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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: 45)

### SHANGHAI AGREEMENT TO PURSUE LAND GRANT CONTRACT

The Peninsula Shanghai (BVI) Limited, a joint venture between the Company and Starwaly Properties (Group) Pty Ltd, entered into the Project Agreement with New Huang Pu (Group) Co., Ltd. in Shanghai on 7th May 2004 to pursue the acquisition of land use rights for the proposed development of a Peninsula hotel in Shanghai on a designated site in the Waitanyuan area, subject to planning conditions being met. Further information regarding the Project Agreement are set out below.

A further announcement will be made when TPS enters into the land grant contract to acquire the Site.

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

The Directors are pleased to announce that on 7th May 2004, TPS entered into the Project Agreement with NHP to pursue the acquisition of the land use rights of the Site for the proposed development of a Peninsula hotel in Shanghai, subject to planning conditions being met. The Site is located in the Waitanyuan area situated near the old British Consulate at the northern end of the Bund.

Pursuant to the Project Agreement, TPS will prepare the plans and designs for the proposed development, and conditional upon, inter alia, the relevant government authority approving the plans acceptable to TPS, TPS will enter into a land grant contract with the Shanghai Real Estate Bureau to acquire the land use rights for the Site.

NHP is a state-owned company established by the People's Government of Huang Pu District of Shanghai and is independent of the Company and any of its subsidiaries, and the directors, chief executives and substantial shareholders of the Company and their respective associates.

A further announcement will be made when TPS enters into the land grant contract to acquire the Site.

#### Definitions

In this announcement, unless the context otherwise requires, the following terms have the meanings set opposite that term below:-

"Company"	The Hongkong and Shanghai Hotels, Limited;
"Directors"	directors of the Company;
"NHP"	New Huang Pu (Group) Co., Ltd., a state-owned company established by the People's Government of Huang Pu District of Shanghai;
"Project Agreement"	the conditional project agreement entered into between TPS and NHP setting out the conditions to pursue the acquisition of the Site;
"Shanghai Real Estate Bureau"	Shanghai Real Estate Resource Administration Bureau, a bureau of the Shanghai Government;
"Site"	a designated site in the Waitanyuan area subject to planning conditions being met. The Site is situated near the old British Consulate at the northern end of the Bund;
"SPG"	Starwaly Properties (Group) Pty Ltd, an Australian incorporated company controlled by Mr. David Wei Xian Wang. Both SPG and Mr. David Wei Xian Wang are not connected persons of the Company as defined under the Listing Rules; and
"TPS"	The Peninsula Shanghai (BVI) Limited, a joint venture company between the Company and SPG.

By order of the Board  
**Christobelle Liao**  
Company Secretary

Hong Kong, 7th May 2004

As at the date hereof, the board of directors of the Company comprises the following directors:

Dr. The Hon. Michael D Kadoorie (*Chairman*)  
Ian D Boyce (*Deputy Chairman*)  
Clement K M Kwok (*Managing Director and Chief Executive Officer*)  
Sir Sidney Gordon  
Ronald J McAulay  
William E Mocatta  
Dr. The Hon. David K P Li\*

Robert C S Ng\*  
James S Dickson Leach  
Pierre R Boppe  
Robert W Miller\*  
C Mark Broadley (*Chief Financial Officer*)  
Patrick B Paul\*  
Peter C Borer (*Chief Operating Officer*)

\* Independent non-executive director