



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

To: All Finance/Business/Travel Editors

FOR IMMEDIATE RELEASE

6 August, 2025

THE HONGKONG AND SHANGHAI HOTELS, LIMITED
INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

| HIGHLIGHTS | | | |
|--|---|---|-----------------|
| FINANCIAL SUMMARY | | | |
| HK\$m | For the six months ended 30 June 2025 | For the six months ended 30 June 2024 | 2025 vs 2024 |
| Revenue from operations^ | 3,281 | 2,908 | 13% |
| Operating EBITDA^ | 643 | 395 | 63% |
| EBITDA | 643 | 542 | 19% |
| Loss attributable to shareholders | (289) | (448) | 35% |
| Underlying loss attributable to shareholders | (216) | (257) | 16% |
| | As at 30 June 2025 | As at 31 December 2024 | |
| Net assets attributable to shareholders | 35,507 | 35,401 | — |
| Net assets per share (HK\$) | 21.30 | 21.24 | — |
| Adjusted net assets per share (HK\$) | 24.24 | 24.01 | 1% |
| Net external debt to total assets | 25% | 23% | 2pp |

^ Excluding the result from the sale of Peninsula London Residences.

- We reported strong operational results with an improvement in consolidated operating revenue of 13% to HK\$3,281 million compared to last year, excluding the non-recurring revenue of HK\$1,707 million from the sale of four Peninsula London Residences in the same period of 2024.
- Of the 24 Peninsula London Residences, the sales of 17 have been completed as of 30 June 2025 and another one sale was completed in July 2025. The final six residences are now being released for sale.
- The group's consolidated operating EBITDA for six months ended 30 June 2025 increased by 63% to HK\$643 million compared to HK\$395 million for the same period last year.
- Including the result from the sale of Peninsula London Residences in 2024, the consolidated EBITDA increased by 19%.
- After accounting for depreciation, net financing charges, share of results of joint ventures and associates, and the unrealised loss on revaluation of investment properties of HK\$61 million (2024: HK\$139 million), the group incurred a loss attributable to shareholders of HK\$289 million for the six months ended 30 June 2025 (2024: HK\$448 million).
- Excluding the unrealised loss on revaluation of investment properties and other non-recurring expenses, the group's underlying loss attributable to shareholders amounted to HK\$216 million (2024: HK\$257 million).
- As at 30 June 2025, the group's net assets attributable to shareholders amounted to HK\$35.5 billion and the group's net debt to total assets remained acceptable at 25%.

HSH'S 2025 INTERIM RESULTS

Hong Kong, 6 August 2025

The Hongkong and Shanghai Hotels, Limited today announced its interim results for 2025. Commenting on the announcement, CEO Benjamin Vuchot said:

“Having now spent five months with the company as CEO, I am pleased to deliver this report on the company’s results in the first half of 2025. Over the past five months, I have visited our various properties and hotels in Hong Kong, Mainland China, Asia and Europe, and will be travelling to the US in August to complete my visits to all operations. Throughout this orientation, I have been very impressed with the passion of the team members and their genuine commitment to delivering an exceptional experience for our guests. I am honoured to be leading this team and remain committed to keeping the company’s values and philosophy intact, while building on our strengths as a group, adapting to evolving market conditions, and delivering financial stability and value for our shareholders.

I am excited about the opportunities for growth that we are exploring, leveraging our strong brand reputation as one of the finest hotel companies in the world. Together with the executive team and the Board, we have commenced a strategic review which we expect to complete by the end of 2025 to sharpen our medium and long-term strategy. We will share more about these plans in due course.

In the period under review, I am pleased to share that our company delivered operational results that exceeded our expectations, despite facing weaker demand in the Greater China hotels. In our hotel division, The Peninsula Tokyo was a success story, reporting historically high rates, and we are pleased to see the renovation at The Peninsula New York yielding results and positive reviews from guests. The recently opened The Peninsula London and The Peninsula Istanbul are showing great progress and revenue growth year on year despite the turbulent geopolitical events impacting travel. In our commercial properties division, The Repulse Bay and The Peak Complex in Hong Kong experienced a robust first half, confirming the expected recovery of the Hong Kong market.

We reported strong operational results with an improvement in consolidated operating revenue of 13% compared to last year, excluding the non-recurring revenue of HK\$1,707 million from the sale of four Peninsula London Residences in the same period of 2024. I am pleased to announce that we have now released the last six of the total 24 Residences for sale.

