



THE HONGKONG AND SHANGHAI HOTELS, LIMITED
香港上海大酒店有限公司

To: All Finance/Business/Real Estate/Travel Editors

FOR IMMEDIATE RELEASE

11 MAY, 2022

**SH ANNOUNCES FIRST QUARTER 2022 UNAUDITED OPERATING
STATISTICS**

Hong Kong, 11 May 2022 At its Annual General Meeting held today, The Hongkong and Shanghai Hotels, Limited (HSH) disclosed its unaudited first quarter operating statistics for 2022.

Commenting on the year-to-date results, HSH Deputy Chairman Andrew Brandler said, “In the first quarter of 2022, we are beginning to see a mild recovery in some of our operations around the world. We are encouraged by the fast recovery in our US hotel properties and also in Paris. The outlook for our US hotels is strong for the next few months and we are beginning to see gradual improvements in the rest of Asia where borders have opened up, such as Manila and Bangkok.

“However, the stringent social distancing measures in Hong Kong have meant that our home market was still suffering immensely in the first quarter. Unfortunately, we are also seeing a negative impact from the lockdowns imposed in the Chinese mainland, particularly in Shanghai and to a lesser extent in Beijing. On the commercial property side in Hong Kong, rents continued to come under pressure in the luxury retail market, and while office leasing is stable, residential leasing is uncertain.

“Our group’s overall financial position remains healthy. We came into this crisis with low gearing and considerable liquidity, and together with prudent actions to manage our costs, we have sufficient resources to cover our operating cash requirements.”

The Peninsula Hotels

The hotels division reported mixed results, with a pleasing recovery in the US and Paris and a gradual improvement in Manila and Bangkok. We were pleased to see some international travellers returning to The Peninsula Tokyo in March. However, the business environment remains challenging in Hong Kong and the Chinese mainland, although with the gradual relaxation of restrictions in Hong Kong we are cautiously optimistic for the second half of the year.

Commercial Properties

Residential Leasing: Occupancy at The Repulse Bay Complex improved slightly year-on-year to 83%. Rents in the luxury sector in Hong Kong remained under pressure and the outlook is uncertain for the rest of the year.

Shopping Arcades: The shopping arcades in The Peninsula Hotels, The Peak Tower and The Repulse Bay have been negatively impacted by the difficult environment and yield declined slightly year-on-year. We have renovated the retail arcade at The Peninsula Hong Kong to include a variety of high-end lifestyle amenities and eclectic food and beverage outlets.

Offices: Yield from the group's office leasing has remained stable over the same period last year with occupancy stable at 97%.

Outlook and Developments

As a company with a long-term focus, our priority is to maintain a strong financial position for the group in order to fund our significant capital commitments for The Peninsula London and The Peninsula Istanbul hotel projects, as well as the Peak Tram upgrade project which is expected to launch in summer 2022. Due to the unfortunate situation in Myanmar, we have agreed with our partners to stop all work at The Peninsula Yangon. We will continue to monitor the situation in Myanmar. Our commitment to the long-term development of the group and in particular The Peninsula brand remains unchanged.

We believe the hotels division will continue to face challenges over the summer months in the Chinese mainland, however, we are encouraged by the fast recovery we are seeing in the US and European markets and the mild recovery in other parts of Asia as travel restrictions start to ease. We remain hopeful for continued easing of restrictions in our home market of Hong Kong and are cautiously optimistic for the second half of 2022.”

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About The Hongkong and Shanghai Hotels, Limited (HSH)

Incorporated in 1866 and listed on the Hong Kong Stock Exchange (00045), The Hongkong and Shanghai Hotels, Limited is the holding company of a group which is engaged in the ownership, development, and management of prestigious hotels and commercial and residential properties in key locations in Asia, the United States and Europe, as well as the provision of tourism and leisure, club management and other services. The Peninsula Hotels portfolio comprises The Peninsula Hong Kong, The Peninsula Shanghai, The Peninsula Beijing, The Peninsula Tokyo, The Peninsula Bangkok, The Peninsula Manila, The Peninsula New York, The Peninsula Chicago, The Peninsula Beverly Hills, and The Peninsula Paris. Projects under development include The Peninsula London, The Peninsula Istanbul, and The Peninsula Yangon. The property portfolio of the group includes The Repulse Bay Complex, The Peak Tower and St. John's Building in Hong Kong; The Landmark in Ho Chi Minh City, Vietnam; and 21 avenue Kléber in Paris, France. The clubs and services portfolio of the group includes The Peak Tram in Hong Kong; Quail Lodge & Golf Club in Carmel, California; Peninsula Clubs and Consultancy Services, Peninsula Merchandising, and Tai Pan Laundry in Hong Kong.

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The Hongkong and Shanghai Hotels, Limited

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