



Langham Hospitality Investments And Langham Hospitality Investments Limited

3Q 2016

A quality hotel portfolio located in Hong Kong's CBDs

Developments underway to strengthen Hong Kong as a leading tourism destination

- International trade / finance hub and popular shopping / tourist destination
- More tourism and infrastructure projects are under development

Actively Managed Brands

- Internationally recognised
- Increasing global presence of Langham branded hotels
- Active manager with an “owner-manager” mentality

Strategic Locations

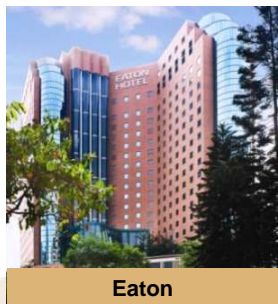
- Prime locations on the Kowloon peninsula
- Major infrastructure and commercial centres under development
- Restricted new supply in core business districts

LANGHAM
HOSPITALITY INVESTMENTS

- Our objective is to provide stable distributions with the potential for sustainable long term growth of such distributions and enhancement in the value of the hotel portfolio
- Accomplished through the lease structure, active asset management and ROFR from Great Eagle

Our Hotels are Strategically Located on the Kowloon Peninsula in Hong Kong

Kowloon Peninsula, Hong Kong



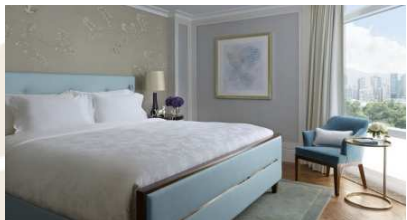
Prime Shopping Destinations



- Close proximity of key tourist and shopping belts, existing and expanding commercial districts and future infrastructure
- Easily accessible via major roads, MTR stations, the Hong Kong International Airport and rail to mainland China

THE LANGHAM

HONG KONG



CORDIS

HONG KONG
AT LANGHAM PLACE





High Quality Portfolio

High Quality Langham Branded Hotels



The Langham

Location	: Tsim Sha Tsui, Kowloon
Year of commencement	: 1994
HKTB rating	: High Tariff A Hotel
GFA ('000 sq.ft.)	: 375
Number of rooms	: 498
Facilities	: 5 restaurants, 1 ballroom, 4 meeting rooms, Jacuzzi, health club, fitness centre



Cordis Hotel (rebranded from Langham Place)

Location	: Mong Kok, Kowloon
Year of commencement	: 2004
HKTB rating	: High Tariff A Hotel
GFA ('000 sq.ft.)	: 580
Number of rooms	: 666
Facilities	: 4 restaurants, 1 ballroom, 3 meeting rooms, Chuan Spa, fitness centre



Eaton Hotel

Location	: Yau Ma Tei, Kowloon
Year of commencement	: 1990
HKTB rating	: High Tariff B Hotel
GFA ('000 sq.ft.)	: 339
Number of rooms	: 465
Facilities	: 5 restaurants, 3 ballrooms, 2 meeting rooms, fitness centre

Selected Awards



"Top 25 Hotels in China" and "Top 25 Hotels for Service in China" by TripAdvisor Travellers' Choice



Three-star Michelin award for T'ang Court



Best City Hotel – Hong Kong Award by TTG Travel Awards



"Top 25 Hotels in China" by TripAdvisor Travellers' Choice



Two-star Michelin award for Ming Court



Condé Nast Gold List



Spa Traveller Awards



Best Eco Hotel in Hong Kong by HotelClub Hotel Awards (Hong Kong)



Capital Entrepreneur Green Enterprise Awards by Capital Entrepreneur



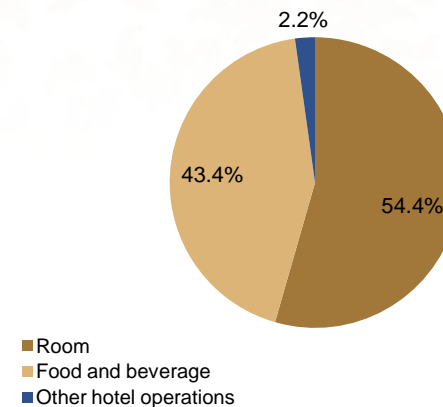
Three high quality Langham branded hotels with a combined 1,629 rooms strategically located on the Kowloon peninsula, Hong Kong