The strong results in the first half were achieved despite various challenges, many of which were outside of our control. These included global geopolitical factors such as conflict in the Middle East and trade wars between Europe, US and China. We were also affected by local factors, for example political unrest in some regions and natural disasters such as earthquakes and wildfires, which tend to negatively impact appetite for travel to these destinations in the short term. In addition, property revaluations in Hong Kong and depreciation, particularly in London, have offset our operational performance. As a result, we reported a decrease in consolidated revenue of 29% to HK\$3,281 million in the first half of 2025 compared to HK\$4,615 million in the same period last year, which included non-recurring revenue generated from the sale of four Peninsula London Residences.

Due to the increase in operating revenue, the group reported an increase in operating EBITDA of 63% to HK\$643 million excluding the sale of The Peninsula London Residences. Overall, the group experienced a loss attributable to shareholders for the period of HK\$289 million (including a property revaluation loss of HK\$61 million) compared to a loss of HK\$448 million (including a property revaluation loss of HK\$139 million) in the same period last year. The group reported an underlying loss of HK\$216 million as compared to an underlying loss of HK\$257 million last year.

Despite the unfavourable earnings for the period, the group's financial position remains strong, with net assets attributable to shareholders of HK\$35.5 billion (HK\$21.3 per share), and total assets of HK\$55.9 billion as compared to net external borrowings of HK\$13.7 billion, representing a net external debt to total assets ratio of 25%. We maintained a credit rating of A from the Japan Credit Rating Agency and also received an A rating from Rating and Investment Information, Inc. We successfully issued our debut Private Samurai Bond offering in June for JPY16 billion (HK\$869 million). The transaction marks the first time in several years that a Hong Kong-based company has successfully issued a JPY-denominated domestic private placement bond in Japan, reflecting investor confidence in our credit standing and long-term strategy.

BUSINESS PERFORMANCE

Our group comprises three key divisions – Hotels, Commercial Properties and Peak Tram, Retail and Others. These divisions are described in more detail in the following review.

Hotels Division

| Hotels | Revenue | Variance Year-on-Year | |
|------------------------------|---------|-----------------------|----------------|
| | HK\$m | HK\$ | Local Currency |
| The Peninsula Hong Kong | 518 | — | — |
| The Peninsula Shanghai* | 212 | -3% | -2% |
| The Peninsula Beijing | 149 | -6% | -6% |
| The Peninsula London | 373 | +12% | +8% |
| The Peninsula Paris* | 426 | +23% | +20% |
| The Peninsula Istanbul* | 206 | +36% | +31% |
| The Peninsula New York | 348 | +54% | +54% |
| The Peninsula Chicago | 286 | +6% | +6% |
| The Peninsula Beverly Hills* | 341 | +9% | +9% |
| The Peninsula Tokyo | 499 | +24% | +19% |
| The Peninsula Bangkok | 121 | +18% | +10% |
| The Peninsula Manila | 118 | +6% | +5% |

* Non-consolidated hotels

The Peninsula Hong Kong

| The Peninsula Hong Kong | | |
|-------------------------|----------|-------|
| Revenue | HK\$518m | – |
| Occupancy | | +15pp |
| Average Room Rate | | -27% |
| RevPAR | | -1% |

In the first half of 2025, **The Peninsula Hong Kong** experienced stable results in terms of revenue and RevPAR compared to the same period in 2024, while occupancy increased by double digits. Average rates declined compared to the previous year due to a large non-recurring piece of corporate business in 2024.

Hong Kong is experiencing increasing tourist arrivals from long-haul markets including the US and Europe, but this recovery is not yet being seen in the luxury market. Shenzhen as a convenient and affordable air hub and experiential city destination continues to attract affluent Chinese mainland domestic travellers as well as Hong Kong residents, and this affected our food and beverage revenue. We implemented various unique experiences and promotional events to entice visitors and residents alike to visit the hotel.

In March 2025, we celebrated our global art programme “Art in Resonance” with a spectacular event held during Hong Kong Art Week in collaboration with Art Basel, featuring specially commissioned works from three visionary artists. In May, we were pleased to partner with the organisers of *Le French May* to host exclusive concerts and dinners.

Our collaborative venture with Hong Kong’s iconic Star Ferry was extended in 2025 and provides a unique experience as well as a good source of revenue. As a special occasion in June 2025, we hosted an interpretation of George Bizet’s beloved opera *Carmen*, *Les Amours des Carmen Wong*, at Felix, which was well received by guests.

