

# LANGHAM

HOSPITALITY INVESTMENTS

Stock code : 1270



Annual Report 2025

# LANGHAM HOSPITALITY INVESTMENTS CORPORATE PROFILE

Langham Hospitality Investments has been established primarily to own and invest in a portfolio of hotels, with an initial focus on completed hotels in Asia.

The hotel portfolio currently comprises:

The Langham,  
Hong Kong

Cordis,  
Hong Kong

Eaton  
HK

The Langham, Hong Kong and Cordis, Hong Kong are both High Tariff A hotels and Eaton HK is a High Tariff B hotel under the classification set out by Hong Kong Tourism Board, with High Tariff A being the highest category and High Tariff B being the second highest category.

Each of the Hotels is located on the Kowloon peninsula in Hong Kong, a vibrant commercial and leisure hub which offers a variety of activities ranging from shopping, food and beverage, and entertainment to cultural attractions.

The Hotels are also located near well-connected transportation hubs in Hong Kong allowing guests to enjoy access to other leisure and business districts in Hong Kong.





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# THE LANGHAM

HONG KONG

The Langham, Hong Kong seeks to provide a unique European-style refined service to its guests. The Langham, Hong Kong is a luxury hotel located close to Canton Road, which has one of the largest concentrations of luxury retailers in Hong Kong and is located in the heart of Tsim Sha Tsui, one of the busiest shopping and leisure destinations in Hong Kong. Apart from the shopping opportunities offered, Tsim Sha Tsui is a cultural hub and The Langham, Hong Kong is located near historical buildings, museums and other tourist attractions, such as the Hong Kong Clock Tower, the Avenue of Stars and the Star Ferry. Tsim Sha Tsui is also a growing commercial hub with large-scale office developments nearby, such as the International Commerce Centre in West Kowloon, underpinning growth in corporate accommodation in the area.

**THE LANGHAM, HONG KONG  
SEEKS TO PROVIDE  
A UNIQUE EUROPEAN-STYLE  
REFINED SERVICE TO ITS GUESTS**



<b>HKT B RATING</b>	<b><i>High Tariff A</i></b>
<b>ROOMS</b>	<b>498</b>
<b>GFA ('000 SQ.FT.)</b>	<b>375</b>



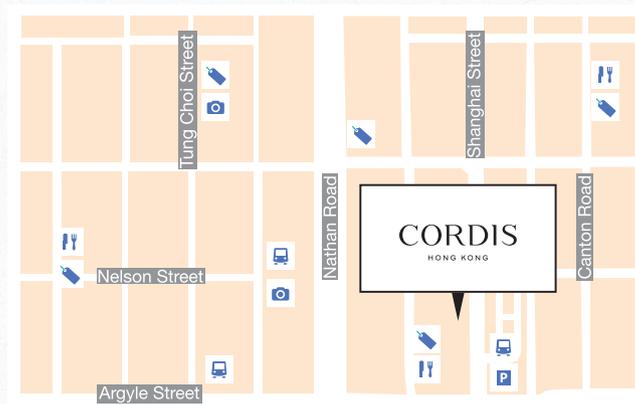


# CORDIS

HONG KONG

Cordis, Hong Kong provides a contemporary luxury hotel experience, with sleek and modern design inspired by contemporary Chinese art. Cordis, Hong Kong is a short walk away from famous street markets such as the night market on Temple Street, the Ladies' Market and the Jade Market, and is directly connected to The Langham Place Shopping Mall and Office Tower. Cordis, Hong Kong is the only large scale luxury hotel in the heart of Mongkok and easily accessible by various modes of public transportation, including the MTR. Mongkok attracts many shoppers, both local and overseas, as the location has a plethora of shopping malls, street shops and open bazaar outlets. In addition to retail, Mongkok is an entertainment and commercial centre.

**CORDIS, HONG KONG  
IS THE ONLY  
LARGE-SCALE LUXURY  
HOTEL IN THE HEART OF MONGKOK**



**HKT B RATING** *High Tariff A*

**ROOMS** *669*

**GFA ('000 SQ.FT.)** *580*





# Eaton

Eaton HK is located on Nathan Road, a popular street in Hong Kong in a famous shopping, entertainment and commercial district. Eaton HK is easily accessible by various modes of public transportation and is located between Jordan and Yau Ma Tei, near the Temple Street Night Market and the Jade Market. The hotel features a newly designed lobby and guestrooms, rooftop swimming pool and yoga studio, gym and juice bar, co-working club, large event spaces, screening room, radio station, and a host of restaurants and bars including Michelin-starred Cantonese restaurant, all-day dining floor and signature food hall with different international eateries.

LOCATED ON NATHAN ROAD,  
EATON HK'S DESIGNS ARE AMONGST THE  
MOST STYLISH AND TARGETED TO ATTRACT  
MILLENNIALS, WHO ARE LOOKING FOR  
A THOROUGH EXPERIENCE-BASED STAY.



HKTB RATING	<b><i>High Tariff B</i></b>
ROOMS	<b>465</b>
GFA ('000 SQ.FT.)	<b>339</b>





# LANGHAM

## HOSPITALITY GROUP

The Trust Group comprises a hotel portfolio of three Hong Kong hotels including The Langham, Hong Kong, Cordis, Hong Kong and Eaton HK. These three Hong Kong hotels are managed by the Hotel Manager, Langham Hotels International Limited under Langham Hospitality Group, which is one of the world's most outstanding hotel management companies.

Langham Hospitality Group, a member of the Great Eagle Group, encompasses a family of distinctive hospitality brands which include hotels, restaurants and spas, located on four continents. Langham Hospitality Group currently manages 28 hotels under The Langham Hotels and Resorts, Cordis and Eaton brands, with more than 15 hotel projects currently confirmed and under construction or in a developed stage of negotiations in China, Asia, Middle East, Europe, Australia and North America.

### **LANGHAM HOTELS AND RESORTS – THE LANGHAM AND LANGHAM PLACE**

Langham Hotels and Resorts, is the flagship brand of Langham Hospitality Group, and comprise hotels committed to delivering exceptional experiences across the globe. The Langham name has come to represent hotels that are the epitome of luxury, displaying a passion for genuine service, innovation, captivation of the senses and design. Our hotels are defined by 'The Art of the Stay' through their impeccable service with poise, timeless art & design and by their eclectic sensory experiences. The Langham brand reflects classic luxury, grand and timeless, whereas Langham Place brand represents modern luxury and sophistication.

### **CORDIS**

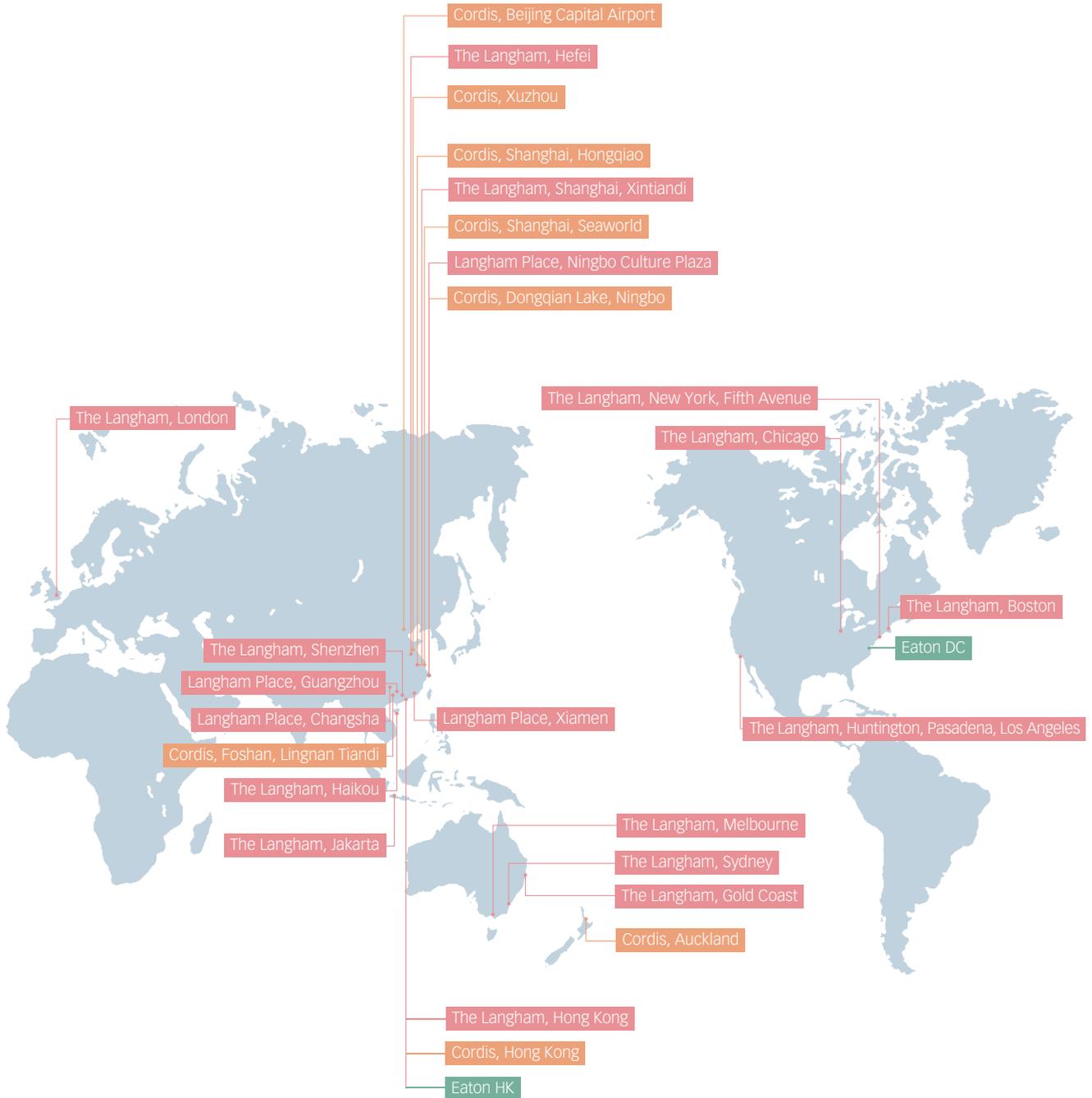
Cordis, meaning "heart" in Latin, is a collection of elegant upscale hotels, with plenty of heart & soul, utterly devoted to your business, personal and family wellbeing. The service is seamless, devoted, genuine, reliable, thoughtful, anticipatory, passionate and intuitive. The Cordis portfolio will include new built designs, resorts and contemporary residences. The brand will be developed through a combination of new-build and conversion projects in key cities in Asia and North America, with the first hotel to fly the Cordis flag in 2015 in Hong Kong.

### **EATON**

Eaton HK is the physical arm of Eaton Workshop, a new global purpose-driven company and creative lab from Katherine Lo at the intersection of culture, media, hospitality, wellness, and progressive social change. With distinct parts – Hotel, House, Media, Wellness, and Impact, Eaton Workshop transcends the notion of a traditional hotel to provide a physical, digital, and analog platform to artists, activists, healers, and leaders in their pursuit of making the world a better place.

# LANGHAM

## HOSPITALITY GROUP



**Note:**

The Langham, Hong Kong, Cordis, Hong Kong and Eaton HK are existing hotel properties owned by the Trust Group. Apart from the said Hotels, the Trust Group does not own any other hotels in the above map.

# CORPORATE INFORMATION

## TRUST

### Langham Hospitality Investments

*(a fixed single investment trust constituted pursuant to the Trust Deed under the laws of Hong Kong)*

## COMPANY

### Langham Hospitality Investments Limited

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

## TRUSTEE-MANAGER

### LHIL Manager Limited

*(as Trustee-Manager of the Trust)*

## COMPANY AND TRUSTEE-MANAGER BOARDS OF DIRECTORS

LO Ka Shui *(Chairman and Non-executive Director)*  
Brett Stephen BUTCHER *(Chief Executive Officer and Executive Director)*

CHAN Ka Keung, Ceajer\*  
LIN Syaru, Shirley\*  
LO Chun Him, Alexander#  
LO Chun Lai, Andrew#  
WONG Kwai Lam\*

# Non-executive Directors

\* Independent Non-executive Directors

## COMPANY AND TRUSTEE-MANAGER AUDIT COMMITTEES

WONG Kwai Lam *(Chairman)*  
CHAN Ka Keung, Ceajer  
LIN Syaru, Shirley

## COMPANY REMUNERATION COMMITTEE

CHAN Ka Keung, Ceajer *(Chairman)*  
LO Ka Shui  
LIN Syaru, Shirley  
WONG Kwai Lam

## COMPANY NOMINATION COMMITTEE

LIN Syaru, Shirley *(Chairperson)*  
LO Ka Shui  
CHAN Ka Keung, Ceajer  
WONG Kwai Lam

## COMPANY SECRETARY

WONG Mei Ling, Marina

## AUDITOR

Deloitte Touche Tohmatsu  
*Certified Public Accountants*  
*Registered Public Interest Entity Auditors*

# CORPORATE INFORMATION

## LEGAL ADVISORS

Conyers Dill & Pearman  
Johnson Stokes & Master

## PRINCIPAL BANKERS

Agricultural Bank of China Limited  
Bank of China (Hong Kong) Limited  
China Construction Bank (Asia) Corporation Limited  
Chong Hing Bank Limited  
DBS Bank Ltd.  
Hang Seng Bank Limited  
Industrial Bank Co., Ltd.  
Overseas-Chinese Banking Corporation Limited  
Sumitomo Mitsui Banking Corporation  
The Hongkong and Shanghai Banking Corporation Limited

## COMPANY REGISTERED OFFICE

Cricket Square, Hutchins Drive  
P.O. Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

## COMPANY PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 3210, 32nd Floor  
Great Eagle Centre  
23 Harbour Road  
Wanchai, Hong Kong  
Tel: (852) 2186 2500  
Fax: (852) 2186 9867

## COMPANY PRINCIPAL SHARE REGISTRAR

Conyers Trust Company (Cayman) Limited  
Cricket Square, Hutchins Drive  
P.O. Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

## COMPANY HONG KONG BRANCH SHARE REGISTRAR AND SHARE STAPLED UNITS REGISTRAR

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716  
17th Floor, Hopewell Centre  
183 Queen's Road East  
Wanchai, Hong Kong

## WEBSITE

[www.langhamhospitality.com](http://www.langhamhospitality.com)

## INVESTORS ENQUIRIES

For enquiries from investors or Holders of Share Stapled Units, please email to [enquiry@langhamhospitality.com](mailto:enquiry@langhamhospitality.com)

## HKEX STOCK CODE

1270

# FINANCIAL CALENDAR

Event	Date
2025 Interim Results Announcement	12 August 2025
2025 Annual Results Announcement	11 February 2026
Closure of Registers for ascertaining the entitlement to attend and vote at the 2026 Annual General Meeting	15 May 2026 – 20 May 2026 <i>(both days inclusive)</i>
Record Date for the 2026 Annual General Meeting	20 May 2026
2026 Annual General Meeting	20 May 2026
Ex-distribution Date	22 May 2026
Closure of Registers for ascertaining the entitlement to the proposed 2025 Final Distribution	27 May 2026 – 28 May 2026 <i>(both days inclusive)</i>
Record Date for the proposed 2025 Final Distribution	28 May 2026
Payment of the proposed 2025 Final Distribution of HK3.2 cents per SSU	9 June 2026

# DISTRIBUTION NOTICE

## FINAL DISTRIBUTION

The Trust Group aims to provide the Holders of the Share Stapled Units of the Trust Group with a target annual distribution payout of not less than 90% of the distributable income of the Group subject to the provisions of the Trust Deed and at the sole discretion of the Trustee-Manager Board and the Company Board (the “Boards”).

In determining the appropriate amount of distribution, the Trust Group actively and regularly reviews and manages its capital structure to ensure an optimal capital structure and appropriate returns to the Holders of the Share Stapled Units by considering:

1. the Trust Group’s actual and expected cash flow positions and financial performance;
2. projected capital expenditure, future expansion plans and growth opportunities;
3. the Trust Group’s debts to equity ratio, return on equity and the relevant financial covenants;
4. general economic conditions, business cycle of the Trust Group’s core business; and
5. general expectation of Unitholders and investors of the Trust Group.

In exercising their discretion under the provisions of the Trust Deed, the Boards remain committed to the Trust Group’s target of distributing not less than 90% of the distribution income annually to the Holders of Share Stapled Units, to the extent permitted by prevailing circumstances and prudent financial management.

Taking into consideration the above factors, 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. The Boards consider an 80% distribution payout to be a balanced approach between providing investor returns and maintaining prudent cash reserves for operational needs, capital commitments, and market uncertainties. This approach supports sustainable and stable distributions over time while safeguarding long-term unitholder value. Subject to approval by the Holders of Share Stapled Units at the 2026 AGM, the payment of the final distribution will be paid on 9 June 2026. Based on the closing price of HK\$0.495 per Share Stapled Unit as at 31 December 2025, the 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.

# DISTRIBUTION NOTICE

## 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 “Registers”) will all be closed and no transfer of Share Stapled Units will be registered during the following periods:

### (i) To attend and vote at the 2026 AGM

For the purpose of ascertaining the entitlement of Holders of Share Stapled Units to attend and vote at the 2026 AGM, the Registers 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.

# FINANCIAL HIGHLIGHTS

(in HK\$ million, unless otherwise specified)	2025	2024	Change
Revenue of hotel portfolio	<b>1,575.3</b>	1,587.7	-0.8%
Aggregate gross operating profit before deduction of the global marketing fee of hotel portfolio	<b>509.3</b>	509.0	0.1%
Total rental income for the Trust Group after netting service fees	<b>401.9</b>	401.8	-
Profit attributable to Holders of Share Stapled Units	<b>54.2</b>	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")	<b>97.0</b>	50.5	92.1%
Distributable income	<b>137.8</b>	113.0	21.9%
Interim distribution per Share Stapled Unit	-	-	-
Final distribution per Share Stapled Unit	<b>HK3.2 cents</b>	HK1.6 cents	100.0%
Annual distribution per Share Stapled Unit	<b>HK3.2 cents</b>	HK1.6 cents	100.0%

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

## CHAIRMAN'S STATEMENT



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.

# CHAIRMAN'S STATEMENT

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.

# CHAIRMAN'S STATEMENT

## 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.

On behalf of the Board, I would like to express my sincere gratitude to the Hotel teams and staff of the Trustee-Manager and the Trust Group for their dedication and extend my sincere thanks to our Unitholders for their continued support.



**LO Ka Shui**  
*Chairman*

## CEO'S 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>	481.2	–
Service fees expenses	(79.4)	(79.4)	–
<b>Total rental income for the Trust Group</b>	<b>401.9</b>	401.8	–

Total service fees comprise: i) hotel management fees; ii) licence fee; and iii) global marketing fee paid to the hotel management companies. Hotel management fees 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.

## CEO'S REVIEW

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>	<b>-</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>	<b>401.9</b>	<b>401.8</b>	<b>-</b>
Hotel property related expenses	(21.6)	(20.8)	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).

## CEO'S REVIEW

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)	2025	2024	Change
<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	(1.4)	(0.8)	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.

(in HK\$ million)	2025	2024	Change
<b>Net property income</b>	<b>380.3</b>	<b>381.0</b>	<b>-0.2%</b>
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	(258.1)	(322.2)	-19.9%
<b>Profit before tax</b>	<b>74.1</b>	<b>229.7</b>	<b>-67.7%</b>
Income tax (expense) credit	(19.9)	2.0	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>

## CEO'S REVIEW

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>	<b>54.2</b>	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	(23.6)	(23.8)	-0.8%
<b>Distributable income</b>	<b>137.8</b>	113.0	21.9%
<b>Recommended distribution</b>	<b>110.2</b>	54.3	102.9%
<b>Payout ratio</b>	<b>80%</b>	48%	32% pt.
<b>Final distribution per Share Stapled Unit</b>	<b>HK3.2 cents</b>	HK1.6 cents	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.

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.

Although the distribution policy indicates an intention to distribute not less than 90% of distributable income, an

# CEO'S REVIEW

## 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> <i>year-on-year growth</i>	<b>498</b>	498	<b>88.6%</b> -0.7 ppt	89.3%	<b>1,996</b> +2.0%	1,957	<b>1,768</b> +1.1%	1,748
<b>Cordis, Hong Kong</b> <i>year-on-year growth</i>	<b>669</b>	667	<b>91.9%</b> -0.7 ppt	92.6%	<b>1,657</b> +2.3%	1,619	<b>1,523</b> +1.5%	1,500
<b>Eaton HK</b> <i>year-on-year growth</i>	<b>465</b>	465	<b>92.1%</b> +2.1 ppt	90.0%	<b>1,145</b> +2.8%	1,114	<b>1,055</b> +5.2%	1,003
<b>Hotel Portfolio</b> <i>year-on-year growth</i>	<b>1,632</b>	1,630	<b>91.0%</b> +0.1 ppt	90.9%	<b>1,610</b> +2.0%	1,578	<b>1,464</b> +2.1%	1,434

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

# CEO'S REVIEW

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%.

# CEO'S REVIEW

## 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.



**Brett Stephen BUTCHER**  
*Chief Executive Officer*

# BIOGRAPHICAL DETAILS OF DIRECTORS, OFFICERS AND MANAGEMENT

## DIRECTORS

### **Dr. LO Ka Shui**

#### ***Chairman and Non-Executive Director***

Dr. LO Ka Shui, aged 79, has served as Chairman and Non-executive Director of the Trustee-Manager and the Company since 2013. He is a Member of both the Company's Remuneration Committee and Nomination Committee and a Director of all subsidiaries of the Company. Dr. Lo is also the Chairman and Managing Director of Great Eagle Holdings Limited, as well as Chairman and Non-executive Director of the Manager of a publicly-listed trust, Champion Real Estate Investment Trust. He is also Vice President of The Real Estate Developers Association of Hong Kong and a member of The Hong Kong Centre for Economic Research's Board of Trustees. Dr. Lo was formerly Director of Hong Kong Exchanges and Clearing Limited; Chairman of the Listing Committee for the Main Board and Growth Enterprise Market; a Member of the Exchange Fund Advisory Committee of the Hong Kong Monetary Authority; Chairman of The Chamber of Hong Kong Listed Companies; Chairman of the Hospital Authority of Hong Kong; a Board Member of the Airport Authority Hong Kong; and a Member of the University Grants Committee of Hong Kong.

Dr. Lo graduated from McGill University with a Bachelor of Science Degree and obtained a Doctor of Medicine (M.D.) Degree from Cornell University, and was certified in Internal Medicine and Cardiovascular Disease at University of Michigan Hospitals. He has over four decades of experience in property and hotel development and investment both in Hong Kong and overseas. Dr. Lo is the father of Mr. Lo Chun Him, Alexander and an uncle to Mr. Lo Chun Lai, Andrew, both Non-executive Directors of the Trustee-Manager and the Company.

### **Mr. Brett Stephen BUTCHER**

#### ***Chief Executive Officer and Executive Director***

Mr. Brett Stephen BUTCHER, aged 66, has been the Chief Executive Officer and Executive Director of the Trustee-Manager and the Company since 2019. He is also a Director of all subsidiaries of the Company. Mr. Butcher has over 40 years' extensive hotel business experience in both hotel operations and sales and marketing in Asia, the Pacific and North America. He is currently a Consultant to the hotel asset management arm of Great Eagle Holdings Limited. Mr. Butcher was the former Chief Executive Officer of Langham Hospitality Group overseeing all aspects of management and brands for the Langham Hospitality Group's global portfolio of hotels, resorts and residences. Mr. Butcher holds a Bachelor's Degree in Business (Hospitality Management) from University of Queensland Lawes Campus.

# BIOGRAPHICAL DETAILS OF DIRECTORS, OFFICERS AND MANAGEMENT

## **Professor CHAN Ka Keung, Ceajer** ***Independent Non-executive Director***

Professor CHAN Ka Keung, Ceajer, aged 69, has been an Independent Non-executive Director of the Trustee-Manager and the Company since 2018. He is the Chairman of the Company's Remuneration Committee, a Member of the Company's Nomination Committee and a Member of the Audit Committees of the Trustee-Manager and the Company. Professor Chan holds an Honorary Doctoral Degree from The Hong Kong University of Science and Technology ("HKUST"). He is currently an Adjunct Professor and a Senior Advisor to the Dean at HKUST Business School. From July 2007 to June 2017, he served as the Secretary for Financial Services and the Treasury of the Government of the Hong Kong Special Administrative Region. Prior to that, he was Dean of Business and Management in HKUST. Before joining the HKUST Business School in 1993, he taught at Ohio State University in the United States for nine years. Professor Chan is currently a Director of the One Country and Two Systems Research Institute. He is an Independent Non-executive Director of China Overseas Land & Investment Limited, CTF Services Limited (formerly known as NWS Holdings Limited) and Guotai Junan International Holdings Limited (all listed in Hong Kong), as well as an Independent Non-executive Director of the Manager of a publicly-listed trust, Champion Real Estate Investment Trust. He is also the Chairman and a Non-executive Director of WeLab Bank Limited, a Senior Advisor to WeLab Holdings Limited, a Director of Wine Charity Limited, a Director of Institute of Web 3.0 Hong Kong Limited, a Member of Wheelock Advisory Council of Wheelock Properties Limited, a Member of Board of Governors of Pacific Club, the Chairman of The Chamber of Hong Kong Listed Companies and a Member of Hang Seng Index Advisory Committee. Professor Chan previously served as an Independent Non-executive Director of USPACE Technology Group Limited (listed in Hong Kong).

Professor Chan received his Bachelor's Degree in Economics from Wesleyan University and both of his M.B.A. and Ph.D. in Finance from The University of Chicago. He specialised in assets pricing, evaluation of trading strategies and market efficiency and has published numerous articles on these topics.

## **Professor LIN Syaru, Shirley** ***Independent Non-executive Director***

Professor LIN Syaru, Shirley, aged 57, has been an Independent Non-executive Director of the Trustee-Manager and the Company since 2013. She is the Chairperson of the Company's Nomination Committee, a Member of the Company's Remuneration Committee and a Member of the Audit Committees of the Trustee-Manager and the Company. Previously, she was a Partner at Goldman Sachs, where she led the firm's efforts in private equity and venture capital in Asia. In addition, Professor Lin was involved in the privatisation of state-owned enterprises in Mainland China, Singapore and Taiwan. She has served on the boards of numerous private and public companies. Professor Lin is currently an Independent Non-executive Director of Goldman Sachs Asia Bank Limited, a restricted licence bank in Hong Kong, and TE Connectivity Ltd., a NYSE-listed company based in Dublin, and an Independent Director of MediaTek Inc., a company listed in Taiwan. She currently serves on the board of the Focused Ultrasound Foundation in the U.S. and is the Founder of the Focused Ultrasound Hong Kong Foundation.

Professor Lin is Research Professor at the Miller Center of Public Affairs at the University of Virginia and a Non-resident Senior Fellow in the Foreign Policy Program at the Brookings Institution. She is also a faculty member at the Chinese University of Hong Kong and chairs the Center for Asia-Pacific Resilience and Innovation. Her book on cross-Strait economic policy focusing on the semiconductor industry was published by Stanford University Press in 2016. She is currently working on the challenges facing the advanced economies in East Asia that have entered the high-income trap. Her commentary frequently appears in English and Chinese media. She received her Master's Degree in International and Public Affairs with distinction and her Ph.D. in Politics and Public Administration from the University of Hong Kong and her A.B. from Harvard College, *cum laude*.

# BIOGRAPHICAL DETAILS OF DIRECTORS, OFFICERS AND MANAGEMENT

## **Mr. LO Chun Him, Alexander**

### ***Non-executive Director***

Mr. LO Chun Him, Alexander, aged 40, has been a Non-executive Director of the Trustee-Manager and the Company since 2017. He is also a Director of all subsidiaries of the Company. Mr. Lo is an Executive Director of Great Eagle Holdings Limited, which is listed on the Main Board of the Stock Exchange. Prior to joining the Great Eagle Group in 2010, he had worked at Citibank's investment banking division with a focus on Hong Kong's market. Mr. Lo is also a member of the Executive Committee of The Real Estate Developers Association of Hong Kong and a member of the Management Committee of The Federation of Hong Kong Hotel Owners Limited. He graduated from Washington University in St. Louis with a Bachelor of Arts in Psychology. Mr. Lo is a son of Dr. Lo Ka Shui, the Chairman and Non-executive Director of the Trustee-Manager and the Company. He is also a cousin of Mr. Lo Chun Lai, Andrew, a Non-executive Director of the Trustee-Manager and the Company.

## **Mr. LO Chun Lai, Andrew**

### ***Non-executive Director***

Mr. LO Chun Lai, Andrew, aged 37, has been a Non-executive Director of the Trustee-Manager and the Company since 2020. He is currently the Managing Director – Hospitality Asset Management of Langham Hospitality Group (“LHG”) overseeing the management of all hotel assets of Great Eagle Holdings Limited worldwide. Prior to joining LHG in 2013, he held positions at Horwath HTL and Mandarin Oriental. He graduated from Stanford University with a Bachelor of Arts in International Relations and from Columbia University in New York with a Master of Science in Real Estate Development. He also holds a certificate in Hotel Real Estate Investments and Asset Management from Cornell University. Mr. Lo is a nephew of Dr. Lo Ka Shui, the Chairman and Non-executive Director of the Trustee-Manager and the Company. He is also a cousin of Mr. Lo Chun Him, Alexander, a Non-executive Director of the Trustee-Manager and the Company.

# BIOGRAPHICAL DETAILS OF DIRECTORS, OFFICERS AND MANAGEMENT

## **Mr. WONG Kwai Lam** ***Independent Non-executive Director***

Mr. WONG Kwai Lam, aged 76, has been an Independent Non-executive Director of the Trustee-Manager and the Company since 2013. He is the Chairman of the Audit Committees of the Trustee-Manager and the Company, and a Member of both the Company's Remuneration Committee and Nomination Committee. Mr. Wong is currently an Independent Non-executive Director of CK Hutchison Holdings Limited ("CKHH"), ESR Asset Management (Prosperity) Limited as manager of Prosperity Real Estate Investment Trust ("Prosperity REIT") and K. Wah International Holdings Limited ("KWIH"). CKHH, Prosperity REIT and KWIH are listed in Hong Kong. Mr. Wong is currently the Chairman of IncitAdv Consultants Ltd., Chairman and a Director of Hong Kong Grand Opera Company Limited, an advisor to the Chamber of Hong Kong Listed Companies, a member of the Advisory Board of the School of Continuing and Professional Studies, The Chinese University of Hong Kong ("CUHK"), a Vice Chairman of the Board of Trustees and a Member of the Investment Sub-committee of the Board of Trustees of New Asia College, CUHK and a Director of the CUHK Medical Centre Limited. He was formerly a Member of the Advisory Committee and a

Member of the Committee on Real Estate Investment Trusts of the Securities and Futures Commission in Hong Kong, and a Member of the China Committee of the Hong Kong Trade Development Council. Mr. Wong was an Independent Non-executive Director of Hutchison Port Holdings Management Pte. Limited as trustee-manager of Hutchison Port Holdings Trust (listed in Singapore).

Mr. Wong has over 30 years of experience in the commercial and investment banking industry. He worked with Merrill Lynch (Asia Pacific) Ltd. from May 1993 to August 2009 where he served as a Managing Director in the Asia Investment Banking Division since January 1995. He was appointed as a Senior Client Advisor to Merrill Lynch (Asia Pacific) Ltd. in September 2009 and served in that position for one year. Prior to that, Mr. Wong had been a Director in the Investment Banking Division of CS First Boston (Hong Kong) Ltd. and a Director and the Head of Primary Market in Standard Chartered Asia Limited.

Mr. Wong holds a Bachelor of Arts Degree and Honorary Fellowship from CUHK and a Ph.D. from Leicester University, England.

*Interests of the Directors of the Trustee-Manager and the Company in the Share Staple Units and/or the substantial Holders of Share Stapled Units are set out in the "Report of the Directors" in this Annual Report.*

# BIOGRAPHICAL DETAILS OF DIRECTORS, OFFICERS AND MANAGEMENT

## COMPANY SECRETARY

### **Ms. WONG Mei Ling, Marina**

Ms. WONG Mei Ling, Marina, has been the Company Secretary of the Trustee-Manager and the Company since 2013. She is responsible for the company secretarial and compliance function of the Trust Group. Ms. Wong is the Company Secretary of Great Eagle Holdings Limited and is also a Non-executive Director of Eagle Asset Management (CP) Limited (Manager of the publicly-listed Champion Real Estate Investment Trust). With over 35 years of working experience, her expertise lies in the development of governance and compliance policies, and corporate secretarial and administration. Ms. Wong is a Fellow both of The Chartered Governance Institute and The Hong Kong Chartered Governance Institute. She holds a Master Degree in Laws, a Master Degree in Business Administration and a Bachelor Degree in Accountancy.

## MANAGEMENT

### **Ms. WONG May Po, Mabel** ***Financial Controller***

Ms. WONG May Po, Mabel, Financial Controller of the Company, joined the Group in February 2020. With over 25 years of experience in auditing, accounting and financial management gained from various companies, Ms. Wong is primarily responsible for the financial and accounting affairs as well as overseeing the investor relations of the Group. Ms. Wong holds a Bachelor of Commerce in Accounting from the University of New South Wales, Australia, and is a member of the Hong Kong Institute of Certified Public Accountants and CPA Australia.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## MESSAGE FROM THE SUSTAINABILITY STEERING COMMITTEE

Climate change and extreme weather events are increasingly affecting hotel operations worldwide. This underscores the ongoing need for effective climate action. In 2025, we saw increases in average temperatures, storms that were more frequent and more severe, and heightened heavy rainfall events. These events present a constant reminder of the importance of integrating meaningful climate initiatives with effective, people-centred business practices. This report outlines several key sustainability milestones achieved by our Hotels in 2025.

The Langham, Hong Kong and Eaton HK both attained the EarthCheck certification's Master Level in 2025, recognising these hotels' 15+ years of consistent sustainability efforts. Together with Cordis, Hong Kong, all three Hong Kong hotels have now achieved the highest level of sustainable accreditation – demonstrating their long-term commitment to deliver excellent sustainability performance and create positive impacts for society.

We also launched a new Environmental, Social and Governance ("ESG") data management platform in 2025, further improving our ESG data monitoring and tracking capabilities; and, to meet increasing sustainability disclosure expectations from our stakeholders, we continued to engage an external auditor to independently verify the data used in this report.

In terms of climate action, this year the Hotels and the Hotel Manager implemented several major energy efficiency and retro-commissioning projects, resulting in an approximately 4% reduction in energy consumption compared to 2024, despite continued growth in our hotel business.

On top of equipment upgrades such as installing new heat pumps and enhancing building management systems ("BMS") to improve energy efficiency, the Hotels also adopted innovative technologies to improve energy performance. These included using AI-driven technology for chiller plant optimisation and introducing passive cooling paint on portions of hotel rooftops to reduce air conditioning demand. Improving our climate-related risk preparations, we also began assessing risks and opportunities related to increased utility prices at our hotels. All these projects are making visible, crucial contributions to our Parent Group's Net Zero goal.

Our groundbreaking Oyster Shell Upcycling Programme made further gains in 2025. Our Hotels converted more than 19 tonnes of discarded oyster shells into sustainable raw materials for cement production, and we expanded the collection scope to other species like mussels, clams and abalone. It was also a source of pride for us to see other hotels and restaurants begin participating in the programme, amplifying its positive impacts on the hotel and catering industries, the environment and our community.

Community contributions remained a priority for us throughout the year, with colleagues across our three hotels contributing more than 2,000 hours of community service. The Hotel Manager launched a new "Eco-Innovation Challenge" in collaboration with a local non-government organisation ("NGO") and a local university, exploring innovative waste solutions for the hospitality industry. Over 100 participants – start-ups, sustainability practitioners, innovation enthusiasts, and students – developed practical solutions for the hospitality industry's most pressing waste challenges.

Looking forward, we remain committed to advancing the Hotels' sustainability progress. Our dedication to the environment and society will continue to inform our actions, and we anticipate that these initiatives will encourage broader participation in our collective pursuit of a more sustainable future.



**LO Chun Him, Alexander**  
*Non-Executive Director and Chairman  
of the Sustainability Steering Committee*

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## REPORTING APPROACH AND BOUNDARY

This ESG Report (“the Report”) is part of the 2025 Annual Report for the Trust and the Company, covering the period from 1 January 2025 to 31 December 2025. The Report has been prepared in accordance with the requirements of the Environmental, Social and Governance Reporting Code (“the Code”) issued by The Stock Exchange of Hong Kong Limited (“HKEX”), under Appendix C2 of the Main Board Listing Rules, and satisfies its “comply or explain” provisions. The Report follows the four reporting principles stipulated in the Guide: Materiality, Quantitative, Balance, and Consistency.

The reporting boundary covers all properties of the Trust Group that were in full operation during the reporting period, based on our control and significant influence in revenue contribution, management ownership, operating status, and sustainability impacts.

## SUSTAINABILITY APPROACH AND STRATEGY

Langham Hospitality Investments Limited (“LHIL” or “the Company”), together with the Master Lessee and the Hotel Manager<sup>1</sup> (“we”), are committed to operating in a sustainable manner. Sustainability is embedded into the operations of the Hotels through a corporate

sustainability programme, CONNECT. This is guided by the Parent Group’s Sustainability Policy, which serves as a testament to our unwavering commitment to being a sustainable company.

### Mission

*To serve as a catalyst that accelerates the hospitality industry’s transition towards a sustainable future.*

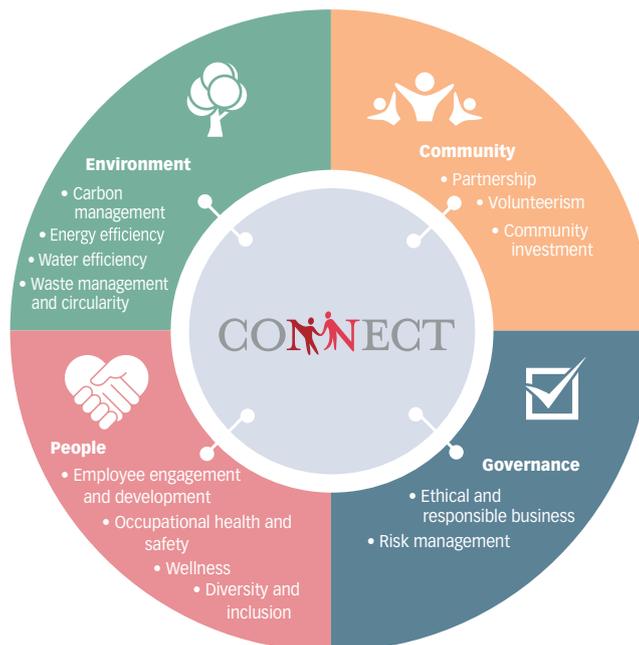
CONNECT’s sustainability strategy focuses on four key areas: Governance, People, Community, and Environment:

**Governance** – We are dedicated to operating with the utmost integrity and upholding our core values.

**People** – We are committed to maintaining an environment that is diverse, inclusive and fair for all stakeholders, and that fosters a sense of safety, value and acceptance without bias.

**Community** – We are determined to make positive and lasting impacts on the communities where we operate.

**Environment** – We are devoted to reducing our environmental impact through innovation and responsible resource management.



Through CONNECT, we drive sustainability and collaborate for positive change in the areas of Governance, People, Community, and Environment

<sup>1</sup> The three Hong Kong hotels are managed by the Hotel Manager, Langham Hotels International Limited, under the Langham Hospitality Group (“LHG”).

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For further details on materiality assessments and long-term sustainability strategies and goals, please refer to the Parent Group's sustainability reports.

## Sustainability Governance Structure

The LHIL Board of Directors ("the Board") oversees overarching sustainability trends and is accountable for all ESG- and climate-related matters. To ensure alignment with the Parent Group's sustainability vision, the Company's Sustainability Steering Committee ("the Committee") oversees all ESG- and climate-related matters, monitors sustainability performance against the Company's ambitions, and develops ESG- and climate-related strategies and policies.

As delegated by the Board, the Hotels and the Hotel Manager are responsible for implementing the Company's ESG strategy and for identifying and managing ESG- and climate-related risks across the Hotels. The Hotels and the Hotel Manager regularly report to the Board on sustainability matters and progress towards sustainability targets.

Taskforces, including the Sustainable Sourcing Taskforce and the Energy Efficiency Taskforce, also support the formulation and implementation of sustainability initiatives during hotel operations, further aligning us with the Parent Group's sustainability aspirations.

## SUSTAINABILITY-LINKED LOAN PERFORMANCE

In 2024, the Trust and the Company signed a three-year sustainability-linked loan ("SLL") facility with a consortium of banks. The terms of the loan state that we will be eligible for interest rate reductions when specific sustainability objectives are met. Obtaining this SLL reflects our commitments to creating positive changes for the environment and holding ourselves financially accountable for the Hotels' environmental impacts. The pre-agreed sustainability key performance indicators ("KPIs") listed in the SLL for 2025 were met.

## SUSTAINABILITY POLICIES AND CHARTERS

The Hotel Manager operates three hotels in Hong Kong. Policies and guidelines are in place to assist us in ensuring compliance with laws and regulations that are relevant and material to us in Hong Kong.

To ensure transparency and accountability, we report cases of legal non-compliance in our annual ESG Report. These include convicted criminal cases against the Company in Hong Kong, any major breaches that have resulted in significant fines (greater than HKD1 million) or non-monetary sanctions. In terms of environmental regulations and compliance, any incidents resulting in significant fines or prosecutions, or that relate to the exceedance of environmental license limits, are also reported. In 2025, there were no new reportable cases of non-compliance with the relevant laws or regulations in Hong Kong which had a significant impact on the Company.

The Hotels participate in various programmes and charters enacted by the Environment and Ecology Bureau and the Environmental Protection Department ("EPD") of the HKSAR Government, including:

- The Foodwise Charter
- Charter on External Lighting
- Carbon Neutrality Partnership

## ASSURANCE AND VERIFICATION

This Report underwent independent verification by the Hong Kong Quality Assurance Agency ("HKQAA"), an external verifier. This verification provides independent and limited assurance regarding the reliability of the data and information presented in the Report. For details of the verification methodology and a copy of the independent assurance report, please refer to Appendix III of the Report.

## 2025 SUSTAINABILITY PERFORMANCE AND PROGRESS

The following sections discuss the progress and achievements made through the CONNECT framework in 2025.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## GOVERNANCE

We are dedicated to upholding our core values and mandating that the Hotel Manager operates with the utmost integrity. This commitment extends beyond compliance: We strive to embed sustainability and sound business practices into every aspect of the Hotel Manager's operations. Through organisational accountability, positively incentivised teams and transparent reporting, we ensure that good governance remains a key focus as the Hotel Manager works to deliver exceptional guest experiences while taking action to preserve the planet for generations to come.

