CS-02/2026/010

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Management Discussion and Analysis for the performance of the 6-month period ended 30 June 2026

Performance Overview

S Hotels and Resorts Public Company Limited (“SHR” or "the Company") and its subsidiaries ("the Group") reported revenue from sales and services in the second quarter of 2026 at THB 2,266.4 million, representing a modest 6% decline compared to the second quarter of 2025. The decrease was primarily attributable to heightened geopolitical tensions in the Middle East, which negatively affected travel confidence and airline operations, together with low seasonality in certain key tourism markets. The Group's portfolio in the Maldives was particularly impacted by softer travel demand and flight cancellations, resulting in weaker operating results compared with the same period last year. Despite the challenging operating environment, the Group's hotels in Fiji delivered outstanding performance as the destination entered the high season. Revenue increased 9% compared with the same period last year, while Revenue per Available Room (RevPAR) reached a record high level for the second quarter and occupancy improved to 86% from 78% in the prior-year period. The strong performance reflected resilient travel demand, supported by effective sales, marketing and revenue management strategies. Meanwhile, the Company's self-managed hotels in Thailand demonstrated solid resilience despite the low season and external headwinds. SAii Laguna Phuket and SAii Koh Samui Villas recorded RevPAR growth of 22% and 14% compared with the same period last year, respectively, driven by proactive marketing initiatives, effective distribution channel management, and the continued strength of the SAii brand, which has broadened the Group's customer base. Consequently, the Company's self-managed hotel portfolio in Thailand maintained broadly flat RevPAR of approximately THB 4,896.

Despite the revenue pressure from these external factors, the Group continued to implement disciplined cost optimization and expense control measures while actively optimizing its capital structure. Nevertheless, the Company reported a net loss of THB 93.9 million in the second quarter of 2026. Excluding non-recurring items, the Group recorded a normalized net loss of THB 55.5 million, indicating that the impact on the Group's underlying operating performance remained relatively resilient despite the challenging operating environment.

For the first six months of 2026, the Group reported revenue from sales and services of THB 4,900.3 million, representing a modest 2% decline compared with the same period last year. The decrease was primarily attributable to heightened geopolitical tensions during the second quarter, which adversely affected travel demand from the Group's key source markets. Nevertheless, the successful execution of the Group's Asset Enhancement and Revenue Management strategies continued to support operating performance, as reflected in the 2% year-on-year increase in Average Daily Rate (ADR) to THB 6,775. Together with an average occupancy rate of 66%, RevPAR across the Group's portfolio improved to THB 4,452, compared with THB 4,446 in the same period last year. In addition, the Group remained committed to enhancing operational efficiency through disciplined management of cost of sales and services, prudent expense control, and the continued optimization of its capital structure and financing costs. As a result, the Group reported a net profit of THB 170.6 million for the first six months of 2026.

Tourism Industry Trends and Hotel Operations by Location

The global tourism industry faced headwinds during the second quarter of 2026, primarily due to heightened geopolitical tensions in the Middle East. Rising energy prices and aviation fuel costs, coupled with airline route diversions and flight cancellations in conflict-affected areas, increased travel costs and airfares while reducing connectivity and convenience for travelers from certain source markets. As a result, travelers became more cautious in their spending decisions, placing greater emphasis on value for money, shortening booking windows and, in some cases, postponing long-haul trips.

Geopolitical uncertainty also influenced international travel patterns, prompting some travelers to favor destinations perceived as safer, more accessible and offering better value. Short-haul travel also gained momentum relative to long-haul travel during certain periods. Despite these challenges, demand from European source markets remained an important driver of tourism across several regions, including Thailand and the Maldives, two of the Group’s key operating markets.

Toward the end of the quarter, geopolitical tensions in the Middle East began to ease and energy prices gradually moderated, helping alleviate pressure on travel costs and airfares. These developments contributed to a gradual improvement in travel sentiment and are expected to support tourism activity during the second half of the year. The tourism industry also continued to benefit from resilient leisure demand, the ongoing recovery in business travel and MICE activities, and the continued expansion of airline capacity across key routes. These factors are expected to provide additional support for tourism demand, particularly in the fourth quarter, which coincides with the peak travel season in the Group’s key markets, including Thailand and the Maldives.

The Estimated Number of International Tourist Arrivals in The Countries Where the Company Operates

(Unit: Million Visitors)	2019	2024	2025	Forecast 2026*
Thailand	39.9	35.5	33.0	33.2
Republic of Maldives	1.7	2.0	2.2	2.4
United Kingdom	40.9	38.7	44.3	45.5
Republic of Fiji	0.9	1.0	1.0	1.0
Republic of Mauritius	1.4	1.4	1.4	1.5

Note:

(1) Forecasts for the year 2026 for Thailand, as referenced from the Ministry of Tourism and Sports' estimation, Maldives as cited from the Maldives Association of Travel Agents and Tour Operators (MATATO), the United Kingdom as referenced from VisitBritain's estimation, Fiji as cited from the Ministry of Commerce of the Republic of Fiji, and Mauritius as cited from the Mauritius Tourism Promotion Authority.

