



The Peninsula Hong Kong

GENERAL MANAGERS' REPORTS





THE PENINSULA

HONG KONG

100% owned

The Peninsula Hong Kong was originally opened in 1928 and is 100% owned by HSH. Through its almost 80 years of history, it has consistently been regarded as one of the top luxury hotels in the world. In 1994, its facilities were significantly extended and modernised with the addition of the Peninsula Tower. Today, it has 300 guestrooms and suites; world-renowned restaurants including Gaddi's, Felix, Spring Moon and Chesa; and a spectacular Peninsula Spa which was opened in mid 2006.

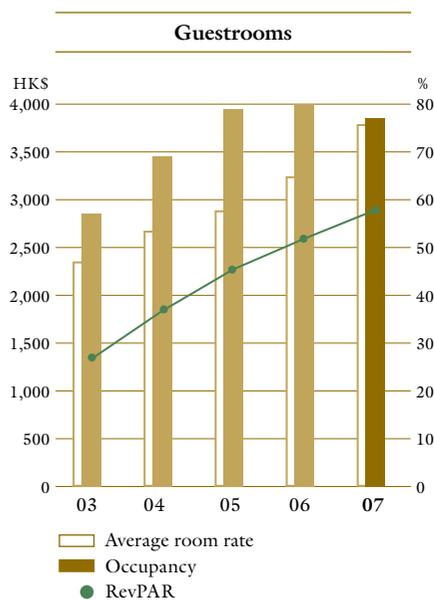
SELECT AWARDS

- No. 1 in Best Business Hotel in the World – Business Traveller Awards 2007
Business Traveller (Germany)
- No. 1 in Best Hotel in Asia/Pacific – Business Traveller Awards 2007
Business Traveller (Germany)
- No. 1 in Best Overseas Hotel in the World – Gold List 2007
Luxury Travel Magazine (Australia)
- No. 1 in Hong Kong, The World's Best Hotels – T + L 500
Travel + Leisure (USA)
- No. 2 in Top Hotel in Asia – The 20th Annual Readers' Choice Awards
Conde Nast Traveler (USA)
- Favourite Spa in China – Spa Finder Readers' Choice Awards
Spa Finder Magazine (USA)



The Peninsula Hong Kong had a record-breaking year in 2007, achieving its highest ever room revenue, room rate and RevPAR. Food and beverage operations, including catering, also enjoyed a boom with a healthy increase in average check. The hotel stands to benefit from mainland China's continual strong growth and the performance of its other key markets including UK, Europe, Japan and Australia.

- The hotel achieved an ARR of HK\$3,774, up 17% from 2006; RevPAR was up 12% from 2006 while occupancy dropped 4% from 2006.
- The Peninsula Arcade experienced an average occupancy of 96% during the year. Over 10 new international luxury brands opened in the Arcade, some making their debut in Asia.
- The upgrade of the mezzanine floor of the Peninsula Arcade was completed in late November.
- While the US remained the hotel's largest market, there was growth of visitors from mainland China and emerging markets such as Mexico and the Middle East. The hotel also welcomed more high net worth individuals travelling on private jets.
- The staff restaurant underwent renovation and expansion with more seats added.



Guestrooms	2007	2006	Change
Total number of rooms	300	300	-
Average occupancy	77%	80%	(4%)
Average room rate	HK\$3,774	HK\$3,228	17%
RevPAR	HK\$2,892	HK\$2,592	12%

Revenue (HK\$m)	2007	2006	Change
Hotel	694	626	11%
Spa	23	12	92%
Commercial rentals	290	258	12%
Office rentals	27	24	13%
	1,034	920	12%

Sources of guests	2007	2006
USA & Canada	31%	33%
Japan	17%	17%
Asia	15%	16%
Europe	22%	22%
Others	9%	8%
China	6%	4%
FIT	14%	13%
Corporate	24%	22%
Wholesale	38%	42%
Others	24%	23%



THE PENINSULA NEW YORK

100% owned

The Peninsula New York is housed in a 23-storey, 1905 landmark in a superb location on Fifth Avenue and 55th Street in mid-town Manhattan. The hotel was acquired in 1988 and completely renovated in 1998. Many of the hotel's original Beaux Arts architectural features have been retained, resulting in a hotel which is modern yet carries an old-world elegance. There are 185 guestrooms and 54 suites, four restaurants and a bar, a Spa and an indoor swimming pool.