... and have a Balanced Mix of Room and Non-room Revenue

Wide Range of Non-room Revenue Sources

- ✓ Range of award-winning facilities and services
 - Food and beverage
 - Banquet services
 - Meeting and conference facilities
 - Spa facilities
- ✓ Relatively stable even during the global financial crisis
- ✓ Strong demand from non-hotel customers
- ✓ Well positioned to benefit from Hong Kong's growing MICE market

Balanced Revenue Contribution⁽¹⁾



Award-winning Restaurants



Michelin star-rated restaurants



Ming Court (Two-star Michelin),
Cordis Hotel



T'ang Court (Three-star Michelin),
The Langham



Quality Ballroom and Conference Spaces

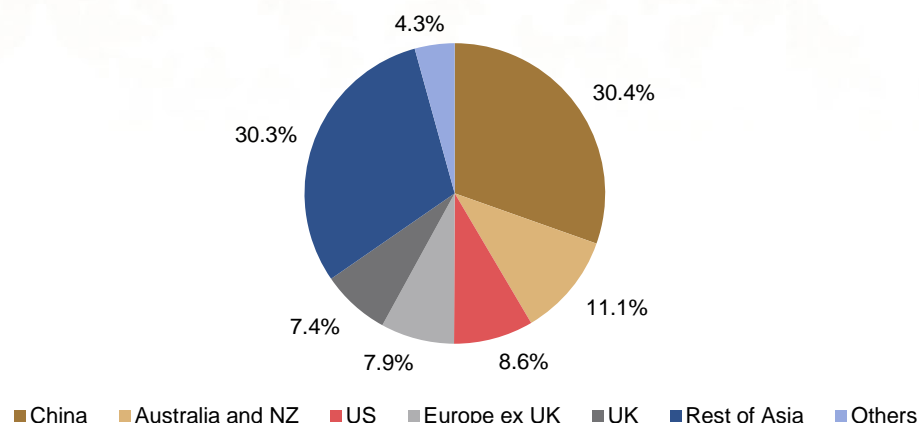
The majority of the Hotels' food and beverage revenue was derived from customers who were not staying at the Hotels

Note:

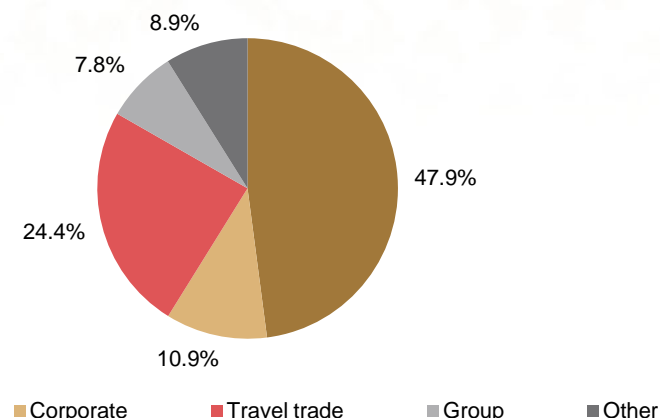
1. For the six months ended 30 June 2016

During the first half of 2016, our Customers are Diversified in Terms of both Geography and Customer Segment...

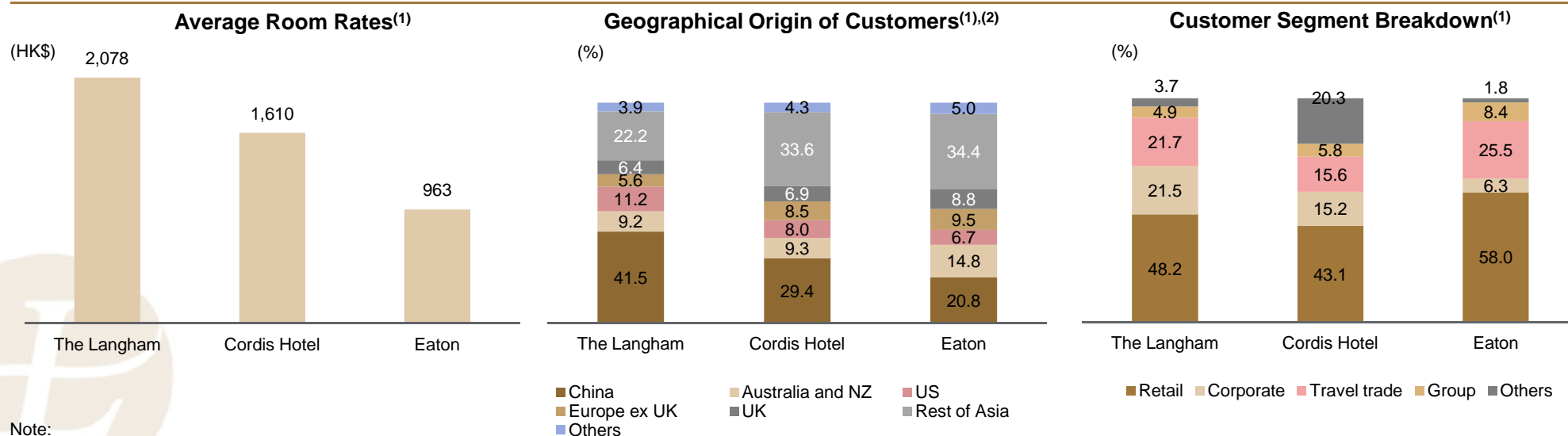
Diversified Geographical Origin of Customers^{(1),(2)}



