



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

31 MARCH, 2025

THE HONGKONG AND SHANGHAI HOTELS, LIMITED
ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER, 2024

Key highlights

- The group achieved a combined revenue of HK\$10,991 million (2023: HK\$8,703 million) for the year ended 31 December 2024. Excluding the revenue from the sale of The Peninsula London Residences of HK\$3,452 million (2023: HK\$2,298 million), the group's combined revenue amounted to HK\$7,538 million compared to HK\$6,405 million in 2023. The revenue growth was mainly due to the full year contribution from The Peninsula London.
- Despite the revenue growth, the group reported a loss attributable to shareholders and an underlying loss of HK\$943 million and HK\$176 million respectively.
- The main factors affecting the results for the year ended 31 December 2024 were:
 - The Peninsula New York was under renovation during January to September 2024 and the newly opened Peninsula hotels in London and Istanbul still require time to ramp up to a stabilised stage of operation.
 - An increase in depreciation of HK\$166 million mainly attributed to The Peninsula London which opened in September 2023.
 - An increase in net financing charges of HK\$461 million as the group is no longer capitalising interest on borrowings relating to The Peninsula London project following the opening of the hotel, as well as higher interest rates.
 - An impairment provision of HK\$158 million in respect of the group's investment in The Peninsula Yangon.
 - A revaluation loss of the group's investment properties by HK\$569 million.
- As at 31 December 2024, the group's net assets attributable to shareholders amounted to HK\$35.4 billion and the group's net external debt to total assets remained acceptable at 23%.

HSH's 2024 ANNUAL RESULTS

Hong Kong, 31 March 2025

The Hongkong and Shanghai Hotels, Limited today announced its annual financial results for 2024. We are pleased to share a CEO Statement and Strategic Review from Mr Benjamin Vuchot, Chief Executive Officer of The Hongkong and Shanghai Hotels, Limited (HSH), as well as the HSH Group Operational Review.

CEO STATEMENT AND STRATEGIC REVIEW

1. The Year in Review

I am delighted to have joined The Hongkong and Shanghai Hotels as CEO on 3 March 2025, and I would like to thank all our valued shareholders for your commitment and support. It is a privilege to be working for a company that has built a reputation for excellence in luxury hospitality and exceptional services for 159 years. Building on this legacy and long-term vision, I look forward to working alongside the exceptional HSH team to imagine and deliver the future of luxury hospitality that is both sustainable and responsive to our times, whilst upholding the values that have steered the group's success and legacy.

As I am new to my role, I am grateful for the opportunity to take some time to understand our current business together with the Board and my team and develop our strategies for future growth, while keeping our commitment to our long-term values and philosophy of "Tradition Well Served". This report focuses on the results for 2024 and I will discuss more on the growth strategy of the group in due course.

Our priority for the short to medium term is to stabilise the financial results of our new hotels, reduce our borrowings, grow our revenue and profitability to then be well placed for growth. Long term, we aim to preserve the unique culture of the brand and create value for our shareholders. I believe there are exciting times ahead.

As you will read in more detail in the following Operational Review of this document, we reported a stable performance during 2024, compared to the satisfactory performance during the same period in 2023.

Our operational results reflect an emerging recovery from the difficult years of the pandemic, but we still have some way to go to achieve growth. We reported a net loss for the year, which reflected a number of factors, mostly related to depreciation attributed to The Peninsula London project, an increase in net financing charges related to The Peninsula London, and a revaluation loss of the group's investment properties for 2024.

Our long-term philosophies and values remain steadfast. I will summarise these in the following pages.

2. Our culture, vision and development strategy

The Hongkong and Shanghai Hotels, Limited has a heritage of 159 years. Whilst we have witnessed profound political and economic changes since we were first established in 1866, both in our home market of Hong Kong and around the world, our company remains faithful to our key philosophies and values which are:

- to conduct business with the highest levels of integrity;
- to build on our heritage while continuing to invest in and develop our people;
- to maintain and enhance the quality of our assets;
- to continuously improve the service we offer to our guests, and
- to contribute positively to the cities in which we operate.

Maintaining a unique, close-knit and robust company culture is very important to us and we are pleased that our employees are proud to work for the company.

Together with the Board, we will be reviewing our current development and growth strategy while preserving the philosophies and values of the company, and to further enhance our position as one of the leading luxury hotel brands in the world.

3. Business overview

Our group currently owns and operates twelve Peninsula hotels which are located in Hong Kong, Shanghai, Beijing, Tokyo, London, Paris, Istanbul, New York, Chicago, Beverly Hills, Bangkok and Manila.

Our recently opened hotels in London and Istanbul were fully operational in 2024 and have been exceptionally well received, earning recognition and awards within the industry. These properties are truly magnificent in terms of location, design, and service, significantly enhancing our brand presence in Europe.

Throughout the years we have maintained a significant investment programme to enhance the physical condition and quality of our existing properties, for example, by completing major renovations.

Our hotels are considered “trophy assets” in the cities they are in and they generate additional returns from shopping arcades or residential apartments as part of the hotel complex. We have long-term partnerships with our co-owners who value the benefits of creating a high-quality asset. Our objective is to build up a loyal clientele who are willing to pay premium prices for a superior luxury product and services. We achieve this by offering a high level of personalised service and attention to detail.

