

## PROJECTS

The company has three major projects under development: The Peninsula Tokyo, scheduled to open in 2007; The Peninsula Shanghai, for which a land grant contract has been signed; and The Peak Tower, which is about to undergo a major revitalisation.

### THE PENINSULA TOKYO

Much progress was made on this Yen 13 billion project in 2004. Demolition of the former Hibiya Park building to ground level on the site began in February 2004 and was completed in September 2004. During this process building materials such as metals, wood, stone and glass were recycled and the existing Metro connection was closed until completion of the project. Tendering for the general contractor was implemented and Taisei Corporation was appointed in September.

Following the formal groundbreaking ceremony in October 2004, construction began with work on the demolition of basement levels B1 to B4. Other construction work undertaken in the last quarter included boring studies and measurements; sound attenuation and precautionary measures against noise disturbance; reinforcement of retaining walls; building backfilling works; continued architectural material evaluation; and clarification of the building structure. Steel works commence in early 2005.

The exterior of the 24-storey, 315-key hotel to be built on the triangular site near the intersection of Hibiya-dori and Harumi-dori, will be classic in form, with views of some of the city's notable landmarks. Among the hotel's facilities will be: a signature Peninsula Lobby, serving breakfast, lunch, dinner and afternoon tea; four further food and beverage outlets including a Japanese restaurant, a Chinese restaurant and an international restaurant; a full complement of function rooms ranging from a main ballroom and extensive wedding suite to smaller meeting and banquet rooms; a swimming pool and spa incorporating a Fitness Centre; and retail.

Mitsubishi Estate Company, our partner in the development, has embarked on a major revitalisation initiative to transform the whole Marunouchi district into a sophisticated centre for retail and entertainment as well as commercial activities, and it expects The Peninsula Tokyo to play an important role in this overall concept.

### THE PENINSULA SHANGHAI

In May 2004, the company announced that, together with Starwaly Group Pty Ltd, it had entered into a project agreement with New Huang Pu (Group) Co., Ltd., a state-owned enterprise, to acquire the land use rights for a designated site in the Waitanyuan area of the city, close to the former British Consulate building and overlooking the famous Bund. The Land Grant contract was signed in October 2004 with the Shanghai Real Estate Resources Administration Bureau for the purchase of the land on which the



THE PEAK  
TOWER  
REVITALISATION

company will develop The Peninsula Shanghai. This will return the company to part of its historic roots after an absence of some 50 years.

Concurrently, HSH also entered into a contract with the Shanghai New Huang Pu (Group) Co., Ltd., which will undertake related pre-development works on the site and render assistance in obtaining approvals, facilitating construction and liaising with government departments in relation to the project.

The mixed-use project will comprise a Peninsula hotel of approximately 250 rooms, high-end retail space, and a number of serviced apartments at the 56,000 square metre site. The L-shaped site is bounded on the north by the old British Consulate garden, on the west by Yuan Ming Yuan Road, on the south by Beijing Lu and on the east by The Bund. HSH will be responsible for 50% of the total cost of US\$361 million.

At present, the company is heavily engaged in activities centred on the exterior architecture and interior design of the hotel, and in obtaining government planning approvals, etc. Construction is expected to begin in 2006 with completion scheduled for 2009.

In December 2004, the company publicly unveiled its plans to revitalise The Peak Tower, a leading destination for visitors to Hong Kong. Although the distinctive bowl-shaped structure will remain, the interior will be reconfigured to significantly increase the lettable area, improve traffic flow, as well as introduce lively entertainment, retail and food and beverage concepts.

The viewing platform, currently on Level 5, will be relocated to the top of the Bowl, affording spectacular panoramas to every point of the compass – from the New Territories in the north to Aberdeen and the South China Sea in the south.

There will be a contemporary interpretation of famed Hong Kong tourist spots such as Ladder and Cat Streets and the Ladies and Night Markets on the lower levels, whilst the upper floors will house chic new dining options. A year-round programme of activities is planned to add to the festival atmosphere and the attractions for residents as well as visitors.

The Peak Tower will close in March 2005, with the exception of Madam Tussaud's and Pacific Coffee, which will remain in operation until July. The renovation is expected to be complete and the "new" Peak Tower re-opened in mid-2006.

The government is planning to upgrade the surrounding area, improving the pedestrian concourses and vehicle access, and providing an open-air "amphitheatre" venue for entertainment and exhibitions.