Thailand

Thailand's tourism industry faced headwinds during the second quarter of 2026 amid continued global economic uncertainty and heightened geopolitical tensions in the Middle East. The resulting increase in energy prices and airfares, together with airline route adjustments and reduced flight frequencies on certain routes, weighed on international travel sentiment and demand. According to the Tourism Authority of Thailand (TAT), international tourist arrivals totaled 6.5 million during the quarter, representing an 8% decline compared with the same period last year. For the first six months of 2026, cumulative international tourist arrivals reached 16.0 million, down 4% compared with the same period last year. Despite the decline in international tourist arrivals, Thailand generated approximately THB 780 billion in tourism revenue during the quarter, representing a 6% increase compared with the same period last year. This reflected an improvement in tourism yield, supported by higher average spending per trip, a higher proportion of high-spending tourists, and longer average lengths of stay, which helped offset the decline in visitor arrivals. The five largest international source markets were China, Malaysia, India, Russia, and South Korea, highlighting the important role of short-haul markets in supporting the tourism recovery. Meanwhile, long-haul markets, particularly Europe and the United States, remained key contributors to tourism revenue, supported by higher average spending per trip and longer lengths of stay.

TAT continues to forecast approximately 33 million international tourist arrivals and THB 2.76 trillion in total tourism revenue for 2026. The tourism outlook for the second half of the year, particularly the fourth quarter, is expected to improve with the onset of the high season, supported by Thailand's strategy to position itself as a global event hub through the hosting of international events and festivals, together with government tourism promotion initiatives, including the Thai Tiew Thai Plus program, the Amazing Thailand Grand Sale 2026 campaign, and enhanced air connectivity through additional direct flights, new international routes, and increased flight frequencies from key source markets. The government also continues to promote high-potential tourism segments, including wellness tourism, MICE, sports tourism, and cultural tourism (Soft Power), with the aim of enhancing the quality and diversity of Thailand's tourism offerings.

Furthermore, Thailand's tourism industry continues to pursue a "Value over Volume" strategy, focusing on generating higher tourism revenue from quality visitors rather than increasing visitor numbers. This strategy emphasizes the development of meaningful travel experiences, the promotion of sustainable tourism, and the expansion of high-potential source markets, including short-haul markets such as China, India, and Malaysia, while maintaining the resilience of long-haul markets from Europe and the United States. Together with the introduction of new tourism products and experiences aimed at increasing average visitor spending and distributing tourism income to secondary destinations, these initiatives are expected to support the continued recovery of Thailand's tourism industry and strengthen its long-term revenue-generating potential.

<u>Republic of Maldives</u>

During the first half of 2026, the Maldives' tourism industry faced headwinds from heightened geopolitical tensions in the Middle East, which led to higher travel costs and energy prices, as well as disruptions to air connectivity through the Middle East, which serves as a key transit hub for long-haul travelers, particularly from Europe and the Middle East. As a result, international tourist arrivals totaled approximately 1.0 million during the first half of the year, representing a 6% decline compared with the same period last year. Europe remained the Maldives' largest source market, led by Russia, the United Kingdom, Italy, and Germany. Meanwhile, China became the largest single source market, with approximately 169,800 visitor arrivals, accounting for 16% of total international arrivals and growing by 20% compared with the same period last year. Russia and the United Kingdom followed, accounting for 14% and 8% of total arrivals, respectively. The recovery in the Chinese market contributed to a more diversified visitor mix and enhanced the resilience of the Maldives' tourism industry against fluctuations in demand from European markets. Resorts continued to dominate the accommodation market, accounting for approximately 72% of total tourist arrivals, reinforcing the Maldives' position as a world-class premium and luxury tourism destination.

Looking ahead, the Maldives' tourism industry is expected to recover during the second half of 2026, supported by proactive marketing initiatives across key source markets, including China, India, Russia, and Europe, together with continued improvements in air connectivity and collaborations with airlines and tourism partners. In addition, the gradual realization of benefits from the new international passenger terminal at Velana International Airport, which commenced operations in the second half of 2025, is expected to enhance the airport's capacity to accommodate international passengers, support additional flight services, and facilitate the long-term recovery of long-haul travel demand. Backed by the Maldives' strong positioning as a world-class luxury destination, with a continued focus on attracting high-value travelers and enhancing tourism value, international tourist arrivals are expected to recover gradually in the third quarter before accelerating in the fourth quarter with the onset of the high season. Nevertheless, geopolitical developments, the global economic outlook, and travel costs remain key factors that could influence the pace of the tourism recovery.

United Kingdom

During the first half of 2026, the United Kingdom's tourism industry continued to benefit from resilient international travel demand alongside stable domestic tourism. However, from late in the first quarter, the sector began to face headwinds from heightened geopolitical tensions in the Middle East, which weighed on demand from certain long-haul source markets due to disruptions to air travel routes and higher travel costs. Although inflationary pressures continued to ease, the still-elevated cost of living and travel expenses continued to weigh on consumer confidence and discretionary spending. Nevertheless, domestic tourism, particularly the staycation trend, remained an important source of demand amid elevated international travel costs, especially during the Easter holiday period and the start of the summer travel season.

For 2026, VisitBritain forecasts that the United Kingdom will welcome approximately 45.5 million international visitors in 2026, representing a 4% increase from the previous year, while tourism receipts are expected to reach approximately GBP 35.7 billion, up 7% year-on-year. The outlook is supported by the continued recovery of long-haul travel demand, together with tourism promotion initiatives under the "Starring GREAT Britain" campaign, which showcases internationally recognized film and television locations to attract overseas visitors. In addition, ongoing collaborations with airlines and tourism partners, together with the continued recovery in business travel and MICE activities, are expected to provide further support for hotel demand in major cities across the United Kingdom. Nevertheless, geopolitical developments, the global economic outlook, and travel costs remain key factors that could influence the pace of recovery in the United Kingdom's tourism industry.

Republic of Fiji

During the first half of 2026, Fiji's tourism industry continued to deliver strong growth, with international visitor arrivals reaching 460,628, representing a 4% increase compared with the same period last year. In June, international visitor arrivals totaled 98,522, up 6% compared with the same period last year and marking the highest June on record. The strong performance reflected resilient demand from Fiji's key source markets. Australia, New Zealand, and the United States remained the three largest source markets, accounting for approximately 79% of total visitor arrivals. Growth was driven primarily by higher visitor arrivals from Australia and the United States, which increased 5% and 7%, respectively, compared with the same period last year, supported by strong international air connectivity and Tourism Fiji's ongoing marketing initiatives. Furthermore, Fiji's diversified source market profile, supported by its strong reliance on the nearby Australian and New Zealand markets, together with strong direct air connectivity from the United States, helped mitigate the impact of geopolitical uncertainty and disruptions to international flight networks compared with other destinations that rely more heavily on long-haul markets and transit connections through the Middle East.

Looking ahead, Fiji is expected to welcome more than 1 million international visitors, marking a new record high. The outlook is supported by resilient international travel demand, strong air connectivity from key source markets, including Australia, New Zealand, and the United States, as well as Tourism Fiji's "Be Fiji" campaign, which aims to strengthen the country's positioning as a premium tourism destination while attracting high-value visitors and promoting sustainable tourism.

Republic of Mauritius

During the first half of 2026, Mauritius welcomed 668,471 international visitors, representing a 2% increase compared with the same period last year. Although the tourism sector started the year on a strong note, with visitor arrivals increasing 7% during the first quarter, growth began to moderate from April onward. As a result, international visitor arrivals declined 4% in the second quarter compared with the same period last year, reflecting softer demand from key European source markets, particularly the United Kingdom, Germany, and France. The slowdown was further compounded by heightened geopolitical tensions in the Middle East, which disrupted air connectivity and weighed on travel sentiment, as well as the onset of Mauritius' winter season, which marks the low season for the island's leisure tourism market. Nevertheless, continued growth in arrivals from Africa, particularly South Africa, together with China and India, helped partially offset weaker demand from the country's traditional European source markets.

For 2026, Mauritius continues to target approximately 1.5 million international visitor arrivals, supported by initiatives to diversify its source markets, including China, South Korea, the Middle East, Russia, and Eastern Europe, together with ongoing improvements in international air connectivity. The government also continues to improve the visitor experience through the rollout of Smart Gates, e-Visa services, and digital tourism platforms. In addition, Mauritius remains committed to its Quality, Value-added and Sustainable Tourism strategy, while promoting community-based and cultural tourism to strengthen its positioning as a Green Destination by 2030. Nevertheless, the pace of recovery will continue to depend on demand from European markets, global economic conditions, and geopolitical developments, all of which remain key factors that could influence international travel demand during the remainder of the year.

Nature of Business

The Company operates as a holding company with investments in hotel management and international hospitality businesses. The Group pursues both organic and inorganic growth strategies while enhancing profitability to deliver sustainable long-term value. The unique portfolio of assets consists of hotels located in world-class tourist destinations, namely:

(1) Five hotels under a self-managed platform which consists of four hotels in Thailand operate under independent brands, namely, Santiburi Koh Samui, SAii Phi Phi Island Village, SAii Laguna Phuket, SAii Koh Samui Villa, and Konotta Maldives Resort in the Republic of Maldives (**"Self-Managed Hotels"**);

(2) Three hotels operate under the Outrigger brand and are managed under hotel management agreements, which consist of two hotels in the Republic of Fiji; Outrigger Fiji Beach Resort and Castaway Island Fiji, and one hotel in Mauritius named Outrigger Mauritius Beach Resort (**"Outrigger Hotels"**);

(3) Two upper upscale successfully developed hotels, as part of Project CROSSROADS in Emboodhoo lagoon in the Republic of Maldives, consisting of SAii Lagoon Maldives, Curio Collection by Hilton and Hard Rock Hotel Maldives (**"Project CROSSROADS Hotels"**);

(4) Twenty-one upper midscale hotels operated in the United Kingdom operated under the Mercure brand and managed by Aimbridge Hospitality EMEA (previously named Interstate Hotels & Resorts), and one upper-scale hotel in the United Kingdom operated under The Unlimited Collection brand and managed by The Ascott Limited, (**"UK Portfolio Hotels"**), and

(5) Hotel under the Joint Venture Agreement, the SO/ Maldives hotel operates under a hotel management agreement with Ennismore, as part of the CROSSROADS project in the Republic of Maldives, with both Wai Eco World Developer and the company holding a 50% investment share in the venture (**"Joint Ventures Hotels"**). Performances generated under the joint venture, are not included in the Company's consolidated financial statements, and are instead accounted for using the equity method, according to which the Company receives a share of profit or loss from the investment in the joint venture.

