (7) to make recommendations to the Board on any proposed removal of Directors;
- (8) to provide opinions on any proposed election or re-election of persons as Independent Non-executive Directors at general meetings of the Company and to provide reasons why they consider the nominated persons to be independent;
- (9) if a Director has been serving the Board as an Independent Non-executive Director for more than nine years and will make himself available for re-election at a general meeting of the Company, to consider if such Director remains independent and suitable to continue to act as an Independent Non-executive Director and to make recommendations to the Board accordingly;
- (10) to observe the terms of the Company's nomination policy and to make recommendations to the Board on the nomination policy; and
- (11) to review the implementation of the Company's board diversity policy at least annually.

The latest full version of the terms of reference of the Nomination Committee has been posted on the Company's corporate website.

Members, Meetings Held and Attendance

During the Financial Year, the Nomination Committee held one meeting. The members of the Nomination Committee during the Financial Year and up to the date of the Annual Report and the attendance of each of them at the meeting held during the Financial Year are as follows:

Member	Board capacity during committee membership	Meeting attended/ eligible to attend
KUOK Hui Kwong (<i>chairman</i>)	ED, Chairman & Group CEO	1/1
LI Kwok Cheung Arthur	INED	1/1
LI Xiaodong Forrest	INED	1/1
KHOO Shulamite N K	INED	1/1

The Nomination Committee comprises 2 female members (representing 50% of Nomination Committee members) and 2 male members (representing 50% of Nomination Committee members) which exceeds the requirements of HKSE to appoint at least one member of a different gender to the Nomination Committee.

During the Financial Year, the work performed by the Nomination Committee included:

- (i) For the purpose of re-election of the retiring Directors at the 2025 annual general meeting of the Company, the Nomination Committee:
 - assessed and confirmed the independence of all Independent Non-executive Directors;
 - evaluated and confirmed the performance and contribution of each of the retiring Directors who offered themselves for re-election; and
 - recommended to the Board to propose the re-election of each of the retiring Directors who offered themselves for re-election at the 2025 annual general meeting of the Company.
- (ii) The Nomination Committee has, on an annual and regular basis, assessed the Board's composition and the Directors' particulars against the parameters set out in the nomination policy (including board size, board diversity policy, skills/expertise/experience, Directors' performance review, time commitment) and recommended that the structure, size, implementation and effectiveness of diversity policy, and composition of the Board was satisfactory.
- (iii) In relation to proposed new Directors, the Nomination Committee assessed the record and personal particulars of candidates, considered the structure, size and composition of the Board and the Company's nomination policy and, after due consideration, recommended the appointment of Directors to the Board and Board committee(s) where appropriate.
- (iv) Reviewing matters relating to succession planning.

Nomination Policy

The terms of the nomination policy of the Company in effect during the Financial Year were as follows:

- (1) the total number of Directors (excluding their alternates) shall not exceed 20, with at least three Independent Non-executive Directors and at least one-third of the Board members being Independent Non-executive Directors;
- (2) the Board shall be composed of members with mixed skills and experience, with appropriate qualifications necessary to accomplish the Group's business development, strategies, operation, challenges and opportunities;
- (3) each new Director shall complement the existing Board composition to ensure that there is an appropriate mix of Directors with different abilities and experiences; shall have the required skills, knowledge and expertise to add value to the Board; and shall be able to commit the necessary time to the position;
- (4) each Independent Non-executive Director shall meet the mandatory qualification requirements as set out in the Listing Rules from time to time;
- (5) the Board shall observe the board diversity policy and shall, subject to merit and suitability, continue in its endeavours to introduce more diversity into the Board, including diversity of age, culture, gender, expertise, professional background and geographical experience;
- (6) the Board shall have the primary responsibility for identifying appropriate candidates to act as new members of the Board;
- (7) Shareholders may also propose candidates for election as a Director provided that the proposal follows the procedures posted on the Company's corporate website;
- (8) each proposed new appointment, election or re-election of a Director shall be evaluated, assessed and/or considered against the criteria and qualifications set out in the Company's nomination policy by the Nomination Committee which shall recommend its views to the Board and/or the Shareholders for consideration and determination; and
- (9) each removal of a Director shall also be considered by the Nomination Committee which shall recommend its views to the Board and/or the Shareholders for consideration and determination.

Board Diversity Policy

The Board recognises and believes in the value of diversity across the Group, both at employee level as well as at the board level, but always underpinned by meritocracy. At board level, the Board continues to bear in mind these aspirational values in considering the composition of the Board and, subject to merit and suitability, continues in its endeavours to introduce more diversity into the Board, including diversity of age, culture, gender, expertise, professional background, and geographical experience.

In respect of gender diversity, as at the end of the Financial Year, the Board comprises 2 female Directors (representing 25% of Board members) and 6 male Directors (representing 75% of Board members) which exceeds the requirements of HKSE to appoint at least one director of a different gender on the Board. Following the appointment of 2 male Directors in March 2026, the Board will comprise 2 female Directors (representing 20% of Board members) and 8 male Directors (representing 80% of Board members).

With delegation by the Board, the Nomination Committee has reviewed and is satisfied with the implementation and effectiveness of the Company's board diversity policy during the Financial Year.

REMUNERATION & HUMAN CAPITAL COMMITTEE

The Remuneration Committee was established by the Board on 17 October 1997 and was re-designated as the Remuneration & Human Capital Committee with effect from 28 May 2021. The Remuneration & Human Capital Committee is, amongst other things, delegated with responsibility to review, endorse and/or approve the remuneration of each Director and Senior Management in accordance with the Company's remuneration policy for Directors and Senior Management. The written terms of reference of the Remuneration & Human Capital Committee include the following major duties:

- (1) to make recommendations to the Board on the Company's policy and structures for the remuneration of all Directors and Senior Management and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (2) to determine with delegated responsibilities the remuneration packages of individual Executive Directors and Senior Management, including (but not limited to) salaries, any benefits in kind, bonuses, shared awards, long service awards, short and long term incentives, and compensation payments (including any compensation payable for loss or termination of their office or appointment to ensure it is consistent with contractual terms and is otherwise fair and not excessive), taking into consideration factors such as salaries paid by comparable companies, time commitment, responsibility levels and employment conditions elsewhere in the Group;
- (3) to make recommendations to the Board on the Directors' fees and the fees for members of each committee of the Board;
- (4) to review and approve the management's remuneration policies and proposals with reference to the Board's corporate goals and objectives;
- (5) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are reasonable and appropriate;
- (6) to advise on and review the development and implementation of the Company's human capital and resources strategy and policies relating (but not limited) to recruitment, retention, promotion, termination, training, talent development and building a pipeline of future leaders;
- (7) to review and recommend diversity policies and strategy to the Company to achieve an inclusive and diverse workforce as appropriate for the business strategy; and
- (8) to review and/or approve matters relating to share schemes under Chapter 17 of the Hong Kong Listing Rules.

The latest full version of the Remuneration & Human Capital Committee's terms of reference has been posted on the Company's corporate website.

Members, Meetings Held and Attendance

During the Financial Year, the Remuneration & Human Capital Committee held five meetings. The members of the Remuneration & Human Capital Committee during the Financial Year and up to the date of the Annual Report and the attendance of each of them at the meetings held during the Financial Year are as follows:

Member	Board capacity during committee membership	Meetings attended/eligible to attend
KHOO Shulamite N K (<i>chairman</i>)	INED	5/5
KUOK Hui Kwong	ED, Chairman & Group CEO	4/5
LI Kwok Cheung Arthur	INED	5/5
YAP Chee Keong	INED	5/5

During the Financial Year, the work performed by the Remuneration & Human Capital Committee included:

- (i) assessing the performance of the Executive Directors and Senior Management in the context of the financial and non-financial performance of the individuals and the Group and its development strategy in the medium to long term;
- (ii) approving the terms of remuneration and/or bonus of the Executive Directors and Senior Management (upon appointment or during the annual salary review), having considered the financial results of the Group, its growth plans, the competitive environment among relevant comparator companies for obtaining competent management talents, and the need to adequately reward outstanding performances;
- (iii) reviewing and, where appropriate, approving the remuneration arrangements in connection with termination (including any payments in lieu of notice, severance or statutory payments, and the treatment of incentive and share-based awards) to ensure fairness, consistency with contractual terms and applicable policies, and alignment with the Group's governance standards;
- (iv) considering and approving grants of share awards under the Company's 2025 Share Scheme to qualified participants, reviewing and endorsing matters relating to the Company's share scheme(s), including the (a) amendments of the 2012 Share Award Scheme and (b) adoption of the 2025 Share Scheme and recommending the same for Board's approval;
- (v) reviewing the Group's human capital initiatives, leadership development programmes and succession planning; and
- (vi) reviewing the Group's organisation structure.

Remuneration Policy for Executive Directors and Senior Management

The Remuneration & Human Capital Committee has the delegated responsibility to determine the remuneration packages of the individual Executive Directors and Senior Management.

The remuneration for the Executive Directors and Senior Management comprises salary, discretionary bonus, short-term and long-term incentives, and benefits such as medical and life insurance, pensions and/or housing, home leave air tickets and tax equalisation for expatriate Executive Directors and expatriate Senior Management if any.

Salaries are reviewed at least annually. Salary adjustments of Executive Directors and Senior Management are made where the Remuneration & Human Capital Committee considers them appropriate to reflect performance, contribution, scope of responsibilities, market positioning and/or by reference to market/sector benchmarks.

In addition to salary, Executive Directors and Senior Management are eligible to receive a discretionary bonus. The amount shall be reviewed and approved by the Remuneration & Human Capital Committee, taking into consideration market conditions as well as the Group, business and individual performances and risk outcomes where relevant.

In order to attract, retain and motivate executives and key employees serving any member of the Group, Executive Directors and Senior Management are also eligible to participate in the Company's share award scheme. The grant of share awards to Directors and/or Senior Management and the terms thereto are subject to approval by the Remuneration & Human Capital Committee in accordance with scheme rules.

Remuneration of Directors and Senior Management

The Non-executive Directors (including Independent Non-executive Directors) and the members of the Board committees (other than Executive Directors) were entitled to annual fees that were approved by Shareholders at the annual general meeting prior to payment. Such annual fees are determined with reference to the level of fees payable by listed companies in Hong Kong, Singapore or other relevant and comparable markets where applicable, and the respective level of responsibilities, skills, experience, time commitment and complexity of oversight required of the Non-executive Directors. The amount of annual fees for the Financial Year and the previous year are as follows:

Annual fee	Amount (HKD)		
	2025	2024	
As NED/INED	450,000	400,000	per year of directorship
As Nomination Committee chairman/member	100,000/75,000	100,000/75,000	per year of chairmanship/ membership
As Remuneration & Human Capital Committee chairman/member	200,000/90,000	200,000/90,000	per year of chairmanship/ membership
As Audit & Risk Committee chairman/member	335,000/200,000	335,000/200,000	per year of chairmanship/ membership

Details of the remuneration paid to each of the Directors for the Financial Year and the previous year are set out in Note 31 to the Financial Statements.

The remuneration (including bonus, allowances and other benefits) paid to Senior Management (which included certain Executive Directors) for the Financial Year are set out below (by band):

Range of remuneration (HKD)	Number of members of Senior Management
2,000,001 to 4,000,000	2
4,000,001 to 6,000,000	1
6,000,001 to 8,000,000	1
10,000,001 to 12,000,000	1
12,000,001 to 14,000,000	1
14,000,001 to 16,000,000	1
20,000,001 to 22,000,000	1
	8

Note:

- Three members of the Senior Management joined the Group during the Financial Year. The remuneration of these members are the actual amount received for the Financial Year.

Share Awards

The Company operates the 2012 Share Award Scheme and the 2025 Share Scheme to attract, retain and motivate Directors, Senior Management and other eligible participants. The Remuneration & Human Capital Committee approves grants and key award terms, including vesting conditions in accordance with the scheme rules. During the Financial Year, grants of Share Awards under the 2025 Share Scheme were time-vested and not subject to specific performance targets. The Remuneration & Human Capital Committee considers this approach to be market-competitive and aligned with the objectives of the 2025 Share Scheme, having regard to rewarding past contributions, retention through vesting periods, and alignment with long-term shareholder value creation.

Awards granted in 2025 will vest in three tranches. In general vesting will occur no earlier than 12 months from the grant date. The award granted on 12 December 2025 includes a first tranche vesting within 12 months, as permissible under the 2025 Share Scheme rules under the specific circumstances as set out therein. As the award granted on 12 December 2025 was a grant of “make-whole” share awards to a new joiner to replace awards forfeited when leaving their previous employer, the Remuneration & Human Capital Committee considers that the shorter vesting period for the first tranche serves to attract talent and the grant is therefore appropriate and aligned with the purpose of the 2025 Share Scheme and long-term shareholder value creation.

Awards granted in 2025 are subject to the scheme’s clawback provisions in specified circumstances – including (a) the grantee ceases to be an eligible participant by reason of the termination of his/her employment or contractual engagement for cause or he/she has otherwise been summarily dismissed; (b) the grantee has been convicted of a criminal offence involving his/her integrity or honesty; (c) there has been a material misstatement or omission in the Company’s financial statements; (d) in the opinion of the Scheme Administrator of the 2025 Share Scheme, a grantee has engaged in serious misconduct or breaches the terms of the scheme in any material respect; or (e) any circumstances where the Scheme Administrator considers that the conduct of the grantee has harmed the business or reputation of the Group, the Company or its subsidiaries.

Awards granted during the Financial Year will be satisfied by way of new share issuance within the scheme’s mandate limit under the 2025 Share Scheme.

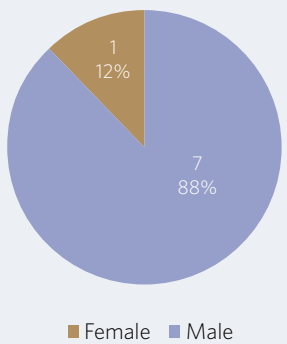
Further details of the Company’s share scheme(s) are set out in the “2012 Share Award Scheme” and “2025 Share Scheme” sections under the Directors’ Report.

Diversity and Inclusion in Workforce

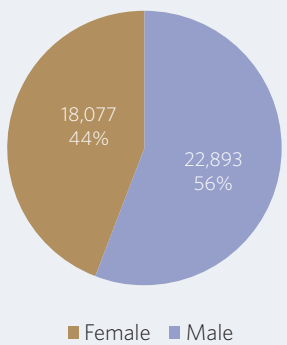
The Company strives to ensure that its workplaces are free from discrimination with respect to gender, race, ethnicity, age, religion, nationality, disability, marital or family status, sexual orientation, pregnancy or any other personal characteristics protected under applicable laws. In accordance with the Company's policy on Workplace Diversity, Equal Opportunity and Respect, employment decisions are made fairly and based on merit and all colleagues are expected to treat each other with courtesy, consideration, and respect. The Company is also committed to making reasonable accommodations in the workplace for religious observances and other legitimate needs.

The gender ratio of Senior Management and the workforce (including Senior Management) as at Year End are set out below and details of the Company's diversity metrics and initiatives across the workforce are disclosed in the Sustainability Report.

Gender ratio of Senior Management as at Year End



Gender ratio of the workforce (including Senior Management) as at Year End



AUDIT & RISK COMMITTEE

The Audit & Risk Committee was established by the Board on 25 August 1998. The Audit & Risk Committee shall, amongst other things, supervise the financial & compliance reporting, risk management and internal controls within the Group. The written terms of reference of the Audit & Risk Committee include the following major duties:

- (1) to exercise oversight on the Auditor's scope of work, approach and fees;
- (2) to make recommendations to the Board on the appointment, re-appointment and removal of the Auditor, to approve the remuneration and terms of engagement of the Auditor, and to consider any questions of its resignation or dismissal;
- (3) to review and monitor the Auditor's performance, independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;
- (4) to oversee, review and monitor the integrity of the Company's interim and annual financial statements, reports and accounts, and to review significant financial reporting judgements contained therein, before submission to the Board;
- (5) to review the Company's financial controls, risk management and internal control systems;
- (6) to discuss the risk management and internal control systems with management to ensure that management has performed its duty to have effective systems;
- (7) to consider major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and management's response to these findings;
- (8) to review the internal audit programme, to ensure co-ordination between the internal and the external auditors, and to review and monitor its effectiveness;
- (9) to review the Group's financial and accounting policies and practices;
- (10) to review whistleblowing policies or arrangements established for employees of and/or those who deal with the Group who may, in confidence, raise concerns about possible improprieties in financial reporting, internal controls or other matters;
- (11) to oversee, monitor and observe the Company's corporate governance matters; and
- (12) to oversee, monitor and observe the Company's ESG strategies, framework, policies, targets, standards and practices.

The latest full version of the terms of reference of the Audit & Risk Committee has been posted on the Company's corporate website.

The whistleblowing and whistleblower protection policy has also been posted on the Company's corporate website for external users' use.

Members, Meetings Held and Attendance

During the Financial Year, the Audit & Risk Committee held four meetings. The members of the Audit & Risk Committee during the Financial Year and up to the date of the Annual Report and the attendance of each of them at the meetings held during the Financial Year are as follows:

Member	Board capacity during committee membership	Meetings attended/eligible to attend
YAP Chee Keong (<i>chairman</i>)	INED	4/4
LI Kwok Cheung Arthur	INED	3/4
KHOO Shulamite N K	INED	4/4

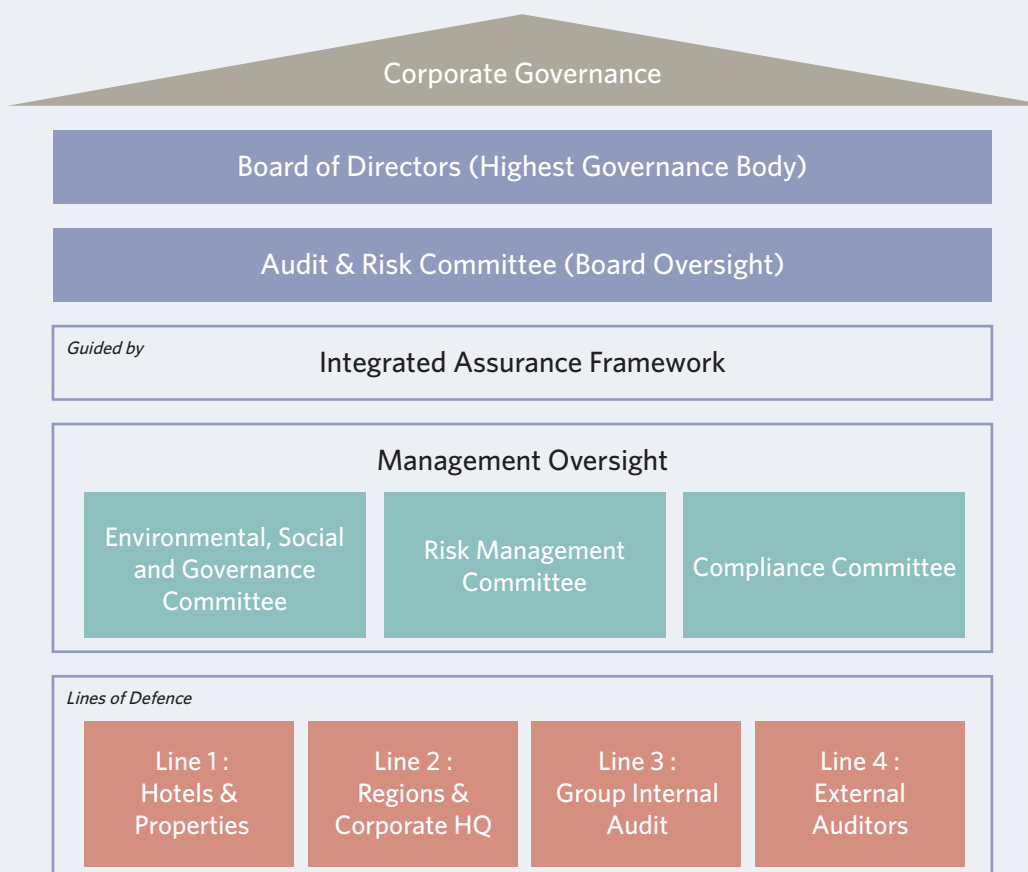
During the Financial Year, the work performed by the Audit & Risk Committee included:

- (i) reviewing the Group's financial controls, risk management and internal controls systems;
- (ii) overseeing and supervising the internal audit functions and programmes of the Group;
- (iii) reviewing the financial and accounting policies and practices of the Group;
- (iv) verifying and confirming the Auditor's independence and objectivity;
- (v) making recommendations on the remuneration payable to the Auditor for the Financial Year and the re-appointment of the Auditor;
- (vi) reviewing non-audit services from the Auditor to the Group;
- (vii) reviewing financial and audit issues with the Auditor;
- (viii) reviewing interim and annual financial statements, and ESG report for approval by the Board;
- (ix) reviewing the reports issued by the Group's internal audit and risk management teams and discussing the same with the Group's management;
- (x) reviewing significant legal matters and litigation cases of the Group;
- (xi) reviewing connected transactions and continuing connected transactions involving the Group; and
- (xii) overseeing the Company's corporate governance functions with reference to the Company's terms of reference for such corporate governance functions, including the review of the Company's policies and practices relating to corporate governance.

The Audit & Risk Committee was satisfied with its review for the Financial Year and concluded that no material issues were identified that needed to be brought to the particular attention of the Board or the Shareholders.

MANAGEMENT COMMITTEES

Management committees have been established to oversee the implementation of corporate governance in our daily operations. Our Group has three management committees: the Environmental, Social and Governance Committee, the Risk Management Committee, and the Compliance Committee. Each committee focuses on a crucial aspect of corporate governance and operates under its own charter or terms of reference. The conclusions reached by these committees are regularly reported to the Board through the Audit & Risk Committee, which aids the Board in assessing the effectiveness of the systems in place across each respective area of governance.



RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

Risk Management

A high standard of corporate governance is vital in safeguarding long-term shareholder value. The Board is committed to maintaining a sound and effective risk management and internal control system as the cornerstone for good corporate governance.

The Board has overall responsibility for, and oversees on an ongoing basis, risk management and the effectiveness of internal controls in the Group's business. The ARC assists the Board in overseeing the Group's audit and risk management processes and assessing the adequacy and effectiveness of the Group's risk management and internal control systems including the underlying framework and processes for identification and management of material risks.

The ARC reports to the Board on material matters, findings and recommendations pertaining to risk management. In addition, the ARC reviews the effectiveness of the Group's risk management and internal control and compliance systems on a quarterly basis in accordance with the risk appetite defined by the Board. The review covers all material controls, including financial, operational and compliance controls.

Management is responsible for the effective execution of the risk management strategy as endorsed by the Board, by implementing policies and processes to facilitate the achievement of business plans and goals. Management also ensures that key risks are proactively identified, addressed by taking appropriate actions and monitored on an ongoing basis. The Risk Management Committee, attended by executives from key functions, meets quarterly to review the Group's risk profile, to ensure risk mitigation plans are in place and appropriate, and to monitor their effectiveness.

Shangri-La's Integrated Assurance Framework ("IAF")

Since 2018, we have progressively implemented an integrated assurance framework to provide a more holistic and robust basis of assurance on the adequacy and effectiveness of our risk management and internal control systems. The risk management framework adopted by the Group takes reference from the International Organisation for Standardisation (ISO) 31000 Risk Management, the COSO ERM - Integrated Framework, and is benchmarked against other relevant best practices and guidelines. The framework identifies risks from two perspectives: a top-down view on our strategic and group-wide risks, and a bottom-up approach to recognise and aggregate risks at each region, property and business unit.

A 5-step approach is embedded within the IAF to establish a structured risk management process throughout the organisation. It is important to note that the IAF is designed to manage rather than eliminate all potential risks of failure in achieving business objectives, and is aimed at providing reasonable, instead of absolute, assurance against material risks.

1. Risk Identification

- Identify risks that may hinder the achievement of business objectives

2. Risk Assessment / Prioritisation

- Analyse and prioritise risks based on their likelihood of occurrence and potential consequences

3. Risk Treatments

- Consider and determine risk treatments including:
 - Mitigation (Internal controls)
 - Transfer (Insurance)
 - Acceptance (Do nothing)
 - Avoidance (Terminate)

4. Monitoring

- Perform assurance activities including:
 - Management self-assessments
 - Audits conducted by Group Internal Audit

5. Reporting

- Report and review trends and residual risks through analysis of management reports, incident reporting and IAF dashboards



Adopting the key concept of IAF, the Group has structured its risk management governance into four lines of defence with the following roles and responsibilities in general:

- The first line of defence is where the hotels and properties are empowered to manage day-to-day operational risks of their businesses. Hotel and property general managers, together with their executive committees, are collectively responsible to regional leaders in the management of risks at the local level and the compliance with Group-wide policies and procedures. They are required to report to their respective regional headquarters and corporate headquarters on material changes in risk exposure and deviations from existing controls, if any, on an ongoing basis.
- The second line of defence comprises the regional and corporate headquarters divisions and functions. Their primary responsibility is to formulate policies and procedures which are in line with the Group's strategy. Corporate headquarters divisions ensure the standardisation and consistency of policies and procedures and the effective monitoring of their compliance across the regions, hotels and properties. Regional headquarters assist corporate headquarters in ensuring that hotels and properties implement and comply with the Group's global strategies, policies, programmes and initiatives. The respective heads of corporate functions are appointed as risk owners of the Group's key risks. These risk owners are responsible for ensuring that the key risks identified by the Group are being managed and monitored effectively.
- The third line of defence is formed by the Group's internal audit department ("**GIA Department**"). The GIA Department carries out independent integrated audits and reports the results to the ARC. The GIA Department is responsible for assessing the robustness of the controls maintained by the first and second lines of defence, as well as making recommendations to Senior Management and the ARC to improve the overall effectiveness of internal controls. In addition, the GIA Department also administers the enterprise risk management function by facilitating the progressive implementation of the IAF and the 5-step risk management methodology across the Group.
- The fourth line of defence is the Group's external auditors. The Group's external auditor reports the results of the statutory audit and provides an independent view on the status of the internal controls of the Group to the ARC. From time to time, external professionals are engaged to perform system penetration tests, food safety audits, and other assurance and advisory services.
- Beyond the four lines of defence, the Board remains ultimately responsible for the adequacy and effectiveness of risk management and internal control systems. The Board, through the ARC provides guidance to management to define the risk appetite and tolerance of the Group and to ensure that the Group's risk management and internal controls are aligned with its strategy. The Board considers the work, findings and advice of the ARC in forming its own view on the effectiveness of the respective systems. The ARC members report to the Board of Directors in the quarterly Board meetings.
- The CFO has also been appointed as the Company's chief risk officer. In that role, he oversees the risk management and governance process, reviews regularly the risk profile of the Group and ensures that all risks faced by the Company are properly identified.

Policies and Guidelines

Throughout 2025, key corporate policies, manuals, procedural guidelines and delegation of authority have been periodically reviewed to ensure the relevance, adequacy and effectiveness of controls deployed throughout the Group, including our Headquarters, regional offices, hotels and properties that are owned and/or managed. These policies and guidelines are communicated to relevant parties via electronic circulars and are accessible via the Group's Intranet. In addition, the respective HQ divisions and functions conduct periodic audits to ensure compliance at the regional and hotel levels. Audit findings and best practices identified are shared as lessons learnt and for performance management.

