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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)

**PROPOSED INCREASE OF THE ORIGINAL SSU ISSUANCE CAP
FOR FEE PAYMENT UNDER
THE EXISTING CONTINUING CONNECTED TRANSACTIONS
AND
PROPOSED ALLOTMENT AND ISSUE OF SHARE STAPLED UNITS
UNDER SPECIFIC MANDATES FOR FEE PAYMENT OF
EXISTING CONTINUING CONNECTED TRANSACTIONS
AND
CLOSURE OF REGISTERS**

Reference is made to:

- (i) the Prospectus in relation to, inter alia, the Hotel Management Agreements and the Trademark Licence Agreements;
- (ii) the 2021 Announcements and the 2021 Circular in relation to the proposed allotment and issue of Share Stapled Units under the 2021 Specific Mandate for payment of the Manager Fees for the three financial years ended 31 December 2023;
- (iii) the 2023 Issue Announcements in relation to the allotment and issue of Share Stapled Units under the 2021 Specific Mandate for payment of the Manager Fees for the six months ended 30 June 2023;

- (iv) the 2023 Election Announcement in relation to election of payment method of the Manager Fees wholly by way of Share Stapled Units for the financial year ending 31 December 2024; and
- (v) the Extension Announcement in relation to the extension of the date of payment of the Manager Fees for the six months ended 31 December 2023.

The Hotel Management Agreements and the Trademark Licence Agreements have not expired and remain in force for an initial term of 30 years from and including the Listing Date. The transactions contemplated under the Hotel Management Agreements and the Trademark Licence Agreements constitute continuing connected transactions for the Trust and the Company under the Listing Rules. As disclosed in the Prospectus, the Stock Exchange has granted a waiver from strict compliance with the announcement requirement and/or the requirement for the approval of the Independent Holders of SSUs and the requirement to set a monetary cap in respect of such continuing connected transactions under Chapter 14A of the Listing Rules.

PROPOSED INCREASE OF THE ORIGINAL SSU ISSUANCE CAP FOR FEE PAYMENT UNDER THE EXISTING CONTINUING CONNECTED TRANSACTIONS

Based on the audited annual consolidated results of the Trust and of the Company for the financial year ended 31 December 2023 published by the Trust and the Company on 19 February 2024 and the recent market prices of the SSUs, the Directors estimated that the Original SSU Issuance Cap will not be sufficient to satisfy the payment of Outstanding Manager Fees and the Manager Fees for the three financial years ending 31 December 2026 if the fees are to be settled wholly in SSUs. Accordingly, the Trust and the Company propose to enter into the Addendum with the Hotel Companies, the Hotel Manager, the Master Lessee and the Trustee-Manager subject to obtaining the approval of the Independent Holders of SSUs to, among others, increase the Original SSU Issuance Cap from 1.5% to 3.5% (i.e. the Increased SSU Issuance Cap) for the financial year ended 31 December 2023 and the remaining duration of the Hotel Management Agreements and the Trademark Licence Agreements. Save for the proposed increase of the Original SSU Issuance Cap and the Deferral Mechanism, all terms and conditions under the Hotel Management Agreements and Trademark Licence Agreements remain unchanged.

In this regard, the Boards propose to put forward, among other things, ordinary resolutions to approve the Addendum, the proposed Increased SSU Issuance Cap and the Deferral Mechanism at the EGM for the consideration and approval of the Independent Holders of SSUs.

PROPOSED ALLOTMENT AND ISSUE OF SHARE STAPLED UNITS UNDER SPECIFIC MANDATES FOR FEE PAYMENT OF EXISTING CONTINUING CONNECTED TRANSACTIONS

Pursuant to the Hotel Management Agreements and the Trademark Licence Agreements, from 1 January 2018 onwards, the Manager Fees shall be settled by way of cash, allotment

and issue of Share Stapled Units, or a combination of both, at the election of the Hotel Manager, subject to the approval of the Independent Holders of SSUs for the allotment and issue of the Share Stapled Units.

As disclosed in the 2021 Announcements and the 2021 Circular, the 2021 Specific Mandate for payment of the Manager Fees for the three financial years ended 31 December 2023, subject to the Original SSU Issuance Cap, was approved and granted by the Independent Holders of SSUs on 12 May 2021. Further, as disclosed in the 2023 Issue Announcements, a total of 29,538,995 new Share Stapled Units were allotted and issued on 25 August 2023 for satisfaction of the payment of the Manager Fees for the six months ended 30 June 2023, and the Manager Fees for the six months ended 31 December 2023 shall be paid in the form of Share Stapled Units. In addition, as disclosed in the 2023 Election Announcement, the Hotel Manager has elected the payment method of the Manager Fees wholly by way of Share Stapled Units for the financial year ending 31 December 2024.

In view of the reasons mentioned in the paragraph headed “REASONS FOR AND BENEFITS OF THE PROPOSED INCREASE OF THE ORIGINAL SSU ISSUANCE CAP, THE DEFERMENT MECHANISM AND THE PROPOSED GRANT OF SPECIFIC MANDATES” herein, the Original SSU Issuance Cap will not be sufficient to satisfy the payment of the Manager Fees for the six months ended 31 December 2023 and the expected Manager Fees for the three financial years ending 31 December 2026 pursuant to the Hotel Management Agreements and the Trademark Licence Agreements. As at the date of this announcement, the Manager Fees for the six months ended 31 December 2023 amounting to approximately HK\$35.81 million have not been paid to the Hotel Manager (i.e. the Outstanding Manager Fees) and 55,432,596 new Share Stapled Units would be required for the satisfaction of this payment based on the Applicable Price. Based on the Original SSU Issuance Cap for the financial year ended 31 December 2023, as 29,538,995 Share Stapled Units have already been issued to the Hotel Manager to satisfy the Manager Fees for the six months ended 30 June 2023, the remaining number of Share Stapled Units available to be allotted and issued is 19,563,251. As such, the Trust and the Company is in short of Share Stapled Units to be allotted and issued to settle the Manager Fees for the financial year ended 31 December 2023 if the Original SSU Issuance Cap is not to be increased. Further, as disclosed in the Extension Announcement, the parties to the Hotel Management Agreements and the Trademark Licence Agreements agreed to extend the date of payment of the Manager Fees for the six months ended 31 December 2023 to 30 June 2024.

The Hotel Manager is a wholly-owned subsidiary of Great Eagle and Great Eagle is the controlling Holder of SSUs of the Trust and the Company. The Hotel Manager is therefore a connected person of the Trust and the Company under the Listing Rules. Pursuant to Rule 13.36(1) of the Listing Rules, in respect of the allotment and issue of the Share Stapled Units to the Hotel Manager for payment of the relevant Manager Fees, approval from the Independent Holders of SSUs shall be required.

