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THE HONGKONG AND SHANGHAI HOTELS, LIMITED

香港上海大酒店有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00045)

Profit Warning

This announcement is made by The Hongkong and Shanghai Hotels, Limited (the “Company”, and together with its subsidiaries, the “Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong).

The Board of Directors (the “Board”) of the Company wishes to inform the shareholders and potential investors that, based on the preliminary assessment of the Group’s unaudited management financial statements for the six months ended 30 June 2024 and the information currently available to the Company, the Board anticipates that the Group will record a loss attributable to shareholders in the region of HK\$450 million for the six months ended 30 June 2024 as compared to a profit attributable to shareholders of HK\$94 million for the same period last year. The unfavourable result for the six months ended 30 June 2024, as compared to the prior year, is principally due to:

1. A reduction of approximately 22% in combined EBITDA (excluding the EBITDA on sale of The Peninsula Residences London) achieved by the Group as The Peninsula New York is under renovation, the newly opened Peninsula hotels in London and Istanbul still require time to ramp up to a stabilised stage of operation, and we have experienced weak markets in a number of our other hotels.
2. An increase in depreciation of approximately 40% mainly attributed to The Peninsula London which opened in September 2023.
3. An increase in net financing charges of approximately 180% as the Group is no longer capitalising interest on borrowings relating to The Peninsula London project following the opening of the hotel, as well as higher interest rates.
4. A revaluation loss of the Group’s investment properties by approximately HK\$140 million for the six months ended 30 June 2024 as compared to a revaluation gain of HK\$222 million for the same period last year.

Of the above factors, the operating results of several of our hotels have been significantly worse than expected, interest costs have been higher due to the increase in interest rates and the timing of the receipt of proceeds from the sales of The Peninsula Residences London, and the property revaluation deficits which were also unexpected.

The information in this announcement is based on a preliminary review of the unaudited financial information currently available to the Company. Such information has not been reviewed or audited by the Company's independent auditor and has not been reviewed and approved by the Audit Committee of the Company. The Company is still in the process of finalising the interim results for the six months ended 30 June 2024 which are subject to review by the Company's independent auditor and review and approval by the Company's Audit Committee and the Board. The interim results will be announced on 7 August 2024.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Christobelle Liao
Executive Director and Company Secretary

Hong Kong, 16 July 2024

As at the date of this announcement, the Board of Directors of the Company comprises the following Directors:

Non-Executive Chairman
The Hon. Sir Michael Kadoorie

Non-Executive Deputy Chairman
Andrew Clifford Winawer Brandler

Executive Directors
Managing Director and Chief Executive Officer
Clement King Man Kwok

Chief Operating Officer
Peter Camille Borer

Chief Corporate and Governance Officer
Christobelle Yi Ching Liao

Chief Financial Officer
Keith James Robertson

Non-Executive Directors
Nicholas Timothy James Colfer
James Lindsay Lewis
Philip Lawrence Kadoorie
Diego Alejandro González Morales

Independent Non-Executive Directors
Dr the Hon. Sir David Kwok Po Li
Patrick Blackwell Paul
Pierre Roger Boppe
Dr William Kwok Lun Fung
Dr Rosanna Yick Ming Wong
Dr Kim Lesley Winsler
Ada Koon Hang Tse