

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

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)

2024 ANNUAL RESULTS ANNOUNCEMENT

The boards of directors (the “Boards”) of LHIL Manager Limited (the “Trustee-Manager”, as the trustee-manager of Langham Hospitality Investments (the “Trust”)) and Langham Hospitality Investments Limited (the “Company”) are pleased to announce the consolidated results of the Trust and of the Company together with the Company’s subsidiaries (the “Trust Group”) for the year ended 31 December 2024 as follows:

FINANCIAL HIGHLIGHTS

(in HK\$ million, unless otherwise specified)	2024	2023	Change
Revenue of hotel portfolio	1,587.7	1,618.8	-1.9%
Total rental income for the Trust Group after netting service fees	401.8	514.0	-21.8%
Profit attributable to Holders of Share Stapled Units excluding fair value changes on investment properties and derivative financial instruments, and change related to settlement arrangement of hotel management fees and licence fee (“Hotel Manager’s Fees”)	50.5	224.1	-77.5%
Distributable income	113.0	297.6	-62.0%
Interim distribution per Share Stapled Unit	-	-	-
Final distribution per Share Stapled Unit	HK1.6 cents	-	n.m.
Annual distribution per Share Stapled Unit	HK1.6 cents	-	n.m.

FINANCIAL HIGHLIGHTS (continued)

As at	31 Dec 2024	30 Jun 2024	31 Dec 2023
Gross value of hotel portfolio (in HK\$ million)	15,895	15,725	15,662
Net asset value per Share Stapled Unit	HK\$2.77	HK\$2.75	HK\$2.77
Gearing ratio	38.2%	38.1%	38.3%

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

In 2024, Hong Kong saw a notable resurgence in tourism, welcoming 44.5 million visitor arrivals - a 30.9% increase compared to the previous year. Despite this encouraging growth, this figure still falls short of pre-pandemic benchmarks, with 65.1 million visitor arrivals in 2018 and 55.9 million in 2019.

The surge in visitor arrivals in 2024 was fueled by robust performance in Southeast Asian markets, with an increase of 40.9%, long-haul visitors increasing 53.2%, and mainland China visitors rising by 27.2%. Mainland China still accounted for 67.4% of the total 21.9 million overnight visitors, with short-haul visitors making up 22.3% and long-haul visitors 10.3%. However, the appreciation of the Hong Kong dollar against the Chinese yuan negatively impacted tourist spending from mainland China. Furthermore, the number of total overnight visitors only reached 75% of the 2018 figures.

Throughout the year, our hotel portfolio (the “Hotels”) encountered a challenging operating environment marked by economic uncertainty, shifting traveler demographics, and evolving consumer behaviors. Additionally, there was an increasing trend among locals to explore food and beverage offerings in cities within the Greater Bay Area outside Hong Kong. These factors necessitated strategic adjustments in our service offerings and marketing strategies to effectively address the changing demands of our clientele.

Due to the intense competition among upscale and luxury hotels in Hong Kong, our hotel portfolio, particularly The Langham Hong Kong, has been significantly impacted by the ongoing price war. Notably, The Langham Hong Kong had a reduction in its average room rate of nearly 10% brought about by fierce competition in the Tsim Sha Tsui district. Meanwhile, Cordis, Hong Kong and Eaton HK managed to keep their average room rates stable. Overall, those Hotels achieved a 2.8 percentage points increase in occupancy, reaching an average of 90.9%. However, this was accompanied by a 4.4% decrease in the average room rate, resulting in a 1.4% year-over-year decline in revenue per available room (“RevPAR”) to HK\$1,434 per night.

This year, the food and beverage (“F&B”) business saw a slight decline, with revenue dropping 3.6% year-over-year. This decline was primarily driven by shifts in consumption patterns for restaurant goers and a less busy wedding year. Additionally, the drop in both rooms and F&B revenue further exacerbated at the bottom line due to rising labor expenses, higher commission levels to online travel agencies and increased laundry costs. As a result, the Hotels’ aggregate gross operating profit before the global marketing fee decreased by 3.3%, or HK\$17.4 million, to HK\$509.0 million.

With the approval of the independent holders of Share Stapled Units, the profit-sharing percentage of the Hotels’ aggregate gross operating profit before global marketing fee under the Master Lease Agreements was reduced from 70% to 50% starting 1 January 2024, while the guaranteed base rent remained unchanged. This adjustment was based on an assessment conducted by an independent valuer. To put things in context, in the 10 years between 2013 and 2023, the Trust Group earned HK\$854.1 million more, and conversely, GE (LHIL) Lessee Limited (the “Master Lessee”) lost HK\$854.1 million, in rental income from the Master Lease Agreements than it would have without them.

In 2024, we earned a total of HK\$479.5 million in rental income under the Master Lease Agreements, including HK\$225.0 million in base rent and HK\$254.5 in variable rent, which made up 94.2% of the Hotels’ aggregate gross operating profit before global marketing fee. Overall, total rental income after accounting for service fees expenses declined by 21.8% to HK\$401.8 million in 2024.

In December 2024, the Trust Group successfully refinanced its bank loan, benefiting from an oversubscription by numerous highly reputable banks. This new loan, maturing in December 2027, effectively mitigates the Trust Group’s refinancing risks in the medium term. Additionally, the loan is sustainability-linked, offering the Trust Group minor interest rate reductions upon meeting greenhouse gas emission reduction targets. This aligns with the Trust Group’s commitment to environmental sustainability.

The total finance costs in 2024 had increased by HK\$75.1 million, or 30.4%, primarily driven by a decrease in realised gains from interest rate swaps which had lapsed in December 2023. However, the impact of persistent high interest rates was slightly mitigated by a reduction in the average outstanding loan balance for the year. Interest expenses on bank borrowings increased slightly by 1.8%, or HK\$5.6 million.

Net Property Income for the year was HK\$381.0 million, representing a decrease of 23.0% over the last year, primarily due to the changes in profit-sharing percentage in variable rent pursuant to the rent review exercise under the Master Lease Agreements. After adjusting for non-cash items, total distribution income amounted to HK\$113.0 million for 2024.

In view of the Hotels' uncertain future business environment and the persistent high-interest rates, the Boards decided to reserve more funds for operations and conservative capital management. Hence, the Trustee-Manager Board recommended the payment of a final distribution of HK1.6 cents per Share Stapled Unit for the year ended 31 December 2024, representing a payout ratio of 48%, to Holders of Share Stapled Units.

OPERATIONAL REVIEW

As the Hotels of the Trust Group are leased to the Master Lessee, an indirect wholly-owned subsidiary of Great Eagle Holdings Limited, the Trust Group receives rent in the form of a pre-determined fixed rental income (pro-rata at HK\$225.0 million per annum) and a variable rent calculated at 50% of the Hotels' aggregate gross operating profit before deduction of the global marketing fee. In addition to the fixed and variable rental income from the Master Lessee, the Trust Group also receives rental income directly from the retail shops located at Eaton HK, which are leased to independent third parties.