In the group's commercial properties division, we take a similar investment approach and seek long-term returns on our well-located properties. We own high-end residential property including The Repulse Bay in Hong Kong's exclusive South Side, residential apartments in Shanghai and London, and we lease commercial space to retail tenants at various Peninsula hotels, The Repulse Bay Arcade and The Peak Tower. Sky Terrace 428 at The Peak Tower gives tourists the opportunity to enjoy Hong Kong's panoramic views. We also hold commercial properties in Hong Kong, Paris and Ho Chi Minh City.

Peninsula Merchandising Limited develops and distributes Peninsula-branded merchandise including the famous Peninsula Mooncakes, as well as artisanal chocolates and high-quality tea. We operate Peninsula Boutiques in key gateway cities in Greater China and Asia, including a boutique at Hong Kong International Airport, several Peninsula hotels, and The Peninsula Boutique & Café in Shanghai's bustling Xintiandi district. We opened new pop-up stores in 2024 and invested in developing our online retail business. We are planning to expand the business further, with new boutiques and pop-ups in the Chinese mainland and Japan.

Our portfolio also includes the Peak Tram, which was first established in 1888 and has been owned and operated by our group since the early 1900s. Following its significant upgrade project which was completed in 2022, the Peak Tram has performed exceptionally well and has been well received by Hong Kong people and overseas visitors alike, and visitor numbers have exceeded pre-pandemic numbers in 2024.

Having a diverse portfolio helps to diversify investment risks generally associated with the luxury hospitality industry. The more stable returns of the commercial properties division and, to a smaller extent, the Peak Tram, Retail and Others division help to offset the cyclical nature of the hotel business.

4. Projects Update

The Peninsula London and The Peninsula Istanbul hotels, which soft opened in 2023 and were fully operational in 2024, formed the most substantial capital expenditure programme in our company's history, and the final accounts for The Peninsula London are still being completed.

The Peninsula New York

We completed a comprehensive interior design refurbishment of The Peninsula New York in September 2024, debuting a refresh of 219 guest rooms and suites, as well as the hotel's lobby, reception, *Palm Court*, and a completely transformed rooftop bar, *Pen Top*.

The Peninsula Yangon

The company entered into a shareholders' agreement with Yoma Strategic Investments Ltd. and First Myanmar Investment Public Company Limited in January 2014 to acquire a 70% majority interest for a proposed hotel development on the site of the former headquarters of the Myanmar Railway Company in central Yangon, Myanmar.

Regrettably, we agreed with our partners to stop work on The Peninsula Yangon project as of June 2021, other than minor weatherproofing and protection for the site. As development work for the project is still on hold and the outlook of the tourism market in Myanmar continues to be uncertain, management has conducted a review to assess the recoverability of The Peninsula Yangon's book value. Based on the assessment, the Directors consider it prudent to write off The Peninsula Yangon's remaining book value resulting in an impairment provision of HK\$158 million.

5. Financial results and financial planning

Our business model as an owner-operator is a capital intensive one, but it allows us to have an appropriate degree of control or joint control over the upgrading of our existing assets and making investments in new developments. This ensures a high level of quality and consistency in our product and allows us to offer a bespoke, tailored guest experience.

As a result of our continuous investment into and enhancement of our property assets, the company's revalued net asset value per share has more than doubled in the last two decades to HK\$24.01 per share in 2024.

We continue to carefully monitor our company's financial position and we continuously take a proactive approach to forecasting future funding requirements.

We maintain sufficient cash reserves and adequate committed borrowing facilities from major financial institutions to ensure funds are available to meet our needs. Our net debt to total assets ratio is currently 23%, which we believe to be acceptable considering the financial obligations of The Peninsula London and The Peninsula Istanbul, although we are aiming to reduce our gearing. With business resuming to normal levels as well as the gradual handover and completion of our purchased London residences, it is expected that the group's gearing will reduce in the coming year.

As is often typical in the hospitality industry to support the opening of new hotels, our results were impacted by significant amounts of pre-opening expenses that were incurred in 2023 to support the launch of The Peninsula London. Following the opening of The Peninsula London and The Peninsula Istanbul, despite a scale-down of pre-opening expenses, project expenses continued to be incurred in 2024 for certain incomplete works as well as snagging, rectification and accounts finalisation for the projects.

To reflect the underlying operating performance of the group, we have provided a calculation of the underlying profit or loss attributable to shareholders. This is determined by excluding the pre-opening and project expenses, the post-tax effects of the revaluation movements of investment properties, impairment provisions and other non-recurring items.

The group's underlying loss attributable to shareholders for the year ended 31 December 2024 amounted to HK\$176 million compared to an underlying profit of HK\$277 million in 2023.

6. Driving business

We believe the fundamentals of luxury hospitality do not change over time and I am confident that demand for high quality service will continue long into the future.

The group's diverse portfolio of assets helps to balance the cyclical nature of the hotel industry. Our main revenue sources derive from our hotel rooms, driven by global distribution systems, digital marketing and e-commerce revenue, as well as travel agents and partners and online platforms. On the retail side, we maintain good relationships with our tenants and engage in joint promotions to encourage traffic into our arcades. We also derive significant revenue from residential leasing in our luxury property portfolio.

