

**Code of Conduct regarding Securities Transactions by
Directors and Relevant Employees**

This Code of Conduct regarding Securities Transactions by Directors and Relevant Employees (the “Code”) is adopted by Langham Hospitality Investments Limited (the “Company”) and LHIL Manager Limited (the “Trustee Manager”) as the trustee-manager of Langham Hospitality Investments (the “Trust”) (the Company and the Trust collectively “Langham” together with the subsidiaries of the Company, the “Group”). This Code sets out the required standards against which the directors and relevant employees of the Group must measure their conduct regarding transactions in securities of Langham and the director or the relevant employee of the Group who is in possession of inside information of the Group. A director or relevant employee must seek to secure that all dealings in which he/she is or is deemed to be interested be conducted in accordance with this Code.

The principles and the rules contained in this Code are on terms no less exacting than those set out in Appendix 10 “Model Code for Securities Transactions by Directors of Listed Issuers” (“Model Code”) of the Rules Governing The Listing of Securities (“Listing Rules”) on The Stock Exchange of Hong Kong Limited (“Stock Exchange”).

1. BASIC PRINCIPLES

- 1.1 Directors and relevant employees wishing to deal in any securities of Langham must first have regard to the provisions of Parts XIII and XIV of the Securities and Futures Ordinance with respect to insider dealing and market misconduct. However, there are occasions where directors or relevant employees should not be free to deal in the securities of Langham even though the statutory requirements will not be contravened.

- 1.2 Directors or relevant employees who are aware of or privy to any negotiations or agreements related to intended acquisitions or disposals which are notifiable transactions under Chapter 14 of the Listing Rules or connected transactions under Chapter 14A of the Listing Rules or any inside information must refrain from dealing in the securities of Langham as soon as they become aware of them or privy to them until proper disclosure of the information in accordance with the Listing Rules. Inside information in relation to the Group means specific information that is about Langham, a Unitholder or officer of Langham; or the listed securities of Langham or their derivatives and is not generally known to the persons who are accustomed or would be likely to deal in the listed securities of Langham but would if generally known to them be likely to materially affect the price of Langham.

2. ABSOLUTE PROHIBITIONS

- 2.1 A director or relevant employee must not deal in any of the securities of Langham at any time when he/she is in possession of inside information in relation to the Group. Inside information may include positive and negative information and for the avoidance of doubt, “inside information” includes potentially inside information. Thus, references in this Code to “inside information” should be construed accordingly.
- 2.2 A director or relevant employee must not deal in the securities of Langham when by virtue of his/her position as a director of another listed company, he/she is in possession of inside information in relation to those securities.
- 2.3 Directors or relevant employees who are privy to any inside information should caution those directors who are not so privy that there may be inside information and that they must not deal in the securities of Langham for a similar period.
- 2.4 A director or relevant employee shall not disclose any potential inside information in relation to the Group to any third parties except for those who “need to know” and must not make any unauthorised disclosure of confidential information, whether to co-trustees or to any other person (even those to whom he/she owes a fiduciary duty) or utilize such information for self-enrichment or for the advantage of others.
- 2.5 A director or relevant employee must not deal in any of the securities of Langham where clearance to deal under Paragraph 3.1 of this Code is yet to be obtained.
- 2.6 Subject to Paragraph 4 of this Code, a director or relevant employee must not deal in any securities of Langham on any day on which its financial results are published and:
- (i) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
 - (ii) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

The company secretary will notify the directors, the relevant employees and the Stock Exchange in advance of the commencement of each period during which directors or relevant employees are not allowed to deal under this Paragraph 2.6. Directors and relevant employees should note that the period during which they are not allowed to deal under this Paragraph 2.6 will cover any period of delay in the publication of a results announcement.

- 2.7 Where a director or a relevant employee is a sole trustee, the provisions of this Code will apply to all dealings of the trust as if he/she was dealing on his/her own account (unless the director or the relevant employee is a bare trustee and neither he/she nor any of his/her close associates is a beneficiary of the trust, in which case the provisions of this Code will not apply).
- 2.8 Where a director or relevant employee deals in the securities of Langham in his/her capacity as a co-trustee and he/she has not participated in or influenced the decision to deal in the securities and is not, and none of his/her close associates is, a beneficiary of the trust, dealings by the trust will not be regarded as his/her dealings.
- 2.9 The restrictions on dealings by a director or relevant employee contained in this Code will be regarded as equally applicable to any dealings by the director's or relevant employee's spouse or by or on behalf of any minor child (natural or adopted) and any other dealings in which for the purposes of Part XV of the Securities and Futures Ordinance he/she is or is to be treated as interested. It is the duty of the director or relevant employee, therefore, to seek to avoid any such dealing at a time when he/she himself/herself is not free to deal in the securities of Langham.
- 2.10 When a director or relevant employee places investment funds comprising securities of Langham under professional management, discretionary or otherwise, the managers must nonetheless be made subject to the same restrictions and procedures as the director or relevant employee himself/herself in respect of any proposed dealings in the securities of Langham.

