ANNUAL REPORT 2024

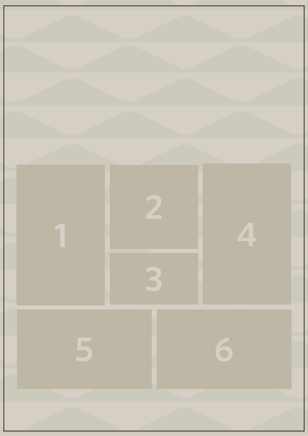
SHANGRI-LA ASIA LIMITED

Incorporated in Bermuda with Limited Liability
Stock code: 69





SHANGRI-LA GROUP



Cover Photos:

1. Ming Pavilion at Island Shangri-La, Hong Kong
2. Shangri-La Le Touessrok, Mauritius
3. Island Shangri-La, Hong Kong
4. Shangri-La Nanshan, Shenzhen
5. Shangri-La Phnom Penh
6. Island Shangri-La, Hong Kong

Contents

The Group's Business Presence

As at 31 December 2024
- ● Business in operation
- ● Projects under development

Asia

Cambodia
Phnom Penh ●

Hong Kong SAR ●

India
Bengaluru ●
New Delhi ●

Indonesia
Jakarta ●
Surabaya ●

Japan
Tokyo ●
Kyoto ● (under development)

Mainland China
Baotou ●
Beihai ●
Beijing ●
Changchun ●
Chengdu ●
Dalian ●
Diqing ●
Fuzhou ●
Guangzhou ●
Guilin ●
Hangzhou ● (under development) ●
Harbin ●
Hefei ●
Huhhot ●
Jinan ●
Kunming ● (under development) ●
Lhasa ●
Manzhouli ●
Nanchang ●
Nanjing ●
Nanning ●
Ningbo ●
Putian ●
Qingdao ●
Qinhuangdao ●
Qufu ●
Sanya ●
Shanghai ● (under development) ●
Shenyang ●
Shenzhen ●
Suzhou ●
Tangshan ●
Tianjin ●
Wenzhou ●
Wuhan ●
Xiamen ●
Xian ●
Yangzhou ●
Yiwu ●
Zhengzhou ● (under development)
Zhoushan ●

Malaysia
Kota Kinabalu ●
Penang ●
Kuala Lumpur ●

Maldives
Malé ●
Villingili ●

Mongolia
Ulaanbaatar ●

Myanmar
Yangon ●

Oman
Muscat ●

Philippines
Boracay ●
Cebu ●
Manila ●

Saudi Arabia
Jeddah ●

Singapore ●

Sri Lanka
Colombo ●
Hambantota ●

Taiwan
Tainan ●
Taipei ●

Thailand
Bangkok ●
Chiang Mai ●

United Arab Emirates
Abu Dhabi ●
Dubai ●

Oceania

Australia
Cairns ●
Sydney ●
Melbourne ● (under development)

Fiji
Yanuca ●

Europe

France
Paris ●

Turkey
Istanbul ●

United Kingdom
London ●

Africa

Mauritius ●

North America

Canada
Toronto ●
Vancouver ●

Financial Highlights

The following table summarises the highlights of our financial results:

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

Notes:

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

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

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

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

- Consolidated revenue for the year ended 31 December 2024 was USD2,185.4 million, an increase of 2.0%, compared to USD2,141.8 million for the year ended 31 December 2023, despite a changing landscape.

- Effective share of revenue of the Company, subsidiaries and associates for the year ended 31 December 2024 was USD2,653.6 million, a decrease of 4.2%, compared to USD2,769.2 million for the year ended 31 December 2023 primarily due to a sharp 73.9% decline in Property Development for Sale revenue to USD48.5 million (from USD185.5 million in 2023).

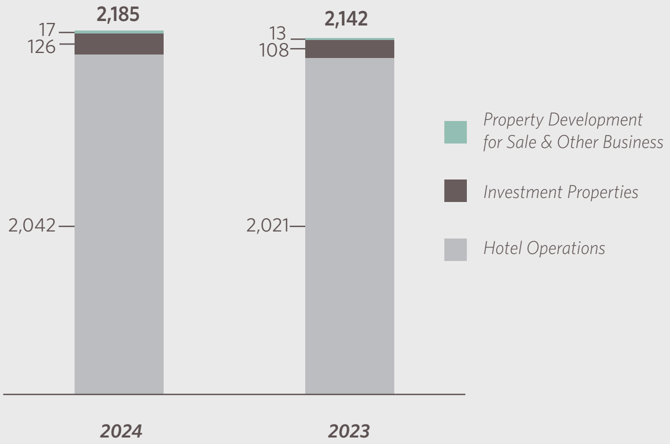
- Effective share of EBITDA of the Company, subsidiaries and associates for the year ended 31 December 2024 was USD760.1 million, a decrease of 13.0%, compared to USD873.6 million for the year ended 31 December 2023. This decline is primarily driven by an 87.9% reduction in the effective share of EBITDA from Property Development for Sale, which fell to USD11.8 million from USD97.9 million in the prior year, further compounded by the normalisation of operating expenses in our Hotel Operations segment.

- Profit attributable to owners of the Company from operating items was USD115.9 million for the year ended 31 December 2024, a decrease of 10.2%, compared to USD129.0 million for the year ended 31 December 2023. This reduction was driven largely by the aforementioned decline in the effective share of EBITDA. However, the impact was significantly mitigated by tax savings resulting from lower profits in Property Development for Sale, as well as favourable net exchange gains of USD13.3 million recognised at the corporate level, compared to net exchange losses of USD14.3 million in the prior year.

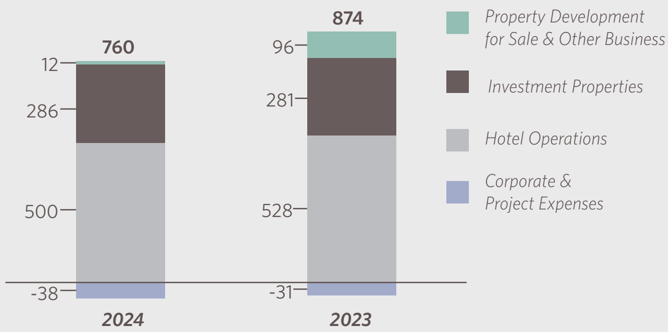
- All in all, profit attributable to owners of the Company was USD161.4 million for the year ended 31 December 2024, a decrease of 12.3%, compared to USD184.1 million for the year ended 31 December 2023, reflecting a reduction following a year-on-year decrease of USD9.6 million in net gains from non-operating items.

Financial Highlights

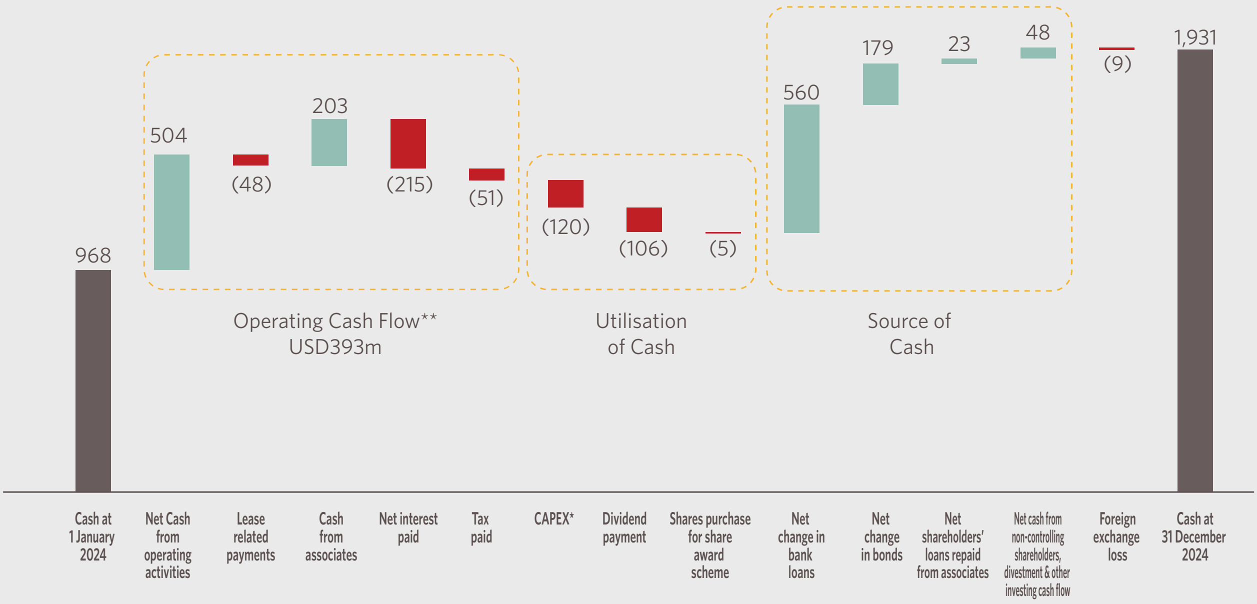
Segment Revenue by Category
(USD million)



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



Movement of Cash Flow (Note)
(USD million)



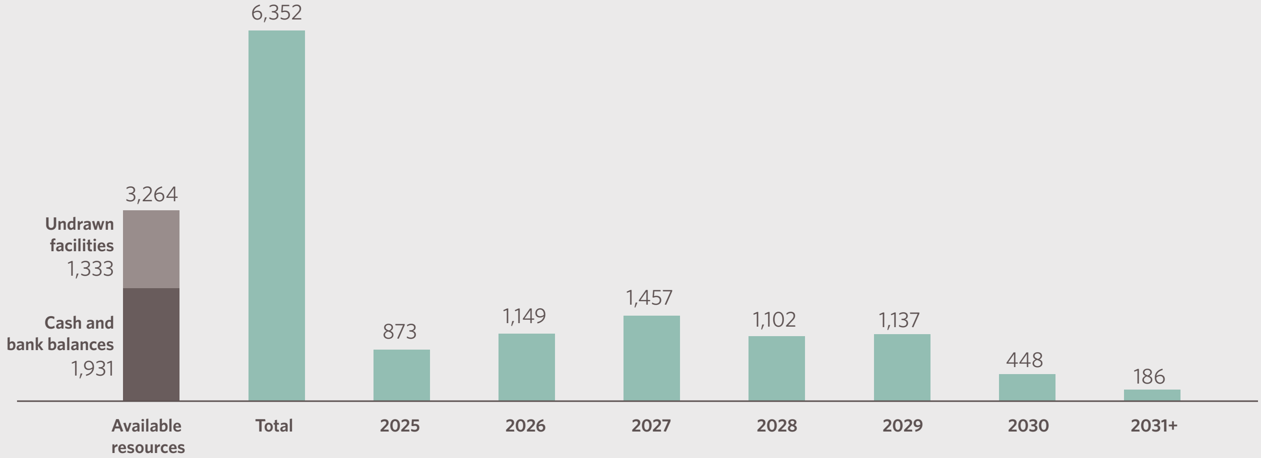
* Capital expenditure ("**CAPEX**") includes fund injection to associates for their CAPEX.

** 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: 3.47 years



Corporate Information

As at 27 March 2025

BOARD OF DIRECTORS
Executive Directors
Ms KUOK Hui Kwong *(Chairman)*
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

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

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 Abacus 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
9 June 2025 to 12 June 2025, both dates inclusive

Annual General Meeting
12 June 2025

Announcement of 2025 interim results
August 2025

Year in Review

January
Shangri-La Nanshan, Shenzhen, opened on 31 January, offering 272 elegantly appointed rooms with breathtaking views, exceptional dining, a serene Wellness Club, and seamless connectivity in the Greater Bay Area. Inspired by Lingnan heritage, its design blends tradition with modernity, reflecting a commitment to cultural appreciation and eco-conscious hospitality in one of China's most dynamic cities.

February
Island Shangri-La, Hong Kong, has unveiled 21 themed rooms and suites that redefine family-friendly luxury, inspiring young imaginations while ensuring a seamless stay. To make family travel hassle-free, guests will also have access to *The Hangout* and *The Pantry*, which feature a range of exceptional childcare amenities designed to enhance convenience and reflect a commitment to thoughtful hospitality. With immersive design and tailored experiences, the hotel sets a new benchmark for family travel in the heart of Hong Kong.

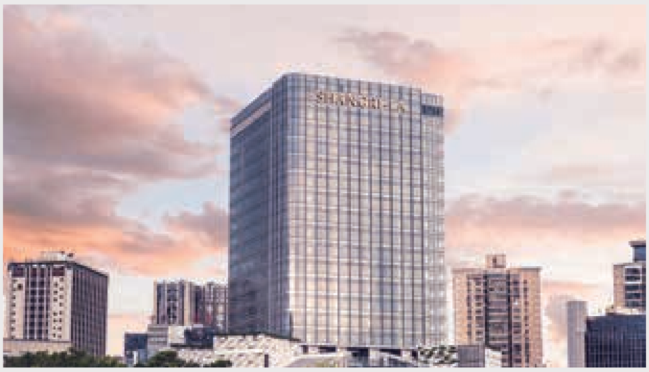
February
Ming Pavilion, Shangri-La's take on modern Hokkien Cuisine was launched in Island Shangri-La, Hong Kong. The restaurant pays tribute to the cuisine's rich exploration-focused heritage, breathing new life into time-honoured dishes, while delivering authentic flavours through dishes such as deep-fried five-spice pork rolls, deep-fried prawn rolls, to Singapore-style wok-fried Hokkien mee and steamed mud crab with glutinous rice.

March
Shangri-La launched a global online meeting room booking platform, revolutionising event planning with seamless access to over 300 meeting rooms across more than 100 properties worldwide. With real-time availability, instant quotations, and immediate confirmations, it provides a streamlined and efficient solution for organising meetings and events.

Year in Review

April
Shangri-La Group unveiled JEN Kunming by Shangri-La, introducing its dual-brand strategy ahead of the upcoming Shangri-La Kunming. Located in the heart of the city, the vibrant new property infuses fresh, youthful energy while celebrating Yunnan's rich art and culture. Designed as a modern and sustainable space, the hotel connects guests to the essence of contemporary Asia.

June
On World Environment Day, Shangri-La Group celebrated its decade-long *Rooted in Nature* programme, highlighting its commitment to sustainability. With 94 participating hotels, the initiative promotes locally and responsibly sourced ingredients, savours indigenous produce, supports community producers, and encourages on-site farming such as *Chef's Farms*, bee hives, and hydroponic systems. By championing sustainable dining, Shangri-La nurtures both people and the planet.



June
Shangri-La Group successfully issued its first Panda Bond under a RMB20 billion medium-term notes programme. The inaugural RMB1 billion three-year note, issued in June, was 4 times oversubscribed and achieved a record-low coupon rate, reflecting strong investor confidence in the Group's creditworthiness. Building on this success, in July, the Group issued two additional Panda Bond tranches totalling RMB1 billion. These issuances marked the Group's entry into the onshore RMB capital markets, further expanding its funding sources and better matching its asset liability exposure.

July
Shangri-La Group launched *From the Heart: Celebrating 50 Years in Asia*, a limited-edition book honouring Asia and its people who have shaped the region's growth and prosperity. Inspired by the spirit of Asian hospitality instilled by founder Mr. Robert Kuok, the book highlights six iconic destinations that embody modern Asia and reflect Shangri-La's journey over the past five decades.

Year in Review

July
Shangri-La Group launched the *A Heartfelt Holiday with Shangri-La* campaign, showcasing immersive experiences at nine hotels across Singapore, Bangkok, Sabah, Hong Kong, Tokyo, Paris, and Sydney. Designed to inspire Chinese travellers to rediscover the joy of exploration, the campaign invited guests to embrace the wonders of travel with Shangri-La.

July
Origin Bar at Shangri-La Singapore has shaken up the scene, earning the No. 32 spot in *Asia's 50 Best Bars*. Since opening in 2017, it has delighted guests with inventive cocktails, blending unique ingredients, daring techniques, and global inspirations.

July
Shangri-La Group proudly welcomes world-renowned concert pianist Lang Lang as our first *Friend of Shangri-La*. Having made Shangri-La his home during tours for over 20 years, his extraordinary journey continued as a bearer in the 2024 Paris Olympic Torch Relay, reflecting his global influence. We are honoured to support this milestone, with Shangri-La Paris providing a serene retreat for focus and inspiration ahead of this momentous occasion.

August
Shangri-La Circle garnered four accolades at the 2024 *MARKETING-INTERACTIVE* DigiZ Awards, including Silver for *Best Omnichannel Strategies* and Bronze in *UI/UX Design, Phygital Experience*, and *Marketing Automation Platform*. Judged by industry experts, these awards recognise our commitment to delivering seamless digital experiences and innovative marketing solutions for our guests.

Year in Review

October
In recognition of Breast Cancer Awareness Month, Shangri-La properties worldwide supported the cause through meaningful initiatives. From educational talks in Dubai to health clinics in Muscat, yoga sessions in Shanghai, charity runs in Taipei, and pink-themed fundraising events across our hotels, we contributed to the global effort for early detection and treatment of breast cancer.

October
After a long-anticipated transformation, Shangri-La Le Touessrok, Mauritius, reopened with a vibrant contemporary design that captures the island's spirit. The revitalised resort offers enriched experiences, from honey harvesting to private champagne cruises, alongside new wellness treatments at Chi, The Spa – all while embracing sustainable practices to preserve Mauritius' natural beauty. This new chapter also unveiled five renovated restaurants and bars, including the debut of TSK (Touessrok Soul Kitchen) and Coco's, elevating the resort's culinary experience.

October
Shangri-La Group launched *Bandhan by Shangri-La*, a bespoke wedding service elevating Indian celebrations across prestigious destinations, including New Delhi, Bengaluru, Muscat, Colombo, Hambantota, and Istanbul. Combining our hospitality expertise with a deep understanding of Indian traditions, *Bandhan* creates unforgettable moments. Recognising this excellence, *Travel + Leisure India* named Shangri-La Colombo and Shangri-La Eros New Delhi among the Best Hotels for Weddings.

November
Shangri-La launched the *For the Young and the Young-at-Heart* campaign, offering exclusive family packages across our properties. Designed to inspire connection, imagination, and joy for all ages, the campaign offers unforgettable adventures through bespoke activity programmes and thoughtfully curated experiences. Families are invited to *Stay, Play and Celebrate* with extraordinary moments where every interaction is an opportunity to learn, grow, and create cherished memories.