Diversified Customer Segments⁽¹⁾



Target Different Market Segments and Do Not Directly Compete with Each Other



Note:

1. For the six months ended 30 June 2016
2. Based on self-reported data collected at the time of guest registration and have not been subject to audit or review by an independent third party. Such data excludes room revenue derived from airline crew and others from unidentified countries and other miscellaneous revenue and service charges

Our Hotels are Managed under the Internationally Recognised Langham Brands by the Hotel Manager, Langham Hotels International Limited

Our Unique Position

THE LANGHAM HONG KONG

- Since 1865
- Unique style
- European heritage
- Classic charm
- Luxury bespoke service



CORDIS HONG KONG AT LANGHAM PLACE

- Luxury in a modern setting
- “Young at heart” style of service
- Features all of the hallmarks of “The Langham” brand



EATON HONG KONG

- Since 1990
- Mid-scale to up-scale brand
- Embodies modern design
- Value for money philosophy



Description of the Hotel Manager

- Langham Hotels International Limited is a wholly-owned subsidiary of Great Eagle
- An operating track record of over 20 years
- One of the largest luxury hotel operators in Hong Kong
- Local expertise and experience
- Increasing exposure to other worldwide gateway cities

Selected Awards of Hotels Managed by the Hotel Manager



We believe strong brand recognition is one of the factors that has enabled the Hotels to command prices at the high end of their competitive market segments

The Langham Brands have a Presence across Four Continents

Hotels in Hong Kong and China



The Langham, Hong Kong
Location: Hong Kong
Total rooms: 498



The Langham, Haikou
Location: China
Total rooms: 249



Cordis Hotel
Location: Hong Kong
Total rooms: 666



Eaton, Hong Kong
Location: Hong Kong
Total rooms: 465



The Langham, Xintiandi, Shanghai
Location: China
Total rooms: 357



Langham Place, Beijing Capital Airport
Location: China
Total rooms: 372



Langham Place Haining
Location: China
Total rooms: 263



The Langham, Shenzhen
Location: China
Total rooms: 352



Langham Place, Ningbo Culture Plaza
Location: China
Total rooms: 143



Langham Place, Xiamen
Location: China
Total rooms: 327



Langham Place, Guangzhou
Location: China
Total rooms: 500

Hotels in Europe / America



Eaton Washington D.C.
Location: United States
(under renovation)