### Ethical Business Practices

We require that the Hotel Manager adheres to good corporate governance practices and maintains business integrity in all business activities. The Board regularly monitors and reviews the Trust Group's corporate governance practices in terms of the relevant regulatory requirements and our values of integrity and accountability.

The Trust Group articulates these principles in our Code of Conduct ("the Code"), which serves as the foundation of our ethical framework. The Code provides comprehensive guidelines on conflicts of interest, fair dealing and data privacy, and takes a zero-tolerance approach to bribery, corruption and fraud.

To ensure transparency, we require that the Hotel Manager maintains robust whistleblowing mechanisms that guarantee a safe, non-retaliatory environment for reporting misconduct. The Hotel Manager is committed to using education to embed these standards into our organisational culture. As part of the onboarding process, all new hires receive mandatory orientation training covering such critical topics as business ethics, anti-corruption, data protection, and unconscious bias. Ongoing compliance is reinforced through role-specific refresher courses and regular team briefings. This ensures that ethical principles are prioritised in our daily decision making and operational strategies.

In 2025, no reportable non-compliance incidents or fines were recorded.

For more information on the Company's corporate governance performance, please refer to the separate "Corporate Governance Report" of this Annual Report.

### Service Quality Management

We believe that Total Quality Management ("TQM") is essential to organisational success. Our proprietary Q. League Management System ("the Q. League") is a team-oriented approach, rooted in the Malcolm Baldrige Performance Excellence Framework, that fosters a shared purpose: to "Build Great Memories" among guests, drive alignment, continuously improve, and recognise success. The Q. League ensures that quality assurance and process improvement remain central to our culture of excellence.

The Hotels' general managers and quality champions lead strategic initiatives, supported by rigorous policy reviews and digital inspection tools. The Hotel Manager employs a dual-layer audit system comprised of regular internal audits and unbiased assessments by third-party hospitality experts to maintain brand standards, monitor market trends and ensure competitive consistency.

Building on established frameworks, a fact-based, data-centric, knowledge-driven measurement system was integrated into daily operations this year. This system provides granular insights into innovation and operational results. By aligning individual performance metrics with core objectives, we drive measurable improvements across key environmental, social and governance ("ESG") indicators, including guest loyalty, colleague engagement, sustainability compliance, and overall business resilience.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Guest Satisfaction and Feedback Management

Our customer-centric culture is embodied by our slogan, “Connect from the Heart”, which underscores our unwavering focus on our guests. The Hotel Manager is encouraged to prioritise transparency and accountability through a robust Feedback Management Policy, which enables individuals to share feedback or voice concerns.

“Voice of the Customer” (“VOC”) systems assist colleagues in creating a guest-centric environment by gathering feedback through various channels. This feedback helps the Hotels and the Hotel Manager identify guest preferences and areas for improvement, allowing them to consistently innovate to exceed guest expectations. Feedback channels include guest satisfaction surveys, online reviews for hotel stays and meeting planner experiences, and QR code surveys for dining and spa experiences.

In 2025, the Hotels enhanced these VOC systems by integrating ReviewPro and Shiji platforms. These technology upgrades give Reservations teams immediate access to historical guest survey data, facilitating better recognition of returning clientele. By leveraging these insights to anticipate preferences, the Hotels can strengthen their ability to deliver personalised service and consistently improve guest satisfaction levels.

## Stakeholder Engagement and Double Materiality Assessment

In late 2025, our Parent Group commissioned an independent consultant to conduct an in-depth stakeholder engagement exercise and develop a double materiality assessment. The exercise concluded in early 2026. The research referenced the World Economic Forum’s Global Risk Report, the MSCI Sustainability Institute’s Sustainability and Climate Trends to Watch, key sustainability benchmarks and frameworks, including the Sustainability Accounting Standards Board (“SASB”) and Global Real Estate Sustainability Benchmark (“GRESB”), and peer benchmarking analysis.

The results of this double materiality assessment will form the tools that will shape our sustainability priorities, long-term business strategies and strategic decision-making in the future. We are now working to integrate the results into our strategic planning, and they will be communicated to our stakeholders when they are finalised.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## A Commitment to Sustainable Hospitality

Helping ensure credibility and transparency, the Hotels maintain EarthCheck certification, a leading global standard for sustainable hospitality practices. The certification process involves rigorous assessments that allow the Hotels to benchmark their sustainability performance and demonstrate their ongoing commitment to environmental and social responsibility.

EarthCheck standards correspond with several global frameworks, including the United Nations Sustainable Development Goals (“UNSDGs”), the Intergovernmental Panel on Climate Change (“IPCC”) Guidelines for National Greenhouse Gas Inventories, the International Organization for Standardization (“ISO”), the Global Reporting Initiative (“GRI”), and industry practices such as the Global Sustainable Tourism Criteria (“GSTC”). These standards encompass a wide range of sustainability topics, including greenhouse

gas emissions, energy management, freshwater management, and social and cultural management.

To further align with EarthCheck requirements, the Hotels have developed a comprehensive sustainability management system that monitors performance and addresses key operational risks related to sustainability. Independent verification by EarthCheck ensures compliance with these standards and fosters continuous improvements in our environmental and social performance.

In 2025, The Langham, Hong Kong and Eaton HK achieved EarthCheck Master Certification, joining Cordis, Hong Kong in reaching this prestigious milestone. All three Hong Kong hotels now hold EarthCheck’s highest distinction, an achievement reflecting over 15 years of continuous and abiding commitment to sustainability leadership.



Representatives from The Langham, Hong Kong accepting EarthCheck Master Certification

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Responsible Sourcing

The Hotel Manager is expected to ensure that, wherever feasible, products in key procurement categories are sustainably sourced. These categories include animal proteins, seafood, fresh produce, coffee, sugar, cleaning supplies, and paper. Since 2013, the Hotels have implemented sustainable supply chain management initiatives in phases. The Hotel Manager prioritises suppliers that use responsible environmental practices and ethical sourcing, and that have the relevant certifications as guided by the Sustainable Sourcing Policy.

The Sustainable Sourcing Taskforce, comprising representatives from various functions, formulates action plans that align with the targets and enhance the procurement process.

To reinforce our commitment to responsible sourcing, the Hotel Manager upgraded the Supplier Code of Conduct governance framework in 2025. Moving into 2026, the Hotel Manager will formalise this commitment by requiring that all new suppliers explicitly acknowledge the Code of Conduct during the onboarding process. This will ensure that our partners operate in alignment with our ethical standards and corporate expectations.

## Cultivating Sustainability: A Farm-to-Table Commitment

Cordis, Hong Kong is working to embed sustainability into our supply chain with a “farm-to-table” philosophy that is reducing our carbon footprint and supporting local biodiversity and heritage.

The hotel collaborates with local producers to source high-quality, low-impact ingredients. Through a partnership with O-Farm, hotel chefs engage directly in the agricultural process, planting seeds to harvest seasonal organic produce, such as winter melons and the exquisite winter turnips used in our turnip cakes. We also celebrate local heritage by sourcing from the century-old Kung Wo Beancurd Factory.

A highlight of our responsible sourcing strategy is the locally-farmed green lobsters from Aqua Millennium. These organic lobsters are free from pollutants and hormones, are halal, and hold AFFS and WWF certifications. These sustainable dining options offer guests sublime dining experiences that contribute to biodiversity conservation and align with the United Nations Sustainable Development Goals.



Dishes made using locally-grown winter melon (left), and local green lobster (right)

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Risk Management and Internal Controls

The Hotel Manager maintains a robust risk management framework that uses continuous monitoring and structured annual self-assessments, including the Risk Management (RMSA), Internal Control (ICSA), and Data Privacy Management (DPMSA) assessments. These processes ensure that significant risks are identified, evaluated for impact and mitigated – safeguarding our short-, medium-, and long-term strategic objectives.

The risk identification methodology combines different approaches, including internal and external audits, covering the Hotels, to detect operational gaps and monitor cybersecurity threats through incident logs. The Hotel Manager currently benchmarks emerging risks against guidance from the Hong Kong Institute of Certified Public Accountants, using business, financial and compliance categories. Compliance is further enforced through strict governance standards, including an Information Security Incident Response Standard, regular litigation reviews and a confidential whistleblowing channel.

This framework will be enhanced in 2026. The Hotel Manager has adopted a comprehensive approach that will expand risk coverage to include environmental and emerging factors, formalise risk identification tools and strengthen monitoring mechanisms. This approach will also prioritise stakeholder engagement, incorporating insights from department leaders to bolster resilience and ensure accountability across all business units.

## Guest Safety

The Hotel Manager and the Hotels implement robust measures that prioritise the safety, security and wellbeing of our guests. The Hotels' comprehensive standard operating procedures address all aspects of guest safety. Regular training sessions are conducted for all staff to ensure that they are equipped to effectively handle all foreseeable safety and security challenges.

Our commitment to a safe operating environment is a shared priority, supported by a Health, Safety and Crisis Management Team that includes representatives from all operational areas. This team meets regularly to oversee compliance with regulations, training, inspections, and emergency procedures.

## Data Security and Protection

Safeguarding the trust and privacy of our stakeholders is of paramount importance. We implement rigorous privacy and information security programmes, which include strict data management standards, policies and procedures. These ensure that privacy is respected, personal information is safeguarded and compliance with our Privacy Policy is ensured.

The Hotels have multiple policies in place to ensure that employee and customer data are protected and that sensitive information is shielded from unauthorised access or breaches. They include:

**Privacy Policy** – Outlines how personal information from our customers and business partners is collected, used and protected. The policy is accessible on the websites of all Hotels.

**Data Protection Standards** – Define the data protection framework and establish the principles and standards that hotels are required to follow. This includes Data Protection Impact Assessments, Information Security Incident Handling, and Third-Party Due Diligence.

**Corporate IT Policy** – Provides technical guidance to ensure the secure use of computer equipment and prevent misuse or abuse. The policy also defines software configuration standards to minimise discrepancies, errors, and inefficiencies.

To encourage a security-conscious culture, the Hotels have transitioned from face-to-face training sessions to a new online platform. Through the platform, we deliver mandatory information security and data protection training to all new joiners, along with annual refreshers and phishing simulations. We have also integrated external threat intelligence into our Security Operations Centre, which encourages the Hotel Manager to take a proactive approach to data safety and ensures continuous monitoring.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Proactive Cyber Risk Assessments

To safeguard sensitive data and maintain trust, the Hotels and the Hotel Manager treat information security as a core priority and have implemented a rigorous monitoring framework to proactively manage cyber risk.

Central to this framework is the Cybersecurity Progress Index (CPI), which is designed in alignment with ISO 27001 and NIST standards across the people, process, and technology domains. The CPI measures performance by leveraging real-time data from security solutions alongside annual self-assessments conducted by the hotels. To further strengthen this process and ensure the integrity of these metrics, on-site reviews will commence in 2026.

CPI results and active threat intelligence are provided to management on a monthly basis to guide strategic decision-making. Furthermore, the Hotel Manager enforces strict third-party due diligence before onboarding suppliers, ensuring that security controls are effectively assessed and monitored across the entire supply chain.

## PEOPLE

In addition to emphasising exceptional guest experiences, the Hotels are committed to ensuring the wellbeing of colleagues, guests, visitors, and other stakeholders by fostering safe, fair and supportive work environments which promote diversity, wellness and career development. This commitment extends to the Hotels' contractors, suppliers and all partners who contribute to our continuing success.

## Embracing Workplace Excellence

The Hotels and the Hotel Manager are dedicated to cultivating a respectful, engaging workplace that empowers colleagues to reach their full potential. This is achieved through robust management systems designed to foster talent, ensure safety and promote open dialogue. The key pillars of this approach are:

- Global Human Resource Frameworks: Overarching policies designed to ensure ethical conduct and colleague engagement.
- Talent Development: Comprehensive training to drive performance and cultural alignment.
- Occupational Health and Safety: Rigorous systems that safeguard colleague and guest wellbeing.
- Performance Management: Clear goal alignment and regular appraisals.
- Internal Communication: Channels that strengthen cross-functional teamwork.

These systems strictly prohibit child and forced labour across all operations and supply chains. The Human Resources Division actively monitors compliance to maintain the highest ethical employment standards.



Staff celebrations during Colleague Appreciation and Wellness Month at The Langham, Hong Kong

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Recognising their efforts to maintain a workplace environment of excellence, the Hotels and the Hotel Manager received several awards in 2025:

## The Langham, Hong Kong

- “Caring Employer” medal (Level 2 Disability Inclusive Employer) – **Labour and Welfare Bureau, Government of the Hong Kong Special Administrative Region**
- “Caring Company Advanced Performance for Year 2024/25” – **The Hong Kong Council of Social Service**

## Cordis, Hong Kong

- Employee Experience Award 2025 – **Human Resources Online**  
Best Graduate Training Programme (Bronze Award)  
Best Diversity Equity and Inclusion Strategy (Bronze Award)
- Master Chef in Chinese Cuisine Certificate – **Chinese Culinary Institute**
- Industry Outstanding Star 2025 awarded to Mr Wong Kin Chi (Lifeguard) – **Hong Kong Federation of Trade Unions**
- Qualifications Framework in Action Achiever (Partner) – **Education Bureau, Government of the Hong Kong Special Administrative Region**
- Good Employee Recognition Campaign 2025 (Team) awarded to the Concierge Department, the Guest Service and Safety Department and the Lifeguard Team – **Labour Department, Government of the Hong Kong Special Administrative Region**

## Eaton HK

- Racial Diversity and Inclusion Employers Award Scheme – **Equal Opportunity Commission**  
Gold Award for Racial Equity in Hiring  
Gold Award for Inclusive Workplace  
Gold Award for Community Engagement
- “Caring Employer” medal (Level 2 Disability Inclusive Employer) – **Labour and Welfare Bureau, Government of the Hong Kong Special Administrative Region**
- 2025 LGBTQ+ Inclusion Index – **Community Business**

## Langham Hospitality Group

- Best Companies to Work For in Asia 2025 – **HR Asia**
- Sustainable Workplace Award – **HR Asia**
- Diversity, Equity and Inclusion Award – **HR Asia**
- Best Employer Brand Silver Award – **LinkedIn**
- Certified MindCare Company 2025 – **MindCare**

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



Eaton HK was recognised in the Racial Diversity and Inclusion Employers Award Scheme for its commitment to workplace equality

## Learning and Development

Our diverse learning programmes equip Hotels colleagues with essential skills for personal and professional growth. Management and the Learning and Development Team collaborate to cultivate a continuous learning mindset and set targeted goals that drive both individual and organisational success. These include:

**First60 Orientation:** This comprehensive onboarding programme immerses new hires in company culture and operations, ensuring successful integration.

**Langham Curriculum Certification (“LCC”):** A tiered development framework fostering continuous improvement. The LCC offers three levels of certification: Bronze (foundational), Silver (supervisory), and Gold (managerial), aligning skill acquisition with career progression.

**LEAD The Langham Way:** This leadership module for people managers focuses on coaching, feedback and nurturing a service-centric culture. It distinguishes strategic leadership from operational management.

**Service Culture Series:** Specialised training modules designed to elevate guest service standards and help staff master service recovery techniques, ensuring consistent service excellence.

**Online Learning:** Through digital platforms, including LinkedIn Learning and eCornell, online learning modules enable self-paced upskilling across a wide range of professional disciplines.

**“The 7 Habits of Highly Effective People”:** A workshop designed to cultivate effective leadership mindsets. Rolled out across the Hotels in 2025, several internal colleagues were certified as trainers to lead future sessions.

The Hotels incentivise reskilling and upskilling through three pillars to foster a culture of continuous growth:

- Financial sponsorship for external qualifications;
- Formal recognition for colleagues demonstrating exceptional commitment to learning; and
- Flexible digital access to training platforms, which empowers staff to manage development alongside their operational roles.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Strengthening the Talent Pipeline

The Hotels and the Hotel Manager work to secure a sustainable leadership pipeline through targeted development initiatives.

**Langham Leadership Trainee Programme (“LLTP”):** Launched in 2021, the LLTP is an exclusive pathway for ambitious young talent. Offering hands-on training across multiple departments, this comprehensive programme equips trainees with a holistic understanding of business operations. The LLTP has maintained a high employee retention rate since its inception.

**Advanced Programme for Executives (“APEX”):** Designed to cultivate the next generation of senior leadership, APEX focuses on internal colleagues preparing for hotel manager or general manager roles. The curriculum combines rigorous leadership training and mentorship with specialised online learning modules.

## Building a Future-Ready Workforce

Hotel colleagues are provided with a suite of training programmes to enhance their technological proficiency and analytical capabilities, ensuring that they are prepared for the evolving demands of the hospitality industry.

**eCornell Certification:** A core component of the APEX curriculum, participants complete specialised online eCornell courses to deepen their expertise in digital strategy and executive leadership.

**LinkedIn Learning:** This platform enables on-demand upskilling and reskilling across a wide range of topics including technology, leadership and personal development, fostering a culture of continuous learning to ensure colleagues remain current with industry trends.

**Gen-AI Integration:** The Hotel Manager is actively preparing our corporate teams for the future with targeted generative AI training. Sessions focus on integrating AI tools into daily workflows to elevate the customer experience and enhance operational efficiency.



Total learning hours:

**77,355+** hours



Average learning hours per employee:

**62.98** hours

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Health and Safety

The health, safety and wellbeing of our guests and employees remains our first and most important priority. We maintain a rigorous safety framework characterised by stringent cleanliness standards to ensure strict compliance with relevant health and safety regulations, comprehensive risk assessments and robust emergency response plans. Our policies are communicated through orientation sessions, regular briefings and digital platforms.

To protect our Hotels colleagues, particularly frontline staff, the Hotels implement regular hazard assessments and monitor safety performance against strict key performance indicators (“KPIs”). The Hotels and the Hotel Manager also prioritise operational resilience, providing enhanced training that covers workplace safety, fire safety, first aid, and cardiopulmonary resuscitation (“CPR”).

The Hotels and the Hotel Manager foster a culture of safety through active stakeholder engagement, encouraging employees to voice concerns and collaborate on safety initiatives – a continuous feedback loop that is integral to evolving our practices. To ensure accountability and effectiveness, we track workplace injuries and lost days on a monthly basis. These metrics are reviewed annually to ensure we are maintaining a secure, supportive environment that adapts to evolving staff needs.

In 2025, the Hotels recorded a Lost Time Injury Frequency Rate (“LTIFR”)<sup>2</sup> of 33.9 and an Incident Rate<sup>3</sup> of 9.9. Safety management continued to focus on hazard identification, incident and near-miss reporting, investigations, and corrective actions, supported by ongoing training and reinforcement of safe work practices for employees and contractors to reduce injuries and prevent recurrence.

## Focusing on Wellness

### *Colleagues*

The Hotels and the Hotel Manager take a holistic approach to employee wellbeing that seeks to foster a culture of health, engagement and community.

This year, the internal Wellbeing Channel was revamped as a central resource for mind-body balance, offering health tips and desk-friendly workouts. During Global Wellness Month, the Hotels and the Hotel Manager hosted Colleague Wellness Day, supporting proactive health management through comprehensive health screenings and eye exams.

Mental health remained a critical pillar of the employee wellbeing strategy this year, with the Hotel Manager continuing to enhance support through the Employee Assistance Programme (“EAP”). Seminars on managing emotional crises and understanding workplace dynamics were held. In response to the Tai Po fire tragedy in Hong Kong in late November 2025, the Hotel Manager partnered with clinical psychologists to deliver post-disaster mental health webinars, ensuring that hotel colleagues received essential coping support.

The Hotel Manager also continuously refines wellbeing-related programmes through post-event surveys, ensuring that hotel initiatives evolve to meet diverse workforce needs.

<sup>2</sup> The LTIFR is the number of reported lost-time accidents per one million working hours.

<sup>3</sup> The Incident Rate is the number of reported accidents per 100 hotel employees.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



Colleagues receiving comprehensive health screenings and health tips during Colleague Wellness Day

## Guests

The Hotels offered meticulously-planned wellness activities designed to promote the holistic mental and physical health of guests at all fitness levels in 2025. Our spas at The Langham, Hong Kong and Cordis, Hong Kong hosted global wellness-related events and participated in key initiatives such as Global Wellness Day and World Sleep Day. In collaboration with business partners, we also provided complimentary activities that encouraged guests to prioritise self-care.

Underpinning these activities is a philosophy of inclusiveness. The Hotel Manager works to ensure

that the Hotels' restorative journeys are accessible to everyone by offering universally designed facilities and multigenerational programming that blends Traditional Chinese Medicine with local traditions.

Eaton HK hosted a Consciousness Festival in 2025. Themed "In Mind, In Kind", this three-weekend event explored collective wellbeing through 46 workshops and restorative experiences. Collaborating with over 15 community partners like Mind HK and the Hong Kong Ballet, the festival engaged over 1,200 participants in a shared path of healing and self realisation.



Eaton HK Consciousness Festival 2025 ("Credit: Hong Kong Ballet, Dancers: Shen Jie, Ma Renjie, Wang Zi")

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Sleep Matters By Chuan

Sleep is essential to positive travel experiences. A good night's rest enhances holiday enjoyment, boosts productivity on business trips and strengthens the bonds between a hotel and its guests.

Recognising the vital role that sleep plays in wellbeing, we continued our partnership with the World Sleep Society in 2025 through the "Sleep Matters by Chuan" programme, which aims to ensure guests enjoy a truly restorative sleep experience.

The key driving factors of Sleep Matters are:

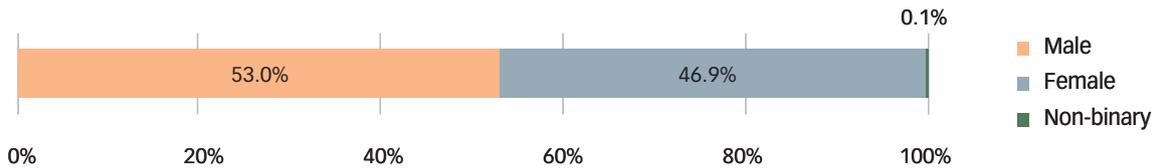
- **Scientific expertise:** Partnering with medical experts to create evidence-based sleep strategies and educational materials.
- **Technological innovation:** We integrated Sleep Cycle, an AI-driven app, to offer guests personalised sleep tracking and insights.
- **Holistic amenities:** In-room offerings promote deep rest, such as Traditional Chinese Medicine rituals, specialised pillow menus, white noise machines, aroma diffusers, and herbal teas.
- **Healthy environments:** Select properties piloted advanced air purification systems, creating pristine, dust-free sanctuaries.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

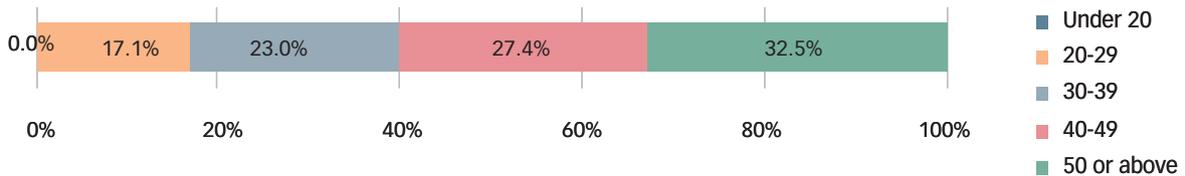
## Diversity, Equity and Inclusion

Diversity is a vital element in hospitality – it is essential to delivering exceptional service and creating memorable experiences for guests. The Hotel Manager is therefore dedicated to cultivating an inclusive and diverse workforce and to ensuring equal opportunities across all Hotel operations. The goal is to establish a welcoming atmosphere that celebrates all cultures, backgrounds and perspectives, reflecting the diversity of our guests and communities.

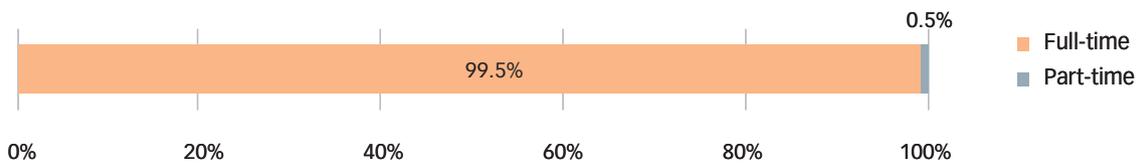
### By Gender



### By Age Group



### By Employment Type



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Comprehensive DEI training is mandated across our Hotel portfolio to ensure we provide a respectful and inclusive workplace culture. Hotel colleagues complete essential training on unconscious bias and harassment prevention within their first 60 days. Leaders undergo further development through the “LEAD The Langham Way” programme, which categorises diversity of thought as a core management competency.

This year, Eaton HK continued to reinforce its commitment to social impact through the unique “E.D.I.T. – Diversity, Equity, Inclusion Thriving” programme which ensures that every team member has the tools to contribute to an equitable environment.

## Eaton HK – “Reorient to the Future”

In 2025, Eaton HK’s Pride programme was themed “Reorient to the Future” and celebrated resilience amidst global cultural shifts. Inspired by the concept of Queer Futurity, the campaign moved beyond traditional celebrations to reclaim a future rooted in intersectional solidarity.

The hotel hosted over 20 events in June and July aligning with LGBTQ+ Pride, Disability Pride and World Refugee Day. Highlights included a “DEI in Transition” panel, which explored inclusive policies with sign language interpretation, and a “Socially Inclusive Workplace” seminar featuring insights into Eaton HK’s refugee employment initiatives. The programme also amplified disabled voices through the “Stand by Wheel” live podcast. By uniting art, advocacy and dialogue, Eaton HK created a space of hope and belonging for traditionally marginalised communities.



Eaton HK – Pride 2025: Drag Makeover 101

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## COMMUNITY

The Hotels are determined to make positive and lasting impacts on the communities in which they operate. These communities play an integral role in the Hotels' success, and therefore it is vital to contribute to community health and wellbeing through acts of "giving back". Through partnerships, philanthropic initiatives and community sustainability initiatives, the Hotel Manager strives to empower individuals and benefit societies.

Taking a community investment approach, volunteering by hotel colleagues is a core element of our CONNECT culture. The Hotel Manager promotes social bonding within the organisation and with the local community, guided by four key themes: Art, Children and Youth, Environment, and Local Issues.

Specific annual targets are set for community volunteering. In 2025, the Hotels contributed more than 2,000 hours of community service.



Staff from The Langham, Hong Kong (left) and Cordis, Hong Kong (right) volunteering with Food Angel

## Nurturing Potential Beyond the Resume

This year, the Hotels partnered with several organisations to assist students with special educational needs ("SEN"), helping them discover their strengths and expand their potential. Through collaborations with the Shine Skills Centre, the Heep Hong Society and Chi Lin Buddhist Secondary School, we provided mentorship and job skill experiences across various hotel departments. By pairing students with supportive mentors, we worked to ensure that every participant received the guidance they need to thrive, proving that talent knows no boundaries.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ENVIRONMENT

### Climate Resilience

2025 was Hong Kong's sixth-warmest year on record. The city had an annual mean temperature of 24.3° C, which is 0.8° C above the 1991-2020 normal mean annual temperature. The year also saw many extreme rainfall events and an unprecedented surge in tropical cyclone activity, consistent with a warming climate, with 14 warning signals being hoisted – the highest annual total since 1946. Extreme weather adversely affects hotel operations, and the Hotel Manager recognises the importance of identifying and managing potential climate-related risks and opportunities to enhance climate resilience at our hotels.

### Scenario Analyses

Driven by the vision of our Parent Group, the Hotels and the Hotel Manager have begun identifying and mitigating the effects of climate change at our hotels. Climate-related risks and opportunities are being identified through scenario analyses.

In terms of physical risk analysis, two climate scenarios were selected, incorporating global and local government policies, environmental, economic, social, and technological indicators, and market trends. Publicly-available climate scenarios are also being referenced, mainly the Representative Concentration Pathways ("RCPs") and Shared Socioeconomic Pathways ("SSPs") developed by the Intergovernmental Panel on Climate Change ("IPCC"). For transition risk analysis, scenarios developed by Network for Greening the Financial System ("NGFS") are being used.

Some key characteristics and assumptions from these scenarios appear in the table below.

	Turquoise Scenarios <sup>4</sup>	Brown Scenarios
Physical Risk Scenarios	IPCC RCP 2.6, SSP1-2.6 <ul style="list-style-type: none"> <li>Net-zero CO<sub>2</sub> emissions around the middle of the century.</li> <li>Warming limited to 2° C.</li> </ul>	IPCC RCP 8.5, SSP5-8.5 <ul style="list-style-type: none"> <li>CO<sub>2</sub> emissions roughly double from current levels by 2050.</li> <li>Warming exceeds 4° C in 2100.</li> </ul>
Transition Risk Scenario	NGFS Net Zero 2050 <ul style="list-style-type: none"> <li>Warming limited to 1.5° C.</li> <li>Ambitious climate policies are introduced immediately.</li> </ul>	NGFS Current Policies <ul style="list-style-type: none"> <li>Warming of ~3° C due to emissions growth.</li> <li>Only currently implemented policies are preserved.</li> </ul>
Assumptions	<ul style="list-style-type: none"> <li>Vigorous policy and/or regulatory changes leading to operational cost increases.</li> <li>Investment increases for facility upgrades and adaptations for frequent extreme weather events like flooding and typhoons.</li> <li>Rapid shift from a fossil fuel-dependent economy to a sustainability and renewable energy-driven economy.</li> </ul>	<ul style="list-style-type: none"> <li>Few policy or regulatory changes regarding carbon and climate-related disclosures.</li> <li>Capital cost increases for replacement and repair of damage and productivity loss from more frequent extreme weather events like flooding and typhoons.</li> <li>Profit-driven business model with only casual consideration of environmental and social impacts.</li> </ul>
Time Horizons	<ul style="list-style-type: none"> <li>Short term: 2030</li> <li>Medium term: 2050</li> <li>Long term: 2100</li> </ul>	
Geographical Coverage	<ul style="list-style-type: none"> <li>3 hotels located in Hong Kong</li> </ul>	

<sup>4</sup> The Turquoise and Brown Scenarios are referenced from the categories of publicly available climate scenarios developed by HKEX, setting out generally milder (Turquoise) and generally more serious (Brown) climate change scenarios. More detail on these scenarios can be found on pages 16 and 17 of the HKEX *Guidance on Climate Disclosures* document.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Physical Risks and Opportunities Assessment

Scenario analyses of the three hotels have been conducted using the two climate scenarios, supplemented by findings from a climate risk analytics platform. Based on the analysis, three potential climate-related physical risks relevant to the Hotels have been identified and prioritised: Typhoons, flooding from extreme rainfall and extreme heat. The table below shows the prioritised physical risks, their impacts to business and the mitigation measures to be taken by the Hotels.

Risk Type	Risks/ Opportunities	Business Impacts and Value Chain	Financial Impacts	Mitigation Measures
Physical (Acute)	<p>Flooding caused by overflowing rivers or extreme rainfall.</p> <p>Typhoons of increased frequency and severity bring about widespread devastation.</p>	<ul style="list-style-type: none"> <li>Reduce in customer traffic.</li> <li>More frequent supply chain and operational disruption.</li> <li>Increased potential for damage to building facilities.</li> </ul>	<ul style="list-style-type: none"> <li>Decrease in revenue.</li> <li>Increase in operational costs and property insurance premiums.</li> <li>Increase in capital expenditure for climate-resilient features.</li> </ul>	<ul style="list-style-type: none"> <li>Review and update operational protocols for extreme weather events.</li> <li>Training, procedural guidelines and contingency drills for operation staff.</li> <li>Implement climate adaptation measures to prevent floods.</li> <li>Disseminate updated best practices to operations staff on a regular basis on how to manage extreme weather events.</li> </ul>
Physical (Chronic)	<ul style="list-style-type: none"> <li>Rising mean temperatures lead to more extreme weather events, including heatwaves, extreme heat, changes in precipitation patterns, and drought.</li> </ul>	<ul style="list-style-type: none"> <li>Accelerated equipment and building envelope depreciation.</li> <li>Increase in cooling demand and energy consumption.</li> <li>Increased heat stress-related risks of employees (e.g. heat stroke and heat exhaustion).</li> <li>Reduced workforce productivity.</li> </ul>	<ul style="list-style-type: none"> <li>Increase in retrofitting and refurbishment costs associated with building upgrade.</li> <li>Increase in operational costs, including lost working days due to adverse weather.</li> </ul>	<ul style="list-style-type: none"> <li>Update operational protocols for periods of extreme heat.</li> <li>Optimise the energy efficiency of building services in the Hotels.</li> <li>Initiate electricity and energy saving measures.</li> <li>Regularly review and monitor building conditions to maintain effective performance.</li> <li>Explore sustainable materials to reduce heat gain.</li> </ul>

Informed by the above results, a more deep-dive rainfall-induced flooding study was conducted at Cordis, Hong Kong. The results were presented in the ESG Report section of the Annual Report 2024, found on page 48.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## **Financial Impact Assessment of Physical Risks and Opportunities**

The Hotels and the Hotel Manager have started assessing the current and anticipated financial impacts associated with identified physical risks to evaluate their influence on the Hotels’ business operations, mitigation and adaption strategies and overall economic performance. A Climate Value at Risk (“CVaR”) assessment has been initiated, which will allow us to quantify the potential financial exposure of the Hotels to climate-related risks under different SPP and RCP scenarios using different timeframes (2030, 2050 and 2100).

The Hotel Manager will continue this work by validating initial assessment results and evaluating the feasibility of conducting more comprehensive assessments on climate-related physical risks and opportunities in future reports.

## **Transition Risks and Opportunities Assessment**

Transition risks and opportunities have been identified in accordance with global, national and local policies, more stringent climate disclosure requirements, emerging market and technology trends, and the various scenarios developed by the NGFS. The table below outlines the assessment results and evaluates the business implications and mitigation measures to be taken by the Hotels.

Risk Type	Risks/ Opportunities	Business Impacts and Value Chain	Financial Impacts	Mitigation Measures
Transition (Policy and Legal)	<ul style="list-style-type: none"> <li>Tightened environmental regulations and codes of practice.</li> <li>Execution of government policies to shift to a low-carbon economy.</li> </ul>	<ul style="list-style-type: none"> <li>Increase in the need of optimise operational efficiency and building construction to reduce resource consumption.</li> <li>Reduced choices and availability of goods and services from suppliers.</li> </ul>	<ul style="list-style-type: none"> <li>Increase in capital investment for facilities upgrades and technological advancement to meet the new low carbon requirements.</li> <li>Increase in operational expenditure for retirement of existing facilities.</li> <li>Decrease in operational expenses due to the improved energy efficiency of buildings.</li> <li>Increase in procurement costs.</li> </ul>	<ul style="list-style-type: none"> <li>Capitalise on new and energy-efficient models for equipment upgrades.</li> <li>Participate in our parent group’s Energy Efficiency Taskforce to keep track of our energy saving progress.</li> <li>Continuous monitoring of the latest regulations and trends. For example, early inventory management and procurement process to address the regulation of disposable plastic products.</li> <li>Explore practical and innovative method to expand the types of waste collection and increase the waste diversion rate.</li> </ul>

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Risk Type	Risks/ Opportunities	Business Impacts and Value Chain	Financial Impacts	Mitigation Measures
Transition (Market and Technology)	<ul style="list-style-type: none"> <li>Increased cost of utility supplies and services.</li> </ul>	<ul style="list-style-type: none"> <li>Increase in the need for new energy-saving practices and installation of high-efficiency equipment.</li> </ul>	<ul style="list-style-type: none"> <li>Rising operational costs due to increased utility costs.</li> <li>Increase in capital expenses for equipment upgrade.</li> </ul>	<ul style="list-style-type: none"> <li>Initiate electricity and energy saving measures.</li> <li>Participate in our parent group's Energy Efficiency Taskforce to keep track of our energy saving progress.</li> </ul>
	<ul style="list-style-type: none"> <li>Increased adoption of new technologies, low carbon and green products.</li> </ul>	<ul style="list-style-type: none"> <li>Increased fluctuations in the cost and supply of new technologies, low-carbon and green products.</li> </ul>	<ul style="list-style-type: none"> <li>Increase in investments or capital for technologies.</li> <li>Increase in procurement expenditures.</li> <li>Decrease in operation costs due to adopting the low carbon and energy saving technology.</li> </ul>	<ul style="list-style-type: none"> <li>Explore new investment models to facilitate equipment upgrades.</li> <li>Apply for funding support when suitable energy saving or decarbonisation projects are planned.</li> <li>Increase financial flexibility through engaging with banks for sustainability-linked loans.</li> </ul>
	<ul style="list-style-type: none"> <li>Increased customers' expectation on sustainable hotels</li> </ul>	<ul style="list-style-type: none"> <li>Increase in the need of obtaining green hotel certifications</li> <li>Increased demand for implementing sustainability practices</li> </ul>	<ul style="list-style-type: none"> <li>Increased costs required to implement sustainability measures and green retrofits.</li> <li>Decrease in operational expenses due to the improved energy efficiency of buildings</li> </ul>	<ul style="list-style-type: none"> <li>Maintain active participation in various green initiatives, such as EarthCheck.</li> <li>Engage internal stakeholders and customers in green initiatives, such as our CONNECT activities.</li> <li>Develop a sustainable guidebook and provide internal training to drive low-carbon operations.</li> </ul>

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Financial Impact Assessment of Transition Risks and Opportunities

The Hotels and the Hotel Manager have begun considering climate-related transition risks such as utility costs and evaluating their vulnerability to these risks.

This year, the Hotel Manager started examining historical, current and projected utility prices. These were sourced from local utility companies and scenarios developed by the NGFS, which outlines plausible pathways related to the transition to a low-carbon economy. The NGFS projections were converted to percentage changes and calibrated against local utility rates to estimate potential directional trends. The Hotel Manager will continue this study in 2026, validating the initial results and evaluating the feasibility of conducting more comprehensive assessments on climate-related transition risks and opportunities in future reports.

These analyses can help the Hotels and the Hotel Manager identify various mitigation and adaption measures that will allow them to maintain service levels in the face of potential rises in energy costs. This process will inform future planning and risk mitigation and adaption strategies related to energy expenses and sustainability initiatives, and ensure that the risk management strategies align with the Parent Group's targets. The Hotels and the Hotel Manager will continue

In 2025, the Hotel Manager continued to review sustainability strategies and energy saving plans as we worked towards meeting these targets.

to implement energy saving and energy efficiency measures such as kitchen electrification and pursue other opportunities to reduce reliance on fossil fuels. The Hotel Manager will monitor progress to ensure that energy savings remain on track with expectations.

In short, as the Hotels and the Hotel Manager continue to explore these solutions, the Hotel Manager will remain focused on implementing meaningful changes to support a sustainable future for our Hotels and the broader hospitality industry. Broader measures will also be applied across the Hotels, including policy and planning, asset-level operational controls, supply chain resilience, and portfolio management to mitigate risk and protect long-term value.

## Carbon and Energy

The Hotels and the Hotel Manager seek to reduce the environmental impacts of operations through innovation and responsible resource management. The Hotels are now fully aligned with the environment targets of our Parent Group. The two primary climate-related targets are:

- Reduce energy consumption by 30% by 2030 as compared to 2019.
- Reduce greenhouse gas emissions by 46% by 2030 as compared to 2019.

	2024	2025
Scope 1 and 2 emissions (tCO <sub>2</sub> e)	17,371	16,288
Energy consumption (MWh)	49,364	47,245
Progress against targets		
– Emissions	Emissions: -25%	<b>Emissions: -29%</b>
– Energy	Energy: -6%	<b>Energy: -10%</b>

The Hotels reduced their energy consumption by approximately 4% and carbon emissions by approximately 6% in 2025 compared to 2024, despite the total number of guests reaching a new high in 2025 – increasing 0.4% over 2024.

In 2025, the Hotel Manager carried out various equipment upgrade projects, including the replacement of heat pump systems, in Hong Kong hotels. A kitchen appliance electrification project was completed, and, as part of the equipment lifecycle management programme, the Hotels are continued to replace ageing building automation systems with state-of-the-art open control systems.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Other major energy saving initiatives in 2025 included:

## The Langham, Hong Kong:

- Artificial Intelligence (“AI”) optimisation of chiller plant controls was implemented in July 2025, which uses a cloud-based analytics platform to predict cooling demand and optimise chiller operations.
- Upgrades to the Building Management System.

## Cordis, Hong Kong:

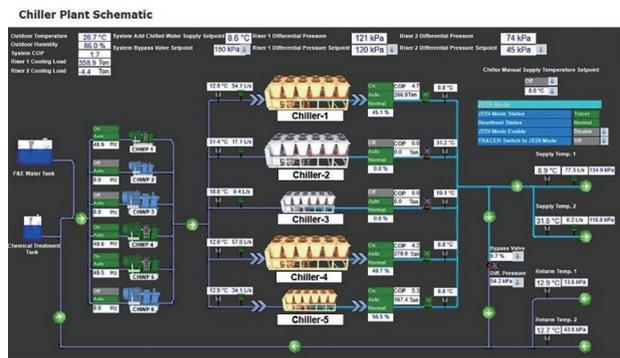
- Upgrades to the Building Management System.
- Replaced swimming pool heat pumps to reduce electric heater electricity consumption.

- Replaced kitchen gas appliances with electric induction appliances.
- Retrofitted guest corridors and guest rooms with LED lighting.

## Eaton HK:

- Completed installation of heat pumps to replace old equipment and enhance energy efficiency.
- Applied passive radiative cooling paint to rooftop chiller machine housing structure.
- Replaced existing halogen lamps used for external lighting with LED floodlights.

Further energy-efficient equipment installations are planned for the Hotels to continuously improve sustainability performance. These include:



Energy saving initiatives at our Hotels: energy-efficient heat pumps (left) and AI optimisation for chiller plant control (right)

General measures:

- More energy efficient heat pumps will be installed at The Langham, Hong Kong and Eaton HK.
- All hotels will replace air handling units with efficient electronically commutated (“EC”) plug fans.
- All hotels will equip air handling units with nano-filters.

## Cordis, Hong Kong:

- Continue the chiller plant replacement project.
- Electrify the gas cooker.
- Upgrade the swimming pool heat pump.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Langham, Hong Kong:

- Study the use of AI-driven controls for air-side equipment.
- Enact Phase 2 of the heat pump installation project for service hot water.
- Improve thermal insulation on the chilled water pipes and hot water pipes.
- Upgrade the fan coil unit by installing DC fans.

## Eaton HK:

- Retrofit LED lighting on billboards and external floodlights.
- Enact Phase 2 of the heat pump installation for the swimming pool.
- Retrofit the remaining non-LED lamps in kitchens and hotel office with LED lights.

This year, a Net Zero Working Group was established to develop and implement strategies that will drive Hotel sustainability initiatives forward, raise awareness of carbon neutrality and reinforce accountability. Led by the Parent Group, the Hotels and the Hotel Manager also improved the online ESG data platform to ensure transparency and facilitate continuous improvements.

