

MILESTONES 2004



RENOVATIONS AT THE REPULSE BAY COMPLEX

The programme of renovating apartments at 109 Repulse Bay has continued, with the first phase of renovated apartments already fully let. The second phase of renovation is now under way and will be completed in early 2005. The Repulse Bay residents' club has also undergone an extensive refurbishment of its food and beverage and fitness facilities.



PURCHASE OF LAND USE RIGHTS IN SHANGHAI

Through a jointly controlled company, HSH entered into a project agreement in May in connection with the purchase of a prime site with frontage on to the famous Bund in Shanghai, on which a Peninsula Shanghai hotel will be developed. The formal land grant contract was signed in October 2004.

SALE OF THE KOWLOON HOTEL, HONG KONG

In December, HSH agreed the sale of The Kowloon Hotel for a consideration of HK\$1.93 billion to an investment holding company owned by Cheung Kong (Holdings) Limited and Hutchison International Limited. The sale was completed in February 2005.

THREE HOTELIERS HONOURED

The general managers of our three Peninsula properties in the USA have been honoured with industry awards. Ali Kasikci, The Peninsula Beverly Hills, was named Independent Hotelier of the World by *HOTELS* magazine; Niklaus Leuenberger, The Peninsula New York, was inducted into the Hoteliers Hall of Achievement 2005 by *Leaders* magazine; and Maria Razumich-Zec, The Peninsula Chicago, was named Hotelier of the Year for the State of Illinois by the Illinois Hotel and Lodging Association.

THE PENINSULA SUITE AND ROOM RENOVATIONS, THE PENINSULA PALACE BEIJING

The newly redesigned and completely refurbished 600-square metre Peninsula Suite was launched in September and has already attracted heads of state and other important visitors. The fourth and final phase of rooms renovation on four floors of The Peninsula Palace has commenced, with completion due in March 2005.





THE PENINSULA TOKYO GROUNDBREAKING

The main construction contracts for The Peninsula Tokyo project were awarded during the year. In October, a traditional Shinto ceremony marked the groundbreaking for the project and the commencement of construction of the hotel, which is scheduled to open in 2007.

CORPORATE AWARDS

HSH was named as one of the top 10 companies in Hong Kong for corporate governance, in a study jointly undertaken between the Institute of Directors and the City University, Hong Kong. The company's 2003 annual report won a Bronze Award in the General Category of the Hong Kong Management Association's annual reports awards. In the Asian Wall Street Journal's annual "AWSJ 200" survey of Asia's leading companies, HSH was ranked fourth out of 10 Hong Kong companies named.

THE PENINSULA BOUTIQUE IN TOKYO

The Peninsula Boutique's first overseas branch opened in the new Mitsukoshi flagship store in Tokyo, enjoying brisk sales and an enthusiastic response from the Japanese market.



GENERAL OFFER FOR SHARES IN THE PENINSULA MANILA

In November, the company launched a partial general offer to purchase further shares of Manila Peninsula Hotel, Inc. (MPHI), from existing Filipino shareholders. This offer was declared unconditional in February 2005, giving the company a 71.68% interest in MPHI, which will become a subsidiary of the company.

THE PEAK TOWER REVITALISATION

The company unveiled to the public and the travel industry its plans for the revitalisation of The Peak Tower. This will entail a substantial renovation of the existing building, to create a dynamic shopping, dining and entertainment venue.