

GENERAL MANAGERS' REPORTS

HOTELS



THE PENINSULA HONG KONG



THE PENINSULA SHANGHAI



THE PENINSULA BEIJING



THE PENINSULA NEW YORK



THE PENINSULA CHICAGO



THE PENINSULA BEVERLY HILLS



THE PENINSULA TOKYO



THE PENINSULA BANGKOK



THE PENINSULA MANILA

COMMERCIAL PROPERTIES



THE REPULSE BAY COMPLEX



THE LANDMARK (VIETNAM)



THE PEAK TOWER



THE PEAK TRAM

CLUBS & SERVICES



THAI COUNTRY CLUB



PENINSULA MERCHANDISING



CATHAY PACIFIC LOUNGES



NO.1 WAITANYUAN

GEOGRAPHICAL PRESENCE

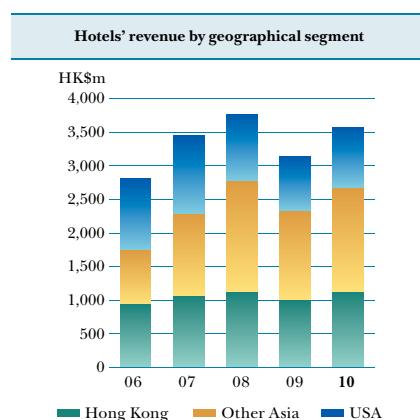


HONG KONG	THE PENINSULA HONG KONG THE REPULSE BAY COMPLEX THE PEAK TOWER THE PEAK TRAM ST. JOHN'S BUILDING CLUBS & CONSULTANCY SERVICES PENINSULA MERCHANDISING TAI PAN LAUNDRY
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TOKYO	THE PENINSULA TOKYO
BANGKOK	THE PENINSULA BANGKOK THAI COUNTRY CLUB
MANILA	THE PENINSULA MANILA
HO CHI MINH CITY	THE LANDMARK
CARMEL	QUAIL GOLF AND COUNTRY CLUB
PARIS	THE PENINSULA PARIS

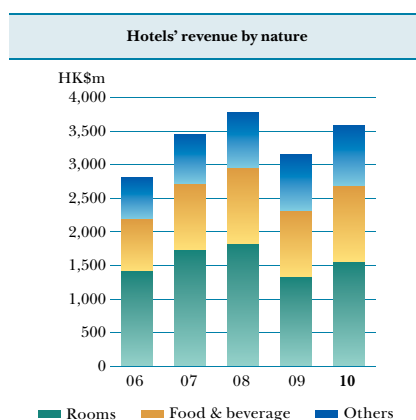
HOTELS' PERFORMANCE CHARTS

	ATTRIBUTABLE INTEREST %	REVENUE (HK\$m)		AVAILABLE ROOMS		OCCUPANCY %		ARR (HK\$)		REVPAR (HK\$)	
		2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
The Peninsula Hong Kong	100	1,059	967	300	300	70	57	3,816	3,796	2,660	2,182
The Peninsula Shanghai*	50	385	50	235	235	63	42	2,830	2,209	1,778	926
The Peninsula Beijing	42.1	362	295	525	525	46	34	1,409	1,354	650	457
The Peninsula New York	100	498	441	239	239	67	62	5,570	5,317	3,727	3,317
The Peninsula Chicago	100	412	379	339	339	59	54	2,965	2,987	1,762	1,623
The Peninsula Beverly Hills	20	396	332	193	193	72	61	5,147	5,032	3,699	3,072
The Peninsula Tokyo	100	762	661	314	314	65	60	3,861	3,584	2,522	2,148
The Peninsula Bangkok	75	183	182	370	370	49	48	1,398	1,502	688	725
The Peninsula Manila	77.4	240	190	497	497	69	57	1,036	974	719	555
Total		4,297	3,497	3,012	3,012						
Average						61%	52%	2,819	2,783	1,714	1,449

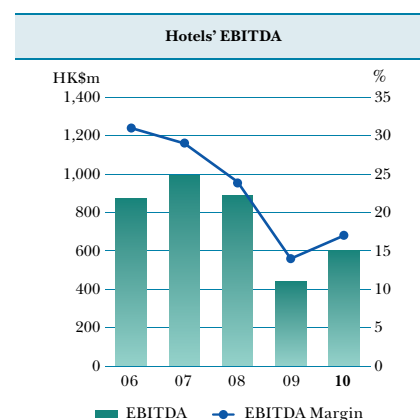
* The Peninsula Shanghai had its soft opening on 18 October 2009 and formally opened on 18 March 2010.



