
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Prospectus or as to the action to be taken, you should consult your stockbroker, a licensed dealer in securities or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your Share Stapled Units (as defined herein) in Langham Hospitality Investments and Langham Hospitality Investments Limited, you should at once hand this Prospectus, together with any enclosed PAL and/or EAF, to the purchaser(s) or transferee(s) or to the bank, or licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s). The Prospectus Documents should not, however, be distributed, forwarded or transmitted to, into or from any jurisdiction where to do so might constitute a violation of the relevant local securities laws or regulations. Subject to the granting of listing of, and permission to deal in, the Rights Share Stapled Units in both nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Share Stapled Units in both nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Share Stapled Units in their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC and you should consult your stockbroker, a licensed dealer in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

A copy of each of the Prospectus Documents, together with the other document(s) specified in the paragraph headed "16. Documents delivered to the Registrar of Companies" in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong, The Stock Exchange of Hong Kong Limited and the Securities and Futures Commission of Hong Kong take no responsibility as to the contents of any of these documents.

The securities described in this Prospectus have not been registered under the U.S. Securities Act of 1933, as amended (the "US Securities Act") or the laws of any state in the United States, and may not be offered or sold within the United States, absent registration or an exemption from the registration requirements of the US Securities Act and applicable state laws. There is no intention to register any portion of the Rights Share Stapled Units or any securities described in this Prospectus in the United States or to conduct a public offering of securities in the United States.

The Rights Share Stapled Units (1) are being offered and sold in offshore transactions in reliance on Regulation S under the US Securities Act, and (2) may be offered and sold in the United States to persons whom the Trust and the Company reasonably believe to be QIBs in reliance on the exemption from the registration requirements of the US Securities Act and who have fulfilled relevant requirement to the satisfaction of the Trust and the Company.

The Prospectus Documents relating to the Rights Issue have not been registered in Macau. Receipt of the Prospectus Documents is not and is not intended to constitute an offer in Macau and the Prospectus Documents are not meant to be copied, publicised or distributed in Macau. Any Unitholder with a registered address in Macau in doubt as to whether or not to accept the Rights Issue should seek professional advice.

Distribution of this Prospectus into jurisdictions other than Hong Kong may be restricted by law. Persons into whose possession this Prospectus comes should inform themselves of and observe any such restrictions. This Prospectus is not for release, publication or distribution, directly or indirectly, in or into the United States. The provision of this Prospectus to Unitholders in the United States and any other jurisdiction where distribution is restricted is for information purposes only and shall not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the Rights Share Stapled Units or to take up any entitlements to the Rights Share Stapled Units in the United States or any other jurisdiction in which such an offer or solicitation is unlawful.

You should read the whole of the Prospectus Documents including the discussions of certain risks and other factors as set out in the section headed "Summary of the Rights Issue – Warning of the Risks of Dealing in the Share Stapled Units and nil-paid Rights Share Stapled Units" in this Prospectus.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and HKSCC take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.

LANGHAM

HOSPITALITY INVESTMENTS

Langham Hospitality Investments

*(As constituted pursuant to a deed of trust on 8 May 2013 under the laws of Hong Kong,
the trustee of which is LHIL Manager Limited)
and*

Langham Hospitality Investments Limited

*(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1270)*

RIGHTS ISSUE OF ONE (1) RIGHTS SHARE STAPLED UNIT FOR EVERY TWO (2) SHARE STAPLED UNITS HELD ON THE RECORD DATE AT THE SUBSCRIPTION PRICE OF HK\$0.95 PER RIGHTS SHARE STAPLED UNIT AND CHANGE IN BOARD LOT SIZE

**Sole Financial Adviser to the Trustee-Manager and to the Company
and
Sole Global Coordinator of the Rights Issue**



Capitalised terms used on this cover shall have the same meanings as those defined in this Prospectus.

The Rights Issue is on a non-underwritten basis. Pursuant to the constitutional documents of the Trust and the Company, the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) and the Listing Rules, there is no requirement for a minimum level of subscription in the Rights Issue. The Cayman Islands legal advisers to the Trust and the Company have confirmed that there are no statutory requirements under the laws of Cayman Islands regarding minimum subscription levels in respect of the Rights Issue. The Rights Issue is subject to fulfillment and/or waiver (where applicable) of the conditions of the Rights Issue as set out in the section headed "Letter from the Boards – Rights Issue – Conditions of the Rights Issue" in this Prospectus at or prior to the latest time for the Rights Issue to become unconditional (which is currently expected to be 4:30 p.m. on Wednesday, 9 September 2020).

If the conditions of the Rights Issue are not fulfilled and/or waived (where applicable) on or prior to the latest time for the Rights Issue to become unconditional, the Rights Issue will not proceed.

Dealings in the Share Stapled Units have been on an ex-rights basis from Wednesday, 12 August 2020. Dealings in the Rights Share Stapled Units will take place from Tuesday, 25 August 2020 to Tuesday, 1 September 2020 (both dates inclusive).

Any Unitholders or other persons contemplating selling or purchasing Share Stapled Units and/or Rights Share Stapled Units in their nil-paid form up to the latest time when the conditions of the Rights Issue are fulfilled or (where applicable) waived (which is expected to be 4:30 p.m. on Wednesday, 9 September 2020) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed. Unitholders and potential investors should therefore exercise caution when dealing in the Share Stapled Units and/or the nil-paid Rights Share Stapled Units, and if they are in any doubt about their position, they are recommended to consult their professional advisers.

The latest time for acceptance of and payment for the Rights Share Stapled Units and application for excess Rights Share Stapled Units is 4:00 p.m. on Friday, 4 September 2020.

The procedures for acceptance and transfer of the Rights Share Stapled Units are set out in the section headed "Letter from the Boards – Rights Issue – Procedures for acceptance and payment or transfer" in this Prospectus.

21 August 2020

NOTICES

This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, nil-paid Rights Share Stapled Units or fully-paid Rights Share Stapled Units in any jurisdiction in which such an offer or solicitation is unlawful. None of the nil-paid Rights Share Stapled Units, the fully-paid Rights Share Stapled Units, this Prospectus, the PAL or the EAF will be registered under the securities laws of the United States and none of the nil-paid Rights Share Stapled Units, the fully paid Rights Share Stapled Units, this Prospectus, the PAL or the EAF will qualify for distribution under the relevant securities law of the United States (other than pursuant to any applicable exceptions as agreed by the Trust and the Company). Accordingly, the nil-paid Rights Share Stapled Units and the fully-paid Rights Share Stapled units may not be offered, sold, pledged, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, into or within the United States (other than pursuant to any applicable exceptions, as agreed by the Trust and the Company).

Unitholders with registered addresses in any of the Excluded Jurisdictions and Beneficial Owners who are residents of the Excluded Jurisdictions are referred to the paragraphs headed “Letter from the Board – Non-Qualifying Holders” and “Letter from the Boards – Limited categories of persons in the United States who may be able to take up their rights under the Rights Issue”.

NOTICE RELATING TO INVESTORS IN THE BRITISH VIRGIN ISLANDS

Based on the legal advice of the legal advisers of the Trust and the Company, the Directors believe that the offer of the nil-paid Rights Share Stapled Units and the fully-paid Rights Share Stapled Units to the existing Overseas Holders with registered addresses in the British Virgin Islands is not required to be registered under the laws and regulations of the British Virgin Islands and this Prospectus may be despatched to such Overseas Holders on a private basis, without being copied, publicised or distributed to the public in the British Virgin Islands. In view of this, the Directors have decided to extend the Rights Issue to the Overseas Holders with registered addresses in the British Virgin Islands, and such Overseas Holders are Qualifying Holders.

NOTICE RELATING TO INVESTORS IN MACAU

Based on the legal advice of the legal advisers of the Trust and the Company, the Directors believe that the offer of the nil-paid Rights Share Stapled Units and the fully-paid Rights Share Stapled Units to the existing Overseas Holders with registered addresses in Macau is not required to be registered under the laws and regulations of Macau and this Prospectus may be despatched to such Overseas Holders on a private basis, without being copied, publicised or distributed to the public in Macau. In view of this, the Directors have decided to extend the Rights Issue to the Overseas Holders with registered addresses in Macau, and such Overseas Holders are Qualifying Holders.

NOTICES

NOTICE RELATING TO INVESTORS IN THE UNITED STATES

EXCEPT AS OTHERWISE SET OUT IN THIS PROSPECTUS, THE RIGHTS ISSUE DESCRIBED IN THIS PROSPECTUS IS NOT BEING MADE TO UNITHOLDERS, BENEFICIAL OWNERS OR INVESTORS IN THE UNITED STATES

This Prospectus may not be circulated, distributed, forwarded, delivered or redistributed, electronically or otherwise, to persons within the United States, and may not be relied upon as a basis for making an investment decision or for any other purpose by any person within the United States, save as provided below. These materials do not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The Rights Share Stapled Units have not been and will not be registered under the US Securities Act or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. The Rights Share Stapled Units and the Prospectus Documents have not been approved or disapproved by the US Securities and Exchange Commission, any state's securities commission in the United States or any US regulatory authority nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Share Stapled Units or the accuracy or adequacy of the Prospectus Documents.

There will be no public offer of these securities in the United States. The Rights Share Stapled Units (1) are being offered and sold in offshore transactions in reliance on Regulation S under the US Securities Act, and (2) may be offered and sold in the United States to persons whom the Trust and the Company reasonably believe to be QIBs in reliance on the exemption from the registration requirements of the US Securities Act and who have fulfilled relevant requirements to the satisfaction of the Trust and the Company.

Each purchaser or subscriber of Rights Share Stapled Units being offered and sold the Rights Share Stapled Units outside the United States will be deemed to have represented and agreed, among other things, that the purchaser or subscriber is acquiring the Rights Share Stapled Units in an offshore transaction meeting the requirements of Regulation S under the US Securities Act.

In addition, until 40 days after the posting date of the Prospectus Documents, an offer, sale or transfer of the Rights Share Stapled Units within the United States by a broker/dealer (whether or not participating in the Rights Issue) may violate the registration requirements of the US Securities Act.

NOTICES

FORWARD-LOOKING STATEMENTS

All statements in this Prospectus other than statements of historical fact are forward looking statements. In some cases, forward-looking statements may be identified by the use of words such as “may”, “could”, “would”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “seek”, “continue”, “illustration”, “projection” or similar expressions and the negative thereof. Forward-looking statements in this Prospectus include, without limitation, statements in respect of the Trust Group’s business strategies, product offerings, market position, competition, financial prospects, performance, liquidity and capital resources, as well as statements regarding trends in the relevant industries and markets in which the Trust Group operates, financial and economic developments, legal and regulatory changes and their interpretation and enforcement.

The forward-looking statements in this Prospectus are based on management’s present expectations about future events. Management’s present expectations reflect numerous assumptions regarding the Trust Group’s strategy, operations, industry, developments in the credit and other financial markets and trading environment. By their nature, they are subject to known and unknown risks and uncertainties, which could cause actual results and future events to differ materially from those implied or expressed by forward-looking statements. Should one or more of these risks or uncertainties materialise, or should any assumptions underlying forward-looking statements prove to be incorrect, the Trust Group’s actual results could differ materially from those expressed or implied by forward-looking statements. Additional risks not known to the Trust Group or that the Trust Group does not currently consider material could also cause the events and trends discussed in this Prospectus not to occur, and the estimates, illustrations and projections of financial performance not to be realised.

Prospective investors are cautioned that forward-looking statements speak only as at the date of publication of this Prospectus. Except as required by applicable law, the Trust Group does not undertake, and expressly disclaims, any duty to revise any forward-looking statement in this Prospectus, be it as a result of new information, future events or otherwise.

CONTENTS

	<i>Page</i>
DEFINITIONS	1
EXPECTED TIMETABLE	9
RISK FACTORS	12
SUMMARY OF THE RIGHTS ISSUE	17
TERMINATION OF THE RIGHTS ISSUE	19
LETTER FROM THE BOARDS	
INTRODUCTION	22
RIGHTS ISSUE	22
THE IRREVOCABLE UNDERTAKING	41
INTENTION OF GREAT EAGLE	42
PUBLIC FLOAT	43
WARNING OF THE RISKS OF DEALING IN THE SHARE STAPLED UNITS AND NIL-PAID RIGHTS SHARE STAPLED UNITS	44
CHANGE IN BOARD LOT SIZE	44
EFFECT OF THE RIGHTS ISSUE ON THE SHARE STAPLED UNITS HOLDING STRUCTURE OF THE TRUST AND THE COMPANY	45
REASONS FOR THE RIGHTS ISSUE AND THE USE OF PROCEEDS	46
FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS AND LISTING RULES IMPLICATIONS	51
TAXATION	52
ADDITIONAL INFORMATION	52
APPENDIX I – FINANCIAL INFORMATION OF THE TRUST GROUP	I-1
APPENDIX II – UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE TRUST GROUP	II-1
APPENDIX III – GENERAL INFORMATION	III-1

DEFINITIONS

In this Prospectus, unless the context otherwise requires, the following terms shall have the following meanings:

“Additional Share Stapled Units”	any additional Share Stapled Units acquired by Great Eagle and/or the Relevant GE Subsidiaries on or before the Record Date on top of the 1,364,823,833 Share Stapled Units which are indirectly held by Great Eagle as at the Latest Practicable Date;
“Adjusted Gross Operating Income”	the aggregate gross operating profit of the Trust Group’s hotels before deduction of the global marketing fees payable by each to the Hotel Companies;
“associate(s)”	has the meaning ascribed to it in the Listing Rules;
“Announcement”	the announcement of the Trust and the Company dated 16 July 2020 in relation to, among other things, the Rights Issue;
“Beneficial Owner(s)”	owner(s) of Share Stapled Units whose Share Stapled Units are registered in the name of a Registered Unitholder as shown in the Share Stapled Units Register;
“Boards”	the board of directors of the Trustee-Manager and the board of directors of the Company;
“Business Day”	a day (other than a Saturday, Sunday and public holiday) on which banks are open for general banking business in Hong Kong;
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC;
“CCASS Participants”	a person admitted by HKSCC as a participant of CCASS;
“close associate(s)”	has the meaning ascribed to it in the Listing Rules;
“Code”	means the United States Internal Revenue Code of 1986, as amended.
“core connected person(s)”	has the meaning ascribed to it in the Listing Rules;
“Company”	Langham Hospitality Investments Limited (朗廷酒店投資有限公司), a company incorporated in the Cayman Islands as an exempted company with limited liability on 29 January 2013;
“Companies (WUMP) Ordinance”	Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong);
“COVID-19”	the coronavirus disease 2019;
“Director(s)”	the directors of the Trustee-Manager and the Company;

DEFINITIONS

“EAF(s)”	the excess application form(s) for use by the Qualifying Holders who wish to apply for Rights Share Stapled Units in excess for their pro-rata entitlements under the Rights Issue;
“Excluded Jurisdiction(s)”	the United States and any other jurisdiction(s) in respect of which the Trust and the Company may determine, in accordance with Rule 13.36(2)(a) of the Listing Rules, that it is necessary or expedient not to offer Rights Share Stapled Units to Unitholders in such jurisdiction(s) on account either of the legal restrictions under the laws of a place outside Hong Kong or the requirements of a relevant regulatory body or stock exchange in that place (other than offers to certain categories of sophisticated and/or qualified investors permitted by, and in accordance with, applicable local laws and regulations);
“Final Acceptance Date”	Friday, 4 September 2020, being the last day for acceptance of and payment for the Rights Share Stapled Units and for application and payment for excess Rights Share Stapled Units or such other time or date as the Trust and the Company may determine;
“Great Eagle”	Great Eagle Holdings Limited (鷹君集團有限公司), a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 0041), the holding company of the Trust and the Company, which held 63.61% of the Trust and the Company as at the Latest Practicable Date;
“Great Eagle Group”	Great Eagle and its subsidiaries;
“Great Eagle ROFR Deed”	the Deed of Right of First Refusal dated 10 May 2013 entered into between Great Eagle and the Company;
“Group”	the Company and its subsidiaries;
“HIBOR”	Hong Kong Interbank Offered Rate;
“HKSAR Government”	the Government of Hong Kong;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“HKSCC Nominees Limited”	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC, in its capacity as nominee for HKSCC (or any successor thereto) as operator of CCASS and any successor, replacement or assign of HKSCC Nominees Limited as nominee for the operator of CCASS;

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Hotels” or “Trust Group’s hotels”	The Langham, Hong Kong, Cordis, Hong Kong and Eaton HK and “Hotel” means any of them;
“Hotel Companies”	the companies which own the Hotels, being Harvest Star International Limited, Cordis Hong Kong Limited and Grow On Development Limited, being indirect wholly-owned subsidiaries of the Company;
“Hotel Manager”	Langham Hotels International Limited, a company incorporated in Hong Kong with limited liability on 30 August 1984 and an indirect wholly-owned subsidiary of Great Eagle;
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited, being the sole financial adviser to the Trustee-Manager and to the Company and sole global coordinator of the Rights Issue, a registered institution under the SFO, registered to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO and a licensed bank under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong);
“Intermediary”	in relation to a beneficial owner whose Share Stapled Units are deposited in CCASS and registered in the name of HKSCC Nominees Limited, means the beneficial owner’s broker, custodian, nominee or other relevant person who is a CCASS participant or who has deposited the beneficial owner’s Share Stapled Units with a CCASS participant;
“Investor Participants”	a person admitted to participate in CCASS as an Investor Participant;
“Irrevocable Undertaking”	a letter of irrevocable undertaking executed by Great Eagle in favour of the Trust and the Company, the principal terms of which are disclosed in the paragraph headed “Letter from the Boards – The Irrevocable Undertaking” in this Prospectus;
“Last Trading Day”	Thursday, 16 July 2020, being the last full trading day of the Share Stapled Units on the Stock Exchange before the release of the Announcement;
“Latest Practicable Date”	Tuesday, 11 August 2020, being the last practicable date prior to the printing of this Prospectus for ascertaining certain information contained in this Prospectus;

DEFINITIONS

“Listing Committee”	the Listing Committee of the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Loan Agreements”	the facility agreement dated 29 November 2019 (as amended by a supplemental letter agreement dated 24 April 2020) entered into between, <i>inter alios</i> , the borrower therein, being an indirect wholly-owned subsidiary of the Company and HSBC as security agent and agent and for and on behalf of the lenders therein and the sustainability coordinator therein in respect of certain term and revolving loan facilities of up to the aggregate principal amount of HK\$7,500 million;
“LTV Ratio”	the loan to valuation ratio;
“Macau”	the Macau Special Administrative Region of the PRC;
“Master Lease Agreements”	three separate lease agreements each dated 10 May 2013 entered into between each of the Hotel Companies as the Lessors and GE (LHIL) Lessee Limited as the Master Lessee;
“Master Lessee”	GE (LHIL) Lessee Limited, a company incorporated in Hong Kong with limited liability on 5 February 2013 and an indirect wholly-owned subsidiary of Great Eagle;
“Mitigation Mechanism”	remedial measures required under the Loan Agreements, including but not limited to depositing additional cash into an account to be charged to the security agent in order to restore the minimum interest coverage ratio and/or prepaying part of the outstanding loan in order to restore the maximum LTV Ratio;
“Net Proceeds”	net proceeds from the Rights Issue;
“Non-Qualifying Holders”	Overseas Holders who the Directors, after making enquiries regarding the legal restrictions under the laws of the relevant places or the requirements of the relevant overseas regulatory bodies or stock exchanges, consider it necessary or expedient to exclude from the Rights Issue (if any) subject to certain limited exceptions;
“Ordinary Shares”	ordinary shares with a nominal value of HK\$0.0005 each in the share capital of the Company conferring the rights set out in the amended and restated articles of association of the Company;

DEFINITIONS

“Overseas Holders”	the Unitholders (whose names appear on the Share Stapled Units Register at 5:00 p.m. on the Record Date) with registered address(es) outside Hong Kong and Beneficial Owners at that time who is/are otherwise known to the Trust and the Company to be resident in a place(s) outside Hong Kong (and, as applicable, and to the extent of such Beneficial Owner’s interest, the Registered Unitholder(s) in whose name(s) such Beneficial Owner’s Share Stapled Units are registered);
“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Holders in connection with the Rights Issue;
“Posting Date”	Friday, 21 August 2020, being the date on which the Prospectus Documents are posted to the Qualifying Holders;
“PRC” or “China”	the People’s Republic of China, which, for the purpose of this Prospectus, excludes Hong Kong, Macau and Taiwan;
“Preference Shares”	preference shares with a nominal value of HK\$0.0005 each in the share capital of the Company conferring the rights as set out in the amended and restated articles of association of the Company;
“Prospectus”	this prospectus issued to the Unitholders containing, among other things, details of the Rights Issues;
“Prospectus Documents”	this Prospectus, the PAL and the EAF;
“QIB(s)”	“qualified institutional buyers” within the meaning of Rule 144A of the US Securities Act;
“Qualifying Holders”	Unitholders, other than the Non-Qualifying Holders, whose names appear on the Share Stapled Units Register at 5:00 p.m. on the Record Date;
“Record Date”	Thursday, 20 August 2020, being the date by reference to which the Unitholders’ entitlements to the Rights Issue were determined;
“Record Date Holders”	Unitholders whose names appeared on the Registers as at the Record Date;
“Registered Unitholder”	in respect of a Beneficial Owner, a nominee, trustee depository or any other authorised custodian or third party which is the registered holder in the Share Stapled Units Register of the Share Stapled Units in which the Beneficial Owner is beneficially interested;