In 2024, the Trust Group maintained a steady stream of fixed rental income, amounting to HK\$225.0 million and earned HK\$254.5 million of variable rent. The total rent received from the Master Lessee of HK\$479.5 million represented 94.2% of the Hotels' aggregate gross operating profit before global marketing fee. Combined with a modest rental income from the retail shops at Eaton HK of HK\$1.7 million, total rental income received by the Trust Group before service fees was HK\$481.2 million in 2024, representing a decline of 19.2% year-on-year.

After netting off HK\$79.4 million in service fees incurred, total rental income was HK\$401.8 million, representing a year-on-year decline of 21.8%.

(in HK\$ million)	2024	2023	Change
Fixed rental income	225.0	225.0	-
Variable rental income	254.5	368.5	-30.9%
Rental income from retail shops	1.7	1.7	-
Total rental income before service fees	481.2	595.2	-19.2%
Service fees expenses	(79.4)	(81.2)	-2.2%
Total rental income for the Trust Group	401.8	514.0	-21.8%

Total service fees comprise: i) hotel management fees; ii) licence fee; and iii) global marketing fee paid to the hotel management companies. Hotel management fees comprise a base management fee, which is calculated at 1.5% of total hotel revenue, and an incentive fee of 5.0% of the adjusted gross operating profit of the relevant hotels. The licence fee is calculated based on 1.0% of the total revenue of the relevant hotel, and the global marketing fee is calculated at 2.0% of total room revenue of the relevant hotel. It should be noted that the global marketing fee is paid in cash while Hotel Manager's Fees can be elected to be paid in the form of Share Stapled Units, cash or a combination of both by the Hotel Manager. The Hotel Manager has elected to be paid wholly in the form of Share Stapled Units for the payment of Hotel Manager's Fees for the year ended 31 December 2024. In addition, the allotment and issue of such Share Stapled Units can be done within three years from the payment deadline day as long as the public float requirement of the Listing Rules could be satisfied.

In 2024, the operating performance of the Hotels showed a slight decline compared to the previous year. Consequently, hotel management fees decreased by 2.7% to HK\$46.4 million, license fees dropped by 1.9% to HK\$15.9 million, and the global marketing fee declined by 1.2% to HK\$17.1 million. Overall, the total service fees payable to the hotel management companies in 2024 decreased by 2.2% year-on-year, amounting to HK\$79.4 million.

(in HK\$ million)	2024	2023	Change
Hotel management fees	46.4	47.7	-2.7%
Licence fee	15.9	16.2	-1.9%
Global marketing fee	17.1	17.3	-1.2%
Total service fees	79.4	81.2	-2.2%

Hotel property related expenses increased by 7.8% year-on-year to HK\$20.8 million in 2024, attributed mainly to rising insurance premiums, government rent and rates, and warehouse licence fee. Overall, the net property income of the Trust Group came to HK\$381.0 million for 2024, representing a 23.0% year-on-year decrease.

(in HK\$ million)	2024	2023	Change
Total rental income after service fees	401.8	514.0	-21.8%
Hotel property related expenses	(20.8)	(19.3)	7.8%
Net property income	381.0	494.7	-23.0%

In 2024, total finance costs rose to HK\$322.2 million, marking a 30.4% increase from the previous year. The main factor behind this surge was a significant 91.9% drop in net interest income from interest rate swaps, which fell by HK\$71.3 million. These changes were mainly due to the expiration of several swap contracts in December 2023, leading to less favorable swap arrangements. However, our continuing swaps still generated a net interest gain of HK\$6.3 million in 2024, partially mitigating the impact of persistent high HIBOR.

Furthermore, the amortisation of the underwriting and loan extension fees, totaling HK\$9.6 million represented additional finance costs in 2024. The underwriting fee in relation to refinancing, amounting to HK\$40.8 million was paid in full in December 2024, which is spread over the three years leading up to December 2027.

The total notional amount of interest rate swap contracts used to hedge the existing floating rate loans as at 31 December 2024, was HK\$1,500.0 million, representing 24.2% of our outstanding borrowing (before accounting for the underwriting fee). The Trust Group will continue to remain vigilant and closely monitor the interest rate movements and, depending on market conditions, may consider further mitigating its interest rate exposure on the remaining bank debts by swapping part of them from floating to fixed rates when appropriate.

(in HK\$ million)	2024	2023	Change
Breakdown of finance costs			
Interest expense on bank borrowings	(318.1)	(312.5)	1.8%
Net interest on interest rate swaps	6.3	77.6	-91.9%
Underwriting/loan extension/ front-end fees amortisation	(9.6)	(11.1)	-13.5%
Other borrowing costs	(0.8)	(1.1)	-27.3%
Total finance costs	(322.2)	(247.1)	30.4%

Net profit after tax for 2024 was HK\$231.7 million, a decline of 78.6% from 2023. The vast majority of this difference was due to much larger increase in the fair value of investment properties in 2023 of HK\$926.3 million versus a more muted increase in 2024 of HK\$186.5 million.

Excluding the fair value changes of investment properties and derivative financial instruments and change related to settlement arrangement of Hotel Manager’s Fees, the net profit after tax stands at HK\$50.5 million, down 77.5% year-on-year. Change related to settlement arrangement of the Hotel Manager’s Fees of HK\$14.6 million is recorded in 2024, which represents the difference between the issue of 55,432,596 new Share Stapled Units at HK\$0.646 per unit determined on 4 March 2024 (“New SSUs”) and the closing price of HK\$0.910 per unit on 8 May 2024, the day before the actual allotment and issue of the New SSUs due to the deferral in allotment and issue of the New SSUs.

(in HK\$ million)	2024	2023	Change
Net property income	381.0	494.7	-23.0%
Interest and other income	5.4	9.9	-45.5%
Increase in fair value of investment properties (hotel portfolio)	186.5	926.3	-79.9%
Change in fair value of derivative financial instruments (interest rate swaps)	9.3	(70.1)	n.m.
Change related to settlement arrangement of Hotel Manager’s Fees	(14.6)	-	n.m.
Administrative and other expenses	(15.7)	(13.9)	12.9%
Finance costs	(322.2)	(247.1)	30.4%
Profit before tax	229.7	1,099.8	-79.1%
Income tax credit (expense)	2.0	(19.5)	n.m.
Profit attributable to Holders of Share Stapled Units	231.7	1,080.3	-78.6%
Profit attributable to Holders of Shares Stapled Units excluding fair value changes on investment properties, and derivative financial instruments, and change related to settlement arrangement of Hotel Manager’s Fees	50.5	224.1	-77.5%

To derive the Trust Group's distributable income, profit attributable to Holders of Share Stapled Units was adjusted for the non-cash items. Items adjusted included increase in fair value of investment properties, change in fair value of the derivative financial instruments, change related to settlement arrangement of Hotel Manager's Fees, Hotel Manager's Fees being paid in form of Share Stapled Units, underwriting/loan extension/front-end fees amortisation, deferred tax, depreciation and the cash contribution to furniture, fixtures and equipment reserve.

After adjusting for these non-cash items, total distributable income amounted to HK\$113.0 million for the year ended 31 December 2024.

