



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

The Hongkong and Shanghai Hotels, Limited: Statement on legal dispute in Thailand

[FOR IMMEDIATE RELEASE: All business, travel and news editors]

Hong Kong, 11 October 2019: The Hongkong and Shanghai Hotels, Limited (HSH), through its affiliated company, owns 50% of The Peninsula Bangkok and has been operating the hotel since 1998. The Phataraprasit shareholders, who own the other 50% of the hotel, have been taking legal and other actions with the objective of terminating Peninsula's management of The Peninsula Bangkok. The local Thonburi Civil Court ruled on 10 September 2019 that our subsidiary should not have been allowed to vote on a resolution regarding the termination of Peninsula's management agreement at the shareholder meeting of the joint venture company held on 26 January 2019.

HSH strongly objects to this verdict and has duly appealed this judgement to the Court of Appeal on 9th October 2019. Any termination of Peninsula's management would be tantamount to a breach of the shareholders agreement between HSH and the Phataraprasit shareholders, as well as the Peninsula's management agreement. HSH will vigorously defend its rights. Pending the outcome of the appeal and other legal processes which are ongoing, The Peninsula Bangkok continues to be operated by The Peninsula under the hotel management agreement which continues to be legally binding.

Commenting on the case, HSH Chief Operating Officer Peter Borer said: "Having been involved with The Peninsula Bangkok since its inception in 1998, I can confirm that we have always acted with integrity, in the best interests of the joint venture as a whole, supporting both shareholders and in compliance with the shareholders agreement and the hotel management agreement. Over the past decade, the hotel's financial performance has been affected by political uncertainties and a challenging luxury hotel market in Bangkok, but as a group with a long-term investment philosophy, we have always remained committed to Thailand.

"Despite this difficult market, The Peninsula Bangkok performance has consistently performed well in its competitive set and this hotel has received many awards and accolades over the years, including the "World's Best Hotel" by the readers of *Travel + Leisure*. The daily operations of the hotel are not currently affected pending the final outcome of the legal actions," said Mr Borer.

About The Hongkong and Shanghai Hotels, Limited

Incorporated in 1866 and listed on The Stock Exchange of Hong Kong (00045), HSH is the holding company of a Group which is engaged in the ownership, development and



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management of prestigious hotel, commercial and residential properties in key locations in Asia, the United States and Europe, as well as the provision of tourism and leisure, club management and other services. The Peninsula Hotels portfolio comprises The Peninsula Hong Kong, The Peninsula Shanghai, The Peninsula Beijing, The Peninsula Tokyo, The Peninsula New York, The Peninsula Chicago, The Peninsula Beverly Hills, The Peninsula Paris, The Peninsula Bangkok, and The Peninsula Manila. Projects under development include The Peninsula London, The Peninsula Yangon and The Peninsula Istanbul. The property portfolio of the Group includes The Repulse Bay Complex, The Peak Tower and St. John's Building in Hong Kong; The Landmark in Ho Chi Minh City, Vietnam; and 21 avenue Kléber in Paris, France. The clubs and services portfolio of the Group includes The Peak Tram in Hong Kong; Thai Country Club in Bangkok, Thailand; Quail Lodge & Golf Club in Carmel, California; Peninsula Clubs and Consultancy Services, Peninsula Merchandising, and Tai Pan Laundry in Hong Kong.

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