



To: All Finance/Business/Travel Editors

FOR IMMEDIATE RELEASE

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**GROSVENOR AND THE HONGKONG AND SHANGHAI HOTELS
ANNOUNCE NEW PARTNERSHIP TO DELIVER
CENTRAL LONDON HOTEL SCHEME**

(Simultaneous release in London and Hong Kong, 19 July 2013) Grosvenor and The Hongkong and Shanghai Hotels, Limited (HSH) have announced today that they have agreed terms to enter into, upon completion of HSH's purchase of a 50% interest in 1-5 Grosvenor Place, SW1 in London, United Kingdom, a 50:50 joint venture partnership that seeks to redevelop the site.

The newly formed partnership will aspire to redevelop the 1.5 acre site opposite the gardens of Buckingham Palace and overlooking Hyde Park into a mixed use scheme incorporating HSH's first hotel in the UK – The Peninsula London.

Mr. Clement K.M. Kwok, Managing Director and Chief Executive Officer of HSH, commented: "London is one of the world's most important financial centres and a key international gateway city for business tourism. This project is consistent with our Group's long term strategy, representing our desire to further expand in Europe."

Mr. Peter Vernon, Chief Executive Officer of Grosvenor Britain and Ireland, said: "We're incredibly excited to be working in partnership with Asia's longest standing hotel operator whose expertise will be invaluable to delivering an exceptional scheme in such a prominent location in central London."

The partnership will be formed following HSH's acquisition of Derwent London's 50% leasehold interest in the site for £132.5 million (approximately HK\$1,564 million, exclusive of value added tax and other applicable taxes).



Caption: Mr. Clement K.M. Kwok, Managing Director and Chief Executive Officer of HSH (left) and Mr. Peter Vernon, Chief Executive Officer of Grosvenor Britain and Ireland (right).

HSH and Grosvenor will work together to design and submit a planning application to develop the site following an extensive consultation phase with the local community.

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Notes to editors

The Hongkong and Shanghai Hotels, Limited (HSH)

Incorporated in 1866 and listed on The Stock Exchange of Hong Kong (00045), HSH is the holding company of a Group which is engaged in the ownership, development and management of prestigious hotel, commercial and residential properties in key locations in Asia, the United States and Europe, as well as the provision of transport, club management and other services. The hotel portfolio of the Group comprises The Peninsula Hotels in Hong Kong, Shanghai, Beijing, New York, Chicago, Beverly Hills, Tokyo, Bangkok, Manila and Paris (under construction). The property portfolio of the Group includes The Repulse Bay Complex, The Peak Tower and The Peak Tramways, St. John's Building, The Landmark in Ho Chi Minh City, Vietnam and the Thai Country Club in Bangkok, Thailand.

Grosvenor Britain & Ireland aims to create value through its skills in place making and design, repositioning locations in ways that change customer perceptions and deliver results for its stakeholders. The core portfolio comprises 300 acres of Mayfair and Belgravia in London, which first came into the Grosvenor family in 1677. Ownership and active management of its London estate remains at the heart of Grosvenor Britain and Ireland's strategy. Investment assets comprise the largest part of its portfolio. Grosvenor Britain & Ireland also undertakes development across London, and in selected city centres around the UK. As at 31 December 2012, Grosvenor Britain & Ireland had assets under management of £4.8 billion.