(in HK\$ million)	2024	2023	Change
Profit attributable to Holders of Share Stapled Units	231.7	1,080.3	-78.6%
Adjustments:			
Increase in fair value of investment properties	(186.5)	(926.3)	-79.9%
Change in fair value of derivative financial instruments	(9.3)	70.1	n.m.
Change related to settlement arrangement of Hotel Manager's Fees	14.6	-	n.m.
Hotel Manager's Fees payable in form of Share Stapled Units	62.3	63.9	-2.5%
Underwriting/loan extension/front-end fees amortisation	9.6	11.1	-13.5%
Deferred tax	13.3	21.7	-38.7%
Depreciation	1.1	1.1	-
Reserve for furniture, fixtures and equipment	(23.8)	(24.3)	-2.1%
Distributable income	113.0	297.6	-62.0%
Final distributable Income	54.3	-	n.m.
Final distribution per Share Stapled Unit	HK1.6 cents	-	n.m.

A final distribution of HK1.6 cents per Share Stapled Unit was recommended to distribute to the Holders of Share Stapled Units. In comparison, no final distributable income was declared in the previous year.

Hotel Performance

Revenue breakdown (in HK\$ million)	The Langham, Hong Kong	Cordis, Hong Kong	Eaton HK	Total
Rooms	318.7	366.2	170.7	855.6
Food & Beverage	204.7	289.0	196.1	689.8
Others	8.8	15.0	18.5	42.3
Total revenue	532.2	670.2	385.3	1,587.7

Year-on-year change	The Langham, Hong Kong	Cordis, Hong Kong	Eaton HK	Total
Rooms	-7.1%	2.3%	4.1%	-1.1%
Food & Beverage	-8.8%	1.7%	-5.1%	-3.6%
Others	-3.3%	19.0%	10.1%	9.9%
Total revenue	-7.7%	2.4%	-0.6%	-1.9%

	Average Daily				Average		RevPAR	
	Rooms Available		Occupancy		Room Rate (in HK\$)		(in HK\$)	
	2024	2023	2024	2023	2024	2023	2024	2023
The Langham, Hong Kong <i>year-on-year growth</i>	498	498	89.3%	86.9%	1,957	2,173	1,748	1,887
			+2.4 ppt		-9.9%		-7.4%	
Cordis, Hong Kong <i>year-on-year growth</i>	667	667	92.6%	89.8%	1,619	1,638	1,500	1,471
			+2.8 ppt		-1.2%		+2.0%	
Eaton HK <i>year-on-year growth</i>	465	465	90.0%	87.0%	1,114	1,110	1,003	966
			+3.0 ppt		+0.4%		+3.8%	
Hotel Portfolio <i>year-on-year growth</i>	1,630	1,630	90.9%	88.1%	1,578	1,650	1,434	1,454
			+2.8 ppt		-4.4%		-1.4%	

Hong Kong Hotel Markets	Occupancy		Average Room Rate (in HK\$)		RevPAR (in HK\$)	
	2024	2023	2024	2023	2024	2023
High Tariff A	79.0%	76.0%	2,238	2,347	1,768	1,784
<i>year-on-year growth</i>	<i>+3.0 ppt</i>		<i>-4.6%</i>		<i>-0.9%</i>	
High Tariff B	86.0%	84.0%	1,052	1,098	905	922
<i>year-on-year growth</i>	<i>+2.0 ppt</i>		<i>-4.2%</i>		<i>-1.8%</i>	
All Hotels	85.0%	82.0%	1,332	1,392	1,132	1,141
<i>year-on-year growth</i>	<i>+3.0 ppt</i>		<i>-4.3%</i>		<i>-0.8%</i>	

Comparing our hotels to the broader Hong Kong market, The Langham, Hong Kong's RevPAR decreased by 7.4% in 2024 as compared to the previous year, surpassing the High Tariff A market's decline of 0.9%. Conversely, Cordis Hong Kong outperformed the High Tariff A market with a 2.0% increase in RevPAR. Both hotels maintained robust occupancy rates, averaging over 90% well exceeding the market average of 79.0%. Meanwhile, Eaton HK outperformed its High Tariff B market segment with a 3.8% increase in RevPAR in 2024, while the market experienced a decline of 1.8%.

Performance of the individual hotels

The Langham, Hong Kong enjoyed a robust start in the first two months of 2024, driven by a strong influx of Mainland China tourists seeking luxury hotel accommodation in the Tsim Sha Tsui district, due to the less-impeded business environment compared to the same period the previous year. However, demand softened from March onwards causing luxury hotels in the vicinity to reduce their rates to maintain occupancy. In light of the fierce competition, the hotel also reduced its average room rates to remain competitive.

In 2024, the hotel achieved a 2.4 percentage points increase in occupancy, reaching 89.3%. However, the average room rate decreased by 9.9% year-over-year to HK\$1,957 per night. As a result, RevPAR saw a decline of 7.4%, settling at HK\$1,748 per night, all due to the reduction in the average room rate.

F&B revenue experienced a decline of 8.8% in 2024, primarily due the shifts in consumption patterns and the closure of a fine dining outlet during the year. Despite these challenges, the high-quality offerings at The Langham and effective promotional strategies played a crucial role in mitigating the impact. These efforts ensured that our guests continued to enjoy exceptional dining experiences, helping to cushion the overall decline in revenue.

Overall, total revenue decreased by 7.7% in 2024 compared to 2023.

Cordis, Hong Kong showcased a good performance in both accommodation and F&B businesses in the first quarter of this year, achieving over 50% growth in RevPAR and nearly a 30% increase in F&B revenue. However, starting from March, the hotel encountered challenges due to shifts in traveller demographics and new consumer behaviours, along with a growing preference among locals to explore the Greater Bay Area outside Hong Kong for dining alternatives. By strategically adjusting market strategies, the hotel managed to increase occupancy by 2.8 percentage points to 92.6% and achieved a 2.0% year-on-year increase in RevPAR, reaching HK\$1,500 per night.

The 1.7% year-on-year increase in F&B revenue was primarily driven by growth in the banquet and all-day dining segments, which was partially offset by declines in the Chinese restaurant and bar segments. The rise in banquet business reflects steady demand for meetings, corporate events while wedding business was more muted during 2024.

Overall, total revenue increased by 2.4% year-on-year.

Eaton HK experienced a notable surge in its accommodation business, with RevPAR showing over 50% year-on-year growth in the first quarter of 2024. However, this momentum slowed from March onwards. Despite the deceleration, the hotel remained agile in rate management and implemented targeted promotional campaigns. This focused approach resulted in a 3.0 percentage points increase in occupancy, reaching 90.0%, and a 3.8% rise in RevPAR, achieving HK\$1,003 per night.

Shifts in consumer behaviours and the emerging trend of locals dining in Greater Bay Area cities outside Hong Kong significantly impacted the hotel's buffet and bar businesses. Additionally, the banquet segment faced a downturn due to a decrease in wedding events this year. These declines were partially offset by increased patronage at Yat Tung Heen, our Michelin-starred Chinese restaurant. Despite some positive performance, overall F&B revenue still declined by 5.1%.

The hotel's overall revenue flatlined with 2023 with a minimal decrease of 0.6%.