DEFINITIONS

“Registers”	the Share Stapled Units Register, the register of holders of units, the principal and Hong Kong branch registers of members, and the register of beneficial interests as established and maintained by the Trustee-Manager and the Company in accordance with the provisions of the Trust Deed;
“Registrar”	Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, the Hong Kong branch share registrar and transfer office of the Trust and the Company;
“Relevant GE Subsidiaries”	direct or indirect wholly-owned subsidiaries of Great Eagle, including The Great Eagle Company, Limited, LHIL Assets Holdings Limited, Fine Noble Limited and Great Eagle Nichemusic Limited;
“Rights Issue”	the issue by way of rights of one (1) Rights Share Stapled Unit for every two (2) Share Stapled Units in issue on the Record Date at the Subscription Price;
“Rights Share Stapled Unit(s)”	up to 1,072,743,916 new Share Stapled Units (assuming no change in the number of Share Stapled Units in issue after the Latest Practicable Date and up to the Record Date) proposed to be allotted and issued under the Rights Issue;
“SFC”	the Securities and Futures Commission of Hong Kong;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong as amended, supplemented or otherwise modified for the time being;
“Share Stapled Unit(s)”	share stapled unit(s) jointly issued by the Trust and the Company. A share stapled unit is the combination of the following securities or interests in securities which, subject to the provisions in the Trust Deed, can only be dealt with together and may not be dealt with individually or one without the others: (a) a unit in the Trust; (b) the beneficial interest in a specifically identified ordinary share of the Company linked to the unit in the Trust and held by the Trustee-Manager; and (c) a specifically identified preference share of the Company stapled to the unit in the Trust;
“Share Stapled Units Register”	the register of Unitholders as maintained in accordance with the provisions of the Trust Deed;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	the subscription price of HK\$0.95 per Rights Share Stapled Unit under the Rights Issue;

DEFINITIONS

“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers;
“Trust”	Langham Hospitality Investments (朗廷酒店投資), as constituted pursuant to the Trust Deed;
“Trust Deed”	the trust deed dated 8 May 2013 constituting the Trust, entered into between the Trustee-Manager and the Company and as amended by a first supplemental deed dated 22 April 2016 and as further amended, supplemented, substituted or modified from time to time;
“Trust Group”	the Trust and the Group;
“Trustee-Manager”	LHIL Manager Limited (朗廷酒店管理人有限公司), a company incorporated in Hong Kong with limited liability on 25 January 2013 and an indirect wholly-owned subsidiary of Great Eagle, being the trustee-manager of the Trust;
“United States” or “US”	United States of America (including its territories and dependencies, any state in the US and the District of Columbia);
“Unitholder(s)”	persons registered at the relevant time in the Share Stapled Units Register as holders of Share Stapled Units, including persons so registered as joint holders of Share Stapled Units, except that where the registered holder of Share Stapled Units is HKSCC Nominees Limited on behalf of CCASS shall also include, where the context so admits, the CCASS Participants whose CCASS stock accounts are deposited with such Share Stapled Units;
“US Securities Act”	US Securities Act of 1933, as amended;
“Waived Excess Share Stapled Units”	such excess Rights Share Stapled Units that will result in Great Eagle and/or the Relevant GE Subsidiaries holding (together with the holding of Share Stapled Units of other core connected persons of the Trust and the Company and persons that fall into the ambit of Rule 8.24 of the Listing Rules) more than 75% of all the issued Share Stapled Units for the time being, and the Trust and the Company failing to comply with the public float requirement under Rule 8.08 of the Listing Rules;

DEFINITIONS

“Waived Pro Rata Entitlement
Share Stapled Units”

such number of the undertaken Share Stapled Units that Great Eagle or the Relevant GE Subsidiaries have undertaken to subscribe for pursuant to the Irrevocable Undertaking that will result in Great Eagle and/or the Relevant GE Subsidiaries holding (together with the holding of Share Stapled Units of other core connected persons of the Trust and the Company and persons that fall into the ambit of Rule 8.24 of the Listing Rules) more than 75% of all the issued Share Stapled Units for the time being, and the Trust and the Company failing to comply with the public float requirement under Rule 8.08 of the Listing Rules. Such waiver of the assured entitlement will only become applicable in the event that Great Eagle and/or the Relevant GE Subsidiaries acquire Additional Share Stapled Units beyond a certain level;

“%”

per cent.

In this Prospectus, unless the context otherwise requires, any reference to the singular includes the plural and vice versa and any reference to a gender includes a reference to the other gender and the neuter.

EXPECTED TIMETABLE

Set out below is the expected timetable for the Rights Issue and the change in board lot size. Dates or deadlines specified below and in other parts of this Prospectus are indicative only and may be varied by the Trust and the Company. In the event that any special circumstances arise, the Boards may extend, or make adjustments to, the timetable if it considers appropriate. The Trust and the Company will notify Unitholders by way of announcement(s) of a change to the expected timetable as and when appropriate. The proposed change in board lot size is subject to completion of the Rights Issue. If the Rights Issue is not completed, the change in board lot size will not be implemented.

All times and dates in this Prospectus refer to Hong Kong local times and dates.

First day of dealings in nil-paid Rights Share

Stapled Units 9:00 a.m. on
Tuesday, 25 August 2020

Latest time for QIBs to contact the Trust and

the Company to notify the Trust and the Company of

their eligibility to accept Rights Share Stapled Units offered

under the Rights Issue 1:00 p.m. on
Thursday, 27 August 2020

Latest time for splitting nil-paid Rights Share Stapled Units 4:30 p.m. on
Thursday, 27 August 2020

Last day of dealings in nil-paid Rights Share Stapled Units 4:00 p.m. on
Tuesday, 1 September 2020

First day for free exchange of existing certificates of Share

Stapled Units in board lots of 500 Share Stapled Units each for

new certificates of Share Stapled Units in board lots of

2,000 Share Stapled Units each Tuesday, 1 September 2020

Latest time for acceptance of and payment

for the Rights Share Stapled Units and for application

and payment for excess Rights Share Stapled Units 4:00 p.m. on
Friday, 4 September 2020

Rights Issue expected to become unconditional 4:30 p.m. on
Wednesday, 9 September 2020

Announcement of the allotment results of the Rights Issue

to be published on the respective websites of the

Stock Exchange and the Trust and the Company Friday, 11 September 2020

Despatch of refund cheques for wholly and partially

unsuccessful excess applications Monday, 14 September 2020

EXPECTED TIMETABLE

Despatch of certificates of fully-paid Rights Share

Stapled Units Monday, 14 September 2020

Last day for trading in the Share Stapled Units in board lots

of 500 Share Stapled Units each in the original counter Monday, 14 September 2020

Dealings in fully-paid Rights Share Stapled Units commence 9:00 a.m. on
Tuesday, 15 September 2020

Effective date of the change in board lot size from

500 Share Stapled Units to 2,000 Share Stapled Units Tuesday, 15 September 2020

Designated broker commences providing matching services

for the sale and purchase of

odd lots of Share Stapled Units 9:00 a.m. on
Tuesday, 15 September 2020

Designated broker ceases providing matching services

for the sale and purchase of odd lots of

Share Stapled Units 4:00 p.m. on
Wednesday, 7 October 2020

Last day (and latest time for submission of certificates of

Share Stapled Units to the Registrar) for free exchange

of existing certificates of Share Stapled Units in board

lots of 500 Share Stapled Units each for new certificates

of Share Stapled Units in board lots of 2,000 Share

Stapled Units each 4:30 p.m. on
Friday, 9 October 2020

EFFECT OF BAD WEATHER AND/OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARE STAPLED UNITS AND FOR APPLICATION AND PAYMENT FOR EXCESS RIGHTS SHARE STAPLED UNITS

The latest time for acceptance of and payment for the Rights Share Stapled Units and for application and payment for excess Rights Share Stapled Units will not take place if there is a tropical cyclone warning signal no. 8 or above, “extreme conditions” caused by a super typhoon as announced by the HKSAR Government or a “black” rainstorm warning:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Friday, 4 September 2020. Instead, the latest time for acceptance of and payment for the Rights Share Stapled Units and for application and payment for excess Rights Share Stapled Units will be extended to 5:00 p.m. on the same Business Day; or

EXPECTED TIMETABLE

- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Friday, 4 September 2020. Instead, the latest time for acceptance of and payment for the Rights Share Stapled Units and for application and payment for excess Rights Share Stapled Units will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Share Stapled Units and for application and payment for excess Rights Share Stapled Units does not take place on or before 4:00 p.m. on Friday, 4 September 2020, the dates mentioned in this section may be affected. An announcement will be made by the Trust and Company in such event.

RISK FACTORS

RISKS RELATING TO THE BUSINESS AND OPERATIONS OF THE TRUST GROUP

COVID-19 may continue to impact severely the Trust Group's operations and business

The COVID-19 pandemic has triggered a global economic downturn and global economic contraction. This has had a severe impact on the hospitality industry both in Hong Kong and globally. As of the Latest Practicable Date, no specific vaccine against severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2), the strain of coronavirus that causes COVID-19, or cure for COVID-19, is available in Hong Kong. The COVID-19 outbreak is accordingly ongoing and the actual extent of the outbreak and its impact on the domestic, regional and global economy remains uncertain.

Governments around the world have introduced measures designed to slow the spread of SARS-CoV-2, including lock-downs, social distancing requirements, border controls and travel restrictions, with only limited exceptions. Travel to Hong Kong has been severely impacted by necessary restrictions implemented by the HKSAR Government on 25 March 2020 pursuant to which all non-Hong Kong residents are denied entry into Hong Kong. As at the Latest Practicable Date, such restrictions were still in force, and may be further extended, including to a greater or lesser degree. According to statistics published by the Hong Kong Tourism Board, overnight visitor arrivals have been at minimal levels and decreased by over 90% year-on-year in February, March, April and May 2020. In addition, as at the Latest Practicable Date, the HKSAR Government has imposed necessary restrictions to control social gatherings which impact in particular the hospitality industry, including (i) no dine-in is allowed in any premises conducting catering business (save for certain specific premises) from 6:00 p.m. to 4:59 a.m. of the subsequent day; (ii) no more than two persons may be seated together at one table within any catering premises; and (iii) the number of customers at any catering premises at any one time when consumption on the premises may be allowed must not exceed 50% of the seating capacity of the premises.

At the current time there is no clarity as to how long the domestic or the global economies, and within the domestic economy the hospitality sector, will continue to be impacted by the effects of the COVID-19 pandemic or as to how severe the impact will be. Even when restrictions are lifted, there might be a period of significantly reduced economic activity, potential increased unemployment and reduced consumer spending. There is also no assurance that travel, or the patronage of hotels or food and beverage outlets, will rebound to pre-outbreak levels. This is expected to have a material adverse impact on the Trust Group's full year financial results of 2020 and possibly beyond. Accordingly, the performance of the Trust Group in the short-to-medium term (including the Trust Group's financial results for the year ending 31 December 2020) is expected to be materially worse than that in the past.

A number of governments (including the HKSAR Government) have revised gross domestic product growth forecasts for 2020 downward in response to the economic slowdown caused by the spread of COVID-19, and it is possible that the outbreak of COVID-19 will cause a prolonged global economic crisis or recession, which may disrupt the Trust Group's business operations and consequently have a material adverse effect on the Trust Group's financial condition and results of operations. While governments (including the HKSAR Government) have introduced and may introduce further support and relief measures in response to the COVID-19 pandemic, there is no assurance that such support packages will be effective in improving the state of the local and global economy.

RISK FACTORS

Furthermore, the COVID-19 pandemic has resulted in significant volatility in the financial markets, which has in turn impeded access to the capital markets and bank borrowings for many businesses. As one of the industries worst hit by the pandemic, the hospitality sector may continue to suffer restricted access to external funding if investors' confidence is not restored.

For the reasons set out above, the effects of the COVID-19 pandemic and the measures being taken by governments around the world in response to it could materially and adversely affect the Trust Group's business, financial condition, financing requirements, results of operations and prospects.

The occupancy rates of and revenues generated by hotels and, as a result, their asset values also, may be viewed as more volatile than those of other classes of real estate

Unlike other classes of real estate such as office buildings and retail premises, hotels by their nature generally do not have occupants with committed medium- and long-term contractual rental payments, and there could be high variability in hotel occupancy rates at different times. In addition, in the case of the Hotels, a proportion of their revenue is generated by their food and beverage operations and other facilities and services. This means that the occupancy rates of and the revenues generated by the Hotels and, as a result, their asset values also, may be viewed as more volatile than those of other classes of real estate, especially in times of global epidemics and pandemics.

Lowered occupancy rates and asset values of the Hotels could materially and adversely affect the Trust Group's business, financial condition, financial requirements, results of operations and prospects.

Results of operations of the Trust Group include unrealised valuation adjustments and therefore the future fair value of its investment properties is likely to fluctuate from time to time and may decrease significantly, which may have a material negative impact on its financial position and profitability and compliance with financial covenants under the Loan Agreements

The Trust Group is required by Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants to reassess the fair value of its investment properties at each reporting date for which it issues financial statements. The amount of revaluation adjustments will be subject to market fluctuations. In the case of losses arising from changes in fair value of the investment properties of the Trust Group, this could have an adverse impact on its ability to comply with the financial covenants under the Loan Agreements, particularly the loan-to-value covenant, and may also lead to an adverse market perception of the performance of its business, even though such losses are not realised.

The valuation of the investment properties of the Trust Group is based on an income capitalisation approach and/or discounted cash flow analysis, under which the periodic net operating income, along with where applicable an estimate of the terminal value anticipated at the end of the relevant projection period, is then discounted to its net present value. A comparison approach is also used, under which investment properties are compared with other properties of similar size, character and location, where available, in order to provide a fair comparison of capital values.

RISK FACTORS

Fair value gains (or losses) will not change the cash position of the Trust Group as long as the relevant investment properties are held by it and therefore do not increase or decrease respectively its liquidity in spite of the increased or decreased profit. Therefore, fair value gains would not generate a flow of funds from which distributions could be paid.

Material downward valuation adjustments could materially and adversely affect the Trust Group's financial condition, financing requirements and prospects.

The hospitality industry may experience adverse financial performance during general economic downturns and geo-political events

International tourism and hospitality is intimately linked and correlated with economic growth. The growth or decline in economic activity and uncertainties caused by geo-political events directly affect demand for business travel. Economic downturns can also impact leisure travel as discretionary income is affected.

Since a substantial portion of hotel stays and the patronage of food and beverage outlets, whether for business or leisure, is discretionary, the hospitality industry may experience adverse financial performance during an economic downturn and geopolitical events. Average room rate and revenue per available room may also experience a decline as hotels may offer discounts to stimulate demand.

As the hospitality sector is generally characterised by high fixed costs, including hotel property costs such as depreciation, staff costs, insurance, maintenance and utilities costs, a drop in revenue levels as a result of a slower economic cycle could have an adverse impact on the Trust Group's financial performance. It is difficult to predict the duration and effects of an economic downturn, which may be aggravated by volatility in the financial sector and the capital markets, leading to significant market-wide liquidity problems.

These conditions could materially and adversely affect the Trust Group's business, financial condition, of operations and prospects.

The ability of the Trustee-Manager (on behalf of the Trust) to make distributions to the Unitholders is dependent on the financial performance and position of the Trust Group, in particular, the Hotel Companies, and it may not be able to make distributions to Unitholders at all or the level of distribution may fall

The Trustee-Manager relies on the receipt of dividends, distributions and other amounts from the Company in order to make distributions on behalf of the Trust to the Unitholders.

There can be no assurance that the Company or other members of the Trust Group will have sufficient distributable profits or other distributable reserves in any future period to upstream dividends, distributions or other payments to the Trustee-Manager to enable the Trustee-Manager to make distributions to the Unitholders.

The ability of members of the Trust Group to pay dividends and make distributions in the future is affected by a number of factors, including, among others things:

- their business, results of operations and financial condition;

RISK FACTORS

- applicable laws, regulations, government policies and measures which may restrict or adversely impact the payment of distributions or the amount capable of distribution by members of the Trust Group
- repayment of loans and the payment of interest on loans
- compliance with financial undertakings and covenants imposed under the Loan Agreements
- funding requirements with reference to the prevailing business environment and operations, expansion plans, capita management considerations, the overall stability of distributions and prevailing industry practice.

No assurance can be given as to the ability of the Trustee-Manager (on behalf of the Trust) to pay or maintain distributions to the Unitholders or that the level of distribution will increase over time.

RISKS RELATING TO THE RIGHTS ISSUE AND THE RIGHTS SHARE STAPLED UNITS

Unless you take up all of your nil-paid Rights Share Stapled Units and subscribe for the Rights Share Stapled Units provisionally allotted to you, this offering will dilute your investment and proportionate ownership interest in the Trust and the Company

If you choose not to take up your nil-paid Rights Share Stapled Units fully, your proportionate ownership and voting interest in the Trust and the Company will be diluted. Even if you elect to sell your nil-paid Rights Share Stapled Units prior to the expiration of the applicable trading period, or such nil-paid Rights Share Stapled Units are sold on your behalf, the consideration received may not be sufficient to compensate you fully for such dilution of your proportionate ownership and voting interest in the Trust and the Company.

The market prices of Share Stapled Units may fluctuate and may fall below the Subscription Price prior to the expiration of the subscription period

Once you take up your nil-paid Rights Share Stapled Units pursuant to this Rights Issue, you may not revoke such take up. Although the Subscription Price of HK\$0.95 for the Rights Share Stapled Units represents a discount to the closing price of HK\$0.96 on the Latest Practicable Date, the market prices of the Share Stapled Units may fall below the Subscription Price prior to the expiration of the subscription period as a result of, among other things, global or domestic economic or political conditions, the market's perception of the likelihood of completion of this Rights Issue, regulatory changes affecting the Trust Group's operations and variations in the Trust Group's financial results. Many of these factors are beyond the Trust Group's control. If you take up your nil-paid Rights Share Stapled Units and the market price of the Share Stapled Units trades below the Subscription Price on the date the Rights Share Stapled Units are issued to you in respect of such nil-paid Rights Share Stapled Units, you will have purchased the Rights Share Stapled Units at prices higher than the market price. Any decrease in market prices may continue after completion of the Rights issue and, as a result, you may not be able to sell such Rights Share Stapled Units at a price equal to or greater than the Subscription Price.

RISK FACTORS

An active trading market for the nil-paid Rights Share Stapled Units may not develop on the Stock Exchange or any over-the-counter trading market and, even if a market does develop, the trading price of the nil-paid Rights Share Stapled Units may fluctuate

A trading period has been set for the nil-paid Rights Share Stapled Units from Tuesday, 25 August 2020 to Tuesday, 1 September 2020 (both days inclusive). There is no assurance that an active trading market in the nil-paid Rights Share Stapled Units on the Stock Exchange will develop during the applicable trading period for nil-paid Rights Share Stapled Units or that any over-the-counter trading market in the nil-paid Rights Share Stapled Units will develop. Even if an active market develops, the trading price of the nil-paid Rights Share Stapled Units may be volatile and subject to the same factors affecting the price of the Share Stapled Units.

The Subscription Price is not an indication of the Trust Group's underlying value

The Subscription Price was determined by the Directors with reference to, among other things, the recent market prices of the Share Stapled Units, current market conditions, subscription prices of rights issues (in particular non-underwritten rights issues) in recent years in Hong Kong and the funds requirements of the Trust and the Company. The Subscription Price does not bear a direct relationship to past operations, cash flow, earnings, financial conditions or any other established criteria for value and you should not consider the Subscription Price to be any indication of our underlying value.

Risk of Passive Foreign Investment Company Characterisation

If the Trust and the Company were to be characterised as a passive foreign investment company (a “PFIC”) for US federal income tax purposes, investors may potentially suffer adverse US federal income tax consequences from owning securities of the Trust and the Company. It is possible the Trust and the Company may have been characterised as a PFIC for US federal income tax purposes in our prior taxable year. PFIC status is determined annually, factual in nature, and generally cannot be determined until the close of the taxable year in question. US investors are urged to consult with their own tax advisors with respect to the US federal income tax consequences if we were to be characterised as a PFIC for US federal income tax purposes in any taxable year.

Risks of the Trust Group Being Deemed to Hold Plan Assets

Under a regulation (the “Regulation”) issued by the US Department of Labor, as modified by Section 3(42) of the United States Employee Retirement Income Security Act of 1974, amended (“ERISA”), the assets of the Trust Group would be treated as plan assets of a Benefit Plan Investor for the purposes of ERISA and the Code only if a benefit plan investor (“**Benefit Plan Investor**”, which means an “employee benefit plan” as defined in Section 3(3) of ERISA that is subject to Title I of ERISA, a “plan” as defined in and subject to Section 4975 of the Code or an entity deemed to hold “plan assets” of any of the foregoing) acquired an “equity interest” in the Trust Group and none of the exceptions to holding plan assets contained in the Regulation were applicable. It is possible that one or more Benefit Plan Investors acquired an equity interest in the Trust Group and there can be no assurances that any of the exceptions set forth in the Regulation are satisfied by the Trust Group. If the Trust Group were deemed to hold plan assets by reason of a Benefit Plan Investor’s investment in the Trust Group, (i) such plan assets would include an undivided interest in the assets held by the Trust Group, (ii) if such Benefit Plan Investor is subject to ERISA, ERISA’s fiduciary standards would apply to the Trust Group and might materially affect the operations of the Trust Group and (iii) any transaction with the Trust Group could be deemed a transaction with such Benefit Plan Investor and may cause transactions into which the Trust Group might enter in the ordinary course of business to constitute prohibited transactions under ERISA and/or Section 4975 of the Code. Such prohibited transactions could result in penalties and liabilities being imposed on the Trust Group. All investors will be deemed (by accepting delivery of this Prospectus) to have represented and warranted to the Trust and the Company that he/she/it will not be a Benefit Plan Investor. For details, please see the section headed “Letter from the Boards – Rights Issue – Procedures for acceptance and payment or transfer” of this Prospectus.

SUMMARY OF THE RIGHTS ISSUE

The following information is derived from, and should be read in conjunction with, the full text of this Prospectus:

RIGHTS ISSUE

Issue statistics

Basis of Rights Issue	:	One (1) Rights Share Stapled Unit for every two (2) Share Stapled Units held on the Record Date
Subscription Price	:	HK\$0.95 per Rights Share Stapled Unit
Number of Share Stapled Units in issue as at the Latest Practicable Date	:	2,145,487,833 Share Stapled Units
Number of Rights Share Stapled Units	:	Up to 1,072,743,916 Rights Share Stapled Units (assuming no change in the number of Share Stapled Units in issue after the Latest Practicable Date and up to the Record Date)
Number of Rights Share Stapled Units undertaken to be taken up	:	Great Eagle has undertaken to take up and/or procure the Relevant GE Subsidiaries to take up an aggregate of not less than 682,411,916 Rights Share Stapled Units under its assured entitlement (representing approximately 63.61% of the total Rights Share Stapled Units provisionally allotted by the Trust and the Company) (assuming no change in the number of Share Stapled Units held by Great Eagle (through the Relevant GE Subsidiaries) after the Latest Practicable Date and up to the Record Date)
Maximum funds raised before expenses	:	Up to approximately HK\$1,019 million (assuming all the Rights Share Stapled Units will be taken up)
Status of Rights Share Stapled Units	:	The Rights Share Stapled Units, when allotted, issued and fully-paid, will rank <i>pari passu</i> in all respects with the Share Stapled Units then in issue

As at the Latest Practicable Date, the Trust and the Company have no outstanding derivatives, options, warrants, convertible securities or other similar securities which are convertible or exchangeable into Share Stapled Units. The Trust and the Company have no intention to issue or grant any Share Stapled Units, convertible securities, warranties and/or options after the Latest Practicable Date and on or before the Record Date.

