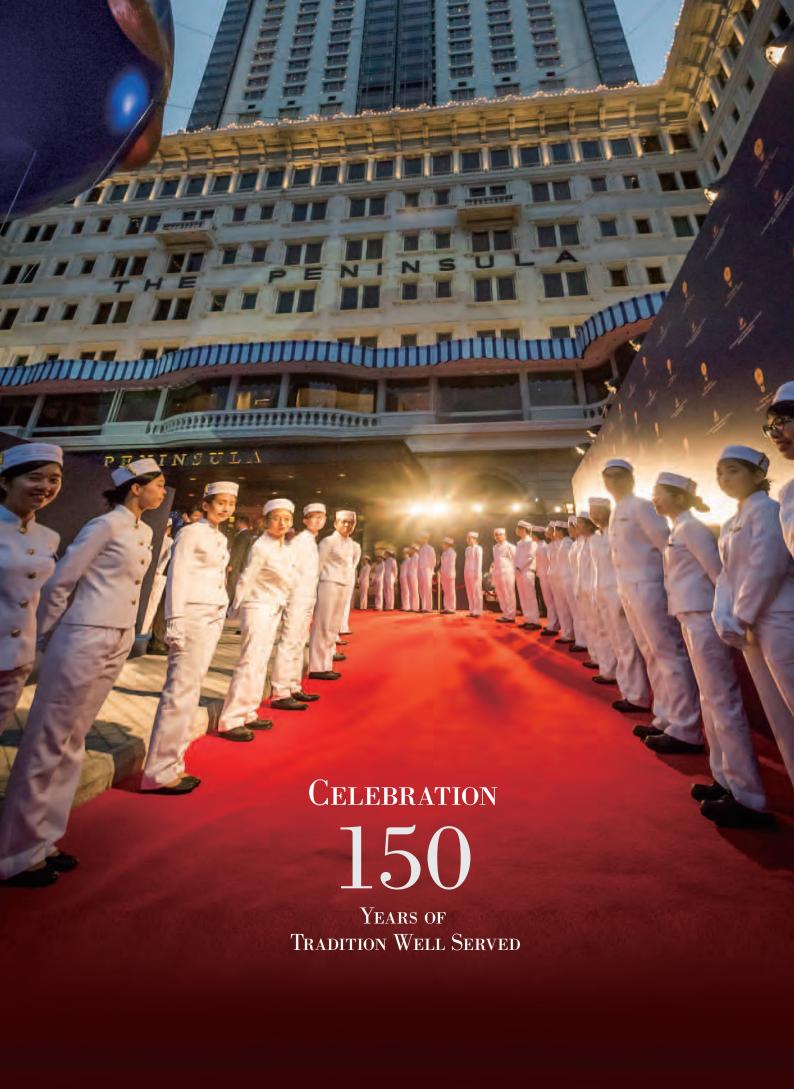
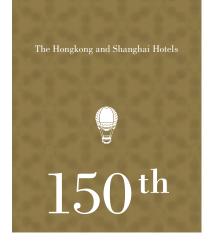
## CREATING SHAREHOLDER VALUE - FROM CENTURY TO CENTURY

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TRADITION





## ANNIVERSARY CELEBRATION and a Glittering Gala

century and a half of service calls for celebration. HSH marked its 150<sup>th</sup> anniversary with a series of spectacular events and initiatives to say thank you to its city of origin, Hong Kong, and to partners, guests and friends from the overseas locations where it operates today.

Originally incorporated on 2 March 1866 as The Hongkong Hotel Company, Limited, the company merged with the Shanghai Hotel Company in 1923 to create The Hongkong and Shanghai Hotels, Limited, which we believe is the world's oldest hotel group in continuous operation. HSH is also the oldest company on the Hong Kong Companies Registry still active today.

"HSH has always been an adventurous and pioneering company. The company took risks to build The Peninsula Hong Kong on the relatively underdeveloped Kowloon side, The Repulse Bay and the Peak Tram in the early days of Hong Kong, and these investments proved to be immensely successful," observed HSH CEO Mr Clement Kwok.

HSH Chairman, The Honourable Sir Michael Kadoorie, commented: "The future is built on the past, and the events that shaped our history also govern our current operations. In this anniversary year, our team reminds Hong Kong of its rich history, inviting the whole community to share in our heritage."





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On the morning of 25 November 2016, 150 young volunteers from Hong Kong universities and training institutions donned the crisp white uniforms of The Peninsula's Pageboys and Pagegirls, and congregated on the hotel's helipad for a dramatic commemorative aerial photo spelling out the words 'HSH 150' in human formation.