Code of Conduct and Ethics

- The Group maintains a Code of Conduct and Ethics ("**Code**") which underpins the values and principles in which the Company conducts its business. The Code sets high standards of integrity and ethical behaviour required of all officers, employees and directors of the Group, its subsidiaries, business units and controlled affiliates, as well as employees of properties managed by the Group. Key areas covered by the Code include Protection of Group Assets, Conflict of Interest, Preventing Bribery and Corruption, Privacy and Data Protection, etc. All employees have been provided with a copy of the Code during onboarding and are required to confirm compliance with the Code. A cross-departmental review of the Code was conducted in 2024 to update its contents based on changes in law and regulations, as well as the latest best practices for responsible governance. The new Code was endorsed by the Board and took effect from 31 December 2024. Relevant communications and training on the updates were conducted in 2025.
- In particular, the section "Protecting Confidential Information" requires that employees maintain and protect the confidentiality of all non-public information relating to the Group's affairs ("**Confidential Information**"). Employees must not disclose Confidential Information to outside parties unless authorised to do so by the Group or unless such disclosure is required by law. Employees should not use Confidential Information for any purpose other than work-related matters. Employees must at all times take reasonable precautions to safeguard inadvertent disclosure of Confidential Information.
- The Compliance Committee, chaired by CFO, oversees the implementation of the Group's Code of Conduct & Ethics and other relevant policies. Members of the Committee include senior management and leadership of related functions. The Committee meets on a monthly basis covering potential compliance matters related to four workstreams – whistleblowing, grievances, fraud and litigation. These workstreams have been set up to handle compliance cases based on their nature. Material matters arising are reported regularly to the ARC.

Handling and Dissemination of Inside Information

In addition to the aforementioned "Protecting Confidential Information" section in the Code of Conduct and Ethics, the Group has standard procedures to handle the reporting of financial and operating performance to its shareholders, the issuing of public announcements and addressing the inquiries of its Shareholders and investors. These procedures are detailed under the heading "Shareholder and Investor Communications" in this report.

Moreover, Directors and relevant executives of the Group are required to observe the Securities Principles. The Board has adopted a Directors Handbook which contains key responsibilities and legal obligations under the Listing Rules and the SFO. Directors are reminded to take reasonable measures to ensure that proper safeguards exist to prevent any breach of applicable rules.

Whistleblowing Policy

The Whistleblowing Policy is administered by the GIA Department. The Group has posted on the Group's corporate website a Whistleblowing and Whistleblower Protection Policy which aims to:

- encourage business associates and employees to report suspected wrongdoings as soon as possible with the confidence that their concerns will be taken seriously and investigated as appropriate, and that their confidentiality will be respected;
- provide avenues for business associates and employees to raise concerns and define a way to handle these concerns;
- enable the Group's management to be informed at an early stage about alleged acts of misconduct;
- reassure business associates and employees that they can raise genuine concerns in good faith without fear of reprisals, even if they turn out to be mistaken;
- help develop a culture of openness, accountability and integrity;
- ensure all cases reported through the whistleblowing channel will be properly documented. The documentation includes results of the initial assessment, details and procedures of the investigation undertaken (if any) and the conclusion as well as the final actions taken; and
- ensure all cases reported through the whistleblowing channel will be forwarded to the Chief Auditor who is also the Head of the GIA Department for investigation. A working committee comprising CFO/CIO, COO, Regional CEOs, CHRO, General Counsel and the Chief Auditor will review the investigation process and outcome. The working committee will provide a quarterly summary of all these cases and their investigation results to the ARC.

Key Risks & Focus Areas

The key risks of the Group are monitored and reviewed on an ongoing basis. As we progressed into the post-pandemic era, we recognised the importance of aligning our risk profiles with the latest business landscape and to complement our strategic business needs. Since 2023, a series of workshops has been conducted for our hotel, regional, and headquarters senior management. The participants engaged in refresher training on IAF methodology and its application, followed by a collaborative risk assessment and prioritisation exercise to update the Group and Regional risk profiles. Our risk registers were revised last year to include more ESG-related risks, particularly in relation to issues such as climate change and diversity and inclusion. In 2025, we have also implemented the Management Controls Assessment in phases to evaluate the effectiveness of internal controls. To proactively manage risks, we utilise Key Risk Indicators ("**KRIs**") across various areas of our operations. The KRIs serve as early warning signals, enabling us to take prompt action to mitigate potential risks.

The following have been identified as key risks for the Group in its latest risk profile:

Risk Category	Risk Title	Risk Description
Strategic	Investment & Asset Management*	Inappropriate management decisions over Investments (including enhancements) and divestments.
Technological	Cybersecurity*	Risk of unauthorised access, data breaches, or cyberattacks on the Group's (including hotels') information systems, network and data compromising operations and/or breaches data privacy laws.
Financial	Taxation	Adverse financial impact resulting from increased tax expenses due to changes in tax laws, and penalties from tax authorities due to non-compliance.
Operational	Food Safety*	Occurrence of food safety incidents resulting in health hazards due to reasons including but not limited to inappropriate preparation, storage and handling processes of food items, procurement of raw materials or maintenance of food processing equipment.
	Brand & Reputation	Risk of inaccurate or inappropriate information dissemination about the brand; untimely or improper response to negative publicity through various traditional and social media platforms.
	Fraud & Corruption*	Fraudulent or corruptive behaviour of employees, performed either individually or in collusion, with the intent to deceive and obtain unauthorised benefits.
	Health & Safety*	Inadequate implementation of health and safety measures to protect guests, staff and service providers within Shangri-La properties and construction sites from injuries or harm.
	Construction Projects	Events or circumstances that can negatively impact a construction project's outcomes, objectives, schedule, budget and quality.
	Procurement & Suppliers*	Risk of improper procurement processes and procedures, and sourcing from unreliable, unresponsive, low-quality, and/or unethical vendors.
	Human Capital*	Risk of failure to attract, develop and retain the right talent to support the delivery of Shangri-La's strategic priorities and/or operational objectives, and risk of failure to provide appropriate HR support to employee.
External	Adverse External Events*	Business disruption arising from force majeure events (e.g. natural disasters, disease outbreak).
	Macroeconomics	Reduced consumer spending during economic slowdowns or recessions hampers the ability to maintain growth and financial sustainability.

* Includes material ESG and climate-related topics in the sustainability framework

Group Internal Audit

GIA Department enhances and protects organisational value through the provision of independent, objective assurance on the adequacy and effectiveness of the internal control systems throughout the Group.

GIA Department performs reviews of key operational and financial systems on a continuous basis and aims to cover all major hotels and properties within every division on a rotational basis. This is documented in the annual audit plan which is approved by the ARC. The Chief Auditor reports functionally to the ARC and periodically communicates the scope of work performed and its results to the ARC.

Board Confirmation on the Effectiveness of Risk Management and Internal Control Systems

Internal controls, which are documented in policies and procedures, are designed to identify and manage risks that the Group may be exposed to, thereby providing reasonable assurance regarding the achievement of corporate objectives. Internal financial systems also allow the Board to monitor the Group's overall financial position, to protect the Group's assets and to mitigate against material financial misstatement or loss. The Board acknowledges its responsibility for the Company's risk management and internal control systems. Through the ARC, the Board has conducted reviews of the effectiveness of the systems of internal control of the Group. The reviews cover all material controls, including financial, operational and compliance controls and risk management functions.

The ARC has received management's annual confirmation that the Company's risk management and internal control systems are effective and adequate for the Financial Year. The annual review conducted by the ARC has not identified any significant control failings or weaknesses, and it concurred with the management's confirmation, for the purposes set out in Principle D2 of the Corporate Governance Code.

The ARC has also reviewed the adequacy of resources, staff qualifications and experience of the Company's accounting, internal audit and financial reporting functions. Based on the duties performed by the ARC and its recommendation, the Board confirmed that for the Financial Year the Company's risk management and internal control systems were appropriate, effective and adequate for the purposes set out in Principle D2 of the CG Code; and the Group's processes for financial reporting and its compliance with the Listing Rules were effective.

EXTERNAL AUDITORS

The Company's Auditor is PricewaterhouseCoopers, Hong Kong.

For the Financial Year, the external auditors (including their other member firms) that provided audit and non-audit services to the Group are as follows:

Services	Fees charged (USD'000)
PricewaterhouseCoopers	
Audit services (including interim review)	1,781
Non-audit services	
(a) tax services	272
(b) other advisory services	122
Total	2,175
Other auditors	
Audit services	807
Non-audit services	
(a) tax services	169
(b) other advisory services	162
Total	1,138

Auditor

The Financial Statements have been audited by PricewaterhouseCoopers who will retire and, being eligible, offer themselves for re-appointment as the Auditor at the Annual General Meeting.

Responsibility for Financial Statements

The Directors acknowledge their responsibility for the preparation of the Financial Statements. In preparing the Financial Statements, the generally accepted accounting standards in Hong Kong have been adopted, appropriate accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made.

The Board is not aware of any material uncertainties relating to events or conditions that may cast significant doubt over the Group's ability to continue as a going concern. Accordingly, the Board has continued to adopt the going concern basis in preparing the Financial Statements.

The statement of the Auditor in regard to its reporting responsibilities on the Financial Statements is set out in the section entitled "Independent Auditor's Report" in the Annual Report.

GENERAL MEETINGS

During the Financial Year, the following general meeting of Shareholders was held:

- annual general meeting held on 12 June 2025 at 10:30 am in Hong Kong

All proposed Shareholders' resolutions put to the above general meeting were resolved by poll vote and were duly passed. The vote tally of each such resolution was set out in the Company's announcement released on the day of the general meeting.

The Auditor attended the general meeting. The attendance of the members of the Board and/or each Board committee at the general meeting held during the Financial Year is as follows:

Attended in the capacity of a member of					
Meeting date: 12 June 2025	Board	Designation on meeting date	Nomination Committee	Remuneration & Human Capital Committee	Audit & Risk Committee
KUOK Hui Kwong	✓	ED & Chairman	✓ (chairman)	✓	
CHUA Chee Wui	✓	ED, Group CFO & Group CIO			
LIM Beng Chee	✓	NED			
LI Kwok Cheung Arthur	✓	INED	✓	✓	✓
YAP Chee Keong	✓	INED		✓	✓ (chairman)
LI Xiaodong Forrest	✓	INED	✓		
ZHUANG Chenchao	✗	INED			
KHOO Shulamite N K	✓	INED	✓	✓ (chairman)	✓
Total attendance	7/8		4/4	4/4	3/3

GENERAL MANDATES GRANTED TO DIRECTORS

New Issue Mandate

At the Company's annual general meeting in 2025, Shareholders granted to the Directors a general mandate to issue new Shares (subject to the requirements of the Listing Rules) representing not more than 20% of the issued Shares (excluding any treasury shares) as at the date of the annual general meeting.

Up to the date of the Annual Report, the general mandate has not been exercised. The general mandate will expire not later than the conclusion of the Annual General Meeting.

The approval of a similar and refreshed general mandate will be sought from Shareholders at the Annual General Meeting. Details of the mandate have been set out in the notice convening the Annual General Meeting which is issued simultaneously with the Annual Report.

Share Repurchase Mandate

At the Company's annual general meeting in 2025, Shareholders granted to the Directors a general mandate to repurchase Shares (subject to the requirements of the Listing Rules) representing not more than 10% of the issued Shares (excluding any treasury shares) as at the date of the annual general meeting.

Up to the date of the Annual Report, the general mandate has not been exercised. The general mandate will expire not later than the conclusion of the Annual General Meeting.

The approval of a similar and refreshed general mandate will be sought from Shareholders at the Annual General Meeting. Details of the mandate have been set out in the notice convening the Annual General Meeting and a separate circular of the Company, both of which are issued simultaneously with the Annual Report.

Repurchase, Sale or Redemption of the Company's Listed Securities

During the Financial Year, save for the purchase of shares in the Company for the purpose of the Company's share award scheme as disclosed in Note 18 to the Financial Statements, neither the Company nor any of its subsidiaries repurchased, sold or redeemed any of the listed securities of the Company (including any sale or transfer of treasury shares).

During the Financial Year and as at the date of the Annual Report, the Company does not have any treasury shares (including any treasury shares held or deposited with CCASS).

DIVIDEND POLICY

The Company's dividend policy is aimed at providing sustainable returns to Shareholders over time and should be based on the profits of the Group that were not affected by exceptional items (ie, based on operating/recurring profits). Given the capital expenditure requirements to support the Group's expansion plans, the Board was of the view that 50% to 55% of operating/recurring profits could be a general yet non-mandatory yardstick/benchmark for the Board's consideration as payment of dividends to Shareholders.

Having considered the aforesaid factors, the total dividend of HK15 cents (2024: HK15 cents) proposed by the Company for the Financial Year represents 56% (2024: 59%) of the annual operating/recurring profits. This is in line with the dividend policy of the Company and there is no material variation in the dividend rate compared to that for the previous corresponding period.

The Board reviews the Company's dividend policy regularly to ensure that the policy is in line with market practice and is appropriate considering the Group's ongoing development plans.

INVESTOR RELATIONS

Shareholders' Right to Propose a Person for Election as a Director

Shareholders have the right to propose a person for election as a Director at the Company's general meeting. Detailed procedures for this right have been posted on the Company's corporate website under the heading "Procedures for Shareholders to Propose a Person for Election as a Director" in the corporate governance section.

Shareholders' Right to Request to Convene a General Meeting

Shareholders also have the right to request the Board to convene a general meeting of the Company. Detailed procedures for this right have been posted on the Company's corporate website under the heading "Procedures for Shareholders' Requests to Convene a General Meeting" ("**Procedures to Convene General Meeting**") in the corporate governance section. The major terms of the Procedures to Convene General Meeting are summarised as follows:

- (1) Holder(s) of Shares who are registered in the Company's registers of members as registered Shareholder(s) ("**Requisitionist(s)**") may submit a written request ("**Requisition**") to convene a special general meeting provided that the Requisitionist(s) is/are holding not less than one-tenth of the paid-up capital of the Company as at the date of the request.
- (2) The Requisition must:
 - (a) state the purpose(s) of the special general meeting, including any resolutions proposed to be passed at such meeting and, where appropriate, be accompanied by all necessary materials and information for the purposes of the subject matter of the special general meeting;
 - (b) state the full name of each Requisitionist;
 - (c) state the number of the Shares held by each Requisitionist as at the date of the Requisition;
 - (d) state the valid contact details of each Requisitionist, including phone number and email address;
 - (e) be signed by each Requisitionist;
 - (f) be accompanied with a sum reasonably sufficient to meet the Company's expenses in giving any notice or statement to Shareholders; and
 - (g) be delivered to the Company at its registered office in Bermuda as well as its principal place of business in Hong Kong and shall be addressed to the attention of the Company's company secretary.
- (3) If the Board receives a due Requisition:
 - (a) the Board shall convene a special general meeting within 21 calendar days immediately after the Requisition is duly lodged with the Company in accordance with the Procedures to Convene General Meeting; and
 - (b) the Board shall simultaneously issue notice and information of the special general meeting (specifying the place, date and hour of the meeting and the general nature of the business to be considered) to all Shareholders subject to and in accordance with the Bye-Laws, the Listing Rules and the Bermuda Companies Act to convene the meeting which shall be held at least 14 clear calendar days (excluding the day of notice and the day it is deemed to have been served as well as the day of the meeting) after the notice.

- (4) If the Board fails to convene a special general meeting in accordance with (3)(a) hereinabove, the Requisitionist(s) or any of them may convene a special general meeting on the subject matter of the Requisition provided that:
- (a) the aggregate voting rights of the Shares registered in the name of such Requisitionist(s) convening the special general meeting represent more than one half of the total voting rights of the Shares registered in the name of all the Requisitionist(s); and
 - (b) such Requisitionist(s) shall issue proper notice of the special general meeting to all Shareholders in a similar manner to that set out in (3)(b) hereinabove to convene a special general meeting, and such meeting shall be held within three calendar months immediately after the Requisition is duly lodged with the Company in accordance with the Procedures to Convene General Meeting.
- (5) The Board shall have the absolute right to request the Requisitionist(s) to provide further materials or information in relation to the Requisition that the Board considers necessary to facilitate the convening, if appropriate, of the special general meeting as requested. The Requisitionist(s) shall provide such further materials and information that the Company may request in a timely fashion. The Board may reject a Requisition that does not fulfil any conditions as set out in the Procedures to Convene General Meeting, or if a special general meeting is, in the Board's reasonable and absolute discretion, not appropriately requested to be convened, and the Board shall inform the Requisitionists within 21 calendar days thereof that the request under the Requisition will not be progressed.

Shareholder and Investor Communications

The Company recognises the importance of upholding and maintaining transparency of information for the Shareholders and the investor community and is committed to enhancing long-term shareholder value through regular communication and meaningful engagement with the Shareholders. The Company maintains a shareholder communication policy which sets out (a) the framework in place to ensure that Shareholders are provided with ready, equal and timely access to balanced and comprehensible information, and (b) the communication channels available for Shareholders to express views and engage actively with the Board. The policy has been posted on the Company's corporate website.

During the Financial Year, the Company reported on its financial and operating performance to Shareholders through interim and annual reports and also published a sustainability report. The 2025 annual general meeting was held on 12 June 2025 and served as a primary forum for Shareholders to communicate with the Board and for the Board to solicit and understand the views of Shareholders. Directors and Senior Management were available at the meeting to answer questions from Shareholders relating to the affairs and operations of the Group.

In addition, timely analyst briefings, including group meetings and one-on-one meetings and group business updates, were held subsequent to the interim and the final results announcements at which appropriate Executive Directors, members of Senior Management and the investor relations officer were available to answer queries on the Group's results and business update. Materials presented by the Company in the form of presentation slides at such briefings were made available on the Company's corporate website. The Company also issued press releases on news and business initiatives considered to be of interest to Shareholders and the investor community and copies were made available on the Company's corporate website.

The Company makes available a wide range of information in relation to the Group to the Shareholders and the investor community via the Company's corporate website, including:

- (1) interim and final results presentation materials;
- (2) periodic business updates presentation materials;
- (3) press releases;
- (4) corporate governance policies;
- (5) sustainability reports and other community and social impact reporting; and
- (6) enquiry channels through which Shareholders can connect with the Company.

The Company has appointed a senior investor relations officer as the primary contact for Shareholders and investors. Shareholders and investors can, at any time, direct questions and provide comments to the Board or Senior Management through the Company's investor relations officer. Shareholders can direct any questions and comments by post to Investor Relations Department, Shangri-La Asia Limited, at 28/F Kerry Centre, 683 King's Road, Quarry Bay, Hong Kong SAR or by email to admin.ir@shangri-la.com. The investor relations officer reports to Senior Management and also has access to the Board.

The Board is therefore of the view that the implementation and effectiveness of the shareholders communication policy during the Financial Year was satisfactory.

Key Dates for Shareholders in 2026

The key dates are set out in the section entitled "Corporate Information" in the Annual Report.

Constitutional Documents

There was no change in the Company's constitutional documents during the Financial Year.

PUBLIC FLOAT

Based on the information recorded in the registers required to be kept by the Company under Sections 336 and 352 of the SFO or otherwise notified to the Company and within the knowledge of the Directors:

- (1) as at Year End, the public float of the Shares made up approximately 47.07% of total issued Shares or a capitalisation of approximately HKD8.02 billion based on the closing price of the Shares as at Year End; and
- (2) a sufficient public float of the Shares as required by the Listing Rules has been maintained during the Financial Year and the period thereafter up to the date of the Annual Report.

INDEPENDENT AUDITOR'S REPORT



羅兵咸永道

To the Shareholders of Shangri-La Asia Limited
(incorporated in Bermuda with limited liability)

OPINION

What we have audited

The consolidated financial statements of Shangri-La Asia Limited (the **"Company"**) and its subsidiaries (the **"Group"**), which are set out on pages 118 to 223, comprise:

- the consolidated statement of financial position as at 31 December 2025;
- the consolidated statement of profit or loss 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 consolidated financial statements, comprising material accounting policy information and other explanatory information.

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 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (**"HKICPA"**) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (**"HKSAs"**) as issued by the HKICPA. 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 HKICPA's Code of Ethics for Professional Accountants (the **"Code"**), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code.

INDEPENDENT AUDITOR'S REPORT

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 matters identified in our audit are summarised as follows:

- Impairment assessment of hotel properties
- Valuation of investment properties

Key Audit Matter

How our audit addressed the Key Audit Matter

Impairment assessment of hotel properties

Refer to Note 2.9 (Summary of material accounting policies), Note 4(a) (Critical accounting estimates and assumptions), Note 7 (Property, plant and equipment), Note 9 (Leases), and Note 28 (Expenses by nature) to the consolidated financial statements.

The Group invests in a number of hotel properties around the world. The carrying values of these hotel properties include land and buildings and furniture, fixtures and equipment as at 31 December 2025.

Management considers each hotel as a separate cash-generating unit ("CGU") and has carried out assessments of the macro economic environment, each hotels' financial performances and their status as of the reporting date to identify whether there are indicators for impairment. If impairment indicators exist, management conducted an impairment assessment by estimating the recoverable amounts of the relevant CGU, using the higher of value-in-use ("VIU") calculation and fair value less costs of disposal ("FVLCD").

Our audit procedures in relation to management's impairment assessments included:

- understood management's controls and processes for assessment on impairment indicators of hotels and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and other inherent risk factors;
- tested management's assessment, on a sample basis, as to which the relevant CGU has indicators of impairment by:
 - engaging in discussions with management regarding the methods used in the assessment of impairment indicators, including consideration of both external and internal sources of information;
 - on a sample basis, testing the input data used by management in the assessment of impairment indicators, considering of the current operating status of the hotels and prevailing conditions; and
 - comparing historical budgets to actual results.

Key Audit Matter

Impairment assessment of hotel properties (continued)

We focused on this area because the identification of impairment indicators and estimation of recoverable amounts of the relevant hotel properties are subject to high degree of estimation uncertainty which requires critical management judgements and estimations.

How our audit addressed the Key Audit Matter

- for those CGUs with impairment indicators, reviewed management's VIU and FVLCD analyses, on a sample basis, by:
 - reading the valuation reports and meeting with the independent valuers to discuss the valuation methodologies and key assumptions, if applicable;
 - involving our in-house valuation experts and assessing the valuation methodologies and the reasonableness of the key assumptions used in the valuation reports, if any; and
 - evaluating management's future cash flow forecasts and the processes by which they were drawn up, including assessment of the revenue growth rate assumptions applied in the forecasts, testing the underlying calculations, and comparing them to the latest Board approved budgets, the actual results of the prior period and our understanding of the overall market condition.
- assessed the adequacy of the disclosures related to the impairment assessment of hotels in the context of HKFRS Accounting Standards disclosure requirements.

Based on our work and the evidence obtained, we found the significant judgements and estimates applied by management in the impairment assessment of hotel properties were supportable by evidence obtained and procedures performed.

INDEPENDENT AUDITOR'S REPORT

Key Audit Matter

Valuation of investment properties

Refer to Note 2.6 (Summary of material accounting policies), Note 4(b) (Critical accounting estimates and assumptions), Note 8 (Investment properties) and Note 12 (Interest in associates and amounts due from associates) to the consolidated financial statements.

The Group holds equity interests in a number of investment properties around the world and all of them are completed properties. The fair values of investment properties as at 31 December 2025 were supported by the property valuations carried out by independent firms of professional valuers engaged by the Group or the relevant associates. For completed properties, the valuation methods were based on the income approach and direct comparison approach, which required judgement and estimates on open market rents, capitalisation rates, discount rates and occupancy rates.

The existence of significant judgement and estimates in the property valuations warrant specific audit attention to this area.

How our audit addressed the Key Audit Matter

Our audit procedures in relation to valuation of investment properties held by the Group's subsidiaries and associates included:

- understood management's controls and processes for determining the valuation of investment properties and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and other inherent risk factors;
- evaluated the independent professional valuers' competence, capabilities and objectivity;
- involved our in-house valuation experts and assessing the valuation methodologies and the reasonableness of the key assumptions used in the valuation reports, on a sample basis;
- considered the appropriateness and consistency of methodologies used in the property valuations based on our knowledge of the industry and market practice;
- assessed the reasonableness of the key assumptions adopted in the property valuations, on a sample basis, by comparing them to recent lettings of the Group's investment properties, actual occupancy rates achieved, recent market transactions;
- checked, on a sample basis, the accuracy and relevance of the valuation input data on existing leases by agreeing the rental income and lease terms to the signed lease agreements; and
- assessed the adequacy of the disclosures related to the valuation of investment properties in the context of HKFRS Accounting Standards disclosure requirements.

Based on our work and the evidence obtained, we found the methodologies used and key assumptions adopted in the valuation of investment properties were supportable by evidence obtained and procedures performed.

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 & RISK COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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 HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, 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 & Risk Committee is responsible 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. We report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs 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.

INDEPENDENT AUDITOR'S REPORT

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 a 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 purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit & Risk 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 & Risk 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 & Risk 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.

The engagement partner on the audit resulting in this independent auditor's report is CHO, Kin Lun (practising certificate number: P05514).