Frontline staff at the Hotels began to actively implement daily energy-saving measures, such as energy conservation-focused housekeeping, reviewing exterior lighting schedules, utilising swimming pool covers during winter operations, and monitoring chilled supply water temperature set-backs.

These actions are strengthened by the Hotels' participation in the EarthCheck certification scheme. This provides a comprehensive framework focused on environmental management, responsible practices and community engagement. The Hotels have attained the highest certification rating – Master – demonstrating 15+ continuous years of commitment to sustainability.

## Water

The Hotel Manager is currently reviewing water performance across all operations. In 2025, various water efficiency measures at the Hotels were reviewed, with several water saving opportunity areas identified. These will help the Hotel Manager develop a comprehensive water reduction action plan focusing on strategies to minimise consumption and enhance efficiency by 2030.

Effective water management is a crucial component of our sustainability strategy – it conserves a vital resource and reduces operational costs and environmental impacts. Several water efficiency initiatives were implemented at Cordis, Hong Kong and Eaton HK this year, including installing low-flow faucets, showerheads and toilets in all guest rooms, which reduced water consumption by approximately 1% without compromising guest comfort, despite an increase in the total number of guests. New water-efficient dishwashers and washing machines also optimise water usage while maintaining high standards of cleanliness.

Both hotels are now equipped with leak detection systems that promptly identify and address any leaks to prevent further water loss. Water meters track consumption in real time, allowing usage patterns to be monitored and identifying improvement areas.

After participating in the “WaterWise” project organised by the Centre for Water Technology and Policy at The University of Hong Kong in 2024; this year the Hotels joined the Water Supplies Department’s Water-smart Taskforce Programme (“WaterTAP”) to gain a comprehensive understanding of water consumption patterns and trends. Smart water meters were installed at the Hotels between April and July 2025, providing granular data for analysis and visualisation on a cloud platform. This allowed the Hotel Manager to uncover and promptly implement specific, effective water-saving actions.

Another simple yet effective water-saving measure is the use of pool covers to minimise water evaporation when swimming pools are not in use. This helps conserve water, minimises heat loss and reduces the need for frequent refilling. Wherever possible, the Hotels have replaced traditional landscaping with drought-resistant plants and native species. This reduces irrigation water use, promotes biodiversity and helps create resilient ecosystems.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Waste

The Hotels and the Hotel Manager have implemented a growing range of waste reduction initiatives, while the Hotel Manager is developing waste reduction plans with specific goals to minimise waste generation across all operations.

Dedicated recycling bins are provided in guest rooms, common areas and back-of-house spaces. Materials that

are reused or recycled include paper, metal, plastics, cardboard, glass bottles, used cooking oil, printer cartridges, bath and spa amenities, soap, and wine corks.

To reduce the use of single-use plastics, we have installed water bottling systems that allow guests to refill reusable bottles. This has significantly decreased the Hotels' use of bottled water.



Glass bottled water provided to the hotel guests

Food waste is separated for recycling and/or composting, with organic waste transformed into valuable compost or handled by food waste digester machines. The Hotels' food donation programmes partner with local organisations to redistribute surplus food, reducing waste while supporting community members in need. The Hotels also promote mindful consumption and efficient inventory management in the kitchens.

The Oyster Shell Upcycling Programme at The Langham, Hong Kong and Eaton HK has created positive impacts since its 2023 launch – growing in size and stature. Its popularity and success have created positive ripple effects across the hotel and hospitality sectors. As of

December 2025, the project had diverted about 43 tonnes of waste oyster shells from landfills and turned them into sustainable cement products – over 19 tonnes from the Hotels. The programme's collection scope was expanded this year to include other types of seafood, including clams, mussels and abalone.

Meanwhile, Cordis, Hong Kong continued to participate in The Nature Conservancy's Oyster Reef Restoration Programme, upcycling discarded oyster shells into substrate for new living reefs – vital habitats for juvenile fish and other marine life. Cordis, Hong Kong was the first hotel to join the programme. Since November 2020, it has collected over 31 tonnes of oyster shells.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



Christmas decoration made use of discarded materials: festive decorations from oyster shell from The Langham, Hong Kong (left); Christmas tree from retired bed sheets colored with natural indigo dye from the Eaton HK (right).

## Eco-Innovation Challenge: Fostering Circular Solutions

As part of our commitment to reducing waste through community engagement, in 2025 the Hotel Manager launched the Eco-Innovation Challenge in collaboration with A Plastic Ocean Foundation and Lingnan University's Science Unit. This initiative is designed to empower young people and start-up businesses to develop practical solutions to the hospitality industry's most pressing waste challenges.

Engaging over 100 participants, including students from eight universities, sustainability-related businesses, innovation enthusiasts, and others, the programme employed immersive workshops, mentorships and hotel job shadowing to ensure that the challenge's proposals would address modern operational realities.

The Grand Final showcased ten shortlisted innovations. The winning concepts reimagined common single-use touchpoints to create interactive guest experiences, and implemented behaviour-driven systems to optimise waste management. Other innovations included sustainable alternatives to conventional wood furnishings and circular methods to transform ceramics and food by-products into designer goods. The next step is to turn these great ideas into tangible reality.



Eco-Innovation Challenge Grand Final held at Eaton HK

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Upskilling and Raising Awareness

The Hotels and the Hotel Manager continued to offer sustainability-related upskilling and awareness initiatives through CONNECT this year.

The annual Loving Earth Month, organised by the Hotel Manager during the weeks between Earth Hour in late March and Earth Day (22 April), encourages sustainable action for the good of our planet. Initiatives in 2025 ranged from eco-workshops and meatless meals to environmental volunteer activities.

The “Climate 101” training module is mandatory for all Hotel colleagues, equipping them with an understanding of the impacts of climate change and how their daily operational roles relate to the climate. The training covers the current climate scenario, the correlation between climate change and greenhouse gases, and the proactive measures the Company is taking to combat and alleviate the effects of climate change.

Energy efficiency training given to the Hotels’ Engineering teams to clarify the positive climate impacts of hardware upgrades. The training refreshes their knowledge of heating, ventilation and air conditioning systems, building management systems and energy-saving measures adopted in our and other hotels.



The Langham, Hong Kong participated by turning off and dimming the lights of the hotel’s exterior, lobby, staff canteen and restaurants

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Appendix I – 2025 ESG Performance Data Summary

Environmental data	2025
<b>Energy Consumption (MWh)</b>	
Direct Energy Consumption	36
Indirect Energy Consumption	47,209
<b>Total Energy Consumption</b>	<b>47,245</b>
<b>Carbon Emissions<sup>(1)</sup> (tonnes of CO<sub>2</sub>e)</b>	
Direct carbon emissions (Scope 1) <sup>(2)</sup>	2,167
Indirect carbon emissions (Scope 2) <sup>(3)</sup>	14,121
<b>Total carbon emissions (Scopes 1 and 2)</b>	<b>16,288</b>
<b>Water Consumption (CuM)</b>	<b>448,438</b>
<b>Waste and Recycling (tonnes)</b>	
Waste sent to landfill	1,730
Waste diverted from landfill	614
Hazardous waste generated <sup>(4)</sup>	0.95
<hr/>	
Social data	2025
<b>Supply Chain</b>	
Hong Kong	348
Chinese Mainland	–
Asia (other than Hong Kong & Chinese Mainland)	2
Australia and New Zealand	2
Europe	7
United Kingdom	–
North America	14
<hr/>	
<b>Employee Profile</b>	
Total workforce <sup>(5)</sup>	1,241
<b>By Employment Type</b>	
Full-time <sup>(6)</sup>	1,235
Part-time <sup>(7)</sup>	6
<b>By Age Group</b>	
under 20	–
20-29	212
30-39	285
40-49	340
50 or above	404

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Social data	2025
<b>By Gender</b>	
Male	658
Female	582
Non-binary	1
<b>With Disabilities</b>	7
<b>Turnover</b>	
Total turnover rate <sup>(8)</sup>	21%
<b>By Age Group</b>	
under 20	–
20-29	58
30-39	67
40-49	63
50 or above	75
<b>By Gender</b>	
Male	136
Female	127
Non-binary	–
<b>Occupational Health and Safety</b>	
Lost Time Injury Frequency Rate (LTIFR)	33.9
Incident Rate	9.9
Number of work-related fatalities	–
Lost days due to work injury <sup>(9)</sup>	1,637
<b>Employee Training<sup>(10)</sup></b>	
Percentage of employees trained	98%
<b>By Gender</b>	
Male	99%
Female	97%
Non-binary	109%
<b>By Employee Category</b>	
Senior Management	99%
Management	103%
General Staff	96%

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Social data	2025
Average training hours per employee	62.98
<b>By Gender</b>	
Male	56.77
Female	70.03
Non-binary	22.36
<b>By Employee Category</b>	
Senior Management	34.00
Management	45.90
General Staff	74.59

- (1) Carbon emissions are calculated with reference to "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong" (2010 edition), published by the Hong Kong government's Environmental Protection Department and Electrical and Mechanical Services Department. The sources of emission factors are referenced to the 2024 Sustainability Report published by CLP Power Hong Kong Limited, and 2024 ESG Report published by The Hong Kong and China Gas Company Limited. Carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O) and hydrofluorocarbons (HFCs) are included in greenhouse gas emissions calculations, while perfluorocarbons (PFCs), sulphur hexafluoride (SF<sub>6</sub>) and nitrogen trifluoride (NF<sub>3</sub>) are not applicable.
- (2) Direct carbon emissions (Scope 1) included Towngas, petrol, gasoline combustion in vehicles, diesel for routine maintenance and emergency generator checks and refrigerant containing HFCs.
- (3) Indirect carbon emissions (Scope 2) included GHG generated by Towngas and purchased electricity.
- (4) Hazardous waste generated included fluorescent tubes, chemical waste and e-waste. They were collected by licensed waste collectors for treatment in a safe manner.
- (5) The workforce figures represent workforce information as at 31 December 2025.
- (6) "Full-time" is defined as a minimum of nine months per year and a minimum of 30 hours per week.
- (7) "Part-time" is defined as working hours per week, month or year that are less than "full-time", as defined above.
- (8) Turnover rate is computed as total yearly number of leavers divided by the average 12-month headcount of the respective category.
- (9) Lost days refers to a worker or workers being unable to perform their usual work because of an occupational accident or disease. Lost days due to injuries exclude all rest days.
- (10) Percentage of employees trained: Calculated as the total unique number of employees trained annually divided by the average 12-month headcount of the respective category.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Appendix II – ESG Reporting Code Content Index

A structured disclosure review mechanism is in place to determine which sustainability related information is reported. The mechanism incorporates materiality for investors and stakeholders’ relevance. Disclosures are further assessed in relation to the sensitivity and validity of the information, ensuring no prejudicial content is included, where appropriate adopting the “comply or explain” provision.

### Part B: Mandatory Disclosure Requirements

Mandatory Disclosure Requirements	Report Sections
Governance Structure	Sustainability Governance Structure
Reporting Principles	Reporting Approach and Boundary
Reporting Boundary	Reporting Approach and Boundary

### Part C: “Comply or explain” Provisions

Subject Areas and Aspects	KPIs	Description	Report Sections and Remarks
<b>A. Environmental</b>			
A1 Emissions	A1	General disclosure	Sustainability Policies and Charters Environment – Carbon and Energy In 2025 there was no new reportable cases of non-compliance with such laws or regulations, which have a significant impact on the Trust Group.
	A1.1	The types of emissions and respective emissions data	Environment – Carbon and Energy Emissions of NOX, SOx and other pollutants are considered not significant in our operations.
	A1.2	Greenhouse gas emissions in total and intensity	Environmental – Carbon and Energy Appendix I – 2025 ESG Performance Data Summary
	A1.3	Total hazardous waste produced and intensity	Environment – Waste Appendix I – 2025 ESG Performance Data Summary We do not consider the Trust Group to be a major producer of hazardous waste.
	A1.4	Total non-hazardous waste produced and intensity	Environment – Waste Appendix I – 2025 ESG Performance Data Summary

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Areas and Aspects	KPIs	Description	Report Sections and Remarks
	A1.5	Description of measures to mitigate emissions and results achieved	Environment – Carbon and Energy
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	Environment – Waste
A2 Use of resources	A2	General disclosure	Environment – Carbon and Energy; Water; Waste
	A2.1	Direct and/or indirect energy consumption by type in total and intensity	Environment – Carbon and Energy Appendix I – 2025 ESG Performance Data Summary
	A2.2	Water consumption in total and intensity	Environment – Water Appendix I – 2025 ESG Performance Data Summary
	A2.3	Description of energy use efficiency initiatives and results achieved	Environment – Carbon and Energy Appendix I – 2025 ESG Performance Data Summary
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	Environment – Water Appendix I – 2025 ESG Performance Data Summary In 2025, we did not encounter any problems in sourcing water for daily operations.
	A2.5	Total packaging material used for finished products and with reference to per unit produced	#
A3 The environment and natural resources	A3	General disclosure	Governance – A Commitment to Sustainable Hospitality; Responsible Sourcing Environment
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Governance – A Commitment to Sustainable Hospitality; Responsible Sourcing Environment

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Areas and Aspects	KPIs	Description	Report Sections and Remarks
A4 Climate Change	A4	General disclosure	Governance – A Commitment to Sustainable Hospitality Environment – Climate Resilience
	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Governance – A Commitment to Sustainable Hospitality Environment – Climate Resilience
<b>B. Social</b>			
B1 Employment	B1	General disclosure	People In 2025, there was no new reportable cases of non-compliance with such laws or regulations, which have a significant impact on the Trust Group.
	B1.1	Total workforce by gender, employment type, age group and geographical region	People – Diversity, Equity and Inclusion Appendix I – 2025 ESG Performance Data Summary
	B1.2	Employee turnover rate by gender, age group and geographical region	People – Diversity, Equity and Inclusion Appendix I – 2025 ESG Performance Data Summary
B2 Health and safety	B2	General disclosure	People – Health and Safety Appendix I – 2025 ESG Performance Data Summary In 2025, there was no new reportable cases of non-compliance with such laws or regulations, which have a significant impact on the Trust Group.
	B2.1	Number and rate of work-related fatalities	People – Health and Safety Appendix I – 2025 ESG Performance Data Summary
	B2.2	Lost days due to work injury	People – Health and Safety Appendix I – 2025 ESG Performance Data Summary
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	People – Health and Safety Appendix I – 2025 ESG Performance Data Summary

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Areas and Aspects	KPIs	Description	Report Sections and Remarks
B3 Development and training	B3	General disclosure	People – Learning and Development Appendix I – 2025 ESG Performance Data Summary
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	People – Learning and Development Appendix I – 2025 ESG Performance Data Summary
	B3.2	The average training hours completed per employee by gender and employee category.	People – Learning and Development Appendix I – 2025 ESG Performance Data Summary
B4 Labour standard	B4	General disclosure	People – Embracing Workplace Excellence In 2025, there was no new reportable cases of non-compliance with such laws or regulations, which have a significant impact on the Trust Group.
	B4.1	Description of measures to review employment practices to avoid child and forced labour	People – Embracing Workplace Excellence
	B4.2	Description of steps taken to eliminate such practices when discovered	People – Embracing Workplace Excellence In 2025, we did not discover any such practices in our operations.
B5 Supply chain management	B5	General disclosure	Governance – Responsible Sourcing
	B5.1	Number of suppliers by geographical region.	Please refer to Appendix I – 2025 ESG Performance Data Summary.
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	Governance – Responsible Sourcing
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	Governance – Responsible Sourcing
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	Governance – Responsible Sourcing

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Areas and Aspects	KPIs	Description	Report Sections and Remarks
B6 Product responsibility	B6	General disclosure	Governance – Ethical Business Practices; Service Quality Management; Guest Satisfaction and Feedback Management In 2025, there was no new reportable cases of non-compliance with such laws or regulations, which have a significant impact on the Trust Group.
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	In 2025, we were not aware of any recall concerning the provision and use of products and services that have a significant impact on the Trust Group.
	B6.2	Number of products and service related complaints received and how they are dealt with	In 2025, there were no substantiated complaints received relating to the provision and use of products and services that have a significant impact on the Trust Group.
	B6.3	Description of practices relating to observing and protecting intellectual property rights	Governance – Ethical Business Practices; Service Quality Management; Guest Satisfaction and Feedback Management
	B6.4	Description of quality assurance process and recall procedures	Governance – Ethical Business Practices; Service Quality Management; Guest Satisfaction and Feedback Management
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	Governance – Data Security and Protection; Comprehensive Cyber Risk Assessment

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Areas and Aspects	KPIs	Description	Report Sections and Remarks
B7 Anti-corruption	B7	General disclosure	Governance – Ethical Business Practices In 2025, there was no new reportable cases of non-compliance with such laws or regulations, which have a significant impact on the Trust Group.
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issue or its employees during the reporting period and the outcomes of the cases	In 2025, there were no concluded legal cases regarding corrupt practices brought against the Trust Group and its employees.
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	Governance – Ethical Business Practices
	B7.3	Description of anti-corruption training provided to directors and staff.	Governance – Ethical Business Practices
B8 Community investment	B8	General disclosure	People Community
	B8.1	Focus areas of contribution	People Community
	B8.2	Resources contributed to the focus area	People Community

# Relevant data is not available in 2025. The Hotel Manager is actively improving the data management system and will disclose the relevant information in due course.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Part D: Climate-related Disclosures

Disclosure Areas	Clauses	Report Sections and Remarks
<b>(I) Governance</b>		
Governance body(s) and management's role in the governance processes	19	Sustainability Approach and Strategy – Sustainability Governance Structure Governance – Stakeholder Engagement and Double Materiality Assessment Governance – Risk Management and Internal Control
<b>(II) Strategy</b>		
Climate-related risks and opportunities	20	Environment – Climate Resilience
Business model and value chain	21	Environment – Climate Resilience
Transition plan for climate-related risks and opportunities	22	Environment – Climate Resilience; Carbon and Energy
Progress review	23	Environment – Climate Resilience; Carbon and Energy
Impacts to the current financial position, financial performance and cash flow	24	The Hotels and the Hotel Manager have started assessing the current and anticipated financial impacts. The study will be continued, and the initial quantitative information will be validated for future disclosure. Regarding the climate-related risks and opportunities, there is no foreseeable significant risk of a material adjustment within the next annual reporting period.
Impacts to the anticipated financial effects	25	A Climate Value at Risk (“CVar”) assessment has been initiated, which will allow us to quantify the potential financial exposure of the Hotels to climate-related risks under different SPP and RCP scenarios using different timeframes (2030, 2050 and 2100). The initial quantitative information is under review and validated for future disclosure.
Resilience of strategy and business model to climate-related changes in different climate-related scenarios	26	Environment – Climate Resilience
<b>(III) Risk Management</b>		
Risk Management Processes	27	Governance – Risk Management and Internal Control Environment – Climate Resilience
<b>(IV) Metrics &amp; Targets</b>		
Greenhouse gas emissions (Scope 1, Scope 2 and Scope 3)	28	Environment – Carbon and Energy Appendix I – 2025 ESG Performance Data Summary The Hotels and the Hotel Manager have begun estimating the Scope 3 emissions under Category 1: Purchased Goods and Services. The carbon emissions from electricity used to process fresh water by government departments for the three hotels in 2025 was estimated to be 114.8 tCO <sub>2</sub> e. The Hotels and the Hotel Manager are in the process of enhancing our Scope 3 inventory.
Measurement methodology	29	Environment – Carbon and Energy Appendix I – 2025 ESG Performance Data Summary

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Disclosure Areas	Clauses	Report Sections and Remarks
Climate-related transition risks – amount and percentage of vulnerable assets or business activities	30	Environment – Climate Resilience The Hotels and the Hotel Manager have begun conducting a Climate Value-at-Risk Assessment for our three hotels in Hong Kong. The amount and percentage of assets or business activities vulnerable to transition risk is under review and validated for future disclosure.
Climate-related physical risks – amount and percentage of vulnerable assets or business activities	31	The Hotels and the Hotel Manager have begun conducting a Climate Value-at-Risk Assessment for our three hotels in Hong Kong. The amount and percentage of assets or business activities vulnerable to physical risk is under review and validated for future disclosure.
Climate-related opportunities – amount and percentage of assets or business activities aligned with	32	The Hotels and the Hotel Manager have begun conducting a Climate Value-at-Risk Assessment for our three hotels in Hong Kong. The amount and percentage of assets or business activities aligned with climate-related opportunities is under review and validated for future disclosure.
Capital deployment to climate-related risks and opportunities	33	The Hotels and the Hotel Manager have begun conducting a Climate Value-at-Risk Assessment for our three hotels in Hong Kong. The amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities is under review and validated for future disclosure.
Internal carbon pricing	34	The Hotels and the Hotel Manager have not yet begun to incorporate internal carbon pricing into our decision-making processes.
Remuneration with climate-related considerations factored in	35	Information not available. The Hotels and the Hotel Manager will explore the feasibility of disclosing further information in the future.
Industry-based metrics	36	The Hotels and the Hotel Manager will explore the feasibility of disclosing industry-based metrics in the future.
Qualitative and quantitative climate-related targets	37	Environment – Carbon and Energy Appendix I – 2025 ESG Performance Data Summary
Climate-related targets – monitoring process and review	38	Environment – Carbon and Energy Appendix I – 2025 ESG Performance Data Summary
Performance of climate-related targets	39	Environment – Carbon and Energy Appendix I – 2025 ESG Performance Data Summary
Climate-related targets – greenhouse gas emissions (Scope 1, 2 and 3), carbon credit scheme, gross or net target	40	Environment – Carbon and Energy Appendix I – 2025 ESG Performance Data Summary The Hotels and the Hotel Manager have not purchased carbon credits to offset their current greenhouse gas emissions. The Hotels and the Hotel Manager will evaluate the need of purchasing carbon credits in the future.
Cross industry metrics	41	Environment – Carbon and Energy Appendix I – 2025 ESG Performance Data Summary

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Appendix III – Independent Assurance Report



### 1. Introduction

Hong Kong Quality Assurance Agency (“HKQAA”, “we”, “our”, “us”) was engaged by Langham Hospitality Investments Limited (“the Company”) to conduct an independent assurance of the sustainability disclosures (“Sustainability Disclosures”) presented in the Environmental, Social and Governance Report of (“the Report”) its Annual Report 2025 for the reporting period 1 January 2025 to 31 December 2025 (“Verification Period”) and issue this Independent Assurance Report. For the avoidance of doubt, all Appendices listed at the end of this Independent Assurance Report and as attached hereto are hereby incorporated by reference and form an integral part of this Independent Assurance Report. The Report outlines the Company’s sustainability performance, including climate-related financial impacts, and covers aspects such as governance, strategy, risk management, and metrics and targets.

The objective of this sustainability assurance service is to provide an independent opinion, with a limited level of assurance, on whether the sustainability disclosures have been prepared in accordance with the following reporting criteria:

- The Environmental, Social and Governance Reporting Code (“ESG Reporting Code”) set out in Appendix C2 of the Listing Rules of The Stock Exchange of Hong Kong Limited.

For the avoidance of doubt, our sustainability assurance activities and the Independent Assurance Report is subject at all times to the assumptions, dependencies, boundaries, limitations, exclusions and scope of roles and responsibilities as set out under Appendix A attached hereto. Appendix A is also available on the HKQAA website ([www.hkqaa.org](http://www.hkqaa.org)) under the navigation path: News & Resources > Guides & Forms > Guidelines > Sustainability Assurance.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 2. Assurance Methodology

HKQAA's assurance procedure was conducted:

- with reference to the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000"), issued by the International Auditing and Assurance Standards Board ("IAASB"). Also, the International Standard on Assurance Engagements (ISAE) 3410, Assurance Engagements on Greenhouse Gas Statements issued by the International Auditing and Assurance Standards Board.

The evidence gathering processes were designed to obtain a limited level of assurance, as set out in international standards, using a risk-based approach.

Our assurance procedures included, but were not limited to:

- Reviewing relevant policies, procedures, relevant documentation and records provided by the Company, including those related to climate related information such as governance, risk identification, and performance metrics.
- Interviewing key management and personnel responsible of the Company for reporting and climate related governance.
- Conducting analytical reviews of disclosures for plausibility and consistency with sector benchmarks, external frameworks, and internal supporting data.
- Selecting representative samples of disclosures, with a focus on materiality and risk, and assessing the underlying evidence for each sample using judgmental sampling.
- Evaluating the transparency of disclosed assumptions, dependencies, and boundaries.
- Assessing the completeness of coverage with respect to the requirements of the reporting criteria, including reviewing methodologies used for estimations, sensitivity analyses, and disclosures of uncertainties.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 3. Conclusion

Based on the procedures performed, evidence obtained, and subject to the stated assumptions, dependencies, boundaries, limitations, and exclusions, nothing has come to our attention that causes us to believe that the selected sustainability disclosures in the Company's Environmental, Social and Governance Report of its Annual Report 2025 for the Verification Period from 1 January 2025 to 31 December 2025 are not presented, in all material respects, in accordance with the requirements of the ESG Reporting Code.

This Independent Assurance Report on limited assurance is made solely for the use of Langham Hospitality Investments Limited and the users of its Environmental, Social and Governance Report of its Annual Report 2025 for the purpose of use in accordance with and with reference, to the reporting criteria set out in the Introduction section of this report. We do not accept or assume responsibility for any other purpose or to any other person to whom this Independent Assurance Report is shown or into whose hands it may come. We confirm our independence from the Company in conducting this engagement.

The engagement leader on the assurance engagement resulting in this independent assurance report is Connie Sham.

### Signed on behalf of Hong Kong Quality Assurance Agency



25 February 2026

Ref: 14989486

# CORPORATE GOVERNANCE REPORT

Langham Hospitality Investments, LHIL Manager Limited and Langham Hospitality Investments Limited are committed to upholding and advancing high standards of corporate governance practices that aimed at enhancing corporate image, creating value for our Unitholders, minimising risk in fraudulent practices and addressing potential conflict of interest issues.

This combined Corporate Governance Report of the Trust and the Company set out a summary of the key processes, systems and measures that have been used in implementing this corporate governance framework being adopted by the Trust, Trustee-Manager and the Company for the year ended 31 December 2025.

The major activities during the year 2025 are set out below:

## Major Activities

### **Corporate Governance Policies**

In view of upholding the high standard of corporate governance and in accordance with the Corporate Governance Code, the Terms of Reference of the Nomination Committee of the Company have been updated in 2025. A Workforce Diversity Policy has also been established, aiming at fostering a diverse, equitable and inclusive workplace for employees at all levels.

### **Issue of Share Stapled Units for Payment of the Hotel Management Fees and Licence Fees (collectively, the "Hotel Manager's Fees")**

To comply with the public float requirement under the Listing Rules, 10,594,487 SSUs were issued on 28 February 2025 at a price of HK\$0.470 per SSU for partial payment of the Hotel Manager's Fees for the six-month period ended 31 December 2024. Issue of the remaining 46,320,885 SSUs (the "Deferred SSUs") was subject to the deferment mechanism set out in the Hotel Management Agreements and Trademark Licence Agreements.

As instructed by the Hotel Manager, and to facilitate the distribution in specie by Great Eagle, 46,320,885 SSUs (which represented all of the Deferred SSUs) were issued to the qualifying shareholders of Great Eagle on 7 November 2025 at a price of HK\$0.470 per SSU. Upon the issue, the outstanding portion of the Hotel Manager's Fees for the six-month period ended 31 December 2024 were settled. After the issue of the Deferred SSUs and completion of the distribution in specie by Great Eagle, the public float of the Trust and the Company increased to approximately 25.18%. Further details are disclosed in the announcements of the Trust and the Company dated 27 February, 28 February, 8 October and 7 November 2025.

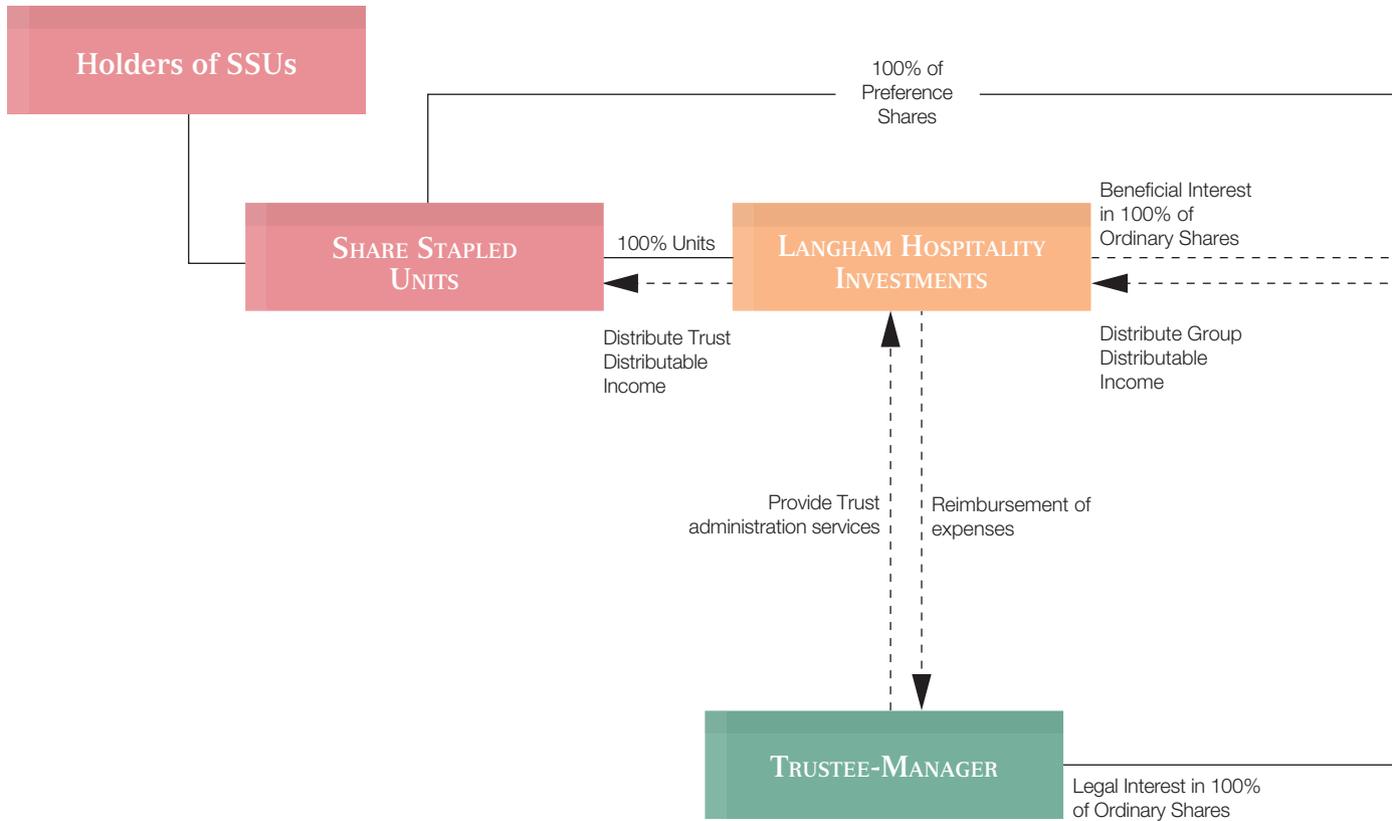
### **General Mandate to Issue Share Stapled Units**

General mandate to allot, issue and deal with no more than 20% of the issued Share Stapled Units of the Trust and the Company was granted by the Holders of Share Stapled Units at the AGM of the Trust and the Company held on 9 May 2025. The mandate shall only remain in effect until the conclusion of the next AGM, or the expiration of the period within which such AGM is required to be held, or until revoked, renewed or varied by an ordinary resolution of Holders of Share Stapled Units, whichever occurs first.

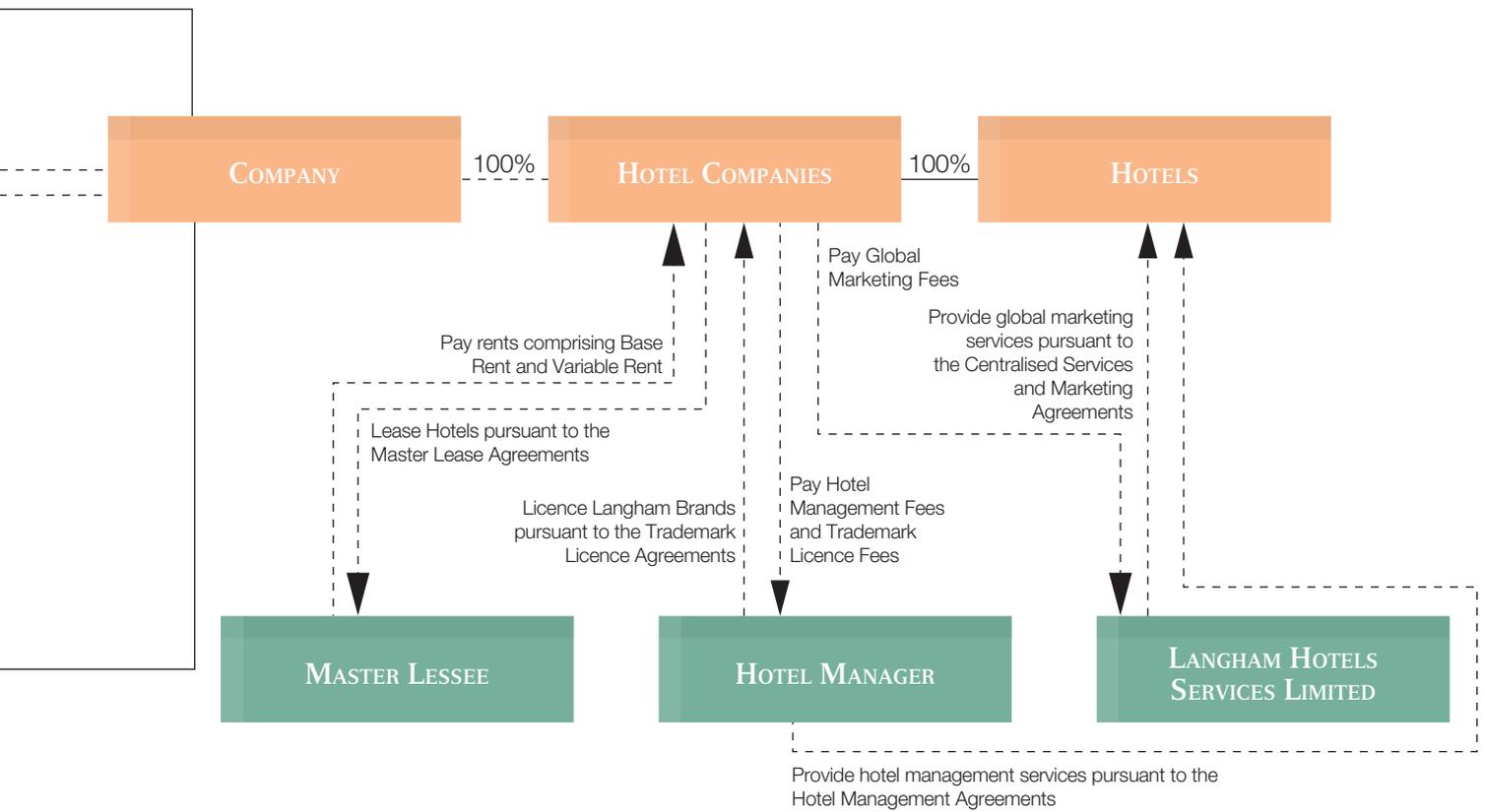
# CORPORATE GOVERNANCE REPORT

## STRUCTURE OF THE TRUST GROUP

The chart below illustrates a simplified version of the structure of the Trust Group:



# CORPORATE GOVERNANCE REPORT



# CORPORATE GOVERNANCE REPORT

Langham Hospitality Investments is constituted pursuant to the Trust Deed dated 8 May 2013 entered into between the Trustee-Manager and the Company under the laws of Hong Kong as a fixed single investment trust, meaning that the Trust may only invest in the securities and other interests in a single entity, being the Company.

The Trustee-Manager is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Great Eagle. In its capacity as trustee-manager of the Trust, the Trustee-Manager has a limited role in the administration of the Trust and is not involved in the management of the operations of the Trust Group.

The Company is a company incorporated in the Cayman Islands as an exempted company with limited liability. It is the holding company of the hospitality business operated by the Trust Group and currently owns and controls the Hotels indirectly through its subsidiaries.

## Capital Structure of the Trust and the Company

Share Stapled Units are jointly issued by the Trust and the Company. Each Share Stapled Unit is composed of the following three components which, subject to the provisions in the Trust Deed, can only be dealt with together and may not be dealt with individually or one without the others:

- (a) a unit in the Trust;
- (b) a beneficial interest in a specifically identified ordinary share in the Company held by the Trustee-Manager, which is “linked” to the unit in the Trust; and
- (c) a specifically identified preference share in the Company which is “stapled” to the unit in the Trust.

As the components of the Share Stapled Units, all of the units in the Trust, the ordinary shares and the preference shares of the Company in issue are listed on the Stock Exchange. However, for so long as the Share Stapled Units are listed on the Stock Exchange, trading on the Stock Exchange will only take place in the form of Share Stapled Units and there is only a single price quotation on the Stock Exchange for a Share Stapled Unit. No price is quoted for the individual components of a Share Stapled Unit.

## CORPORATE STRATEGY, VALUES AND CULTURE

The Company and the Trust as a fixed single investment trust is committed to providing the Holders of Share Stapled Units with the potential for sustainable long-term growth of distributions and enhancement in the value of the hotel portfolio. The Trust Group has been established primarily to own and invest in a portfolio of hotels, with an initial focus on completed hotels located in Asia, and the Trust Group will look to grow and expand its hotel portfolio through active asset management, acquisition growth and capital and risk management strategies. The Boards play a leading role in ensuring the corporate culture of the Trust Group is in alignment with its values and strategies, which enable the Trust Group to create sustainable value and deliver long-term return for the Holders of Share Stapled Units and other stakeholders.

The Boards are also committed to ensuring that the Trust Group’s businesses are conducted in accordance with high standards of business ethics and corporate governance to maximise Unitholders’ interests in the long run. The Boards take the lead in promoting the desired corporate culture and the corporate culture and values are integrated throughout the policies and practices of the Trust Group which are communicated with the management and employees.

# CORPORATE GOVERNANCE REPORT

## CORPORATE GOVERNANCE POLICIES AND PRACTICES

The Trustee-Manager Board and the Company Board play a central support and supervisory role in the respective corporate governance duties of the Trust and the Company. The Boards are responsible for reviewing the overall corporate governance arrangements, approving governance policies and reviewing disclosure in Corporate Governance Report prepared on a combined basis.

## Corporate Governance Policies and Procedures

Taking into account the structure of the Trust Group, in particular the business relationship with its holding company, the following policies and procedures are established and constituted the core elements of the governance framework of the Trust Group:

- Anti-Fraud, Bribery and Corruption Policy
- Board Diversity Policy
- Code of Conduct regarding Securities Transactions by Directors and Relevant Employees
- Corporate Governance Measures in respect of the operation of the Right of First Refusal granted by Great Eagle
- Director Independence Policy
- Employee Code of Conduct
- Policy on the Preservation and Prevention of Misuse of Inside Information
- Privacy Policy
- Reporting and Monitoring Policy on Connected Transactions

- Schedule of Matters Reserved for the Board
- Segregation of Duties between Chairman and Chief Executive Officer
- Unitholder Communication Policy
- Whistleblowing Policy
- Workforce Diversity Policy

The Boards regularly review these policies and procedures, and further enhancement will be made from time to time in light of the latest statutory and regulatory regime and applicable international best practices. Copies of the principal governance policies can be obtained from our corporate website ([www.langhamhospitality.com](http://www.langhamhospitality.com)).

## 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 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. 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.

# CORPORATE GOVERNANCE REPORT

## Corporate Governance Measures to address Potential Conflicts of Interest

Apart from the parent-subsidary relationship, the Trust Group maintains close business ties with the Great Eagle Group, which are governed by various formal agreements entered into between the two groups as summarised in the chart on pages 74 to 75. These contractual arrangements also constitute connected transactions and/or continuing connected transactions of the Trust and the Company under the Listing Rules. Details of the transactions which are subject to disclosure and reporting requirements are provided in the "Report of the Directors" contained in this Annual Report on pages 113 to 135.

These business relationships along with the fact that some Directors of the Trustee-Manager and the Company also hold directorships in the Great Eagle Group, might give rise to potential conflicts of interests between the Trust Group and the Great Eagle Group. Given the alignment of interests between the Trust Group and the Great Eagle Group, their respective performance and growth between the Trust Group and the Great Eagle Group are mutually complementary and the impact of these conflicts is minimal. The Boards believe that the Directors can make independent decisions in the best interests of the Trust Group and the Unitholders. In all circumstances, the Trustee-Manager Board and the Company Board believe that the potential conflicts can be sufficiently mitigated as follows:

- the Trust Group focuses on optimising the performance of the Hotels with a growth strategy of investing in completed stand-alone hotels in Asia while the Great Eagle Group focuses on further capitalising on its resources and expertise in developing its hotel management services operations and brand building;
- given that the Trust Group is among the major contributors to the performance of the Great Eagle Group, any reliance that the Trust Group may have on the Great Eagle Group in relation to its performance and growth will be mutually complementary;
- the Great Eagle Group has granted to the Company a Deed of Right of First Refusal pursuant to which the Trust Group will have the first right to participate and to acquire completed stand-alone hotels to be managed under the Langham Brands and Other Eaton Brands (as defined in the Great Eagle ROFR Deed) in Asia (excluding Australia and New Zealand) should the Great Eagle Group wish to sell or have the opportunity to invest in these hotels;
- various corporate governance measures are established to address any potential conflicts of interest, thereby safeguarding the interests of independent Unitholders. They include:
  - (i) any conflicted Director must abstain from voting and will not be counted in the quorum of the relevant Board meeting in respect of any transaction, contract or arrangement in which he/she has material interests;
  - (ii) pursuant to Article 90 of the articles of association of the Trustee-Manager, a Director of the Trustee-Manager must give priority to the interest of all the Unitholders as a whole over the interest of the Trustee-Manager in the event of a conflict between the interest of all the Unitholders as a whole and that of the Trustee-Manager;

# CORPORATE GOVERNANCE REPORT

- (iii) potential connected transactions between the Great Eagle Group and the Trust Group and the existing continuing connected transactions (other than exempt continuing connected transactions and those transactions qualifying for an exemption) are reviewed and reported annually by the Independent Non-executive Directors and auditors of the Trustee-Manager and the Company;
  - (iv) where decisions under the Great Eagle ROFR Deed are required, the Trustee-Manager Board and the Company Board will refer such matters to the Independent Non-executive Directors and/or to those Directors without material interests in the matters; and
  - specific corporate governance measures have also been put in place in respect of the operation of the Great Eagle ROFR Deed as follows:
    - (i) as part of the Trustee-Manager's and the Company's respective internal control systems, each has maintained a register of all opportunities and/or transactions arising from the implementation of the Great Eagle ROFR Deed;
    - (ii) as part of its internal audit plan, each of the Trustee-Manager and the Company will, through the internal audit function, review the implementation of the Great Eagle ROFR Deed each year;
- (iii) the Audit Committees of the Trustee-Manager and the Company will review the implementation of the Great Eagle ROFR Deed to ascertain that the terms of the Great Eagle ROFR Deed have been complied with. The review will include an examination of supporting documents and such other information deemed necessary by the Audit Committees; and
  - (iv) the Independent Non-executive Directors will annually review Great Eagle's compliance with the terms of the Great Eagle ROFR Deed. The findings will be disclosed in the annual report of the Trust and the Company, including any decisions made by the Trust Group regarding the exercise of the right of first refusal and the basis of such decisions, providing that there is no breach of any of the Trust Group's or Great Eagle's contractual or legal obligations.

