



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

FOR IMMEDIATE RELEASE

07 MAY, 2004

**PROJECT AGREEMENT FOR ACQUISITION OF LAND USE RIGHTS FOR SITE
IN SHANGHAI**

Hong Kong, 07May 2004 – The Hongkong and Shanghai Hotels, Limited (HSH) announced today that The Peninsula Shanghai Limited, a joint venture between the company and Starwaly Properties (Group) Pty Ltd., has entered into a project agreement with the New Huang Pu (Group) Co., Ltd., a state-owned enterprise established by the People's Government of Huang Pu District in Shanghai, to acquire, subject to planning and other conditions being met, the land use rights for a designated site in the Waitanyuan area of Shanghai, which is situated near the old British Consulate at the northern end of The Bund.

Commenting on the signing which took place today in Shanghai, HSH chief executive officer Clement Kwok said, "We are delighted to have entered into this agreement to secure a prime location for a Peninsula hotel in Shanghai. This brings us closer to returning to a city that has played a significant part in the long history of our company.

"We expect that the grant of the land use rights and the necessary planning details will be finalised within the next few months, which will allow us to move forward with the project. Further details of the project will be released at the appropriate time."

Incorporated in 1866, The Hongkong and Shanghai Hotels, Limited, formerly The Hongkong Hotel Company, Limited was one of the first stocks to be listed on the Hong Kong stock exchange. Its principal business comprises the ownership and management of prestigious hotel, commercial and residential properties in key destinations in Asia and the USA; it is the owner and operator of The Peninsula Hotels.

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

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