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 26 March 2026

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December	
		2025	2024
	Note	USD'000	USD'000
ASSETS			
Non-current assets			
Property, plant and equipment	7	3,788,656	3,768,173
Investment properties	8	1,827,112	1,784,273
Right-of-use assets	9	1,180,894	1,004,424
Intangible assets	10	102,367	103,132
Interest in associates	12	4,545,301	4,280,314
Deferred income tax assets	25	62,477	73,331
Financial assets at fair value through other comprehensive income	13	2,412	2,101
Financial assets at fair value through profit or loss	13	10,233	10,787
Derivative financial instruments	23	2,092	25,102
Other receivables	14	9,734	11,482
		11,531,278	11,063,119
Current assets			
Inventories		27,847	29,271
Properties for sale	16	49,012	52,577
Accounts receivable, prepayments and deposits	15	202,303	226,737
Amounts due from associates	12	56,908	160,157
Derivative financial instruments	23	15,251	24,658
Financial assets at fair value through profit or loss	13	13,748	10,948
Bank deposits with original maturities over 3 months	17	288,953	113,916
Cash and cash equivalents	17	2,241,234	1,817,076
		2,895,256	2,435,340
Total assets		14,426,534	13,498,459
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital and premium	18	3,201,995	3,201,995
Shares held for share award scheme	18	(10,180)	(13,595)
Other reserves	20	366,765	279,984
Retained earnings		1,765,849	1,715,142
		5,324,429	5,183,526
Non-controlling interests	24	275,666	253,644
Total equity		5,600,095	5,437,170

		As at 31 December	
		2025	2024
		USD'000	USD'000
	Note		
LIABILITIES			
<i>Non-current liabilities</i>			
Bank loans	21	4,508,410	4,708,500
Fixed rate bonds	22	1,683,047	771,291
Derivative financial instruments	23	10,721	21,100
Long-term lease liabilities	9	689,044	506,059
Loan from a non-controlling shareholder	24	38,452	38,452
Deferred income tax liabilities	25	337,164	321,297
		7,266,838	6,366,699
<i>Current liabilities</i>			
Accounts payable and accruals	26	605,840	599,329
Contract liabilities	27	120,160	107,407
Short-term lease liabilities	9	64,207	42,777
Amounts due to non-controlling shareholders	24	53,337	51,416
Current income tax liabilities		22,448	19,087
Bank loans	21	664,682	232,148
Fixed rate bonds	22	–	640,324
Derivative financial instruments	23	28,927	2,102
		1,559,601	1,694,590
Total liabilities		8,826,439	8,061,289
Total equity and liabilities		14,426,534	13,498,459

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

The financial statements on pages 118 to 223 were approved by the Board of Directors on 26 March 2026 and were signed on its behalf:

KUOK Hui Kwong
Director

CHUA Chee Wui
Director

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	Year ended 31 December	
		2025 USD'000	2024 USD'000
Revenue	5	2,234,072	2,185,356
Cost of sales	28	(988,888)	(968,538)
Gross profit		1,245,184	1,216,818
Other gains – net	29	99,183	47,328
Marketing costs	28	(88,713)	(86,896)
Administrative expenses	28	(308,089)	(283,121)
Other operating expenses	28	(612,683)	(659,238)
Operating profit		334,882	234,891
Finance costs – net			
– Interest expense	32	(308,906)	(309,961)
– Foreign exchange (losses)/gains	32	(10,149)	23,746
Share of profit of associates	33	208,359	309,658
Profit before income tax		224,186	258,334
Income tax expense	34	(89,672)	(75,408)
Profit for the year		134,514	182,926
Profit attributable to:			
Owners of the Company		112,293	161,387
Non-controlling interests		22,221	21,539
		134,514	182,926
Earnings per share for profit attributable to owners of the Company during the year (expressed in US cents per share)			
– basic	35	3.16	4.54
– diluted	35	3.13	4.50

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company					Non-controlling interests USD'000	Total equity USD'000
	Share capital and premium	Shares held for share award scheme	Other reserves	Retained earnings	Total		
	USD'000	USD'000	USD'000	USD'000	USD'000		
	(Note 18)	(Note 18)	(Note 20)				
At 1 January 2025	3,201,995	(13,595)	279,984	1,715,142	5,183,526	253,644	5,437,170
Remeasurements of post-employment benefit obligations	-	-	-	(207)	(207)	(36)	(243)
Effect of hyperinflation	-	-	-	6,209	6,209	-	6,209
Fair value changes of interest rate swap and cross-currency swap contracts - hedging	-	-	(34,202)	-	(34,202)	-	(34,202)
Currency translation differences	-	-	120,932	-	120,932	16,435	137,367
Other comprehensive income for the year recognised directly in equity	-	-	86,730	6,002	92,732	16,399	109,131
Profit for the year	-	-	-	112,293	112,293	22,221	134,514
Total comprehensive income for the year	-	-	86,730	118,295	205,025	38,620	243,645
Shares purchased for share award scheme	-	(5,607)	-	-	(5,607)	-	(5,607)
Share-based compensation under share award scheme	-	-	10,254	-	10,254	-	10,254
Vesting of shares under share award scheme	-	9,022	(10,203)	1,181	-	-	-
Payment of 2024 final dividend	-	-	-	(45,802)	(45,802)	-	(45,802)
Payment of 2025 interim dividend (Note 36)	-	-	-	(22,967)	(22,967)	-	(22,967)
Dividend paid and payable to non-controlling shareholders	-	-	-	-	-	(16,503)	(16,503)
Injection of equity loans from a non-controlling shareholder	-	-	-	-	-	75	75
Repayment of equity loans from a non-controlling shareholder	-	-	-	-	-	(170)	(170)
	-	3,415	51	(67,588)	(64,122)	(16,598)	(80,720)
At 31 December 2025	3,201,995	(10,180)	366,765	1,765,849	5,324,429	275,666	5,600,095

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

	Attributable to owners of the Company					Non-controlling interests USD'000	Total equity USD'000
	Share capital and premium	Shares held for share award scheme	Other reserves	Retained earnings	Total		
	USD'000	USD'000	USD'000	USD'000	USD'000		
	(Note 18)	(Note 18)	(Note 20)				
At 1 January 2024	3,201,995	(15,645)	406,450	1,629,620	5,222,420	245,623	5,468,043
Remeasurements of post-employment benefit obligations	-	-	-	(1,255)	(1,255)	(167)	(1,422)
Effect of hyperinflation	-	-	-	16,182	16,182	-	16,182
Fair value changes of interest rate swap and cross-currency swap contracts - hedging	-	-	(32,726)	-	(32,726)	-	(32,726)
Currency translation differences	-	-	(95,620)	-	(95,620)	1,303	(94,317)
Other comprehensive (loss)/income for the year recognised directly in equity	-	-	(128,346)	14,927	(113,419)	1,136	(112,283)
Profit for the year	-	-	-	161,387	161,387	21,539	182,926
Total comprehensive (loss)/income for the year	-	-	(128,346)	176,314	47,968	22,675	70,643
Shares purchased for share award scheme	-	(5,335)	-	-	(5,335)	-	(5,335)
Share-based compensation under share award scheme	-	-	10,119	-	10,119	-	10,119
Vesting of shares under share award scheme	-	7,385	(8,239)	854	-	-	-
Payment of 2023 final dividend	-	-	-	(68,701)	(68,701)	-	(68,701)
Payment of 2024 interim dividend (Note 36)	-	-	-	(22,945)	(22,945)	-	(22,945)
Dividend paid and payable to non-controlling shareholders	-	-	-	-	-	(16,276)	(16,276)
Injection of equity loans from non-controlling shareholders	-	-	-	-	-	1,622	1,622
	-	2,050	1,880	(90,792)	(86,862)	(14,654)	(101,516)
At 31 December 2024	3,201,995	(13,595)	279,984	1,715,142	5,183,526	253,644	5,437,170

Included in the retained earnings are statutory funds of approximately USD147,694,000 (2024: USD106,105,000). These funds are set up by way of appropriation from the profit after taxation of the respective companies, established and operating in Chinese Mainland, in accordance with the relevant laws and regulations.

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED CASH FLOW STATEMENT

	Note	Year ended 31 December	
		2025 USD'000	2024 USD'000
Cash flows from operating activities			
Net cash generated from operations	37(a)	522,564	501,169
Interest paid for loans and fixed rate bonds		(276,105)	(277,417)
Interest paid for lease liabilities		(31,091)	(27,914)
Hong Kong profits tax refund		5	5
Overseas tax paid		(55,921)	(50,685)
Net cash generated from operating activities		159,452	145,158
Cash flows from investing activities			
Purchase of property, plant and equipment		(47,468)	(63,204)
Capital expenditure on properties under development		(15,825)	(41,679)
Capital expenditure on investment properties		(982)	(8,759)
Capital expenditure on intangible assets		(3,375)	(6,222)
Proceeds from disposal of property, plant and equipment		932	414
Proceeds from disposal of investment properties		3,132	2,773
Proceeds from disposal of an associate		–	673
Capital injection to an associate		(4,409)	(1,461)
Cash received from capital reduction of associates		4,111	53,415
Injection of loans to associates		(31,072)	(1,113)
Repayment of loans from associates		24,542	25,325
Interest received from associates		1,318	963
Interest received from short-term fund placements		1,638	1,401
Other interest received		82,327	54,793
Dividends received from associates		164,315	148,123
Dividends received from listed shares		856	1,017
Purchase of financial assets at fair value through other comprehensive income		(311)	–
Net increase in bank deposits with original maturities over 3 months		(175,037)	(17,091)
Net cash generated from investing activities		4,692	149,368
Cash flows from financing activities			
Dividends paid to owners of the Company		(68,769)	(91,646)
Dividends paid to non-controlling shareholders		(17,019)	(14,351)
Purchase of shares under share award scheme		(5,607)	(5,335)
Injection of loans from non-controlling shareholders		75	44,375
Repayment of loans from a non-controlling shareholder		(170)	–
Principal elements of lease payments		(24,985)	(20,033)
Net proceeds from issuance of fixed rate bonds		866,524	279,221
Repayment of fixed rate bonds		(670,691)	(99,609)
Net interest received from cross-currency swap contracts		6,303	7,530
Cash paid upon maturity of cross-currency swap contracts		(2,105)	–
Repayment of bank loans		(1,789,119)	(1,920,440)
Bank loans drawn down		1,932,360	2,480,373
Net cash generated from financing activities		226,797	660,085
Net increase in cash and cash equivalents		390,941	954,611
Cash and cash equivalents at beginning of the year		1,817,076	870,797
Exchange gains/(losses) on cash and cash equivalents		33,217	(8,332)
Cash and cash equivalents at end of the year	17	2,241,234	1,817,076

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

The principal activities of Shangri-La Asia Limited (“**Company**”) and its subsidiaries (together, “**Group**”) are the development, ownership and operation of hotel properties, the provision of hotel management and related services, the development, ownership and operation of investment properties and property development for sale.

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

The Company has its primary listing on the Main Board of The Stock Exchange of Hong Kong Limited (“**HKSE**”) with secondary listing on the Singapore Exchange Securities Trading Limited.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation and accounting policies

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

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

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

The Group has applied the following amendments to accounting standards for the first time for the financial year beginning on 1 January 2025:

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

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

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

Certain new accounting standards, amendments and interpretations to existing standards have been published that are not mandatory for the year 2025 and have not been early adopted by the Group. These standards are not expected to have a material impact to the Group in the current or future reporting periods and on foreseeable future transactions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Consolidation

The consolidated financial statements included the financial statements of the Company and all its subsidiaries made up to 31 December.

(a) Subsidiaries

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to obtain, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Group. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's identifiable net assets.

The excess of the consideration transferred over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the consideration is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated statement of profit or loss as negative goodwill.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred assets. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's statement of financial position, the investments in subsidiaries are stated at cost less provision for impairment losses, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

(b) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases of additional interest in subsidiaries from non-controlling interests, the difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals of partial interest in subsidiaries to non-controlling interests are also recorded in equity.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Consolidation (continued)

(c) Disposal of subsidiaries

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests and no gain or loss is recognised.

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(d) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of profit or loss and other comprehensive income of the investee after the date of acquisition. The Group's investment in associates includes goodwill (net of any accumulated impairment losses) identified on acquisition (see Note 2.7).

If the ownership interest in an associate is reduced but significant influence is retained, only the proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of its associates' post-acquisition profits or losses is recognised in the statement of profit or loss, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate (including any other unsecured receivables), the Group does not recognise further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performances of the operating segments, has been identified as the executive directors of the Company.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's principal subsidiaries are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in United States dollars ("USD"), which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss, except those arising from qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation which would be recognised in other comprehensive income.

Foreign exchange gains and losses including those related to borrowings and cash and bank balances are presented in the consolidated statement of profit or loss within "Finance costs - net".

Translation differences on monetary items, such as financial assets at fair value through profit or loss, are reported as part of the fair value gain or loss. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(c) Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- (ii) income and expenses for each statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognised as a separate component of equity.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Foreign currency translation (continued)

(c) Group companies (continued)

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings, are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in the statement of profit or loss as part of the gain or loss on sale.

Goodwill and fair value adjustments on assets and liabilities arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate at the end of the reporting period.

2.5 Property, plant and equipment

Buildings comprise mainly hotel properties. Property, plant and equipment are stated at historical cost less depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in the statement of profit or loss during the financial period in which they are incurred.

Depreciation is calculated to write off the cost to their residual value on a straight-line basis over the expected useful lives. The useful lives or principal annual rates used are:

Hotel properties and other buildings	Lower of underlying land lease term or 50 years
Plant and machinery	5% to 10%
Furniture, fixtures and equipment	10% to 33 $\frac{1}{3}$ %
Motor vehicles	20% to 25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Properties under development and freehold land for hotel properties are not subject to depreciation and are stated at cost less accumulated impairment losses, if any.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other operating expenses in the statement of profit or loss if the disposal is arising from normal operation of the business.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.6 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Property that is being constructed or developed for future use as investment property is also classified as investment property before construction or development is completed.

Investment property comprises land held under operating lease or freehold and buildings. Land held under operating leases is classified and accounted for as investment property without amortisation when the rest of the definition of investment property is met.

Investment property is measured initially at cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment property is carried at fair value, representing open market value determined by external professional valuers. Property under construction that is being classified as investment property is revalued to fair value when it becomes reliably determinable on a continuing basis. The valuations performed by the independent valuers for financial reporting purposes would be reviewed by the Group's management and discussions of valuation processes and results are held with the valuers at least once every six months to be in line with the Group's interim and annual reporting requirements. Changes in fair values are recognised in the statement of profit or loss.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the statement of profit or loss during the financial period in which they are incurred.

2.7 Intangible assets

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions is tested for impairment at least annually or more frequently if events or changes in circumstances indicate a potential impairment. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination for the purpose of impairment testing.

The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value-in-use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.7 Intangible assets (continued)

(b) Trademarks and licences

Trademarks and licences are shown at historical cost. Trademarks and licences with finite useful life are carried at cost less accumulated amortisation and impairment, if any. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful lives of 20 to 50 years.

(c) Website and system development costs

Website and system development costs that are directly associated with the development of identifiable and unique products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Such development costs are carried at cost less accumulated amortisation and impairment, if any. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives of 3 years upon commencement of operation.

2.8 Offsetting financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position 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.

2.9 Impairment of investments in subsidiaries, associates and non-financial assets

Intangible assets that have an indefinite useful life, for example goodwill, or intangible assets not ready for use are not subject to amortisation and are tested annually for impairment. Other 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. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Impairment testing of the investments in subsidiaries in the separate financial statements is required upon receiving a dividend from the investment if the dividend exceeds the total comprehensive income of the subsidiaries or associates in the period the dividend is declared or if the carrying amount of the net investment exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.10 Financial assets

The Group classifies its investments in the following categories: financial assets at amortised cost, fair value through profit or loss ("**FVPL**") and fair value through other comprehensive income ("**FVOCI**"). The classification depends on the Group's business model for managing the investments. Management determines the classification of its investments at initial recognition.

(a) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(b) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. Financial assets are classified as current assets if expected to be settled within 12 months or in the normal operating cycle of the business, otherwise, they are classified as non-current.

Subsequent to initial recognition, debt instruments financial assets are measured as follows:

Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "other gains/(losses) - net" together with foreign exchange gains and losses. Impairment losses which are significant are presented as separate line item in the statement of profit or loss.

FVOCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income ("**OCI**"), except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in "other gains/(losses) - net". Interest income from these financial assets is included in "other gains/(losses) - net" using the effective interest rate method. Foreign exchange gains and losses are presented in "other gains/(losses) - net" and impairment expenses are presented as separate line item in the statement of profit or loss.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.10 Financial assets (continued)

(b) Measurement (continued)

FVPL

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within “other gains/(losses) – net” in the period in which it arises.

For equity instruments, the Group subsequently measures all equity investments at fair value. Where the Group’s management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other gains when the Group’s right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in “other gains/(losses) – net” in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(c) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Refer to Note 3.1(b) for the detailed impairment for trade receivables at simplified approach and other debt instruments at general model.

2.11 Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair values.

In order to determine whether the instruments qualify for hedge accounting or not, the Group performs an analysis to assess whether changes in the cash flows of the instruments are deemed highly effective in offsetting changes in the cash flows of the hedged items.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.11 Derivative financial instruments (continued)

(a) Hedging

Hedging instruments are initially recognised at fair value on the date of the contract entered into and are remeasured to their fair value at subsequent reporting dates. The effective portion of the change in the fair value of the contracts is recognised in “Hedging reserve” in equity. The gain or loss relating to the ineffective portion is recognised immediately in the “other gains/(losses) – net” in the statement of profit or loss.

The fair values of derivative financial instruments designated in hedge relationships are disclosed in Note 23. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

For interest rate swap contracts used for hedging bank loan interest payment under bank loan agreements in order to swap the floating interest rate borrowings to fixed interest rate borrowings, the related cash flows in the same period of the hedged transaction are classified as interest expenses in the statement of profit or loss.

For currency forward contracts used to hedge the currency risk associated with the forecast foreign currency payment obligation under certain sale and purchase agreements for capital expenditure investment executed, the amounts accumulated in the “Hedging reserve” were transferred out and were included in the initial investment cost of the net asset acquired when the payment was made.

For currency forward contracts used to hedge the currency risk associated with the forecast foreign currency receipt during the year, the difference between the net cash received and the book value of the receivable are classified as finance cost.

If at any time the hedging instruments are no longer highly effective as a hedge, the Group discontinues hedge accounting for those hedging instruments and all subsequent changes in fair value are recorded in “other gains/(losses) – net”.

When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was recognised in equity is immediately transferred to the statement of profit or loss within “other gains/(losses) – net”.

(b) Non-hedging

Derivative financial instruments, including cross-currency swap contracts that do not qualify for hedge accounting, are categorised as derivatives at fair value through profit or loss and changes in the fair value of these derivative instruments are recognised immediately in the consolidated statement of profit or loss within “other gains/(losses) – net”.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.12 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost, being cost of purchase, is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expense.

2.13 Properties for sale

Properties for sale are initially recognised at the carrying amount of the property at the date of reclassification from properties under development. Subsequently, the properties are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less selling expenses.

2.14 Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within a short period of time and therefore are all classified as current.

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. Receivables are stated at amortised cost using the effective interest method less allowance for credit losses. The Group's policies on the recognition of credit losses are set out in Note 3.1(b) to these consolidated financial statements.

2.15 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts, if any, are shown within bank loans in current liabilities on the statement of financial position.

2.16 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the Company's equity share capital, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from the consolidated equity attributable to the owners of the Company until the shares are resold. Where such shares are subsequently resold, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, will increase the consolidated equity attributable to the owners of the Company. The dividends on these own shares held are excluded from the dividend distribution to the owners of the Company recognised in the consolidated financial statements.

2.17 Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.18 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability, including fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit or loss over the period of the borrowings using the effective interest method.

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

2.19 Pre-operating expenditure

Pre-operating expenditure is charged to the statement of profit or loss in the year in which it is incurred.

2.20 Income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated statement of profit or 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 for the year, and any adjustment to tax payable in respect of previous years in the countries where the Group's subsidiaries and associates operate and generate 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 income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax liabilities are provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally, the Group is unable to control the reversal of the temporary difference for associates. Only when there is an agreement in place that gives the Group ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liability in relation to taxable temporary differences arising from the associate's undistributed profit is not recognised.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.20 Income tax (continued)

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities when there is an intention to settle the balances on a net basis.

For the purposes of measuring deferred income tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

2.21 Employee benefits

(a) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(b) Pension obligations

The Group operates a number of defined benefit and defined contribution plans, most of the assets of which are generally held in separate trustee-administered funds. The pension plans are generally funded by payments from employees and by the relevant Group companies, taking account of the applicable laws and regulations at different jurisdictions and the recommendations of independent qualified actuaries for defined benefit plans.

For the Group's defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no legal or constructive obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions, where applicable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

For defined benefit plans, pension costs are assessed using the projected unit credit method. The cost of providing pensions is charged to the statement of profit or loss so as to spread the regular cost over the service lives of employees in accordance with the advice of the actuaries who carry out a full valuation of the plans at least every 3 years. The pension obligation is measured as the present value of the estimated future cash outflows less the fair value of plan assets. Actuarial gains and losses are recognised in full in the period in which they occur, in other comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.21 Employee benefits (continued)

(b) Pension obligations (continued)

The Group's defined benefit plans are funded by the relevant Group companies taking into account the recommendations of independent qualified actuaries.

(c) Bonus plans

The Group recognises a provision where contractually obliged or when it has a present or constructive obligation as a result of services rendered by employees and a reliable estimate of such obligation can be made.

2.22 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of an amount can be made. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

2.23 Revenue recognition

Revenue comprises the fair value for the sales of goods and services, net of value-added tax, rebates and discounts and after eliminating revenue within the Group. Revenue/income is recognised as follows:

- (i) Hotel revenue from room rental is recognised over time during the period of stay for the hotel guests. Revenue from food and beverage sales and other ancillary services is generally recognised at the point in time when the services are rendered.
- (ii) The Group operates a loyalty programme where customers mainly accumulate points from hotel stays and dining at the Group's hotels. A contract liability for the award points expected to be redeemed is recognised at the time of sales. Revenue is subsequently recognised when the points are redeemed or when they are expired.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.23 Revenue recognition (continued)

- (iii) Revenue in respect of hotel management and related services is recognised over time during the period when management services are delivered to the hotels.
- (iv) Rental revenue from investment properties is recognised on a straight-line basis over the periods of the respective leases.
- (v) Revenue from sales of properties is recognised when control over the properties are transferred to the purchasers. An enforceable right to payment does not arise until legal title has passed to the purchasers and revenue is recognised at a point in time when the legal title has passed to the purchasers. Payments received from purchasers prior to this stage are recorded as deposits received on sales of properties, which are included in contract liabilities.
- (vi) Interest income on financial assets at amortised cost and financial assets at FVOCI is recognised using the effective interest method as part of other gains. Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).
- (vii) Dividends are received from financial assets measured at FVPL and at FVOCI. Dividends are recognised as other income in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of an investment. In this case, dividend is recognised in other comprehensive income if it relates to an investment measured at FVOCI.

2.24 Leases

(a) As the lessor

Assets leased out under operating leases are included in either property, plant and equipment or investment properties in the statement of financial position. In case of property, plant and equipment, they are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

(b) As the lessee

Leases are recognised as right-of-use assets and corresponding lease liabilities at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the lease liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the lease liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.24 Leases (continued)

(b) As the lessee (continued)

The right-of-use assets and lease liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease to come up with the lease liabilities. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, if any.

Leases in the form of leasehold land and land use rights are also included in right-of-use assets. Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases with a lease term of 12 months or less are recognised on a straight-line basis as an expense in profit or loss.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.25 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

2.26 Share-based compensation

The Group operates two equity-settled, share-based compensation plans.

(a) Share option scheme

The fair value of the employee services received in exchange for the grant of the share options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets) and performance vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the statement of profit or loss, and a corresponding adjustment to equity over the remaining vesting period.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised. The related balance previously recognised in the option reserve is also credited to the share premium.

(b) Share award scheme

The Group operates the share award scheme under which awarded shares of the Company can be granted to the employees of the Group and the Company's directors as part of their remuneration package.

When shares are acquired for the share award scheme from the market, the total consideration of shares acquired is deducted from the share capital and share premium.

Upon granting of shares, share-based compensation expenses is charged to the statement of profit or loss and the amount of which is determined by reference to the fair value of the awarded shares granted, taking into account all non-vesting conditions associated with the grants on grant date. The total expense is recognised on a straight-line basis over the relevant vesting periods (or on the grant date if the shares vest immediately), with a corresponding credit to the share award reserve under equity. For those awarded shares which are amortised over the vesting period, the Group revises its estimates of the number of awarded shares that are expected to ultimately vest based on the vesting conditions at the end of each reporting period. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to employee share-based compensation expense in the current period, with a corresponding adjustment to the share award reserve.

Upon vesting of shares, the related total consideration of the vested awarded shares when acquired are credited to the share capital and share premium, with a corresponding decrease in share award reserve for awarded shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.27 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are charged to the statement of profit or loss in the year in which they are incurred.

2.28 Financial guarantee contracts

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and other bodies on behalf of subsidiaries or associates to secure loans, overdrafts and other banking facilities.

After initial recognition, an issuer of financial guarantee contracts shall subsequently measure it at the higher of the amount determined in accordance with the expected credit loss model under HKFRS 9 and the amount initially recognised, less the cumulative amount of income recognised in accordance with the principles of HKFRS 15.

2.29 Financial reporting in hyperinflationary economies

For entities whose functional currency is the currency of a hyperinflationary economy, the historical cost of the non-monetary assets and liabilities and equity items of the entity from their date of acquisition or inclusion in the statement of financial position would be adjusted to reflect the changes in the purchasing power of the currency resulting from inflation by applying the changes in the general price index of the hyperinflationary economy. Monetary items are not restated because they are already expressed in terms of the monetary unit current at the end of the reporting period. All items of the statement of profit or loss would be restated into the measuring unit current at the end of the reporting period by applying the general price index of the economy. Gain or loss on net monetary position is included in the statement of profit or loss.

During the years ended 31 December 2025 and 2024, Turkey continues to be a hyperinflationary economy for accounting purposes as its cumulative inflation rate for the past three years has exceeded 100%. The financial information of an owned hotel in Turkey which is using Turkish Lira as its functional currency has therefore been prepared in accordance with this policy. The financial information of this hotel in Turkey are stated in terms of current purchasing power using the Turkey consumer price index at the end of the reporting period.

The financial results of the hotel in Turkey have been translated and presented in US dollars at the prevailing exchange rate at the end of the reporting period.

The Group applies the combined effect of the restating in accordance to HKAS 29 and translation according to HKAS 21 as a net change for the year in other comprehensive income for the ongoing re-translation of comparative amounts to closing exchange rates under HKAS 21 and the hyperinflation adjustments required by HKAS 29.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by the Group Treasury under guidance of the Board of Directors. Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides principles for overall risk management and covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and investing excess liquidity.

(a) Market risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group has investments in different foreign operations, whose net assets are exposed to foreign currency translation risk.

There is a natural economic hedge to the extent that all the Group's business units in Hong Kong, Chinese Mainland, the Philippines, Singapore, Malaysia, Thailand, Japan, France, United Kingdom, Sri Lanka, Turkey, Australia, Indonesia and Mauritius derive their revenues (and most of the expenses associated therewith) in local currencies. Most of the Group's hotels are quoting room tariffs in the local currency. It is the Group's endeavour, wherever and to the extent possible, to quote tariffs in the stronger currency and maintain bank balances in that currency, if legally permitted.

The Group has not felt it appropriate to substantially hedge against currency risks through forward exchange contracts upon consideration of the currency risk involved and the cost of obtaining such cover.

The Group analyses its exchange exposure based on the financial position at the end of the reporting period. The Group's exchange risk mainly arises from long-term bank loans, fixed rate bonds and shareholders' loans and the Group calculates such impact on the statement of profit or loss. The Group also calculates the impact on the exchange fluctuation reserve of the exchange risk on consolidation arising from the translation of the net investment in foreign entities. At 31 December 2025, if US dollar has weakened/strengthened by 5% (2024: 5%) against all other currencies (except Hong Kong dollar) with all other variables held constant, the Group's profit attributable to the owners of the Company and exchange fluctuation reserve would have increased/decreased by USD156,970,000 (2024: USD145,269,000) and USD18,519,000 (2024: USD83,474,000), respectively. The exchange rate between US dollar and Hong Kong dollar is only allowed to fluctuate in a narrow range under the Hong Kong's linked exchange rate system.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(ii) Equity securities price risk

The Group is exposed to equity securities price risk arising from the listed equity investments held by the Group. Financial assets at FVOCI are mainly investments in unquoted shares which are not subject to price risk. The Group is not exposed to commodity price risk.

Equity securities price risk is the risk that the fair values of the trading securities decrease as a result of changes in the value of individual securities which are also affected by the change in the level of equity indices.

For every 5% increase/decrease in the fair value of the trading securities classified under financial assets at FVPL, the carrying value of the trading securities will increase/decrease by USD687,000 (2024: USD547,000) while the Group's profit attributable to the owners of the Company will increase/decrease by USD687,000 (2024: USD547,000).

(iii) Cash flow and fair value interest rate risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash inflows are substantially independent of changes in market interest rates.

The Group's interest rate risk mainly arises from long-term bank loans under floating rates.

Bank loans issued at variable rates expose the Group to cash flow interest rate risk. The Group policy is to maintain an optimal portion of its borrowings at fixed rate. Taking into account the fixed rate bonds, fixed rate bank loans and the interest rate swap contracts (including the cross-currency swap contracts that also fix the interest rates of certain bank borrowings), the Group has fixed its interest liability on 79.5% (2024: 79.9%) of its outstanding borrowings as at 31 December 2025.

The Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swap contracts which qualify for hedge accounting. Such interest rate swap contracts have the economic effect of converting borrowings from floating rates to fixed rates. Generally, the Group raises long-term bank loans at floating rates. The Group closely monitors the movement of interest rates from time to time and enters into interest rate swap contracts. Under the interest rate swap contracts, the Group agrees with other parties to exchange the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(iii) Cash flow and fair value interest rate risk (continued)

The Group analyses its interest rate exposure on bank loans not hedged by interest rate swap contracts based on the assumption that the loan position at the end of the reporting period could be wholly refinanced and/or renewed. The Group calculates the impact on statement of profit or loss of a defined interest rate shift. The same interest rate shift is used for all currencies. The sensitivity test is running only for all bank loans not hedged by interest rate swap contracts that present the major interest-bearing portion. Based on the simulation performed, the impact on statement of profit or loss of one percentage point increase would be a decrease of the Group's profit attributable to the owners of the Company of USD11,479,000 (2024: USD13,877,000) after interest capitalisation for properties under development.