The Audit Committees of the Trustee-Manager and the Company shall be responsible for overseeing the implementation of the above corporate governance measures in respect of the operation of the Great Eagle ROFR Deed.

# CORPORATE GOVERNANCE REPORT

## BOARD OF DIRECTORS

### Board Composition

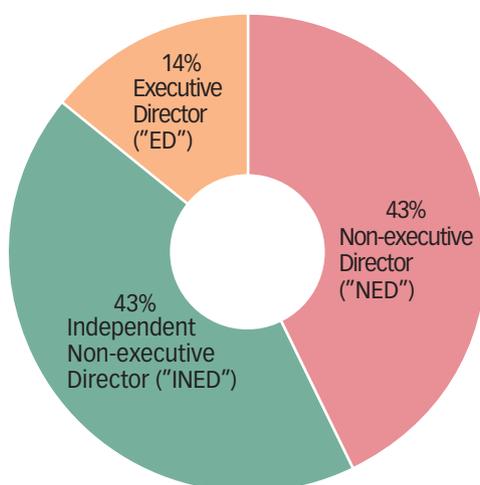
Pursuant to the Trust Deed, the Directors of the Trustee-Manager shall at all times be the same individuals who serve as Directors of the Company.

The composition of the Trustee-Manager Board and the Company Board during the year and up to the date of this report is set out below:

Name of Directors	Length of Tenure	Current Period of Appointment <sup>(1)</sup>
<b>Non-executive Directors</b>		
LO Ka Shui ( <i>Chairman</i> )	12 years	1 year
LO Chun Him, Alexander <sup>(2)</sup>	8 years	2 years
LO Chun Lai, Andrew <sup>(2)</sup>	5 years	3 years
<b>Executive Director</b>		
Brett Stephen BUTCHER ( <i>Chief Executive Officer</i> )	6 years	1 year
<b>Independent Non-executive Directors</b>		
CHAN Ka Keung, Ceajer <sup>(2)</sup>	7 years	2 years
LIN Syaru, Shirley	12 years	1 year
WONG Kwai Lam	12 years	2 years

Notes:

- (1) Since Directors' last re-election at AGM
- (2) To retire at the 2026 AGM and be eligible for re-election



Dr. Lo Ka Shui, being the Chairman and Non-executive Director of the Trustee-Manager and the Company and also a substantial shareholder, the Chairman and Managing Director of Great Eagle, the holding company of the Trust Group, is the father of Mr. Lo Chun Him, Alexander and uncle of Mr. Lo Chun Lai, Andrew. Biographical details of the Directors of the Trustee-Manager and the Company are set out in this Annual Report on pages 26 to 29.

# CORPORATE GOVERNANCE REPORT

Set out below is a summary of expertise and responsibilities of each Board member.

	Expertise	Responsibilities
<b>Non-executive Directors</b>		
LO Ka Shui ( <i>Chairman</i> )	Property and hotel development and investment both in Hong Kong and overseas	Overseeing the operations and affairs of the Boards' effectiveness and the relationships among the Boards, management and stakeholders; leading the Boards in formulating the corporate and financial strategy in the best interest of the Trust Group by taking into account, among other things, the opportunities and risks of the business of the Trust Group; enhancing further synergies between the Trust Group and Great Eagle; and for the overall supervision of the policies governing the conduct of the Trust Group's business
LO Chun Him, Alexander	Property development, financial investments, business and project development	Formulation of strategic directions and high level oversight of the financial management and operations of the Trust Group
LO Chun Lai, Andrew	Business planning, financial stewardship and asset management	Formulation of strategic directions and high level oversight of the financial management and operations of the Trust Group; and overseeing the management of all hotel assets of Great Eagle worldwide
<b>Executive Director</b>		
Brett Stephen BUTCHER ( <i>Chief Executive Officer</i> )	Hotel business experience in both hotel operations and sales and marketing in Asia, the Pacific and North America	Responsible for all day-to-day management decisions and for leading the development and implementing the long and short term strategy and plans; identifying potential risks and opportunities of the Trust Group and implementing appropriate policies; developing procedures designed to ensure compliance with the overall risk management policies; acting as a direct liaison between the Boards and management and communicating to the Boards on behalf of management
<b>Independent Non-executive Directors</b>		
CHAN Ka Keung, Ceajer	Specialised in assets pricing, evaluation of trading strategies and market efficiency	Chairing the Remuneration Committee; scrutinising and monitoring the Trust Group's performance; giving independent judgment, strategic advice and guidance on the business and operations; and reviewing the financial control and systems of risk management and compliance
LIN Syaru, Shirley	International affairs and global investment	Chairing the Nomination Committee; scrutinising and monitoring the Trust Group's performance; giving independent judgment, strategic advice and guidance on the business and operations; and reviewing the financial control and systems of risk management and compliance
WONG Kwai Lam	Commercial and investment banking	Chairing the Audit Committee; scrutinising and monitoring the Trust Group's performance; giving independent judgment, strategic advice and guidance on the business and operations; and reviewing the financial control and systems of risk management and compliance

# CORPORATE GOVERNANCE REPORT

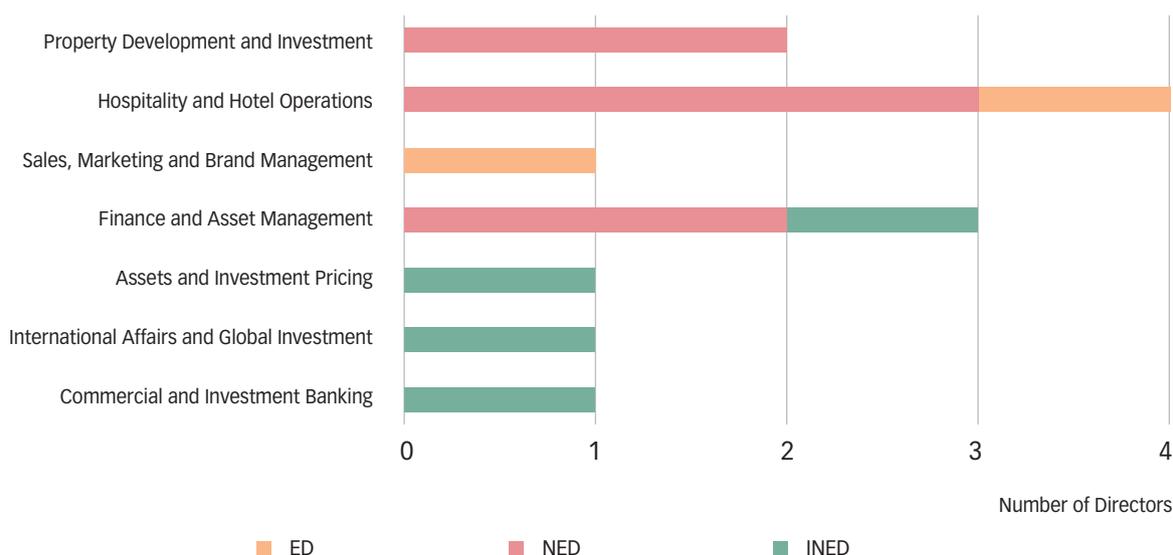
## Board Diversity

The Board Diversity Policy adopted by the Nomination Committee sets out the approach of the Company to achieve diversity on the Boards. The Company recognises and embraces the idea that increasing diversity at the Board level is an important part of achieving its strategic objectives and to attract and retain the best people. Appointments to the Boards shall be on merit, in the context of the skills and experience the Boards as a whole requires to be effective, and against objective criteria and with due regard for the benefits of diversity. There are many considerations that factor into the Nomination Committee's nomination process including legal requirements, best practices, and skills required to complement the Boards' skill

set and the number of Directors needed to discharge the duties of the Boards and Board Committees. The Nomination Committee will not set any restrictions like gender, age, cultural or educational background when short-listing candidates. The Company believes that a truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background and other qualities of Directors. The Nomination Committee shall review the diversity of the Boards at least annually taking into account the Trust Group's business model and specific needs and shall monitor the implementation of the Board Diversity Policy and, if appropriate, make recommendations on proposed changes to the Boards to complement the Company's corporate strategy.

## Board Skills Matrix

As shown in the chart below, the Boards possess a diverse range of skills and experience that are relevant to the Trust Group's business, strategy and governance, contributing to the overall effectiveness of the Boards.



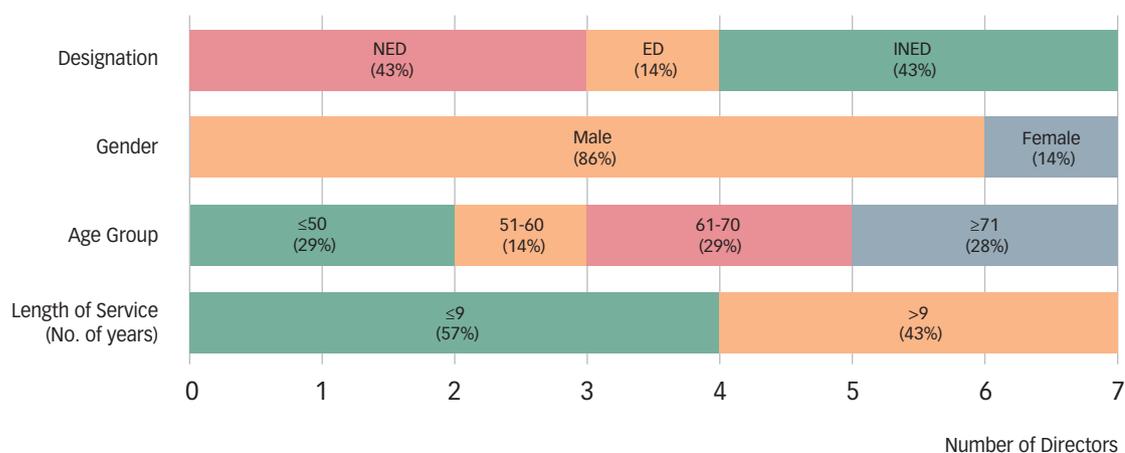
Note: The Boards consist of 7 Directors and multiple skills and experience may apply to a Director.

# CORPORATE GOVERNANCE REPORT

The current mix of skills and experience enables the Boards to have an effective and comprehensive oversight of the Trust Group’s business, strategy and operations. The combination of industry specific knowledge, financial acumen and global perspectives equips the Boards to assess strategic opportunities, ensure effective financial management, oversee risks and compliance, and respond to market changes. As part of the Nomination Committee’s annual assessment of the Board structure, size and composition, the board skills matrix has also been reviewed to ensure that the Boards continue to maintain a balanced mix of expertise, experience and perspectives in alignment with the Trust Group’s business needs and regulatory developments.

## Diversity Mix

Additionally, the Boards consist of members from various age groups and of both genders. The Boards believe that the diversity of the Board encompassing age, gender, skills, knowledge, professional qualifications and experience would contribute to the strategic development and long-term growth of the Trust Group, and consider that the Board Diversity Policy has been effectively implemented for the year 2025. The following chart shows the diversity profile of the Boards as at 31 December 2025:

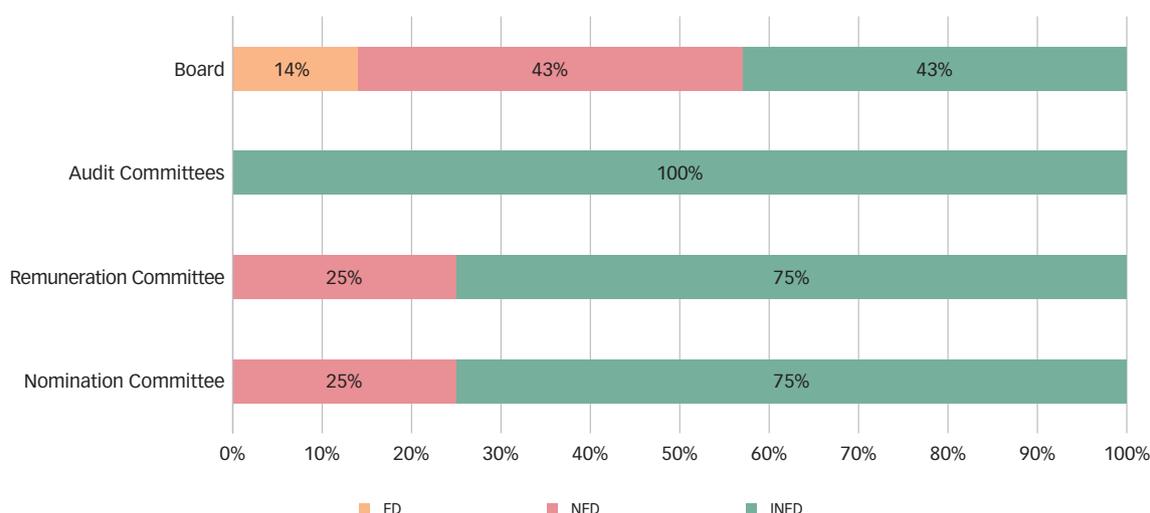


# CORPORATE GOVERNANCE REPORT

## Board Independence

The Trustee-Manager and the Company recognise that Board independence is critical to good corporate governance and Board effectiveness. The participation of Independent Non-executive Directors on the Boards brings independent and objective judgment to the affairs of the Trust Group including but not limited to issues relating to the Trust Group’s strategy, performance, conflicts of interest and management process, thus ensuring that the Trust Group operates in the best interests of the Unitholders. Each of the Board Committees is chaired by an Independent Non-executive Director and comprises all or a majority of Independent Non-executive Directors.

### Independence Weighting



To ensure independent views and inputs are available to the Boards of the Trustee-Manager and the Company, a Director Independence Policy was adopted and the following mechanisms are implemented by the Boards, and the Board Committees follow the same processes, where applicable, as the Boards.

### Mechanisms to Ensure Independence

#### Independence Assessment

#### Confirmation of independence

All Independent Non-executive Directors have provided a written annual confirmation of independence to the Trustee-Manager and the Company on their compliance with the independence criteria set out under Rule 3.13 of the Listing Rules. The Nomination Committee shall assess the independence of Independent Non-executive Directors upon appointment and annually to ensure they can continually exercise independent judgement. Interlocking directorships of the Board members shall be reviewed by the Nomination Committee annually.

#### Time Commitment

All Directors should attend all regular meetings of the Boards and Board Committees on which they serve and also general meetings of the Trust and the Company. Non-executive Directors (including Independent Non-executive Directors) are required to provide written annual confirmations regarding their time involvement in the affairs of the Trust Group.

# CORPORATE GOVERNANCE REPORT

## Mechanisms to Ensure Independence

### Disclosure of Interest

All Directors have to disclose their interest and/or any actual or potential conflicts of interest in the matters to be considered at the Board or Board Committee meetings and shall abstain from voting in respect of any transaction, contract or arrangement in which he/she has material interests. Directors will be required to provide confirmations of any material interests in business that competes with the Trust Group.

### Appointment Process

The Nomination Committee is delegated by the Board of the Company to shortlist any and all candidates recommended as nominees to be appointed as Directors. The Nomination Committee shall follow the selection criteria and evaluation procedures in nominating candidates to be appointed as Directors of the Boards as set out in the Nomination Policy.

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### Proceedings of the Boards

The dates of the regular Board and Board Committee Meetings for the year are determined in the fourth quarter of the previous year. At least 14 days' formal notice of regular Board and Board Committee Meetings will be given to all Directors, and all Directors are invited to include any matters for discussion in the agenda. By at least three business days in advance of every regular Board and Board Committee Meeting, Directors are provided with the meeting agenda and the relevant board papers containing complete, adequate and timely information, which enables full deliberation on the issues to be considered at the respective meetings.

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### Board Decision Making

During the Board and Board Committee meetings, all Directors are encouraged to freely express their independent views and inputs in an open and candid manner, provide open and objective challenge and informed insight and responses to the management, and contribute their knowledge of the businesses and markets in which the Trust Group operates. Comments and concerns raised by the Directors are closely followed up by the management.

In addition to Board meetings, the Chairman schedules an annual meeting with Independent Non-executive Directors without the presence of other Directors to discuss the affairs of the Trust Group.

The Company Secretary is required to prepare minutes that record not only the decisions reached but also any concerns raised or dissenting views expressed by Directors. A draft version of the minutes is circulated to all Directors for their comment and confirmation. The final version is also provided to the Directors for records. Minutes of all Board and Board Committee Meetings are available for the Directors' inspection.

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# CORPORATE GOVERNANCE REPORT

## Mechanisms to Ensure Independence

### Supply and Access to Information

Directors are provided with monthly reports covering highlights of the Trust Group's major businesses, keeping them abreast of the Trust Group's business performance and enabling them to make informed decisions in the best interests of the Trust Group and the Unitholders. More thorough and comprehensive management and financial updates are provided to all Board members on a quarterly basis to ensure each member is aware of the financial performance and position of the Trust Group.

Discussion sessions between the Boards and the management are held twice a year and business performance of the Trust Group, risk management and internal control, information security matters and legal and compliance issues will be reported to the Boards.

Directors also have access to the advice and services of the Company Secretary who supports the Boards, ensures proper information flow within the Boards, and Board policies and procedures are followed.

To facilitate proper discharge of Directors' duties and responsibilities, all Directors are entitled to seek advice from the Company Secretary or in-house legal team as well as from independent professional advisors at the expense of the Trust Group, in which the Company Secretary is responsible for making all necessary arrangements.

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### Induction and Continuing Professional Development

The Trust Group has established a Director Development Program that fosters the continuous development of the Board members. Self-reading materials with specific topics will be provided to Directors by the Company Secretary periodically. Further details on the Directors' training records for the year 2025 are set out in sub-section headed "Directors' Orientation and Continuing Professional Development" of this Corporate Governance Report.

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### Remuneration of Independent Non-executive Directors

Independent Non-executive Directors receive only fixed fee(s) for their role as members of the Boards and Board Committees. No profit related pay is granted to them as this may lead to bias in their decision-making and compromise their objectivity and independence.

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The Boards believe the above measures could facilitate the Directors to contribute effectively and ensure that independent views and input are available to the Boards and Board Committees. The Boards have reviewed the implementation and effectiveness of the above mechanisms for the year 2025.

# CORPORATE GOVERNANCE REPORT

## Board Responsibilities

Notwithstanding the fact that the Directors of the Trustee-Manager and the Directors of the Company must always be the same individuals pursuant to the Trust Deed as mentioned above, the Trustee-Manager Board and the Company Board have distinct responsibilities. The Directors are the members of the Senior Management of the Trustee-Manager and the Company.

It is the responsibility of the Trustee-Manager Board to ensure that the Trustee-Manager discharges its duties under the Trust Deed, which include but not limited to administering the Trust, keeping safe custody of all the property and rights of any kind whatsoever that are held on trust for the Unitholders and exercising all due diligence and vigilance in protecting the rights and interests of the Unitholders. A Director of the Trustee-Manager shall act in good faith in the best interests of all Unitholders. The Trustee-Manager Board exercises a number of reserved powers such as approval of the financial statements of the Trust and the Trustee-Manager, approval of the annual and interim reports and results announcements of the Trust and the Company, declaration of distributions to the Unitholders, approval of terms of reference of the Trustee-Manager's Board Committee(s), and monitoring of the corporate governance of the Trust.

The Company Board, on the other hand, is responsible for setting out the overall strategies and business objectives of the Group and providing oversight of their implementation by the management team to promote the long-term success of the Group and create sustainable value for the Unitholders. While day-to-day management and operation of the business activities of the Group are delegated to the management who are accountable for the execution of business strategies and initiatives adopted by the Company Board, specific functions reserved to the Company Board are set out in the Schedule of Matters Reserved for the Board and where appropriate shall also be applicable to the Trustee-Manager Board. The schedule is reviewed periodically to ensure that the arrangements remain appropriate to the Trust Group's needs.

### Summary of Key Matters Reserved for the Board

<b>Strategy</b>	<ul style="list-style-type: none"><li>• Approval of the Trust Group's long-term objectives and corporate strategy</li><li>• Extension of the Trust Group's activities into new business of material nature</li><li>• Maintaining and promoting the culture of the Trust Group</li><li>• Any decision to cease to operate all or any material part of the Trust Group's business</li><li>• Any change in the Company's domicile or listing status</li></ul>
<b>Structure and Capital</b>	<ul style="list-style-type: none"><li>• Recommendations to the Unitholders of proposals relating to General Mandate to issue new Share Stapled Units</li><li>• Changes relating to the Trust Group's capital structure</li><li>• Major changes to the Trust Group's corporate structure, management and control structure</li></ul>

# CORPORATE GOVERNANCE REPORT

## Summary of Key Matters Reserved for the Board

### Financial and Corporate Governance

- Approval of the annual report, interim report and results announcements of the Trust and the Company
- Declaration of interim distribution and recommendation of final distribution
- Approval of any significant changes in accounting policies or practice
- Approval of substantial acquisition or disposal
- Approval of non-exempt connected transactions
- Approval of major capital expenditures
- Approval of terms of reference of Board Committees
- Review of the Trust Group's overall corporate governance arrangements
- Approval of the Trust Group's governance policies
- Approval of the environmental, social and governance report

### Board Membership and Other Appointments

- Appointment of Director and membership of Board Committees
- Appointment or removal of the Company Secretary
- Appointment, re-appointment or removal of the external auditor to be put to Unitholders for approval, if required

## Board Evaluation

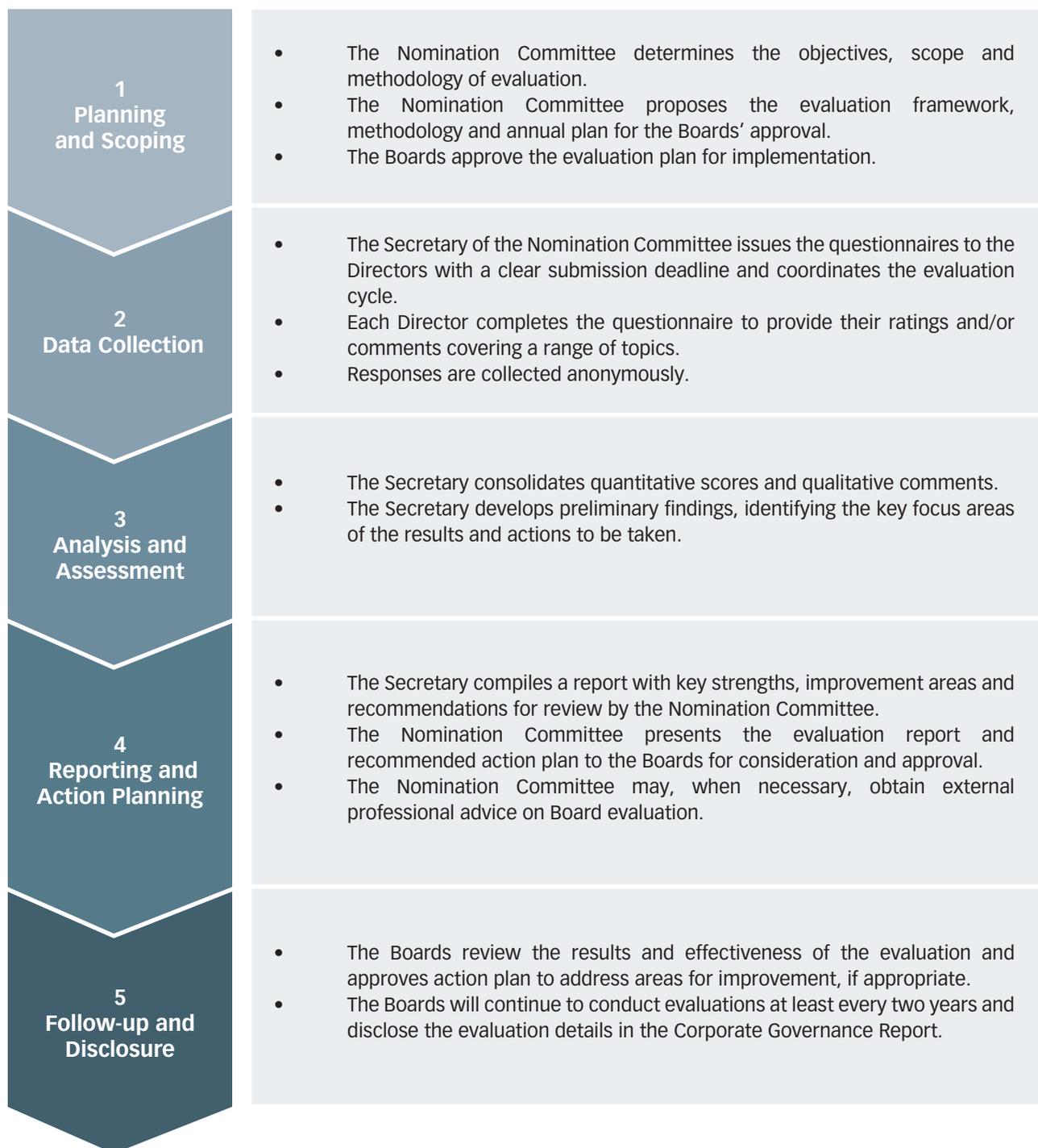
The Boards believe that regular Board evaluation is an essential element to maintaining high standards of corporate governance and enhancing Board effectiveness. The objective of Board evaluation is to measure the accountability, transparency and effectiveness of Boards, ultimately aiming to identify areas for improvement and promote the ongoing enhancement of governance procedures. An internal evaluation on the performance of the Boards is scheduled to be conducted in 2026, with regular evaluations to follow at least every two years thereafter.

The scope of the evaluation will cover various aspects, including:

- (i) Board Mix and Composition;
- (ii) Relationship between the Boards and the Management;
- (iii) Quality of Information and Decision Making; and
- (iv) Boardroom Activities.

# CORPORATE GOVERNANCE REPORT

## Board Evaluation Process



# CORPORATE GOVERNANCE REPORT

## Chairman and Chief Executive Officer

Dr. Lo Ka Shui and Mr. Brett Stephen Butcher hold the positions of Chairman and Chief Executive Officer respectively. The roles and responsibilities of the Chairman and the Chief Executive Officer are clearly defined and separate, and their primary responsibilities are outlined below:

### **Dr. LO Ka Shui** *Chairman*

- Oversees the operations and affairs of the Boards, ensuring effectiveness of the Boards
- Oversees the relationships among the Boards, management and stakeholders
- Leads the Boards in formulating the corporate and financial strategy in the best interest of the Trust Group by taking into account the opportunities and risks of the business
- Enhances further synergies between the Trust Group and its parent company
- Overall supervises the policies governing the conduct of the Trust Group's business

### **Mr. Brett Stephen BUTCHER** *Chief Executive Officer*

- Responsible for all day-to-day management decisions
- Leads the development and implements the long- and short-term strategy and plans
- Identifies potential risks and opportunities of the Trust Group and implements appropriate policies
- Develops procedures designed to ensure compliance with the overall risk management policies
- Acts as a direct liaison between the Boards and management and communicates to the Boards on behalf of management

## Appointment, Re-election and Rotation of Directors

According to the Company's Articles, no less than one-third of all the Directors shall retire from office by rotation at each AGM of the Company, provided that every Director shall be subject to retirement by rotation at least once every three years and any Director appointed either to fill a casual vacancy or as an addition to the Board, shall hold office only until the next following AGM and shall then be eligible for re-election. The provisions of retirement by rotation applicable to the Company Board are also applied, indirectly, to the Trustee-Manager Board in accordance with the Trust Deed.

Mr. Lo Chun Lai, Andrew, being the longest in office since his last re-election, along with Mr. Lo Chun Him, Alexander and Professor Chan Ka Keung, Ceajer, both being determined by lot, will retire as the Directors at the forthcoming AGM and are eligible for re-election.

# CORPORATE GOVERNANCE REPORT

## Nomination Policy

The Nomination Committee adopted the Nomination Policy which sets out the selection criteria and the evaluation procedures in nominating candidates to be appointed or re-appointed as Directors of the Company. The objective of the Nomination Policy is to assist the Nomination Committee in fulfilling its duties and responsibilities as provided in its terms of reference. The Nomination Committee shall review the Nomination Policy regularly.

The Nomination Policy also lays down the following nomination procedures to be taken by the Nomination Committee.

Consider any and all candidates recommended as nominees for Directors by any Directors or Unitholders in accordance with the Company's Articles and the Trust Deed

Undertake its own search process for candidates and may retain the services of professional search firms or other third parties to assist in identifying and evaluating potential nominees

Evaluate candidates through personal interviews, background checks, written submission by the candidates and third party references to find individuals of high integrity who possess the qualifications, qualities, skills, experience and independence

Select candidates based on their ability to exercise good judgment and provide practical insights along with diverse perspectives

Recommend candidates for nomination to the Boards, which approve the final choice of candidates

As far as practicable, nominees for each election or appointment of Directors shall be evaluated using a substantially similar process.

# CORPORATE GOVERNANCE REPORT

## Attendance Record at Board Meetings, Board Committee Meetings and General Meetings

During the year under review, each of the Trustee-Manager and the Company held four regular Board meetings. The attendance of individual Directors at all the Board and Board Committee meetings and general meetings held during the year ended 31 December 2025 is set out below:

Name of Directors	Number of Meeting(s) Attended/Eligible to Attend for the year ended 31 December 2025				2025 AGM
	Board Meeting	Audit Committee Meeting	Nomination Committee Meeting	Remuneration Committee Meeting	
<b>Non-executive Directors</b>					
LO Ka Shui ( <i>Chairman</i> )	4/4	–	1/1	1/1	1/1
LO Chun Him, Alexander	4/4	–	–	–	1/1
LO Chun Lai, Andrew	4/4	–	–	–	1/1
<b>Executive Director</b>					
Brett Stephen BUTCHER ( <i>Chief Executive Officer</i> )	4/4	–	–	–	1/1
<b>Independent Non-executive Directors</b>					
CHAN Ka Keung, Ceajer	4/4	2/2	1/1	1/1	1/1
LIN Syaru, Shirley	4/4	2/2	1/1	1/1	1/1
WONG Kwai Lam	4/4	2/2	1/1	1/1	1/1
<b>Overall Attendance Rate</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Note: Each of the Board and Board Committee meetings of the Trustee-Manager was held concurrently with that of the Company.

## Directors' Orientation and Continuing Professional Development

The Company Secretary shall assist the Chairman and the Chief Executive Officer to manage and oversee the induction process for new directors and continuing professional development of all Directors. The Trust Group has a Director Development Program that fosters the continuous development of the Board members. The program has two components, namely (1) New Director Orientation; and (2) Ongoing Director Development. An induction pack will be provided to the new Director to ensure he/she has a proper understanding of the Trust Group's operations and business. To foster the continuous development and ongoing updating of Directors' skills and knowledge, for the Ongoing Director Development, self-reading materials will be provided to each Director by the Company Secretary periodically.

# CORPORATE GOVERNANCE REPORT

During the year ended 31 December 2025, self-reading materials with specific topics on (1) roles, functions and responsibilities of the Boards and the Directors; (2) legal and regulatory development; (3) corporate governance and ESG; (4) risk management and internal control; (5) industry trends and updates pertaining to the Trust Group's business; (6) taxation and financial reporting; and (7) artificial intelligence were provided to the Directors by the Company Secretary. All Directors had provided their training records to the Trustee-Manager and the Company and confirmed that they had participated in the Ongoing Director Development of more than 10 training hours during the year ended 31 December 2025. The table below summarises the participation of Directors in continuous professional development during the year:

Name of Directors	Topics							Completed Ongoing Director Development of more than 10 hours
	Directors' Roles and Duties	Legal and Regulatory Development	Corporate Governance and ESG	Risk Management and Internal Controls	Industry Trends and Updates	Taxation and Financial Reporting	Artificial Intelligence	
<b>Non-executive Directors</b>								
LO Ka Shui ( <i>Chairman</i> )	✓	✓	✓	✓	✓	✓	✓	✓
LO Chun Him, Alexander								
LO Chun Lai, Andrew	✓	✓	✓	✓	✓	✓	✓	✓
<b>Executive Director</b>								
Brett Stephen BUTCHER ( <i>Chief Executive Officer</i> )	✓	✓	✓	✓	✓	✓	✓	✓
<b>Independent Non-executive Directors</b>								
CHAN Ka Keung, Ceajer	✓	✓	✓	✓	✓	✓	✓	✓
LIN Syaru, Shirley	✓	✓	✓	✓	✓	✓	✓	✓
WONG Kwai Lam	✓	✓	✓	✓	✓	✓	✓	✓

Note: All Directors undertook the above continuous professional development in 2025 through self-reading materials published by external professional firms/regulatory bodies/academic organisations.

## Securities Transactions by Directors and Relevant Employees

The Trust Group has adopted its own Code of Conduct for Securities Transactions on terms no less exacting than the required standard set out in the Model Code and the same is updated from time to time in accordance with the Listing Rules requirements.

Having made specific enquiries, all members of the Boards and relevant employees of the Company confirmed that they had fully complied with the Code of Conduct for Securities Transactions during the year

ended 31 December 2025. The Directors' interests in the securities of the Trust and the Company and the associated corporations (within the meaning of the SFO) as at 31 December 2025 are set out in the "Report of the Directors".

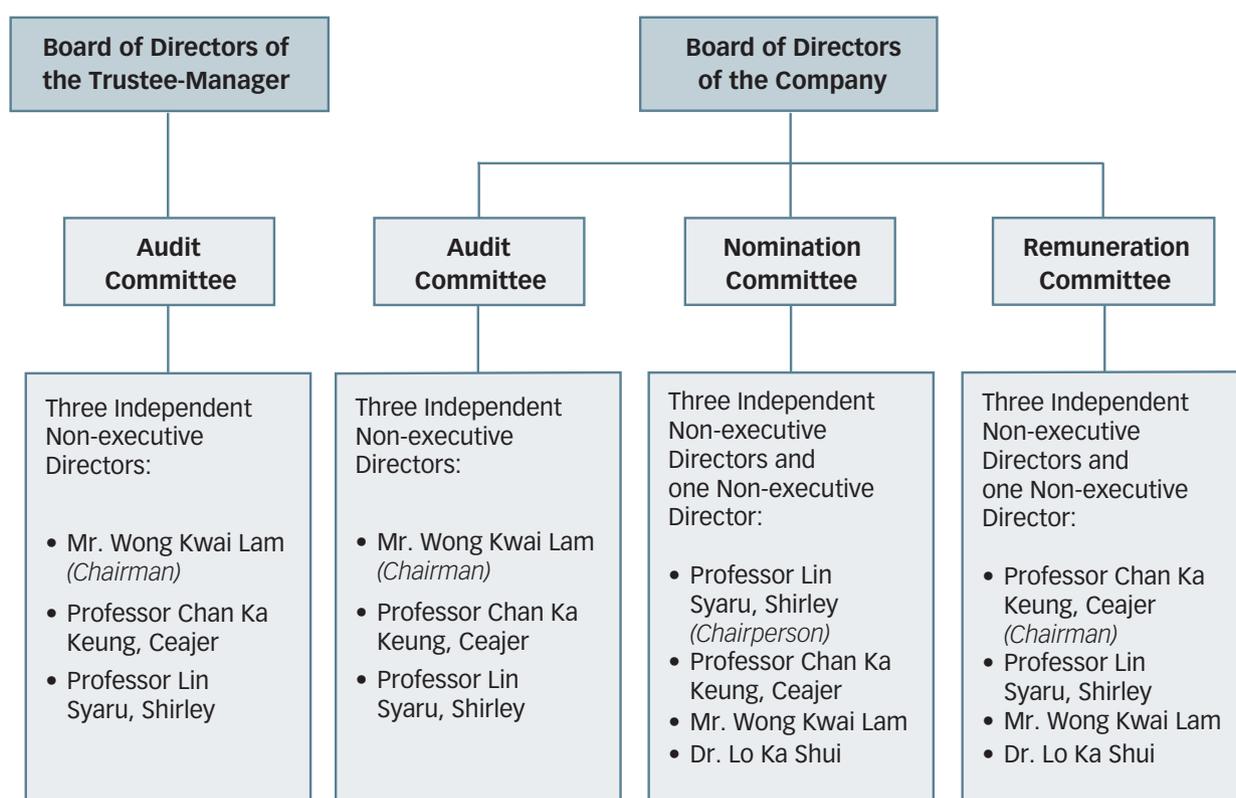
## Directors' and Officers' Insurance

During the year ended 31 December 2025, appropriate Directors' and Officers' liabilities insurance coverage had been arranged in respect of legal action that might be taken against the Directors and officers of the Trustee-Manager and the Company.

# CORPORATE GOVERNANCE REPORT

## BOARD COMMITTEES

To provide effective oversight, the Trustee-Manager Board and the Company Board have established the following Board Committees with their own terms of reference that have been approved by the respective Boards and are reviewed periodically to ensure that they comply with the latest legal and regulatory requirements and reflect developments in recommended best practices. Each Committee reports its decisions and recommendations to the respective Boards. The terms of reference of the Committees setting out in detail their duties and responsibilities are posted on our corporate website ([www.langhamhospitality.com](http://www.langhamhospitality.com)) and the HKEXnews' website.



# CORPORATE GOVERNANCE REPORT

## Audit Committees

### *Roles and Authorities*

The Audit Committees of the Trustee-Manager and the Company assist the Boards on risk management, internal control, financial management and corporate governance issues. Advisory and not supervisory in nature, the Audit Committees review the reports and proposals from management and make recommendations to the Boards regarding financial reporting and other statutory obligations, risk management and internal control systems, audit process and corporate governance practices. The Audit Committee's principal duties are:

- (a) to review half-year report, annual report and financial statements, and provide relevant comments and advice to the Boards;
- (b) to discuss the risk management and internal control systems with the management to ensure that the management has performed its duty to maintain effective systems including the adequacy of resources, staff qualifications and experience, training programmes and budget of accounting and financial reporting function;
- (c) to review the internal audit programme, ensure that the internal audit function is adequately resourced, and to monitor its effectiveness;
- (d) to advise the Boards regarding the appointment, re-appointment and removal of external auditor, approve its remuneration and terms of engagement, and handle any questions of its resignation or dismissal;
- (e) to review the external auditor's management letter, and address any material queries from the auditor to the management about accounting records, financial accounts or internal control system and the management's response to the points raised;
- (f) to review the arrangements for employees to confidentially raise concerns about possible improprieties in financial reporting, risk management, internal control or other matters, and ensure that proper arrangements are in place for fair and independent investigation of these matters along with appropriate follow-up action; and
- (g) to review the implementation and compliance of the Great Eagle ROFR Deed.

# CORPORATE GOVERNANCE REPORT

## Summary of work

During the year ended 31 December 2025, the Audit Committees of the Trustee-Manager and the Company held two regular meetings with all members present. The following is a summary of the major work done categorised by the primary areas of duties of the Audit Committees:

Primary Areas of Duties	Summary of Major Work Done of the Audit Committees in 2025
<b>Disclosure of Financial Information</b>	<ul style="list-style-type: none"> <li>• reviewed the draft 2024 Annual Report and annual results announcement of the Trust and the Company for the year ended 31 December 2024</li> <li>• reviewed the draft 2025 Interim Report and interim results announcement of the Trust and the Company for the period ended 30 June 2025</li> <li>• reviewed the audited financial statements of the Trust and the Company and the audited financial statements of the Trustee-Manager for the year ended 31 December 2024, and reviewed the unaudited financial statements of the Trust and the Company and the unaudited financial statements of the Trustee-Manager for the period ended 30 June 2025, with particular regard to the significant audit risks and other audit issues including:               <ol style="list-style-type: none"> <li>(1) the review on the fair value of the three investment properties of the Trust Group; and</li> <li>(2) the potential oversight by management in financial reporting process</li> </ol> </li> </ul>
<b>Risk Management and Internal Control</b>	<ul style="list-style-type: none"> <li>• reviewed the significant findings and recommendations from the internal auditor</li> <li>• reviewed the effectiveness of the risk management and internal control systems of the Trust, the Company and the Trustee-Manager</li> </ul>
<b>Reports from External Auditor</b>	<ul style="list-style-type: none"> <li>• reviewed the reports from Deloitte Touche Tohmatsu on interim review of the financial information and annual audit of the financial statements of the Trust and the Company and of the Trustee-Manager</li> </ul>
<b>Re-appointment of External Auditor</b>	<ul style="list-style-type: none"> <li>• reviewed and considered the re-appointment of Deloitte Touche Tohmatsu as the external auditor, the provision of audit and non-audit services and approved its remuneration</li> </ul>
<b>Connected Transactions</b>	<ul style="list-style-type: none"> <li>• reviewed and monitored connected transactions through half-yearly reports submitted by management to ensure compliance with the terms of the waivers granted by the Stock Exchange and all other applicable rules and regulations</li> </ul>
<b>Legal and Regulatory Compliance</b>	<ul style="list-style-type: none"> <li>• reviewed the legal and regulatory, and governance and compliance issues including but not limited to compliance with the Listing Rules, the Trust Deed, the SFO and the Corporate Governance Code for the year ended 31 December 2024 and the six months ended 30 June 2025, and the disclosure in the Corporate Governance Report</li> </ul>

# CORPORATE GOVERNANCE REPORT

Primary Areas of Duties	Summary of Major Work Done of the Audit Committees in 2025
<b>Great Eagle ROFR Deed</b>	<ul style="list-style-type: none"> <li>reviewed and adopted the corporate governance measures in respect of the operation of the Great Eagle ROFR Deed</li> <li>reviewed the implementation and compliance of the Great Eagle ROFR Deed</li> <li>during the year 2025, there were no properties or investment opportunities being acquired by or made available to the Great Eagle Group that were subject to the Great Eagle ROFR Deed</li> </ul>

## Nomination Committee

### *Roles and Authorities*

The Nomination Committee formulates policy and makes recommendations to the Company Board on nomination, appointment or re-appointment of Directors and Board succession. The principal duties of the Nomination Committee are:

- (a) to review the structure, size and composition (including the skills, knowledge and experience) of the Company Board at least annually, assist the Board in maintain a board skills matrix, and make recommendations on any proposed changes to the Company Board to complement the Company's corporate strategy;
- (b) to formulate a policy concerning diversity of the Company Board and review the implementation of such policy annually;
- (c) to formulate a policy for the nomination of Directors and review such policy periodically;
- (d) to identify individuals suitably qualified to become Board members and make recommendations to the Company Board on the selection of individuals nominated for directorships;
- (e) to assess the independence of Independent Non-executive Directors;

- (f) to make recommendations to the Company Board on the appointment or re-appointment of Directors and succession planning for Directors;
- (g) review the implementation and effectiveness of the mechanisms to ensure independent views and input are available to the Boards on an annual basis and make recommendations to the Company Board;
- (h) review and assess regularly the time commitment and contribution to the Boards by each Director as well as the Director's ability to discharge his or her responsibilities effectively; and
- (i) support the Company's regular evaluation of the Boards' performance.