SELECT AWARDS

- 2007 AAA Five Diamond Award (USA)
- No. 1 Business Hotel in New York – World's Best Business Hotels *Travel + Leisure (USA)*
- Top 20 Hotels in the Americas and Caribbean – 2007 Reader's Travel Awards *Conde Nast Traveller (UK)*
- Mobil Four-Star Award – 2007 America's Best Hotel and Resort Spas *Mobil Travel Guide (USA)*



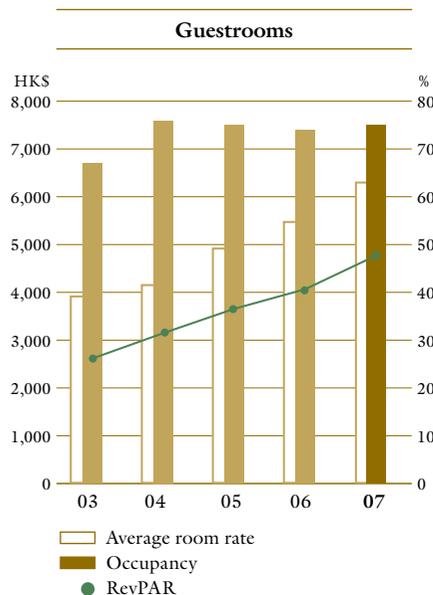
The Peninsula New York, which will celebrate its 20th anniversary in 2008, continued to be one of the room rate and RevPAR leaders in Manhattan. During the year, the hotel benefited from strong market conditions and a record-breaking number of visitors to New York.

- The hotel achieved an ARR of HK\$6,326, up 16% from 2006; RevPAR was up 17% from 2006 while occupancy increased 1% from 2006.
- Improvements were made to guestrooms with new carpeting in 56 rooms, upgraded audio visual systems were upgraded in The Peninsula Suite and a new luxury linen programme in the Grand and Peninsula Suites.
- The hotel's public areas were given a fresh look with new carpeting throughout the upper and lower lobbies and staircase, while the marquee at the hotel's main entrance was replaced.
- The hotel began extensive preparations for the planned renovation of the Spa, the swimming pool and the Pen-Top Bar. Construction of this project is now underway with completion scheduled in September 2008.

- Significant marketing initiatives included: a partnership with leading department store Bergdorf Goodman; the Naturally Peninsula Author Series whereby authors were invited to speak at luncheons served with the Group's signature Naturally Peninsula well-being conscious dishes; and participation in New York's Signature Collection programme, which features only the city's upscale hotels and restaurants.

Guestrooms	2007	2006	Change
Total number of rooms	239	239	–
Average occupancy	75%	74%	1%
Average room rate	HK\$6,326	HK\$5,458	16%
RevPAR	HK\$4,771	HK\$4,066	17%

Revenue (HK\$m)	2007	2006	Change
Hotel	527	461	14%
Spa	39	43	(9%)
Commercial rentals	31	31	–
	597	535	12%



Sources of guests	2007	2006
USA & Canada	65%	66%
Japan	2%	2%
Asia	2%	3%
Europe	21%	20%
Others	10%	9%
FIT	81%	93%
Corporate	16%	7%
Wholesale	3%	–



THE PENINSULA CHICAGO

92.5% owned

Since its opening in 2001, The Peninsula Chicago has been recognised as one of the finest hotels in North America. The 339 guestrooms and suites are among the largest in the city, supported by a Peninsula Spa and fitness centre, five restaurants and bar and extensive meeting facilities. The hotel occupies a prime location next to the Water Tower in the heart of Chicago's 'Magnificent Mile', at North Michigan Avenue.

SELECT AWARDS

- Mobil Five Star Award 2008 (USA)
- AAA Five Diamond Award 2008 for the hotel and Avenues (USA)
- No. 1 hotel in the US – 2007/2008 World's Top Hotels, Resorts and Spas Survey Zagat (USA)
- No. 1 US City Hotel – 26th Annual Reader Survey Andrew Harper's (USA)
- No. 2 hotel in the World – 2007/2008 World's Top Hotels, Resorts and Spas Survey Zagat (USA)



In 2007, the hotel benefited from increased business and direct spending for the city arising from the expanded convention centre.