SUMMARY OF THE RIGHTS ISSUE

Assuming (i) no change in the number of Share Stapled Units in issue after the Latest Practicable Date and up to the Record Date and (ii) full subscription of the Rights Share Stapled Units, a total of 1,072,743,916 Rights Share Stapled Units will, upon completion of the Rights Issue, be allotted and issued, representing: (i) 50.0% of the issued Share Stapled Units of the Trust and the Company as at the Latest Practicable Date; and (ii) approximately 33.3% of the issued Share Stapled Units of the Trust and the Company as enlarged by the allotment and issue of the Rights Share Stapled Units.

Assuming (i) no change in the number of Share Stapled Units in issue after the Latest Practicable Date and up to the Record Date, (ii) no Rights Share Stapled Units are taken up by the Unitholders other than Great Eagle and the Relevant GE Subsidiaries pursuant to the Irrevocable Undertaking and (iii) excess application is made by Great Eagle only, a total of 737,450,167 Rights Share Stapled Units will, upon completion of the Rights Issue, be allotted and issued, taking into account the reduction by the Waived Pro Rata Entitlement Share Stapled Units and Waived Excess Share Stapled Units.

TERMINATION OF THE RIGHTS ISSUE

WARNING OF THE RISKS OF DEALING IN THE SHARE STAPLED UNITS AND NIL-PAID RIGHTS SHARE STAPLED UNITS

The Rights Issue is conditional upon the fulfilment or waiver (as appropriate) of each of the following conditions:

- (a) the Stock Exchange having authorised the registration of, and the Companies Registry in Hong Kong having registered, respectively, not later than one Business Day prior to the Posting Date, each of the Prospectus Documents and each of which having been duly certified in compliance with section 342C of the Companies (WUMP) Ordinance (and all other documents required to be attached thereto or otherwise filed or delivered) and otherwise complying with the requirements of the Companies (WUMP) Ordinance and the Listing Rules;
- (b) the posting of the Prospectus Documents to the Qualifying Holders and the posting of the Prospectus to the Non-Qualifying Holders, if any, and for information purposes only, on or before the Posting Date;
- (c) the Listing Committee granting and not having revoked, listing of, and permission to deal in, the Rights Share Stapled Units in their nil-paid and fully-paid forms either unconditionally or subject to such conditions which the Trust and the Company accept and the satisfaction of such conditions (if any and where relevant) by no later than the Posting Date and such listings and permission to deal not having been withdrawn or revoked;
- (d) each condition to enable the Rights Share Stapled Units in their nil-paid or fully-paid forms to be admitted as eligible securities for deposit, clearance and settlement in CCASS having been satisfied on or before the Business Day prior to the commencement of trading of the Rights Share Stapled Units (in their nil paid and fully-paid forms, respectively) and no notification having been received by the Trust and the Company from HKSCC by such time that such admission or facility for holding and settlement has been or is to be refused; and
- (e) compliance with and performance of all undertakings and obligations of Great Eagle under the Irrevocable Undertaking in all material respects.

Save for condition (e) which can be waived (conditionally or unconditionally) by the Trust and the Company, none of the above conditions can be waived. If any of the conditions referred to above are not fulfilled or waived (where applicable) at or before 4:30 p.m. on Wednesday, 9 September 2020 (or such later time and/or date as the Trust and the Company may determine), the Rights Issue will not proceed.

Unitholders and potential investors in the Trust and the Company should note that if the conditions of the Rights Issue are not satisfied and/or waived (where applicable), the Rights Issue will not proceed.

TERMINATION OF THE RIGHTS ISSUE

Any dealings in the Share Stapled Units prior to the date on which all the conditions of the Rights Issue are fulfilled and/or waived (where applicable) are subject to, and any Unitholders dealing in the Rights Share Stapled Units in nil-paid form will accordingly bear, the risk that the Rights Issue may not become unconditional or may not proceed. Any Unitholders or other persons contemplating any dealing in the Share Stapled Units or Rights Share Stapled Units in their nil-paid form are recommended to consult their professional advisers.

Subject to the fulfilment and/or waiver (where applicable) of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Share Stapled Units.

LETTER FROM THE BOARDS



Langham Hospitality Investments

(As constituted pursuant to a deed of trust on 8 May 2013 under the laws of Hong Kong, the trustee of which is LHIL Manager Limited)

and

Langham Hospitality Investments Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1270)

Directors of the Trustee-Manager and the Company

Non-Executive Directors:

LO Ka Shui (*Chairman*)

LO Chun Him, Alexander

Executive Director:

Brett Stephen BUTCHER

(Chief Executive Officer)

Independent Non-executive Directors:

CHAN Ka Keung, Ceajer

LIN Syaru, Shirley

WONG Kwai Lam

Registered Office of the Company:

Cricket Square, Hutchins Drive

P.O. Box 2681

Grand Cayman

KY1-1111

Cayman Islands

Principal Place of Business in Hong Kong of the Company

Suite 3001, 30th Floor

Great Eagle Centre

23 Harbour Road

Wanchai, Hong Kong

Registered Office of the Trustee-Manager:

33rd Floor

Great Eagle Centre

23 Harbour Road

Wanchai, Hong Kong

21 August 2020

To the Qualifying Holders, and, for information only, Non-Qualifying Holders

Dear Sirs or Madams,

**RIGHTS ISSUE OF
ONE (1) RIGHTS SHARE STAPLED UNIT FOR EVERY TWO (2) SHARE
STAPLED UNITS HELD ON THE RECORD DATE
AT THE SUBSCRIPTION PRICE
OF HK\$0.95 PER RIGHTS SHARE STAPLED UNIT
AND
CHANGE IN BOARD LOT SIZE**

LETTER FROM THE BOARDS

INTRODUCTION

Reference is made to the Announcement dated 16 July 2020 whereby the Boards announced that the Trust and the Company propose to raise up to approximately HK\$1,019 million (before deducting professional fees and other related expenses) by way of the Rights Issue of 1,072,743,916 Rights Share Stapled Units at the Subscription Price of HK\$0.95 each and on the basis of one (1) Rights Share Stapled Unit for every two (2) Share Stapled Units held by the Qualifying Holders at 5:00 p.m. on the Record Date.

The Rights Issue is not underwritten and is not being extended to the Non-Qualifying Holders (if any). As detailed in the Announcement, Great Eagle has irrevocably undertaken to subscribe for and/or procure the Relevant GE Subsidiaries to subscribe for an aggregate of not less than 682,411,916 Rights Share Stapled Units.

The purpose of this Prospectus is to provide you with, among other things, (i) further details regarding the Rights Issue; (ii) the financial information of the Trust Group; (iii) the unaudited pro forma financial information of the Trust Group; and (iv) the general information in respect of the Trust Group.

RIGHTS ISSUE

Issue statistics

Basis of the Rights Issue	:	One (1) Rights Share Stapled Unit for every two (2) Share Stapled Units held on the Record Date
Subscription Price	:	HK\$0.95 per Rights Share Stapled Unit
Number of Share Stapled Units in issue as at the Latest Practicable Date	:	2,145,487,833 Share Stapled Units
Number of Rights Share Stapled Units	:	Up to 1,072,743,916 Rights Share Stapled Units (assuming no change in the number of Share Stapled Units in issue after the Latest Practicable Date and up to the Record Date)
Number of Rights Share Stapled Units undertaken to be taken up	:	Great Eagle has undertaken to take up and/or procure the Relevant GE Subsidiaries to take up an aggregate of not less than 682,411,916 Rights Share Stapled Units under its assured entitlement (representing approximately 63.61% of the total Rights Share Stapled Units proposed to be provisionally allotted by the Trust and the Company) (assuming no change in the number of Share Stapled Units held by Great Eagle (through the Relevant GE Subsidiaries) after the Latest Practicable Date and up to the Record Date)

LETTER FROM THE BOARDS

Maximum funds raised before expenses	:	Up to approximately HK\$1,019 million (assuming all the Rights Share Stapled Units will be taken up)
Status of Rights Share Stapled Units	:	The Rights Share Stapled Units, when allotted, issued and fully-paid, will rank <i>pari passu</i> in all respects with the Share Stapled Units then in issue

As at the Latest Practicable Date, the Trust and the Company had no outstanding derivatives, options, warrants, convertible securities or other similar securities which are convertible or exchangeable into Share Stapled Units. As at the Latest Practicable Date, the Trust and the Company also had no intention to issue or grant any Share Stapled Units, convertible securities, warranties and/or options after the Latest Practicable Date and on or before the Record Date.

Assuming (i) no change in the number of Share Stapled Units in issue after the Latest Practicable Date and up to the Record Date and (ii) full subscription of the Rights Share Stapled Units, a total of 1,072,743,916 Rights Share Stapled Units will, upon completion of the Rights Issue, be allotted and issued, representing: (i) 50.0% of the issued Share Stapled Units of the Trust and the Company as at the Latest Practicable Date; and (ii) approximately 33.3% of the issued Share Stapled Units of the Trust and the Company as enlarged by the allotment and issue of the Rights Share Stapled Units.

Assuming (i) no change in the number of Share Stapled Units in issue after the Latest Practicable Date and up to the Record Date, (ii) no Rights Share Stapled Units are taken up by the Unitholders other than Great Eagle and the Relevant GE Subsidiaries pursuant to the Irrevocable Undertaking and (iii) excess application is made by Great Eagle only, a total of 737,450,167 Rights Share Stapled Units will, upon completion of the Rights Issue, be allotted and issued, taking into account the reduction by the Waived Pro Rata Entitlement Share Stapled Units and Waived Excess Share Stapled Units.

HSBC is the sole financial adviser to the Trustee-Manager and to the Company and sole global coordinator of the Rights Issue.

Subscription Price

The Subscription Price of HK\$0.95 per Rights Share Stapled Unit is payable in full in cash when a Qualifying Holder accepts the relevant provisional allotment of Rights Share Stapled Units or applies for excess Rights Share Stapled Units or when a renouncee or transferee of nil-paid Rights Share Stapled Units accepts the provisional allotment of the relevant Rights Share Stapled Units.

The Subscription Price represents:

- (i) a discount of approximately 9.5% to the theoretical ex-rights price of approximately HK\$1.05 per Share Stapled Unit calculated based on the closing price of HK\$1.10 per Share Stapled Unit as quoted on the Stock Exchange on the Last Trading Day (assuming the Rights Issue is completed and all Rights Share Stapled Units are subscribed);
- (ii) a discount of approximately 13.6% to the closing price of HK\$1.10 per Share Stapled Unit as quoted on the Stock Exchange on the Last Trading Day;

LETTER FROM THE BOARDS

- (iii) a discount of approximately 15.2% to the average of the closing prices of Share Stapled Units for the five consecutive trading days ended on the Last Trading Day of approximately HK\$1.12 per Share Stapled Unit;
- (iv) a discount of approximately 18.1% to the average of the closing prices of Share Stapled Units for the ten consecutive trading days ended on the Last Trading Day of approximately HK\$1.16 per Share Stapled Unit;
- (v) a discount of approximately 20.2% to the average of the closing prices of Share Stapled Units for the 30 consecutive trading days ended on the Last Trading Day of approximately HK\$1.19 per Share Stapled Unit;
- (vi) a discount of approximately 79.7% to the net asset value per Share Stapled Unit of approximately HK\$4.68 as of 31 December 2019;
- (vii) a discount of approximately 74.2% to the net asset value per Share Stapled Unit of approximately HK\$3.68 as of 30 June 2020; and
- (viii) a discount of approximately 1.0% to the closing price of HK\$0.96 per Share Stapled Unit as quoted on the Stock Exchange on the Latest Practicable Date.

The Subscription Price was determined by the Directors, after discussion with HSBC as the financial adviser appointed by the Trust and the Company, with reference to, among other things, the recent market prices of the Share Stapled Units, current market conditions, subscription prices of rights issues (in particular non-underwritten rights issues) in recent years in Hong Kong and the funds requirements of the Trust and the Company.

The Directors (including the independent non-executive Directors) consider that the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Trust and the Company and the Unitholders as a whole.

Dilution effect

Qualifying Holders who take up their pro-rata entitlement in full will not suffer any dilution to their interests in the Trust and the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Share Stapled Units arising from the aggregation of fractional entitlements).

Although the Rights Issue will potentially result in a theoretical dilution effect (within the meaning ascribed to it in Rule 7.27B of the Listing Rules) of approximately 5.2%, the Directors consider that the Rights Issue is in the interests of the Unitholders for the reasons set out in the paragraph headed “Reasons for the Rights Issue and the Use of Proceeds” in this section.

The Qualifying Holders who do not take up their entitlements in the Rights Issue will have the opportunity to sell the nil-paid Rights Share Stapled Units in the market, while the Qualifying Holders who wish to increase their holding of Share Stapled Units in the Trust and the Company through the Rights Issue are able to make excess applications for additional Rights Share Stapled Units and/or acquire additional nil-paid Rights Share Stapled Units in the market.

LETTER FROM THE BOARDS

Basis of provisional allotment

The basis of the provisional allotment is one (1) Rights Share Stapled Unit for every two (2) Share Stapled Units held by a Qualifying Holder as at 5:00 p.m. on the Record Date.

Application for a Qualifying Holder's provisional allotment should be made by completing a PAL and lodging the same with a remittance for the full amount payable for the Rights Share Stapled Units being applied for with the Registrar by 4:00 p.m. on the Final Acceptance Date. If a Qualifying Holder wishes to accept part only of, or renounce or transfer a part of, his/her/its Rights Share Stapled Units provisionally allotted to him/her/it under the PAL, such Qualifying Holder will need to split his/her/its PAL into the denominations required. For details of how to split PALs, please refer to the paragraph headed "Rights Issue – Procedures for acceptance and payment or transfer" in this section.

Status of the Rights Share Stapled Units

The Rights Share Stapled Units, when allotted, issued and fully-paid, will rank *pari passu* in all respects with the Share Stapled Units then in issue. Following the Rights Share Stapled Units having been issued and fully-paid, holders of the fully-paid Rights Share Stapled Units will be entitled to receive all future distributions (if any) the record dates of which are on or after the date of issue of the fully-paid Rights Share Stapled Units.

Fractional entitlements to the Rights Share Stapled Units

The Trust and the Company have not provisionally allotted fractions of Rights Share Stapled Units in their nil-paid or fully-paid forms.

The aggregate of fractions of the Rights Share Stapled Units, in nil-paid form, have been provisionally allotted to a nominee appointed by the Trust and the Company, and if a premium (net of expenses) can be obtained, will be sold by the Trust and the Company or their appointed nominee in nil-paid form on the Stock Exchange. The net proceeds of such sale will be retained by the Trust and the Company for their own benefit.

Odd Lot Arrangement

In order to facilitate the trading of odd lots of the Share Stapled Units (if any) arising from the Rights Issue as well as the change in board lot size (details of which are set forth in this Prospectus below), a designated broker has been appointed to match the purchase and sale of odd lots of the Share Stapled Units at the relevant market price per Share Stapled Unit for the period from Tuesday, 15 September 2020 to Wednesday, 7 October 2020 (both days inclusive). Unitholders who wish to take advantage of this service should contact Ms. Carmen Wong of One China Securities Limited at 2/F., Cheong K. Building, 86 Des Voeux Road Central, Central, Hong Kong or at telephone number (852) 3188 2676 during office hours (i.e. 9:00 a.m. to 5:00 p.m. on Business Days) of such period. Holders of odd lots of the Share Stapled Units should note that matching of the sale and purchase of odd lots of the Share Stapled Units will be on a best effort basis and successful matching of the sale and purchase of odd lots of the Share Stapled Units will not be guaranteed. Any Unitholder who is in any doubt about the odd lot arrangement is recommended to consult his/her/its own professional adviser.

LETTER FROM THE BOARDS

Qualifying Holders

Prospectus Documents are being sent by the Trust and the Company to the Qualifying Holders only.

To qualify for the Rights Issue, a Unitholder had to be registered as a holder of the Share Stapled Units at 5:00 p.m. on the Record Date and not be a Non-Qualifying Holder.

There will be no public offer of the Rights Share Stapled Units in the United States. The Rights Share Stapled Units in both nil-paid and fully-paid forms (1) are being offered and sold in offshore transactions in reliance on Regulation S under the US Securities Act, and (2) may be offered and sold in the United States to persons whom the Trust and the Company reasonably believe to be “qualified institutional buyers” within the meaning of Rule 144A of the US Securities Act in reliance on the exemption from the registration requirements of the US Securities Act and who have fulfilled relevant requirements to the satisfaction of Trust and the Company.

The latest time for payment for and acceptance of the Rights Share Stapled Units is 4:00 p.m. on Friday, 4 September 2020.

Qualifying Holders who take up their pro-rata entitlement in full will not suffer any dilution to their interests in the Trust and the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Share Stapled Units arising from the aggregation of fractional entitlements).

According to the Share Stapled Units Register on the Latest Practicable Date, there were two Overseas Holders whose registered addresses were located in British Virgin Islands and Macau.

Based on the advice of the legal advisers in the British Virgin Islands and Macau, under the applicable legislation in each of these jurisdictions, there is no regulatory restriction or requirement of any regulatory body or stock exchange with respect to extending the Rights Issue to the Overseas Holders in the relevant jurisdiction. Accordingly, the Boards are of the view that it is expedient to extend the Rights Issue to the Overseas Holders having registered addresses in the British Virgin Islands and Macau and such Overseas Holders, together with the Unitholders with registered addresses in Hong Kong are considered as Qualifying Holders.

Distribution of the Prospectus Documents

The Trust and the Company will only send this Prospectus accompanied by the other Prospectus Documents to the Qualifying Holders. However, to the extent reasonably practicable and legally permitted, the Trust and the Company will send this Prospectus, for information purposes only, to the Non-Qualifying Holders (if any). The Trust and the Company will not send any PALs or EAFs to the Non-Qualifying Holders (if any).

Distribution of this Prospectus and the other Prospectus Documents into jurisdictions other than Hong Kong may be restricted by law. Persons who come into possession of the Prospectus Documents (including, without limitation, Unitholders and Beneficial Owners, agents, custodians, nominees and trustees) should inform themselves of and observe any such restriction. Any failure to comply with such restriction may constitute a violation of the securities laws of any such jurisdiction. Any Unitholder or beneficial owner of the Share Stapled Units who is in any doubt as to his/her/its position should consult an appropriate professional adviser without delay.

LETTER FROM THE BOARDS

Receipt of this Prospectus and/or a PAL and/or an EAF or the crediting of nil-paid Rights Share Stapled Units to a stock account in CCASS does not and will not constitute an offer in any jurisdiction in which it would be illegal to make an offer and, in those circumstances, this Prospectus and/or a PAL and/or an EAF must be treated as sent for information only and should not be copied or redistributed. Persons (including, without limitation, agents, custodians, nominees and trustees) who receive a copy of this Prospectus and/or a PAL and/or an EAF or whose stock account in CCASS is credited with nil-paid Rights Share Stapled Units should not, in connection with the Rights Issue, distribute or send the same in, into or from, or transfer the nil-paid Rights Share Stapled Units to any person in, into or from, any such jurisdiction. If a PAL or an EAF or a credit of nil-paid Rights Share Stapled Units in CCASS is received by any person in any such territory, or by his/her/its agent or nominee, he/she/it should not seek to take up the rights referred to in the PAL or transfer the PAL (or apply for any excess Rights Share Stapled Units under the EAF) or transfer the nil-paid Rights Share Stapled Units in CCASS unless the Trust and the Company determine that such action would not violate any applicable legal or regulatory requirements.

Any person (including, without limitation, agents, custodians, nominees and trustees) who does forward this Prospectus or a PAL or an EAF in, into or from any such jurisdiction (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this section.

No part of the Prospectus Documents should be published, reproduced, distributed or otherwise made available in whole or in part to any other person without the prior written consent of the Trust and the Company.

Beneficial Owners who reside outside Hong Kong should note that the Rights Issue does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, nil-paid Rights Share Stapled Units or fully-paid Rights Share Stapled Units or to take up any entitlements to nil-paid Rights Share Stapled Units or fully-paid Rights Share Stapled Units in any jurisdiction in which such an offer or solicitation is unlawful.

It is the responsibility of the relevant beneficial owners and/or their respective agents, custodians, nominees or trustees wishing to make an application for the Rights Share Stapled Units to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant territory or jurisdiction, including obtaining any governmental or other consents and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith.

Non-Qualifying Holders

For the purposes of the Rights Issue, Non-Qualifying Holders are any Record Date Holder whose address as shown on the Share Stapled Units Register is in the Excluded Jurisdiction(s), and any Unitholders or Beneficial Owners at the Record Date who are otherwise known by the Trust and the Company to be resident in an Excluded Jurisdiction(s), except in either case for those Unitholders or Beneficial Owners who fulfill, to the satisfaction of the Trust and the Company, the relevant requirements specified in the paragraph headed "Letter from the Boards – Limited categories of persons in the United States who may be able to take up their rights under the Rights Issue" of this Prospectus.

LETTER FROM THE BOARDS

Notwithstanding any other provision in this Prospectus or the PAL or the EAF, the Trust and the Company reserve the right to permit any Unitholder to take up his/her/its rights if the Trust and the Company, in their absolute discretion, are satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions in question. If the Trust and the Company are so satisfied, the Trust and the Company will, if requested, arrange for the relevant Unitholder to be sent a PAL and an EAF.

