



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

FOR IMMEDIATE RELEASE

15 APRIL, 2003

THE HONGKONG AND SHANGHAI HOTELS, LIMITED
FIRST QUARTER 2003 RESULTS

Hong Kong, 15 April 2003 – The first quarter of 2003 was a study in contrasts, with a strong start counterweighted by the impact, latterly, of the Middle East conflict and SARS. The effect on the industry has been not dissimilar to that experienced in the aftermath of September 11, 2001 when an acute dip in travel was followed by a gradual recovery over a three-month period.

The Hongkong and Shanghai Hotels, Limited (HSH) regards the current situation as a short-term challenge that will be met, but regards the overall business as sound. The present circumstances, while difficult, nevertheless present an opportunity to advance routine maintenance and renovation schedules of facilities and rooms with the least disruption to guests and services. The hotels will therefore be in the best position to respond when business picks up.

The combination of events has affected the group's hotels in Asia more than their USA counterparts, disrupting both long- and short-haul travel patterns. But for SARS, Asian destinations might reasonably have expected intra-regional travel to pick up some of the slack. Hong Kong, Bangkok and Beijing have all suffered from postponed and cancelled reservations although The Philippines has remained relatively stable.

The Company's property interests, on the other hand, have held up well as their cycle is longer and less vulnerable to sudden external changes. In particular, the serviced apartments at The Repulse Bay have shown an improvement in occupancy and yield. The complex's food and beverage outlets have also performed well.

In the USA, the destination most affected is New York, given its exposure to the long-haul market. Elsewhere, The Peninsula Chicago is maintaining its performance and The Peninsula Beverly Hills has experienced an increase over the period in both occupancy and room rates. Quail Lodge Resort is closed for a scheduled major renovation but is experiencing good response to its marketing drive ahead of the hotel's re-opening in mid-year.

Until both problems of war and atypical pneumonia move towards resolution, the Company is taking sensible measures to reduce costs without affecting standards of service. Among these (although they are not exhaustive) are: deferring of promotional activities involving overseas travel, deferring non-critical capital expenditure, redirecting advertising programmes and imposing a hiring freeze on non-critical positions.

KEY STATISTICS FOR FIRST QUARTER 2003

HOTELS

	Attributable Interest %	Year-to-Date Average Occupancy	
		2003	2002
The Peninsula Hong Kong	100	59%	63%
The Peninsula New York	100	58%	64%
The Peninsula Chicago	92.5	49%	34%
The Peninsula Beverly Hills	20	83%	80%
The Peninsula Bangkok	75	77%	81%
The Palace Hotel Beijing*	42.1	33%	50%
The Peninsula Manila	40	64%	57%
The Kowloon Hotel	100	87%	92%
Quail Lodge Resort**	100	13%	59%

	Year-to-Date Average Room Rate	
	2003	2002
The Peninsula Hong Kong	HK\$ 2,709	HK\$ 2,596
The Peninsula New York	US\$ 445	US\$ 471
The Peninsula Chicago	US\$ 278	US\$ 267
The Peninsula Beverly Hills	US\$ 417	US\$ 407
The Peninsula Bangkok	US\$ 142	US\$ 130
The Palace Hotel Beijing*	US\$ 85	US\$ 69
The Peninsula Manila	US\$ 73	US\$ 85
The Kowloon Hotel	HK\$ 505	HK\$ 455
Quail Lodge Resort**	US\$ 239	US\$ 191

**Rooms and function space closed for renovation*

***Hotel closed February 2003 for major renovation*

PROPERTIES

	Attributable Interest %	Year-to-Date Average Occupancy (pnasf)	
		2003	2002

Residential

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The Repulse Bay (Unfurnished)	100%	73%	83%
The Repulse Bay (Serviced)	100%	76%	58%
The Landmark	70%	91%	94%

Commercial

The Peninsula Hong Kong	100%	96%	98%
The Peninsula New York	100%	100%	100%
The Palace Hotel Beijing	42.1%	94%	99%
The Kowloon Hotel	100%	93%	92%
The Repulse Bay	100%	100%	99%
The Peak Tower	100%	97%	99%

Office

The Peninsula Hong Kong	100%	83%	100%
St. John's Building	100%	75%	89%
The Landmark	70%	100%	100%

Year-to-Date Average Yield (pnasf)

2003 2002

Residential

The Repulse Bay (Unfurnished)	HK\$ 26	HK\$ 31
The Repulse Bay (Serviced)	HK\$ 27	HK\$ 21
The Landmark	US\$ 1.89	US\$ 1.91

Commercial

The Peninsula Hong Kong	HK\$ 267	HK\$ 237
The Peninsula New York	US\$ 52	US\$ 49
The Palace Hotel Beijing	RMB 84	RMB 81
The Kowloon Hotel	HK\$ 45	HK\$ 47
The Repulse Bay	HK\$ 51	HK\$ 51
The Peak Tower	HK\$ 34	HK\$ 38

Office

The Peninsula Hong Kong	HK\$ 28	HK\$ 31
St. John's Building	HK\$ 16	HK\$ 19
The Landmark	US\$ 2.10	US\$ 1.97

Contact Information

Ms Irene Lau, Manager, Corporate Affairs

The Hongkong and Shanghai Hotels, Limited

8/F St George's Building

2 Ice House Street

Central, Hong Kong

Tel No: (852) 2840 7788

Fax No: (852) 2840 7567

E-mail: irenelau@peninsula.com

Investor relations: ir@hshgroup.com

Website: <http://www.hshgroup.com/ir>

For general information, please see:

The HSH corporate internet homepage: <http://www.hshgroup.com>

The Peninsula Hotels internet homepage: <http://www.peninsula.com>