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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)

**CLOSING OF OFFER TO SHAREHOLDERS OF  
MANILA PENINSULA HOTEL, INC.**

Further to the Announcement, HSH announces that its Offer to purchase 50% of the MPHI Shares held by the MPHI Shareholders has been declared unconditional on 24th February, 2005 and all Conditions Precedent have been fulfilled or waived.

HSH has received valid acceptances in respect of 27,623,840 MPHI Shares, representing 29.26% of the issued share capital of MPHI. In addition, HSH received indications from 2 MPHI Shareholders offering to sell 2,284,998 MPHI Shares representing 2.42% of the issued share capital of MPHI after the close of the Offer which HSH has indicated that it will accept. Together with the 37,767,941 MPHI Shares representing 39.99% of the issued share capital of MPHI held by HSH and its associates before the date of the Offer, HSH will, upon completion of the Offer, have control of 67,676,779 MPHI Shares, representing 71.68% of the issued share capital of MPHI.

HSH varied the terms of the Offer at the request of MPHI Shareholders by making available share consideration to all MPHI Shareholders who requested it. MPHI Shareholders holding an aggregate of 22,204,882 MPHI Shares, have elected settlement by issue of HSH Shares valued at HK\$5.855 (Peso 42.39) each (which is equivalent to the weighted average closing price of HSH Shares for the 10 trading days immediately preceding and including 26th October, 2004, which was the latest practicable date prior to the making of the Offer, on the basis of  $\text{Peso } 7.2401 = \text{HK\$1}$ ) as stated in the Announcement. Accordingly, MPHI Shareholders will receive 0.2477 HSH Share for every MPHI Share sold. HSH will issue 5,500,131 new HSH Shares as settlement for the purchase of the MPHI Shares (rounded down to disregard fractional entitlements), and the Stock Exchange has granted the required listing permission for the 5,500,131 new HSH Shares. This represents 0.3922% of the existing issued share capital and 0.3907% of the enlarged issued share capital of HSH. Acceptance and purchase of the remaining 7,703,956 MPHI Shares will be settled in cash at the Offer Price of Peso 10.5 each (approximately HK\$1.45 each) representing an aggregate of Peso 80,891,538 (approximately HK\$11,172,710).

The aggregate consideration payable upon completion of the Offer will be Peso 314,042,799 (approximately HK\$43,375,478) divided into the issue of 5,500,131 new HSH Shares at HK\$5.855 (approximately Peso 42.39) each and cash consideration of Peso 80,891,538 (approximately HK\$11,172,710).

HSH is proceeding to complete the Offer and, in accordance with the terms of the Offer, will make the first tranche payments in respect of the acceptances on 3rd March, 2005. The second and final tranche payment will be subject to the accepting MPHI Shareholders obtaining tax clearance for the sale of the MPHI Shares.

**Results of the Offer**

HSH announces that its Offer has been declared unconditional on 24th February, 2005 and all Conditions Precedent have been fulfilled or waived. HSH has received valid acceptances in respect of 27,623,840 MPHI Shares, representing 29.26% of the issued share capital of MPHI. In addition, HSH received indications from 2 MPHI Shareholders offering to sell 2,284,998 MPHI Shares representing 2.42% of the issued share capital of MPHI after the close of the Offer which HSH has indicated that it will accept. Together with the 37,767,941 MPHI Shares representing 39.99% of the issued share capital of MPHI currently held by HSH and its associates before the date of the Offer, HSH will, upon completion of the Offer, have control of 67,676,779 MPHI Shares, representing 71.68% of the issued share capital of MPHI.

**Total Consideration and variation of terms**

HSH varied the terms of the Offer at the request of MPHI Shareholders by making available share consideration to all MPHI Shareholders who requested it and not limiting the option to take HSH Shares to MPHI Shareholders holding 2,000,000 MPHI Shares or above. Other terms of the Offer remained unchanged.

MPHI Shareholders holding an aggregate of 22,204,882 MPHI Shares have elected settlement by issue of HSH shares valued at HK\$5.855 (approximately Peso 42.39) each (which is equivalent to the weighted average closing price of HSH Shares for the 10 trading days immediately preceding and including 26th October, 2004, which was the latest practicable date prior to the making of the Offer, on the basis of  $\text{Peso } 7.2401 = \text{HK\$1}$ ) as stated in the Announcement. Accordingly, MPHI Shareholders will receive 0.2477 HSH Share for every MPHI Share sold. HSH will issue 5,500,131 new HSH Shares as settlement for the purchase of the MPHI Shares (rounded down to disregard fractional entitlements). This represents 0.3922% of the existing issued share capital and 0.3907% of the enlarged issued share capital of HSH. Acceptance and purchase of the remaining 7,703,956 MPHI Shares will be settled in cash at the Offer Price of Peso 10.5 each (approximately HK\$1.45 each) representing an aggregate of Peso 80,891,538 (approximately HK\$11,172,710).

The aggregate consideration payable upon completion of the Offer will be Peso 314,042,799 (approximately HK\$43,375,478) divided into the issue of 5,500,131 new HSH Shares at HK\$5.855 (approximately Peso 42.39) each and cash consideration of Peso 80,891,538 (approximately HK\$11,172,710).

**Completion of the Offer**

All Conditions Precedent of the Offer have been satisfied or waived. The Stock Exchange has also granted permission to the listing of the 5,500,131 new HSH Shares to be issued as consideration pursuant to the Offer.

HSH is proceeding to complete the Offer and, in accordance with the terms of the Offer, will make the first tranche payments in respect of the acceptances on 3rd March, 2005. The second and final tranche payment will be subject to the accepting MPHI Shareholders obtaining tax clearance for the sale of the MPHI Shares.

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

Dated: 25th February, 2005

“Announcement”	the announcement dated 29th October, 2004 made by HSH in relation to the Offer;
“associate”	the meaning ascribed to it under the Listing Rules;
“Conditions Precedent”	the conditions of the Offer;
“HSH”	The Hongkong and Shanghai Hotels, Limited;
“HSH Shares”	ordinary shares of HSH of HK\$0.5 each;
“MPHI”	Manila Peninsula Hotel, Inc., a company incorporated in the Philippines and the owner of the hotel, The Peninsula Manila;
“MPHI Shares”	issued, outstanding and fully paid-up shares of MPHI of Peso 10 each;
“MPHI Shareholders”	shareholders of MPHI Shares, other than HSH and its associates;
“Offer”	the offer made by HSH to all MPHI Shareholders (other than HSH and its associates) to purchase 50% of their MPHI Shares;
“Offer Price”	the price offered by HSH for the purchase of each MPHI Share under the Offer, which is at Peso 10.5 (approximately HK\$1.45);
“Philippines”	The Republic of the Philippines; and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

For the purpose of translations of currency in this announcement the following rates have been used, HK\$1 = Peso 7.2401.

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

Dr The Hon. Michael D Kadoorie ( <i>Chairman</i> )	Robert C S Ng*
Ian D Boyce ( <i>Deputy Chairman</i> )	James S Dickson Leach
Clement K M Kwok ( <i>Managing Director and Chief Executive Officer</i> )	Pierre R Boppe
Sir Sidney Gordon	Robert W Miller*
Ronald J McAulay	C Mark Broadley ( <i>Chief Financial Officer</i> )
William E Mocatta	Patrick B Paul*
Dr The Hon. David K P Li*	Peter C Borer ( <i>Chief Operating Officer</i> )

\* *Independent non-executive director*

“Please also refer to the published version of this announcement in The Standard.”