In recent years, a major focus of our strategy has been to attract and retain retail tenants in our hotel arcades, particularly in Hong Kong, Beijing and Shanghai, and we were pleased with the mix of tenants achieved during the year and renewed interest from anchor tenants. The Repulse Bay is widely recognised as one of the most attractive luxury residences on the South Side, and we are undertaking a refurbishment of the retail arcade in that property.

Driving brand awareness throughout our established markets and also in new and emerging markets is a critical component of the brand marketing team's function. Now in its third year, the brand's global advertising campaign, Peninsula Perspectives has added content from New York, Bangkok, and Tokyo. The campaign focuses on video-led narratives highlighting the cities where we operate and also the guest service that Peninsula is known for.

In celebration of the openings of The Peninsula London and The Peninsula Istanbul, a new cinematic Peninsula Perspectives film was commissioned which showcases Kam Tsui, one of The Peninsula Hong Kong's iconic Pages, travelling the world and visiting all of the Peninsula properties. The film debuted at the Grand Opening of The Peninsula London and is now widely used across a myriad of sales and marketing channels.

Appreciation of art and supporting local artists is a key part of our strategic marketing plan. Through activations on properties, as well as via access to important cultural institutions, The Peninsula provides guests and visitors the opportunity to engage with immersive, experiential art. Our globally recognised Art in Resonance programme returned to Hong Kong during Art Week in March with the commissioning and exhibition of four original works at The Peninsula Hong Kong. Our hotel teams continue to work with and help support local artists through innovative sponsorships and marketing programmes that allow our guests to engage with and be a part of cultural ecosystem in the cities in which we call home. The brand's support of the arts will continue into 2025 with a new exhibition at The Peninsula Hong Kong during Art Basel, of which we are proud sponsors.

A popular initiative with guests is our "Peninsula Time" offering fully flexible check-in and checkout. We also offer PenChat, a 24-hour private e-concierge service offering personalised attention.

Our sales teams travel extensively to meet in person around the world with PenClub members (Peninsula's top travel partners), with travel partners from the Leisure, Corporate and Meetings, Incentives, Conventions and Exhibitions (MICE) world, attend worldwide travel tradeshows and host events in some of our key markets but also emerging markets to continue building brand awareness and trade partner network.

Our company has its own in-house research and technology department which focuses on researching and developing the latest innovation for guest rooms and enhancing the customer experience.

7. Managing risk

Operating a business in different overseas locations, given the unpredictable nature of the hotel industry, requires an agile yet measured approach to risk management. Our Group Risk Committee, chaired by the Chief Corporate and Governance Officer, regularly reviews the risk registers of our operations and new development projects, as well as monitors the principal risks and emerging risks of the group. We evaluate key risks and controls and using a 5-step risk management methodology we ensure the risk assessment process and internal controls remain current.

In 2024, we continued to navigate issues such as geopolitical tensions and continued threats such as cybersecurity threats. Environmental, social and governance risks have become a major focus and to be considered as company's principal risks going forward, our Group Risk Committee will continue to look into enhancement of internal controls to manage the strategic risks of the group. We will also focus on enhancing communication, inspiring greater awareness and ownership of risks and controls across the group.

8. Our people

In a year marked by transformation, it is vital that we ensure we prioritise the well-being and engagement of our employees. I am happy to share that our global employee experience survey conducted in September 2024 yielded encouraging results, with a voluntary response rate of 91%, an overall engagement score of 77% surpassing the global average benchmark and consistent results in five core KPIs, namely Engagement, Experience vs. Expectations, Intent to Stay, Inclusion, and Well-Being. Notably, nearly 90% of our workforce expressed their intent to stay with the group for more than a year, with 53% planning to stay for over five years. The insights gathered from their feedback will help us unlock ways to enhance our employee experience.

Over 6,100 colleagues globally now have access to our internal communications platforms, MyHSH Hub and Viva Engage, fostering global connections and ensuring awareness of the most recent happenings within the organisation. The platforms have facilitated over 84,000 interactions and featured over 1,670 published articles and pages on MyHSH Hub, receiving more than 98,100 views in its inaugural year of global rollout.

Throughout the year, our people remain actively engaged through an array of activities and initiatives such as those promoting active lifestyles and holistic wellness. Our popular Wisdom on Wellness (WOW) programme continues to champion the physical and mental well-being of employees globally.

Complementing our efforts to provide a positive employee experience, we continue to build on our strong foundations in talent acquisition and learning and talent development. In 2024, we received 80,000 job applications as we attract diverse new talent to our organisation through campus recruitment, internal referrals and other targeted initiatives. Our global campus recruitment programmes, with operations participating in early campus events and job fairs, have been particularly successful, allowing us to broaden our scope in China and Europe and resulting in the hiring of over 430 candidates. We also continue to develop our careers website to attract the next generation of talent. It is scheduled to be launched in the first quarter of 2025. I am proud to share that our talent acquisition efforts have been recognised with industry accolades, including the Gold Award for Best Talent Acquisition Team from LinkedIn in Asia.

Concurrently, in the development of our workforce, we have rolled out tailored training programmes to provide impactful learning experiences for all colleagues as we build a culture of continuous learning. To nurture our future leaders, we continued to enhance our 12-month-long Emerging Manager programme, Corporate Management Training programme, and Global Cross Exposure programme. In the first quarter of 2025, we will see the launch of our succession planning framework, ensuring a strong pipeline of internal talent to support our long-term growth.

