



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

To: All Finance/Business/Travel Editors

FOR IMMEDIATE RELEASE

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THE HONGKONG AND SHANGHAI HOTELS, LIMITED
2011 UNAUDITED FIRST QUARTER OPERATING STATISTICS

Hong Kong, 16 May 2011 – The Hongkong and Shanghai Hotels, Limited (HSH) announced its 2011 unaudited first quarter operating statistics at its Annual General Meeting held earlier today. There was general improvement in performance for its three business divisions, with better operating statistics this year than in the first quarter of 2010.

Hotels Division

All the Peninsula hotels recorded an increase in average room rate and revenue per available room (“RevPAR”) in the first quarter of this year. The RevPAR increases for the Peninsula hotels in Hong Kong, other Asia and the United States were respectively 13%, 12% and 19%.

The Peninsula Tokyo experienced a sharp fall in occupancy following the massive earthquake which occurred on 11 March 2011. After the earthquake, the hotel remained open throughout and extended assistance to the local community, including providing refuge to members of the public who were stranded without transportation. Although there has been some return to normality, business at the hotel continues to be negatively affected by concerns about the radiation leakage. Occupancy is currently running in the 30 to 40% range at a lower average rate, whilst food and beverage business has been relatively resilient due to local demand. In response, the hotel has launched a series of local promotional offers targeting domestic leisure and corporate businesses, as well as invoking cost savings measures.

Business at the shopping arcades in all the Peninsula hotels remained healthy. The Peninsula Beijing arcade upgrade is well advanced without any tenancies being disrupted and is scheduled to be completed in mid 2011.

Commercial Properties Division

The Group’s commercial properties in Hong Kong, including The Repulse Bay Complex, the Peak Tower, St. John’s Building and the Peninsula Office Tower, all showed further revenue growth, reflecting sustained demand for high-end residential leasing, Grade A offices and retail spaces.

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Clubs & Services Division

Patronage for the Peak Tramways rose 2% year-on-year. Wholesale and retail sales at Peninsula Merchandising were also strong. The performance of the other businesses within this Division was consistent with the first quarter of 2010.

Development

HSH continues to focus its development resources on three major projects: development of The Peninsula Paris hotel, which is expected to open in 2013; the planned major renovation of The Peninsula Hong Kong; and the enhancement of the residential portions of The Repulse Bay Complex.

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About The Hongkong and Shanghai Hotels, Limited (HSH)

Incorporated in 1866 and listed on The Stock Exchange of Hong Kong (00045), HSH is the holding company of a Group which is engaged in the ownership, development and management of prestigious hotel, commercial and residential properties in key locations in Asia, the United States and Europe, as well as the provision of transport, club management and other services. The hotel portfolio of the Group comprises The Peninsula Hotels in Hong Kong, Shanghai, Beijing, New York, Chicago, Beverly Hills, Tokyo, Bangkok, Manila and Paris (opening in 2013). 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 the Thai Country Club in Bangkok, Thailand.

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