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# LANGHAM

HOSPITALITY INVESTMENTS

## **Langham Hospitality Investments**

*(As constituted pursuant to a deed of trust on 8 May 2013 under the laws of Hong Kong, the trustee of which is LHIL Manager Limited)*

and

## **Langham Hospitality Investments Limited**

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 1270)

## **2025 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 2025 as follows:

### **FINANCIAL HIGHLIGHTS**

<b>(in HK\$ million, unless otherwise specified)</b>	<b>2025</b>	<b>2024</b>	<b>Change</b>
Revenue of hotel portfolio	1,575.3	1,587.7	-0.8%
Aggregate gross operating profit before deduction of the global marketing fee of hotel portfolio	509.3	509.0	0.1%
Total rental income for the Trust Group after netting service fees	401.9	401.8	-
Profit attributable to Holders of Share Stapled Units	54.2	231.7	-76.6%
Profit attributable to Holders of Share Stapled Units excluding fair value changes on investment properties and derivative financial instruments, and fair value change related to settlement arrangement of hotel management fees and licence fee (“Hotel Manager’s Fees”)	97.0	50.5	92.1%
Distributable income	137.8	113.0	21.9%
Interim distribution per Share Stapled Unit	-	-	-
Final distribution per Share Stapled Unit	HK3.2 cents	HK1.6 cents	100.0%
Annual distribution per Share Stapled Unit	HK3.2 cents	HK1.6 cents	100.0%

## FINANCIAL HIGHLIGHTS (continued)

As at	31 Dec 2025	30 Jun 2025	31 Dec 2024
Gross value of hotel portfolio (in HK\$ million)	15,895	15,764	15,895
Net asset value per Share Stapled Unit	HK\$2.73	HK\$2.70	HK\$2.77
Gearing ratio	38.0%	38.5%	38.2%

## MANAGEMENT DISCUSSION AND ANALYSIS

### OVERVIEW

In 2025, Hong Kong welcomed 49.9 million visitor arrivals, representing a 12.1% year-on-year increase with overnight visitors accounting for 46.5% of total arrivals, or approximately 23.2 million guests. While this reflects a healthy 5.7% uplift from the previous year, overnight volumes have yet to return fully to pre-pandemic levels, reaching only 79.2% of those recorded in 2018.

Mainland China remained Hong Kong's most significant feeder market, contributing 65.3% of overnight arrivals in 2025 however increased by a mere 2.4% over 2024 levels. Short-haul markets excluding the Mainland China accounted for 23.1% of arrivals recording a 9.5% uplift from previous year, while Long-haul markets comprised the remaining 11.6% and growing a robust 19.1% over 2024 levels.

Our hotel portfolio (the "Hotels") delivered a stable performance in 2025, supported by the above growth in inbound travel to Hong Kong. Large-scale entertainment and sporting events, conventions and festivals provided additional momentum and were supported by the growing success of the new Kai Tak Stadium and Sports Park.

The Hotels sustained a high occupancy level of 91.0%, broadly in line with last year's performance, while average room rate ("ADR") pushed up 2.0% year on year to HK\$1,610 per night combining to post a 2.1% increase in revenue per available room ("RevPAR"). These outcomes reflect the Hotels' continued emphasis on maintaining rate integrity and capturing demand across all segments.

In contrast, the Food and Beverage ("F&B") segment recorded a year-on-year revenue decline of 3.6%. This contraction was driven by shifting consumer dining preferences and a structural softening in banquet activities, particularly to smaller-scale events. The relative banquet result was also affected by an abnormally high base in the beginning of the prior year, which benefitted from a surge in deferred wedding banquets that were rescheduled and concentrated in early 2024 following the COVID-19 pandemic.

Despite the mixed performance across the Rooms and F&B segments, the Hotels' aggregate gross operating profit, before deduction of the global marketing fee, remained stable year on year at HK\$509.3 million.

Most of the expenses remained relatively in-line with last year although total finance costs decreased by 19.9% year-on-year to HK\$258.1 million in 2025 representing a saving of HK\$64.1 million over the previous year.

As at 31 December 2025, the hotel portfolio was valued at HK\$15,895 million, broadly consistent with the prior year and reflecting continued market stabilization. The Hotels' strong operational performance in the final quarter of 2025 showed clear signs of momentum and recovery.

The Group's profit attributable to Holders of Share Stapled Units came in at HK\$54.2 million. After adjusting for non-cash items, total distributable income rose by 21.9% year on year to HK\$137.8 million. In view of the Hotels' stable operating performance and asset values, the Trustee-Manager Board has recommended a final distribution of HK3.2 cents per Share Stapled Unit, representing 80% of the distributable income, subject to approval at the forthcoming Annual General Meeting. Although the Group's distribution policy expresses an intention to distribute not less than 90% of distributable income, recommending an 80% distribution represents a balanced approach that aligns investor returns with prudent financial management. Retaining a modest portion of income strengthens cash reserves to support ongoing operational needs, upcoming capital and asset management commitments, and potential market uncertainties. This ensures the Group can maintain sustainable, stable distributions over time while safeguarding long-term unitholder value.

