THE PENINSULA

HOTELS

11 April 2008

TOPPING OUT CEREMONY FOR THE NEW PENINSULA SHANGHAI MARKS THE RETURN TO SHANGHAI OF ASIA'S OLDEST HOTEL COMPANY

The topping out of the new Peninsula Shanghai was celebrated today by The Honourable Sir Michael Kadoorie, Mr Clement Kwok King Man and Mr Peter C. Borer (Chairman, Managing Director & Chief Executive Officer and Director & Chief Operating Officer respectively, The Hongkong and Shanghai Hotels, Limited) and Mr. David Wang Wei Xian and Mr Stones Tse (Chairman and Managing Director & Chief Executive Officer respectively, SPG Land (Holdings) Limited).

The guests of honour officiating at the ceremony were Mr Qian Jing Lin (Vice Chairman, Chinese People's Political Consultative Conference, Shanghai), Mr Shen Xiao Chu (Vice Governor, Huang Pu District, Shanghai), Mr Gu Jia Wang (Chairman, Shanghai New Huangpu Group Co., Ltd) and Mr Lu Xiao Chun (Director, Technology Commission, Shanghai).

The topping out ceremony marked the milestone of the completion of the hotel building's structure, and was celebrated by the ceremonious pouring of the last concrete at the top of the building.

The Peninsula Shanghai broke ground in October 2006, and will open its doors to guests in autumn 2009. It fronts the historic Bund within the exclusive Waitanyuan, with views of the Bund, Huangpu River, Pudong and the former British Consulate Gardens.

The architecture of The Peninsula Shanghai has been designed to be sympathetic to the historic architecture of the Bund. Its classical style will fit in graciously and seamlessly with the other grand building along the Bund, whilst its interiors are inspired by the Art Deco era (1920s - 1930s), and reflect "The Golden Age" when Shanghai was the "Paris of the East".

Blending historical references with contemporary flair, while paying respect to the Peninsula's classic traditions, the luxury hotel comprises 235 rooms and suites and will be the ninth property in

the Peninsula Hotels' portfolio of branded hotels. It will have five food and beverage facilities, including the signature Peninsula lobby, a themed bar, a jazz lounge, a Chinese restaurant, and a rooftop restaurant. The hotel will also feature a grand ballroom, function rooms, themed lounge, a fully-equipped business centre, swimming pool, spa, fitness centre, retail shops and a Peninsula boutique.

"The Peninsula Shanghai is an appropriate symbol of our Company's return to its birthplace. With its superb location, luxurious comfort, sophisticated facilities, extraordinary dining experiences and the Group's legendary service, it is destined to become a landmark. At the same time, the long relationship between this city and our company which has endured over many decades, will take on a new vibrancy," said Sir Michael.

"The Bund does not only belong to Shanghai, it is also the Bund of China and the Bund of the world. I am proud and excited to have the opportunity to join with The Hongkong and Shanghai Hotels Limited to invest and build The Peninsula Shanghai on the Bund. Our aim and purpose is to build and operate this hotel amongst the magnificent classic buildings of the Bund, as an iconic building of the 21st Century, representing culture and luxury", said Mr David Wang, Chairman, SPG Land (Holdings) Limited.

The construction of The Peninsula Shanghai is of particular note as it marks the return of the Company to its very roots, and represents a personal homecoming for Sir Michael as his family lived in Shanghai from 1911 to 1948.

The Hongkong and Shanghai Hotels – the parent company of The Peninsula Hotels – has a long and distinguished history, with a 142 year heritage as Asia's oldest hotel company. It was formed in 1923 under the stewardship of Sir Michael's grandfather Sir Elly Kadoorie and his brother Sir Ellis Kadoorie by the merger of the Hongkong Hotel Company (originally registered on the Hong Kong Stock Exchange in March 1866, and owning The Hongkong, Peak and Repulse Bay Hotels) and the Shanghai Hotels Limited (which owned the Kalee Hotel, Astor House, Palace and Majestic Hotels in Shanghai and approximately 60% of The Grand Hotel des Wagons-Lits in Beijing).

With the divestment of the Shanghai properties, The Peninsula Hong Kong (opened in 1928)

became the Company's flagship hotel. From one hotel, The Peninsula Hotels has grown to encompass eight award-winning properties in Hong Kong (1928), Manila (1976), New York (1988), Beijing (1989), Beverly Hills (1991), Bangkok (1999), Chicago (2001) and Tokyo (2007).

Now as then, all efforts are dedicated to providing luxurious comfort, modern award-winning facilities and intuitive technology, combined with truly exceptional, personalized service.

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Incorporated in 1866 and listed on the Hong Kong Stock Exchange, The Hongkong and Shanghai Hotels, Limited is a holding company whose subsidiaries are engaged in the ownership and management of prestigious hotels, and commercial and residential properties in key destinations in Asia and the USA. The hotel portfolio of the Group, The Peninsula Hotels, comprises The Peninsula Hong Kong, The Peninsula New York, The Peninsula Chicago, The Peninsula Beverly Hills, The Peninsula Tokyo, The Peninsula Bangkok, The Peninsula Beijing, The Peninsula Manila, The Peninsula Shanghai (opening 2009), and Quail Lodge Resort and Golf Club in Carmel, California. The property portfolio of the Group includes The Repulse Bay complex, The Peak Tower and The Peak Tramways, St. John's Building and The Landmark in Ho Chi Minh City, Vietnam.

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