OUTLOOK

The prolonged geopolitical tensions in the Middle East and Ukraine, combined with the ongoing trade conflicts between the United States and China, have created significant uncertainty in the global economy. In 2025, this uncertainty will be exacerbated by inflationary trends in most markets, high interest rates, and airline capacity constraints into Hong Kong. These factors along with growing trend of locals traveling to the Greater Bay Area cities outside Hong Kong for competitive dining options, are expected to continue impacting the hospitality and tourism industries in Hong Kong.

Nevertheless, the completion of the Kai Tak Sports Park and the anticipated completion of several infrastructure projects and the development of new attractions, such as the East Kowloon Cultural Centre, SkyCity, and South Lantau Eco-Recreation Corridor, are expected to bolster the hotel sector. Additionally, major events and festivals planned for 2025 are anticipated to attract an influx of tourists.

Overall, the hotel sector is still well below the high-water mark set in 2018 due to average room rates not yet returning to previous levels. Meanwhile, expenses have increased due to a 9% rise in the Consumer Price Index (CPI) over the same period. Especially, the frontline labor cost of the Hotels have increased by approximately 23% from 2018 to 2024. These combined issues have put pressure on margins and, in turn, profitability. This phenomenon is expected to continue into 2025, especially with all the geopolitical conflicts and potential trade wars.

At the same time, to enhance the profitability of the Hotels in the current business environment, we are prioritising expense reductions where feasible and implementing more efficient operating models across our accommodation and food and beverage services. However, interest rates trends are somewhat unpredictable at this time. The short-term outlook for the Hong Kong hotel industry remains uncertain, although we are continuously optimistic for the longer term.

FINANCIAL REVIEW

Net Assets Attributable to Holders of Share Stapled Units

Net Assets Attributable to Holders of Share Stapled Units were HK\$9,502.4 million or HK\$2.77 per Share Stapled Unit as at 31 December 2024 (31 December 2023: HK\$9,190.7 million or HK\$2.77 per Share Stapled Unit).

Debt Profile

Total outstanding borrowings, before accounting for the underwriting fee (31 December 2023: loan extension fee), of the Trust Group as at 31 December 2024 were HK\$6,204.6 million (31 December 2023: HK\$6,059.1 million). The secured term loans of HK\$6,201.6 million (31 December 2023: HK\$5,706.2 million) were on a floating-rate interest basis and repayable in full in 2027 (31 December 2023: 2024). The secured revolving loans facilities as at 31 December 2024 was HK\$598.4 million (31 December 2023: HK\$541.4 million). The secured revolving loans drawn down of HK\$3.0 million repaid in early 2025. As at 31 December 2023, the secured revolving loans drawn down of HK\$352.9 million could be revolved on a monthly basis until 2024.

To mitigate the interest rate exposure, the Trust Group engaged in several interest rate swap transactions with a bank, swapping a certain proportion of the outstanding bank borrowings from floating rates to fixed rates. As at 31 December 2024, the total notional amount of the interest rate swap transactions was HK\$1,500.0 million (31 December 2023: HK\$1,500.0 million). Hence, out of total outstanding bank loans (before accounting for the underwriting/loan extension fees) of HK\$6,204.6 million (31 December 2023: HK\$6,059.1 million), 24.2% (31 December 2023: 24.8%) was fixed at a weighted average swap rate of 3.99% per annum (31 December 2023: 3.99% per annum).

The Trust Group will continue to monitor interest rate movements and may, depending on market conditions, consider further mitigating its interest rate exposure on part of the remaining bank debt by swapping from floating to fixed rates when appropriate.

As at 31 December 2024, the total gross assets of the Trust Group were HK\$16,238.3 million (31 December 2023: HK\$15,835.0 million). The gearing ratio, calculated as total outstanding borrowings as a percentage of total gross assets, was 38.2% (31 December 2023: 38.3%).

Cash Position

As at 31 December 2024, the Trust Group had a cash balance of HK\$293.4 million (31 December 2023: HK\$122.5 million) to satisfy a portion of asset enhancement of the Hotels, as well as its working capital and operating requirements.

In addition, the Trust Group had unused revolving loans amounting to HK\$595.4 million as of 31 December 2024 (31 December 2023: HK\$188.5 million).

Pledge of Assets

As at 31 December 2024, all investment properties (31 December 2023: all investment properties) of the Trust Group, together with assignments of sales proceeds, insurance proceeds, rental income, revenues and all other income generated from the properties, are pledged to secure the term and revolving loan facilities granted to the Trust Group.

Commitments

As of 31 December 2024, the Trust Group had no authorised capital expenditures for investment properties. In contrast, as of 31 December 2023, the Trust Group had authorised capital expenditures for investment properties totaling HK\$15.7 million, of which HK\$14.2 million was contracted for but not provided for in the consolidated financial statements.

Other than above, the Trust Group did not have other significant commitments at the end of the reporting period.

FINAL DISTRIBUTION

The Trustee-Manager Board has recommended the payment of a final distribution of HK\$1.6 cents per Share Stapled Unit (2023: Nil) for the year ended 31 December 2024 to Holders of Share Stapled Units whose names appear on the Share Stapled Units Register on 21 May 2025. Subject to the approval of the Holders of Share Stapled Units at the 2025 Annual General Meeting (the “2025 AGM”), the payment of the final distribution will be made on 4 June 2025. Since no interim dividend was made for the six-month ended 30 June 2024 (2023: Nil), distribution per Share Stapled Unit for the year 2024 was HK\$1.6 cents (2023: Nil). Based on the closing Share Stapled Unit price of HK\$0.475 as at 31 December 2024, total Distribution per Share Stapled Unit is equivalent to a distribution yield of 3.4%.

The Trustee-Manager Board has confirmed, in accordance with the Trust Deed, that (i) the Auditor of the Trust has reviewed and verified the Trustee-Manager’s calculation of the above distribution entitlement per Share Stapled Unit; and (ii) having made all reasonable enquiries, immediately after making the above distribution to the registered unitholders of the Trust, the Trustee-Manager will be able to fulfill, from the Trust Property (as defined in the Trust Deed), the liabilities of the Trust as they fall due.

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 (collectively, the “Register”) will all be closed during the following periods and during these periods, no transfer of Share Stapled Units will be registered:

(i) To attend and vote at the 2025 AGM

For the purpose of ascertaining the entitlement of Holder of Share Stapled Units to attend and vote at the 2025 AGM, the Register will be closed from Tuesday, 6 May 2025 to Friday, 9 May 2025, both days inclusive.

In order to be eligible to attend and vote at the 2025 AGM, 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 not later than 4:30 p.m. on Friday, 2 May 2025.

(ii) To qualify for the proposed 2024 final distribution

For the purpose of ascertaining the entitlement of Holders of Share Stapled Units to the proposed 2024 final distribution, the Registers will be closed from Friday, 16 May 2025 to Wednesday, 21 May 2025, both days inclusive.

In order to qualify for the proposed 2024 final distribution, 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 not later than 4:30 p.m. on Tuesday, 15 May 2025.

ANNUAL GENERAL MEETING AND ANNUAL REPORT

The 2025 AGM of the Trust and the Company will be held on Friday, 9 May 2025. The notice of 2025 AGM together with the 2024 Annual Report and all other relevant documents will be published on the Company’s website at www.langhamhospitality.com and the HKEXnews’ website at www.hkexnews.hk in March 2025.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

Pursuant to the Trust Deed, both the Trustee-Manager and the Company must co-operate with each other to ensure that each party complies with the applicable Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and other relevant rules and regulations.