The effects of the interest rate swap contracts for hedging purpose on the Group's financial position and performance are as follows:

Interest rate swap contracts	2025 USD'000	2024 USD'000
Carrying amount (net current and non-current assets)	(15,661)	(48,745)
Notional amount	767,742	1,067,097
Maturity date	2026 to 2027	2026 to 2027
Hedge ratio	1:1	1:1
Change in fair value of outstanding hedging instruments since 1 January	33,084	26,037
Change in value of hedged item used to determine hedge effectiveness	(33,084)	(26,037)
Weighted average hedged rate for outstanding hedging instruments	1.470%	1.519%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(b) Credit risk

Credit risk arises from cash and cash equivalents, contractual cash flows of debt instruments carried at amortised cost, at FVOCI and FVPL, favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to outstanding receivables from customers and financial guarantees to associates.

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Group applies the HKFRS 9 simplified approach to measure the expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Impairment on other receivables is measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition on an ongoing basis throughout each reporting period. Credit losses for trade receivables are assessed on both individual and collective basis. Lifetime expected credit loss is calculated based on historical loss patterns and customer bases which are then adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the gross domestic product and the future economic outlook of the countries in which it operates to be the most relevant factors, and accordingly adjusts the historical loss patterns based on expected changes in these factors.

The Group has no significant concentrations of credit risk. It has policies in place to ensure that sales of rooms to wholesalers are made to customers with an appropriate credit history. Sales to retail customers are made via credit cards to a significant extent. Sales to corporate customers are made to customers with good credit history. The Group has policies that limit the amount of global credit exposure to any customer. The Group manages its deposits with banks and financial institutions by monitoring credit ratings and places deposits with banks and financial institutions with no recent history of default. The management also considers the credit risk of other receivables and amounts due from associates is low, as counterparties are expected to be capable of meeting their contractual cash flows obligation in the near term. Since the Group's historical credit loss experience for these receivable balances were minimal, the loss allowance for these receivable balances as a result of applying the expected credit loss model was therefore immaterial.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Group Treasury aims to maintain flexibility in funding by keeping committed credit lines available.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

The analysis of the Group's non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date is as follows. The Group's estimated and actual financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows.

	Less than 3 months USD'000	Between 3 months and 1 year USD'000	Between 1 and 2 years USD'000	Over 2 years USD'000
At 31 December 2025				
Bank loans	41,385	623,297	854,173	3,654,237
Fixed rate bonds	–	–	355,890	1,329,735
Interest payable for bank loans	48,869	139,159	149,842	204,027
Interest payable for fixed rate bonds	4,761	118,395	120,527	207,429
Derivative financial instruments	1,907	29,116	3,358	17,695
Loan from a non-controlling shareholder	–	–	–	38,452
Lease liabilities	18,281	54,842	69,648	1,642,538
Amounts due to non-controlling shareholders	53,987	1,988	2,638	3,898
Accounts payable and accruals	80,668	497,211	–	–
Financial guarantee contracts for bank loans granted to associates	129,949	–	–	–
At 31 December 2024				
Bank loans	9,350	222,798	1,148,552	3,559,948
Fixed rate bonds	–	640,727	–	773,821
Interest payable for bank loans	56,228	165,251	193,341	280,279
Interest payable for fixed rate bonds	4,497	79,419	54,827	94,682
Derivative financial instruments	585	1,543	21,636	126
Loan from a non-controlling shareholder	–	–	–	38,452
Lease liabilities	12,299	36,898	42,801	1,386,601
Amounts due to non-controlling shareholders	51,973	1,702	1,923	5,104
Accounts payable and accruals	72,646	501,911	–	–
Financial guarantee contracts for bank loans granted to associates	105,958	–	–	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

The amounts disclosed in the table are the contractual undiscounted cash flows. The estimated amount of interest payable for bank loans and fixed rate bonds are arrived at based on the principal loan balance and prevailing interest rates at the end of the reporting period to the final maturity date of the loan agreements.

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current bank loans and fixed rate bonds as shown in the consolidated statement of financial position) less cash and bank balances and short-term fund placements. Total capital is calculated as "equity", as shown in the consolidated statement of financial position.

The gearing ratios at 31 December 2025 and 2024 are as follows:

	2025 USD'000	2024 USD'000
Total borrowings	6,856,139	6,352,263
Less: Cash and bank balances and short-term fund placements (Note 17)	(2,530,187)	(1,930,992)
Net debt	4,325,952	4,421,271
Total equity	5,600,095	5,437,170
Gearing ratio (net debt over total equity)	77.2%	81.3%

The Group's bank loan facilities require it to meet certain ratios based on adjusted consolidated capital and reserves attributable to the owners of the Company and adjusted consolidated total equity. The Group monitors compliance with these ratios on a monthly basis. The Group has satisfactorily complied with all covenants under its borrowing agreements. As at 31 December 2025, the adjusted total equity of the Group for financial covenants calculation purpose is USD9.4 billion (2024: USD9.1 billion) and the resulting indebtedness ratio as calculated is 74.6% (2024: 71.0%). There is sufficient headroom for complying with the loan covenants.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Accounting for interest rate swap contracts

Interest rate swap contracts, a kind of derivative financial instruments, are set up for the purpose of managing risk (since the Group's policy does not permit speculative transactions). Interest rate swap contracts are initially recognised at fair value on the date a contract is entered into and are subsequently re-measured at their fair value.

As at 31 December 2025, the Group had interest rate swap contracts with a total principal amount of USD1,067,097,000 (2024: USD1,067,097,000) of which USD767,742,000 (2024: USD1,067,097,000) for hedging purpose and USD299,355,000 (2024: nil) for non-hedging purpose. These contracts for hedging purpose qualify for hedge accounting. Under the accounting treatment of interest rate swap contracts, the effective portion of the change in the fair value of the contracts is recognised in "hedging reserve" in equity while the gain or loss relating to the ineffective portion is recognised immediately in "other gains/(losses) – net" in the statement of profit or loss and the related cash flows arising from these interest rate swap contracts in the period are classified as interest expenses in the statement of profit or loss.

3.4 Fair value estimation of financial instruments

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1 – Quoted market prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 – Fair value measured using significant unobservable inputs.

The fair value of financial instruments traded in active markets (such as publicly traded equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

(a) Financial instruments in Level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.4 Fair value estimation of financial instruments (continued)

(b) Financial instruments in Level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to arrive at the fair value of an instrument are observable, the instrument is included in Level 2.

Specific valuation techniques used to value financial instruments include:

- Dealer quotes for similar instruments.
- The fair value of interest rate swap contracts is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the end of the reporting period, with the resulting value discounted back to present value.

(c) Financial instruments in Level 3

Fair value is determined by using valuation techniques principally based on discounted cash flow analysis with reference to inputs of cash flow payback and other specific input relevant to the financial assets. Changing unobservable inputs used in Level 3 valuation to reasonable alternate assumptions would not have significant impact on the Group's profit or loss.

The Group uses widely recognised valuation models for determining the fair value of common and simple financial instruments, like interest rate swap contracts, that use only observable market data and require little management judgement and estimation.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.4 Fair value estimation of financial instruments (continued)

The following tables present the Group's financial assets and liabilities that are measured at fair value at 31 December 2025 and 2024.

	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000	Total USD'000
At 31 December 2025				
Assets				
Financial assets at FVPL (Note 13)				
– Club debentures	10,233	–	–	10,233
– Listed shares	13,748	–	–	13,748
Financial assets at FVOCI (Note 13)				
– Equity instruments	–	–	2,412	2,412
Derivative financial instruments (Note 23)				
– Interest rate swap contracts	–	17,343	–	17,343
Total assets	23,981	17,343	2,412	43,736
Liabilities				
Derivative financial instruments (Note 23)				
– Cross-currency swap contracts	–	39,648	–	39,648
At 31 December 2024				
Assets				
Financial assets at FVPL (Note 13)				
– Club debentures	10,787	–	–	10,787
– Listed shares	10,948	–	–	10,948
Financial assets at FVOCI (Note 13)				
– Equity instruments	–	–	2,101	2,101
Derivative financial instruments (Note 23)				
– Interest rate swap contracts	–	48,745	–	48,745
– Cross-currency swap contracts	–	1,015	–	1,015
Total assets	21,735	49,760	2,101	73,596
Liabilities				
Derivative financial instruments (Note 23)				
– Cross-currency swap contracts	–	23,202	–	23,202

Other than acquisition of financial assets at FVOCI of USD311,000 during the year ended 31 December 2025, there were no acquisitions, disposals and gains/losses recognised in other comprehensive income for the financial instruments in Level 3 during the years ended 31 December 2025 and 2024. The change in fair value of the equity instruments is assessed to be immaterial.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.4 Fair value estimation of financial instruments (continued)

There were no transfers between the levels of the fair value hierarchy of the Group's financial assets and liabilities during the year.

The nominal value less estimated credit adjustments of receivables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

4 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

(a) Impairment assessment of goodwill, property, plant and equipment and right-of-use assets

The Group tests whether goodwill, property, plant and equipment and right-of-use assets have suffered any impairment in accordance with the accounting policies stated in Note 2.5, Note 2.7, Note 2.9 and Note 2.24. The Group assesses whether there is any indication that an asset may be impaired at the end of each reporting period. If any such indication exists, the Group estimates the recoverable amount of the asset. An impairment loss, if any, is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amounts of CGUs are the higher of the asset's fair value less costs of disposal and value-in-use. These calculations require the use of estimates. Value-in-use calculations uses cash flow projections at the end of the reporting period. The cash flow projections are derived from the approved business plan and/or updated projections. In general, projection for a period of five years has been adopted for cash flow projections unless a longer projection period represents a more appropriate reflection of the future cash flows generated from the hotel operations, if applicable. The Group assesses the fair value of some of its property, plant and equipment and right-of-use assets based on valuations determined by independent professional firms and qualified valuers on an open market for existing use basis or sales basis.

(b) Estimate of fair value of investment properties

The Group assesses the fair value of its investment properties based on valuations determined by independent professional qualified valuers. The fair values of investment properties are determined by independent valuers on an open market for existing use basis. In making the judgement, consideration is given to assumptions that are mainly based on market conditions existing at the end of the reporting period, expected rental from future leases in the light of current market conditions and appropriate capitalisation rates. These estimates are regularly compared to actual market data and actual transactions entered into by the Group. For investment properties under construction, the estimated costs to completion and allowances for contingencies would be taken into account.

4 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (CONTINUED)

(c) 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 certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due in accordance with local tax practice and professional advice. 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.

5 REVENUE AND SEGMENT INFORMATION

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

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

The Group is domiciled in Hong Kong. The revenue from external customers attributed to Hong Kong and other countries are USD400,857,000 (2024: USD381,614,000) and USD1,833,215,000 (2024: USD1,803,742,000), respectively.

The total of non-current assets other than financial assets at FVOCI and FVPL, derivative financial instruments and deferred income tax assets, located in Hong Kong and other countries are USD841,758,000 (2024: USD876,995,000) and USD10,612,306,000 (2024: USD10,074,803,000), respectively.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

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

- i. **Hotel properties** – development, ownership and operation of hotel properties (including hotels under lease)
 - The People's Republic of China
 - Hong Kong
 - Chinese Mainland
 - Singapore
 - Malaysia
 - The Philippines
 - Japan
 - Thailand
 - France
 - Australia
 - United Kingdom
 - Mongolia
 - Sri Lanka
 - Other countries (including Fiji, Myanmar, Maldives, Indonesia, Turkey and Mauritius)
- ii. **Hotel management and related services** for Group-owned hotels and for hotels owned by third parties
- iii. **Investment properties** – development, ownership and operation of office properties, commercial properties and serviced apartments/residences for rental purpose
 - Chinese Mainland
 - Singapore
 - Malaysia
 - Mongolia
 - Sri Lanka
 - Other countries (including Australia and Myanmar)
- iv. **Property development for sale** – development and sale of real estate properties

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

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

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment profit or loss

For the year ended 31 December 2025 and 2024 (USD million)

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment profit or loss (continued)

For year ended 31 December 2025 and 2024 (USD million)

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

Notes:

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

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment profit or loss (continued)

For year ended 31 December 2025 and 2024 (USD million)

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment profit or loss (continued)

For year ended 31 December 2025 and 2024 (USD million)

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

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

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment assets

As at 31 December 2025 and 2024 (USD million)

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6 FINANCIAL INSTRUMENTS BY CATEGORY

	Note	2025 USD'000	2024 USD'000
Financial assets			
Financial assets at amortised cost			
- Other receivables	14	9,734	11,482
- Accounts receivable and deposits		136,863	142,760
- Amounts due from associates (including shareholder loans)	12	120,983	202,550
- Short-term fund placements	17	56,785	47,102
- Cash and bank balances	17	2,473,402	1,883,890
Financial assets at FVPL			
- Listed shares	13	13,748	10,948
- Club debentures	13	10,233	10,787
Financial assets at FVOCI			
- Equity instruments	13	2,412	2,101
Derivative financial instruments			
- Interest rate swap contracts	23	17,343	48,745
- Cross-currency swap contracts	23	-	1,015
Total		2,841,503	2,361,380
Financial liabilities			
Financial liabilities at amortised cost			
- Bank loans	21	5,173,092	4,940,648
- Fixed rate bonds	22	1,683,047	1,411,615
- Loan from a non-controlling shareholder	24	38,452	38,452
- Amounts due to non-controlling shareholders	24	53,337	51,416
- Accounts payable and accruals		577,879	574,557
- Lease liabilities	9	753,251	548,836
Derivative financial instruments			
- Cross-currency swap contracts	23	39,648	23,202
Total		8,318,706	7,588,726

7 PROPERTY, PLANT AND EQUIPMENT

	Land and buildings USD'000	Vehicles and machinery USD'000	Furniture, fixtures and equipment USD'000	Properties under development USD'000	Total USD'000
At 1 January 2024					
Cost	6,749,010	707,981	1,487,440	80,636	9,025,067
Accumulated depreciation and impairment provision	(3,039,551)	(627,122)	(1,345,972)	(14,367)	(5,027,012)
Net book amount	3,709,459	80,859	141,468	66,269	3,998,055
Year ended 31 December 2024					
At 1 January 2024	3,709,459	80,859	141,468	66,269	3,998,055
Exchange differences	(52,191)	(3,349)	(10,461)	(589)	(66,590)
Additions	21,940	3,277	31,250	41,679	98,146
Disposals/Write-off	(1,906)	(656)	(1,075)	(1,204)	(4,841)
Impairment losses (Note 28)	(51,802)	–	–	–	(51,802)
Reversal of impairment losses (Note 28)	5,162	–	673	–	5,835
Transfer	14,585	6,344	15,138	(36,067)	–
Depreciation (Note 28)	(139,615)	(28,953)	(42,062)	–	(210,630)
Closing net book amount	3,505,632	57,522	134,931	70,088	3,768,173
At 31 December 2024					
Cost	6,669,010	701,163	1,480,700	84,232	8,935,105
Accumulated depreciation and impairment provision	(3,163,378)	(643,641)	(1,345,769)	(14,144)	(5,166,932)
Net book amount	3,505,632	57,522	134,931	70,088	3,768,173
Year ended 31 December 2025					
At 1 January 2025	3,505,632	57,522	134,931	70,088	3,768,173
Exchange differences	132,157	1,892	5,232	1,861	141,142
Additions	5,828	10,410	42,277	15,825	74,340
Disposals/Write-off	(943)	(276)	(565)	(2,071)	(3,855)
Transfer	(724)	12,301	11,252	(22,829)	–
Depreciation (Note 28)	(132,967)	(16,308)	(41,869)	–	(191,144)
Closing net book amount	3,508,983	65,541	151,258	62,874	3,788,656
At 31 December 2025					
Cost	6,845,301	818,149	1,492,233	77,514	9,233,197
Accumulated depreciation and impairment provision	(3,336,318)	(752,608)	(1,340,975)	(14,640)	(5,444,541)
Net book amount	3,508,983	65,541	151,258	62,874	3,788,656

- (a) All depreciation expenses have been included as part of the other operating expenses.
- (b) As at 31 December 2025 and 2024, there were no bank loans secured by property, plant and equipment as disclosed under Note 38(c).
- (c) Buildings comprise mainly hotel properties. Details of the hotel properties of the Company's subsidiaries are summarised in Note 42(a).
- (d) Properties under development include construction work in progress in respect of the renovation of certain hotel properties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

- (e) The Group assesses the carrying value of property, plant and equipment, and right-of-use assets when there is any indication that the assets may be impaired. These indications include continuing adverse changes in the local market conditions in which the properties operate or will operate, or when the properties continue to operate materially behind budget. Professional valuations were carried out by independent firms of professional valuers during the year for those properties for which the internal assessment results needed independent confirmation. During the year, the Group did not recognise impairment losses for hotel properties owned by the Group.

For the year ended 31 December 2024, the Group provided impairment losses to three hotels of USD25,661,000, USD19,645,000 and USD6,496,000, respectively, totalling USD51,802,000. The Group also reversed prior years' impairment losses to a hotel of USD5,835,000.

8 INVESTMENT PROPERTIES

	2025 USD'000	2024 USD'000
At 1 January	1,784,273	1,803,429
Exchange differences	33,202	(4,987)
Additions	982	8,759
Disposals	(6,131)	(2,214)
Fair value gains/(losses) (Note 29)	14,786	(20,714)
At 31 December	1,827,112	1,784,273

- (a) As at 31 December 2025, all investment properties are recorded at fair value which were revalued by independent professionally qualified valuers on the basis of their market value as fully operational entities for existing use which equates to the highest and best use of the assets.
- (b) Investment properties are leased to non-related parties under operating leases. The following amounts are recognised in profit or loss:

	2025 USD'000	2024 USD'000
Rental income	139,487	125,760
Direct operating expenses arising from investment properties that generate rental income	(60,993)	(57,893)
Fair value gains/(losses) recognised in profit or loss (Note 29)	14,786	(20,714)

- (c) The carrying values of investment properties comprised:

	2025 USD'000	2024 USD'000
Outside Hong Kong, held on:		
Freehold	780,330	726,046
Leases of between 10 and 50 years	1,046,782	1,058,227
	1,827,112	1,784,273

- (d) Details of investment properties of the Company's subsidiaries are summarised in Note 43(a).

8 INVESTMENT PROPERTIES (CONTINUED)

The following table presents the investment properties of the Company's subsidiaries that are measured at fair value at 31 December 2025 and 2024.

	Fair value measurements at 31 December 2025 using		
	Quoted prices in active markets for identical assets (Level 1) USD'000	Significant other observable inputs (Level 2) USD'000	Significant unobservable inputs (Level 3) USD'000
Recurring fair value measurements			
Investment properties:			
- Office, serviced apartments and commercial complex in Chinese Mainland	-	-	546,465
- Serviced apartments in Singapore	-	-	499,806
- Office, serviced apartments and commercial complex in Mongolia	-	-	328,920
- Office, serviced apartments and commercial complex in Sri Lanka	-	-	206,781
- Office, serviced apartments and commercial complex in other regions	-	-	245,140
	-	-	1,827,112

	Fair value measurements at 31 December 2024 using		
	Quoted prices in active markets for identical assets (Level 1) USD'000	Significant other observable inputs (Level 2) USD'000	Significant unobservable inputs (Level 3) USD'000
Recurring fair value measurements			
Investment properties:			
- Office, serviced apartments and commercial complex in Chinese Mainland	-	-	564,938
- Serviced apartments in Singapore	-	-	468,649
- Office, serviced apartments and commercial complex in Mongolia	-	-	314,318
- Office, serviced apartments and commercial complex in Sri Lanka	-	-	191,009
- Office, serviced apartments and commercial complex in other regions	-	-	245,359
	-	-	1,784,273

The fair value of an asset to be transferred between the levels is determined as of the date of the event or change in circumstances that caused the transfer. There were no transfers between Level 1, 2 and 3 during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8 INVESTMENT PROPERTIES (CONTINUED)

The following table shows a reconciliation of Level 3 fair values using significant unobservable inputs.

	Office, serviced apartments, commercial complex and investment property under development in Chinese Mainland USD'000	Serviced apartments in Singapore USD'000	Office, serviced apartments and commercial complex in Mongolia USD'000	Office, serviced apartments and commercial complex in Sri Lanka USD'000	Office, serviced apartments and commercial complex in other regions USD'000	Total USD'000
At 1 January 2024	600,302	483,561	302,239	167,867	249,460	1,803,429
Exchange differences	(8,271)	(14,912)	(245)	17,476	965	(4,987)
Additions	4,997	716	632	–	2,414	8,759
Disposals	(142)	(189)	(1,696)	–	(187)	(2,214)
Changes in fair value	(31,948)	(527)	13,388	5,666	(7,293)	(20,714)
At 31 December 2024 and 1 January 2025	564,938	468,649	314,318	191,009	245,359	1,784,273
Exchange differences	11,967	27,555	(2,975)	(10,726)	7,381	33,202
Additions	(592)	322	450	–	802	982
Disposals	(4,789)	(470)	(726)	–	(146)	(6,131)
Changes in fair value	(25,059)	3,750	17,853	26,498	(8,256)	14,786
At 31 December 2025	546,465	499,806	328,920	206,781	245,140	1,827,112

8 INVESTMENT PROPERTIES (CONTINUED)

The following table shows the valuation techniques used by the valuers in the determination of Level 3 fair values. There were no significant changes to the valuation techniques during the year.

Description	Fair value at 31 December 2025 USD'000	Valuation techniques	Unobservable inputs	
Chinese Mainland - Office, serviced apartments and commercial complex	546,465	Direct comparison approach and income capitalisation approach	Rental rate from USD6 to USD26 per sq.m per month and occupancy from 75% to 95%	Capitalisation rate in the range of 4% to 8%
Singapore - Serviced apartments	499,806	Direct comparison approach and income capitalisation approach	Rental rate from USD300 to USD399 per room per day and occupancy 86%	Capitalisation rate of 3%
Mongolia - Office, serviced apartments and commercial complex	328,920	Direct comparison approach and income capitalisation approach	Rental rate from USD27 to USD47 per sq.m. per month and occupancy from 80% to 94%	Capitalisation rate in the range of 6.2% to 10%
Sri Lanka - Office, serviced apartments and commercial complex	206,781	Income capitalisation approach	Rental rate from USD19 to USD21 per sq.m. per month and occupancy from 71% to 90%	Capitalisation rate in the range of 7.5% to 8.5%
Other regions - Office, serviced apartments and commercial complex	245,140	Direct comparison approach and income capitalisation approach	Rental rate from USD8 to USD42 per sq.m. per month and occupancy from 75% to 95%	Capitalisation rate in the range of 5.5% to 7.5%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8 INVESTMENT PROPERTIES (CONTINUED)

Description	Fair value at 31 December 2024 USD'000	Valuation techniques	Unobservable inputs	
Chinese Mainland - Office, serviced apartments and commercial complex	564,938	Direct comparison approach and income capitalisation approach	Rental rate from USD6 to USD28 per sq.m per month and occupancy from 75% to 95%	Capitalisation rate in the range of 4% to 8%
Singapore - Serviced apartments	468,649	Direct comparison approach and income capitalisation approach	Rental rate from USD283 to USD341 per room per day and occupancy 84%	Capitalisation rate of 3%
Mongolia - Office, serviced apartments and commercial complex	314,318	Direct comparison approach and income capitalisation approach	Rental rate from USD26 to USD45 per sq.m. per month and occupancy from 80% to 94%	Capitalisation rate in the range of 6.2% to 10%
Sri Lanka - Office, serviced apartments and commercial complex	191,009	Income capitalisation approach	Rental rate from USD21 to USD25 per sq.m. per month and occupancy from 85% to 90%	Capitalisation rate in the range of 7.75% to 8.5%
Other regions - Office, serviced apartments and commercial complex	245,359	Direct comparison approach and income capitalisation approach	Rental rate from USD7 to USD39 per sq.m. per month and occupancy from 60% to 92%	Capitalisation rate in the range of 5.5% to 7.5%

Under the income capitalisation approach, fair value is determined by discounting the projected cash flow streams with the properties using risk-adjusted discount rate. An exit or terminal value projected based on capitalisation rate is also included in the projection. The valuation takes into account expected market rental rate and occupancy rate of the respective properties. The capitalisation rates used are based on the quality and location of the properties and taking into account market data at the valuation date. The fair value measurement is positively correlated to the rental rate and occupancy rate, and negatively correlated to the capitalisation rate and discount rate.

Under the direct comparison approach, fair value is determined with reference to recent sales price of comparable properties in nearby locations and adjusting a premium or a discount specific to the quality of the respective properties compared to the recent sales. Higher premium for higher quality properties will result in a higher fair value measurement.

For valuation of investment properties under development, estimated cost to completion together with developer's profit and risk margins are deducted from the estimated capital value of the proposed development by reference to its development potential assuming completed as at the date of valuation.

9 LEASES

This note provides information for leases where the Group is a lessee.

(a) Amounts recognised in the consolidated statement of financial position

The consolidated statement of financial position shows the following carrying amounts relating to leases:

	2025 USD'000	2024 USD'000
Right-of-use assets		
Leasehold land and land use rights	755,825	757,343
Buildings	421,756	246,093
Motor vehicles	798	801
Others	2,515	187
	1,180,894	1,004,424
Lease liabilities		
Current	64,207	42,777
Non-current	689,044	506,059
	753,251	548,836

Additions to the right-of-use assets during the year ended 31 December 2025 were USD224,167,000 (2024: USD19,474,000).

The Group assesses the carrying value of property, plant and equipment; and right-of-use asset as per accounting policies. Professional valuations were carried out by independent professional firms during the year for those properties for which the internal assessment results needed independent confirmation. The Group has performed an impairment assessment on the right-of-use assets where impairment indicators exist.

During the year, the Group has recorded an impairment loss of USD30,395,000 under "Other operating expenses" for the right-of-use assets of a leased hotel in the United Kingdom. The recoverable amount amounted to USD209,725,000 of the hotel property including the right-of-use assets being impaired was valued based on its value-in-use and the discount rate used for determining the valuation for its hotel operation was 8.75% per annum.

If a higher discount rate is used in the calculation of the recoverable amount, the Group would have to recognise additional impairment charges against the right-of-use assets.

