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# LANGHAM

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## 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)

## **2025 INTERIM 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 unaudited consolidated results of the Trust and of the Company together with the Company’s subsidiaries (the “Trust Group”) for the six-month period ended 30 June 2025 as follows:

### **FINANCIAL HIGHLIGHTS**

<b>(in HK\$ million, unless otherwise specified)</b>	<b>1H 2025</b>	<b>1H 2024</b>	<b>Change</b>
Revenue of hotel portfolio	737.5	772.9	-4.6%
Hotel portfolio’s aggregate gross operating profit before deduction of the global marketing fee	217.0	232.5	-6.7%
Total rental income for the Trust Group after netting service fees	184.8	191.1	-3.3%
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”)	28.4	4.3	560.5%
Distributable income	28.0	34.0	-17.6%
Interim distribution per Share Stapled Unit (HK cents)	-	-	-

## FINANCIAL HIGHLIGHTS (continued)

As at	30 Jun 2025	31 Dec 2024	30 Jun 2024
Gross value of hotel portfolio (in HK\$ million)	15,764	15,895	15,725
Net asset value per Share Stapled Unit	HK\$2.70	HK\$2.77	HK\$2.75
Gearing ratio	38.5%	38.2%	38.1%

## MANAGEMENT DISCUSSION AND ANALYSIS

### OVERVIEW

In the first half of 2025, Hong Kong welcomed 23.6 million visitor arrivals, reflecting an 11.7% year-on-year increase as regional travel momentum continued to build. Of these, overnight visitors accounted for 47.7%, or approximately 11.3 million arrivals, representing a 7.0% year-on-year growth. While this indicates a positive trajectory, overnight visitor volume remains below pre-pandemic benchmarks, reaching only 81.4% of the 13.9 million recorded in the first half of 2018 and 75.6% of the 14.9 million in the first half of 2019.

Mainland China remained the dominant source market, contributing 65.0% of overnight arrivals, followed by short-haul markets (exclude Mainland China) (23.9%) such as Southeast Asia, Taiwan, South Korea, and Japan, and long-haul markets (11.1%) including Europe, North America, and Australia. Growth in overnight visitation was led by a 13.5% increase from short-haul markets (exclude Mainland China) and a 17.3% rebound in long-haul travel, supported by improved air connectivity and relaxed visa policies. Mainland overnight arrivals grew at a more modest pace of 3.3%, constrained in part by currency headwinds and evolving outbound travel preferences.

While recovery is underway, the hospitality sector continues to face subdued market conditions and enduring structural challenges. Shifts in traveler behaviors, such as shorter booking lead times, heightened price sensitivity, and a growing preference for experiential travel, are reshaping demand dynamics. Furthermore, the appreciation of the Hong Kong dollar relative to the Chinese yuan has dampened spending by mainland visitors, exerting pressure on retail and food and beverage (“F&B”) performance.

In response, strategic revenue management efforts were focused on optimising the balance between occupancy and average room rates (“ADR”). As a result, our hotel portfolio (the “Hotels”) successfully maintained ADR at HK\$1,561 per night, consistent with the previous period, despite a marginal decline in occupancy to 88.4%, down 1.4 percentage points year-over-year. This slight contraction in occupancy, coupled with stable ADR, led to a 1.5% year-over-year decrease in revenue per available room (“RevPAR”), which stood at HK\$1,379 per night.

F&B segment also experienced a contraction, with revenue declining by 8.2% year-over-year. The downturn was primarily attributed to evolving consumer dining preferences and the structural decline in banquet activities highlighted by smaller sized events. The decline in banquet business was also partly due to the rescheduling of wedding banquets that had been postponed during the COVID-19 period and subsequently concentrated in early 2024, inflating last period's comparative base.

As a result of the softening in both room and F&B performance, the Hotels' aggregate gross operating profit before deduction of the global marketing fee declined by 6.7% to HK\$217.0 million. The decline in hotel operating profitability translated into a 3.3% reduction from same period last year in total rental income for the Trust Group after service fees, which fell to HK\$184.8 million for the first half of 2025.

As at 30 June 2025, the valuation of the hotel portfolio declined slightly to HK\$15,764 million, compared to HK\$15,895 million as at 31 December 2024. The fair value loss on investment properties and derivative financial instruments, totaling to HK\$170.6 million, was partially offset by a 15.4% reduction in finance costs, equivalent to HK\$25.1 million, primarily driven by a lower average HIBOR during the period. The combined effect of these factors resulted in a net loss attributable to holders of Share Stapled Units of HK\$142.2 million.

After adjusting for all non-cash items and the cash contribution to furniture, fixtures and equipment reserve, total distributable income for the period amounted to HK\$28.0 million, reflecting a 17.6% decline compared to the same period last year. Given the Hotels' uncertain operating outlook and the volatile interest rate environment, the Boards have adopted a prudent approach to capital management and operational funding. Accordingly, no interim distribution was declared for the period.

## **OPERATIONAL REVIEW**

As the Hotels of the Trust Group are leased to GE (LHIL) Lessee Limited (the "Master Lessee"), an indirect wholly-owned subsidiary of Great Eagle Holdings Limited, the Trust Group derives rental income comprising a pre-determined fixed rent (pro-rata at HK\$225.0 million per annum) and a variable rent equivalent to 50% of the Hotels' aggregate gross operating profit, before deduction of the global marketing fee. In addition to the 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 the first half of 2025, the Trust Group maintained a steady stream of fixed rental income amounting to HK\$111.6 million and earned HK\$108.5 million in variable rent. The total rent received from the Master Lessee was HK\$220.1 million. Combined with modest rental income from the retail shops at Eaton HK of HK\$0.8 million, total rental income received by the Trust Group before service fees amounted to HK\$220.9 million, reflecting a year-on-year decline of 3.5%.

After deducting HK\$36.1 million in service fees incurred, net rental income was HK\$184.8 million, representing a year-on-year decrease of 3.3%.

