



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)

DISPOSAL OF PT CIPUTRA ADIGRAHA

The Directors are pleased to announce that on 16 May 2007, PTBV, a wholly-owned subsidiary of the Company, and the Purchaser entered into a Transfer Deed whereby PTBV has sold its 20% interest in PT Ciputra Adigraha to the Purchaser at the Purchase Price of US\$12.95 million.

The Directors consider the terms and conditions of the Transfer Deed to be fair and reasonable and in the interests of the Company and its shareholders as a whole.

The proceeds from the disposal will be applied towards reducing bank borrowings and as general working capital.

The Transfer Deed does not constitute a notifiable transaction of the Company under the Listing Rules and this announcement is for information only.

Deed of Share Transfer (“Transfer Deed”)

| | |
|--------------------|---|
| Vendor: | Peninsula of Tokyo B.V. (“PTBV”) |
| Purchaser: | PT Ciputra Property |
| Date: | 16 May 2007 |
| Assets to be sold: | 38 million fully-paid up shares (20% interest) in the capital of PT Ciputra Adigraha, a limited liability company established under the laws of the Republic of Indonesia |
| Purchase Price: | US\$12.95 million |
| | The consideration was arrived at after arm’s length negotiations. |
| Payment terms: | The Purchase Price has been received and the sale has completed. |

The Directors consider the terms and conditions of the Transfer Deed to be fair and reasonable and in the interests of the Company and its shareholders as a whole.

Information on PTBV

PTBV is a wholly-owned subsidiary of the Company holding a 20% interest in PT Ciputra Adigraha which was formed in 1995 for the purpose of constructing, owning and operating a mixed-use development in Jakarta. The development was put on hold in 1997 because of the Asian financial crisis.

Reasons for the disposal of the PT Ciputra Adigraha

Ciputra Group had recently indicated an intention to proceed with a mixed-use development in Jakarta. However, Jakarta is not one of the gateway cities the Company wishes to further invest in. The sale is therefore a further step by the Company to dispose of its non-core assets and to focus its resources on developing and marketing its principal businesses (ownership and management of prestigious hotels, commercial and residential properties in key destinations) and the Peninsula brand.

The proceeds from the disposal will be applied towards reducing bank borrowings and as general working capital.

Information on the Purchaser

The Purchaser is associated with the Ciputra Group which has listed companies on the Jakarta Stock Exchange. The group specialises in large scale integrated projects combining housing, commercial and recreational centres, and mixed-use developments including hotel, shopping and office-complexes.

The Purchaser is independent of the Company and any of its subsidiaries, and the Directors, chief executive and substantial shareholders of the Company and their respective associates.

By order of the Board
Christobelle Liao
Company Secretary

Dated: 16 May 2007

As at the date of this announcement, the Board of Directors of the Company comprises the following Directors:

Chairman

The Hon. Sir Michael Kadoorie

Deputy Chairman
Ian Duncan Boyce

Managing Director and Chief Executive Officer
Clement King Man Kwok

Chief Financial Officer
Charles Mark Broadley

Chief Operating Officer
Peter Camille Borer

Non-Executive Directors
Ronald James McAulay
William Elkin Mocatta
Pierre Roger Boppe
John Andrew Harry Leigh
Nicholas Timothy James Colfer

Independent Non-Executive Directors
Dr. The Hon. Sir David Kwok Po Li
Robert Chee Siong Ng
Robert Warren Miller
Patrick Blackwell Paul

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