The Group portfolio comprises 33 commercially operating hotels, comprising hotels under its management, the Outrigger Hotel, hotels in the CROSSROADS project, the Company's hotels in the United Kingdom, and hotels under joint ventures that have a total of 4,035 rooms. As of June 30, 2026, 31 hotels out of 33 were operational, equivalent to 98% of the total number of rooms (3,938 out of a total of 4,035 rooms).

Revenue from services by management platforms:

(unit: million baht)	6 months of 2025	% Revenue share	6 months of 2026	% Revenue share	% Change	2Q'2025	% Revenue share	2Q'2026	% Revenue share	% Change
Self-managed in Thailand	1,238.5	24.7%	1,279.1	26.1%	3.3%	425.0	17.7%	415.2	18.3%	(2.3%)
Outrigger	869.9	17.3%	879.8	18.0%	1.1%	501.6	20.9%	529.8	23.4%	5.6%
CROSSROADS	1,395.1	27.8%	1,297.3	26.5%	(7.0%)	547.8	22.8%	451.0	19.9%	(17.7%)
UK Portfolio	1,519.8	30.3%	1,444.1	29.5%	(5.0%)	926.7	38.6%	870.4	38.4%	(6.1%)
Total Revenue from Services	**5,023.2**	**100.0%**	**4,900.3**	**100.0%**	**(2.4%)**	**2,401.1**	**100.0%**	**2,266.4**	**100.0%**	**(5.6%)**

In the second quarter of 2026, the Company reported revenue from sales and services of THB 2,266.4 million, representing a 6% decline compared with the same period last year, amidst challenging operating environment. Revenue from the Company's self-managed hotel portfolio in Thailand declined modestly by 2% compared with the same period last year, with RevPAR remaining broadly flat. The resilient performance was supported by the strong operating results of the SAii-branded properties, which continued to demonstrate resilience despite the low seasonality, driven by effective revenue management and distribution strategies. Meanwhile, revenue from the Outrigger portfolio increased by 6% compared with the same period last year, primarily attributable to the strong performance of the Fiji hotels as they approached the high season. Revenue from the Fiji portfolio grew by 9% compared with the same period last year, while RevPAR reached a record high for the second quarter, reflecting resilient travel demand. In addition, Fiji experienced relatively limited impact from geopolitical tensions compared with other destinations. In contrast, CROSSROADS Maldives remained the primary drag on the Group's revenue performance, with revenue declining by 18% compared with the same period last year. The weaker performance was mainly attributable to softer travel demand following the geopolitical tensions in the Middle East, which affected key source markets, together with flight cancellations and the seasonal slowdown during the Maldives' low season. Revenue from the UK portfolio declined by 6% compared with the same period last year, primarily due to temporary room closures associated with renovation works at selected properties.

For the first six months of 2026, the self-managed hotel portfolio in Thailand increased its contribution to the Group's total revenue from sales and services to 26.1%, compared with 24.7% in the same period last year, while revenue increased by 3%. The improvement reflected the continued strength of the SAii-branded properties despite the challenging tourism environment. The key driver was the sustained positive response to the newly renovated room product at SAii Laguna Phuket, where RevPAR increased by 20% compared with the same period last year, supported by proactive marketing initiatives, effective channel management, and disciplined yield management. SAii Koh Samui Villas also delivered stronger operating performance, with RevPAR increasing by 9% compared with the same period last year, driven by higher ADR, supported by continued strong demand from European travellers, which supported sustained improvements in room rates.

Key indicators in respect of the Hotels performance are set out as follows:

<u>Self-Managed Hotels</u>

Indicators	6 months of 2025	6 months of 2026	% Change	2Q'2025	2Q'2026	% Change
No. of Hotels	4(2)	4(2)	-	4(2)	4(2)	-
No. of Keys	604	604	-	604	604	-
Average Occupancy Rate (%)	75.6%	76.7%	1.1%	64.3%	66.9%	2.6%
ADR (Baht)	10,618	11,046	4.0%	7,699	7,322	-4.9%
RevPAR (Baht)	8,025	8,468	5.5%	4,950	4,896	-1.1%

Note:

(2) As Konotta Maldives is still under temporally closed, the Company excluded the hotel from the calculation of the key indicators

Despite the the geopolitical tensions in the Middle East, together with Thailand's low seasonality in the second quarter of 2026, the Company's self-managed hotels in Thailand continued to demonstrate resilient operating performance. Average occupancy increased to 67% from 64% in the same period last year, while RevPAR remained broadly flat at THB 4,896. The resilient performance was primarily supported by the Company's flagship resorts in Phuket and Koh Samui. SAii Laguna Phuket continued to benefit from the strong market response to its newly renovated rooms following the completion of its refurbishment last year. As a result, occupancy increased to 74%, representing a 13% increase compared with the same period last year. Meanwhile, SAii Koh Samui Villas and Santiburi Koh Samui recorded occupancy of 71% and 72%, respectively, supported by continued strong leisure demand, higher last-minute bookings, and successful marketing initiatives that effectively broadened the customer base. Partially offsetting these positive developments, SAii Phi Phi Island Village was affected by softer travel demand together with adverse weather conditions during the monsoon season, which weighed on its operating performance during the quarter.