The Peninsula Office Tower was 86% occupied in the first half of 2025, and the immediate outlook is stable. The Peninsula Arcade occupancy was 88% and despite a softer retail market across the city, our anchor luxury retail outlets have been performing well.

The Peninsula Shanghai

| The Peninsula Shanghai | | |
|------------------------|---------|------|
| Revenue | RMB197m | -2% |
| Occupancy | | +1pp |
| Average Room Rate | | -1% |
| RevPAR | | -1% |

The Peninsula Shanghai experienced a challenging first two months of 2025 before and during Chinese New Year and promptly recovered during the rest of the first half. While Chinese domestic consumers have become more price sensitive and reluctant to spend on travel or luxuries, we benefited from the positive impact of visa-free travel to China for many international markets, with the Middle East and Russia being particularly strong. As a result, the overall performance for the first half was relatively stable.

Food and beverage revenue was challenging due to a softer market across the city and the general downturn in consumer spending. Despite this weak sentiment, luxury brands continued to host large-scale events in Shanghai. The 2025 Shanghai Auto Show was very well attended and brought significant group business to our hotel.

We were delighted to receive a prestigious accolade from “La Liste World’s Best Hotels 2025” as the only hotel company with two hotels in the Top 10, with The Peninsula Shanghai being listed together with The Peninsula Chicago.

The Peninsula Arcade was 82% occupied during the first half. The retail market is challenging in Shanghai and we are currently in negotiation with a number of potential tenants in the basement level.

The group owns a 50% interest in The Peninsula Shanghai Complex which comprises a hotel, a shopping arcade and a residential tower of 39 apartments. As of 30 June 2025, a total of 32 apartment units have been sold.

The Peninsula Beijing

| The Peninsula Beijing | | |
|-----------------------|---------|------|
| Revenue | RMB138m | -6% |
| Occupancy | | -2pp |
| Average Room Rate | | -7% |
| RevPAR | | -9% |

The Peninsula Beijing reported a challenging first half of 2025 compared to the same period in 2024 which had seen historically high RevPAR. Flight capacity in Beijing has not yet recovered and this has affected long-haul leisure travel to Beijing, and the US-China trade war coupled with geopolitical tensions led to a softening of travel. In June, the situation improved with several high-level delegations and diplomatic business returning to the hotel and this was reflected in our financial performance compared to the same period last year.

Food and beverage revenue was stable and our rooftop bar *Yun* had a very strong performance, although *Huang Ting* and *The Lobby* experienced softer demand. *Jing*, which has one Michelin star, performed well.

We continued our commitment to promoting contemporary art with an innovative Canadian father-and-son exhibition named “Take Your Seat” which promotes Beijing as a destination and a beautiful coffee table book of the photography was produced.

The Peninsula Arcade was 93% occupied although luxury retail business has softened across the city. We are pleased to have secured a new sports and wellness brand tenant which we believe will attract a younger clientele.

The Peninsula London

| The Peninsula London | | |
|----------------------|--------|------|
| Revenue | GBP36m | +8% |
| Occupancy | | +7pp |
| Average Room Rate | | -7% |
| RevPAR | | +4% |

Now in its second full year of operation, **The Peninsula London** is gaining market share, although it reported a slow start in the first three months of the year, with Ramadan affecting business from the Middle East market. The hotel was quick to positively catch up towards the second quarter and captured the higher demand season, with the city featuring exciting events such as the Chelsea Flower Show, Royal Ascot and Wimbledon.

The supply of new hotel rooms has caused downward pressure on rates across the city, and many efforts have been deployed to fully demonstrate the superior positioning of this new property in London.

Banquets and the Spa performed well while food and beverage revenue was softer. To help drive revenue and attract a local clientele we are continuously refreshing what we offer, and have introduced a new, affordable, noodle bar concept at *Little Blue*, the bar of our Cantonese restaurant *Canton Blue*, which has been very popular. We were delighted that our fine dining restaurant of *Brooklands* maintained its two Michelin stars in January 2025. We have introduced a summer pop-up, *Soleil by Claude*, in *Brooklands* featuring a new and refreshing Mediterranean menu.

The Peninsula London attracts a large number of “car aficionado” guests and we are preparing to collaborate with a variety of prestigious car events in London and beyond. Media and guest reviews continue to be positive.