The requirement to establish a Nomination Committee is not relevant to the Trustee-Manager as the Trust Deed requires that the Directors of the Trustee-Manager shall at all times comprise the same individuals who serve as Directors of the Company.

The Nomination Committee currently consists of one female and three male Directors, and therefore complies with the requirement of having Directors of both genders in the Committee.

# CORPORATE GOVERNANCE REPORT

## Summary of Work

During the year ended 31 December 2025, one Nomination Committee meeting was held, with full attendance by all Committee members. The following is a summary of the major work done categorised by the primary areas of duties of the Nomination Committee:

Primary Areas of Duties	Summary of Major Work Done of the Nomination Committee in 2025
<b>Board Composition</b>	<ul style="list-style-type: none"> <li>reviewed the structure, size, and composition (including the skills, knowledge and experience) of the Company Board and the contributions required from the Board members</li> <li>reviewed Directors' time commitment to the affairs of the Trust and the Company through, inter alia, their meeting attendance and other listed companies' directorships</li> </ul>
<b>Board Independence Mechanisms</b>	<ul style="list-style-type: none"> <li>reviewed the implementation and effectiveness of the mechanisms set out in the Director Independence Policy to ensure independent views and input were available to the Boards</li> </ul>
<b>Independence of Independent Non-executive Directors</b>	<ul style="list-style-type: none"> <li>assessed independence of all the Independent Non-executive Directors, including Independent Non-executive Directors who have served on the Boards for more than nine years ("Long Serving INEDs")</li> </ul>
<b>Appointment or Re-appointment of Directors</b>	<ul style="list-style-type: none"> <li>reviewed and made recommendations to the Company Board in respect of the re-election of retiring Directors at the 2025 AGM, namely Dr. Lo Ka Shui, Mr. Brett Stephen Butcher and Professor Lin Syaru, Shirley</li> </ul>

## Independence Assessment of Independent Non-executive Directors

The Nomination Committee believes that independence is an important part of fulfilling the Directors' duty to supervise the management of the business and affairs of the Trust and the Company. To be considered independent, an Independent Non-executive Director must meet the independence criteria set out in Rule 3.13 of the Listing Rules. The Nomination Committee has considered the following factors for assessing the independence of the Independent Non-executive Directors for the year 2025.

Assessment Criteria	Independence Assessment for 2025
<b>Annual Confirmations</b>	<ul style="list-style-type: none"> <li>All Independent Non-executive Directors have submitted written annual confirmations to the Trustee-Manager and the Company regarding the following:               <ol style="list-style-type: none"> <li>compliance with the independence criteria set out in Rule 3.13 of the Listing Rules; and</li> <li>sufficiency of time spent and attention to the affairs of the Trust Group.</li> </ol> </li> </ul>
<b>Conflict of Interest Issue</b>	<ul style="list-style-type: none"> <li>All Independent Non-executive Directors have confirmed that they have no material interest, either directly or indirectly, in any business that competes with the Trust Group's operations.</li> <li>They are not involved in the daily management of the Trust and the Company and have never taken part in any executive role that would interfere with their independent judgement.</li> <li>They do not have any relationships with any other Directors, senior management, substantial or controlling Holders of Share Stapled Units of the Trust and the Company.</li> </ul>

# CORPORATE GOVERNANCE REPORT

Assessment Criteria	Independence Assessment for 2025
<b>Tenure</b>	<ul style="list-style-type: none"><li>The Nomination Committee noted that there are two Long Serving INEDs, namely, Professor Lin Syaru, Shirley and Mr. Wong Kwai Lam, and their re-appointments will be subject to a separate resolution to be approved by the Holders of Share Stapled Units at the AGM.</li><li><i>Background and Contributions of Professor Lin</i> Professor Lin is Research Professor at the Miller Center of Public Affairs at the University of Virginia and a Non-resident Senior Fellow in the Foreign Policy Program at the Brookings Institution. She is also a faculty member at the Chinese University of Hong Kong and chairs the Center for Asia-Pacific Resilience and Innovation. Her research and teaching focus on cross-strait relations, international and comparative political economy, as well as the challenges facing high-income societies in East Asia. She has also served on the boards of numerous private and public companies and was specialised in the privatisation of state-owned enterprises in Mainland China, Singapore and Taiwan. The Nomination Committee considered that Professor Lin possesses the requisite perspectives, skills and wealth of experience in international affairs and global investment that offer valuable global perspectives and insight to the Trust Group and enhance the Boards' diversity.</li><li><i>Background and Contributions of Mr. Wong</i> Mr. Wong has over 30 years of experience in the commercial and investment banking industry. He also has extensive board experience with publicly listed trusts in Hong Kong and/or Singapore. He is well versed with the governance and administration structure of a trust and can provide valuable insights into the economic trends, market conditions, and potential risks or opportunities, and offer a deep understanding of macroeconomic factors that may impact the Trust Group's operations. The unique background and experience of Mr. Wong can enable him to have more exposure to certain tasks on risk management and control procedures, which can be implemented in the Trust Group to provide effective monitoring.</li><li>The Nomination Committee formed the view that there is no evidence showing that Long Serving INEDs would lose their independence nor be at an increased risk of complacency given their familiarity with management. The Nomination Committee considered that independence of mind is far more important than the appearance of independence and was fully satisfied that the both Long Serving INEDs demonstrated complete independence in character and judgement both in their designated roles as members of the Boards and Board Committees and was of the opinion that they will continue to bring independent views of the Trust Group's affairs to the Boards notwithstanding their length of service.</li><li>The succession planning for Directors will be reviewed and recommendations will be made to the Board of the Company for refreshment of Long Serving INEDs.</li></ul>

In view of the above, the Nomination Committee believed that all Independent Non-executive Directors remain independent and are able to provide impartial advice and exercise independent judgement, ensuring the Boards' objectivity and integrity in decision making will not be weakened.

# CORPORATE GOVERNANCE REPORT

## Directors' Time Commitment and Contribution Assessment

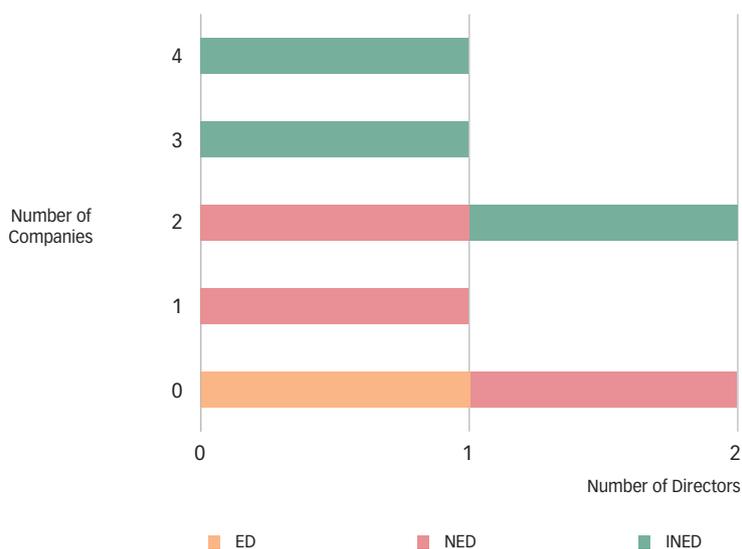
The Nomination Committee recognises the importance of Directors being able to contribute sufficient time to the Trust and the Company to effectively discharge their responsibilities. The Nomination Committee has assessed the Directors' time commitment and contribution to the Boards for the year 2025 based on the following factors:

Assessment Criteria	Time Commitment and Contribution Assessment for 2025
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**Other Listed Directorships and/or Other Significant External Commitments**

- All Directors have disclosed to the Trustee-Manager and the Company annually their other directorships held in Hong Kong or overseas listed companies and other significant external commitments. As at 31 December 2025, no Director concurrently held more than six listed company directorships. The Nomination Committee considered that the Directors are able to devote sufficient time to the affairs of the Trust Group without being over-occupied in the business of other listed companies or other significant external commitments.

**Directorships with other listed companies**



- They have also provided written confirmation to the Trustee-Manager and the Company that they had given sufficient time and attention to the affairs of the Trust Group during the year 2025.

**Attendance Record**

All Directors have attended all Board Meetings, Board Committees Meetings and AGM held during the year 2025.

**Responsibilities and Skills**

Directors are able to contribute effectively to the Boards through their responsibilities, skills and experience which are set out in the sub-sections "Board Composition" and "Board Diversity" of this Corporate Governance Report.

In view of the above, the Nomination Committee believed that the Directors were able to devote sufficient time and attention to the affairs of the Trust Group and discharge their responsibilities effectively during the year 2025.

# CORPORATE GOVERNANCE REPORT

## Remuneration Committee

### *Roles and Authorities*

The Remuneration Committee sets up formal and transparent procedures for setting policy on Executive Director's remuneration and for fixing the remuneration packages for all Directors and management and to ensure remuneration levels are sufficient to attract and retain Directors to run the Company successfully without paying more than necessary.

The Remuneration Committee has the delegated responsibility to determine the remuneration packages of individual Executive Director and management and to make recommendations to the Boards on the remuneration of Non-executive Directors.

The requirement to establish a Remuneration Committee is not applicable to the Trustee-Manager as its Directors are not entitled to any remuneration payable by the Trust nor the Trustee-Manager, and the Trustee-Manager does not have any employee.

### *Summary of Work*

During the year ended 31 December 2025, one Remuneration Committee meeting was held, with full attendance by all Committee members. Below is a summary of major work done categorised under the primary areas of duties of the Remuneration Committee:

Primary Areas of Duties	Summary of Major Work Done of the Remuneration Committee in 2025
<b>Remuneration Packages of Executive Director and Management</b>	<ul style="list-style-type: none"><li>approved the salary review and discretionary bonus distribution for the year 2025 and other remuneration packages of the Executive Director and management of the Company</li></ul>
<b>Remuneration of Non-executive Directors and Independent Non-executive Directors</b>	<ul style="list-style-type: none"><li>reviewed the market trend of the remuneration package generally offered to non-executive directors and independent non-executive directors of comparable companies listed in Hong Kong</li><li>reviewed the remuneration package offered to Non-executive Directors and Independent Non-executive Directors of the Company and recommended that no adjustment should be made for the year 2025</li></ul>

# CORPORATE GOVERNANCE REPORT

## REMUNERATION OF DIRECTORS

The framework of the remuneration offered to the Executive Director and management of the Company is a combination of pre-determined elements plus discretionary components:

Remuneration Framework	
<b>Basic Compensation</b>	<ul style="list-style-type: none"> <li>includes basic salary, retirement benefits and other allowances</li> <li>it is fixed and set to be at the level sufficient to retain and motivate employees, taking into account the scope and complexity of responsibilities, individual performance as well as market pay levels</li> </ul>
<b>Bonus and Incentives</b>	<ul style="list-style-type: none"> <li>vital to align the interest of the executives with that of Unitholders</li> <li>the level is determined by reference to factors such as the financial performance and profitability of the Trust and the Company, individual performance, prevailing market conditions and remuneration benchmark in the industry</li> </ul>

As discussed above, Directors of the Trustee-Manager are not entitled to any remuneration payable by the Trust nor the Trustee-Manager. The Directors' fees entitled to be received by each Director of the Company and the members of the respective Board Committees of the Company for the year 2025 are set out hereinbelow. The remuneration levels were proposed with reference to the time involved, specific duties and services of individual directors and the prevailing market conditions.

Further details of Directors' emoluments are provided in note 14 to the consolidated financial statements of the Trust and the Company.

## Director's Fee and Board Committee Remuneration

Capacity	Annual Fee (HK\$)
<b>Board of Directors</b>	
• Executive Director	50,000
• Non-executive Director	170,000
• Independent Non-executive Director	220,000
• Chairman	270,000
<b>Audit Committee</b>	
• Chairman	100,000
• Committee Member	50,000
<b>Remuneration Committee</b>	
• Chairman	50,000
• Committee Member	25,000
<b>Nomination Committee</b>	
• Chairman	30,000
• Committee Member	20,000

# CORPORATE GOVERNANCE REPORT

## RISK MANAGEMENT AND INTERNAL CONTROL

The Trustee-Manager Board and the Company Board are entrusted with the overall responsibility on an ongoing basis for ensuring that adequate and effective risk management and internal control systems are established and maintained for the Trustee-Manager and the Company. The systems are designed to provide reasonable but not absolute assurance against material misstatement or loss, and to manage rather than eliminate risk of failure to meet the business objectives. The followings have been established and executed to ensure there are adequate and effective risk management and internal control systems within the Trustee-Manager and the Company:

- (a) a good control environment including a well-defined organisational structure, limit of authority, reporting lines and responsibilities;
- (b) a Risk Management Self-Assessment and Internal Control Self-Assessment conducted annually by the Trustee-Manager and the Company;
- (c) appropriate risk mitigating activities including clear and written company policies and procedures that can manage risks to an acceptable level for the achievement of the business objectives;
- (d) effective information platforms to facilitate internal and external information flow;
- (e) a structural internal audit function to perform independent appraisal of major operations on an ongoing basis; and
- (f) Information Security Awareness Training regularly organised by the Internal Audit Department.

Through the Audit Committees of the Trustee-Manager and the Company and the Great Eagle Group's Internal Audit Department, the Trustee-Manager Board and the Company Board have conducted an annual review on the effectiveness of the risk management and internal control systems for the year ended 31 December 2025.

A risk management framework is implemented that provides a structured basis where all key risks (including but not limited to governance and strategy, regulatory compliance, people and talent, technology and operations, financial, economic, legal and ESG) are identified, analysed, evaluated, treated, monitored and reported in a consistent manner at all levels across the Company. A Risk Register is maintained to summarise the significant risks faced by the Company and the relevant risk mitigating activities.

With the adoption of a risk-based approach, the Internal Audit Department takes the lead to evaluate the risk management and internal control systems of the Trustee-Manager and the Company by reviewing all their major operations on a cyclical basis. The audit reviews cover all material controls including financial, operational and compliance controls. Results of the audit reviews in the form of audit reports are submitted to the members of the Audit Committees for discussion at the Audit Committee meetings. The internal audit reports are also followed up by the Internal Audit Department to ensure that findings previously identified have been properly resolved.

The three-year audit plan of the Internal Audit Department is approved by the Audit Committees. The Head of Internal Audit Department reports directly to the Audit Committees and the Chairman of the Boards.

Based on the results of the internal audit reviews for the year ended 31 December 2025 and the assessment of the Audit Committees thereon, no significant irregularity or deficiency in the risk management and internal control systems has drawn the attention of the Audit Committees.

The Trustee-Manager Board and the Company Board are satisfied that the Trust (together with the Trustee-Manager) and the Company have maintained adequate and effective risk management and internal control systems for the year ended 31 December 2025.

# CORPORATE GOVERNANCE REPORT

## EXTERNAL AUDITORS

### Auditor's Responsibilities for the Financial Statements

The statement by the Auditor about its reporting responsibilities for the Trust Group and the Trustee-Manager are set out in the "Independent Auditor's Report" on pages 137 to 141 and pages 198 to 200 respectively of this Annual Report.

### Auditor's Remuneration

During the year ended 31 December 2025, the total fees in respect of audit and non-audit services provided to the Trust Group and the Trustee-Manager by the external auditor, Messrs. Deloitte Touche Tohmatsu, are set out as follows:

Services rendered	For the year ended 31 December 2025	
	Trust Group HK\$'000	Trustee-Manager HK\$'000
<b>Audit services</b>	1,312	20
<b>Non-audit services</b>		
Interim review fee	386	–
Other review fees including continuing connected transactions review, etc	98	2
<b>Total</b>	<b>1,796</b>	<b>22</b>

Note: The total amount of Auditor's Remuneration as disclosed in note 13 to the consolidated financial statements of the Trust and the Company and note 4 to the financial statements of the Trustee-Manager are HK\$1,312,000 and HK\$20,000 respectively and do not include the fees in respect of non-audit services.

# CORPORATE GOVERNANCE REPORT

## UNITHOLDERS ENGAGEMENT

### Constitutional Documents

During the year ended 31 December 2025, there was no change to the Trust Deed and the Company's Articles, the current version of which are available for download from our corporate website ([www.langhamhospitality.com](http://www.langhamhospitality.com)) and the HKEXnews' website.

### Communication with Unitholders

The Trustee-Manager and the Company recognise the importance of maintaining an ongoing dialogue with the Unitholders. The Boards have adopted the Unitholder Communication Policy which sets out the framework for promoting effective communication and engagement with individual Unitholders, institutional investors and other stakeholders, and annually review its effectiveness. Below is a summary of the communication channels and engagements with the Unitholders.

Channels	Unitholders Engagement in 2025
<b>Corporate Communications<sup>(Note)</sup></b>	<ul style="list-style-type: none"><li>Approximately 40 Corporate Communications documents (including annual report, interim report, and various announcements and notices) were published on our corporate website and the HKEXnews' website during 2025.</li><li>Pursuant to the Listing Rules, the Trust and the Company have adopted electronic dissemination of Corporate Communications and Actionable Corporate Communications<sup>(Note)</sup>. For Unitholders who prefer to read offline, Corporate Communications in printed form, free of charge, will be sent to them upon receipt of their written request.</li></ul>
<b>Corporate Website</b>	<ul style="list-style-type: none"><li>Our corporate website (<a href="http://www.langhamhospitality.com">www.langhamhospitality.com</a>) includes all Corporate Communications of the Trust and the Company, key corporate governance policies, terms of reference of the various Board Committees, financial calendar and other important corporate information, enabling the Unitholders and investors to access to timely and updated information.</li><li>Presentation materials on annual and interim results are also posted on our corporate website so as to deliver a more in-depth understanding on the Trust Group's financial performance and position.</li></ul>

# CORPORATE GOVERNANCE REPORT

Channels	Unitholders Engagement in 2025
<b>General Meetings</b>	<ul style="list-style-type: none"><li>• General meetings are an important forum to engage with the Unitholders, providing an opportunity for the Unitholders to raise comments and express their views on the performance of the Trust Group with the Directors and the management. Further details on the 2025 AGM, and proceedings of general meetings are set out in sub-section headed “General Meetings” below.</li><li>• Unitholders may directly communicate with Directors and the management at general meetings, and enquiries from Unitholders will be responded to within a specific timeframe.</li></ul>
<b>Distribution Information</b>	<ul style="list-style-type: none"><li>• Distribution Policy and the Boards’ distribution decisions are disclosed under sub-section headed “Distribution Policy” below.</li></ul>
<b>Enquiries from the Unitholders</b>	<ul style="list-style-type: none"><li>• Unitholders, other stakeholders and members of the public may direct their written enquiries to the Trustee-Manager Board and the Company Board by writing to the Company’s principal place of business in Hong Kong or by email to <a href="mailto:enquiry@langhamhospitality.com">enquiry@langhamhospitality.com</a>.</li></ul>

Note: “Corporate Communications” refer to annual reports, interim reports, notices of meetings, circulars, proxy forms and other publications of the Trust and the Company; and “Actionable Corporate Communications” refer to any Corporate Communications that seek instructions from Unitholders on how they wish to exercise their rights or make an election as Unitholders.

The Boards have reviewed the implementation of the communication channels and, based on the above, considered the Unitholder Communication Policy has been effectively implemented during the year 2025.

# CORPORATE GOVERNANCE REPORT

## General Meetings

The general meetings of the Trust and the Company provide a principal communication channel between the Unitholders and the Boards.

General meetings of the Trust and the Company are held on a combined basis, proceedings of general meetings as summarised hereinbelow are reviewed from time to time to ensure that the best appropriate corporate governance practices are followed.

### Proceedings of General Meetings

Notice of general meetings together with other relevant corporate communications will be despatched to Holders of Share Stapled Units (i) no less than 21 days prior to the AGM and general meeting where a special resolution is proposed for consideration and (ii) no less than 14 days for all other general meetings.

The Chairman of the Trustee-Manager Board and the Company Board as well as the chairmen of each of the Board Committees or, in their absence, their duly appointed delegates or other members of the respective Committees are available to answer questions at the general meetings.

The chairman of the independent board committee or, in his/her absence, his/her duly appointed delegates or other member(s) of the committee will be available to answer questions at any general meetings at which approval for a connected transaction or approval from independent Holders of Share Stapled Units for any other transactions is sought.

The external auditor will attend the AGM to answer questions relating to the audit.

To safeguard the interests and rights of the Holders of Share Stapled Units, separate resolutions are proposed at the general meetings on each substantial issue, including the election/re-election of each individual Director.

Holders of Share Stapled Units will be provided opportunities to ask questions for each of the proposed resolutions at general meetings.

All votes of the Holders of Share Stapled Units at general meetings will be taken by poll. The procedures for conducting a poll will be clearly explained at the meeting.

Independent scrutineer will be engaged to ensure all votes at general meetings are properly counted.

Poll results will be made available by way of an announcement, which will be published on our corporate website and the HKEXnews' website on the same day after the general meeting.

# CORPORATE GOVERNANCE REPORT

## 2025 AGM

The 2025 AGM of the Trust and the Company was held on 9 May 2025 at 32nd Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong. The matters resolved thereat are listed below:

- Received and adopted the audited consolidated Financial Statements of the Trust and the Company for the year ended 31 December 2024, the audited Financial Statements of the Trustee-Manager for the year ended 31 December 2024, together with their respective Reports of the Directors and the Independent Auditor.
- Declared a final distribution of HK1.6 cents per Share Stapled Unit for the year ended 31 December 2024.
- Re-elected Dr. Lo Ka Shui as a Non-executive Director, Mr. Brett Stephen Butcher as an Executive Director, and Professor Lin Syaru, Shirley as an Independent Non-executive Director.
- Authorised the Directors of the Company to fix their remuneration.
- Re-appointed Messrs. Deloitte Touche Tohmatsu as Auditor of the Trust, the Trustee-Manager and the Company, and authorised the Directors of the Trustee-Manager and the Company to fix their remuneration.
- Approved the grant of a general mandate to the Directors of the Trustee-Manager and the Company to allot, issue and deal with additional Share Stapled Units not exceeding 20% of the issued number of Share Stapled Units (the "General Mandate").

The General Mandate will remain in effect until the conclusion of the next AGM of the Holders of Share Stapled Units, or the expiration of the period within which such AGM is required to be held, or until revoked, renewed or varied by an ordinary resolution of Holders of Share Stapled Units, whichever occurs first. Although the General Mandate granted may not be utilised during the valid period as mentioned above, this gives the Company the flexibility when needed without proposing second and subsequent refreshments of a general mandate in any one year. The Company will use the mandate sparingly and in the interest of the Holders of Share Stapled Units. Set out below is the utilisation rate of the General Mandate granted by the Holders of Share Stapled Units for the last five validity periods:

Year of AGM	Mandate Validity Period	Number of Issued Share Stapled Units under Granted Mandate	% of Utilised Mandate <sup>(Note)</sup>
2020	12/5/2020 to 12/5/2021	14,258,483	0.665
2021	12/5/2021 to 12/5/2022	23,330,053	0.722
2022	12/5/2022 to 11/5/2023	33,509,726	1.029
2023	11/5/2023 to 8/5/2024	29,538,995	0.898
2024	8/5/2024 to 9/5/2025	125,272,126	3.775

Note: This percentage is based on the number of issued Share Stapled Units as at the dates of the relevant AGMs.

# CORPORATE GOVERNANCE REPORT

## Rights of Holders of Share Stapled Units

### *Right to Convene/Call a General Meeting*

Pursuant to Article 12.3 of the Company's Articles, general meetings shall be convened on the written requisition of any one or more member(s) of the Company deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and resolutions shall be added to a meeting agenda and signed by the requisitionists, provided that such requisitionists hold as at the date of deposit of the requisition not less than, for as long as the Trust Deed remains in force, 10% of the paid up capital of the Company which carries the right of voting at general meetings of the Company. Within 21 days from the date of deposit of the requisition, the Company Board shall proceed to convene the meeting to be held with such notice in accordance with Article 12.4.

### *Right to Appoint/Remove Trustee-Manager*

Pursuant to Clause 23.1 of the Trust Deed, holders of Units of the Trust may (i) by requisition convene a meeting to vote on a resolution to remove the trustee-manager and (ii) nominate a company which has consented in writing to serve as the replacement trustee-manager for appointment at general meeting by serving the requisition/nomination on the incumbent trustee-manager, provided that the holders of Units making such requisition and/or nomination hold not less than 5% of the total voting rights of all holders of Units at the date of the requisition/nomination.

### *Proposing a Person for Election as a Director*

Pursuant to Article 16.5 of the Company's Articles, two members of the Company (not including the person to be proposed) together representing not less than 10% of the total voting rights of all the members are entitled to propose a person for election as a Director of the Company at the general meeting by lodging a written notice with the principal office of the Company in Hong Kong of their such intention together with the consent of the nominated person at least seven days before the date of the general meeting.

## Distribution Policy

In accordance with the provisions of the Trust Deed, the following Distribution Policy has been put in place:

- (a) Any declaration and payment of distributions shall be determined at the sole discretion of the Boards with the long-term objective of maximising Unitholder value of the Trust Group.
- (b) The Trust Group aims to provide its Unitholders with a target annual distribution payout of not less than 90% of the distributable income of the Group in any financial year subject to the following factors:
  - 1. the Trust Group's actual and expected cash flow positions and financial performance;
  - 2. projected capital expenditure, future expansion plans and growth opportunities;
  - 3. the Trust Group's debts to equity ratio, return on equity and the relevant financial covenants;
  - 4. general economic conditions, business cycle of the Trust Group's core business;
  - 5. general expectation of Unitholders and investors of the Trust Group; and
  - 6. any other factors that the Boards deem appropriate.

The Boards may declare and make distributions on a semi-annual basis at its discretion. The payment of final distribution is subject to the approval of Unitholders. The Boards may at their sole discretion declare the payment of distributions to Unitholders as they deem appropriate.

The Distribution Policy and the declaration and/or payment of distributions under this policy are subject to the Boards' continuing determination that this Distribution Policy and the declaration and/or payment of distribution would be in the best interests of the Trust Group and the Unitholders, and are in compliance with all applicable laws and regulations.

# CORPORATE GOVERNANCE REPORT

Having considered the aforesaid factors set out in the Distribution Policy, 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. The Boards consider an 80% distribution payout to be a balanced approach between providing investor returns and maintaining prudent cash reserves for operational needs, capital commitments, and market uncertainties. This approach supports sustainable and stable distributions over time while safeguarding long-term Unitholder value.

The Boards will continually review the Distribution Policy and reserve the right in their sole and absolute discretion to update, amend, modify and/or cancel the Distribution Policy at any time, and the Distribution Policy shall in no way constitute a legally binding commitment by the Trust Group in respect of its future distribution and/or the obligation of the Trust Group to declare a distribution at any time or from time to time.

## DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Trustee-Manager Board and the Company Board, supported by the Accounts and Finance Department, are responsible for the preparation of the financial statements of the Trust Group and the Trustee-Manager for the year ended 31 December 2025.

## HOTEL MANAGER AND EMPLOYEES

The Trust Group does not manage the daily operations of the Hotels. The Hotel Manager is responsible for the management of and all sales, marketing and advertising activities in relation to the Hotels pursuant to the Hotel Management Agreements. The Hotel Manager has a team of well-experienced operational staff exclusively dedicated in providing services to the Hotels. The Hotels control the payroll and related expense in accordance with the business level and also continuously review the process for higher efficiency. Comparing to 31 December 2024, there is a slight decrease of 9 headcounts as at 31 December 2025.

A detailed gender composition of the employees of the Hotel Manager and its subsidiaries who were engaged in the operation and management of the Hotels are set out in the "Environmental, Social and Governance Report" on page 46 of this Annual Report.

Salary levels of the Hotel Manager's employees are competitive, and discretionary bonuses are granted based on performance of the Hotels as well as achievement of departmental key performance indicators. Other employee benefits include educational allowance, insurance, medical scheme and provident fund schemes. The Hotel Manager and its subsidiaries are required to contribute an amount equivalent to 5% of the employees' basic salary (subject to the cap as stipulated under the applicable laws) to the Mandatory Provident Fund Scheme as mandatory contribution.

The Company employs a team of four professional staff members to support the effective operation of the Trust Group. The Great Eagle Group provides certain administrative and non-management services to the Trust Group on a cost-sharing basis under the Administrative Support Services Agreement. These services include, but not limited to, legal and corporate secretarial support, finance, accounting and taxation support, human resources support, information technology support, internal audit support and general office administrative support. The remuneration package for employees comprises salary, bonuses, allowances and various retirement benefit schemes, including the Mandatory Provident Fund Scheme, for the benefit of the staff.

# CORPORATE GOVERNANCE REPORT

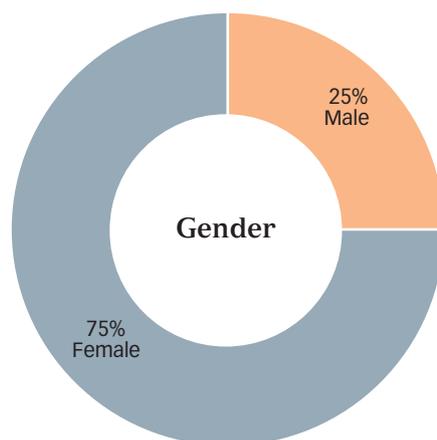
## Workforce Diversity

The Trust Group is committed to fostering a diverse, equitable, and inclusive workplace for employees at all levels. A Workforce Diversity Policy has been adopted which sets out the Trust Group's approach and objectives for achieving diversity in the workplace. A summary of the Workforce Diversity Policy is set out below:

Areas	Initiatives
<b>Recruitment and Selection</b>	<ul style="list-style-type: none"><li>• Adopt a merit-based recruitment process, ensuring all candidates are evaluated fairly based on qualifications, experience, potential, and performance, irrespective of their background.</li><li>• Promote gender diversity and representation from underrepresented groups during recruitment.</li><li>• Comply with applicable laws and regulations and align with local or regional market practices in the recruitment process.</li></ul>
<b>Development and Advancement</b>	<ul style="list-style-type: none"><li>• Provide equal access to training, career advancement, and leadership opportunities for all employees.</li><li>• Ensure performance evaluations and promotion processes are conducted fairly, transparently, and without bias.</li></ul>
<b>Workplace Inclusion</b>	<ul style="list-style-type: none"><li>• Foster a culture of respect, collaboration, and inclusion by promoting open communication and mutual understanding among employees.</li><li>• Prohibit any forms of harassment, bullying, bias, or violence in any work-related context.</li><li>• Promote diversity and inclusion practices to raise awareness and eliminate unconscious bias in the workplace.</li><li>• Maintain employee feedback channels and grievance procedures to allow employees to voice concerns and share suggestions related to diversity in the workplace.</li></ul>

# CORPORATE GOVERNANCE REPORT

The gender ratio of the workforce of the Company (excluding the Senior Management) is illustrated in the chart below:



## CORPORATE GOVERNANCE ENHANCEMENT

Good corporate governance practice is key to the long-term success of the Trust and the Company in an ever-evolving business landscape. The current corporate governance framework adopted by the Trust and the Company emphasises accountability to all Holders of Share Stapled Units, resolution of conflict of interest issues, transparency in reporting, compliance with relevant regulations and sound operating and investing procedures. The Boards regularly evaluate and look for improvements in the governance approach to respond to changes, and to ensure that it is relevant and aligned with best practices. The Boards believe the effective integration of corporate governance, environmental and social responsibilities could potentially release even greater value. For details of the environmental and social performance, please refer to the "Environmental, Social and Governance Report" in this Annual Report.

# REPORT OF THE DIRECTORS

The Trustee-Manager Board and the Company Board have pleasure in presenting the annual report together with the audited consolidated financial statements of the Trust Group for the year ended 31 December 2025.

The Trustee-Manager Board also presents its audited financial statements of the Trustee-Manager for the year ended 31 December 2025.

## PRINCIPAL ACTIVITIES

### The Trust

The Trust is constituted, upon and subject to the terms and conditions of the Trust Deed entered into between the Trustee-Manager and the Company, as a fixed single investment trust in Hong Kong. The scope of activity of the Trust is limited to investing in the Company.

### The Company

The principal activities of the Group are primarily to own and invest in a portfolio of hotels, with a focus on completed hotels located in Asia. The current hotel portfolio of the Group comprises The Langham, Hong Kong, Cordis, Hong Kong and Eaton HK.

The principal activities and other particulars of the Company's principal subsidiaries as at 31 December 2025 are set out in note 37 to the consolidated financial statements of the Trust Group.

### The Trustee-Manager

The Trustee-Manager has a specific and limited role to administer the Trust. The Trustee-Manager is not actively engaged in running the businesses operated by the Trust Group.

## BUSINESS REVIEW

### Business Performance and Future Prospects

A detailed review on the Trust Group's business performance during the reporting period, as well as the future prospects of the Trust Group are set out in the "Chairman's Statement" and "CEO's Review" on pages 16 to 25 of this Annual Report, the discussions thereof form part of this Directors' Report.

The Trust Group is committed to the preservation of its reputation and integrity through compliance with applicable laws, rules and regulations ("Laws"). Control procedures are in place to ensure compliance with Laws which have a significant impact on the Group in conduct of its business including Securities and Futures Ordinance, the Listing Rules, the Takeovers Code and those related to personal data privacy, copyrights and intellectual property, anti-money laundering, occupational health and safety, environmental protection, hotel operations and business licences. The Trust Group will not be obliged to do anything if by doing so it would or might cause the Group to breach any applicable laws. The Trust Group has also adopted its own Code of Conduct for Securities Transactions on terms no less exacting than the required standard set out in the Model Code and it is updated from time to time in accordance with the Listing Rules requirements.

### Risks and Uncertainties

The Trustee-Manager Board and the Company Board are aware that the Trust Group is exposed to various risks, including the risks that are specific to the Trust Group or the hospitality industry as well as other risks that are common to most if not all other businesses. The Trustee-Manager Board and the Company Board have established a practice to ensure that significant risks which may adversely affect the Trust Group's performance are identified, reported, monitored, and managed on a continuous basis. The following principal risks and uncertainties are considered to have the potential to adversely affect the Trust Group's performance if they are not managed effectively.

# REPORT OF THE DIRECTORS

## **Revenue Stability**

The Trust Group's primary source of income is rental payments for the lease of the Hotels under the Master Lease Agreements, comprising a Base Rent and a Variable Rent.

In accordance with the provisions in the Master Lease Agreements, the Company appointed an independent professional property valuer, Vigers Appraisal and Consulting Limited ("Vigers"), to conduct a rental review to determine the market rental package of the Hotels (including the market rent of the Hotels and the applicable percentage of the Variable Rent) for the period from 1 January 2024 to 29 May 2027 (i.e. the expiry date of the Master Lease Agreements) (the "Third Period"). Vigers determined that the market rental package of the Hotels for the Third Period shall be composed of (i) a Base Rent being fixed at HK\$225.0 million per annum under the Master Lease Agreements; and (ii) a Variable Rent being 50% instead of 70% of the Hotels' aggregate Gross Operating Profit before deduction of the Global Marketing Fee on an annual basis. An ordinary resolution in relation to the approval of the remaining transactions under the Master Lease Agreements for the Third Period, and the Base Rent and Variable Rent during the Third Period was passed by independent Holders of Share Stapled Units at the extraordinary general meeting of the Trust and the Company held on 21 July 2023.

There could be no guarantee that the actual revenue derived from the Hotels would be equivalent to the Base Rent and the Variable Rent payable under the Master Lease Agreements. To mitigate the risk, we have adopted the Active Asset Management Strategy with the following major measures:

- Supervise the Master Lessee and the Hotel Manager to enhance the quality and value of the Hotels, and to achieve growth in operating performance
- Conduct board meetings at least quarterly to assess and monitor the Hotels' performance

- Review the Hotels' performance monthly
- Review the Hotels' future three months' outlook and booking pace
- Continuously monitor the Hotels' operating costs

The Master Lease Agreements will expire in May 2027. Non-renewals of the agreements may have a material adverse effect on the Trust Group as it would result in the Trust Group of ceasing to enjoy the guaranteed minimum revenue payable as the Base Rent under the Master Lease Agreements. It may also be difficult to enter into alternative leasing arrangements on similar terms to the Master Lease Agreements if the master leasee is not the hotel manager. The revenue of the Trust Group may experience fluctuations and variations by the time the Master Lease Agreements reach their conclusion.

## **Hong Kong's Hospitality Industry**

The Hong Kong hospitality industry relies on the number of potential travellers coming to Hong Kong and is closely linked to the development of tourist activity here. The desire of tourists to visit Hong Kong is impacted by various external factors that are outside our control, including adverse global, regional, or local economic conditions, social factors, travel warnings issued by other countries, travel disruptions, viral epidemics and fluctuations in the Hong Kong dollar exchange rate against other currencies. In addition, travel disruptions arising from viral epidemics, natural disasters, adverse weather conditions, terrorist acts, riots or civil disturbances may have an adverse impact on the number of travellers coming to Hong Kong. The Trustee-Manager Board and the Company Board cannot predict these events and the extent to which they will directly or indirectly impact the hospitality industry in Hong Kong.

# REPORT OF THE DIRECTORS

## ***Changing Tourists' Behaviour and Locals Spending Habits***

A substantial portion of the Trust Group's revenue is derived from Variable Rent which is exposed to the underlying performance of the Hotels.

Supported by new event infrastructure including the Kai Tak Stadium and a raft of mega events, Hong Kong tourism sectors continued its recovery in 2025. Most evidently, tourist number including overnight visitor numbers has been steadily increasing. According to the data of Hong Kong Tourism Board ("HKTB"), there was a rise in the total number of visitors in 2025. However, the composition of these visitors has shifted. Overnight visitors increased at a slower pace than same day travellers, reducing the share of overnight stays compared with 2024. Despite the steady return of tourists, the hotel sector has not enjoyed a similar boost due to the changing tourists' behaviour and locals spending habits. Citing HKTB, the length of stay and per-capita spending of visitors dropped throughout the year of 2025 and as compared to 2024. Visitors are getting more budget-conscious and spending less in Hong Kong and their choice of hotel is directly affected. From the statistics of HKTB, it showed that High Tariff A Hotels lagged the market in terms of the occupancy rates. This change of tourists' behaviour and spending pattern may disrupt the Hotel's performance. In addition to the above, the growing trend of locals dining in the Greater Bay Area outside Hong Kong also affects the food and beverage revenue of the Hotels.

The Trust Group proactively repositioned its hospitality service operating modes in order to attract and retain guests to stay in the Hotels, stabilise the Hotels' occupancy and average room rate and to cope with any challenges. In all, the Trust Group has strived to maintain stability of its operations in Hong Kong.

## ***Labour Shortage in Hospitality Industry***

The hospitality industry as a labour-intensive sector continues to face a severe shortage of labour. Many workers who left the industry during the COVID-19 pandemic have not returned, and labour shortages persisted in 2025. It has become difficult for recruiting and retaining staff, let alone the skillful workers who have more choices of work opportunities and bargaining power. The labour shortage would negatively affect the

Hotels' service excellence and operational efficiency, and eventually the business performance. Consequently, together with the inevitable increase in labour costs, the Hotels' operating profits may be reduced and directly impact the Variable Rent which is a substantial portion of the Trust Group's revenue.

To attract and retain staff, the Hotel Manager regularly reviews the Hotels' compensation and benefits packages to stay competitive in the market and offers continuous trainings and development opportunities for staff. Additionally, efforts are made to diversify labour sourcing and implement succession planning.

## ***Cyber-security and Data Protection***

The Trust Group and our third-party suppliers process significant amount of data including personal information, customer data and other sensitive commercial data which are susceptible to cyber threats. Loss of data and leaks of confidential information from cyber-attacks will cause reputational damage from losses to the brand value and substantial financial losses due to business interruption and fraudulent transactions.

To mitigate the risk of cyber-attacks, the Trust Group has implemented several IT controls such as password management, restriction of the use of USB drives and public cloud file transfer services, multiple factor authentication on company accounts, and system backup and disaster recovery facilities. Additionally, the Centralised Information Security Service ("CISS") has also been implemented in the Hotels to ensure their information security technology meets hospitality industry standards. The CISS includes provision of virus and malware detection and protection, scanning and patching hotel IT infrastructure vulnerabilities, blocking risky external IP addresses, and protection against ransomware, malware and spear phishing. Besides IT measures, policies on information and cyber security and privacy are regularly reviewed and updated. Annual staff trainings and bi-annual phishing test campaigns are conducted to enhance cybersecurity knowledge and raise awareness. In addition, cyber insurance covering the latest cyber risks has been acquired, which would also offset costs involved with recovery after a cyber-related security breach or similar event.

# REPORT OF THE DIRECTORS

## ***Environmental and Climate Change***

The main threats of climate change stemming from the increasing temperature of Earth's atmosphere include rising sea levels, ecosystem collapse, and more frequent extreme weather. Extreme weather events may increase the risks of disruption of the Trust Group's business operations and supply chain, and physical damage to the Hotels which could adversely affect their valuation. The Trust Group has been committed to enacting various sustainable strategies and practices in response to climate change risks. More details on how the Trust Group addresses the environmental and climate-related risks are set out in the "Environmental, Social and Governance Report" on pages 31 to 72 of this Annual Report.

## ***Competition in All Markets***

Competition across all markets remains intense. It has been challenging to realise the desired revenue growth due to increased competition from newly opened hotels and from recently renovated competitors targeting the same clientele. The Trust Group continually strives to better understand its customers and their needs, while also exploring product enhancements to differentiate its services from other competitors.

## ***Geographic Concentration***

All of the Trust Group's Hotels are located in Hong Kong. As a result, the Trust Group is exposed to changes in the local economic environment, tourism demand, government measures and other developments affecting Hong Kong, any of which may adversely affect the performance of the Hotels. The Trust Group closely monitors developments in Hong Kong that may affect tourism demand and hotel operations.