November
Shangri-La Group celebrated World Children's Day, extending meaningful support to underprivileged children through *Embrace, Shangri-La's Care for People* programme. Hotels worldwide hosted educational tours, storytelling sessions, and environmental workshops, while also fundraising for community partners dedicated to children's health and wellbeing. Through these initiatives, the Group continues to create lasting, positive impact in the communities we serve.

December
Shangri-La Group celebrated remarkable culinary achievements, with prestigious recognitions in both the MICHELIN Guide and the Black Pearl Restaurant Guide. The newly-opened Jiangnan Wok · Rong at Shangri-La Fuzhou earned its first MICHELIN star in the inaugural MICHELIN Guide for Fujian Province.

Earlier this year, Restaurant Petrus and Summer Palace at Island Shangri-La, Hong Kong, and Shang Palace at Kowloon Shangri-La, Hong Kong, each retained their One MICHELIN Star status, while Jiangnan Wok at Shangri-La Nanjing was once again honoured with Black Pearl Two Diamonds — reaffirming the Group's commitment to culinary excellence.

December
Shangri-La Rasa Ria, Kota Kinabalu, partnered with the Institute of Tropical Biology and Conservation at Universiti Malaysia Sabah to support the discovery of 35 species of bioluminescent mushrooms, including three newly identified by science. Enhancing the guest experience, *Rasa Ria Reserve After Dark: The Glow Experience* offers an eco-friendly trail that showcases these natural wonders while promoting sustainable tourism.

December
On 28 December, Shangri-La Group made its debut in Cambodia with the opening of Shangri-La Phnom Penh, a stunning waterfront landmark in one of the city's most vibrant neighbourhoods. The hotel offers luxurious rooms with panoramic Mekong River views, innovative dining concepts, and extensive event spaces, blending modern elegance with local charm and showcasing Shangri-La's signature Asian hospitality.

Awards of the Year 2024

Business Traveller Asia-Pacific Awards 2024
Best Business Hotel Brand in the World
Best Business Hotel Brand in Asia-Pacific

Business Traveller UK Awards 2024
Best Business Hotel Brand Worldwide
Best Business Hotel Brand in Asia-Pacific

Travel + Leisure World's Best Awards 2024
10 Favourite Hotels in Europe

TripAdvisor Travelers' Choice Awards 2024
Best of the Best Top Hotels, various destinations
Best of the Best Luxury Hotels, various destinations

Forbes Travel Guide
5-Star Award Winners, various destinations

MICHELIN Key Hotels
Two Key Hotel in France
One Key Hotels in Canada, Japan, UK

Condé Nast Traveler's 2024 Readers' Choice Awards
Best hotels and resorts, various destinations

DestinAsian's Readers' Choice Awards 2024
Best Hotel Brands for Business
Best Hotel Brands for Leisure
Best hotels and resorts, various destinations

Luxury Awards Asia-Pacific 2024
Best hotels, city hotels, beach resorts, hotel beaches and spas, various destinations

China Feast Restaurant Awards 2024
Best F&B and Hospitality Group

MARKETING-INTERACTIVE DigiZ Awards 2024
Best Omnichannel Strategies - Silver
Best UI/UX Design - Bronze
Best Phygital Experience - Bronze
Best Marketing Automation Platform - Bronze

Hong Kong Business Technology Excellence Awards 2024
Mobile - Hospitality & Leisure
Robotics - Hospitality & Leisure
Digital - Hospitality & Leisure

Golden Loyalty Awards 2024
Best Use of Technology - Gold

Asia Responsible Enterprise Awards 2024
Corporate Sustainability Reporting

Hong Kong Quality Assurance Agency Hong Kong Green and Sustainable Finance Award 2024
Pioneering Award for ESG Disclosure Contribution

Hong Kong ESG Reporting Awards 2024
Grand Award (Newcomer Category)

The Hong Kong Management Association's Hong Kong Sustainability Award 2024
Certificate of Excellence (Large Organisation Category)

LinkedIn Talent Awards Hong Kong 2024
Best Talent Acquisition Team - Gold

Mercer China Healthiest Workplace Awards for Year 2024-2025
Top Healthiest Workplace

Employee Experience Awards accredited by Human Resources Online
Best Holistic Leadership Development Strategy – Gold
Best Culture Transformation & Change Management – Gold
Best Graduate Training Program – Silver

Khaleej Times + WorkL Best Places to Work Awards
Best Place to Work in the UAE

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 2024.

After the robust recovery that we saw in 2023, 2024 was a year that presented both challenges and opportunities. Although 2024 had a stronger first half than in 2023, these gains were reversed in the second half as China faced significant economic setbacks which dampened consumption. Furthermore, inflation rose in several core markets, while costs normalised as we continue to deliver high quality hospitality services in our first fully operational year post-Covid. Nonetheless, these challenges were moderated by returns from our strategic investments into commercial real estate value chain and capital management strategies to manage our interest rates. The successful launch of our panda bond with coupon rates as low as 2.3% demonstrated our ability to tap different sources of funding at competitive rates.

These challenges and strengths are reflected in our results. In 2024, Group consolidated Revenue grew 2.0% from USD2.14 billion in 2023 to USD2.19 billion, while Group consolidated EBITDA declined by 3.5% to USD503.9 million. Group consolidated Free Cash Flow grew 88.7% from USD145 million to USD273 million, our highest on record.

We are pleased to declare a full year dividend of HK15 cents per share, totalling approximately USD70 million. This represents a payout ratio of 60% against Operating Profit after Tax and Minority Interest.

As consumers at large shift from spending on material goods to services and experiences, and as interest in travel within and into Asia resurges, these trends present significant opportunities not only in our core Mainland China market but also across our properties in Asia.

To capture these trends, we have invested in uplifting and reinvigorating our product offerings to drive increased consumer engagement. We have also deepened consumer insights to better understand our customer's evolving needs. These insights allow us to thoughtfully innovate products and services, which in turn allows us to consistently exceed guest expectations, foster guest loyalty, and expand our customer base. Some of these offerings that we have introduced across several of our properties in recent years are already demonstrating promising results.

At the same time, we have been expanding our footprint through managing third party assets. We believe this will enhance our ability to offer more choices to our customers while allowing us to be quicker in seizing emerging opportunities. Our recent successful property openings demonstrate the effectiveness of this strategy in bringing the Shangri-La experience to new markets and guests.

Chairman's Statement

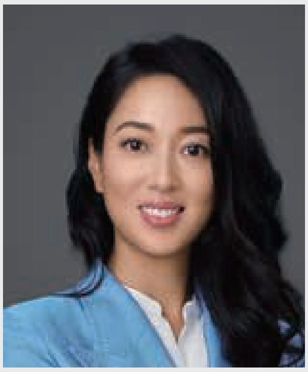
I would like to thank my colleagues, our greatest asset, for their commitment and contribution to our Group's success. The resilience and dedication of our people remain the cornerstone of our success. Despite the challenging environment in the recent past years, our colleagues have consistently demonstrated their commitment to delivering exceptional Asian hospitality that keeps our guests coming back.

I would also like to thank our guests, business partners, and shareholders for their continued support and trust over the years.

KUOK Hui Kwong
Chairman

Board of Directors, Company Secretary and Senior Management

EXECUTIVE DIRECTORS



KUOK Hui Kwong
Aged 47, Malaysian
Executive Director
Chairman

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

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) – 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 58, 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 57, 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 79, 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 GlaxoSmithKline Plc after merger) (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 64, 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 since March 2022

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

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 47, 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

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, Mainland China
- MBA – Stanford Graduate School of Business, Stanford University, United States

ZHUANG Chenchao
Aged 49, 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 since February 2014

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, Mainland China

Board of Directors, Company Secretary and Senior Management

KHOO Shulamite N K
Aged 63, 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

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 (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

Board of Directors, Company Secretary and Senior Management

COMPANY SECRETARY

SEOW Chow Loong Iain
Aged 59, 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 47, Malaysian
Chairman

- The biography is set out in the previous subsection.

CHUA Chee Wui
Aged 58, Singaporean
Group CFO and Group CIO

- The biography is set out in the previous subsection.

PAW Chuen Kee
Aged 67, 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 Mainland China from October 1995 to November 1999 and October 2008 to December 2011
- Vice President, Sales & Marketing in Mainland China 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 Mainland China, 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

ZHUO Yun

Aged 54, Chinese
Group CHRO

Period of service with the Group

- joined the Group in October 2024 as Group CHRO

Other previous experience and major appointments

- AXA – human resources manager, regional office (Hong Kong) from June 2003 to July 2005; head of human resources (China) from August 2005 to June 2007
- Standard Chartered Bank (China) Co, Limited – head of human resources, risk/group technology & operations/supporting functions from May 2008 to February 2011
- Hang Seng Bank (China) Limited – head of human resources, senior vice president from March 2011 to April 2015
- Mitsubishi UFJ Financial Group Inc – managing director, head of human resources (China) from May 2015 to June 2019; chief human resources officer for Asia Pacific from July 2019 to December 2022; managing director, global human resources transformation projects from January 2023 to September 2023
- Sun Life Hong Kong Limited – chief human resources officer, Asia from September 2023 to September 2024

Academic/professional qualifications

- Bachelor's degree in English Education – Capital Normal University, Mainland China
- MBA – The Hong Kong University of Science and Technology

PHONG Siew San Christopher

Aged 55, 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 development in South and Southeast Asia, 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

Board of Directors, Company Secretary and Senior Management

SOON Fook Soon

Aged 58, Singaporean
Group Head of Strategy and Business Transformation

Period of service with the Group

- joined the Group in June 2020 as Vice President, Technology
- Vice President, Strategy and Business Transformation from August 2021 to December 2021
- Senior Vice President, Strategy and Business Transformation from January 2022 to December 2022
- Executive Vice President, Strategy and Business Transformation from January 2023 to March 2024
- Group Head of Strategy and Business Transformation since April 2024

Other previous experience and major appointments

- over 30 years of experience in strategic decision-making, technology assessment, risk mitigation and leveraging technology for business growth and efficiency
- Oyika Pte Limited – chief technology officer from April 2019 to June 2020

Academic/professional qualifications

- Bachelor’s degree in Engineering – National University of Singapore
- MBA – National University of Singapore

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Discussion and Analysis

DISCUSSION AND ANALYSIS

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

- **Hotel Properties** – development, ownership and operation of hotel properties (including hotels under leases)
- **Hotel Management and Related Services** for Group-owned hotels and for hotels owned by third parties
- **Investment Properties** – development, ownership and operation of office properties, commercial properties and serviced apartments/residences for rental 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**
- **Kerry Hotels**
- **JEN by Shangri-La**
- **Traders Hotels**

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

	Owned/Leased		Managed		Total Operating Hotels		Hotels Under Development	
	Hotels	Rooms in '000	Hotels	Rooms in '000	Hotels	Rooms in '000	Owned/ Leased Hotels	Hotels under Management contracts
Shangri-La	73	30.7	19	6.0	92	36.7	4	1
Kerry Hotels	3	1.6	—	—	3	1.6	—	—
JEN by Shangri-La	8	3.1	1	0.3	9	3.4	—	1
Traders Hotels	—	—	2	0.9	2	0.9	1	—
Total	**84**	**35.4**	**22**	**7.2**	**106**	**42.6**	**5**	**2**

Notes:

(1) Shangri-La Nanshan, Shenzhen (a management hotel owned by a third party) in Mainland China opened for business in January 2024.

(2) JEN Kunming by Shangri-La (45% equity interest owned by the Group) in Mainland China opened for business in April 2024.

(3) Shangri-La Phnom Penh (a management hotel owned by a third party) in Cambodia opened for business in December 2024.

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

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

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

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

N/M: not meaningful

SUMMARY OF NET ASSET VALUE (Note 1)

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

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

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

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

(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	728.9	2,497.7	1,694.2
Mainland China	2,214.5	4,598.0	1,787.6
Singapore	471.8	1,918.2	1,328.2
Malaysia	111.6	289.3	135.1
The Philippines	253.7	532.7	209.3
Thailand	87.1	303.4	173.0
Australia	254.2	374.7	84.3
Others *(Note 3)*	814.9	1,134.4	230.8
Total	4,936.7	11,648.4	5,642.5

(USD million)	NAV	Non-controlling interests	Total equity
Reported balance based on carrying value of hotel properties	5,183.5	253.7	5,437.2
Add: Valuation surplus of hotel properties after deferred tax	5,642.5	467.9	6,110.4
Adjusted balance based on valuation of hotel properties	10,826.0	721.6	11,547.6
Reported NAV per share *(Note 4)*	USD1.46 (equivalent to HKD11.32)		
Adjusted NAV per share *(Note 4)*	USD3.04 (equivalent to HKD23.56)		

Notes:

(1) Net asset value refers to the Group's total assets less total liabilities (i.e. equity) attributable to owners of the Company.

(2) The effective share refers to the Group's share of subsidiaries' and associates' carrying value and valuation of hotel properties based on the percentage of equity interests.

(3) Others include France, Maldives, Turkey, Fiji, Myanmar, Indonesia, Mongolia, Mauritius, Sri Lanka, Japan and United Kingdom.

(4) NAV per share is computed based on 3,556,496,000 shares in issue after adjusting for shares held by the Group.

RESULTS OF OPERATIONS

Consolidated Revenue

Consolidated revenue consisted of the following:

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

- Consolidated revenue was USD2,185.4 million for the year ended 31 December 2024, an increase of 2.0% (or USD43.6 million), compared to USD2,141.8 million for the year ended 31 December 2023. The increase was mainly driven by stable growth in our Hotel Operations business and continuous improvement in our Investment Properties business.

- Consolidated revenue from our Hotel Operations was USD2,042.2 million for the year ended 31 December 2024, an increase of 1.0% (or USD21.1 million), compared to USD2,021.1 million for the year ended 31 December 2023.

- Our Investment Properties business remained as a steady contributor, where consolidated revenue rose to USD125.8 million, an increase of 16.2% (or USD17.5 million), for the year ended 31 December 2024, compared to USD108.3 million for the year ended 31 December 2023. The increase was mainly driven by the improved performance of the Group's Investment Properties in Sri Lanka and Mongolia as well as additional revenue contributed by the Group's wholly owned newly opened Shangri-La Centre, Fuzhou, which had its office component opened in the second half of 2023 and the commercial component opened in the first half of 2024.

(i) Hotel Properties

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

Details of these 84 hotels are as follows:

		Group's equity interest	Available rooms
(A)	**Hotels owned by the Group**		
	Hong Kong		
	Kowloon Shangri-La, Hong Kong	100%	679
	Island Shangri-La, Hong Kong	80%	544
	JEN Hong Kong by Shangri-La	30%	283
	Kerry Hotel, Hong Kong	100%	546
	Sub-total Hong Kong		2,052
	Mainland China		
	Shangri-La Beijing	38%	670
	China World Hotel, Beijing	50%	584
	China World Summit Wing, Beijing	40.32%	278
	JEN Beijing by Shangri-La	40.32%	450
	Kerry Hotel, Beijing	23.75%	486
	Pudong Shangri-La, Shanghai	100%	950
	Jing An Shangri-La, Shanghai	49%	508
	Kerry Hotel Pudong, Shanghai	23.2%	574
	Shangri-La Shenzhen	72%	522
	Futian Shangri-La, Shenzhen	100%	528
	Shangri-La Xian	100%	393
	Shangri-La Hangzhou	45%	198
	Shangri-La Beihai	100%	362
	Shangri-La Changchun	100%	382
	JEN Shenyang by Shangri-La	100%	407
	Shangri-La Shenyang	25%	383
	Shangri-La Qingdao	100%	702
	Shangri-La Dalian	100%	560
	Shangri-La Wuhan	92%	408
	Shangri-La Harbin	100%	396
	Shangri-La Fuzhou	100%	414
	Shangri-La Guangzhou	80%	690
	Shangri-La Chengdu	80%	593
	Shangri-La Wenzhou	100%	409
	Shangri-La Ningbo	95%	562
	Shangri-La Guilin	100%	439
	Shangri-La Baotou	100%	360
	Shangri-La Huhhot	100%	365
	Shangri-La Manzhouli	100%	235
	Shangri-La Yangzhou	100%	360
	Shangri-La Qufu	100%	322

	Group's equity interest	Available rooms
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
Sub-total Mainland China		19,628
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%	564
Shangri-La The Marina, Cairns	100%	255
Sub-total Australia		819
Other areas		
Shangri-La Paris	100%	101
Shangri-La's Villingili Resort & Spa, Maldives	100%	132
JEN Maldives Malé by Shangri-La	100%	114
Shangri-La Bosphorus, Istanbul	50%	186
Shangri-La Yanuca Island, Fiji	71.80%	443
Sule Shangri-La, Yangon	59.16%	462
Shangri-La Jakarta	25%	619
Shangri-La Surabaya	11.35%	365
Shangri-La Ulaanbaatar	51%	290
Shangri-La Le Touessrok, Mauritius	26%	185
Shangri-La Hambantota	90%	274
Shangri-La Colombo	90%	500
Sub-total other areas		3,671
Total of 81 owned hotels		34,500
(B) Hotels under operating lease agreements		
Shangri-La Tokyo		200
Shangri-La The Shard, London		202
JEN Singapore Orchardgateway by Shangri-La		499
Total of 3 leased hotels		901
Grand total		35,401

For the year ended 31 December 2024, the increase of consolidated revenue from our hotel properties was driven by further business recoveries in Hong Kong and the Philippines, partially offset by a decrease of consolidated revenue from our hotel properties in Mainland China, Singapore and the United Kingdom.

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

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

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

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

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

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

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

The People's Republic of China

Hong Kong

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

Mainland China

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

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

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

- In Tier 1 cities, occupancy was 72% for the year ended 31 December 2024, an increase of 2 percentage points, compared to 70% for the year ended 31 December 2023. RevPAR was USD111 for the year ended 31 December 2024, flat, compared to USD111 for the year ended 31 December 2023. Our hotels in Tier 1 cities demonstrated resilience in performance among market downturns.

- In Tier 2 cities, occupancy was 64% for the year ended 31 December 2024, flat, compared to 64% for the year ended 31 December 2023. RevPAR was USD60 for the year ended 31 December 2024, a decrease of 5%, compared to USD63 for the year ended 31 December 2023.

- In Tier 3 and Tier 4 cities, occupancy was 50% for the year ended 31 December 2024, a decrease of 1 percentage point, compared to 51% for the year ended 31 December 2023. RevPAR was USD44 for the year ended 31 December 2024, a decrease of 14%, compared to USD51 for the year ended 31 December 2023.