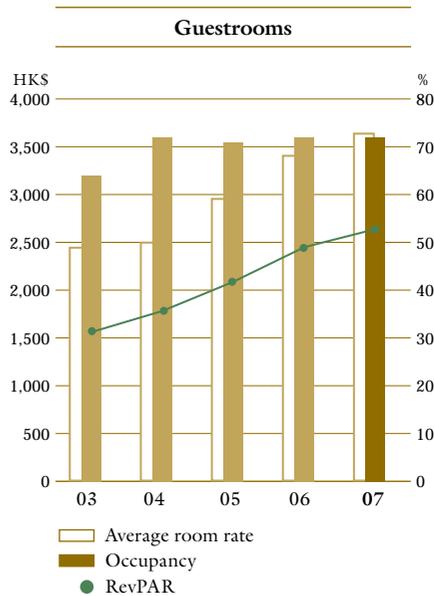
- The hotel achieved an ARR of HK\$3,641, up 7% from 2006; RevPAR was up 8% from 2006 while occupancy remained the same as in 2006.
- Following renovations which began in 2006, the remaining five treatment rooms in The Peninsula Spa were renovated with new wood flooring, doors, wall treatments and artwork installed.
- Plans were approved for a renovation of the guestrooms and an uplift for the Ballroom and The Lobby, which are scheduled to commence in 2008.

- Special marketing initiatives, which included the American Express promotion and special summer promotion, brought in more than US\$2.5 million of new business for the hotel.

Guestrooms	2007	2006	Change
Total number of rooms	339	339	–
Average occupancy	72%	72%	–
Average room rate	HK\$3,641	HK\$3,398	7%
RevPAR	HK\$2,638	HK\$2,449	8%

Revenue (HK\$m)	2007	2006	Change
Hotel	541	505	7%
Spa	30	29	3%
	571	534	7%

Sources of guests	2007	2006
USA & Canada	93%	89%
Asia	1%	1%
Europe	4%	5%
Others	2%	5%
FIT	36%	38%
Corporate	27%	30%
Others	37%	32%





THE PENINSULA

BEVERLY HILLS

20% owned

The Peninsula Beverly Hills is located in one of the most prestigious areas of Los Angeles, at the intersection of Wilshire and South Santa Monica Boulevards. Designed to resemble a gracious private residence, the hotel offers 193 guestrooms including 36 suites and 16 private villas which are nestled amid lush, tropical gardens. There are also four restaurants and bars, a Spa and fitness centre and a large outdoor pool bordered by private cabanas.

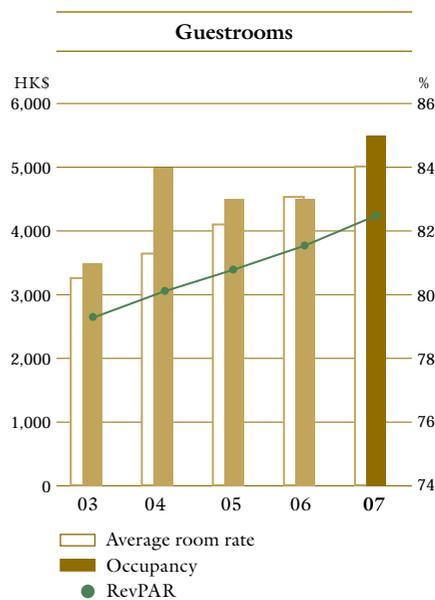
SELECT AWARDS

- AAA Five Diamond Award (USA)
- AAA Five Diamond Award – The Belvedere Restaurant (USA)
- Mobil 5 Star Award (USA)
- No. 1 Hotel in the Los Angeles Area – 500 World's Best Hotels for 2008 *Travel + Leisure* (USA)
- Highest ranking hotel in Los Angeles – Gold List *Conde Nast Traveler* (USA)
- World's Best Spa – The Peninsula Spa *Travel + Leisure* (USA)



The Peninsula Beverly Hills continues to be regarded as one of the best luxury hotels in North America and a favoured destination for celebrities in the world's capital of the entertainment industry.

- The hotel achieved an ARR of HK\$5,017, up 11% from 2006; RevPAR was up 12% from 2006 while occupancy was up 2%.
- The hotel embarked on a rooftop renovation project in November 2007, which will include a full make-over of the Roof Garden Restaurant, the swimming pool and the hotel's signature individual private cabanas. Completion is scheduled for spring of 2008.
- The fitness centre was enlarged during the year to cater to increasing guest demands.



Guestrooms	2007	2006	Change
Total number of rooms	193	194	(1%)
Average occupancy	85%	83%	2%
Average room rate	HK\$5,017	HK\$4,523	11%
RevPAR	HK\$4,242	HK\$3,772	12%

Revenue (HK\$m)	2007	2006	Change
Hotel	428	389	10%
Spa	25	24	4%
	453	413	10%

Sources of guests	2007	2006
USA & Canada	78%	85%
Japan	1%	1%
Asia	2%	2%
Europe	9%	7%
Others	10%	5%
FIT	94%	94%
Corporate	3%	1%
Wholesale	3%	5%