HK\$m	2006	2007	2008	2009	2010
Hong Kong	939	1,061	1,122	997	1,119
Other Asia	803	1,220	1,641	1,328	1,547
USA	1,069	1,168	1,009	820	910
	2,811	3,449	3,772	3,145	3,576



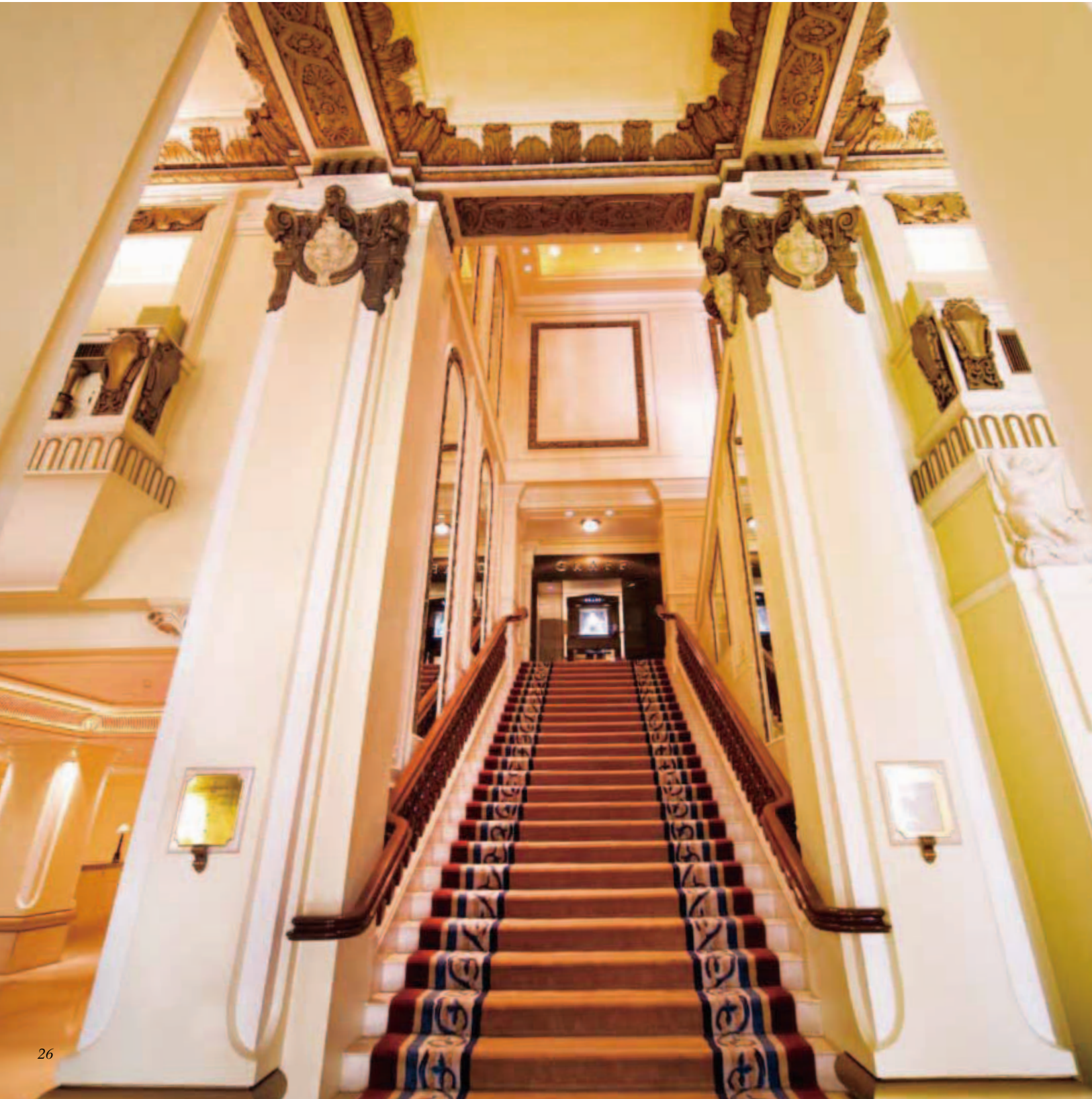
HK\$m	2006	2007	2008	2009	2010
Rooms	1,404	1,716	1,810	1,324	1,549
Food & beverage	776	992	1,128	985	1,123
Others	631	741	834	836	904
	2,811	3,449	3,772	3,145	3,576



	2006	2007	2008	2009	2010
EBITDA (HK\$m)	872	995	890	443	604
EBITDA Margin (%)	31	29	24	14	17

THE PENINSULA HONG KONG

100% OWNED





Opened in 1928, The Peninsula Hong Kong is HSH's flagship hotel property and the first to bear the Peninsula name. Wholly-owned by HSH, the hotel has consistently been rated as one of the top luxury hotels in the world. The hotel has 300 guestrooms and suites, as well as world renowned restaurants and bars including Gaddi's, Felix, Spring Moon, