

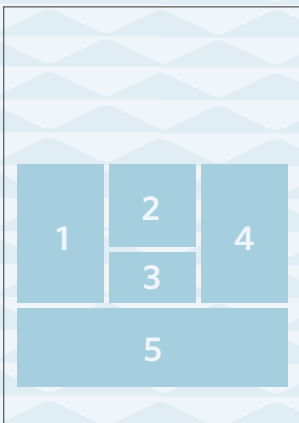
INTERIM REPORT 2025

SHANGRI-LA ASIA LIMITED

Incorporated in Bermuda with Limited Liability
Stock code: 69



SHANGRI-LA GROUP



Cover Photos:

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

As at 28 August 2025

BOARD OF DIRECTORS

Executive Directors

Ms KUOK Hui Kwong (*Chairman and
Group Chief Executive Officer*)
Mr CHUA Chee Wui (*Group Chief Financial Officer and
Group Chief Investment Officer*)

Non-executive Director

Mr LIM Beng Chee

Independent Non-executive Directors

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

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

SENIOR MANAGEMENT

Ms KUOK Hui Kwong (*Chairman and
Group Chief Executive Officer*)
Mr CHUA Chee Wui (*Group Chief Financial Officer and
Group Chief Investment Officer*)
Mr PAW Chuen Kee (*Group Chief Operating Officer*)
Mr PHONG Siew San Christopher (*Group Head of
Investment and Asset Management – Southeast Asia &
Australasia and Middle East, Europe, India & Americas*)
(from 1 September 2025)
Mr SOON Fook Soon (*Group Head of Strategy and
Business Transformation*)
Mr TUNG Pen Hung (*Group Chief Marketing Officer and
China Chief Executive Officer*)
Mr TEO Nee Chuan (*Group Head of Investment and Asset
Management – Mainland China and Hong Kong*)
(from 1 September 2025)

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

Hong Kong stock exchange – 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

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683 King's Road
Quarry Bay
Hong Kong SAR

KEY DATE

Announcement of 2025 final results
March 2026

FINANCIAL HIGHLIGHTS

The board of directors (“**Board**”) of Shangri-La Asia Limited (“**Company**”) wishes to announce the unaudited interim results of the Company and its subsidiaries (“**Group**”), and associates for the six months ended 30 June 2025. These results have been reviewed by the Company’s auditor, PricewaterhouseCoopers, in accordance with the Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” and by the audit & risk committee of the Board. The review report of the auditor is set out on page 4.

For the six months ended 30 June 2025, consolidated profit attributable to owners of the Company before non-operating items was USD50.9 million, a decrease of 13.9% or USD8.2 million, compared to USD59.1 million for the same period last year. Consolidated profit attributable to owners of the Company after accounting for non-operating items was USD57.9 million, a decrease of 38.7% or USD36.6 million, compared to USD94.5 million for the same period last year.

The Board has declared an interim dividend of HK5 cents (2024: HK5 cents) per ordinary share for 2025 payable on Friday, 10 October 2025, to shareholders whose names appear on the registers of members of the Company on Monday, 29 September 2025.

The following table summarises the highlights of our financial results:

	Six months ended 30 June		
	2025	2024	
	USD million	USD million	% change
Consolidated revenue	1,056.1	1,049.1	0.7%
Effective share of revenue ^(Note 1) of the Company, subsidiaries and associates	1,262.5	1,272.1	-0.8%
EBITDA ^(Note 2) of the Company and its subsidiaries	251.5	252.3	-0.3%
Effective share of EBITDA ^(Note 3) of the Company, subsidiaries and associates	369.5	381.5	-3.1%
Consolidated profit attributable to owners of the Company:			
– Operating items	50.9	59.1	-13.9%
– Non-operating items	7.0	35.4	-80.2%
Total	57.9	94.5	-38.7%
Earnings per share (US cents per share)	1.630	2.661	-38.7%

FINANCIAL HIGHLIGHTS

	30 June 2025	As at 31 December 2024	
	USD million	USD million	% change
Net assets attributable to owners of the Company	5,256.1	5,183.5	1.4%
Net assets per share attributable to owners of the Company (USD)	1.48	1.46	1.4%

Notes:

1. Effective share of revenue is the aggregate total of the Company's revenue and the Group's share of revenue of subsidiaries and associates based on percentage of equity interests.
 2. EBITDA, which is a non-HKFRS financial measure used to measure the Group's operating profitability, is defined as the earnings before finance costs, tax, depreciation and amortisation, gains/losses on disposal of fixed assets and non-operating items such as gains/losses on disposal of interest in investee companies; fair value gains/losses on investment properties and financial assets; and net impairment losses on fixed assets.
 3. Effective share of EBITDA is the aggregate total of the Company's EBITDA and the Group's share of EBITDA of subsidiaries and associates based on percentage of equity interests.
- Consolidated revenue for the six months ended 30 June 2025 was USD1,056.1 million, an increase of 0.7%, compared to USD1,049.1 million for the six months ended 30 June 2024. The increase was mainly due to increased consolidated revenue from Investment Properties but partially offset by reduced consolidated revenue from Hotel Properties on a year-on-year basis.
 - Effective share of revenue of the Company, subsidiaries and associates for the six months ended 30 June 2025 was USD1,262.5 million, a decrease of 0.8%, compared to USD1,272.1 million for the six months ended 30 June 2024. The effective share of revenue decrease was mainly due to decreased effective share of revenue from Hotel Properties but partially offset by increased effective share of revenue from Investment Properties.
 - Effective share of EBITDA of the Company, subsidiaries and associates for the six months ended 30 June 2025 was USD369.5 million, a decrease of 3.1%, compared to USD381.5 million for the six months ended 30 June 2024. The decrease was mainly due to decreased effective share of revenue.
 - Consolidated profit attributable to owners of the Company before non-operating items was USD50.9 million for the six months ended 30 June 2025, a decrease of 13.9%, compared to USD59.1 million for the six months ended 30 June 2024. This reduction was mainly driven by the aforementioned decline in the effective share of EBITDA. This impact was mitigated by savings in interest expenses and lower depreciation and amortisation on a year-on-year basis, but was dragged by foreign exchange losses compared to foreign exchange gains in the same period of 2024.
 - All in all, consolidated profit attributable to owners of the Company was USD57.9 million for the six months ended 30 June 2025, a decrease of 38.7%, compared to USD94.5 million for the six months ended 30 June 2024, due to lower net gains from non-operating items on a year-on-year basis. Such decrease in net gains from non-operating items was mainly due to less fair value gains from investment properties on a year-on-year basis and fair value losses in the period of 2025 compared to fair value gains in the same period of 2024 from financial instruments.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION



羅兵咸永道

TO THE BOARD OF DIRECTORS OF SHANGRI-LA ASIA LIMITED

(incorporated in Bermuda with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 5 to 37, which comprises the condensed consolidated interim statement of financial position of Shangri-La Asia Limited (the **"Company"**) and its subsidiaries (together, the **"Group"**) as at 30 June 2025 and the condensed consolidated interim statement of profit or loss, the condensed consolidated interim statement of comprehensive income, the condensed consolidated interim statement of changes in equity and the condensed consolidated interim statement of cash flows for the six-month period then ended, and selected explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" as issued by the Hong Kong Institute of Certified Public Accountants (the **"HKICPA"**). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" as issued by the HKICPA. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as issued by the HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" as issued by the HKICPA.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 28 August 2025

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

(All amounts in US dollar thousands)

		As at	
	Note	30 June 2025 Unaudited	31 December 2024 Audited
ASSETS			
<i>Non-current assets</i>			
Property, plant and equipment	5	3,802,486	3,768,173
Investment properties	5	1,822,730	1,784,273
Right-of-use assets	5	1,021,425	1,004,424
Intangible assets	5	102,173	103,132
Interest in associates		4,400,250	4,280,314
Deferred income tax assets		69,210	73,331
Financial assets at fair value through other comprehensive income	6	2,412	2,101
Financial assets at fair value through profit or loss	6	10,159	10,787
Derivative financial instruments	14	9,888	25,102
Other receivables	7	10,742	11,482
		11,251,475	11,063,119
<i>Current assets</i>			
Inventories		28,829	29,271
Properties for sale		50,241	52,577
Accounts receivable, prepayments and deposits	8	243,569	226,737
Amounts due from associates		126,774	160,157
Derivative financial instruments	14	15,749	24,658
Financial assets at fair value through profit or loss	6	13,881	10,948
Bank deposits with original maturities over 3 months		161,874	113,916
Cash and cash equivalents		2,506,783	1,817,076
		3,147,700	2,435,340
Total assets		14,399,175	13,498,459

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

(All amounts in US dollar thousands)

		As at	
	Note	30 June 2025 Unaudited	31 December 2024 Audited
EQUITY			
<i>Capital and reserves attributable to owners of the Company</i>			
Share capital and premium	9	3,201,995	3,201,995
Shares held for share award scheme	9	(17,008)	(13,595)
Other reserves	11	339,551	279,984
Retained earnings		1,731,582	1,715,142
		5,256,120	5,183,526
<i>Non-controlling interests</i>		263,351	253,644
Total equity		5,519,471	5,437,170
LIABILITIES			
<i>Non-current liabilities</i>			
Bank loans	12	4,832,105	4,708,500
Fixed rate bonds	13	1,182,482	771,291
Derivative financial instruments	14	24,682	21,100
Long-term lease liabilities		543,109	506,059
Loan from a non-controlling shareholder	15	38,452	38,452
Deferred income tax liabilities		331,883	321,297
		6,952,713	6,366,699
<i>Current liabilities</i>			
Accounts payable and accruals	16	519,429	599,329
Contract liabilities		121,340	107,407
Short-term lease liabilities		40,644	42,777
Amounts due to non-controlling shareholders	15	51,570	51,416
Current income tax liabilities		17,226	19,087
Bank loans	12	485,849	232,148
Fixed rate bonds	13	682,133	640,324
Derivative financial instruments	14	8,800	2,102
		1,926,991	1,694,590
Total liabilities		8,879,704	8,061,289
Total equity and liabilities		14,399,175	13,498,459

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

(All amounts in US dollar thousands unless otherwise stated)

		Six months ended 30 June	
		2025	2024
	Note	Unaudited	Unaudited
Revenue	4	1,056,063	1,049,113
Cost of sales	17	(466,243)	(467,615)
Gross profit		589,820	581,498
Other gains – net	18	35,872	17,564
Marketing costs	17	(40,798)	(40,923)
Administrative expenses	17	(142,093)	(125,382)
Other operating expenses	17	(281,032)	(296,777)
Operating profit		161,769	135,980
Finance costs – net			
– Interest expense	19	(149,212)	(150,536)
– Foreign exchange (losses)/gains	19	(6,889)	17,371
Share of profit of associates	20	99,057	153,449
Profit before income tax		104,725	156,264
Income tax expense	21	(40,956)	(48,374)
Profit for the period		63,769	107,890
Profit attributable to:			
Owners of the Company		57,914	94,482
Non-controlling interests		5,855	13,408
		63,769	107,890
Earnings per share for profit attributable to owners of the Company during the period (expressed in US cents per share)			
– basic	22	1.630	2.661
– diluted	22	1.616	2.646

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

(All amounts in US dollar thousands)

	Six months ended 30 June	
	2025	2024
	Unaudited	Unaudited
Profit for the period	63,769	107,890
Other comprehensive income/(loss):		
<i>Item that will not be reclassified subsequently to profit or loss</i>		
Effect of hyperinflation	4,121	9,530
<i>Items that may be reclassified subsequently to profit or loss</i>		
Fair value changes of interest rate swap and cross-currency swap contracts – hedging	(19,349)	(5,289)
Currency translation differences – subsidiaries	45,285	(55,596)
Currency translation differences – associates	38,872	(41,792)
Other comprehensive income/(loss) for the period	68,929	(93,147)
Total comprehensive income for the period	132,698	14,743
Total comprehensive income attributable to:		
Owners of the Company	118,917	9,733
Non-controlling interests	13,781	5,010
	132,698	14,743

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

(All amounts in US dollar thousands)

