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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 ISSUE OF SHARE STAPLED UNITS
UNDER SPECIFIC MANDATE
FOR FEE PAYMENT OF
EXISTING CONTINUING CONNECTED TRANSACTIONS**

Reference is made to (i) the Prospectus in relation to, inter alia, the Hotel Management Agreements and the Trademark Licence Agreements, and (ii) the announcement of the Trust and the Company dated 15 December 2020 in relation to election of payment method of the Manager Fees by way of Share Stapled Units.

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 thereunder entered prior to the Listing Date constitute continuing connected transactions for the Trust and the Company under the Listing Rules, for which 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.

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

The Hotel Manager is a wholly-owned subsidiary of Great Eagle and Great Eagle is the controlling Holder of Share Stapled Units 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 issue of the Share Stapled Units to the Hotel Manager for payment of the Manager Fees, approval from the Independent Holders of Share Stapled Units shall be required.

An ordinary resolution will be proposed at the EGM to grant the Specific Mandate to the Directors to issue Share Stapled Units for payment of the Manager Fees under the Hotel Management Agreements and the Trademark Licence Agreements, subject to the SSU Issuance Cap for the three financial years ending 31 December 2023.

A circular containing, among other things, (i) further particulars of the proposed Specific Mandate, (ii) the recommendations of the Independent Board Committee, (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Holders of Share Stapled Units, and (iv) a notice convening the EGM will be expected to be despatched to the Holders of Share Stapled Units in March 2021 as additional time is required to prepare and finalise the circular.

INTRODUCTION

Reference is made to (i) the Prospectus in relation to, inter alia, the Hotel Management Agreements and the Trademark Licence Agreements, and (ii) the announcement of the Trust and the Company dated 15 December 2020 in relation to election of payment method of the Manager Fees by way of Share Stapled Units.

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 entered prior to the Listing Date 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 of "Information in relation to the Hotel Management Agreements and Trademark Licence Agreements Agreed upon by the Parties" hereinbelow.

PROPOSED SPECIFIC MANDATE TO ISSUE SHARE STAPLED UNITS

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, the 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 Share Stapled Units for the issue of the Share Stapled Units. As disclosed in the announcement of the Trust and the Company dated 15 December

2020, the Hotel Manager has elected the payment of the Manager Fees wholly by way of Share Stapled Units for the year ending 31 December 2021.

The Hotel Manager is a wholly-owned subsidiary of Great Eagle and Great Eagle is the controlling Holder of Share Stapled Units 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 issue of the Share Stapled Units to the Hotel Manager for payment of the Manager Fees, approval from the Independent Holders of Share Stapled Units shall be required.

The issue of Share Stapled Units for payment of the Manager Fees 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. 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.

Pursuant to the Hotel Management Agreements and the Trademark Licence Agreements, the maximum number of Share Stapled Units to be issued for payment of the Manager Fees for a year is subject to 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) issued at the relevant financial year or period (excluding those issued pursuant to the Hotel Management Agreements and the Trademark Licence Agreements). Therefore, the proposed SSU Issuance Cap for each of the three financial years ending 31 December 2023 to be approved at the EGM is in line with the Specific Mandate and is the same as the cap stipulated in those agreements.

Accordingly, the aggregate number of Share Stapled Units issued for payment of the Manager Fees shall reduce the number of Share Stapled Units which may be issued pursuant to the general mandate (if any) in effect.

REASONS FOR AND BENEFITS OF THE GRANT OF SPECIFIC MANDATE

Pursuant to Rule 13.36(1) of the Listing Rules, in respect of the issue of the Share Stapled Units to the Hotel Manager for payment of the Manager Fees, approval from the Independent Holders of Share Stapled Units 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 issue of Share Stapled Units to the Hotel Manager under the Specific Mandate as payment of the Manager Fees pursuant to the Hotel Management Agreements and the Trademark Licence Agreements for the three financial years ending 31 December 2023 is on normal commercial terms, and is fair and reasonable and in the interests of the Trust, the Company and the Holders of Share Stapled Units as a whole on the following bases:

- the payment of the Manager Fees in Share Stapled Units will 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 impact of COVID-19 pandemic;