THE PENINSULA TOKYO

100% owned

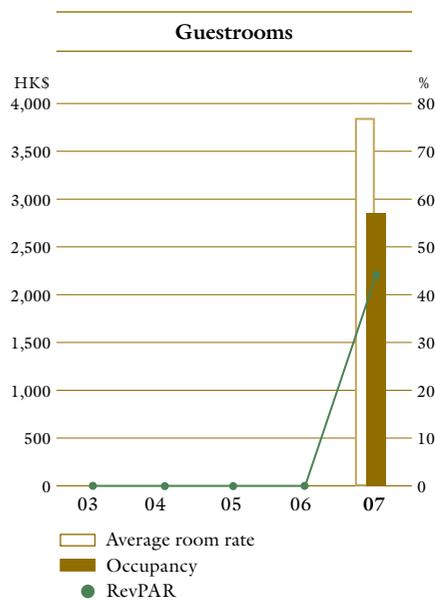
The Peninsula Tokyo is the eighth member of the Peninsula family. The hotel is superbly located in the prestigious business district of Marunouchi, opposite the Imperial Palace and Hibiya Park and adjacent to Ginza. It has 314 guestrooms including 47 suites, four restaurants, two ballrooms, six function rooms, a wedding chapel, a Japanese ceremony room, a Peninsula Spa, an indoor swimming pool and fitness centre. The hotel is an important component in the revitalisation of the Marunouchi district, which is the centre of Japan's banking and finance community.



The 314-key Peninsula Tokyo had its soft opening on 1 September and held its grand opening party on 14 December 2007. Since then, this new Marunouchi landmark has already been able to earn a distinctive reputation among domestic and international travellers.

- From 1 September to 31 December 2007, the hotel achieved an ARR of HK\$3,853; RevPAR was HK\$2,206 while the occupancy was 57%.
- The hotel strategically staged a 'three-tier' release of guestrooms over a period of five weeks, to allow service delivery to adjust to a market where expectations are very high.
- Three major jewellery tenants – Graff, de Grisogono and Chantecler – unveiled their presence for the first time in Japan by opening shops in the hotel's arcade.

- The hotel has enjoyed brisk business in the few months since it opened, benefiting from a large number of weddings, business travellers coming to Tokyo to attend international events and conferences and leisure travellers.



Guestrooms	2007
Total number of rooms	314
Average occupancy	57%
Average room rate	HK\$3,853
RevPAR	HK\$2,206

Revenue (HK\$m)	2007
Hotel	219
Spa	5
Retail	11
Commercial rentals	8
Total	243

Sources of guests	2007
USA & Canada	17%
Japan	45%
Asia	18%
Europe	10%
Others	10%
FIT	8%
Corporate	48%
Wholesale	26%
Others	18%



THE PENINSULA BANGKOK

75% owned

The luxurious riverside Peninsula Bangkok was opened in 1998 and has since established itself as one of Asia's finest hotels. The 37-storey hotel features 370 guestrooms and suites, four restaurants, a Peninsula Spa that was opened in late 2006 and which is housed in its own Thai-style villa, and partners with the Group-owned Thai Country Club to offer golf course access to its guests.

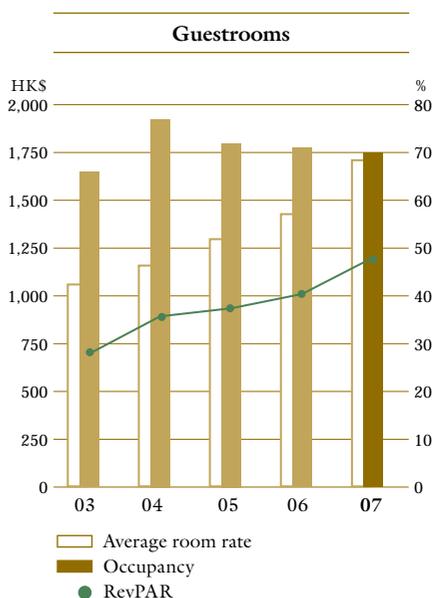
SELECT AWARDS

- No. 1 New Spa of the Year
AsiaSpa Awards 2007
- No. 1 in Top 15 Hotels for US\$250 or less – World's Best Hotel
Travel + Leisure (USA)
- No. 1 in Bangkok and Thailand – T+L 500 World's Best Hotels
Travel + Leisure (USA)
- No. 1 in Best Hotel in Bangkok – Gold List Awards
Conde Nast Traveler (USA)
- No. 2 City Hotel in Bangkok – The World's Best Hotels, Resorts & Hideaways
Andrew Harper's Hideaway Report (USA)



2007 continued to be a challenging year for Thailand, with the New Year Eve's bombing contributing to a decline of international visitors to Bangkok. Nevertheless, The Peninsula Bangkok performed well in a year of uncertainties, winning international accolades for its new Spa facilities and exceptional guest services.