	Unaudited						
	Attributable to owners of the Company						Total equity
	Share capital and premium (Note 9)	Shares held for share award scheme (Note 9)	Other reserves (Note 11)	Retained earnings	Total	Non-controlling interests	
At 1 January 2025	3,201,995	(13,595)	279,984	1,715,142	5,183,526	253,644	5,437,170
Fair value changes of interest rate swap and cross-currency swap contracts – hedging	-	-	(19,349)	-	(19,349)	-	(19,349)
Currency translation differences	-	-	76,231	-	76,231	7,926	84,157
Effect of hyperinflation	-	-	-	4,121	4,121	-	4,121
Other comprehensive income for the period recognised directly in equity	-	-	56,882	4,121	61,003	7,926	68,929
Profit for the period	-	-	-	57,914	57,914	5,855	63,769
Total comprehensive income for the period	-	-	56,882	62,035	118,917	13,781	132,698
Shares purchased for share award scheme	-	(5,607)	-	-	(5,607)	-	(5,607)
Share-based compensation under share award scheme	-	-	5,086	-	5,086	-	5,086
Vesting of shares under share award scheme	-	2,194	(2,401)	207	-	-	-
Payment of 2024 final dividend	-	-	-	(45,802)	(45,802)	-	(45,802)
Dividend paid and payable to non-controlling shareholders	-	-	-	-	-	(4,110)	(4,110)
Injection of equity loans from non-controlling shareholders	-	-	-	-	-	36	36
	-	(3,413)	2,685	(45,595)	(46,323)	(4,074)	(50,397)
At 30 June 2025	3,201,995	(17,008)	339,551	1,731,582	5,256,120	263,351	5,519,471

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

(All amounts in US dollar thousands)

	Unaudited						
	Attributable to owners of the Company						Total equity
	Share capital and premium (Note 9)	Shares held for share award scheme (Note 9)	Other reserves (Note 11)	Retained earnings	Total	Non-controlling interests	
At 1 January 2024	3,201,995	(15,645)	406,450	1,629,620	5,222,420	245,623	5,468,043
Fair value changes of interest rate swap and cross-currency swap contracts – hedging	–	–	(5,289)	–	(5,289)	–	(5,289)
Currency translation differences	–	–	(88,990)	–	(88,990)	(8,398)	(97,388)
Effect of hyperinflation	–	–	–	9,530	9,530	–	9,530
Other comprehensive (loss)/income for the period recognised directly in equity	–	–	(94,279)	9,530	(84,749)	(8,398)	(93,147)
Profit for the period	–	–	–	94,482	94,482	13,408	107,890
Total comprehensive (loss)/income for the period	–	–	(94,279)	104,012	9,733	5,010	14,743
Shares purchased for share award scheme	–	(5,335)	–	–	(5,335)	–	(5,335)
Share-based compensation under share award scheme	–	–	4,353	–	4,353	–	4,353
Vesting of shares under share award scheme	–	3,306	(3,654)	348	–	–	–
Payment of 2023 final dividend	–	–	–	(68,701)	(68,701)	–	(68,701)
Dividend paid and payable to non-controlling shareholders	–	–	–	–	–	(4,172)	(4,172)
Injection of equity loans from non-controlling shareholders	–	–	–	–	–	743	743
	–	(2,029)	699	(68,353)	(69,683)	(3,429)	(73,112)
At 30 June 2024	3,201,995	(17,674)	312,870	1,665,279	5,162,470	247,204	5,409,674

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

(All amounts in US dollar thousands)

	Six months ended 30 June	
	2025 Unaudited	2024 Unaudited
Cash flows from operating activities		
Net cash generated from operations	150,759	168,744
Interest paid for loans and fixed rate bonds	(132,909)	(130,070)
Interest paid for lease liabilities	(13,770)	(13,854)
Profits tax paid	(27,115)	(26,523)
Net cash used in operating activities	(23,035)	(1,703)
Cash flows from investing activities		
Purchase of/capital expenditure on property, plant and equipment, investment properties and intangible assets	(29,862)	(50,856)
Proceeds from disposal of property, plant and equipment	483	330
Proceeds from disposal of investment properties	672	1,208
Capital injection to an associate	(2,200)	–
Cash received from capital reduction of associates	2,021	12,810
Injection of loans to associates	–	(1,126)
Repayment of loan from an associate	6,412	31,657
Interest received from associates	171	783
Interest received from short-term fund placements	779	650
Other interest received	36,508	22,165
Dividends received from associates	51,352	30,376
Purchase of financial assets at fair value through other comprehensive income	(311)	–
Dividends received from listed shares	593	756
Net (increase)/decrease in bank deposits with original maturities over 3 months	(47,958)	26,988
Net cash generated from investing activities	18,660	75,741
Cash flows from financing activities		
Dividend paid to owners of the Company	(45,802)	(68,701)
Dividends paid to non-controlling shareholders	(5,934)	(1,102)
Purchase of shares under share award scheme	(5,607)	(5,335)
Injection of loans from non-controlling shareholders	36	5,037
Principal elements of lease payments	(10,496)	(9,615)
Net increase in bank loans	356,921	949,059
Net proceeds from issuance of fixed rate bonds	375,408	139,662
Repayment of fixed rate bonds	–	(99,609)
Net interest received from cross-currency swap contracts	2,648	3,858
Net cash generated from financing activities	667,174	913,254
Net increase in cash and cash equivalents	662,799	987,292
Cash and cash equivalents at 1 January	1,817,076	870,797
Exchange gains/(losses) on cash and cash equivalents	26,908	(11,905)
Cash and cash equivalents at 30 June	2,506,783	1,846,184
Analysis of balances of cash and cash equivalents		
Cash and bank balances and short-term fund placements ^(Note)	2,668,657	1,916,021
Less: Bank deposits with original maturities over 3 months	(161,874)	(69,837)
Cash and cash equivalents	2,506,783	1,846,184

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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts in US dollar thousands unless otherwise stated)

1. GENERAL INFORMATION

The principal activities of the Group are the development, ownership and operation of hotel properties, the provision of hotel management and related services, the development, ownership and operation of investment properties and property development for sale.

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

The Company has its primary listing on the Main Board of The Stock Exchange of Hong Kong Limited with secondary listing on the Singapore Exchange Securities Trading Limited.

These condensed consolidated interim financial statements were approved by the Board for issue on 28 August 2025. These condensed consolidated interim financial statements have been reviewed by the Company's auditor in accordance with the Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

These unaudited condensed consolidated interim financial statements for the six months ended 30 June 2025 have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The financial statements have been prepared under the historical cost convention except that certain financial assets, financial liabilities (including derivative financial instruments) and investment properties are stated at fair value.

These condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2024, which have been prepared in accordance with HKFRS Accounting Standards (collectively including Hong Kong Financial Reporting Standards ("HKFRS"), HKAS and interpretations). The accounting policies and methods of computation used in the preparation of these condensed consolidated interim financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2024, except for the adoption of the following amendments to accounting standards which are relevant to the Group's operation and are mandatory for the financial year ending 31 December 2025:

HKAS 21 and HKFRS 1 (Amendments)	Lack of Exchangeability
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The adoption of these amendments to accounting standards has no material impact on the Group's financial statements. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts in US dollar thousands unless otherwise stated)

3. ESTIMATES

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2024.

4. REVENUE AND SEGMENT INFORMATION

The Group owns/leases and operates hotels and associated properties; and provides hotel management and related services. The Group also owns investment properties for property rentals and engages in property sales. Most of the associates are engaged in hotel ownership, property rentals and property sales and these revenues of the associates are not included in the consolidated revenue of the Group. Revenue recognised in the condensed consolidated interim financial statements during the period are as follows:

	Six months ended 30 June	
	2025	2024
Revenue		
Hotel properties		
Revenue from rooms	516,910	508,553
Food and beverage sales	361,017	371,179
Rendering of ancillary services	51,254	56,062
Hotel management and related services	45,893	45,348
Property development for sale	5,581	188
Other business	7,371	8,054
Revenue from contracts with customers	988,026	989,384
Investment properties	68,037	59,729
Total consolidated revenue	1,056,063	1,049,113

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts in US dollar thousands unless otherwise stated)

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

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

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts in US dollar thousands unless otherwise stated)

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment profit or loss

For the six months ended 30 June 2025 and 2024 (USD million)

	2025		2024	
	Revenue (Note (b))	Profit/(Loss) after tax (Note (a))	Revenue (Note (b))	Profit/(Loss) after tax (Note (a))
Hotel properties				
The People's Republic of China				
Hong Kong	158.4	16.4	150.6	10.8
Mainland China	298.1	(8.7)	326.9	(3.1)
Singapore	119.3	9.7	126.5	14.4
Malaysia	54.3	3.8	51.2	3.3
The Philippines	83.3	12.4	79.3	11.5
Japan	30.9	5.2	24.2	3.5
Thailand	31.3	4.8	31.3	6.8
France	31.3	1.9	25.6	(2.9)
Australia	42.4	(0.4)	40.8	(1.5)
United Kingdom	28.0	(8.8)	27.0	(8.4)
Mongolia	9.6	(0.8)	8.5	(1.8)
Sri Lanka	19.5	1.9	20.3	(0.3)
Other countries	22.8	-	23.5	(0.7)
	929.2	37.4	935.7	31.6
Hotel management and related services	122.6	16.0	119.3	15.0
Sub-total	1,051.8	53.4	1,055.0	46.6
Investment properties				
Mainland China	17.2	82.9	14.1	87.8
Singapore	7.6	6.1	6.9	4.9
Malaysia	2.4	0.3	2.1	0.3
Mongolia	19.6	6.4	17.5	4.4
Sri Lanka	13.8	7.1	11.9	0.9
Other countries	7.4	1.5	7.2	1.5
	68.0	104.3	59.7	99.8
Property development for sale	5.6	1.3	0.2	3.4
Other business	7.4	(2.6)	8.1	(2.5)
Total	1,132.8	156.4	1,123.0	147.3
Less: Hotel management and related services – Inter-segment revenue	(76.7)		(73.9)	
Total external revenue	1,056.1		1,049.1	
Corporate finance costs (net of interest income)		(81.6)		(80.4)
Land cost amortisation and project expenses		(3.4)		(3.5)
Corporate expenses		(11.6)		(12.5)
Exchange (losses)/gains of corporate investment holding companies		(8.9)		8.2
Profit before non-operating items		50.9		59.1

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts in US dollar thousands unless otherwise stated)

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment profit or loss (continued)

For the six months ended 30 June 2025 and 2024 (USD million)

	2025	2024
	Profit/(Loss) after tax (Note (a))	Profit/(Loss) after tax (Note (a))
Profit before non-operating items	50.9	59.1
Non-operating items		
Share of net fair value gains on investment properties	10.7	19.8
Unrealised gains/(losses) on financial assets at fair value through profit or loss	2.8	(0.8)
Fair value (losses)/gains on cross-currency swap contracts – non-hedging	(7.5)	6.7
Fair value adjustments on security deposits on leased premises	0.1	0.1
Foreign exchange gain arising from appreciation of Sri Lankan rupee	–	9.6
Insurance claims recovered from property damage	0.9	–
Total non-operating items	7.0	35.4
Consolidated profit attributable to owners of the Company	57.9	94.5

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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts in US dollar thousands unless otherwise stated)

5. CAPITAL EXPENDITURE

	Property, plant and equipment	Investment properties	Right-of-use assets	Intangible assets
A 1 January 2025	3,768,173	1,784,273	1,004,424	103,132
Additions	24,560	2,290	9,494	877
Fair value gains (Note 18)	–	5,864	–	–
Exchange differences	109,180	31,105	29,669	1,245
Disposals	(638)	(802)	–	(138)
Depreciation/amortisation (Note 17)	(98,789)	–	(22,162)	(2,943)
At 30 June 2025	3,802,486	1,822,730	1,021,425	102,173
At 1 January 2024	3,998,055	1,803,429	1,051,345	104,661
Additions	34,197	11,310	11,596	–
Fair value losses (Note 18)	–	(12,355)	–	–
Exchange differences	(57,054)	(7,568)	(12,610)	(383)
Disposals	(744)	(948)	–	–
Depreciation/amortisation (Note 17)	(105,606)	–	(22,142)	(4,052)
At 30 June 2024	3,868,848	1,793,868	1,028,189	100,226

Investment properties were stated at fair value (including those properties being constructed for future use as investment properties for which fair value becomes reliably determinable). All changes in the fair value of investment properties were recorded in the condensed consolidated interim statement of profit or loss for the six months ended 30 June 2025 and 2024.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts in US dollar thousands unless otherwise stated)

6. FINANCIAL ASSETS

	As at	
	30 June 2025	31 December 2024
<i>Non-current</i>		
Financial assets at fair value through other comprehensive income		
– Equity instruments	2,412	2,101
Financial assets at fair value through profit or loss		
– Club debentures	10,159	10,787
	12,571	12,888
<i>Current</i>		
Financial assets at fair value through profit or loss		
– Shares listed in Hong Kong	13,881	10,948

During the six months ended 30 June 2025 and 2024, there were no disposals of financial assets.