Rights Share Stapled Units have been provisionally allotted to all Record Date Holders whom the Trust and the Company considered are Qualifying Holders. On the Latest Practicable Date, solely based on the Share Stapled Units Register, other than Unitholders with registered address(es) in the British Virgin Island or Macau who are regarded as Qualifying Holders, the Trust and the Company did not have any Unitholder with a registered address outside Hong Kong. Assuming there will be no change in the Share Stapled Units Register after the Latest Practicable Date and up to the Record Date, the Directors believe that all Record Date Holders will be Qualifying Holders and there will be no Record Date Holder who is a Non-Qualifying Holder.

If however there were to be Record Date Holders who are Non-Qualifying Holders, arrangements will be made for the Rights Share Stapled Units which would otherwise have been provisionally allotted to such Record Date Holders who were Non-Qualifying Holders (if any) instead to be provisionally allotted to a nominee and to be sold in the market in their nil-paid form, after the latest time for receipt of letters of representation from QIBs and before the latest day for dealings in nil-paid Rights Share Stapled Units, if a premium (net of expenses) can be obtained. The aggregate net proceeds of such sale will be distributed by the Trust and the Company to such Record Date Holders who are Non-Qualifying Holders (if any) (pro-rata to their holdings of Share Stapled Units held at 5:00 p.m. on the Record Date), provided that if any of such persons would be entitled to a sum not exceeding HK\$100, such sum will be retained by the Trust and the Company for its own benefit. Any unsold Rights Share Stapled Units to which such Non-Qualifying Holders (if any) would otherwise have been entitled will be made available for excess application on EAFs by the Qualifying Holders.

The above arrangements will not apply to a Beneficial Owner whose interest in the Share Stapled Units is held through a Registered Unitholder who has an address shown in the Share Stapled Units Register on the Record Date which is not in an Excluded Jurisdiction. Such Beneficial Owners are referred to below as “Non-Qualifying Beneficial Owners” and may include Beneficial Owners holding interests in Share Stapled Units through CCASS (and which are registered in the name of HKSCC Nominees Limited). The above arrangements would not be able to be extended to such Non-Qualifying Beneficial Owners because the Trust and the Company do not have the necessary information in relation to such Non-Qualifying Beneficial Owners to make a unilateral determination as to whether those Beneficial Owners are Non-Qualifying Holders at the Record Date. The nil-paid Rights Share Stapled Units which would otherwise have been available to be taken up by Non-Qualifying Beneficial Owners will not be sold in the market and the Non-Qualifying Beneficial Owners will not receive the proceeds of any such sale. All such Non-Qualifying Beneficial Owners are advised to seek their own legal advice as to whether or not they may be permitted having regard to their particular circumstances (including the laws and regulations of the relevant jurisdiction in which they are resident), to sell their nil-paid Rights Share Stapled Units in the market. Any such nil-paid Rights Share Stapled Units which are not accepted by the Registered Unitholder will be made available for excess applications on EAFs by Qualifying Holders.

LETTER FROM THE BOARDS

Limited categories of persons in the United States who may be able to take up their rights under the Rights Issue

Notwithstanding what is said in the paragraph headed “Non-Qualifying Holders” above, the Rights Share Stapled Units in both nil-paid and fully paid forms may be offered and sold in the United States to persons whom the Trust and the Company reasonably believe to be QIBs in reliance on the exemption from the registration requirements of the US Securities Act and who have fulfilled relevant requirements to the satisfaction of Trust and the Company.

A Unitholder or Beneficial Owner who considers that it is a QIB and is, therefore, eligible to accept its Rights Share Stapled Units provisionally allotted under the Rights Issue should contact the Trust and the Company by sending a notification that it is eligible to participate in the Rights Issue by no later than 1:00 p.m. on Thursday, 27 August 2020 (Hong Kong time); failing which the nil-paid Rights Share Stapled Units provisionally allotted to any Record Date Holders who are Non-Qualifying Holders may be sold in the market in their nil-paid form pursuant to the arrangements applicable to the Rights Share Stapled Units which would otherwise have been available to be taken up by the Record Date Holders who are Non-Qualifying Holders, as described in the paragraph above headed “Non-Qualifying Holders”. The Trust and the Company’s contact details for this purpose are as follows:

Telephone: (852) 2186 2500

Fax: (852) 2186 9876

Email: company.secretary@langhamhospitality.com

For the attention of: the Company Secretary: Wong Mei Ling, Marina

Procedures for acceptance and payment or transfer

General: Any person (including, without limitation, agents, nominees and trustees) wishing to take up his/her/its rights under the Rights Issue must satisfy himself/herself/itself as to full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories. The attention of Unitholders with registered addresses in the Excluded Jurisdiction(s) or holding Share Stapled Units on behalf of persons with such addresses is drawn to the paragraphs above headed “Non-Qualifying Holders” and “Limited categories of persons in the United States who may be able to take up their rights under the Rights Issue”. The Trustee-Manager of the Trust and the Company reserves the right to refuse to accept any application for the Rights Share Stapled Units where it believes that doing so would violate the applicable securities legislation or other laws and regulations of any jurisdiction.

LETTER FROM THE BOARDS

Each purchaser of nil-paid Rights Share Stapled Units or subscriber of fully-paid Rights Share Stapled Units being offered and sold outside the United States will be deemed (by accepting delivery of this Prospectus) to have given each of the following representations and warranties to the Trust and the Company and to any person acting on their behalf, unless in their sole discretion the Trustee-Manager and the Company waive such requirement:

- he/she/it was a Unitholder as at 5:00 p.m. on the Record Date, or he/she/it lawfully acquired or may lawfully acquire the nil-paid Rights Share Stapled Units, directly or indirectly, from such a person;
- he/she/it may lawfully be offered, take up, exercise, obtain, subscribe for and receive the nil-paid Rights Share Stapled Units and/or the fully-paid Rights Share Stapled Units in the jurisdiction in which he/she/it resides or is currently located;
- subject to certain exceptions, he/she/it is not resident of or located in, or a citizen of, the United States or otherwise a “US person” (as defined in Regulation S under the US Securities Act);
- subject to certain exceptions, he/she/it is not accepting an offer to acquire, take up or exercise rights or Rights Share Stapled Units on a non-discretionary basis for a person who is resident of or located in, or a citizen of, the United States or otherwise a “US person” (as defined in Regulation S under the US Securities Act) at the time the instruction to accept was given;
- subject to certain exceptions, he/she/it is not taking up rights for the account of any person who is located in the United States, unless:
 - a) the instruction to purchase or take up the rights to acquire nil-paid Rights Share Stapled Units or to subscribe for or accept Rights Share Stapled Units was received from a person outside the United States; and
 - b) the person giving such instruction has confirmed that he/she/it (i) has the authority to give such instruction and (ii) either (A) has investment discretion over such account or (B) is an investment manager or investment company that is acquiring the rights and/or the Rights Share Stapled Units in an “offshore transaction” within the meaning of Regulation S under the US Securities Act;
- he/she/it is acquiring the rights and/or the fully-paid Rights Share Stapled Units in an “offshore transaction” as defined in Regulation S under the US Securities Act;
- he/she/it has not been offered the Rights Share Stapled Units by means of any “directed selling efforts” as defined in Regulation S under the US Securities Act;
- he/she/it is not acquiring rights or Rights Share Stapled Units with a view to the offer, sale, transfer, delivery or distribution, directly or indirectly, of such rights or Rights Share Stapled Units into the United States;

LETTER FROM THE BOARDS

- he/she/it understands that neither the rights nor the Rights Share Stapled Units have been or will be registered under the US Securities Act or with any securities regulatory authority of any state, territory, or possession of the United States and the rights or Rights Share Stapled Units are being distributed and offered outside the United States in reliance on Regulation S. Consequently he/she/it understands the rights or Rights Share Stapled Units may not be offered, sold, pledged, taken up, exercised, resold, renounced, delivered or otherwise transferred in or into the United States, except in reliance on an exemption from, or in transactions not subject to, the registration requirements of the US Securities Act; and
- he/she/it is not, and for so long as he/she/it holds a nil-paid Rights Share Stapled Unit or fully-paid Rights Share Stapled Unit will not be, a Benefit Plan Investor.

For each Qualifying Holder, a PAL is enclosed with this Prospectus which entitles the Qualifying Holder(s) to whom it is addressed to subscribe for the number of the Rights Share Stapled Units shown thereon. If the Qualifying Holder(s) wishes to accept all the Rights Share Stapled Units provisionally allotted to him/her/it/them as specified in the PAL, he/she/it/they must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar by not later than 4:00 p.m. on Friday, 4 September 2020 (or, under bad weather conditions and/or extreme conditions, such later time and/or date as mentioned in the section headed “Expected Timetable – Effect of Bad Weather and/or Extreme Conditions on the Latest Time for Acceptance of and Payment for the Rights Share Stapled Units and for Application and Payment for Excess Rights Share Stapled Units” in this Prospectus). All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier’s orders which must be issued by, a licensed bank in Hong Kong and made payable to “**LHIL and LHIL Manager – PAL**” and crossed “**ACCOUNT PAYEE ONLY**”. No receipt will be issued in respect of any subscription monies received.

It should be noted that unless the PAL, together with the appropriate remittance, has been lodged with the Registrar by not later than 4:00 p.m. on Friday, 4 September 2020, whether by the original allottee or any person in whose favour the rights have been validly renounced or transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. The Trust and the Company may, at their sole absolute discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Trust and the Company may require the relevant person(s) to complete the incomplete PAL at a later stage.

If a Qualifying Holder(s) wish(es) to accept only part of his/her/its/their provisional allotment or transfer part of his/her/its/their rights to subscribe for the Rights Share Stapled Units provisionally allotted to him/her/it/them under the PAL or to transfer part or all of his/her/its/their rights to more than one person, the entire PAL must be surrendered and lodged for cancellation by not later than 4:30 p.m. on Thursday, 27 August 2020 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Registrar, after 9:00 a.m. on the second Business Day following the surrender of the original PAL. This process is commonly referred to as “splitting” of nil-paid Rights Share Stapled Units. It should be noted that stamp duty is payable in connection with a transfer of rights to subscribe for the Rights Share Stapled Units.

LETTER FROM THE BOARDS

The Trust and the Company reserve the right to refuse to register any transfer in favour of any person in respect of which the Trust and the Company believe such transfer may violate applicable legal or regulatory requirements.

The PAL contains the full information regarding the procedures to be followed for Qualifying Holders who wish to: (i) accept their provisional allotment in full; (ii) accept only part of their provisional allotment; or (iii) renounce/transfer all or part of their provisional allotment to other party/parties. Unitholders are advised to study the procedures set out in the PAL carefully.

If any of the conditions of the Rights Issue as set out in the section headed “Conditions of the Rights Issue” in this section is not fulfilled or, where applicable, waived at or before 4:30 p.m. on Wednesday, 9 September 2020 (or such later time and/or date as the Trust and the Company may determine), the Rights Issue will not proceed. Under such circumstances, the monies received in respect of application for the provisional allotment will be returned to the relevant applicants or, in the case of joint applicants, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Holders to their registered addresses by the Registrar on or before Monday, 14 September 2020.

Application for excess Rights Share Stapled Units

Qualifying Holders are entitled to apply for, by way of excess application:

- (i) any unsold entitlements to the Rights Share Stapled Units of the Non-Qualifying Holders (if any);
- (ii) any unsold Rights Share Stapled Units created by aggregating fractions of the Rights Share Stapled Units;
- (iii) any nil-paid Rights Share Stapled Units provisionally allotted but not validly accepted by the Qualifying Holders or otherwise not subscribed for by renouncees or transferees of nil-paid Rights Share Stapled Units;
- (iv) any Waived Pro Rata Entitlement Share Stapled Units (if any, which will be determined upon the Record Date);
- (v) any Waived Excess Share Stapled Units (if any, which will be determined upon the results of application for excess Rights Share Stapled Units); and
- (vi) any other Rights Share Stapled Units not validly taken up (if any) as determined by the Boards at their discretion.

(i) to (vi) are collectively referred to as “**Untaken Rights**”.

Application for excess Rights Share Stapled Units may be made by completing and signing the enclosed EAF in accordance with the instructions printed thereon and lodging it, together with a separate remittance for the full amount payable for application for the excess Rights Share Stapled Units, with the Registrar by not later than 4:00 p.m. on Friday, 4 September 2020 (or, under bad weather conditions and/or extreme conditions, such later time and/or date as mentioned in the section headed “Expected

LETTER FROM THE BOARDS

Timetable – Effect of Bad Weather and/or Extreme Conditions on the Latest Time for Acceptance of and Payment for the Rights Share Stapled Units and for Application and Payment for Excess Rights Share Stapled Units” in this Prospectus). All remittances must be made by cheque or banker’s cashier order in Hong Kong dollars. Cheques must be drawn on an account with, and cashier’s orders must be issued by, a licensed bank in Hong Kong and made payable to “**LHIL and LHIL Manager – EAF**” and crossed “**Account Payee Only**”. No receipt will be issued in respect of any application monies received.

The Directors will, subject to the compliance with the Listing Rules and the applicable laws and regulations of the relevant jurisdictions, allocate any excess Rights Share Stapled Units at their discretion on a fair and equitable basis on the following principles:

- (i) any excess Rights Share Stapled Units will be allocated to Qualifying Holders who apply for them as far as practicable on a pro-rata basis by reference to the number of the excess Rights Share Stapled Units applied for under each application;
- (ii) no reference will be made to the Rights Share Stapled Units subscribed through applications by PALs or the existing number of Share Stapled Units held by Qualifying Holders;
- (iii) no preference will be given to applications for topping up odd-lot holdings to whole lot holdings; and
- (iv) pursuant to Rule 7.21(3)(b) of the Listing Rules, the Trust and the Company will also take steps to identify applications for excess Rights Share Stapled Units made by any controlling Unitholder and its associates (together, the “**Relevant Holders**”), whether in their own names or through nominees. The Trust and the Company shall disregard the Relevant Holders’ applications for excess Rights Share Stapled Units to the extent that the total number of excess Rights Share Stapled Units they have applied for exceeds a maximum number equivalent to the total number of Rights Share Stapled Units offered under the Rights Issue minus the number of Rights Share Stapled Units taken up by the Relevant Holders under their assured entitlement to the Rights Share Stapled Units.

To uphold the principle of allocating the excess Rights Share Stapled Units on a fair basis in line with Rule 7.21(1)(a) of the Listing Rules, the Directors may exercise their discretion in rejecting and/or disregarding any application(s) for excess Rights Share Stapled Units that are made with the intention to abuse the aforementioned allocation mechanism.

If the aggregate number of the Untaken Rights is greater than the aggregate number of excess Rights Share Stapled Units being applied for under EAFs, the Directors will allocate to each Qualifying Holder who applies for excess Rights Share Stapled Units the actual number of excess Rights Share Stapled Units being applied for. If the aggregate number of the Untaken Rights is less than the aggregate number of excess Rights Share Stapled Units applied for under EAFs, the Directors will, subject to compliance with the Listing Rules and applicable laws and regulations of the relevant jurisdictions, allocate the excess Rights Share Stapled Units at their discretion on a fair and equitable basis based on the aforementioned principles, which in essence, will be on a pro-rata basis by reference to the number of excess Rights Share Stapled Units applied for under each application. For further details of the allocation

LETTER FROM THE BOARDS

of excess Rights Share Stapled Units to Great Eagle (together with other core connected persons of the Trust and the Company and their respective close associate), please refer to the paragraph headed “Public Float” in this section.

Investors whose Share Stapled Units are held by a nominee company (including HKSCC Nominees Limited) should note that for the purpose of the Rights Issue, the Boards will regard the nominee company as a single Unitholder according to the Share Stapled Units Register. Accordingly, investors should note that the aforesaid arrangement in relation to the allocation of excess Rights Share Stapled Units will not be extended to beneficial owners individually. Investors whose Share Stapled Units are held by a nominee company are advised to consider whether they would like to arrange for the registration of the relevant Share Stapled Units in the name of the beneficial owner(s). For those investors who would like to have their names registered on the Share Stapled Units Register, all necessary documents must be lodged with the Registrar at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong by 4:30 p.m. on Thursday, 13 August 2020.

The Trust and the Company reserve the right to treat as invalid any application for the excess Rights Share Stapled Units where they believe that such application would violate the applicable securities or other laws or regulations of any territory or jurisdiction.

If no excess Rights Share Stapled Units are allotted to a Qualifying Holder, the amount tendered on application is expected to be returned in full without interest on or before Monday, 14 September 2020 by means of cheques despatched by the Registrar by ordinary post at the risk of the Qualifying Holder to the Qualifying Holder’s registered address. If the number of excess Rights Share Stapled Units allotted to a Qualifying Holder is less than what was applied for, the surplus application monies are also expected to be returned without interest on or before Monday, 14 September 2020.

If any of the conditions of the Rights Issue as set out in the section headed “Letter from the Boards – Rights Issue – Conditions of the Rights Issue” in this Prospectus is not fulfilled or, where applicable, waived at or before 4:30 p.m. on Wednesday, 9 September 2020 (or such later time and/or date as the Trust and the Company may determine), the Rights Issue will not proceed. Under such circumstances, the monies received in respect of application for excess Rights Share Stapled Units will be returned to the Qualifying Holders or, in the case of joint applicants, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Holders to their registered addresses by the Registrar on or before Monday, 14 September 2020.

The EAF is for use only by the person(s) named therein and is not transferable. No receipt will be issued in respect of any application monies received.

Allotment and issue of legal interests in Ordinary Shares of the Company to the Trustee-Manager

When the Rights Share Stapled Units are allotted, issued and fully-paid, the legal interest in each specifically identified Ordinary Share linked to a unit of the Trust comprising a Rights Share Stapled Unit will be allotted and issued to the Trustee-Manager to hold in its capacity as the Trustee-Manager of the Trust in accordance with the terms of the Trust Deed.

LETTER FROM THE BOARDS

Cheques and banker's cashier orders

All cheques and banker's cashier orders will be presented for payment upon receipt and all interest earned on such monies (if any) will be retained for the benefit of the Trust and the Company. Completion and lodgement of a PAL or an EAF together with a cheque or banker's cashier order in payment of the Rights Share Stapled Units applied for will constitute a warranty that the cheque or banker's cashier order will be honoured upon first presentation. If any cheque or banker's cashier order is not honoured upon first presentation, the PAL or EAF (as the case may be) is liable to be rejected and/or deemed invalid by the Trust and the Company in their absolute discretion, and in the case of an acceptance of a Qualifying Holder's assured entitlement all such assured entitlement and all rights thereunder will be deemed to have been declined and will be cancelled.

Actions to be taken by Beneficial Owners whose Share Stapled Units are held by a Registered Unitholder (other than Share Stapled Units deposited in CCASS)

Subscription for Rights Share Stapled Units provisionally allotted and transfers and "splitting" of nil-paid Rights Share Stapled Units

If you are a Beneficial Owner whose Share Stapled Units are registered in the name of a Registered Unitholder and you wish to subscribe for the Rights Share Stapled Units provisionally allotted and in which you are beneficially interested, or sell such nil-paid Rights Share Stapled Units or "split" such nil-paid Rights Share Stapled Units and accept part of such provisional allotment and sell the remaining part, you should contact the Registered Unitholder and provide the Registered Unitholder with instructions or make arrangements with the Registered Unitholder in relation to the acceptance, transfer and/or "splitting" of the rights to subscribe for Rights Share Stapled Units which have been provisionally allotted in respect of the Share Stapled Units in which you are beneficially interested.

Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in the expected timetable set out in the section headed "Expected Timetable" of this Prospectus and otherwise in accordance with the requirements of the Registered Unitholder in order to allow the Registered Unitholder sufficient time to ensure that your instructions are given effect.

Important notice and representations and warranties in relation to Beneficial Owners in the US whose Share Stapled Units are held by a Registered Unitholder (other than CCASS)

As described above, Beneficial Owners resident in the United States are only permitted to take up their rights under the Rights Issue if they fulfil, to the satisfaction of the Trust and the Company, the requirements specified in the paragraph above headed "Limited categories of persons in the United States who may be able to take up their rights under the Rights Issue".

Any Beneficial Owner accepting and/or transferring a PAL or requesting registration of the Rights Share Stapled Units comprised therein represents and warrants to the Trust and the Company that, except where proof has been provided to the satisfaction of the Trust and the Company that such person's use of the PAL will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) such person is not accepting and/or renouncing the PAL, or requesting registration of the relevant nil-paid Rights Share Stapled Units or the fully-paid Rights Share Stapled Units from within the United States; (ii) such person is not in the United States or in any territory in which it is otherwise unlawful to

LETTER FROM THE BOARDS

make or accept an offer to acquire the Rights Share Stapled Units or to use the PAL in any manner in which such person has used or will use it; (iii) such person is not acting on a non-discretionary basis for a person resident in the United States at the time the instruction to accept or transfer is given; and (iv) such person is not acquiring the Rights Share Stapled Units with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any of the Rights Share Stapled Units into the United States.

The Trust and the Company may treat as invalid any acceptance or purported acceptance of the allotment of Rights Share Stapled Units comprised in, or transfer or purported transfer of, a PAL if it: (a) appears to the Trust and the Company to have been executed in, or despatched from the United States and the acceptance may involve a breach of the laws of the relevant territory or the acceptance is otherwise in a manner which may involve a breach of the laws of any jurisdiction or if it or its agents believe the same may violate any applicable legal or regulatory requirements; (b) provides an address in the United States for delivery of definitive share certificates for Rights Share Stapled Units and such delivery would be unlawful or provides an address for delivery of definitive share certificates in any other jurisdiction outside Hong Kong in which it would be unlawful to deliver such certificate; or (c) purports to exclude the representation and/or warranty required by the paragraph immediately above.

What is set out above also applies to an application for excess Rights Share Stapled Units, with appropriate changes to reflect that the context is an application for excess Rights Share Stapled Units.