- The hotel achieved an ARR of HK\$1,708, up 20% from 2006; RevPAR was up 19% from 2006 while occupancy decreased 1% from 2006.
- Facility enhancements during the year included renovation of the staff restaurant; addition of a third LPG tank which resulted in a considerable reduction in energy cost; and replacement of carpets in 91 guestrooms and two guest corridors.
- The shopping arcade was fully occupied throughout the year.



Guestrooms	2007	2006	Change
Total number of rooms	370	370	-
Average occupancy	70%	71%	(1%)
Average room rate	HK\$1,708	HK\$1,424	20%
RevPAR	HK\$1,201	HK\$1,010	19%

Revenue (HK\$m)	2007	2006	Change
Hotel	259	214	21%
Spa	12	2	500%
Retail	5	4	25%
Commercial rentals	3	2	50%
	279	222	26%

Sources of guests	2007	2006
USA & Canada	20%	22%
Japan	9%	11%
Asia	31%	28%
Europe	27%	26%
Others	13%	13%
FIT	24%	23%
Corporate	27%	25%
Wholesale	44%	47%
Others	5%	5%



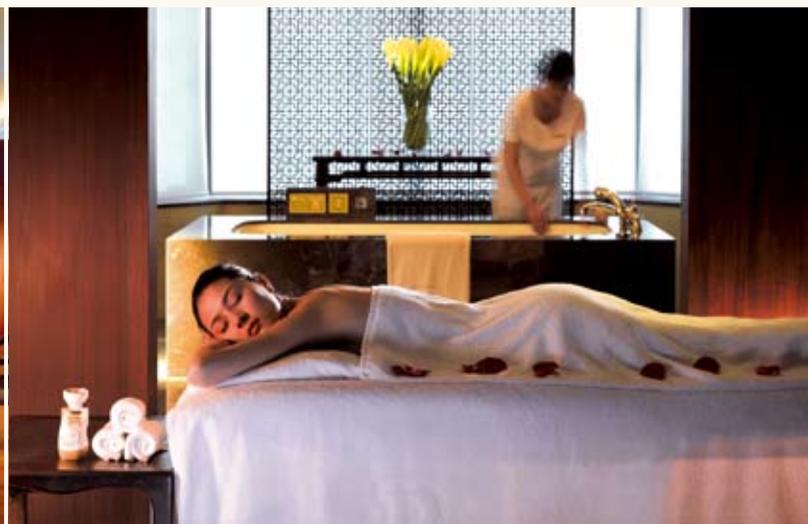
THE PENINSULA BEIJING

42% owned

Opened in 1989, The Peninsula Beijing is situated in a highly desirable location in the historic city centre close to the Tiananman Square and is regarded as one of Beijing's top hotels. It was re-branded with the Peninsula name in 2006, following an extensive renovation programme which lasted several years. The hotel has 525 guestrooms and suites, two restaurants, a Spa and one of the most prestigious shopping arcades in Beijing, The Peninsula Arcade, which houses 50 exclusive designer boutiques.

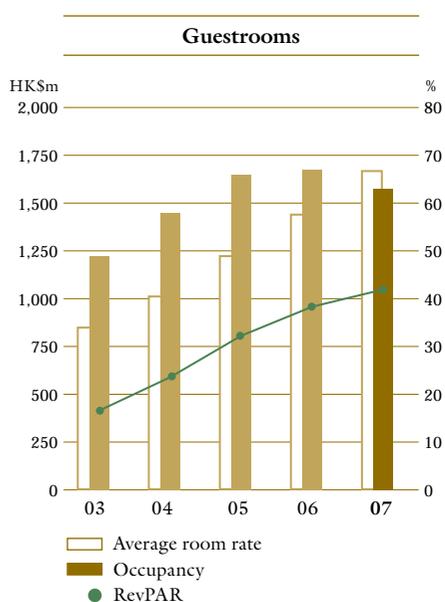
SELECT AWARDS

- Top 100 World's Best Hotels
Conde Nast Traveler (USA)
- Top 50 Asia's Hotel – T + L 500
*The Greatest Hotels in the World
Travel + Leisure (USA)*
- Top 20 Overseas Leisure Hotels –
Asia and The Indian Subcontinent
Conde Nast Traveller (UK)
- 400 World's Best Hotels
forbestraveler.com (USA)
- China's Best Business Hotels
Forbes (China)



The year 2007 saw increasingly intense competition in Beijing with many premier international hotel brands establishing a presence in the China capital in the build up to the 2008 Beijing Olympics. The Peninsula Beijing continued to build on its strong brand image and long-established reputation among leisure and corporate travellers.