(b) Amounts recognised in the consolidated statement of profit or loss

The consolidated statement of profit or loss shows the following expenses relating to leases:

	2025 USD'000	2024 USD'000
Depreciation charge of right-of-use assets		
Leasehold land and land use rights	24,817	24,776
Buildings	22,721	17,233
Motor vehicles	271	248
Others	2,251	2,274
	50,060	44,531
Interest expense on lease liabilities (included in "finance costs - net")	31,091	27,914
Expense relating to short-term leases and variable lease payments not included in lease liabilities	32,686	35,043

Total cash outflow for leases in respect of lease liabilities in 2025 was USD56,076,000 (2024: USD47,947,000) and the total cash outflow for leases including short-term leases and variable lease payment was USD88,762,000 (2024: USD82,990,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10 INTANGIBLE ASSETS

	Goodwill USD'000	Trademark and licences USD'000	Website and system development USD'000	Total USD'000
At 1 January 2024				
Cost	88,356	11,958	44,757	145,071
Accumulated amortisation	–	(10,220)	(30,190)	(40,410)
Net book amount	88,356	1,738	14,567	104,661
Year ended 31 December 2024				
At 1 January 2024	88,356	1,738	14,567	104,661
Exchange difference	(617)	–	(21)	(638)
Additions	–	–	6,222	6,222
Amortisation expenses (Note 28)	–	(568)	(6,545)	(7,113)
Closing net book amount	87,739	1,170	14,223	103,132
At 31 December 2024				
Cost	87,739	11,958	50,958	150,655
Accumulated amortisation	–	(10,788)	(36,735)	(47,523)
Net book amount	87,739	1,170	14,223	103,132
Year ended 31 December 2025				
At 1 January 2025	87,739	1,170	14,223	103,132
Exchange difference	1,211	–	72	1,283
Additions	–	–	3,375	3,375
Amortisation expenses (Note 28)	–	(443)	(4,980)	(5,423)
Closing net book amount	88,950	727	12,690	102,367
At 31 December 2025				
Cost	88,950	11,958	56,328	157,236
Accumulated amortisation	–	(11,231)	(43,638)	(54,869)
Net book amount	88,950	727	12,690	102,367

The principal component of goodwill represented the excess of cost of acquisition of the hotel management group over the fair value of the identified net assets acquired. Due to the synergies of the combination of the hotel operation and hotel management sub-groups, the goodwill impairment assessment is based on the future cash flow generated from the hotel management group using a value-in-use model. The cash flow uses a terminal growth rate of 4% (2024: 4%) per annum and a discount rate of 8% (2024: 8%) per annum. The future cash flow is based on the recent forecasts taking into account the terms and final maturities of all existing management agreements, the past performance of the hotels and the prevailing market conditions. In view of the cash flow projection, no provision for impairment losses is considered necessary after reviewing the impairment assessment. Reasonably possible changes for other key assumptions have been considered and assessed and no instances have been identified that could cause the carrying amount of the goodwill to exceed its recoverable amount.

11 SUBSIDIARIES

(a) Details of principal subsidiaries are set out in Note 41(a).

(b) **Material non-controlling interests**

The total non-controlling interests as at 31 December 2025 is USD275,666,000 (2024: USD253,644,000), of which USD162,020,000 (2024: USD144,799,000) is attributable to Shangri-La Hotels (Malaysia) Berhad Group (which is the Malaysia listed group), and a deficit balance of USD6,736,000 (2024: a deficit balance of USD7,280,000) is attributable to Shangri-La International Hotels (Pacific Place) Limited (which owns Island Shangri-La in Hong Kong). The remaining non-controlling interests in respect of other subsidiaries are not material in terms of profit contribution.

Summarised financial information of subsidiaries with material non-controlling interests

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. These summarised financial information are based on the local financial statements of the relevant subsidiaries after adjustments for compliance with the Group's accounting policies.

Summarised statement of financial position as at 31 December

	Shangri-La Hotels (Malaysia) Berhad		Shangri-La International Hotels (Pacific Place) Limited	
	2025 USD'000	2024 USD'000	2025 USD'000	2024 USD'000
Current				
Assets	72,649	60,164	35,016	14,313
Liabilities	(90,105)	(86,856)	(34,259)	(32,460)
Net current (liabilities)/assets	(17,456)	(26,692)	757	(18,147)
Non-current				
Assets	332,585	309,245	157,917	174,061
Liabilities	(10,695)	(9,217)	(192,353)	(192,313)
Net non-current assets/(liabilities)	321,890	300,028	(34,436)	(18,252)
Net assets/(liabilities)	304,434	273,336	(33,679)	(36,399)
Attributable to:				
Owners of the Company	142,414	128,537	(26,943)	(29,119)
Non-controlling interests	162,020	144,799	(6,736)	(7,280)
	304,434	273,336	(33,679)	(36,399)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11 SUBSIDIARIES (CONTINUED)

(b) Material non-controlling interests (continued)

Summarised statement of comprehensive income for the year ended 31 December

	Shangri-La Hotels (Malaysia) Berhad		Shangri-La International Hotels (Pacific Place) Limited	
	2025 USD'000	2024 USD'000	2025 USD'000	2024 USD'000
Revenue	127,726	117,280	143,425	125,032
Profit/(Loss) before income tax	14,846	11,441	3,376	(6,946)
Income tax (expense)/credit	(5,073)	(3,727)	(656)	1,000
Other comprehensive income	29,660	7,031	–	–
Total comprehensive income/(loss)	39,433	14,745	2,720	(5,946)
Total comprehensive income/(loss) attributable to:				
Owners of the Company	18,239	6,671	2,176	(4,757)
Non-controlling interests	21,194	8,074	544	(1,189)
	39,433	14,745	2,720	(5,946)
Dividends paid to non-controlling interests	3,973	4,619	–	–

Summarised cash flow statement for the year ended 31 December

	Shangri-La Hotels (Malaysia) Berhad		Shangri-La International Hotels (Pacific Place) Limited	
	2025 USD'000	2024 USD'000	2025 USD'000	2024 USD'000
Net cash generated from operating activities	30,912	28,861	7,644	25,749
Net cash used in investing activities	(11,328)	(11,612)	(1,119)	(29,636)
Net cash (used in)/generated from financing activities	(12,752)	(8,463)	(158)	12,743
Net increase in cash and cash equivalents	6,832	8,786	6,367	8,856
Cash and cash equivalents at beginning of the year	52,734	42,654	20,006	11,150
Exchange gains on cash and cash equivalents	5,731	1,294	–	–
Cash and cash equivalents at end of the year	65,297	52,734	26,373	20,006

12 INTEREST IN ASSOCIATES AND AMOUNTS DUE FROM ASSOCIATES

	2025 USD'000	2024 USD'000
Interest in associates		
At 1 January	4,186,418	4,116,878
Share of profit of associates (Note 33)		
– profit before taxation	290,199	424,346
– taxation	(81,840)	(114,688)
	208,359	309,658
Exchange difference	104,926	(64,198)
Effect of hyperinflation	6,209	16,182
Dividends declared by associates	(89,182)	(192,520)
Equity injection to associates	4,409	44,469
Capital reduction from associates	–	(40,488)
Disposal of share of net assets of an associate	–	(3,563)
Investment in associates under equity method	4,421,139	4,186,418
Equity loans (Note (a))	60,087	51,503
Other long-term shareholder loans (Note (b))	64,075	42,393
As 31 December	4,545,301	4,280,314
Amounts due from associates (Note (c))	56,908	160,157

Notes:

- (a) Equity loans are unsecured, interest free and with no repayment obligations.
- (b) Other long-term shareholder loans are interest bearing at:

	2025 USD'000	2024 USD'000
– HIBOR plus 1% per annum and wholly repayable on 17 July 2028 (in Hong Kong dollars)	23,613	23,613
– Fixed rate at 1% per annum and wholly repayable on 21 April 2026 (in Renminbi)	–	10,433
– Fixed rate at 2.1465% per annum and wholly repayable on 8 December 2027 (in Renminbi)	–	8,347
– PBOC rate per annum and wholly repayable on 31 December 2027 (in Renminbi)	1,992	–
– PBOC rate minus 0.3% per annum and wholly repayable on 31 December 2028 (in Renminbi)	7,114	–
– PBOC rate minus 0.1% per annum and wholly repayable on 31 December 2028 (in Renminbi)	14,597	–
– PBOC rate minus 0.25% per annum and wholly repayable on 31 December 2028 (in Renminbi)	3,812	–
– PBOC rate minus 0.15% per annum and wholly repayable on 31 December 2028 (in Renminbi)	6,545	–
– PBOC rate plus 0.16% per annum and wholly repayable on 31 December 2028 (in Renminbi)	6,402	–
	64,075	42,393

Other long-term shareholder loans are unsecured and not repayable within the next twelve months from the end of the reporting period. The fair values of other long-term shareholder loans are not materially different from their carrying amounts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12 INTEREST IN ASSOCIATES AND AMOUNTS DUE FROM ASSOCIATES (CONTINUED)

Notes: (continued)

(c) Amounts due from associates are unsecured and with the following terms:

	2025 USD'000	2024 USD'000
- Fixed rate at 1.8% per annum and wholly repayable on 27 September 2025 (in Renminbi)	-	1,948
- Fixed rate at 1.8% per annum and wholly repayable on 1 December 2025 (in Renminbi)	-	6,261
- Fixed rate at 2.0034% per annum and wholly repayable on 25 December 2025 (in Renminbi)	-	4,452
- PBOC rate per annum and wholly repayable on 31 December 2025 (in Renminbi)	-	20,658
- Fixed rate at 1% per annum and wholly repayable on 21 April 2026 (in Renminbi)	10,670	-
- interest free and repayable within one year	46,238	126,838
	56,908	160,157

The maximum exposure to credit risk at the end of the reporting period is the fair value of the long-term shareholder loans of USD64,075,000 (2024: USD42,393,000) and amounts due from associates of USD56,908,000 (2024: USD160,157,000).

The Group's proportionate share of the carrying value of property, plant and equipment and right-of-use assets owned by the Group's associates amounted to USD874,412,000 (2024: USD918,997,000) and USD13,787,000 (2024: USD13,784,000), respectively. The Group's proportionate share of the fair value of investment properties owned by the Group's associates amounted to USD4,376,827,000 (2024: USD4,200,676,000).

Set out below are the associates of the Group as at 31 December 2025, which, in the opinion of the directors, are material to the Group. The associates as listed below are held directly by the Group. The country of incorporation or registration is also their principal place of business.

Nature of investment in the associates as at 31 December 2025 and 2024:

Name of entity	Place of business/ country of incorporation	% of ownership interest		Nature of the business	Measurement method
China World Trade Center Limited	The People’s Republic of China	50	Note (a)	Note (b)	Equity
Shanghai Ji Xiang Properties Co, Limited	The People’s Republic of China	49		Note (b)	Equity

Notes:

- (a) China World Trade Center Limited is considered as an associate instead of a joint venture as the Group only has significant influence over China World Trade Center Limited due to its board composition, even though the Group holds 50% equity interest.
- (b) China World Trade Center Limited owns the complex of China World Trade Center in Beijing and Shanghai Ji Xiang Properties Co, Limited owns the Jing An Shangri-La, Shanghai and Jing An Kerry Centre - Phase II in Shanghai and both of them operate hotels and investment properties in Chinese Mainland.

12 INTEREST IN ASSOCIATES AND AMOUNTS DUE FROM ASSOCIATES (CONTINUED)

Summarised financial information for associates as at 31 December

Set out below are the summarised financial information for China World Trade Center Limited and Shanghai Ji Xiang Properties Co, Limited which are accounted for using the equity method. These summarised financial information are based on the local financial statements of the relevant associates after adjustments for compliance with the Group's accounting policies.

	China World Trade Center Limited		Shanghai Ji Xiang Properties Co, Limited	
	2025 USD'000	2024 USD'000	2025 USD'000	2024 USD'000
Current				
Assets	670,152	723,353	67,382	46,078
Liabilities	(257,455)	(408,202)	(70,833)	(88,212)
Net current assets/(liabilities)	412,697	315,151	(3,451)	(42,134)
Non-current				
Assets	6,031,051	5,845,224	2,066,548	2,033,102
Liabilities	(2,140,248)	(2,178,131)	(387,380)	(373,829)
Net non-current assets	3,890,803	3,667,093	1,679,168	1,659,273
Net assets	4,303,500	3,982,244	1,675,717	1,617,139

Summarised statement of comprehensive income for the year ended 31 December

	China World Trade Center Limited		Shanghai Ji Xiang Properties Co, Limited	
	2025 USD'000	2024 USD'000	2025 USD'000	2024 USD'000
Revenue	601,041	658,402	196,871	200,789
Profit before income tax (including fair value gains on investment properties)	308,908	410,829	109,552	233,139
Income tax expense	(75,906)	(102,917)	(26,436)	(63,655)
Other comprehensive income/(loss)	93,840	(58,476)	36,953	(23,705)
Total comprehensive income	326,842	249,436	120,069	145,779
Dividends received from associates (net of tax)	86,136	–	36,132	35,735

Reconciliation of summarised financial information as at 31 December

Reconciliation of the summarised financial information presented to the carrying amount of its interest in the associates.

	China World Trade Center Limited		Shanghai Ji Xiang Properties Co, Limited	
	2025 USD'000	2024 USD'000	2025 USD'000	2024 USD'000
Closing net assets	4,303,500	3,982,244	1,675,717	1,617,139
Respective equity interest	50%	50%	49%	49%
Interest in associates	2,151,750	1,991,122	821,101	792,398
Goodwill	–	–	290	290
Carrying amount	2,151,750	1,991,122	821,391	792,688

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12 INTEREST IN ASSOCIATES AND AMOUNTS DUE FROM ASSOCIATES (CONTINUED)

The Group has interests in a number of individually immaterial associates that are accounted for using the equity method. The aggregated financial information on these associates are as follows:

	2025 USD'000	2024 USD'000
Aggregate carrying amount of individually immaterial associates	1,572,159	1,496,504
Aggregate amounts of the Group's share of		
Profit after tax	51,132	72,654
Other comprehensive income/(loss)	46,303	(7,569)
Total comprehensive income	97,435	65,085

There were no contingent liabilities relating to the Group's interest in associates as at 31 December 2025 and 2024.

13 FINANCIAL ASSETS

	2025 USD'000	2024 USD'000
Non-current		
Financial assets at FVOCI		
– Equity instruments	2,412	2,101
Financial assets at FVPL		
– Club debentures	10,233	10,787
	12,645	12,888
Current		
Financial assets at FVPL		
– Shares listed in Hong Kong	13,748	10,948

Other than acquisition of financial assets at FVOCI of USD311,000 during the year ended 31 December 2025, there were no acquisitions and disposals of financial assets during the years ended 31 December 2025 and 2024.

The maximum exposure to credit risk at the end of the reporting period is the fair value of the financial assets mentioned above.

14 OTHER RECEIVABLES

	2025 USD'000	2024 USD'000
Security deposits on leased premises	9,734	11,482

The following interest-free security deposits were paid to the lessors of the leased premises and will only be recoverable after expiry of the lease.

- JPY1,751,000,000 (equivalent to USD11,177,000) (2024: JPY1,751,000,000 (equivalent to USD11,164,000))
- RMB5,000,000 (equivalent to USD711,000) (2024: RMB10,000,000 (equivalent to USD1,391,000))

The fair values of these other receivables are not materially different from their carrying values.

The maximum exposure to credit risk at the end of the reporting period is the fair value of other receivables mentioned above.

15 ACCOUNTS RECEIVABLE, PREPAYMENTS AND DEPOSITS

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

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

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

Notes:

- (a) The fair values of the trade and other receivables are not materially different from their carrying values.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15 ACCOUNTS RECEIVABLE, PREPAYMENTS AND DEPOSITS (CONTINUED)

Notes: (continued)

- (b) A significant part of the Group's sales are by credit cards or against payment of deposits. The remaining amounts are with general credit term of 30 days. The Group has a defined credit policy. The ageing analysis of the trade receivables based on invoice date after provision for impairment is as follows:

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

- (c) The carrying amounts of the Group's trade and other receivables after provision for impairment are denominated in the following currencies:

	2025 USD'000	2024 USD'000
Hong Kong dollars	28,599	18,615
United States dollars	15,140	12,564
Renminbi	28,264	33,185
Singapore dollars	9,408	13,728
Malaysian ringgit	4,199	4,603
Thai baht	2,088	2,872
Philippine pesos	10,981	14,977
Japanese yen	4,229	4,416
Euros	4,064	5,072
Australian dollars	2,400	2,261
British pounds	2,649	2,913
Mongolian tugrik	2,389	2,049
Sri Lankan rupee	13,064	11,204
Other currencies	5,357	6,115
	132,831	134,574

- (d) Movements on the Group's provision for impairment of trade receivables are as follows:

	2025 USD'000	2024 USD'000
At 1 January	10,184	12,123
Exchange differences	379	(210)
Provision for receivables impairment	3,227	1,188
Receivables written off during the year as uncollectible	(216)	(192)
Unused amounts reversed	(2,227)	(2,725)
At 31 December	11,347	10,184

The creation and release of provision for impaired receivables have been included in "administrative expenses" in the consolidated statement of profit or loss. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

16 PROPERTIES FOR SALE

	2025 USD'000	2024 USD'000
Located in		
– Chinese Mainland	32,564	33,029
– Sri Lanka	16,448	19,548
	49,012	52,577

These properties held for sale include the cost of the underlying land on which the properties are developed.

17 CASH, BANK BALANCES AND OTHER LIQUID FUNDS

	2025 USD'000	2024 USD'000
Cash at bank and on hand	499,274	472,048
Short-term bank deposits	1,974,128	1,411,842
Cash and bank balances	2,473,402	1,883,890
Short-term fund placements (Note)	56,785	47,102
Cash and bank balances and short-term fund placements	2,530,187	1,930,992
Maximum exposure to credit risk for all balances at bank and short-term fund placements	2,528,175	1,928,706

Note: Short-term fund placements represent investment in highly liquid money market instruments. This investment is readily convertible to cash within 3 months and has insignificant risk of changes in value.

The effective interest rate on short-term bank deposits was 3.58% (2024: 3.53%) per annum; these deposits have an average maturity of 3.0 months (2024: 1.8 months).

Cash and cash equivalents include the following for the purposes of the consolidated cash flow statement:

	2025 USD'000	2024 USD'000
Cash and bank balances and short-term fund placements	2,530,187	1,930,992
Less: Bank deposits with original maturities over 3 months	(288,953)	(113,916)
Cash and cash equivalents	2,241,234	1,817,076

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18 SHARE CAPITAL AND PREMIUM AND SHARES HELD FOR SHARE AWARD SCHEME

	Number of shares '000	Amount		
		Share capital USD'000	Share premium USD'000	Total USD'000
Share capital and premium				
Authorised				
- Ordinary shares of HKD1 each				
At 1 January 2024, 31 December 2024 and 31 December 2025	5,000,000	646,496	-	646,496
Issued and fully paid				
- Ordinary shares of HKD1 each				
At 1 January 2024, 31 December 2024 and 31 December 2025	3,585,525	462,904	2,739,091	3,201,995
Shares held for share award scheme				
At 1 January 2024	(20,812)	(2,685)	(12,960)	(15,645)
Shares purchased for share award scheme	(7,804)	(1,007)	(4,328)	(5,335)
Vesting of shares under share award scheme	10,088	1,302	6,083	7,385
At 31 December 2024 and 1 January 2025	(18,528)	(2,390)	(11,205)	(13,595)
Shares purchased for share award scheme	(10,000)	(1,290)	(4,317)	(5,607)
Vesting of shares under share award scheme	13,373	1,725	7,297	9,022
At 31 December 2025	(15,155)	(1,955)	(8,225)	(10,180)

As at 31 December 2025, except for shares held for share award scheme as shown above, 10,501,055 (2024: 10,501,055) ordinary shares in the Company were held by a subsidiary which was acquired in late 1999. The cost of these shares was recognised in equity in prior years.

Share awards

The shareholders of the Company approved the adoption of its 2025 Share Scheme, which included new share reward and options scheme, on 12 June 2025. During the year ended 31 December 2025, the share award scheme of the Group acquired 10,000,000 ordinary shares in the Company through purchases on the open market and 13,372,600 shares were transferred to the awardees upon vesting of the awarded shares. The remaining 15,155,100 shares were held in trust under the share award scheme as at 31 December 2025. Details of the share award scheme were disclosed in Note 19 to these consolidated financial statements.

Share options

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

19 SHARE AWARD SCHEME

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

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

The fair values of the awarded shares granted are based on the quoted market price of the Company on the grant dates which are amortised over the relevant vesting periods. During the year ended 31 December 2025, a total of 19,375,100 shares and 13,372,600 shares were granted and vested to the qualified awardees, respectively. A total of 15,155,000 shares were held in trust under the share award scheme as at 31 December 2025. During the year ended 31 December 2025, an expense of USD10,254,000 (2024: USD10,119,000) for the award shares granted was charged to the consolidated statement of profit or loss.

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

Grant date	Fair value per share	Number of awarded shares granted	Number of awarded shares vested			Vesting period
			Before 2024	2024	2025	
In year 2021						
1 Apr 2021	HKD7.86	52,000	52,000	–	–	Nil
7 Jun 2021	HKD7.27	5,986,000	3,326,000	1,366,000	–	7 Jun 2021 to 7 Jun 2024
15 Oct 2021	HKD6.35	80,000	80,000	–	–	Nil
15 Oct 2021	HKD6.35	268,000	160,000	44,000	–	15 Oct 2021 to 15 Oct 2024
Total for 2021		6,386,000				
In year 2022						
6 May 2022	HKD5.85	12,458,000	3,610,000	3,144,000	2,879,000	6 May 2022 to 6 May 2025
Total for 2022		12,458,000				
In year 2023						
17 Jul 2023	HKD6.37	18,930,100	–	5,534,300	5,290,200	17 Jul 2023 to 17 Jul 2026
Total for 2023		18,930,100				
In year 2024						
2 Jan 2024	HKD5.36	522,900	–	–	174,300	2 Jan 2024 to 1 Jan 2027
5 Jul 2024	HKD5.49	15,390,300	–	–	5,029,100	5 Jul 2024 to 5 Jul 2027
2 Oct 2024	HKD5.64	247,700	–	–	–	2 Oct 2024 to 20 Feb 2027
Total for 2024		16,160,900				
In year 2025						
7 Jul 2025	HKD4.53	18,753,200	–	–	–	7 Jul 2025 to 7 Jul 2028
12 Dec 2025	HKD4.68	621,900	–	–	–	12 Dec 2025 to 7 Jul 2028
Total for 2025		19,375,100				
Grand Total		73,310,100	7,228,000	10,088,300	13,372,600	

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20 OTHER RESERVES

	Share award reserve USD'000	Hedging reserve USD'000	Capital redemption reserve USD'000	Exchange fluctuation reserve USD'000	Capital reserve USD'000	Asset revaluation reserve USD'000	Other reserve USD'000 (Note (a))	Contributed surplus USD'000 (Note (b))	Total USD'000
At 1 January 2024	9,074	59,255	10,666	(685,967)	601,490	20,823	1,368	389,741	406,450
Currency translation differences	-	-	-	(95,620)	-	-	-	-	(95,620)
Fair value changes of interest rate swap and cross-currency swap contracts - hedging	-	(32,726)	-	-	-	-	-	-	(32,726)
Share-based compensation under share award scheme	10,119	-	-	-	-	-	-	-	10,119
Vesting of shares under share award scheme	(8,239)	-	-	-	-	-	-	-	(8,239)
At 31 December 2024 and 1 January 2025	10,954	26,529	10,666	(781,587)	601,490	20,823	1,368	389,741	279,984
Currency translation differences	-	-	-	120,932	-	-	-	-	120,932
Fair value changes of interest rate swap and cross-currency swap contracts - hedging	-	(34,202)	-	-	-	-	-	-	(34,202)
Share-based compensation under share award scheme	10,254	-	-	-	-	-	-	-	10,254
Vesting of shares under share award scheme	(10,203)	-	-	-	-	-	-	-	(10,203)
At 31 December 2025	11,005	(7,673)	10,666	(660,655)	601,490	20,823	1,368	389,741	366,765

Notes:

- (a) A subsidiary in Thailand is required by local law to appropriate certain percentage of its annual net profits as other reserve until the reserve reaches 10 percent of its registered share capital. This reserve is not available for dividend distribution.
- (b) The contributed surplus of the Group arose when the Group issued shares in exchange for the shares of companies being acquired, and represented the difference between the nominal value of the Company's issued shares and the value of net assets of the companies acquired. Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus is distributable to the shareholders. At the Group level, the contributed surplus is reclassified into its components of reserves of the underlying subsidiaries, whenever appropriate.

21 BANK LOANS

	2025 USD'000	2024 USD'000
Bank loans	5,173,092	4,940,648
Less: Non-current portion	(4,508,410)	(4,708,500)
Current portion	664,682	232,148

The maturity of bank loans is as follows:

	2025 USD'000	2024 USD'000
Within one year	664,682	232,148
In the second year	854,173	1,148,552
In the third to fifth years	3,370,204	3,181,256
Repayable within five years	4,889,059	4,561,956
After five years	284,033	378,692
	5,173,092	4,940,648

As at 31 December 2025 and 2024, all bank loans are unsecured.

The carrying amounts of the bank loans approximate their fair values and are denominated in the following currencies:

	2025 USD'000	2024 USD'000
Hong Kong dollars (HKD)	171,690	786,413
Renminbi (RMB)	3,956,239	3,087,066
United States dollars (USD)	937,640	941,645
Japanese yen (JPY)	104,679	104,645
Fijian dollars (FJD)	2,844	3,625
Singapore dollars (SGD)	–	17,254
	5,173,092	4,940,648

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21 BANK LOANS (CONTINUED)

The effective interest rates at the end of the reporting period are as follows:

31 December 2025						
	HKD	RMB	USD	JPY	FJD	
Bank loans	4.19%	3.68%	4.88%	1.22%	3.75%	

31 December 2024						
	HKD	RMB	USD	JPY	FJD	SGD
Bank loans	5.79%	4.04%	5.67%	0.97%	3.75%	4.74%

At the end of the reporting period, the Group has the following undrawn borrowing facilities:

	2025 USD'000	2024 USD'000
Floating rate		
– expiring within one year	9,042	11,287
– expiring beyond one year	693,028	332,651
Fixed rate		
– expiring beyond one year	56,909	989,093
	758,979	1,333,031

22 FIXED RATE BONDS

For year ended 31 December 2025, the Group has the following RMB bonds issuance:

- In April 2025, the Company issued two tranches of fixed rate bonds totalling RMB1,000,000,000 (equivalent to USD138,862,000), comprising RMB600,000,000 at a 3-year term and RMB400,000,000 at a 5-year term with coupon rates of 2.18% and 2.49% per annum, respectively.
- In June 2025, the Company issued two tranches of fixed rate bonds totalling RMB1,000,000,000 (equivalent to USD139,692,000), comprising RMB500,000,000 at a 3-year term and RMB500,000,000 at a 5-year term with coupon rates of 2.03% and 2.38% per annum, respectively.
- In September 2025, the Company issued 3-year fixed rate bonds in an aggregated amount of RMB800,000,000 (equivalent to USD112,589,000) with a coupon rate of 2.14% per annum.

For year ended 31 December 2025, the Group has the following SGD bonds issuance:

- In June 2025, a subsidiary of the Company issued 7-year fixed rate bonds with an aggregate principal amount of SGD125,000,000 (equivalent to USD98,078,000) at a coupon rate of 3.54% per annum. Additional amounts of SGD100,000,000 (equivalent to USD77,567,000) and SGD30,000,000 (equivalent to USD23,243,000) were re-tapped in July 2025 and October 2025, respectively.
- In July 2025, a subsidiary of the Company issued 7-year fixed rate bonds with an aggregate principal amount of SGD300,000,000 (equivalent to USD230,822,000) at a coupon rate of 3.48% per annum. An additional amount of SGD60,000,000 (equivalent to USD46,540,000) was re-tapped in September 2025.