Action to be taken by Beneficial Owners holding interests in Share Stapled Units through CCASS

Subscription for Rights Share Stapled Units provisionally allotted and transfers and “splitting” of nil-paid Rights Share Stapled Units

If you are a Beneficial Owner whose Share Stapled Units are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to subscribe for the Rights Share Stapled Units provisionally allotted and in which you are beneficially interested, or sell such nil-paid Rights Share Stapled Units or “split” such nil-paid Rights Share Stapled Units and accept part of such provisional allotment and sell the remaining part, you should (unless you are a person admitted to participate in CCASS as an Investor Participant) contact your Intermediary and provide your Intermediary with instructions or make arrangements with your Intermediary in relation to the acceptance, transfer and/or “splitting” of the rights to subscribe for Rights Share Stapled Units which have been provisionally allotted in respect of the Share Stapled Units in which you are beneficially interested.

Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in the expected timetable set out in the section headed “Expected Timetable” of this Prospectus and otherwise in accordance with the requirements of your Intermediary in order to allow your Intermediary sufficient time to ensure that your instructions are given effect. The procedure for acceptance, transfer and/or “splitting” by CCASS Participants of the Rights Share Stapled Units provisionally allotted to CCASS stock accounts in respect of the Share Stapled Units registered in the name of HKSCC Nominees Limited shall be in accordance with the “General Rules of CCASS”, the “CCASS Operational Procedures” and any other requirements of CCASS.

LETTER FROM THE BOARDS

The procedures for acceptance, transfer and/or “splitting” of Rights Share Stapled Units provisionally allotted to Beneficial Owners who have been admitted to participate in CCASS as Investor Participants shall be in accordance with “An Operating Guide for Investor Participants” and any other requirements of CCASS. Beneficial Owners who have been admitted to participate in CCASS as Investor Participants should contact CCASS and provide CCASS with instructions or make arrangements with CCASS in relation to the manner in which such Beneficial Owners’ interests in Rights Share Stapled Units should be dealt with.

Important notice and representations and warranties relation to Beneficial Owners in the United States holding interests in Share Stapled Unit through CCASS

As described above, Beneficial Owners resident in the United States are only permitted to take up their rights under the Rights Issue if they fulfil, to the satisfaction of the Trust and the Company, the requirements specified in the paragraph above headed “Limited categories of persons in the United States who may be able to take up their rights under the Rights Issue”.

Any Beneficial Owner holding interests in the Share Stapled Units through CCASS and any CCASS Participant who makes a valid acceptance and/or transfer in accordance with the procedures set out above represents and warrants to the Trust and the Company that, except where proof has been provided to the satisfaction of the Trust and the Company that such person’s acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) such person is not in the United States or in any territory in which it is otherwise unlawful to make or accept an offer to acquire the Rights Share Stapled Units; (ii) such person is not acting on a non-discretionary basis for a person located within the US at the time the instruction to accept was given; and (iii) such person is not acquiring the Rights Share Stapled Units with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any of such Rights Share Stapled Units into the United States.

The Trust and the Company may treat as invalid any instruction which appears to the Trust and the Company to have been despatched from the United States and which may involve a breach of the laws of the United States or any instruction which otherwise appears to the Trust and the Company may involve a breach of the laws of any jurisdiction; or if the Trust and the Company or its agents believes the same may violate any applicable legal or regulatory requirements; or which purports to exclude the presentation and/or warranty required by the paragraph immediately above.

What is set out above also applies to an application for excess Rights Share Stapled Units, with appropriate changes to reflect that the context is an application for excess Rights Share Stapled Units.

Action to be taken by Beneficial Owners whose Share Stapled Units are held by a Registered Unitholder (other than Share Stapled Units deposited in CCASS) who wish to apply for excess Rights Share Stapled Units

Excess Rights Share Stapled Units application procedures

If you are a Beneficial Owner whose Share Stapled Units are registered in the name of a Registered Unitholder and you wish to apply for excess Rights Share Stapled Units, you should contact the Registered Unitholder and provide the Registered Unitholder with instructions or make arrangements with the Registered Unitholder in relation to such application. Such instructions and/or arrangements

LETTER FROM THE BOARDS

should be given or made in advance of the latest time for application and payment for excess Rights Share Stapled Units stated in the expected timetable set out in the section headed “Expected Timetable” of this Prospectus and otherwise in accordance with the requirements of the Registered Unitholder, in order to allow the Registered Unitholder sufficient time to ensure that your instructions are given effect.

Important notice and representations and warranties relating to Beneficial Owners in the United States whose Share Stapled Units are held by a Registered Unitholder (other than CCASS)

What is set out under the heading “Important notice and representations and warranties relating to Beneficial Owners in the United States whose Share Stapled Units are held by a Registered Unitholder (other than CCASS)” above also applies to applications for excess Rights Share Stapled Units, with appropriate changes to reflect that the context is an application for excess Rights Share Stapled Units.

Action to be taken by Beneficial Owners holding interests in Share Stapled Units through CCASS who wish to apply for excess Rights Share Stapled Units

Excess Rights Share Stapled Units application procedures

If you are a Beneficial Owner whose Share Stapled Units are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to apply for excess Rights Share Stapled Units, you should (unless you are a person admitted to participate in CCASS as an Investor Participant) contact your Intermediary and provide your Intermediary with instructions or make arrangements with your Intermediary in relation to the application for excess Rights Share Stapled Units. Such instructions and/or arrangements should be given or made in advance of the date stated in the expected timetable set out in the section headed “Expected Timetable” of this Prospectus as the latest time for application and payment for excess Rights Share Stapled Units and otherwise in accordance with the requirements of your Intermediary, in order to allow your Intermediary sufficient time to ensure that your instructions are given effect. The procedure for application for excess Rights Share Stapled Units shall be in accordance with the “General Rules of CCASS”, the “CCASS Operational Procedures” and any other requirements of CCASS.

The procedures for application for excess Rights Share Stapled Units by Beneficial Owners who have been admitted to participate in CCASS as Investor Participants shall be in accordance with “An Operating Guide for Investor Participants” and any other requirements of CCASS. Beneficial Owners who have been admitted to participate in CCASS as Investor Participants should contact CCASS to provide CCASS with instructions or make arrangements with CCASS in relation to any applications for excess Rights Share Stapled Units.

Important notice and representations and warranties relating to Beneficial Owners in the United States holding interests in Share Stapled Units through CCASS

What is set out under the heading “Important notice and representations and warranties relating to Beneficial Owners in the United States holding interests in Share Stapled Units through CCASS” above also applies to applications for excess Rights Share Stapled Units, with appropriate changes to reflect that the context is an application for excess Rights Share Stapled Units.

LETTER FROM THE BOARDS

Important notice for Beneficial Owners

Beneficial Owners with their Share Stapled Units held by a Registered Unitholder, or which are held in CCASS, should note that the Registered Unitholder (including HKSCC Nominees Limited) is regarded as a single Unitholder according to the Share Stapled Units Register. Accordingly, Beneficial Owners whose Share Stapled Units are registered in the name of a Registered Unitholder, or which are held in CCASS, should note that the aforesaid arrangement in relation to the allocation of excess Rights Share Stapled Units will not be extended to them individually.

Application for listing/Dealing arrangements

The Trust and the Company have applied to the Listing Committee for the listing of, and permission to deal in, the Rights Share Stapled Units, in both their nil-paid and fully-paid forms. No part of the Share Stapled Units in issue or to be issued under the Rights Issue are listed or dealt in on any other stock exchange.

Nil-paid Rights Share Stapled Units are expected to be traded in board lots of 500 (as the Share Stapled Units are currently traded on the Stock Exchange in board lots of 500).

Subject to the granting of the listing of, and permission to deal in, the Rights Share Stapled Units in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Share Stapled Units in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Share Stapled Units in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Unitholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Stamp duty and other applicable fees

Dealings in the Rights Share Stapled Units in both their nil-paid and fully-paid forms will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy or any other applicable fees and charges in Hong Kong.

Share Stapled Units certificates and refund cheques for Rights Issues

Subject to the fulfilment and/or waiver (where applicable) of the conditions of the Rights Issue as set out in the section headed “Letter from the Boards – Rights Issue – Conditions of the Rights Issue”, Share Stapled Units certificates for all fully-paid Rights Share Stapled Units are expected to be posted to those entitled thereto by ordinary post to their registered address(es), at their own risks, on or before Monday, 14 September 2020.

LETTER FROM THE BOARDS

Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Share Stapled Units (if any) are expected to be posted on or before Monday, 14 September 2020 by ordinary post to the applicants' registered address(es), at their own risk.

The Rights Issue on a non-underwritten basis

Subject to the fulfilment and/or waiver (where applicable) of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Share Stapled Units. Great Eagle (through the Relevant GE Subsidiaries) has the intention to apply, by way of excess application, for additional Rights Share Stapled Units subject to the public float requirement. For further details, please refer to the section headed "Intention of Great Eagle" in this Prospectus.

The reason for proceeding on a non-underwritten basis is that the Directors consider the primary purpose of underwriting would be to give certainty to the Trust and the Company as to the amount of Net Proceeds to be raised through the Rights Issue. The Directors however are satisfied that the minimum Net Proceeds to be raised as a result of the Irrevocable Undertaking provided by Great Eagle will meet the current minimum funding requirement of the Trust Group under the Mitigation Mechanism and that it is unnecessary to incur the underwriting commission and other costs that would be associated with, or to proceed with an issue at the level of discount to the prevailing market price of the Share Stapled Units that would be required, if the rights issue was underwritten by an independent third party underwriter such as a bank.

No general offer obligation under the Takeovers Code will be triggered by the Irrevocable Undertaking and the issue of Rights Share Stapled Units to Great Eagle pursuant to the Irrevocable Undertaking in accordance with the note to Rule 7.19(5)(b) of the Listing Rules. There is no minimum amount to be raised under the Rights Issue. The legal advisers of the Company have confirmed that there are no statutory requirements under the laws of Cayman Islands regarding minimum subscription levels in respect of the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, a Unitholder who applies to take up all or part of its entitlement under a PAL or apply for excess Rights Share Stapled Units under an EAF may unwittingly incur an obligation to make a general offer under the Takeovers Code, unless a waiver from the Executive (as defined in the Takeovers Code) has been obtained. Accordingly, pursuant to Rule 7.19(5) of the Listing Rules, the Rights Issue is being made on the basis that if the Rights Share Stapled Units are not fully taken up, the application(s) of any Unitholder for its entitlement under the PAL or for excess Rights Share Stapled Units under the EAF can be scaled down to a level which does not trigger an obligation on part of the relevant Unitholder to make a general offer under the Takeovers Code.

For the avoidance of doubt, the above provision shall not apply to HKSCC Nominees Limited.

Conditions of the Rights Issue

The Rights Issue is conditional upon the fulfilment or waiver (as appropriate) of each of the following conditions:

- (a) the Stock Exchange having authorised the registration of, and the Companies Registry in Hong Kong having registered, respectively, not later than one Business Day prior to the Posting Date, each of the Prospectus Documents and each of which having been duly certified in compliance with section 342C of the Companies (WUMP) Ordinance (and all other documents required to be attached thereto or otherwise filed or delivered) and otherwise complying with the requirements of the Companies (WUMP) Ordinance and the Listing Rules;

LETTER FROM THE BOARDS

- (b) the posting of the Prospectus Documents to the Qualifying Holders and the posting of the Prospectus to the Non-Qualifying Holders, if any, and for information purposes only, on or before the Posting Date;
- (c) the Listing Committee granting and not having revoked, listing of, and permission to deal in, the Rights Share Stapled Units in their nil-paid and fully-paid forms either unconditionally or subject to such conditions which the Trust and the Company accept and the satisfaction of such conditions (if any and where relevant) by no later than the Posting Date and such listings and permission to deal not having been withdrawn or revoked;
- (d) each condition to enable the Rights Share Stapled Units in their nil-paid or fully-paid forms to be admitted as eligible securities for deposit, clearance and settlement in CCASS having been satisfied on or before the Business Day prior to the commencement of trading of the Rights Share Stapled Units (in their nil paid and fully-paid forms, respectively) and no notification having been received by the Trust and the Company from HKSCC by such time that such admission or facility for holding and settlement has been or is to be refused; and
- (e) compliance with and performance of all undertakings and obligations of Great Eagle under the Irrevocable Undertaking in all material respects.

Save for condition (e) which can be waived (conditionally or unconditionally) by the Trust and the Company, none of the above conditions can be waived. If any of the conditions referred to above are not fulfilled, and/or not waived (where applicable) at or before 4:30 p.m. on Wednesday, 9 September 2020 (or such later time and/or date as the Trust and the Company may determine), the Rights Issue will not proceed.

As the proposed Rights Issue is subject to the above conditions, it may or may not proceed.

THE IRREVOCABLE UNDERTAKING

Pursuant to the Irrevocable Undertaking, Great Eagle, which as at the Latest Practicable Date was interested (indirectly through its wholly-owned subsidiaries, namely the Relevant GE Subsidiaries) in 1,364,823,833 Share Stapled Units representing approximately 63.61% of the Share Stapled Units in issue as at the Latest Practicable Date, has irrevocably undertaken to the Trust and the Company, among other things:

- (i) to subscribe for, and/or procure the Relevant GE Subsidiaries to subscribe for, by no later than 4:00 p.m. on the latest date for acceptance of, and payment for, Rights Share Stapled Units, an aggregate of not less than 682,411,916 Rights Share Stapled Units to be provisionally allotted to the Relevant GE Subsidiaries pursuant to the terms of the Rights Issue in respect of the 1,364,823,833 Share Stapled Units in which Great Eagle is indirectly interested;
- (ii) to remain indirectly interested in, and/or to procure the Relevant GE Subsidiaries to remain the registered and beneficial holder of, not less than the 1,364,823,833 Share Stapled Units referred to in paragraph (i) above at 5:00 p.m. on the Record Date;

LETTER FROM THE BOARDS

- (iii) in the event that Great Eagle and/or the Relevant GE Subsidiaries have acquired Additional Share Stapled Units on or before the Record Date, the Additional Share Stapled Units shall be subject to the same treatment and undertaking as set forth in paragraphs (i) and (ii) above by adding the Additional Share Stapled Units to the 1,364,823,833 Share Stapled Units indirectly held by Great Eagle; and
- (iv) the undertakings in paragraphs (i) to (iii) above are conditional on such undertakings not resulting in non-compliance by the Trust and the Company with the public float requirement under Rule 8.08 of the Listing Rules. In the event that Great Eagle and/or the Relevant GE Subsidiaries have acquired Additional Share Stapled Units, Great Eagle will, and/or will procure the Relevant GE Subsidiaries to, waive the right to subscribe for the Waived Pro Rata Entitlement Share Stapled Units, and the Trust and the Company shall be entitled to allot and issue the undertaken Share Stapled Units (being 682,411,916 Rights Share Stapled Units together with the additional Rights Share Stapled Units as a result of any acquisition of the Additional Share Stapled Units) less the Waived Pro Rata Entitlement Share Stapled Units to Great Eagle.

Save for the Irrevocable Undertaking, the Trust and the Company have not obtained undertakings from any other Unitholders that they will subscribe for any or all of the Rights Share Stapled Units to be provisionally allotted to them or in respect of any or all of the excess Rights Share Stapled Units.

INTENTION OF GREAT EAGLE

The Boards have been informed by Great Eagle that, in addition to its committed subscription, in accordance with the Irrevocable Undertaking, of the 682,411,916 Rights Share Stapled Units to be provisionally allotted to the Relevant GE Subsidiaries pursuant to the terms of the Rights Issue, Great Eagle, through the Relevant GE Subsidiaries, intends to apply, by way of excess application, for the maximum number of Rights Share Stapled Units allowed under Rule 7.21(3)(b). Such intention is, however, subject to the public float requirement under Rule 8.08 of the Listing Rules.

Dr. Lo Ka Shui (being the non-executive Director and chairman of the Boards) is the managing director, chairman of the board and substantial shareholder of Great Eagle, which in turn, is the controlling Unitholder of the Trust and the Company. To the best of the Directors' knowledge and based on the publicly available information, as at the Latest Practicable Date, Great Eagle, Dr. Lo Ka Shui, and their respective associates are interested in a total of 1,380,992,510 Share Stapled Units. On the assumptions that none of Dr. Lo Ka Shui and his associates will (i) subscribe for their assured entitlements and (ii) apply for excess Rights Share Stapled Units under the Rights Issue, the Boards expect that the maximum number of Rights Share Stapled Units that Great Eagle (through the Relevant GE Subsidiaries) will be able to apply for by way of excess application will be 390,332,000 Share Stapled Units. However, the actual number of Rights Share Stapled Units that will be able to be allocated (relating to the excess application) to Great Eagle or the Relevant GE Subsidiaries will be subject to (i) the level of subscription for the Rights Share Stapled Units by way of excess application by other Qualifying Holders and (ii) the public float requirement under Rule 8.08 of the Listing Rules and hence would be adjusted by the Waived Excess Share Stapled Units.

LETTER FROM THE BOARDS

PUBLIC FLOAT

Great Eagle has undertaken to take up and/or procure the Relevant GE Subsidiaries to take up the undertaken Rights Share Stapled Units under the Irrevocable Undertaking and intends to apply and/or procure the Relevant GE Subsidiaries to apply for excess Rights Share Stapled Units under the Rights Issue.

Depending on the level of subscription for the Rights Share Stapled Units, the allotment and issue of the excess Rights Share Stapled Units applied for by Great Eagle and/or the Relevant GE Subsidiaries and, in the event they acquire Additional Share Stapled Units beyond a certain level, the subscription of their respective entitlements to the Rights Share Stapled Units (together with the holdings of Rights Share Stapled Units of other core connected persons of the Trust and the Company and their respective close associates and any other relevant Unitholder(s) that fall into the ambit of Rule 8.24 of the Listing Rules) may cause the number of Share Stapled Units in the Trust and the Company held by such persons to exceed 75% of all issued Share Stapled Units and therefore result in a failure to comply with the public float requirement under Rule 8.08 of the Listing Rules.

Notwithstanding any provisions of the Irrevocable Undertaking and any terms and conditions of the PAL(s) as may be lodged by Great Eagle and/or the Relevant GE Subsidiaries, in the event that Great Eagle and/or the Relevant GE Subsidiaries acquire Additional Share Stapled Units such that the subscription of their respective entitlements to the Rights Share Stapled Units would result in a failure to comply with the public float requirement, Great Eagle will waive, and/or Great Eagle will procure the Relevant GE Subsidiaries to waive, the right to subscribe for the Waived Pro Rata Entitlement Share Stapled Units and the Trust and the Company shall be entitled to allot and issue to Great Eagle and/or the Relevant GE Subsidiaries the undertaken Share Stapled Units (being 682,411,916 Rights Share Stapled Units together with the additional Rights Share Stapled Units as a result of any acquisition of Additional Share Stapled Units) less the Waived Pro Rata Entitlement Share Stapled Units. The obligations of Great Eagle and/or the Relevant GE Subsidiaries in respect of the Share Stapled Units that are the subject of the Irrevocable Undertaking will be reduced accordingly. The Waived Pro Rata Entitlement Share Stapled Units will be made available for excess applications on EAFs by other Qualifying Holders.

As at the Latest Practicable Date, Great Eagle was interested (indirectly through its wholly-owned subsidiaries, namely the Relevant GE Subsidiaries) in 1,364,823,833 Share Stapled Units. Assuming no Additional Share Stapled Units were acquired by Great Eagle and/or the Relevant GE Subsidiaries after the Latest Practicable Date and up to the Record Date, there would be no Waived Pro Rata Entitlement Share Stapled Units.

In addition, notwithstanding any terms and conditions of the EAF as may be submitted by Great Eagle and/or the Relevant GE Subsidiaries, Great Eagle will waive, and/or will procure the Relevant GE Subsidiaries to waive, the right to take up the Waived Excess Share Stapled Units and the Trust and the Company shall be entitled to allot and issue to Great Eagle and/or the Relevant GE Subsidiaries excess Rights Share Stapled Units on a fair and equitable basis as described in the section headed “Letter from the Boards – Application for excess Rights Share Stapled Units” in this Prospectus less the Waived Excess Share Stapled Units. The Waived Excess Share Stapled Units will be made available to meet excess applications on EAFs by other Qualifying Holders.

LETTER FROM THE BOARDS

WARNING OF THE RISKS OF DEALING IN THE SHARE STAPLED UNITS AND NIL-PAID RIGHTS SHARE STAPLED UNITS

The Rights Issue is subject to the fulfilment and/or waiver (where applicable) of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Share Stapled Units in their nil-paid and fully-paid forms. Please refer to the section headed “Conditions of the Rights Issue” in this Prospectus. Unitholders and potential investors of the Trust and the Company should note that if the conditions of the Rights Issue are not satisfied and/or waived (where applicable), the Rights Issue will not proceed.

Any dealings in the Share Stapled Units prior to the date on which all the conditions of the Rights Issue are fulfilled and/or waived (where applicable) are subject to, and any Unitholders dealing in the Rights Share Stapled Units in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Unitholders or other persons contemplating any dealing in the Share Stapled Units or Rights Share Stapled Units in their nil-paid form are recommended to consult their professional advisers.

Subject to the fulfilment and/or waiver (where applicable) of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Share Stapled Units.

CHANGE IN BOARD LOT SIZE

The Share Stapled Units are currently traded in board lots of 500 Share Stapled Units each and the market value of each board lot is HK\$550 (based on the closing price of HK\$1.10 per Share Stapled Unit as quoted on the Stock Exchange on the Last Trading Day). As set out in the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by Hong Kong Exchanges and Clearing Limited, it is required that the value of each board lot shall be no less than HK\$2,000. Accordingly, the Boards propose, subject to the completion of the Rights Issue, to change the board lot size for trading of the Share Stapled Units from 500 Share Stapled Units to 2,000 Share Stapled Units with effect from 9:00 a.m. on Tuesday, 15 September 2020. Based on the closing price of the Share Stapled Units on the Last Trading Day of HK\$1.10, the estimated value for the new board lot size of 2,000 Share Stapled Units would be approximately HK\$2,200. The change in board lot size will not result in any change in the relative rights of the Unitholders. The Boards are of the opinion that the change in board lot size is in the interests of the Trust and the Company and the Unitholders as a whole.