Looking forward, we will continue to support our people, ensuring they are well-informed and well-equipped to drive our collective success as a company.

As of 31 December 2024, there were 7,836 full time employees in the group.

9. Sustainable luxury

As owner and operator of our hotels and properties, we are in a unique position to always act decisively and with genuine intent in our sustainability approach, while maintaining unparalleled service standards. The Peninsula London and The Peninsula Istanbul achieved international green building certification “BREEAM Excellent” this year, on-track to joining the rest of The Peninsula Hotels to achieve EarthCheck certification. Such efforts are a testament of our commitment to building for the future, ensuring sustainable elements and best practices are considered from design to construction and operation stages. We also rely on our people, the heart and soul of this company, to bring Sustainable Luxury Vision to life in their daily work. We can only achieve our collective goals when sustainability is embedded in all aspects of our business, and we will continue to empower our people with the knowledge and awareness to do so.

The global context of sustainability is increasingly complex, leading some businesses to grapple with what future direction they should take. As we are reaching the midpoint of our ten-year *Sustainable Luxury Vision 2030* (“Vision 2030”) strategy, we engaged with members of our Board and our senior management team to take stock of where we stand through a formal stakeholder engagement exercise. The message is clear – we remain committed to the *Vision 2030* goals.

We have already observed an increase of unusual climate events in parts of the world where we operate, causing concern for the risks posed by climate change to our ecosystems, businesses and human health. As a group, we remain focused on reducing our own impact on the environment, implement measures to mitigate climate risks, and take proactive climate actions to facilitate a low carbon transition. In 2024, we conducted a comprehensive review of our assets to identify further energy saving and renewable energy adoption opportunities as we assess how to further decarbonise. We aim to optimise alignment on energy and carbon savings, payback period of initiatives and the company's longer-term capital expenditure planning in facilitating our goals.

We continue to be guided by our *Vision 2030* strategy, which serves as a compass for who we are today, and what our hopes are for the future.

10. Outlook

In the current business climate, the outlook for our various businesses is generally stable, and we are cautiously optimistic for the year ahead. We believe that luxury tourism globally is being driven by affluent travellers seeking exclusive, sustainable and unique experiences and we are tailoring our marketing accordingly, with a focus on personalisation.

In Hong Kong, the long-haul market for leisure travellers is improving and we are seeing positive numbers of visitors returning from Southeast Asia and the Middle East. However, geopolitical tensions remain a general concern.

The Peak Tram is experiencing a strong business environment and is a very attractive experience for visitors. We are pleased to see strong demand returning for the residential apartments at The Repulse Bay from both the local and the expatriate markets and we expect this to continue as leasing contracts are renewed after the pandemic. The office market in Hong Kong is soft, and we are implementing strategies to attract tenants.

At the Peninsula Hong Kong, we are expecting a stronger year as visitors return for major events including Art Basel in March, of which we are a sponsor. In the Asian hotels, once again, we are cautiously optimistic. We expect to see continued growth in Japan where there is high demand for exclusivity and premium services and accommodation. Beijing and Shanghai have a positive outlook with good business expected from the domestic market and stronger international business returning as China expands its visa-free policy to increasing numbers of countries. Rates remain high in the US and the outlook is stable, with The Peninsula New York expecting good growth after the renovation.

The new Peninsula London and Peninsula Istanbul hotels are truly spectacular and together with The Peninsula Paris 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.

On the commercial property side, we will continue to invest in our existing assets and uplift our offering to visitors, residents and tenants, with enhanced offerings at The Repulse Bay arcade.

We are noticing a trend of experiential travel in the high-end hospitality sector and we are exploring new opportunities for luxury lifestyle experiences. Building on the success of The Quail: Motorsports Gathering, we are expanding our Peninsula Signature Experiences division to Asia with a driving experience in Japan in April as well as exploring other lifestyle and motoring opportunities.

We are a company that focuses on the very long term, and we believe that if we focus on our people, this will be reflected in the excellent service that we offer our guests. We are doing what we can to support and retain our people, as well as recruit new talent. Our unique company culture is one of our greatest assets. We have a goal of constantly improving to become a more agile, more commercially sound company while preserving our heritage, brand and culture to propel us into the next level of growth.

We are fortunate to have a highly motivated and dedicated team of management and staff who are committed to our long-term vision.

On a personal note, I would like to thank Clement Kwok, who retired as CEO in October 2024, for his tremendous contributions to the company over the past 22 years. I will remain committed to sustainability, co-chairing the Group Corporate Responsibility Committee (GCRC) together with Christobelle Liao. I will continue to modernise the workplace to create a more meaningful and purpose-led environment for our employees.

I would also like to recognise Peter Borer, who dedicated 43 years of service to the Peninsula group. During that time, he built and maintained the exceptional hospitality standards that define our brand.

A sincere thanks to Christobelle Liao for “steering the ship” ably and successfully over the past few months as Interim CEO.

I would like to congratulate Gareth Roberts on his promotion to COO. Mr Roberts is young and energetic, with over 22 years of experience with the company. I look forward to working alongside him, as well as our CFO, Keith Robertson, and the Board, to lead the company in a new strategic direction.