The Peninsula London Complex comprises a 190-room hotel and 24 luxury Peninsula-branded Residences, which are considered to be among the highest quality properties available in the London market. Of the 24 Residences, the sales of 17 have been completed as of 30 June 2025 and another one sale was completed in July 2025. The final six residences are now being released for sale.

We are continuing with the process of agreeing final accounts with our trade contractors and consultants, which will include finalisation of programme delay costs. The process is expected to be substantially completed by the end of the year.

The Peninsula Paris

| The Peninsula Paris | | |
|---------------------|--------|------|
| Revenue | EUR49m | +20% |
| Occupancy | | +12p |
| Average Room Rate | | -5% |
| RevPAR | | +25% |

The Peninsula Paris reported a pleasing first half of 2025 with improved revenue and RevPAR, although room rates were under pressure across the city. The year started well with good business coming from Paris Fashion Week, the AI Global Summit and some government delegations as well as large sports groups. The city is recovering from the lower-than-expected 2024 pre-Olympic trading environment.

The Peninsula Paris maintained its focus in delivering exciting experiences with an array of collaborations with prestigious brands including Chaumet, Macallan, Studio Harcourt and Tartine & Chocolat. Food and beverage performed well, boosted by new live DJ evenings at our Chinese restaurant, *LiLi*, which were popular with a younger local Parisian crowd.

Our glamorous annual summer party, *Le Rooftop*, has become a signature event which has become renowned as one of the main social events in summer in Paris.

The Spa performed well. We are positioning the hotel as a city wellness destination, and we have implemented new community runs and morning yoga sessions combined with nutritional menus and holistic therapies.

The outlook for the rest of the year is positive.

The Peninsula Istanbul

| The Peninsula Istanbul | | |
|------------------------|--------|------|
| Revenue | EUR23m | +31% |
| Occupancy | | +5pp |
| Average Room Rate | | +13% |
| RevPAR | | +25% |

The Peninsula Istanbul in its second full year of operation delivered a positive performance in the first half of 2025, continuing to gain market share despite challenging environment. Geopolitical tensions in the region and the news of an earthquake in April 2025 affected overall visitor arrivals to the country; however, the hotel maintained solid business momentum.

Demand from key source markets including USA, Russia, Saudi-Arabia, Qatar and Europe remained buoyant. Food and beverage performance was a key contributor, particularly in *The Lobby*. The hotel's expansive *al fresco* ballroom, one of the largest in the city, continued to see a year-on-year increase in high-end weddings business.

Our rooftop restaurant *Gallada* has established itself as a sought-after destination for both local residents and international guests, reinforcing the hotel's reputation within Istanbul's dining scene.

In July, we launched a new eight-seater motor yacht, PEN 1, which will offer an elevated arrival experience via the Golden Horn and curated Bosphorus excursions for guests.

The Peninsula New York

| The Peninsula New York | | |
|-------------------------------|---------|------|
| Revenue | US\$45m | +54% |
| Occupancy | | +3pp |
| Average Room Rate | | +4% |
| RevPAR | | +9% |

The Peninsula New York reported a positive first half of 2025, enjoying strong results following our significant renovation from January to September 2024 of guestrooms, the Lobby, rooftop bar and public areas. The new renovation has received positive reviews from guests and media and had the effect of attracting many first-time guests as well as loyal patrons of the hotel, and we have continued to work on driving rates.

Food and beverage revenue was strong, with good results from catering. *Clement* remains a popular "power breakfast" destination on weekdays and brunch spot at weekends. Our new rooftop bar, *PenTop*, proved very popular for corporate events as well as regular leisure business.

Our geographic mix at this property has become increasingly domestic with fewer numbers of international guests as compared to the previous year, due to the current US administration's policies which affected inbound travel.

Our outlook for the rest of the year is positive.

The Peninsula Chicago

| The Peninsula Chicago | | |
|------------------------------|---------|-----|
| Revenue | US\$37m | +6% |
| Occupancy | | 0pp |
| Average Room Rate | | +4% |
| RevPAR | | +5% |

The Peninsula Chicago recorded a satisfactory first half of 2025 compared to the previous year, with growth in revenue and RevPAR. Groups business was robust and this positively impacted banqueting and catering revenue. The Spa was under renovation for the first two months but reopened in March and is performing well.

The Peninsula Chicago has collaborated with art partners to curate contemporary art exhibits that are showcased throughout the hotel's public space and on display for several months, commencing during the city's annual EXPO CHICAGO art event. In April 2025, we presented *Seeing the World*, a compelling contemporary art exhibition featuring a curated selection from the Bill and Christy Gautreaux Collection, curated by Erin Dziedzic, which proved very popular with guests.