## **OPERATIONAL REVIEW**

As the Hotels of the Trust Group are leased to the 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 2025, the Trust Group reported fixed rental income of HK\$225.0 million, reflecting continued stability in its core rental stream. Variable rent contributed a further HK\$254.6 million during the year. Including rental income of HK\$1.7 million from the retail shops at Eaton HK, total rental income before service fees amounted to HK\$481.3 million, remaining broadly in line with last year's level.

Following the deduction of HK\$79.4 million in service fees, the Trust Group reported net rental income of HK\$401.9 million, further reflecting stable performance year on year.

(in HK\$ million)	2025	2024	Change
Fixed rental income	225.0	225.0	-
Variable rental income	254.6	254.5	-
Rental income from retail shops	1.7	1.7	-
<b>Total rental income before service fees</b>	<b>481.3</b>	<b>481.2</b>	-
Service fees expenses	(79.4)	(79.4)	-
<b>Total rental income for the Trust Group</b>	<b>401.9</b>	<b>401.8</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.

The global marketing fee is settled in cash, while the Hotel Manager's Fees may, at the discretion of the Hotel Manager, be settled in cash, in Share Stapled Units, or through a combination of both. For the financial year 2025, the Hotel Manager elected to settle its fees for the first half of the year entirely in cash and for the second half entirely in Share Stapled Units. This election had no impact on the Trust Group's total expenses but affected the allocation between cash outflows and non-cash expenses.

In 2025, the Hotels recorded a moderate improvement in room performance, while the food and beverage segment experienced a slight downturn compared with the previous year. Despite these mixed trends, overall operating performance of the Hotels showed a marginal year-on-year increase. Correspondingly, hotel management fees decreased by 0.4% to HK\$46.2 million, and licence fees declined by 0.6% to HK\$15.8 million, whereas the global marketing fee increased by 1.8% to HK\$17.4 million. In aggregate, total service fees payable to the hotel management companies amounted to HK\$79.4 million, remaining broadly in line with the prior year.

(in HK\$ million)	2025	2024	Change
Hotel management fees	(46.2)	(46.4)	-0.4%
Licence fee	(15.8)	(15.9)	-0.6%
Global marketing fee	(17.4)	(17.1)	1.8%
<b>Total service fees</b>	<b>(79.4)</b>	<b>(79.4)</b>	-

Hotel property-related expenses rose by 3.8% year on year to HK\$21.6 million, primarily driven by higher insurance premiums and elevated government rent and rates. Consequently, the Trust Group's net property income declined to HK\$380.3 million, representing a slight decrease of 0.2% compared to the prior year.

(in HK\$ million)	2025	2024	Change
<b>Total rental income after service fees</b>	401.9	401.8	-
Hotel property related expenses	<u>(21.6)</u>	<u>(20.8)</u>	3.8%
<b>Net property income</b>	<b>380.3</b>	<b>381.0</b>	<b>-0.2%</b>

Total finance costs decreased by 19.9% year on year to HK\$258.1 million in 2025. The decline was primarily driven by a 30.8% reduction in interest expenses on bank borrowings, reflecting the impact of a lower average HIBOR during the year. This benefit was partially offset by net interest expenses arising from the Group's interest rate swap arrangements ("Swaps"), in contrast to 2024 when the Swaps generated net interest income.

The reversal in swap performance was attributable to the average HIBOR in 2025 falling below the fixed rates under the Swaps, resulting in a net cost to the Trust Group. Conversely, the higher HIBOR environment in 2024 rendered the Swaps favourable, contributing net interest income in that year. Overall, movements in finance costs for the year were largely driven by the prevailing lower interest-rate environment.

The amortisation of the underwriting fee amounted to HK\$13.6 million for the year, representing 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, aligning with the expiry of the loan facilities in December 2027.

During the year, Swaps with an aggregate notional amount of HK\$1,500.0 million matured. To manage the Trust Group's interest rate exposure and maintain an appropriate hedged ratio, the Trust Group entered into a series of new Swaps with an aggregate notional amount of HK\$2,290.0 million, of which HK\$310.0 million will become effective after 31 December 2025. Following these transactions, the aggregate notional amount of effective Swaps increased from HK\$1,500.0 million as at 31 December 2024 to HK\$1,980.0 million as at 31 December 2025, representing 31.9% of the Group's total outstanding bank borrowings (before deduction of 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.

<b>(in HK\$ million)</b>	<b>2025</b>	<b>2024</b>	<b>Change</b>
<b>Breakdown of finance costs</b>			
Interest expense on bank borrowings	(220.1)	(318.1)	-30.8%
Net interest on interest rate swaps	(23.0)	6.3	n.m.
Underwriting/loan extension fee amortisation	(13.6)	(9.6)	41.7%
Other borrowing costs	<u>(1.4)</u>	<u>(0.8)</u>	75.0%
<b>Total finance costs</b>	<b>(258.1)</b>	<b>(322.2)</b>	<b>-19.9%</b>

Net profit after tax for 2025 was HK\$54.2 million. Excluding the impact of fair value changes, the Trust Group recorded an underlying net profit after tax of HK\$97.0 million, representing a year-on-year increase of 92.1% or HK\$46.5 million. The 19.9% reduction in finance costs, amounting to HK\$64.1 million, was the principal factor contributing to the significant uplift in profit attributable to Holders of Share Stapled Units before fair value changes.