Throughout the year under review, the Trust (via the Trustee-Manager) and the Company had complied with all applicable code provisions, and where appropriate, adopted some of the recommended best practices as set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules. The requirement to establish a Nomination Committee is only relevant to the Company but not the Trustee-Manager because the Trust Deed requires that the Directors of the Trustee-Manager shall at all times comprise the same individuals who serve as Directors of the Company. The requirement to establish a Remuneration Committee is also only relevant to the Company but not the Trustee-Manager as the Directors of the Trustee-Manager are not entitled to any remuneration payable by the Trust or the Trustee-Manager, and the Trustee-Manager does not have any employees.

COMPLIANCE WITH THE MODEL CODE

The Trust Group has adopted its own Code of Conduct regarding Securities Transactions by Directors and Relevant Employees (the “Code of Conduct for Securities Transactions”) on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules and the same is updated from time to time in accordance with the Listing Rules requirements.

Having made specific enquiry, all Directors and relevant employees of the Trustee-Manager and the Company have confirmed that they have fully complied with the Code of Conduct for Securities Transactions for the year ended 31 December 2024.

BUY-BACK, SALE OR REDEMPTION OF SHARE STAPLED UNITS

Pursuant to the Trust Deed, the Trustee-Manager shall not buy-back or redeem any Share Stapled Units on behalf of the Trust unless and until expressly permitted to do so by relevant codes and guidelines issued by the Securities and Futures Commission from time to time. Accordingly, the Trust and the Company are not allowed to buy-back or redeem their own Share Stapled Units.

During the year ended 31 December 2024, none of the Trust, the Trustee-Manager, the Company nor the Company’s subsidiaries had bought back, sold or redeemed any Share Stapled Units.

ISSUED SHARE STAPLED UNITS

As at 31 December 2024, the total number of issued Share Stapled Units of the Trust and the Company was 3,433,546,645. As compared with the position as at 31 December 2023, a total of 114,677,639 new Share Stapled Units were issued during the year, representing 3.34% of the total number of issued Share Stapled Units as at 31 December 2024.

Date	Particulars	No. of Share Stapled Units
31 December 2023	Total number of issued Share Stapled Units	3,318,869,006
9 May 2024	Issue of new Share Stapled Units at the price of HK\$0.646 per Share Stapled Unit as payment of the Hotel Management Fees and Licence Fee (collectively the “Hotel Manager’s Fees”) to the Hotel Manager of HK\$35,809,456 for the second half of 2023. Details were disclosed in the announcements of the Trust and the Company dated 4 March 2024 and 9 May 2024 respectively.	55,432,596
30 August 2024	Issue of new Share Stapled Units at the price of HK\$0.499 per Share Stapled Unit as payment of the Hotel Manager’s Fees to Hotel Manager of HK\$29,563,276 for the first half of 2024	59,245,043
31 December 2024	Total number of Issued Share Stapled Units	3,433,546,645

PUBLIC FLOAT

As at the date of this announcement, based on information that is publicly available and within the knowledge of the Directors of the Trustee-Manager and the Company, the Trust and the Company maintain a sufficient public float with more than 25% of the issued Share Stapled Units being held by the public.

AUDIT COMMITTEES

The annual results of the Trust Group for the year ended 31 December 2024 have been reviewed by the Audit Committees of the Trustee-Manager and the Company and the annual results of the Trustee-Manager for the year ended 31 December 2024 have been reviewed by the Audit Committee of the Trustee-Manager.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Trust and the Company's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in this announcement have been agreed by the Trust Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Trust and the Company for the year as approved by the Board of Directors on 13 February 2025. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on this announcement.

The figures in respect of the Trustee-Manager's statement of financial position, statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in this announcement have been agreed by the Trustee-Manager's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited financial statements of the Trustee-Manager for the year as approved by the Board of Directors on 13 February 2025. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on this announcement.

BOARDS OF DIRECTORS

As at the date of this announcement, the Boards 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

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

Hong Kong, 13 February 2025

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME OF THE TRUST AND THE COMPANY
FOR THE YEAR ENDED 31 DECEMBER 2024**

	<u>NOTES</u>	<u>2024</u> HK\$'000	<u>2023</u> HK\$'000
Revenue	5	401,806	513,965
Property related expenses		<u>(20,783)</u>	<u>(19,298)</u>
Net property income		381,023	494,667
Other income	7	5,401	9,993
Increase in fair value of investment properties		186,526	926,343
Change in fair value of derivative financial instruments		9,303	(70,114)
Change related to settlement arrangement of hotel management fees and licence fee		(14,634)	-
Administrative and other expenses		(15,676)	(13,928)
Finance costs	8	<u>(322,238)</u>	<u>(247,119)</u>
Profit before tax		229,705	1,099,842
Income tax credit (expense)	9	<u>2,019</u>	<u>(19,523)</u>
Profit and total comprehensive income for the year attributable to holders of Share Stapled Units	12	<u><u>231,724</u></u>	<u><u>1,080,319</u></u>
Earnings per Share Stapled Unit			
Basic and diluted	13	<u><u>HK7 cents</u></u>	<u><u>HK33 cents</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE TRUST AND THE COMPANY
AT 31 DECEMBER 2024

	<u>NOTES</u>	<u>2024</u> HK\$'000	<u>2023</u> HK\$'000
Non-current assets			
Property, plant and equipment		908	924
Investment properties		15,895,000	15,662,000
Deposits	14	8,838	5,874
		<u>15,904,746</u>	<u>15,668,798</u>
Current assets			
Debtors, deposits and prepayments	14	32,678	43,718
Tax recoverable		7,518	-
Bank balances		293,402	122,516
		<u>333,598</u>	<u>166,234</u>
Current liabilities			
Creditors, deposits and accruals	15	61,131	68,205
Derivative financial instruments		2,974	-
Secured bank loans due within one year		-	6,050,305
Lease liabilities due within one year		610	808
Tax payable		22,465	42,100
		<u>87,180</u>	<u>6,161,418</u>
Net current assets (liabilities)		<u>246,418</u>	<u>(5,995,184)</u>
Total assets less current liabilities		<u>16,151,164</u>	<u>9,673,614</u>
Non-current liabilities			
Derivative financial instruments		-	12,277
Secured bank loans due after one year		6,164,604	-
Lease liabilities due after one year		283	67
Deferred tax liabilities		483,866	470,612
		<u>6,648,753</u>	<u>482,956</u>
NET ASSETS		<u>9,502,411</u>	<u>9,190,658</u>
Capital and reserves			
Issued capital/units		3,434	3,319
Reserves		9,498,977	9,187,339
TOTAL EQUITY		<u>9,502,411</u>	<u>9,190,658</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST AND THE COMPANY
FOR THE YEAR ENDED 31 DECEMBER 2024

1. GENERAL INFORMATION

Langham Hospitality Investments (the "Trust") is constituted by a Hong Kong law governed trust deed and as supplemented, amended or substituted from time to time (the "Trust Deed"), entered into between LHIL Manager Limited (the "Trustee-Manager", in its capacity as the trustee-manager of the Trust) and Langham Hospitality Investments Limited (the "Company"). The Company is a company incorporated in the Cayman Islands with limited liability. The share stapled units ("Share Stapled Units") structure comprises: (a) a unit in the Trust; (b) a beneficial interest in a specifically identified ordinary share in the Company which is linked to the unit in the Trust 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 in the Company which is "stapled" to the unit in the Trust. The Share Stapled Units were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 30 May 2013. The Company's parent company is LHIL Assets Holdings Limited, a limited liability company incorporated in the British Virgin Islands. The Trustee-Manager and the directors of the Company (the "Directors") consider the Trust and the Company's ultimate holding company to be Great Eagle Holdings Limited, a limited liability company incorporated in Bermuda with its shares listed on the Stock Exchange. The addresses of the registered offices of the Trustee-Manager and of the Company and principal place of business of the Company are disclosed in the corporate information section to the annual report.