We were delighted to achieve a prestigious accolade from “La Liste World’s Best Hotels 2025” as the only hotel company with two hotels in the Top 10, with The Peninsula Shanghai being listed together with The Peninsula Chicago. We were also pleased to be ranked No.1 Hotel in Chicago and No.1 Hotel in Illinois by *US News & World Report*.

The Peninsula Beverly Hills

| The Peninsula Beverly Hills | | |
|------------------------------------|---------|------|
| Revenue | US\$44m | +9% |
| Occupancy | | +4pp |
| Average Room Rate | | +6% |
| RevPAR | | +14% |

The Peninsula Beverly Hills performed well in the first half of 2025 with double-digit growth in RevPAR year-on-year.

We were concerned to see the devastating impact of wildfires in Los Angeles in January 2025. In response, we implemented a “Hope for Los Angeles” campaign for charitable causes helping those who had been affected by the disaster, and we are pleased to report this initiative raised US\$128,083 (HK\$1 million).

In the second quarter, the city was affected by riots and social unrest related to domestic politics, and this negatively impacted international arrivals. Despite the challenging environment in the city, in May, the hotel broke all-time records for average rates, rooms revenue, and overall hotel revenue. A key contributor was the high demand for suites due to the Milken Conference, a prestigious event which has been held in Los Angeles for more than 20 years.

Food and beverage performed well in the first half, with a successful Hawaiian-themed pop-up. In June 2025, for the second consecutive year we welcomed an auction exhibition of “Princess Diana’s Elegance & A Royal Collection” which was immensely popular and garnered significant press coverage for the hotel.

The Peninsula Tokyo

| The Peninsula Tokyo | | |
|----------------------------|----------|------|
| Revenue | JPY9.39b | +19% |
| Occupancy | | +8pp |
| Average Room Rate | | +13% |
| RevPAR | | +28% |

The Peninsula Tokyo reported a strong momentum in 2025 with rates, occupancy and RevPAR achieving significant growth compared to the same period last year. This was driven by robust international group business in March and April as well as the traditionally strong *Sakura* season at the end of March, producing record-breaking average rates for this period.

Banquets and weddings performed well in the first half, although food and beverage revenue in our outlets remains challenging. There is an overwhelming choice of restaurants available in Tokyo and local residents are curtaining discretionary spending, and in general, local consumer trends in Tokyo have changed and people do not dine out as late or as frequently as in previous years.

A highlight in the first half of the year was our inaugural “Japan Driving Experience” which was well received by participants. The event showcased The Peninsula brand in luxury experiences beyond the hotel and exemplified a unique and enjoyable way to view the Japanese countryside.

There was a noticeable slowdown in bookings from the Hong Kong and the Chinese mainland market towards the end of June, likely due to rumours of an impending earthquake in early July, but this was temporary and the outlook for the rest of the year remains optimistic.

The Peninsula Bangkok

| The Peninsula Bangkok | | |
|-----------------------|---------|------|
| Revenue | THB520m | +10% |
| Occupancy | | +2pp |
| Average Room Rate | | +6% |
| RevPAR | | +11% |

The Peninsula Bangkok started the year with a strong January performance compared to the same period last year and reported an increase in average rates, RevPAR and revenue. However, this tapered off with a decline in bookings from the Greater China market following negative news reports about incidents at the Thailand-Myanmar border in February.

In addition, the major earthquake which affected Bangkok in March led to cancellations and negatively impacted international travel to the country. While we were relieved that there were no casualties or significant damage to our property and guests, the earthquake affected our financial results as we had to spend a significant sum on repairing non-structural damage.

Despite these unforeseen circumstances, the results for the first half were positive. Banqueting performed well during the first half and weddings business was strong.

The Peninsula Bangkok, as an “urban resort” hotel, places a significant focus on health and wellness. In June 2025, we announced the return of our “Wellness Festival”, reflecting the hotel’s ongoing commitment to inspiring healthier lifestyles and supporting the well-being of our guests and community. This has been well received by our guests.

The Peninsula Manila

| The Peninsula Manila | | |
|----------------------|---------|-------|
| Revenue | Php863m | +5% |
| Occupancy | | +16pp |
| Average Room Rate | | -15% |
| RevPAR | | +9% |

The Peninsula Manila experienced a satisfactory performance in the first half compared to the previous year. Revenue, occupancy and RevPAR increased although average rates declined due to our strategy of driving occupancy through high-volume groups business.