In order to satisfy the Outstanding Manager Fees and the Manager Fees for the three financial years ending 31 December 2026, subject to the entering into of the Addendum and the obtaining of the approval of the proposed Increased SSU Issuance Cap from the Independent Holders of SSUs, the Boards propose to seek for approval of the Independent Holders of

SSUs at the EGM for the granting of the 2023 Specific Mandate and the 2024-26 Specific Mandate to the Directors for allotment and issue of the relevant Share Stapled Units as payment of the relevant Manager Fees.

EGM

Resolutions will be proposed at the EGM to approve the Addendum, the proposed Increased SSU Issuance Cap, the Deferment Mechanism and to grant the Specific Mandates to Directors. Ballas Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Holders of SSUs in relation to the Addendum, the proposed Increased SSU Issuance Cap, the Deferment Mechanism and the granting of the Specific Mandates to the Directors to allot and issue Share Stapled Units for payment of the relevant Manager Fees, respectively.

A circular containing, among other things, (i) further details of the Addendum, (ii) details of the proposed Increased SSU Issuance Cap and the Deferment Mechanism, (iii) further particulars of the proposed Specific Mandates, (iv) the recommendations of the Independent Board Committee, (v) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Holders of SSUs, and (vi) a notice convening the EGM, will be expected to be despatched to the Holders of SSUs on or before 22 April 2024.

CLOSURE OF 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 will all be closed from Friday, 3 May 2024 to Wednesday, 8 May 2024, both days inclusive, for the purpose of ascertaining the entitlement of holders of SSUs to attend and vote at the EGM. During such period, no transfer of Share Stapled Units will be registered.

In order to be eligible to attend and vote at the EGM, all properly completed transfer forms accompanied by the relevant Share Stapled Units certificates must be lodged with the Share Stapled Units Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Thursday, 2 May 2024.

WARNING

Reference is made to the announcement of the Trust and the Company dated 3 April 2024 relating to the possible privatisation by way of scheme of arrangement of the Trust and the Company by the Great Eagle Group. As no firm offer has been made by Great Eagle or any other person in relation to the securities relating to the Trust and the Company, such possible privatisation or other offer may or may not proceed. The Holders of SSUs and potential investors should exercise caution when dealing in the securities of the Trust and the Company.

INTRODUCTION

Reference is made to:

- (i) the Prospectus in relation to, inter alia, the Hotel Management Agreements and the Trademark Licence Agreements;
- (ii) the 2021 Announcements and the 2021 Circular in relation to the proposed allotment and issue of Share Stapled Units under the 2021 Specific Mandate for payment of the Manager Fees for the three financial years ended 31 December 2023;
- (iii) the 2023 Issue Announcements in relation to the allotment and issue of Share Stapled Units under the 2021 Specific Mandate for payment of the Manager Fees for the six months ended 30 June 2023;
- (iv) the 2023 Election Announcement in relation to election of payment method of the Manager Fees wholly by way of Share Stapled Units for the financial year ending 31 December 2024; and
- (v) the Extension Announcement in relation to the extension of the date of payment of the Manager Fees for the six months ended 31 December 2023.

The Hotel Management Agreements and the Trademark Licence Agreements have not expired and remain in force for an initial term of 30 years from and including the Listing Date. The transactions contemplated under the Hotel Management Agreements and the Trademark Licence Agreements constitute continuing connected transactions for the Trust and the Company under the Listing Rules. As disclosed in the Prospectus, the Stock Exchange has granted a waiver from strict compliance with the announcement and/or independent shareholders' approval requirement and the requirement to set a monetary cap in respect of such continuing connected transactions under Chapter 14A of the Listing Rules. The principal terms of the Hotel Management Agreements and the Trademark Licence Agreements agreed upon by the parties are set out in the section headed "INFORMATION IN RELATION TO THE HOTEL MANAGEMENT AGREEMENTS AND TRADEMARK LICENCE AGREEMENTS" hereinbelow.

PROPOSED INCREASE OF THE ORIGINAL SSU ISSUANCE CAP FOR FEE PAYMENT UNDER THE EXISTING CONTINUING CONNECTED TRANSACTIONS

Proposed Increase of the Original SSU Issuance Cap

Based on the audited annual consolidated results of the Trust and of the Company for the financial year ended 31 December 2023 published by the Trust and the Company on 19 February 2024 and the recent market prices of the Share Stapled Units, the Directors estimated that the Original SSU Issuance Cap will not be sufficient to satisfy the payment of the Manager Fees for the three financial years ending 31 December 2026 if the fees are to be settled wholly in SSUs. Accordingly, the Trust and the Company propose to enter into the Addendum with the Hotel Companies, the Hotel Manager, the Master Lessee and the

Trustee-Manager subject to obtaining the approval of the Independent Holders of SSUs to increase the Original SSU Issuance Cap from 1.5% to 3.5% (i.e. the Increased SSU Issuance Cap) for the financial year ended 31 December 2023 and the remaining duration of the Hotel Management Agreements and the Trademark Licence Agreements.

The Increased SSU Issuance Cap is determined after taking into account:

- (i) the total number of Share Stapled Units allotted and issued to the Hotel Manager as payment of the Manager Fees for the financial year ended 31 December 2022 of 33,509,726;
- (ii) the total number of Share Stapled Units allotted and issued to the Hotel Manager as payment of the Manager Fees for the six months ended 30 June 2023 of 29,538,995 and the total number of Share Stapled Units to be allotted and issued to the Hotel Manager as payment of the Manager Fees for the six months ended 31 December 2023 of 55,432,596 based on the Applicable Price, which, when aggregate with those allotted and issued for the six months ended 30 June 2023, would represent approximately 2.60% of the total number of SSUs in issue as at 31 December 2022 and would have exceeded the Original SSU Issuance Cap of 1.5%;
- (iii) the potential future increases in the level of the Hotel Management Fees and the Licence Fees payable under the Hotel Management Agreements and the Trademark Licence Agreements, which will result in further increase in the total number of Share Stapled Units to be allotted and issued to the Hotel Manager as payment of the Manager Fees for each of the three financial years ending 31 December 2026; and
- (iv) a buffer for potential volatility in the price of the Share Stapled Units.

Deferment Mechanism

Based on the existing Hotel Management Agreements and Trademark Licence Agreements, where Share Stapled Units are allotted and issued to the Hotel Manager as payment of the Hotel Management Fees and the Licence Fees, they will be allotted and issued to the Hotel Manager within 15 calendar days after the publication of (i) the announcement on the unaudited interim consolidated results of the Trust and of the Company for the relevant semi-annual period, or (ii) the announcement on the audited annual consolidated results of the Trust and of the Company for the relevant financial year, as the case may be; and the number of Share Stapled Units to be allotted and issued will be calculated on the basis of their price being the higher of: (1) the closing price of the Share Stapled Units on the trading day immediately before the date of allotment and issue; and (2) the average closing price of the Share Stapled Units for the ten consecutive trading days immediately before the date of allotment and issue.