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

7. OTHER RECEIVABLES

	As at	
	30 June 2025	31 December 2024
Security deposits on leased premises	10,742	11,482

The following interest-free security deposits were paid to the lessors of the leased premises and will only be recoverable after expiry of the lease:

- JPY1,751,000,000 (equivalent to USD12,145,000) (31 December 2024: JPY1,751,000,000 (equivalent to USD11,164,000))
- RMB10,000,000 (equivalent to USD1,397,000) (31 December 2024: RMB10,000,000 (equivalent to USD1,391,000))

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

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts in US dollar thousands unless otherwise stated)

8. ACCOUNTS RECEIVABLE, PREPAYMENTS AND DEPOSITS

	As at	
	30 June 2025	31 December 2024
Trade receivables	94,792	89,987
Less: Provision for impairment of receivables	(11,260)	(10,184)
Trade receivables – net (Note (b))	83,532	79,803
Other receivables	57,445	54,771
Prepayments and other deposits	102,592	92,163
	243,569	226,737

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

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

Notes:

- (a) The fair values of the trade and other receivables are not materially different from their carrying values.
- (b) A significant part of the Group's sales are by credit cards or against payment of deposits. The remaining amounts are with general credit term of 30 days. The Group has a defined credit policy. The ageing analysis of the trade receivables based on invoice date after provision for impairment is as follows:

	As at	
	30 June 2025	31 December 2024
0 – 3 months	69,290	65,790
4 – 6 months	6,584	6,847
Over 6 months	7,658	7,166
	83,532	79,803

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts in US dollar thousands unless otherwise stated)

9. SHARE CAPITAL AND PREMIUM AND SHARES HELD FOR SHARE AWARD SCHEME

		Amount		
	Number of shares (‘000)	Share capital	Share premium	Total
Share capital and premium				
Authorised				
– Ordinary shares of HKD1 each				
At 1 January 2024, 31 December 2024 and 30 June 2025	5,000,000	646,496	–	646,496
Issued and fully paid				
– Ordinary shares of HKD1 each				
At 1 January 2024, 31 December 2024 and 30 June 2025	3,585,525	462,904	2,739,091	3,201,995
Shares held for share award scheme				
At 1 January 2024	(20,812)	(2,685)	(12,960)	(15,645)
Shares purchased for share award scheme	(7,804)	(1,007)	(4,328)	(5,335)
Vesting of shares under share award scheme	4,510	582	2,724	3,306
At 30 June 2024	(24,106)	(3,110)	(14,564)	(17,674)
Vesting of shares under share award scheme	5,578	720	3,359	4,079
At 31 December 2024 and 1 January 2025	(18,528)	(2,390)	(11,205)	(13,595)
Shares purchased for share award scheme	(10,000)	(1,290)	(4,317)	(5,607)
Vesting of shares under share award scheme	3,196	412	1,782	2,194
At 30 June 2025	(25,332)	(3,268)	(13,740)	(17,008)

As at 30 June 2025, except for shares held for share award scheme as shown above, 10,501,055 (31 December 2024: 10,501,055) ordinary shares in the Company were held by a subsidiary which was acquired in late 1999. The cost of these shares was recognised in equity in prior years.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts in US dollar thousands unless otherwise stated)

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

Share awards

During the six months ended 30 June 2025, the share award scheme of the Group acquired 10,000,000 ordinary shares in the Company through purchases on the open market and 3,195,800 shares were transferred to the awardees upon vesting of the awarded shares. The remaining 25,331,900 shares were held in trust under the share award scheme as at 30 June 2025. Details of the share award scheme were disclosed in Note 10 to the condensed consolidated interim financial statements.

10. SHARE AWARD SCHEME

The Group operates the share award scheme as part of the benefits for its employees and the Company's directors which allows shares of the Company to be granted to the awardees. The awarded shares are either newly issued by the Company or purchased on the open market and held in trust before vesting.

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

The fair values of the awarded shares granted are based on the quoted market price of the Company on the grant dates which are amortised over the relevant vesting periods. During the six months ended 30 June 2025, a total of 3,195,800 shares was vested to the qualified awardees. There were no shares granted to the qualified awardees during the period. A total of 25,331,900 shares were held in trust under the share award scheme as at 30 June 2025. During the period, an expense of USD5,086,000 (2024: USD4,353,000) for the award shares granted was charged to the condensed consolidated interim statement of profit or loss.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts in US dollar thousands unless otherwise stated)

10. SHARE AWARD SCHEME (CONTINUED)

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

Grant date	Fair value per share	Number of awarded shares granted	Number of awarded shares vested			Vesting period
			Before 2024	For the year ended 31 December 2024	For the six months ended 30 June 2025	
In year 2021						
1 Apr 2021	HKD7.86	52,000	52,000	–	–	Nil
7 Jun 2021	HKD7.27	5,986,000	3,326,000	1,366,000	–	7 Jun 2021 to 7 Jun 2024
15 Oct 2021	HKD6.35	80,000	80,000	–	–	Nil
15 Oct 2021	HKD6.35	268,000	160,000	44,000	–	15 Oct 2021 to 15 Oct 2024
Total for 2021		6,386,000				
In year 2022						
6 May 2022	HKD5.85	12,458,000	3,610,000	3,144,000	2,879,000	6 May 2022 to 6 May 2025
Total for 2022		12,458,000				
In year 2023						
17 Jul 2023	HKD6.37	18,930,100	–	5,534,300	52,400	17 Jul 2023 to 17 Jul 2026
Total for 2023		18,930,100				
In year 2024						
2 Jan 2024	HKD5.36	522,900	–	–	174,300	2 Jan 2024 to 1 Jan 2027
5 Jul 2024	HKD5.49	15,390,300	–	–	90,100	5 Jul 2024 to 5 Jul 2027
2 Oct 2024	HKD5.64	247,700	–	–	–	2 Oct 2024 to 20 Feb 2027
Total for 2024		16,160,900				
Grand Total		53,935,000	7,228,000	10,088,300	3,195,800	

Further details of the share award scheme are set out under the section headed “Share Award Scheme” of the Company’s 2024 annual report.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts in US dollar thousands unless otherwise stated)

11. OTHER RESERVES

	Share award reserve	Hedging reserve	Capital redemption reserve	Exchange fluctuation reserve	Capital reserve	Asset revaluation reserve	Other reserve (Note (a))	Contributed surplus (Note (b))	Total
At 1 January 2025	10,954	26,529	10,666	(781,587)	601,490	20,823	1,368	389,741	279,984
Fair value changes of interest rate swap and cross-currency swap contracts – hedging	-	(19,349)	-	-	-	-	-	-	(19,349)
Currency translation differences	-	-	-	76,231	-	-	-	-	76,231
Share-based compensation under share award scheme	5,086	-	-	-	-	-	-	-	5,086
Vesting of shares under share award scheme	(2,401)	-	-	-	-	-	-	-	(2,401)
At 30 June 2025	13,639	7,180	10,666	(705,356)	601,490	20,823	1,368	389,741	339,551
At 1 January 2024	9,074	59,255	10,666	(685,967)	601,490	20,823	1,368	389,741	406,450
Fair value changes of interest rate swap and cross-currency swap contracts – hedging	-	(5,289)	-	-	-	-	-	-	(5,289)
Currency translation differences	-	-	-	(88,990)	-	-	-	-	(88,990)
Share-based compensation under share award scheme	4,353	-	-	-	-	-	-	-	4,353
Vesting of shares under share award scheme	(3,654)	-	-	-	-	-	-	-	(3,654)
At 30 June 2024	9,773	53,966	10,666	(774,957)	601,490	20,823	1,368	389,741	312,870

Notes:

- 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.
- 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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts in US dollar thousands unless otherwise stated)

12. BANK LOANS

	As at	
	30 June 2025	31 December 2024
Bank loans	5,317,954	4,940,648
Less: Non-current portion	(4,832,105)	(4,708,500)
Current portion	485,849	232,148

The maturity of bank loans is as follows:

	As at	
	30 June 2025	31 December 2024
Within one year	485,849	232,148
In the second year	1,174,478	1,148,552
In the third to fifth years	3,422,959	3,181,256
Repayable within five years	5,083,286	4,561,956
After five years	234,668	378,692
	5,317,954	4,940,648

As at 30 June 2025 and 31 December 2024, all bank loans are unsecured.

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

30 June 2025						
	HKD	RMB	USD	JPY	FJD	
Bank loans	1.67%	3.75%	5.30%	1.22%	3.75%	

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts in US dollar thousands unless otherwise stated)

12. BANK LOANS (CONTINUED)

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

	As at	
	30 June 2025	31 December 2024
Hong Kong dollars (HKD)	473,626	786,413
Renminbi (RMB)	3,793,102	3,087,066
United States dollars (USD)	940,625	941,645
Japanese yen (JPY)	107,276	104,645
Fijian dollars (FJD)	3,325	3,625
Singapore dollars (SGD)	–	17,254
	5,317,954	4,940,648

The Group has the following undrawn borrowing facilities:

	As at	
	30 June 2025	31 December 2024
Floating rate		
– expiring within one year	81,510	11,287
– expiring beyond one year	593,062	332,651
Fixed rate		
– expiring within one year	–	–
– expiring beyond one year	55,877	989,093
	730,449	1,333,031

13. FIXED RATE BONDS

In April 2025, the Company issued two tranches of fixed rate bonds totalling RMB1,000,000,000 (equivalent to USD138,862,000) 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 2.18% and 2.49% per annum, respectively.

In June 2025, the Company issued two tranches of fixed rate bonds totalling RMB1,000,000,000 (equivalent to USD139,692,000) at 100% of the face value, comprising RMB500,000,000 at a 3-year term and RMB500,000,000 at a 5-year term with coupon rates of 2.03% and 2.38% per annum, respectively.

In June 2025, a subsidiary of the Company issued 7-year fixed rate bonds in an aggregated amount of SGD125,000,000 (equivalent to USD98,078,000) at 100% of the face value with a coupon rate of 3.54% per annum.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts in US dollar thousands unless otherwise stated)

13. FIXED RATE BONDS (CONTINUED)

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

	Coupon rate per annum	Maturity	At 31 December 2024	New issuance during the period	Repayment during the period	Exchange differences	At 30 June 2025
Bonds issued in 2018							
SGD825,000,000	4.50%	Nov 2025	605,727	–	–	41,586	647,313
USD35,000,000	5.23%	Nov 2025	35,000	–	–	–	35,000
Bonds issued in 2019							
SGD165,000,000	4.10%	Jun 2027	121,145	–	–	8,318	129,463
Bonds issued in 2020							
SGD250,000,000	3.50%	Jan 2030	183,554	–	–	12,601	196,155
Bonds issued in 2021							
SGD100,000,000	3.50%	Jan 2030	73,422	–	–	5,040	78,462
Bonds issued in 2023							
SGD160,000,000	4.40%	Aug 2028	117,474	–	–	8,065	125,539
Bonds issued in 2024							
RMB1,000,000,000	2.50%	Jun 2027	139,113	–	–	579	139,692
RMB600,000,000	2.27%	Jul 2027	83,468	–	–	347	83,815
RMB400,000,000	2.50%	Jul 2029	55,645	–	–	232	55,877
Bonds issued in 2025							
RMB600,000,000	2.18%	Apr 2028	–	83,317	–	498	83,815
RMB400,000,000	2.49%	Apr 2030	–	55,545	–	332	55,877
RMB500,000,000	2.03%	Jun 2028	–	69,846	–	–	69,846
RMB500,000,000	2.38%	Jun 2030	–	69,846	–	–	69,846
SGD125,000,000	3.54%	Jun 2032	–	98,078	–	–	98,078
Face value			1,414,548	376,632	–	77,598	1,868,778
Unamortised discount and issuing expenses			(2,933)				(4,163)
Carrying amount			1,411,615				1,864,615
Less: Non-current portion			(771,291)				(1,182,482)
Current portion			640,324				682,133

As at 30 June 2025 and 31 December 2024, all fixed rate bonds are unsecured.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts in US dollar thousands unless otherwise stated)

14. DERIVATIVE FINANCIAL INSTRUMENTS

	As at	
	30 June 2025	31 December 2024
<i>Non-current assets</i>		
Interest rate swap contracts		
– cash flow hedge	9,888	24,346
Cross-currency swap contracts		
– held for trading	–	756
	9,888	25,102
<i>Current assets</i>		
Interest rate swap contracts		
– cash flow hedge	15,749	24,399
Cross-currency swap contracts		
– held for trading	–	259
	15,749	24,658
Total	25,637	49,760
<i>Non-current liabilities</i>		
Cross-currency swap contracts		
– cash flow hedge	16,310	20,909
– held for trading	8,372	191
	24,682	21,100
<i>Current liabilities</i>		
Cross-currency swap contracts		
– cash flow hedge	2,148	1,307
– held for trading	6,652	795
	8,800	2,102
Total	33,482	23,202

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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14. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

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.