The Langham, London
Location: United Kingdom
Total rooms: 378



Chelsea
Location: Canada
Total rooms: 1,590



The Langham, Boston
Location: United States
Total rooms: 318



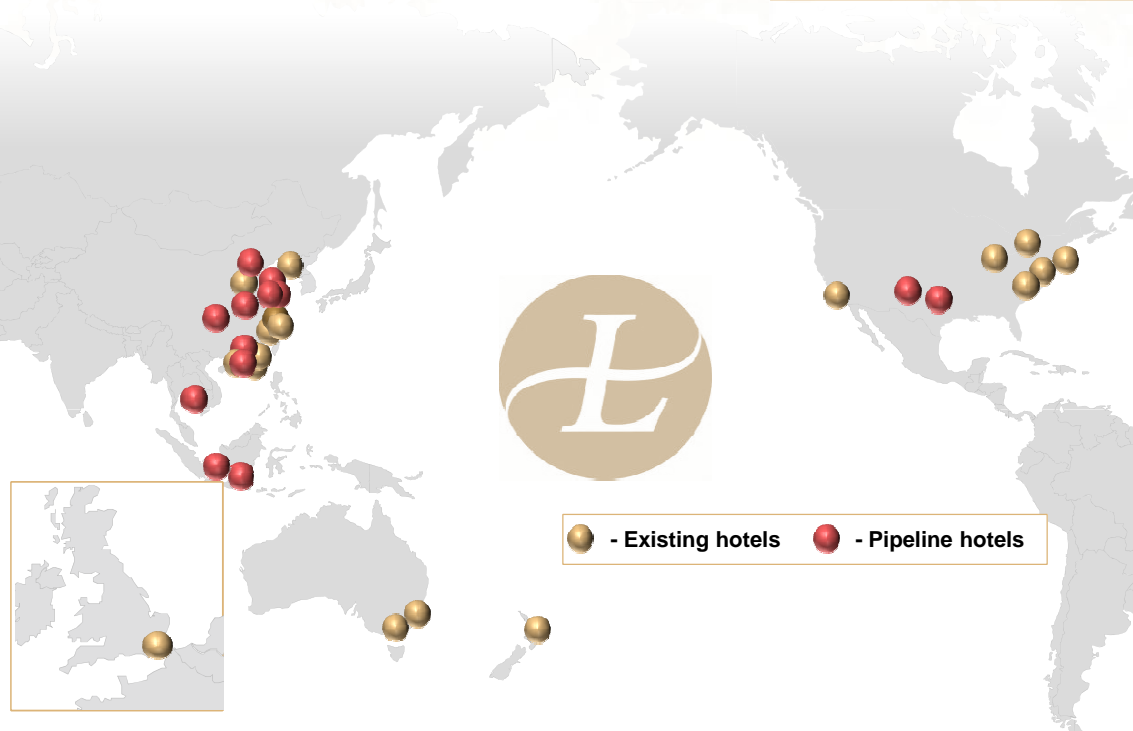
The Langham, Pasadena
Location: United States
Total rooms: 411



The Langham, Chicago
Location: United States
Total rooms: 316



Langham Place Fifth Avenue, New York
Location: United States
Total rooms: 214



● - Existing hotels ● - Pipeline hotels

Hotels in Australia / NZ



The Langham, Auckland
Location: New Zealand
Total rooms: 411



The Langham, Melbourne
Location: Australia
Total rooms: 388



The Langham, Sydney
Location: Australia
Total rooms: 96

Future pipeline⁽¹⁾

Cordis Qingdao
Langham Place, Changsha
The Langham Jakarta

Cordis Shanghai East Bund
The Langham Chongqing
The Langham Hefei
Langham Place Dalian

Langham Place Bali
Langham Place Dubai
Langham Place Lusail Doha
The Langham Dara Sakor Cambodia

Langham Place Wade Park
The Langham Santa Fe

- Currently manages a portfolio of 21 hotels comprising over 8,000 rooms
- Pipeline of hotels to be opened in coming years⁽¹⁾

Note:

1. Source: Great Eagle Holdings Company filings



2016 Interim Results

Highlights of Interim Results 2016

RevPAR decline partially offset by increased number of rooms

- RevPAR for the Trust Group's hotels dropped by 5.9% y-o-y
- But room revenue only dropped by 1.9%, F&B revenue up 0.1%
- Total Hotel revenue dropped by 1.2% and GOP dropped by 0.7%

Rental income partially supported by fixed rent

- Total rental income dropped by 0.3% to HK\$322.3 million
- Profit *excluding* revaluation surplus dropped by 1.4% y-o-y
- Distributable income rose 0.8% to HK\$228.1 million

Stable Distribution per share stapled unit

- Before the impact of distribution waived, distribution per unit was flat y-o-y to HK11.1 cents
- And it was HK11.7 cents after the impact of distribution waived
- No change in the number of units waiving distribution this period

Outlook

- There are also signs indicating that Hong Kong's RevPAR might be close to bottoming out as the rate of RevPAR decline narrowed markedly in the first half of 2016 as compared with that witnessed in the first and second half of 2015.