22 FIXED RATE BONDS (CONTINUED)

The fixed rate bonds recognised in the consolidated statement of financial position are as follows:

	Coupon rate per annum	Maturity	At 31 December 2024 USD'000	New issuance during the year USD'000	Repayment during the year USD'000	Exchange differences USD'000	At 31 December 2025 USD'000
Bonds issued in 2018							
SGD825,000,000	4.50%	Nov 2025	605,727	–	(635,691)	29,964	–
USD35,000,000	5.23%	Nov 2025	35,000	–	(35,000)	–	–
Bonds issued in 2019							
SGD165,000,000	4.10%	Jun 2027	121,145	–	–	7,110	128,255
Bonds issued in 2020							
SGD250,000,000	3.50%	Jan 2030	183,554	–	–	10,772	194,326
Bonds issued in 2021							
SGD100,000,000	3.50%	Jan 2030	73,422	–	–	4,308	77,730
Bonds issued in 2023							
SGD160,000,000	4.40%	Aug 2028	117,474	–	–	6,894	124,368
Bonds issued in 2024							
RMB1,000,000,000	2.50%	Jun 2027	139,113	–	–	3,159	142,272
RMB600,000,000	2.27%	Jul 2027	83,468	–	–	1,895	85,363
RMB400,000,000	2.50%	Jul 2029	55,645	–	–	1,264	56,909
Bonds issued in 2025							
RMB600,000,000	2.18%	Apr 2028	–	83,317	–	2,046	85,363
RMB400,000,000	2.49%	Apr 2030	–	55,545	–	1,364	56,909
RMB500,000,000	2.03%	Jun 2028	–	69,846	–	1,290	71,136
RMB500,000,000	2.38%	Jun 2030	–	69,846	–	1,290	71,136
RMB800,000,000	2.14%	Sep 2028	–	112,589	–	1,228	113,817
SGD255,000,000	3.54%	Jun 2032	–	198,888	–	(676)	198,212
SGD360,000,000	3.48%	Jul 2032	–	277,362	–	2,467	279,829
Face value			1,414,548	867,393	(670,691)	74,375	1,685,625
Unamortised discount and issuing expenses			(2,933)				(2,578)
Carrying amount			1,411,615				1,683,047
Less: Non-current portion			(771,291)				(1,683,047)
Current portion			640,324				–

As at 31 December 2025 and 2024, all fixed rate bonds are unsecured.

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23 DERIVATIVE FINANCIAL INSTRUMENTS

	2025 USD'000	2024 USD'000
Non-current assets		
Interest rate swap contracts		
– cash flow hedge	2,092	24,346
Cross-currency swap contracts		
– held for trading	–	756
	2,092	25,102
Current assets		
Interest rate swap contracts		
– cash flow hedge	13,569	24,399
– held for trading	1,682	–
Cross-currency swap contracts		
– held for trading	–	259
	15,251	24,658
Total	17,343	49,760
Non-current liabilities		
Cross-currency swap contracts		
– cash flow hedge	–	20,909
– held for trading	10,721	191
	10,721	21,100
Current liabilities		
Cross-currency swap contracts		
– cash flow hedge	23,333	1,307
– held for trading	5,594	795
	28,927	2,102
Total	39,648	23,202

Interest rate swap contracts

The Group has endeavoured to hedge its medium-term interest rate risk by entering into fixed HIBOR and SOFR interest rate swap contracts, and interest rate swap contracts with carry amount of USD15,661,000 (2024: USD48,745,000) qualify for hedge accounting. The hedging instruments have similar critical terms as the hedged items, which present economic relationship and are highly effective.

All the interest rate swap contracts were initially recognised at fair value on the dates the contracts were entered and are subsequently re-measured at fair value at the end of each reporting period. The recorded fair value could be an asset or liability depending on the prevailing financial market conditions and the anticipated interest rate environment.

23 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate swap contracts (continued)

The notional principal amounts of the outstanding HIBOR and SOFR interest rate swap contracts at 31 December 2025 are as follows:

- USD600,000,000 (2024: USD600,000,000) with fixed interest rates of 1.460% (2024: 1.460%) per annum maturing in March 2027, which qualifies for hedge accounting.
- HKD1,300,000,000 (equivalent to USD167,742,000) (2024: HKD3,620,000,000 (equivalent to USD467,097,000)) with fixed interest rates vary from 1.555% to 1.855% (2024: 1.505% to 1.855%) per annum maturing from July to August 2026, which qualifies for hedge accounting.
- HKD2,320,000,000 (equivalent to USD299,355,000) (2024: nil) with fixed interest rates vary from 1.505% to 1.850% (2024: nil) per annum maturing from June to August 2026, which does not qualify for hedge accounting following the early repayment of the higher-interest HKD bank loans by late 2025.

Cross-currency swap contracts

During the year ended 31 December 2024, a 51% owned subsidiary of the Company entered into a 5-year term cross-currency swap contract amounting to USD33,500,000 in order to swap bank borrowings from USD to RMB to hedge the RMB investment for hotels in Chinese Mainland, under which the principal amount was exchanged at inception to RMB at exchange rate of RMB7.228 to USD1 and will be re-exchanged on expiry date in December 2028 at the same exchange rate. Under the contract, a fixed interest rate of 4.18% per annum on the exchanged RMB principal amount would be paid and a floating interest rate of SOFR+1.65% per annum on the USD principal amount would be received, respectively. This cross-currency swap contract does not qualify for hedge accounting.

During the year ended 31 December 2023, a 51% owned subsidiary of the Company entered into five 5-year term cross-currency swap contracts totalling USD260,000,000 in order to swap bank borrowings from USD to RMB to hedge the RMB investment for hotels in Chinese Mainland, under which the principal amount was exchanged at inception to RMB at exchange rates vary between RMB7.120 and 7.146 to USD1 and will be re-exchanged on expiry date in December 2028 at the same exchange rate. Under the contracts, fixed interest rates vary from 4.20% to 4.29% per annum on the exchanged RMB principal amounts would be paid and a floating interest rate of SOFR+1.65% per annum on the USD principal amounts would be received, respectively. These cross-currency swap contracts do not qualify for hedge accounting.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Cross-currency swap contracts (continued)

During the year ended 31 December 2019, a wholly owned subsidiary of the Company entered into a cross-currency swap contract amounting to JPY8,000,000,000 to hedge the JPY bank borrowings of the same amount, under which the principal amount was exchanged at inception to HKD578,754,000 at an exchange rate of JPY13.8228 to HKD1 and will be re-exchanged on expiry date in July 2026 at the same exchange rate. Under the contract, a fixed interest rate of 3.345% per annum on the exchanged Hong Kong dollar principal amounts would be paid and a floating interest rate of TONAR+0.675% per annum on the JPY principal amount would be received. The cross-currency swap contract qualifies for hedge accounting and is highly effective.

During the year ended 31 December 2018, a wholly owned subsidiary of the Company entered into a cross-currency swap contract amounting to USD35,000,000, under which the principal amount was exchanged at inception to SGD48,377,000 at an exchange rate of USD1 to SGD1.3822 and was re-exchanged on expiry date in November 2025 at the same exchange rate. Under the contract, a fixed interest rate of 4.25% per annum on the exchanged Singapore dollar principal amounts was paid and a fixed interest rate of 5.23% per annum on the United States dollar principal amount was received. The cross-currency swap contract does not qualify for hedge accounting.

24 NON-CONTROLLING INTERESTS AND BALANCES WITH NON-CONTROLLING SHAREHOLDERS

	2025 USD'000	2024 USD'000
Non-controlling interests		
Share of equity	135,761	113,408
Equity loans (Note (a))	139,905	140,236
	275,666	253,644

Notes:

- (a) Equity loans are unsecured and with no repayment obligations.
- (b) Amounts due to non-controlling shareholders (current portion) are unsecured and with the following terms:

	2025 USD'000	2024 USD'000
Interest free	34,006	32,761
PBOC rate plus 0.25% (2024: Fixed rate at 1.8%) per annum and repayable within one year	19,331	18,655
	53,337	51,416

- (c) Loan from a non-controlling shareholder (non-current portion) is unsecured and with the following terms:

	2025 USD'000	2024 USD'000
Fixed rate at 5% (2024: 5%) per annum and not repayable within one year	38,452	38,452

The fair values of amounts due to non-controlling shareholders and loan from a non-controlling shareholder are not materially different from their carrying values.

25 DEFERRED INCOME TAX

Deferred income tax assets and liabilities are calculated in full on temporary differences under the liability method using a principal taxation rate of 16.5% (2024: 16.5%) for subsidiaries operating in Hong Kong. Deferred income tax assets and liabilities of overseas subsidiaries are calculated at the rates of taxation prevailing in the countries in which the respective subsidiaries operate.

The movement on the deferred income tax account is as follows:

	2025 USD'000	2024 USD'000
At 1 January	247,966	229,191
Exchange differences	1,714	1,727
Deferred taxation charged to profit or loss (Note 34)	25,091	17,418
Deferred taxation credited to other comprehensive income	(84)	(370)
At 31 December	274,687	247,966

The following amounts which are expected only to be substantially recovered/settled after more than twelve months from the end of the reporting period, determined after appropriate offsetting, are shown in the consolidated statement of financial position. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

	2025 USD'000	2024 USD'000
Deferred income tax assets	(62,477)	(73,331)
Deferred income tax liabilities	337,164	321,297
	274,687	247,966

Deferred income tax assets are recognised for tax loss carry forwards to the extent that realisation of the related tax benefit through the future taxable profits is probable. As at 31 December 2025 and 2024, the Group has the following unrecognised tax losses to carry forward against future taxable income:

	2025 USD'000	2024 USD'000
With no expiry date	286,900	300,686
Lapsing within the next five years	691,449	636,428
Lapsing within the next ten years	2,377	692
	980,726	937,806

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25 DEFERRED INCOME TAX (CONTINUED)

The movement in deferred income tax assets and liabilities (prior to offsetting of balances within the same taxation jurisdiction) during the year is as follows:

Deferred income tax liabilities

	Accelerated tax depreciation		Properties valuation surplus		Dividend withholding tax		Right-of-use assets		Others		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
At 1 January	226,447	220,195	54,636	39,342	78,522	81,789	47,126	50,502	1,457	2,740	408,188	394,568
Charged/(Credited) to profit or loss	4,712	6,929	(1,304)	14,264	5,169	(2,821)	16,917	(684)	229	(1,076)	25,723	16,612
Exchange differences	990	(677)	(1,372)	1,030	3,813	(446)	2,416	(2,692)	132	(207)	5,979	(2,992)
At 31 December	232,149	226,447	51,960	54,636	87,504	78,522	66,459	47,126	1,818	1,457	439,890	408,188

Deferred income tax assets

	Provision of assets		Tax losses		Lease liabilities		Others		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
At 1 January	(3,812)	(2,682)	(78,930)	(79,934)	(65,784)	(70,990)	(11,696)	(11,771)	(160,222)	(165,377)
(Credited)/Charged to profit or loss	(1,730)	(1,177)	15,752	441	(17,688)	956	3,034	586	(632)	806
Credited to other comprehensive income	-	-	-	-	-	-	(84)	(370)	(84)	(370)
Exchange differences	(41)	47	(734)	563	(2,324)	4,250	(1,166)	(141)	(4,265)	4,719
At 31 December	(5,583)	(3,812)	(63,912)	(78,930)	(85,796)	(65,784)	(9,912)	(11,696)	(165,203)	(160,222)

26 ACCOUNTS PAYABLE AND ACCRUALS

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

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

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

27 CONTRACT LIABILITIES

	2025 USD'000	2024 USD'000
Contract liabilities for:		
- Guest loyalty programme (Note (a))	42,713	40,999
- Hotel operation (Note (b))	77,371	64,168
- Sales of properties (Note (c))	76	2,240
	120,160	107,407
At 1 January	107,407	101,051
Recognised as revenue during the current year	(40,838)	(42,677)
Cancellation for prior years' balance during the current year	(4,508)	(952)
Net increase for new transactions during the current year	56,300	51,329
Exchange differences	1,799	(1,344)
At 31 December	120,160	107,407

Notes:

- (a) Contract liabilities for guest loyalty programme refer to unredeemed loyalty points liabilities for hotel guests which will be recognised as revenue within two years, prior to the expiry of the loyalty points, based on the terms of the loyalty programme.
- (b) Contract liabilities for hotel operation mainly comprise of deposit receipts in advance from customers which are expected to be recognised as revenue within one year in majority.
- (c) Contract liabilities for sales of properties refer to the deposits received from the properties buyers.

28 EXPENSES BY NATURE

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

	2025 USD'000	2024 USD'000
Depreciation of property, plant and equipment (Note 7)	191,144	210,630
Amortisation of trademark, and website and system development (Note 10)	5,423	7,113
Depreciation of right-of-use assets (Note 9)	50,060	44,531
Provision for impairment losses on property, plant and equipment (Note 7)	–	51,802
Reversal of prior years' impairment losses on property, plant and equipment (Note 7)	–	(5,835)
Provision for impairment losses on right-of-use assets (Note 9)	30,395	–
Employee benefit expenses excluding directors' emoluments (Note 30)	812,204	800,954
Cost of sales of properties	3,275	946
Cost of inventories sold or consumed in operation	275,034	275,450
Loss on disposal of property, plant and equipment; and partial replacement of investment properties	4,574	2,670
Write-off of property, plant and equipment due to property damage and obsolescence	–	2,775
Gain on derecognition of right-of-use assets and lease liabilities	(110)	(95)
Operating lease expenses	32,686	35,043
Pre-opening expenses	4,897	6,322
Auditors' remuneration for audit services	2,588	2,437

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29 OTHER GAINS - NET

	2025 USD'000	2024 USD'000
Fair value gains/(losses) on investment properties (Note 8)	14,786	(20,714)
Gains on short-term investments	4,438	1,709
Fair value losses on club debentures	(554)	(775)
Fair value (losses)/gains on cross-currency swap contracts	(10,463)	13,883
Gain on sale of investment properties	2,873	1,695
Insurance claims recovered from property damage	2,928	4,224
Loss on disposal of an associate (Note 37(b))	–	(4,352)
Interest income	84,319	56,940
Waiver of prior years' interest income from an associate	–	(6,299)
Dividend income from listed shares	856	1,017
	99,183	47,328

30 EMPLOYEE BENEFIT EXPENSES

(excluding Directors' emoluments and share options granted to Directors and employees)

	2025 USD'000	2024 USD'000
Wages and salaries (including unutilised annual leave)	535,596	539,144
Pension costs – defined contribution plans	47,895	46,281
Pension costs – defined benefit plans	274	1,194
Other welfare	228,627	215,576
	812,392	802,195
Less: Amount included in pre-opening expenses	(188)	(1,241)
	812,204	800,954

Total pension cost including charges for Directors charged to profit or loss for the year under all pension schemes was USD48,210,000 (2024: USD47,516,000).

30 EMPLOYEE BENEFIT EXPENSES (CONTINUED)

Pension scheme arrangement

The Group operates and participates in a number of pension and retirement schemes of both the defined contribution and defined benefit types. Principal schemes are described below:

(a) Defined contribution retirement plan

The Company and subsidiaries in Hong Kong participate in a mandatory provident fund scheme ("MPF") which requires both the employers and employees in Hong Kong to contribute 5% of their monthly gross earnings with a ceiling of HKD1,500 (equivalent to USD194). Normally, the employees can only take all the benefits when reaching the statutory retirement age. These companies also participate in other defined contribution schemes which only require the employers to make monthly contribution of the net difference between 10% of the employees' monthly basic salaries (subject to a ceiling of HKD10,000) and the amount already contributed by the employers to the MPF for the relevant employees. Under such schemes, any unvested benefits of employees terminating employment can be utilised by the employers to reduce their future contributions. The assets of these schemes are held separately in independently administrated funds. Contributions made by the employers were charged to profit or loss as incurred.

The Group's subsidiaries in Chinese Mainland, Singapore and Malaysia participate in defined contribution schemes managed by the respective local governments in these countries. The Group's subsidiaries in Australia participate in the government-supported superannuation fund scheme (a defined contribution scheme). Contributions by the subsidiaries are made based on a percentage, ranging from 12% to 17%, of the employees' salaries and bonuses, as applicable, and are charged to the statement of profit or loss as incurred. The maximum contributions by the subsidiaries for each employee for the Group's subsidiaries in Singapore are fixed by the government at SGD1,258 (equivalent to USD964) per month for monthly salaries and bonus payment. The employees of the Group's subsidiaries in Singapore and Malaysia are also required to contribute 20% and 11%, respectively of their gross salaries and bonus, if applicable, to the respective local fund.

The Group also operates a global defined contribution scheme for senior expatriates employed by the Group which requires the employers to contribute 6% to 10% (varying with staff grading) of the employees' basic salaries. Employees can contribute to the scheme on a voluntary basis. Under such scheme, the unvested benefits of employees terminating employment can be utilised by the employers to reduce their future contributions. The assets of the scheme are held separately in independently administered funds. Contributions made by the employers were charged to profit or loss as incurred.

(b) Defined benefit retirement plan

The hotels in the Philippines and Malaysia have adopted funded non-contributory defined benefit pension plans covering their regular employees. The benefits are based on years of service and the employees' final covered compensation. The plans require periodic contributions by the participating subsidiaries as determined by periodic actuarial reviews. For the hotels in the Philippines and Malaysia, actuarial valuations were performed by qualified actuaries at 31 December 2025 using the Projected Unit Credit Actuarial Cost Method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 EMPLOYEE BENEFIT EXPENSES (CONTINUED)

Pension scheme arrangement (continued)

(b) Defined benefit retirement plan (continued)

Movements in the present value of the defined benefit obligations:

	Defined benefit obligations		Fair value of plan assets		Net defined benefit liability	
	2025 USD'000	2024 USD'000	2025 USD'000	2024 USD'000	2025 USD'000	2024 USD'000
At 1 January	14,758	13,186	(6,976)	(7,219)	7,782	5,967
Exchange difference	485	(145)	133	285	618	140
Included in statement of profit or loss						
Current service cost	1,088	973	–	–	1,088	973
Past service cost	(1,131)	–	–	–	(1,131)	–
Interest cost/(income)	746	637	(429)	(416)	317	221
	703	1,610	(429)	(416)	274	1,194
Included in other comprehensive income						
Actuarial loss	54	859	–	–	54	859
Loss on assets excluding amount included in net interest cost	–	–	274	943	274	943
	54	859	274	943	328	1,802
Others						
Contributions	–	–	(1,277)	(827)	(1,277)	(827)
Benefits paid	(843)	(752)	478	258	(365)	(494)
	(843)	(752)	(799)	(569)	(1,642)	(1,321)
At 31 December	15,157	14,758	(7,797)	(6,976)	7,360	7,782

Net defined benefit liabilities of USD7,360,000 (2024: USD7,782,000) was recorded as accounts payable and accruals under current liabilities.

31 BENEFITS AND INTERESTS OF DIRECTORS

The remuneration received from the Group by every Director of the Company for the year ended 31 December 2025 is set out below:

Name of Director	Fees USD'000	Salary USD'000	Discretionary bonuses USD'000	Inducement fees USD'000	Allowances and benefits in kind ⁽¹⁾ USD'000	Employer's contribution to retirement benefit schemes USD'000	Remunerations paid or receivable in respect of accepting office as director USD'000	Compensation paid or receivable in respect of loss office as director USD'000	Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiary undertaking USD'000	Total cash remuneration received and attributable to the year ended 31 December 2025 USD'000
KUOK Hui Kwong ⁽²⁾	-	713	871	-	96	16	-	-	390	2,086
CHUA Chee Wui ⁽²⁾	-	828	586	-	16	16	-	-	-	1,446
LIM Beng Chee	58	-	-	-	-	-	-	-	-	58
LI Kwok Cheung Arthur	105	-	-	-	-	-	-	-	-	105
YAP Chee Keong	113	-	-	-	-	-	-	-	-	113
LI Xiaodong Forrest	68	-	-	-	-	-	-	-	-	68
ZHUANG Chenchao	58	-	-	-	-	-	-	-	-	58
KHOO Shulamite N K	119	-	-	-	-	-	-	-	-	119

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31 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

The remuneration received from the Group by every Director of the Company for the year ended 31 December 2024 is set out below:

Name of Director	Fees USD'000	Salary USD'000	Discretionary bonuses USD'000	Inducement fees USD'000	Allowances and benefits in kind ⁽¹⁾ USD'000	Employer's contribution to retirement benefit schemes USD'000	Remunerations paid or receivable in respect of accepting office as director USD'000	Compensation paid or receivable in respect of loss office as director USD'000	Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiary undertaking USD'000	Total cash remuneration received and attributable to the year ended 31 December 2024 USD'000
KUOK Hui Kwong ⁽²⁾	-	666	1,018	-	95	15	-	-	316	2,110
CHUA Chee Wui ⁽²⁾	-	788	919	-	15	16	-	-	-	1,738
LIM Beng Chee	52	-	-	-	-	-	-	-	116	168
LI Kwok Cheung Arthur	99	-	-	-	-	-	-	-	-	99
YAP Chee Keong	106	-	-	-	-	-	-	-	-	106
LI Xiaodong Forrest	61	-	-	-	-	-	-	-	-	61
ZHUANG Chenchao	52	-	-	-	-	-	-	-	-	52
KHOO Shulamite N K	113	-	-	-	-	-	-	-	-	113

Notes:

- (1) Other benefits include housing, car expense, medical expenses, insurance premium and tax borne by employer.
- (2) For the year ended 31 December 2025, awarded shares were granted and vested to certain Executive Directors under the share award scheme. Total awarded shares of 1,065,400 shares and 560,200 shares (amounting to USD627,000 and USD329,000 based on the market price of the vesting dates) were vested to Ms KUOK Hui Kwong and Mr CHUA Chee Wui on 6 May 2025, 5 July 2025 and 17 July 2025. Awarded shares of 2,099,400 shares and 975,000 shares being vested in the years from 2026 to 2028 were granted to Ms KUOK Hui Kwong and Mr CHUA Chee Wui, respectively. The remuneration on the awarded shares will be included in the disclosure when the vesting condition has been met.
- (3) For the year ended 31 December 2024, awarded shares were granted and vested to certain Executive Directors under the share award scheme. Total awarded shares of 626,100 shares and 360,200 shares (amounting to USD463,000 and USD266,000 based on the market price of the vesting date) were vested to Ms KUOK Hui Kwong and Mr CHUA Chee Wui on 6 May 2024, 7 June 2024 and 17 July 2024. Awarded shares of 1,501,000 shares and 763,700 shares being vested in the years from 2025 to 2027 were granted to Ms KUOK Hui Kwong and Mr CHUA Chee Wui, respectively. The remuneration on the awarded shares will be included in the disclosure when the vesting condition has been met.

31 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include two (2024: two) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining three individuals in 2025 are as follows:

	2025 USD'000	2024 USD'000
Basic salaries, housing allowances, other allowances and benefits in kind	2,152	2,332
Employer's contribution to pension scheme	19	28
Discretionary bonuses	1,270	1,665
Inducement fee to join the Group	529	479
Compensation for loss of office:		
- contractual payments	-	-
- other payment	-	-
	3,970	4,504

During the year ended 31 December 2025, total of 420,900 (2024: 256,800) awarded shares (amounting to USD245,000 (2024: USD190,000) based on the market price of the vesting date) were also vested to the above three (2024: three) individuals.

The emoluments of the five highest paid individuals fell within the following bands:

Emolument bands (in HK dollar)	Number of individuals	
	2025	2024
HKD6,500,001 - HKD7,000,000	1	-
HKD7,500,001 - HKD8,000,000	-	1
HKD11,000,001 - HKD11,500,000	1	1
HKD13,500,001 - HKD14,000,000	1	-
HKD14,500,001 - HKD15,000,000	1	1
HKD15,500,001 - HKD16,000,000	-	1
HKD19,500,001 - HKD20,000,000	-	1
HKD21,000,001 - HKD21,500,000	1	-

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32 FINANCE COSTS - NET

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

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

33 SHARE OF PROFIT OF ASSOCIATES

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

34 INCOME TAX EXPENSE

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

34 INCOME TAX EXPENSE (CONTINUED)

Share of associates' taxation for the year ended 31 December 2025 of USD81,840,000 (2024: USD114,688,000) is included in the consolidated statement of profit or loss as share of profit of associates.

The taxation on the Group's profit before taxation differs from the theoretical amount that would arise using the taxation rate of the home country of the Company as follows:

	2025 USD'000	2024 USD'000
Profit before income tax	224,186	258,334
Calculated at a taxation rate of 16.5% (2024: 16.5%)	36,991	42,625
Effect of different taxation rates of subsidiaries operating in other countries	20,261	13,513
Income not subject to taxation	(59,863)	(67,776)
Tax effect on unrecognised tax losses	19,337	21,603
Expenses not deductible for taxation purposes	58,537	52,993
Utilisation of previously unrecognised tax losses	(5,215)	(4,322)
Under/(Over)-provision in prior years	2,300	(3,379)
Withholding tax	18,352	20,268
Current income tax impact arising from Pillar Two model rules	(891)	–
Tax incentive	(137)	(117)
Income tax expense	89,672	75,408

- (a) Hong Kong profits tax is provided at a rate of 16.5% (2024: 16.5%) on the estimated assessable profits of group companies operating in Hong Kong.
- (b) Taxation outside Hong Kong includes withholding tax paid and payable on dividends from subsidiaries and overseas profits tax provided at the prevailing rates on the estimated assessable profits of group companies operating outside Hong Kong.
- (c) Pillar Two Income Taxes:
The Group is within the scope of the Organisation for Economic Co-operation and Development ("OECD") Pillar Two model rules, and it applies the HKAS 12 exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes for the year ended 31 December 2025. The Group will incur top-up taxes due to the Pillar Two legislation that became effective 1 January 2025. Under the legislation, the Group is liable to pay a top-up tax for the difference between its Global Anti-Base Erosion rules ("GloBE") effective tax rate in each jurisdiction and the 15% minimum rate.

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

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35 EARNINGS PER SHARE

Basic

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

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

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has the potential dilutive effect on the non-vested awarded shares under the share award scheme for the years ended 31 December 2025 and 2024.

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

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

36 DIVIDENDS

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

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

The proposed final dividend of USD45,936,000 for the year ended 31 December 2025 is calculated based on 3,585,525,056 shares of the Company in issue as at 26 March 2026, after elimination on consolidation the amount of USD136,000 for the 10,501,055 ordinary shares in the Company held by a subsidiary of the Company and USD193,000 for 14,980,800 ordinary shares held by the Company's share award trust for the share award scheme.

