

# news release

Mandarin Oriental International Limited

Jardine House, 33-35 Reid Street  
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To: Business Editor

For immediate release

## **MANDARIN ORIENTAL TO SELL ITS EQUITY INVESTMENT IN MACAU HOTEL**

20th January 2009 – Mandarin Oriental International Limited announced today that its wholly-owned subsidiary, Mandarin Oriental Holding Company Limited ('MOHCL'), has entered into an agreement to sell its 50% interest in Mandarin Oriental, Macau to Sociedade de Turismo e Diversoes de Macau S. A. ('STDM'). The Group's partner in the hotel, Shun Tak Holdings Limited ('Shun Tak'), will sell its 50% equity interest to STDM at the same time.

Completion of the sale is expected by the end of May 2009. The sale is conditional upon approval of the arrangements by Shun Tak's and STDM's respective shareholders as well as other regulatory formalities.

The agreed value of the 416-room hotel, for the purposes of the transaction, is HK\$1.6 billion (US\$205 million). The carrying value of the Group's 50% interest in the hotel as at 31st December 2007 was US\$15.7 million and its contribution to the Group's EBITDA in 2007 was US\$10.2 million.

On completion of the sale of its 50% interest, the Group will receive proceeds of approximately US\$90 million with a post tax gain of approximately US\$75 million, which will be recognized in 2009. The proceeds will be applied towards the Group's general corporate purposes.

As part of the agreement to sell, MOHCL and Shun Tak have the right to participate equally in any increase in the hotel site's value, over and above the agreed value of HK\$1.6 billion (US\$205 million), which might arise if the property were to be redeveloped or sold to a third party in the future.

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On completion of the sale, it has been agreed that the property will be re-branded by STD. However, under a short-term management arrangement, Mandarin Oriental Hotel Group will continue to manage the hotel for a period of up to two years, to ensure a smooth transition of operations to the new owner.

“The dynamic city of Macau remains an important destination for the Group. We will work closely with the new owner to ensure a successful transition for this property. At the same time, the Group will manage a new 213-room Mandarin Oriental hotel on the waterfront of Macau, when it opens in early 2010,” said Edouard Etedgui, Group Chief Executive of Mandarin Oriental Hotel Group.

Mandarin Oriental Hotel Group is the award-winning owner and operator of some of the world’s most prestigious hotels and resorts. Mandarin Oriental now operates, or has under development, 41 hotels representing over 10,000 rooms in 24 countries, with 16 hotels in Asia, 15 in The Americas and ten in Europe and North Africa. Mandarin Oriental International Limited is a publicly listed company and is a member of the Jardine Matheson Group.

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