- 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, and the cap of 1.5% is within this limit that has generally been adopted. The Directors consider REIT as industry comparables in respect of management fee settlement because the Trust Group and REIT share certain similarities, in particular, (i) the Trust Group constitutes a combination of a trust, namely Langham Hospitality Trust, and a company, namely Langham Hospitality Investments Limited; (ii) 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 distribution of not less than 90% of the total distributable income to the Holders of Share Stapled Units is the present policy of the Trust Group; and (iii) each of the Trust Group and the REIT is principally engaged in investing in the hotel and property sector;
- the issue of Share Stapled Units to the Hotel Manager will reduce the number of Share Stapled Units that may be issued non pre-emptively under any general mandate granted to the Directors, and therefore would not increase the aggregate potential dilution to Holders of Share Stapled Units through issues of Share Stapled Units on a non-pre-emptive basis;
- although the Hotel Manager has not yet chosen the payment method of the Manager Fees for 2022 and 2023, a 3-year Specific Mandate for the three financial years ending 31 December 2023 (i) can save time and costs for engaging translator and other advisers, preparing additional announcements/circulars and holding additional extraordinary general meetings for 2022 and 2023 to approve the issue of Share Stapled Units as settlement of the Manager Fees, taking into consideration that the basis of the annual Manager Fees and the annual cap of 1.5% were determined at the date of entering into the Hotel Management Agreements and the Trademark Licence Agreements, and there would not be any change on such basis, (ii) can give the Trust and the Company more flexibility to issue the Share Stapled Units for settlement of the Manager Fees for 2022 and 2023 in a more efficient manner without the need to go through the aforesaid compliance procedures for each year, and (iii) is in line with the practice for other ordinary non-exempt continuing connected transactions to announce/approve the annual caps for every three years;
- although the holders of the Share Stapled Units will experience dilution in their holdings of Share Stapled Units as a result of the 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 Share Stapled Units of the issue of Share Stapled Units to the Hotel Manager will be minimal at not more than 1.5% per year; and
- 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 Share Stapled Units of the Trust and the Company) and Holders of Share Stapled Units.

In the event that the Specific Mandate is not approved by the Independent Holders of Share Stapled Units and the Trust Group is not able to settle the Manager Fees by way of issue of Share Stapled Units, the Trust Group will have to settle the upcoming Manager Fees wholly by way of cash.

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 Share Stapled Units 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 issue of Share Stapled Units, or a combination of both, at the election of the Hotel Manager. Where the Hotel Management Fees are to be settled by way of an issue of Share Stapled Units, the number of Share Stapled Units to be issued will be calculated on the basis of their price being the higher of: (1) the market 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 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 year ended 31 December		
	2017	2018	2019
	(HK\$'000)	(HK\$'000)	(HK\$'000)
Hotel Management Agreements			
- Base Fee	22,996	24,447	20,263
- Incentive Fee	30,651	31,387	20,879

Holders of Share Stapled Units 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 Share Stapled Units 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 issue of Share Stapled Units, or a combination of both, at the election of the Hotel Manager. Where the Licence Fees are to be settled by way of an issue of Share Stapled Units, the number of Share Stapled Units to be issued will be calculated on the basis of their price being the higher of: (1) the market 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 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 year ended 31 December		
	2017	2018	2019
	(HK\$'000)	(HK\$'000)	(HK\$'000)
Trademark Licence Agreements	15,330	16,298	13,509

Holder of Share Stapled Units may also refer to the section headed “Connected Transactions” of the Prospectus on further details of the Trademark Licence Agreements.

Historical Share Stapled Units 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 2017, 2018 and 2019, 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 issued to the Hotel Manager as the Manager Fees for such years:

	For the year ended 31 December		
	2017	2018	2019
Number of Share Stapled Units issued to the Hotel Manager as the Manager Fees	20,287,099	22,678,703	23,725,692
The approximate percentage of such number of Share Stapled Units 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) issued in the relevant financial year or period (excluding those issued pursuant to the Hotel Management Agreements and the Trademark Licence Agreements)	0.98%	1.09%	1.12%

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

The maximum number of Share Stapled Units that may be 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) is subject to 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) issued in the relevant financial year or period (excluding those 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 1.5% annual cap, the issue of the excess balance of the Share Stapled Units would be subject to the approval of Independent Holders of Share Stapled Units. 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.