<b>(in HK\$ million)</b>	<b>2025</b>	<b>2024</b>	<b>Change</b>
<b>Net property income</b>	380.3	381.0	-0.2%
Interest and other income	6.7	5.4	24.1%
(Decrease)/increase in fair value of investment properties (hotel portfolio)	(26.6)	186.5	n.m.
Change in fair value of derivative financial instruments (interest rate swaps)	(16.2)	9.3	n.m.
Fair value change related to settlement arrangement of Hotel Manager's Fees	-	(14.6)	-100.0%
Administrative and other expenses	(12.0)	(15.7)	-23.6%
Finance costs	<u>(258.1)</u>	<u>(322.2)</u>	-19.9%
<b>Profit before tax</b>	<b>74.1</b>	<b>229.7</b>	<b>-67.7%</b>
Income tax (expense) credit	<u>(19.9)</u>	<u>2.0</u>	n.m.
<b>Profit attributable to Holders of Share Stapled Units</b>	<b>54.2</b>	<b>231.7</b>	<b>-76.6%</b>
<b>Profit attributable to Holders of Share Stapled Units excluding fair value changes on investment properties and derivative financial instruments, and fair value change related to settlement arrangement of Hotel Manager's Fees</b>	<b>97.0</b>	<b>50.5</b>	<b>92.1%</b>

To derive the Trust Group's distributable income, profit attributable to Holders of Share Stapled Units was adjusted for certain non-cash items of the Trust Group for the relevant distribution period. For the year, these adjustments included decrease in fair value of investment properties, change in fair value of the derivative financial instruments, Hotel Manager's Fees payable in the form of Share Stapled Units, 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\$137.8 million for the year.

(in HK\$ million)	2025	2024	Change
<b>Profit attributable to Holders of Share Stapled Units</b>	54.2	231.7	-76.6%
Adjustments:			
Decrease (increase) in fair value of investment properties	26.6	(186.5)	n.m.
Change in fair value of derivative financial instruments	16.2	(9.3)	n.m.
Fair value 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	34.0	62.3	-45.4%
Underwriting/loan extension fee amortisation	13.6	9.6	41.7%
Deferred tax	16.0	13.3	20.3%
Depreciation	0.8	1.1	-27.3%
Reserve for furniture, fixtures and equipment	<u>(23.6)</u>	<u>(23.8)</u>	-0.8%
<b>Distributable income</b>	<u>137.8</u>	<u>113.0</u>	21.9%
<b>Recommended distribution</b>	<u>110.2</u>	<u>54.3</u>	102.9%
<b>Payout ratio</b>	<u>80%</u>	<u>48%</u>	32% pt.
<b>Final distribution per Share Stapled Unit</b>	<u>HK3.2 cents</u>	<u>HK1.6 cents</u>	100.0%

Final distributable income rose 21.9% to HK\$137.8 million. It was recommended to distribute 80% of this income to Unitholders, representing HK\$110.2 million or HK3.2 cents per Share Stapled Unit. Although the distribution policy indicates an intention to distribute not less than 90% of distributable income, an 80% payout is recommended to maintain prudent cash reserves for operational needs, capital commitments, and market uncertainties. For comparison, final distribution paid to unitholders in 2024 was HK\$54.3 million or HK1.6 cents per Share Stapled Unit.

## Hotel Performance

Revenue breakdown (in HK\$ million)	The Langham, Hong Kong	Cordis, Hong Kong	Eaton HK	Total
Rooms	321.4	371.9	179.0	872.3
Food & Beverage	202.9	271.2	190.7	664.8
Others	4.2	15.5	18.5	38.2
<b>Total revenue</b>	<b>528.5</b>	<b>658.6</b>	<b>388.2</b>	<b>1,575.3</b>

Year-on-year change	The Langham, Hong Kong	Cordis, Hong Kong	Eaton HK	Total
Rooms	0.8%	1.6%	4.9%	2.0%
Food & Beverage	-0.9%	-6.2%	-2.8%	-3.6%
Others	-52.3%	3.3%	-	-9.7%
<b>Total revenue</b>	<b>-0.7%</b>	<b>-1.7%</b>	<b>0.8%</b>	<b>- 0.8%</b>

	Average Daily Rooms Available		Occupancy		Average Room Rate (in HK\$)		RevPAR (in HK\$)	
	2025	2024	2025	2024	2025	2024	2025	2024
<b>The Langham, Hong Kong</b>	<b>498</b>	498	<b>88.6%</b>	89.3%	<b>1,996</b>	1,957	<b>1,768</b>	1,748
<i>year-on-year growth</i>			<i>-0.7 ppt</i>		<i>+2.0%</i>		<i>+1.1%</i>	
<b>Cordis, Hong Kong</b>	<b>669</b>	667	<b>91.9%</b>	92.6%	<b>1,657</b>	1,619	<b>1,523</b>	1,500
<i>year-on-year growth</i>			<i>-0.7 ppt</i>		<i>+2.3%</i>		<i>+1.5%</i>	
<b>Eaton HK</b>	<b>465</b>	465	<b>92.1%</b>	90.0%	<b>1,145</b>	1,114	<b>1,055</b>	1,003
<i>year-on-year growth</i>			<i>+2.1 ppt</i>		<i>+2.8%</i>		<i>+5.2%</i>	
<b>Hotel Portfolio</b>	<b>1,632</b>	1,630	<b>91.0%</b>	90.9%	<b>1,610</b>	1,578	<b>1,464</b>	1,434
<i>year-on-year growth</i>			<i>+0.1 ppt</i>		<i>+2.0%</i>		<i>+2.1%</i>	