- The hotel achieved an ARR of HK\$1,664, up 16% from 2006; RevPAR was up 9% from 2006 while occupancy decreased 6% from 2006.
- Construction of a new, state-of-the-art Peninsula Spa began in November and is anticipated to be completed in May 2008, in time for the summer Olympics.
- Approval was also given for the hotel's purchase of a new vehicle fleet which will include bespoke Rolls-Royces, reinforcing the hotel as Beijing's premier luxury address.



- The Peninsula Arcade enjoyed very healthy occupancy throughout the year and continued to be the pre-eminent shopping venue in Beijing for luxury branded goods. Its reputation was further enhanced by the addition of several new brands such as Harry Winston and Valentino during the year.

Guestrooms	2007	2006	Change
Total number of rooms	525	525	–
Average occupancy	63%	67%	(6%)
Average room rate	HK\$1,664	HK\$1,436	16%
RevPAR	HK\$1,048	HK\$958	9%

Revenue (HK\$m)	2007	2006	Change
Hotel	351	318	10%
Commercial rentals	102	90	13%
	453	408	11%

Sources of guests	2007	2006
USA & Canada	35%	30%
Japan	6%	7%
Asia	33%	36%
Europe	19%	18%
Others	7%	9%
FIT	29%	30%
Corporate	18%	20%
Wholesale	32%	29%
Others	21%	21%



THE PENINSULA MANILA

76% owned

The Peninsula Manila is located in the heart of Makati, Manila's business and financial district, at the corners of Ayala and Makati Avenues. Opened in 1976, the hotel's Makati Tower guestrooms, the lobby, Rigodon Ballroom and some back of the house areas underwent an extensive renovation which was completed in late 2006. The 497-room hotel also has seven restaurants and bars, a spa and fitness centre and a shopping arcade.

SELECT AWARDS

- World's Best Places to Stay – 2007 Gold List
Conde Nast Traveler (USA)
- No. 4 in Asia – World's Best Hotels 2007
Travel + Leisure (USA)
- Philippines' Leading Spa and Philippines' Leading Suite
14th World Travel Awards



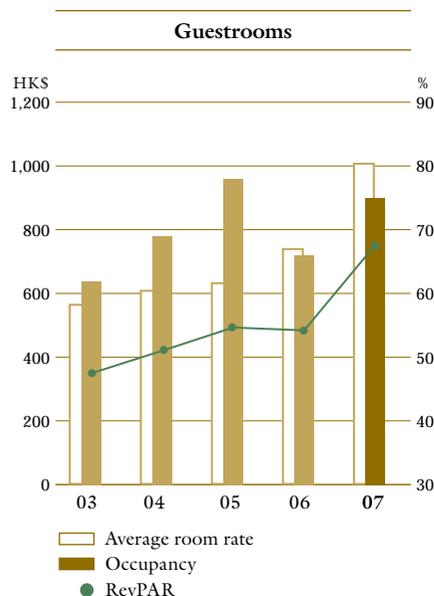
The Peninsula Manila saw a favourable response to its newly-renovated Makati Tower guestrooms, which resulted in a 36% increase in average room rate. Unfortunately, the brief seizure of the hotel by rebels in late November led to a momentary business interruption.

- The hotel achieved an ARR of HK\$1,005, up 36% from 2006; RevPAR was up 55% from 2006 while occupancy increased 14% from 2006.
- Major facility enhancements during the year included replacement of the swimming pool deck tiles; renovation of the Pool Snack Bar; re-tiling of Spices restaurant and the main and pastry kitchens; and re-waterproofing of the Ayala and Makati Towers' roof decks.
- Plans were put in place for future renovation of the Ayala Tower guestrooms and second floor function rooms.
- Retail spaces in the hotel's basement shopping arcade, upper lobby and on the Makati side outside the hotel were fully leased, although some shops located on the Ayala side remained vacant.
- Labour union negotiations continued to be a challenge during the year and the situation remained unresolved at the year end.
- The hotel played host to several major media celebrations in town, and participated in joint promotions with five leading banks.

Guestrooms	2007	2006	Change
Total number of rooms	497	497	–
Average occupancy	75%	66%*	14%
Average room rate	HK\$1,005	HK\$737	36%
RevPAR	HK\$752	HK\$484	55%

* In 2006, an average of 133 rooms were closed for renovation.

