

PROJECTS

The Peninsula Tokyo

After nearly two years of construction, the building was topped off in June 2006 with the placement of the last construction beam. Work has continued apace on both the exterior and interior of the building.



Exterior view of
The Peninsula Tokyo

On the exterior, the stone façade has been installed while window glazing and bronze finishing details along the side facades has been nearly completed.

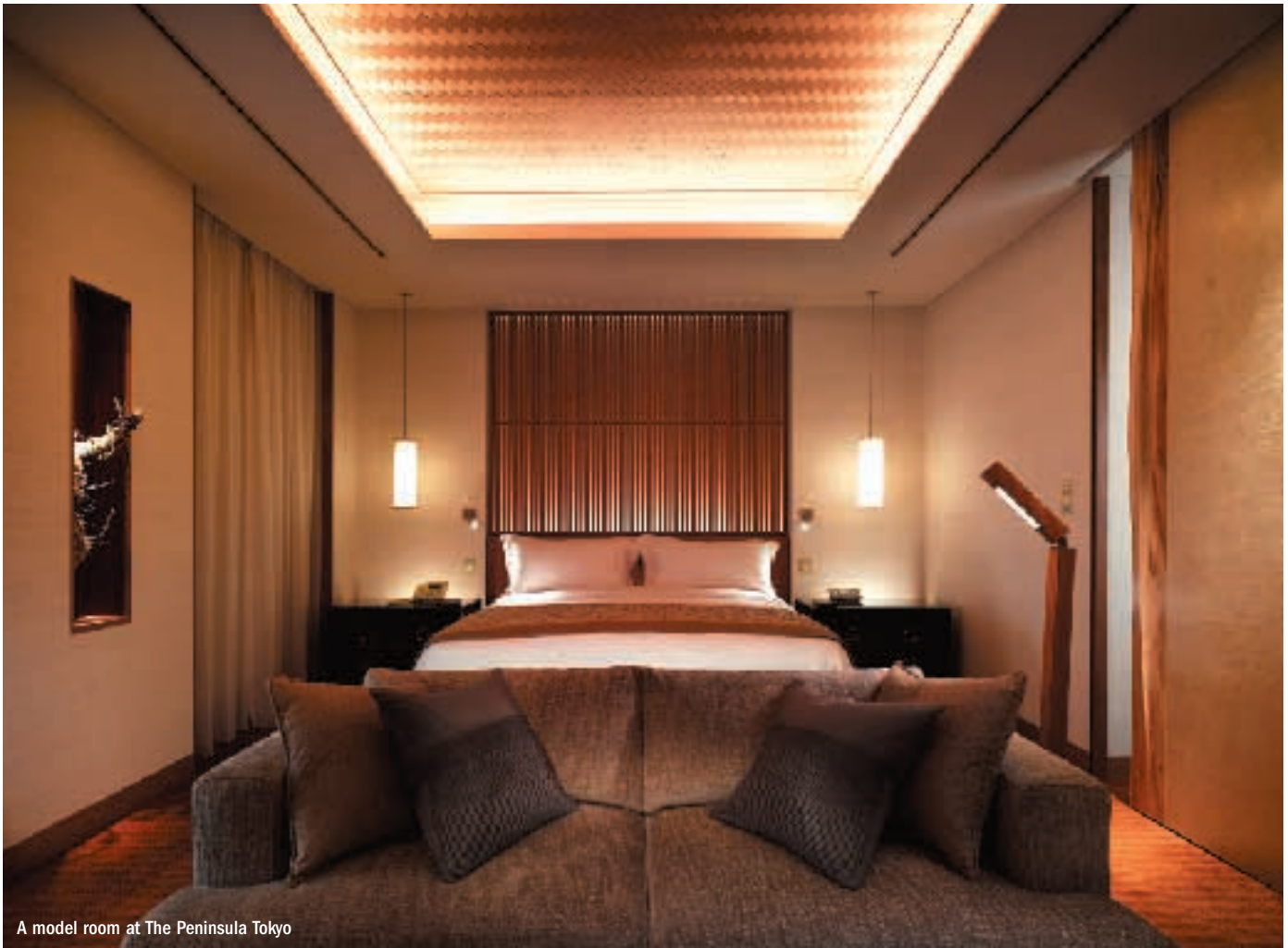
Internally, wall construction and preparation of maintenance and engineering works were implemented in different stages and floor levels, and the building received electrical power. This meant that permanent equipment and systems