I would like to thank our staff for their hard work in the past year, and also extend my thanks to our Chairman, our Board, and our shareholders for their trust in me as I take on the position of CEO. I believe it will be an exciting time ahead for our company.

OPERATIONAL REVIEW

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
Consolidated hotels			
The Peninsula Hong Kong	1,069	+3%	+3%
The Peninsula Beijing	324	-1%	+1%
The Peninsula Tokyo	826	+11%	+21%
The Peninsula London	856	+562%	+549%
The Peninsula New York	650	-15%	-15%
The Peninsula Chicago	654	+6%	+6%
The Peninsula Bangkok	237	+14%	+16%
The Peninsula Manila	228	+2%	+5%
Non-consolidated hotels			
The Peninsula Shanghai	459	+0%	+1%
The Peninsula Paris	800	+12%	+13%
The Peninsula Istanbul	372	+95%	+96%
The Peninsula Beverly Hills	628	+2%	+2%

The Peninsula Hong Kong

The Peninsula Hong Kong		
Revenue	HK\$1,069m	+3%
Occupancy		+6pp
Average Room Rate		-5%
RevPAR		+10%

The Peninsula Hong Kong experienced positive results in terms of revenue, occupancy and RevPAR compared to the same period in 2023. We were pleased to see a gradual improvement in the overall tourism sentiment in Hong Kong, and visitors are returning from the traditionally strong long-haul markets from US and Europe.

The city’s food and beverage industry continued to be negatively impacted by a trend of Hong Kong residents travelling to the neighbouring city of Shenzhen to experience alternative dining options and hotel stays, although the outlook for 2025 is better.

We implemented dining promotions and unique experiences to attract guests. To drive food and beverage revenue, we once again partnered with *Le French May* to host exclusive concerts and dinners. In June and July 2024, we held a special celebration of Italian cuisine and culture, in collaboration with Mercato Gourmet, Hong Kong’s leading Italian culinary retail brand.

Our collaborative venture with Hong Kong’s iconic Star Ferry was extended in 2024 due to popular demand, and as a special occasion in April 2024 we hosted one of Puccini’s beloved operas, *La Bohème*, featuring our signature Peninsula Afternoon Tea.

In March 2024, our global art programme “Art in Resonance” returned to The Peninsula Hong Kong. The opening, which was held during Hong Kong Art Week in collaboration with Art Basel, featured specially commissioned works from four visionary artists. In November 2024, we introduced four bespoke Bentley Bentayga Extended Wheelbase (EWB) Azure SUVs to our automotive fleet, to align with our legacy of offering the finest available transport to our guests. Our special Festive celebrations were once again very well received by guests.

We were proud to celebrate a No. 1 ranking in the “Top 10 hotels in Hong Kong and Macau” category at the Condé Nast Traveler Readers’ Choice Awards 2024 for the second consecutive year.

The Peninsula Office Tower was 86% occupied in 2024, and the immediate outlook is stable. The Peninsula Arcade occupancy was 90% and despite a softer retail market across the city, our anchor luxury retail outlets have experienced queues outside their boutiques.

The Peninsula Shanghai

The Peninsula Shanghai		
Revenue	RMB424m	+1%
Occupancy		+2pp
Average Room Rate		+6%
RevPAR		+9%

The Peninsula Shanghai performed well in 2024 and reported good average rates. The hotel also reported a positive year-on-year increase in occupancy and RevPAR.

International business returned to Shanghai, particularly in terms of business delegations and high-profile events for luxury brands. The majority of overseas visitors came from Hong Kong and Russia, we welcomed increasing numbers of leisure travellers from Indonesia, South Korea and Southeast Asia. The average length of stay of visitors increased significantly.

Food and beverage revenue was challenging due to a softer market across the city and a downturn in consumer spending. Banqueting and weddings were softer this year as it was not considered an auspicious year in China.

The Peninsula Arcade was 82% occupied during 2024. The retail market remained a challenge in Shanghai, although our anchor tenants reported stable business.

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 at 31 December 2024, a total of 32 apartment units have been sold.

The Peninsula Beijing

The Peninsula Beijing		
Revenue	RMB299m	+1%
Occupancy		+5pp
Average Room Rate		+1%
RevPAR		+11%

The Peninsula Beijing experienced a strong year, achieving the highest RevPAR in the history of the hotel. More than 70% of our geographic mix was derived from the domestic market. Diplomatic business made up a majority of the international guests, with heads of state and high-level government visitors from Russia, Qatar, West Africa and European countries. However, flight capacity in Beijing remains below pre-pandemic levels and this continued to affect arrivals from long-haul markets.

We implemented some “intangible cultural heritage” experiences including exclusive visits to a Baiju (Chinese liquor) factory and a behind-the-scenes visit to the Forbidden City glazed brick factory, with the objective of offering unique experiences for our guests.

Food and beverage revenue was strong with good performance at *Huang Ting* and *The Lobby*, although banqueting was slower due to the year not being considered auspicious for weddings in Chinese culture. *Jing*, our Michelin-starred French restaurant, performed well.

In December, we continued our commitment to promoting contemporary art with an exhibition themed “The Path of Love and Hope” by Japanese artist Ryunosuke Okazaki which was well received by guests.