LETTER FROM THE BOARDS

EFFECT OF THE RIGHTS ISSUE ON THE SHARE STAPLED UNITS HOLDING STRUCTURE OF THE TRUST AND THE COMPANY

As at the Latest Practicable Date, the Trust and the Company have 2,145,487,833 Share Stapled Units in issue. Set out below are the Share Stapled Units holding structures of the Trust and the Company under various scenarios as at the Latest Practicable Date and immediately after completion of the Rights Issue:

Upon completion of the Rights Issue, assuming no issue of any Share Stapled Units (other than the Rights Share Stapled Units) after the Latest Practicable Date and on or before completion of the Rights Issue and assuming no Share Stapled Units are acquired or disposed of by Great Eagle and/or the Relevant GE Subsidiaries prior to the Record Date

Unitholders	As at the Latest Practicable Date		Immediately after completion of the Rights Issue (assuming all Rights Share Stapled Units are taken up by the Unitholders)		Immediately after completion of the Rights Issue (assuming (i) no Rights Share Stapled Units are taken up by the Unitholders other than Great Eagle and/or the Relevant GE Subsidiaries pursuant to the Irrevocable Undertaking and (ii) no excess application is made by Qualifying Holders)		Immediately after completion of the Rights Issue (assuming (i) no Rights Share Stapled Units are taken up by the Unitholders other than Great Eagle and/or the Relevant GE Subsidiaries pursuant to the Irrevocable Undertaking and (ii) excess application is made by Great Eagle as adjusted by the Waived Excess Share Stapled Units)	
	No. of Share Stapled Units	% (approx.)	No. of Share Stapled Units	% (approx.)	No. of Share Stapled Units	% (approx.)	No. of Share Stapled Units	% (approx.)
Great Eagle ^(Note 1)	1,364,823,833	63.61	2,047,235,749	63.61	2,047,235,749	72.39	2,102,274,000	72.92
Directors ^(Note 2)	59,929,500	2.79	89,894,250	2.79	59,929,500	2.12	59,929,500	2.08
Other Unitholders (being public Unitholders)	720,734,500	33.60	1,081,101,750	33.60	720,734,500	25.49	720,734,500	25.00
Total	<u>2,145,487,833</u>	<u>100.00</u>	<u>3,218,231,749</u>	<u>100.00</u>	<u>2,827,899,749</u>	<u>100.00</u>	<u>2,882,938,000</u>	<u>100.00</u>

Notes:

- (1) Great Eagle indirectly held these interests through its direct/indirect wholly-owned subsidiaries, i.e. the Relevant GE Subsidiaries.
- (2) These interests were held by (i) Dr. Lo Ka Shui directly or indirectly via through certain companies wholly-owned by him as to 15,116,000 Share Stapled Units, (ii) a charitable trust where Dr. Lo Ka Shui is a settlor and a member of the advisory committee and management committee, and (iii) Mr. Brett Stephen Butcher jointly with his spouse as to 675,000 Share Stapled Units.

LETTER FROM THE BOARDS

REASONS FOR THE RIGHTS ISSUE AND THE USE OF PROCEEDS

Difficult environment of the Hong Kong hotel sector

The Hong Kong hotel sector has encountered significant headwind since the beginning of 2020 primarily due to the impact of COVID-19 pandemic. According to statistics published by the Hong Kong Tourism Board, overnight visitor arrivals have been at minimal levels and decreased by over 90% year-on-year in February, March, April and May 2020.

The situation in Hong Kong as regards the COVID-19 pandemic was somewhat stabilised but has undergone drastic changes recently. The number of confirmed cases has increased over a short period of time since the beginning of July 2020 and exceeded 4,000 in total. Meanwhile the global situation remains severe. According to statistics published by the Department of Health of the HKSAR Government, as at the Latest Practicable Date, 218 countries and areas had reported infections with a total of approximately 20 million COVID-19 cases reported globally. Travel restrictions, quarantine measures and social distancing measures remain in force in many countries across the world. Although the hotels in Hong Kong are experiencing reasonable local food and beverage patronage and some base occupancy from staycation and local room business, there are no signs that international travel and tourism activities will revert to normal soon, and demand for hotel services in Hong Kong continues to face enormous challenges.

Negative impact on the Trust Group's properties and its income stream

The Trust Group is principally engaged in the ownership of and investment in a portfolio of hotels located in Hong Kong. The Trust Group's hotels are leased to the Master Lessee, an indirect wholly-owned subsidiary of Great Eagle, and the Trust Group receives a fixed base rent of HK\$225 million per annum and a variable rental income based of 70% of the Adjusted Gross Operating Income of the Hotels.

The operating performance of the Trust Group's hotels has declined significantly amid the COVID-19 pandemic. Average room rate, occupancy and revenue per available room (RevPAR) of the Trust Group's hotels this year have decreased significantly as compared with the corresponding period in the preceding year.

While the Trust Group continues to receive the fixed base rent from the Master Lessee, the weaker underlying performance of the Trust Group's hotels has led to a decrease in their Adjusted Gross Operating Income and in turn a decrease in variable rental receivable by the Trust Group.

As disclosed in the announcement of the Trust and the Company dated 12 May 2020, pursuant to the Loan Agreements, the Trust Group is required to satisfy certain financial covenants under the Loan Agreements, including but not limited to maintaining a minimum interest coverage ratio and a maximum LTV Ratio of the hotel properties of the Trust Group. As provided in the Loan Agreements, if these financial covenants under the Loan Agreements are not met, the Trust Group must follow the requirements of the Mitigation Mechanism. Based on the current financial circumstances of the Trust Group, the Boards anticipate that the Mitigation Mechanism will most likely be triggered in the third quarter of 2020. Pursuant to the Loan Agreements, as long as the requirements of the Mitigation Mechanism are satisfied, the financial covenants under the Loan Agreements will not be considered as breached. Taking into consideration the foregoing (in particular the Mitigation Mechanism), the Trust and the Company consider that as of the Last Trading Day, the Trust Group is in compliance with the provisions under the Loan Agreements.

LETTER FROM THE BOARDS

In light of the uncertainty resulting from the COVID-19 pandemic, the need to comply with the relevant financial covenants under the Loan Agreements and the potential triggering of the requirements of the Mitigation Mechanism, the Trust Group is taking a number of steps to strengthen its financial position, including tightening of expense control, deferring various renovation plans, applying for and receiving COVID-19 subsidies announced from the HKSAR Government and not paying any interim distribution for the six-month period ended 30 June 2020. Meanwhile, the Trust Group is also paying close attention to its ability to meet the financial covenants under the Loan Agreements, especially the LTV Ratio, as deterioration that might be prolonged in market conditions and the earnings of the Trust Group's hotels are expected to have a negative impact on the valuation of the Trust Group's property interests.

Rights issue as an appropriate financing option considering the interests of the Trust Group and the Unitholders

The Directors have considered various fundraising alternatives after discussion with HSBC, the sole financial adviser appointed by the Trust and the Company. The Directors noted that debt financing cannot address the issue in relation to the financial covenants under the Loan Agreements, while disposal of assets involves high execution uncertainty in the current market condition (and would unlikely be completed on commercially acceptable terms to the Trust and the Company by the time the Mitigation Mechanism will most likely be triggered in the third quarter of 2020) and would not allow Unitholders to participate in the upside from any future business recovery. Amongst various equity fundraising alternatives, the Directors consider that the Rights Issue is the best option for the Trust Group, as it will improve the financial position of the Trust Group immediately. Although, based on the terms of the Rights Issue and assuming that the maximum number of Rights Share Stapled Units is issued, the Rights Issue will potentially result in a theoretical dilution effect (within the meaning ascribed to it in Rule 7.27B of the Listing Rules) of approximately 5.2%, all Unitholders (other than Non-Qualifying Holders) are allowed to participate and not be diluted as to their ownership stake in the Trust Group (except in relation to any dilution resulting from the taking up by third parties of any Rights Share Stapled Units arising from the aggregation of fractional entitlements) if they wish. The Qualifying Holders who do not wish to take up their entitlements in the Rights Issue will have the potential opportunity to sell their nil-paid rights. Further, Great Eagle has provided the Irrevocable Undertaking, thereby giving certainty as to part of the proceeds to be raised through the Rights Issue. As a result of all of the foregoing the Boards are of the view that the Rights Issue is in the interests of the Trust Group and the Unitholders as a whole.

Assuming (i) no Rights Share Stapled Units are taken up by the Unitholders other than Great Eagle and/or the Relevant GE Subsidiaries pursuant to the Irrevocable Undertaking and (ii) no excess application is made by Qualifying Holders, it is expected that (i) at least 80% of the Net Proceeds will be utilised in prepaying part of the outstanding loans under the Loan Agreements, and (ii) not more than 20% of the Net Proceeds will be utilised in part as additional security deposits under the Mitigation Mechanism (and for general working capital upon release) and in part for settlement of finance costs and general working capital purpose, the details of which are set out below. In the case where further Rights Share Stapled Units are taken up by the Unitholders or excess applications on EAFs are made by the Qualifying Holders, the Trust and the Company will consider utilising such proceeds in prepaying part of the outstanding loans further under the Loan Agreements. In the event there is any change in the intended use of the Net Proceeds, the Trust and the Company will make further announcement no later than the release of the allotment results of the Rights Issue.

LETTER FROM THE BOARDS

The Rights Issue will enlarge the equity base of the Trust Group, while partial prepayment of the outstanding loans will lower the gearing of, and reduce the interest expenses payable by the Trust Group. As a result the Trust Group will have additional headroom regarding the LTV Ratio and its ability to satisfy the financial covenants under the Loan Agreements will be enhanced, such that the Trust Group will be in a better position to weather the COVID-19 pandemic and benefit from future business recovery.

On the assumption that there is no change in the number of Share Stapled Units in issue after the Latest Practicable Date and up to the Record Date, the impact on the Trust Group's gearing ratio is illustrated in the following table on an actual basis as extracted from its published interim results announcement for the period ended 30 June 2020 assuming:

- (i) the Rights Issue had been completed on 30 June 2020;
- (ii) 80% of the Net Proceeds had been utilised in prepaying part of the outstanding loans under the Loan Agreements and 20% of the Net Proceeds remained as additional cash balance; and
- (iii) all other factors that would have an impact on the total equity, total borrowings and total assets of the Trust Group remain unchanged.

(HK\$) (in million)	As at 30 June 2020	Assuming all Rights Share Stapled Units are taken up by the Unitholders ¹	Assuming (i) no Rights Share Stapled Units are taken up by the Unitholders other than Great Eagle and/or the Relevant GE Subsidiaries pursuant to the Irrevocable Undertaking and (ii) no excess application is made by Qualifying Holders ²	Assuming (i) no Rights Share Stapled Units are taken up by the Unitholders other than Great Eagle and/or the Relevant GE Subsidiaries pursuant to the Irrevocable Undertaking and (ii) excess application is made by Great Eagle as adjusted by the Waived Excess Share Stapled Units ³
Total equity	7,899	8,908	8,537	8,590
Total borrowings ⁴	7,227	6,420	6,717	6,674
Total assets	15,647	15,849	15,775	15,785
Gearing ratio ⁵	46.2%	40.5%	42.6%	42.3%

Notes:

- Estimated Net Proceeds of approximately HK\$1,009 million after deducting professional fees and other related expenses

LETTER FROM THE BOARDS

2. Estimated Net Proceeds of approximately HK\$638 million after deducting professional fees and other related expenses
3. Estimated Net Proceeds of approximately HK\$691 million after deducting professional fees and other related expenses
4. As at 30 June 2020, total borrowings are the sum of secured term loans of HK\$6,800 million and secured revolving loans of HK\$427 million
5. Gearing ratio is calculated by total borrowings divided by total assets

The intended use of Net Proceeds

Assuming there is no change in the number of Share Stapled Units in issue after the Latest Practicable Date and up to Record Date and full subscription of the Rights Share Stapled Units, the expected gross proceeds, the estimated Net Proceeds and net price per Rights Share Stapled Unit from the Rights Issue are set out below:

	Scenario A:	Scenario B:	Scenario C:
		Assuming (i) no Rights Share Stapled Units are taken up by the Unitholders other than Great Eagle and/or the Relevant GE Subsidiaries pursuant to the Irrevocable Undertaking and (ii) no excess application is made by Qualifying Holders	Assuming (i) no Rights Share Stapled Units are taken up by the Unitholders other than Great Eagle and/or the Relevant GE Subsidiaries pursuant to the Irrevocable Undertaking and (ii) excess application is made by Great Eagle as adjusted by the Waived Excess Share Stapled Units
<i>HK\$ (approximately)</i>	Assuming all Rights Share Stapled Units are taken up by the Unitholders)		
Gross proceeds	1,019 million	648 million	701 million
Estimated Net Proceeds	1,009 million	638 million	691 million
Net price per Rights Share Stapled Unit	0.94	0.94	0.94

Based on the minimum amount of estimated Net Proceeds of HK\$638 million as set out in scenario B above, it is expected that:

- (i) At least 80% of the Net Proceeds (i.e. HK\$510 million) will be utilised in prepaying part of the outstanding loans under the Loan Agreements upon completion of the Rights Issue.

LETTER FROM THE BOARDS

The outstanding loans under the Loan Agreements to be prepaid (i) bear interest at HIBOR plus 0.83% per annum, (ii) mature in December 2023, and (iii) are secured by investment properties of the Trust Group with a fair value of HK\$15,572 million as at 30 June 2020, together with assignments of sales proceeds, insurance proceeds, rental income, revenues and all other income generated from the properties. Notwithstanding that these outstanding loans would only mature in December 2023, the Trust Group intends to partially prepay them in order to allow additional headroom regarding the LTV Ratio and enhance its ability to satisfy the financial covenants under the Loan Agreements; and

- (ii) Not more than 20% of the Net Proceeds (i.e. HK\$128 million) will be utilised in part as additional security deposits under the Mitigation Mechanism upon completion of the Rights Issue (and for general working capital upon release) and in part for settlement of finance costs and general working capital purpose on an ongoing basis (including the settlement of operating, finance and trust level expenses, as well as payment to reserves for furniture, fixtures and equipment and potentially renovation payments).

The current intention is that approximately HK\$45 million is expected to be utilised as additional security deposits under the Mitigation Mechanism while the remainder will be set aside for future settlement of finance costs and general working capital. Taking into account the minimum interest coverage ratio the Trust Group is required to maintain and the recent financial performance of the Trust Group, the Boards are of the view that under current circumstances such amount will be sufficient to serve as the additional security deposits under the Mitigation Mechanism. However, given the uncertainty how the COVID-19 situation may develop, the Trust Group may utilise more than HK\$45 million for the Mitigation Mechanism if the future situation requires. If that happens, the amount for settlement of finance costs and general working capital will reduce accordingly.

The release date of the security deposits will depend on the Trust Group's ability to maintain a minimum interest coverage ratio, which in turn is subject to various factors contributing to the operating performance of the Trust Group's hotel properties, including but not limited to (i) the stabilisation of the COVID-19 situation; (ii) the timing of borders opening up and resumption of international travel; and (iii) the relaxation of social distancing measures.

Upon release of the security deposits, taking into account future business outlook and financial performance, the Trust Group will consider payments in relation to, among others, the renovation of its hotel properties, settlement of finance costs and general working capital purpose.

If no Rights Share Stapled Units are taken up by the Unitholders other than Great Eagle and/or the Relevant GE Subsidiaries pursuant to the Irrevocable Undertaking and no excess applications on EAFs are made by Qualifying Holders (i.e. Scenario B above), at least approximately HK\$638 million of Net Proceeds will be raised under the Rights Issue. This amount will be sufficient to satisfy the requirements under the Mitigation Mechanism including placement of additional security deposits. In the case where further Rights Share Stapled Units are taken up by the Unitholders or excess applications on EAFs are made by the Qualifying Holders, such as Scenario A and Scenario C, the Trust and the Company will consider utilising such proceeds in prepaying part of the outstanding loans further under the Loan Agreements. The estimated amount to be utilised in part as additional security deposits under the Mitigation Mechanism (and for general working capital upon release) and in part for settlement of finance costs and general working capital purpose (including the settlement of

LETTER FROM THE BOARDS

operating, finance and trust level expenses, as well as payment to reserves for furniture, fixtures and equipment and potentially renovation payments) will be adjusted accordingly and in any case no more than 20% of the Net Proceeds.

The use of the Net Proceeds may be adjusted based upon the development of the Trust Group's business and its needs.

The key expected cash outflows of the Trust Group in the next 12 months include payment of interest expenses, operating expenses, global marketing fees, income tax, acquisitions of furniture, fixtures and equipment and renovation payments. The Directors are of the opinion that, after taking into account the continuous cash flows generated from operating activities of the Trust Group, the availability of undrawn revolving loan facilities amounting to HK\$273 million as at 30 June 2020, the estimated Net Proceeds and the financial support from the holding company of the Trust and the Company, the Trust Group has sufficient working capital to meet its requirements for at least the next 12 months from the date of this Prospectus.

As at the Latest Practicable Date, save for the Rights Issue, the Boards have no intention or plan to conduct other fund raising activities (involving the Share Stapled Units) in the next 12 months. However, if any potential investment opportunities or any change of the Trust Group's current circumstances and existing business plans arise and the Net Proceeds may not satisfy the corresponding financing needs, the Boards do not rule out the possibility that the Trust and the Company may conduct further equity fund raising exercises (involving the Share Stapled Units) to support such future developments of the Trust Group.

Based on the above, the Boards consider that raising capital through the Rights Issue is in the interests of the Trust and the Company and the Unitholders as a whole. In addition, having considered the capital needs of the Trust Group, the terms of the Rights Issue and the Subscription Price, the Boards also consider that it is in the interests of the Trust and the Company to proceed with the Rights Issue on a non-underwritten basis as further explained above in the paragraphs headed "The Rights Issue on a non-underwritten basis". **However, those Qualifying Holders who do not take up the Rights Share Stapled Units to which they are entitled and Non-Qualifying Holders should note that their holdings in the Share Stapled Units will be diluted.**

FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS AND LISTING RULES IMPLICATIONS

The Trust and the Company have not conducted any fund raising activities (involving the Share Stapled Units and including any rights issue or open offer) within the 12-month period immediately preceding the Latest Practicable Date, or prior to such 12-month period where dealings in respect of the Share Stapled Units issued pursuant thereto commenced within such 12-month period, nor have they issued any bonus securities, warrants or other convertible securities within such 12-month period. Accordingly, based on the terms of the Rights Issue and assuming that the maximum number of Rights Share Stapled Units is issued, the Rights Issue will result in a theoretical dilution effect of approximately 5.2% which complies with the requirement under Rule 7.27B of the Listing Rules that a listed issuer may not undertake a rights issue that would result in a dilution effect of 25% or more.

LETTER FROM THE BOARDS

As the Rights Issue will not increase the issued Share Stapled Units or market capitalisation of the Trust and the Company by more than 50% and any issue of the Rights Share Stapled Units pursuant to the Irrevocable Undertaking is fully exempt from the requirements of Chapter 14A of the Listing Rules, the Rights Issue is not subject to approval of the independent Unitholders under the Listing Rules. The Rights Issue will be carried out in compliance with Rule 7.21(1)(a) of the Listing Rules.

TAXATION

Unitholders are advised to consult their professional advisers if they are in any doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Share Stapled Units or the Rights Share Stapled Units and, regarding the Non-Qualifying Holders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Share Stapled Units on their behalf.

It is emphasised that none of the Trust and the Company, the Directors or any other parties involved in the Rights Issue accept responsibility for any tax effects or liability of holders of the Rights Share Stapled Units resulting from the purchase, holding or disposal of, or dealing in the Rights Share Stapled Units.

ADDITIONAL INFORMATION

Your attention is drawn to the financial information, unaudited pro forma financial information and general information of the Trust Group as set out in the appendices to this Prospectus.

By Order of the Boards
LHIL Manager Limited
and
Langham Hospitality Investments Limited
LO Ka Shui
Chairman

1. FINANCIAL INFORMATION

Financial information of the Trust Group for each of the three years ended 31 December 2017, 2018 and 2019 are disclosed in the following documents which have been published on the respective websites of the Stock Exchange (www.hkexnews.hk) and the Trust Group (<http://www.langhamhospitality.com/>):

- (a) annual report of the Trust Group for the year ended 31 December 2017 published on 8 March 2018 (pages 85 – 147)

<https://www1.hkexnews.hk/listedco/listconews/sehk/2018/0308/ltn20180308468.pdf>

- (b) annual report of the Trust Group for the year ended 31 December 2018 published on 29 March 2019 (pages 89 – 159)

<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0329/ltn20190329988.pdf>

- (c) annual report of the Trust Group for the year ended 31 December 2019 published on 13 March 2020 (pages 86 – 151)

<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0313/2020031300942.pdf>

2. STATEMENT OF INDEBTEDNESS

At the close of business on 30 June 2020, being the latest practicable date for the purpose of ascertaining the indebtedness of the Trust Group prior to the printing of this Prospectus, the Trust Group had indebtedness totaling approximately HK\$7,193 million comprising the following:

	<i>HK\$'000</i>
Current liabilities:	
Bank borrowings – secured and guaranteed	427,000
Lease liability – secured and unguaranteed	545
Lease liability – unsecured and unguaranteed	<u>1,286</u>
	<u>428,831</u>
Non-current liabilities:	
Bank borrowings – secured and guaranteed	6,761,290
Lease liability – secured and unguaranteed	565
Lease liability – unsecured and unguaranteed	<u>2,066</u>
	<u>6,763,921</u>
Total outstanding indebtedness	<u><u>7,192,752</u></u>

Bank borrowings

As at 30 June 2020, all bank borrowings are secured by the Trust Group's investment properties and guaranteed by certain subsidiaries of the Company.

Lease liabilities

As at 30 June 2020, the lease liability of approximately HK\$1 million is secured by rental deposits and unguaranteed while the lease liability of approximately HK\$3 million is unsecured and unguaranteed.

Contingent liabilities

As at the close of business on 30 June 2020, being the latest practicable date for the purpose of this indebtedness statement, the Trust Group had no contingent liabilities.

Disclaimer

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade payables in the ordinary course of business, as at the close of business on 30 June 2020, the Trust Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, other loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, other charges, other recognised lease liabilities or lease commitments, guarantees or material contingent liabilities.

3. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the continuous cash flows generated from operating activities of the Trust Group, the availability of undrawn revolving loan facilities amounting to HK\$273 million as at 30 June 2020, the estimated Net Proceeds and the financial support from the holding company of the Trust and the Company, the Trust Group has sufficient working capital to meet its requirements for at least the next 12 months from the date of this Prospectus.