<b>(in HK\$ million)</b>	<b>1H 2025</b>	<b>1H 2024</b>	<b>Change</b>
Fixed rental income	111.6	111.9	-0.3%
Variable rental income	108.5	116.2	-6.6%
Rental income from retail shops	0.8	0.9	-11.1%
<b>Total rental income before service fees</b>	<b>220.9</b>	<b>229.0</b>	<b>-3.5%</b>
Service fees expenses	(36.1)	(37.9)	-4.7%
<b>Total rental income for the Trust Group</b>	<b>184.8</b>	<b>191.1</b>	<b>-3.3%</b>

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 consist of 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, whereas Hotel Manager's Fees can be elected to be settled in the form of Share Stapled Units, cash or a combination of both by the Hotel Manager. The Hotel Manager has elected to receive the Hotel Manager's Fees for the year ending 31 December 2025 entirely in cash.

In the first half of 2025, the operating performance of the Hotels showed a slight decline compared to the same period in the previous year. As a result, hotel management fees decreased by 5.9% to HK\$20.6 million, licence fees dropped by 3.9% to HK\$7.4 million, and the global marketing fee declined by 2.4% to HK\$8.1 million. Overall, total service fees payable to the hotel management companies amounted to HK\$36.1 million, representing a year-on-year reduction of 4.7%.

(in HK\$ million)	1H 2025	1H 2024	Change
Hotel management fees	20.6	21.9	-5.9%
Licence fee	7.4	7.7	-3.9%
Global marketing fee	8.1	8.3	-2.4%
<b>Total service fees</b>	<b>36.1</b>	<b>37.9</b>	<b>-4.7%</b>

Hotel property related expenses rose by 6.9% year-on-year to HK\$10.9 million in the first half of 2025, primarily driven by higher insurance premiums and increased government rent and rates. Consequently, the Trust Group's net property income declined to HK\$173.9 million, representing a 3.9% decrease compared to the same period in the prior year.

(in HK\$ million)	1H 2025	1H 2024	Change
<b>Total rental income after service fees</b>	184.8	191.1	-3.3%
Hotel property related expenses	(10.9)	(10.2)	6.9%
<b>Net property income</b>	<b>173.9</b>	<b>180.9</b>	<b>-3.9%</b>

Total finance costs declined to HK\$137.7 million in the first half of 2025, representing a 15.4% year-on-year decrease. This was primarily driven by a 24.6% reduction in interest expenses on bank borrowings, largely attributable to the decrease in the average HIBOR during the period, despite small increase in the average outstanding loan balance compared to the same period last year. The reduction in borrowing costs was partially offset by net interest expenses arising from interest rate swap arrangements ("Swaps"). In contrast, the first half of 2024 recorded net interest income from Swaps. This shift was primarily due to the average HIBOR during the current period falling below the fixed rates of the Swaps, resulting in a net cost to the Trust Group. In the first half of 2024, the higher HIBOR environment had rendered the Swaps favorable, generating net interest income.

The amortisation of the underwriting fee, amounting to HK\$6.8 million for the period, reflects the systematic recognition of the HK\$40.8 million fee paid in full in December 2024. This fee is being amortised on a straight-line basis over a three-year period, ending with the expiry of the loan facilities in December 2027.

During the period, the Trust Group entered into several new Swaps with a total notional amount of HK\$1,100.0 million. As a result, the total notional amount of Swaps increased from HK\$1,500.0 million as at 31 December 2024 to HK\$2,600.0 million as at 30 June 2025, representing 41.9% of the Trust Group's total outstanding bank borrowings (prior to the amortisation of the underwriting fee). The Trust Group remains vigilant in monitoring interest rate trends and, subject to market conditions, may consider further hedging its interest rate exposure by converting a portion of its remaining floating-rate borrowings to fixed rates when appropriate.

(in HK\$ million)	1H 2025	1H 2024	Change
<b>Breakdown of finance costs</b>			
Interest expense on bank borrowings	(122.2)	(162.1)	-24.6%
Net interest on interest rate swaps	(8.3)	4.2	n.m.
Underwriting/loan extension fee amortisation	(6.8)	(4.7)	44.7%
Other borrowing costs	<u>(0.4)</u>	<u>(0.2)</u>	100.0%
<b>Total finance costs</b>	<b>(137.7)</b>	<b>(162.8)</b>	<b>-15.4%</b>

For the first half of 2025, the Trust Group recorded fair value losses of HK\$143.3 million on its hotel investment properties and HK\$27.3 million on derivative financial instruments, reflecting slight adjustments in market valuations. While these non-cash losses were partially mitigated by a reduction in finance costs, they nonetheless resulted in a net loss attributable to Holders of Share Stapled Units of HK\$142.2 million.

Excluding the impact of fair value changes, the Trust Group achieved a net profit after tax of HK\$28.4 million, representing a substantial year-on-year increase of 560.5%.

<b>(in HK\$ million)</b>	<b>1H 2025</b>	<b>1H 2024</b>	<b>Change</b>
<b>Net property income</b>	173.9	180.9	-3.9%
Interest and other income	4.2	2.0	110.0%
(Decrease)/increase in fair value of investment properties (hotel portfolio)	(143.3)	37.4	n.m.
Change in fair value of derivative financial instruments (interest rate swaps)	(27.3)	15.9	n.m.
Change related to settlement arrangement of Hotel Manager's Fees	-	(14.6)	-100.0%
Administrative and other expenses	(6.4)	(8.1)	-21.0%
Finance costs	(137.7)	(162.8)	-15.4%
<b>(Loss)/profit before tax</b>	<b>(136.6)</b>	<b>50.7</b>	<b>n.m.</b>
Income tax expense	(5.6)	(7.7)	-27.3%
<b>(Loss)/profit attributable to Holders of Share Stapled Units</b>	<b>(142.2)</b>	<b>43.0</b>	<b>n.m.</b>
<b>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 Manager's Fees</b>	<b>28.4</b>	<b>4.3</b>	<b>560.5%</b>

To derive the Trust Group's distributable income, profit attributable to Holders of Share Stapled Units was adjusted for certain items which are charged or credited to the statement of profit or loss and other comprehensive income of the Trust Group for the relevant distribution period. For the first half of 2025, these adjustments included decrease in fair value of investment properties, change in fair value of the derivative financial instruments, underwriting fee amortisation, deferred tax, depreciation and the cash contribution to furniture, fixtures and equipment reserve.

