



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

12 MAY, 2014

FIRST QUARTER 2014 UNAUDITED OPERATING STATISTICS

Hong Kong, 12 May 2014 At its Annual General Meeting held today, The Hongkong and Shanghai Hotels, Limited (HSH) disclosed its unaudited first quarter operating statistics, showing a satisfactory overall performance from its hotels division.

Commenting on the year-to-date results, HSH Managing Director and Chief Executive Officer Mr Clement K.M. Kwok said, “The Peninsula Hotels have generally performed in line with expectations in the first quarter. The Peninsula Hong Kong has seen a strong growth in revenue as compared to a year ago when the hotel was under renovation and The Peninsula Tokyo has continued its strong recovery.”

Peninsula Hotels

The RevPAR of The Peninsula Hong Kong showed a 24 percent decline as compared with the same period last year. However, this is not a like-for-like comparison as the hotel was under renovation last year, which resulted in the hotel having a reduced inventory of only 135 rooms from September 2012 to May 2013.

The Peninsula Tokyo has continued to benefit from improved market conditions and reported a 19 per cent increase in RevPAR. The Peninsula Hotels in other parts of Asia experienced a five per cent decrease in RevPAR due to the highly competitive landscape and political uncertainties. Our hotels in Shanghai, Beijing and Manila have all seen reduced rates in 2014, although occupancy has been maintained. The Peninsula Bangkok continues to be negatively impacted by the ongoing local political conflict.

The Peninsula Hotels in the United States recorded a three per cent increase in RevPAR, resulting from a five per cent increase in average room rates despite reduced occupancy.

Commercial Properties

Residential Leasing: Occupancy at The Repulse Bay Complex declined by 11 percentage points due to the subdued market conditions in Hong Kong for high-end residential leasing. In addition, the overall occupancy was negatively impacted by the lower occupancy in de Ricou Tower, which reopened in August 2013 after an 18-month closure for a complete renovation.

Shopping Arcades: The shopping arcades in The Peninsula Hotels, The Peak Tower and The Repulse Bay continue to be essentially full, with 99 per cent occupancy and an increased yield of 12 per cent year-on-year, reflecting the strong demand from premium brands for retail space.

Offices: Yield from the Group's office leasing increased by seven per cent year-on-year, due to the increased occupancy and average rental rates in St. John's Building, located in Hong Kong.

Outlook and Developments

The Group is delighted to report that The Peninsula Paris is set to open later in 2014. On 28 January 2014, we entered into a definitive shareholders agreement with Yoma Strategic Holdings Ltd to develop the former headquarters of the Myanmar Railway Company into The Peninsula Yangon. The agreement, subject to conditions and approval, will seek to redevelop and restore the heritage building which dates from the 1880s.

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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 New York, The Peninsula Chicago, The Peninsula Beverly Hills, The Peninsula Bangkok, The Peninsula Manila and The Peninsula Paris (expected opening in 2014). Projects under development include The Peninsula London and The Peninsula Yangon. The property portfolio of the Group includes The Repulse Bay Complex, The Peak Tower, The Peak Tramways and St. John's Building in Hong Kong; The Landmark in Ho Chi Minh City, Vietnam; the Thai Country Club in Bangkok, Thailand, and 21 avenue Kléber in Paris, France.

For further information on this release, please contact:

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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)

Unaudited Operating Statistics – First Quarter of 2014

The unaudited quarterly operating statistics of The Hongkong and Shanghai Hotels, Limited (the “Company”) for the first quarter of 2014 are as follows:

PENINSULA HOTELS

Occupancy rate (%)	Number of rooms	Q1 2014	Q1 2013	Change (pp)
Hong Kong (note 9)	300	78	84	(6)
Other Asia	1,941	60	62	(2)
United States of America	772	63	64	(1)

Average Room Rate (HK\$)	Number of rooms	Q1 2014	Q1 2013	Change (%)
Hong Kong (note 9)	300	5,111	6,212	(18)
Other Asia	1,941	2,104	2,119	(1)
United States of America	772	4,842	4,601	5

RevPAR (HK\$)	Number of rooms	Q1 2014	Q1 2013	Change (%)
Hong Kong (note 9)	300	3,989	5,232	(24)
Other Asia	1,941	1,256	1,316	(5)
United States of America	772	3,069	2,967	3

LEASING

Occupancy rate (%)	Q1 2014	Q1 2013	Change (pp)
Residential (Note 14)	84	95	(11)
Shopping Arcade	99	99	-
Office	90	90	-

