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THE HONGKONG AND SHANGHAI HOTELS, LIMITED

香港上海大酒店有限公司

*(Incorporated in Hong Kong with limited liability)*

(Stock Code: 00045)

### **Proposed Hotel Development in Yangon, Myanmar**

This announcement is made pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

Reference is made to the announcements made by The Hongkong and Shanghai Hotels, Limited (the “Company”) on 28 January 2014, 31 March 2015, 31 December 2015 and 30 June 2016 in respect of the Proposed Hotel Development (the “Announcements”).

Unless otherwise defined, all terms used herein shall be as defined in the Announcements.

The Board of Directors of the Company would like to inform shareholders that the master lease agreement for the Proposed Hotel Development has been executed between Myanma Railways of the Ministry of Transport and Communications and Meeyahta International Hotel Limited, a subsidiary of Yoma Strategic Investments Ltd. (“Yoma”) on 23 July 2016. This master lease agreement will be assigned to Peninsula Yangon Limited, an indirect subsidiary of the Company, as soon as practicable. A separate master lease agreement has also been executed on the same date for the larger mixed-use development known as the “Landmark Development” as announced by Yoma Strategic Holdings Ltd. (“YSH”). The joint venture between the Company and Yoma has proceeded to the Myanmar Investment Commission (“MIC”) with the investment permit application for the Proposed Hotel Development.

The redevelopment of the former headquarters of the Myanmar Railway Company into a Peninsula hotel is conditional on the last remaining condition precedent being fulfilled, being the granting of the investment permit by the MIC.

Substantial progress has been made on the investment permit application and various support letters relating to the Proposed Hotel Development have been received from various government ministries and regional government bodies.

As the conditions precedent stated in the Shareholders’ Agreement have not been fulfilled by the previously announced long stop date of 31 December 2016, the parties to the Shareholders’ Agreement including, amongst others, the Company, Peninsula International Investment Holdings Limited, a wholly-owned subsidiary of the Company, YSH, Yoma and First Myanmar Investment Co., Ltd. will engage in further discussions on the next steps for the Proposed Hotel Development and will inform shareholders of the outcome as soon as possible.

**Shareholders and potential investors of the Company should note that the Proposed Hotel Development may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.** Further announcements in relation to the Proposed Hotel Development will be made as and when appropriate in accordance with the Listing Rules.

By order of the Board  
**Christobelle Liao**  
*Company Secretary*

30 December 2016

As at the date of this announcement, the Board of Directors of the Company comprises the following Directors:

*Non-Executive Chairman*  
The Hon. Sir Michael Kadoorie

*Non-Executive Deputy Chairman*  
Andrew Clifford Winawer Brandler

**Executive Directors**  
*Managing Director and Chief Executive Officer*  
Clement King Man Kwok

*Chief Operating Officer*  
Peter Camille Borer

*Chief Financial Officer*  
Matthew James Lawson

**Non-Executive Directors**  
Ronald James McAulay  
William Elkin Mocatta  
John Andrew Harry Leigh  
Nicholas Timothy James Colfer

**Independent Non-Executive Directors**  
Dr the Hon. Sir David Kwok Po Li  
Patrick Blackwell Paul  
Pierre Roger Boppe  
Dr William Kwok Lun Fung  
Dr Rosanna Yick Ming Wong  
Dr Kim Lesley Winser