After adjusting for these items, total distributable income came to HK\$28.0 million for the first half of 2025.

<b>(in HK\$ million)</b>	<b>1H 2025</b>	<b>1H 2024</b>	<b>Change</b>
<b>(Loss)/profit attributable to Holders of Share Stapled Units</b>	(142.2)	43.0	n.m.
Adjustments:			
Decrease/(increase) in fair value of investment properties	143.3	(37.4)	n.m.
Change in fair value of derivative financial instruments	27.3	(15.9)	n.m.
Change related to settlement arrangement of Hotel Manager's Fees	-	14.6	-100.0%
Hotel Manager's Fees payable in form of Share Stapled Units	-	29.6	-100.0%
Underwriting/loan extension fee amortisation	6.8	4.7	44.7%
Deferred tax	3.5	6.4	-45.3%
Depreciation	0.4	0.6	-33.3%
Reserve for furniture, fixtures and equipment	<u>(11.1)</u>	<u>(11.6)</u>	-4.3%
<b>Distributable income</b>	<b>28.0</b>	<b>34.0</b>	<b>-17.6%</b>

Same as last year, the Boards have decided not to distribute any income for the first half of 2025 and allow this to be carried forward.



## Hotel Performance

Revenue breakdown (in HK\$ million)	The Langham, Hong Kong	Cordis, Hong Kong	Eaton HK	Total
Rooms	150.4	172.4	84.5	407.3
Food & Beverages	94.8	125.4	90.7	310.9
Others	2.4	8.1	8.8	19.3
<b>Total revenue</b>	<b>247.6</b>	<b>305.9</b>	<b>184.0</b>	<b>737.5</b>

Year-on-year change	The Langham, Hong Kong	Cordis, Hong Kong	Eaton HK	Total
Rooms	-2.8%	-3.6%	3.2%	-1.9%
Food & Beverages	-7.5%	-10.4%	-5.9%	-8.2%
Others	-42.9%	32.8%	4.8%	3.2%
<b>Total revenue</b>	<b>-5.3%</b>	<b>-5.8%</b>	<b>-1.4%</b>	<b>- 4.6%</b>

	Average Daily Rooms Available		Occupancy		Average Room Rate (in HK\$)		RevPAR (in HK\$)	
	1H 2025	1H 2024	1H 2025	1H 2024	1H 2025	1H 2024	1H 2025	1H 2024
<b>The Langham, Hong Kong</b>	<b>498</b>	498	<b>85.6%</b>	87.7%	<b>1,950</b>	1,947	<b>1,669</b>	1,707
<i>year-on-year growth</i>			<i>-2.1 ppt</i>		<i>+0.2%</i>		<i>-2.2%</i>	
<b>Cordis, Hong Kong</b>	<b>669</b>	667	<b>89.2%</b>	92.3%	<b>1,596</b>	1,596	<b>1,424</b>	1,473
<i>year-on-year growth</i>			<i>-3.1 ppt</i>		<i>-</i>		<i>-3.3%</i>	
<b>Eaton HK</b>	<b>465</b>	465	<b>90.1%</b>	88.5%	<b>1,114</b>	1,093	<b>1,003</b>	967
<i>year-on-year growth</i>			<i>+1.6 ppt</i>		<i>+1.9%</i>		<i>+3.7%</i>	
<b>Hotel Portfolio</b>	<b>1,632</b>	1,630	<b>88.4%</b>	89.8%	<b>1,561</b>	1,559	<b>1,379</b>	1,400
<i>year-on-year growth</i>			<i>-1.4 ppt</i>		<i>+0.1%</i>		<i>-1.5%</i>	

Hong Kong Hotel Markets	Occupancy		Average Room Rate (in HK\$)		RevPAR (in HK\$)	
	1H 2025	1H 2024	1H 2025	1H 2024	1H 2025	1H 2024
<b>High Tariff A</b> <i>year-on-year growth</i>	<b>77.0%</b> <i>+1.0 ppt</i>	76.0%	<b>2,111</b> <i>-9.1%</i>	2,322	<b>1,625</b> <i>-7.9%</i>	1,765
<b>High Tariff B</b> <i>year-on-year growth</i>	<b>87.0%</b> <i>+2.0 ppt</i>	85.0%	<b>974</b> <i>-8.7%</i>	1,067	<b>847</b> <i>-6.6%</i>	907
<b>All Hotels</b> <i>year-on-year growth</i>	<b>85.0%</b> <i>+2.0 ppt</i>	83.0%	<b>1,220</b> <i>-10.8%</i>	1,368	<b>1,037</b> <i>-8.6%</i>	1,135

When benchmarked against the broader Hong Kong hospitality market, The Langham, Hong Kong and Cordis, Hong Kong demonstrated relative resilience in the first half of 2025. Their RevPAR declined by 2.2% and 3.3%, respectively, compared to a 7.9% drop in the High Tariff A market segment, indicating a reasonable performance amid market-wide pricing pressures. Both properties maintained robust occupancy levels, averaging 87.7%, well above the market average of 77.0%, reflecting sustained demand and effective yield management.

Meanwhile, Eaton HK outperformed its High Tariff B market segment, achieving a 3.7% year-on-year increase in RevPAR, while the segment as a whole recorded a 6.6% decline. This outperformance highlights Eaton HK's successful positioning and operational agility in a competitive mid-tier market environment.