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

Singapore

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

Malaysia

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

The Philippines

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

Japan

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

France

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

Australia

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

United Kingdom

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

(ii) Hotel Management & Related Services

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

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

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

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

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

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

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

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

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

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

(iii) Investment Properties

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

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

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

- In Mongolia, our investment properties continued strong performance with increase in rent and a nearly full occupancy.

- In Sri Lanka, both rent and occupancy continued increasing at our investment property, particularly for the commercial component, as the country's financial status further stabilised in 2024.

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

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

(iv) Property Development for Sale

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

EBITDA and Aggregate Effective Share of EBITDA

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

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

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

- Effective share of EBITDA from Hotel Properties for the year ended 31 December 2024 was USD437.6 million, a decrease of 8.4%, compared to USD477.6 million for the year ended 31 December 2023. Our Hotel Properties continued recovering in most of the regions but was offset by declined performance mainly in Mainland China and Singapore as operating costs normalised.

- Effective share of EBITDA from Hotel Management and Related Services for the year ended 31 December 2024 was USD62.2 million, an increase of 24.4%, compared to USD50.0 million for the year ended 31 December 2023. The significant improvement of EBITDA was lifted by increase in gross effective share of revenue from Hotel Management and Related Services as well as operations efficiency improvement at the headquarters.

- Effective share of EBITDA from Investment Properties for the year ended 31 December 2024 was USD286.3 million, an increase of 1.8%, compared to USD281.3 million for the year ended 31 December 2023. The performance of Investment Properties held by our subsidiaries in Sri Lanka and Mongolia continuously rose during the year ended 31 December 2024, while the Investment Properties held by our associates in Mainland China remained resilient during the year.

- Effective share of EBITDA from Property Development for Sale & Other Business for the year ended 31 December 2024 was USD12.2 million, a decrease of 87.2%, compared to USD95.4 million for year ended 31 December 2023.

Consolidated Profit or Loss Attributable to Owners of the Company

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

(USD million)		For the year ended 31 December 2024	2023	% change
Hotel Properties	The People's Republic of China			
	Hong Kong	**21.2**	17.7	19.8%
	Mainland China	**(10.1)**	25.0	N/M
	Singapore	**30.4**	38.7	–21.4%
	Malaysia	**7.8**	7.4	5.4%
	The Philippines	**17.1**	8.6	98.8%
	Japan	**11.1**	5.2	113.5%
	Thailand	**13.0**	11.1	17.1%
	France	**(0.9)**	(4.3)	79.1%
	Australia	**(1.4)**	(1.8)	22.2%
	United Kingdom	**(13.7)**	(11.8)	–16.1%
	Mongolia	**(2.2)**	(1.4)	–57.1%
	Sri Lanka	**(2.0)**	(1.9)	–5.3%
	Other countries	**(0.3)**	4.1	N/M
Sub-total Hotel Properties		**70.0**	96.6	–27.5%
Hotel Management and Related Services		**37.6**	19.4	93.8%
Sub-total Hotel Operations		**107.6**	116.0	–7.2%
Investment Properties	Mainland China	**171.3**	164.0	4.5%
	Singapore	**10.5**	9.4	11.7%
	Malaysia	**0.6**	0.7	–14.3%
	Mongolia	**9.3**	8.4	10.7%
	Sri Lanka	**5.2**	(1.0)	N/M
	Other countries	**3.0**	3.8	–21.1%
Sub-total Investment Properties		**199.9**	185.3	7.9%
Property Development for Sale & Other Business		**0.4**	42.3	–99.1%
Consolidated profit from operating properties		**307.9**	343.6	–10.4%
Corporate finance costs (net of interest income)		**(167.3)**	(167.4)	0.1%
Corporate and project expenses		**(38.0)**	(32.9)	–15.5%
Exchange gains/(losses) of corporate investment holding companies		**13.3**	(14.3)	N/M
Consolidated profit attributable to owners of the Company before non-operating items		**115.9**	129.0	–10.2%
Non-operating items		**45.5**	55.1	–17.4%
Consolidated profit attributable to owners of the Company after non-operating items		**161.4**	184.1	–12.3%

N/M: not meaningful

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

- Hotel Properties registered a profit of USD70.0 million for the year ended 31 December 2024, a decrease of 27.5%, compared to USD96.6 million for the year ended 31 December 2023. The decrease was mainly due to the decrease in effective share of EBITDA from Mainland China and Singapore, partially offset by the increase of effective share of EBITDA from other regions.

- Hotel Management and Related Services registered a profit of USD37.6 million for the year ended 31 December 2024, an increase of 93.8%, compared to USD19.4 million for the year ended 31 December 2023. The improvement was mainly due to increase in effective share of EBITDA from our Hotel Management and Related Services.

- Investment Properties profit for the year ended 31 December 2024 was USD199.9 million, an increase of 7.9%, compared to USD185.3 million for the year ended 31 December 2023. Income from Investment Properties continued to grow steadily.

- Property Development for Sale & Other Business registered a profit of USD0.4 million for the year ended 31 December 2024, compared to USD42.3 million for the year ended 31 December 2023. The decrease was due to declined sales of residential units in the year ended 31 December 2024.

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

- Non-operating items for the year ended 31 December 2024 was an aggregate gain of USD45.5 million, a decrease of 17.4%, compared to an aggregate gain of USD55.1 million for the year ended 31 December 2023. For the year ended 31 December 2024, amongst other items, major components included:

  - An exceptional foreign exchange gain of USD11.2 million arising from the appreciation of the Sri Lankan rupee, compared to an exceptional foreign exchange gain of USD29.9 million for the year ended 31 December 2023 due to the appreciation of the Sri Lankan rupee arising from the foreign currency bank loans borrowed by our Sri Lanka entity.

  - Effective share of net fair value gains on investment properties of USD74.9 million for the year ended 31 December 2024, a decrease of 0.4%, compared to effective share of net fair value gains on investment properties of USD75.2 million for the year ended 31 December 2023.

  - Net impairment losses of USD46.0 million, inclusive of impairment losses of USD51.8 million from our hotels in Mainland China and Maldives, partially offset by reversal of prior years' impairment losses of USD5.8 million from our hotel in Japan, for the year ended 31 December 2024, compared to net impairment losses of USD39.0 million for the year ended 31 December 2023.

CORPORATE DEBT AND FINANCIAL CONDITIONS

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

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

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

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

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

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

- Seven bank loan agreements totalling RMB1,662.3 million (equivalent to USD231.2 million) with maturities ranging from 3 to 10 years for financing maturing loans

- One 5-year bank loan agreement of RMB350 million (equivalent to USD48.7 million) for financing a project development

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

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

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

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

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

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

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

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

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

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

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

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

Details of financial guarantees, contingencies and charges over assets as at 31 December 2024 are disclosed in Note 38 to the consolidated financial statements included in this report.

TREASURY POLICIES

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

(A) Minimising Interest Risks

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

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

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

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

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

- USD600 million at a fixed rate of 1.460% per annum maturing in March 2027

- HKD3,620 million (equivalent to USD467.1 million) at fixed rates ranging between 1.505% and 1.855% per annum maturing from June to August 2026

All these interest rate swap contracts qualify for hedge accounting.

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

(B) Minimising Currency Risks

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

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

- 7-year term USD35 million between US dollar and Singapore dollar to hedge the US dollar fixed rate bonds at a fixed interest rate of 4.25% per annum maturing November 2025

- 7-year term JPY8,000 million between Japanese yen and HK dollar to swap bank borrowings from Japanese yen at a floating interest rate to HK dollar at fixed interest rate of 3.345% per annum maturing July 2026

- 5-year term USD293.5 million between US dollar and Renminbi to swap bank borrowings from US dollar at floating interest rates to Renminbi at fixed interest rates ranging between 4.18% and 4.29% per annum maturing December 2028

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

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

INVESTMENT PROPERTIES VALUATION

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

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

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

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 2024:

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

IMPAIRMENT PROVISION

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

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

FINANCIAL ASSETS – TRADING SECURITIES

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

DEVELOPMENT PROGRAMMES

Construction work on the following projects is on-going:

(A) Hotel Developments

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

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

(B) Composite Developments and Investment Property Developments

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

* Being developed in phases

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

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

Hotel development

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

Composite development

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

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

MANAGEMENT CONTRACTS FOR HOTELS OWNED BY THIRD PARTIES

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

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

HUMAN RESOURCES

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

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

Strengthening Our Leadership

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

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

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

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

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

Developing Workforce Capabilities

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

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

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

Enhancing HR Efficiency Through HRIS Implementation

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

Recognising and Rewarding Our People

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

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

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

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

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

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

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

Fostering Shangri-La Culture

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

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

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

Setting New Benchmarks

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

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

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

PROSPECTS

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

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

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

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

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

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

02

Properties Under Development

(A) HOTELS OWNED/LEASED 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 Mainland China					
1 Kunming, China	Shangri-La Kunming	45%	N/A	12,370	75
2 Zhengzhou, China	Shangri-La Zhengzhou (part of composite development)	45%	N/A	38,235	314
3 Shanghai Hongqiao, China	Shangri-La and Traders Hongqiao Airport, Shanghai	Operating lease	N/A	57,035	611
Hotel in Japan					
4 Kyoto, Japan	Shangri-La Kyoto	20%	5,830	11,817	77
Total					1,077

(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 Mainland China				
1 Shenyang, China	Shenyang Kerry Centre (Phase III)	25%	59,122	
	- Residential			251,467
	- Office			69,144
	- Commercial			93,417
2 Zhengzhou, China	Composite development	45%	22,816	
	- Office			58,946
3 Tianjin, China	Composite development (Phase II)	20%	20,393	
	- Residential			27,817
	- Office			92,651
	- Commercial			17,490

Stage of completion	Projected opening	Address
Interior decoration work in progress	2025	88-96 Dong Feng Road, Panlong District, Kunming, Yunnan Province, The People's Republic of China
Block work, façade work and waterproof work in progress	2026	East of Huayuan Road, South of Weier Road, Zhengzhou, Henan Province, The People's Republic of China
Superstructure completed	2025	II-H5 Land Lot, North of Shanghai Hongqiao International Airport T2, Shanghai, The People's Republic of China
Main contract negotiation in progress	2026	536-71, Maruta-machidori Kuromon Higashiiru Waraya-cho, Kamigyo-ku Kyoto, Japan

Stage of completion	Projected opening	Address
Residential: Curtain wall installation work, mechanical work, rock wool insulation and ceiling & wall work in progress Commercial and office: Basement structural work in progress	In phases from 2025 onwards	Lot No. 2007-053, No. 8 Golden Corridor, 113 Qingnian Da Street, Shenhe District, Shenyang, Liaoning Province, The People's Republic of China
Block work, façade work and waterproof work in progress	In phase from 2026 onwards	East of Huayuan Road, South of Weier Road, Zhengzhou, Henan Province, The People's Republic of China
Mechanical work, decoration and facade work in progress	2025	Junction of Liuwei Road and Liujin Road, Hedong District, Tianjin, 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", "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 CO_2e/m^2): Reduced by 28% relative to 2019 baseline, on track to achieve a 23% reduction by 2030

- Energy intensity (kWh/m^2): Reduced by 14% relative to 2019 baseline, on track to achieve a 23% reduction by 2030

- Water intensity (m^3/occupied room night): Reduced by 8% relative to 2019 baseline, on track to achieve an 8% reduction by 2030

- Single use plastics intensity (g/occupied room night): Reduced by 47% 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 USD838,000.

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)*
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

At the Annual General Meeting, Ms KUOK Hui Kwong, Mr LI Xiaodong Forrest and Mr ZHUANG Chenchao will retire in accordance with the Bye-Laws. 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 the Executive Directors (ie, Ms KUOK Hui Kwong and Mr CHUA Chee Wui) for 2025. Changes in monthly salary were in the range of 5.0% to 8.0% and effective as of 1 January 2025.

SIGNIFICANT SHAREHOLDERS' INTERESTS

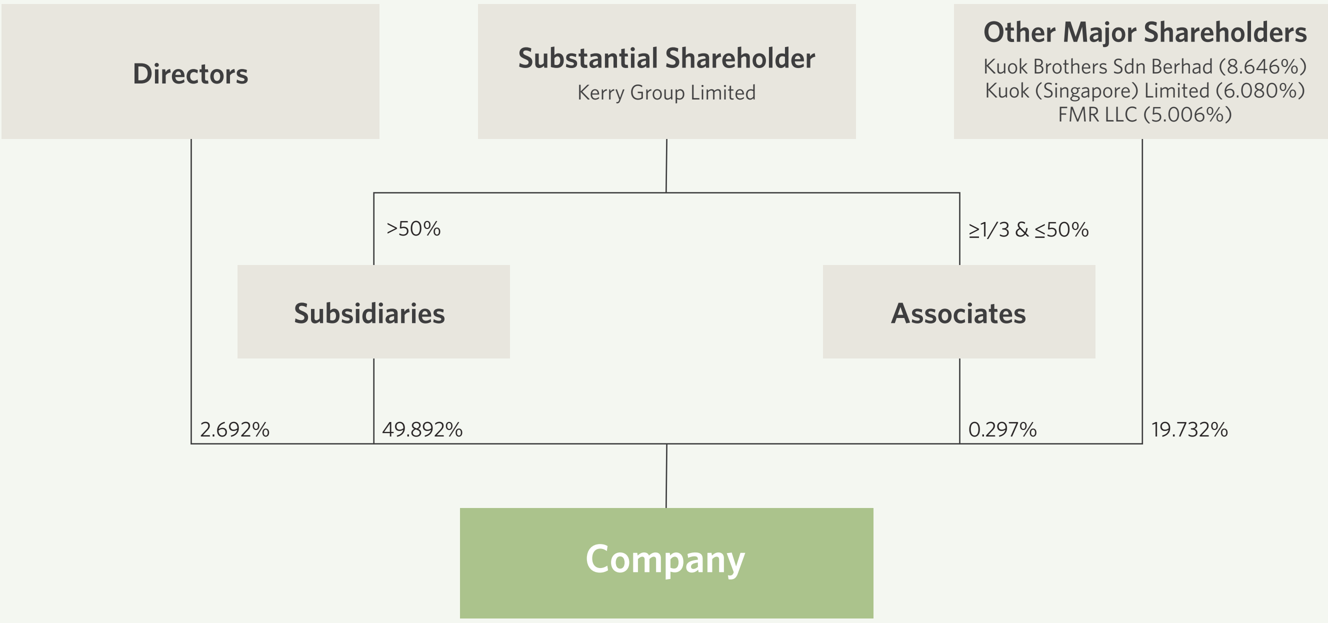
As at Year End, the interests and short positions of those persons (other than the Directors) in Shares and underlying Shares as recorded in the register that is required to be kept by the Company under Section 336 of the SFO were as follows:

Name	Capacity	Number of Shares held	Approximate % of total issued Shares
Substantial Shareholders			
KGL *(Note 1)*	Interest of controlled corporations	1,799,537,010	50.189
KHL *(Notes 1 and 2)*	Beneficial owner Interest of controlled corporations	87,237,052 1,538,441,491	2.433 42.907
Caninco Investments Limited ("**Caninco**") *(Note 2)*	Beneficial owner Interest of controlled corporations	568,568,684 157,280,233	15.857 4.387
Paruni Limited ("**Paruni**") *(Note 2)*	Beneficial owner Interest of controlled corporations	382,904,547 36,667,449	10.679 1.023
Other Major Shareholders			
Darmex Holdings Limited ("**Darmex**") *(Note 2)*	Beneficial owner	267,068,070	7.449
Kuok Brothers Sdn Berhad	Beneficial owner Interest of controlled corporations	84,441,251 225,569,761	2.355 6.291
Kuok (Singapore) Limited ("**KSL**") *(Note 3)*	Interest of controlled corporations	218,008,907	6.080
Baylite Company Limited ("**Baylite**") *(Note 3)*	Beneficial owner	218,008,907	6.080
FMR LLC	Interest of controlled corporations	179,476,565	5.006

Notes:

1. 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.
2. 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.
3. 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

			Number of shares held					Approximate % of total issued shares in the relevant company
Name of company	Name of Director	Class of shares	Personal interests	Family interests	Corporate interests	Other interests	Total	
The Company	KUOK Hui Kwong	Ordinary	(1) 1,932,933	(2) 674,294	(3) 2,000,000	(4) 90,251,718	94,858,945	2.646
	CHUA Chee Wui	Ordinary	602,200	–	–	–	602,200	0.017
	LIM Beng Chee	Ordinary	1,058,000	–	–	–	1,058,000	0.029
	Total		3,593,133	674,294	2,000,000	90,251,718	96,519,145	2.692

Notes:

1. 32,000 shares were held jointly by Ms KUOK Hui Kwong and her spouse.
2. These shares were the deemed interest of Ms KUOK Hui Kwong's spouse.
3. These shares were held through a company owned by Ms KUOK Hui Kwong.
4. 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 section entitled "Share Award Scheme" of this Directors' Report.

Directors' Dealings

During the Financial Year, the particulars of the deemed dealings in Shares by the Directors (other than acceptance/vesting/lapse of share awards, if any) as notified to the Company are set out below:

Director	Dealing entity/ Capacity	Date of dealing	Number of Shares bought/(sold)	Average dealing price per Share (HKD)
KUOK Hui Kwong	Discretionary Trusts	11 June 2024	2,000,000	5.520
	Personal Interests	10 July 2024	106,000	5.406
	Family Interests	3 September 2024 to 25 September 2024	18,400	4.378
		4 September 2024 to 26 September 2024	42,560	4.389

Directors' Interests in Contracts

Save as disclosed, if any, in the sections entitled "Connected Transaction" 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.

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 and 29 December 2022 with further restraints/limits/changes imposed ("**Award Scheme**"). Per the amendment to the Award Scheme on 29 December 2022, award shares of the Company can only be funded by existing shares of the Company.

The major terms of the Award Scheme are as follows:

(a) Purpose of the Award Scheme

The purpose of the 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 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 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 Award Scheme

The qualified participants of the Award Scheme include:

(a) a director;

(b) an employee; or

(c) an officer,

of any member 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 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 Board's sole discretion, be unduly burdensome or impractical.

(c) Life of the Award Scheme

The 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 Award Scheme is terminated early by a resolution of the Board or the Shareholders, provided that the duration of the Award Scheme shall not exceed 80 years.

(d) Maximum number of Shares available to be granted under the 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 Award Scheme shall not exceed 10% of the Shares in issue from time to time. Subject to the aforesaid limit, in addition, no further grant may be made under the Award Scheme if (i) in the Initial Term, the total number of Shares (excluding Lapsed Shares) granted and to be granted pursuant to the Award Scheme exceed 3% of the Shares in issue at the time of the relevant grant; and (ii) in each Subsequent Term, the total number of Shares (excluding Lapsed Shares) granted and to be granted pursuant to the Award Scheme exceed such limit as determined by the Board from time to time for each such Subsequent Term. No further grant may be made under the Award Scheme if this will result in any of the aforesaid limits being exceeded.