International travel to the Philippines remained strong in the first half of 2025 despite geopolitical tensions dampening long-haul travel sentiment from our traditional markets of the US and UAE. We were pleased to welcome increasing numbers of corporate guests from Asia as well as markets such as India and Australia, particularly for incentive travel. Additionally, we saw a notable boost in domestic business.

Banqueting continued to be a key driver of food and beverage revenue. *The Lobby*, *Spices* and *Escolta* all performed well and weddings business was strong, especially following our Wedding Fair in April which was attended by the First Lady and a number of celebrities.

As the only hotel in Makati to offer commercial helipad services, we were pleased to offer “flightseeing” tours with a local helicopter company to offer tours to our guests, which were popular.

Commercial Properties Division

| Commercial Properties | Revenue | Variance Year-on-Year | |
|-----------------------------------|---------|-----------------------|----------------|
| | HK\$m | HK\$ | Local Currency |
| The Repulse Bay Complex | 303 | +6% | +6% |
| The Peak Tower | 88 | +11% | +11% |
| St. John’s Building | 19 | -16% | -16% |
| The Landmark | 15 | -20% | -18% |
| 21 avenue Kléber | 17 | +6% | +4% |
| The Peninsula Shanghai Apartments | 3 | -35% | -35% |

Our largest commercial property, **The Repulse Bay Complex**, enjoyed a positive first half compared to the previous year. Residential revenue and occupancy improved at 101 Repulse Bay and de Ricou following a minor refurbishment of 14 apartments, and we are pleased to see demand from local moves and expatriates who are returning or moving to Hong Kong.

We are cautiously optimistic about the second half of 2025, with positive leasing renewals for the summer and our long-term outlook is positive.

The Repulse Bay Arcade, which offers a diverse range of lifestyle amenities and services, reported stable occupancy and revenue. We have undertaken an extensive renovation of the retail arcade and Palm Court, with the aim of offering unique and enhanced facilities to guests and retail tenants.

The Peak Tower experienced a strong first half compared to the previous year. Revenue and occupancy at the Peak Tower improved and we have introduced new and refreshed dining options and cafes and retail outlets.

We introduced a variety of new dining and retail options to enhance the Peak Tower's appeal as a destination, including the Swiss Arts Day and the "Hong Kong: Through the Looking Glass" miniature exhibition, followed by the "Mickey Keep it Real" campaign, a first-ever collaboration with Disney in June to attract family visitors.

Visitor numbers to Sky Terrace 428 continued to improve compared to the previous year, due to successful sales of "combo" tickets with the Peak Tram.

St John's Building is located above the lower terminus of the Peak Tram in Central. Revenue decreased and occupancy dropped to 78% during the first half of 2025, due to the weaker office market and oversupply of new offices in Hong Kong.

The Landmark, a 16-storey residential and office property, is located on a prime riverfront site in the central business district of Ho Chi Minh City, Vietnam. Revenue and occupancy for the offices declined compared to the same period last year, while residential revenue and occupancy improved. The joint venture partnership and land use right of this property will expire in January 2026.

We have had several meetings with our partners to evaluate the future of the property; however, based on the current situation and Vietnamese legislation, there is no possibility of extending the joint venture and the land use right. Accordingly, the joint venture will proceed to dissolution after the end of its term, with the land and the building being handed back in accordance with the joint venture terms and the prevailing legislation. We are incredibly proud of our employees and the whole Landmark team. We extend our profound gratitude to all our colleagues, and it is thanks to their dedication which has been instrumental to the success of our operations over the years. We are committed to ensuring a smooth and supportive transition for our employees.

21 avenue Kléber offers a prime office and retail location immediately adjacent to The Peninsula Paris on Avenue Kléber, close to the Arc de Triomphe. The office and retail spaces are currently fully occupied. Rental revenue improved slightly compared to the previous year.

Peak Tram, Retail and Others Division

| Peak Tram, Retail and Others | Revenue | Variance | Local |
|--|---------|----------|----------|
| | HK\$ | HK\$ | Currency |
| The Peak Tram | 171 | +17% | +17% |
| The Quail | 74 | +27% | +27% |
| Peninsula Clubs & Consultancy Services | 2 | +12% | +12% |
| Peninsula Merchandising | 64 | +7% | +7% |
| Tai Pan Laundry | 30 | -7% | -7% |

The Peak Tram is one of Hong Kong's most popular tourist attractions and has been in operation since 1888. Business has been robust, with record patronage achieved during the Golden Week holidays in May. We implemented several new marketing campaigns to attract guests to the Peak and this boosted ticket sales for the tram. We were honoured to be part of a Hong Kong Government trade delegation to the Middle East to help promote tourism to Hong Kong, and the Peak Tram was prominently featured in the promotional materials for this trip.