The notional principal amounts of the outstanding HIBOR and SOFR interest rate swap contracts at 30 June 2025 are as follows:

- USD600,000,000 (31 December 2024: USD600,000,000) with a fixed interest rate of 1.460% (31 December 2024: 1.460%) per annum maturing in March 2027.
- HKD3,620,000,000 (equivalent to USD467,097,000) (31 December 2024: HKD3,620,000,000 (equivalent to USD467,097,000)) with fixed interest rates vary from 1.505% to 1.855% (31 December 2024: 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.

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(All amounts in US dollar thousands unless otherwise stated)

14. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Cross-currency swap contracts (continued)

During the year ended 31 December 2019, a wholly owned subsidiary of the Company entered into a cross-currency swap contract amounting to JPY8,000,000,000 to hedge the JPY bank borrowings of the same amount, under which the principal amount was exchanged at inception to HKD578,754,000 at an exchange rate of JPY13.8228 to HKD1 and will be re-exchanged on expiry date in July 2026 at the same exchange rate. Under the contract, a fixed interest rate of 3.345% per annum on the exchanged Hong Kong dollar principal amounts would be paid and a floating interest rate of TONAR+0.675% per annum on the JPY principal amount would be received. The cross-currency swap contract qualifies for hedge accounting and is highly effective.

During the year ended 31 December 2018, a wholly owned subsidiary of the Company entered into a cross-currency 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.

15. BALANCES WITH NON-CONTROLLING SHAREHOLDERS

(a) Amounts due to non-controlling shareholders (current portion) are unsecured and with the following terms:

	As at	
	30 June 2025	31 December 2024
Interest free	32,668	32,761
Fixed rate at 1.8% (31 December 2024: 1.8%) per annum and repayable within one year	18,902	18,655
	51,570	51,416

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

	As at	
	30 June 2025	31 December 2024
Fixed rate at 5.0% (31 December 2024: 5.0%) per annum and not repayable within one year	38,452	38,452

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts in US dollar thousands unless otherwise stated)

16. ACCOUNTS PAYABLE AND ACCRUALS

	As at	
	30 June 2025	31 December 2024
Trade payables	59,506	78,795
Other payables and accrued expenses	459,923	520,534
	519,429	599,329

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

	As at	
	30 June 2025	31 December 2024
0 – 3 months	52,528	72,646
4 – 6 months	4,068	3,999
Over 6 months	2,910	2,150
	59,506	78,795

17. EXPENSES BY NATURE

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

	Six months ended 30 June	
	2025	2024
Depreciation of property, plant and equipment (Note 5)	98,789	105,606
Amortisation of trademark, and website and system development (Note 5)	2,943	4,052
Depreciation of right-of-use assets (Note 5)	22,162	22,142
Employee benefit expenses excluding directors' emoluments	391,716	385,528
Cost of sales of properties	2,032	255
Cost of inventories sold and consumed in operation	127,416	131,369
Loss on disposal of property, plant and equipment; and partial replacement of investment properties	709	749
Pre-opening expenses	2,023	2,757

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts in US dollar thousands unless otherwise stated)

18. OTHER GAINS – NET

	Six months ended 30 June	
	2025	2024
Gains on short-term investments	3,712	34
Fair value losses on club debentures	(628)	(669)
Fair value (losses)/gains on cross-currency swap contracts	(12,406)	12,167
Fair value gains/(losses) on investment properties (Note 5)	5,864	(12,355)
Interest income	37,389	17,036
Dividend income from listed shares	593	756
Gain on sale of investment properties	424	595
Insurance claims recovered from property damage	924	–
	35,872	17,564

19. FINANCE COSTS – NET

	Six months ended 30 June	
	2025	2024
Interest expense on:		
– bank loans	118,086	140,691
– fixed rate bonds	29,564	26,594
– other loans	999	54
– interest rate swap contracts	(12,965)	(29,961)
– lease liabilities	13,770	13,854
	149,454	151,232
Less: Amount capitalised	(242)	(696)
	149,212	150,536
Foreign exchange losses/(gains)	6,889	(17,371)
	156,101	133,165

The effective capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is 3.98% (2024: 4.45%) per annum.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts in US dollar thousands unless otherwise stated)

20. SHARE OF PROFIT OF ASSOCIATES

	Six months ended 30 June	
	2025	2024
Share of profit before tax of associates before share of net fair value changes of investment properties	124,023	142,534
Share of net fair value changes of investment properties	11,802	58,570
Share of profit before tax of associates	135,825	201,104
Share of tax before provision for deferred tax on net fair value changes of investment properties	(33,799)	(32,988)
Share of provision for deferred tax on net fair value changes of investment properties	(2,969)	(14,667)
Share of associates' taxation	(36,768)	(47,655)
Share of profit of associates	99,057	153,449

21. INCOME TAX EXPENSE

Hong Kong profits tax is provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits of group companies operating in Hong Kong. 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.

	Six months ended 30 June	
	2025	2024
Current income tax		
– Hong Kong profits tax	–	2
– overseas taxation	25,344	29,497
Deferred income tax	15,612	18,875
	40,956	48,374

The Group is subject to the Organisation for Economic Co-operation and Development (“OECD”) Pillar Two model rules. In accordance with accounting standards, the Group has applied the mandatory temporary exception for deferred taxes related to these rules and has recognised no current top-up tax expense for the six months ended 30 June 2025.

Under the Pillar Two model 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 rate exceed 15% in most jurisdictions, except for its operations in Fiji, Sri Lanka, British Virgin Islands and Samoa where tax exemptions and/or local tax laws result in effective tax rates below 15%. However, for these specific jurisdictions, the top-up tax exposure is not expected to be material due to substance based income exclusions and tax adjustments under Pillar Two model rules.

Based on management's assessment, the Pillar Two rules are not expected to have a material financial impact on the Group.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts in US dollar thousands unless otherwise stated)

22. EARNINGS PER SHARE

Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period after adjustment of those issued ordinary shares of the Company held by a subsidiary and the share award scheme.

	Six months ended 30 June	
	2025	2024
Profit attributable to owners of the Company (USD'000)	57,914	94,482
Weighted average number of ordinary shares in issue (thousands)	3,553,758	3,550,908
Basic earnings per share (US cents per share)	1.630	2.661

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 six months ended 30 June 2025 and 2024.

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

	Six months ended 30 June	
	2025	2024
Profit attributable to owners of the Company (USD'000)	57,914	94,482
Weighted average number of ordinary shares in issue (thousands)	3,553,758	3,550,908
Adjustments (thousands)	28,998	20,362
Weighted average number of ordinary shares for diluted earnings per share (thousands)	3,582,756	3,571,270
Diluted earnings per share (US cents per share)	1.616	2.646

23. DIVIDENDS

	Six months ended 30 June	
	2025	2024
Interim dividend of HK5 cents (2024: HK5 cents) per ordinary share	22,967	22,945

Notes:

- (a) 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, which was paid on 27 June 2025, and has been reflected as a charge against retained earnings for the six months ended 30 June 2025.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts in US dollar thousands unless otherwise stated)

23. DIVIDENDS (CONTINUED)

Notes: (continued)

- (b) At a meeting held on 28 August 2025, the Board declared an interim dividend of HK5 cents per ordinary share for the year ending 31 December 2025. This declared dividend is not reflected as a dividend payable in these financial statements but reflected as an appropriation of retained earnings for the year ending 31 December 2025. The declared interim dividend of USD22,967,000 for the six months ended 30 June 2025 is calculated based on 3,585,525,056 shares of the Company in issue as at 28 August 2025 after elimination on consolidation the amount of USD68,000 for the 10,501,055 ordinary shares in the Company held by a subsidiary of the Company and USD97,000 for 15,155,100 ordinary shares held by the Company's share award trust for the share award scheme.

24. FINANCIAL GUARANTEES, CONTINGENCIES AND CHARGES OVER ASSETS

(a) Financial guarantees

The Group executed proportionate guarantees in favour of banks for securing banking facilities granted to certain associates. The utilised amount of such facilities covered by the Group's guarantees for these associates as at 30 June 2025 amounted to USD113,927,000 (31 December 2024: USD105,958,000).

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

(b) Contingent liabilities

As at 30 June 2025 and 31 December 2024, there were no material contingent liabilities.

(c) Charges over assets

As at 30 June 2025 and 31 December 2024, there were no charges over assets for borrowings.

25. COMMITMENTS

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

	As at	
	30 June 2025	31 December 2024
Existing properties – property, plant and equipment and investment properties		
– contracted but not provided for	10,414	11,046
– authorised but not contracted for	15,339	17,323
Development projects		
– contracted but not provided for	13,397	12,497
– authorised but not contracted for	59,633	62,169
Total	98,783	103,035

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts in US dollar thousands unless otherwise stated)

26. 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:

		Six months ended 30 June	
		2025	2024
(a)	Transactions with subsidiaries of KHL during the period (other than subsidiaries of the Company)		
	Receipt of hotel management, consultancy and related services and royalty fees	10,266	9,305
	Reimbursement of office expenses and payment of administration and related expenses	91	66
	Reimbursement of office rental, management fees and rates	92	26
	Payment of office rental, management fees and rates	2,777	2,765
	Purchase of wine	287	365
(b)	Transactions with associates of the Group during the period (other than the subsidiaries of KHL included under item (a) above)		
	Receipt of hotel management, consultancy and related services and royalty fees	13,831	14,029
	Receipt of laundry services	83	292
		As at	
		30 June 2025	31 December 2024
(c)	Financial assistance provided to subsidiaries of KHL (other than subsidiaries of the Company)		
	Balance of loans to associates of the Group	114,329	114,306
	Balance of guarantees executed in favour of banks for securing bank loans/facilities granted to associates of the Group	99,307	92,846
(d)	Financial assistance provided to associates of the Group (excluding item (c) above)		
	Balance of loans to associates of the Group	6,662	6,647
	Balance of guarantees executed in favour of banks for securing bank loans/facilities granted to associates of the Group	14,620	13,112

There are no material changes to the terms of the above transactions during the period.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts in US dollar thousands unless otherwise stated)

26. RELATED PARTY TRANSACTIONS (CONTINUED)

		Six months ended 30 June	
		2025	2024
(e)	Key management compensation		
	Fees, salaries and other short-term employee benefits of executive directors	1,602	1,421
	Post-employment benefits of executive directors	16	16
		1,618	1,437

27. 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 definitions, valuation technique and inputs used in the fair value measurements for financial instruments under Level 1, Level 2 and Level 3 are consistent with those used in the Group's annual financial statements for the year ended 31 December 2024.

The following tables present the Group's financial assets and liabilities that are measured at fair value as at 30 June 2025 and 31 December 2024:

	Level 1	Level 2	Level 3	Total
At 30 June 2025				
Assets				
Financial assets at fair value through profit or loss (Note 6)				
– Club debentures	10,159	–	–	10,159
– Listed shares	13,881	–	–	13,881
Financial assets at fair value through other comprehensive income (Note 6)				
– Equity instruments	–	–	2,412	2,412
Derivative financial instruments (Note 14)				
– Interest rate swap contracts	–	25,637	–	25,637
Total	24,040	25,637	2,412	52,089
Liabilities				
Derivative financial instruments (Note 14)				
– Cross-currency swap contracts	–	33,482	–	33,482

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts in US dollar thousands unless otherwise stated)

27. FAIR VALUE ESTIMATION OF FINANCIAL INSTRUMENTS (CONTINUED)

	Level 1	Level 2	Level 3	Total
At 31 December 2024				
Assets				
Financial assets at fair value through profit or loss (Note 6)				
– Club debentures	10,787	–	–	10,787
– Listed shares	10,948	–	–	10,948
Financial assets at fair value through other comprehensive income (Note 6)				
– Equity instruments	–	–	2,101	2,101
Derivative financial instruments (Note 14)				
– Interest rate swap contracts	–	48,745	–	48,745
– Cross-currency swap contracts	–	1,015	–	1,015
Total	21,735	49,760	2,101	73,596
Liabilities				
Derivative financial instruments (Note 14)				
– Cross-currency swap contracts	–	23,202	–	23,202

There were no transfers between the levels of fair value hierarchy of the Group's financial assets and liabilities during the six months ended 30 June 2025 and 2024.