Where Share Stapled Units are issued to the Hotel Manager as payment of the Hotel Management Fees and the Licence Fees, they will be 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 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 Share Stapled Units may grant to the Directors, but where such a general mandate has been granted to the Directors to issue Share Stapled Units, the aggregate number of Share Stapled Units issued to the Hotel Manager shall reduce the number of Share Stapled Units which may be issued pursuant to the general mandate (if any) in effect.

The annual cap of 1.5% described above has been agreed by the Directors at the date of entering into the Hotel Management Agreements and the Trademark Licence Agreements, and was determined, among others, on the basis that it provides a buffer for:

- (i) 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; and
- (ii) potential volatility in the price of the Share Stapled Units.

In particular, more Share Stapled Units would have to be 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 attributable to, among other things, the widespread injection of an effective vaccine for COVID-19 which would help curb the pandemic.

INFORMATION OF THE TRUST, THE COMPANY, OTHER PARTIES TO THE HOTEL MANAGEMENT AGREEMENTS AND THE TRADEMARK LICENCE AGREEMENTS 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.

Great Eagle is the controlling Holder of Share Stapled Units of the Trust and the Company. 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, the PRC, 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.

GENERAL

An ordinary resolution will be proposed at the EGM to grant the Specific Mandate to the Directors to issue Share Stapled Units for payment of the Manager Fees under the Hotel Management Agreements and the Trademark Licence Agreements, subject to the SSU Issuance Cap for the three financial years ending 31 December 2023.

Ballas Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Holders of Share Stapled Units as to whether to grant the Specific Mandate to issue Share Stapled Units for payment of the Manager Fees.

A circular containing, among other things, (i) further particulars of the proposed Specific Mandate, (ii) the recommendations of the Independent Board Committee, (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Holders of Share Stapled Units, and (iv) a notice convening the EGM will be expected to be despatched to the Holders of Share Stapled Units in March 2021 as additional time is required to prepare and finalise the circular.

DEFINITIONS

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

“associate(s)”, “connected persons(s)”, “continuing connected transaction(s)” and “subsidiary(ies)”	each has the meaning ascribed to it under 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

“COVID-19”	the coronavirus disease 2019
“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 characterized as an extraordinary general meeting of Holders of Share Stapled Units, to be convened by the Trustee-Manager and the Company to consider and, if thought fit, approve (i) the Specific Mandate, and (ii) the SSU Issuance Cap for the three financial years ending 31 December 2023
“Great Eagle”	Great Eagle Holdings Limited (Stock Code: 41), the holding company of the Trust and the Company, which held approximately 69.24% 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 Share Stapled Units”	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
“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
“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 Share Stapled Units in connection with the grant of the Specific Mandate
“Independent Holders of Share Stapled Units”	Holders of Share Stapled Units 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
“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
“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> <ul style="list-style-type: none"> (a) a Unit in the Trust; (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 (c) a specifically identified Preference Share of the Company (as defined in the Trust Deed) to the Unit
“Specific Mandate”	<p>the specific mandate relating to the issue of Share Stapled Units as payment of the Manager Fees under the Hotel Management Agreements and the Trademark Licence Agreements to be approved by Independent Holders of Share Stapled Units for the three financial years ending 31 December 2023, subject to the SSU Issuance Cap</p>
“SSU Issuance Cap”	<p>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) issued at the relevant financial year or period (excluding those issued pursuant to the Hotel Management Agreements and the Trademark Licence Agreements), being the maximum number of Share Stapled Units that may be issued as payment of the Manager Fees in a year</p>
“Stock Exchange”	<p>The Stock Exchange of Hong Kong Limited</p>
“Trademark Licence Agreements”	<p>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</p>
“Trust”	<p>Langham Hospitality Investments (朗廷酒店投資), as constituted pursuant to the Trust Deed</p>
“Trust Deed”	<p>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</p>
“Trust Group”	<p>the Trust and the Group</p>

“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
“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, 17 February 2021

As at the date of this announcement, the Board of Directors comprises: 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*