37 NOTE TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) Cash generated from operations

	2025 USD'000	2024 USD'000
Profit before income tax	224,186	258,334
Share of profit of associates	(208,359)	(309,658)
Fair value (gains)/losses on investment properties	(14,786)	20,714
Provision for impairment losses on hotel properties	30,395	51,802
Reversal of prior years' impairment losses on hotel properties	–	(5,835)
Depreciation of property, plant and equipment	191,144	210,630
Depreciation of right-of-use assets	50,060	44,531
Amortisation of trademark, and website and system development	5,423	7,113
Interest expense	308,906	309,961
Interest income	(84,319)	(50,641)
Dividend income	(856)	(1,017)
Loss on disposal of property, plant and equipment; and partial replacement of investment properties	4,574	2,670
Write-off of property, plant and equipment due to property damage and obsolescence	–	2,775
Gain on derecognition of right-of-use assets and lease liabilities	(110)	(95)
Gain on sale of investment properties	(2,873)	(1,695)
Loss on disposal of an associate	–	4,352
Gains on financial assets	(3,884)	(934)
Share award scheme expenses	10,254	10,119
Fair value losses/(gains) on cross-currency swap contracts	10,463	(13,883)
Foreign exchange losses/(gains)	10,149	(23,746)
Operating profit before working capital changes	530,367	515,497
Decrease in other receivables	701	–
Decrease in inventories	1,424	783
Decrease in accounts receivable, prepayments and deposits	466	8,043
(Increase)/Decrease in amounts due from associates	(2,626)	2,060
Decrease in accounts payable and accruals	(22,046)	(33,859)
Increase in contract liabilities	10,954	7,700
Decrease in properties for sale	3,324	945
Net cash generated from operations	522,564	501,169

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

37 NOTE TO THE CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

(b) Disposal of interest in an associate

In July 2024, the Group completed a sale and purchase transaction with an independent third party to dispose of its entire 40% equity interest in a real estate company which owns properties in Putian, Chinese Mainland at a cash consideration of RMB4,789,000 (equivalent to USD673,000). A disposal loss of USD4,352,000 was recognised during the year. The Group's equity interest in the project has been reduced from 40% to 0% after the completion of the transaction. The financial effects of the disposal transaction are as follows:

	2024 USD'000
Assets disposed of – interest in associates	3,563
Cash consideration received	673
Less: Assets disposed of	(3,563)
Cumulative exchange differences in respect of the net assets of the associate released from exchange fluctuation reserve to profit or loss	(1,462)
Loss on disposal recognised	(4,352)

(c) Reconciliation of liabilities arising from financing activities

	Bank loans USD'000	Fixed rate bonds USD'000	Loan from and amounts due to non-controlling shareholders USD'000	Lease liabilities USD'000
At 1 January 2024	4,414,401	1,270,805	44,981	572,352
Cash flows	559,933	179,612	28,056	(47,947)
Foreign exchange movement	(33,686)	(39,889)	(464)	(22,862)
Finance costs charged (Note)	–	1,087	1,019	27,914
Net additions of lease liabilities	–	–	–	19,379
Dividends declared to non-controlling shareholders	–	–	16,276	–
At 31 December 2024 and 1 January 2025	4,940,648	1,411,615	89,868	548,836
Cash flows	143,241	195,833	(19,445)	(56,076)
Foreign exchange movement	89,203	74,262	2,468	31,677
Finance costs charged (Note)	–	1,337	2,395	31,091
Net additions of lease liabilities	–	–	–	197,723
Dividends declared to non-controlling shareholders	–	–	16,503	–
At 31 December 2025	5,173,092	1,683,047	91,789	753,251

Note: Finance costs charged is presented as operating cash flows in the consolidated cash flow statement when paid.

38 FINANCIAL GUARANTEES, CONTINGENCIES AND CHARGES OVER ASSETS

(a) Financial guarantees

As at 31 December 2025, financial guarantees of the Company and the Group were as follows:

- (i) The Company executed proportionate guarantees in favour of banks for securing banking facilities and fixed rate bonds granted to certain subsidiaries and associates. The utilised amount of such facilities covered by the Company's guarantees and which also represented the financial exposure of the Company at the end of the reporting period amounted to USD5,534,165,000 (2024: USD5,579,869,000) for the subsidiaries and USD129,949,000 (2024: USD105,958,000) for associates.
- (ii) The Company executed guarantees in favour of banks for securing certain banking facilities granted to one (2024: two) non-wholly owned subsidiary. The non-controlling shareholder of one (2024: two) non-wholly owned subsidiary provided proportionate counter guarantees to the Company under the joint venture agreement. The utilised amount of these facilities covered by the Company's guarantees after setting off the amount of counter guarantees from the non-controlling shareholder and which also represented the net financial exposure of the Company at the end of the reporting period amounted to USD149,685,000 (2024: USD151,485,000).
- (iii) The Group executed proportionate guarantees in favour of banks for securing banking facilities granted to certain associates. The utilised amount of such facilities covered by the Group's guarantees for these associates amounted to USD129,949,000 (2024: USD105,958,000).

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

(b) Contingent liabilities

As at 31 December 2025 and 2024, there were no material contingent liabilities.

(c) Charges over assets

As at 31 December 2025 and 2024, there were no charges over assets for borrowings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

39 COMMITMENTS

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

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

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

	2025 USD'000	2024 USD'000
Not later than one year	74,644	80,081
Later than one year and not later than five years	97,771	128,007
Later than five years	15,137	14,869
	187,552	222,957

40 RELATED PARTY TRANSACTIONS

Kerry Holdings Limited (“KHL”), Substantial Shareholder and a related party of the Company, has significant influence over the Company.

The following transactions were carried out with related parties in the ordinary course of the Group’s business:

	2025 USD’000	2024 USD’000
(a) Transactions with subsidiaries of KHL during the year (other than subsidiaries of the Company)		
Receipt of hotel management, consultancy and related services and royalty fees (Note (ii))	22,510	24,669
Reimbursement of office expenses and payment of administration and related expenses	148	181
Reimbursement of office rental, management fees and rates	51	53
Payment of office rental, management fees and rates	5,388	5,538
Purchase of wine	678	665
(b) Transactions with associates of the Group during the year (other than the subsidiaries of KHL included under item (a) above)		
Receipt of hotel management, consultancy and related services and royalty fees	31,433	29,302
Receipt for laundry services (Note (i))	113	626
(c) Financial assistance provided to subsidiaries of KHL as at 31 December (other than subsidiaries of the Company)		
Balance of loans to associates of the Group	128,134	114,306
Balance of guarantees executed in favour of banks for securing bank loans/facilities granted to associates of the Group	98,527	92,846
(d) Financial assistance provided to associates of the Group as at 31 December (excluding item (c) above)		
Balance of loans to associates of the Group	6,698	6,647
Balance of guarantees executed in favour of banks for securing bank loans/facilities granted to associates of the Group	31,422	13,112
There were no material changes to the terms of the above transactions during the year.		
(e) Key management compensation		
Fees, salaries and other short-term employee benefits of executive directors	3,491	3,807
Post-employment benefits of executive directors	41	41

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

40 RELATED PARTY TRANSACTIONS (CONTINUED)

Notes:

- (i) These transactions constitute connected transactions or continuing connected transactions as defined in Chapter 14A of The Rules Governing the Listing of Securities on HKSE (“**Listing Rules**”) and are exempted from reporting, annual review, announcement and independent shareholders’ approval requirement under Chapter 14A of Listing Rules.
- (ii) These transactions include connected transactions and continuing connected transactions as defined in Chapter 14A of Listing Rules of USD7,199,000 which are exempted from reporting, annual review, announcement and independent shareholders’ approval requirement under Chapter 14A of Listing Rules.

41 GROUP STRUCTURE – PRINCIPAL SUBSIDIARIES AND ASSOCIATES

- (a) At 31 December 2025, the Company held interests in the following principal subsidiaries:

Name	Place of establishment/ operation	Paid up/ issued capital	Effective percentage		Nature of business	Notes
			Direct	Indirect		
Seanoble Assets Limited	The British Virgin Islands	HKD578,083,745	100	-	Investment holding	
Shangri-La Asia Treasury Limited	The British Virgin Islands	HKD8,530	100	-	Group financing	
Shangri-La China Limited	Hong Kong	HKD1,162,500,000	-	100	Investment holding	
Shangri-La Hotels (Europe)	Luxembourg	EUR206,600,000	100	-	Investment holding	
Kerry Industrial Company Limited	Hong Kong	HKD10,000,002	-	100	Investment holding	
Shangri-La Hotel (Kowloon) Limited	Hong Kong	HKD10,000,002	-	100	Hotel ownership and operation	
Shangri-La International Hotels (Pacific Place) Limited	Hong Kong	HKD10,005,000	-	80	Hotel ownership and operation	
Shenzhen Shangri-La Hotel Limited	The People's Republic of China	USD32,000,000	-	72	Hotel ownership and operation	4,6
Beihai Shangri-La Hotel Limited	The People's Republic of China	USD16,000,000	-	100	Hotel ownership and operation	5,6
Shanghai Pudong New Area Shangri-La Hotel Co, Limited	The People's Republic of China	USD47,000,000	-	100	Hotel ownership and operation	3,6
Shenyang Hotel Jen Limited	The People's Republic of China	USD39,040,470	-	100	Hotel ownership and operation	5,6
Changchun Shangri-La Hotel Co, Limited	The People's Republic of China	RMB167,000,000	-	100	Hotel ownership and operation and real estate operation	5,6
Jilin Province Kerry Real Estate Development Limited	The People's Republic of China	RMB25,000,000	-	100	Real estate development and operation	5,6
Qingdao Shangri-La Hotel Co, Limited	The People's Republic of China	USD79,000,000	-	100	Hotel ownership and operation and real estate development and operation	5,6
Dalian Shangri-La Hotel Co, Limited	The People's Republic of China	USD149,000,000	-	100	Hotel ownership and operation and real estate development and operation	5,6
Harbin Shangri-La Hotel Co, Limited	The People's Republic of China	USD20,767,000	-	100	Hotel ownership and operation	5,6
Wuhan Shangri-La Hotel Co, Limited	The People's Republic of China	USD48,333,333	-	92	Hotel ownership and operation and real estate development and operation	4,6
Fujian Kerry World Trade Centre Co, Limited	The People's Republic of China	HKD1,400,000,000	-	100	Real estate development and operation	5,6
Fuzhou Shangri-La Hotel Co, Limited	The People's Republic of China	USD22,200,000	-	100	Hotel ownership and operation	5,6
Shangri-La Hotel (Chengdu) Co, Limited	The People's Republic of China	USD53,340,000	-	80	Hotel ownership and operation and real estate development and operation	5,6
Shangri-La Hotel (Guangzhou Pazhou) Co, Limited	The People's Republic of China	USD60,340,000	-	80	Hotel ownership and operation	5,6

41 GROUP STRUCTURE - PRINCIPAL SUBSIDIARIES AND ASSOCIATES (CONTINUED)

(a) At 31 December 2025, the Company held interests in the following principal subsidiaries: (continued)

Name	Place of establishment/ operation	Paid up/ issued capital	Effective percentage		Nature of business	Notes
			Direct	Indirect		
Shangri-La Hotel (Shenzhen Futian) Co, Limited	The People's Republic of China	USD71,000,000	-	100	Hotel ownership and operation	5,6
Shangri-La Hotel (Ningbo) Co, Limited	The People's Republic of China	USD83,000,000	-	95	Hotel ownership and operation	5,6
Shangri-La Hotel (Wenzhou) Co, Limited	The People's Republic of China	USD46,250,000	-	100	Hotel ownership and operation	5,6
Shangri-La Hotel (Xian) Co, Limited	The People's Republic of China	USD42,800,000	-	100	Hotel ownership and operation	5,6
Shangri-La Hotel (Guilin) Co, Limited	The People's Republic of China	USD70,150,000	-	100	Hotel ownership and operation	5,6
Shangri-La Hotel (Baotou) Co, Limited	The People's Republic of China	USD24,400,000	-	100	Hotel ownership and operation	5,6
Shangri-La Hotel (Huhhot) Co, Limited	The People's Republic of China	USD43,670,000	-	100	Hotel ownership and operation	5,6
Shangri-La Hotel (Manzhouli) Co, Limited	The People's Republic of China	USD84,615,000	-	100	Hotel ownership and operation	5,6
Shangri-La Hotel (Zhoushan) Co, Limited	The People's Republic of China	RMB120,000,000	-	100	Hotel ownership and operation	5,6
Shangri-La Hotel (Hefei) Co, Limited	The People's Republic of China	USD90,000,000	-	100	Hotel ownership and operation	5,6
Shangri-La Hotel (Qinhuangdao) Co, Limited	The People's Republic of China	RMB880,000,000	-	100	Hotel ownership and operation	5,6
Sanya Shangri-La Hotel Co, Limited	The People's Republic of China	RMB1,775,614,140	-	100	Hotel ownership and operation	5,6
Shangri-La Hotel (Lhasa) Co, Limited	The People's Republic of China	USD132,000,000	-	100	Hotel ownership and operation	5,6
Shangri-La Hotel (Qufu) Co, Limited	The People's Republic of China	RMB844,000,000	-	100	Hotel ownership and operation	5,6
Shangri-La Hotel (Nanjing) Co, Limited	The People's Republic of China	RMB750,000,000	-	55	Hotel ownership and operation	5,6
Shangri-La Hotel (Diqing) Co, Limited	The People's Republic of China	RMB610,000,000	-	100	Hotel ownership and operation	5,6
Shangri-La Hotel (Xiamen) Co, Limited	The People's Republic of China	RMB640,000,000	-	100	Hotel ownership and operation	5,6
Dalian Wolong Bay Shangri-La Hotel Co, Limited	The People's Republic of China	RMB430,000,000	-	100	Hotel ownership and operation and real estate development and operation	5,6
Kerry Real Estate (Yangzhou) Co, Limited	The People's Republic of China	USD102,600,000	-	100	Hotel ownership and operation and real estate development	5,6
Harbin Songbei Shangri-La Hotel Co, Limited	The People's Republic of China	RMB658,000,000	-	100	Hotel ownership and operation	5,6
Shanghai Hongqiao Shangri-La Hotel Co, Limited	The People's Republic of China	RMB165,000,000	-	100	Hotel ownership and operation	5,6
Shangri-La Ulaanbaatar LLC	Mongolia	USD5,000,000	-	51	Office ownership and operation	
Shangri-La Ulaanbaatar Hotel LLC	Mongolia	Common USD20,000,000 Preferred USD194,973,254	-	51	Hotel, serviced apartments and office ownership and operation	
Makati Shangri-La Hotel & Resort, Inc	The Philippines	Peso1,100,000,000	-	100	Hotel ownership and operation	
Edsa Shangri-La Hotel & Resort, Inc	The Philippines	Peso792,128,700	-	100	Hotel ownership and operation	
Mactan Shangri-La Hotel & Resort, Inc	The Philippines	Common Peso272,630,000 Preferred Peso170,741,500 Redeemable common Peso285,513,000	-	93.95	Hotel ownership and operation	
Addu Investments Private Limited	Republic of Maldives	Rufiyaa640,000,000	-	100	Hotel ownership and operation	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

41 GROUP STRUCTURE - PRINCIPAL SUBSIDIARIES AND ASSOCIATES (CONTINUED)

(a) At 31 December 2025, the Company held interests in the following principal subsidiaries: (continued)

Name	Place of establishment/ operation	Paid up/ issued capital	Effective percentage		Nature of business	Notes
			Direct	Indirect		
Traders Hotel Malé Private Limited	Republic of Maldives	Rufiyaa64,000,000	-	100	Hotel ownership and operation	
Yanuca Island Pte Limited	Fiji	FJD1,262,196	-	71.80	Hotel ownership and operation	
Shangri-La Hotel Limited	Singapore	SGD165,433,560	-	100	Investment holding, hotel ownership and operation and leasing of residential and serviced apartments	
Sentosa Beach Resort Pte Limited	Singapore	SGD30,000,000	-	100	Hotel ownership and operation	
Traders Hotel Management Pte Limited	Singapore	SGD1	-	100	Hotel operation	
Shangri-La Hotels (Malaysia) Berhad	Malaysia	RM544,501,853	-	52.78	Investment holding and hotel ownership and operation	
Shangri-La Hotel (KL) Sdn Berhad	Malaysia	RM150,000,000	-	52.78	Hotel ownership and operation	
Golden Sands Beach Resort Sdn Berhad	Malaysia	RM6,000,000	-	52.78	Hotel ownership and operation	
Pantai Dalit Beach Resort Sdn Berhad	Malaysia	RM135,000,000	-	64.59	Hotel and golf club ownership and operation	
Komtar Hotel Sdn Berhad	Malaysia	RM6,000,000	-	31.67	Hotel ownership and operation	
UBN Tower Sdn Berhad	Malaysia	RM500,000	-	52.78	Property investment and office management	
UBN Holdings Sdn Berhad	Malaysia	RM45,186,400	-	52.78	Investment holding and property investment	
Seanoble Malaysia Sdn Berhad	Malaysia	RM2,590,479,405	-	100	Group financing	
Traders Yangon Company Limited	Myanmar	Kyat21,600,000	-	59.16	Hotel ownership and operation	
Shangri-La Yangon Company Limited	Myanmar	Kyat11,880,000	-	55.86	Serviced apartments and hotel ownership and operation	2
Traders Square Company Limited	Myanmar	Kyat522,000	-	59.28	Real estate development and operation	
Shangri-La Hotel Public Company Limited	Thailand	Baht1,300,000,000	-	73.61	Hotel, serviced apartments and office ownership and operation	2
Shangri-La Hotels (Paris)	France	EUR13,772,210	-	100	Hotel ownership and operation	
Shangri-La Hotels Japan KK	Japan	YEN100,000,000	-	100	Hotel operation	
Shangri-La Hotels Pte Limited	United Kingdom	GBP81,000,000	-	100	Hotel operation	
Shangri-La Hotel (Cairns) Pty Limited	Australia	AUD8,250,000	-	100	Investment holding and hotel ownership and operation	7
Lilyvale Hotel Pty Limited	Australia	AUD140,000,004	-	100	Hotel ownership and operation	7
Shangri-La Hotels Lanka (Private) Limited	Sri Lanka	LKR2,219,000,000	-	90	Hotel ownership and operation and real estate development and operation	
Shangri-La Investments Lanka (Private) Limited	Sri Lanka	LKR1,214,245,300	-	90	Hotel ownership and operation	
Turati Properties Srl	Italy	EUR10,000	-	100	Hotel ownership and operation	1
Shangri-La International Hotel Management Limited	Hong Kong	HKD31,712,478	100	-	Hotel management, marketing, consultancy and reservation services	
Shangri-La Hotel Management (Shanghai) Co, Limited	The People's Republic of China	USD7,340,000	-	100	Hotel management, marketing and consultancy services	5,6

41 GROUP STRUCTURE - PRINCIPAL SUBSIDIARIES AND ASSOCIATES (CONTINUED)

(a) At 31 December 2025, the Company held interests in the following principal subsidiaries: (continued)

Name	Place of establishment/ operation	Paid up/ issued capital	Effective percentage		Nature of business	Notes
			Direct	Indirect		
Shangri-La International Hotel Management Pte Limited	Singapore	SGD2,000,000	-	100	Hotel management, marketing and consultancy services	
Shangri-La International Hotel Management Limited	The British Virgin Islands	USD10,104,099	100	-	Ownership of intellectual property rights	
Palawan Innovation Studios Pte Ltd	Singapore	SGD7,000,001	-	100	Amusement park ownership and operation	

Notes:

- Subsidiaries which are under various stages of real estate and hotel development and have not yet commenced business operations at the end of the reporting period.
- Subsidiaries which are under various stages of real estate and hotel development and have partially commenced business operations at the end of the reporting period.
- Co-operative Joint Venture.
- Equity Joint Venture.
- Wholly Foreign Owned Enterprise.
- The amount of paid up/issued capital for subsidiaries incorporated in The People's Republic of China represented the amount of paid in registered capital.
- A Deed of Cross Guarantee was entered on 24 December 2015 between Shangri-La Asia Limited and its wholly owned Australian subsidiaries for the purpose of obtaining the benefit of the Class Order to relieve the entities from the requirement to lodge reports with ASIC (Australian Securities and Investments Commission). Apart from the stated principal subsidiaries, this deed also includes Shangri-La Investments (Australia) Pty Ltd (Australian parent company), Shangri-La Hotels Pty Ltd (hotel management company), Langley Terrace Hotel Pty Ltd (dormant), Traders Hotel Pty Ltd (dormant), Abelian Pty Ltd (dormant), Roma Hotel Pty Ltd (dormant) and The Pier Cairns Management Services Pty Ltd (dormant). All of these entities form a Closed Group. There are no other Extended Closed Group Entities involved. A Revocation Deed was entered in October 2017 between Shangri-La Asia Limited and its wholly owned Australian subsidiaries for the purpose of removing Langley Terrace Hotel Pty Limited from the Deed of Cross Guarantee.

(b) At 31 December 2025, the Group held interests in the following principal associates:

Name	Place of establishment/ operation	Percentage holding in the registered capital by the Group	Nature of business	Notes
China World Trade Center Limited	The People's Republic of China	50	Hotel ownership and operation and property investment	
Beijing Shangri-La Hotel Co, Limited	The People's Republic of China	38	Hotel ownership and operation	
Hangzhou Shangri-La Hotel Limited	The People's Republic of China	45	Hotel ownership and operation	
Beijing Jia Ao Real Estate Development Co, Limited	The People's Republic of China	23.75	Real estate development and operation	
Beijing Kerry Hotel Co, Limited	The People's Republic of China	23.75	Hotel ownership and operation	
Shanghai Xin Ci Hou Properties Co, Limited	The People's Republic of China	24.75	Real estate development and operation	
Shanghai Ji Xiang Properties Co, Limited	The People's Republic of China	49	Hotel ownership and operation and property investment	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

41 GROUP STRUCTURE - PRINCIPAL SUBSIDIARIES AND ASSOCIATES (CONTINUED)

(b) At 31 December 2025, the Group held interests in the following principal associates: (continued)

Name	Place of establishment/ operation	Percentage holding in the registered capital by the Group	Nature of business	Notes
Shanghai Pudong Kerry City Properties Co, Limited	The People's Republic of China	23.20	Hotel ownership and operation and property investment	
Tianjin Kerry Real Estate Development Co, Limited	The People's Republic of China	20	Hotel ownership and operation and property investment	
Kerry Real Estate (Nanchang) Co, Limited	The People's Republic of China	20	Hotel ownership and operation and property investment	
Hengyun Real Estate (Tangshan) Co, Limited	The People's Republic of China	35	Property investment	
Ruihe Real Estate (Tangshan) Co, Limited	The People's Republic of China	35	Hotel ownership and operation	
Xiang Heng Real Estate (Jinan) Co, Limited	The People's Republic of China	45	Hotel ownership and operation and property investment	
Kerry (Shenyang) Real Estate Development Co, Limited	The People's Republic of China	25	Property investment	2
Shangri-La Hotel (Shenyang) Co, Limited	The People's Republic of China	25	Hotel ownership and operation	
Kerry Real Estate (Hangzhou) Co, Limited	The People's Republic of China	25	Hotel ownership and operation and property investment	
Well Fortune Real Estate (Putian) Co, Limited	The People's Republic of China	40	Hotel ownership and operation	
Zhengzhou Yuheng Real Estate Co, Limited	The People's Republic of China	45	Hotel ownership and operation and property investment	2
Jian'an Real Estate (Kunming) Co, Limited	The People's Republic of China	45	Hotel ownership and operation	2
Cuscaden Properties Pte Limited	Singapore	44.60	Hotel ownership and operation and property investment	
Tanjong Aru Hotel Sdn Berhad	Malaysia	40	Hotel ownership and operation	
PT Swadharma Kerry Satya	Indonesia	25	Hotel ownership and operation	
Fine Winner Holdings Limited	Hong Kong	30	Hotel ownership and operation	
Shang Global City Properties, Inc	The Philippines	40	Hotel ownership and operation and property investment	
SRL Touessrok Hotel Limited	Mauritius	26	Hotel ownership and operation	
Besiktas Emlak Yatirim ve Turizm Anonim Sirketi	Turkey	50	Hotel ownership and operation	
Kerry Wines Limited	Hong Kong	20	Wines trading	
Perennial Ghana Development Limited	The Republic of Ghana	45	Hotel ownership and operation	1
Shangri-La Kyoto Nijojo TMK	Japan	20	Hotel ownership and operation	1

Notes:

- 1 Associates which are under various stages of real estate and hotel development and have not yet commenced business operations as at the end of the reporting period.
- 2 Associates which are under various stages of real estate and hotel development and have partially commenced business operations as at the end of the reporting period.

(c) The above tables list out the subsidiaries and associates of the Company as at 31 December 2025 which, in the opinion of the Directors, principally affected the results for the year or form a substantial portion of the net assets of the Group. To give details of other subsidiaries and associates would, in the opinion of the Directors, result in particulars of excessive length.

42 HOTEL PROPERTIES OF SUBSIDIARIES AND ASSOCIATES

- (a) Details of hotel properties of the Company's subsidiaries are as follows:
(lease term represents unexpired lease term of land use rights unless otherwise stated)

Address	Existing use	Lease term
Kowloon Shangri-La, Hong Kong 64 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong	Hotel operation	Medium lease
Island Shangri-La, Hong Kong Pacific Place, Supreme Court Road, Central, Hong Kong	Hotel operation	Medium lease
Kerry Hotel, Hong Kong 38 Hung Luen Road, Hung Hom Bay, Kowloon, Hong Kong	Hotel operation	Medium lease
Shangri-La Shenzhen East Side, Railway Station, 1002 Jianshe Road, Shenzhen 518001, The People's Republic of China	Hotel operation	Medium lease
Shangri-La Beihai 33 Chating Road, Beihai, Guangxi 536007, The People's Republic of China	Hotel operation	Medium lease
Pudong Shangri-La, Shanghai 33 Fu Cheng Road, Pudong, Shanghai 200120, The People's Republic of China	Hotel operation	Medium lease
JEN Shenyang by Shangri-La 68 Zhong Hua Road, He Ping District, Shenyang 110001, The People's Republic of China	Hotel operation	Medium lease
Shangri-La Changchun 569 Xian Road, Changchun 130061, The People's Republic of China	Hotel operation and commercial and residential rental	Medium lease
Shangri-La Qingdao 9 Xianggang Middle Road, Qingdao 266071, The People's Republic of China	Hotel operation	Medium lease
Shangri-La Dalian 66 Renmin Road, Dalian 116001, The People's Republic of China	Hotel operation	Medium lease

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

42 HOTEL PROPERTIES OF SUBSIDIARIES AND ASSOCIATES (CONTINUED)

- (a) Details of hotel properties of the Company's subsidiaries are as follows: (continued)
(lease term represents unexpired lease term of land use rights unless otherwise stated)

Address	Existing use	Lease term
Shangri-La Harbin 555 You Yi Road, Harbin 150018, The People's Republic of China	Hotel operation	Medium lease
Shangri-La Wuhan 700 Jianshe Avenue, Hankou, Wuhan 430015, The People's Republic of China	Hotel operation	Medium lease
Shangri-La Fuzhou 9 Xin Quan Nan Road, Fuzhou, Fujian 350005, The People's Republic of China	Hotel operation	Medium lease
Shangri-La Guangzhou 1 Hui Zhan Dong Road, Hai Zhu District, Guangzhou 510308, The People's Republic of China	Hotel operation	Medium lease
Shangri-La Chengdu 9 Binjiang Dong Road, Chengdu, Sichuan 610021, The People's Republic of China	Hotel operation	Medium lease
Shangri-La Xian 38B Keji Road, Xian 710075, The People's Republic of China	Hotel operation	Medium lease
Shangri-La Baotou 66 Min Zu East Road, Qing Shan District, Baotou, Inner Mongolia 014030, The People's Republic of China	Hotel operation	Medium lease
Shangri-La Yangzhou 472 Wen Chang Xi Lu, Yangzhou, Hanjiang District, Jiangsu Province 225009, The People's Republic of China	Hotel operation	Medium lease
Shangri-La Huhhot 5 Xi Lin Guo Le South Road, Huhhot, Inner Mongolia 010020, The People's Republic of China	Hotel operation	Medium lease

42 HOTEL PROPERTIES OF SUBSIDIARIES AND ASSOCIATES (CONTINUED)

- (a) Details of hotel properties of the Company's subsidiaries are as follows: (continued)
(lease term represents unexpired lease term of land use rights unless otherwise stated)