28. EVENT AFTER THE REPORTING PERIOD

In July 2025, the Group issued two tranches of 7-year term fixed rate bonds totalling SGD400,000,000 (equivalent to USD313,849,000) comprising SGD100,000,000 and SGD300,000,000 with coupon rates of 3.54% and 3.48% per annum, respectively.

DISCUSSION AND ANALYSIS

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

- **Hotel Properties** – development, ownership and operation of hotel properties (including hotels under 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 purpose
- **Property Development for Sale** – development and sale of real estate properties

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

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

DISCUSSION AND ANALYSIS

The following table summarises the hotels and rooms of the Group as at 30 June 2025:

Brands	Owned/Leased		Managed		Total Operating Hotels		Hotels Under Development	
	Hotels	Rooms (in '000)	Hotels	Rooms (in '000)	Hotels	Rooms (in '000)	Owned/ Leased Hotels	Hotels under Management Contracts
 SHANGRI-LA	73	30.8	18	5.8	91	36.6	4	1
 SHANGRI-LA SIGNATURES	1	0.1	–	–	1	0.1	–	–
 KERRY HOTELS	3	1.6	–	–	3	1.6	–	–
 JEN BY SHANGRI-LA	8	3.0	1	0.4	9	3.4	–	1
 TRADERS HOTELS	–	–	2	0.9	2	0.9	1	–
Total	85	35.5	21	7.1	106	42.6	5	2

Notes:

- (1) The Silk Lakehouse, Shangri-La Hangzhou (45% equity interest owned by the Group) in Mainland China, under the new brand Shangri-La Signatures, opened for business in May 2025.
- (2) The hotel management agreement with Shangri-La Vancouver (a management hotel owned by a third party) in Canada was terminated in June 2025.

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

(in thousand square metres)	Group's equity interest	Total GFA of the operating investment properties as at 30 June 2025		
		Office spaces	Commercial spaces	Serviced apartments/ residences
Mainland China	20.0-100.0%	1,077.6	731.2	266.5
Malaysia	52.78%	45.2	8.5	17.4
Singapore	44.6-100.0%	3.3	22.9	24.7
Australia	100.0%	0.5	11.4	–
Mongolia	51.0%	58.0	39.6	30.0
Myanmar	55.86-59.28%	37.6	11.8	56.8
Sri Lanka	90.0%	59.9	79.5	3.7
Total		1,282.1	904.9	399.1

DISCUSSION AND ANALYSIS

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

The following table shows the Group's profit or loss for the six months ended 30 June 2025 and 2024 presented in both the conventional financial statement format and the effective share format, respectively. Amounts presented in the conventional financial statement format refer to the aggregate total of the Company and its subsidiaries on a 100% basis less non-controlling interests and add the share of profit of associates to arrive at the Group's final reported profit or loss attributable to owners of the Company. The alternative presentation of the Group's profit or loss at effective share is a non-HKFRS financial presentation format and the amounts presented at effective share represent the aggregate total of the Company and the Group's share of subsidiaries and associates based on percentage of equity interests.

(USD million)	Profit or loss for the six months ended 30 June 2025		Profit or loss for the six months ended 30 June 2024		% change	
	Financial statement format	Effective share	Financial statement format	Effective share	Financial statement format	Effective share
Revenue	1,056.1	1,262.5	1,049.1	1,272.1	0.7%	-0.8%
Cost of sales	(466.3)	(525.0)	(467.6)	(525.6)	0.3%	0.1%
Gross profit	589.8	737.5	581.5	746.5	1.4%	-1.2%
Operating expenses	(339.3)	(368.8)	(330.6)	(366.1)	-2.6%	-0.7%
Other gains – Operating items	1.0	0.8	1.4	1.1	-28.6%	-27.3%
EBITDA	251.5	369.5	252.3	381.5	-0.3%	-3.1%
Depreciation and amortisation	(123.9)	(135.7)	(131.8)	(143.8)	6.0%	5.6%
Loss on disposal of fixed assets	(0.7)	(0.7)	(0.7)	(0.7)	0.0%	0.0%
Interest income	37.4	37.8	17.0	19.7	120.0%	91.9%
Other (losses)/gains – Non-operating items	(2.5)	10.8	(0.8)	48.6	-212.5%	-77.8%
Operating profit	161.8	281.7	136.0	305.3	19.0%	-7.7%
Finance cost – net						
– Interest expense						
– Operating items	(149.3)	(143.0)	(150.6)	(135.9)	0.9%	-5.2%
– Non-operating items	0.1	0.1	0.1	0.1	0.0%	0.0%
– Foreign exchange (losses)/gains						
– Operating items	(6.9)	(7.0)	6.7	7.1	N/M	N/M
– Non-operating items	–	–	10.7	9.6	N/M	N/M
Share of profit of associates	99.1	–	153.4	–	-35.4%	N/M
Profit before income tax	104.8	131.8	156.3	186.2	-32.9%	-29.2%
Income tax expense						
– Operating items	(39.5)	(69.9)	(39.1)	(68.8)	-1.0%	-1.6%
– Non-operating items	(1.5)	(4.0)	(9.3)	(22.9)	83.9%	82.5%
Profit for the period	63.8	57.9	107.9	94.5	-40.9%	-38.7%
Less: Profit attributable to non-controlling interests	(5.9)	–	(13.4)	–	56.0%	N/M
Profit attributable to owners of the Company	57.9	57.9	94.5	94.5	-38.7%	-38.7%

N/M: not meaningful

FINANCIAL HIGHLIGHTS

- Consolidated revenue for the six months ended 30 June 2025 was USD1,056.1 million, an increase of 0.7%, compared to USD1,049.1 million for the corresponding period in 2024. The increase was primarily driven by higher consolidated revenue from Investment Properties but partially offset by lower consolidated revenue from Hotel Properties on a year-on-year basis.
- Effective share of revenue for the six months ended 30 June 2025 was USD1,262.5 million, a decrease of 0.8%, compared to USD1,272.1 million for the same period in 2024. The decrease was mainly attributable to lower effective share of revenue from Hotel Properties, partially mitigated by an increase in effective share of revenue from Investment Properties.
- Effective share of EBITDA for the six months ended 30 June 2025 was USD369.5 million, a decrease of 3.1%, compared to USD381.5 million for the same period in 2024. The decline was mainly due to the decrease in effective share of revenue.
- Effective share of operating profit for the six months ended 30 June 2025 was USD281.7 million, a decrease of 7.7%, compared to USD305.3 million for the same period in 2024. The decline was primarily due to year-on-year decrease in other (losses)/gains – non-operating items, reflecting a lower fair value gain from Investment Properties and a fair value loss from financial instruments in 2025 versus a gain in 2024. The decrease was partially offset by higher interest income and reduced depreciation expenses.
- Effective share of profit before income tax was USD131.8 million for the six months ended 30 June 2025, a reduction of 29.2%, compared to USD186.2 million for the corresponding period in 2024. The decrease was mainly due to the aforementioned reduction in effective share of operating profit and was further impacted by foreign exchange losses in 2025 compared to foreign exchange gains in 2024, under finance cost.
- All in all, profit attributable to owners of the Company for the six months ended 30 June 2025 was USD57.9 million, a decrease of 38.7%, compared to USD94.5 million for the same period in 2024.

DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS

Consolidated Revenue

Details of the segment revenue information are provided in Note 4 to the condensed consolidated interim financial statements included in this interim report.

(USD million)	Six months ended 30 June		% change
	2025	2024	
Hotel Properties	929.2	935.7	-0.7%
Hotel Management and Related Services			
Gross revenue (including revenue earned from subsidiaries)	122.6	119.3	2.8%
Less: Inter-segment revenue elimination with subsidiaries	(76.7)	(73.9)	-3.8%
Net amount after elimination	45.9	45.4	1.1%
Sub-total Hotel Operations	975.1	981.1	-0.6%
Investment Properties	68.0	59.7	13.9%
Property Development for Sale	5.6	0.2	2,700.0%
Other Business	7.4	8.1	-8.6%
Total Consolidated Revenue	1,056.1	1,049.1	0.7%

- Consolidated revenue was USD1,056.1 million for the six months ended 30 June 2025, an increase of 0.7%, compared to USD1,049.1 million for the same period in 2024. The increase was mainly due to higher consolidated revenue from Investment Properties but partially offset by lower consolidated revenue from Hotel Properties on a year-on-year basis.
- Consolidated revenue from our Hotel Operations decreased to USD975.1 million for the six months ended 30 June 2025, a decrease of 0.6%, compared to USD981.1 million for the six months ended 30 June 2024.
- Consolidated revenue from our Investment Properties increased by 13.9% to USD68.0 million for the six months ended 30 June 2025, from USD59.7 million for the same period of 2024. The growth was primarily driven by the continued improvement of the Group's Investment Properties in Mongolia and Sri Lanka as well as increased contributions from the newly opened Shangri-La Centre in Fuzhou.

RESULTS OF OPERATIONS (CONTINUED)

Consolidated Revenue (Continued)

(i) Hotel Properties

For the six months ended 30 June 2025, the decrease in consolidated revenue from our Hotel Properties was mainly driven by revenue decrease in Mainland China and Singapore, partially offset by revenue growth in Hong Kong, Japan, and France compared to the same period in 2024.

Please refer to the following table for a geographical breakdown of consolidated revenue from Hotel Properties for the six months ended 30 June 2025 and 2024:

(USD million)	Six months ended 30 June		% change
	2025	2024	
The People's Republic of China			
Hong Kong	158.4	150.6	5.2%
Mainland China	298.1	326.9	-8.8%
Singapore	119.3	126.5	-5.7%
Malaysia	54.3	51.2	6.1%
The Philippines	83.3	79.3	5.0%
Japan	30.9	24.2	27.7%
Thailand	31.3	31.3	0.0%
France	31.3	25.6	22.3%
Australia	42.4	40.8	3.9%
United Kingdom	28.0	27.0	3.7%
Mongolia	9.6	8.5	12.9%
Sri Lanka	19.5	20.3	-3.9%
Other countries	22.8	23.5	-3.0%
Consolidated revenue from Hotel Properties	929.2	935.7	-0.7%

DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS (CONTINUED)

Consolidated Revenue (Continued)

(i) Hotel Properties (Continued)

The key performance indicators of the Group-owned hotels (including hotels under lease) on an unconsolidated basis (including both subsidiaries and associates) for the six months ended 30 June 2025 and 2024 are as follows:

Destinations	2025 Weighted Average			2024 Weighted Average		
	Occupancy (%)	Room Rate (USD)	RevPAR (USD)	Occupancy (%)	Room Rate (USD)	RevPAR (USD)
The People's Republic of China						
Hong Kong	82	271	222	75	269	202
Mainland China	61	111	68	61	117	71
Tier 1 Cities	70	151	106	69	157	108
Tier 2 Cities	60	91	55	61	96	59
Tier 3+4 Cities	48	81	39	49	90	44
Singapore	77	248	192	76	265	201
Malaysia	64	134	86	66	124	82
The Philippines	61	216	131	56	217	121
Japan	77	697	537	65	645	419
Thailand	59	168	99	61	159	97
France	56	2,104	1,172	42	2,047	857
Australia	87	240	208	79	249	198
United Kingdom	73	686	498	62	734	453
Mongolia	37	251	93	32	227	71
Sri Lanka	44	147	65	43	160	68
Other countries	41	224	93	44	212	94
<i>Non-Mainland China Weighted Average</i>	64	239	153	62	233	144
Total Weighted Average	62	169	105	61	169	104

The weighted average occupancy of our hotels was 62% for the six months ended 30 June 2025, an increase of 1 percentage point compared to 61% for the six months ended 30 June 2024. The weighted average revenue per available room ("RevPAR") was USD105 for the six months ended 30 June 2025, an increase of 1% compared to USD104 for the same period in 2024.