(e) Maximum number of Shares allowed to be granted to any one grantee under the 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 0.1% of the Shares in issue from time to time.

(f) Vesting

The vesting conditions (if any) of Shares granted under the Award Scheme shall be determined by the Board 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 Award Scheme

The price/consideration (if any) per Share to be granted under the Award Scheme shall be determined by the Board 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 Award Scheme

The Board may select and grant to any qualified participant Shares under the Award Scheme for free or at a price/consideration per Share. A trust has been set up for the operation of the 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 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 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 2024	Granted during the period	Lapsed during the period	Vested during the period	Balance as at 31 Dec 2024	Consideration per award share (HKD)	Vesting date/period
1.	**Directors**								
	KUOK Hui Kwong	7 Jun 2021	62,000	–	–	(62,000)	–	Nil	7 Jun 2024
		6 May 2022	426,000	–	–	(210,000)	216,000	Nil	6 May 2024 - 6 May 2025
		17 Jul 2023	1,073,000	–	–	(354,100)	718,900	Nil	17 Jul 2024 - 17 Jul 2026
		5 Jul 2024	–	1,501,000	–	–	1,501,000	Nil	5 Jul 2025 - 5 Jul 2027
	CHUA Chee Wui	7 Jun 2021	56,000	–	–	(56,000)	–	Nil	7 Jun 2024
		6 May 2022	248,000	–	–	(122,000)	126,000	Nil	6 May 2024 - 6 May 2025
		17 Jul 2023	552,200	–	–	(182,200)	370,000	Nil	17 Jul 2024 - 17 Jul 2026
		5 Jul 2024	–	763,700	–	–	763,700	Nil	5 Jul 2025 - 5 Jul 2027
2.	**Employees**	7 Jun 2021	1,262,000	–	(14,000)	(1,248,000)	–	Nil	7 Jun 2024
		15 Oct 2021	72,000	–	(28,000)	(44,000)	–	Nil	15 Oct 2024
		6 May 2022	5,852,000	–	(390,800)	(2,836,000)	2,625,200	Nil	6 May 2024 - 6 May 2025
		17 Jul 2023	16,353,400	–	(1,410,700)	(5,050,400)	9,892,300	Nil	17 Jul 2024 - 17 Jul 2026
		2 Jan 2024	–	522,900	–	–	522,900	Nil	1 Jan 2025 - 1 Jan 2027
		5 Jul 2024	–	13,125,600	(92,800)	(90,100)	12,942,700	Nil	5 Jul 2025 - 5 Jul 2027
		2 Oct 2024	–	247,700	–	–	247,700	Nil	20 Feb 2027
Total			25,956,600	16,160,900	(1,936,300)	(10,254,800)*	29,926,400		

* 166,500 award shares were deemed to be vested ahead of the original vesting dates, which are after the Financial Year, 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 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:

		Number of award shares						
Grantees	Date of grant	Balance as at 1 Jan 2024	Granted during the period	Lapsed during the period	Vested during the period	Balance as at 31 Dec 2024	Consideration per award share (HKD)	Vesting date/period
Remaining three highest paid individuals	7 Jun 2021	52,000	–	–	(52,000)	–	Nil	7 Jun 2024
	6 May 2022	218,000	–	–	(106,000)	112,000	Nil	6 May 2024-6 May 2025
	17 Jul 2023	299,400	–	–	(98,800)	200,600	Nil	17 Jul 2024-17 Jul 2026
	5 Jul 2024	–	1,564,800	–	–	1,564,800	Nil	5 Jul 2025-5 Jul 2027
Total		569,400	1,564,800	–	(256,800)	1,877,400		

Notes:

1. No share awards were cancelled during the Financial Year.
2. The closing price of the Shares, immediately before the awards were granted on 2 January 2024, 5 July 2024 and 2 October 2024, were HKD5.36, HKD5.49 and HKD5.64 respectively.
3. The weighted average closing price of the Shares immediately before the dates on which awards were vested during the Financial Year was HKD5.702.
4. At the beginning of 1 January 2024 and as at 31 December 2024, a maximum of respectively 69,918,151 and 55,693,551 Shares (representing 1.96% and 1.55% of the issued Shares thereby) were available for grant under the Award Scheme.

CONNECTED TRANSACTION

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

(1) On 29 April 2024, SLIM-HK and SLIM-PRC entered into a hotel pre-opening technical services agreement, a project management consultancy services agreement and a technical consultancy services agreement, respectively, with Jian'an Real Estate (Kunming) Co, Limited ("**Kunming Co**", a company owned as to 45% by the Company and 55% by KPL), pursuant to which SLIM-HK and SLIM-PRC would provide the hotel pre-opening technical consultancy services, project management consultancy services and technical consultancy services for the development and construction of a multi-purpose complex with JEN Kunming by Shangri-La (phase 1) and Shangri-La Kunming (phase 2) (altogether "**Kunming Hotels**") and apartments together with all related supporting facilities located at Panlong District, Kunming, Yunnan Province, Mainland China, which is being developed by Kunming Co.

The fees under the hotel pre-opening technical services agreement, the project management consultancy services agreement and the technical consultancy services agreement amount to USD574,000 (equivalent to RMB4,073,000), USD3,504,000 (equivalent to RMB24,879,000) and USD108,000 (equivalent to RMB767,000) respectively.

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 connected transactions for the Company.

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.

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)
2024	2,500,000
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 USD1,971,000 (2023: USD1,889,000).

(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 Mainland China 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 and 23 December 2019 as previously announced by the Company.

On 28 December 2022, the Company announced that the said agreement had been further renewed for a successive three-year term that would expire on 5 January 2026.

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.

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)
2024	5,200,000
2025	6,700,000

For the Financial Year, the actual aggregate transaction amount with Pudong Kerry Co was USD4,067,000 (2023: USD3,568,000). 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 USD5,781,000 (2023: USD5,514,000). 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)
2024	3,400,000
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 USD2,971,000 (2023: USD2,838,000).

(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 USD919,000 (equivalent to RMB6,540,000) (2023: USD899,000 (equivalent to RMB6,343,000)). 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 USD2,506,000 (equivalent to RMB17,834,000) (2023: USD2,459,000 (equivalent to RMB17,350,000)). 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)
2024	10,000,000
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 USD6,095,000 (2023: USD6,116,000). 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) On 24 April 2019, SLIM-HK and SLIM-PRC entered into a hotel management agreement and a sales and marketing services agreement, respectively, with Million Fortune Development (Shenzhen) Co, Limited ("**Qianhai Co**", a company owned as to 50% by KHL, 25% by KPL and 25% by The Bank of East Asia, Limited), pursuant to which SLIM-HK and SLIM-PRC would provide Hotel Management Services to JEN Shenzhen Qianhai by Shangri-La ("**Qianhai Hotel**") which is owned by Qianhai Co. Each of the said agreements lists the initial term which commenced from the date of the agreements and ended on 31 December 2021. Thereafter, save where SLIM-HK and SLIM-PRC determine that it is not able to comply with the applicable requirements under the Listing Rules, the term of each agreement 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.

On 28 December 2021, the Company announced that the said agreements had been renewed for a successive three-year term that would expire on 31 December 2024.

Qianhai Co is an associate of KHL (Substantial Shareholder). Accordingly, Qianhai 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 Company has set annual cap for the following financial year:

Financial year	Annual cap (RMB)
2024	27,800,000

For the Financial Year, the actual aggregate transaction amount with Qianhai Co was USD1,013,000 (equivalent to RMB7,209,000) (2023: USD953,000 (equivalent to RMB6,724,000)). 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.

In view of the expected fees receivable being less than 0.1% of the applicable percentage ratios under the Listing Rules, such continuing connected transaction would be exempted from the relevant disclosure and annual review requirements under Chapter 14A of the Listing Rules in subsequent financial years.

(9) 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 USD3,261,000 (equivalent to RMB23,207,000) (2023: USD3,638,000 (equivalent to RMB25,669,000)). 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.

(10) 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)
2024	5,000,000
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 USD3,567,000 (2023: USD3,426,000). 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.

(11) 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)
2024	2,100,000
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 USD1,652,000 (2023: USD1,558,000). 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.

(12) 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)
2024	1,700,000
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 USD331,000 (2023: Nil, as Kunming Hotels had yet to commence business in 2023). 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 (12) (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

Hong Kong, 27 March 2025

04

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 Model 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 Model Code throughout the Financial Year.

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.

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	4/4
ZHUANG Chenchao	4/4
KHOO Shulamite N K	4/4

Other than the above full Board meetings, the Chairman also held four meetings in 2024 with the Independent Non-executive Directors without the presence of the other Directors. The attendance of the Directors 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	4/4
ZHUANG Chenchao	4/4
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 appointment	Date of last election/ re-election by the Shareholders
Executive Directors		
KUOK Hui Kwong	27 October 2014	1 June 2023
CHUA Chee Wui	1 September 2022	1 June 2023
Non-executive Director		
LIM Beng Chee	26 September 2016	1 June 2023
Independent Non-executive Directors		
LI Kwok Cheung Arthur	30 March 2011	30 May 2024
YAP Chee Keong	11 December 2017	30 May 2024
LI Xiaodong Forrest	1 May 2019	27 May 2022
ZHUANG Chenchao	1 December 2019	1 June 2023
KHOO Shulamite N K	1 November 2020	30 May 2024

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 professional development initiatives during the Financial Year is set out below:

	Category of training topics	
	Risk Management, Regulatory, Corporate Governance, Technology and ESG	Others
Executive Directors		
KUOK Hui Kwong	✓	–
CHUA Chee Wui	✓	–
Non-executive Director		
LIM Beng Chee	✓	–
Independent Non-executive Directors		
LI Kwok Cheung Arthur	✓	✓
YAP Chee Keong	✓	–
LI Xiaodong Forrest	✓	–
ZHUANG Chenchao	✓	–
KHOO Shulamite N K	✓	✓

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 *(chairman)*	ED & Chairman
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 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 evaluate/assess the performance and/or contribution of each Director who is considered or proposed to be elected or re-elected as a Director;

(5) 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;

(6) to make recommendations to the Board on any proposed removal of Directors;

(7) 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;

(8) 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; and

(9) to observe the terms of the Company's nomination policy and to make recommendations to the Board on the nomination policy.

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 majority of the Nomination Committee's material decisions were recorded by written resolutions. The members of the Nomination 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 *(chairman)*	ED & Chairman
LI Kwok Cheung Arthur	INED
LI Xiaodong Forrest	INED
KHOO Shulamite N K	INED

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 2024 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 2024 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) and recommended that the structure, size, implementation and effectiveness of diversity policy, and composition of the Board was satisfactory.

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, 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.

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 the 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 structure 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 the remuneration packages of individual Executive Directors and Senior Management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, taking into consideration factors such as salaries paid by comparable companies, time commitment and responsibilities, 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 proposals with reference to the Board's corporate goals and objectives;

(5) to review and approve compensation payable to Executive Directors and Senior Management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;

(6) 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;

(7) 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; and

(8) to review and recommend diversity policies and strategy to the Company to achieve an inclusive and diverse workforce as appropriate for the business strategy.

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 three 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 *(chairman)*	INED	3/3
KUOK Hui Kwong	ED & Chairman	3/3
LI Kwok Cheung Arthur	INED	3/3
YAP Chee Keong	INED	3/3

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 (including 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) considering and approving grants of share awards under the Company's share award scheme to qualified participants, and reviewing matters relating to the Company's share scheme(s);

(iv) reviewing the Group's human capital initiatives, leadership development programmes and succession planning; and

(v) 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 annually. Salary increases of Executive Directors and Senior Management are made where the Remuneration & Human Capital Committee believes that adjustments are appropriate to reflect performance, contribution, increased responsibilities and/or by reference to market/sector trends.

In addition to salary, Executive Directors and Senior Management are eligible to receive a discretionary bonus the amount of which shall be reviewed and approved by the Remuneration & Human Capital Committee which shall take into consideration factors such as market conditions as well as business and individual performances.

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 shall be approved by the Remuneration & Human Capital Committee.

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 and commitments 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)**		
	2024	2023	
As NED/INED	**400,000**	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	1
6,000,001 to 8,000,000	1
10,000,001 to 12,000,000	1
14,000,001 to 16,000,000	2
18,000,001 to 20,000,000	1
	6

Note:

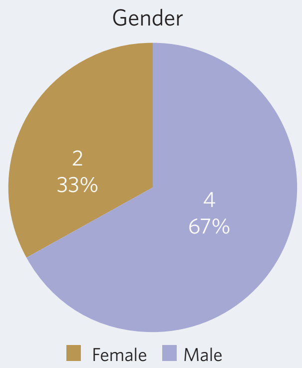
1. One member of the Senior Management joined the Group during the Financial Year. The remuneration of such member is the actual amount received for the Financial Year.

Diversity and Inclusion in Workforce

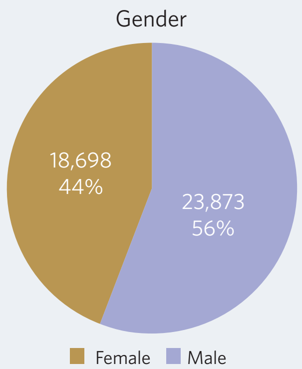
The Company strives to ensure that our workplaces are free from discrimination with respect to gender, race, ethnicity, religion, nationality, disability, marital or family status, sexual orientation, or any other personal characteristics. In accordance with the Company's policy on Equal Opportunity and Respect, employment decisions are made 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.

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 across the workforce are set out 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 *(chairman)*	INED	4/4
LI Kwok Cheung Arthur	INED	4/4
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;

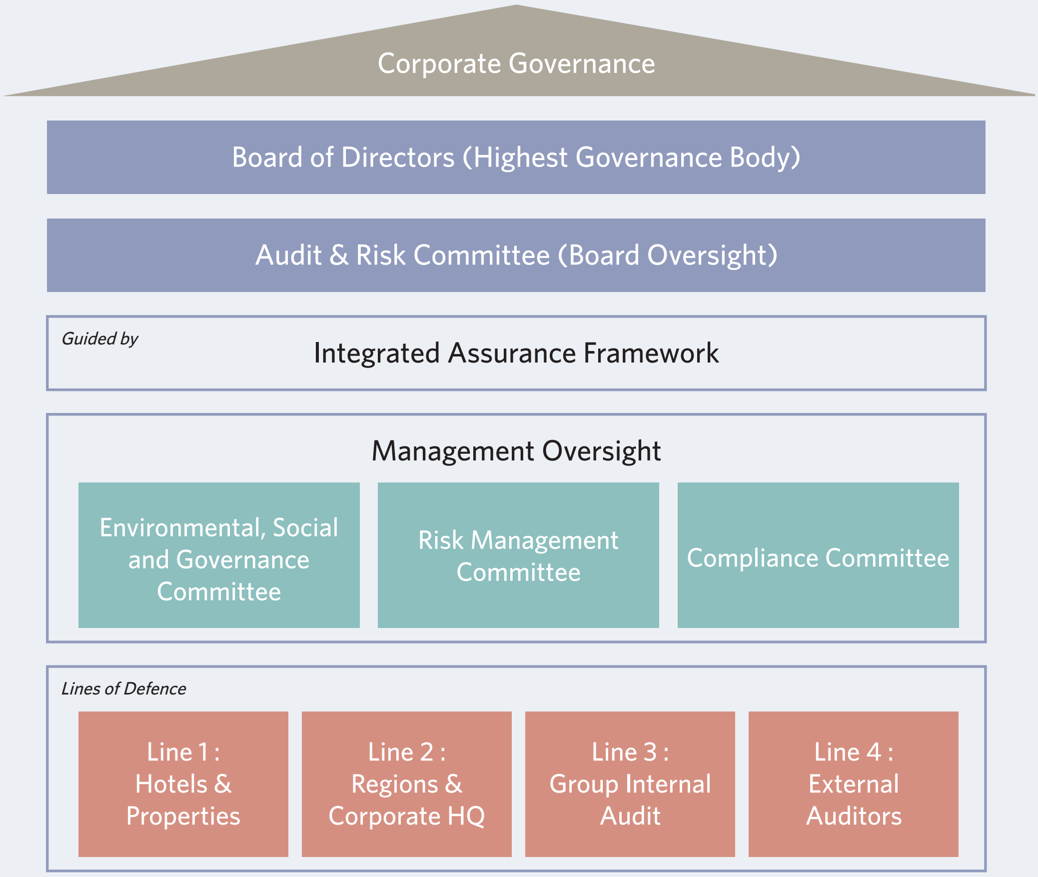
(xi) reviewing connected transactions and continuing connected transactions involving the Group; and

(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 2024, 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 during the year 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 will follow 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 reported cases 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 reported cases 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 reported 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 this year to include more ESG-related risks, particularly in relation to issues such as climate change and diversity and inclusion. We have also begun to implement the Management Controls Assessment in phases to evaluate the effectiveness of internal controls. This exercise is set to be completed by 2025. 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, asset enhancements and divestments.
Technological	Cybersecurity*	Cyberattacks, unauthorised access, or data breaches from IT infrastructure and systems may compromise operations and violate data privacy laws.
Financial	Interest Rates	Financial impact caused by unfavourable interest rate movements.
	Foreign Exchange	Financial impact caused by unfavourable foreign exchange rate movements.
	Taxation	Increased tax expenses due to inappropriate tax planning, changes in tax laws, or penalties from tax authorities due to non-compliance.
Operational	Food Safety*	Foodborne illness incidents attributable to inappropriate preparation, storage and handling of food items, procurement of raw materials or maintenance of food processing equipment.
	Brand & Reputation	Inaccurate or inappropriate dissemination of information 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 measures to protect guests, staff and service providers from injuries or harm.
	Construction Projects	Inability to meet project objectives leading to delays in opening, cost overruns, higher maintenance expenses, or impact on guest experience.
	Procurement & Suppliers*	Purchases from unreliable, poor quality or unethical vendors.
	Human Capital*	Failure to attract, develop or retain the right talent to support the delivery of strategic priorities and operational objectives.
External	Adverse External Events*	Business disruption arising from force majeure events (e.g. natural disasters, disease outbreaks).
	Macroeconomics	Reduced consumer spending during economic slowdowns or recessions hampers our 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.