## ***Brand and Reputation***

The Trust Group's hotel brand and reputation may be affected if the Hotels or their employees deviate from market expectations. To safeguard its brand equity, the Trust Group strives to uphold consistent brand standards, monitor guest experience and provide ongoing staff training.

## ***The Trust Group's Financial Instruments***

The Trust Groups' major financial instruments include derivative financial instruments, other receivables, restricted bank balance, bank balances, trade creditors, other payables, construction fee payables and secured bank loans. Details of the financial instruments are disclosed in respective notes. The risks associated with the Groups' financial instruments include market risk (interest rate risk), credit risk and liquidity risk. Details of the same, and the policies on how to mitigate these risks, are set out in note 29 to the consolidated financial statements contained in this Annual Report. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

## ***Hotels' Valuation***

The valuation of the investment properties of the Trust Group is based on a discounted cash flow analysis for the Hotels and an income capitalisation approach for the retail shops. Under a discounted cash flow analysis, the periodic net operating income, along with, where applicable, an estimate of the terminal value anticipated at the end of the relevant projection period, is then discounted to its net present value.

Fair value gains would not generate a flow of funds from which distributions could be paid. In the case of losses arising from changes in fair value of the investment properties of the Trust Group, this could have an adverse impact on its ability to comply with the financial covenants under the loan agreements, particularly the loan-to-value covenant, and may also lead to an adverse market perception of the performance of its business, even though such losses are not realised.

The Trust Group successfully secured a three-year syndicated loan facility agreement with a consortium of financial institutions. This strategic move was essential for refinancing the loan facility that matured in December 2024, thereby ensuring the continued financial stability of the Trust Group.

The Trust Group will closely monitor its debt and cash position. Cash flow forecasts with sensitivity analysis will be prepared to ensure that all sources of liquidity risk are identified to evaluate the impact of different levels of business activity in relation to the existing loan facilities.

# REPORT OF THE DIRECTORS

## **Hotel Renovations**

The cost of maintaining the Hotels, the need to renovate or redevelop and the risk of unforeseen maintenance or repair requirements tend to increase over time as the Hotels age. If the operation of the Hotels or the restaurant or catering facilities is disrupted as a result of such repairs and/or maintenance, this will adversely affect the results of the Hotels' operations and reduce the level of Variable Rent payable to the Trust Group. In view of the above, the following control activities are identified and implemented by the Trust Group:

- The Trust Group has obtained additional revolving banking facilities to meet any unforeseen renovations.
- The Trust Group will communicate with the Project Manager on cash requirements for hotel renovations on an on-going basis and renovation progress reports will be reviewed regularly.
- The Trust Group will review its cash position on a regular basis.

The Trust Group shall continue to improve its hotel services and facilities to ensure that customers continue to enjoy an unforgettable experience.

## **Consistency of Distributions**

Pursuant to the Hotel Management Agreements and the Trademark Licence Agreements (the "Hotel Agreements") dated 10 May 2013, and amended and supplemented by the addendum dated 8 May 2024, the Hotel Manager's Fees payable from 1 January 2018 onwards shall be settled by way of cash, the issue of Share Stapled Units, or a combination of both, at the election of the Hotel Manager. If the payment of Hotel Manager's Fees are to be settled by way of issue of Share Stapled Units, the SSU issuance cap and the public float requirement under the Listing Rules have to be taken into account to avoid any violation of the rules and regulations. In the event that the allotment and issue of Share Stapled Units results in non-compliance with the public float requirement, a three-year deferment mechanism will be triggered to allow more batches to be issued within three years of the payment deadline. The Hotel Manager has elected to receive the Hotel Manager's Fees wholly in cash for the year ending 31 December 2026 and accordingly, the amounts available for distribution to Holders of Share Stapled Units for the year ending 31 December 2026 will decrease. If the Hotel Manager continues to elect cash settlement of the Hotel Manager's Fees in subsequent years, the amounts available for distribution to Holders of Share Stapled Units will decrease as well.

The Active Asset Management Strategy as mentioned above has been adopted with the aim of enhancing the financial performance of the Trust Group. Further efforts will be made to establish an investor relations strategy to help the Trust to engage with current and prospective investors and analysts.

# REPORT OF THE DIRECTORS

## DISTRIBUTION

The Trust Group aims to provide the Holders of the Share Stapled Units of the Trust Group with a target annual distribution payout of not less than 90% of the distributable income of the Group, subject to the provisions of the Trust Deed and at the sole discretion of the Trustee-Manager Board and the Company Board (the "Boards").

Details of the distribution policy are set out in the subsection headed "Distribution Policy" of the "Corporate Governance Report" on pages 109 to 110 of this Annual Report.

### 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). Details of which are set out in notes 11 and 12 to the consolidated financial statements of the Trust Group.

### Final Distribution

The Boards have recommended the payment of a final distribution of HK3.2 cents per Share Stapled Unit for the year ended 31 December 2025, representing 80% of the distributable income, to Holders of Share Stapled Units whose names appear on the Share Staples Units Register on 28 May 2026, being the record date for the 2025 final distribution. Subject to the approval of the Holders of Share Stapled Units at the 2026 AGM, the final distribution will be paid on 9 June 2026.

Although the Distribution Policy indicates an intention to distribute not less than 90% of the distributable income, an 80% distribution payout represents a balanced approach between providing investor returns and maintaining prudent cash reserves for operational needs, capital commitments, and market uncertainties. This ensures the Trust Group can maintain sustainable and stable distributions over time while safeguarding long-term unitholder value.

## FINANCIAL SUMMARY

A summary of the results and of the assets and/or liabilities of the Trust Group is set out on page 209 of this Annual Report.

## MOVEMENTS IN RESERVES

Details of the movements in the reserves of the Trust Group during the year ended 31 December 2025 are set out in the consolidated statement of changes in equity.

## FIXED ASSETS

Details of the movements in the property, plant and equipment of the Trust Group during the year are set out in note 17 to the consolidated financial statements of the Trust Group.

## INVESTMENT PROPERTIES

Movements in the investment properties of the Trust Group during the year ended 31 December 2025 are set out in note 18 to the consolidated financial statements. All of the Trust Group's investment properties were revalued by independent professional property valuer as at 31 December 2025 adopting income approach by using discounted cash flow analysis for the Hotels and income capitalisation approach for the retail shops to arrive at the valuation of investment properties.

Details of the investment properties of the Trust Group as at 31 December 2025 are set out in the "Schedule of Investment Properties" on page 208 of this Annual Report.

# REPORT OF THE DIRECTORS

## 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.

Date	Particulars	No. of 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 a 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	10,594,487
7 November 2025	Issue of new Share Stapled Units to the qualifying shareholders of Great Eagle at a price of HK\$0.470 per Share Stapled Unit, to facilitate the distribution in specie by Great Eagle and for 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 approximately 25.00% to 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.

## 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.

# REPORT OF THE DIRECTORS

## DIRECTORS

In accordance with clause 29.1(a) of the Trust Deed, the Directors of the Trustee-Manager shall be the same individuals who serve as Directors of the Company. The Directors of the Trustee-Manager Board and the Company Board during the year 2025 are set out as follows:

### Non-executive Directors

Dr. LO Ka Shui (*Chairman*)  
Mr. LO Chun Him, Alexander  
Mr. LO Chun Lai, Andrew

### Executive Director

Mr. Brett Stephen BUTCHER (*Chief Executive Officer*)

### Independent Non-executive Directors

Professor CHAN Ka Keung, Ceajer  
Professor LIN Syaru, Shirley  
Mr. WONG Kwai Lam

In accordance with clause 29.2(m) of the Trust Deed and Article 16.21 of the Company's Articles, Mr. Lo Chun Him, Alexander, Mr. Lo Chun Lai, Andrew and Professor Chan Ka Keung, Ceajer shall retire from office at the 2026 AGM and, being eligible, offer themselves for re-election.

## DIRECTORS', OFFICER'S AND MANAGEMENT'S BIOGRAPHIES

The biographical details of the Directors of the Trustee-Manager and the Company, and officer and management of the Company are set out on pages 26 to 30 of this Annual Report.

## DIRECTORS' SERVICE CONTRACTS

None of the Directors has a service contract with the Trustee-Manager or the Company or any of the subsidiaries of the Company which is not determinable by the employer within one year without payment of compensation (other than statutory compensations).

## DIRECTORS' EMOLUMENTS

Details of emoluments of the Directors of the Company are set out in note 14 to the consolidated financial statements of the Trust Group.

Pursuant to the terms of letters of appointment/employment contract, all emoluments of the Directors shall be borne by the Company.

## PERMITTED INDEMNITY

The Trust Deed, the Company's Articles and the articles of association of Trustee-Manager provide that every Director is entitled to be indemnified out of the assets of the Trust or the Company against all losses or liabilities incurred or sustained by him/her as a Director of the Trustee-Manager and the Company.

Pursuant to the Trust Deed, the Trustee-Manager shall, save in the case of fraud, wilful default or negligence, be entitled to have recourse to the Trust Property (as defined in the Trust Deed) and shall incur no personal liability in respect of any losses or liabilities which may arise directly or indirectly from such engaging in any Authorised Business (as defined in the Trust Deed).

During the year ended 31 December 2025, appropriate Directors' and Officers' liabilities insurance coverage had been arranged in respect of legal action that might be taken against the Directors and Officer of the Trustee-Manager and the Company.

# REPORT OF THE DIRECTORS

## DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARE STAPLED UNITS, UNDERLYING SHARE STAPLED UNITS AND DEBENTURES

As at 31 December 2025, the interests and short positions of the Directors or chief executives of the Trustee-Manager and the Company in the Share Stapled Units, underlying Share Stapled Units and debentures of the Trust and the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Trustee-Manager, the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) and the Model Code, or which were recorded in the register required under Section 352 of the SFO are as follows:

### Long Positions in Share Stapled Units and Underlying Share Stapled Units

Name of Directors	Capacity	Nature of Interests	Number of SSUs/ Underlying SSUs Held	Percentage of Issued SSUs <sup>(2)</sup>	Total
LO Ka Shui	Beneficial Owner	Personal Interests	35,681,524	1.02 )	74.26
	Interests of Controlled Corporations	Corporate Interests	2,461,914,272 <sup>(1)</sup>	70.53 )	
	Settlor and a Member of the Advisory Committee and Management Committee of a Charitable Trust	Trust Interests	90,010,250	2.58 )	
	Founder of a Discretionary Trust	Trust Interests	4,391,111	0.13 )	
Brett Stephen BUTCHER	Beneficial Owner	Personal Interests	3,466	0.00 )	0.06
	Beneficial Owner and Jointly with Spouse	Joint Interests	2,172,640	0.06 )	
LO Chun Him, Alexander	Beneficial Owner	Personal Interests	8,565	0.00	0.00
LO Chun Lai, Andrew	Beneficial Owner	Personal Interests	340,666	0.01	0.01

Notes:

- (1) These 2,461,914,272 Share Stapled Units comprise the following:
- (i) 2,452,423,716 Share Stapled Units respectively held by LHIL Assets Holdings Limited as to 2,308,479,216 Share Stapled Units (66.14%), Fine Noble Limited as to 87,894,750 Share Stapled Units (2.52%), The Great Eagle Company, Limited as to 47,102,250 Share Stapled Units (1.35%) and Great Eagle Nichemusic Limited as to 8,947,500 Share Stapled Units (0.26%), all of the said companies are wholly-owned subsidiaries of Great Eagle. Dr. Lo Ka Shui is a substantial shareholder, the Chairman and Managing Director of Great Eagle. His interests in Great Eagle are disclosed on page 122; and
  - (ii) 9,490,556 Share Stapled Units (0.27%) were held by certain companies wholly-owned by Dr. Lo Ka Shui. Dr. Lo Ka Shui and Mr. Lo Chun Him, Alexander are directors of these companies.
- (2) This percentage has been compiled based on 3,490,462,017 Share Stapled Units of the Trust and the Company in issue as at 31 December 2025.

# REPORT OF THE DIRECTORS

## Long Positions in Shares and Underlying Shares of Associated Corporations

### Great Eagle

As at 31 December 2025, Great Eagle owned 70.26% interests in the Trust and the Company and therefore is an associated corporation of the Trust and the Company. The interests of Directors of the Trustee-Manager and the Company in Great Eagle as at 31 December 2025 are disclosed as follows:

Name of Directors	Capacity	Nature of Interests	Number of Ordinary Shares/ Underlying Shares Held	Percentage of Issued Share Capital <sup>(6)</sup>	Total
LO Ka Shui	Beneficial Owner	Personal Interests	64,874,835 <sup>(1)</sup>	8.67 )	64.38
	Interests of Controlled Corporations	Corporate Interests	96,008,364 <sup>(2)</sup>	12.84 )	
	Discretionary Beneficiary of a Discretionary Trust	Discretionary Trust Interests	254,664,393	34.06 )	
	Founder of a Discretionary Trust	Trust Interests	65,866,676	8.81 )	
Brett Stephen BUTCHER	Beneficial Owner	Personal Interests	572,933 <sup>(3)</sup>	0.08 )	0.08
	Beneficial Owner and Jointly with Spouse	Joint Interests	31,433	0.00 )	
LO Chun Him, Alexander	Beneficial Owner	Personal Interests	936,978 <sup>(4)</sup>	0.13	0.13
LO Chun Lai, Andrew	Beneficial Owner	Personal Interests	786,986 <sup>(5)</sup>	0.11	0.11

Notes:

- (1) Among these interests, 3,412,000 were share options.
- (2) These interests were held by certain companies wholly-owned by Dr. Lo Ka Shui. Dr. Lo Ka Shui and Mr. Lo Chun Him, Alexander are directors of these companies.
- (3) Among these interests, 514,000 were share options and 6,933 were share awards.
- (4) Among these interests, 787,000 were share options and 21,490 were share awards.
- (5) Among these interests, 153,000 were share options and 3,986 were share awards.
- (6) This percentage has been compiled based on 747,723,345 shares of Great Eagle in issue as at 31 December 2025.

# REPORT OF THE DIRECTORS

## ***Champion Real Estate Investment Trust (“Champion REIT”)***

Champion REIT is accounted for as a subsidiary of Great Eagle, the holding company of the Trust and the Company. As at 31 December 2025, Great Eagle owned 70.63% interests in Champion REIT. While the definition of “associated corporation” under the SFO caters only to corporations, for the purpose of enhancing the transparency, the holdings of Directors of the Trustee-Manager and the Company in Champion REIT as at 31 December 2025 are disclosed as follows:

Name of Director	Capacity	Nature of Interests	Number of Units/ Underlying Units Held	Percentage of Issued Units <sup>(2)</sup>	Total
Lo Ka Shui	Beneficial Owner	Personal Interests	7,000,007	0.12 )	
	Interests of Controlled Corporations	Corporate Interests	4,336,649,043 <sup>(1)</sup>	70.68 )	
	Settlor and a Member of the Advisory Committee and Management Committee of a Charitable Trust	Trust Interests	2,975,000	0.05 )	70.85

Notes:

(1) These 4,336,649,043 units comprise the following:

- (i) 4,333,390,433 units (70.63%) were indirectly held by Great Eagle of which Dr. Lo Ka Shui is a substantial shareholder, the Chairman and Managing Director. His interests in Great Eagle are disclosed on page 122; and
- (ii) 3,258,610 units (0.05%) were held by certain companies wholly-owned by Dr. Lo Ka Shui. Dr. Lo Ka Shui and Mr. Lo Chun Him, Alexander are directors of these companies.

(2) This percentage has been compiled based on 6,135,291,669 units of Champion REIT in issue as at 31 December 2025.

Save as disclosed above, as at 31 December 2025, none of the Directors or chief executives of the Trustee-Manager and the Company were taken to be interested or deemed to have any other interests or short positions in Share Stapled Units, underlying Share Stapled Units or debentures of the Trust and the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Trustee-Manager, the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO and the Model Code, or which were recorded in the register required under Section 352 of the SFO.

# REPORT OF THE DIRECTORS

## INTERESTS OF SUBSTANTIAL HOLDERS' OF SHARE STAPLED UNITS

As at 31 December 2025, the interests and short positions of persons (other than the Directors or chief executives of the Trustee-Manager and the Company) in the Share Stapled Units or underlying Share Staple Units of the Trust and the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required under Section 336 of the SFO as having an interest in 5% or more of the issued Share Stapled Units of the Trust and the Company are as follows:

Name	Total Number of SSUs/ Underlying SSUs Held	Percentage of Issued SSUs <sup>(3)</sup>
Great Eagle Holdings Limited	2,452,423,716 <sup>(1)</sup>	70.26
LHIL Assets Holdings Limited	2,308,479,216	66.14
HSBC International Trustee Limited	2,472,392,526 <sup>(2)</sup>	70.83

Notes:

- (1) These 2,452,423,716 Share Stapled Units were indirectly held by Great Eagle through its wholly-owned subsidiaries in the following manner:
  - (i) the same parcel of Share Stapled Units held by LHIL Assets Holdings Limited as disclosed in the above table;
  - (ii) 87,894,750 Share Stapled Units (2.52%) held by Fine Noble Limited;
  - (iii) 47,102,250 Share Stapled Units (1.35%) held by The Great Eagle Company, Limited; and
  - (iv) 8,947,500 Share Stapled Units (0.25%) held by Great Eagle Nichemusic Limited.
- (2) The disclosure was based on the latest Disclosure of Interest Form (with the date of relevant event as at 7 November 2025) of the Trust and the Company received from HSBC International Trustee Limited ("HITL").

HITL in its capacity as a trustee of several discretionary trusts held 315,009,622 shares in Great Eagle as at 31 December 2025 based on the latest Disclosure of Interest Form (with the date of relevant event as 21 June 2021) of Great Eagle received from HITL.
- (3) This percentage has been compiled based on 3,490,462,017 Share Stapled Units of the Trust and the Company in issue as at 31 December 2025.

Save as disclosed above, as at 31 December 2025, no person (other than the Directors or chief executives of the Trustee-Manager and the Company whose interests are set out on page 121) was interested (or deemed to be interested) or held any short positions in the Share Stapled Units or underlying Share Stapled Units of the Trust and the Company which would fall to be disclosed to the Trustee-Manager and the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required under Section 336 of the SFO.

# REPORT OF THE DIRECTORS

## DIRECTORS' INTEREST IN COMPETING BUSINESSES

The interests of Directors (other than Independent Non-executive Directors) in any business apart from the business of the Trust Group which competes or is likely to compete, either directly or indirectly, with the Trust Group's business as informed by the relevant Directors pursuant to Rule 8.10(2) of the Listing Rules are as follows:

Dr. Lo Ka Shui, being the Chairman and Non-executive Director of the Trustee-Manager and the Company, together with Mr. Lo Chun Him, Alexander and Mr. Lo Chun Lai, Andrew, both being the Non-executive Directors of the Trustee-Manager and the Company, hold directorships and/or senior management positions in Great Eagle and/or its subsidiaries. Mr. Brett Stephen Butcher, being the Chief Executive Officer and Executive Director of the Trustee-Manager and the Company, also serves as a Consultant to the hotel asset management arm of Great Eagle.

The Great Eagle Group, as an associated corporation of the Trust and the Company and a controlling Holder of Share Stapled Units, develops, invests in and manages high quality residential, offices, retail and hotel properties in Asia, North America, Australasia and Europe. The interests of Dr. Lo Ka Shui, Mr. Brett Stephen Butcher, Mr. Lo Chun Him, Alexander and Mr. Lo Chun Lai, Andrew held in Great Eagle are disclosed in the section headed "Long Positions in Shares and Underlying Shares of Associated Corporations".

As mentioned in the "Corporate Governance Report", the Great Eagle Group and the Trust Group have distinct business focuses of their own and adopt different development strategies. The Trust Group focuses on optimising the performance of its three hotel properties in Hong Kong, namely The Langham, Hong Kong, Cordis, Hong Kong and Eaton HK, and adopts a growth strategy of investing in completed stand-alone hotels in Asia. The Great Eagle Group, on the other hand, focuses on developing its global hotel management services operations and brand building.

To further maintain a clear delineation of the geographical location of their hotel properties in and outside Asia, a Deed of Right of First Refusal was entered into between Great Eagle and the Company to ensure the Trust Group would have the first right to participate and to acquire completed stand-alone hotels in Asia (excluding Australia and New Zealand) should the Great Eagle Group wish to sell or is given the opportunity to invest in these hotels.

As for daily operation, the Chief Executive Officer and Executive Director of the Trustee-Manager and the Company is primarily responsible for the overall day-to-day management of the Group and has oversight of the performance of the Master Lessee and the Hotel Manager. The management team and staff of the Group report directly to the Chief Executive Officer and Executive Director and he is accountable to the Trustee-Manager Board and the Company Board, operates and manages the Trust Group under various corporate governance measures and the Schedule of Matters Reserved for the Board with due care and in the best interests of the Trust Group and Unitholders.

In addition, the Trust Group has established various corporate governance measures to address any potential conflict of interest of the common Directors of the Trust Group and the Great Eagle Group. For details, please refer to the "Corporate Governance Report".

In view of the above, the Directors believe that the Trust Group is able to operate independently with the Great Eagle Group and has been capable of carrying on its businesses at arm's length from the businesses of the Great Eagle Group.

# REPORT OF THE DIRECTORS

## DIRECTORS' MATERIAL INTEREST IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Details of the connected transactions and continuing connected transactions are set out in this report and note 36 to the consolidated financial statements. Save as disclosed above, there was no transaction, arrangement or contract of significance subsisted during or at the end of the year to which the Trustee-Manager, the Company or any of its subsidiaries, substantial Unitholders, holding company or fellow subsidiaries was a party and in which a Director of the Trustee-Manager and the Company or his/her connected entity is or was materially interested, either directly or indirectly.

## MANAGEMENT AND/OR ADMINISTRATION CONTRACT

On 10 May 2013, the Company and Great Eagle entered into an Administrative Support Services Agreement pursuant to which the Great Eagle Group provides certain administrative and non-management services to the Trust Group, including but not limited to legal and corporate secretarial support, finance, accounting and taxation support, human resources support, information technology support, internal audit support and general office administrative support on a cost-sharing basis for an initial term of three years and shall be automatically renewed for a further term of three years each upon expiration of any such term, subject to compliance with the applicable disclosure and reporting requirements under the Listing Rules. The sharing of the above administrative services is an exempted connected transaction under Rule 14A.98 of the Listing Rules.

Great Eagle is a controlling Holder of Share Staped Units of the Trust and the Company. Dr. Lo Ka Shui, being the Chairman and Non-executive Director of the Trustee-Manager and the Company, is a substantial shareholder, the Chairman and Managing Director of Great Eagle. Mr. Brett Stephen Butcher, being the Chief Executive Officer and Executive Director of the Trustee-Manager and the Company, is currently a Consultant to the hotel asset management arm of Great Eagle and was also the former Chief Executive Officer of Langham Hospitality Group ("LHG"), the hospitality arm of Great Eagle. Mr. Lo Chun Him, Alexander, being a Non-executive Director of the Trustee-Manager and the Company, is an Executive Director of Great Eagle. Mr. Lo Chun Lai, Andrew, being a Non-executive Director of the Trustee-Manager and the Company, is the Managing Director – Hospitality Asset Management of LHG. Details of the interests and shareholdings of Dr. Lo Ka Shui, Mr. Brett Stephen Butcher, Mr. Lo Chun Him, Alexander and Mr. Lo Chun Lai, Andrew in Great Eagle are disclosed in the sections headed "Directors' Interest in Competing Businesses" and "Long Positions in Shares and Underlying Shares of Associated Corporations".

Saved as disclosed above, no contracts concerning the management and administration of the whole or any substantial part of the business of the Trustee-Manager or the Company were entered into or existing during the year.

# REPORT OF THE DIRECTORS

## DISCLOSURE OF CONNECTED TRANSACTIONS AND/OR CONTINUING CONNECTED TRANSACTIONS PURSUANT TO CHAPTER 14A OF THE LISTING RULES

### Continuing Connected Transactions subject to Waivers granted by the Stock Exchange

As disclosed in the initial public offering prospectus dated 16 May 2013, agreements in relation to the continuing connected transactions as set out in paragraphs 1 to 4 below were entered prior to the listing of the Trust and the Company and waivers by the Stock Exchange from strict compliance with, inter alia, the announcement and approval of independent Holders of Share Stapled Units requirements of the Listing Rules had been granted. The principal details and conditions of these waivers are disclosed in the latter section headed "Waivers".

The Trust and the Company have fully complied with the relevant requirements under Chapter 14A of the Listing Rules in relation to all continuing connected transactions described in paragraphs 1 to 5 below and the waiver conditions granted by the Stock Exchange for the year ended 31 December 2025.

	Aggregate Transaction Amount for the year ended 31 December 2025 (HK\$'000)
1. Master Lease Agreements <sup>(a)</sup>	
– Base Rent	225,000
– Variable Rent <sup>(b)</sup>	254,626
2. Hotel Management Agreements <sup>(a)(b)(c)</sup>	
– Base fee	23,629
– Incentive fee	22,621
3. Centralised Services and Marketing Agreements <sup>(a)(b)</sup>	
– Reimbursement of Costs <sup>(d)</sup>	17,676
– Global Marketing Fee	17,445
– Reservation Fees <sup>(d)</sup>	9,078
4. Trademark Licence Agreements <sup>(a)(b)(c)</sup>	15,753
5. Deed of Mutual Covenant and Management Agreement <sup>(a)</sup>	3,060

#### Notes:

- (a) Obtained waiver from the requirements of making announcement and/or obtaining independent Holders of Share Stapled Units' approval.
- (b) Obtained waiver from the requirement to set a monetary cap.
- (c) Obtained approval from independent Holders of Share Stapled Units to settle the fees payable for the three financial years ending 31 December 2026 in the form of Share Stapled Units subject to the election of the Hotel Manager.
- (d) Reimbursement of Costs and Reservation Fees are included in the operating expenses of the Hotels.

# REPORT OF THE DIRECTORS

1. **Master Lease Agreements** – three separate lease agreements each dated 10 May 2013, and entered into between each of the Hotel Companies as the Lessors and GE (LHIL) Lessee Limited as the Master Lessee. The Master Lessee, being an indirect wholly-owned subsidiary of Great Eagle, which is a controlling Holder of Share Stapled Units of the Trust and the Company, is a connected person of the Trust and the Company under the Listing Rules.

Pursuant to the Master Lease Agreements, each of the Lessors has agreed to lease the hotel owned by it (excluding the designated outlets at Eaton HK) to the Master Lessee for a term of 14 years from and including 30 May 2013 (the Listing Date) and shall, subject to the compliance with the relevant requirements of the Listing Rules by the Company, be renewable by mutual agreement of the parties. The Master Lessee assumes such responsibilities as set out under the Hotel Management Agreements and bears all operating expenses in respect of the Hotels (other than payment of the Hotel Management Fees, the Licence Fees, the Global Marketing Fee, etc.), and delegates the management and operations obligations to the Hotel Manager of the respective Hotels under the terms of the Hotel Management Agreements.

Under the Master Lease Agreements, the Master Lessee has agreed to pay the Lessors an aggregate fixed Base Rent of HK\$225.0 million per annum (pro rata for any period of less than one year) and a Variable Rent for the whole term.

Based on the rental review in 2023 conducted by Vigers, an independent property valuer, it was determined that the market rental package of the Hotels for the period from 1 January 2024 to 29 May 2027 (the expiry date of the Master Lease Agreements) (the “Third Period”) shall be composed of (i) a fixed Base Rent of HK\$225.0 million per annum under the Master Lease Agreements; and (ii) a Variable Rent being 50% of the Hotels’ Aggregate Gross Operating Profit before deduction of the Global Marketing Fee on an annual basis. An ordinary resolution in relation to the approval of the remaining transactions under the Master Lease Agreements for the Third Period, and the Base Rent and Variable Rent during the Third Period was passed by the independent Holders of Share Stapled Units at the extraordinary general meeting of the Trust and the Company held on 21 July 2023.

The cap for the Variable Rent under the Master Lease Agreements is determined by reference to the formula for determining the Variable Rent. As the Stock Exchange granted a waiver from setting a monetary cap for the Variable Rent payable under the Master Lease Agreements (the “Monetary Cap Waiver”) for the duration of the Master Lease Agreements and the Monetary Cap Waiver is valid notwithstanding that the Variable Rent percentage for the Third Period is updated, no annual cap has been set on the Variable Rent in respect of the Third Period.

# REPORT OF THE DIRECTORS

2. **Hotel Management Agreements** – three separate hotel management agreements each dated 10 May 2013, entered into by each Hotel Company, the Master Lessee, Langham Hotels International Limited as the Hotel Manager, the Trustee-Manager and the Company, and amended and supplemented by the Addendum (defined as below). As the Hotel Manager and the Master Lessee are both indirect wholly-owned subsidiaries of Great Eagle, which is a controlling Holder of Share Stapled Units of the Trust and the Company, they are connected persons of the Trust and the Company under the Listing Rules.

Pursuant to the Hotel Management Agreements, the Master Lessee has agreed to engage the Hotel Manager as the sole and exclusive manager of the Hotels to supervise, direct and control the businesses and day-to-day operations of the Hotels in accordance with the agreed standards of the relevant Hotel and to formulate and manage the annual plan and budget for each Hotel for an initial term of 30 years from and including 30 May 2013 (the Listing Date) and may, subject to compliance with the relevant Listing Rules at the relevant time, be renewed for a further term of 10 years by notice at the election of the Hotel Manager. Thereafter, the Hotel Management Agreements may be renewed for successive 10-year terms by mutual agreement of the parties subject to compliance with the requirement of the relevant Listing Rules at the relevant time. The service fees payable to the Hotel Manager under the Hotel Management Agreements shall be linked to the operating profit and revenue of the Hotels on the following basis:

- *Base Fee*: a fixed percentage of 1.5% of total revenue of the relevant Hotel
- *Incentive Fee*: a fixed percentage of 5.0% of the adjusted Gross Operating Profit (being gross operating profit less the Base Fee (as mentioned above) and Licence Fees payable under the relevant Trademark Licence Agreement)

The cap for the fees payable under the Hotel Management Agreements is determined by reference to the formulae for determining the fees payable pursuant to the Hotel Management Agreements as described above.

Pursuant to the Hotel Management Agreements and the Trademark Licence Agreements (collectively, the “Hotel Agreements”), the fees payable thereunder (the “Hotel Manager’s Fees”) from 1 January 2018 onwards shall be settled by way of cash, the issue of Share Stapled Units, or a combination of both, at the election of the Hotel Manager, subject to the approval of the independent Holders of Share Stapled Units for the issue of the Share Stapled Units.

According to the addendum to the Hotel Agreements dated 8 May 2024, entered into among the Hotel Companies, the Master Lessee, the Hotel Manager, the Trustee-Manager and the Company, and approved by the independent Holders of Share Stapled Units at the extraordinary general meeting held on the same day (the “Addendum”), amendments were made to the Hotel Agreements to increase the issuance cap from 1.5% to 3.5% and to incorporate a deferment mechanism for satisfying the payment of the Hotel Manager’s Fees by way of the issue of Share Stapled Units. Further details of the Addendum were disclosed in the circular of the Trust and the Company dated 22 April 2024.

# REPORT OF THE DIRECTORS

3. **Centralised Services and Marketing Agreements** – three separate centralised services and marketing agreements each dated 10 May 2013, and entered into by each Hotel Company, the Master Lessee, Langham Hotels Services Limited as the Service Provider, the Trustee-Manager and the Company. As the Master Lessee and the Service Provider are both indirect wholly-owned subsidiaries of Great Eagle, which is a controlling Holder of Share Stapled Units of the Trust and the Company, they are connected persons of the Trust and the Company under the Listing Rules.

Pursuant to the Centralised Services and Marketing Agreements, the Service Provider has agreed to provide global marketing and advertising services, centralised reservation services and certain hotel specific services of each Hotel for an initial term of 30 years from and including 30 May 2013 (the Listing Date) and may, subject to compliance with the requirements of the relevant Listing Rules at the relevant time, be renewed for a term of 10 years by notice at the election of the Service Provider. Thereafter, the Centralised Services and Marketing Agreements may be renewed for successive 10-year terms by mutual agreement of the parties subject to compliance with the requirements of the relevant Listing Rules at the relevant time. Each of the Centralised Services and Marketing Agreements shall be coterminous with the Hotel Management Agreement for the same Hotel. The fee and other amounts payable to the Service Provider under each Centralised Services and Marketing Agreement shall be determined on the following basis:

- *Reimbursement of Costs:* at cost to be paid by the Master Lessee as an operating expense of the Hotels
- *Global Marketing Fee:* a fixed percentage of 2.0% of the total room revenue of the relevant Hotel to be paid by each Hotel Company
- *Reservation Fees:* a fixed US\$ amount and percentage of revenue for each materialised reservation, depending on the means by which the reservation is made, to be paid by the Master Lessee as an operating expense of the Hotels

The annual caps for the Global Marketing Fee payable under the Centralised Services and Marketing Agreements are determined by reference to the formula for determining the Global Marketing Fee payable pursuant to the Centralised Services and Marketing Agreements as described above.

4. **Trademark Licence Agreements** – three separate trademark licence agreements each dated 10 May 2013, entered into by each Hotel Company, the Hotel Manager as the Licensor, the Master Lessee, the Trustee-Manager and the Company, and amended and supplemented by the Addendum. As the Hotel Manager and the Master Lessee are both indirect wholly-owned subsidiaries of Great Eagle, which is a controlling Holder of Share Stapled Units of the Trust and the Company, they are connected persons of the Trust and the Company under the Listing Rules.

Pursuant to the Trademark Licence Agreements, the Licensor has agreed to grant non-exclusive and non-transferable licences to the relevant Hotel Company, the Trustee-Manager, the Company and the Master Lessee to use the Langham brands for branding and marketing activities relating to the Hotels and/or for describing the ownership of the Hotels for an initial term of 30 years from and including 30 May 2013 (the Listing Date) and may, subject to compliance with the requirements of the relevant Listing Rules at the relevant time, be renewed for a term of 10 years by notice at the election of the Hotel Manager. Thereafter, the Trademark Licence Agreements may be renewed for successive 10-year terms by mutual agreement of the parties subject to compliance with the requirements of the relevant Listing Rules at the relevant time. Each of the Trademark Licence Agreements shall be coterminous with the Hotel Management Agreement for the same Hotel. The Licence Fees payable to the Hotel Manager by each Hotel Company under the Trademark Licence Agreements shall be 1.0% of the total revenue of the relevant Hotel.

# REPORT OF THE DIRECTORS

The annual cap for the Licence Fees payable under the Trademark Licence Agreements is determined by reference to the formula for determining the Licence Fees payable pursuant to the Trademark Licence Agreements as described above.

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

According to the Addendum, amendments were made to the Hotel Agreements to increase the issuance cap from 1.5% to 3.5% and to incorporate a deferment mechanism for satisfying the payment of the Hotel Manager's Fees by way of the issue of Share Stapled Units. Further details of the Addendum were disclosed in the circular of the Trust and the Company dated 22 April 2024.

5. **Deed of Mutual Covenant and Management Agreement** – a deed of mutual covenant and management agreement ("DMC Agreement") dated 27 June 2005, and entered into between Keyzen Property Management Services Limited (formerly known as The Great Eagle Properties Management Company Limited) ("KPMS") and Cordis Hong Kong Limited ("CHK"), an indirect wholly-owned subsidiary of the Company. As KPMS is an indirect wholly-owned subsidiary of Great Eagle, which is a controlling Holder of Share Stapled Units of the Trust and the Company, it is a connected person of the Trust and the Company under the Listing Rules.

Pursuant to the DMC Agreement, KPMS shall provide property management services in respect of common areas and facilities at the lot of land on which Cordis, Hong Kong is situated. CHK is required to contribute the cost of the property management services in proportion to the number of management shares allocated to it. The appointment of KPMS for the provision of property management services under the DMC Agreement was initially for a term of two years and such appointment will continue for an indefinite term until it is terminated by KPMS pursuant to the terms of the DMC Agreement.

The annual service fee payable is determined based on the annual budget prepared by KPMS, taking into account the actual cost incurred, plus remuneration to KPMS and the number of management shares allocated to Cordis, Hong Kong in respect of the lot of land on which it is situated. The fee is in line with the fee charged by KPMS in respect of such services rendered to other tenants in accordance with the allocated management shares.

As disclosed in the announcement dated 6 August 2024, the annual caps for the transactions contemplated under the DMC Agreement for each of the three financial years 2024, 2025 and 2026 are HK\$3,300,000, HK\$3,500,000 and HK\$4,000,000 respectively.

# REPORT OF THE DIRECTORS

## Waivers

### *Requirements to obtain approval of independent Holders of Share Stapled Units and make announcements*

The transactions described in paragraphs 1 to 4 above constitute non-exempt continuing connected transactions pursuant to Chapter 14A of the Listing Rules and normally are required to be announced, reported on, subject to annual review and approved by independent Unitholders. Rule 14A.52 of the Listing Rules also requires that the period for the agreement in respect of non-exempt continuing connected transactions must be fixed and, except in special circumstances, must not exceed three years.

The Trustee-Manager and the Company applied for, and the Stock Exchange granted to the Trustee-Manager and the Company, a waiver from strict compliance with the announcement and, if applicable, the approval of independent Unitholders requirements of the Listing Rules in respect of each of the above non-exempt continuing connected transactions for the entire duration of each of those transactions, other than, in the case of the Hotel Agreements, the payment of fees payable by way of Share Stapled Units, which shall only be subject to a waiver until 31 December 2017 (but the payment of fees in cash shall be subject to a waiver for the duration of the Hotel Agreements).

From 1 January 2018 onwards, the Hotel Manager's Fees shall be settled by way of cash, the issue of Share Stapled Units, or a combination or both, at the election of the Hotel Manager. The Hotel Manager is a wholly-owned subsidiary of Great Eagle which is the controlling Holders of Share Stapled Units of the Trust and the Company. The Hotel Manager is therefore a connected person of the Trust and the Company under the Listing Rules. Pursuant to Rule 13.36(1) of the Listing Rules, in respect of the issue of the Share Stapled Units to the Hotel Manager for payment of the Hotel Manager's Fees, approval from the independent Holders of Share Stapled Units shall be obtained.

On 15 December 2020, the Hotel Manager had elected the payment of the fees wholly by way of Share Stapled Units for the year ended 31 December 2021. A specific mandate relating to the issue of Share Stapled Units as payment of the fees for the three financial years ended 31 December 2023 was approved by the independent Holders of Share Stapled Units at the extraordinary general meeting held on 12 May 2021.

On 15 December 2023, the Hotel Manager had elected the payment of the fees wholly by way of Share Stapled Units for the year ended 31 December 2024. Specific mandates relating to the issue of Share Stapled Units as payment of (i) the outstanding fees for the financial year ended 31 December 2023; and (ii) the fees for the three financial years ending 31 December 2026, were approved by the independent Holders of Share Stapled Units at the extraordinary general meeting held on 8 May 2024, respectively.

On 16 December 2024, the Hotel Manager had elected the payment of the fees wholly by way of cash for the year ended 31 December 2025. Subsequently, at the request of the Trust Group and with the agreement of both the Master Lessee and the Hotel Manager, the payment method of the Hotel Manager's Fees for the six-month period ended 31 December 2025 was changed from cash to Share Stapled Units.

On 16 December 2025, the Hotel Manager had elected the payment of the fees wholly by way of cash for the year ending 31 December 2026.

### *Requirement to set a monetary cap*

The Trustee-Manager and the Company applied for, and the Stock Exchange granted to the Trustee-Manager and the Company, a waiver from the setting of a monetary cap for the Variable Rent payable under the Master Lease Agreements and the fees payable under the Hotel Management Agreements, the Centralised Services and Marketing Agreements and the Trademark Licence Agreements for the duration of these agreements more particularly set out in the description of these transactions in paragraphs 1 to 4 above.

# REPORT OF THE DIRECTORS

## ***Compliance with Rule 13.36(1)(a) of the Listing Rules***

Note (1) to Rule 13.36(2)(b) of the Listing Rules provides further that independent shareholders' approval shall be obtained for an issue of securities to a connected person pursuant to a general mandate given to the directors of an issuer by the existing shareholders.

The Trustee-Manager and the Company applied for, and the Stock Exchange granted to the Trustee-Manager and the Company, a waiver from strict compliance with Rule 13.36(1)(a) of the Listing Rules in respect of the Share Stapled Units that may be issued to the Hotel Manager pursuant to the Hotel Agreements, during the period from the Listing Date until 31 December 2017.

Further details and the conditions of the waivers were disclosed in the initial public offering prospectus.

From 1 January 2018 onwards, the fees shall be settled by way of cash, the issue of Share Stapled Units, or a combination of both, at the election of the Hotel Manager, subject to the approval of the independent Holders of Share Stapled Units for the issue of the Share Stapled Units.

As disclosed in the announcement of the Trust and the Company dated 15 December 2020, the Hotel Manager had elected the payment of the Hotel Manager's Fees wholly by way of Share Stapled Units for the year ended 31 December 2021 and a specific mandate relating to the issue of Share Stapled Units as payment of the fees for the three financial years ended 31 December 2023 was approved by the independent Holders of Share Stapled Units at the extraordinary general meeting held on 12 May 2021.

With a further announcement made on 15 December 2023, the Hotel Manager had elected the payment of the fees wholly by way of Share Stapled Units for the year ended 31 December 2024.

Specific mandates relating to the issue of Share Stapled Units as payment of (i) the outstanding fees for the financial year ended 31 December 2023; and (ii) the fees for the three financial years ending 31 December 2026, were approved by the independent Holders of Share Stapled Units at the extraordinary general meeting held on 8 May 2024, respectively.

Pursuant to Rule 13.36(1) of the Listing Rules, in respect of the issue of the Share Stapled Units to the Hotel Manager for payment of the Hotel Manager's Fees, approval from the independent Holders of Share Stapled Units shall be obtained.

## **Review of Connected Transactions**

The Internal Audit Department has conducted review on the connected transactions, including continuing connected transactions, of the Trust Group for the year ended 31 December 2025. It has confirmed to the Trustee-Manager Board and the Company Board that adequate and effective policies and procedures on checking, identifying, recording, monitoring and reporting on connected transactions are in place and have been properly complied with during the year. Connected transactions are subject to the approval of the full Board as provided under the Schedule of Matters Reserved for the Board. Continuing connected transactions are reported monthly and reviewed by the Audit Committee half yearly.

In accordance with Rule 14A.55 of the Listing Rules, the Directors (including the Independent Non-executive Directors) of the Trustee-Manager and the Company have reviewed the above continuing connected transactions for the period ended 31 December 2025 and confirmed they have been entered into:

- (1) in the ordinary and usual course of business of the Company;
- (2) on normal commercial terms or on terms no less favourable to the Trust Group than terms available to or obtained from the independent third parties; and
- (3) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Holders of Share Stapled Units as a whole.