The Quail reported a strong first half with revenue, average rates and RevPAR increasing by double digits year-on-year with a change in rate strategy, improved strategic partnerships, and the opening and optimisation of online booking channels. While higher hotel occupancies helped Quail's restaurants, food and beverage performance overall remains challenging.

We organised *The Quail, A Motorcycle Gathering* in May, which attracted additional sponsorship revenue and good media coverage. Golf membership remains stable. The outlook for the second half is positive with the property's signature event, *The Quail Motorsports Gathering*, to be held in August 2025. This event is considered one of the world's leading concours events for motoring aficionados and brings significant sponsorship revenue.

Peninsula Clubs & Consultancy Services (PCCS) manages The Hong Kong Club, Hong Kong Bankers Club and The Refinery. PCCS reported an improvement in revenue compared to the same period last year, derived from increased management fees.

Revenue at **Peninsula Merchandising**, which operates **The Peninsula Boutiques**, increased compared to the previous year. A key highlight was the opening of our transformed retail space at Hong Kong International Airport which included the successful launch of a new "Hong Kong souvenir" collection.

The Peninsula Boutique is renowned for its signature Mooncakes and the forthcoming season is looking satisfactory. We are planning to launch a Mid-Autumn collection in collaboration with luxury Hong Kong brand Lane Crawford.

We have introduced new categories of lifestyle products to leverage The Peninsula brand across luxury gifts and in core categories such as chocolate, tea and delicacies. This included the successful launch of our new premium first edition single cask Scotch whisky which sold out in the first quarter of the year, and we had a second round of sales in the second quarter which performed very well.

In the Chinese mainland, we held a successful collaboration with Miffy across merchandise, gifts, soft serve ice cream and afternoon tea.

Tai Pan Laundry revenue decreased compared to the same period last year, due to a softer market for clubs and gyms across the city. This subsidiary is implementing diversified business services.

Our People

With my appointment and other significant leadership transitions before my arrival, our People & Culture team have been focusing on ensuring authentic and transparent communications with our employees. The leadership transition and familiarisation process has been facilitated through our internal online communications platforms accessible to global employees, as well as in-person visits to operations.

In parallel, we are improving our succession management process, covering the career development of 379 senior leaders across global operations and Head Office. This initiative fostered impactful ACE (Aspiration, Career, and Experience) conversations, enabled comprehensive talent reviews, and will further the career and talent development of our organisation.

Our culture of care and belonging also drives our commitment to employee engagement. Feedback received from our 2024 Employee Experience Survey has prompted the initiation of action plans across all our operations, with a focus on communication, recognition, and resources, to better the work environment and wellbeing of our people.

To support talent acquisition efforts, we launched our new group careers website (hshgroup.com/careers) at the end of March. It is an initiative that has resulted in a 25% increase in job applications, strengthening the company's talent pipeline.

As of 30 June 2025, there were 7,698 full time employees in the group.

Sustainable Luxury

As owner and operator of our hotels and properties, we are in a unique position to act decisively and with genuine intent in our sustainability approach, while maintaining unparalleled service standards. We continue to rely on our people, the heart and soul of this company, to bring our Sustainable Luxury Vision to life in their daily work. This year, we launched a year-long internal sustainability campaign which seeks to enhance our global colleagues' understanding of the challenges we face, empowering them to contribute to the group's sustainability goals in their own ways.

Our two newest hotels in London and Istanbul, both BREEAM Excellent certified, are a testament of our commitment to building for the future. We have further decarbonised our operations with The Peninsula Manila joining as the fourth asset in our group to source 100% electricity from renewable sources. Our Scope 3 emissions inventory is in progress, so we can begin to incorporate our full value chain emissions into the group's decarbonisation roadmap.

We remain focused on protecting our assets, our business and our people from the impacts posed by climate change. In 2024, we conducted a portfolio-wide climate risk assessment to gain a broad understanding of such risks in the group. We recently enhanced this by implementing the property-level climate risk register to help track mitigation actions and understand climate impacts on an asset-level. This ensures climate risks are always being considered along with the group's broader corporate risk management.