That evening, the youngsters gained valuable hospitality experience greeting the 2,000 guests from Hong Kong and around the world who attended our dazzling 150<sup>th</sup> anniversary Gala celebration.

An anniversary initiative that involved the Hong Kong public in our celebrations was The Peninsula Boutique's online draw for 15,000 instant prizes, including hampers, chocolates and homemade pastries – the kind of gourmet delights that have been extending The Peninsula brand beyond its hotel walls since 1976.

With an ethos of social responsibility underpinning the Group's culture since the 1880s and entrenched in our vision for the future, naturally our anniversary celebrations around the world also reached out to the less privileged. A variety of community initiatives took place in Hong Kong and around the world. See "150 years in the Community on page 86.

Other hotels also celebrated significant milestones in 2016. In Manila, the first Peninsula Hotel to be opened outside of Hong Kong, a glittering celebration to mark the 40th anniversary took place in September.

The Peninsula Chicago celebrated its 15<sup>th</sup> anniversary in June 2016 with a dazzling display to showcase its brand new renovation.

The Peninsula Beverly Hills celebrated 25 years with a new "Silver Suite" and a variety of glamorous silver-themed promotions.

All our 150<sup>th</sup> anniversary celebrations and momentous anniversaries demonstrated that HSH always respects its heritage, continually striving for the standards of service and style that earned it the accolade of 'The Far East's leading hotel company'.

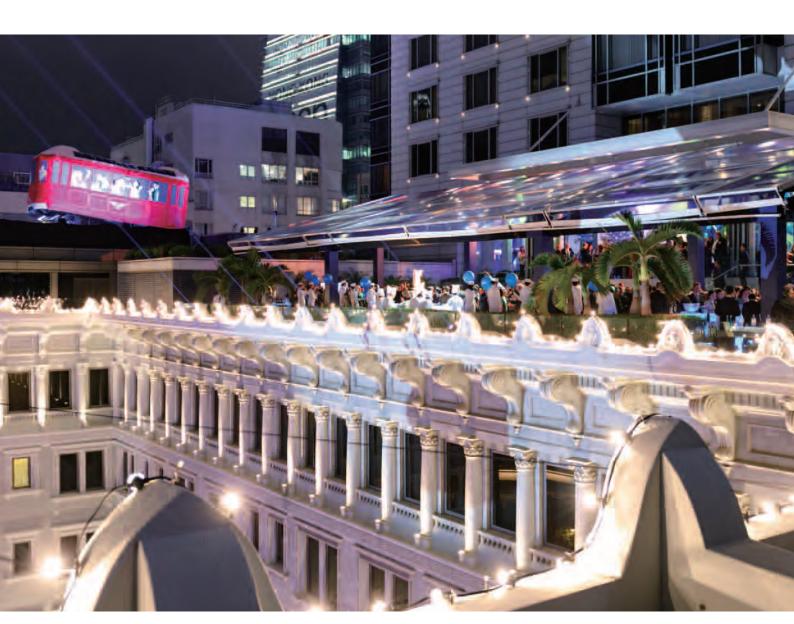
An anniversary year celebrating the 150-year heritage of The Hongkong and Shanghai Hotels, Limited (HSH) reached its climax on 25 November 2016, at a lavish gala party hosted by its flagship property, The Peninsula Hong Kong. The Grande Dame of Hong Kong hotels provided the perfect backdrop for the celebrations of HSH's distinguished past and glowing future.

As more than 2,000 illustrious guests arrived for the gala, the HSH legacy was very much in evidence. Tethered onto the legendary façade of The

Peninsula's Grade I-listed building were seven visually-arresting giant helium balloons, in the form of the company's most recognisable assets – The Peak Tram, The Peak Tower, The Repulse Bay Complex, The Peninsula's Phantom II vintage Rolls-Royce, The Peninsula's MD902 helicopter, the HSH-themed hotair balloon and a Peninsula Pageboy.

Another giant helium balloon bearing the HSH 150<sup>th</sup> anniversary logo greeted guests in the hotel forecourt, where it was flanked by two vintage Rolls-Royces, referencing The Peninsula's

famed fleet. A myriad of 7,488 smaller helium balloons decorated the hotel. In the lobby, the evening's MC, renowned Hong Kong actress Ms Sarah Song, introduced the guest of honour, Chief Executive of the Government of The Hong Kong SAR, The Honourable CY Leung, who gave a congratulatory address emphasising HSH's pivotal historic role as a bastion of the community and an exemplary corporate advocate of Hong Kong.