The Peninsula Arcade was 92% occupied although luxury retail business has softened across the city. We worked closely with our retail tenants to drive traffic and we have signed tenancy agreements with luxury brands as well as contemporary sports and wellness brands to attract a younger demographic.

The Peninsula Tokyo

The Peninsula Tokyo		
Revenue	JPY16.18b	+21%
Occupancy		+11pp
Average Room Rate		+11%
RevPAR		+32%

The Peninsula Tokyo recorded a strong 2024 with rates, occupancy and RevPAR achieving significant growth, returning to pre-pandemic results. This was driven by robust international business from US, UK and Hong Kong.

Food and beverage revenue improved compared to the previous year, with banquets experiencing strong demand. *Hei Fung Terrace* and *The Lobby* recorded good results. At *Peter* and *Peter Bar* we implemented private dining events and continued our popular Guest Bartender Series with “Season Two”, featuring top female mixologists from Japan offering innovative cocktails.

Sakura season is the busiest time of year in Tokyo and to celebrate this beautiful display of nature, we collaborated with a celebrated *Kamon* father-and-son artist and design team to adorn The Lobby with a giant *Kamon* artwork entitled “The Peninsula Tokyo + Sakura + Art”. In autumn, we showcased another grand art installation created by renowned father-and-son artists *Shoryu* and *Yoho Hatoba*, titled “The Peninsula Tokyo + Kaede + Art”.

The arcade business was robust and we introduced one of the world’s largest sports car brands as a new tenant on the ground level of the hotel.

The Peninsula London

The Peninsula London		
Revenue	GBP86m	+549%
Occupancy		+20pp
Average Room Rate		-11%
RevPAR		+29%

One of the highlights of the year at **The Peninsula London** was the grand opening celebration on 18 June 2024 which was attended by more than 2,500 VIP guests and celebrities.

The Peninsula London continues to attract positive reviews. Rooms business is gaining momentum month by month and banquets and the Spa are performing well. Food and beverage was strong and our Cantonese restaurant *Canton Blue* and rooftop bar *Brooklands* performed well during the year. We were delighted that the fine dining restaurant of *Brooklands* was bestowed with two Michelin stars in January 2024 and retained this in 2025.

The Peninsula London Complex comprises a 190-room hotel and 24 luxury Peninsula-branded Residences. In 2024, the sales of a total of 7 luxury Residences were completed, generating total proceeds of HK\$3.5 billion. Of the 24 Residences, the sales of 17 have been completed to date.

We are in the process of preparing and agreeing final accounts with our trade contractors and consultants, which will include finalisation of programme delay costs.

The Peninsula Paris

The Peninsula Paris		
Revenue	EUR95m	+13%
Occupancy		+3pp
Average Room Rate		+9%
RevPAR		+16%

The highlight of the year for **The Peninsula Paris** was the Summer Olympics, during which the hotel generated significant room revenue as a result of corporate and diplomatic business. We also welcomed a high-level government heads of state visits during March which had a significant positive impact on business.

2024 marked The Peninsula Paris's 10th anniversary, a milestone celebrated throughout the year with a series of events, media and social campaigns and celebrations. New culinary concepts were introduced including "Les échappées", *al fresco* summer dinners with live music on Sundays and Monday on *La Terrasse Kléber*.

The introduction of the luxurious brand Margy's from Monte Carlo in May 2024 at the Spa was very well received by guests.

The signature events held during the year including the summer rooftop party, Pink October charity gala, and the elegant Winter Gala, combined with new and stylish content creation, have rejuvenated the brand image of The Peninsula Paris with the aim of appealing to local Parisiens and international guests alike.

The Peninsula Istanbul

The Peninsula Istanbul		
Revenue	EUR44m	+96%
Occupancy		+24pp
Average Room Rate		-22%
RevPAR		+53%

The Peninsula Istanbul experienced its first full year of operation in 2024. Since opening in 2023, the hotel has received significant positive media coverage and received an accolade of No 1 Hotel in Europe and No 1 Hotel in Istanbul from *Travel + Leisure's* 2024 World's Best Awards.

While in its first full year of operation, momentum has been satisfactory and continues to gather pace, achieving RevPAR number 3 in the city for the full year of 2024. Geopolitical tensions in the region affected overseas visitors in the first quarter but this stabilised from the second quarter onwards and US visitors started to return to the region. Saudi Arabia, Qatar, Russia and UK markets were also strong. Average room rate has reported a significant drop year on year, due to a revised room rate strategy focusing on driving occupancy and in line with our competitive set.

Food and beverage performance has been strong, particularly in *The Lobby* and banqueting, as the hotel offers one of the largest *al fresco* ballrooms in the city which has become popular for weddings and large corporate events. Our rooftop restaurant GALLADA closed from January to April 2024 to allow for the construction of an extended pavilion, enabling more year-round dining. GALLADA has received significant positive reviews and has become a top dining destination in the city.

The Peninsula New York

The Peninsula New York		
Revenue	US\$83m	-15%
Occupancy		-2pp
Average Room Rate		+17%
*RevPAR		+14%

* The number of available rooms has fluctuated due to the renovations at the hotel from January to September 2024.