3. NOTIFICATION

- 3.1 A director must not deal in any securities of Langham without first notifying in writing the Chairman and receiving a dated written acknowledgement. In his own case, the Chairman must first notify the Chief Executive Officer and receive a dated written acknowledgement before any dealing. A relevant employee must not deal in any securities of Langham without first notifying in writing either the Chairman or the Chief Executive Officer and receiving a dated written acknowledgement. Appendix II is the standard form of the written notice adopted by the Company for the purpose of Paragraph 3.1. In each case,
- (a) a response to a request for clearance to deal must be given to the relevant director or employee within five business days of the request being made; and
 - (b) the clearance to deal in accordance with (a) above must be valid for no longer than five business days of clearance being received.

For the avoidance of doubt, the restriction under Paragraph 2.1 of this Code applies in the event that inside information develops following the grant of clearance.

- 3.2 Copies of the notification under Paragraph 3.1 above shall be submitted to the company secretary of the Company for processing. The company secretary shall check the contents of the notification and arrange for acknowledgement in accordance with the provisions of this Code. Upon completion, copy of the written acknowledgement shall be provided by the company secretary to the directors or relevant employees for record.
- 3.3 Any director or relevant employee of the Group who acts as trustee of a trust must ensure that his/her co-trustees are aware of the identity of any company of which he/she is a director so as to enable them to anticipate possible difficulties. A director or relevant employee having funds under management must likewise advise the investment manager.
- 3.4 Any director or relevant employee of the Group who is a beneficiary, but not a trustee, of a trust which deals in securities of Langham must endeavour to ensure that the trustees notify him/her after they have dealt in such securities on behalf of the trust, in order that he/she in turn may notify the Company. For this purpose, he/she must ensure that the trustees are aware of the Group of which he/she is a director or relevant employee.
- 3.5 The register maintained in accordance with Section 352 of the Securities and Futures Ordinance should be made available for inspection at every meeting of the board of directors of both the Company and the Trustee-Manager.
- 3.6 A director or relevant employee must as a board and/or individually (as the case may be) endeavour to ensure that any employee of the Company or director or employee of a subsidiary company who, because of his/her office or employment in the Group, is likely to be in possession of inside information in relation to the Group does not deal in the securities of Langham at a time when he/she would be prohibited from dealing by this Code if he/she were a director or relevant employee.

4. EXCEPTIONAL CIRCUMSTANCES

- 4.1 If a director or relevant employee proposes to sell or otherwise dispose of securities of Langham under exceptional circumstances where the sale or disposal is otherwise prohibited under this Code, the director or relevant employee must, in addition to complying with the other provisions of this Code, comply with the provisions of Paragraph 3.1 of this Code regarding prior written notice and acknowledgement. The director or relevant employee must satisfy the Chairman or the Chief Executive Officer (as the case may be) that the circumstances are exceptional and the proposed sale or disposal is the only reasonable course of action available to the director or relevant employee before the director or relevant employee can sell or dispose of the securities.

4.2 In the situation as mentioned in Paragraph 4.1 above, the company secretary on behalf of Langham shall give written notice of such sale or disposal to the Stock Exchange as soon as practicable stating why it considered the circumstances to be exceptional. Langham shall publish an announcement in accordance with rule 2.07C of the Listing Rules immediately after such sale or disposal and state that the Chairman or the Chief Executive Officer (as the case may be) is satisfied that there were exceptional circumstances for such sale or disposal of securities by the director or relevant employee. An example of the type of circumstances, which may be considered exceptional for such purposes would be a pressing financial commitment on the part of the director or relevant employee that cannot otherwise be satisfied.

