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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)

**PAYMENT OF HOTEL MANAGEMENT FEES AND LICENCE FEES
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017 BY WAY OF SSUs**

The Boards announce that 9,626,744 new SSUs will be issued by the Trust Group to LHIL Assets on 24 August 2017 for the settlement of the Hotel Management Fees and Licence Fees for the six months period ended 30 June 2017 payable to the Hotel Manager. An application has been made to the Stock Exchange for the listing of, and permission to deal in the SSUs in settlement for the Manager Fees to be issued for the six months period ended 30 June 2017.

The number of SSUs in settlement for the Manager Fees to be issued for the six months period ended 30 June 2017 was calculated with reference to the applicable price of HK\$3.43 per SSU, being the higher of the market price of the SSUs on the trading day immediately before the date of issue (being HK\$3.43 per SSU) and the average closing price of the SSUs for the ten consecutive trading days immediately before the date of issue (being HK\$3.397 per SSU).

The SSUs in settlement for the Manager Fees to be issued for the six months period ended 30 June 2017 represent (i) approximately 0.463% of the issued SSUs as at the date of this announcement; and (ii) approximately 0.461% of the issued SSUs as enlarged by the issue of the SSUs in settlement for the Manager Fees.

Pursuant to the Hotel Management Agreements and the Trademark Licence Agreements, the fees payable thereunder during the period from and including the Listing Date to 31 December 2017 would be settled by way of an issue of SSUs and the Stock Exchange has granted to the Trustee-Manager and the Company, a waiver from strict compliance with Rule 13.36(1)(a) of the Listing Rules which would otherwise require the Trust and the Company to seek approval of the Holders of SSUs in respect of the SSUs that may be issued to the Hotel Manager during such period.

INTRODUCTION

Reference is made to the announcement of the Trust Group dated 8 August 2017 in connection with the 2017 Interim Results Announcement of the Trust Group whereby it was announced that the total amount of Hotel Management Fees and Licence Fees payable to the Hotel Manager for the six months period ended 30 June 2017 was approximately HK\$33.0 million. Pursuant to the Hotel Management Agreements and the Trademark Licence Agreements, the fees payable thereunder during the period from and including the Listing Date to 31 December 2017 would be settled by way of an issue of SSUs and the Stock Exchange has granted to the Trustee-Manager and the Company, a waiver from strict compliance with Rule 13.36(1)(a) of the Listing Rules which would otherwise require the Trust and the Company to seek approval of the Holders of SSUs in respect of the SSUs that may be issued to the Hotel Manager during such period.

ISSUE OF SSUs

The Boards announce that 9,626,744 new SSUs at a price of HK\$3.43 per SSU will be issued by the Trust Group to LHIL Assets on 24 August 2017 for the settlement of the Hotel Management Fees and Licence Fees for the six months period ended 30 June 2017 payable to the Hotel Manager. An application has been made to the Stock Exchange for the listing of, and permission to deal in the SSUs in settlement for the Manager Fees to be issued for the six months period ended 30 June 2017.

LHIL Assets has been nominated by the Hotel Manager to receive the SSUs in settlement for the Manager Fees on its behalf pursuant to the terms of the Hotel Management Agreements and Trademark Licence Agreements. The issue price of HK\$3.43 per SSU, being the higher of the market price of the SSUs on the trading day immediately before the date of issue (being HK\$3.43 per SSU) and the average closing price of the SSUs for the ten consecutive trading days immediately before the date of issue (being HK\$3.397 per SSU), was determined in accordance with the terms of the Hotel Management Agreements and Trademark Licence Agreements. The SSUs to be issued represent (i) approximately 0.463% of the issued SSUs as at the date of this announcement; and (ii) approximately 0.461% of the issued SSUs as enlarged by the issue of the SSUs in settlement for the Manager Fees for the six months period ended 30 June 2017.

As at the date of this announcement, the total number of SSUs issued pursuant to the Hotel Management Agreements and Trademark Licence Agreements as payment of Manager Fees for the financial year ending 31 December 2017 did not exceed 1.5% of the total number of SSUs issued as at 31 December 2016 as required in the waiver condition (i) mentioned hereinbelow.

The SSUs in settlement for the Manager Fees will rank, upon issue, *pari passu* in all respects with the SSUs in issue on the date of allotment and issue of the SSUs in settlement for the Manager Fees.