Revenue (HK\$m)	2007	2006	Change
Hotel	235	165	42%
Spa	2	1	100%
Retail	6	5	20%
Commercial rentals	2	2	–
	245	173	42%



Sources of guests	2007	2006
USA & Canada	30%	32%
Japan	7%	10%
Asia	39%	36%
Europe	11%	10%
Others	13%	12%
FIT	14%	17%
Corporate	82%	77%
Wholesale	4%	6%



Quail Lodge Resort and Golf Club

100% owned

Nestled on 850 acres in the heart of sunny Carmel Valley in California, Quail Lodge Resort and Golf Club has 97 guestrooms, an 18-hole championship golf course, an outdoor swimming pool, tennis court, two restaurants, a Spa, the Land Rover Experience Driving School and hiking trails through the surrounding woods.

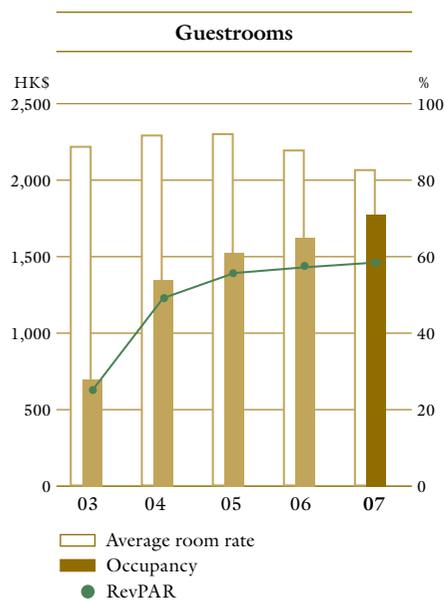
SELECT AWARDS

- AAA Four Diamond Award (USA)
- Best Award of Excellence – Covey Restaurant
Wine Spectator Magazine (USA)



2007 was Quail Lodge's first full year after the resumption of Peninsula management. This has resulted in a significant effort to re-position the product and enhance the guest experience.

- Quail Lodge achieved an ARR of HK\$2,062, down 6% from 2006. RevPAR was up 2% from 2006 while occupancy increased 9% from 2006.
- Improvement continued apace in Quail Lodge's departments with restructuring in the sales and events and the food & beverage departments in particular.
- The Covey Restaurant was revitalised and the Spa was improved with a new treatment menu and new product launches.
- Capital improvements to the Lodge included the addition of air conditioning to 24 guestrooms and construction of a new cart barn which began in September 2007.
- New resort features were introduced to attract members and guests – for instance, the Lifestyle Academy (with offerings in cuisines and adventures) and Golf Academy were created to enhance guests' experience.
- Quail Lodge also enhanced its profile in the local community by stepping up its media exposure and advertising efforts.



Guestrooms	2007	2006	Change
Total number of rooms	97	97	–
Average occupancy	71%	65%	9%
Average room rate	HK\$2,062	HK\$2,190	(6%)
RevPAR	HK\$1,462	HK\$1,431	2%

Revenue (HK\$m)	2007	2006	Change
Hotel	96	91	5%
SPA	5	5	–
Golf club	33	30	10%
Property sales	16	–	100%
	150	126	19%

Sources of guests	2007	2006
USA & Canada	95%	95%
Asia	1%	1%
Europe	2%	1%
Others	2%	3%
FIT	53%	51%
Corporate	46%	49%
Wholesale	1%	–



THE PEAK COMPLEX

100% owned

The Peak Complex is comprised of The Peak Tower, The Peak Tram and St. John's Building. The Peak Tower, a major arrival point for visitors to the Peak, was completely renovated and fully re-opened in November 2006, becoming an exciting retail, dining and entertainment venue. The Peak Tram, developed in 1888, is one of the oldest operating funicular railways in the world and is a popular tourist attraction.



In 2007, The Peak Complex benefited from increased tourist arrivals in Hong Kong. The Peak Tram, in particular, set a new record with the 2007 patronage reaching 4.9 million persons.

- The Peak Tower remained fully let throughout the year.
- In September 2007, the Tower's rooftop was re-branded as the Sky Terrace and an entrance fee was introduced.
- The Peak Tram achieved a strong growth in revenue with a record-breaking annual patronage of 4.9 million persons, up 11% from 2006.
- The Peak Tram Historical Gallery was opened at the Tram's Lower Terminus in September. The Gallery aims to pay tribute to the Tram's heritage and history, which is closely associated with that of Hong Kong's. Fifteen showcases, some with life-sized models, exhibit more than 200 pieces of memorabilia collected from around the world. Noteworthy highlights include the reconstructed haulage room from 1926 and the replica of a first generation tramcar.
- St. John's Building was fully leased during 2007, reflecting a high demand for grade A office space in Hong Kong's central business district. This led to a positive increase in revenues and unit rates.