If we exclude Mainland China, weighted average occupancy was 64% for the six months ended 30 June 2025, an increase of 2 percentage points compared to 62% for the six months ended 30 June 2024. RevPAR was USD153 for the six months ended 30 June 2025, an increase of 6% compared to USD144 for the same period in 2024.

RESULTS OF OPERATIONS (CONTINUED)

Consolidated Revenue (Continued)

(i) Hotel Properties (Continued)

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

The People's Republic of China

Hong Kong

For Hong Kong, occupancy was 82% for the six months ended 30 June 2025, an increase of 7 percentage points, compared to 75% for the same period in 2024. RevPAR was USD222 for the six months ended 30 June 2025, an increase of 10%, compared to USD202 for the six months ended 30 June 2024, largely driven by higher overnight arrivals. Consequently, total revenue from Hong Kong hotel properties for the six months ended 30 June 2025 increased by 5.2% to USD158.4 million.

Mainland China

The Group had equity interest in 48 operating hotels in Mainland China as at 30 June 2025, compared to 47 as at 30 June 2024.

For Mainland China, occupancy was 61% for the six months ended 30 June 2025, maintained at the same level as in the corresponding period of 2024. RevPAR was USD68 for the six months ended 30 June 2025, a decrease of 4%, compared to USD71 for the six months ended 30 June 2024, primarily due to lower average daily room rates. Our hotel properties in Mainland China faced headwind during the six months ended 30 June 2025.

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

- In Tier 1 cities, occupancy was 70% for the six months ended 30 June 2025, an increase of 1 percentage point, compared to 69% for the same period in 2024. RevPAR was USD106 for the six months ended 30 June 2025, a decrease of 2%, compared to USD108 for the six months ended 30 June 2024.
- In Tier 2 cities, occupancy was 60% for the six months ended 30 June 2025, a decrease of 1 percentage point, compared to 61% for the same period in 2024. RevPAR was USD55 for the six months ended 30 June 2025, a decrease of 7%, compared to USD59 for the six months ended 30 June 2024.
- In Tier 3 and Tier 4 cities, occupancy was 48% for the six months ended 30 June 2025, a decrease of 1 percentage point, compared to 49% for the same period in 2024. RevPAR was USD39 for the six months ended 30 June 2025, a decrease of 11%, compared to USD44 for the six months ended 30 June 2024. Our hotels maintained occupancy levels in line with domestic travel demand but the average daily rate was under pressure during the first half of 2025.

Total revenue from Mainland China hotel properties for the six months ended 30 June 2025 decreased by 8.8% to USD298.1 million.

DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS (CONTINUED)

Consolidated Revenue (Continued)

(i) Hotel Properties (Continued)

Singapore

For Singapore, occupancy was 77% for the six months ended 30 June 2025, an increase of 1 percentage point, compared to 76% for the same period in 2024. RevPAR was USD192 for the six months ended 30 June 2025, a decrease of 4%, compared to USD201 for the six months ended 30 June 2024. Our hotels in Singapore faced intensified competition with market supply continuing to increase during the first half of 2025. Total revenue from Singapore hotel properties for the six months ended 30 June 2025 decreased by 5.7% to USD119.3 million.

Malaysia

For Malaysia, occupancy was 64% for the six months ended 30 June 2025, a decrease of 2 percentage points, compared to 66% for the same period in 2024. RevPAR was USD86 for the six months ended 30 June 2025, an increase of 5%, compared to USD82 for the six months ended 30 June 2024, primarily driven by higher number of arrivals with a greater contribution from leisure travellers. Total revenue from Malaysia hotel properties for the six months ended 30 June 2025 increased by 6.1% to USD54.3 million.

The Philippines

For the Philippines, occupancy was 61% for the six months ended 30 June 2025, an increase of 5 percentage points, compared to 56% for the same period in 2024. RevPAR was USD131 for the six months ended 30 June 2025, an increase of 8%, compared to USD121 for the six months ended 30 June 2024, largely because of stronger business travel demand. Total revenue from hotel properties in the Philippines for the six months ended 30 June 2025 increased by 5.0% to USD83.3 million.

Japan

For Japan, occupancy was 77% for the six months ended 30 June 2025, an increase of 12 percentage points, compared to 65% for the same period in 2024. RevPAR was USD537 for the six months ended 30 June 2025, an increase of 28%, compared to USD419 for the six months ended 30 June 2024 because of stronger demand from both leisure and business travellers. Total revenue from our Japan hotel property for the six months ended 30 June 2025 increased by 27.7% to USD30.9 million.

France

For France, occupancy was 56% for the six months ended 30 June 2025, an increase of 14 percentage points, compared to 42% for the same period in 2024. RevPAR was USD1,172 for the six months ended 30 June 2025, an increase of 37%, compared to USD857 for the six months ended 30 June 2024, supported by robust recovery in both leisure and business travel demand. Total revenue from our France hotel property for the six months ended 30 June 2025 increased by 22.3% to USD31.3 million.

Australia

For Australia, occupancy was 87% for the six months ended 30 June 2025, an increase of 8 percentage points, compared to 79% for the same period in 2024. RevPAR was USD208 for the six months ended 30 June 2025, an increase of 5%, compared to USD198 for the six months ended 30 June 2024. Our hotels in Australia continued to benefit from growth in international visitor arrivals. Total revenue from Australia hotel properties for the six months ended 30 June 2025 increased by 3.9% to USD42.4 million.

United Kingdom

For United Kingdom, occupancy was 73% for the six months ended 30 June 2025, an increase of 11 percentage points, compared to 62% for the same period in 2024. RevPAR was USD498 for the six months ended 30 June 2025, an increase of 10%, compared to USD453 for the six months ended 30 June 2024 supported by stronger demand from both leisure and business travellers. Total revenue from our United Kingdom hotel property for the six months ended 30 June 2025 increased by 3.7% to USD28.0 million.

RESULTS OF OPERATIONS (CONTINUED)

Consolidated Revenue (Continued)

(ii) Hotel Management and Related Services

As at 30 June 2025, the Group managed a total of 106 hotels and resorts:

- 82 Group-owned hotels
- 3 hotels under lease agreements
- 21 hotels owned by third parties

The 21 operating hotels (7,105 available rooms) owned by third parties are located in the following destinations:

- Cambodia: Phnom Penh
- Canada: Toronto
- 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 overall weighted average occupancy of the hotels under third party hotel management agreements was 65% for the six months ended 30 June 2025, an increase of 3 percentage points, compared to 62% for the six months ended 30 June 2024. The RevPAR was USD115 for the six months ended 30 June 2025, an increase of 8%, compared to USD106 for the six months ended 30 June 2024. The improvement was mainly due to sustained global travel demand.

Gross revenue for hotel management and related services was USD122.6 million for the six months ended 30 June 2025, an increase of 2.8%, compared to USD119.3 million for the six months ended 30 June 2024.

After eliminating inter-segment sales with subsidiaries, the net revenue for hotel management and related services was USD45.9 million for the six months ended 30 June 2025, increased by 1.1%, compared to USD45.4 million for the six months ended 30 June 2024.

DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS (CONTINUED)

Consolidated Revenue (Continued)

(iii) Investment Properties

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

(USD million)	Six months ended 30 June		% change
	2025	2024	
Mainland China	17.2	14.1	22.0%
Singapore	7.6	6.9	10.1%
Malaysia	2.4	2.1	14.3%
Mongolia	19.6	17.5	12.0%
Sri Lanka	13.8	11.9	16.0%
Other countries	7.4	7.2	2.8%
Consolidated revenue from Investment Properties	68.0	59.7	13.9%

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

- In Mongolia, our investment properties continued to perform strongly supported by rent increases and an occupancy rate close to full capacity.
- In Sri Lanka, with the country's financial situation stabilising, our investment properties recorded higher rents in both the commercial component with stable occupancy and the office component with increased occupancy.

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, partially offset by decreased revenue from our other investment properties in Mainland China. As a result, consolidated revenue from our investment properties for the six months ended 30 June 2025 was USD68.0 million, an increase of 13.9%, compared to USD59.7 million for the six months ended 30 June 2024.

(iv) Property Development for Sale

Revenue from property development for sale by subsidiaries for the six months ended 30 June 2025 was USD5.6 million, an increase of USD5.4 million, compared to USD0.2 million for the six months ended 30 June 2024 mainly driven by more residential unit sales in Sri Lanka.

RESULTS OF OPERATIONS (CONTINUED)

EBITDA and Aggregate Effective Share of EBITDA

The following table summarises information related to the EBITDA of the Company and its subsidiaries and the aggregate effective share of EBITDA of the Company, subsidiaries and associates for the six months ended 30 June 2025 and 2024 by geographical areas and by business segments:

(USD million)	EBITDA of the Company and its subsidiaries		Effective share of EBITDA of the Company and its subsidiaries		Effective share of EBITDA of associates		Aggregate effective share of EBITDA	
	2025	2024	2025	2024	2025	2024	2025	2024
Hotel Properties								
The People's Republic of China								
Hong Kong	38.2	34.8	35.4	33.1	0.6	0.7	36.0	33.8
Mainland China	56.1	66.2	50.8	60.1	16.3	21.1	67.1	81.2
Singapore	21.1	26.1	21.1	26.1	2.8	2.9	23.9	29.0
Malaysia	10.2	10.1	5.6	5.6	3.3	2.9	8.9	8.5
The Philippines	23.3	21.2	22.8	20.6	7.4	7.0	30.2	27.6
Japan	9.5	7.4	9.5	7.4	–	–	9.5	7.4
Thailand	10.1	12.6	7.5	9.3	–	–	7.5	9.3
France	5.3	2.4	5.3	2.4	–	–	5.3	2.4
Australia	7.1	7.5	7.1	7.5	–	–	7.1	7.5
United Kingdom	0.8	1.9	0.8	1.9	–	–	0.8	1.9
Mongolia	3.8	3.3	2.0	1.7	–	–	2.0	1.7
Sri Lanka	5.9	5.6	5.4	5.0	–	–	5.4	5.0
Other countries	3.6	4.6	2.6	3.3	3.2	1.9	5.8	5.2
	195.0	203.7	175.9	184.0	33.6	36.5	209.5	220.5
Hotel Management and Related Services	26.7	29.4	26.7	29.4	–	–	26.7	29.4
Sub-total Hotel Operations	221.7	233.1	202.6	213.4	33.6	36.5	236.2	249.9
Investment Properties								
Mainland China	7.7	6.9	7.0	6.2	113.6	120.3	120.6	126.5
Singapore	4.6	3.5	4.6	3.5	2.9	2.5	7.5	6.0
Malaysia	0.9	0.8	0.5	0.4	–	–	0.5	0.4
Mongolia	14.1	12.0	7.2	6.1	–	–	7.2	6.1
Sri Lanka	9.0	6.9	8.1	6.2	–	–	8.1	6.2
Other countries	3.4	3.3	2.0	1.9	–	–	2.0	1.9
Sub-total Investment Properties	39.7	33.4	29.4	24.3	116.5	122.8	145.9	147.1
Property Development for Sale & Other Business	3.7	0.3	3.2	0.1	(1.3)	0.2	1.9	0.3
Sub-total	265.1	266.8	235.2	237.8	148.8	159.5	384.0	397.3
Corporate and project expenses	(13.6)	(14.5)	(13.6)	(14.6)	(0.9)	(1.2)	(14.5)	(15.8)
Grand total	251.5	252.3	221.6	223.2	147.9	158.3	369.5	381.5

DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS (CONTINUED)

EBITDA and Aggregate Effective Share of EBITDA (Continued)

The Group's aggregate effective share of EBITDA was USD369.5 million for the six months ended 30 June 2025, a decrease of 3.1%, compared to USD381.5 million for the six months ended 30 June 2024. Below shows the breakdown by business segments:

- Effective share of EBITDA from Hotel Properties for the six months ended 30 June 2025 was USD209.5 million, a decrease of 5.0%, compared to USD220.5 million for the six months ended 30 June 2024. The decrease was mainly due to lower effective share of revenue.
- Effective share of EBITDA from Hotel Management and Related Services for the six months ended 30 June 2025 was USD26.7 million, a decrease of 9.2%, compared to USD29.4 million for the six months ended 30 June 2024. The decrease was mainly due to a higher operating cost in Hotel Management and Related Services.
- Effective share of EBITDA from Investment Properties for the six months ended 30 June 2025 was USD145.9 million, a marginal decrease of 0.8%, compared to USD147.1 million for the six months ended 30 June 2024. The overall business of our Investment Properties remained stable during the period.
- Effective share of EBITDA from Property Development for Sale & Other Business for the six months ended 30 June 2025 was USD1.9 million, an increase of USD1.6 million, compared to USD0.3 million for the six months ended 30 June 2024. The increase was mainly due to more residential unit sales in Sri Lanka.