For the first six months of 2026, the Company's self-managed hotels in Thailand reported a 6% increase in RevPAR compared with the same period last year, supported by a 4% increase in ADR to THB 11,046. The improvement was driven by the successful execution of the Company's revenue management strategy, particularly at SAii Laguna Phuket, where the newly renovated rooms continued to receive a strong market response, resulting in a meaningful uplift in room rates during the high season. Meanwhile, the Koh Samui properties continued to benefit from resilient demand from European travellers, enabling them to maintain ADR at a consistently high level.

Outrigger Hotels

Indicators	6 months of 2025	6 months of 2026	% Change	2Q'2025	2Q'2026	% Change
No. of Hotels	3	3	-	3	3	-
No. of Keys	499	501	2	499	501	2
Average Occupancy Rate (%)	68.7%	68.0%	-0.7%	74.4%	77.0%	2.6%
ADR (Baht)	8,366	8,267	-1.2%	9,115	8,889	-2.5%
RevPAR (Baht)	5,744	5,618	-2.2%	6,777	6,843	1.0%

Note:

(3) The exchange rates applied for the calculations in the first six months of 2025 were 14.63 THB/FJD, 0.73 THB/MUR. For the first six months of 2026 were 14.51 THB/FJD, 0.69 THB/MUR. For the second quarter of 2025 were 14.59 THB/FJD, 0.73 THB/MUR. For the second quarter of 2026 were 14.71 THB/FJD, 0.69 THB/MUR.

In the second quarter of 2026, the Outrigger portfolio reported RevPAR of THB 6,843, representing a 1% increase compared with the same period last year. Average occupancy increased to 77% from 74% in the same period last year, while ADR declined by 3% to THB 8,889 per room per night. The portfolio's performance was primarily supported by the Fiji portfolio, while RevPAR increased by 4% compared with the same period last year to THB 9,190. On a local currency basis, RevPAR reached FJD 625, marking a record high for the second quarter. Occupancy improved to 86% from 78% in the same period last year, while ADR declined modestly to THB 10,707 per room per night. The solid performance reflected resilient demand during the early high season, together with effective revenue management strategies, which supported growth in both room revenue and non-room revenue. Partially offsetting this positive performance, Outrigger Mauritius reported RevPAR of THB 2,695, representing a 15% decline compared with the same period last year. The weaker performance reflected softer demand from key source markets amid the geopolitical tensions in the Middle East, together with a shift in demand towards regional and domestic markets.

For the first six months of 2026, the Outrigger portfolio reported average occupancy of 68%, bloadly flat compared with the same period of last year. ADR declined modestly by 1% to THB 8,267 per room per night, resulting in RevPAR of THB 5,618, representing a 2% decline compared with the same period last year. On a local currency basis, the Fiji portfolio recorded a 1% increase in RevPAR compared with the same period last year. Meanwhile, Outrigger Mauritius reported a 5% increase in ADR despite lower occupancy, reflecting effective revenue management and disciplined pricing strategies amid softer market demand.

CROSSROADS Hotels

Indicators	6 months of 2025	6 months of 2026	% Change	2Q'2025	2Q'2026	% Change
No. of Hotels	2	2	-	2	2	-
No. of Keys	376	348	(28)	376	348	(28)
Average Occupancy Rate (%)	77.5%	72.2%	-5.3%	65.3%	55.6%	-9.7%
ADR (Baht)	13,954	15,030	7.7%	12,068	12,277	1.7%
RevPAR (Baht)	10,808	10,845	0.3%	7,875	6,821	-13.4%

Note:

(4) The exchange rates applied for the calculations in the first six months of 2025 were 33.71 THB/USD. For the first six months of 2026 were 31.85 THB/USD. For the second quarter of 2025 were 33.26 THB/USD. For the second quarter of 2026 were 32.55 THB/USD

(5) At SAii Lagoon Maldives, 28 rooms were partially combined to create larger room configurations and enhance the overall room product offering, effective from October 2025.

In the second quarter of 2026, occupancy at the two hotels at CROSSROADS Maldives, comprising Hard Rock Hotel Maldives and SAii Lagoon Maldives, declined by 10% compared with the same period last year. The weaker performance was primarily attributable to the slowdown in international visitor arrivals to the Maldives, together with flight cancellations on certain routes following the geopolitical tensions in the Middle East. Despite the softer operating environment, the Company increased ADR by 2% compared with the same period last year, supported by targeted marketing initiatives and its room product enhancement strategy at SAii Lagoon Maldives. As part of this strategy, selected rooms were consolidated into larger room configurations designed to meet the growing demand from the upper-upscale segment. As a result, ADR at SAii Lagoon Maldives increased by 10% compared with the same period last year.