Hotels performance

The Langham, Hong Kong

- A modest 2.9% year-on-year RevPAR decline
- As the Hotel managed to increase its market share of arrivals from Mainland China, which helped drive occupancy for the Hotel

Cordis, Hong Kong

- Negative impact from the protests which broke out in Mongkok during the Chinese New Year, and RevPAR for the Hotel dropped by 18% year-on-year during February and March 2016.
- A year-on-year RevPAR decline of 9.7% for the first half period

Eaton Hotel, Hong Kong

- A 6.1% year-on-year RevPAR decline was slightly worse than that of 5.3% for its respective High Tariff B hotel
- As intense room rate competition still prevailed in its particular market

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HOSPITALITY INVESTMENTS

- Revenue from F&B increased by 0.1%
- As the growth in F&B revenue witnessed at The Langham and Cordis was offset by a decline in F&B revenue at the Eaton Hotel

2016 Interim results

Hotels operating performance for a six-month period

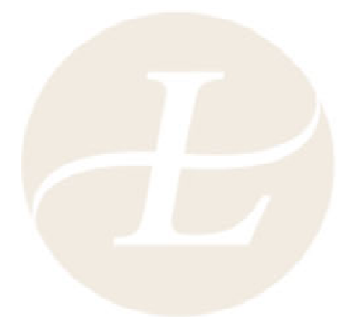
	Average Daily Rooms Available		Occupancy		Average Room Rate		RevPAR	
	1H 2016	1H 2015	1H 2016	1H 2015	1H 2016	1H 2015	1H 2016	1H 2015
The Langham, Hong Kong	498	472	84.2%	81.8%	2,078	2,204	1,749	1,802
Cordis, Hong Kong	650	619	85.4%	88.2%	1,610	1,725	1,374	1,522
Eaton, Hong Kong	465	465	92.2%	86.2%	963	1,097	888	946
Y-o-y growth in 1H 2014	Occupancy		Average Room Rate		RevPAR		Food and Beverages	
	(in % pts)							
The Langham, Hong Kong	+2.4		-5.7%		-2.9%		1.6%	
Cordis, Hong Kong	-2.8		-6.7%		-9.7%		3.2%	
Eaton Smart, Hong Kong	+6.0		-12.2%		-6.1%		-7.3%	
Respective markets								
High Tariff A Hotels	-1.0		-5.3%		-6.4%			
High Tariff B Hotels	+1.0		-6.5%		-5.3%			

Note:

1. The Langham and Cordis are classified as Tariff A hotels, whereas the Eaton is classified as a Tariff B hotel.

2016 Interim Results

	1H 2016	1H 2015	
	(HK\$ mn)	(HK\$ mn)	Change
Fixed Rental Income	111.9	111.6	+0.3%
Variable Rental Income	207.4	208.9	-0.7%
Rental Income from retail shops	3.0	2.7	+11.1%
Gross Rental Income	322.3	323.2	- 0.3%
Property operating expenses	(12.3)	(17.2)	-28.5%
Services Fees (Including hotel management fee)	(39.6)	(40.1)	-1.2%
Net Property Income	270.4	265.9	+1.7%

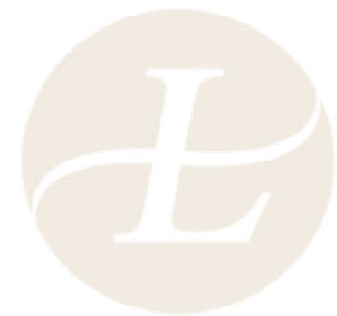


2016 Interim Results

	1H 2016	1H 2015	
	(HK\$ mn)	(HK\$ mn)	Change
Net Property Income	270.4	265.9	+1.7%
Net exchange gain/(loss)	-	(1.0)	n.a.
Increase/(Decrease) in fair value of investment properties	100.6	(85.0)	n.m.
Trust and other expenses	(7.4)	(5.2)	+42.3%
Net finance cost			
Finance cost	(63.8)	(65.8)	-3.0%
Interest income	0.9	7.4	-87.8%
Other income	0.0	0.1	n.m.
Profit before tax	300.7	116.4	+158.3%
Income tax	(36.8)	(35.7)	+3.1%
Profit attributable to holders of Share Stapled Units	263.9	80.7	+227.0%
Profit attributable to holders excluding the impact of fair value change	163.3	165.7	-1.4%