Pursuant to the Addendum, in addition to and ancillary to the proposed increase of the Original SSU Issuance Cap, it is proposed that:

- (i) if, on the Payment Deadline Day, the allotment and issue of new Share Stapled Units for the purpose of settlement of any part of the Manager Fees will be contrary to or in

breach of the prevailing Listing Rules on the public float requirement of the Trust and the Company, then notwithstanding the payment deadline (i.e. within 15 calendar days) as mentioned above, such part of the Manager Fees that is payable in Share Stapled Units shall be deemed to have been paid and settled on the Payment Deadline Day, while the relevant Share Stapled Units underlying such part of the Manager Fees shall be allotted and issued to the Hotel Manager, in one or more batch(es), on any business day(s) within three years from the Payment Deadline Day (the “**Three-Year Buffer Period**”) as long as the aforementioned public float requirement could be satisfied on the relevant date of allotment and issue of such Share Stapled Units;

- (ii) on the last business day of the Three-Year Buffer Period, in the event that any of the relevant Share Stapled Units underlying such part of the Manager Fees have not been allotted and issued to the Hotel Manager, all such outstanding part of the Manager Fees shall be paid and settled forthwith in cash without interest, unless the parties otherwise agree;
- (iii) if paragraph (i) above applies, for the purpose of computing the number of Share Stapled Units to be allotted and issued to the Hotel Manager for settlement of any part of the Manager Fees, it will be calculated on the basis of their price being the higher of: (1) the closing price of the Share Stapled Units on the trading day immediately before the Payment Deadline Day; and (2) the average closing price of the Share Stapled Units for the ten consecutive trading days immediately before the Payment Deadline Day. As such, the number of Share Stapled Units to be allotted and issued to the Hotel Manager for settlement of any part of the Manager Fees for the relevant semi-annual period or the relevant financial year is determined on the Payment Deadline Day; and
- (iv) during the Three-Year Buffer Period, the Trust and the Company and the Hotel Manager shall, collectively, monitor the level of public float of the Trust and the Company. If it is mutually agreed that the allotment and issue of the relevant number of new Share Stapled Units will not contravene the prevailing Listing Rules on the public float requirement of the Trust and the Company, the Hotel Manager may issue a written request to the Trust and the Company to request for the allotment and issue of such relevant number of new Share Stapled Units. The Trust and the Company shall allot and issue such relevant number of new Share Stapled Units to the Hotel Manager within five business days from the date of the aforesaid written request, provided that the prevailing Listing Rules on the public float requirement of the Trust and the Company could be satisfied on the relevant date of allotment and issue;

(collectively, the “**Deferment Mechanism**”).

Save for the proposed increase of the Original SSU Issuance Cap and the Deferment Mechanism, all terms and conditions under the Hotel Management Agreements and Trademark Licence Agreements remain unchanged. The principal terms of the Hotel Management Agreements and the Trademark Licence Agreements agreed upon by the parties are set out in the section of “INFORMATION IN RELATION TO THE HOTEL MANAGEMENT AGREEMENTS AND TRADEMARK LICENCE AGREEMENTS” hereinbelow. As at the date of this announcement, the Original SSU Issuance Cap has not been exceeded.

The Directors (excluding the independent non-executive Directors, whose view will be given after considering the advice of the Independent Financial Adviser) believe that the terms of the Addendum, the proposed Increased SSU Issuance Cap and the Deferment Mechanism are fair and reasonable and in the interests of the Trust, the Company and the Holders of SSUs as a whole.

As disclosed in the Prospectus, the Stock Exchange has granted a waiver from strict compliance with the announcement requirement and/or the requirement for the approval of the Independent Holders of SSUs and the requirement to set a monetary cap in respect of such continuing connected transactions under Chapter 14A of the Listing Rules in May 2013, subject to certain conditions, including but not limited to the condition that any change to the bases of calculations of the fee payables and the Share Stapled Units that may be allotted and issued (where applicable) under the Hotel Management Agreements will be subject to the approval of the Independent Holders of SSUs. As such, the Trust and the Company will not enter into the Addendum before obtaining the approval from the Independent Holders of SSUs. In this regard, the Boards propose to put forward, among other things, ordinary resolutions to approve the Addendum, the proposed Increased SSU Issuance Cap and the Deferment Mechanism at the EGM for the consideration and approval of the Independent Holders of SSUs.

PROPOSED ALLOTMENT AND ISSUE OF SHARE STAPLED UNITS UNDER SPECIFIC MANDATES FOR FEE PAYMENT OF EXISTING CONTINUING CONNECTED TRANSACTIONS

Pursuant to the Hotel Management Agreements and the Trademark Licence Agreements, from 1 January 2018 onwards, the Manager Fees shall be settled by way of cash, allotment and issue of Share Stapled Units, or a combination of both, at the election of the Hotel Manager, subject to the approval of the Independent Holders of SSUs for the allotment and issue of the Share Stapled Units.

As disclosed in the 2021 Announcements and the 2021 Circular, the 2021 Specific Mandate for payment of the Manager Fees for the three financial years ended 31 December 2023, subject to the Original SSU Issuance Cap, was approved and granted by the Independent Holders of SSUs on 12 May 2021. Further, as disclosed in the 2023 Issue Announcements, a total of 29,538,995 new Share Stapled Units were allotted and issued on 25 August 2023 for satisfaction of the payment of the Manager Fees for the six months ended 30 June 2023, and the Manager Fees for the six months ended 31 December 2023 shall be paid in the form of Share Stapled Units. In addition, as disclosed in the 2023 Election Announcement, the Hotel Manager has elected the payment method of the Manager Fees wholly by way of Share Stapled Units for the financial year ending 31 December 2024.

In view of the reasons mentioned in the paragraph headed “REASONS FOR AND BENEFITS OF THE PROPOSED INCREASE OF THE ORIGINAL SSU ISSUANCE CAP, THE DEFERMENT MECHANISM AND THE PROPOSED GRANT OF SPECIFIC MANDATES” herein, the Original SSU Issuance Cap will not be sufficient to satisfy the payment of the Manager Fees for the six months ended 31 December 2023 and the expected Manager Fees for the three financial years ending 31 December 2026 pursuant to the Hotel Management Agreements and the Trademark Licence Agreements. As at the date of this announcement, the

Manager Fees for the six months ended 31 December 2023 amounting to approximately HK\$35.81 million have not been paid to the Hotel Manager (the “**Outstanding Manager Fees**”) and 55,432,596 new Share Stapled Units would be required for the satisfaction of this payment based on the Applicable Price. Based on the Original SSU Issuance Cap for the financial year ended 31 December 2023, as 29,538,995 Share Stapled Units have already been allotted and issued to the Hotel Manager to satisfy the Manager Fees for the six months ended 30 June 2023, the remaining number of Share Stapled Units available to be allotted and issued is 19,563,251. As such, the Trust and the Company is in short of Share Stapled Units to be allotted and issued to settle the Manager Fees for the financial year ended 31 December 2023 if the Original SSU Issuance Cap is not to be increased. Further, as disclosed in the Extension Announcement, the parties to the Hotel Management Agreements and the Trademark Licence Agreements agreed to extend the date of payment of the Manager Fees to 30 June 2024.