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 the Company's risk management and internal control systems were effective and adequate for the Financial Year; 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)	1,625
Non-audit services	
(a) tax services	297
(b) other advisory services	132
Total	2,054
Other auditors	
Audit services	812
Non-audit services	
(a) tax services	176
(b) other advisory services	155
Total	1,143

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 30 May 2024 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 is as follows:

	Attended in the capacity of a member of				
Meeting date: 30 May 2024	**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	8/8		4/4	4/4	3/3

GENERAL MANDATES GRANTED TO DIRECTORS

New Issue Mandate

At the Company's annual general meeting in 2024, 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 2024, 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 (2023: HK15 cents) proposed by the Company for the Financial Year represents 59% (2023: 53%) 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 therefrom 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 2024 annual general meeting was held on 30 May 2024 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 2025

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

Constitutional Documents

The Company made certain amendments to its constitutional documents during the Financial Year for providing the Company with flexibility to hold treasury shares under its Bye-Laws in view of the amendments to the Listing Rules relating to treasury shares with effect from 11 June 2024. Please refer to appendix IV of the Company's circular dated 7 May 2024 for the particulars of amendments.

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 46.61% or a capitalisation of approximately HKD8.86 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

pwc 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 116 to 231, comprise:

- the consolidated statement of financial position as at 31 December 2024;
- 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 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") 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**") 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**"), and we have 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 building and furniture, fixtures and equipment as at 31 December 2024. 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	How our audit addressed the 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.	– 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 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	How our audit addressed the 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 majority of them are completed properties. The fair values of investment properties as at 31 December 2024 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.	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 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 HKFRSs 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 Chan Chiu Kong, Edmond.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 27 March 2025

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 31 December 2024 USD'000	2023 USD'000
ASSETS			
Non-current assets			
Property, plant and equipment	7	3,768,173	3,998,055
Investment properties	8	1,784,273	1,803,429
Right-of-use assets	9	1,004,424	1,051,345
Intangible assets	10	103,132	104,661
Interest in associates	12	4,280,314	4,304,252
Deferred income tax assets	25	73,331	76,625
Financial assets at fair value through other comprehensive income	13	2,101	2,101
Financial assets at fair value through profit or loss	13	10,787	11,563
Derivative financial instruments	23	25,102	42,173
Other receivables	14	11,482	12,615
		11,063,119	11,406,819
Current assets			
Inventories		29,271	30,054
Properties for sale	16	52,577	52,125
Accounts receivable, prepayments and deposits	15	226,737	236,122
Amounts due from associates	12	160,157	126,596
Derivative financial instruments	23	24,658	32,609
Financial assets at fair value through profit or loss	13	10,948	10,639
Bank deposits with original maturities over 3 months	17	113,916	96,825
Cash and cash equivalents	17	1,817,076	870,797
		2,435,340	1,455,767
Total assets		13,498,459	12,862,586
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	(13,595)	(15,645)
Other reserves	20	279,984	406,450
Retained earnings		1,715,142	1,629,620
		5,183,526	5,222,420
Non-controlling interests	24	253,644	245,623
Total equity		5,437,170	5,468,043

	Note	As at 31 December 2024 USD'000	2023 USD'000
LIABILITIES			
Non-current liabilities			
Bank loans	21	4,708,500	3,907,801
Fixed rate bonds	22	771,291	1,168,534
Derivative financial instruments	23	21,100	13,665
Long-term lease liabilities	9	506,059	530,560
Loan from a non-controlling shareholder	24	38,452	–
Deferred income tax liabilities	25	321,297	305,816
		6,366,699	5,926,376
Current liabilities			
Accounts payable and accruals	26	599,329	639,048
Contract liabilities	27	107,407	101,051
Short-term lease liabilities	9	42,777	41,792
Amounts due to non-controlling shareholders	24	51,416	44,981
Current income tax liabilities		19,087	24,239
Bank loans	21	232,148	506,600
Fixed rate bonds	22	640,324	102,271
Derivative financial instruments	23	2,102	8,185
		1,694,590	1,468,167
Total liabilities		8,061,289	7,394,543
Total equity and liabilities		13,498,459	12,862,586

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

The financial statements on pages 116 to 231 were approved by the Board of Directors on 27 March 2025 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 2024 USD'000	2023 USD'000
Revenue	5	2,185,356	2,141,790
Cost of sales	28	(968,538)	(975,048)
Gross profit		1,216,818	1,166,742
Other gains – net	29	47,328	9,050
Marketing costs	28	(86,896)	(80,205)
Administrative expenses	28	(283,121)	(241,069)
Other operating expenses	28	(659,238)	(639,812)
Operating profit		234,891	214,706
Finance costs – net			
– Interest expense	32	(309,961)	(272,303)
– Net foreign exchange gains	32	23,746	13,925
Share of profit of associates	33	309,658	323,818
Profit before income tax		258,334	280,146
Income tax expense	34	(75,408)	(78,470)
Profit for the year		182,926	201,676
Profit attributable to:			
Owners of the Company		161,387	184,139
Non-controlling interests		21,539	17,537
		182,926	201,676
Earnings per share for profit attributable to owners of the Company during the year *(expressed in US cents per share)*			
– basic	35	4.54	5.17
– diluted	35	4.50	5.13

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

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						
	Note	Share capital and premium USD'000	Shares held for share award scheme USD'000	Other reserves USD'000	Retained earnings USD'000	Total USD'000	Non-controlling interests USD'000	Total equity USD'000
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	20	–	–	(32,726)	–	(32,726)	–	(32,726)
Currency translation differences	20	–	–	(95,620)	–	(95,620)	1,303	(94,317)
Other comprehensive (loss)/income for the year recognised directly in equity		–	–	(128,346)	14,927	(113,419)	1,136	(112,283)
Profit for the year		–	–	–	161,387	161,387	21,539	182,926
Total comprehensive (loss)/income for the year		–	–	(128,346)	176,314	47,968	22,675	70,643
Shares purchase for share award scheme	18	–	(5,335)	–	–	(5,335)	–	(5,335)
Share-based compensation under share award scheme	20	–	–	10,119	–	10,119	–	10,119
Vesting of shares under share award scheme	18, 20	–	7,385	(8,239)	854	–	–	–
Payment of 2023 final dividend		–	–	–	(68,701)	(68,701)	–	(68,701)
Payment of 2024 interim dividend	36	–	–	–	(22,945)	(22,945)	–	(22,945)
Dividend paid and payable to non-controlling shareholders		–	–	–	–	–	(16,276)	(16,276)
Injection of equity loan from non-controlling shareholders		–	–	–	–	–	1,622	1,622
		–	2,050	1,880	(90,792)	(86,862)	(14,654)	(101,516)
At 31 December 2024		3,201,995	(13,595)	279,984	1,715,142	5,183,526	253,644	5,437,170

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

	Note	Attributable to owners of the Company						
		Share capital and premium USD'000	Shares held for share award scheme USD'000	Other reserves USD'000	Retained earnings USD'000	Total USD'000	Non-controlling interests USD'000	Total equity USD'000
At 1 January 2023		3,201,995	(6,111)	568,847	1,489,310	5,254,041	170,474	5,424,515
Fair value changes of financial assets at fair value through other comprehensive income	20	–	–	10	–	10	14	24
Remeasurements of post-employment benefit obligations		–	–	–	(622)	(622)	7	(615)
Effect of hyperinflation		–	–	–	7,653	7,653	–	7,653
Fair value changes of interest rate swap and cross-currency swap contracts - hedging	20	–	–	(48,983)	–	(48,983)	(2,089)	(51,072)
Currency translation differences	20	–	–	(110,684)	–	(110,684)	785	(109,899)
Other comprehensive (loss)/income for the year recognised directly in equity		–	–	(159,657)	7,031	(152,626)	(1,283)	(153,909)
Profit for the year		–	–	–	184,139	184,139	17,537	201,676
Total comprehensive (loss)/income for the year		–	–	(159,657)	191,170	31,513	16,254	47,767
Shares purchase for share award scheme	18	–	(13,900)	–	–	(13,900)	–	(13,900)
Share-based compensation under share award scheme	20	–	–	7,889	–	7,889	–	7,889
Vesting of shares under share award scheme	18, 20	–	4,366	(4,212)	(154)	–	–	–
Transfer gain on change in fair value of equity instruments sold to retained earnings	20	–	–	(201)	201	–	–	–
Transfer from share option reserve to retained earnings	20	–	–	(6,216)	6,216	–	–	–
Dividend paid and payable to non-controlling shareholders		–	–	–	–	–	(1,927)	(1,927)
Capital reduction for subsidiaries		–	–	–	–	–	(3,576)	(3,576)
Injection of equity loan from non-controlling shareholders		–	–	–	–	–	7,191	7,191
Return of equity loan to a non-controlling shareholder		–	–	–	–	–	(2,640)	(2,640)
Acquisition of equity interest in a subsidiary from a non-controlling shareholder	37(b)	–	–	–	(57,123)	(57,123)	59,847	2,724
		–	(9,534)	(2,740)	(50,860)	(63,134)	58,895	(4,239)
At 31 December 2023		3,201,995	(15,645)	406,450	1,629,620	5,222,420	245,623	5,468,043

Included in the retained earnings are statutory funds of approximately USD106,105,000 (2023: USD93,337,000). These funds are set up by way of appropriation from the profit after taxation of the respective companies, established and operating in Mainland China, 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 2024 USD'000	2023 USD'000
Cash flows from operating activities			
Net cash generated from operations	37(a)	501,169	546,128
Interest paid for loans and fixed rate bonds		(277,417)	(244,256)
Interest paid for lease liabilities		(27,914)	(27,949)
Hong Kong profits tax refund/(paid)		5	(135)
Overseas tax paid		(50,685)	(34,958)
Net cash generated from operating activities		145,158	238,830
Cash flows from investing activities			
Purchase of property, plant and equipment		(63,204)	(40,227)
Capital expenditure on properties under development		(41,679)	(42,315)
Capital expenditure on investment properties		(8,759)	(67,710)
Capital expenditure on intangible assets		(6,222)	(4,934)
Proceeds from disposal of property, plant and equipment		414	193
Proceeds from disposal of investment properties		2,773	6,310
Proceeds from disposal of an associate		673	–
Capital injection to associates		(1,461)	(14,136)
Cash received from capital reduction of associates		53,415	11,701
Injection of loans to associates		(1,113)	(50,451)
Repayment of loans from associates		25,325	383
Interest received from associates		963	2,250
Interest received from short-term fund placements		1,401	938
Other interest received		54,793	17,657
Dividends received from associates		148,123	104,513
Dividends received from listed shares		1,017	917
Proceeds from disposal of listed shares		–	1,223
Net increase in bank deposits with original maturities over 3 months		(17,091)	(83,833)
Net cash generated from/(used in) investing activities		149,368	(157,521)
Cash flows from financing activities			
Dividends paid to owners of the Company		(91,646)	–
Dividends paid to non-controlling shareholders		(14,351)	(1,927)
Purchase of shares under share award scheme		(5,335)	(13,900)
Injection of loans from non-controlling shareholders		44,375	7,562
Repayment of loans from non-controlling shareholders		–	(7,624)
Return of equity to non-controlling shareholders		–	(3,576)
Principal elements of lease payments		(20,033)	(17,232)
Net proceeds from issuance of fixed rate bonds		279,221	119,017
Repayment of fixed rate bonds		(99,609)	–
Net interest received from cross-currency swap contracts		7,530	–
Cash received upon maturity of cross-currency swap contracts		–	8,968
Repayment of bank loans		(1,920,440)	(1,532,454)
Bank loans drawn down		2,480,373	1,474,708
Net cash generated from financing activities		660,085	33,542
Net increase in cash and cash equivalents		954,611	114,851
Cash and cash equivalents at beginning of the year		870,797	753,002
Exchange (losses)/gains on cash and cash equivalents		(8,332)	2,944
Cash and cash equivalents at end of the year	17	1,817,076	870,797

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

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 2024:

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation and accounting policies (continued)

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 2024 and have not been early adopted by the Group. These standards are not expected to have a material impact to the Group in the current or future reporting periods and on foreseeable future transactions.

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.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Consolidation (continued)

(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.

(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 $33^1/_3$%
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, 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 each reporting date.

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 (hedging and non-hedging)

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 (hedging and non-hedging) (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 this 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 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 dinning 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

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 2024 and 2023, 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 hyper-inflation 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, Mainland China, 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 year end. 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 2024, if US dollar has weakened/strengthened by 5% (2023: 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 USD145,269,000 (2023: USD39,006,000) and USD83,474,000 (2023: USD276,132,000), 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 USD547,000 (2023: USD532,000) while the Group's profit attributable to the owners of the Company will increase/decrease by USD547,000 (2023: USD532,000).

(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 79.9% (2023: 65.8%) of its outstanding borrowings as at 31 December 2024.

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 year end 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 USD13,877,000 (2023: USD15,459,000) after interest capitalisation for properties under development.

The effects of the interest rate swaps on the Group's financial position and performance are as follows:

Interest rate swaps	2024 USD'000	2023 USD'000
Carrying amount (net current and non-current assets)	(48,745)	(74,782)
Notional amount	1,067,097	1,639,839
Maturity date	2026 to 2027	2024 to 2027
Hedge ratio	1:1	1:1
Change in fair value of outstanding hedging instruments since 1 January	26,037	45,305
Change in value of hedged item used to determine hedge effectiveness	(26,037)	(45,305)
Weighted average hedged rate for outstanding hedging instruments	1.519%	1.504%

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 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	–	–	–
At 31 December 2023				
Bank loans	16,727	489,873	391,503	3,516,298
Fixed rate bonds	–	102,273	660,000	511,364
Interest payable for bank loans	62,432	179,154	211,802	292,529
Interest payable for fixed rate bonds	4,640	46,946	49,694	65,449
Derivative financial instruments	2,046	6,139	6,823	11,620
Lease liabilities	11,466	34,396	42,520	1,359,677
Amounts due to non-controlling shareholders	44,981	–	–	–
Accounts payable and accruals	77,015	525,801	–	–
Financial guarantee contracts for bank loans granted to associates	116,628	–	–	–

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 year end date up 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 2024 and 2023 were as follows:

	2024 USD'000	2023 USD'000
Total borrowings	6,352,263	5,685,206
Less: Cash and bank balances and short-term fund placements (Note 17)	(1,930,992)	(967,622)
Net debt	4,421,271	4,717,584
Total equity	5,437,170	5,468,043
Gearing ratio (net debt over total equity)	81.3%	86.3%

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 2024, the adjusted total equity of the Group for financial covenants calculation purpose is USD9.1 billion and the resulting indebtedness ratio as calculated is 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 2024, the Group had interest rate swap contracts with a total principal amount of USD1,067,097,000 (2023: USD1,639,839,000), all these contracts 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 – 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 2024 and 31 December 2023. Refer to Note 8 for disclosures of the investment properties that are measured at fair value.

	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000	Total USD'000
At 31 December 2024				
Assets				
Financial assets at fair value through profit or loss (Note 13)				
– Club debentures	10,787	–	–	10,787
– Listed shares	10,948	–	–	10,948
Financial assets at fair value through other comprehensive income (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
At 31 December 2023				
Assets				
Financial assets at fair value through profit or loss (Note 13)				
– Club debentures	11,563	–	–	11,563
– Listed shares	10,639	–	–	10,639
Financial assets at fair value through other comprehensive income (Note 13)				
– Equity instruments	–	–	2,101	2,101
Derivative financial instruments (Note 23)				
– Interest rate swap contracts	–	74,782	–	74,782
Total assets	22,202	74,782	2,101	99,085
Liabilities				
Derivative financial instruments (Note 23)				
– Cross-currency swap contracts	–	21,850	–	21,850

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 2024 and 2023. 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 was no transfer 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 and Note 2.9. 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 as at year end. 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 business. Most of the associates are engaged in hotel ownership, property rentals and property sales businesses and these revenues of the associates are not included in the consolidated revenue of the Group. Revenue recognised in the consolidated financial statements during the year are as follows:

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

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

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

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

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

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 leases)
- The People's Republic of China
    - Hong Kong
    - Mainland China
- Singapore
- Malaysia
- The Philippines
- Japan
- Thailand
- France
- Australia
- United Kingdom
- Mongolia
- Sri Lanka
- Other countries (including Fiji, Myanmar, Maldives, Indonesia, Turkey and Mauritius)

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

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

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

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

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

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment profit or loss

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment profit or loss (continued)

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

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

Notes:

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

b. Revenue excludes revenue of associates.

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment profit or loss (continued)

For year ended 31 December 2024 and 2023 (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:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment profit or loss (continued)

For year ended 31 December 2024 and 2023 (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:

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

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment assets

As at 31 December 2024 and 2023 (USD million)

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6 FINANCIAL INSTRUMENTS BY CATEGORY

	Note	As at 31 December 2024 USD'000	2023 USD'000
Financial assets			
Financial assets at amortised cost			
– Other receivables	14	11,482	12,615
– Accounts receivable and deposits		142,760	151,445
– Amounts due from associates (including shareholder loans)	12	202,550	206,251
– Short-term fund placements	17	47,102	38,015
– Cash and bank balances	17	1,883,890	929,607
Financial assets at fair value through profit or loss			
– Listed shares	13	10,948	10,639
– Club debentures	13	10,787	11,563
Financial assets at fair value through other comprehensive income			
– Equity instruments	13	2,101	2,101
Derivative financial instruments			
– Interest rate swap contracts	23	48,745	74,782
– Cross-currency swap contracts	23	1,015	–
Total		2,361,380	1,437,018
Financial liabilities			
Financial liabilities at amortised cost			
– Bank loans	21	4,940,648	4,414,401
– Fixed rate bonds	22	1,411,615	1,270,805
– Loan from a non-controlling shareholder	24	38,452	–
– Amounts due to non-controlling shareholders	24	51,416	44,981
– Accounts payable and accruals		574,557	602,816
– Lease liabilities	9	548,836	572,352
Derivative financial instruments			
– Cross-currency swap contracts	23	23,202	21,850
Total		7,588,726	6,927,205

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 2023					
Cost	6,754,790	784,869	1,388,460	90,922	9,019,041
Accumulated depreciation and impairment provision	(2,920,719)	(663,579)	(1,248,797)	(14,489)	(4,847,584)
Net book amount	3,834,071	121,290	139,663	76,433	4,171,457
Year ended 31 December 2023					
At 1 January 2023	3,834,071	121,290	139,663	76,433	4,171,457
Exchange differences	2,697	(69)	220	(1,848)	1,000
Additions	8,412	4,068	27,747	42,727	82,954
Disposals	(1,304)	(368)	(444)	(121)	(2,237)
Impairment losses (Note 28)	(41,209)	–	–	–	(41,209)
Reversal of impairment losses (Note 28)	432	707	–	–	1,139
Transfer	47,159	(11,694)	15,457	(50,922)	–
Depreciation	(140,799)	(33,075)	(41,175)	–	(215,049)
Closing net book amount	3,709,459	80,859	141,468	66,269	3,998,055
At 31 December 2023					
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	(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

(a) All depreciation expenses have been included as part of the other operating expenses.