RESULTS OF OPERATIONS (CONTINUED)

Consolidated Profit or Loss Attributable to Owners of the Company

The following table summarises information related to the consolidated profit or loss attributable to owners of the Company before and after non-operating items for the six months ended 30 June 2025 and 2024 by geographical areas and by business segments:

(USD million)	Six months ended 30 June		% change
	2025	2024	
Hotel Properties			
The People's Republic of China			
Hong Kong	16.4	10.8	51.9%
Mainland China	(8.7)	(3.1)	-180.6%
Singapore	9.7	14.4	-32.6%
Malaysia	3.8	3.3	15.2%
The Philippines	12.4	11.5	7.8%
Japan	5.2	3.5	48.6%
Thailand	4.8	6.8	-29.4%
France	1.9	(2.9)	N/M
Australia	(0.4)	(1.5)	73.3%
United Kingdom	(8.8)	(8.4)	-4.8%
Mongolia	(0.8)	(1.8)	55.6%
Sri Lanka	1.9	(0.3)	N/M
Other countries	-	(0.7)	N/M
	37.4	31.6	18.4%
Hotel Management and Related Services	16.0	15.0	6.7%
Sub-total Hotel Operations	53.4	46.6	14.6%
Investment Properties			
Mainland China	82.9	87.8	-5.6%
Singapore	6.1	4.9	24.5%
Malaysia	0.3	0.3	0.0%
Mongolia	6.4	4.4	45.5%
Sri Lanka	7.1	0.9	688.9%
Other countries	1.5	1.5	0.0%
Sub-total Investment Properties	104.3	99.8	4.5%
Property Development for Sale & Other Business	(1.3)	0.9	N/M
Consolidated profit from operating properties	156.4	147.3	6.2%
Corporate finance costs (net of interest income)	(81.6)	(80.4)	-1.5%
Corporate and project expenses	(15.0)	(16.0)	6.3%
Exchange (losses)/gains of corporate investment holding companies	(8.9)	8.2	N/M
Consolidated profit attributable to owners of the Company before non-operating items	50.9	59.1	-13.9%
Non-operating items	7.0	35.4	-80.2%
Consolidated profit attributable to owners of the Company after non-operating items	57.9	94.5	-38.7%

N/M: not meaningful

DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS (CONTINUED)

Consolidated Profit or Loss Attributable to Owners of the Company (Continued)

Consolidated profit attributable to owners of the Company after non-operating items for the six months ended 30 June 2025 was USD57.9 million, a decrease of 38.7% or USD36.6 million, compared to USD94.5 million for the six months ended 30 June 2024. Below shows the breakdown by business segments:

- Hotel Properties registered a profit of USD37.4 million for the six months ended 30 June 2025, an increase of 18.4% or USD5.8 million compared to USD31.6 million for the six months ended 30 June 2024. The increase was mainly due to higher profits from Hong Kong, France, and Sri Lanka but partially offset by larger losses from Mainland China and reduced profits from Singapore.
- Hotel Management and Related Services registered a profit of USD16.0 million for the six months ended 30 June 2025, an increase of 6.7% or USD1.0 million, compared to USD15.0 million for the six months ended 30 June 2024. The increase was mainly due to a higher gross revenue from Hotel Management and Related Services.
- Investment Properties' profit for the six months ended 30 June 2025 was USD104.3 million, an increase of 4.5% or USD4.5 million, compared to USD99.8 million for the six months ended 30 June 2024. Investment Properties continued to provide stable profit.
- Property Development for Sale & Other Business registered a loss of USD1.3 million for the six months ended 30 June 2025, compared to a profit of USD0.9 million for the six months ended 30 June 2024.

As a result, consolidated profit from operating properties increased 6.2% to USD156.4 million for the six months ended 30 June 2025 from USD147.3 million for the same period in 2024.

- Non-operating items for the six months ended 30 June 2025 was an aggregate gain of USD7.0 million, a decrease of 80.2% or USD28.4 million, compared to an aggregate gain of USD35.4 million for the six months ended 30 June 2024. For the six months ended 30 June 2025, amongst other items, the Group did not recognise any exceptional foreign exchange gain, compared to a gain of USD9.6 million arising from the appreciation of the Sri Lankan rupee that impacted the foreign currency bank loans borrowed by our Sri Lanka entity for the six months ended 30 June 2024. Net fair value gains on investment properties of USD10.7 million was recognised for the six months ended 30 June 2025, a decrease of USD9.1 million, compared to a gain of USD19.8 million for the six months ended 30 June 2024. The Group also recognised net fair value losses of USD4.7 million on financial instruments, compared to net fair value gains of USD5.9 million for the same period last year.

CORPORATE DEBT AND FINANCIAL CONDITIONS

As at 30 June 2025, the Group's net borrowings (total bank loans and fixed rate bonds less cash and bank balances and short-term fund placements) amounted to USD4,513.9 million, representing an increase of USD92.6 million from USD4,421.3 million as at 31 December 2024. This increase was primarily driven by the general strengthening of global currencies against the US dollar during the period which led to higher borrowings balances when translated into US dollars, particularly from Renminbi and Singapore dollar-denominated borrowings. Meanwhile, operating cash flows generated during the period were largely offset by outflows related to payment of the previous year's year-end staff bonuses in early 2025 and distribution of the 2024 final dividends to shareholders in June 2025, thereby limiting the reduction in net borrowings. Consequently, the Group's net borrowings to total equity ratio, i.e. the gearing ratio, slightly increased to 81.8% as at 30 June 2025 from 81.3% as at 31 December 2024 reflecting the increase in net borrowings during the period.

During the period, the Group executed the following bank loan agreements at the corporate level for financing maturing borrowings:

- One 3-year multi-currency bank loan agreement of HKD780 million (equivalent to USD100.6 million)
- One 5-year bank loan agreement of HKD770 million (equivalent to USD99.4 million)
- Two 3-year bank loan agreements totalling of RMB800 million (equivalent to USD111.8 million)

At the subsidiary level, the Group also executed two bank loan agreements totalling RMB203.2 million (equivalent to USD28.4 million) with maturities of 3 years to refinance maturing loans during the period.

During the six months ended 30 June 2025, the Group further strengthened its Renminbi debt portfolio by issuing two tranches of Panda bonds in Mainland China totalling RMB2,000 million (equivalent to USD279.4 million). The first issuance, completed in April 2025 and amounting to RMB1,000 million, comprised RMB600 million 3-year notes with a coupon rate of 2.18%, featuring an option to extend the maturity by two years from 3-year to 5-year, alongside RMB400 million 5-year notes at a coupon rate of 2.49%. The second RMB1,000 million issuance was completed in June 2025 and included RMB500 million 3-year notes at a 2.03% coupon, also with a two years extension option, and RMB500 million 5-year notes at a 2.38% coupon. These issuances build upon the Group's initial Panda bond offering in 2024 and continue the ongoing strategy to diversify funding sources and optimise currency exposure by accessing Mainland China's onshore debt capital markets. The competitive fixed coupon rates for the 2025 Panda bonds are lower than last year, thereby further reducing the Group's overall borrowing costs and enhancing financial efficiency. Expanding the Renminbi debt component aligns with the Group's currency risk management approach through natural hedging and effectively mitigates the Renminbi currency risk exposure associated with the Group's substantial investments in Mainland China.

DISCUSSION AND ANALYSIS

CORPORATE DEBT AND FINANCIAL CONDITIONS (CONTINUED)

Following the Panda bond issuances, the Group also advanced its debt diversification through Singapore dollar bond issuances in 2025. In June 2025, SGD125 million (equivalent to USD98.1 million) of 7-year bonds were issued at a coupon rate of 3.54%. Subsequent to the reporting period, in July 2025, the Group completed a re-tap of SGD100 million (equivalent to USD78.4 million) 7-year bonds at the same coupon rate of 3.54%, as well as a new issuance of SGD300 million (equivalent to USD235.4 million) 7-year bonds at a slightly lower coupon rate of 3.48%. These Singapore dollar bond issuances totalling SGD525 million (equivalent to USD411.9 million) complement the Group's ongoing strategy to broaden its funding base across multiple currencies and markets, securing favourable interest rates with longer maturities.

The Group maintains sufficient cash reserves and undrawn committed facilities to meet refinancing requirements for debt maturities over the next two years, with coverage extending through 2027. This robust liquidity position enhances the Group's flexibility to pursue diverse funding alternatives and strengthens its negotiating leverage with financial institutions to obtain more favourable financing terms. This strategy has resulted in increases in both the Group's gross borrowings and cash balances, while the net borrowing level has remained stable. Moreover, the surplus cash reserves earn interest income at rates comparable to or higher than the Group's borrowing costs, thereby ensuring that the Group's net interest expense remains effectively unchanged or is even reduced after offsetting interest income.

The Group has not encountered any difficulty when drawing loans from committed banking facilities. None of the banking facilities were cancelled by the banks during the period or after 30 June 2025. The Group has satisfactorily complied with all covenants under its borrowing agreements. As at 30 June 2025, the adjusted total equity of the Group for financial covenants calculation purpose was USD9.2 billion and the resulting indebtedness ratio^(Note) as calculated was 79.5%.

Note: Indebtedness ratio is defined as the sum of consolidated total financial indebtedness and contingent liabilities totalling USD7.3 billion divided by the Group's adjusted total equity of USD9.2 billion.

CORPORATE DEBT AND FINANCIAL CONDITIONS (CONTINUED)

The analysis of borrowings outstanding as at 30 June 2025 is as follows:

(USD million)	Maturities of Borrowings Contracted as at 30 June 2025				
	Repayment				Total
	Within 1 year	In the 2 nd year	In the 3 rd to 5 th year	After 5 years	
Borrowings					
Corporate borrowings					
– unsecured bank loans	367.8	1,131.0	2,856.8	–	4,355.6
– fixed rate bonds	682.1	268.8	816.2	97.5	1,864.6
Bank loans of subsidiaries					
– unsecured	118.0	43.5	566.2	234.7	962.4
Total outstanding balance	1,167.9	1,443.3	4,239.2	332.2	7,182.6
% of total outstanding balance	16.3%	20.1%	59.0%	4.6%	100.0%
Undrawn but committed facilities					
Bank loans	81.5	167.9	468.9	12.1	730.4

DISCUSSION AND ANALYSIS

CORPORATE DEBT AND FINANCIAL CONDITIONS (CONTINUED)

The currency mix of borrowings and cash and bank balances as at 30 June 2025 is as follows:

(USD million)	Borrowings	Cash and Bank Balances (Note)
In United States dollars	975.7	1,671.2
In Hong Kong dollars	473.6	68.4
In Singapore dollars	1,272.9	97.5
In Renminbi	4,349.8	507.9
In Japanese yen	107.3	21.3
In Fijian dollars	3.3	10.4
In Thai baht	–	91.6
In Philippines pesos	–	52.0
In Malaysian ringgit	–	53.6
In Euros	–	21.7
In Sri Lankan rupee	–	48.2
In Australian dollars	–	13.8
In British pounds	–	2.5
In Mongolian tugrik	–	2.6
In Myanmar kyat	–	0.9
In other currencies	–	5.1
Total	7,182.6	2,668.7

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

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

Details of financial guarantees, contingencies and charges over assets as at 30 June 2025 are disclosed in Note 24 to the condensed consolidated interim financial statements included in this interim 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 lowered to 3.98% per annum for the six months ended 30 June 2025 from 4.45% per annum for the same period last 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. As at 30 June 2025, 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 81.8% of its outstanding borrowings at fixed interest rates as at 30 June 2025, an increase from 79.9% as at 31 December 2024.

DISCUSSION AND ANALYSIS

TREASURY POLICIES (CONTINUED)

(B) Minimising Currency Risks

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

To further mitigate currency risks associated with foreign currency borrowings, the Group strategically executes cross-currency swap contracts. As at 30 June 2025, 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 a 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 six months ended 30 June 2025, the Group recorded an overall effective share of net fair value gains of USD10.7 million for its investment properties.