The Hotel Manager is a wholly-owned subsidiary of Great Eagle and Great Eagle is the controlling Holder of SSUs of the Trust and the Company. The Hotel Manager is therefore a connected person of the Trust and the Company under the Listing Rules. Pursuant to Rule 13.36(1) of the Listing Rules, in respect of the allotment and issue of the Share Stapled Units to the Hotel Manager for payment of the relevant Manager Fees, approval from the Independent Holders of SSUs shall be required.

In order to satisfy the Outstanding Manager Fees and the Manager Fees for the three financial years ending 31 December 2026, subject to the entering into of the Addendum and the obtaining of the approval of the Increased SSU Issuance Cap from the Independent Holders of SSUs, the Boards propose to seek for approval of the Independent Holders of SSUs at the EGM for the following specific mandates to be granted to the Directors for allotment and issue of the relevant Share Stapled Units:

- (1) a specific mandate for the allotment and issue of new Share Stapled Units as payment of the Outstanding Manager Fees, subject to the Increased SSU Issuance Cap, which shall supersede the 2021 Specific Mandate in relation to the allotment and issue of Share Stapled Units for the financial year ended 31 December 2023 only (the “**2023 Specific Mandate**”); and
- (2) a specific mandate for the allotment and issue of new Share Stapled Units as payment of the Manager Fees for the three financial years ending 31 December 2026, subject to the Increased SSU Issuance Cap (the “**2024-26 Specific Mandate**”).

The allotment and issue of Share Stapled Units for payment of the Outstanding Manager Fees and the Manager Fees for the three financial years ending 31 December 2026 under the Hotel Management Agreements and the Trademark Licence Agreements is also subject to, and conditional on, the Listing Committee of the Stock Exchange granting listing of and permission to deal in such Share Stapled Units and the public float of the Trust and the Company at the relevant time of allotment and issuance. The Trustee-Manager and the Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, such Share Stapled Units.

Subject to the entering into of the Addendum, the maximum number of Share Stapled Units to be allotted and issued for payment of the Manager Fees for a year under the Hotel Management Agreement and the Trademark Licence Agreement will be subject to an aggregate cap of 3.5% of the total number of Share Stapled Units in issue as at the last day of the immediately preceding financial year plus the number of Share Stapled Units (if any) allotted and issued at the relevant financial year or period (excluding those allotted and issued pursuant to the Hotel Management Agreements and the Trademark Licence Agreements). Therefore, the proposed Increased SSU Issuance Cap to be approved at the EGM is in line with the Specific Mandates and will be the same as the cap stipulated in the Hotel Management Agreements and the Trademark Licence Agreements after supplemented and amended by the Addendum.

Further, as disclosed in the Prospectus, the aggregate number of Share Stapled Units allotted and issued for payment of the Manager Fees shall reduce the number of Share Stapled Units which may be allotted and issued pursuant to the respective general mandate (if any) in effect.

REASONS FOR AND BENEFITS OF THE PROPOSED INCREASE OF THE ORIGINAL SSU ISSUANCE CAP, THE DEFERMENT MECHANISM AND THE PROPOSED GRANT OF SPECIFIC MANDATES

Pursuant to Rule 13.36(1) of the Listing Rules, in respect of the allotment and issue of the Share Stapled Units to the Hotel Manager for payment of the Manager Fees, approval from the Independent Holders of SSUs shall be required.

The Directors (other than members of the Independent Board Committee whose opinion will be provided after reviewing the advice of the Independent Financial Adviser) consider that the proposed increase of the Original SSU Issuance Cap, the Deferral Mechanism and the proposed allotment and issue of Share Stapled Units to the Hotel Manager under (i) the 2023 Specific Mandate as payment of the Outstanding Manager Fees, and (ii) the 2024-26 Specific Mandate as payment of the Manager Fees for the three financial years ending 31 December 2026, is on normal commercial terms, and is fair and reasonable and in the interests of the Trust, the Company and the Holders of SSUs as a whole on the following bases:

- (i) the insufficiency of the Original SSU Issuance Cap for the financial year ended 31 December 2023 and, expectedly, for the three financial years ending 31 December 2026 is primarily due to the continuous stock market slump in Hong Kong which led to the overall decrease in the market price of the Share Stapled Units throughout the past year(s). Despite that the Hotel Manager may elect to receive the Manager Fees wholly or partly in cash (as opposed to wholly in Share Stapled Units) if the Original SSU Issuance Cap is insufficient to satisfy the Manager Fees wholly in Share Stapled Units, such election will in turn lead to cashflow pressure on the Trust and the Company, which is not desirable for its business operation;
- (ii) the payment of the Manager Fees in Share Stapled Units will continue to allow the Trust Group to manage its cash position in a similar way as in the past. It allows to preserve cash within the Trust Group which can strengthen its financial position and cash flow under the difficult environment of hospitality sector due to the economic downturn in

Hong Kong following the impact of COVID-19 pandemic as well as to allow distribution as seen fit by the Boards and in accordance with the distribution policy;

- (iii) it is typical for the management company of a REIT in Hong Kong to have the option to be paid its management fees in units up to a maximum of 3% of the units then in issue each year. The Directors consider REIT as industry comparables in respect of management fee settlement because the Trust Group and REIT share certain similarities, in particular, (a) the Trust Group constitutes a combination of a trust, namely Langham Hospitality Trust, and a company, namely Langham Hospitality Investments Limited; (b) a REIT in Hong Kong is required to distribute to its unitholders an amount which is not less than 90% of its audited annual net income, whereas the Trust Group aims to provide to the Holders of SSUs with a target annual distribution payout of not less than 90% of the distributable income of the Trust Group in any financial year under the present policy of the Trust Group; and (c) each of the Trust Group and the REIT is principally engaged in investing in the hotel and property sector;
- (iv) although the Hotel Manager has not yet chosen the payment method of the Manager Fees for 2025 and 2026, a 3-year 2024-26 Specific Mandate for the three financial years ending 31 December 2026 (a) can save time and costs to prepare additional announcements/circulars and to hold additional extraordinary general meetings for 2025 and 2026 to approve the allotment and issue of Share Stapled Units as settlement of the Manager Fees, (b) can give the Trust and the Company more flexibility to allot and issue the Share Stapled Units for settlement of the Manager Fees for 2025 and 2026 in a more efficient manner without the need to go through the aforesaid compliance procedures for each year, and (c) is in line with the practice for other ordinary non-exempt continuing connected transactions to announce/approve the annual caps for every three years;
- (v) although the holders of the Share Stapled Units will experience dilution in their holdings of Share Stapled Units as a result of the allotment and issue of Share Stapled Units to the Hotel Manager for the settlement of the Manager Fees, the level of the cap is such that the dilution effect to Holders of SSUs of the allotment and issue of Share Stapled Units to the Hotel Manager will be minimal at not more than 3.5% per year;
- (vi) the Directors believe that the payment of the Manager Fees in Share Stapled Units to the Hotel Manager will serve to align the interests of the Hotel Manager with the Trust Group (through Great Eagle as the parent company of the Hotel Manager and the controlling Holder of SSUs of the Trust and the Company) and Holders of SSUs; and
- (vii) as at the date of this announcement, Great Eagle (through direct and indirect wholly-owned subsidiaries) and its directors and their respective close associates held 2,457,833,723 SSUs, representing approximately 74.06% of the issued SSUs. Given that the Listing Rules require at least 25% of the SSUs must be held by the public, there is only around 0.94% buffer for the allotment and issue of SSUs to the Hotel Manager (who is a connected person) to satisfy the Manager Fees. The Deferment Mechanism will allow the Trust and the Company to allot and issue the SSUs to the Hotel Manager in batches as long as the aforesaid public float requirement could be satisfied, which is essential for the proposed increase of the Original SSU Issuance Cap in light of the circumstances set