# REPORT OF THE DIRECTORS

The external auditor of the Trustee-Manager and the Company was engaged to report on the above continuing connected transactions of the Trust Group in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the HKICPA. The auditor has issued its unqualified letter containing its findings and conclusions in respect of the continuing connected transactions disclosed above by the Trust Group in accordance with Rule 14A.56 of the Listing Rules.

The Trustee-Manager Board has also confirmed that the charges paid or payable out of the Trust Property (as defined in the Trust Deed) of the Trust to the Trustee-Manager are in accordance with the Trust Deed; and they are not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of the Trust or on the interests of all the Holders of Share Stapled Units as a whole.

## RELATED PARTY TRANSACTIONS

During the year ended 31 December 2025, certain transactions between the Trust Group, the Trustee-Manager and parties regarded as "related parties" under the applicable accounting standards subsisted. Several of these related party transactions also constituted connected transactions as defined under the Listing Rules. Save for the continuing connected transactions disclosed in the section headed "DISCLOSURE OF CONNECTED TRANSACTIONS AND/OR CONTINUING CONNECTED TRANSACTIONS PURSUANT TO CHAPTER 14A OF THE LISTING RULES" above, the related party transactions set out in note 36 to the consolidated financial statements of the Trust Group are exempt from the disclosure requirements under Chapter 14A of the Listing Rules.

## PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Articles or the laws of the Cayman Islands which would oblige the Company to offer new Share Stapled Units on a pro-rata basis to existing Holder of Share Stapled Units.

## MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2025, the combined value of the Trust Group's contracts with its five largest suppliers, which were not of a capital nature, was about 78.1% of the total value of supplies purchased. Purchase from the largest supplier was 55.2%. Among these five largest suppliers, three of them are wholly-owned subsidiaries of Great Eagle, a substantial Unitholder which indirectly owned 70.26% interest in the Trust and the Company as at 31 December 2025.

Total rental income under the adoption of HKFRS 15 of the Trust Group for the year ended 31 December 2025 amounted to HK\$400,178,000, 99.6% of which were derived from the leases of the Hotels to the Master Lessee, GE (LHIL) Lessee Limited, a wholly-owned subsidiary of Great Eagle and no more than 1% of the rental income was received from lease of retail shops at Eaton HK. Breakdown of the revenue is set out in note 6 to the consolidated financial statements of the Trust Group contained in this Annual Report.

The business relationship with Great Eagle and the measures to mitigate the potential conflicts of interest between the Trust Group and Great Eagle are disclosed in the "Corporate Governance Report".

Save as disclosed above, other suppliers and customers are independent third parties and none of the Directors, their associates or any Holders of Share Stapled Units (which to the knowledge of the Trustee-Manager Board and the Company Board own more than 5% of the issued Share Stapled Units) has any interest in the Trust Group's suppliers and customers.

# REPORT OF THE DIRECTORS

## AUDITOR

The consolidated financial statements for the year have been audited by Messrs. Deloitte Touche Tohmatsu and a resolution to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Trustee-Manager and the Company will be proposed at the forthcoming AGM to be held on 20 May 2026.

## SUFFICIENCY OF PUBLIC FLOAT

As at the date of this report, 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 no less than 25% of the issued Share Stapled Units being held by the public.

## CORPORATE GOVERNANCE

The Trust, the Trustee-Manager and the Company embraced the importance of maintaining and developing a high standard of corporate governance practices to sustain and protect the interests of Holders of Share Stapled Units. Throughout the year ended 31 December 2025, the Trustee-Manager and the Company have complied with all the applicable code provisions, and where appropriate, adopted some of the recommended best practices as set out in the Corporate Governance Code.

Details of the Company's corporate governance principles and practices are set out in the "Corporate Governance Report" on pages 73 to 112 of this Annual Report.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Environmental, Social and Governance ("ESG") Report (the "ESG Report") is prepared in accordance with the Stock Exchange's ESG Reporting Guide (the "Guide") under Appendix C2 of the Listing Rules and satisfies the mandatory disclosure requirements and "comply or explain" provisions. The ESG Report follows the four Reporting Principles, namely Materiality, Quantitative, Balance and Consistency as stipulated in the Guide. The ESG Report is set out on pages 31 to 72 of this Annual Report. During the reporting period, the Trust Group made no charitable and other donations.

On behalf of the boards of  
**LHIL Manager Limited**  
**(as trustee-manager of the Trust) and**  
**Langham Hospitality Investments Limited**



**LO Ka Shui**  
*Chairman*

Hong Kong, 11 February 2026



## FINANCIAL INFORMATION

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# INDEPENDENT AUDITOR'S REPORT OF THE TRUST AND OF THE COMPANY

# Deloitte.

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## TO THE HOLDERS OF SHARE STAPLED UNITS OF LANGHAM HOSPITALITY INVESTMENTS AND LANGHAM HOSPITALITY INVESTMENTS LIMITED

*(Langham Hospitality Investments is a trust constituted under the laws of Hong Kong; Langham Hospitality Investments Limited is incorporated in the Cayman Islands with limited liability)*

### OPINION

We have audited the consolidated financial statements of Langham Hospitality Investments (the "Trust") and Langham Hospitality Investments Limited (the "Company") and its subsidiaries (collectively referred to as the "Trust Group") and of the Company and its subsidiaries (collectively referred to as the "Group") set out on pages 142 to 197 (hereinafter collectively referred to as "the Trust and the Company's consolidated financial statements"). As explained in note 2 to the Trust and the Company's consolidated financial statements, the consolidated financial statements of the Trust Group and the consolidated financial statements of the Group are presented together. The Trust and the Company's consolidated financial statements together comprise the consolidated statement of financial position of the Trust Group and of the Group as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Trust Group and of the Group for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the Trust and the Company's consolidated financial statements give a true and fair view of the consolidated financial position of the Trust Group and the Group as at 31 December 2025, and of the Trust Group's and the Group's consolidated financial performance and their consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Trust Group and the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

# INDEPENDENT AUDITOR'S REPORT OF THE TRUST AND OF THE COMPANY

## Key audit matter

## How our audit addressed the key audit matter

### ***Valuation of investment properties***

We identified the valuation of investment properties as a key audit matter due to significance of the balance to the consolidated financial statements as a whole, combined with significant judgments associated with determining the fair value. As at 31 December 2025, the Trust Group and the Group's investment properties, comprising of The Langham, Hong Kong, Cordis, Hong Kong and Eaton HK, amounted to HK\$15,895 million and represented 97% of the Trust Group and the Group's total assets. Decrease in fair value of investment properties of approximately HK\$27 million was recognised in the consolidated statement of profit or loss and other comprehensive income for the year then ended.

As disclosed in note 18 to the consolidated financial statements, these investment properties are stated at fair value based on a valuation carried out by an independent professional property valuer. In determining the fair value of investment properties, the independent professional property valuer used an income approach by using discounted cash flow analysis for the hotel properties based on an analysis of historical data and assumptions about future market conditions affecting supply, demand, income, expenses and the potential for risk. The valuation is dependent on certain key inputs that involve management and independent professional property valuer's judgment. The key inputs used in valuing the investment properties by the independent property valuer include discount rate as adopted in the valuation report and average daily rates per room. A table showing the Groups' (as defined in note 2) sensitivity to the fair value measurement is also disclosed in note 18.

Our procedures in relation to valuation of investment properties included:

- Evaluating the competence, capabilities and objectivity of the independent professional property valuer;
- Obtaining an understanding from the independent professional property valuer about the valuation methodology, the performance of the industry, significant assumptions adopted, critical judgmental areas on key inputs and data used in the valuation;
- Evaluating, with the involvement of our internal valuation specialists, the reasonableness of the information provided by management to the independent professional property valuer such as occupancy rates, revenue per available room and discount rates, by comparing with the market available data; and
- Checking the mathematical accuracy of the fair value measurements.

# INDEPENDENT AUDITOR'S REPORT OF THE TRUST AND OF THE COMPANY

## OTHER INFORMATION

The LHIL Manager Limited (the "Trustee-Manager") and the directors of the Company (the "Directors") are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF THE TRUSTEE-MANAGER AND THE DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Trustee-Manager and the Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the Trustee-Manager and Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Trustee-Manager and the Directors are responsible for assessing the Trust Group and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee-Manager and the Directors either intend to liquidate the Trust Group and the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust Group and the Group's financial reporting process.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

# INDEPENDENT AUDITOR'S REPORT OF THE TRUST AND OF THE COMPANY

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As part of an audit in accordance with HKSAAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust Group and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee-Manager and the Directors.
- Conclude on the appropriateness of the Trustee-Manager and the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust Group and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust Group and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

# INDEPENDENT AUDITOR'S REPORT OF THE TRUST AND OF THE COMPANY

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ms Lee, Carmen Kar Man (practising certificate number: P07879).

### **Deloitte Touche Tohmatsu**

Certified Public Accountants

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

	NOTES	2025 HK\$'000	2024 HK\$'000
Revenue	6	401,839	401,806
Property related expenses		(21,586)	(20,783)
<b>Net property income</b>		<b>380,253</b>	381,023
Other income	8	6,708	5,401
(Decrease) increase in fair value of investment properties	18	(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	26(b)	–	(14,634)
Administrative and other expenses		(12,030)	(15,676)
Finance costs	9	(258,154)	(322,238)
<b>Profit before tax</b>		<b>74,033</b>	229,705
Income tax (expense) credit	10	(19,879)	2,019
<b>Profit and total comprehensive income for the year attributable to holders of Share Stapled Units</b>	13	<b>54,154</b>	231,724
<b>Earnings per Share Stapled Unit</b>			
Basic and diluted	16	HK2 cents	HK7 cents

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE TRUST AND THE COMPANY

At 31 December 2025

	NOTES	2025 HK\$'000	2024 HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment	17	588	908
Investment properties	18	15,895,000	15,895,000
Deposits	19	13,896	8,838
		<b>15,909,484</b>	15,904,746
<b>Current assets</b>			
Debtors, deposits and prepayments	19	40,414	32,678
Tax recoverable		88	7,518
Restricted bank balance	20	51,018	–
Bank balances		302,591	293,402
		<b>394,111</b>	333,598
<b>Current liabilities</b>			
Creditors, deposits and accruals	21	54,213	61,131
Derivative financial instruments	22	–	2,974
Lease liabilities due within one year	24	415	610
Tax payable		26,261	22,465
		<b>80,889</b>	87,180
<b>Net current assets</b>		<b>313,222</b>	246,418
<b>Total assets less current liabilities</b>		<b>16,222,706</b>	16,151,164
<b>Non-current liabilities</b>			
Derivative financial instruments	22	19,140	–
Secured bank loans due after one year	23	6,175,204	6,164,604
Lease liabilities due after one year	24	173	283
Deferred tax liabilities	25	499,908	483,866
		<b>6,694,425</b>	6,648,753
<b>NET ASSETS</b>		<b>9,528,281</b>	9,502,411
<b>Capital and reserves</b>			
Issued capital/units	26	3,490	3,434
Reserves		9,524,791	9,498,977
<b>TOTAL EQUITY</b>		<b>9,528,281</b>	9,502,411

The consolidated financial statements on pages 142 to 197 and the statement of financial position and reserves of the Company on pages 181 to 182 were approved and authorised for issue by the Board of Directors on 11 February 2026 and are signed on its behalf by:



**LO Ka Shui**  
Director



**Brett Stephen BUTCHER**  
Director

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

	Share capital/ units HK\$'000	Share premium HK\$'000 (Note a)	Other reserve HK\$'000 (Note b)	Share- based payment reserve HK\$'000 (Note c)	Property revaluation reserve HK\$'000 (Note d)	(Accumulated losses) retained profits HK\$'000	Total HK\$'000
At 1 January 2024	3,319	8,260,666	(11,562,543)	1,179	12,598,157	(110,120)	9,190,658
Profit and total comprehensive income for the year	-	-	-	-	-	231,724	231,724
Recognition of equity-settled share-based payment	-	-	-	22	-	-	22
Issue of Share Stapled Units (note 26)	115	65,258	-	14,634	-	-	80,007
At 31 December 2024	3,434	8,325,924	(11,562,543)	15,835	12,598,157	121,604	9,502,411
Profit and total comprehensive income for the year	-	-	-	-	-	54,154	54,154
Recognition of equity-settled share-based payment	-	-	-	71	-	-	71
Distribution paid	-	(55,106)	-	-	-	-	(55,106)
Issue of Share Stapled Units (note 26)	56	26,695	-	-	-	-	26,751
At 31 December 2025	3,490	8,297,513	(11,562,543)	15,906	12,598,157	175,758	9,528,281

Notes:

- (a) Under the Cayman Islands Companies Act, the share premium of the Company is available for distribution.
- (b) Pursuant to a group reorganisation in May 2013, certain businesses were transferred to the Groups (as defined in note 2). Other reserve represents the difference between the considerations of the transfers and the share capital of the businesses as of the date of the transfer.
- (c) Share-based payment reserve mainly represents impact of the difference between the issue price of Share Stapled Units determined pursuant to the hotel management agreements and trademark licence agreements and the closing price of Share Stapled Units immediately preceding the issue date.
- (d) Property revaluation reserve represents the revaluation gain arising from transfer from property, plant and equipment to investment properties which amounted to the difference between the fair value of the investment properties and the carrying amount of the property, plant and equipment at the date of transfer.

# CONSOLIDATED STATEMENT OF CASH FLOWS OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

	2025 HK\$'000	2024 HK\$'000
<b>Operating activities</b>		
Profit before tax	<b>74,033</b>	229,705
Adjustments for:		
Hotel management fees and licence fee payable in form of Share Stapled Units	–	62,300
Change in fair value of derivative financial instruments	<b>16,166</b>	(9,303)
Decrease (increase) in fair value of investment properties	<b>26,578</b>	(186,526)
Interest expense	<b>243,179</b>	311,877
Interest income	<b>(6,047)</b>	(3,864)
Depreciation on property, plant and equipment	<b>792</b>	1,108
Underwriting/loan extension fee amortisation	<b>13,600</b>	9,646
Recognition of share-based payment	<b>71</b>	22
Loss on disposal of property, plant and equipment	<b>1</b>	–
Change related to settlement arrangement of hotel management fees and licence fee	–	14,634
Operating cash flows before movements in working capital	<b>368,373</b>	429,599
(Increase) decrease in debtors, deposits and prepayments	<b>(7,644)</b>	11,011
Increase (decrease) in creditors, deposits and accruals	<b>26,205</b>	(1,095)
Cash generated from operations	<b>386,934</b>	439,515
Interest paid	<b>(248,006)</b>	(312,885)
Hong Kong Profits Tax refunded (paid)	<b>7,389</b>	(11,880)
<b>Net cash from operating activities</b>	<b>146,317</b>	114,750

# CONSOLIDATED STATEMENT OF CASH FLOWS OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

	2025 HK\$'000	2024 HK\$'000
<b>Investing activities</b>		
Interest received	5,988	3,893
Additions of property, plant and equipment	(5)	–
Additions of investment properties	(33,172)	(51,298)
Placement of restricted bank balance	(51,018)	–
<b>Net cash used in investing activities</b>	<b>(78,207)</b>	<b>(47,405)</b>
<b>Financing activities</b>		
Repayment of bank loans	(3,000)	–
Addition of bank loans	–	145,453
Payment of underwriting fee	–	(40,800)
Distribution paid	(55,106)	–
Repayment of lease liabilities	(773)	(1,074)
Interest paid for leases	(42)	(38)
<b>Net cash (used in) from financing activities</b>	<b>(58,921)</b>	<b>103,541</b>
<b>Net increase in cash and cash equivalents</b>	<b>9,189</b>	<b>170,886</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>293,402</b>	<b>122,516</b>
<b>Cash and cash equivalents at the end of the year, represented by bank balances</b>	<b>302,591</b>	<b>293,402</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

## 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”.

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”.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

## 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 an HKFRS Accounting Standard 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

## 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

### 4.1 Basis of preparation of consolidated financial statements

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, as explained in the accounting policy information set out below.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

## 4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 4.2 Material accounting policy information

#### ***Basis of consolidation***

The consolidated financial statements incorporate the financial statements of the Trust and of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Groups reassess whether or not they control an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Groups obtain control over the subsidiary and ceases when the Groups lose control of the subsidiary. Specifically, income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Groups gain control until the date when the Groups cease to control the subsidiary.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Groups are eliminated in full on consolidation.

#### ***Investment properties***

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at fair value, adjusted to exclude any prepaid or accrued operating lease income. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

#### ***Leases***

The Groups assess whether a contract is or contains a lease based on the definition under HKFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

## 4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 4.2 Material accounting policy information (Continued)

#### ***Leases (Continued)***

##### ***The Groups as lessor***

###### *Classification and measurement of leases*

Leases for which the Groups are lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Variable lease payments that do not depend on an index or a rate are recognised as income when they arise.

Rental income which are derived from the Groups' ordinary course of business are presented as revenue.

###### *Allocation of consideration to components of a contract*

When a contract includes both leases and non-lease components, the Groups apply HKFRS 15 "Revenue from Contracts with Customers" to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

##### ***The Groups as lessee***

###### *Right-of-use assets*

The cost of right-of-use asset includes the amounts of the initial measurement of the lease liabilities.

Right-of-use assets are measured at cost, less accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Groups present right-of-use assets in "property, plant and equipment", the same line item within which the corresponding underlying assets would be presented if they were owned.

###### *Lease liabilities*

At the commencement date of a lease, the Groups recognise and measure the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Groups use the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

## 4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 4.2 Material accounting policy information (Continued)

#### ***Leases (Continued)***

##### ***The Groups as lessee (Continued)***

##### *Lease liabilities (Continued)*

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Groups present lease liabilities as a separate line item on the consolidated statement of financial position.

##### *Lease modifications*

The Groups account for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Groups remeasure the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Groups account for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

#### ***Revenue from contracts with customers***

The Groups recognise revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a service (or a bundle of services) that is distinct or a series of distinct services that are substantially the same.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

## 4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 4.2 Material accounting policy information (Continued)

#### ***Revenue from contracts with customers (Continued)***

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Groups' performance as the Groups perform;
- the Groups' performance creates or enhances an asset that the customer controls as the Groups perform; or
- the Groups' performance does not create an asset with an alternative use to the Groups and the Groups have an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct service.

#### ***Principal versus agent***

When another party is involved in providing services to a customer, the Groups determine whether the nature of its promise is a performance obligation to provide the specified services itself (i.e. the Groups are principals) or to arrange for those services to be provided by the other party (i.e. the Groups are agents).

The Groups are principals if the Groups control the specified service before that service is transferred to a customer.

The Groups are agents if the Groups' performance obligation is to arrange for the provision of the specified service by another party. In this case, the Groups do not control the specified service provided by another party before that service is transferred to the customer. When the Groups act as agents, the Groups recognise revenue in the amount of any fee or commission to which the Groups expect to be entitled in exchange for arranging for the specified services to be provided by the other party.

#### ***Financial instruments***

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

## 4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 4.2 Material accounting policy information (Continued)

#### ***Financial instruments (Continued)***

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is presented as other income.

#### ***Financial assets***

##### *Classification and subsequent measurement of financial assets*

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Other financial assets are subsequently measured at fair value through profit or loss.

For financial assets at amortised cost, interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

## 4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 4.2 Material accounting policy information (Continued)

#### **Financial instruments (Continued)**

##### **Financial assets (Continued)**

*Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 "Financial Instruments" ("HKFRS 9")*

The Groups perform impairment assessment under expected credit loss ("ECL") model on financial assets (including other receivables, restricted bank balance and bank balances), and other items (receivable from GE (LHIL) Lessee Limited (the "Master Lessee") and lease receivable) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Groups' historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and current conditions at the reporting date as well as the forecast of future economic conditions.

The Groups always recognise lifetime ECL for receivable from Master Lessee and lease receivable. The ECL on receivable from Master Lessee and lease receivable is assessed individually.

For other receivables, restricted bank balance and bank balances, the Groups measure the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Groups recognise lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

##### *Derecognition of financial assets*

The Groups derecognise a financial asset only when the contractual rights to the cash flows from the asset expire. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

#### **Financial liabilities and equity**

##### *Classification as debt or equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Trust and the Company are recognised at the proceeds received, net of direct issue costs.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

## 4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 4.2 Material accounting policy information (Continued)

#### ***Financial instruments (Continued)***

#### ***Financial liabilities and equity (Continued)***

#### *Financial liabilities at amortised cost*

Financial liabilities (including trade creditors, other payables, construction fee payables and secured bank loans) are subsequently measured at amortised cost, using the effective interest method.

#### *Derecognition of financial liabilities*

The Groups derecognise financial liabilities when, and only when, the Groups' obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liabilities derecognised and the consideration paid and payable is recognised in profit or loss.

#### ***Derivative financial instruments***

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

#### ***Borrowing costs***

All borrowing costs are recognised as and included in finance costs in profit or loss in the period in which they are incurred.

#### ***Taxation***

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from the profit before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Groups' liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

## 4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 4.2 Material accounting policy information (Continued)

#### *Taxation (Continued)*

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Groups expect, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale, except for freehold land which is always presumed to be recovered entirely through sale.

For the purposes of measuring deferred tax for leasing transactions in which the Groups recognise the right-of-use assets and the related lease liabilities, the Groups first determine whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Groups apply HKAS 12 requirements to the lease liabilities, and the related assets separately. The Groups recognise a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences arising from right-of-use assets.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

## 5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Groups' accounting policies, which are described in note 4, the Trustee-Manager and the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### Critical judgments in applying accounting policies

The following are the critical judgments, apart from those involving estimations, that the Trustee-Manager and the Directors have made in the process of applying the Groups' accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

#### *Deferred taxation on investment properties*

For the purposes of measuring deferred taxation liabilities arising from investment properties that are measured using the fair value model, the Trustee-Manager and the Directors have reviewed the Groups' investment property portfolios and concluded that the Groups' investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time. One of the business objectives of the Groups is to enhance the value of hotel portfolios, therefore, in determining the Groups' deferred taxation on investment properties, the Trustee-Manager and the Directors have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. As a result, the Groups have not recognised any deferred taxation on changes in fair value of investment properties as the Groups are not subject to any income taxes on disposal of its investment properties.

### Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### *Fair values of investment properties*

Investment properties are stated at fair value of HK\$15,895,000,000 (2024: HK\$15,895,000,000) based on the valuation performed by an independent professional property valuer.

In determining the fair value of investment properties situated in Hong Kong, the valuer adopted income approach by using discounted cash flow analysis for the hotel properties which is an analysis of historical data and assumptions about future market conditions affecting supply, demand, income, expenses and the potential of risk.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

## 5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

### Key sources of estimation uncertainty (Continued)

#### *Fair values of investment properties (Continued)*

In relying on the valuation report, the Trustee-Manager and the Directors have exercised their judgments and are satisfied that the methods of valuation, assumptions and key inputs are reflective of the current market conditions. The Groups use valuation techniques that include inputs that are not based on observable market data to estimate the fair value of investment properties. Note 18 provides detailed information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of investment properties.

#### *Derivative financial instruments*

In addition, as described in note 29, the fair value of derivative financial instruments that is not quoted in active market is provided by the counterparty financial institutions and determined by using discounted cash flow method. Valuation technique commonly used by market practitioners is applied. Derivative financial instruments are valued using a discounted cash flow analysis based on assumptions supported, where possible, by observable market prices or rates.

In relying on the valuation provided by the financial institutions, Trustee-Manager and the Directors have exercised their judgment and are satisfied that the method of valuation is reflective of the current market conditions.

Note 29 provides detailed information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of derivative financial instruments.

## 6. REVENUE

	2025 HK\$'000	2024 HK\$'000
Rental income from Master Lessee (Note)		
Base rent	225,000	225,000
Variable rent	254,626	254,481
Service fees expense	(79,448)	(79,412)
	400,178	400,069
Rental income from retail shops in Eaton HK	1,661	1,737
	401,839	401,806

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. Details are set out in note 36(a).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

## 7. 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

	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	169,617	212,076	99,594	481,287	(79,448)	401,839
Segment results	136,521	166,440	77,292	380,253	-	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						(258,154)
Profit before tax						74,033
Income tax expense						(19,879)
Profit for the year attributable to holders of Share Stapled Units						54,154

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

## 7. 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	169,556	212,009	99,653	481,218	(79,412)	401,806
Segment results	136,820	166,512	77,691	381,023	–	381,023
Other income						5,401
Increase in fair value of investment properties						186,526
Change in fair value of derivative financial instruments						9,303
Change related to settlement arrangement of hotel management fees and licence fee						(14,634)
Administrative and other expenses						(15,676)
Finance costs						(322,238)
Profit before tax						229,705
Income tax credit						2,019
Profit for the year attributable to holders of Share Stapled Units						231,724

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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

## 7. SEGMENT INFORMATION (CONTINUED)

### 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.

## 8. OTHER INCOME

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

## 9. FINANCE COSTS

	2025 HK\$'000	2024 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
	<b>258,154</b>	322,238

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

## 10. INCOME TAX EXPENSE (CREDIT)

	2025 HK\$'000	2024 HK\$'000
Current tax:		
Hong Kong Profits Tax:		
Current year	10,239	4,650
Overprovision in prior years	(6,402)	(19,923)
	<b>3,837</b>	(15,273)
Deferred tax (note 25):		
Current year	16,002	13,271
Under(over)provision in prior years	40	(17)
	<b>16,042</b>	13,254
	<b>19,879</b>	(2,019)

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.

The tax charge expense (credit) for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2025 HK\$'000	2024 HK\$'000
Profit before tax	74,033	229,705
Tax at Hong Kong Profits Tax rate of 16.5%	12,215	37,901
Tax effect of expenses not deductible for tax purposes	17,958	14,243
Tax effect of income not taxable for tax purposes	(1,265)	(33,740)
Overprovision in prior years	(6,362)	(19,940)
Others	(2,667)	(483)
Tax charge expense (credit) for the year	<b>19,879</b>	(2,019)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

## 11. 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:

	2025 HK\$'000	2024 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 (notes 32 and 36(c))	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 (note 26(b))	–	14,634
Reserve for furniture, fixtures and equipment	(23,629)	(23,815)
<b>Total distributable income</b>	<b>137,747</b>	<b>113,022</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

## 12. DISTRIBUTION STATEMENT

	NOTE	2025 HK\$'000	2024 HK\$'000
<b>Interim distribution period (note a)</b>			
Total distributable income in respect of the six months ended 30 June		<b>28,027</b>	34,022
Percentage of distributable income for distribution (note b)		–	–
Distributable income for interim distribution period		–	–
Interim distribution		–	–
<b>Final distribution period (note a)</b>			
Total distributable income in respect of the financial year ended 31 December	11	<b>137,747</b>	113,022
Less: distributable income paid for interim distribution period (note b)		–	–
Distributable income available for final distribution period		<b>137,747</b>	113,022
Percentage of distributable income for distribution (note c)		<b>80%</b>	48%
Distributable income for final distribution period		<b>110,198</b>	54,251
Final distribution (note d)		<b>110,198</b>	54,251
<b>Distribution per Share Stapled Unit</b>			
Interim distribution per Share Stapled Unit in respect of the six months ended 30 June (note b)		–	–
Final distribution per Share Stapled Unit in respect of the six months ended 31 December (note d)		<b>HK3.2 cents</b>	HK1.6 cents

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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

## 12. DISTRIBUTION STATEMENT (CONTINUED)

Notes: (Continued)

(b) Interim distribution

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

(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.

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

	2025 HK\$'000	2024 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

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).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

## 14. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

The emoluments paid or payable to each of the seven (2024: seven) directors and the chief executive were as follows:

	2025					2024
	Fees HK\$'000	Salaries and other benefits HK\$'000	Discretionary bonuses HK\$'000 (Note b)	Retirement benefits scheme contributions HK\$'000	Total HK\$'000	Total HK\$'000
<b>Executive Director and Chief Executive</b>						
Mr. Brett Stephen BUTCHER	50	1,892	231	(86)	2,087	2,322
<b>Non-executive Directors</b>						
Dr. LO Ka Shui	315	-	-	-	315	315
Mr. LO Chun Him Alexander	170	-	-	-	170	170
Mr. LO Chun Lai, Andrew	170	-	-	-	170	170
<b>Independent Non-executive Directors</b>						
Professor LIN Syaru, Shirley	325	-	-	-	325	325
Mr. WONG Kwai Lam	365	-	-	-	365	365
Professor CHAN Ka Keung, Ceajer	340	-	-	-	340	340
	<b>1,735</b>	<b>1,892</b>	<b>231</b>	<b>(86)</b>	<b>3,772</b>	<b>4,007</b>

Notes:

- The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Groups. The non-executive directors' and independent non-executive directors' emoluments shown above were for their services as directors of the Company.
- Discretionary bonuses are determined by the remuneration committee of the Company from time to time by reference to the prevailing market conditions, the performance of the Company as well as the individual performance.
- There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

## 15. FIVE HIGHEST PAID INDIVIDUALS

The two (2024: two) out of five highest paid individuals of the Groups during the year are directors, details of whose emoluments are set out in note 14 above. The emoluments of the remaining three (2024: three) highest paid employees are neither director nor chief executive of the Company. The emoluments of the remaining three (2024: three) individuals are as follow:

	2025 HK\$'000	2024 HK\$'000
Salaries and other benefits	2,289	2,186
Discretionary bonuses	409	273
Retirement benefits scheme contributions	114	109
	<b>2,812</b>	<b>2,568</b>

	2025 Number of employees	2024 Number of employees
Bands:		
Nil – HK\$1,000,000	2	2
HK\$1,000,001 – HK\$1,500,000	1	1

Discretionary bonuses are determined with reference to the Groups' operating results and individual performance.

During both years, no emoluments were paid by the Groups to any of the five individuals with the highest emoluments as an inducement to join or upon joining the Groups or as compensation for loss of office.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

## 16. 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:

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

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).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

## 17. PROPERTY, PLANT AND EQUIPMENT

	Leased properties HK\$'000	Furniture and fixtures HK\$'000	Total HK\$'000
<b>COST</b>			
At 1 January 2024	4,028	209	4,237
Additions	1,092	–	1,092
Disposals	–	(22)	(22)
At 31 December 2024	5,120	187	5,307
Additions	<b>468</b>	<b>5</b>	<b>473</b>
Disposals	<b>(1,587)</b>	<b>(96)</b>	<b>(1,683)</b>
At 31 December 2025	<b>4,001</b>	<b>96</b>	<b>4,097</b>
<b>DEPRECIATION</b>			
At 1 January 2024	3,175	138	3,313
Charge for the year	1,062	46	1,108
Eliminated on disposals	–	(22)	(22)
At 31 December 2024	4,237	162	4,399
Charge for the year	<b>777</b>	<b>15</b>	<b>792</b>
Eliminated on disposals	<b>(1,587)</b>	<b>(95)</b>	<b>(1,682)</b>
At 31 December 2025	<b>3,427</b>	<b>82</b>	<b>3,509</b>
<b>CARRYING VALUES</b>			
At 31 December 2025	<b>574</b>	<b>14</b>	<b>588</b>
At 31 December 2024	883	25	908

Depreciation is provided to write off the cost of property, plant and equipment over their estimated useful lives on the following basis:

Leased properties	Over the term of the lease
Furniture and fixtures	20% per annum

Note: Right-of-use assets are shown as leased properties under the property, plant and equipment.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

## 18. INVESTMENT PROPERTIES

	2025 HK\$'000	2024 HK\$'000
FAIR VALUE		
At the beginning of the year	<b>15,895,000</b>	15,662,000
Additions	<b>26,578</b>	46,474
(Decrease) increase in fair value recognised in profit or loss	<b>(26,578)</b>	186,526
At the end of the year	<b>15,895,000</b>	15,895,000

The fair value of the Groups' investment properties of HK\$15,895,000,000 as at 31 December 2025 (2024: HK\$15,895,000,000) has been arrived at on a basis of valuation carried out by Knight Frank Petty Limited (2024: Vigers Appraisal and Consulting Limited), an independent professional property valuer not connected with the Groups.

The Groups engage an independent professional property valuer to perform the valuation. Management works closely with the independent professional property valuer to establish the appropriate valuation techniques and inputs to the model. Management reports the valuation report and findings to the Trustee-Manager and the Directors half-yearly to explain the cause of fluctuations in the fair value of the investment properties.

The independent professional property valuer adopted income approach by using discounted cash flow analysis for the Hotels and term and reversion method for the retail shops to arrive at the valuation of investment properties at 31 December 2025.

The discounted cash flow analysis for the hotel properties is established based on the prospective cash flow to operating real properties. This analysis involves the projection of a series of periodic cash flows to an operating property. To this projected cash flow series, an appropriate discount rate is applied to establish an indication of the present value of the income stream associated with the Hotels. In the case of operating real properties, periodic cash flow is typically estimated as gross income less vacancy and operating expenses and other outgoings. The series of periodic net operating incomes, along with an estimate of the reversionary or terminal value, anticipated at the end of the projection period, is then discounted at the discount rate, being a cost of capital or a rate of return used to convert a monetary sum, payable or receivable in the future, into present value. The Groups have undertaken the discounted cash flow analysis on a yearly basis over a 10-year investment horizon. The net income in the exit year is capitalised at an appropriate yield.

The term and reversion method for the retail shops is established by capitalising the amount of net income receivable under the current terms of tenancies, along with potential changes in rental income on reversion. Both the term and reversion are capitalised by the market capitalisation rates, which reflect the rate of investment return, effect of inflation and prospect of rental growth, if any.

In estimating the fair value of the investment properties, the highest and best use of the investment properties is their current use.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

## 18. INVESTMENT PROPERTIES (CONTINUED)

The key inputs used in valuing the investment properties by the independent professional property valuer under the aforesaid income approach were the discount rate used at 8.80% (2024: 8.85%) and average daily rates, which ranged from HK\$1,230 to HK\$2,100 (2024: HK\$1,174 to HK\$2,167) per room. An increase in the average daily rate used would result in an increase in fair value measurement of the investment properties, and vice versa, holding all other variables constant. The following table details the Groups' sensitivity to a 50 basis points (2024: 50 basis points) increase/decrease in discount rate holding all other variables constant.

	2025		2024	
	50 basis points increase HK\$'000	50 basis points decrease HK\$'000	50 basis points increase HK\$'000	50 basis points decrease HK\$'000
The Langham, Hong Kong	(210,000)	230,000	(210,000)	230,000
Cordis, Hong Kong	(270,000)	280,000	(270,000)	290,000
Eaton HK	(138,000)	146,000	(140,000)	140,000
	<b>(618,000)</b>	<b>656,000</b>	<b>(620,000)</b>	<b>660,000</b>

Details of the Groups' investment properties and information about the fair value hierarchy as at 31 December 2025 and 2024 are as follows:

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	2025 HK\$'000
The Langham, Hong Kong	–	–	5,440,000	5,440,000
Cordis, Hong Kong	–	–	6,840,000	6,840,000
Eaton HK	–	–	3,615,000	3,615,000
	–	–	<b>15,895,000</b>	<b>15,895,000</b>

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	2024 HK\$'000
The Langham, Hong Kong	–	–	5,440,000	5,440,000
Cordis, Hong Kong	–	–	6,840,000	6,840,000
Eaton HK	–	–	3,615,000	3,615,000
	–	–	<b>15,895,000</b>	<b>15,895,000</b>

There were no transfers into or out of Level 3 during the year.

The carrying amounts of investment properties comprise properties situated in Hong Kong.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

## 19. DEBTORS, DEPOSITS AND PREPAYMENTS

	2025 HK\$'000	2024 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	18,681	11,299
	54,310	41,516
Less: deposits paid to contractors for hotels renovation classified as non-current assets	(13,896)	(8,838)
Debtors, deposits and prepayments classified as current assets	40,414	32,678

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:

	2025 HK\$'000	2024 HK\$'000
Within 3 months	34,922	29,484

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.

## 20. RESTRICTED BANK BALANCE

Restricted bank balance of HK\$51,018,000 (2024: Nil) represents an additional security placed in a bank account to maintain the minimum interest coverage ratio as required under the banking facilities agreement. The restricted bank balance is eligible to be released upon the satisfactory of such requirement.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

## 21. CREDITORS, DEPOSITS AND ACCRUALS

	2025 HK\$'000	2024 HK\$'000
Trade creditors	35,946	34,498
Accruals and other payables	17,028	23,440
Construction fee payables	662	2,616
Deposits received	577	577
	<b>54,213</b>	61,131

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

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

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).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

## 22. DERIVATIVE FINANCIAL INSTRUMENTS

As at 31 December 2025 and 2024, all of the derivative financial instruments are interest rate swaps. The Groups entered into interest rate swap contracts with banks to manage the exposure to the interest rate risk on the Groups' floating-rate borrowings by swapping a proportion of those borrowings from floating rates to fixed rates. No hedge accounting is adopted and there is no offsetting during both years.

Major terms of the interest rate swaps as at 31 December 2025 and 2024 are as follows:

Total notional amount	Maturity	Floating interest rate	Fixed interest rate	Interest period
<b>2025</b>				
HK\$2,290,000,000 (Note)	December 2027 – January 2029	Hong Kong Interbank Offered Rate ("HIBOR")	2.470% – 3.170%	Monthly
<b>2024</b>				
HK\$1,500,000,000	October – December 2025	HIBOR	3.975% – 3.995%	Monthly

Note: Including six (2024: nil) interest rate swaps contracts with a total notional amount of HK\$310,000,000 (2024: nil), all of which have effective dates after the reporting date.

## 23. SECURED BANK LOANS

	2025 HK\$'000	2024 HK\$'000
Secured term loans	6,201,600	6,201,600
Secured revolving loans	–	3,000
Underwriting/loan extension fee	(26,396)	(39,996)
Amount due after one year shown under non-current liabilities	6,175,204	6,164,604

The maturity of the above loans based on scheduled repayment terms is as follows:

	2025 HK\$'000	2024 HK\$'000
More than one year but not exceeding two years	6,175,204	–
More than two years but not exceeding three years	–	6,164,604
	6,175,204	6,164,604

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

## 23. SECURED BANK LOANS (CONTINUED)

As at 31 December 2025 and 2024, the Groups have a banking facility amounted to HK\$6,800,000,000, including term loans facility amounted to HK\$6,201,600,000 and revolving loans facility amounted to HK\$598,400,000.

As at 31 December 2025, secured term loans of HK\$6,201,600,000 (2024: HK\$6,201,600,000) are variable-rate borrowings, bearing interest at HIBOR plus 0.82% (2024: HIBOR plus 0.85%) per annum and are repayable in one lump sum on maturity date which will fall due in December 2027 (2024: December 2027). As at 31 December 2024, secured revolving loans of HK\$3,000,000 were variable-rate borrowings, bearing interest at HIBOR plus 0.85% per annum and were revolving on a monthly basis, of which the related bank facility will expire in 2027. As at 31 December 2025, all bank loans are secured by the Group's investment properties and restricted bank balance (2024: investment properties).

In respect of the secured bank loans with carrying amount of HK\$6,201,600,000 as at 31 December 2025 (2024: HK\$6,204,600,000), the Groups are required to conduct tests on certain financial covenants twice a year.

As at 31 December 2025, the Groups had complied with all financial covenants' tests and therefore classified the secured bank loans as non-current.

As at 31 December 2024, the Groups had complied with all financial covenants' tests, except for a test that was subject to the amount of deposit eligible to be placed into a restricted bank account after the end of the reporting period, therefore, the Groups classified the secured bank loans as non-current. The management of the Groups had assessed the financial condition of the Groups for the deposit and had considered the Groups are able to meet the forementioned financial covenant.

In respect of a non-current secured revolving loan with carrying amount of HK\$3,000,000 as at 31 December 2024, the Groups fully settled such secured revolving loan subsequently in January 2025.

## 24. LEASE LIABILITIES

	2025 HK\$'000	2024 HK\$'000
Within one year	415	610
More than one year but not exceeding two years	173	283
	<b>588</b>	893
Less: Amount due for settlement within one year shown under current liabilities	<b>(415)</b>	(610)
Amount due for settlement after one year shown under non-current liabilities	<b>173</b>	283

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

## 25. DEFERRED TAX LIABILITIES

The following are the deferred tax liabilities (assets) recognised and movements thereon during the current and prior years:

	Accelerated tax depreciation HK\$'000	Tax losses HK\$'000	Right-of-use assets HK\$'000	Lease liabilities HK\$'000	Fair value of derivative financial instruments HK\$'000	Total HK\$'000
At 1 January 2024	500,309	(29,693)	141	(145)	–	470,612
Credit (charge) to profit or loss	15,615	(1,855)	4	(2)	(491)	13,271
Under(over)provision in prior year	96	(113)	–	–	–	(17)
At 31 December 2024	516,020	(31,661)	145	(147)	(491)	483,866
Credit (charge) to profit or loss	<b>13,733</b>	<b>4,937</b>	<b>(51)</b>	<b>50</b>	<b>(2,667)</b>	<b>16,002</b>
Under(over)provision in prior year	<b>79</b>	<b>(39)</b>	–	–	–	<b>40</b>
At 31 December 2025	<b>529,832</b>	<b>(26,763)</b>	<b>94</b>	<b>(97)</b>	<b>(3,158)</b>	<b>499,908</b>

At the end of the reporting period, the Groups have unutilised tax losses of HK\$162,198,000 (2024: HK\$191,881,000) available for offset against future profits. A deferred tax asset has been recognised in respect of HK\$162,198,000 (2024: HK\$191,881,000) of such losses.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

## 26. ISSUED CAPITAL/UNITS

	Number of shares/ units	Nominal value HK\$
Authorised:		
<b>Ordinary shares of HK\$0.0005 each</b>		
At 1 January 2024, 31 December 2024 and 2025	5,000,000,000	2,500,000
<b>Preference shares of HK\$0.0005 each</b>		
At 1 January 2024, 31 December 2024 and 2025	5,000,000,000	2,500,000

Units issued/share capital issued and fully paid:

### Share Stapled Units

In accordance with the Trust Deed and the Company's articles of association, the number of ordinary shares and preference shares of the Company must be the same at all times and must be equal to the number of Share Stapled Units. Hence, the movements of the number of Share Stapled Units are the same as that of the ordinary shares and preference shares as shown below.