The following table shows the fair value gains of the investment properties held by the Group's subsidiaries and associates for the six months ended 30 June 2025:

(USD million)	Subsidiaries		Associates		Total	
	100%	Effective share	100%	Effective share	100%	Effective share
Gains	5.9	2.8	22.6	11.8	28.5	14.6
Deferred tax	(1.5)	(0.9)	(5.7)	(3.0)	(7.2)	(3.9)
Net gains	4.4	1.9	16.9	8.8	21.3	10.7

FINANCIAL ASSETS – TRADING SECURITIES

As at 30 June 2025, the market value of the Group's investment portfolio was USD13.9 million, which mainly included 4,483,451 ordinary shares in Kerry Properties Limited amounting to USD11.7 million and 2,241,725 ordinary shares in KLN Logistics Group Limited (formerly known as Kerry Logistics Network Limited) amounting to USD2.2 million. The Group recorded a gain of USD2.9 million through profit or loss for the six months ended 30 June 2025. Dividend income of USD0.6 million was recognised during the current period.

DEVELOPMENT PROGRAMMES

Construction work on the following projects is on-going:

(A) Hotel Developments

	Group's equity interest	Hotel rooms	Projected opening
Mainland China			
Shangri-La Kunming	45%	75	2025
Shangri-La Zhengzhou	45%	314	2026
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 GFA upon completion (excluding hotel component) (approximate in square metres)			Scheduled completion
		Residential	Office	Commercial	
Mainland China					
Shenyang Kerry Centre – Phase III	25%	213,349	69,144	94,868	2025 onwards*
Composite development project in Zhengzhou	45%	–	58,946	–	2029
Total		213,349	128,090	94,868	

* Being developed in phases

The Group's 20% owned Tianjin Kerry Centre – Phase II opened in June 2025.

DISCUSSION AND ANALYSIS

DEVELOPMENT PROGRAMMES (CONTINUED)

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 six months ended 30 June 2025, the hotel management agreement with Shangri-La Vancouver in Canada, which is owned by a third party, was terminated. As at the date of this report, the Group has management agreements for 21 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

As at 30 June 2025, the Company and its subsidiaries had approximately 24,800 employees. The number of people employed by Shangri-La Group, including all operating hotels, was 41,500. Remuneration policies, share award scheme and training schemes have been consistently applied by the Group as disclosed in 2024 annual report.

PROSPECTS

Financial Performance and Shareholder Returns

The first half of 2025 presented continued market headwinds, resulting in pressure on our revenue and earnings. Despite these challenges, our business remains steadfast as our operational cash flow held steady at USD60 million (flat year-on-year), reflecting our disciplined financial management and the underlying strength of our diversified portfolio. This operational stability enables us to maintain our commitment to shareholder returns with an interim dividend of HK5 cents per share.

Brand Expansion and Portfolio Development

The launch of our fifth brand, 'Shangri-La Signatures', represents a significant milestone in the first half of 2025 and underscores our commitment to creating distinctive, high-value experiences that resonate with evolving guest expectations. We proudly inaugurated this premium collection with the successful transformation of Shangri-La Hangzhou's East Wing into 'The Silk Lakehouse'. This strategic brand extension positions us to deliver more immersive, experiential luxury that not only captures a more affluent customer segment but also aims to enhance investment returns across our portfolio.

Looking ahead, we remain focused on the upcoming opening of Shangri-La Kunming in the fourth quarter of 2025, which will complete our innovative dual-brand strategy in Kunming following the successful launch of JEN Kunming by Shangri-La in April 2024. Additionally, Traders and Shangri-La Hongqiao are set to open in the second half of this year. These strategic additions will further strengthen our portfolio and demonstrate our commitment to thoughtful expansion in key markets.

Financial Strategy and Market Confidence in Us

Our disciplined financial strategy and active treasury management continue to drive meaningful results. By diversifying our funding sources and strategically accessing both SGD and RMB debt capital markets, we have reduced our average interest rate to 3.98% from 4.45% last year. Our recent bond issuances at record low rates reflect the market's confidence in our business model and financial management, providing us with enhanced flexibility while optimising our capital structure for sustainable growth.

Strategic Focus and Outlook

As we navigate through market uncertainties, we continue to prioritise enhancing guest experiences, maintaining financial discipline and building new capabilities that position us for sustainable growth. By remaining selective in our investments and focused on returns, we are confident in our ability to deliver value to our guests, partners and shareholders throughout 2025 and beyond.

DISCUSSION AND ANALYSIS

CORPORATE GOVERNANCE

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

Directors Handbook

The Board has adopted a composite handbook ("**Directors Handbook**") comprising (amongst other things) a set of principles for securities transactions by directors and other executives of the Company ("**Securities Principles**") and a set of corporate governance principles of the Company, whose terms align with or are stricter than the requirements set out in the Model Code for Securities Transactions by Directors of Listed Issuers ("**Securities Model Code**") as contained in Appendix C3 to the Rules Governing the Listing of Securities ("**Listing Rules**") on The Stock Exchange of Hong Kong Limited ("**HKSE**") and the code provisions as set out in the Corporate Governance Code ("**CG Model Code**") as contained in Appendix C1 to the Listing Rules, save for the provision in the Directors Handbook that the positions of the chairman and the chief executive officer of the Company may be served by the same person. The Directors Handbook serves as a comprehensive guidebook for all directors of the Company.

Code on Securities Transactions

The Company has made specific enquiry of each of the directors of the Company, and all the directors have confirmed compliance with the Securities Principles throughout the underlying six-month period.

Code on Corporate Governance

The Company has complied with the CG Model Code throughout the underlying six-month period.

Changes in Directors' Information

There have been changes in the information of some of the directors since the date of the Company's 2024 annual report. Details of the changes as reported to the Company and as required to be disclosed under Rule 13.51B(1) of the Listing Rules are as follows:

1. At the Company's annual general meeting held on 12 June 2025, shareholders of the Company approved the adjustment of the annual fee payable to the non-executive directors for 2025 to HKD450,000 (2024: HKD400,000).
2. Mr YAP Chee Keong ceased to act as independent non-executive director of Olam Group Limited on 25 April 2025 and was appointed a non-executive deputy chairman of Olam Group Limited on 25 April 2025.
3. Mr YAP Chee Keong was appointed a non-executive director of OFI Group Limited on 1 July 2025.
4. Ms KUOK Hui Kwong was appointed the Chief Executive Officer of the Company on 1 August 2025.

SIGNIFICANT SHAREHOLDERS' INTERESTS

As at 30 June 2025, the interests and short positions of those persons (other than the directors of the Company) in shares and underlying shares in the Company as recorded in the register that is required to be kept by the Company under Section 336 of the Securities and Futures Ordinance ("SFO") were as follows:

Name	Capacity	Number of ordinary shares held	Approximate % of total issued shares of the Company
Substantial shareholders			
Kerry Group Limited ("KGL") (Note 1)	Interest of controlled corporations	1,799,537,010	50.189
Kerry Holdings Limited ("KHL") (Notes 1 and 2)	Beneficial owner	87,237,052	2.433
	Interest of controlled corporations	1,538,441,491	42.907
Caninco Investments Limited ("Caninco") (Note 2)	Beneficial owner	568,568,684	15.857
	Interest of controlled corporations	157,280,233	4.387
Paruni Limited ("Paruni") (Note 2)	Beneficial owner	382,904,547	10.679
	Interest of controlled corporations	36,667,449	1.023
Other major shareholders			
Darmex Holdings Limited ("Darmex") (Note 2)	Beneficial owner	267,068,070	7.449
Kuok Brothers Sdn Berhad	Beneficial owner	84,441,251	2.355
	Interest of controlled corporations	225,569,761	6.291
Kuok (Singapore) Limited ("KSL") (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	214,451,887	5.981

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.

DISCUSSION AND ANALYSIS

DIRECTORS' INTERESTS

As at 30 June 2025, the interests and short positions of the directors of the Company in shares, underlying shares and debentures in/of the Company and its associated corporations (within the meaning of Part XV of the SFO) ("**Associated Corporations**") as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and HKSE pursuant to the Securities Model Code were as follows:

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

Name of company	Name of director	Class of shares	Number of shares held				Total	Approximate % of total issued shares in the relevant company
			Personal interests	Family interests	Corporate interests	Other interests		
The Company	KUOK Hui Kwong	Ordinary	2,148,933 (Note 1)	674,294 (Note 2)	2,000,000 (Note 3)	90,251,718 (Note 4)	95,074,945	2.652
	CHUA Chee Wui	Ordinary	728,200	-	-	-	728,200	0.020
	LIM Beng Chee	Ordinary	1,058,000	-	-	-	1,058,000	0.030

Notes:

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

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

As at 30 June 2025, there were share awards held by the directors of the Company with rights to shares in the Company. Details of such underlying shares are set out in the section entitled "Share Schemes" of this report.

SHARE SCHEMES

(A) 2012 Share Award Scheme

The award shares having been granted by the Company and remaining outstanding during the underlying six-month period were granted under the Company's share award scheme adopted by the shareholders of the Company on 28 May 2012 (as amended on 10 August 2012, 31 May 2018, 29 December 2022 and 12 June 2025) ("**2012 Share Award Scheme**"). Pursuant to the 2012 Share Award Scheme, award shares of the Company can only be funded by the existing shares of the Company. Details and movements of such award shares during the underlying six-month period are as follows:

Grantees	Date of grant	Number of award shares				Balance as at 30 Jun 2025	Consideration per award share (HKD)	Vesting date/period
		Balance as at 1 Jan 2025	Granted during the period	Lapsed during the period	Vested during the period			
1. Directors								
KUOK Hui Kwong	6 May 2022	216,000	–	–	(216,000)	–	Nil	6 May 2025
	17 Jul 2023	718,900	–	–	–	718,900	Nil	17 Jul 2025 – 17 Jul 2026
	5 Jul 2024	1,501,000	–	–	–	1,501,000	Nil	5 Jul 2025 – 5 Jul 2027
CHUA Chee Wui	6 May 2022	126,000	–	–	(126,000)	–	Nil	6 May 2025
	17 Jul 2023	370,000	–	–	–	370,000	Nil	17 Jul 2025 – 17 Jul 2026
	5 Jul 2024	763,700	–	–	–	763,700	Nil	5 Jul 2025 – 5 Jul 2027
2. Employees								
	6 May 2022	2,625,200	–	(112,200)	(2,513,000)	–	Nil	6 May 2025
	17 Jul 2023	9,892,300	–	(366,400)	–	9,525,900	Nil	17 Jul 2025 – 17 Jul 2026
	2 Jan 2024	522,900	–	–	(174,300)	348,600	Nil	1 Jan 2025 – 1 Jan 2027
	5 Jul 2024	12,942,700	–	(285,600)	–	12,657,100	Nil	5 Jul 2025 – 5 Jul 2027
	2 Oct 2024	247,700	–	–	–	247,700	Nil	20 Feb 2027
Total		29,926,400	–	(764,200)	(3,029,300)	26,132,900		

Notes:

- No share awards were cancelled during the underlying six-month period.
- The weighted average closing price of the shares immediately before the dates on which the awards were vested during the six months ended 30 June 2025 was HKD4.45.
- At the beginning and end of the underlying six-month period (i.e. 1 January 2025 and 30 June 2025), a maximum of respectively 55,693,551 and 307,444,505 shares (representing respectively 1.55% and 8.57% of the issued shares thereby) were available for grant under the 2012 Share Award Scheme.

(B) 2025 Share Scheme

A share scheme of the Company was adopted by the shareholders of the Company on 12 June 2025 ("**2025 Share Scheme**"). Pursuant to the 2025 Share Scheme, the Company may grant options and awards funded by existing shares, new shares and/or treasury shares of the Company. During the underlying six-month period, no options and awards were granted under the 2025 Share Scheme.

As at both the adoption date of the 2025 Share Scheme and 30 June 2025, the number of shares available for grant under the scheme mandate limit of the 2025 Share Scheme was 358,552,505 and the service provider submit thereunder was 35,855,250.

DISCUSSION AND ANALYSIS

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

During the underlying six-month period, save for the purchase of shares in the Company for the purposes of the Company's 2012 Share Award Scheme as disclosed in Note 9 to the condensed consolidated interim financial statements, neither the Company nor any of its subsidiaries had repurchased, sold or redeemed any of the listed securities of the Company (including any sale or transfer of treasury shares).

During the underlying six-month period and as at the date of this report, the Company does not have any treasury shares (including any treasury shares held or deposited with the Central Clearing and Settlement System).

On behalf of the Board

KUOK Hui Kwong

Chairman & Group Chief Executive Officer

Hong Kong, 28 August 2025