(b) As at 31 December 2024 and 2023, 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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(d) Properties under development include construction work in progress in respect of the renovation of certain hotel properties.

(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 recognised impairment losses on hotel properties owned by the Group in Mainland China and Maldives to write down their carrying values of property, plant and equipment to their recoverable amounts. Conversely, a hotel in Japan under an operating lease recorded a reversal of prior years' impairment losses with its carrying value of property, plant and equipment increased to the amount it would have been (net of depreciation) had no impairment losses been recognised in prior years. These impairment losses and reversal of prior years' impairment losses are recognised in the consolidated statement of profit or loss under other operating expenses. The recoverable amount of each hotel and property is higher of its fair value less costs of disposal and value-in-use based on the opinion of independent professional valuer obtained by the Group. The fair value on which the recoverable amount is based on is categorised as a Level 3 measurement, and is determined by using valuation techniques principally based on discounted cash flow analysis.

For the year ended 31 December 2024, details of the impairment losses and reversal of prior years' impairment losses on property, plant and equipment and the recoverable amounts (for the property as a whole including the right-of-use assets) are shown below.

	(Impairment losses)/ Reversal of prior years' impairment losses			Unobservable inputs	
Hotels in	At 100% USD'000	Attributable to owners of the Company USD'000	Recoverable amount USD'000	Discount rate	Capitalisation rate
Tier 4 City, Mainland China	(25,661)	(25,661)	31,996	8.0%	4.5%
Tier 2 City, Mainland China	(19,645)	(19,645)	27,127	8.0%	4.5%
Maldives	(6,496)	(6,496)	40,118	13.0%	10.0%
Total for impairment hotels	(51,802)	(51,802)	99,241		
Tokyo, Japan	5,835	5,835	40,720	7.5%	N/A

For the year ended 31 December 2023, the Group provided impairment losses to two hotels of USD30,281,000 and USD10,928,000, respectively, totalling USD41,209,000.

If a higher discount rate or higher capitalisation rate is used in the calculation of the recoverable amount of each hotel, the lower would be the recoverable amount and the Group would need to recognise additional impairment losses on property, plant and equipment.

The Group estimates the recoverable amounts of the remaining hotels based on higher of fair value less costs of disposal and value-in-use. The carrying amount of the relevant assets does not exceed the recoverable amount based on value-in-use and no impairment has been recognised.

8 INVESTMENT PROPERTIES

	2024 USD'000	2023 USD'000
At 1 January	1,803,429	1,724,867
Exchange differences	(4,987)	14,204
Additions	8,759	69,920
Disposals	(2,214)	(2,040)
Net fair value losses (Note 29)	(20,714)	(3,522)
At 31 December	1,784,273	1,803,429

(a) As at 31 December 2024, 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:

	2024 USD'000	2023 USD'000
Rental income	125,760	108,309
Direct operating expenses arising from investment properties that generate rental income	(57,893)	(47,280)
Net fair value losses recognised in profit or loss (Note 29)	(20,714)	(3,522)

(c) The carrying values of investment properties comprised:

	2024 USD'000	2023 USD'000
Outside Hong Kong, held on:		
Freehold	726,046	714,108
Leases of between 10 and 50 years	1,058,227	1,089,321
	1,784,273	1,803,429

(d) Details of investment properties of the Company's subsidiaries are summarised in Note 43(a).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 2024 and 2023.

	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 Mainland China	–	–	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

	Fair value measurements at 31 December 2023 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, commercial complex and investment property under development in Mainland China	–	–	600,302
– Serviced apartments in Singapore	–	–	483,561
– Office, serviced apartments and commercial complex in Mongolia	–	–	302,239
– Office, serviced apartments and commercial complex in Sri Lanka	–	–	167,867
– Office, serviced apartments and commercial complex in other regions	–	–	249,460
	–	–	1,803,429

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.

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 Mainland China 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 2023	570,170	474,603	267,984	137,017	275,093	1,724,867
Exchange differences	(9,334)	7,468	776	17,804	(2,510)	14,204
Additions	68,358	598	750	–	214	69,920
Disposals	(11)	(177)	(1,852)	–	–	(2,040)
Changes in fair value	(28,881)	1,069	34,581	13,046	(23,337)	(3,522)
At 31 December 2023 and 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	564,938	468,649	314,318	191,009	245,359	1,784,273

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 2024 USD'000	Valuation techniques	Unobservable inputs	
Mainland China				
- 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%

8 INVESTMENT PROPERTIES (CONTINUED)

Description	Fair value at 31 December 2023 USD'000	Valuation techniques	Unobservable inputs	
Mainland China				
- Office, serviced apartments, commercial complex and investment property under development	600,302	Direct comparison approach and income capitalisation approach	Rental rate from USD7 to USD36 per sq.m per month and occupancy from 80% to 95%	Capitalisation rate in the range of 4% to 9%
Singapore				
- Serviced apartments	483,561	Direct comparison approach and income capitalisation approach	Rental rate from USD292 to USD352 per room per day and occupancy 84%	Capitalisation rate of 3%
Mongolia				
- Office, serviced apartments and commercial complex	302,239	Direct comparison approach and income capitalisation approach	Rental rate from USD24 to USD39 per sq.m. per month and occupancy from 83% to 98%	Capitalisation rate in the range of 5.75% to 9.5%
Sri Lanka				
- Office, serviced apartments and commercial complex	167,867	Direct comparison approach and income capitalisation approach	Rental rate from USD15 to USD19 per sq.m. per month and occupancy 85%	Capitalisation rate in the range of 7.75% to 8.5%
Other regions				
- Office, serviced apartments and commercial complex	249,460	Direct comparison approach and income capitalisation approach	Rental rate from USD11 to USD36 per sq.m. per month and occupancy from 60% to 90%	Capitalisation rate in the range of 5.5% to 7.75%

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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:

	2024 USD'000	2023 USD'000
Right-of-use assets		
Leasehold land and land use rights	757,343	784,476
Buildings	246,093	265,192
Motor vehicles	801	466
Others	187	1,211
	1,004,424	1,051,345
Lease liabilities		
Current	42,777	41,792
Non-current	506,059	530,560
	548,836	572,352

Net additions to the right-of-use assets during the year ended 31 December 2024 were USD19,474,000 (2023: USD19,013,000).

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.

(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:

	2024 USD'000	2023 USD'000
Depreciation charge of right-of-use assets		
Leasehold land and land use rights	24,776	24,646
Buildings	17,233	17,613
Motor vehicles	248	196
Others	2,274	1,916
	44,531	44,371
Interest expenses on lease liability (included in finance cost)	27,914	27,801
Expense relating to short-term leases and variable lease payments not included in lease liabilities	35,043	32,381

Total cash outflow for leases in respect of lease liabilities in 2024 was USD47,947,000 (2023: USD45,181,000) and the total cash outflow for leases including short-term leases and variable lease payment was USD82,990,000 (2023: USD77,562,000).

10 INTANGIBLE ASSETS

	Goodwill USD'000	Trademark and licences USD'000	Website and system development USD'000	Total USD'000
At 1 January 2023				
Cost	88,012	11,958	39,840	139,810
Accumulated amortisation	–	(9,652)	(21,354)	(31,006)
Net book amount	88,012	2,306	18,486	108,804
Year ended 31 December 2023				
At 1 January 2023	88,012	2,306	18,486	108,804
Exchange difference	344	–	(2)	342
Additions	–	–	4,934	4,934
Amortisation expenses	–	(568)	(8,851)	(9,419)
Closing net book amount	88,356	1,738	14,567	104,661
At 31 December 2023				
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	–	(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

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% (2023: 4%) per annum and a discount rate of 8% (2023: 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 2024 is USD253,644,000 (2023: USD245,623,000), of which USD144,799,000 (2023: USD141,343,000) is attributable to Shangri-La Hotels (Malaysia) Berhad Group (which is the Malaysia listed group), and a deficit balance of USD7,280,000 (2023: a deficit balance of USD6,091,000) 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	
	2024 USD'000	2023 USD'000	2024 USD'000	2023 USD'000
Current				
Assets	60,164	50,431	14,313	15,222
Liabilities	(86,856)	(77,161)	(32,460)	(26,052)
Net current liabilities	(26,692)	(26,730)	(18,147)	(10,830)
Non-current				
Assets	309,245	303,567	174,061	159,786
Liabilities	(9,217)	(8,540)	(192,313)	(179,409)
Net non-current assets/(liabilities)	300,028	295,027	(18,252)	(19,623)
Net assets/(liabilities)	273,336	268,297	(36,399)	(30,453)
Attributable to:				
Owners of the Company	128,537	126,954	(29,119)	(24,362)
Non-controlling interests	144,799	141,343	(7,280)	(6,091)
	273,336	268,297	(36,399)	(30,453)

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	
	2024 USD'000	2023 USD'000	2024 USD'000	2023 USD'000
Revenue	117,280	110,331	125,032	116,844
Profit/(Loss) before income tax	11,441	7,742	(6,946)	(4,760)
Income tax (expense)/credit	(3,727)	(3,795)	1,000	630
Other comprehensive income/(loss)	7,031	(12,909)	–	–
Total comprehensive income/(loss)	14,745	(8,962)	(5,946)	(4,130)
Attributable to:				
Owners of the Company	6,671	(4,547)	(4,757)	(3,304)
Non-controlling interests	8,074	(4,415)	(1,189)	(826)
	14,745	(8,962)	(5,946)	(4,130)
Dividends paid to non-controlling interests	4,619	–	–	–

Summarised cash flow statement for the year ended 31 December

	Shangri-La Hotels (Malaysia) Berhad		Shangri-La International Hotels (Pacific Place) Limited	
	2024 USD'000	2023 USD'000	2024 USD'000	2023 USD'000
Net cash generated from operating activities	28,861	24,319	25,749	15,608
Net cash used in investing activities	(11,612)	(7,309)	(29,636)	(18,413)
Net cash (used in)/generated from financing activities	(8,463)	1,779	12,743	6,315
Net increase in cash and cash equivalents	8,786	18,789	8,856	3,510
Cash and cash equivalents at beginning of the year	42,654	24,975	11,150	7,640
Exchange gains/(losses) on cash and cash equivalents	1,294	(1,110)	–	–
Cash and cash equivalents at end of the year	52,734	42,654	20,006	11,150

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12 INTEREST IN ASSOCIATES AND AMOUNTS DUE FROM ASSOCIATES

	2024 USD'000	2023 USD'000
Interest in associates		
At 1 January	4,116,878	3,970,704
Share of profit of associates (Note 33)		
– profit before taxation	424,346	468,253
– taxation	(114,688)	(144,435)
	309,658	323,818
Exchange difference	(64,198)	(77,599)
Effect of hyperinflation	16,182	7,653
Dividends declared by associates	(192,520)	(88,776)
Equity injection to associates	44,469	17,162
Capital reduction from associates	(40,488)	(36,084)
Disposal of share of net assets of an associate	(3,563)	–
Investment in associates under equity method	4,186,418	4,116,878
Equity loans (Note (a))	51,503	107,719
Other long-term shareholder loans (Note (b))	42,393	79,655
As 31 December	4,280,314	4,304,252
Amounts due from associates (Note (c))	160,157	126,596

Notes:

(a) Equity loans are unsecured, interest-free and with no repayment obligations.

(b) Other long-term shareholder loans are interest bearing at:

	2024 USD'000	2023 USD'000
– HIBOR plus 1.5% per annum and wholly repayable on 15 May 2026 (in Hong Kong dollars)	–	36,982
– 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	10,589
– Fixed rate at 2.1465% per annum and wholly repayable on 8 December 2027 (in Renminbi)	8,347	8,471
	42,393	79,655

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.

12 INTEREST IN ASSOCIATES AND AMOUNTS DUE FROM ASSOCIATES (CONTINUED)

Notes: (continued)

(c) Amounts due from associates are unsecured and with the following terms:

	2024 USD'000	2023 USD'000
– HIBOR plus 1.5% per annum and wholly repayable on 15 May 2024 (in Hong Kong dollars)	–	3,250
– Fixed rate at 2.025% per annum and wholly repayable on 16 November 2024 (in Renminbi)	–	1,977
– 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 2024 (in Renminbi)	–	31,768
– 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 2024 (in Renminbi)	–	3,389
– 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 2024 (in Renminbi)	–	20,967
– PBOC rate per annum and wholly repayable on 31 December 2025 (in Renminbi)	20,658	–
– interest free and repayable within one year	126,838	65,245
	160,157	126,596

(d) The maximum exposure to credit risk at the reporting date is the fair value of the long-term shareholder loans of USD42,393,000 (2023: USD79,655,000) and amounts due from associates of USD160,157,000 (2023: USD126,596,000).

(e) The Group's proportionate share of the carrying value of properties, plant and equipment and right-of-use assets owned by the Group's associates amounted to USD918,997,000 (2023: USD947,368,000) and USD13,784,000 (2023: USD14,057,000), respectively. The Group's proportionate share of the fair value of investment properties owned by the Group's associates amounted to USD4,200,676,000 (2023: USD4,112,339,000).

(f) Set out below are the associates of the Group as at 31 December 2024, 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 2024 and 2023:

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 (i)	Note (ii)	Equity
Shanghai Ji Xiang Properties Co, Limited	The People's Republic of China	49		Note (ii)	Equity

Notes:

(i) 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.

(ii) 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 Mainland China.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12 INTEREST IN ASSOCIATES AND AMOUNTS DUE FROM ASSOCIATES (CONTINUED)

Notes: (continued)

(f) (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	
	2024 USD'000	2023 USD'000	2024 USD'000	2023 USD'000
Current				
Assets	723,353	725,500	46,078	154,330
Liabilities	(408,202)	(283,739)	(88,212)	(157,859)
Net current assets/(liabilities)	315,151	441,761	(42,134)	(3,529)
Non-current				
Assets	5,845,224	5,773,992	2,033,102	1,966,507
Liabilities	(2,178,131)	(2,200,347)	(373,829)	(398,347)
Net non-current assets	3,667,093	3,573,645	1,659,273	1,568,160
Net assets	3,982,244	4,015,406	1,617,139	1,564,631

Summarised statement of comprehensive income for the year ended 31 December

	China World Trade Center Limited		Shanghai Ji Xiang Properties Co, Limited	
	2024 USD'000	2023 USD'000	2024 USD'000	2023 USD'000
Revenue	658,402	638,412	200,789	205,019
Profit before tax (including fair value gains on investment properties)	410,829	417,177	233,139	172,158
Income tax expense	(102,917)	(102,980)	(63,655)	(44,203)
Other comprehensive loss	(58,476)	(61,061)	(23,705)	(24,784)
Total comprehensive income	249,436	253,136	145,779	103,171
Dividends received from associates (net of tax)	–	37,703	35,735	18,798

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	
	2024 USD'000	2023 USD'000	2024 USD'000	2023 USD'000
Closing net assets	3,982,244	4,015,406	1,617,139	1,564,631
Respective equity interest	50%	50%	49%	49%
Interest in associates	1,991,122	2,007,703	792,398	766,669
Goodwill	–	–	290	290
Carrying amount	1,991,122	2,007,703	792,688	766,959

12 INTEREST IN ASSOCIATES AND AMOUNTS DUE FROM ASSOCIATES (CONTINUED)

Notes: (continued)

(g) 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:

	2024 USD'000	2023 USD'000
Aggregate carrying amount of individually immaterial associates	1,496,504	1,529,590
Aggregate amounts of the Group's share of		
Profit after tax	72,654	104,022
Other comprehensive loss	(7,569)	(27,721)
Total comprehensive income	65,085	76,301

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

13 FINANCIAL ASSETS

	2024 USD'000	2023 USD'000
Non-current		
Financial assets at fair value through other comprehensive income		
– Equity instruments	2,101	2,101
Financial assets at fair value through profit or loss		
– Club debentures	10,787	11,563
	12,888	13,664
Current		
Financial assets at fair value through profit or loss		
– Shares listed in Hong Kong	10,948	10,639

During the years ended 31 December 2024 and 2023, there were no additions of financial assets.

During the year ended 31 December 2023, financial assets at fair value through other comprehensive income amounting to USD1,076,000 were disposed at sale proceeds of USD1,223,000. There were no disposals during the year ended 31 December 2024.

The maximum exposure to credit risk at the reporting date is the fair value of the financial assets mentioned above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14 OTHER RECEIVABLES

	2024 USD'000	2023 USD'000
Security deposits on leased premises	11,482	12,615

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 USD11,164,000) (2023: JPY1,751,000,000 (equivalent to USD12,357,000))

- RMB10,000,000 (equivalent to USD1,391,000) (2023: RMB10,000,000 (equivalent to USD1,412,000))

The fair values of these other receivables are not materially different from their carrying values.

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

15 ACCOUNTS RECEIVABLE, PREPAYMENTS AND DEPOSITS

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

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 reporting date 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.

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:

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

The carrying amounts of the Group's trade and other receivables after provision for impairment are denominated in the following currencies:

	2024 USD'000	2023 USD'000
Hong Kong dollars	18,615	26,380
United States dollars	12,564	4,552
Renminbi	33,185	35,041
Singapore dollars	13,728	22,510
Malaysian ringgit	4,603	5,014
Thai baht	2,872	3,153
Philippine pesos	14,977	10,668
Japanese yen	4,416	4,962
Euros	5,072	4,974
Australian dollars	2,261	3,144
British pounds	2,913	2,878
Mongolian tugrik	2,049	3,844
Sri Lankan rupee	11,204	12,408
Other currencies	6,115	6,567
	134,574	146,095

Movements on the Group's provision for impairment of trade receivables are as follows:

	2024 USD'000	2023 USD'000
At 1 January	12,123	13,588
Exchange differences	(210)	95
Provision for receivables impairment	1,188	747
Receivables written off during the year as uncollectible	(192)	(317)
Unused amounts reversed	(2,725)	(1,990)
At 31 December	10,184	12,123

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16 PROPERTIES FOR SALE

	2024 USD'000	2023 USD'000
Located in		
– Mainland China	33,029	33,778
– Sri Lanka	19,548	18,347
	52,577	52,125

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

	2024 USD'000	2023 USD'000
Cash at bank and on hand	472,048	432,768
Short-term bank deposits	1,411,842	496,839
Cash and bank balances	1,883,890	929,607
Short-term fund placements (Note)	47,102	38,015
Cash and bank balances and short-term fund placements	1,930,992	967,622
Maximum exposure to credit risk for all balances at bank and short-term fund placements	1,928,706	964,837

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 3.53% (2023: 2.94%) per annum; these deposits have an average maturity of 1.8 months (2023: 2.2 months).