### ***Performance of the individual hotels***

**The Langham, Hong Kong** derived approximately 48% of its room revenue from mainland visitors, making this segment a key driver of the room performance. While there were signs of recovery in overnight visitor arrivals, intense competition in the surrounding area, particularly within the mainland visitor segment, prompted the hotel to be agile with its ADR to remain competitive. During the first half of 2025, the hotel successfully maintained its ADR and achieved a healthy occupancy of 85.6% although this represented a slight decline of 2.1 percentage points compared to the same period last year. As a result, RevPAR decreased by 2.2%, settling at HK\$1,669 per night.

F&B revenue declined by 7.5% year-on-year, mainly due to shifting consumption patterns and a reduction in banquet business. Additionally, the closure of a fine dining outlet in July 2024 contributed to the revenue shortfall. Overall, total revenue for the first half of 2025 decreased by 5.3% compared to the same period last year.

At **Cordis, Hong Kong**, room revenue from local and mainland visitor markets accounted for over 41% of overall room performance. The hotel maintained its ADR at the same level as the previous year although occupancy declined of 3.1 percentage points year on year. As a result, revenue per available room RevPAR decreased by 3.3%, settling at HK\$1,424 per night.

F&B revenue declined by 10.4% year-on-year, primarily due to a reduction in banquet activities. This drop was partly attributed to the rescheduling of wedding banquets that had been postponed during the COVID-19 period and subsequently concentrated in early 2024, inflating the prior year's comparative base. Overall, total revenue for the first half of 2025 decreased by 5.8% compared to the same period last year.

**Eaton HK** capitalised on a diverse range of events, including sports tournaments, concerts, and trade exhibitions. The hotel received strong support from both long-haul and short-haul markets, which together contributed over 60% of total room revenue. Benefiting from its prime location, excellent transport connectivity, and attractive brand dynamics, Eaton HK maintained a competitive edge. As a result, it achieved the highest occupancy rate among our hotel portfolio at 90.1%, while ADR increased by 1.9% to HK\$1,114 per night. These factors led to a 3.7% year-on-year rise in RevPAR, reaching HK\$1,003 per night.

Despite some positive momentum from the hotel's Michelin-starred Chinese restaurant, overall F&B revenue declined by 5.9%. This was largely attributed to evolving consumer behaviours and a growing trend of local residents dining in other Greater Bay Area cities outside Hong Kong, which impacted the hotel's buffet and bar operations. Additionally, the banquet segment experienced a downturn due to a notable reduction in wedding events during the year. In total, the hotel's total revenue recorded a slight year-on-year decline of 1.4%.

## OUTLOOK

The broader macroeconomic environment remains clouded by escalating geopolitical tensions, uncertainties in global trade and tariff regimes, and shifting consumer behaviours. These factors continue to reshape the competitive landscape, requiring our Hotels to remain agile and responsive.

The Hotel sector remains sluggish, and well behind all time highs, due to an inability to increase room rates. The outlook for the second half of 2025 appears to be in line with the first half of 2025. As a result, profitability remains under pressure due to below-peak room rates and rising operating costs, especially frontline labour.

To capture emerging opportunities, our Hotels are refining dynamic pricing strategies and enhancing value-added offerings.

The outlook for interest rates remains uncertain, introducing additional complexity into the Trust Group's financial planning. Given that finance costs represent the largest single expense for the Trust Group, management remains vigilant in monitoring rate movements and stands ready to take appropriate actions to mitigate interest rate risks.

While the short-term outlook remains mixed, the longer-term prospects for Hong Kong's hotel industry remain positive. Limited new supply, combined with the Hotels' strategic location, resilient tourism infrastructure, and strong regional connectivity, positions our business for long-term value creation.

## FINANCIAL REVIEW

### *Net Assets Attributable to Holders of Share Stapled Units*

Net Assets Attributable to Holders of Share Stapled Units were HK\$9,310.0 million or HK\$2.70 per Share Stapled Unit as at 30 June 2025 (31 December 2024: HK\$9,502.4 million or HK\$2.77 per Share Stapled Unit), which represents a 400.0% premium to the closing Share Stapled Unit price of HK\$0.54 as at 30 June 2025.

### *Debt Profile*

As at 30 June 2025, the Trust Group's total outstanding borrowings, before the deduction of underwriting fee, amounted to HK\$6,201.6 million, representing a slight decrease from HK\$6,204.6 million as at 31 December 2024. Secured term loans remained unchanged at HK\$6,201.6 million (31 December 2024: HK\$6,201.6 million), bearing floating-rate interest and scheduled for full repayment in December 2027. Secured revolving loan facilities totaled HK\$598.4 million as at both 30 June 2025 and 31 December 2024. The HK\$3.0 million in revolving loans outstanding as at 31 December 2024 was fully repaid in early 2025, resulting in no outstanding balance under revolving loan facilities as at 30 June 2025.

To manage interest rate exposure, the Trust Group implemented a series of Swaps, effectively converting a portion of its floating-rate borrowings into fixed-rate obligations. During the period, additional Swaps were executed with a total notional amount of HK\$1,100.0 million, increasing the total notional amount of Swaps to HK\$2,600.0 million as at 30 June 2025, up from HK\$1,500.0 million as at 31 December 2024. As at 30 June 2025, 41.9% of the Trust Group's total outstanding bank borrowings (before accounting for the underwriting fee) of HK\$6,201.6 million (31 December 2024: HK\$6,204.6 million) were hedged at a weighted average fixed swap rate of 3.59% per annum, compared to 24.2% hedged at 3.99% per annum as at 31 December 2024.

The Trust Group will continue to actively monitor interest rate trends and, subject to prevailing market conditions, may consider further mitigating its interest rate exposure by converting a portion of its remaining floating-rate bank borrowings into fixed-rate obligations through additional Swaps, as deemed appropriate.