4. MATERIAL ADVERSE CHANGES

The Directors confirm that, as at the Latest Practicable Date, other than as disclosed in:

- a) the section headed “Financial and Trading Prospects of the Trust Group” below,
- b) the Trust Group’s announcements dated 12 May 2020 and 19 May 2020 in relation to a business update, and
- c) the interim results announcement of the Trust Group for the six months ended 30 June 2020 dated 7 August 2020 (including that, mainly as a result of the sustained challenges faced by Hong Kong including the COVID-19 pandemic (i) no variable rental income was received for the six months ended 30 June 2020 as the Hotels had reported a loss for the period; the decline in occupancy rates for the Hotels from approximately 73.3% as at 31 December 2019 to approximately 21.0% as at 30 June 2020; the decline in average room rates for the Hotels from approximately HK\$1,553 for the year ended 31 December 2019 to approximately HK\$1,043 for six months ended 30 June 2020; and the consequent decline in revenue per available room (RevPAR); and (ii) decrease in fair value of investment properties of approximately HK\$1,942 million for the six months ended 30 June 2020 arising from valuation of the Trust Group’s investment properties, which negatively impacted the Trust Group’s results for the six months ended 30 June 2020),

they were not aware of any material adverse changes in the financial or trading position of the Trust Group since 31 December 2019, being the date to which the latest published audited consolidated financial statements of the Trust Group was made up to.

5. FINANCIAL AND TRADING PROSPECTS OF THE TRUST GROUP

Set out below is a summary of the financial information of the Trust Group for each of the three years ended 31 December 2017, 2018 and 2019 and the six months ended 30 June 2020, as extracted from the relevant published annual reports and interim results announcement of the Trust Group for the three years ended 31 December 2017, 2018 and 2019 and the six months ended 30 June 2020, respectively. For each of the three years ended 31 December 2017, 2018 and 2019, the distribution declared was HK\$0.111, HK\$0.105, HK\$0.034, respectively.

(a) Operating results

	For the year ended 31 December			For the six months ended
	2017	2018	2019	30 June
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(audited)	(audited)	(audited)	(unaudited)
Revenue	<u>607,573</u>	<u>615,500</u>	<u>483,883</u>	<u>104,883</u>
Profit (loss) before taxation	1,223,368	970,401	(2,586,238)	(2,033,090)
Income tax	<u>(77,309)</u>	<u>(74,761)</u>	<u>(48,473)</u>	<u>(3,986)</u>
Profit (loss) and total comprehensive income (expense) for the year/period attributable to holders of Share Stapled Units	<u>1,146,059</u>	<u>895,640</u>	<u>(2,634,711)</u>	<u>(2,037,076)</u>
Earnings (loss) per Share Stapled Unit				
– Basic and diluted	<u>HK55 cents</u>	<u>HK43 cents</u>	<u>(HK124 cents)</u>	<u>(HK95 cents)</u>

(b) Assets and liabilities

	As at 31 December			As at 30 June
	2017	2018	2019	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(audited)	(audited)	(audited)	(unaudited)
Non-current assets	19,401,328	20,203,941	17,506,028	15,576,394
Current assets	<u>216,567</u>	<u>162,264</u>	<u>106,018</u>	<u>70,238</u>
Total assets	<u>19,617,895</u>	<u>20,366,205</u>	<u>17,612,046</u>	<u>15,646,632</u>
Non-current liabilities	7,085,865	7,145,861	7,158,505	7,218,807
Current liabilities	<u>120,962</u>	<u>261,728</u>	<u>463,754</u>	<u>528,340</u>
Total liabilities	<u>7,206,827</u>	<u>7,407,589</u>	<u>7,622,259</u>	<u>7,747,147</u>
Net assets	<u>12,411,068</u>	<u>12,958,616</u>	<u>9,989,787</u>	<u>7,899,485</u>
Total equity	<u>12,411,068</u>	<u>12,958,616</u>	<u>9,989,787</u>	<u>7,899,485</u>

(c) Business Outlook

The Trust and the Company expect the fundraising will help to strengthen the Trust Group's financial position, at least for the time being, so that Trust Group can continue their operations without concern of the risk for breach of financial covenants under the Loan Agreements. It is uncertain how long the COVID-19 pandemic will last. The pace of the post-pandemic recovery of the Hong Kong hospitality sector may take much longer as overseas visitors resuming normal travelling patterns will be slow. Furthermore, various social distancing measures will likely remain in place even after the pandemic subsides, which will affect the pace of recovery for the Trust Group's domestic food and beverage business.

The COVID-19 pandemic is expected to not only affect the hotel business of the Trust Group in the short term, but also bring long-term implications as companies and individuals reassess the way they work and live. Therefore, it is even more important that the Trust and the Company acknowledge that some of the seemingly short-term measures such as reduction in business travel and restaurants' seating capacity limitations could in fact last for a more prolonged period.

As a result, maintaining flexibility and being ready to react to changes in market demand will be very important for the Trust Group as demand for hotels could shift quickly when governments at home and abroad adjust their travel guidelines and restrictions.

The Trust Group's recent focus has been to grow the domestic staycation and long stay market for their accommodation business and concentrate on building their local food and beverage business. However, the recent heightening of government restrictions in July due to the third wave of COVID-19 infections has again severely impacted the Trust Group's efforts and these operational headwinds is expected to persist in the near term. In fact, July 2020 revenue per available room (RevPAR) of the Trust Group's hotels continues to be dramatically affected with The Langham, Hong Kong, Cordis, Hong Kong and Eaton HK down year on year by 93.5%, 81.9% and 76.4% respectively.

At the same time, the Hong Kong government has been very supportive during this difficult time with the introduction of a series of relief measures including subsidies for affected licenses during the pandemic and the employment support scheme. These measures will help cushion the losses and help the Trust Group to sustain the employment level.

As the Trust Group continue to navigate through these uncertain and volatile times, they are confident that their hotel teams are now well adapted to scale the business appropriately based on the circumstances and with an eye to ensuring costs are minimised.

**UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE
ASSETS**

The following unaudited pro forma statement of adjusted consolidated net tangible assets (the “Unaudited Pro Forma Financial Information”) has been prepared by LHIL Manager Limited (“Trustee-Manager”) of Langham Hospitality Investments and the directors of Langham Hospitality Investments Limited (the “Directors”) in accordance with paragraph 4.29 of the Listing Rules to illustrate the effect of rights issue of rights share stapled units (“Rights Share Stapled Units”) at HK\$0.95 per Rights Share Stapled Unit on the basis of 1 Rights Share Stapled Unit for every 2 share stapled units (“Share Stapled Units”) (the “Rights Issue”) on the consolidated net tangible assets of Langham Hospitality Investments, Langham Hospitality Investments Limited and its subsidiaries (hereinafter collectively referred to as the “Trust Group”) attributable to holders of Share Stapled Units (the “Unitholders”) as if the Rights Issue had been completed on 30 June 2020 and taking into account of certain assumptions.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purpose only and, because of its hypothetical nature, it may not reflect a true picture of the consolidated net tangible assets of the Trust Group attributable to the Unitholders had the Rights Issue been completed as at 30 June 2020 or at any future date.

The Unaudited Pro Forma Financial Information is prepared based on the unaudited consolidated net tangible assets of the Trust Group attributable to the Unitholders as at 30 June 2020, as extracted from the Trust Group’s unaudited condensed consolidated financial statements for the six months ended 30 June 2020 included in the published interim report of the Trust Group, and is adjusted for the effect of the Rights Issue described below.

APPENDIX II

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE TRUST GROUP

	Unaudited consolidated net tangible assets of the Trust Group attributable to the Unitholders as at 30 June 2020 HK\$'000 (Note 1)	Estimated net proceeds from the Rights Issue HK\$'000 (Note 3)	Unaudited pro forma adjusted consolidated net tangible assets of the Trust Group attributable to the Unitholders as at 30 June 2020 immediately after completion of the Rights Issue HK\$'000	Unaudited consolidated net tangible assets of the Trust Group attributable to the Unitholders as at 30 June 2020 per Share Stapled Unit HK\$ (Note 4)	Unaudited pro forma adjusted consolidated net tangible assets of the Trust Group attributable to the Unitholders as at 30 June 2020 per Share Stapled Unit immediately after completion of the Rights Issue HK\$ (Note 5)
Rights Issue of 682,411,916 Rights Share Stapled Units to be issued at subscription price of HK\$0.95 per Rights Share Stapled Unit (Note 2 (i))	7,899,485	638,291	8,537,776	3.68	3.02 (Note 5)
Rights Issue of 1,072,743,916 Rights Share Stapled Units to be issued at subscription price of HK\$0.95 per Rights Share Stapled Unit (Note 2 (ii))	7,899,485	1,009,107	8,908,592	3.68	2.77 (Note 6)

Notes:

- The unaudited consolidated net tangible assets of the Trust Group attributable to the Unitholders of approximately HK\$7,899 million as at 30 June 2020 are extracted from the published interim report of the Trust Group for the six months ended 30 June 2020.
- The unaudited consolidated net tangible assets of the Trust Group attributable to the Unitholders as at 30 June 2020 is adjusted for the effect of the Rights Issue under two scenarios:
 - Only 682,411,916 Rights Share Stapled Units, which are provisionally allotted to Great Eagle Holdings Limited and/or its direct or indirect wholly-owned subsidiaries, including The Great Eagle Company, Limited, LHIL Assets Holdings Limited, Fine Noble Limited and Great Eagle Nichemusic Limited (collectively referred to as the "Relevant GE Subsidiaries"), are issued and taken up by Great Eagle Holdings Limited and/or Relevant GE Subsidiaries pursuant to the irrevocable undertaking;
 - All Rights Share Stapled Units are taken up by the Unitholders.
- The estimated net proceeds from the Rights Issue for scenario (i) and scenario (ii) are based on 682,411,916 Rights Share Stapled Units and 1,072,743,916 Rights Share Stapled Units, respectively, to be issued at the subscription price of HK\$0.95 per Rights Share Stapled Unit after deduction of the estimated related expenses of approximately HK\$10 million.

4. The calculation of the unaudited consolidated net tangible assets of the Trust Group attributable to the Unitholders as at 30 June 2020 per Share Stapled Unit is determined based on the unaudited consolidated net tangible assets of the Trust Group attributable to the Unitholders of approximately HK\$7,899 million divided by the number of Share Stapled Units as at 30 June 2020 of 2,145,487,833.
5. The unaudited pro forma adjusted consolidated net tangible assets of the Trust Group attributable to the Unitholders as at 30 June 2020 per Share Stapled Unit immediately after completion of the Rights Issue is arrived at based on the unaudited pro forma adjusted consolidated net tangible assets of the Trust Group attributable to the Unitholders as at 30 June 2020 immediately after completion of the Rights Issue of approximately HK\$8,538 million, divided by 2,827,899,749 Share Stapled Units, which represent the 2,145,487,833 Share Stapled Units in issue as at 30 June 2020 and 682,411,916 Share Stapled Units to be issued pursuant to the Rights Issue assuming that Rights Issue had been completed on 30 June 2020.
6. The unaudited pro forma adjusted consolidated net tangible assets of the Trust Group attributable to the Unitholders as at 30 June 2020 per Share Stapled Unit immediately after completion of the Rights Issue is arrived at based on the unaudited pro forma adjusted consolidated net tangible assets of the Trust Group attributable to the Unitholders as at 30 June 2020 immediately after completion of the Rights Issue of approximately HK\$8,909 million, divided by 3,218,231,749 Share Stapled Units, which represent the 2,145,487,833 Share Stapled Units in issue as at 30 June 2020 and 1,072,743,916 Share Stapled Units to be issued pursuant to the Rights Issue assuming that Rights Issue had been completed on 30 June 2020.
7. No adjustments have been made to the Unaudited Pro Forma Financial Information to reflect any trading results or other transactions of the Trust Group entered into subsequent to 30 June 2020.

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION****To LHIL Manager Limited ("Trustee-Manager") of Langham Hospitality Investments and the
Directors of Langham Hospitality Investments Limited**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Langham Hospitality Investments, Langham Hospitality Investments Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Trust Group") by Trustee-Manager and the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Trust Group attributable to holders of share stapled units as at 30 June 2020 and related notes as set out on pages II-1 to II-3 of the prospectus issued by the Company dated 21 August 2020 (the "Prospectus"). The applicable criteria on the basis of which Trustee-Manager and the Directors have compiled the unaudited pro forma financial information are described on pages II-1 to II-3 of Appendix II to the Prospectus.

The unaudited pro forma financial information has been compiled by Trustee-Manager and the Directors to illustrate the impact of the rights issue of rights share stapled units ("Rights Share Stapled Units") at HK\$0.95 per Rights Share Stapled Unit on the basis of 1 Rights Share Stapled Unit for every 2 share stapled units (the "Rights Issue") on the Trust Group's unaudited condensed consolidated financial position as at 30 June 2020 as if the Rights Issue had taken place at 30 June 2020. As part of this process, information about the Trust Group's unaudited condensed consolidated financial position has been extracted by Trustee-Manager and the Directors from the Trust Group's unaudited condensed consolidated financial statements for the six months ended 30 June 2020, on which an auditor's report has been published.

**Responsibilities of Trustee-Manager and the Directors for the Unaudited Pro Forma Financial
Information**

Trustee-Manager and the Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants’ Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether Trustee-Manager and the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Trust Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2020 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by Trustee-Manager and the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Trust Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

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

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Trust Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

21 August 2020

1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Trust and the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

2. SHARE CAPITAL AND SHARE STAPLED UNITS

The share capital of the Company consists of Ordinary Shares and Preference Shares. The authorised share capital of the Company as at the Latest Practicable Date was HK\$5,000,000 divided into 5,000,000,000 Ordinary Shares of HK\$0.0005 each and 5,000,000,000 Preference Shares of HK\$0.0005 each. The Trust does not have share capital.

The number of issued Share Stapled Units of the Trust and the Company as at the Latest Practicable Date was and following completion of the Rights Issue are expected to be as follows:

Total number of Share Stapled Units/Rights Share Stapled Units	Authorised Share Stapled Units	Share Stapled Units in issue as at the Latest Practicable Date	Rights Share Stapled Units to be issued pursuant to the Rights Issue (assuming all Rights Share Stapled Units are taken up by the Unitholders)	Rights Share Stapled Units to be issued pursuant to the Rights Issue (assuming no Rights Share Stapled Units are taken up by the Unitholders other than Great Eagle and/or the Relevant GE Subsidiaries pursuant to the Irrevocable Undertaking) (Note)	Rights Share Stapled Units to be issued pursuant to the Rights Issue (assuming (i) no Rights Share Stapled Units are taken up by the Unitholders other than Great Eagle and/or the Relevant GE Subsidiaries pursuant to the Irrevocable Undertaking and (ii) excess application is made by Great Eagle as adjusted by the Waived Excess Share Stapled Units) (Note)	Share Stapled Units in issue upon completion of the Rights Issue (assuming no Rights Share Stapled Units are taken up by the Unitholders other than Great Eagle and/or the Relevant GE Subsidiaries pursuant to the Irrevocable Undertaking and (ii) excess application is made by Great Eagle as adjusted by the Waived Excess Share Stapled Units) (Note)	Share Stapled Units in issue upon completion of the Rights Issue (assuming (i) no Rights Share Stapled Units are taken up by the Unitholders other than Great Eagle and/or the Relevant GE Subsidiaries pursuant to the Irrevocable Undertaking and (ii) excess application is made by Great Eagle as adjusted by the Waived Excess Share Stapled Units) (Note)
	5,000,000,000	2,145,487,833	1,072,743,916	682,411,916	737,450,167	3,218,231,749	2,827,899,749
							2,882,938,000

Note: Assuming no excess applications are made by all Qualifying Holders including Great Eagle and/or the Relevant GE Subsidiaries

All the Share Stapled Units in issue are fully-paid and rank *pari passu* in all respects including as regards to dividends, voting rights and return of capital. All Rights Share Stapled Units to be issued will rank *pari passu* with the then existing Share Stapled Units in issue in all respects. Holders of fully-paid Rights Share Stapled Units will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment of the Rights Share Stapled Units.

The Trustee-Manager and the Company have applied to the Listing Committee for the listing of, and permission to deal in, the Rights Share Stapled Units (in both their nil-paid and fully-paid forms). No part of the Share Stapled Units or any other securities of the Trust and the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Share Stapled Units or the Rights Share Stapled Units or any other securities of the Trust and the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, the Trust Group had no outstanding derivatives, options, warrants, convertible securities or other similar securities which are convertible or exchangeable into Share Stapled Units, and there was no arrangement under which distributions are/will be waived or agreed to be waived.

3. DISCLOSURE OF INTERESTS

(a) Interest of Directors and chief executives of the Trust and the Company

As at the Latest Practicable Date, the interests and short positions of the Directors of the Trustee-Manager and the Company in the Share Stapled Units, underlying Share Stapled Units and debentures of the Trust and the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Trustee-Manager, the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) and the Model Code, or which were recorded in the register required under Section 352 of the SFO are as follows:

Long positions in Share Stapled Units and underlying Share Stapled Units

Name of Director	Total number of Share Stapled Units/ underlying Share Stapled Units held	Percentage of issued Share Stapled Units ⁽³⁾
Lo Ka Shui	1,424,078,333 ⁽¹⁾	66.38
Brett Stephen Butcher	675,000 ⁽²⁾	0.03

Notes:

(1) These 1,424,078,333 Share Stapled Units comprise the following:

(i) 13,056,000 Share Stapled Units were held by Dr. Lo Ka Shui personally;

- (ii) 1,364,823,833 Share Stapled Units respectively held by LHIL Assets Holdings Limited as to 1,293,313,833 Share Stapled Units, Fine Noble Limited as to 58,596,500 Share Stapled Units, Great Eagle Nichemusic Limited as to 5,965,000 Share Stapled Units and The Great Eagle Company, Limited as to 6,948,500 Share Stapled Units, all of the said companies are wholly-owned subsidiaries of Great Eagle. Dr. Lo Ka Shui is a substantial shareholder, the chairman and managing director of Great Eagle. His interests in Great Eagle are disclosed below;
 - (iii) 2,060,000 Share Stapled Units were held by two companies wholly-owned by Dr. Lo Ka Shui who is also a director of these companies; and
 - (iv) 44,138,500 Share Stapled Units were held by a charitable trust of which Dr. Lo Ka Shui is the settlor and a member of the advisory committee and management committee.
- (2) These 675,000 Share Stapled Units were jointly held by Mr. Brett Stephen Butcher with his spouse.
- (3) This percentage has been compiled based on 2,145,487,833 Share Stapled Units of the Trust and the Company in issue as at the Latest Practicable Date.

Long positions in shares and underlying shares of associated corporations

Great Eagle

As at the Latest Practicable Date, Great Eagle owned 63.61% interests in the Trust and the Company and therefore is an associated corporation of the Trust and the Company. The interests of Directors of the Trustee-Manager and the Company in Great Eagle as at Latest Practicable Date are disclosed as follows:

Name of Director	Total number of ordinary shares/ underlying shares held	Percentage of issued share capital ⁽⁴⁾
Lo Ka Shui	453,549,904 ⁽¹⁾	63.00
Lo Chun Him, Alexander	1,014,000 ⁽²⁾	0.14
Brett Stephen Butcher	483,433 ⁽³⁾	0.07

Notes:

- (1) These interests comprise the following:
- (i) 57,290,775 shares and 2,066,000 share options were held by Dr. Lo Ka Shui personally;
 - (ii) 88,813,415 shares were held by certain companies wholly-owned by Dr. Lo Ka Shui. Dr. Lo Ka Shui and Mr. Lo Chun Him, Alexander are directors of these companies;
 - (iii) 242,156,015 shares were held by a discretionary trust of which Dr. Lo Ka Shui is one of the discretionary beneficiaries; and
 - (iv) 63,223,699 shares were held by a discretionary trust of which Dr. Lo Ka Shui is the founder.

- (2) These interests comprise 26,000 shares and 988,000 share options held by Mr. Lo Chun Him, Alexander personally.
- (3) These interests comprise 52,000 shares and 400,000 share options held by Mr. Brett Stephen Butcher personally and 31,433 shares were jointly held by Mr. Brett Stephen Butcher with his spouse.
- (4) This percentage has been compiled based on 719,920,112 shares of Great Eagle in issue as at the Latest Practicable Date.

Champion Real Estate Investment Trust (“Champion REIT”)

Champion REIT is accounted for as a subsidiary of Great Eagle, the holding company of the Trust and the Company. As at the Latest Practicable Date, Great Eagle owned 66.67% interests in Champion REIT. While the definition of “associated corporation” under the SFO caters only to corporations, for the purpose of enhancing the transparency, the holdings of Directors of the Trustee-Manager and the Company in Champion REIT as at Latest Practicable Date are disclosed as follows:

Name of Director	Total number of units/underlying units held⁽¹⁾	Percentage of issued units⁽²⁾
Lo Ka Shui	3,952,026,911	67.11

Notes:

- (1) These 3,952,026,911 units comprise the following:
- (i) 3,592,007 units were held by Dr. Lo Ka Shui personally;
 - (ii) 3,926,061,294 units indirectly held by Great Eagle of which Dr. Lo Ka Shui is a substantial shareholder, the chairman and managing director. His interests in Great Eagle are disclosed above;
 - (iii) 3,258,610 units were held by certain companies wholly-owned by Dr. Lo Ka Shui who is also a director of these companies; and
 - (iv) 19,115,000 units were held by a charitable trust of which Dr. Lo Ka Shui is the settlor and a member of the advisory committee and management committee.
- (2) This percentage has been compiled based on 5,888,833,523 units of Champion REIT in issue as at the Latest Practicable Date.

Save as disclosed above, at the Latest Practicable Date, none of the Directors of the Trustee-Manager and the Company were taken to be interested or deemed to have any other interests or short positions in Share Stapled Units, underlying Share Stapled Units or debentures of the Trust and the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Trustee-Manager, the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO and the Model Code, or which were recorded in the register required under Section 352 of the SFO.