Hong Kong Hotel Markets	Occupancy		Average Room Rate (in HK\$)		RevPAR (in HK\$)	
	2025	2024	2025	2024	2025	2024
<b>High Tariff A</b>	<b>79.0%</b>	79.0%	<b>2,169</b>	2,238	<b>1,714</b>	1,768
<i>year-on-year growth</i>	-		-3.1%		-3.1%	
<b>High Tariff B</b>	<b>89.0%</b>	86.0%	<b>1,009</b>	1,052	<b>898</b>	905
<i>year-on-year growth</i>	+3.0 ppt		-4.1%		-0.8%	
<b>All Hotels</b>	<b>87.0%</b>	85.0%	<b>1,263</b>	1,332	<b>1,099</b>	1,132
<i>year-on-year growth</i>	+2.0 ppt		-5.2%		-2.9%	

When benchmarked against the broader Hong Kong hospitality market, The Langham, Hong Kong and Cordis, Hong Kong demonstrated relative resilience in 2025. Their RevPAR increased by 1.1% and 1.5%, respectively, compared with a 3.1% drop in the High Tariff A market segment, indicating solid performance amid market-wide pricing pressures. Both properties achieved a combined occupancy of 90.5%, well above the market average of 79.0%, underscoring resilient demand, especially in the Kowloon area, and effective yield management strategies.

Meanwhile, Eaton HK outperformed its High Tariff B market segment, achieving a 5.2% year-on-year increase in RevPAR, compared with a 0.8% decline for the segment. This outperformance underscores Eaton HK's effective and unique market position and operational agility within an increasingly competitive mid-tier market environment.

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

**The Langham, Hong Kong** continued to demonstrate resilience in 2025. Approximately 48% of its room revenue was derived from Mainland China visitors, underscoring the importance of this segment to the hotel's overall room performance.

During the year, the hotel recorded a mild increase in ADR of 2.0% to HK\$1,996 and sustained a healthy occupancy level of 88.6%. The balanced approach to rate and occupancy management enabled the hotel to deliver a 1.1% improvement in RevPAR, reaching HK\$1,768.

F&B revenue declined slightly by 0.9% year on year, reflecting evolving consumer preferences and a softer banquet business during the year. The closure of a western fine dining outlet in July 2024 further weighed on revenue performance, contributing to the overall shortfall. As a result, total revenue for 2025 decreased by 0.7% compared to last year.

At **Cordis, Hong Kong**, the local and Mainland China markets remained key contributors to performance, collectively accounting for about 55% of total room revenue.

Despite intensified market competition, the hotel sustained an impressive occupancy level of 91.9%, representing only a modest decline of 0.7 percentage point year-on-year. Meanwhile, ADR grew by 2.3% to HK\$1,657, supported by disciplined yield strategies and favourable event-driven demand. As a result, RevPAR improved by 1.5% to HK\$1,523.

F&B revenue recorded a 6.2% year-on-year decline, largely driven by a contraction in banquet activities. The prior year's performance was elevated by a cluster of wedding banquets that had been postponed from the COVID-19 period and subsequently rescheduled to early 2024, creating an inflated comparative base.

Overall, total revenue for 2025 decreased by 1.7% compared with last year, reflecting a softer F&B contribution offset by a more resilient rooms' performance.

**Eaton HK** delivered a solid performance during the year, successfully capturing demand driven by a diverse calendar of citywide events, including major sports tournaments, concerts, and large-scale trade exhibitions. The hotel continued to benefit from healthy contributions across both Long-haul and Short-haul markets, which together accounted for more than 60% of total room revenue. Eaton HK maintained a strong market presence and recorded the highest occupancy within our portfolio at 92.1%, up 2.1 percentage points year on year. ADR grew by 2.8% to HK\$1,145, resulting in a 5.2% improvement in RevPAR to HK\$1,055.

Overall F&B revenue softened by 2.8%. Dining patterns continued to shift, with more Hong Kong residents seeking value and variety in neighbouring Greater Bay Area cities, which impacted buffet and bar business levels. The banquet segment also experienced a quieter year, reflecting fewer wedding celebrations compared with previous years.

Consequently, total hotel revenue only recorded a marginal year-on-year increase of 0.8%.

## OUTLOOK

As we look ahead to 2026, our operating landscape will continue to evolve with shifts in global geopolitics, trade dynamics and consumer sentiment shaping travel flows across the region. Against this backdrop, it is reassuring that Hong Kong's economy is expected to advance steadily, supported by its strong financial markets and the services sector.

Overnight arrivals to Hong Kong continued to increase, recording a 5.7% growth in 2025. We expect growth to continue supported by new event infrastructure including the Kai Tak Stadium and government driven mega events.

Exceptional regional connectivity and a mature tourism ecosystem, remain firmly intact. Limited new supply, together with the Hotels' strong location advantages provide a solid foundation for sustained occupancy. The Mainland China market continues to grow slowly and more robust increases from Short-haul and Long-haul markets bode well for underlying accommodation demand.