As at 30 June 2025, the total gross assets of the Trust Group were HK\$16,087.4 million (31 December 2024: HK\$16,238.3 million). The gearing ratio, calculated as total outstanding borrowings as a percentage of total gross assets, was 38.5% (31 December 2024: 38.2%).

### ***Cash Position***

As at 30 June 2025, excluding the restricted bank balance of HK\$51.0 million (31 December 2024: nil) held to maintain the minimum interest coverage ratio required under the bank facilities agreement, the Trust Group maintained a cash balance of HK\$241.2 million (31 December 2024: HK\$293.4 million). This cash reserve is designated to support asset enhancement initiatives for the Hotels and to meet ongoing working capital and operational requirements.

In addition, the Trust Group had access to undrawn revolving loan facilities totaling HK\$598.4 million as at 30 June 2025 (31 December 2024: HK\$595.4 million), providing further liquidity flexibility.

### ***Pledge of Assets***

As at 30 June 2025, restricted bank balance and all investment properties (31 December 2024: 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***

The Trust Group did not have any significant commitments as at 30 June 2025 and 31 December 2024.

## **COMPLIANCE WITH CORPORATE GOVERNANCE CODE**

Pursuant to the Trust Deed, 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.

During the six-month period ended 30 June 2025, 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 not applicable to the Trustee-Manager because the Directors of the Trustee-Manager shall at all times comprise the same individuals who serve as Directors of the Company as required by the Trust Deed. The requirement to establish a Remuneration Committee is also not applicable to 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 Trustee-Manager and the Company have 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 had fully complied with the Code of Conduct for Securities Transactions for the six-month period ended 30 June 2025.

## 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 six-month period ended 30 June 2025, 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 30 June 2025, the total number of issued Share Stapled Units of the Trust and the Company was 3,444,141,132. As compared with the position of 31 December 2024, 10,594,487 new Share Stapled Units were issued during the reporting period, representing approximately 0.31% of the total number of issued Share Stapled Units as at 30 June 2025.

Date	Particulars	No. of Issued Share Stapled Units
31 December 2024	Total number of issued Share Stapled Units	3,433,546,645
28 February 2025	Issue of new Share Stapled Units at the price of HK\$0.470 per Share Stapled Unit as partial payment of the Hotel Manager’s Fees to the Hotel Manager of HK\$4,979,409 for the second half of 2024 pursuant to the approval of independent Holders of Share Stapled Units	10,594,487
<b>30 June 2025</b>	<b>Total number of issued Share Stapled Units</b>	<b>3,444,141,132 (Note)</b>

Note: The total number of issued Share Stapled Units does not include 46,320,885 deferred Share Stapled Units (the “Deferred Share Stapled Units”). The Deferred Share Stapled Units, as partial payment of the Hotel Manager’s Fees for the six-month period ended 31 December 2024, will be issued at a price of HK\$0.470 per Share Stapled Unit within three years from the payment deadline day of 28 February 2025, and subject to the public float requirement. If any of the Deferred Share Stapled Units remain unissued on the last business day of the three-year buffer period, all such outstanding part of the Hotel Manager’s Fees will be paid in cash without interest. Please refer to the announcement of the Trust and the Company dated 27 February 2025 for further details.

## REVIEW OF INTERIM RESULTS

The unaudited condensed consolidated financial statements of the Trust Group and unaudited condensed financial statements of the Trustee-Manager for the six-month period ended 30 June 2025 were prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have also been reviewed by the Audit Committees of the Trustee-Manager and the Company. Such financial information has been reviewed by Deloitte Touche Tohmatsu, the independent auditor of the Trustee-Manager and the Company, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA.

## BOARD OF DIRECTORS

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

<sup>#</sup> 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, 12 August 2025

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME OF THE TRUST AND OF THE COMPANY  
FOR THE SIX MONTHS ENDED 30 JUNE 2025

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	<u>NOTES</u>	Six months ended 30 June <u>2025</u> HK\$'000 (unaudited)	<u>2024</u> HK\$'000 (unaudited)
Revenue	4	184,823	191,166
Property related expenses		<u>(10,907)</u>	<u>(10,210)</u>
Net property income		173,916	180,956
Other income		4,194	1,979
(Decrease) increase in fair value of investment properties		(143,327)	37,373
Change in fair value of derivative financial instruments		(27,317)	15,912
Change related to settlement arrangement of hotel management fees and licence fee		-	(14,634)
Administrative and other expenses		(6,357)	(8,038)
Finance costs	6	<u>(137,726)</u>	<u>(162,843)</u>
(Loss) profit before tax		(136,617)	50,705
Income tax expense	7	<u>(5,637)</u>	<u>(7,685)</u>
<b>(Loss) profit and total comprehensive (expense) income for the period attributable to holders of Share Stapled Units</b>	10	<u>(142,254)</u>	<u>43,020</u>
<b>(Loss) earnings per Share Stapled Unit</b>			
Basic and diluted	11	<u>(HK4 cent)</u>	<u>HK1 cent</u>

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE TRUST AND  
OF THE COMPANY  
AT 30 JUNE 2025

	<u>NOTES</u>	At 30 June 2025 HK\$'000 (unaudited)	At 31 December 2024 HK\$'000 (audited)
<b>Non-current assets</b>			
Property, plant and equipment		928	908
Investment properties		15,764,000	15,895,000
Deposits	12	8,222	8,838
		<u>15,773,150</u>	<u>15,904,746</u>
<b>Current assets</b>			
Debtors, deposits and prepayments	12	14,579	32,678
Tax recoverable		7,467	7,518
Restricted bank balance		51,000	-
Bank balances		241,233	293,402
		<u>314,279</u>	<u>333,598</u>
<b>Current liabilities</b>			
Creditors, deposits and accruals	13	65,844	61,131
Derivative financial instruments		12,920	2,974
Lease liabilities due within one year		689	610
Tax payable		24,599	22,465
		<u>104,052</u>	<u>87,180</u>
<b>Net current assets</b>		<u>210,227</u>	<u>246,418</u>
<b>Total assets less current liabilities</b>		<u>15,983,377</u>	<u>16,151,164</u>
<b>Non-current liabilities</b>			
Derivative financial instruments		17,371	-
Secured bank loans due after one year		6,168,404	6,164,604
Lease liabilities due after one year		239	283
Deferred tax liabilities		487,318	483,866
		<u>6,673,332</u>	<u>6,648,753</u>
<b>NET ASSETS</b>		<u>9,310,045</u>	<u>9,502,411</u>
<b>Capital and reserves</b>			
Issued capital/units		3,444	3,434
Reserves		<u>9,306,601</u>	<u>9,498,977</u>
<b>TOTAL EQUITY</b>		<u>9,310,045</u>	<u>9,502,411</u>

NOTES TO THE TRUST AND THE COMPANY'S CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2025

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**1. GENERAL**

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 "Listing Date").

