



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

FOR IMMEDIATE RELEASE

12 JANUARY, 2006

MANAGEMENT OF QUAIL LODGE

Hong Kong, 12 January 2006 – The Hongkong and Shanghai Hotels, Limited (HSH) announced today that with effect from 1 April 2006, the joint management and marketing of Quail Lodge and Bernardus Lodge by Valley Resort Management will cease. Quail Lodge is a golf resort in Carmel, California owned by HSH.

Despite the meaningful and close relationship between HSH and the owners of Bernardus Lodge over recent years, both parties recognise that their aspirations have evolved over time, and as such, have decided that their future needs will be better served by each party having independent management of their respective properties.

From 1 April 2006, HSH will reassume full control and responsibility for Quail Lodge. Mr. Niklaus Leuenberger, Senior Vice President, The Americas, The Peninsula Hotels, will oversee the transition process on behalf of HSH.

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 whose 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 in 2007).

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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>