Rising costs, particularly in labour, reinforce our need for productivity improvement and operational efficiency.

On the finance front, a gradually easing interest-rate environment is likely to create a more favourable funding backdrop in 2026, potentially reducing financing costs. However, prudent treasury management and disciplined hedging will remain essential amid ongoing global uncertainties.

Barring unforeseen external developments, we anticipate a gradual improvement in the Trust Group's operating performance in 2026, supported by resilient demand fundamentals, careful financial stewardship and the enduring quality of our assets.

## FINANCIAL REVIEW

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

Net Assets Attributable to Holders of Share Stapled Units were HK\$9,528.3 million or HK\$2.73 per Share Stapled Unit as at 31 December 2025 (31 December 2024: HK\$9,502.4 million or HK\$2.77 per Share Stapled Unit), which represents a 451.5% premium to the closing Share Stapled Unit price of HK\$0.495 as at 31 December 2025.

### *Debt Profile*

As at 31 December 2025, the Trust Group's total outstanding borrowings, before the deduction of the amortisation of underwriting fee, amounted to HK\$6,201.6 million, representing a slight decrease of HK\$3.0 million 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 31 December 2025 and 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 31 December 2025.

To manage interest rate exposure, the Trust Group implemented a series of interest rate swap agreements, effectively converting a portion of its floating-rate borrowings into fixed-rate obligations. During the year, notional amount of swaps totaling HK\$1,500.0 million matured, while new agreements with an aggregate notional amount of HK\$2,290.0 million were executed. Excluding HK\$310.0 million of swaps effective after 31 December 2025, the effective notional amount stood at HK\$1,980.0 million (2024: HK\$1,500.0 million) as at 31 December 2025. As at 31 December 2025, 31.9% of total bank borrowings of HK\$6,201.6 million were hedged at a weighted average fixed rate of 2.84%, compared to 24.2% at 3.99% in the prior year.

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 interest rate swap arrangements, as deemed appropriate.

As at 31 December 2025, the total gross assets of the Trust Group were HK\$16,303.6 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 38.0% (31 December 2024: 38.2%).

### ***Cash Position***

As at 31 December 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\$302.6 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 31 December 2025 (31 December 2024: HK\$595.4 million), providing further liquidity flexibility.

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

As at 31 December 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 31 December 2025 and 31 December 2024.

## **FINAL DISTRIBUTION**

The Trustee-Manager Board has recommended the payment of a final distribution of HK3.2 cents per Share Stapled Unit (2024: HK1.6 cents) for the year ended 31 December 2025, representing 80% (2024: 48%) of the distributable income, to Holders of Share Stapled Units whose names appear on the Share Stapled Units Register on 28 May 2026, being the record date for the 2025 final distribution. Subject to the approval by the Holders of Share Stapled Units at the 2026 Annual General Meeting (the “2026 AGM”), the payment of the final distribution will be paid on 9 June 2026. Based on the closing Share Stapled Unit price of HK\$0.495 per Share Stapled Unit as at 31 December 2025, total Distribution per Share Stapled Unit is equivalent to a distribution yield of 6.5%.

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 2026 AGM**

For the purpose of ascertaining the entitlement of Holder of Share Stapled Units to attend and vote at the 2026 AGM, the Register will be closed from Friday, 15 May 2026 to Wednesday, 20 May 2026, both days inclusive.

In order to be eligible to attend and vote at the 2026 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 Thursday, 14 May 2026. Holders of Share Stapled Units whose name appear on the Registers on Wednesday, 20 May 2026, being the record date for the 2026 AGM, are entitled to attend and vote at the 2026 AGM.

### **(ii) To qualify for the proposed 2025 final distribution**

For the purpose of ascertaining the entitlement of Holders of Share Stapled Units to the proposed 2025 final distribution, the Registers will be closed from Wednesday, 27 May 2026 to Thursday, 28 May 2026, both days inclusive.

In order to qualify for the proposed 2025 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, 26 May 2026. Holders of Share Stapled Units whose name appear on the Registers on Thursday, 28 May 2026, being the record date for the 2025 final distribution, are qualified for the proposed 2025 final distribution.

## ANNUAL GENERAL MEETING AND ANNUAL REPORT

The 2026 AGM of the Trust and the Company will be held on Wednesday, 20 May 2026. The notice of 2026 AGM together with the 2025 Annual Report and all other relevant documents will be published on the Company’s website at [www.langhamhospitality.com](http://www.langhamhospitality.com) and the HKEXnews’ website at [www.hkexnews.hk](http://www.hkexnews.hk) in March 2026.

## **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 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 nor 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 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 year ended 31 December 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 31 December 2025, the total number of issued Share Stapled Units of the Trust and the Company was 3,490,462,017. A total of 56,915,372 new Share Stapled Units were issued during the year, representing 1.63% of the total number of issued Share Stapled Units as at 31 December 2025.