5. **DISCLOSURE**

In relation to securities transactions by directors and relevant employees, the Company shall disclose in its interim reports and the Corporate Governance Report contained in its annual reports:

- (a) that Langham has adopted a code of conduct regarding securities transactions by directors and relevant employees on terms no less exacting than the required standards set out in the Model Code.
- (b) having made specific enquiry of all directors and relevant employees, whether the directors and relevant employees have complied with, or whether there has been any non-compliance with, the required standard set out in this Code regarding securities transactions by directors and relevant employees;
- (c) in the event of any non-compliance with the required standard set out in this Code, details of such non-compliance and an explanation of the remedial steps taken by the Company to address such non-compliance.

6. **INTERPRETATION**

6.1 For the purpose of this Code:

- (a) “*dealing*” includes, subject to paragraph 6.2 below, any acquisition, disposal or transfer of, or offer to acquire, dispose of or transfer, or creation of pledge, charge or any other security interest in, any securities of Langham or any entity whose assets solely or substantially comprise securities of Langham, and the grant, acceptance, acquisition, disposal, transfer, exercise or discharge of any option (whether call, put or both) or other right or obligation, present or future, conditional or unconditional, to acquire, dispose of or transfer securities, or any interest in securities, of Langham or any such entity, in each case whether or not for consideration and any agreements to do any of the foregoing, and “deal” shall be construed accordingly;

- (b) “**beneficiary**” includes any discretionary object of a discretionary trust (where the director or relevant employee is aware of the arrangement) and any beneficiary of a non-discretionary trust;
- (c) “**directors**” include all members of the board of directors of the Company and the Trustee-Manager;
- (d) “**inside information**” has the meaning defined in the Securities and Futures Ordinance as amended from time to time. There are many events and circumstances which may affect the price of the listed securities of a corporation. Examples of such events or circumstances are set out in Appendix I hereto for indicative purpose. The fact that an event or a set of circumstances does not appear on the list does not mean it cannot be inside information. Nor does inclusion in the list mean that it automatically is inside information. It is the materiality of the information in question that needs to be considered. Moreover, corporations should take into account that the materiality of the information in question will vary widely from entity to entity, depending on a variety of factors such as the entity’s size, its course of business and recent developments, the market sentiment about the entity and the sector in which it operates. For example, what may constitute material information to one party to a contract may be immaterial to another party.
- (e) “**relevant employees**” include all senior management of the Company and all Grade A or above staff members who are required to provide accounting and company secretarial services to the Trust and the Group;
- (f) “**Share Stapled Units**” means 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:
 - (i) a unit of the Trust;
 - (ii) the beneficial interest in a specifically identified ordinary share of the Company held by the Trustee-Manager, which is “linked” to the units of the Trust; and
 - (iii) a specifically identified preference share of the Company, which is stapled to the unit of the Trust;
- (g) “**securities**” means listed securities and any unlisted securities that are convertible or exchangeable into listed securities and structured products (including derivative warrants), such as those described in Chapter 15A of the Listing Rules, issued in respect of the listed securities of Langham;
- (h) “**Unitholder(s)**” means holder(s) of Share Stapled Units; and

6.2 Notwithstanding the definition of “dealing” in paragraph 6.1(a) above, the following dealings are not subject to the provisions of this Code:

- (a) taking up entitlements under a rights issue, bonus issue, capitalization issue or other offer made by Langham to holders of its securities (including an offer of Share Stapled Units in lieu of a cash dividend) but, for the avoidance of doubt, applying for excess Share Stapled Units in a rights issue or applying for Share Stapled Units in excess of an assured allotment in an open offer is a “dealing”;
- (b) allowing entitlements to lapse under a rights issue or other offer made by Langham to holders of its securities (including an offer of Share Stapled Units in lieu of a cash dividend);
- (c) undertaking to accept, or the acceptance of, a general offer for Share Stapled Units made to Unitholders other than those that are concert parties (as defined in the Takeovers Code) of the offeror;
- (d) exercise of Share Stapled Unit options or warrants or acceptance of an offer for Share Stapled Units pursuant to an agreement entered into with Langham before a period during which dealing is prohibited under this Code at the pre-determined exercise price, being a fixed monetary amount determined at the time of grant of the Share Stapled Unit option or warrant or acceptance of an offer for Share Stapled Units;
- (e) an acquisition of qualification Share Stapled Units where, under the constitutional documents of the Trust and/or the Company, the final date for acquiring such Share Stapled Units fall within a period when dealing is prohibited under this Code and such Share Stapled Units cannot be acquired at another time;
- (f) dealing where the beneficial interest or interests in the relevant security of Langham do not change;
- (g) dealing where an Unitholder places out his/her existing Share Stapled Units in a “top-up” placing where the number of new Share Stapled Units subscribed by him/her pursuant to an irrevocable, binding obligation equals the number of existing Share Stapled Units placed out and the subscription price (after expenses) is the same as the price at which the existing Share Stapled Units were placed out; and
- (h) dealing where the beneficial ownership is transferred from another party by operation of law.