Address	Existing use	Lease term
Futian Shangri-La, Shenzhen 4088 Yi Tian Road, Futian District, Shenzhen 518048, The People's Republic of China	Hotel operation	Medium lease
Shangri-La Wenzhou 1 Xiangyuan Road, Wenzhou, Zhejiang Province 325000, The People's Republic of China	Hotel operation	Medium lease
Shangri-La Ningbo 88 Yuyuan Road, Ningbo, Zhejiang 315040, The People's Republic of China	Hotel operation	Medium lease
Shangri-La Guilin 111 Huan Cheng Bei Er Lu, Guilin, Guangxi 541004, The People's Republic of China	Hotel operation	Medium lease
Shangri-La Manzhouli 99 Liudao Street, Manzhouli, Inner Mongolia 021400, The People's Republic of China	Hotel operation	Medium lease
Shangri-La Qufu 3 Chunqiu Road, Qufu, Shandong 273100, The People's Republic of China	Hotel operation	Medium lease
Shangri-La Sanya 88 North Hai Tang Road, Sanya, Hainan 572000, The People's Republic of China	Hotel operation	Medium lease
Shangri-La Lhasa 19 Norbulingka Road, Lhasa, Tibet Autonomous Region 850000, The People's Republic of China	Hotel operation	Medium lease
Shangri-La Nanjing 329 Zhongyang Road, Gulou District, Nanjing, Jiangsu Province 210037, The People's Republic of China	Hotel operation	Medium lease

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

42 HOTEL PROPERTIES OF SUBSIDIARIES AND ASSOCIATES (CONTINUED)

- (a) Details of hotel properties of the Company's subsidiaries are as follows: (continued)
(lease term represents unexpired lease term of land use rights unless otherwise stated)

Address	Existing use	Lease term
Shangri-La Qinhuangdao 123 Hebin Road, Haigang District, Qinhuangdao, Hebei 066000, The People's Republic of China	Hotel operation	Medium lease
Shangri-La Hefei 256 Suixi Road, Luyang District, Hefei, Anhui Province 230041 The People's Republic of China	Hotel operation	Medium lease
Shangri-La Resort, Shangri-La 1 Chicika Street, Jiantang Town, Shangri-La, Diqing Tibetan Autonomous Prefecture, Yunnan Province 674499, The People's Republic of China	Hotel operation	Medium lease
Shangri-La Songbei, Harbin 1 Songbei Avenue, Songbei District, Harbin 150028, The People's Republic of China	Hotel operation	Medium lease
Shangri-La Xiamen Guanyinshan International Business Centre, 168 Taidong Road, Siming District, Fujian, The People's Republic of China	Hotel operation	Medium lease
Shangri-La Zhoushan 18 Qiandao Road, Dinghai District, Zhoushan, Zhejiang Province 316000, The People's Republic of China	Hotel operation	Medium lease
Shangri-La Hongqiao Airport, Shanghai 77, 79 Shendayi Road, Minhang District, Shanghai, The People's Republic of China	Hotel operation	Medium lease for building
Traders Hongqiao Airport, Shanghai 77 Shendayi Road, Minhang District, Shanghai, The People's Republic of China	Hotel operation	Medium lease for building

42 HOTEL PROPERTIES OF SUBSIDIARIES AND ASSOCIATES (CONTINUED)

- (a) Details of hotel properties of the Company's subsidiaries are as follows: (continued)
(lease term represents unexpired lease term of land use rights unless otherwise stated)

Address	Existing use	Lease term
Makati Shangri-La, Manila Ayala Avenue corner Makati Avenue, Makati City 1200, The Philippines	Hotel operation	Medium lease
Edsa Shangri-La, Manila 1 Garden Way, Ortigas Centre, Mandaluyong City 1550, The Philippines	Hotel operation	Medium lease
Shangri-La Mactan, Cebu Punta Engano Road, Lapu-Lapu, Cebu 6015, The Philippines	Hotel operation	Medium lease
Shangri-La Boracay Barangay Yapak, Boracay Island, Malay, Aklan 5608, The Philippines	Hotel operation	Freehold
Shangri-La Yanuca Island, Fiji Yanuca Island, Coral Coast, Fiji Islands, Fiji	Hotel operation	Medium lease
Shangri-La Singapore 22 Orange Grove Road, 258350, Singapore	Hotel operation	Freehold
Shangri-La Rasa Sentosa, Singapore 101 Siloso Road, Sentosa 098970, Singapore	Hotel operation	Long lease
JEN Singapore Orchardgateway by Shangri-La 277 Orchard Road, 238858, Singapore	Hotel operation	Short lease for building
Shangri-La Kuala Lumpur 11 Jalan Sultan Ismail, Kuala Lumpur 50250, Malaysia	Hotel operation	Freehold
Shangri-La Rasa Sayang, Penang Batu Feringgi Beach, Penang 11100, Malaysia	Hotel operation	Freehold

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

42 HOTEL PROPERTIES OF SUBSIDIARIES AND ASSOCIATES (CONTINUED)

- (a) Details of hotel properties of the Company's subsidiaries are as follows: (continued)
(lease term represents unexpired lease term of land use rights unless otherwise stated)

Address	Existing use	Lease term
JEN Penang Georgetown by Shangri-La Magazine Road, George Town, Penang 10300, Malaysia	Hotel operation	Long lease
Shangri-La Golden Sands, Penang Batu Feringgi Beach, Penang 11100, Malaysia	Hotel operation	Freehold
Shangri-La Rasa Ria, Kota Kinabalu Pantai Dalit, PO Box 600, Tuaran, Kota Kinabalu, Sabah 89208, Malaysia	Hotel and golf club operation	Long lease
Sule Shangri-La, Yangon 223 Sule Pagoda Road, Yangon, G.P.O Box 888, Myanmar	Hotel operation	Medium lease
Shangri-La Bangkok 89 Soi Wat Suan Plu, New Road, Bangrak, Bangkok 10500, Thailand	Hotel operation, residential and office rental	Freehold
Shangri-La Chiang Mai 89/8 Chang Klan Road, Muang, Chiang Mai 50100, Thailand	Hotel operation	Freehold
Shangri-La Villingili, Maldives Villingili Island, Addu Atoll, Republic of Maldives	Hotel operation	Long lease
JEN Maldives Malé by Shangri-La Ameer Ahmed Magu, Malé 20096, Republic of Maldives	Hotel operation	Medium lease
Shangri-La Tokyo Marunouchi Trust Tower Main, 1-8-3 Marunouchi, Chiyoda-ku, Tokyo 100-8283, Japan	Hotel operation	Medium lease for building
Shangri-La The Shard, London 31 St Thomas Street, London SE1 9QU, United Kingdom	Hotel operation	Medium lease for building

42 HOTEL PROPERTIES OF SUBSIDIARIES AND ASSOCIATES (CONTINUED)

- (a) Details of hotel properties of the Company's subsidiaries are as follows: (continued)
(lease term represents unexpired lease term of land use rights unless otherwise stated)

Address	Existing use	Lease term
Shangri-La Paris 10 Avenue d'Iena, Paris 75116, France	Hotel operation	Freehold
Shangri-La The Marina, Cairns Pierpoint Road, Cairns, Queensland 4870, Australia	Hotel operation	Medium lease
Shangri-La Sydney 176 Cumberland Street, The Rocks, Sydney NSW 2000, Australia	Hotel operation	Long lease
Shangri-La Ulaanbaatar 19 Olympic Street, Sukhbaatar District-1, Ulaanbaatar 14241, Mongolia	Hotel operation	Medium lease
Shangri-La Hambantota Sittrakala Estate, Chithragala, Ambalantota, Sri Lanka	Hotel operation	Medium lease
Shangri-La Colombo 1 Galle Face, Colombo 2, Sri Lanka	Hotel operation	Freehold

- (b) Details of hotel properties of the operating associates are as follows:
(lease term represents unexpired lease term of land use rights unless otherwise stated)

Address	Existing use	Lease term
China World Hotel, Beijing 1 Jian Guo Men Wai Avenue, Beijing 100004, The People's Republic of China	Hotel operation	Medium lease
JEN Beijing by Shangri-La 1 Jian Guo Men Wai Avenue, Beijing 100004, The People's Republic of China	Hotel operation	Medium lease
China World Summit Wing, Beijing 1 Jian Guo Men Wai Avenue, Beijing 100004, The People's Republic of China	Hotel operation	Medium lease
Kerry Hotel, Beijing 1 Guanghua Road, Chaoyang District, Beijing 100020, The People's Republic of China	Hotel operation	Medium lease

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

42 HOTEL PROPERTIES OF SUBSIDIARIES AND ASSOCIATES (CONTINUED)

- (b) Details of hotel properties of the operating associates are as follows: (continued)
(lease term represents unexpired lease term of land use rights unless otherwise stated)

Address	Existing use	Lease term
Shangri-La Beijing 29 Zizhuyuan Road, Beijing 100089, The People's Republic of China	Hotel operation	Medium lease
Shangri-La Hangzhou 78 Beishan Road, Hangzhou 310007, The People's Republic of China	Hotel operation	Medium lease
Kerry Hotel Pudong, Shanghai 1388 Hua Mu Road, Pudong, Shanghai 201204, The People's Republic of China	Hotel operation	Medium lease
Jing An Shangri-La, Shanghai 1218 Middle Yan'an Road, Jing An Kerry Centre, West Nanjing Road, Shanghai 200040, The People's Republic of China	Hotel operation	Medium lease
Shangri-La Shenyang 115 Qingnian Avenue, Shenhe District, Shenyang, Liaoning 110016, The People's Republic of China	Hotel operation	Medium lease
Shangri-La Tianjin 328 Haihe East Road, Hedong District, Tianjin 300019, The People's Republic of China	Hotel operation	Medium lease
Shangri-La Jinan 106 Luoyuan Street, Lixia District, Jinan, Shandong Province 250011, The People's Republic of China	Hotel operation	Medium lease
Shangri-La Nanchang 669, Cui Lin Road, Honggutan District, Nanchang, Jiangxi Province 330038, The People's Republic of China	Hotel operation	Medium lease
Shangri-La Tangshan 887, 889, Changhong West Road, Lubei District, Tangshan, Hebei 063000, The People's Republic of China	Hotel operation	Medium lease

42 HOTEL PROPERTIES OF SUBSIDIARIES AND ASSOCIATES (CONTINUED)

- (b) Details of hotel properties of the operating associates are as follows: (continued)
(lease term represents unexpired lease term of land use rights unless otherwise stated)

Address	Existing use	Lease term
Midtown Shangri-La, Hangzhou 6 Changshou Road, Kerry Centre, Yan'an Road, Hangzhou 310006, The People's Republic of China	Hotel operation	Medium lease
Shangri-La Putian 88 Jiuhua Xi Road, Longqiao Street, Chengxiang District, Putian, Fujian 351100, The People's Republic of China	Hotel operation	Medium lease
JEN Kunming by Shangri-La 88 Dongfeng East Road, Panlong District, Kunming City, Yunnan Province, The People's Republic of China	Hotel operation	Medium lease
The Silk Lakehouse, Shangri-La Hangzhou 78 Beishan Road, Hangzhou 310007, The People's Republic of China	Hotel operation	Medium lease
JEN Singapore Tanglin by Shangri-La 1A Cuscaden Road 249716, Singapore	Hotel operation	Long lease
Shangri-La Tanjung Aru, Kota Kinabalu 20 Jalan Aru, Tanjung Aru, Kota Kinabalu, Sabah 88100, Malaysia	Hotel operation	Long lease
Shangri-La Jakarta Kota BNI Jalan Jend. Sudirman Kav. 1, Jakarta 10220, Indonesia	Hotel operation	Medium lease
JEN Hong Kong by Shangri-La 508 Queen's Road West, Hong Kong	Hotel operation	Long lease
Shangri-La Bosphorus, Istanbul Sinanpasa Mah, Hayrettin Iskelesi Sok, No.1, Besiktas, Istanbul 34353, Turkey	Hotel operation	Freehold
Shangri-La Le Touessrok, Mauritius Coastal Road, Trou d'Eau Douce 42212, Mauritius	Hotel operation	Freehold/Long lease
Shangri-La The Fort, Manila 30th Street corner 5th Avenue, Bonifacio Global City, Taguig City, The Philippines	Hotel operation	Freehold

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

43 INVESTMENT PROPERTIES OF SUBSIDIARIES AND ASSOCIATES

- (a) Details of principal investment properties of the subsidiaries are as follows:
(lease term represents unexpired lease term of land use rights unless otherwise stated)

Address	Existing use	Lease term
Shangri-La Residences, Dalian 66 Renmin Road, Zhongshan District, Dalian 116001, The People's Republic of China	Residential rental	Medium lease
Shangri-La Centre, Chengdu 9 Binjiang Dong Road, Jinjiang District, Chengdu 610021, The People's Republic of China	Office and commercial rental	Medium lease
Shangri-La Centre, Qingdao 9 Xianggang Middle Road, Qingdao 266071, The People's Republic of China	Office and commercial rental	Medium lease
Shangri-La Centre, Wuhan 700 Jianshe Avenue, Hankou, Wuhan 430015, The People's Republic of China	Office and commercial rental	Medium lease
Shangri-La Centre, Fuzhou 9 Xinquan Nan Road, Fuzhou, Fujian, 350005, The People's Republic of China	Office and commercial rental	Medium lease
Central Tower, Ulaanbaatar Sukhbaatar Square 2, Sukhbaatar District-8, Ulaanbaatar 14200, Mongolia	Office and commercial rental	Medium lease
Shangri-La Centre, Ulaanbaatar 19A-C Olympic Street, Sukhbaatar District 1, Ulaanbaatar 14241, Mongolia	Office, commercial and residential rental	Medium lease
Shangri-La Apartments, Singapore 1 Anderson Road 259983, Singapore	Residential rental	Freehold

43 INVESTMENT PROPERTIES OF SUBSIDIARIES AND ASSOCIATES (CONTINUED)

- (a) Details of principal investment properties of the subsidiaries are as follows: (continued)
(lease term represents unexpired lease term of land use rights unless otherwise stated)

Address	Existing use	Lease term
Shangri-La Residences, Singapore 1A Ladyhill Road 258685, Singapore	Residential rental	Freehold
UBN Tower, Kuala Lumpur UBN Complex, 10 Jalan P. Ramlee, Kuala Lumpur 50250, Malaysia	Office and commercial rental	Freehold
UBN Apartments, Kuala Lumpur UBN Complex, 10 Jalan P. Ramlee, Kuala Lumpur 50250, Malaysia	Residential rental	Freehold
Sule Square, Yangon 221, Sule Pagoda Road, Yangon, Myanmar	Office and commercial rental	Medium lease
Shangri-La Serviced Apartments, Yangon 150/150(A), Kan Yeik Thar Road, Mingalar Taung Nyunt Township, Yangon, Myanmar	Residential rental	Medium lease
The Pier Retail Complex, Cairns Pierpoint Road, Cairns, Queensland 4870, Australia	Office and commercial rental	Medium lease
One Galle Face, Colombo 1A Centre Road, Galle Face, Colombo 02, Sri Lanka	Office, commercial and residential rental	Freehold

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

43 INVESTMENT PROPERTIES OF SUBSIDIARIES AND ASSOCIATES (CONTINUED)

- (b) Details of investment properties of the operating associates are as follows:
(lease term represents unexpired lease term of land use rights unless otherwise stated)

Address	Existing use	Lease term
China World Trade Center 1 Jian Guo Men Wai Avenue, Beijing 100004, The People's Republic of China	Office, commercial and residential rental	Medium lease
Century Towers, Beijing 18 Guang Qu Men Wai Avenue, Beijing 100022, The People's Republic of China	Residential rental	Medium lease
Beijing Kerry Centre 1 Guanghua Road, Chaoyang District, Beijing 100020, The People's Republic of China	Office, commercial and residential rental	Medium lease
Jing An Kerry Centre 1218, 1228 and 1238 Yanan Zhong Road, 1515, 1539, 1551 and 1563, Nanjing Road West, Jing An District, Shanghai 200040, The People's Republic of China	Office, commercial and residential rental	Medium lease
Kerry Parkside Shanghai Pudong 1378 Hua Mu Road, Pudong, Shanghai 201204, The People's Republic of China	Office, commercial and residential rental	Medium lease

43 INVESTMENT PROPERTIES OF SUBSIDIARIES AND ASSOCIATES (CONTINUED)

- (b) Details of investment properties of the operating associates are as follows: (continued)
(lease term represents unexpired lease term of land use rights unless otherwise stated)

Address	Existing use	Lease term
Tianjin Kerry Centre 283 Liuwei Road, Hedong District, Tianjin 300171, The People's Republic of China	Office, commercial and residential rental	Medium lease
Hangzhou Kerry Centre 385 Yan'an Road, Xiacheng District, Hangzhou 310006, The People's Republic of China	Office and commercial rental	Medium lease
Jinan Enterprise Square 102 Luoyuan Street, Lixia District, Jinan 250000, The People's Republic of China	Office and commercial rental	Medium lease
Shenyang Kerry Centre 123, 125 and 125-1 Qingnian Avenue, Shenhe District, Shenyang 110200, The People's Republic of China	Office and commercial rental	Medium lease
Tanglin Mall, Singapore 163 Tanglin Road 247933, Singapore	Commercial rental	Long lease
Tanglin Place, Singapore 91 Tanglin Road 247918, Singapore	Office and commercial rental	Freehold

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

44 STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	As at 31 December	
	2025	2024
	USD'000	USD'000
ASSETS		
<i>Non-current assets</i>		
Property, plant and equipment	3,596	3,700
Investments in subsidiaries	4,865,438	4,332,113
Financial assets at FVPL	2,393	2,473
	4,871,427	4,338,286
<i>Current assets</i>		
Amounts due from subsidiaries	637,677	666,295
Dividends receivable, prepayments and deposits	556,812	547,057
Cash and cash equivalents	63,246	108,247
	1,257,735	1,321,599
Total assets	6,129,162	5,659,885
EQUITY		
<i>Capital and reserves attributable to owners of the Company</i>		
Share capital and premium	3,201,995	3,201,995
Shares held for share award scheme	(10,180)	(13,595)
Other reserves	1,545,902	1,545,851
Retained earnings	288,946	326,796
Total equity	5,026,663	5,061,047
LIABILITIES		
<i>Non-current liabilities</i>		
Bank loans	246,557	105,726
Fixed rate bonds	680,733	277,165
	927,290	382,891
<i>Current liabilities</i>		
Accounts payable and accruals	13,527	10,738
Amounts due to subsidiaries	147,739	199,645
Bank loans	13,943	5,564
	175,209	215,947
Total liabilities	1,102,499	598,838
Total equity and liabilities	6,129,162	5,659,885

The statement of financial position of the Company was approved by the Board of Directors on 26 March 2026 and was signed on its behalf:

KUOK Hui Kwong
Director

CHUA Chee Wui
Director

44 STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Movement of other reserves of the Company:

	Share award reserve USD'000	Capital redemption reserve USD'000	Contributed surplus USD'000 (Note)	Total USD'000
At 1 January 2024	9,074	10,666	1,524,231	1,543,971
Share-based compensation under share award scheme	10,119	–	–	10,119
Vesting of shares under share award scheme	(8,239)	–	–	(8,239)
At 31 December 2024 and 1 January 2025	10,954	10,666	1,524,231	1,545,851
Share-based compensation under share award scheme	10,254	–	–	10,254
Vesting of shares under share award scheme	(10,203)	–	–	(10,203)
At 31 December 2025	11,005	10,666	1,524,231	1,545,902

Note: The contributed surplus of the Company arose when the Company issued shares in exchange for the shares of companies being acquired, and represented the difference between the nominal value of the Company's issued shares and the value of net assets of the companies acquired. Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus is distributable to the shareholders.

Movement of retained earnings of the Company:

	2025 USD'000	2024 USD'000
At 1 January	326,796	445,525
Vesting of shares under share award scheme	1,181	854
Profit/(Loss) for the year	29,941	(27,667)
Payment of 2024/2023 final dividend	(45,938)	(68,904)
Payment of 2025/2024 interim dividend	(23,034)	(23,012)
At 31 December	288,946	326,796

45 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on 26 March 2026.

FIVE YEAR SUMMARY

The financial summary of the Group for the last five years is as follows:

	Year ended 31 December				
	2025 USD'000	2024 USD'000	2023 USD'000	2022 USD'000	2021 USD'000
Results					
Profit/(Loss) attributable to:					
Owners of the Company	112,293	161,387	184,139	(158,519)	(290,575)
Non-controlling interests	22,221	21,539	17,537	(28,933)	(53,844)

	As at 31 December				
	2025 USD'000	2024 USD'000	2023 USD'000	2022 USD'000	2021 USD'000
Assets and liabilities					
Total assets	14,426,534	13,498,459	12,862,586	12,633,506	13,474,267
Total liabilities	8,826,439	8,061,289	7,394,543	7,208,991	7,424,403
Total equity	5,600,095	5,437,170	5,468,043	5,424,515	6,049,864

ABBREVIATIONS

In this Annual Report (except for the independent Auditor's report and the Financial Statements), the following expressions have the following meanings:

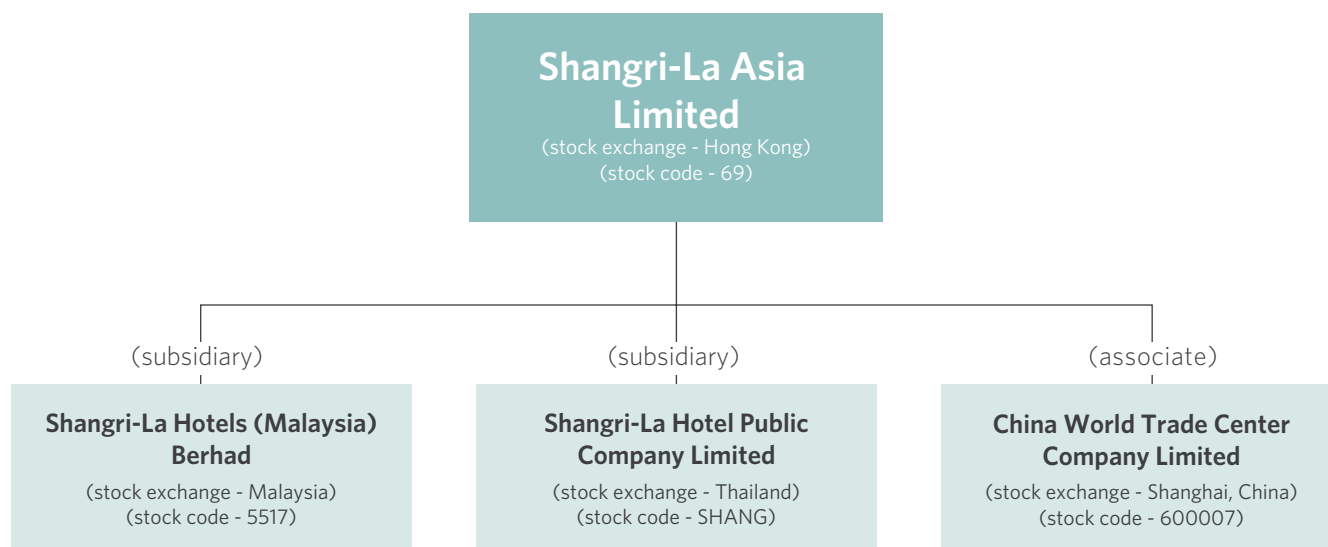
"Annual General Meeting"	forthcoming 2026 annual general meeting of the Company
"Annual Report"	this 2025 annual report of the Company
"Audit & Risk Committee" or "ARC"	audit & risk committee of the Company
"Auditor"	statutory auditor of the Company, currently being PricewaterhouseCoopers, Hong Kong
"Board"	board of Directors
"Bye-Laws"	bye-laws of the Company
"CCASS"	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
"CEO", "CFO", "CHRO", "CIO", "CMO", "COO" and "CTO"	chief executive officer, chief financial officer, chief human resources officer, chief investment officer, chief marketing officer, chief operating officer and chief technology officer, respectively, of the Company/Group
"CG Code"	code provisions as set out in the Corporate Governance Code as contained in Appendix C1 to the Listing Rules
"CG Principles"	corporate governance principles of the Company adopted by the Board on 19 March 2012 and as revised from time to time, and such principles align with and/or incorporate terms that are stricter than the CG Code, save for that disclosed (if any) in the corporate governance report in this Annual Report
"Chairman" or "Deputy Chairman"	chairman and deputy chairman (if any), respectively, of the Board
"China" or "Chinese Mainland"	The People's Republic of China, excluding Hong Kong and Macau
"Company"	Shangri-La Asia Limited
"connected person(s)"	has the meaning ascribed to it in the Listing Rules
"Director(s)"	director(s) of the Company
"Directors' Report"	the Directors' report as set out in this Annual Report
"EBITDA"	earnings before finance costs, tax, depreciation and amortisation, gains/losses on disposal of fixed assets and non-operating items such as gains/losses on disposal of interest in investee companies; fair value gains/losses on investment properties and financial assets; and net impairment losses on fixed assets which is a non-HKFRS financial measure used to measure the Group's operating profitability

ABBREVIATIONS

"ESG"	environmental, social and governance
"Executive Committee"	executive committee of the Company
"Executive Director(s)" or "ED(s)"	executive Director(s)
"Financial Statements"	consolidated financial statements of the Group for the Financial Year as set out on pages 118 to 223 of this Annual Report
"Financial Year"	financial year ended 31 December 2025
"Group"	Company and its subsidiaries
"HKFRS"	HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants
"HKSE"	The Stock Exchange of Hong Kong Limited
"Hotel Management Services"	hotel management, marketing, communication, training, and/or reservation services, and/or any hotel related services
"Independent Non-executive Director(s)" or "INED(s)"	independent non-executive Director(s)
"KGL"	Kerry Group Limited, a Substantial Shareholder, and a connected person of the Company
"KHL"	Kerry Holdings Limited, a Substantial Shareholder and a subsidiary of KGL, and a connected person of the Company
"KPL"	Kerry Properties Limited, whose controlling shareholders include KHL and KGL, and thus is an associate of each of them under the Listing Rules, and accordingly a connected person of the Company
"Listing Rules"	Rules Governing the Listing of Securities on HKSE
"Nomination Committee"	nomination committee of the Company
"Non-executive Director(s)" or "NED(s)"	non-executive Director(s)
"Other Major Shareholder(s)"	Shareholder(s) (other than Substantial Shareholder(s)) whose interests and short positions in Shares and underlying Shares are recorded in the register required to be kept by the Company under Section 336 of the SFO, and in general, being Shareholder(s) deemed to have interest of 5% or more but less than 10% in the Company
"Remuneration & Human Capital Committee"	remuneration & human capital committee of the Company

“RevPAR”	revenue per available room which is a key hotel performance indicator used to measure the average room revenue generated by each available hotel room on a daily basis
“Scheme Administrator”	the Board and/or any committee of the Board or other persons to whom the Board has delegated its authority
“Securities Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix C3 to the Listing Rules
“Securities Principles”	principles for securities transactions by Directors or any non-Directors of the Company adopted by the Board on 19 March 2012 and as revised from time to time, whose terms align with and/or incorporate terms that are stricter than the Securities Model Code
“Senior Management”	member(s) of the senior management of the Group as indicated in the section entitled “Board of Directors, Company Secretary and Senior Management” in this Annual Report
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HKD1.00 each in the Company
“Shareholder(s)”	shareholder(s) of the Company
“SLIM-HK”	Shangri-La International Hotel Management Limited, a wholly owned subsidiary of the Company incorporated in Hong Kong, and whose principal business is the provision of Hotel Management Services
“SLIM-PRC”	Shangri-La Hotel Management (Shanghai) Co, Limited, a wholly owned subsidiary of the Company incorporated in Chinese Mainland, and whose principal business is the provision of Hotel Management Services
“substantial shareholder(s)”	as defined in the Listing Rules and in general, being shareholder(s) deemed to have interest of 10% or more in a company, and “Substantial Shareholder(s)” shall mean substantial shareholder(s) of the Company
“Sustainability Report”	the 2025 sustainability report published simultaneously with the Annual Report
“Year End”	31 December 2025

THE GROUP'S LISTED MEMBERS





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