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

**2. BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

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 condensed consolidated financial statements for the six months ended 30 June 2025 comprise the condensed consolidated financial statements of the Trust, the Company and its subsidiaries (collectively referred to as the "Trust Group"). The Company's condensed consolidated financial statements for the six months ended 30 June 2025 comprise the condensed 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 period ended 30 June 2025 was investment in the Company. Therefore, the condensed consolidated results and financial position that would be presented in the condensed consolidated financial statements of the Trust Group are identical to the condensed consolidated financial statements of the Group with the only differences being the disclosures of capital. The Trustee-Manager and the directors of the Company (the "Directors") believe therefore that it is clearer to present the condensed consolidated financial statements of the Trust Group and the Group together. The condensed consolidated financial statements of the Trust Group and the condensed consolidated financial statements of the Groups are presented together to the extent they are identical and are hereinafter referred as "the Trust and the Company's Condensed Consolidated Financial Statements".

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

### 3. BASIS OF PREPARATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND PRINCIPAL ACCOUNTING POLICIES

#### 3.1 Basis of preparation of condensed consolidated financial statements

The Trust and the Company's Condensed Consolidated Financial Statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") as well as the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

#### 3.2 Principal accounting policies

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and derivative financial instruments, which are measured at fair values.

Other than the change in accounting policies resulting from application of amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the Groups' annual consolidated financial statements for the year ended 31 December 2024.

#### *Application of amendments to HKFRS Accounting Standards*

In the current interim period, the Groups have applied the following amendment to a HKFRS Accounting Standard issued by the HKICPA, for the first time, which are mandatorily effective for the Groups' annual period beginning on 1 January 2025 for the preparation of the Groups' condensed consolidated financial statements:

Amendments to HKAS 21                      Lack of Exchangeability

The application of the amendments to a HKFRS Accounting Standard in the current interim period has had no material impact on the Groups' financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

### 4. REVENUE

	Six months ended 30 June	
	<u>2025</u>	<u>2024</u>
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Rental income from GE (LHIL) Lessee Limited (the "Master Lessee ") (Note)		
Base rent	111,575	111,885
Variable rent	108,520	116,226
Service fees expenses	(36,106)	(37,871)
	<u>183,989</u>	<u>190,240</u>
Rental income from retail shops in Eaton HK	834	926
	<u>184,823</u>	<u>191,166</u>

#### 4. REVENUE - continued

Note: Included in rental income from Master Lessee, service fees income of HK\$36,106,000 (six months ended 30 June 2024: HK\$37,871,000) has been netted with the same amount of the corresponding service fees expenses.

#### 5. 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 operation 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 periods under review.

##### Six months ended 30 June 2025

	The Langham, <u>Hong Kong</u> HK\$'000 (unaudited)	Cordis, <u>Hong Kong</u> HK\$'000 (unaudited)	Eaton HK HK\$'000 (unaudited)	Segment total HK\$'000 (unaudited)	Reconciliation HK'000 (unaudited) (note)	Consolidated HK'000 (unaudited)
Segment revenue	<u>77,631</u>	<u>97,100</u>	<u>46,198</u>	<u>220,929</u>	<u>(36,106)</u>	<u>184,823</u>
Segment results	<u>62,316</u>	<u>75,866</u>	<u>35,734</u>	<u>173,916</u>	<u>-</u>	<u>173,916</u>
Other income						4,194
Decrease in fair value of investment properties						(143,327)
Change in fair value of derivative financial instruments						(27,317)
Change related to settlement arrangement of hotel management fees and licence fee						-
Administrative and other expenses						(6,357)
Finance costs						(137,726)
Loss before tax						(136,617)
Income tax expense						<u>(5,637)</u>
Loss for the period attributable to holders of Share Stapled Units						<u>(142,254)</u>

## 5. SEGMENT INFORMATION - continued

### Segment revenue and results - continued

Six months ended 30 June 2024

	The Langham, <u>Hong Kong</u> HK\$'000 (unaudited)	Cordis, <u>Hong Kong</u> HK\$'000 (unaudited)	Eaton <u>HK</u> HK\$'000 (unaudited)	Segment total HK\$'000 (unaudited)	Reconciliation HK\$'000 (unaudited) (note)	Consolidated HK\$'000 (unaudited)
Segment revenue	<u>80,786</u>	<u>100,984</u>	<u>47,267</u>	<u>229,037</u>	<u>(37,871)</u>	<u>191,166</u>
Segment results	<u>65,099</u>	<u>79,089</u>	<u>36,768</u>	<u>180,956</u>	<u>-</u>	<u>180,956</u>
Other income						1,979
Increase in fair value of investment properties						37,373
Change in fair value of derivative financial instruments						15,912
Change related to settlement arrangement of hotel management fees and licence fee						(14,634)
Administrative and other expenses						(8,038)
Finance costs						(162,843)
Profit before tax						50,705
Income tax expense						(7,685)
Profit for the period attributable to holders of Share Stapled Units						<u>43,020</u>

Note: Reconciliation represents netting of service fees income of HK\$36,106,000 (six months ended 30 June 2024: HK\$37,871,000) with the same amount of the corresponding service fees expenses (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 values 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\$5,410,000,000, HK\$6,770,000,000 and HK\$3,584,000,000 (31 December 2024: HK\$5,440,000,000, HK\$6,840,000,000 and HK\$3,615,000,000), respectively.