Revenue (HK\$m)	2007	2006	Change
St. John's Building	27	23	17%
The Peak Tower*	66	29	128%
The Peak Tram	78	66	18%
	171	118	45%

* Renovation at The Peak Tower commenced in April 2005 and finished in phases from July 2006. The Tower was fully opened by November 2006.



THE REPULSE BAY COMPLEX

100% owned

The Repulse Bay Complex is comprised of eight apartment towers and a commercial arcade with restaurants, built on the site of the Group's famous Repulse Bay Hotel. It is located in Repulse Bay on the south side of Hong Kong Island.



Healthy economic conditions in Hong Kong, supported by a strong financial services and banking sector, led to a steady influx of expatriates and their families who demanded high quality accommodation. A fortuitous year in the Chinese lunar calendar also saw a boom in weddings held at The Repulse Bay.

- Leasing activity for both serviced and unfurnished apartments remained strong in 2007 due to the limited supply of new luxury residential units on the south side of Hong Kong Island.
- The restricted supply of residential developments, combined with a sound economy, provided an opportunity for The Repulse Bay to increase rents. The growth in serviced apartment occupancy was also pleasing.
- Usage of the Club's facilities was very high as a result of the improved rental situation.
- The Repulse Bay commercial arcade was fully let throughout the year.
- Food and beverage department produced a strong performance, driven by an exceptionally high level of banqueting business, particularly in the wedding segment.
- A revitalisation and renovation project for the commercial arcade and restaurants was approved by the Hong Kong Government's Town Planning Board and work is expected to commence in the latter half of 2008. When completed, the new look will strengthen The Repulse Bay's position as the premier dining and shopping destination on the south side of Hong Kong Island.

The Repulse Bay Complex	2007	2006	Change
Unfurnished apartments	353	353	–
Average occupancy	94%	94%	–
Average rental (pnsf)	HK\$36	HK\$34	6%
Serviced apartments	68	68	–
Average occupancy	76%	67%	13%
Average rental (pnsf)	HK\$30	HK\$26	15%

Revenue (HK\$m)	2007	2006	Change
Residential	375	344	9%
Club	14	14	–
Commercial rentals	38	37	3%
Food & beverage	52	48	8%
	479	443	8%



PROPERTIES, CLUBS AND OTHER OPERATIONS

The Group owns and manages The Landmark in Ho Chi Minh City, Vietnam, an office and residential complex; the Thai Country Club near Bangkok, one of the finest golf clubs in Asia; Peninsula Merchandising, which operates Peninsula Boutiques around the world and Tai Pan Laundry Services. It also manages The Hong Kong Club, The Hong Kong Bankers Club and Butterfield's Club in Hong Kong, as well as Cathay Pacific Airways' first and business class lounges in the Hong Kong International Airport.



Properties

The Landmark (Vietnam)

- The Landmark exceeded the previous years' performance by achieving a 100% occupancy rate for the office tower and also a higher occupancy rate for the residential tower.
- Higher rentals were charged due to lack of supply for top quality office and accommodation spaces in Ho Chi Minh City, leading to increased revenue.
- The complex's facilities have been constantly upgraded, enabling The Landmark to maintain its position as one of the market leaders in Ho Chi Minh City.

Revenue (HK\$m)	2007	2006	Change
The Landmark			
Office	22	19	16%
Residential	13	12	8%
	35	31	13%

Clubs & Club Management

- The Thai Country Club, entering its second decade in 2007, was voted the Best Golf Course in Thailand and the Best Clubhouse in Asia by the *Asian Golf Monthly Magazine*. The Club played host to The Volvo Masters of Asia in December.

- Cathay Pacific Airways' business class lounge was named No. 2 in the Business Class Lounge category while the airline's first class lounge was named No. 4 in the First Class Category by *Skytrax World Airline Awards*.
- As a result of increased outbound travel from Hong Kong, the number of visitors to the Cathay Pacific lounges grew significantly in 2007 and set a new record with 1.2 million visitors.

Revenue (HK\$m)	2007	2006	Change
Thai Country Club	59	52	13%
PCCS	93	53	75%
	152	105	45%

Other Operations

- Tai Pan Laundry services were in healthy demand during the year, due to excellent hotel occupancies in Hong Kong.
- In 2007, Peninsula Merchandising opened four Peninsula Boutiques in China and Japan, bringing the total number of shops to 18 around the world, including 11 licenced ones.
- Online shopping was launched in Japan, South Korea and the US.

Revenue (HK\$m)	2007	2006	Change
Tai Pan Laundry	30	21	43%
Peninsula Merchandising	76	62	23%
	106	83	28%