We have decided on a beneficiary for our Hope for Türkiye campaign, which was initiated in 2023, after the devastating earthquake which affected the country just before our soft opening. This campaign raised USD4.8 million from a percentage of room stays in Peninsula Hotels around the world. The majority of the funds will go to 100.Yıl Köyü, a social responsibility project in Türkiye, which aims to create a new living space for families affected by earthquakes. The remaining funds will go to another project, the details of which are being finalised and will be announced in due course.

We continue to be guided by our *Sustainable Luxury Vision 2030* strategy. More details of our achievements in the past year are available in our 2024 CRS Report.

Outlook

The second half is expected to bring a mix of opportunities and challenges.

In the hotels division, we are cautiously optimistic for the second half, which is our traditional high season in many markets. The new Peninsula London and Peninsula Istanbul hotels are truly spectacular and have significantly enhanced our brand presence in Europe. They have already achieved several industry awards and accolades and are receiving very positive reviews from guests as well as extensive media coverage.

We believe that most of our operations will perform well, considering the traditional high season in autumn and festive winter season. We foresee that our Peninsula Hotels in Paris, Tokyo and Beverly Hills business will remain particularly strong. Our newly renovated hotel in New York will continue to yield positive results.

However, the general instability created by geopolitical concerns and trade tensions which is challenging for tourism-related businesses calls for prudent and careful management. We believe this will continue to negatively impact our hotels in Greater China, although a major anniversary event which will be celebrated in Beijing in October could lead to an uptick in business in that city.

In Hong Kong, the long-haul market for leisure travellers is improving and it is our great hope that the Hong Kong Tourism Board continues this momentum with an objective to attract more high-end visitors. We expect Hong Kong residents will continue to transit across the border to Shenzhen and this may affect food and beverage revenue; we endeavour to continue to devise innovative solutions to entice them to stay in Hong Kong. Business in Bangkok will continue to be challenging.

We will continue to cautiously manage expenses in our businesses which are facing a weaker environment.

We foresee that the conflict in the Middle East may deter guests from Gulf Cooperation Council (GCC) countries to reconsider travel overseas, and despite being located thousands of miles away from the conflict, unfortunately the concern of regional conflict tends to affect our hotel in Istanbul.

We believe that the demand for unique, personalised, and sustainable luxury experiences remains robust around the world. High-end travellers are seeking exclusive urban retreats and culturally immersive experiences. We are determined to defend the unique positioning of The Peninsula brand, in offering unique and personalised experiences, combined with the utmost commitment to service excellence, and we aim to constantly innovate to find new ways to delight and impress our guests.

On the commercial property side, we will continue to invest in our existing assets and uplift our offering to visitors and residents. We are encouraged by the renewals of leases at The Repulse Bay and we expect to see continued demand for the residential apartments at The Repulse Bay from both the local and the expatriate markets, with satisfactory lease renewals occurring in the summer months.

The Peak continues to be a very attractive and unique experience for visitors, especially those from the Chinese mainland and other parts of Asia, and we are working on a variety of unique and exclusive activations at The Peak Tower and the Peak Tram.

I would like to thank each member of my team for the warm welcome that I have received over the past five months, as well as the Board for placing their trust in me to take on this new role. I firmly believe in the team's capacity to embrace the challenges and get ready to deliver a strong performance for the second half, and I am truly optimistic that great opportunities lie ahead."

About The Hongkong and Shanghai Hotels, Limited (Stock Code: 45)

Incorporated in 1866 and listed on the Hong Kong Stock Exchange, The Hongkong and Shanghai Hotels, Limited is the holding company of a group which is engaged in the ownership, development, and management of prestigious hotels and commercial and residential properties in key locations in Asia, Europe and the United States, as well as the provision of tourism and leisure, retail and other services. The Peninsula Hotels portfolio comprises The Peninsula Hong Kong, The Peninsula Shanghai, The Peninsula Beijing, The Peninsula London, The Peninsula Paris, The Peninsula Istanbul, The Peninsula New York, The Peninsula Chicago, The Peninsula Beverly Hills, The Peninsula Tokyo, The Peninsula Bangkok and The Peninsula Manila. 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 Peak Tram, Retail and Others portfolio of the group includes The Peak Tram in Hong Kong; The Quail in Carmel, California; Peninsula Clubs and Consultancy Services, Peninsula Merchandising, and Tai Pan Laundry in Hong Kong.

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