The Company acts as an investment holding company. The principal activity of the Trust Group (as defined in note 2 below) is property investment.

The consolidated financial statements are presented in Hong Kong dollar ("HK\$"), which is also the functional currency of the Company.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENT

In accordance with the Trust Deed, the Trust and the Company are each required to prepare their own sets of financial statements on a consolidated basis. The Trust's consolidated financial statements for the year ended 31 December 2024 comprise the consolidated financial statements of the Trust, the Company and its subsidiaries (collectively referred to as the "Trust Group"). The Company's consolidated financial statements for the year ended 31 December 2024 comprise the consolidated financial statements of the Company and its subsidiaries (collectively referred to as the "Group").

The unitholders of the Trust have beneficial interest in the ordinary shares of the Company and the sole activity of the Trust during the year ended 31 December 2024 was investment in the Company. Therefore, the consolidated results and financial position that would be presented in the consolidated financial statements of the Trust Group are identical to the consolidated financial statements of the Group with the differences being disclosures of capital. The Trustee-Manager and the Directors believe therefore that it is clearer to present the consolidated financial statements of the Trust Group and the Group together. The consolidated financial statements of the Trust Group and the consolidated financial statements of the Group are presented together to the extent they are identical and are hereinafter referred as "the Trust and the Company's Consolidated Financial Statements".

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENT - continued

The consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows, material accounting policy information and other explanatory information of the Trust Group and the Group are identical.

The Trust Group and the Group are referred as the "Groups".

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Groups have applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the Groups' annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5(2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

Except as described below, the application of the amendments to HKFRSs in the current year has had no material impact on the Groups' financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Impacts on application of Amendments to HKAS 1 "Classification of Liabilities as Current or Non-current" and related amendments to Hong Kong Interpretation 5 (2020) (the "2020 Amendments") and Amendments to HKAS 1 "Non-current Liabilities with Covenants" (the "2022 Amendments")

The Groups have applied the amendments for the first time in the current year.

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or noncurrent, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the classification should not be affected by management intentions or expectations to settle the liability within 12 months.
- clarify that the settlement of a liability can be a transfer of cash, goods or services, or the entity's own equity instruments to the counterparty. If a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 "*Financial Instruments: Presentation*".

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") - continued

Amendments to HKFRSs that are mandatorily effective for the current year - continued

Impacts on application of Amendments to HKAS 1 “Classification of Liabilities as Current or Non-current” and related amendments to Hong Kong Interpretation 5 (2020) (the “2020 Amendments”) and Amendments to HKAS 1 “Non-current Liabilities with Covenants” (the “2022 Amendments”) - continued

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the 2022 Amendments specifically clarify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date, even if compliance with the covenant is assessed only after the reporting date. The 2022 Amendments also specify that covenants with which an entity must comply after the reporting date (i.e. future covenants) do not affect the classification of a liability as current or non-current at the reporting date. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants, the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

In accordance with the transition provision, the Groups have applied the new accounting policy to the classification of liability as current or non-current retrospectively. The application of the amendments in the current year had no material impact on the consolidated financial statements.

New and amendments to HKFRSs in issue but not yet effective

The Groups have not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards - Volume 11 ³
Amendments to HKAS 21	Lack of Exchangeability ²
HKFRS 18	Presentation and Disclosure in Financial Statements ⁴

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2025.

³ Effective for annual periods beginning on or after 1 January 2026.

⁴ Effective for annual periods beginning on or after 1 January 2027.

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") - continued

New and amendments to HKFRSs in issue but not yet effective - continued

Except for the new and amendments to HKFRSs mentioned below, the Trustee-Manager and the Directors anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 “Presentation and Disclosure in Financial Statements”

HKFRS 18 “Presentation and Disclosure in Financial Statements”, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 “Presentation of Financial Statements”. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 “Statement of Cash Flows” and HKAS 33 “Earnings per Share” are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Groups are in the process of assessing the detailed impact of HKFRS 18 on the Groups' consolidated financial statements.

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation to the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and derivative financial instruments that are measured at fair values at the end of each reporting period.

5. REVENUE

	<u>2024</u> HK\$'000	<u>2023</u> HK\$'000
Rental income from GE (LHIL) Lessee Limited ("Master Lessee") (Note)		
Base rent	225,000	225,000
Variable rent	254,481	368,469
Service fees expense	<u>(79,412)</u>	<u>(81,202)</u>
	400,069	512,267
Rental income from retail shops in Eaton HK	<u>1,737</u>	<u>1,698</u>
	<u>401,806</u>	<u>513,965</u>

Note: Included in rental income from Master Lessee, service fees income of HK\$79,412,000 (2023: HK\$81,202,000) has been netted with the same amount of the corresponding service fees expenses.

6. SEGMENT INFORMATION

The Groups' operating segments, based on information reported to the chief operating decision maker ("CODM") who is the management of the Trustee-Manager and the Company, for the purpose of resource allocation and performance assessment are more specifically focused on the operating results from leasing of the Langham, Hong Kong, Cordis Hong Kong and Eaton HK (the "Hotels").

The Groups' results are derived from property investment operation, which relates to the operating results from leasing of the Hotels and represents three operating segments under HKFRS 8 "Operating Segments".

Segment revenue and results

The following is an analysis of the Groups' revenue and results by the three investment properties for the years under review.