<b>Date</b>	<b>Particulars</b>	<b>No. of Share Stapled Units</b>
31 December 2024	Total number of issued Share Stapled Units	3,433,546,645
28 February 2025	Issue of new Share Stapled Units at a price of HK\$0.470 per Share Stapled Unit as partial payment of the Hotel Management Fees and Licence Fee (collectively, the “Hotel Manager’s Fees”) to the Hotel Manager of HK\$4,979,409 for the second half of 2024	10,594,487
7 November 2025	Issue of new Share Stapled Units to the qualifying shareholders of Great Eagle Holdings Limited (“Great Eagle”) pursuant to a distribution in specie, at a price of HK\$0.470 per Share Stapled Unit, as payment of the outstanding Hotel Manager’s Fees of HK\$21,770,816 payable to Hotel Manager for the second half of 2024	46,320,885 <sup>(Note)</sup>
<b>31 December 2025</b>	<b>Total number of issued Share Stapled Units</b>	<b>3,490,462,017</b>

Note: After the issue of deferred SSUs and completion of the distribution in specie by Great Eagle, the public float of the Trust and the Company increased from 25.00% to approximately 25.18%. The number of registered Holders of Share Stapled Units rose from about 1,100 to about 3,400. Please refer to the announcement of the Trust and the Company dated 7 November 2025 for details.

## 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 2025 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 2025 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 2025 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 11 February 2026. 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 2025 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 11 February 2026. 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<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, 11 February 2026

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE  
INCOME OF THE TRUST AND THE COMPANY  
FOR THE YEAR ENDED 31 DECEMBER 2025**

	<u>NOTES</u>	<u>2025</u> HK\$'000	<u>2024</u> HK\$'000
Revenue	5	401,839	401,806
Property related expenses		(21,586)	(20,783)
<b>Net property income</b>		<u>380,253</u>	<u>381,023</u>
Other income	7	6,708	5,401
(Decrease) increase in fair value of investment properties		(26,578)	186,526
Change in fair value of derivative financial instruments		(16,166)	9,303
Change related to settlement arrangement of hotel management fees and licence fee		-	(14,634)
Administrative and other expenses		(12,030)	(15,676)
Finance costs	8	(258,154)	(322,238)
<b>Profit before tax</b>		<u>74,033</u>	<u>229,705</u>
Income tax (expense) credit	9	(19,879)	2,019
<b>Profit and total comprehensive income for the year attributable to holders of Share Stapled Units</b>	12	<u><u>54,154</u></u>	<u><u>231,724</u></u>
<b>Earnings per Share Stapled Unit</b>			
Basic and diluted	13	<u><u>HK2 cents</u></u>	<u><u>HK7 cents</u></u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE TRUST AND THE COMPANY**  
**AT 31 DECEMBER 2025**

	<u>NOTES</u>	<u>2025</u> HK\$'000	<u>2024</u> HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment		588	908
Investment properties		15,895,000	15,895,000
Deposits	14	13,896	8,838
		<u>15,909,484</u>	<u>15,904,746</u>
<b>Current assets</b>			
Debtors, deposits and prepayments	14	40,414	32,678
Tax recoverable		88	7,518
Restricted bank balance		51,018	-
Bank balances		302,591	293,402
		<u>394,111</u>	<u>333,598</u>
<b>Current liabilities</b>			
Creditors, deposits and accruals	15	54,213	61,131
Derivative financial instruments		-	2,974
Lease liabilities due within one year		415	610
Tax payable		26,261	22,465
		<u>80,889</u>	<u>87,180</u>
<b>Net current assets</b>		<u>313,222</u>	<u>246,418</u>
<b>Total assets less current liabilities</b>		<u>16,222,706</u>	<u>16,151,164</u>
<b>Non-current liabilities</b>			
Derivative financial instruments		19,140	-
Secured bank loans due after one year		6,175,204	6,164,604
Lease liabilities due after one year		173	283
Deferred tax liabilities		499,908	483,866
		<u>6,694,425</u>	<u>6,648,753</u>
<b>NET ASSETS</b>		<u>9,528,281</u>	<u>9,502,411</u>
<b>Capital and reserves</b>			
Issued capital/units		3,490	3,434
Reserves		9,524,791	9,498,977
<b>TOTAL EQUITY</b>		<u>9,528,281</u>	<u>9,502,411</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST AND THE COMPANY**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

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**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 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 consolidated financial statements for the year ended 31 December 2025 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 2025 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 2025 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 STATEMENTS - 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 HKFRS ACCOUNTING STANDARDS

### *Amendments to an HKFRS Accounting Standard that are mandatorily effective for the current year*

In the current year, the Groups have applied the following amendments to HKFRS Accounting Standards as 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 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to this HKFRS Accounting Standard 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.

### *New and amendments to HKFRS Accounting Standards in issue but not yet effective*

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

Amendments to HKAS 21	Translation to Hyperinflationary Presentation Currency <sup>3</sup>
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>2</sup>
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards - Volume 11 <sup>2</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027.

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

### **3. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS**

- continued

*New and amendments to HKFRS Accounting Standards in issue but not yet effective*

- continued

#### **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 AND MATERIAL ACCOUNTING POLICY INFORMATION**

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as 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>2025</u> HK\$'000	<u>2024</u> HK\$'000
Rental income from Master Lessee (Note)		
Base rent	225,000	225,000
Variable rent	254,626	254,481
Service fees expense	<u>(79,448)</u>	<u>(79,412)</u>
	400,178	400,069
Rental income from retail shops in Eaton HK	<u>1,661</u>	<u>1,737</u>
	<u><u>401,839</u></u>	<u><u>401,806</u></u>

Note: Included in rental income from Master Lessee, service fees income of HK\$79,448,000 (2024: HK\$79,412,000) 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.

