



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

FOR IMMEDIATE RELEASE

28 OCTOBER, 2004

**HOTEL GROUP SIGNS LAND GRANT CONTRACT,  
PREPARES TO BUILD THE PENINSULA SHANGHAI**

*Hong Kong, 28 October 2004* – The Hongkong and Shanghai Hotels, Limited (HSH) today announced that, through its PRC-incorporated, jointly controlled entity, it has entered into a land grant contract with the Shanghai Real Estate Resources Administration Bureau for the purchase of the site on which it will develop The Peninsula Shanghai.

Concurrently, the company has also entered into a contract with the Shanghai New Huang Pu (Group) Co., Ltd., a state-owned enterprise, which will undertake related pre-development works on the site and render assistance in obtaining approvals, facilitating construction and liaising with government departments in relation to the project.

Clement Kwok, HSH chief executive officer, commented, "The grant of the land use rights is a significant milestone in our plans for the Shanghai project. We are now much nearer to fulfilling our ambition to return to a cosmopolitan city that has played an important role in our company's history. This is a tremendous addition to our portfolio."

The cost of the project, a joint venture between HSH and Starwaly Properties (Group) Pty Ltd., will be approximately US\$361 million, which includes the total land price and related construction and development costs. HSH will be responsible for 50% of the total cost of the project.

The mixed-use project will comprise a Peninsula hotel, an apartment hotel, a retail arcade and ancillary facilities at the site, which is located at the northern end of the Bund, close to the old British Consulate, within the Waitanyuan area of Huang Pu District in Shanghai.

The L-shaped site is bounded on the north by the old British Consulate garden, on the west by Yuan Ming Yuan Road, on the south by Beijing Lu and on the east by the Bund.

Incorporated in 1866 and listed on the Hong Kong stock exchange, The Hongkong and Shanghai Hotels, Limited's 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. The hotel portfolio comprises The Peninsula Hong Kong, The Peninsula New York, The Peninsula Chicago, The Peninsula Beverly Hills, The Peninsula Bangkok, The Peninsula Palace Beijing, The Peninsula Manila and The Peninsula Tokyo (opening 2007) under the brand name. The Kowloon Hotel in Hong Kong is managed by The Peninsula Hotels; Quail Lodge Resort and Golf Club, Carmel, California is managed by Valley Resort Management, LLC.

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For general information, please see:

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

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