For the first six months of 2026, the CROSSROADS Maldives portfolio reported RevPAR of THB 10,845, which remained at broadly the same level as in the same period last year despite softer travel demand and lower occupancy resulting from external factors. The Company's continued room product enhancement strategy supported an 8% increase in ADR compared with the same period last year. In particular, SAii Lagoon Maldives recorded a 20% increase in ADR compared with the same period last year, reflecting the continued success of its room product enhancement initiatives.

UK Portfolio Hotels

Indicators	6 months of 2025	6 months of 2026	% Change	2Q'2025	2Q'2026	% Change
No. of Hotels	22	22	-	22	22	-
No. of Keys	2,449	2,449	-	2,449	2,449	-
Average Occupancy Rate (%)	62.7%	61.6%	-1.1%	70.1%	67.0%	-3.1%
ADR (Baht)	3,700	3,755	1.5%	4,158	4,270	2.7%
RevPAR (Baht)	2,321	2,314	-0.3%	2,913	2,862	-1.8%

Note:

(6) The exchange rates applied for the calculations in the first six months of 2025 were 43.67 THB/GBP. For the first six months of 2026 were 43.31 THB/GBP. For the second quarter of 2025 44.21 THB/GBP. For the second quarter of 2026 were 43.72 THB/GBP

(7) The operating results for the first six month of 2026 include the performance of 15 hotels in the United Kingdom under the agreement for the disposal of all shares in Jupiter Hotels Limited ("JHL"). The transaction is currently in the completion process, subject to the buyer's fulfilment of the conditions precedent specified in the agreement.

In the second quarter of 2026, the Company's UK portfolio reported RevPAR of THB 2,862, representing a modest 2% declined compared with the same period last year. The decline was primarily attributable to a 3% decrease in average occupancy following the partial closure of Mercure Glasgow and Mercure Manchester

Piccadilly for refurbishment as part of the Company's rebranding and repositioning strategy. Despite the temporary impact on occupancy, the UK portfolio increased ADR by 3% compared with the same period last year. On a local currency basis, ADR increased by 4% to approximately GBP 98 per room per night, supported by the ongoing rebranding and repositioning of selected hotels under The Unlimited Collection by Ascott, strengthening their market positioning.

For the first six months of 2026, the UK's portfolio performance remained consistent with the second quarter trend. RevPAR amounted to THB 2,314, remaining broadly flat compared with the same period last year, supported by a 2% increase in ADR despite a modest decline in average occupancy. The Company also continued to execute its Portfolio Optimization strategy through the rebranding of selected properties under the lyf brand to strengthen market positioning and enhance the guest experience. Upon completion of the programme, these initiatives are expected to support long-term growth in both ADR and RevPAR.

Financial Performance

Table comparing financial performance for the six-month period of 2025 and 2026.

	6 months of 2025		6 months of 2026		Change YoY	
	million baht	*%*	*million baht*	*%*	*million baht*	*%*
Revenue from services	5,023.20	*100.0%*	4,900.3	*100.0%*	(122.9)	*(2.4%)*
Cost of Services	3,111.0	*61.9%*	3,110.4	*63.5%*	(0.6)	*(0.0%)*
Gross Profit	**1,912.2**	***38.1%***	**1,789.9**	***36.5%***	**(122.3)**	***(6.4%)***
Selling expenses	250.1	*4.9%*	258.7	*5.3%*	8.6	*3.4%*
Administrative expenses	1,062.8	*21.2%*	1,000.7	*20.4%*	(62.1)	*(5.8%)*
Core operating profit	**599.2**	***11.9%***	**530.5**	***10.8%***	**(68.7)**	***(11.5%)***
Gain (loss) on exchange rate	(9.4)	*(0.2%)*	14.9	*0.3%*	24.3	*258.3%*
Other incomes	92.1	*1.8%*	98.9	*2.0%*	6.8	*7.4%*
Share of profit (loss) from investment in an associate and joint ventures	32.3	*0.6%*	-	-	(32.3)	*(100.0%)*
Profit (loss) before interest & taxes	**714.2**	***14.2%***	**644.2**	***13.1%***	**(70.0)**	***(9.8%)***
Finance costs	462.9	*9.2%*	443.8	*9.1%*	(19.1)	*(4.1%)*
Income tax income (expense)	(51.6)	*(1.0%)*	(29.9)	*(0.6%)*	(21.7)	*(42.1%)*
Profit (loss) for period	**199.8**	***4.0%***	**170.6**	***3.5%***	**(29.2)**	***(14.6%)***
Adjusted items						
Unrealized (gain) loss on exchange rate	11.9	*0.2%*	(12.5)	*(0.3%)*	(24.4)	*(205.3%)*
Non-recurring items [1]	(20.3)	*(0.4%)*	(1.7)	*(0.0%)*	18.6	*91.5%*
Nomalized EBITDA[2]	**1,315.1**	***26.2%***	**1,197.2**	***24.4%***	**(117.9)**	***(9.0%)***
Nomalized Net profit	**236.8**	***4.7%***	**203.6**	***4.2%***	**(33.2)**	***(14.0%)***

Table comparing financial performance of the second quarter of 2025 and 2026.