#### 2025

	<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>169,617</u>	<u>212,076</u>	<u>99,594</u>	<u>481,287</u>	<u>(79,448)</u>	<u>401,839</u>
Segment results	<u>136,521</u>	<u>166,440</u>	<u>77,292</u>	<u>380,253</u>	<u>-</u>	380,253
Other income						6,708
Decrease in fair value of investment properties						(26,578)
Change in fair value of derivative financial instruments						(16,166)
Administrative and other expenses						(12,030)
Finance costs						<u>(258,154)</u>
Profit before tax						74,033
Income tax expense						<u>(19,879)</u>
Profit for the year attributable to holders of Share Stapled Units						<u><u>54,154</u></u>

## 6. SEGMENT INFORMATION - continued

### Segment revenue and results - continued

2024

	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>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>	<u>381,023</u>
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						(322,238)
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>

Note: Reconciliation represents netting of service fees income of HK\$79,448,000 (2024: HK\$79,412,000) 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 (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.

### 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\$400,178,000 (2024: HK\$400,069,000), contributing over 10% of the total revenue of the Groups for the year ended 31 December 2025.

**7. OTHER INCOME**

	<u>2025</u> HK\$'000	<u>2024</u> HK\$'000
Interest income on bank deposits	6,047	3,864
Management fee income	648	630
Sundry income	13	907
	<u>6,708</u>	<u>5,401</u>

**8. FINANCE COSTS**

	<u>2025</u> HK\$'000	<u>2024</u> HK\$'000
Interest on bank borrowings	220,090	318,089
Net interest on interest rate swaps	23,047	(6,250)
Underwriting/loan extension fee amortisation	13,600	9,646
Interest on lease liabilities	42	38
Other borrowing costs	1,375	715
	<u>258,154</u>	<u>322,238</u>

**9. INCOME TAX EXPENSE (CREDIT)**

	<u>2025</u> HK\$'000	<u>2024</u> HK\$'000
Current tax:		
Hong Kong Profits Tax:		
Current year	10,239	4,650
Overprovision in prior years	(6,402)	(19,923)
	<u>3,837</u>	<u>(15,273)</u>
Deferred tax:		
Current year	16,002	13,271
Under(over)provision in prior years	40	(17)
	<u>16,042</u>	<u>13,254</u>
	<u>19,879</u>	<u>(2,019)</u>

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

The Groups operate in a jurisdiction that have implemented the Pillar Two Rules, which impose a global minimum effective tax rate of 15%. The Trustee-Manager and the Directors considered the Groups are not liable to top-up tax under the Pillar Two Rules.

## 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>2025</u> HK\$'000	<u>2024</u> HK\$'000
Profit for the year attributable to holders of Share Stapled Units	54,154	231,724
Adjustments:		
Depreciation	792	1,108
Deferred tax	16,042	13,254
Underwriting/loan extension fee amortisation	13,600	9,646
Hotel management fees and licence fee payable in form of Share Stapled Units	34,044	62,300
Decrease (increase) in fair value of investment properties	26,578	(186,526)
Change in fair value of derivative financial instruments	16,166	(9,303)
Change related to settlement arrangement of hotel management fees and licence fee	-	14,634
Reserve for furniture, fixtures and equipment	(23,629)	(23,815)
Total distributable income	<u>137,747</u>	<u>113,022</u>

## 11. DISTRIBUTION STATEMENT

	<u>NOTE</u>	<u>2025</u> HK\$'000	<u>2024</u> HK\$'000
<u>Interim distribution period (note a)</u>			
Total distributable income in respect of the six months ended 30 June		28,027	34,022
Percentage of distributable income for distribution (note b)		-	-
<hr/>			
Distributable income for interim distribution period		-	-
<hr/>			
Interim distribution		-	-
<hr/>			
<u>Final distribution period (note a)</u>			
Total distributable income in respect of the financial year ended 31 December	10	137,747	113,022
Less: distributable income paid for interim distribution period (note b)		-	-
<hr/>			
Distributable income available for final distribution period		137,747	113,022
Percentage of distributable income for distribution (note c)		80%	48%
<hr/>			
Distributable income for final distribution period		110,198	54,251
<hr/>			
Final distribution (note d)		110,198	54,251
<hr/>			
<b>Distribution per Share Stapled Unit</b>			
Interim distribution per Share Stapled Unit in respect of the six months ended 30 June (note b)		-	-
<hr/>			
Final distribution per Share Stapled Unit in respect of the six months ended 31 December (note d)		HK3.2 cents	HK1.6 cents
<hr/>			

### 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 2025 and 2024 were based on total distributable income for the year ended 31 December 2025 and 2024, respectively.

- (b) Interim distribution

No distribution income was distributed in respect of the six months ended 30 June 2025 and 2024.

## 11. DISTRIBUTION STATEMENT - continued

Notes: - continued

- (c) The Board of the Company has recommended to distribute 80% (2024: 48%) the total distributable income in respect of the financial year ended 31 December 2025.
- (d) Final distribution

Final distribution per Share Stapled Unit of HK3.2 cents in respect of the financial year ended 31 December 2025 was calculated based on distribution income available for final distribution period of HK\$110,198,000 and 3,490,462,017 Share Stapled Units as at 31 December 2025. Final distribution will be paid to holders of Share Stapled Units on 9 June 2026 in cash.