Average Monthly Yield per available square foot (HK\$)	Q1 2014	Q1 2013	Change (%)
Residential	41	44	(7)
Shopping Arcade	206	184	12
Office	48	45	7

The unaudited quarterly operating statistics of the Company for 2014 and 2013 are as follows:

PENINSULA HOTELS

Occupancy rate (%)	Number of Rooms	2014				2013			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Hong Kong (note 9)	300	78				84	60	65	84
Other Asia	1,941	60				62	66	66	69
United States of America	772	63				64	77	79	74

Average Room Rate (HK\$)	2014				2013			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Hong Kong (note 9)	5,111				6,212	5,200	4,588	5,149
Other Asia	2,104				2,119	2,142	1,932	2,232
United States of America	4,842				4,601	4,907	4,687	5,212

RevPAR (HK\$)	2014				2013			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Hong Kong (note 9)	3,989				5,232	3,125	2,978	4,312
Other Asia	1,256				1,316	1,423	1,270	1,549
United States of America	3,069				2,967	3,760	3,709	3,843

LEASING

Occupancy rate (%)	2014				2013			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Residential (Note 14)	84				95	96	84	83
Shopping Arcade	99				99	99	99	99
Office	90				90	94	95	90

Average Monthly Yield per available square foot (HK\$)	2014				2013			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Residential	41				44	45	40	40
Shopping Arcade	206				184	190	194	196
Office	48				45	49	49	47

Notes for All Operations:

1. pp = percentage points
2. () = the change is a decrease compared with last year
3. All amounts are expressed in HK\$

Notes for Peninsula Hotels:

4. Occupancy rate: Rooms occupied / Rooms available
5. Average room rate:
Total rooms revenue including any undistributed service charge / Rooms occupied
6. RevPAR:
Total rooms revenue including any undistributed service charge / Rooms available
7. Occupancy rates, average room rates and RevPAR are weighted averages for the hotels in each grouping.
8. The average room rates and RevPAR include undistributed service charge, which is levied at 10% in Hong Kong and at 15% in China and Japan.
9. The renovation in The Peninsula Hong Kong was completed in two phases, resulting in 135 rooms being removed from saleable inventory from January to September 2012, followed by 165 rooms being out of saleable inventory from September 2012 to May 2013.
10. Peninsula Hotels are located in:
 - Hong Kong: Hong Kong
 - Other Asia: Shanghai, Beijing, Tokyo, Bangkok and Manila
 - United States of America: New York, Chicago and Beverly Hills

Notes for Leasing:

11. Occupancy rate: Occupied area / Area available
12. Average monthly yield per available square foot: Total rental income / Area available
13. Occupancy rates are weighted averages based on the space available in each grouping.
14. Residential includes all apartments in The Repulse Bay Complex. The statistics are affected by the re-opening of de Ricou tower in August 2013 after an 18-month closure for a complete renovation.
15. Shopping Arcades are located in The Peninsula hotels in Hong Kong, Shanghai, Beijing, New York, Tokyo, Bangkok and Manila, as well as The Repulse Bay Complex and The Peak Tower.
16. Offices are located in The Peninsula Hong Kong and St. John's Building.
17. The operating statistics do not include information for operations that are not consolidated or whose results are not material in the Group context: The Landmark, Vietnam; The Peninsula Residences, Shanghai; and 21 avenue Kléber, Paris. The operating statistics also do not include information for 1-5 Grosvenor Place, London because of the proposed redevelopment.

Shareholders and potential investors of the Company are reminded that the above operating information has not been reviewed or audited by the Company's independent auditor. Shareholders and potential investors of the Company should therefore exercise caution when dealing in the securities of the Company.

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Unaudited Operating Statistics – First Quarter of 2014

The appended unaudited operating statistics and press release contain the first quarter operating information of The Hongkong and Shanghai Hotels, Limited (the “Company”). This announcement is made pursuant to Rule 13.09(2)(a) 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 same information is dispatched to shareholders and members of the press at the Annual General Meeting of the Company held on 12 May 2014.

Shareholders and potential investors of the Company are reminded that the operating information has not been reviewed or audited by the Company’s independent auditor. Shareholders and potential investors of the Company should therefore exercise caution when dealing in the securities of the Company.

For and on behalf of the Board
The Hongkong and Shanghai Hotels, Limited
Christobelle Liao
Company Secretary

Hong Kong, 12 May 2014

As at the publication 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
Ian Duncan Boyce

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

Chief Financial Officer
Alan Philip Clark

Chief Operating Officer
Peter Camille Borer

Non-Executive Directors
Ronald James McAulay
William Elkin Mocatta
John Andrew Harry Leigh
Nicholas Timothy James Colfer

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