out above. The Deferment Mechanism is advantageous for the Trust and the Company, as it allows for the deferment of the settlement of Manager Fees without interest to the Hotel Manager, for a maximum period of three years.

Despite the fact that the industry norm for REIT is to have an option for its management company to be paid its management fees in units up to a maximum of 3% of the units then in issue each year (as set out in paragraph (iii) above), the Directors consider that it is justifiable for the Trust and the Company to set a slightly higher bar (i.e. the Increased SSU Issuance Cap of 3.5%) when compared with the industry norm for REIT due to the following reasons:

- (i) since the outbreak of COVID-19 pandemic and up to the date of this announcement, the hospitality, travel and tourism industry in Hong Kong, as well as the stock market in Hong Kong, in general, continued to be dampened and weakened which is primarily due to the various macro-economic factors, including but not limited to the continuous high interest rates and weak market sentiment in making investments in the Hong Kong stock market. These factors are entirely out of the control of the Trust Group, but have brought immense adverse impact and pressure on the market price of the Share Stapled Units, and as a result, leads to the insufficiency of the Original SSU Issuance Cap;
- (ii) the decision to have a cap at 3.5% is the result of arm's length negotiation between the Hotel Manager and the Trust and the Company after taking into consideration the market price and the performance of the Trust and the Company, as well as the historical transaction amount of the Manager Fees paid under the Hotel Management Agreements and the Trademark Licence Agreements. In addition, any SSUs allotted and issued under this Increased SSU Issuance Cap represent direct ownership stake in the Trust and the Company, where it is believed that it provides the Hotel Manager with a stronger sense of ownership and commitment to driving positive results for the Trust and the Company; and
- (iii) the Trust and the Company have always been, and will continue to be, subject to the public float requirement under Listing Rules. As such, even if the cap is increased to 3.5%, the Trust and the Company may not be able to fully utilise the Increased SSU Issuance Cap unless the public float could be maintained, and so this serves as an additional layer of protection for the Independent Holders of SSUs from the dilution effect of having the Increased SSU Issuance Cap.

In the event that the Specific Mandates are not approved by the Independent Holders of SSUs and the Trust Group is not able to settle the Outstanding Manager Fees and the Manager Fees for the three financial years ending 31 December 2026 wholly by way of allotment and issue of Share Stapled Units, the Trust Group will have to settle (i) the Outstanding Manager Fees partly by way of the allotment of 19,563,251 SSUs and partly by way of cash in the amount of approximately HK\$23.17 million on 9 May 2024 and (ii) the Manager Fees for the three financial years ending 31 December 2026 wholly by way of cash on the Payment Deadline Day without the potential enjoyment of the three years interest-free deferment period.

INFORMATION IN RELATION TO THE HOTEL MANAGEMENT AGREEMENTS AND TRADEMARK LICENCE AGREEMENTS

Hotel Management Agreements

Subject matter

The Hotel Management Agreements comprise three separate agreements each dated 10 May 2013 entered into among each Hotel Company, the Master Lessee, the Hotel Manager, the Trustee-Manager and the Company.

As the Hotel Manager and the Master Lessee are both indirect wholly-owned subsidiaries of Great Eagle which is a controlling Holder of SSUs of the Trust and the Company, they are connected persons of the Trust and the Company under the Listing Rules.

Term

Pursuant to the Hotel Management Agreements, the Master Lessee has agreed to engage the Hotel Manager as the sole and exclusive manager of the Hotels to supervise, direct and control the businesses and day-to-day operations of the Hotels in accordance with agreed standards of the relevant Hotel and to formulate and manage the annual plan and budget for each Hotel for an initial term of 30 years from and including 30 May 2013 (the date of listing) and may, subject to compliance with the relevant Listing Rules at the relevant time, be renewed for a further term of 10 years by notice at the election of the Hotel Manager. Thereafter, the Hotel Management Agreements may be renewed for successive 10-year terms by mutual agreement of the parties subject to compliance with the relevant Listing Rules requirements at the relevant time.

Fee

The service fee payable to the Hotel Manager under the Hotel Management Agreements shall be linked to the operating profit and revenue of the Hotels on the following basis:

- *Base Fee*: a fixed percentage of 1.5% of total revenue of the relevant Hotel.
- *Incentive Fee*: a fixed percentage of 5% of the adjusted gross operating profit (being gross operating profit less the Base Fee (as mentioned above) and Licence Fees payable under the relevant Trademark Licence Agreement).

From 1 January 2018 onwards, the Hotel Management Fees shall be settled by way of cash, the allotment and issue of Share Stapled Units, or a combination of both, at the election of the Hotel Manager. Subject to the Deferment Mechanism (provided that it is approved at the EGM), where the Hotel Management Fees are to be settled by way of an allotment and issue of Share Stapled Units, the number of Share Stapled Units to be allotted and issued will be calculated on the basis of their price being the higher of: (1) the closing price of the Share Stapled Units on the trading day immediately before the date of allotment and issue; and (2) the average closing price of the Share Stapled Units for the ten consecutive trading days immediately before the date of allotment and issue.

The annual Hotel Management Fees payable under the Hotel Management Agreements was determined at the date of entering into the Hotel Management Agreements, which was in line with the rate of service fees charged by Great Eagle Group for providing hotel management services to third party hotel owners as at the date of entering into the Hotel Management Agreements.

Historical transaction amounts

	Aggregate transaction amount for the financial year ended 31 December		
	2021 (HK\$'000)	2022 (HK\$'000)	2023 (HK\$'000)
Hotel Management Agreements			
- Base Fee	11,296	14,558	24,282
- Incentive Fee	1,723	8,884	23,431

Holders of SSUs may also refer to the section headed “Connected Transactions” of the Prospectus on further details of the Hotel Management Agreements.

Trademark Licence Agreements

Subject matter

The Trademark Licence Agreements comprises three separate agreements each dated 10 May 2013 entered into among each Hotel Company, the Hotel Manager as the licensor, the Master Lessee, the Trustee-Manager and the Company.