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

## 6. FINANCE COSTS

	Six months ended 30 June	
	<u>2025</u>	<u>2024</u>
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Interest on bank borrowings	122,155	162,063
Net interest on interest rate swaps	8,346	(4,151)
Underwriting/loan extension fee amortisation	6,800	4,685
Interest on lease liabilities	23	11
Other borrowing costs	402	235
	<u>137,726</u>	<u>162,843</u>

## 7. INCOME TAX EXPENSE

	Six months ended 30 June	
	<u>2025</u>	<u>2024</u>
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Hong Kong Profits Tax:		
Current tax		
- Current period	2,185	1,246
Deferred tax		
- Current period	3,452	6,430
- Underprovision in prior year	-	9
	<u>5,637</u>	<u>7,685</u>

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

## 8. TOTAL DISTRIBUTABLE INCOME

Total distributable income is the (loss) profit for the period 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 condensed 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 periods are set out below:

	Six months ended 30 June	
	<u>2025</u>	<u>2024</u>
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
(Loss) profit for the period attributable to holders of Share Stapled Units	(142,254)	43,020
Adjustments:		
Depreciation	447	559
Deferred tax	3,452	6,439
Underwriting/loan extension fee amortisation	6,800	4,685
Hotel management fees and licence fee payable in form of Share Stapled Units	-	29,563
Decrease (increase) in fair value of investment properties	143,327	(37,373)
Change in fair value of derivative financial instruments	27,317	(15,912)
Change related to settlement arrangement of hotel management fees and licence fee	-	14,634
Reserve for furniture, fixtures and equipment	(11,062)	(11,593)
Total distributable income	<u>28,027</u>	<u>34,022</u>

## 9. DISTRIBUTION STATEMENT

	<u>NOTE</u>	Six months ended 30 June <u>2025</u> HK\$'000 (unaudited)	<u>2024</u> HK\$'000 (unaudited)
<u>Interim distribution period (note a)</u>			
Total distributable income in respect of the six months ended 30 June 2025 (six months ended 30 June 2024: in respect of the six months ended 30 June 2024)	8	28,027	34,022
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 2024 (six months ended 30 June 2024: in respect of the financial year ended 31 December 2023)		113,022	297,613
Less: distributable income paid for interim distribution period		-	-
Distributable income available for final distribution period		113,022	297,613
Percentage of distributable income for distribution (note b)		48%	-
Distributable income for final distribution period		54,251	-
Final distribution (note c)		54,251	-
<b>Distribution per Share Stapled Unit</b>			
Interim distribution per Share Stapled Unit in respect of the six months ended 30 June 2025 (six months ended 30 June 2024: in respect of the six months ended 30 June 2024)		-	-
Final distribution per Share Stapled Unit in respect of the financial year ended 31 December 2024 (six months ended 30 June 2024: in respect of the financial year ended 31 December 2023) (note c)		HK1.6 cents	-



## 9. DISTRIBUTION STATEMENT - continued

Notes:

- (a) The interim distribution in 2025 and 2024 were based on total distributable income for the six months ended 30 June 2025 and 2024, 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) The Board of the Company has resolved not to declare any of the total distribution income for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

48% of the total distributable income was distributed 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.

- (c) Final distribution

Financial distribution per Share Stapled Unit of HK1.6 cents in respect of the financial year ended 31 December 2024 was calculated based on distributable income available for final distribution period of HK\$54,251,000 and 3,433,546,645 Share Stapled Units as at 31 December 2024. In consideration of 10,594,487 Share Stapled Units issued as partial payment of hotel management fees and licence fee for the six months ended 31 December 2024 on 28 February 2025, the number of Share Stapled Units entitled for final distribution in 2024 had been adjusted to be 3,444,141,132. Total distribution of HK\$55,106,000 in respect of 2024 final distribution period was paid on 4 June 2025.

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

## 10. (LOSS) PROFIT AND TOTAL COMPREHENSIVE (EXPENSE) INCOME FOR THE PERIOD ATTRIBUTABLE TO HOLDERS OF SHARE STAPLED UNITS

	Six months ended 30 June <u>2025</u> HK\$'000 (unaudited)	<u>2024</u> HK\$'000 (unaudited)
(Loss) profit and total comprehensive (expense) income for the period has been arrived at after charging (crediting):		
Staff costs (including Directors' emoluments) (Note)	3,275	3,231
Depreciation	447	559
Interest income	(3,870)	(1,500)
	<u>          </u>	<u>          </u>

Note: The Groups recognised the total expenses of HK\$15,000 (six months ended 30 June 2024: HK\$9,000) for the six months ended 30 June 2025 in relation to share options granted by the ultimate holding company under share option scheme.

# 11. BASIC AND DILUTED (LOSS) EARNINGS PER SHARE STAPLED UNIT

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

	Six months ended 30 June <u>2025</u> HK\$'000 (unaudited)	<u>2024</u> HK\$'000 (unaudited)
<b>(Loss) profit</b>		
(Loss) profit for the period for the purposes of basic and diluted earnings per Share Stapled Unit	<u>(142,254)</u>	<u>43,020</u>
	Six months ended 30 June <u>2025</u> '000 (unaudited)	<u>2024</u> '000 (unaudited)
<b>Number of Share Stapled Units</b>		
Weighted average number of Share Stapled Units for the purposes of basic and diluted earnings per Share Stapled Unit	<u>3,440,746</u>	<u>3,361,407</u>

Note: The basic and diluted loss per unit for the six months ended 30 June 2025 is the same as it is anti-dilutive (for the six months ended 30 June 2024: same as the impact is immaterial).

