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**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)

### **The Peninsula Hong Kong Guestroom Renovation Project**

The Board of Directors of The Hongkong and Shanghai Hotels, Limited (the “Company”) is pleased to announce that it has approved the plan for a complete renovation of guestrooms at The Peninsula Hong Kong (the “Hotel”). The renovation is expected to be carried out in 2 phases commencing January 2012 until April 2013. The renovation will increase the Hotel’s 3 year capital expenditure programme by around HK\$350 million.

The Hotel will remain open for business throughout the renovation, including unaffected guestrooms, food and beverage outlets, the spa and the retail arcade. It is expected that there will be very minimal disruption to public areas of the Hotel, which will not be affected. In addition, there are not expected to be any redundancies as a result of the renovation.

The Hotel is the Company’s flagship property, which has consistently been regarded as one of the top luxury hotels in the world. This renovation is part of a scheduled upgrade programme to enhance its facilities. The last significant room redesign coincided with the office tower opening in 1994. The renovation is expected to ensure that the Hotel retains its leading position in Hong Kong and as the flagship of the Company.

It is expected that there will be earnings disruption for the Hotel during the renovation period in 2012 and first half of 2013 which may have a financial impact on the Company’s revenue and profitability as a result of the reduction in the Hotel’s room revenue during this period.

Investors are reminded to exercise caution in dealing in the Company’s securities.

By order of the Board  
**Christobelle Liao**  
*Company Secretary*

Hong Kong, 3 November 2010

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

*Non-Executive Chairman*

The Hon. Sir Michael Kadoorie

*Non-Executive Deputy Chairman*

Ian Duncan Boyce

**Executive Directors**

*Managing Director and Chief Executive Officer*

Clement King Man Kwok

*Chief Financial Officer*

Neil John Galloway

*Chief Operating Officer*

Peter Camille Borer

**Non-Executive Directors**

Ronald James McAulay

William Elkin Mocatta

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

Pierre Roger Boppe