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 2025 has not been recognised as a liability as at 31 December 2025.

The final distribution after 31 December 2024 had 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>2025</u> HK\$'000	<u>2024</u> HK\$'000
Profit and total comprehensive income for the year has been arrived at after charging:		
Staff costs (including directors' emoluments) (Note)	6,615	6,609
Depreciation	792	1,108
Auditor's remuneration	1,312	1,312
	<u>          </u>	<u>          </u>

Note: The Groups recognised the total expenses of HK\$71,000 (2024: HK\$22,000) for the year ended 31 December 2025 in relation to share awards and share options (2024: share options) granted by the ultimate holding company under share award and share option scheme (2024: share option scheme).

### 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>2025</u> HK\$'000	<u>2024</u> HK\$'000
<b>Profit</b>		
Profit for the year for the purposes of basic and diluted earnings per Share Stapled Unit	<u>54,154</u>	<u>231,724</u>
	<u>2025</u> '000	<u>2024</u> '000
<b>Number of Share Stapled Units</b>		
Weighted average number of Share Stapled Units for the purpose of basic and diluted earnings per Share Stapled Unit	<u>3,466,443</u>	<u>3,391,878</u>

Note: The basic and diluted earnings per unit for the year ended 31 December 2025 is the same as the impact is immaterial (2024 : same as the impact is immaterial).

#### 14. DEBTORS, DEPOSITS AND PREPAYMENTS

	<u>2025</u> HK\$'000	<u>2024</u> HK\$'000
Receivable from Master Lessee	34,898	29,417
Lease receivable	24	67
Deferred rent receivable	119	204
Other receivables	588	529
Deposits and prepayments	<u>18,681</u>	<u>11,299</u>
	54,310	41,516
Less: deposits paid to contractors for hotels renovation classified as non-current assets	<u>(13,896)</u>	<u>(8,838)</u>
Debtors, deposits and prepayments classified as current assets	<u><u>40,414</u></u>	<u><u>32,678</u></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>2025</u> HK\$'000	<u>2024</u> HK\$'000
Within 3 months	<u>34,922</u>	<u>29,484</u>

Receivable from Master Lessee represents an amount due from a fellow subsidiary of HK\$34,898,000 (2024: HK\$29,417,000) 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>2025</u> HK\$'000	<u>2024</u> HK\$'000
Trade creditors	35,946	34,498
Accruals and other payables	17,028	23,440
Construction fee payables	662	2,616
Deposits received	<u>577</u>	<u>577</u>
	<u><u>54,213</u></u>	<u><u>61,131</u></u>

**15. CREDITORS, DEPOSITS AND ACCRUALS - continued**

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

	<u>2025</u> HK\$'000	<u>2024</u> HK\$'000
Within 3 months	23,444	20,758
More than 3 months and within 6 months	12,502	13,740
	<u>35,946</u>	<u>34,498</u>

Trade creditors represent amounts due to fellow subsidiaries of HK\$35,946,000 (2024: HK\$34,498,000) 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\$5,000 (2024: HK\$106,000) which were unsecured, interest-free and payable on presentation of invoices.

No retention payables are included in construction fee payables (2024: construction fee payables included retention payables to contractors of HK\$578,000, which were payable within one year).

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF LHIL  
MANAGER LIMITED**  
FOR THE YEAR ENDED 31 DECEMBER 2025

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	<u>NOTES</u>	<u>2025</u> HK\$	<u>2024</u> HK\$
Revenue		-	-
Administrative expenses		(23,855)	(23,855)
Less: Amount borne by a fellow subsidiary and Trust Property (as defined in note 1)		<u>23,855</u>	<u>23,855</u>
<b>Profit or loss before tax</b>	4	-	-
Income tax	5	<u>-</u>	<u>-</u>
<b>Profit or loss and total comprehensive income/expense for the year</b>		<u>-</u>	<u>-</u>

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**STATEMENT OF FINANCIAL POSITION OF LHIL MANAGER LIMITED**  
**AT 31 DECEMBER 2025**

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	<u>2025</u> HK\$	<u>2024</u> HK\$
<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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**NOTES TO THE FINANCIAL STATEMENTS OF LHIL MANAGER LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2025**

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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, 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 HKFRS ACCOUNTING STANDARDS**

***Amendments to an HKFRS Accounting Standard that are mandatorily effective for the current year***

In the current year, the Company has applied the following amendments to HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("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 financial statements:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to this HKFRS Accounting Standard 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 HKFRS ACCOUNTING STANDARDS

- continued

### *New and amendments to HKFRS Accounting Standards in issue but not yet effective*

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

Amendments to HKAS 21	Translation to Hyperinflationary Presentation Currency <sup>3</sup>
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>2</sup>
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards - Volume 11 <sup>2</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027.

Except for the new HKFRS Accounting Standard mentioned below, the Directors anticipate that the application of all other amendments to HKFRS Accounting Standards 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 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 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 AND MATERIAL ACCOUNTING POLICY INFORMATION**

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>2025</u> HK\$	<u>2024</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.