



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

FOR IMMEDIATE RELEASE

15 July 2008

THE HONGKONG AND SHANGHAI HOTELS, LIMITED
SIGNS HEADS OF AGREEMENT FOR A PROPOSED
HOTEL DEVELOPMENT IN PARIS, FRANCE

Hong Kong, 15 July 2008 – The Hongkong and Shanghai Hotels, Limited (HSH) today announced that it has entered into a heads of agreement (HOA) with Qatari Diar Real Estate Investment Company (QD) for a proposed hotel development in Paris, France.

The building is located on Avenue Kleber, one of the most prestigious arteries off the Arc de Triomphe, in the heart of Paris' tourist and business districts. Built in the early 20th Century, the building was, until 1936, home to the Majestic Hotel which at the time was one of the top grand hotels in Paris. Subsequently, it was owned by the French State, occupied by UNESCO and the French Ministry of Foreign Affairs which has recently been using it as the Centre International de Conférences. The building is currently owned by Qatari Diar.

Under the HOA, the Company has agreed to purchase a 20% minority interest in the asset from QD and to subsequently jointly re-develop the building into a Peninsula hotel. The financial commitment of the Company in respect of the purchase of the minority interest in the asset, together with its share of the re-development costs, is expected to be in the region of approximately Euros 140 million. The expected date of opening is mid 2012.

HSH's shareholders and potential investors should note that the HOA is a non-legally binding agreement and the proposed hotel development will be subject to binding agreements being entered into.

About The Partners

HSH

Incorporated in 1866 and listed on the Hong Kong Stock Exchange (0045), HSH is a holding company whose subsidiaries are engaged in the ownership and management of prestigious hotel, commercial and residential properties in key destinations in Asia and the USA. The hotel portfolio of the Group comprises The Peninsula Hong Kong, The Peninsula New York, The Peninsula Chicago, The Peninsula Beverly Hills, The Peninsula Tokyo, The Peninsula Bangkok, The Peninsula Beijing, The Peninsula Manila, The Peninsula Shanghai (opening 2009), and Quail Lodge Resort and Golf Club in Carmel, California. The property portfolio of the Group includes The Repulse Bay Complex, The Peak Tower and The Peak Tramways, St. John's Building, The Landmark in Ho Chi Minh City, Vietnam and Thai Country Club in Bangkok, Thailand.

QD

Qatari Diar Real Estate Investment Company is fully owned by the Qatar Investment Authority, which is the investment company of the Qatari government. It was founded to support Qatar's rapidly expanding economy and to provide structure and quality control for the country's real estate development priorities. Besides France, it invests in countries including Qatar, United Kingdom, Italy, Oman, Morocco, Egypt, Syria, Sudan and Seychelles.

For further information on this release, please contact:

Irene Lau

Manager, Corporate Affairs

The Hongkong and Shanghai Hotels, Limited

Tel: (852) 2840 7788

Fax: (852) 2840 7567

Email: irenelau@peninsula.com

Websites: www.hshgroup.com , www.peninsula.com