2024

	<u>The Langham, Hong Kong HK\$'000</u>	<u>Cordis, Hong Kong HK\$'000</u>	<u>Eaton HK HK\$'000</u>	<u>Segment total HK\$'000</u>	<u>Reconciliation HK\$'000 (Note)</u>	<u>Consolidated HK\$'000</u>
Segment revenue	<u>169,556</u>	<u>212,009</u>	<u>99,653</u>	<u>481,218</u>	<u>(79,412)</u>	<u>401,806</u>
Segment results	<u>136,820</u>	<u>166,512</u>	<u>77,691</u>	<u>381,023</u>	<u>-</u>	381,023
Other income						5,401
Increase in fair value of investment properties						186,526
Change in fair value of derivative financial instruments						9,303
Change related to settlement arrangement of hotel management fees and licence fee						(14,634)
Administrative and other expenses						(15,676)
Finance costs						<u>(322,238)</u>
Profit before tax						229,705
Income tax credit						<u>2,019</u>
Profit for the year attributable to holders of Share Stapled Units						<u>231,724</u>

6. SEGMENT INFORMATION - continued

Segment revenue and results - continued

2023

	The Langham, Hong Kong HK\$'000	Cordis, Hong Kong HK\$'000	Eaton HK HK\$'000	Segment total HK\$'000	Reconciliation HK\$'000 (Note)	Consolidated HK\$'000
Segment revenue	<u>228,389</u>	<u>243,840</u>	<u>122,938</u>	<u>595,167</u>	<u>(81,202)</u>	<u>513,965</u>
Segment results	<u>192,906</u>	<u>200,540</u>	<u>101,221</u>	<u>494,667</u>	<u>-</u>	<u>494,667</u>
Other income						9,993
Increase in fair value of investment properties						926,343
Change in fair value of derivative financial instruments						(70,114)
Change related to settlement arrangement of hotel management fees and licence fee						-
Administrative and other expenses						(13,928)
Finance costs						<u>(247,119)</u>
Profit before tax						1,099,842
Income tax expense						<u>(19,523)</u>
Profit for the year attributable to holders of Share Stapled Units						<u>1,080,319</u>

Note: Reconciliation represents netting of service fees income of HK\$79,412,000 (2023: HK\$81,202,000) with the same amount of the corresponding service fees expense (including hotel management fees, licence fee and global marketing fee) that has been adjusted from revenue.

Segment assets and liabilities

For the purpose of performance assessment, other than the fair value of investment properties, no other segment assets are reviewed by the CODM. At the end of the reporting period, the fair values of The Langham, Hong Kong, Cordis, Hong Kong and Eaton HK were HK\$5,440,000,000, HK\$6,840,000,000 and HK\$3,615,000,000 (2023: HK\$5,460,000,000, HK\$6,660,000,000 and HK\$3,542,000,000), respectively.

No analysis of segment liabilities is presented as they are not regularly provided to the CODM.

Geographical information

All of the Groups' revenue is derived from activities and customers located in Hong Kong and the Groups' non-current assets are all located in Hong Kong.

Information about major customers

Revenue from the Master Lessee is HK\$400,069,000 (2023: HK\$512,267,000), contributing over 10% of the total revenue of the Groups for the year ended 31 December 2024.

7. OTHER INCOME

	<u>2024</u> HK\$'000	<u>2023</u> HK\$'000
Interest income on bank deposits	3,864	9,111
Management fee income	630	600
Sundry income	907	282
	<u>5,401</u>	<u>9,993</u>

8. FINANCE COSTS

	<u>2024</u> HK\$'000	<u>2023</u> HK\$'000
Interest on bank borrowings	318,089	312,521
Net interest on interest rate swaps	(6,250)	(77,593)
Underwriting/loan extension/front-end fee amortisation	9,646	11,114
Interest on lease liabilities	38	45
Other borrowing costs	715	1,032
	<u>322,238</u>	<u>247,119</u>

9. INCOME TAX (CREDIT) EXPENSE

	<u>2024</u> HK\$'000	<u>2023</u> HK\$'000
Current tax:		
Hong Kong Profits Tax:		
Current year	4,650	8,261
Overprovision in prior years	(19,923)	(10,410)
	<u>(15,273)</u>	<u>(2,149)</u>
Deferred tax:		
Current year	13,271	28,257
Overprovision in prior years	(17)	(6,585)
	<u>13,254</u>	<u>21,672</u>
	<u>(2,019)</u>	<u>19,523</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

10. TOTAL DISTRIBUTABLE INCOME

Total distributable income is the profit for the year attributable to holders of Share Stapled Units as adjusted to eliminate the effects of adjustments (as set out in the Trust Deed) which have been recorded in the consolidated statement of profit or loss and other comprehensive income for the relevant period. The adjustments to arrive at the total distributable income for the current year are set out below:

	<u>2024</u> HK\$'000	<u>2023</u> HK\$'000
Profit for the year attributable to holders of Share Stapled Units	231,724	1,080,319
Adjustments:		
Depreciation	1,108	1,118
Deferred tax	13,254	21,672
Underwriting/loan extension/front-end fee amortisation	9,646	11,114
Hotel management fees and licence fee payable in form of Share Stapled Units	62,300	63,901
Increase in fair value of investment properties	(186,526)	(926,343)
Change in fair value of derivative financial instruments	(9,303)	70,114
Change related to settlement arrangement of hotel management fees and licence fee	14,634	-
Reserve for furniture, fixtures and equipment	<u>(23,815)</u>	<u>(24,282)</u>
Total distributable income	<u>113,022</u>	<u>297,613</u>

11. DISTRIBUTION STATEMENT

	<u>NOTE</u>	<u>2024</u> HK\$'000	<u>2023</u> HK\$'000
<u>Interim distribution period (note a)</u>			
Total distributable income in respect of the six months ended 30 June		34,022	136,792
Percentage of distributable income for distribution (note b)		-	-
Distributable income for interim distribution period		-	-
Interim distribution		-	-
<u>Final distribution period (note a)</u>			
Total distributable income in respect of the financial year ended 31 December	10	113,022	297,613
Less: distributable income paid for interim distribution period (note b)		-	-
Distributable income available for final distribution period		113,022	297,613
Percentage of distributable income for distribution (note c)		48%	-
Distributable income for final distribution period		54,251	-
Final distribution (note d)		54,251	-
Distribution per Share Stapled Unit			
Interim distribution per Share Stapled Unit in respect of the six months ended 30 June (note b)		-	-
Final distribution per Share Stapled Unit in respect of the six months ended 31 December (note d)		HK1.6 cents	-

Notes:

- (a) The interim distribution in 2024 and 2023 were based on total distributable income for the six months ended 30 June 2024 and 2023, respectively.

The final distribution in 2024 and 2023 were based on total distributable income for the year ended 31 December 2024 and 2023, respectively.

- (b) Interim distribution

No distribution income was distributed in respect of the six months ended 30 June 2024 and 2023.

11. DISTRIBUTION STATEMENT - continued

Notes: - continued

- (c) The Board of the Company has recommended to distribute 48% the total distributable income in respect of the financial year ended 31 December 2024.

No distributable income was distributed in respect of the financial year ended 31 December 2023.

- (d) Final distribution

Final distribution per Share Stapled Unit of HK1.6 cents (2023: Nil) in respect of the financial year ended 31 December 2024 was calculated based on distribution income available for final distribution period of HK\$54,251,000 and 3,433,546,645 Share Stapled Units as at 31 December 2024. Final distribution will be paid to holders of Share Stapled Units on 4 June 2025.

The final distribution after 31 December 2024 has not been recognised as a liability as at 31 December 2024.

12. PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO HOLDERS OF SHARE STAPLED UNITS

	<u>2024</u> HK\$'000	<u>2023</u> HK\$'000
Profit and total comprehensive income for the year has been arrived at after charging:		
Staff costs (including directors' emoluments)	6,609	6,369
Depreciation	1,108	1,118
Auditor's remuneration	1,312	1,312
	<u> </u>	<u> </u>

13. BASIC AND DILUTED EARNINGS PER SHARE STAPLED UNIT

The calculation of basic and diluted earnings per Share Stapled Unit attributable to holders of Share Stapled Units is based on the following data:

	<u>2024</u> HK\$'000	<u>2023</u> HK\$'000
Profit		
Profit for the year for the purposes of basic and diluted earnings per Share Stapled Unit	<u>231,724</u>	<u>1,080,319</u>
	<u>2024</u> '000	<u>2023</u> '000
Number of Share Stapled Units		
Weighted average number of Share Stapled Units for the purpose of basic and diluted earnings per Share Stapled Unit	<u>3,391,878</u>	<u>3,310,200</u>

14. DEBTORS, DEPOSITS AND PREPAYMENTS

	<u>2024</u> HK\$'000	<u>2023</u> HK\$'000
Receivable from Master Lessee	29,417	39,512
Lease receivable	67	2
Deferred rent receivable	204	86
Other receivables	529	579
Deposits and prepayments	<u>11,299</u>	<u>9,413</u>
	41,516	49,592
Less: deposits paid to contractors for hotels renovation classified as non-current assets	<u>(8,838)</u>	<u>(5,874)</u>
Debtors, deposits and prepayments classified as current assets	<u>32,678</u>	<u>43,718</u>

Receivable from Master Lessee and lease receivable are payable on presentation of invoices.

Aging analysis of receivable from Master Lessee and lease receivable based on the invoice date at the end of the reporting period is as follows:

	<u>2024</u> HK\$'000	<u>2023</u> HK\$'000
Within 3 months	<u>29,484</u>	<u>39,514</u>

Receivable from Master Lessee represents an amount due from a fellow subsidiary of HK\$29,417,000 (2023: HK\$39,512,000) which was unsecured, interest free and payable on presentation of invoice.

Other receivables mainly consist of interest receivable from banks for the fixed deposits.

Deposits and prepayments mainly consist of deposits paid to contractors for hotels renovation.

15. CREDITORS, DEPOSITS AND ACCRUALS

	<u>2024</u> HK\$'000	<u>2023</u> HK\$'000
Trade creditors	34,498	37,687
Accruals and other payables	23,440	24,701
Construction fee payables	2,616	5,211
Deposits received	<u>577</u>	<u>606</u>
	<u>61,131</u>	<u>68,205</u>

Aging analysis of trade creditors based on the invoice date at the end of the reporting period is as follows:

	<u>2024</u> HK\$'000	<u>2023</u> HK\$'000
Within 3 months	20,758	21,767
More than 3 months and within 6 months	<u>13,740</u>	<u>15,920</u>
	<u>34,498</u>	<u>37,687</u>

Trade creditors represent amounts due to fellow subsidiaries of HK\$34,498,000 (2023: HK\$37,687,000) which are unsecured, interest-free and payable on presentation of invoices.

Accruals and other payables mainly consist of interest payable on bank borrowings and interest rate swaps.

Included in accruals and other payables are amounts due to fellow subsidiaries of HK\$106,000 (2023: HK\$166,000) which were unsecured, interest-free and payable on presentation of invoices.

Included in construction fee payables are retention payables to contractors of HK\$578,000 (2023: HK\$1,471,000) which are payable within one year (2023: two years).

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF LHIL
MANAGER LIMITED**
FOR THE YEAR ENDED 31 DECEMBER 2024

	<u>NOTES</u>	<u>2024</u> HK\$	<u>2023</u> HK\$
Revenue		-	-
Administrative expenses		(23,855)	(22,255)
Less: Amount borne by a fellow subsidiary and Trust Property (as defined in note 1)		<u>23,855</u>	<u>22,255</u>
Profit or loss before tax	4	-	-
Income tax	5	<u>-</u>	<u>-</u>
Profit or loss and total comprehensive income/expense for the year		<u>-</u>	<u>-</u>

STATEMENT OF FINANCIAL POSITION OF LHIL MANAGER LIMITED
AT 31 DECEMBER 2024

	<u>2024</u> HK\$	<u>2023</u> HK\$
Current asset		
Cash on hand	<u>1</u>	<u>1</u>
NET ASSET	<u><u>1</u></u>	<u><u>1</u></u>
Capital		
Share capital	<u>1</u>	<u>1</u>
TOTAL EQUITY	<u><u>1</u></u>	<u><u>1</u></u>

NOTES TO THE FINANCIAL STATEMENTS OF LHIL MANAGER LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2024

1. GENERAL

LHIL Manager Limited (the "Company") is a limited liability company incorporated in Hong Kong. The Company's parent company is LHIL Management Limited, a limited liability company incorporated in the British Virgin Islands. The directors of the Company (the "Directors") consider the Company's ultimate holding company to be Great Eagle Holdings Limited, a limited liability company incorporated in Bermuda with its shares listed on The Stock Exchange of Hong Kong Limited. The address of the registered office and the principal place of business of the Company is 33/F, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong.

The principal activity of the Company is administering Langham Hospitality Investments (the "Trust"), in its capacity as trustee-manager of the Trust.

The costs and expenses of administering the Trust may be deducted from all property and rights of any kind whatsoever which are held on trust for the register holders of units of the Trust (the "Trust Property"), in accordance with the terms of the deed of trust dated 8 May 2013 constituting the Trust entered into between the Company and Langham Hospitality Investments Limited as amended by the first supplemental deed dated 22 April 2016 and the second supplemental deed dated 12 May 2022 (collectively, the "Trust Deed") but, commensurate with its specific and limited role, the Company will not receive any fee for administering the Trust.

The Company had no income for both years, thus the distribution statement is not presented.

The financial statements are presented in Hong Kong dollar, which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Company has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the annual period beginning on 1 January 2024 for the preparation of the financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5(2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs in the current year has had no material impact on the Company's financial positions and performance for the current and prior years and/or on the disclosures set out in these financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") – continued

New and amendments to HKFRSs in issue but not yet effective

The Company has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards - Volume 11 ³
Amendments to HKAS 21	Lack of Exchangeability ²
HKFRS 18	Presentation and Disclosure in Financial Statements ⁴
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ⁴

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2025.

³ Effective for annual periods beginning on or after 1 January 2026.

⁴ Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to HKFRSs mentioned below, the Directors anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the financial statements in the foreseeable future.

HKFRS 18 “Presentation and Disclosure in Financial Statements”

HKFRS 18 “Presentation and Disclosure in Financial Statements”, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 “Presentation of Financial Statements”. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” and HKFRS 7 “Financial Instruments: Disclosures”.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Company is in the process of assessing the detailed impact of HKFRS 18 on the Company's financial statements.

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance.

The financial statements have been prepared on the historical cost basis as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods or services.

4. PROFIT OR LOSS BEFORE TAX

	<u>2024</u> HK\$	<u>2023</u> HK\$
Profit or loss before tax has been arrived at after charging:		
Auditor's remuneration	20,000	20,000
Directors' remuneration	-	-
	<u> </u>	<u> </u>

5. INCOME TAX

No provision for Hong Kong Profits Tax has been made in the financial statements as the Company did not have any assessable profits for both years.