As the Hotel Manager and the Master Lessee are both indirect wholly-owned subsidiaries of Great Eagle which is a controlling Holder of SSUs of the Trust and the Company, they are connected persons of the Trust and the Company under the Listing Rules.

Term

Pursuant to the Trademark Licence Agreements, the licensor has agreed to grant non-exclusive and non-transferable licences to the relevant Hotel Company, the Trustee-Manager, the Company and the Master Lessee to use the Langham Brands for branding and marketing activities relating to the Hotels and/or for describing the ownership of the Hotels for an initial term of 30 years from and including the Listing Date and may, subject to compliance with the relevant Listing Rules requirements at the relevant time, be renewed for a term of 10 years by notice at the election of the Hotel Manager. Thereafter, the Trademark Licence Agreements may be renewed for successive 10-year terms by mutual agreement of the parties subject to compliance with the relevant Listing Rules requirements at the relevant time. Each of the Trademark Licence Agreements shall be coterminous with the Hotel Management Agreement for the same Hotel.

Fees

The Licence Fees payable to the Hotel Manager by each Hotel Company under the Trademark Licence Agreements shall be 1% of the total revenue of the relevant Hotel.

From 1 January 2018 onwards, the Licence Fees shall be settled by way of cash, the allotment and issue of Share Stapled Units, or a combination of both, at the election of the Hotel Manager. Subject to the Deferment Mechanism (provided that it is approved at the EGM), where the Licence Fees are to be settled by way of an allotment and issue of Share Stapled Units, the number of Share Stapled Units to be allotted and issued will be calculated on the basis of their price being the higher of: (1) the closing price of the Share Stapled Units on the trading day immediately before the date of issue; and (2) the average closing price of the Share Stapled Units for the ten consecutive trading days immediately before the date of allotment and issue.

The annual Licence Fees payable under the Trademark Licence Agreements was determined at the date of entering into the Trademark Licence Agreements, which was in line with the rate of Licence Fees charged by the Great Eagle Group for licensing its trademarks to third party hotel owners as at the date of entering into the Trademark Licence Agreements, and common for hotel-related intellectual property licensing fees to be charged on the basis of a percentage of the total revenue of the Hotel.

Historical transaction amounts

	Aggregate transaction amount for the financial year ended 31 December		
	2021 (HK\$'000)	2022 (HK\$'000)	2023 (HK\$'000)
Licence Fees under the Trademark Licence Agreements	7,531	9,706	16,188

Holders of SSUs may also refer to the section headed “Connected Transactions” of the Prospectus on further details of the Trademark Licence Agreements.

Historical Share Stapled Units allotted and issued to the Hotel Manager as the Manager Fees

As the Hotel Manager has elected the Manager Fees to be paid by way of Share Stapled Units for each of the financial years ended 31 December 2021, 2022 and 2023, based on the aggregate Manager Fees (being the combination of the Hotel Management Fees and the Licence Fees set out above), the table below set forth the historical Share Stapled Units allotted and issued to the Hotel Manager as the Manager Fees for such years:

	For the financial year ended 31 December		
	2021	2022	2023
Number of Share Stapled Units allotted/to be allotted and issued/to be issued to the Hotel Manager as the Manager Fees	23,330,053	33,509,726	84,971,591*
The market price of Share Stapled Units for the purpose to calculate the number of Share Stapled Units allotted/to be allotted and issued/to be issued	For the first six months: Approximately HK\$0.884	For the first six months: Approximately HK\$0.932	For the first six months: Approximately HK\$0.951
	For the second six months: Approximately HK\$0.879	For the second six months: Approximately HK\$1.053	For the second six months: Approximately HK\$0.646
The approximate percentage of such number of Share Stapled Units allotted and issued divided by the total number of Share Stapled Units in issue as at the last day of the immediately preceding financial year plus the number of Share Stapled Units (if any) allotted and issued in the relevant financial year or period (excluding those allotted and issued pursuant to the Hotel Management Agreements and the Trademark Licence Agreements)	0.72%	1.03%	2.60%*

* *assuming the Increased SSU Issuance Cap and the 2023 Specific Mandate are being approved by the Independent Holders of SSUs at the EGM*

Cap on issuance of Share Stapled Units as payment of the Manager Fees

Subject to the approval of the resolutions at the EGM, the maximum number of Share Stapled Units that may be allotted and issued to the Hotel Manager as payment of the Hotel Management Fees and the Licence Fees by reference to the formulae under the Hotel Management Agreements and the Trademark Licences Agreements in respect of each financial year ending 31 December throughout the duration of the Hotel Management Agreements and the Trademark Licence Agreements and in respect of the period ending on expiry of the Hotel Management Agreements and the Trademark Licence Agreements (as renewed if applicable)

will be subject to an aggregate cap of 3.5 % of the total number of Share Stapled Units in issue as at the last day of the immediately preceding financial year plus the number of Share Stapled Units (if any) allotted and issued in the relevant financial year or period (excluding those allotted and issued pursuant to the Hotel Management Agreements and the Trademark Licence Agreements). In the event that any payment of all or part of the Hotel Management Fees and/or Licence Fees in the form of Share Stapled Units would exceed such 3.5% annual cap, the allotment and issue of the excess balance of the Share Stapled Units would be subject to the approval of Independent Holders of SSUs. If such approval is not obtained, then payment of that excess part of the Hotel Management Fees and/or Licence Fees will be made by the relevant Hotel Companies in cash.

Subject to the Deferment Mechanism (provided that it is approved at the EGM), where Share Stapled Units are allotted and issued to the Hotel Manager as payment of the Hotel Management Fees and the Licence Fees, they will be allotted and issued to the Hotel Manager within 15 calendar days after the publication of (i) the announcement on the unaudited interim consolidated results of the Trust and of the Company for the relevant semi-annual period, or (ii) the announcement on the audited annual consolidated results of the Trust and of the Company for the relevant financial year, as the case may be.

Share Stapled Units allotted and issued under the Hotel Management Agreements and the Trademark Licence Agreements shall be separate from and independent of the 20% general mandate that the Holders of SSUs may grant to the Directors, but where such a general mandate has been granted to the Directors to allot and issue Share Stapled Units, the aggregate number of Share Stapled Units allotted and issued to the Hotel Manager shall reduce the number of Share Stapled Units which may be allotted and issued pursuant to the general mandate (if any) in effect.

The proposed annual cap of 3.5% described above has been agreed by the Directors on the basis set out in the section headed “PROPOSED INCREASE OF THE ORIGINAL SSU ISSUANCE CAP FOR FEE PAYMENT UNDER THE EXISTING CONTINUING CONNECTED TRANSACTIONS” above.

More Share Stapled Units would have to be allotted and issued for the settlement of the Manager Fees if (i) the market price of the Share Staple Units decreases; and/or (ii) the financial performance of the Hotels improves, leading to higher Manager Fees. Factors which may enhance the future performance of the Hotels include but not limited to the recovery of the tourism industry in Hong Kong.