## 12. DEBTORS, DEPOSITS AND PREPAYMENTS

	At 30 June <u>2025</u> HK\$'000 (unaudited)	At 31 December <u>2024</u> HK\$'000 (audited)
Receivable from Master Lessee	13,314	29,417
Lease receivable	5	67
Deferred rent receivable	161	204
Other receivables	332	529
Deposits and prepayments	8,989	11,299
	<u>22,801</u>	<u>41,516</u>
Less: deposits paid to contractors for hotel renovation classified as non-current assets	<u>(8,222)</u>	<u>(8,838)</u>
Debtors, deposits and prepayments classified as current assets	<u>14,579</u>	<u>32,678</u>

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:

	At 30 June <u>2025</u> HK\$'000 (unaudited)	At 31 December <u>2024</u> HK\$'000 (audited)
Within 3 months	<u>13,319</u>	<u>29,484</u>

Receivable from Master Lessee represents amount due from a fellow subsidiary of HK\$13,314,000 (31 December 2024: HK\$29,417,000), which was unsecured, interest free and repayable on presentation of invoices.

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.

### 13. CREDITORS, DEPOSITS AND ACCRUALS

	At 30 June <u>2025</u> HK\$'000 (unaudited)	At 31 December <u>2024</u> HK\$'000 (audited)
Trade creditors	50,895	34,498
Accruals and other payables	13,461	23,440
Construction fee payables	911	2,616
Deposits received	577	577
	<u>65,844</u>	<u>61,131</u>

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

	At 30 June <u>2025</u> HK\$'000 (unaudited)	At 31 December <u>2024</u> HK\$'000 (audited)
Within 3 months	13,795	20,758
More than 3 months and within 6 months	15,328	13,740
More than 6 months	21,772	-
	<u>50,895</u>	<u>34,498</u>

Trade creditors represent amounts due to fellow subsidiaries of HK\$50,895,000 (31 December 2024: HK\$34,498,000), which are unsecured, interest-free and payable on presentation of invoices. Included in trade creditors is an amount due to a fellow subsidiary of HK\$21,772,000 (31 December 2024: Nil), relating to outstanding hotel management fees and licence fee for the second half of 2024. This amount will be settled through the allotment and issuance of 46,320,885 Share Stapled Units. Due to the public float requirement under the Listing Rules, the allotment and issuance of these Share Stapled Units will be carried out in one or more batch(es), on any business day(s) within three years from 28 February 2025, provided that the public float requirement is satisfied on the relevant allotment and issuance date. If any of the deferred Share Stapled Units remain unissued on the last business day of the three-year buffer period, all such outstanding part of the hotel management fees and licence fee will be paid in cash without interest. These deferred Share Stapled Units will not be entitled to any distribution until they are allotted and issued.

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\$218,000 (31 December 2024: HK\$106,000), which are unsecured, interest-free and payable on presentation of invoices.

Included in construction fee payable is retention money payables to contractors of HK\$200,000 (31 December 2024: HK\$578,000), which are payable within one year (31 December 2024: within one year).

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF  
 LHIL MANAGER LIMITED  
 FOR THE SIX MONTHS ENDED 30 JUNE 2025

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	<u>NOTE</u>	Six months ended 30 June <u>2025</u> HK\$ (unaudited)	<u>2024</u> HK\$ (unaudited)
Revenue		-	-
Administrative expenses		11,857	11,857
Less: Amount borne by a fellow subsidiary And Trust Property (as defined in note 1)		<u>(11,857)</u>	<u>(11,857)</u>
<b>Profit or loss before tax</b>		-	-
Income tax	3	<u>-</u>	<u>-</u>
<b>Profit or loss and other comprehensive income/expense for the period</b>		<u>-</u>	<u>-</u>

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CONDENSED STATEMENT OF FINANCIAL POSITION OF LHIL MANAGER LIMITED  
AT 30 JUNE 2025

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	At 30 June <u>2025</u> HK\$ (unaudited)	At 31 December <u>2024</u> HK\$ (audited)
<b>Current asset</b>		
Cash on hand	<u>1</u>	<u>1</u>
<b>NET ASSET</b>	<u><u>1</u></u>	<u><u>1</u></u>
 <b>Capital</b>		
Share capital	<u>1</u>	<u>1</u>
<b>TOTAL EQUITY</b>	<u><u>1</u></u>	<u><u>1</u></u>

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## **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 refer to as 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 periods, thus the distribution statement is not presented.

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

## **2. BASIS OF PREPARATION OF CONDENSED FINANCIAL STATEMENTS AND PRINCIPAL ACCOUNTING POLICIES**

### **2.1 Basis of preparation of condensed financial statements**

The condensed financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") pursuant to the Trust Deed.

## **2. BASIS OF PREPARATION OF CONDENSED FINANCIAL STATEMENTS AND PRINCIPAL ACCOUNTING POLICIES - continued**

### **2.1 Basis of preparation of condensed financial statements - continued**

The financial information relating to the year ended 31 December 2024 that is included in these condensed financial statements as comparative information does not constitute the Company's statutory annual financial statements for that year but is derived from those financial statements. Further information relating to those statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

As the Company is a private company, it is not required to deliver its financial statements to the Registrar of Companies, and the Company has not done so.

The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

### **2.2 Principal accounting policies**

The condensed financial statements have been prepared on the historical cost basis.

The accounting policies and methods of computation used in the condensed financial statements for the six months ended 30 June 2025 are the same as those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2024.

#### ***Application of amendments to HKFRS Accounting Standards***

In the current interim period, the Company has applied the following amendment to a HKFRS Accounting Standard issued by the HKICPA, for the first time, which are mandatorily effective for the Company's annual period beginning on 1 January 2025 for the preparation of the Company's condensed financial statements:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to a HKFRS Accounting Standard in the current interim period has had no material impact on the amounts reported and/or disclosures set out in these condensed financial statements.

## **3. INCOME TAX**

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