	2Q'2025		2Q'2026		Change YoY	
	million baht	*%*	*million baht*	*%*	*million baht*	*%*
Revenue from services	2,401.1	*100.0%*	2,266.4	*100.0%*	(134.7)	*(5.6%)*
Cost of Services	1,528.0	*63.6%*	1,552.8	*68.5%*	24.8	*1.6%*
Gross Profit	**873.1**	***36.4%***	**713.6**	***31.5%***	**(159.5)**	***(18.3%)***
Selling expenses	126.7	*5.3%*	127.7	*5.6%*	1.0	*0.8%*
Administrative expenses	559.2	*23.3%*	504.5	*22.3%*	(54.7)	*(9.8%)*
Core operating profit	**187.1**	***7.8%***	**81.4**	***3.6%***	**(105.7)**	***(56.5%)***
Gain (loss) on exchange rate	(8.4)	*(0.3%)*	7.3	*0.3%*	15.7	*186.7%*
Other incomes	48.8	*2.0%*	51.0	*2.3%*	2.2	*4.5%*
Share of profit (loss) from investment in an associate and joint ventures	32.7	*1.4%*	-	-	(32.7)	*(100.0%)*
Profit (loss) before interest & taxes	**260.2**	***10.8%***	**139.6**	***6.2%***	**(120.6)**	***(46.3%)***
Finance costs	221.2	*9.2%*	240.4	*10.6%*	19.2	*8.7%*
Income tax income (expense)	(14.8)	*(0.6%)*	6.9	*0.3%*	21.7	*146.6%*
Profit (loss) for period	**24.2**	***1.0%***	**(93.9)**	***(4.1%)***	**(118.1)**	***(487.7%)***
Adjusted items						
Unrealized (gain) loss on exchange rate	10.3	*0.4%*	(8.4)	*(0.4%)*	(18.7)	*(181.3%)*
Non-recurring items [1]	(23.5)	*(1.0%)*	(0.5)	*(0.0%)*	23.0	*97.7%*
Nomalized EBITDA[2]	**540.2**	***22.5%***	**421.1**	***18.6%***	**(119.1)**	***(22.0%)***
Nomalized Net profit	**11.0**	***0.5%***	**(55.5)**	***(2.5%)***	**(66.6)**	***(604.0%)***

(1) Non-recurring items include Gain (Loss) on the disposal of assets and shares of JV companies, and Gain (Loss) from fair value adjustment of investment in the joint ventures or investment properties.

(2) Normalized EBITDA is calculated from EBT plus Finance cost, Depreciation and Amortization, Interest income, and deduct unrealized loss from exchange rates, and non-recurring items.

Revenue from services

In the second quarter of 2026, the Group reported revenue from sales and services of THB 2,266.4 million, representing a 6% decline compared with the same period last year. For the first six months of 2026, revenue from sales and services amounted to THB 4,900.3 million, representing a modest 2% decline compared with the same period last year. The decrease was primarily attributable to the escalation of geopolitical tensions in the Middle East during the second quarter, which weakened long-haul travel demand and affected several of the Group's key markets. Despite these external challenges, the Company's self-managed hotel portfolio in Thailand continued to deliver resilient performance, supported by its ongoing Asset Enhancement and Revenue Management initiatives, which contributed to higher ADR and drove a 3% increase in revenue compared with the same period last year. Meanwhile, the Fiji portfolio continued to deliver solid operating performance, resulting in a 9% increase in revenue compared with the same period last year.

Costs of services

Cost of services amounted to THB 1,552.8 million in the second quarter of 2026, representing a modest 2% increase compared with the same period last year. The increase was primarily attributable to higher utility expenses, particularly energy costs, amid the escalation of geopolitical tensions in the Middle East, which contributed to higher global energy prices. Nevertheless, the Group continued to effectively manage controllable operating costs, generating cost savings that partially offset higher energy costs. For the first six months of 2026, cost of services amounted to THB 3,110.4 million, remaining broadly in line with the same period last year. This reflected the Group's continued cost discipline and operational efficiency, together with the benefits of economies of scale, despite higher energy costs during the second quarter.

Gross profit

Gross profit amounted to THB 713.6 million in the second quarter of 2026, representing an 18% decline compared with the same period last year. For the first six months of 2026, gross profit totalled THB 1,789.9 million, representing a 6% decline compared with the same period last year. The decline was primarily attributable to lower revenue from sales and services and elevated energy costs during the second quarter. As a result, the Group reported a gross profit margin of 31% for the second quarter of 2026 and 37% for the first six months of 2026.

Selling and Administrative expenses

Selling and administrative expenses amounted to THB 632.2 million in the second quarter of 2026, representing an 8% decline compared with the same period last year. For the first six months of 2026, selling and administrative expenses totalled THB 1,259.4 million, representing a 4% decline compared with the same period last year. The decrease reflected the successful implementation of the Group's ongoing cost optimization initiatives and continued cost control measures. The reduction was further supported by effective resource and workforce management, together with disciplined control of marketing and personnel expenses.

Finance Costs

Finance costs amounted to THB 240.4 million in the second quarter of 2026, representing a 9% increase compared with the same period last year. The increase was primarily attributable to the recognition of non-recurring expenses arising from the full early repayment of a foreign currency loan facility. Excluding the impact of this non-recurring item, finance costs would have declined by 13% compared with the same period last year. For the first six months of 2026, finance costs amounted to THB 443.8 million, representing a 4% decline compared with the same period last year. Excluding the impact of the mentioned non-recurring item, finance costs would have declined by 14% compared with the same period last year. The improvement reflected the Group's continued efforts to optimise its finance costs, supported by the successful renegotiation of interest rates on Thai Baht-denominated loan facilities, the partial early repayment of US Dollar-denominated loans during the first quarter of 2026, and the continued easing of global interest rates.