INFORMATION OF THE TRUST, THE COMPANY, OTHER PARTIES TO THE HOTEL MANAGEMENT AGREEMENTS, THE TRADEMARK LICENCE AGREEMENTS AND THE ADDENDUM, AND THEIR ULTIMATE BENEFICIAL OWNER(S)

The Company acts as an investment holding company. The principal activities of the Trust Group are primarily to own and invest in a portfolio of hotels, with a focus on completed hotels located in Asia. The current hotel portfolio of the Group comprises: The Langham, Hong Kong, Cordis, Hong Kong and Eaton HK.

The Trustee-Manager acts as the trustee-manager of the Trust, and its specific and limited role is to administer the Trust, but not actively involved in the management of the Hotels.

Great Eagle is the controlling Holder of SSUs. The principal activities of the Great Eagle Group are property development and investment, operations of hotel, restaurant and flexible workspace, manager of real estate investment trust, trading of building materials, securities investment, provision of property management, maintenance and property agency services, property leasing and asset management. The Great Eagle Group's operations are mainly located in Hong Kong, the United States, Canada, the United Kingdom, Australia, New Zealand, Mainland China, Japan and Macau.

The Hotel Manager is an indirect wholly-owned subsidiary of Great Eagle. It is principally engaged in hotel management and investment holding.

The Master Lessee is an indirect wholly-owned subsidiary of Great Eagle. It is principally engaged in hotel operation.

Harvest Star International Limited, being one of the Hotel Companies and an indirect wholly-owned subsidiary of the Company, is principally engaged in property investment.

Cordis Hong Kong Limited, being one of the Hotel Companies and an indirect wholly-owned subsidiary of the Company, is principally engaged in property investment.

Grow On Development Limited, being one of the Hotel Companies and an indirect wholly-owned subsidiary of the Company, is principally engaged in property investment.

EGM

Resolutions will be proposed at the EGM to approve the Addendum, the proposed Increased SSU Issuance Cap, the Deferment Mechanism and to grant the Specific Mandates to Directors. Ballas Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Holders of SSUs in relation to the Addendum, the proposed Increased SSU Issuance Cap, the Deferment Mechanism and the granting of the Specific Mandates to the Directors to allot and issue Share Stapled Units for payment of the relevant Manager Fees, respectively.

A circular containing, among other things, (i) further details of the Addendum, (ii) details of the proposed Increased SSU Issuance Cap and the Deferment Mechanism, (iii) further particulars of the proposed Specific Mandates, (iv) the recommendations of the Independent Board Committee, (v) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Holders of SSUs, and (vi) a notice convening the EGM, will be expected to be despatched to the Holders of SSUs on or before 22 April 2024.

CLOSURE OF 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 will all be closed from Friday, 3 May 2024 to Wednesday, 8 May 2024, both days inclusive, for the purpose of ascertaining the entitlement of holders of SSUs to attend and vote at the EGM. During such period, no transfer of Share Stapled Units will be registered.

In order to be eligible to attend and vote at the EGM, all properly completed transfer forms accompanied by the relevant Share Stapled Units certificates must be lodged with the Share Stapled Units Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Thursday, 2 May 2024.

WARNING

Reference is made to the announcement of the Trust and the Company dated 3 April 2024 relating to the possible privatisation by way of scheme of arrangement of the Trust and the Company by the Great Eagle Group. As no firm offer has been made by Great Eagle or any other person in relation to the securities relating to the Trust and the Company, such possible privatisation or other offer may or may not proceed. The Holders of SSUs and potential investors should exercise caution when dealing in the securities of the Trust and the Company.

DEFINITIONS

In this announcement, the following expressions have the following meanings unless the context otherwise requires:

“2021 Announcements”	the announcements of the Trust and the Company dated 17 February 2021 and 12 May 2021, respectively, in relation to the proposed allotment and issue of Share Stapled Units under the 2021 Specific Mandate for payment of the Manager Fees for the three financial years ended 31 December 2023
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“2021 Circular”	the circular of the Trust and the Company dated 12 March 2021 in relation to the proposed allotment and issue of Share Stapled Units under the 2021 Specific Mandate
“2021 Specific Mandate”	the specific mandate relating to the allotment and issue of the Share Stapled Units as payment of the Manager Fees under the Hotel Management Agreements and the Trademark Licence Agreements as approved by Independent Holders of SSUs on 12 May 2021 for the three financial years ended 31 December 2023, subject to the Original SSU Issuance Cap
“2023 Election Announcement”	the announcement of the Trust and the Company dated 15 December 2023 in relation to election method of payment of the Manager Fees wholly by way of Share Stapled Units for the financial year ending 31 December 2024
“2023 Issue Announcements”	the announcements of the Trust and the Company dated 24 August 2023 and 25 August 2023, respectively, in relation to the allotment and issue of Share Stapled Units under the 2021 Specific Mandate for payment of the Manager Fees for the six months ended 30 June 2023
“2023 Specific Mandate”	has the meaning ascribed to it under the section headed “PROPOSED ALLOTMENT AND ISSUE OF SHARE STAPLED UNITS UNDER SPECIFIC MANDATES FOR FEE PAYMENT OF EXISTING CONTINUING CONNECTED TRANSACTIONS” in this announcement
“2024-26 Specific Mandate”	has the meaning ascribed to it under the section headed “PROPOSED ALLOTMENT AND ISSUE OF SHARE STAPLED UNITS UNDER SPECIFIC MANDATES FOR FEE PAYMENT OF EXISTING CONTINUING CONNECTED TRANSACTIONS” in this announcement
“Addendum”	an addendum to the Hotel Management Agreements and the Trademark Licence Agreements to be entered into among the Hotel Companies, the Master Lessee, the Hotel Manager, the Trustee-Manager and the Company subject to obtaining the approval of the Independent Holders of SSUs at the EGM to make relevant amendments to the Hotel Management Agreements and the Trademark Licence Agreements for the purpose to,

	among others, increase the Original SSU Issuance Cap to the Increased SSU Issuance Cap and incorporate the Deferment Mechanism
“Applicable Price”	HK\$0.646 per SSU, being the higher of the closing price of the SSUs on the trading day immediately before the original payment deadline of 5 March 2024 for the allotment and issue of SSUs to settle the Manager Fees for the six months ended 31 December 2023 (being HK\$0.620 per SSU, i.e. the closing price as of 4 March 2024) and the average closing price of the SSUs for the ten consecutive trading days immediately before the aforesaid original payment deadline (being HK\$0.646 per SSU)
associate(s)”, “connected persons(s)”, “continuing connected transaction(s)” and “subsidiary(ies)”	each has the meaning ascribed to it under the Listing Rules
“Boards”	collectively, the Trustee-Manager Board and the Company Board
“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
“Company Board”	the board of directors of the Company
“COVID-19”	the coronavirus disease 2019
“Deferment Mechanism”	has the meaning ascribed to it under the section headed “PROPOSED INCREASE OF THE ORIGINAL SSU ISSUANCE CAP FOR FEE PAYMENT UNDER THE EXISTING CONTINUING CONNECTED TRANSACTIONS” in this announcement
“Directors”	the directors of the Trustee-Manager and the Company
“EGM”	the extraordinary general meeting of unitholders of the Trust and shareholders of the Company to be held on a combined basis as a single meeting characterised as an extraordinary general meeting of Holders of SSUs, to be convened by the Trustee-Manager and the Company,

