



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

21 MAY, 2021

**HSH ANNOUNCES FIRST QUARTER 2021 UNAUDITED OPERATING
STATISTICS**

Hong Kong, 21 May 2021 At its Annual General Meeting held today, The Hongkong and Shanghai Hotels, Limited (HSH) disclosed its unaudited first quarter operating statistics for 2021.

Commenting on the year-to-date results, HSH Deputy Chairman Andrew Brandler said, “In the first quarter of 2021, the hospitality industry continued to be impacted by the effects of the COVID-19 coronavirus pandemic. This is reflected in the group’s first quarter results. Our hotels division reported a mild recovery in some markets, particularly the Chinese mainland, and we saw business picking up in some of our US properties as restrictions began to be relaxed and vaccinations gathered pace.

“Unfortunately, our home market of Hong Kong remained weak due to ongoing border closures and stringent government restrictions in the first quarter. On the commercial property side, rents continued to come under pressure in the luxury retail market. We are renovating The Peninsula Hong Kong retail arcade and more lifestyle options will be available from late May 2021 in order to attract the local market. Office leasing has been stable but the outlook for residential leasing is uncertain.

“The group came into this crisis with low gearing and considerable liquidity. We are minimising cash spend and implementing cost saving measures as much as possible. Our main priority is to save jobs and maintain our staff’s livelihoods while this pandemic continues, and we are actively encouraging our staff to take vaccinations for their own protection as well as helping business get back to normal. We believe our financial resources are currently sufficient to meet the group’s funding requirements for an extended period. In light of the current situation and ongoing government restrictions, unless there are any significant changes in the near future, the negative impact trend is expected to continue.”

The Peninsula Hotels

The hotels division continued to be severely impacted by the effects of the COVID-19 pandemic, with government restrictions and economic shutdowns in the key markets where we operate. Our hotels in the Chinese mainland performed well in the first quarter, particularly in Shanghai. Hong Kong, Tokyo, Manila and Bangkok suffered challenging markets due to ongoing travel restrictions and the resurgence of positive cases in some cities. The Peninsula Paris reopened its rooms business on 1 March 2021 but the situation in Paris remains severe. In Chicago and Beverly Hills, domestic business began to resume and we reported a satisfactory performance at Quail Lodge & Golf Club. The Peninsula New York remains closed and is expected to reopen in June.

Commercial Properties

Residential Leasing: Occupancy at The Repulse Bay Complex suffered from a weak local leasing environment, decreasing 13% compared with the same period last year. Rents in the luxury sector in Hong Kong remained under pressure and the outlook is uncertain for the rest of the year.

Shopping Arcades: The shopping arcades in The Peninsula Hotels, The Peak Tower and The Repulse Bay have been negatively impacted by the difficult environment and yield declined year-on-year. We are renovating the retail arcade at The Peninsula Hong Kong and a new Peninsula Boutique and Café will open in that arcade later in May 2021.

Offices: Yield from the group’s office leasing has remained stable over the same period last year with occupancy slightly improving at 98%.

Outlook and Developments

We believe the hotels division will continue to face challenges over the summer months and for the rest of the year. We are cautiously optimistic for the Chinese mainland and the US markets, however, other countries and regions remain severely impacted and any recovery may take some time to be reflected in our operating results.

As a company with a long-term focus, our priority is to maintain a strong financial position for the group in order to fund our significant capital commitments for The Peninsula London and The Peninsula Istanbul hotel projects, as well as the Peak Tram upgrade project which is expected to launch later in 2021. Due to the unfortunate situation in Myanmar, we have agreed with our partners to temporarily suspend construction at The Peninsula Yangon for 12 months. We will continue to monitor the situation in Myanmar and sincerely hope to resume our project as soon as the situation stabilises. Our commitment to the long-term development of the group and in particular The Peninsula brand remains unchanged.”

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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 Istanbul, and The Peninsula Yangon. 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; Quail Lodge & Golf Club in Carmel, California; Peninsula Clubs and Consultancy Services, Peninsula Merchandising, and Tai Pan Laundry in Hong Kong.

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The Hongkong and Shanghai Hotels, Limited

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