6.3 For the purpose of this Code, the grant to a director or relevant employee of an option to subscribe or purchase the securities of Langham shall be regarded as a dealing by him/her, if the price at which such option may be exercised is fixed at the time of such grant. If, however, an option is granted to a director on terms whereby the price at which such option may be exercised is to be fixed at the time of exercise, the dealing is to be regarded as taking place at the time of exercise.

Date: 8 August 2017

Appendix I – Examples of Possible Inside Information

Below is a non-exhaustive and purely indicative list of the type of events or circumstances which might constitute inside information. The fact that an event or a set of circumstances does not appear on the list does not mean it cannot be inside information. Nor does inclusion in the list mean that it automatically is inside information. It is the materiality of the information in question that needs to be considered.

- Changes in performance, or the expectation of the performance, of the business;
- Changes in financial condition, e.g. cashflow crisis, credit crunch;
- Changes in control and control agreements;
- Changes in directors;
- Changes in director's service contracts;
- Changes in auditors or any other information related to the auditors' activity;
- Changes in the share capital, e.g. new share placing, bonus issue, rights issue, share split, share consolidation and capital reduction;
- Issue of debt securities, convertible instruments, options or warrants to acquire or subscribe for securities;
- Takeovers and mergers (corporations will also need to comply with the Takeovers Codes that include specific disclosure obligations);
- Purchase or disposal of equity interests or other major assets or business operations;
- Formation of a joint venture;
- Restructurings, reorganizations and spin-offs that have an effect on the corporation's assets, liabilities, financial position or profits and losses;
- Decisions concerning buy-back programmes or transactions in other listed financial instruments;
- Changes to the memorandum and articles (or equivalent constitutional documents);
- Filing of winding up petitions, the issuing of winding up orders or the appointment of provisional receivers or liquidators;
- Legal disputes and proceedings;
- Revocation or cancellation of credit lines by one or more banks;
- Changes in value of assets (including advances, loans, debts or other forms of financial assistance);
- Insolvency of relevant debtors;
- Reduction of real properties values;
- Physical destruction of uninsured goods;

- New licenses, patents, registered trademarks;
- Decrease or increase in value of financial instruments in portfolio which include financial assets or liabilities arising from futures contracts, derivatives, warrants, swaps protective hedges, credit default swaps;
- Decrease in value of patents or rights or intangible assets due to market innovation;
- Receiving acquisition bids for relevant assets;
- Innovative products or processes;
- Changes in expected earnings or losses;
- Orders received from customers, their cancellation or important changes;
- Withdrawal from or entry into new core business areas;
- Changes in the investment policy;
- Changes in the accounting policy;
- Ex-dividend date, changes in dividend payment date and amount of dividend; changes in dividend policy;
- Pledge of the corporation's shares by controlling shareholders; or
- Changes in a matter which was the subject of a previous announcement.

Appendix II



To : The Company Secretary

NOTICE OF DEALINGS IN SECURITIES OF LANGHAM HOSPITALITY INVESTMENTS LIMITED AND LANGHAM HOSPITALITY INVESTMENT (COLLECTIVELY "LANGHAM") BY THEIR DIRECTORS OR RELEVANT EMPLOYEES

Name of director\ relevant employee :
Nature of proposed dealings^1 : Buy Sell
Name and number of securities involved in proposed dealings :
Number of shares originally held :
The proposed Date / Period^2 of transaction :
Signature :
Date :

1 Please tick where appropriate
2 Separate notices shall be submitted if the proposed transaction period is more than five business days.

On behalf of the Company, I hereby acknowledge receipt of the aforesaid notice relating to dealing in the securities of the Company and would like to remind that you must regard to the provisions of Parts XIII and XIV of the Securities and Futures Ordinance with respect to insider dealing and market misconduct from time to time when dealing in any securities of Langham..

Signature :
Name of director :
Date :