2016 Interim Results

Adjustment to Distributable Income:	1H 2016	1H 2015	
	(HK\$ mn)	(HK\$ mn)	Change
Profit attributable to holders of share stapled units for the period	263.9	80.7	+227.0%
Net exchange loss on Renminbi holdings	-	1.0	n.a.
Hotel management fee and licence fee paid in share stapled units	31.7	32.0	-0.9%
Amortisation of debt upfront fee	15.6	17.0	-8.2%
Deferred tax	28.4	26.7	+6.4%
Cash contribution to FF&E reserve	(10.9)	(11.1)	- 1.8%
Change in fair value of investment properties	(100.6)	85.0	n.m.
Realised exchange loss on Renminbi holdings	-	(4.9)	n.a.
Distributable income to Share Stapled Unitholders	228.1	226.4	+0.8%
Distribution per unit (HK\$) - after distribution waiver	0.117	0.117	-
Distribution per unit (HK\$) - before distribution waiver	0.111	0.111	-



Balance sheet

Current Unit price implying a discount

- The hotel properties were revalued at HK\$18,495 mn. NAV attributable to share stapled unitholders was HK\$5.70 per unit.
- Unit price of HK\$2.73 of LHI implying a 52.1% discount to NAV.

Stable gearing

- As at 30 June 2016, the Trust Group's gearing was comfortable at 36.1%, compared with 36.2% as at the end of 2015 .
- With an adequate interest coverage ratio of around 4 times.

Extended maturity upon refinancing

- A loan of HK\$6,800 m was successfully refinanced in May 2016 with a lower all-in cost of 1.23% (previous loan was 1.7%.)
- Furthermore, the extended maturity to four years effectively eliminates refinancing risks for the Trust Group in next four years.

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- LHI 's financial position is healthy.

Going forward, we have an i) Acquisition Growth Strategy,.....

The Great Eagle ROFR – Initial Focus in Asia

- Completed standalone hotel in Asia which GE proposes to sell⁽¹⁾
- Completed hotels in Asia which GE is offered opportunity to buy⁽¹⁾
- Uncompleted hotels upon completion in Asia⁽²⁾
- Completed hotels to be branded under the Langham brands or other Eaton brands⁽¹⁾

LHI Strengths as an Acquirer

- ✓ Owner-operator
- ✓ Senior management's track record in acquisition and development
- ✓ Attractive initial core Hong Kong portfolio

Acquisition criteria:

(a) Total return enhancing; (b) Initial focus on hotels in Asia; (c) Strong fundamentals, organic growth and asset enhancement potential

Great Eagle's Remaining Global Portfolio⁽³⁾



The Langham, London



The Langham, Boston



The Langham, Melbourne



The Langham, Sydney



The Langham, Auckland



Washington D.C. hotel



The Langham, Pasadena



The Langham, Xintiandi



Chelsea Hotel, Toronto



Langham Place, New York



The Langham, Chicago

Pipeline hotels:

- ✓ The Langham, Dalian⁽⁴⁾
- ✓ Hotel in Tokyo⁽⁴⁾
- ✓ Hotels in San Francisco⁽⁴⁾
- ✓ The Hub Hotel Shanghai⁽⁴⁾

Note:

1. Which the Great Eagle Group owns an over 30% interest and that is being managed/proposed to be managed under the Langham Brands or Other Eaton Brands
2. Any uncompleted, stand-alone hotel development project in Asia to be operated under the Langham Brands or Other Eaton Brands on completion and any completed hotel to be segregated from the multi-purpose development of which it forms a part, and in which the Great Eagle Group owns an over 30% interest, provided that completion or segregation, as applicable, occurs prior to the expiry of the Great Eagle ROFR
3. These properties are not subject to the existing ROFR, except The Langham Xintiandi, The HUB hotel, The Langham, Tokyo and The Langham, Dalian, which are technically subject to ROFR
4. To be opened from 2017 onwards

....as well as an ii) Active Asset Management Strategy to grow distributions for our share stapled unitholders

The Langham, Hong Kong

- ✓ All the rooms at The Langham, Hong Kong have been refurbished in 2015.
- ✓ Renovation on majority of the F&B outlets has been completed in 2015.
- ✓ Renovation of The Bostonian restaurant started in early June 2016 and will re-open in mid August 2016.

Cordis, Hong Kong

- ✓ Rebranded to Cordis from Langham Place in August 2015.
- ✓ Renovation of all the rooms have been refurbished in 2015.
- ✓ Renovation of Spa and Health Club kicked off in June 2016 and will be back into operation in late July 2016.

Eaton, Hong Kong

- ✓ All the rooms at the Eaton have been refurbished in 2013 .
- ✓ Renovations of the Hotel entrance, lobby, Chinese restaurant, ballroom and meeting place are being planned.
- ✓ Subject to finalisation, scheduled to start work in mid- 2017.

Thank You