Cash and cash equivalents include the following for the purposes of the consolidated cash flow statement:

	2024 USD'000	2023 USD'000
Cash and bank balances and short-term fund placements	1,930,992	967,622
Less: Bank deposits with original maturities over 3 months	(113,916)	(96,825)
Cash and cash equivalents	1,817,076	870,797

18 SHARE CAPITAL AND PREMIUM AND SHARES HELD FOR SHARE AWARD SCHEME

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

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

Share awards

During the year ended 31 December 2024, the share award scheme of the Group acquired 7,804,000 ordinary shares in the Company through purchases on the open market and 10,088,300 shares were transferred to the awardees upon vesting of the awarded shares. The remaining 18,527,700 shares were held in trust under the share award scheme as at 31 December 2024. Details of the share award scheme were disclosed in Note 19 to this consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18 SHARE CAPITAL AND PREMIUM AND SHARES HELD FOR SHARE AWARD SCHEME (CONTINUED)

Share options

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

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

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

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 purchased on the open market and held in trust before vesting.

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

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

19 SHARE AWARD SCHEME (CONTINUED)

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20 OTHER RESERVES

	Share option reserve USD'000	Share award reserve USD'000
At 1 January 2023	6,216	5,397
Currency translation differences	–	–
Fair value changes of interest rate swap and cross-currency swap contracts – hedging	–	–
Fair value changes of financial assets at fair value through other comprehensive income	–	–
Transfer gain on change in fair value of equity instruments sold to retained earnings	–	–
Transfer from share option reserve to retained earnings	(6,216)	–
Share-based compensation under share award scheme	–	7,889
Vesting of shares under share award scheme	–	(4,212)
At 31 December 2023 and 1 January 2024	–	9,074
Currency translation differences	–	–
Fair value changes of interest rate swap and cross-currency swap contracts – hedging	–	–
Share-based compensation under share award scheme	–	10,119
Vesting of shares under share award scheme	–	(8,239)
At 31 December 2024	–	10,954

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.

Hedging reserve USD'000	Investment 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
108,238	191	10,666	(575,283)	601,490	20,823	1,368	389,741	568,847
–	–	–	(110,684)	–	–	–	–	(110,684)
(48,983)	–	–	–	–	–	–	–	(48,983)
–	10	–	–	–	–	–	–	10
–	(201)	–	–	–	–	–	–	(201)
–	–	–	–	–	–	–	–	(6,216)
–	–	–	–	–	–	–	–	7,889
–	–	–	–	–	–	–	–	(4,212)
59,255	–	10,666	(685,967)	601,490	20,823	1,368	389,741	406,450
–	–	–	(95,620)	–	–	–	–	(95,620)
(32,726)	–	–	–	–	–	–	–	(32,726)
–	–	–	–	–	–	–	–	10,119
–	–	–	–	–	–	–	–	(8,239)
26,529	–	10,666	(781,587)	601,490	20,823	1,368	389,741	279,984

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21 BANK LOANS

	2024 USD'000	2023 USD'000
Bank loans – secured (Note 38(c))	–	–
Bank loans – unsecured	4,940,648	4,414,401
Total	4,940,648	4,414,401
Less: Non-current portion	(4,708,500)	(3,907,801)
Current portion	232,148	506,600

The maturity of bank loans is as follows:

	2024 USD'000	2023 USD'000
Within 1 year	232,148	506,600
Between 1 and 2 years	1,148,552	391,503
Between 2 and 5 years	3,181,256	3,319,141
Repayable within 5 years	4,561,956	4,217,244
Over 5 years	378,692	197,157
	4,940,648	4,414,401

21 BANK LOANS (CONTINUED)

The effective interest rates at the end of the reporting period were as follows:

	31 December 2024					
	HKD	RMB	USD	JPY	FJD	SGD
Bank loans	5.79%	4.04%	5.67%	0.97%	3.75%	4.74%

	31 December 2023							
	HKD	RMB	USD	JPY	FJD	SGD	EUR	AUD
Bank loans	6.48%	4.47%	6.50%	0.77%	3.75%	4.74%	5.01%	5.63%

The carrying amounts of the bank loans approximate their fair values and are denominated in the following currencies:

	2024 USD'000	2023 USD'000
Hong Kong dollars (HKD)	786,413	1,236,490
Renminbi (RMB)	3,087,066	1,210,397
United States dollars (USD)	941,645	1,680,957
Japanese yen (JPY)	104,645	107,847
Fijian dollars (FJD)	3,625	7,207
Singapore dollars (SGD)	17,254	33,712
Euros (EUR)	–	83,056
Australian dollars (AUD)	–	54,735
	4,940,648	4,414,401

At the end of the reporting period, the Group has the following undrawn borrowing facilities:

	2024 USD'000	2023 USD'000
Floating rate		
– expiring within one year	11,287	14,810
– expiring beyond one year	332,651	938,901
Fixed rate		
– expiring within one year	–	–
– expiring beyond one year	989,093	635,351
	1,333,031	1,589,062

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22 FIXED RATE BONDS

In June 2024, the Company issued 3-year fixed rate bonds in an aggregated amount of RMB1,000,000,000 (equivalent to USD140,315,000) at 100% of the face value with a coupon rate of 2.50% per annum.

In July 2024, the Company also issued two tranches of fixed rate bonds totalling RMB1,000,000,000 (equivalent to USD140,162,000) at 100% of the face value, comprising RMB600,000,000 at a 3-year term and RMB400,000,000 at a 5-year term with coupon rates of 2.27% and 2.50% per annum, respectively.

During the year ended 31 December 2024, the entire outstanding fixed rate bonds issued in 2019 with face value of SGD135,000,000 (equivalent to USD99,609,000) were redeemed on the maturity date of 11 June 2024.

The fixed rate bonds recognised in the consolidated statement of financial position are as follows:

	Coupon rate per annum	Maturity	At 31 December 2023 USD'000	New issuance during the year USD'000	Repayment during the year USD'000	Exchange differences USD'000	At 31 December 2024 USD'000
Bonds issued in 2018							
SGD825,000,000	4.50%	Nov 2025	625,000	–	–	(19,273)	605,727
USD35,000,000	5.23%	Nov 2025	35,000	–	–	–	35,000
Bonds issued in 2019							
SGD135,000,000	3.70%	Jun 2024	102,273	–	(99,609)	(2,664)	–
SGD165,000,000	4.10%	Jun 2027	125,000	–	–	(3,855)	121,145
Bonds issued in 2020							
SGD250,000,000	3.50%	Jan 2030	189,394	–	–	(5,840)	183,554
Bonds issued in 2021							
SGD100,000,000	3.50%	Jan 2030	75,758	–	–	(2,336)	73,422
Bonds issued in 2023							
SGD160,000,000	4.40%	Aug 2028	121,212	–	–	(3,738)	117,474
Bonds issued in 2024							
RMB1,000,000,000	2.50%	Jun 2027	–	140,315	–	(1,202)	139,113
RMB600,000,000	2.27%	Jul 2027	–	84,097	–	(629)	83,468
RMB400,000,000	2.50%	Jul 2029	–	56,065	–	(420)	55,645
Face value			1,273,637	280,477	(99,609)	(39,957)	1,414,548
Unamortised discount and issuing expenses			(2,832)				(2,933)
Carrying amount			1,270,805				1,411,615
Less: Non-current portion			(1,168,534)				(771,291)
Current portion			102,271				640,324

As at 31 December 2024 and 2023, all fixed rate bonds were unsecured.

23 DERIVATIVE FINANCIAL INSTRUMENTS

	2024 USD'000	2023 USD'000
Non-current assets		
Interest rate swap contracts		
– cash flow hedge	24,346	42,173
Cross-currency swap contracts		
– held for trading	756	–
	25,102	42,173
Current assets		
Interest rate swap contracts		
– cash flow hedge	24,399	32,609
Cross-currency swap contracts		
– held for trading	259	–
	24,658	32,609
Total	49,760	74,782
Non-current liabilities		
Cross-currency swap contracts		
– cash flow hedge	20,909	13,211
– held for trading	191	454
	21,100	13,665
Current liabilities		
Cross-currency swap contracts		
– cash flow hedge	1,307	6,628
– held for trading	795	1,557
	2,102	8,185
Total	23,202	21,850

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 all interest rate swap contracts 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 2024 are as follows:

- USD600,000,000 (2023: USD1,005,000,000) with fixed interest rates of 1.460% (2023: 1.365% to 1.460%) per annum maturing in March 2027.

- HKD3,620,000,000 (equivalent to USD467,097,000) (2023: HKD4,920,000,000 (equivalent to USD634,839,000)) with fixed interest rates vary from 1.505% to 1.855% (2023: 1.505% to 1.855%) per annum maturing from June to August 2026.

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 Mainland China, 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 Mainland China, 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.

During the year ended 31 December 2020, a wholly owned subsidiary of the Company entered into two 3-year term cross-currency swap contracts totalling EUR100,000,000 in order to swap bank borrowings from Hong Kong dollar to Euro to hedge the Euro investment for hotels in Europe, under which the principal amount was exchanged at inception to Euro at exchange rates of HKD9.1972 and HKD9.175 to EUR1 and was re-exchanged on expiry date in August 2023 at the same exchange rate. Under the contracts, fixed interest rates of 0.390% and 0.395% per annum on the exchanged Euro principal amounts would be paid and a floating interest rate of HIBOR+0.79% and HIBOR+0.84% per annum on the HKD principal amounts would be received, respectively. The cross-currency swap contracts do not qualify for hedge accounting. These two cross-currency swap contracts expired upon their expiry date in August 2023.

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 JPY 13.8228 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 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 will be 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 would be paid and a fixed interest rate of 5.23% per annum on the United States dollar principal amount would be received. The cross-currency swap contract does not qualify for hedge accounting.

24 NON-CONTROLLING INTERESTS AND BALANCES WITH NON-CONTROLLING SHAREHOLDERS

	2024 USD'000	2023 USD'000
Non-controlling interests		
Share of equity	113,408	107,223
Equity loans (Note (a))	140,236	138,400
	253,644	245,623

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:

	2024 USD'000	2023 USD'000
Interest-free	32,761	30,368
Fixed rate at 1.8% (2023: 1.8%) per annum and repayable within 1 year	18,655	14,613
	51,416	44,981

(c) Loan from a non-controlling shareholder (non-current portion) is unsecured and with the following terms:

	2024 USD'000	2023 USD'000
Fixed rate at 5% per annum and not repayable within 1 year	38,452	–

The fair values of the amounts due to non-controlling shareholders and loan from a non-controlling shareholder are not materially different from their carrying values.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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% (2023: 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:

	2024 USD'000	2023 USD'000
At 1 January	229,191	208,956
Exchange differences	1,727	1,009
Deferred taxation charged to profit or loss (Note 34)	17,418	19,397
Deferred taxation credited to other comprehensive income	(370)	(171)
At 31 December	247,966	229,191

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.

	2024 USD'000	2023 USD'000
Deferred income tax assets	(73,331)	(76,625)
Deferred income tax liabilities	321,297	305,816
	247,966	229,191

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 2024 and 2023, the Group has the following unrecognised tax losses to carry forward against future taxable income:

	2024 USD'000	2023 USD'000
With no expiry date	300,686	301,907
Lapsing within the next five years	636,428	641,978
Lapsing within the next ten years	692	68,632
	937,806	1,012,517

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	
	2024 USD'000	2023 USD'000	2024 USD'000	2023 USD'000	2024 USD'000	2023 USD'000	2024 USD'000	2023 USD'000	2024 USD'000	2023 USD'000	2024 USD'000	2023 USD'000
At 1 January	220,195	229,986	39,342	38,666	81,789	69,670	50,502	51,295	2,740	736	394,568	390,353
Charged/(Credited) to profit or loss	6,929	(9,872)	14,264	826	(2,821)	12,362	(684)	215	(1,076)	1,588	16,612	5,119
Exchange differences	(677)	81	1,030	(150)	(446)	(243)	(2,692)	(1,008)	(207)	416	(2,992)	(904)
At 31 December	226,447	220,195	54,636	39,342	78,522	81,789	47,126	50,502	1,457	2,740	408,188	394,568

Deferred income tax assets

	Provision of assets		Tax losses		Lease liabilities		Others		Total	
	2024 USD'000	2023 USD'000	2024 USD'000	2023 USD'000	2024 USD'000	2023 USD'000	2024 USD'000	2023 USD'000	2024 USD'000	2023 USD'000
At 1 January	(2,682)	(3,986)	(79,934)	(86,397)	(70,990)	(71,884)	(11,771)	(19,130)	(165,377)	(181,397)
(Credited)/Charged to profit or loss	(1,177)	936	441	6,288	956	(220)	586	7,274	806	14,278
Credited to other comprehensive income	–	–	–	–	–	–	(370)	(171)	(370)	(171)
Exchange differences	47	368	563	175	4,250	1,114	(141)	256	4,719	1,913
At 31 December	(3,812)	(2,682)	(78,930)	(79,934)	(65,784)	(70,990)	(11,696)	(11,771)	(160,222)	(165,377)

26 ACCOUNTS PAYABLE AND ACCRUALS

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

27 CONTRACT LIABILITIES

	2024 USD'000	2023 USD'000
Contract liabilities for:		
– Guest loyalty programme (Note (a))	40,999	33,496
– Hotel operation (Note (b))	64,168	66,403
– Sales of properties (Note (c))	2,240	1,152
	107,407	101,051
At 1 January	101,051	89,412
Recognised as revenue during the current year	(42,677)	(32,690)
Cancellation for prior years' balance during the current year	(952)	(1,088)
Net increase for new transactions during the current year	51,329	45,367
Exchange differences	(1,344)	50
At 31 December	107,407	101,051

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:

	2024 USD'000	2023 USD'000
Depreciation of property, plant and equipment (Note 7)	210,630	215,049
Amortisation of trademark, and website and system development (Note 10)	7,113	9,419
Depreciation of right-of-use assets (Note 9)	44,531	44,371
Provision for impairment losses on property, plant and equipment (Note 7)	51,802	41,209
Reversal of prior years' impairment losses on property, plant and equipment (Note 7)	(5,835)	(1,139)
Employee benefit expenses excluding directors' emoluments (Note 30)	800,954	759,628
Cost of sales of properties	946	630
Cost of inventories sold or consumed in operation	275,450	279,174
Loss on disposal of property, plant and equipment; and partial replacement of investment properties	2,670	2,731
Write-off of property, plant and equipment due to property damage and obsolescence	2,775	–
Gain on derecognition of right-of-use assets and lease liabilities	(95)	(989)
Operating lease expenses	35,043	32,381
Pre-opening expenses	6,322	4,093
Auditors' remuneration for audit services	2,437	2,250

29 OTHER GAINS – NET

	2024 USD'000	2023 USD'000
Net fair value losses on investment properties (Note 8)	(20,714)	(3,522)
Net gains/(losses) on short-term investments	1,709	(2,307)
Fair value losses on club debentures	(775)	(1,340)
Fair value gains/(losses) on cross-currency swap contracts	13,883	(9,387)
Gain on sale of investment properties	1,695	4,956
Insurance claims recovered from property damage	4,224	–
Loss on disposal of an associate (Note 37(c))	(4,352)	–
Interest income	56,940	19,733
Waiver of prior years' interest income from an associate	(6,299)	–
Dividend income	1,017	917
	47,328	9,050

30 EMPLOYEE BENEFIT EXPENSES

(excluding Directors' emoluments and share options granted to Directors and employees)

	2024 USD'000	2023 USD'000
Wages and salaries (including unutilised annual leave)	539,144	524,117
Pension costs – defined contribution plans	46,281	43,241
Pension costs – defined benefit plans	1,194	1,054
Other welfare	215,576	193,670
	802,195	762,082
Less: Amount included in pre-opening expenses	(1,241)	(2,454)
	800,954	759,628

Total pension cost including charges for Directors charged to profit or loss for the year under all pension schemes was USD47,516,000 (2023: USD44,327,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 Mainland China, 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 11.5% 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 SGD1,156 (equivalent to USD864) 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 2024 using the Projected Unit Credit Actuarial Cost Method.

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 liabilities	
	2024 USD'000	2023 USD'000	2024 USD'000	2023 USD'000	2024 USD'000	2023 USD'000
At 1 January	13,186	12,196	(7,219)	(5,554)	5,967	6,642
Exchange difference	(145)	(159)	285	(59)	140	(218)
Included in statement of profit or loss						
Current service cost	973	782	–	–	973	782
Interest cost/(income)	637	661	(416)	(388)	221	273
	1,610	1,443	(416)	(388)	1,194	1,055
Included in other comprehensive income						
Actuarial loss	859	696	–	–	859	696
Loss on assets excluding amount included in net interest cost	–	–	943	189	943	189
	859	696	943	189	1,802	885
Others						
Contributions	–	–	(827)	(2,110)	(827)	(2,110)
Benefits paid	(752)	(990)	258	703	(494)	(287)
	(752)	(990)	(569)	(1,407)	(1,321)	(2,397)
At 31 December	14,758	13,186	(6,976)	(7,219)	7,782	5,967

Net defined benefit liabilities of USD7,782,000 (2023: USD5,967,000) was recorded as accounts payable and accruals under current liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 BENEFITS AND INTERESTS OF DIRECTORS

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[(3)]	–	666	1,018	–	95	15	–	–	316	2,110
CHUA Chee Wui[(3)]	–	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

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 2023 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 2023 USD'000
KUOK Hui Kwong(2)	–	832	1,484	–	165	16	–	–	–	2,497
CHUA Chee Wui(2)	–	642	903	–	26	16	–	–	–	1,587
LIM Beng Chee(4)	52	–	–	–	–	–	–	–	77	129
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. Pursuant to the option scheme of the Company (Note 18), the Company granted to the Directors options to subscribe for shares in the Company subject to terms and conditions stipulated therein. The fair values of option shares granted to the Directors in the past years were included in the total expenses on share options granted in the same year.