	Number of shares	Nominal value HK\$
<b>Ordinary shares of HK\$0.0005 each (note a)</b>		
At 1 January 2024	3,318,869,006	1,659,435
Issue of ordinary shares as payment of hotel management fees and licence fee (note b)	55,432,596	27,716
Issue of ordinary shares as payment of hotel management fees and licence fee (note b)	59,245,043	29,622
At 31 December 2024	3,433,546,645	1,716,773
Issue of ordinary shares as payment of hotel management fees and licence fee (note b)	10,594,487	5,297
Issue of ordinary shares as payment of hotel management fees and licence fee (note b)	46,320,885	23,160
At 31 December 2025	3,490,462,017	1,745,230

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

## 26. ISSUED CAPITAL/UNITS (CONTINUED)

### Share Stapled Units (Continued)

	Number of shares	Nominal value HK\$
<b>Preference shares of HK\$0.0005 each (note c)</b>		
At 1 January 2024	3,318,869,006	1,659,435
Issue of preference shares as payment of hotel management fees and licence fee (note b)	55,432,596	27,716
Issue of preference shares as payment of hotel management fees and licence fee (note b)	59,245,043	29,622
At 31 December 2024	3,433,546,645	1,716,773
Issue of preference shares as payment of hotel management fees and licence fee (note b)	<b>10,594,487</b>	<b>5,297</b>
Issue of preference shares as payment of hotel management fees and licence fee (note b)	<b>46,320,885</b>	<b>23,160</b>
At 31 December 2025	<b>3,490,462,017</b>	<b>1,745,230</b>
	<b>2025</b>	<b>2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Issued capital/unit as shown in the consolidated financial statements	<b>3,490</b>	3,434

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

## 26. ISSUED CAPITAL/UNITS (CONTINUED)

### Share Stapled Units (Continued)

Notes:

- (a) All of the issued ordinary shares of the Company are held by the Trustee-Manager as legal owner in its capacity as trustee-manager of the Trust.
- (b) Details of Share Stapled Units issued for both years as payment of hotel management fees and licence fee are as follows (notes 32 and 36(c)):

Issue date	Relevant period	Date of issue price determined	Issue price HK\$	Aggregate issue price HK\$'000	Number of shares
9 May 2024 (note)	1 July 2023 to 31 December 2023	4 March 2024	0.646 (note)	35,810	55,432,596
30 August 2024	1 January 2024 to 30 June 2024	29 August 2024	0.499	29,563	59,245,043
28 February 2025	1 July 2024 to 31 December 2024	27 February 2025	0.470	4,979	10,594,487
7 November 2025	1 July 2024 to 31 December 2024	27 February 2025	0.470	21,772	46,320,885

Note: The hotel management fees and licence fee for the second half of 2023 of HK\$35,810,000 ("2H 2023 Hotel Manager's Fees") were payable to Langham Hotels International Limited, a fellow subsidiary as at 31 December 2023, which was settled by the allotment and issuance of 55,432,596 new Share Stapled Units at HK\$0.646 per Share Stapled unit (the "New SSUs") on 5 March 2024, the original payment deadline day of 2H 2023 Hotel Manager's Fees pursuant to the hotel management agreements and trademark licence agreements. On 4 March 2024, Langham Hotels International Limited and the Groups agreed to extend the original payment deadline day of 2H 2023 Hotel Manager's Fees to on or before 30 June 2024 as the issue of the New SSUs would exceed the original issuance cap that set in the hotel management agreements and trademark licence agreements. Following the approval of the majority of independent holders of Share Stapled Units in the extraordinary general meeting held on 8 May 2024 for increasing the issuance cap, the New SSUs were allotted and issued on 9 May 2024. The closing price of the Share Stapled Unit immediately preceding the issue date of 9 May 2024 was HK\$0.910 per Share Stapled Unit and the aggregate value of the New SSUs being issued was HK\$50,444,000 ("Aggregate Value"). An amount of HK\$14,634,000 was therefore recognised in the profit or loss as the difference between the aggregate issue price of the New SSUs and the Aggregate Value.

- (c) The preference shares issued are components of the Share Stapled Units and have no rights to dividends, distributions or other payment from the Company except in case of the winding up of the Company, or if the Trust is terminated, the preference shares would be redeemed on termination at their par value.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

## 27. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	2025 HK\$'000	2024 HK\$'000
<b>Non-current assets</b>		
Investment in subsidiaries (note)	–	–
Amounts due from subsidiaries	8,198,104	8,233,790
	<b>8,198,104</b>	<b>8,233,790</b>
<b>Current assets</b>		
Prepayments	498	507
Bank balances	3,162	3,458
	<b>3,660</b>	<b>3,965</b>
<b>Current liability</b>		
Accruals and other payable	576	482
<b>Net current assets</b>	<b>3,084</b>	<b>3,483</b>
<b>Non-current liability</b>		
Amount due to a subsidiary	–	3,843
<b>NET ASSETS</b>	<b>8,201,188</b>	<b>8,233,430</b>
<b>Capital and reserves</b>		
Issued capital	3,490	3,434
Reserves	8,197,698	8,229,996
<b>TOTAL EQUITY</b>	<b>8,201,188</b>	<b>8,233,430</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

## 27. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (CONTINUED)

	Share premium HK\$'000	Share-based payment reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 January 2024	8,260,666	–	(90,441)	8,170,225
Loss and total comprehensive expense for the year	–	–	(20,121)	(20,121)
Issue of ordinary and preference shares (note 26)	65,258	14,634	–	79,892
At 31 December 2024	8,325,924	14,634	(110,562)	8,229,996
Loss and total comprehensive expense for the year	–	–	(3,887)	(3,887)
Distribution paid	(55,106)	–	–	(55,106)
Issue of ordinary and preference shares (note 26)	26,695	–	–	26,695
At 31 December 2025	8,297,513	14,634	(114,449)	8,197,698

Note: As at 31 December 2025, investment in subsidiaries amounted to HK\$16 (2024: HK\$16).

## 28. CAPITAL RISK MANAGEMENT POLICIES AND OBJECTIVES

The Groups manage their capital to ensure that entities in the Groups will be able to continue as a going concern while maximising the return to holders of Share Stapled Units through the optimisation of the debt and equity balances. The Groups' overall strategy remains unchanged from prior year.

The capital structure of the Groups consists of debt, which includes bank loans disclosed in note 23, net of cash and cash equivalents and equity attributable to holders of Share Stapled Units, comprising issued share capital, reserves and accumulated losses/retained profits. The capital structure of the Trust and the Company consists of equity attributable to holders of Share Stapled Units, comprising issued share capital/units, reserves and accumulated losses.

The Trustee-Manager and the Directors review the capital structure on a regular basis. As part of this review, the Trustee-Manager and the Directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the Trustee-Manager and Directors, the Groups will balance its overall capital structure through new share issues.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

## 29. FINANCIAL INSTRUMENTS

### (a) Categories of financial instruments

	2025 HK\$'000	2024 HK\$'000
<b>Financial assets</b>		
<i>Financial assets at amortised cost</i>		
Other receivables	588	529
Restricted bank balance	51,018	–
Bank balances	302,591	293,402
	<b>354,197</b>	293,931
<b>Financial liabilities</b>		
<i>Derivative financial instruments</i>		
Interest rate swaps	19,140	2,974
<i>Financial liabilities at amortised cost</i>		
Trade creditors	35,946	34,498
Other payables	15,805	20,276
Construction fee payables	662	2,616
Secured bank loans	6,175,204	6,164,604
	<b>6,227,617</b>	6,221,994
	<b>6,246,757</b>	6,224,968

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

## 29. FINANCIAL INSTRUMENTS (CONTINUED)

### (b) Financial risk management objectives and policies

The Groups' major financial instruments include derivative financial instruments, other receivables, bank balances, restricted bank balance, trade creditors, other payables, construction fee payables and secured bank loans. Details of the financial instruments are disclosed in respective notes. The risks associated with the Groups' financial instruments include market risk (interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

#### ***Market risk***

##### ***Interest rate risk***

The Groups are exposed to fair value interest rate risk in relation to lease liabilities.

The Groups are exposed to cash flow interest rate risk in relation to pay-fixed/receive-floating interest rate swaps, restricted bank balance, bank balances and variable-rate secured bank loans. Interest rate risk is managed by the management on an ongoing basis with the primary objective of limiting the extent to which net interest expense could be affected by adverse movements in interest rates. Interest rate risk on restricted bank balance and bank balances is considered immaterial and therefore has been excluded from the sensitivity analysis below. The Groups' cash flow interest rate risk is mainly concentrated on the fluctuation of HIBOR arising from the Groups' pay-fixed/receive-floating interest rate swaps and variable-rate secured bank loans.

##### ***Interest rate sensitivity analysis***

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis points (2024: 50 basis points) increase or decrease in pay-fixed/receive-floating interest rate swaps and secured bank loans is used which represents management's assessment of the effect from possible change in interest rates.

If the interest rates had been 50 basis points (2024: 50 basis points) higher or lower and all other variables were held constant, the Groups' profit for the year would decrease/increase by HK\$16,485,000 (2024: HK\$23,185,000). This is mainly attributable to the Groups' exposure to interest rates on its floating rate secured bank loans and the changes in fair value of pay-fixed/receive-floating interest rate swaps.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

## 29. FINANCIAL INSTRUMENTS (CONTINUED)

### (b) Financial risk management objectives and policies (Continued)

#### ***Credit risk and impairment assessment***

The Groups' maximum exposure to credit risk which will cause a financial loss to the Groups due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The Groups measure the loss allowance on restricted bank balance and bank balances equal to 12m ECL. The credit risk on restricted bank balance and bank balances is limited because counterparties are banks with external credit rating of at least A1 assigned by international credit-rating agencies.

As at 31 December 2025, other than concentration of credit risk on receivable from Master Lessee, restricted bank balance and bank balances (2024: receivable from Master Lessee and bank balances), which are deposited with several banks with high credit-ratings, the Groups do not have any other significant concentration of credit risk.

With respect to credit risk arising from the Groups' receivable from Master Lessee and lease receivable, the Groups' exposure to credit risk arising from default of the counterparties are limited as the counterparties have good history of repayment and the Groups do not expect to incur a significant loss arising from receivable from Master Lessee and lease receivable. In addition, the Groups perform impairment assessment under ECL model upon application of HKFRS 9. In this regard, the Trustee-Manager and the Directors consider that the Groups' credit risk is significantly reduced.

The Groups have concentration of credit risk as receivable from Master Lessee was due from a debtor.

The credit risk on derivative financial instruments is limited because the counterparties are banks with external credit rating of at least A1 assigned by an international credit-rating agency.

Based on the ECL assessment, the credit exposures for all the financial assets, which are subject to ECL assessment, are considered as low risk because the counterparties have a low risk of default and does not have material past-due amounts. During the year ended 31 December 2025 and 2024, no loss allowance provision for the amounts was recognised.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

## 29. FINANCIAL INSTRUMENTS (CONTINUED)

### (b) Financial risk management objectives and policies (Continued)

#### *Liquidity risk*

In management of the liquidity risk, the Groups monitor and maintain a level of cash and cash equivalents deemed adequate by management to finance the Groups' operations and mitigate the effects of fluctuations in cash flows. Management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

#### *Liquidity risk analysis*

The following table details the Groups' contractual maturity for their non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities on the earliest date on which the Groups can be required to pay. The maturity dates for non-derivative financial liabilities are based on the agreed repayment dates.

The table includes both interest and principal cash flows. To the extent that interest flows are floating rates, the undiscounted amount is derived from the interest rate at the end of the reporting period.

	Weighted average interest rate %	Less than 3 months HK\$'000	3 months to 1 year HK\$'000	1 year to 2 years HK\$'000	2 to 5 years HK\$'000	Total undiscounted cash flows HK\$'000	Carrying amount at 31 December 2025 HK\$'000
<b>Non-derivative financial liabilities</b>							
Trade creditors	N/A	35,946	-	-	-	35,946	35,946
Other payables	N/A	15,805	-	-	-	15,805	15,805
Construction fee payables	N/A	662	-	-	-	662	662
Secured bank loans – variable rate	3.55%	54,285	165,872	6,408,487	-	6,628,644	6,175,204
Lease liabilities	3.90% – 5.61%	106,698 179	165,872 250	6,408,487 141	- 35	6,681,057 605	6,227,617 588
		106,877	166,122	6,408,628	35	6,681,662	6,228,205

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

## 29. FINANCIAL INSTRUMENTS (CONTINUED)

### (b) Financial risk management objectives and policies (Continued)

#### Liquidity risk (Continued)

#### Liquidity risk analysis (Continued)

	Weighted average interest rate %	Less than 3 months HK\$'000	3 months to 1 year HK\$'000	1 year to 2 years HK\$'000	2 to 5 years HK\$'000	Total undiscounted cash flows HK\$'000	Carrying amount at 31 December 2024 HK\$'000
<b>Non-derivative financial liabilities</b>							
Trade creditors	N/A	34,498	–	–	–	34,498	34,498
Other payables	N/A	20,276	–	–	–	20,276	20,276
Construction fee payables	N/A	2,616	–	–	–	2,616	2,616
Secured bank loans – variable rate	5.23%	82,975	244,369	324,344	6,506,394	7,158,082	6,164,604
Lease liabilities	3.90% – 5.61%	140,365 211	244,369 432	324,344 288	6,506,394 –	7,215,472 931	6,221,994 893
		140,576	244,801	324,632	6,506,394	7,216,403	6,222,887

In addition, the following table details the Groups' liquidity analysis for its derivative financial instruments based on its contractual maturity. For derivative financial instruments settled on a net basis, undiscounted cash inflows (outflows) are presented. When the amount payable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the reporting date.

	Less than 3 months HK\$'000	3 months to 1 year HK\$'000	1 years to 2 years HK\$'000	2 to 5 years HK\$'000	Total Undiscounted cash flows HK\$'000	Carrying amount at 31 December HK\$'000
<b>2025</b>						
<b>Derivatives net settlement</b>						
Interest rate swaps	(500)	(6,594)	(12,855)	(1,603)	(21,552)	(19,140)
<b>2024</b>						
<b>Derivatives net settlement</b>						
Interest rate swaps	50	(3,352)	–	–	(3,302)	(2,974)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

## 29. FINANCIAL INSTRUMENTS (CONTINUED)

### (c) Fair values

The fair values of the financial liabilities representing derivative financial instruments are determined as detailed in note 29(d).

The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on a discounted cash flow analysis. The Trustee-Manager and the Directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate to their fair values.

### (d) Fair value measurements of financial instruments

One of the Groups' financial liabilities is measured at fair value at the end of the reporting period. The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
<b>As at 31 December 2025</b>				
<i>Derivative financial instruments</i>				
<b>Liability</b>				
Interest rate swaps	–	19,140	–	19,140
<hr/>				
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
<b>As at 31 December 2024</b>				
<i>Derivative financial instruments</i>				
<b>Liability</b>				
Interest rate swaps	–	2,974	–	2,974

There were no transfers between Levels 1 and 2 in the current year.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

## 29. FINANCIAL INSTRUMENTS (CONTINUED)

### (d) Fair value measurements of financial instruments (Continued)

The following table gives information about how the fair value of the financial liability are determined (in particular, the valuation techniques and inputs used).

Financial liabilities	Fair value as at 31 December		Fair value hierarchy	Valuation technique and key inputs
	2025 HK\$'000	2024 HK\$'000		
Interest rate swaps classified as non-current	19,140	–	Level 2	Discounted cash flow. Future cash flows are estimated based on interest rates (from observable interest rates at the end of the reporting period) and contracted rates discounted at a rate that reflects the credit risk of the counterparties.
Interest rate swap classified as current	–	2,974	Level 2	Discounted cash flow. Future cash flows are estimated based on interest rates (from observable interest rates at the end of the reporting period) and contracted rates discounted at a rate that reflects the credit risk of the counterparties.

### (e) Financial liabilities subject to enforceable master netting arrangements

The Groups have entered certain derivative transactions that are covered by the International Swaps and Derivatives Association Master Agreements ("ISDA Agreements") signed with banks. These derivative instruments are not offset in the consolidated statement of financial position as the ISDA Agreements are in place with a right of set off only in the event of default, insolvency or bankruptcy so that the Groups currently have no legally enforceable right to set off the recognised amounts.

As at 31 December 2025, the gross amount of financial liabilities that are subject to enforceable master netting arrangements are HK\$19,140,000 (2024: HK\$2,974,000). No deposit was placed with the counterparties.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

## 30. PLEDGE OF ASSETS

As at 31 December 2025, all investment properties and restricted bank balance (2024: all investment properties) of the Groups 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 Groups.

## 31. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Groups' liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Groups' consolidated statement of cash flows as cash flows from financing activities.

	Lease liabilities HK\$'000	Secured bank loans HK\$'000	Derivative financial instruments HK\$'000	Distribution payable HK\$'000	Total HK\$'000
At 1 January 2024	875	6,050,305	12,277	–	6,063,457
Net cash flows	(1,112)	104,653	–	–	103,541
Interest expense	38	–	–	–	38
Other changes					
Underwriting/loan extension fee amortisation	–	9,646	–	–	9,646
New lease entered	1,092	–	–	–	1,092
Fair value adjustments	–	–	(9,303)	–	(9,303)
At 31 December 2024	893	6,164,604	2,974	–	6,168,471
Net cash flows	(815)	(3,000)	–	(55,106)	(58,921)
Interest expense	42	–	–	–	42
Other changes					
Underwriting fee amortisation	–	13,600	–	–	13,600
New lease entered/lease modification	468	–	–	–	468
Distribution declared	–	–	–	55,106	55,106
Fair value adjustments	–	–	16,166	–	16,166
At 31 December 2025	588	6,175,204	19,140	–	6,194,932

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

## 32. MAJOR NON-CASH TRANSACTIONS

The Groups incurred hotel management fees and licence fee payable to Langham Hotels International Limited for the year ended 31 December 2025 of HK\$62,003,000 (2024: HK\$62,300,000) (note 36(c)), of which HK\$34,044,000 will be settled by Share Stapled Units after year ended 31 December 2025 (2024: of which HK\$56,314,000 was settled by Share Stapled Units during the year ended 31 December 2025).

In December 2024, the Groups refinanced the secured bank loans of HK\$6,059,147,000 in full with a new banking facility of HK\$6,800,000,000, from which HK\$6,204,600,000 was drawn down.

In February 2025, the Groups extended the lease of its existing office for 1.5 months and subsequently entered into a three-year lease for a new office. In the prior year, the Groups also entered into a two-year lease for car parking spaces. On the lease modification date, the Groups recognised additional right of use assets and corresponding lease liabilities of HK\$67,000 (2024: Nil). On the commencement date of the new office lease, the Group recognised right of use assets and corresponding lease liabilities of HK\$401,000 (2024: HK\$1,092,000).

## 33. COMMITMENTS

As at 31 December 2025 and 31 December 2024, the Groups had no significant capital expenditures for investment properties that were either authorised and contracted for but not provided for, or authorised but not yet contracted for, in these consolidated financial statements.

## 34. OPERATING LEASE COMMITMENTS

### The Groups as lessor

Minimum lease payments receivable on leases are as follows:

	2025 HK\$'000	2024 HK\$'000
<b>With Master Lessee</b>		
Within one year	225,000	225,000
In the second year	91,849	225,000
In the third year	–	91,849
	<b>316,849</b>	541,849
<b>With other tenants</b>		
Within one year	1,267	1,289
In the second year	738	1,267
In the third year	213	738
In the fourth year	–	213
	<b>2,218</b>	3,507

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

## 34. OPERATING LEASE COMMITMENTS (CONTINUED)

### The Groups as lessor (Continued)

Leases with Master Lessee (note 36(a)) are negotiated for a term of 14 years from the Listing Date.

From commencement date to 31 December 2019 (the "First Period"), leases were negotiated at fixed annual base rent and variable rent based on 70% of the Hotels' aggregate gross operating profit before deduction of global marketing fee. From 1 January 2020 to 31 December 2023 (the "Second Period") and 1 January 2024 to expiry date of lease term (the "Third Period"), the leases were negotiated with reference to market rental to be determined by independent professional property valuer. It was determined in 2019 that fixed annual base rent of Second Period remained the same as the First Period and variable rent of Second Period was calculated as the same basis as that of the First Period. In 2023, it was determined that fixed annual base rent of the Third Period remains the same as the Second Period, while the applicable percentage of variable rent is changed to 50%. The above minimum lease payments only include fixed annual base rent of the Third Period as the variable rent of the Third Period cannot be determined as of the date of approval of the consolidated financial statements.

Leases with other tenants in respect of the retail shops in Eaton HK are negotiated for a term of four years at fixed monthly rentals and variable rentals which are charged based on the percentage of sales of retail shops. The above minimum lease payments only include fixed monthly rentals determined in the lease agreements as the variable rentals and the final year fixed rentals of one of the retail shops cannot be determined as of the date of approval of the consolidated financial statements.

## 35. RETIREMENT BENEFITS SCHEME

The Groups operate a Mandatory Provident Fund Scheme for all qualifying employees. The Groups are required to contribute 5%, while the employees are required to contribute 5% of their salaries to the scheme, subject to minimum and maximum relevant income levels.

Total contributions to retirement fund schemes for the year ended 31 December 2025 charged to the consolidated statement of profit or loss and other comprehensive income amounted to HK\$27,000 (2024: HK\$127,000).

## 36. CONNECTED AND RELATED PARTY DISCLOSURES

Other than as disclosed elsewhere in these consolidated financial statements, the Groups had the following significant transactions with related parties during the year. All of the following related parties are subsidiaries of Great Eagle Holdings Limited, the ultimate holding company, and Dr. Lo Ka Shui, Director of the Company, is a substantial shareholder, the chairman and managing director of Great Eagle Holdings Limited. The transactions were carried out in the normal course of the Groups' business on terms mutually agreed between the parties. The following significant transactions are connected transactions and the following related parties are connected parties of the Groups as defined in the chapter 14A of the Listing Rules.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

## 36. CONNECTED AND RELATED PARTY DISCLOSURES (CONTINUED)

	NOTES	2025 HK\$'000	2024 HK\$'000
Rental income			
Master Lessee	(a)	<b>479,626</b>	479,481
Management fee income			
Langham Hotels International Limited	(b)	<b>648</b>	630
Hotel management fees and licence fee			
Langham Hotels International Limited	(c)	<b>62,003</b>	62,300
Global marketing fee			
Langham Hotels Services Limited	(d)	<b>17,445</b>	17,112
Property management services fee			
Keysen Property Management Services Limited	(e)	<b>3,060</b>	3,058
Addition of right-of-use asset/addition of lease liabilities			
The Great Eagle Company, Limited	(f)	<b>401</b>	–
Moon Yik Company, Limited	(g)	<b>67</b>	–
Interest expense on lease liabilities			
The Great Eagle Company, Limited	(f)	<b>9</b>	–
Moon Yik Company, Limited	(g)	–	14
Management fee and air conditioning charge			
The Great Eagle Company, Limited	(f)	<b>47</b>	–
Moon Yik Company, Limited	(g)	<b>27</b>	109
Lease agency fee			
The Great Eagle Estate Agents Limited	(h)	<b>58</b>	113
Administrative support service fee			
The Great Eagle Company, Limited	(i)	<b>985</b>	979
Procurement services fee			
Champion Global Services Limited	(j)	<b>458</b>	390
Project management services fee			
The Great Eagle Development and Project Management Limited	(k)	–	540
Design and construction contracting services fee			
Keysen Engineering Company, Limited	(l)	<b>1,376</b>	1,459
Licence fee			
Sunrise Success Limited	(m)	<b>962</b>	962

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

## 36. CONNECTED AND RELATED PARTY DISCLOSURES (CONTINUED)

Notes:

- (a) For the purpose of connected and related party disclosures, rental income and related service fees income that charged to Master Lessee in accordance with the master lease agreement has been presented before netting with service fees (including hotel management fees, licence fee and global marketing fee) of HK\$79,448,000 (2024: HK\$79,412,000). Annual base rent of HK\$225 million was charged for the year ended 31 December 2025 and 2024. Variable rent payable was recorded based on 50% (2024: 50%) of the Hotels' aggregate gross operating profit before deduction of global marketing fee. No variable rent payable would be recorded when there is Hotels' aggregate gross operating loss before deduction of global marketing fee.

A reconciliation between the Hotels' aggregate gross operating profit and the Groups' segment profit and calculation of variable rent are shown as follows:

	2025 HK\$'000	2024 HK\$'000
Hotels' aggregate gross operating profit before deduction of global marketing fee	509,251	508,962
50% (2024: 50%) thereon, variable rent (before netting with services fees)	254,626	254,481
Base rent	225,000	225,000
Add:		
Rental income from retail shops in Eaton HK	1,661	1,737
Groups' segment revenue	481,287	481,218
Less:		
Service fees		
– Hotel management fees (i.e. base fee and incentive fee)	(46,250)	(46,423)
– Licence fee	(15,753)	(15,877)
– Global marketing fee	(17,445)	(17,112)
Property taxes, rates and insurance	(20,888)	(20,181)
Other deductions	(698)	(602)
Groups' segment profit	380,253	381,023

- (b) The management fee income was charged to Langham Hotels International Limited for its share of administration expenses.
- (c) Langham Hotels International Limited is entitled, in accordance with hotel management agreements, to (i) a base fee of 1.5% of the total revenue of the relevant hotels; (ii) licence fee of 1% of the total revenue of the relevant hotels (payable under the trademark licence agreements); and (iii) an incentive fee of 5% of the adjusted gross operating profit (i.e. Hotels' gross operating profit less the base fee and the licence fee) of the relevant hotels. The hotel management fees and licence fee, which are part of service fees and have been netted with revenue, are reported as connected and related party transactions for the disclosure purpose. The hotel management fees and licence fee were partly settled by cash and would be partly settled by Share Stapled Units (2024: were settled by Share Stapled Units and cash) (notes 26 and 32).

	2025 HK\$'000	2024 HK\$'000
(A) Total revenue of relevant hotels	1,575,258	1,587,671
(B) Adjusted relevant hotels' gross operating profit	452,424	452,158
(i) Base fee (A x 1.5%)	23,629	23,815
(ii) Licence fee (A x 1%)	15,753	15,877
(iii) Incentive fee (B x 5%)	22,621	22,608
Total fees	62,003	62,300

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

## 36. CONNECTED AND RELATED PARTY DISCLOSURES (CONTINUED)

Notes: (Continued)

- (d) Global marketing fee was payable on a fixed percentage of 2% of the total room revenue of the relevant hotels (i.e. HK\$872,260,000 (2024: HK\$855,606,000)) under centralised services fees and marketing agreements. Global marketing fee, which is part of service fees and has been netted with revenue, is reported as a connected and related party transaction for the disclosure purpose.
- (e) The property management services fee is determined based on the annual budget prepared by Keysen Property Management Services Limited, taking into account the actual cost incurred, plus remuneration to Keysen Property Management Services Limited, and the management shares allocated to Cordis, Hong Kong in respect of the lot of land on which it is situated.
- (f) During the year ended 31 December 2025, the Groups entered into a new lease agreement for leasing an office premise at Suite 3210, 32/F, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong from 1 April 2025. On lease commencement date, addition of the new right-of-use asset and lease liability amounted to HK\$401,000 (2024: nil) and HK\$401,000 (2024: nil) respectively. Rental payments were made to The Great Eagle Company, Limited for leasing office premise. Interest expenses on lease liabilities, representing the imputed cost of financing the right to use the office premise over the lease term, were recognised for year ended 31 December 2025. As at 31 December 2025, lease liabilities to The Great Eagle Company, Limited was approximately HK\$304,000 (2024: nil). The management fee, air conditioning charge and services fee were payable to The Great Eagle Company, Limited for the expenses related to office premise.
- (g) Rental payments were made to Moon Yik Company, Limited for leasing office premises at Suite 2702, 27/F, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong. During the year ended 31 December 2025, addition of right-of-use assets and lease liability amounted to HK\$67,000 (2024: nil) and HK\$67,000 (2024: nil) respectively upon lease modification. As at 31 December 2025, interest expenses on lease liabilities of HK\$289 (2024: HK\$13,699) were recognised. As at 31 December 2025, lease liabilities to Moon Yik Company, Limited was nil (2024: approximately HK\$67,000). The management fee and air conditioning charge were payable to Moon Yik Company, Limited for the expenses related to office premises.
- (h) Lease agency fee was charged at the rate of 4% of the monthly rental income receivable from Eaton HK's retail shops plus an amount equivalent to a month's rental income arising from the leasing of the relevant retail shops for new leases and/or an amount equivalent to half month's rental income arising from the leasing of the relevant rental shops for renew leases (if any).
- (i) Administrative support service fee was charged on cost sharing basis and allocated to the Groups according to time spent by relevant personnel of The Great Eagle Company, Limited on the businesses of the Groups and the related share of administrative costs.
- (j) Procurement services fee at a rate of 5% of (a) the respective budgeted sums of furniture, fixtures and equipment categories for hotel renovation and operating supplies and equipment categories for hotel renovation and (b) the actual amount of the purchase orders for furniture, fixtures and equipment and operating supplies and equipment categories for hotel maintenance and miscellaneous categories.
- (k) Project management services fee at a rate of 3% of the actual amount of the construction cost for renovation of the Hotels as certified by project quantity surveyor or other consultants.
- (l) The contract sum for the work of design and construction contracting services shall be negotiated on an arm's length basis and determined between Keysen Engineering Company, Limited and/or its associated companies and the Groups subject to tender or price comparison process to be arranged by the Groups in accordance with its internal control policy.
- (m) Licence fee was paid to Sunrise Success Limited for the non-exclusive right of using the licenced area on 7th Floor of Wah Shun Industrial Building as warehouse.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

## 36. CONNECTED AND RELATED PARTY DISCLOSURES (CONTINUED)

The remuneration of Directors and Chief Executive Officer during the year was as follows:

	2025 HK\$'000	2024 HK\$'000
Short-term benefits	3,858	3,989
Post-employment benefits	(86)	18
	<b>3,772</b>	<b>4,007</b>

The remuneration of Directors and Chief Executive Officer is determined by the remuneration committee having regard to the performance of individuals and market trends.

## 37. PARTICULARS OF THE SUBSIDIARIES

Details of the Company's subsidiaries at 31 December 2025 and 2024 are set out below:

Direct subsidiaries	Issued and paid up equity share capital	Principal activities	Percentage of issued equity share capital held by the Company	
			2025	2024
– incorporated in the British Virgin Islands:				
LHIL Properties Limited	1 share of US\$1	Investment holding	100%	100%
LHIL Treasury Holdings Limited	1 share of US\$1	Investment holding	100%	100%

Direct subsidiary	Share capital issued		Principal activities	Percentage of issued equity share capital held by the Company	
	Number of shares	Issued and paid up share capital HK\$		2025	2024
– incorporated and operating in Hong Kong:					
LHIL Company Limited	1	1	Provision for administrative services	100%	100%

Indirect subsidiaries	Issued and paid up equity share capital	Principal activities	Percentage of issued equity share capital held by the Company	
			2025	2024
– incorporated in the British Virgin Islands:				
Braveforce Investments Limited	1 share of US\$1	Investment holding	100%	100%
LHIL Finance Holdings Limited	1 share of US\$1	Investment holding	100%	100%
LHIL (EHK) Limited	1 share of US\$1	Investment holding	100%	100%
LHIL (LHK) Limited	1 share of US\$1	Investment holding	100%	100%
LHIL (Cordis) Limited	1 share of US\$1	Investment holding	100%	100%
Rowan Enterprises Limited	1 share of US\$1	Investment holding	100%	100%

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST AND THE COMPANY

For the year ended 31 December 2025

## 37. PARTICULARS OF THE SUBSIDIARIES (CONTINUED)

Indirect subsidiaries	Share capital issued		Principal activities	Percentage of issued equity share capital held by the Company	
	Number of shares	Issued and paid up share capital US\$		2025	2024
– incorporated in Liberia:					
Baxter Investment Limited	500	500	Investment holding	100%	100%
Glendive Investment Limited	500	500	Investment holding	100%	100%

Indirect subsidiaries	Share capital issued		Principal activities	Percentage of issued equity share capital held by the Company	
	Number of shares	Issued and paid up share capital HK\$		2025	2024
– incorporated and operating in Hong Kong:					
Grow On Development Limited	5,000	5,000	Property investment	100%	100%
Harvest Star International Limited	2	2	Property investment	100%	100%
Cordis Hong Kong Limited	2	2	Property investment	100%	100%
LHIL Finance Limited	1	1	Financing	100%	100%
LHIL Treasury (HK) Limited	1	1	Financing	100%	100%
LHIL Treasury Company Limited	1	1	Treasury management	100%	100%

None of the subsidiaries had any debt securities subsisting at 31 December 2025 and 2024 or at any time during the year.

# INDEPENDENT AUDITOR'S REPORT OF LHIL MANAGER LIMITED

# Deloitte.

# 德勤

**TO THE MEMBER OF LHIL MANAGER LIMITED**  
*(incorporated in Hong Kong with limited liability)*

## OPINION

We have audited the financial statements of LHIL Manager Limited (the "Company") set out on pages 201 to 207, which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of material accounting policy information and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, and of its financial performance for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

## BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## OTHER INFORMATION

The directors of the Company (the "Directors") are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

# INDEPENDENT AUDITOR'S REPORT OF LHIL MANAGER LIMITED

## RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

# INDEPENDENT AUDITOR'S REPORT OF LHIL MANAGER LIMITED

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditor's report is Ms. Lee, Carmen Kar Man (Practising certificate number: P07879).

### **Deloitte Touche Tohmatsu**

Certified Public Accountants

Hong Kong

11 February 2026

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF LHIL MANAGER LIMITED

For the year ended 31 December 2025

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

## STATEMENT OF FINANCIAL POSITION OF LHIL MANAGER LIMITED

At 31 December 2025

	NOTE	2025 HK\$	2024 HK\$
<b>Current asset</b>			
Cash on hand		1	1
<b>NET ASSET</b>		1	1
<b>Capital</b>			
Share capital	6	1	1
<b>TOTAL EQUITY</b>		1	1

The financial statements on pages 201 to 207 were approved and authorised for issue by the Board of Directors on 11 February 2026 and are signed on its behalf by:



**LO Ka Shui**  
Director



**Brett Stephen BUTCHER**  
Director

# STATEMENT OF CHANGES IN EQUITY OF LHIL MANAGER LIMITED

For the year ended 31 December 2025

Share  
capital  
HK\$

At 1 January 2024, 31 December 2024 and 31 December 2025

1

# NOTES TO THE FINANCIAL STATEMENTS OF LHIL MANAGER LIMITED

For the year ended 31 December 2025

## 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.

The Company had no cash transaction during the year as all of its transactions were settled through inter-company current account, thus the statement of cash flows is not presented.

## 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 an HKFRS Accounting Standard 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
-----------------------	-------------------------

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.

# NOTES TO THE FINANCIAL STATEMENTS OF LHIL MANAGER LIMITED

For the year ended 31 December 2025

## 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.

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.

# NOTES TO THE FINANCIAL STATEMENTS OF LHIL MANAGER LIMITED

For the year ended 31 December 2025

## 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.

The material accounting policy information is set out below.

### Financial instruments

#### *Financial asset*

Financial asset is recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial asset is initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial asset are added to the fair value of the financial asset, as appropriate, on initial recognition.

#### *Classification and subsequent measurement of financial asset*

Financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### *Equity instrument*

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instrument issued by the Company is recognised at the proceeds received, net of direct issue costs.

# NOTES TO THE FINANCIAL STATEMENTS OF LHIL MANAGER LIMITED

For the year ended 31 December 2025

## 4. PROFIT OR LOSS BEFORE TAX

	2025 HK\$	2024 HK\$
Profit or loss before tax has been arrived at after charging:		
Auditor's remuneration	20,000	20,000
Directors' remuneration	-	-

## 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.

## 6. SHARE CAPITAL

	Number of ordinary share	Nominal value HK\$
Issued and fully paid:		
Ordinary share with no par value		
At 1 January 2024, 31 December 2024 and 2025	1	1

## 7. CAPITAL RISK MANAGEMENT POLICIES AND OBJECTIVES

The Company manages its capital to ensure that the Company will be able to continue as a going concern. The Company's overall strategy remains unchanged from prior year.

The capital structure of the Company consists of equity attributable to shareholder, comprising issued share capital.

The Directors review the capital structure on a regular basis. As part of this review, the Directors consider that the cost of capital and the associated risks. Based on recommendations of the Directors, the Company will balance its overall capital structure through new share issues.

# NOTES TO THE FINANCIAL STATEMENTS OF LHIL MANAGER LIMITED

For the year ended 31 December 2025

## 8. FINANCIAL INSTRUMENT

### (a) Category of financial instrument

	2025 HK\$	2024 HK\$
<b>Financial asset</b>		
<i>Financial asset at amortised cost</i>		
Cash on hand	1	1

### (b) Financial risk management objective and policy

The Company's financial instrument represents cash on hand. The risk associated with the Company's financial instrument is limited.

## 9. RELATED PARTY DISCLOSURES

Transaction with a fellow subsidiary is disclosed in the statement of profit or loss and other comprehensive income.

All of the Company's key management personnel are Directors. No directors' emoluments were paid or payable by the Company since the Directors of the Company are not entitled to any remuneration under the terms as set out in their letters of appointment of Directors.

## SCHEDULE OF INVESTMENT PROPERTIES

The Trust Group has 100% interest in the investment properties listed below, which are held under medium term leases.

Name and Location	Use	Gross Floor Area (sq.ft.)
The Langham, Hong Kong 8 Peking Road, Tsim Sha Tsui, Kowloon, Hong Kong	Hotel/Commercial	375,000
Cordis, Hong Kong 555 Shanghai Street, Mong Kok, Kowloon, Hong Kong	Hotel	580,000
Eaton HK 380 Nathan Road, Yau Ma Tei, Kowloon, Hong Kong	Hotel/Commercial	339,000

## FIVE YEARS' FINANCIAL SUMMARY

	For the year ended 31 December				2025 HK\$'000
	2021 HK\$'000	2022 HK\$'000	2023 HK\$'000	2024 HK\$'000	
<b>RESULTS</b>					
Revenue	224,352	332,106	513,965	401,806	<b>401,839</b>
(Loss)/Profit before tax	(337,218)	461,134	1,099,842	229,705	<b>74,033</b>
Income tax (expenses)/credit	(9,344)	(41,573)	(19,523)	2,019	<b>(19,879)</b>
(Loss)/Profit for the year attributable to Holders of shares of the Company/ Share Stapled Units	(346,562)	419,561	1,080,319	231,724	<b>54,154</b>
<b>ASSETS AND LIABILITIES</b>					
Total assets	14,612,576	15,022,631	15,835,032	16,238,344	<b>16,303,595</b>
Total liabilities	(6,812,790)	(6,861,678)	(6,644,374)	(6,735,933)	<b>(6,775,314)</b>
Net assets	7,799,786	8,160,953	9,190,658	9,502,411	<b>9,528,281</b>

## GLOSSARY OF TERMS

In this Annual Report, unless the context otherwise requires, the following expressions shall have the following meanings:

Terms	Definition
“AGM”	The annual general meeting of the Trust and the Company to be held on a combined basis as a meeting
“Board(s)” or “Board(s) of Directors”	Board of directors of the Trustee-Manager and/or Board of directors of the Company
“Code of Conduct for Securities Transactions”	Code of Conduct regarding Securities Transactions by Directors and Relevant Employees adopted by the Trustee-Manager and the Company
“Company”	Langham Hospitality Investments Limited, a company incorporated in the Cayman Islands as an exempted company with limited liability on 29 January 2013
“Company’s Articles of Association”	The second amended and restated articles of association of the Company adopted on 12 May 2022 as amended, supplemented, substituted or otherwise modified for the time being in force
“Company Board”	The Board of the Company
“Corporate Governance Code”	Appendix C1 “Corporate Governance Code” of the Listing Rules
“Great Eagle”	Great Eagle Holdings Limited (Stock Code: 41), the holding company of the Trust and the Company, holding 70.26% of the issued Share Stapled Units of the Trust and the Company as at 31 December 2025
“Great Eagle Group”	Great Eagle and its subsidiaries
“Great Eagle ROFR Deed”	The Deed of Right of First Refusal dated 10 May 2013 entered into between Great Eagle and the Company
“Group”	The Company and its subsidiaries
“HKAS”	Hong Kong Accounting Standard
“HKEX”	Hong Kong Exchanges and Clearing Limited
“HKFRS”	Hong Kong Financial Reporting Standard

## GLOSSARY OF TERMS

Terms	Definition
"HKICPA"	Hong Kong Institute of Certified Public Accountants
"HKTB"	Hong Kong Tourism Board
"Holder(s) of Share Stapled Units" or "Unitholder(s)"	Holder(s) of Share Stapled Units of the Trust and the Company
"Hong Kong" or "HKSAR"	the Hong Kong Special Administrative Region of the People's Republic of China
"Hotel Companies"	The companies which own the Hotels, being Harvest Star International Limited, Cordis Hong Kong Limited and Grow On Development Limited; and "Hotel Company" shall mean any of them
"Hotel Manager"	Langham Hotels International Limited, a company incorporated in Hong Kong with limited liability on 30 August 1984 and an indirect wholly-owned subsidiary of Great Eagle
"Hotel(s)"	The Langham, Hong Kong, Cordis, Hong Kong and Eaton HK
"Listing Date"	30 May 2013, being the date of listing of the Share Stapled Units on the Stock Exchange
"Listing Rules"	Rules Governing the Listing of Securities on the Stock Exchange
"Master Lessee"	GE (LHIL) Lessee Limited, a company incorporated in Hong Kong with limited liability on 5 February 2013 and an indirect wholly-owned subsidiary of Great Eagle
"Model Code"	Appendix C3 "Model Code for Securities Transactions by Directors of Listed Issuers" of the Listing Rules
"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
"RevPAR"	Revenue per available room
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

## GLOSSARY OF TERMS

Terms	Definition
“Share Stapled Unit(s)” or “SSU(s)”	<p>Share stapled unit(s) jointly issued by the Trust and the Company. A share stapled unit is the combination of the following securities or interests in securities which, subject to the provisions in the Trust Deed, can only be dealt with together and may not be dealt with individually or one without the others:</p> <ul style="list-style-type: none"> <li>(a) a unit in the Trust;</li> <li>(b) the beneficial interest in a specifically identified ordinary share in the Company linked to the unit in the Trust and held by the Trustee-Manager; and</li> <li>(c) a specifically identified preference share in the Company stapled to the unit in the Trust</li> </ul>
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trust”	Langham Hospitality Investments, as constituted pursuant to the Trust Deed
“Trust Deed”	The deed of trust dated 8 May 2013 constituting the Trust, entered into between the Trustee-Manager and the Company and as amended by a first supplemental deed dated 22 April 2016 and a second supplemental deed dated 12 May 2022
“Trust Group”	The Trust and the Group
“Trustee-Manager”	LHIL Manager Limited, a company incorporated in Hong Kong with limited liability on 25 January 2013 and an indirect wholly-owned subsidiary of Great Eagle, in its capacity as trustee-manager of the Trust
“Trustee-Manager Board”	The Board of the Trustee-Manager

This annual report is available in both English and Chinese versions and has been published on our corporate website at [www.langhamhospitality.com](http://www.langhamhospitality.com) and the HKEXnews website at [www.hkexnews.hk](http://www.hkexnews.hk).

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# LANGHAM HOSPITALITY INVESTMENTS

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

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# LANGHAM HOSPITALITY INVESTMENTS LIMITED

(Incorporated in the Cayman Islands with limited liability)



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