The payment of Manager Fees by way of SSUs for the six months period ended 30 June 2017 is in accordance with the terms of the Hotel Management Agreements and the Trademark Licence Agreements and does not require specific prior approval of the Holders of SSUs pursuant to a waiver granted by the Stock Exchange from strict compliance with Rule 13.36(1)(a) of the Listing Rules during the period from the Listing Date until 31 December 2017 subject to the following conditions:

- (i) the maximum number of the Issuance is subject to an aggregate cap of 1.5% of the total number of SSUs in issue each year;
- (ii) the Issuance will reduce the number of SSUs that may be issued under the general mandate; and
- (iii) the Trust Group will meet the minimum public float requirement under Rule 8.08 of the Listing Rules after the Issuance.

EFFECT ON OWNERSHIP STRUCTURE

As at the date of this announcement, LHIL Assets holds 1,226,622,339 SSUs, representing approximately 59.01% of the issued SSUs. After the issue of SSUs in settlement for the Manager Fees for the six months period ended 30 June 2017, LHIL Assets will be interested in 1,236,249,083 SSUs, representing approximately 59.20% of the issued SSUs as enlarged by the issue of the SSUs in settlement for the Manager Fees for the six months period ended 30 June 2017 and Great Eagle, being the ultimate holding company of LHIL Assets, will be indirectly interested in 1,300,810,583 SSUs, representing approximately 62.29% of the enlarged issued SSUs. Based on information that is publicly available and within the knowledge of the Boards, the Trust Group will be able to maintain a sufficient public float with more than 25% of the issued SSUs being held by the public immediately after the issue of SSUs in settlement for the Manager Fees for the six months period ended 30 June 2017.

DEFINITIONS

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

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| “Boards” | the board of directors of the Trustee-Manager and the board of directors of the Company |
| “Company” | Langham Hospitality Investments Limited (朗廷酒店投資有限公司), a company incorporated in the Cayman Islands with limited liability on 29 January 2013 |
| “Interim Results Announcement” | the announcement of the Trust Group dated 8 August 2017 reporting the consolidated financial results of the Trust Group for the six months period ended 30 June 2017 |

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| “Great Eagle” | Great Eagle Holdings Limited (鷹君集團有限公司), a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 0041) |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Holders of SSUs” | persons registered in the SSUs register as holders of SSUs |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Hotel(s)” | the three hotels comprising The Langham, Hong Kong, Cordis, Hong Kong and Eaton, Hong Kong and “Hotel” means any of them |
| “Hotel Company(ies)” | the companies which own the Hotels, being Harvest Start International Limited (發星國際有限公司), Cordis Hong Kong Limited (康得思酒店(香港)有限公司) and Grow On Development Limited (展安發展有限公司), and “Hotel Company” means any of them |
| “Hotel Management Agreements” | the separate hotel management agreements each dated 10 May 2013 entered into between 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 |
| “Issuance” | SSUs to be issued as payment of the Manager Fees |
| “Langham Brands” | “The Langham”, “Cordis” and ‘Eaton” brand names which are owned by the Hotel Manager and licensed to the Group pursuant to the Trademark Licence Agreements |
| “LHIL Assets” | LHIL Assets Holdings Limited, a company incorporated in the British Virgin Islands with limited liability on 25 January 2013 and an indirect wholly-owned subsidiary of Great Eagle |

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| “Licence Fees” | the aggregate licence fees payable under the Trademark Licence Agreements |
| “Listing Date” | 30 May 2013 |
| “Listing Rules” | Rules Governing the Listing of Securities on the Stock Exchange |
| “Manager Fees” | Hotel Management Fees and Licence Fees |
| “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 |
| “Share Stapled Unit(s)” or “SSU(s)” | <p>Share stapled unit(s) jointly issued by the Trust and the Company. A share stapled unit is the combination of the following securities or interests in securities which, subject to the provisions in the Trust Deed, can only be dealt with together and may not be dealt with individually or one without the others:</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 to the unit and held by the Trustee-Manager; and (c) a specifically identified preference share of the Company stapled to the unit |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Trademark Licence Agreements” | the separate trademark licence agreements each dated 10 May 2013 entered into between 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 as amended, supplemented, substituted or otherwise modified from time to time |
| “Trust Group” | the Trust and the Group |

“Trustee-Manager”

LHIL Manager Limited (朗廷酒店管理人有限公司), a company incorporated in Hong Kong with limited liability on 25 January 2013 and an indirect wholly-owned subsidiary of Great Eagle, in its capacity as trustee-manager of the Trust

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

Hong Kong, 24 August 2017

As at the date of this announcement, the Non-executive Directors are Dr. LO Ka Shui (Chairman) and Mr. LO Chun Him, Alexander; the Executive Director is Mr. IP Yuk Keung, Albert (Chief Executive Officer); and the Independent Non-executive Directors are Dr. LIN Syaru, Shirley, Mr. SO Yiu Wah, Eric and Mr. WONG Kwai Lam.