	will be held on Wednesday, 8 May 2024 at 4:15 p.m. (or immediately after the conclusion or adjournment of the forthcoming 2024 annual general meeting of the Trust and the Company to be held at the same venue and on the same day), to consider and, if thought fit, approve (i) the Addendum; (ii) the proposed Increased SSU Issuance Cap; (iii) the Deferment Mechanism and (iv) the Specific Mandates
“Extension Announcement”	the announcement of the Trust and the Company dated 4 March 2024 in relation to the extension of the date of payment of the Manager Fees for the six months ended 31 December 2023
“Great Eagle”	Great Eagle Holdings Limited (Stock Code: 41), the holding company of the Trust and the Company, which held approximately 70.23% of the Trust and the Company as at the date of this announcement
“Great Eagle Group”	Great Eagle and its subsidiaries
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Holders of SSUs”	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 SSUs
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hotel(s)”	The Langham, Hong Kong, Cordis, Hong Kong and Eaton HK
“Hotel Companies”	the companies which own the Hotels, being Harvest Star International Limited, Cordis Hong Kong Limited and Grow On Development Limited; and “Hotel Company” shall mean any of them
“Hotel Management Agreements”	three separate hotel management agreements each dated 10 May 2013 entered into among each Hotel Company, the Master Lessee, the Hotel Manager, the Trustee-Manager and the Company in relation to the management of the Hotels by the Hotel Manager

“Hotel Management Fees”	the aggregate base and incentive fees payable under the Hotel Management Agreements
“Hotel Manager”	Langham Hotels International Limited (朗廷酒店國際有限公司), a company incorporated in Hong Kong with limited liability on 30 August 1984 and an indirect wholly-owned subsidiary of Great Eagle
“Increased SSU Issuance Cap”	an aggregate cap of 3.5% of the total number of Share Stapled Units in issue as at the last day of the immediately preceding financial year plus the number of Share Stapled Units (if any) allotted and issued at the relevant financial year or period (excluding those allotted and issued pursuant to the Hotel Management Agreements and the Trademark Licence Agreements), being the maximum number of Share Stapled Units that may be allotted and issued as payment of the Manager Fees in a financial year
“Independent Board Committee”	an independent committee of the Trustee-Manager Board and the Company Board, consisting of Professor CHAN Ka Keung, Ceajer, Professor LIN Syaru, Shirley and Mr. WONG Kwai Lam, all being independent non-executive Directors
“Independent Financial Adviser” or “Ballas Capital”	Ballas Capital Limited, a corporation licensed to carry out business in Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and is the independent financial adviser to the Independent Board Committee and the Independent Holders of SSUs in connection with (i) the Addendum; (ii) the proposed Increased SSU Issuance Cap; and (iii) the Specific Mandates
“Independent Holders of SSUs”	Holders of SSUs other than Great Eagle and its associates
“Langham Brands”	“The Langham”, “Cordis” and “Eaton” brand names which are owned by the Hotel Manager and licensed to the Trust Group pursuant to the Trademark Licence Agreements
“Licence Fees”	the aggregate licence fees payable under the Trademark Licence Agreements

“Listing Date”	30 May 2013, being the date of listing of the Share Stapled Units on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mainland China”	the People’s Republic of China, but for the purpose of this announcement only, except where the context requires, references in this announcement to Mainland China exclude Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Manager Fees”	the Hotel Management Fees and the Licence Fees collectively
“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
“Original SSU Issuance Cap”	an aggregate cap of 1.5% of the total number of Share Stapled Units in issue as at the last day of the immediately preceding financial year plus the number of Share Stapled Units (if any) allotted and issued at the relevant financial year or period (excluding those allotted and issued pursuant to the Hotel Management Agreements and the Trademark Licence Agreements), being the maximum number of Share Stapled Units that may be allotted and issued as payment of the Manager Fees in a financial year
“Outstanding Manager Fees”	has the meaning ascribed to it under the section headed “PROPOSED ALLOTMENT AND ISSUE OF SHARE STAPLED UNITS UNDER SPECIFIC MANDATES FOR FEE PAYMENT OF EXISTING CONTINUING CONNECTED TRANSACTIONS” in this announcement
“Payment Deadline Day”	the fifteenth day (if it is not a business day, the immediate preceding business day) after (i) the publication of the announcement on the unaudited interim consolidated results of the Trust and of the Company for the relevant semi-annual period or (ii) the publication of the announcement on the audited annual consolidated results of the Trust and of the Company for the relevant financial year, as the case may be

“Prospectus”	the initial public offering prospectus of the Trust and the Company dated 16 May 2013
“REIT”	real estate investment trust
“Share Stapled Unit(s)” or “SSU(s)”	<p>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:</p> <p>(a) a Unit in the Trust;</p> <p>(b) the beneficial interest in a specifically identified Ordinary Share of the Company Linked (as defined in the Trust Deed) to the Unit and held by the Trustee-Manager as legal owner in its capacity as trustee-manager of the Trust; and</p> <p>(c) a specifically identified Preference Share of the Company (as defined in the Trust Deed) to the Unit</p>
“Share Stapled Units Register”	the register of Holders of SSUs
“Specific Mandates”	collectively, the 2023 Specific Mandate and the 2024-26 Specific Mandate
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Three-Year Buffer Period”	has the meaning ascribed to it under the section headed “PROPOSED INCREASE OF THE ORIGINAL SSU ISSUANCE CAP FOR FEE PAYMENT UNDER THE EXISTING CONTINUING CONNECTED TRANSACTIONS” in this announcement
“Trademark Licence Agreements”	three separate trademark licence agreements each dated 10 May 2013 entered into among each Hotel Company, the Hotel Manager, the Master Lessee, the Trustee-Manager and the Company in relation to the grant of a licence by the Hotel Manager for the use of the Langham Brands and other trademarks for the operation of the Hotels
“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 a second supplemental deed dated 12 May 2022
“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
“Trustee-Manager Board”	the board of directors of the Trustee-Manager
“Unit”	an undivided interest in the Trust, which confers the rights set out in the Trust Deed as being conferred by a Unit (whether in its own right or as a component of a Share Stapled Unit)

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

Hong Kong, 12 April 2024

As at the date of this announcement, the Boards comprise: Dr. LO Ka Shui (Chairman and Non-executive Director), Mr. Brett Stephen BUTCHER (Chief Executive Officer and Executive Director), Professor CHAN Ka Keung, Ceajer , Professor LIN Syaru, Shirley* , Mr. LO Chun Him, Alexander# , Mr. LO Chun Lai, Andrew# , and Mr. WONG Kwai Lam* .*

Non-executive Directors

* *Independent Non-executive Directors*