The Peninsula New York completed a significant renovation during 2024 which resulted in a transformation of the guestrooms, lobby, rooftop bar *Pen Top* and public areas. This renovation started in phases in January 2024 and was completed in September 2024 in time for the UN General Assembly, which was a significant source of business for the hotel. An average 98 keys out of 233 keys were out of commission during this period. This negatively affected revenue for the period under renovation; however, the room rates and RevPAR improved once the new rooms product became available and received very positive reviews from guests and media.

Food and beverage revenue was strong, with good results from catering as a result of having a retractable roof on the terrace for small private events.

The Peninsula Chicago

The Peninsula Chicago		
Revenue	US\$84m	+6%
Occupancy		+4pp
Average Room Rate		+3%
RevPAR		+10%

The Peninsula Chicago recorded a positive year in 2024, driven by good group business including a variety of entertainment groups, celebrities, high-profile sports teams and press tours. Having implemented some innovative digital marketing strategies, we were pleased to see the results and once again finished the year as the leader in RevPAR in the city.

Business was robust at our rooftop bar *Z Bar*, which has won accolades of the Best Bar in Chicago from Mandoe Media. Aside from *Z Bar*, food and beverage revenue was flat and we implemented a variety of innovative promotions at *Pierrot Gourmet*, *Shanghai Terrace*, as well as bringing back the very popular “Chocolate Bar” promotion in *The Lobby*.

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 2024, the Pizzuti Collection collaborated with The Peninsula Chicago to present *A Journey*, an exhibition of 30 exceptional works, many of which are painted by Black artists, which was very well received by guests and the local community.

We were delighted to receive the accolade of No. 2 Hotel in Chicago from *Travel + Leisure’s* 2024 World’s Best Award.

The Peninsula Beverly Hills

The Peninsula Beverly Hills		
Revenue	US\$81m	+2%
Occupancy		+4pp
Average Room Rate		-4%
RevPAR		+3%

The Peninsula Beverly Hills experienced a stable performance in 2024 with improved occupancy and RevPAR year-on-year, although rates declined slightly. Los Angeles was affected by prolonged inclement weather in early 2024, which negatively affected our rooftop and pool areas as well as weekend guests and drive-in visitors.

In the first quarter, we received high suite demand due to large conferences being held in Beverly Hills, particularly the Milken Conference which led to substantial additional events and group bookings.

Food and beverage revenue was softer during the year and we implemented various promotions to drive business. As part of a pop-up dining experience series, we introduced a pop-up of Michelin-starred French restaurant Camphor and Mexican cultural evenings of “Nights in Jalisco” during August, which helped drive revenue in *Belvedere Terrace*.

In June 2024, the hotel was the venue for an auction exhibition of “Princess Diana’s Elegance & A Royal Collection” which was the largest collection of gowns and accessories ever to be auctioned. This event received remarkable press coverage for the hotel.

We were saddened by the loss of lives and thousands of homes due to the wildfires in early 2025 in the city. We have implemented a “Hope for Los Angeles” campaign to give back to the local communities affected by the fires. For every night booked at The Peninsula Beverly Hills, New York, or Chicago between 1 February and 31 March 2025, a US\$5 donation will be made to a non-profit, government-funded organisation providing resources to wildfire survivors.

The Peninsula Bangkok

The Peninsula Bangkok		
Revenue	THB1,063m	+16%
Occupancy		+5pp
Average Room Rate		+8%
RevPAR		+20%

The Peninsula Bangkok experienced an improved year compared to the same period last year with increasing room rates, stronger RevPAR and revenue. International business improved in Thailand with guests returning from mainland China, Malaysia, Russia and South Korea.

The local business environment remains challenging in Bangkok due to a large oversupply of hotels, and the team is focused on positioning The Peninsula Bangkok as a unique “urban wellness resort” location with stunning riverfront views. We re-introduced our wellness festival in September 2024, with the theme of “Art of Urban Wellness”, featuring a diverse range of holistic wellness activities, classes, and workshops led by acclaimed practitioners, aimed at enhancing guests’ physical, mental, and nutritional well-being.

In May 2024, we announced the three-month residency of Thai textile virtuoso Jarupatcha Achavasmit as part of The Peninsula’s celebrated global art programme, “Art in Resonance”. We also offered complimentary cultural tours on a weekly basis which comprised multicultural visits to Thai temples, shrines and mosques.

In November 2024, we implemented a special range of packages to celebrate Loy Krathong, one of Thailand’s most cherished festivals, with a spectacular range of activities celebrating tradition, entertainment, and gourmet cuisine.

The Peninsula Manila

The Peninsula Manila		
Revenue	Php1,681m	+5%
Occupancy		-1pp
Average Room Rate		+4%
RevPAR		+3%

The Peninsula Manila experienced a satisfactory performance in 2024 compared to the previous year. Average room rates, revenue and RevPAR all increased year on year. New office buildings and revitalised shopping centres in the nearby area of Makati City brought increased traffic and a new Convention Hall attracted an increasing amount of domestic and international conventions business.

The Peninsula Manila remains a preferred hotel of high-level ministerial delegations and we welcomed several heads of State and government delegations from Asia and the North America during 2024. We also saw good growth in air crew groups choosing to stay at The Peninsula Manila, which should help improve occupancy in the coming year.

Banqueting business continued to be a key driver of food and beverage revenue and wedding business was strong. *The Lobby*, *Spices* and *Escolta* also performed well. We introduced *Mizunara: The Library, Hong Kong* for a pop-up promotion of Hong Kong cocktails at *The Bar* in February 2024 and this proved popular with guests.

