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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: 00045)

Profit Warning

This announcement is made by The Hongkong and Shanghai Hotels, Limited (the “Company”, and together with its subsidiaries, the “Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong).

The Board of Directors (the “Board”) of the Company wishes to inform the shareholders of the Company and potential investors that, based on the information currently available to the Company, the Board anticipates that the Group’s unaudited profit attributable to shareholders and its underlying profit (excluding the post-tax effects of unrealised property valuation movements and other non-operating items) for the six months ending 30 June 2020 will be significantly lower than the figures for the same period last year.

The lower than expected unaudited profit attributable to shareholders for the first half of 2020 is principally due to the outbreak of the COVID-19 coronavirus which has resulted in widespread travel advisories and airline cancellations to the Chinese mainland, Hong Kong and other regions. This has negatively impacted the Group’s tourism-related businesses across Asia and particularly our three Peninsula hotels in Beijing, Shanghai and Hong Kong. Hotel occupancy has substantially declined, patronage at our food and beverage outlets has decreased and the commercial arcades of these three hotels have been negatively affected. We are also starting to see an impact at other hotels in Asia. The situation has also affected ticket sales at the Peak Tram and Sky Terrace as well as rental receipts at The Peak Tower.

In addition, the political situation in Hong Kong remains volatile following the serious social unrest and mass protests on the streets in the second half of 2019 which considerably impacted most of our Hong Kong businesses. It remains to be seen if this social unrest will continue in 2020.

Based on the information currently available, management estimates that the Group will sustain an operating loss in the first quarter of 2020, despite efforts and measures to contain costs. The actual impact may differ from these estimates as the situation continues to evolve. We will continue to monitor the situation closely.

The information in this announcement is based on a preliminary review of the unaudited financial information currently available to the Group. Such information has not been reviewed or audited by the Company’s independent auditor and has not been reviewed and approved by the Audit Committee of the Company.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities in the Company.

By Order of the Board
Christobelle Liao
Company Secretary

Hong Kong, 26 February 2020

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

Andrew Clifford Winawer Brandler

Executive Directors

Managing Director and Chief Executive Officer

Clement King Man Kwok

Chief Operating Officer

Peter Camille Borer

Chief Financial Officer

Matthew James Lawson

Non-Executive Directors

William Elkin Mocatta

John Andrew Harry Leigh

Nicholas Timothy James Colfer

James Lindsay Lewis

Philip Lawrence Kadoorie

Independent Non-Executive Directors

Dr the Hon. Sir David Kwok Po Li

Patrick Blackwell Paul

Pierre Roger Boppe

Dr William Kwok Lun Fung

Dr Rosanna Yick Ming Wong

Dr Kim Lesley Winser

Ada Koon Hang Tse