(2) For the year ended 31 December 2023, awarded shares were granted and vested to certain Executive Directors under the share award scheme. Total awarded shares of 270,000 shares and 174,000 shares (amounting to USD232,000 and USD149,000 based on the market price of the vesting date) were vested to Ms KUOK Hui Kwong and Mr CHUA Chee Wui on 6 May 2023 and 7 June 2023, respectively. Awarded shares of 1,073,000 shares and 552,200 shares being vested in the years from 2024 to 2026 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.

(4) Mr LIM Beng Chee had stepped down from his roles as Executive Director and Chief Executive Officer of the Company and was re-designated as a Non-executive Director of the Company with effect from 1 January 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

Movement of option shares granted to the Directors for the year ended 31 December 2023 are as follows:

Grantees	Date of grant	Tranche	Closing price per share on the business day immediately before date of grant HKD	No. of option shares held as at 1 January 2023	No. of option shares granted during the year
LI Kwok Cheung Arthur	23 Aug 2013	–	11.92	100,000	–

Transfer from other category during the year	Transfer to other category during the year	No. of option shares exercised during the year	No. of option shares lapsed during the year	No. of option shares held as at 31 December 2023	Exercise price per option share HKD	Excess of weighted average closing price per share on exercise date over exercise price HKD	Exercise period
–	–	–	(100,000)	–	12.11	–	23 Aug 2013 – 22 Aug 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 (2023: two) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining three individuals in 2024 are as follows:

	2024 USD'000	2023 USD'000
Basic salaries, housing allowances, other allowances and benefits in kind	2,332	3,656
Employer's contribution to pension scheme	28	29
Discretionary bonuses	1,665	1,244
Inducement fee to join the Group	479	–
Compensation for loss of office:		
– contractual payments	–	–
– other payment	–	–
Total	4,504	4,929

During the year ended 31 December 2024, total of 256,800 (2023: 436,000) awarded shares (amounting to USD190,000 (2023: USD373,000) based on the market price of the vesting date) were also vested to the above three (2023: three) individuals.

The emoluments of the five highest paid individuals fell within the following bands:

	Number of individuals	
Emolument bands (in HK dollar)	2024	2023
HKD7,500,001 – HKD8,000,000	1	–
HKD9,500,001 – HKD10,000,000	–	1
HKD11,000,001 – HKD11,500,000	1	–
HKD13,000,001 – HKD13,500,000	–	1
HKD13,500,001 – HKD14,000,000	–	1
HKD14,500,001 – HKD15,000,000	1	–
HKD15,500,001 – HKD16,000,000	1	–
HKD17,000,001 – HKD17,500,000	–	1
HKD19,500,001 – HKD20,000,000	1	–
HKD21,000,001 – HKD21,500,000	–	1

32 FINANCE COSTS – NET

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

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

33 SHARE OF PROFIT OF ASSOCIATES

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

34 INCOME TAX EXPENSE

	2024 USD'000	2023 USD'000
Current income tax		
– Hong Kong profits tax	2	(3)
– overseas taxation	57,988	59,076
Deferred income tax (Note 25)	17,418	19,397
	75,408	78,470

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

34 INCOME TAX EXPENSE (CONTINUED)

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:

	2024 USD'000	2023 USD'000
Profit before income tax	258,334	280,146
Calculated at a taxation rate of 16.5% (2023: 16.5%)	42,625	46,224
Effect of different taxation rates of subsidiaries operating in other countries	13,513	11,720
Income not subject to taxation	(67,776)	(78,733)
Tax effect on unrecognised tax losses	21,603	22,755
Expenses not deductible for taxation purposes	52,993	59,994
Utilisation of previously unrecognised tax losses	(4,322)	(1,580)
(Over)/Under-provision in prior years	(3,379)	426
Withholding tax	20,268	17,776
Tax incentive	(117)	(112)
Total income tax expense	75,408	78,470

(a) Hong Kong profits tax is provided at a rate of 16.5% (2023: 16.5%) on the estimated assessable profits of group companies operating in Hong Kong.

(b) Taxation outside Hong Kong includes withholding tax paid and payable on dividends from subsidiaries and tax provided at the prevailing rates on the estimated assessable profits of group companies operating outside Hong Kong.

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

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

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.

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

Diluted

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

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

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

36 DIVIDENDS

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

37 NOTE TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) Cash generated from operations

	2024 USD'000	2023 USD'000
Profit before income tax	258,334	280,146
Share of profit of associates	(309,658)	(323,818)
Net fair value losses on investment properties	20,714	3,522
Provision for impairment losses on property, plant and equipment	51,802	41,209
Reversal of prior years' impairment losses on property, plant and equipment	(5,835)	(1,139)
Depreciation of property, plant and equipment	210,630	215,049
Depreciation of right-of-use assets	44,531	44,371
Amortisation of trademark, and website and system development	7,113	9,419
Interest expense	309,961	272,303
Net interest income	(50,641)	(19,733)
Dividend income	(1,017)	(917)
Loss on disposal of property, plant and equipment; and partial replacement of investment properties	2,670	2,731
Write-off of property, plant and equipment due to property damage and obsolescence	2,775	–
Gain on derecognition of right-of-use assets and lease liabilities	(95)	(989)
Gain on sale of investment properties	(1,695)	(4,956)
Loss on disposal of an associate	4,352	–
Net (gains)/losses on financial assets	(934)	3,647
Share award scheme expenses	10,119	7,889
Fair value (gains)/losses on cross-currency swap contracts	(13,883)	9,387
Net foreign exchange gains	(23,746)	(13,925)
Operating profit before working capital changes	515,497	524,196
Decrease in inventories	783	1,324
Decrease/(Increase) in accounts receivable, prepayments and deposits	8,043	(26,646)
Decrease in amounts due from associates	2,060	2,135
(Decrease)/Increase in accounts payable and accruals	(33,859)	32,902
Increase in contract liabilities	7,700	11,587
Decrease in properties for sale	945	630
Net cash generated from operations	501,169	546,128

37 NOTE TO THE CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

(b) Acquisition of interest in a subsidiary

In August 2023, the Group acquired the remaining 30% equity interest in an original 70% owned subsidiary which owns the Shangri-La's Villingili Resort & Spa, Maldives at nil consideration. There is no gain or loss recognised for this acquisition but a deficit balance of USD59,847,000 for the non-controlling interests and a payable balance of USD2,724,000 due to the non-controlling shareholder were derecognised and a net deficit amount of USD57,123,000 was transferred to the Group's retained earnings.

(c) 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, China 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)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

37 NOTE TO THE CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

(d) 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 2023	4,479,656	1,132,761	51,779	563,689
Cash flows	(57,746)	119,017	(7,060)	(45,181)
Foreign exchange movement	(7,509)	18,284	539	12,336
Finance costs charged (note)	–	743	520	27,949
Net additions of lease liabilities	–	–	–	13,559
Dividends declared to non-controlling shareholders	–	–	1,927	–
Derecognition of amounts due to a non-controlling shareholder	–	–	(2,724)	–
At 31 December 2023 and 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	4,940,648	1,411,615	89,868	548,836

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 2024, 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 USD5,579,869,000 (2023: USD3,805,952,000) for the subsidiaries and USD105,958,000 (2023: USD116,628,000) for associates.

(ii) The Company executed guarantees in favour of banks for securing certain banking facilities granted to two (2023: two) non-wholly owned subsidiary. The non-controlling shareholder of two (2023: 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 USD151,485,000 (2023: USD320,685,000).

(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 USD105,958,000 (2023: USD116,628,000).

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

(b) Contingent liabilities

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

(c) Charges over assets

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

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:

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

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

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

40 RELATED PARTY TRANSACTIONS

Kerry Holdings Limited ("**KHL**"), a 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:

	2024 USD'000	2023 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) 24,669	18,862
Reimbursement of office expenses and payment of administration and related expenses	181	318
Reimbursement of office rental, management fees and rates	53	55
Payment of office rental, management fees and rates	5,538	5,523
Purchase of wine	665	1,083
(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	29,302	30,890
Receipt for laundry services	(Note i) 626	644
(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	114,306	145,919
Balance of guarantees executed in favour of banks for securing bank loans/facilities granted to associates of the Group	92,846	112,308
(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	6,647	49,684
Balance of guarantees executed in favour of banks for securing bank loans/facilities granted to associates of the Group	13,112	4,320
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	3,807	4,052
Post-employment benefits of executive directors	41	32

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 USD6,792,000 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 2024, the Company held interests in the following principal subsidiaries:

Name	Place of establishment/ operation	Paid up/ issued capital	Effective percentage of shareholding		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

41 GROUP STRUCTURE – PRINCIPAL SUBSIDIARIES AND ASSOCIATES (CONTINUED)

(a) At 31 December 2024, the Company held interests in the following principal subsidiaries: (continued)

Name	Place of establishment/ operation	Paid up/ issued capital	Effective percentage of shareholding		Nature of business	Notes
			Direct	Indirect		
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
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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

41 GROUP STRUCTURE – PRINCIPAL SUBSIDIARIES AND ASSOCIATES (CONTINUED)

(a) At 31 December 2024, the Company held interests in the following principal subsidiaries: (continued)

Name	Place of establishment/ operation	Paid up/ issued capital	Effective percentage of shareholding		Nature of business	Notes
			Direct	Indirect		
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	RMB40,000,000	–	100	Hotel ownership and operation	1,5,6
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	Rufiyaa 640,000,000	–	100	Hotel ownership and operation	
Traders Hotel Malé Private Limited	Republic of Maldives	Rufiyaa 64,000,000	–	100	Hotel ownership and operation	

41 GROUP STRUCTURE – PRINCIPAL SUBSIDIARIES AND ASSOCIATES (CONTINUED)

(a) At 31 December 2024, the Company held interests in the following principal subsidiaries: (continued)

Name	Place of establishment/ operation	Paid up/ issued capital	Effective percentage of shareholding		Nature of business	Notes
			Direct	Indirect		
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	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

41 GROUP STRUCTURE – PRINCIPAL SUBSIDIARIES AND ASSOCIATES (CONTINUED)

(a) At 31 December 2024, the Company held interests in the following principal subsidiaries: (continued)

Name	Place of establishment/ operation	Paid up/ issued capital	Effective percentage of shareholding		Nature of business	Notes
			Direct	Indirect		
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
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	

41 GROUP STRUCTURE – PRINCIPAL SUBSIDIARIES AND ASSOCIATES (CONTINUED)

(a) At 31 December 2024, the Company held interests in the following principal subsidiaries: (continued)

Notes:

1 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.

2 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.

3 Co-operative Joint Venture.

4 Equity Joint Venture.

5 Wholly Foreign Owned Enterprise.

6 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.

7 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 Australian Securities and Investments Commission. Apart from the stated principal subsidiaries, this deed also includes Shangri-La Investments (Australian) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

41 GROUP STRUCTURE – PRINCIPAL SUBSIDIARIES AND ASSOCIATES (CONTINUED)

(b) At 31 December 2024, 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	
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	2
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	

41 GROUP STRUCTURE – PRINCIPAL SUBSIDIARIES AND ASSOCIATES (CONTINUED)

(b) At 31 December 2024, 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
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 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 at the end of the reporting period.

(c) The above tables list out the subsidiaries and associates of the Company as at 31 December 2024 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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 Dalian 66 Renmin Road, Dalian 116001, The People's Republic of China	Hotel operation	Medium lease
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

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 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
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

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 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
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

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 Xiamen Guanyinshan International Business Centre, No. 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
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

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 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
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

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 Chiang Mai 89/8 Chang Klan Road, Muang, Chiang Mai 50100, Thailand	Hotel operation	Freehold
Shangri-La's Villingili Resort & Spa, 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
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

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 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, Beijing 100020, The People's Republic of China	Hotel operation	Medium lease
Shangri-La Beijing 29 Zizhuyuan Road, Beijing 100089, 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 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
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 Xin Quan 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

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 Apartments, Singapore 1 Anderson Road 259983, Singapore	Residential rental	Freehold
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
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

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
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 2024 USD'000	As at 31 December 2023 USD'000
ASSETS		
Non-current assets		
Property, plant and equipment	3,700	3,791
Investments in subsidiaries	4,332,113	4,117,683
Financial assets at FVPL – Club debentures	2,473	2,720
	4,338,286	4,124,194
Current assets		
Amounts due from subsidiaries	666,295	681,682
Dividends receivable, prepayments and deposits	547,057	544,937
Cash and cash equivalents	108,247	24,429
	1,321,599	1,251,048
Total assets	5,659,885	5,375,242
EQUITY		
Capital and reserves attributable to owners of the Company		
Share capital and premium	3,201,995	3,201,995
Shares held for share award scheme	(13,595)	(15,645)
Other reserves	1,545,851	1,543,971
Retained earnings	326,796	445,525
Total equity	5,061,047	5,175,846
LIABILITIES		
Non-current liabilities		
Bank loans	105,726	–
Fixed rate bonds	277,165	–
	382,891	–
Current liabilities		
Accounts payable and accruals	10,738	5,101
Amounts due to subsidiaries	199,645	194,295
Bank loans	5,564	–
	215,947	199,396
Total liabilities	598,838	199,396
Total equity and liabilities	5,659,885	5,375,242

The statement of financial position of the Company was approved by the Board of Directors on 27 March 2025 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 option reserve USD'000	Share award reserve USD'000	Capital redemption reserve USD'000	Contributed surplus USD'000 (Note)	Total USD'000
At 1 January 2023	6,216	5,397	10,666	1,524,231	1,546,510
Transfer from share option reserve to retained earnings	(6,216)	–	–	–	(6,216)
Share-based compensation under share award scheme	–	7,889	–	–	7,889
Vesting of shares under share award scheme	–	(4,212)	–	–	(4,212)
At 31 December 2023 and 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	–	10,954	10,666	1,524,231	1,545,851

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:

	2024 USD'000	2023 USD'000
At 1 January	445,525	441,582
Vesting of shares under share award scheme	854	(154)
Transfer from share option reserve to retained earnings	–	6,216
Loss for the year	(27,667)	(2,119)
Payment of 2023 final dividend	(68,904)	–
Payment of 2024 interim dividend	(23,012)	–
At 31 December	326,796	445,525

45 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on 27 March 2025.

FIVE-YEAR SUMMARY

The financial summary of the Group for the last five years is as follows:

	Year ended 31 December				
Results	2024 USD'000	2023 USD'000	2022 USD'000	2021 USD'000	2020 USD'000
Profit/(Loss) attributable to:					
Owners of the Company	161,387	184,139	(158,519)	(290,575)	(460,161)
Non-controlling interests	21,539	17,537	(28,933)	(53,844)	(50,423)

	As at 31 December				
Assets and liabilities	2024 USD'000	2023 USD'000	2022 USD'000	2021 USD'000	2020 USD'000
Total assets	13,498,459	12,862,586	12,633,506	13,474,267	14,008,158
Total liabilities	8,061,289	7,394,543	7,208,991	7,424,403	7,693,411
Total equity	5,437,170	5,468,043	5,424,515	6,049,864	6,314,747

ABBREVIATIONS

In this Annual Report (except for the independent Auditor's report and the Financial Statements), the following expressions have the following meanings:

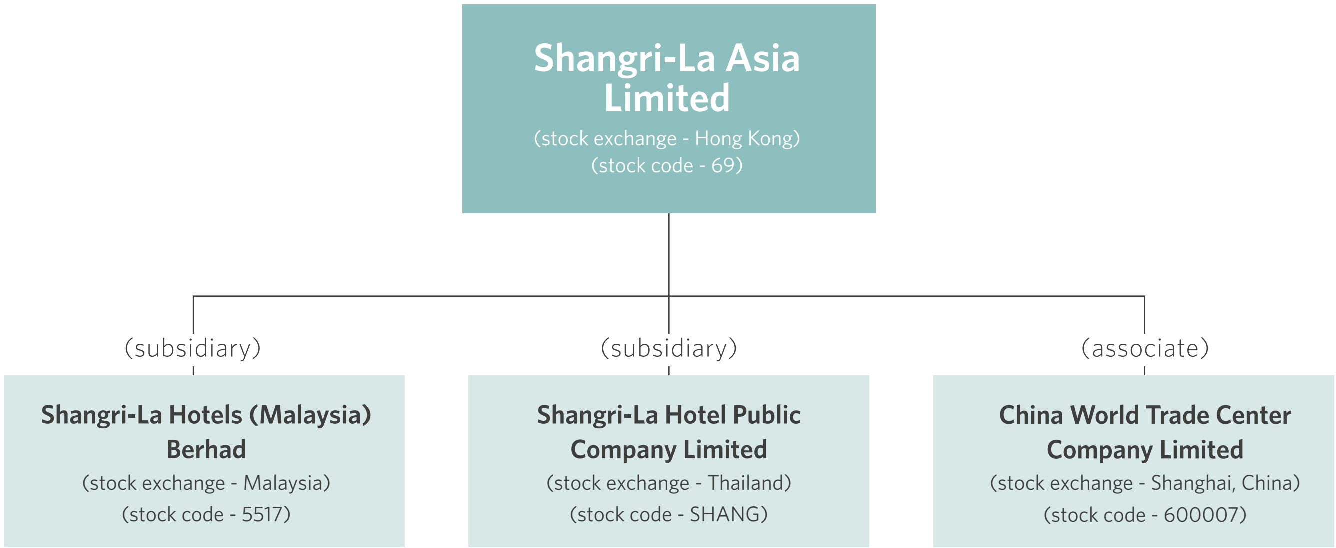
"Annual General Meeting"	forthcoming 2025 annual general meeting of the Company
"Annual Report"	this 2024 annual report of the Company
"Audit & Risk Committee" or "ARC"	audit & risk committee of the Company
"Auditor"	statutory auditor of the Company, currently being PricewaterhouseCoopers, Hong Kong
"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", "COO" and "CTO"	chief executive officer, chief financial officer, chief human resources officer, chief investment officer, chief operating officer and chief technology officer, respectively, of the Company/Group
"CG Model 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 Model 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 "Mainland China"	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 impairment losses on fixed assets which is a non-HKFRS financial measure used to measure the Group's operating profitability
"ESG"	environmental, social and governance

ABBREVIATIONS

"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 116 to 231 of this Annual Report
"Financial Year"	financial year ended 31 December 2024
"Group"	Company and its subsidiaries
"HKFRS"	Hong Kong Financial Reporting 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

"Securities Model Code"	code set out in 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 Mainland China, 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 2024 sustainability report published simultaneously with the Annual Report
"Year End"	31 December 2024

THE GROUP'S LISTED MEMBERS



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