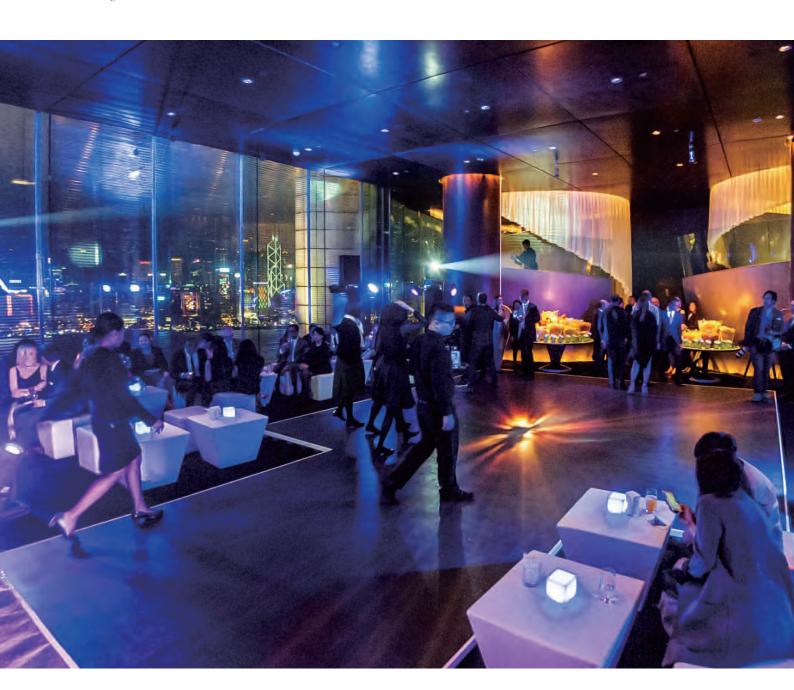


This stunning HSH 150<sup>th</sup> Anniversary commission – the largest project ever undertaken by Parade Giants Studio, in Arizona, USA – gave rise to some fascinating facts:

The balloons measured up to 18 metres high and 20 metres wide It took nine months and over 10,000 man hours to make the balloons 4,663 metres of fabric were used

150 gallons of paint were used to achieve the balloons' rich depth of colour An airport hangar was leased in Arizona to inflate and complete the balloons  $2{,}000$  cubic metres of helium were used







The Honourable Sir Michael Kadoorie, Chairman of HSH, then delivered a welcome speech in which he traced the company's key milestones. "Anniversaries are a time to pause and reflect, to recall the events that have shaped us, and the individuals whose legacies have played a beneficial role in Hong Kong's success story," he declared.

He paid homage to his father, Lord Lawrence Kadoorie, and uncle, Sir Horace Kadoorie, who in their day embodied the company's pledge to pursue excellence without compromise, striving for the highest standards of quality and service. "The Kadoorie family has always been fully committed to the company and this will endure with the next generation as we continue to play a role in creating the future," said Sir Michael.









reflected that tradition had once again been well served, at what will undoubtedly be remembered as one of the parties of the century.

## A Memorable Day at The Repulse Bay

Giving back to the local community in Hong Kong was a key feature of the 150<sup>th</sup> anniversary celebrations on Saturday 10 and Sunday 11 December 2016 in the form of a children's Christmas Carnival held at The Repulse Bay. More than 80 local charities were invited to participate in the event, with some 1,100 children from underprivileged families and those with special needs attending over the two-day period.

The Repulse Bay organised a wide variety of fun activities to give the children an unforgettable experience, including pony rides, Santa's Grotto, carnival games and "Winter Olympics",

stage acts with a magician and bubble artist, face painting, an arts and crafts corner to inspire creativity and the highlight – a Celebration Parade – led by a giant snowman and gingerbread man. Everyone's favourite delicious carnival food – hot dogs, popcorn and candy floss – was on offer at brightly-coloured booths staffed by characters in fancy dress costumes.

Martyn Sawyer, Group Director of Properties, said: "HSH has had a philosophy of giving back to the community for the past 150 years. The Repulse Bay first opened in 1920 and has been an important part of Hong Kong's history and heritage ever since, creating many memorable family days at the beach and in the grounds of our property. We are delighted to say thank you to Hong Kong by giving back to the local community and creating a special day of unforgettable memories for the less fortunate in our society."

After Mr CY Leung and Sir Michael unveiled a commemorative plaque, a moving choral rendition of the Louis Armstrong jazz classic, 'What a Wonderful World', launched the festivities.

Every detail of the evening showcased the art of hospitality and refined gastronomy that have made The Peninsula the ultimate gala venue for nine decades.

As the celebrations continued late into the night, HSH directors, guests, employees and the Kadoorie family