could then be installed and the building could be operated and tested with stable electrical power. Cable installations are currently being completed at ceiling levels so that the ceilings can be enclosed,

marking another step towards the construction finishing process.

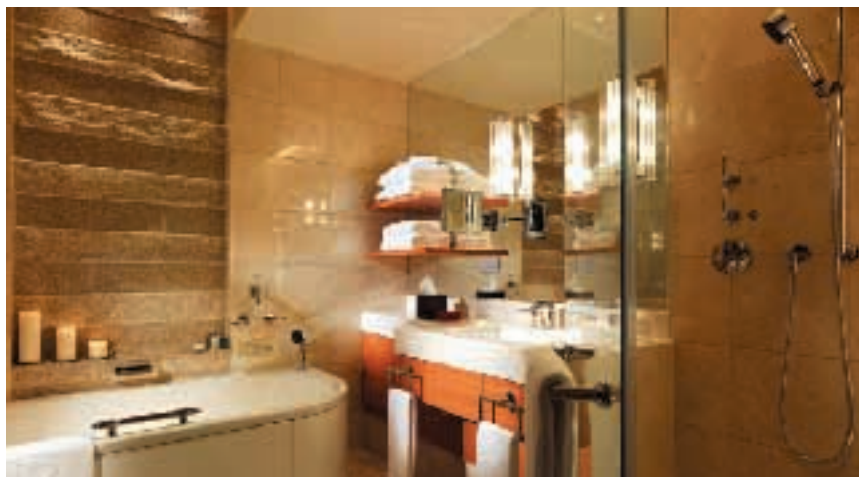
At the same time, the mock up guestrooms underwent a series of reviews, each with the aim to improve workmanship and quality of the design, materials, and finishes. By the year end, the interior fit out had begun. Emphasis has been placed on items that will receive public attention to ensure that the quality, endurance and cost are compliant with both code requirements and the design intent. Such care is constantly exercised to reflect the highest standard and quality for which a Peninsula product is known worldwide.

The Peninsula Tokyo was officially introduced to the media in September. The hotel is located in the Marunouchi district, opposite the Imperial Palace and Hibiya Park and adjacent to Ginza. It will open in the autumn of 2007 and the 24-storey structure will encompass 314 guest rooms, two ballrooms, six meeting rooms, five restaurants, a spa, an aviation lounge, bridal centre and retail space. The latest estimate of the Company's total investment is Yen 16 billion.



A model room at The Peninsula Tokyo

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Bathroom at The Peninsula Tokyo

The Peninsula Shanghai

In 2006, the schematic designs for The Peninsula Shanghai were submitted and approved by the various relevant departments in the Shanghai Municipal Government. The construction permit was received from the Shanghai Construction Bureau in October and work subsequently commenced on the building's foundations, which will be finished in March 2007. Construction of the basement levels is expected

to commence in February 2007.

The hotel occupies a site which will have a total gross floor area of

92,160 square meters (55,974 square meters above ground and 36,186 square meters below ground) and is located at 32 Zhong Shan Yi Road (East) with direct frontage onto the famous Bund. It will be a 15-storey building encompassing 250 guest rooms, three restaurants, banquet facilities, a spa, shopping arcade and a separate residential tower. The initial estimate of the total project cost for The Peninsula Shanghai Waitan Hotel Company Limited, which is 50% owned by the Company, is US\$361 million, including total land price of US\$109 million and related development and construction costs. The hotel is targeted for completion in 2009.



Ground breaking ceremony of The Peninsula Shanghai



The Peninsula Shanghai's construction site



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