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any of the Directors was materially interested and which was significant in relation to the business of the Trust Group.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had since 31 December 2019 (being the date to which the latest published audited consolidated financial statements of the Trust Group were made up) been acquired or disposed of by or leased to or were proposed to be acquired or disposed of by or leased to any member of the Trust Group.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors was a director or employee of a company which had an interest or short position in the Share Stapled Units, underlying Share Stapled Units and debentures of the Trust and the Company which would fall to be disclosed to the Trustee-Manager and the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

(b) Interests of substantial Unitholders

As far as was known to any Director or chief executive of the Trust and the Company, as at the Latest Practicable Date, the interests and short positions of persons (other than a Director or the chief executive of the Trustee-Manager and the Company) in the Share Stapled Units or underlying Share Staple Units of the Trust and the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required under Section 336 of Part XV of the SFO were as follows:

Long positions in Share Stapled Units and underlying Share Stapled Units

Name	Total number of Share Stapled Units/ underlying Share Stapled Units held	Percentage of issued Share Stapled Units⁽³⁾
Great Eagle Holdings Limited	1,364,823,833 ⁽¹⁾	63.61
LHIL Assets Holdings Limited	1,293,313,833	60.28
HSBC International Trustee Limited	1,329,235,439 ⁽²⁾	61.95

Notes:

- (1) These 1,364,823,833 Share Stapled Units were indirectly held by Great Eagle through its wholly-owned subsidiaries in the following manner:
- (i) the same parcel of Share Stapled Units held by LHIL Assets Holdings Limited as disclosed in the above table;
 - (ii) 58,596,500 Share Stapled Units held by Fine Noble Limited;
 - (iii) 5,965,000 Share Stapled Units held by Great Eagle Nichemusic Limited; and
 - (iv) 6,948,500 Share Stapled Units held by The Great Eagle Company, Limited.
- (2) The disclosure was based on the latest Disclosure of Interest Form (with the date of relevant event as 19 October 2018) received from HSBC International Trustee Limited (“**HITL**”). HITL in its capacity as a trustee of a discretionary trust held 41.89% interests in Great Eagle as at the Latest Practicable Date.

- (3) This percentage has been compiled based on 2,145,487,833 Share Stapled Units of the Trust and the Company in issue as at the Latest Practicable Date.

Save as disclosed above, so far as the Directors were aware, as at the Latest Practicable Date, there were no other persons who have an interest or a short position in the shares or underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

4. LITIGATION

As at the Latest Practicable Date, no member of the Trust Group was engaged in any litigation or arbitration or claims which would materially or adversely affect the operations of the Trust Group and no litigation, arbitration or claim which would materially or adversely affect the operations of the Trust Group was known to the Directors to be pending or threatened by or against any member of the Trust Group.

5. MATERIAL CONTRACTS

As at the Latest Practicable Date, no material contracts (not being contracts entered into in the ordinary course of business) had been entered into by the Trustee-Manager and the Company or any of its subsidiaries within two years preceding the issue date of this Prospectus and ending on the Latest Practicable Date, which are or may be material in relation to the business of the Trust Group as a whole.

6. DIRECTOR'S INTEREST IN CONTRACTS AND ASSETS

- (i) None of the Directors had any direct or indirect interest in any assets which had been, since 31 December 2019 (being the date to which the latest published audited consolidated financial statements of the Trust Group were made up), acquired, disposed of by, or leased to, or were proposed to be acquired, disposed of by, or leased to any member of the Trust Group; and
- (ii) none of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which is significant in relation to the business of the Trust Group.

7. QUALIFICATION AND CONSENT OF THE EXPERT

The following is the qualification of the expert who has given an opinion or advice, which is contained in this Prospectus:

Name	Qualification
Deloitte Touche Tohmatsu	Certified Public Accountants

The expert named above has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion of its letter/report and reference to its name in the form and context in which it appears.

The expert named above did not have any shareholding, directly or indirectly, in any member of the Trust Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Trust Group; and

The expert named above did not have any direct or indirect interest in any assets which had since 31 December 2019 (being the date to which the latest published audited consolidated financial statements of the Trust Group were made up) been acquired or disposed of by or leased to any member of the Trust Group, or are proposed to be acquired or disposed of by or leased to any member of the Trust Group.

8. CORPORATE INFORMATION AND THE PARTIES INVOLVED IN THE RIGHTS ISSUE

Registered Office	Cricket Square, Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Head Office and Principal Place of Business in Hong Kong	Suite 3001, 30th Floor Great Eagle Centre 23 Harbour Road Wanchai, Hong Kong
Authorised Representatives	Dr. Lo Ka Shui 33rd Floor, Great Eagle Centre 23 Harbour Road Wanchai, Hong Kong Ms. Wong Mei Ling, Marina 33rd Floor, Great Eagle Centre 23 Harbour Road Wanchai, Hong Kong
Company Secretary	Ms. WONG Mei Ling, Marina <i>a fellow of both The Hong Kong Institute of Chartered Secretaries and The Chartered Governance Institute</i> 33rd Floor, Great Eagle Centre 23 Harbour Road Wanchai, Hong Kong
Sole Financial Adviser to the Trustee-Manager and to the Company	The Hongkong and Shanghai Banking Corporation Limited 1 Queen's Road Central Hong Kong

Sole Global Coordinator of the Rights Issue	The Hongkong and Shanghai Banking Corporation Limited 1 Queen's Road Central Hong Kong
Legal Adviser to the Trustee-Manager and the Company as to the Rights Issue	<i>As to Hong Kong Law</i> Mayer Brown 16th-19th Floors, Prince's Building, 10 Chater Road, Central, Hong Kong <i>As to Cayman Island law:</i> Conyers Dill & Pearman 29th Floor One Exchange Square 8 Connaught Place Central Hong Kong
Auditor and Reporting Accountants	Deloitte Touche Tohmatsu 35/F, Pacific Place I, 88 Queensway, Admiralty, Hong Kong
Principal Bankers	Agricultural Bank of China Limited Bank of China (Hong Kong) Limited Bank of Communications Co., Ltd. Hong Kong Branch Hang Seng Bank, Limited Mizuho Bank, Ltd. The Hongkong and Shanghai Banking Corporation Limited
Principal Share Registrar and Transfer Office	Conyers Trust Company (Cayman) Limited P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Hong Kong Branch Share Registrar, Share Stapled Units Registrar and Transfer Office	Computershare Hong Kong Investor Services Limited Shops 1712-1716 17th Floor, Hopewell Centre 183 Queen's Road East Wanchai, Hong Kong

9. PARTICULARS OF DIRECTORS

(a) Name and address of the Directors

Name	Business or Residential Address
<i>Non-executive Directors</i>	
LO Ka Shui (<i>Chairman</i>)	33rd Floor Great Eagle Centre 23 Harbour Road Wanchai, Hong Kong
LO Chun Him, Alexander	33rd Floor Great Eagle Centre 23 Harbour Road Wanchai, Hong Kong
<i>Executive Director</i>	
Brett Stephen BUTCHER (<i>Chief Executive Officer</i>)	Suite 3001, 30th Floor Great Eagle Centre 23 Harbour Road Wanchai, Hong Kong
<i>Independent Non-executive Directors</i>	
CHAN Ka Keung, Ceajer	23/F, K11 Atelier King's Road 728 King's Road North Point, Hong Kong
LIN Syaru, Shirley	Flat 17A, Wing On Towers II 9 Boyce Road Jardine's Lookout, Hong Kong
WONG Kwai Lam	Room 2701, Bank of East Asia Harbour View Centre 56 Gloucester Road Wanchai, Hong Kong

(b) Name and address of the senior management

Mr. LI Man Wai, Alexander	Suite 3001, 30th Floor Great Eagle Centre 23 Harbour Road Wanchai, Hong Kong
Ms. WONG May Po, Mabel	Suite 3001, 30th Floor Great Eagle Centre 23 Harbour Road Wanchai, Hong Kong
Ms. TANG Wai Yan, Carmen	33rd Floor Great Eagle Centre 23 Harbour Road Wanchai, Hong Kong

(c) Profiles of the Directors*Non-executive Directors*

Dr. LO Ka Shui, aged 73, has been the chairman and non-executive Director of the Trustee-Manager and the Company since 2013. He is a member of the remuneration committee and of the nomination committee of the Company, and is also a Director of the subsidiaries of the Company. He is the chairman and managing director of Great Eagle Holdings Limited, and the chairman and non-executive Director of the Manager of the publicly listed trust, Champion Real Estate Investment Trust. He is also a Vice President of the Real Estate Developers Association of Hong Kong and a member of the Board of Trustees of The Hong Kong Centre for Economic Research. Dr. Lo Ka Shui graduated from McGill University with a Bachelor of Science Degree and from Cornell University with a Doctor of Medicine (M.D.) Degree. He was certified in Internal Medicine and Cardiology. He has over three decades of experience in property and hotel development and investment both in Hong Kong and overseas. Dr. Lo is the father of Mr. Lo Chun Him, Alexander, being a non-executive Director of the Trustee-Manager and the Company.

Mr. LO Chun Him, Alexander, aged 35, has been a non-executive Director of the Trustee-Manager and the Company since February 2017. He is also a Director of the subsidiaries of the Company. Mr. Lo is an executive Director of Great Eagle Holdings Limited, which is listed on the Main Board of the Stock Exchange. Prior to joining the Great Eagle Group in 2010, he had worked at Citibank's investment banking division with a focus on Hong Kong's market. Mr. Lo is also a member of the management committee of The Federation of Hong Kong Hotel Owners Limited. He graduated from Washington University in St. Louis with a Bachelor of Arts in Psychology. Mr. Lo is a son of Dr. Lo Ka Shui, being the chairman and non-executive Director of the Trustee-Manager and the Company.

Executive Director

Mr. Brett Stephen BUTCHER, aged 60, has been the chief executive officer and executive Director of the Trustee Manager and the Company since April 2019. He is also a Director of the subsidiaries of the Company. Mr. Butcher has over 39 years' extensive hotel business experience in both hotel operations and sales and marketing in Asia, the Pacific and North America. He is the chief executive officer of the hotel asset management arm of Great Eagle Holdings Limited ("Great Eagle", being the substantial Unitholder of the Trust Group) principally overseeing the management of all hotel assets of Great Eagle worldwide. Mr. Butcher holds a Bachelor's Degree in Business (Hospitality Management) from University of Queensland Lawes Campus.

Independent Non-executive Directors

Professor CHAN Ka Keung, Ceajer, aged 63, has been an independent non-executive Director of the Trustee Manager and the Company since August 2018. He is the chairman of the Company's remuneration committee, a Member of the Company's nomination committee and a member of the audit committees of the Trustee-Manager and the Company. Professor Chan holds an Honorary Doctoral Degree from the Hong Kong University of Science and Technology (HKUST). Professor Chan is an Adjunct Professor and a Senior Advisor to the Dean at HKUST Business School. He was appointed as the Secretary for Financial Services and the Treasury of the Government of the Hong Kong Special Administrative Region from July 2007 to June 2017. Prior to that, he was Dean of Business and Management in the HKUST. Before joining the HKUST Business School in 1993, Professor Chan had spent nine years teaching at Ohio State University in the United States. Professor Chan is currently a non-executive Director of Hong Kong Mortgage Corporation Limited, a member of Competition Commission of Hong Kong and a Non-executive Director of Tricor Group. He is as an independent non-executive Director of Guotai Junan International Holdings Limited and China Overseas Land & Investment Limited, both companies are listed on the Main Board of Stock Exchange. He is also a Senior Advisor to Welab Holdings Limited.

Professor Chan received his bachelor's degree in economics from Wesleyan University and both of his M.B.A. and Ph.D. in finance from The University of Chicago. He specialised in assets pricing, evaluation of trading strategies and market efficiency and has published numerous articles on these topics.

Professor LIN Syaru, Shirley, aged 52, has been an independent non-executive Director of the Trustee-Manager and the Company since 2013. She is the Chair of the Company's nomination committee, a Member of the Company's remuneration committee and a member of the audit committees of the Trustee-Manager and the Company. Previously, she was as a Partner at Goldman Sachs, where she led the firm's efforts in private equity and venture capital in Asia. In addition, Professor Lin was involved in the privatisation of state-owned enterprises in China, Singapore and Taiwan. She has served on the boards of numerous private and public companies and is currently an Independent Non-executive Director of Goldman Sachs Asia Bank Limited, a restricted licence bank in Hong Kong. She was an Independent

Non-executive Director of Swire Pacific Limited and Mercuries Life Insurance Co., Ltd. She was appointed by the Hong Kong government to the Hong Kong Committee for Pacific Economic Cooperation and serves on the board of the Focused Ultrasound Foundation.

Professor Lin is Compton Visiting Professor in World Politics at the Miller Center of Public Affairs at the University of Virginia. She is also a faculty member at the Chinese University of Hong Kong. Her book on the impact of the evolution of Taiwanese identity on cross-Straits economic policy was published by Stanford University Press in 2016. She is currently working on the challenges facing the advanced economies in East Asia that have entered the high income trap. Her commentary frequently appears in English and Chinese media. She received her master's degree in International and Public Affairs with distinction and her Ph.D. in Politics and Public Administration from the University of Hong Kong and her A.B. from Harvard College, cum laude.

Mr. WONG Kwai Lam, aged 71, has been an Independent Non-executive Director of the Trustee-Manager and the Company since 2013. He is the Chairman of the Audit Committees of the Trustee-Manager and the Company, and a Member of each of the Company's Remuneration Committee and Nomination Committee. Mr. Wong is currently an Independent Non-executive Director of Hutchison Port Holdings Management Pte. Limited as trustee-manager of Hutchison Port Holdings Trust ("HPHT"), CK Hutchison Holdings Limited ("CKHH"), ARA Asset Management (Prosperity) Limited as manager of Prosperity Real Estate Investment Trust ("Prosperity REIT") and K. Wah International Holdings Limited ("KWIH"). CKHH, Prosperity REIT and KWIH are listed in Hong Kong, and HPHT is listed in Singapore. Mr. Wong was an Independent Non-executive Director of China Merchants Bank Co., Ltd.. Mr. Wong is currently the Chairman of IncitAdv Consultants Ltd., Chairman and a Director of Hong Kong Grand Opera Company Limited, a member of the Advisory Board of Continuing and Professional Studies, The Chinese University of Hong Kong ("CUHK") and a Vice Chairman of the Board of Trustees and a Member of the Investment Sub-committee of the Board of Trustees of New Asia College, CUHK. He is a Member of the Hospital Governing Committee of the Prince of Wales Hospital and a Director of the CUHK Medical Centre Limited. Mr. Wong has been appointed as Chairman of The Chamber of Hong Kong Listed Companies. He was formerly a Member of the Advisory Committee and a Member of the Real Estate Investment Trust (REIT) Committee of the Securities and Futures Commission in Hong Kong and a Member of the China Committee of the Hong Kong Trade Development Council.

Mr. Wong has over 30 years of experience in the commercial and investment banking industry. He worked with Merrill Lynch (Asia Pacific) Ltd. from May 1993 to August 2009 where he served as a Managing Director in the Asia Investment Banking Division since January 1995. He was appointed as a Senior Client Advisor to Merrill Lynch (Asia Pacific) Ltd. in September 2009 and served in that position for one year. Prior to that, Mr. Wong had been a Director in the Investment Banking Division of CS First Boston (Hong Kong) Ltd. and a Director and the Head of Primary Market in Standard Chartered Asia Limited.

Mr. Wong holds Bachelor of Arts Degree and Honorary Fellowship from The Chinese University of Hong Kong and a Ph. D from Leicester University, England.

(d) Profiles of senior management

Mr. LI Man Wai, Alexander, aged 65, has been the Chief Financial Officer of the Company since 2013. He joined the Great Eagle Group in 1999 as the financial controller of The Langham, Hong Kong and was promoted to regional director of finance – Hong Kong of the Hotel Manager in 2012 overseeing the finance department of all Hong Kong properties, namely The Langham, Hong Kong, Cordis, Hong Kong, Eaton HK and Eaton serviced apartments, as well as the Chinese restaurant, Yat Tung Heen (renamed as Ming Court in January 2020), in Wanchai. He has extensive experience in the hospitality industry of around 40 years and held various positions in the finance department in international hotel chains including Mandarin Oriental, Shangri-la and Regal before joining the Great Eagle Group.

Ms. WONG May Po, Mabel, aged 49, joined the Group in February 2020 as the Finance and Office Administration Manager. With over 25 years of financial and auditing experience gained from various companies, Ms. Wong is primarily responsible for the financial and accounting affairs of the Group. Ms. Wong holds a Bachelor of Commerce in Accounting from the University of New South Wales, Australia, and is a member of the Hong Kong Institute of Certified Public Accountants and CPA Australia.

Ms. TANG Wai Yan, Carmen, aged 43, has been the Head of Investor Relations of the Company since 2013. She is also the investment services director of Great Eagle Holdings Limited, and is responsible for facilitating communications and liaison with its shareholders and investors. Ms. Tang has 18 years of experience in the real estate sector in Hong Kong and China. Prior to joining Great Eagle in 2008, she worked as an analyst with an international investment bank covering the real estate investment trusts (REITs) and hospitality sector in Hong Kong and China. Ms. Tang graduated from the University of Cambridge with a MPhil in Finance Degree, and holds a Bachelor of Science (First Class Honours) Degree in Business Economics from Queen Mary and Westfield College, the University of London.

10. DIRECTOR'S SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors and any proposed Director had entered into any service contract with the any member of the Trust Group other than contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation).

11. COMPETING INTERESTS OF DIRECTORS

As at the Latest Practicable Date, the interests of Directors (other than independent non-executive Directors) in a business apart from the business of the Trust Group which competes or is likely to compete either directly or indirectly with the Trust Group's business as informed by the relevant Directors pursuant to Rule 8.10(2) of the Listing Rules are as follows:

- (a) Dr. Lo Ka Shui, being the chairman and non-executive Director of the Trustee-Manager and the Company, is a substantial shareholder, the chairman and managing director of Great Eagle and a director of various subsidiaries of Great Eagle including LHIL Assets Holdings Limited, a substantial Unitholder of the Trust and the Company, and Langham Hospitality Group Limited, the parent company of the Hotel Manager of the three hotels of the Trust Group, namely the Langham, Hong Kong, Cordis, Hong Kong and Eaton HK.
- (b) Mr. Lo Chun Him, Alexander, being a non-executive Director of the Trustee-Manager and the Company, is an executive director of Great Eagle and holds directorships in various subsidiaries of Great Eagle, including LHIL Assets Holdings Limited.
- (c) Mr. Brett Stephen Butcher, being the executive Director and Chief Executive Officer of the Trustee Manager and the Company, is the chief executive officer of the hotel asset management arm of Great Eagle principally overseeing the management of all hotel assets of Great Eagle worldwide.

Great Eagle Group, as an associated corporation of the Trust and the Company and a controlling holder of Share Stapled Units, develops, invests in and manages high quality offices, retail, residential, furnished apartments, hotel properties and restaurants in Asia, Australia, New Zealand, North America and Europe. The interests of Dr. Lo Ka Shui, Mr. Lo Chun Him, Alexander and Mr. Brett Stephen Butcher held in Great Eagle are disclosed in the paragraph headed “Long positions in shares and underlying shares of associated corporations” in Appendix III to this Prospectus.

Great Eagle Group and the Trust Group have distinct business focuses of their own and adopt different development strategies. While the existing properties of the Trust Group are situated in Hong Kong where the Great Eagle Group maintains no similar business operations, to further maintain a clear delineation of the geographical location of their hotel properties in and outside Asia, the Great Eagle ROFR Deed was entered into between Great Eagle and the Company to ensure the Trust Group would have the first right to participate and to acquire completed stand-alone hotels in Asia (excluding Australia and New Zealand) should Great Eagle Group wish to sell or is given the opportunity to invest in these hotels.

As for daily operation, the executive Director and chief executive officer of the Trustee-Manager and the Company, Mr. Brett Stephen Butcher, is primarily responsible for the overall day-to-day management of the Group and has oversight of the performance of the Master Lessee and the Hotel Manager. The management team and staff of the Group report directly to the executive Director and chief executive officer and he is accountable to the Trustee-Manager Board and Company Board, operates and manages the Trust Group under various corporate governance measures and the schedule of matters reserved for the Board with due care and in the best interest of the Trust Group and Holders of the Share Stapled Units.

In addition, the Trust Group has established various corporate governance measures to address any potential conflict of interest of the common Directors of the Trust Group and the Great Eagle Group.

In light of the above, the Directors believe that the Trust Group is able to operate independently of the Great Eagle Group and is capable of carrying on its businesses at arm’s length from the businesses of Great Eagle Group.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and any proposed Director and their respective close associates (as if each of them were treated as a controlling shareholder under Rule 8.10 of the Listing Rules) had any interest in a business which competes or may compete with the business of the Trust Group.

12. EXPENSES

The expenses in connection with the Rights Issue, including the fees of legal and financial advisers, auditors and the sole global coordinator, printing, registration, translation, legal and accountancy charges are estimated to be no more than HK\$10 million, which are payable by the Trust and the Company.

13. GENERAL

The English language text of this Prospectus and the other Prospectus Documents shall prevail over its Chinese language text, in case of any inconsistency.

14. LEGAL EFFECT

This Prospectus, the PAL and the EAF, and all acceptances of any offer or application contained in such documents, are governed by and shall be construed in accordance with the laws of Hong Kong.

15. BINDING EFFECT

This Prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (WUMP) Ordinance so far as applicable.

16. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of this Prospectus, together with copies of the PAL and EAF and the written consent referred to in the paragraph headed “7. Qualification and Consent of the Expert” in this Appendix III, has been registered with the Registrar of Companies in Hong Kong for registration pursuant to section 342C of the Companies (WUMP) Ordinance.

17. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at Suite 3001, 30th Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong from the date of this Prospectus up to and including 14 days after the date of this Prospectus:

- (a) this Prospectus;
- (b) the Trust Deed;
- (c) the amended and restated memorandum and articles of association of the Company adopted on 22 April 2016;
- (d) the annual reports of the Trust and the Company for each of the three years ended 31 December 2017, 2018 and 2019;
- (e) the letter from Deloitte Touche Tohmatsu on the unaudited pro forma financial information of the Trust Group as set out in Appendix II to this prospectus; and
- (f) the written consent referred to in the paragraph headed “7. Qualification and Consent of the Expert” in this Appendix III.