



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

*To: All Finance/Business/Real Estate/Travel Editors*

**FOR IMMEDIATE RELEASE**

**9 MAY, 2018**

**FIRST QUARTER 2018 UNAUDITED OPERATING STATISTICS**

*Hong Kong, 9 May 2018* At its Annual General Meeting held today, The Hongkong and Shanghai Hotels, Limited (HSH) disclosed its unaudited first quarter operating statistics for 2018.

Commenting on the year-to-date results, HSH Managing Director and Chief Executive Officer Mr Clement K.M. Kwok said, “We have experienced a strong start to our business in 2018. The first quarter results exceeded our expectations and reflect our efforts to drive revenue and cut costs, as well as the improved business environment in many of the markets where we operate, especially in Hong Kong.

The Peninsula Hotels

The Peninsula Hong Kong reported a 4pp increase in occupancy and a 28% increase in RevPAR as compared with the same period last year, reflecting the improving tourism environment in Hong Kong.

We were pleased to report a 14% increase in RevPAR for the rest of Asia, driven by a strong performance from The Peninsula Bangkok and return to full inventory of The Peninsula Beijing. The complete transformation of The Peninsula Beijing was completed in 2017, offering a spectacular new all-suite hotel product and transformed public areas. The RevPAR for our hotels in USA and Europe increased by 3% with a good performance from The Peninsula New York and from our recently renovated Peninsula hotel in Chicago.

Commercial Properties

**Residential Leasing:** Occupancy at The Repulse Bay Complex was strong, and although rents in the luxury sector in Hong Kong remain under pressure, the outlook for the rest of the year remains stable.

**Shopping Arcades:** The shopping arcades in The Peninsula Hotels, The Peak Tower and The Repulse Bay continue to be popular with premium brands for retail space. The Shopping Arcades yield reduced slightly year-on-year. We are working with our retail tenants to develop new promotional strategies to help drive traffic to our arcades.

**Offices:** Yield from the Group’s office leasing increased by 4% year-on-year, contributed by performance in both The Peninsula Office Tower and St. John’s Building, located in Hong Kong. One office and one retail tenant have moved into 21 avenue Kléber which underwent a complete renovation in 2017.

Outlook and Developments

We have experienced a strong start to our business in 2018 and we are cautiously optimistic for the Hong Kong tourism market for the rest of the year, although the Hong Kong market in terms of high-end residential lettings and retail rental income remains uncertain.

We believe that the smaller, exclusive and high-end nature of the retail outlets at The Peninsula Hong Kong, as well as our luxury residential product at The Repulse Bay Complex, especially our recently fully renovated and enlarged apartments at the de Ricou tower, have been key to maintaining demand for those properties.

In the US, the economic outlook is positive and The Peninsula Chicago is now the RevPAR leader in that city after its renovation which was completed in 2016. The Peninsula New York is experiencing strong demand.

We are pleased to have made good progress with our partners in the ongoing development of our three projects in London, Istanbul and Yangon. We held groundbreaking ceremonies for The Peninsula London and The Peninsula Yangon in 2017, and construction is well underway at The Peninsula Istanbul. Construction is starting on the site of The Peninsula London and we expect to open by 2021.

We remain confident that our long-term growth is underpinned by a strong balance sheet comprising valuable high quality assets coupled with a low level of gearing.”

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**About The Hongkong and Shanghai Hotels, Limited (HSH)**

Incorporated in 1866 and listed on the Hong Kong Stock Exchange (00045), 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, the United States and Europe, as well as the provision of tourism and leisure, club management and other services. The Peninsula Hotels portfolio comprises The Peninsula Hong Kong, The Peninsula Shanghai, The Peninsula Beijing, The Peninsula Tokyo, The Peninsula Bangkok, The Peninsula Manila, The Peninsula New York, The Peninsula Chicago, The Peninsula Beverly Hills, and The Peninsula Paris. Projects under development include The Peninsula London, The Peninsula Yangon and The Peninsula Istanbul. The property portfolio of the Group includes The Repulse Bay Complex, The Peak Tower and St. John’s Building in Hong Kong; The Landmark in Ho Chi Minh City, Vietnam; and 21 avenue Kléber in Paris, France. The clubs and services portfolio of the Group includes The Peak Tram in Hong Kong; Thai Country Club in Bangkok, Thailand; Quail Lodge & Golf Club in Carmel, California; Peninsula Clubs and Consultancy Services, Peninsula Merchandising, and Tai Pan Laundry in Hong Kong.

For further information on this release, please contact:  
The Hongkong and Shanghai Hotels, Limited

Lynne Mulholland Director, Corporate Affairs Tel: (852) 2840 7152 / 6718 8219 Email: <a href="mailto:lynnemulholland@peninsula.com">lynnemulholland@peninsula.com</a>	Lilian Lau Manager, Corporate Affairs Tel: (852) 2840 7743 / 9611 0502 Email: <a href="mailto:lilianlau@peninsula.com">lilianlau@peninsula.com</a>
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Websites: [www.hshgroup.com](http://www.hshgroup.com) [www.peninsula.com](http://www.peninsula.com)

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