Other income

Other income amounted to THB 51.0 million in the second quarter of 2026, representing a 5% increase compared with the same period last year. For the first six months of 2026, other income totalled THB 98.9 million, representing a 7% increase compared with the same period last year. The increase was primarily attributable to higher gains from the fair value adjustment of derivative financial instruments.

Share of profit (loss) from associates and joint ventures

The Group discontinued recognition of its share of losses from SO/ Maldives in accordance with TAS 28 – Investments in Associates and Joint Ventures, as the subsidiary had recognized cumulative losses to the extent that the carrying amount under the equity method had been reduced to zero since the fourth quarter of 2024.

Normalized EBITDA

The Group reported Normalized EBITDA of THB 421.1 million in the second quarter of 2026, representing a 22% decline compared with the same period last year. For the first six months of 2026, Normalized EBITDA amounted to THB 1,197.2 million, representing a 9% decline compared with the same period last year. The decline reflected weaker operating performance amidst escalating US-Iran war, driven by softer revenue in certain markets together with elevated energy costs during the second quarter. Nevertheless, the Group continued to implement its Operational Efficiency initiatives, together with ongoing cost optimization and cost control measures, to preserve profitability and enhance long-term operating efficiency.

Profit (loss) for the period

The Group reported a net loss of THB 93.9 million in the second quarter of 2026, compared with a net profit of THB 24.2 million in the same period last year. The decline was primarily attributable to softer operating performance amid escalating geopolitical tensions in the Middle East, together with the recognition of non-recurring items. For the first six months of 2026, the Group reported a net profit of THB 170.6 million, representing a 15% decline compared with the same period last year. Excluding the impact of the non-recurring items, the Group would have reported a net loss of THB 55.5 million for the second quarter of 2026 and a net profit of THB 203.6 million for the first six months of 2026.

Analysis of Financial Position and Investment Structure

As of 30 June 2026, the Group's total assets amounted to THB 34,062.7 million, representing an increase of THB 1,059.3 million, or 3%, from 31 December 2025. Total liabilities amounted to THB 19,950.7 million, representing an increase of THB 320.5 million, or 2%, from 31 December 2025. Interest-bearing debt totalled THB 12,673.5 million, compared with THB 12,488.3 million as of 31 December 2025. Total shareholders' equity amounted to THB 14,112.0 million, increasing from THB 13,373.2 million as of 31 December 2025, primarily attributable to the net profit recognised during the first six months of 2026, together with changes in other components of equity. The Group's Interest-Bearing Debt-to-Equity (IBD/E) ratio improved to 0.90 times as of 30 June 2026 from 0.93 times at the end of 2025, remaining well below the Company's financial covenant requirements. This reflects the Group's strong financial position, prudent capital management, and financial flexibility to support future investments and long-term growth.

	31-Dec-25	30-Jun-26	Change	
	million baht	*million baht*	*million baht*	%
Cash and cash equivalents	2,294.8	2,415.3	120.5	5.2%
Total current assets	3,705.6	4,011.3	305.7	8.2%
Property, plant and equipment, net	26,875.5	27,799.2	923.7	3.4%
Total non-current assets	29,297.8	30,051.4	753.6	2.6%
Total assets	**33,003.4**	**34,062.7**	**1,059.3**	**3.2%**
Total interest-bearing debt	12,488.3	12,673.5	185.2	1.5%
Other liabilities	7,141.9	7,277.2	135.3	1.9%
Total liabilities	**19,630.2**	**19,950.7**	**320.5**	**1.6%**
Total shareholders' equity	**13,373.2**	**14,112.0**	**738.7**	**5.5%**
Interest-bearing debt to equity (times)	**0.93**	**0.90**	**(0.03)**	

Sustainable Development

In the second quarter of 2026, the Company continued to operate in accordance with environmental, social and governance (ESG) principles by integrating sustainability considerations into its hotel operations and value chain management. This approach aims to balance business growth, environmental impact mitigation and long-term value creation for stakeholders. The Company places particular emphasis on efficient water and energy management, the reduction of food waste and greenhouse gas emissions, as well as the conservation of biodiversity and ecosystems across its operating locations.

At the same time, the Company promotes the engagement of employees, guests and surrounding communities by offering travel experiences that connect them with local nature, culture and ways of life. The Company also supports the procurement of ingredients and products from local producers and businesses, helping distribute economic benefits and create shared value with local communities. These efforts are undertaken alongside the Company's commitment to conducting business in accordance with good corporate governance principles, with transparency and accountability, while appropriately managing sustainability-related risks.

The Company remains committed to enhancing its sustainability performance and embedding sustainability into its business strategy. These efforts are intended to strengthen competitiveness, enhance preparedness for climate-related risks and changes in the tourism industry, and support sustainable long-term growth.

Yours faithfully,

S Hotels and Resorts Public Company Limited

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