We were delighted to receive the accolade of “Best Business Hotel in Manila” in the 2024 Business Traveller Asia-Pacific Awards.

Commercial Properties Division

Commercial Properties	Revenue	Variance Year-on-Year	
	HK\$m	HK\$	Local Currency
The Repulse Bay Complex	581	+5%	+5%
The Peak Tower	165	+20%	+20%
St. John’s Building	45	-4%	-4%
The Landmark	38	-7%	-2%
21 avenue Kléber	31	+17%	+18%
The Peninsula Shanghai Apartments	8	+17%	+20%

Our largest commercial property, **The Repulse Bay Complex**, enjoyed a positive momentum and positive leasing environment compared to the previous year. Residential revenue and occupancy improved at 101 Repulse Bay and de Ricou following a minor refurbishment of 30 apartments, and we were pleased to see demand returning from local moves and expatriates who are returning or moving to Hong Kong.

The Repulse Bay Arcade, which offers a diverse range of lifestyle amenities and services, reported stable occupancy and revenue. We have undertaken a strategic review of the arcade with some renovation in order to offer unique and enhanced facilities to guests. Ahead of this revamp, The Repulse Bay introduced a refreshed brand identity in May 2024, including a new logo and revamped website inspired by certain elements of The Peninsula brand identity.

The Peak Tower reported strong performance in 2024. Revenue and occupancy at The Peak Tower improved and we are exploring a variety of new dining and retail options to enhance the Peak Tower’s appeal as a destination. We continued to implement a variety of promotions and business strategies to entice more visitors to the Peak. Visitors to Sky Terrace 428 improved significantly compared to the previous year, due to successful sales of “combo” tickets with the Peak Tram. In December, we unveiled the “It’s Different Up Here” campaign which ran until February 2025. It included an entertaining display called “101 Peak Street” at The Peak Tower, comprising a series of “Hong Kong Stories and flavours” for visitors to enjoy local delicacies.

St John’s Building is located above the lower terminus of the Peak Tram and offers an excellent location for office space. The office market remained weak in Hong Kong during 2024 and this was reflected in the lower revenue and occupancy.

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. Business performance was softer in 2024 compared to the previous year. Revenue and occupancy for the offices declined slightly compared to the same period last year and residential revenue and occupancy also declined. Together with our partners, we are evaluating the future of the property when the lease expires in 2026.

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

Peak Tram, Retail and Others

	Revenue	Variance	
	HK\$m	HK\$	Local Currency
The Peak Tram	312	+41%	+41%
The Quail	236	+4%	+4%
Peninsula Clubs & Consultancy Services	5	+7%	+7%
Peninsula Merchandising	353	+12%	+12%
Tai Pan Laundry	63	+7%	+7%

The Peak Tram, a funicular railway, is one of Hong Kong's most popular tourist attractions and has been in operation since 1888. Following the major upgrade project that was completed in 2022, business has been very strong. In 2024, patronage returned to pre-pandemic levels, with the Peak Tram operating at full capacity on certain days, and revenue increased by more than 40% year-on-year. We have adjusted our ticketing strategy and pricing to standardise fares on all days, to allow for a steady flow of visitors and to try to manage the traffic. Since the renovation, more visitors are able to queue inside a sheltered area and enjoy a variety of audiovisual entertainment features.

The Quail reported moderate revenue growth year over year, with the majority of improvement coming from the property's signature event held in August, *The Quail Motorsports Gathering* which saw record results and is considered one of the world's leading concours events. The outlook for 2025 is positive, and the future business pipeline is strong. A fourth quarter shift towards balancing average rates with improved occupancy and RevPAR trends, and we experienced revenue growth in the restaurant outlets. Efforts to strengthen local relationships through improved experiences are underway, centred around the core community of The Quail golf club members and local residents.

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.

Revenue at **Peninsula Merchandising** increased compared to the previous year, although our business was affected by a softer retail market in Hong Kong and mainland China. We reported continued growth in our boutique stores in Japan as well as our online businesses, and we have strategically changed our ecommerce provider in mainland China to drive online traffic. This division is renowned for its signature Mooncakes and our mid-Autumn sales were satisfactory. Business is progressing well, with expansion in several markets including the mainland China. We are directly operating retail boutiques and online sales channels, as well as seasonal pop ups. In Hong Kong, we organised new pop-ups for key seasonal gifting seasons, including one in the luxury department store Lane Crawford during Chinese New Year 2024. Although revenue increased, there is still some work to be done on improving profitability and reducing costs and we are working on strategies to achieve this.

We are preparing to launch new categories of products including “lifestyle” to develop a broader range of luxury gifting. We are also expanding the range across core categories such as chocolate, tea and delicacies, in order to introduce our brand in new markets.

We are planning for a refurbishment of The Peninsula Boutique at Hong Kong International Airport to be completed within the second quarter of 2025.

Tai Pan Laundry revenue increased compared to the same period last year, driven by improved business from hotels, clubs and gyms and diversified business services.

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 Tokyo, The Peninsula London, The Peninsula Paris, The Peninsula Istanbul, The Peninsula New York, The Peninsula Chicago, The Peninsula Beverly Hills, 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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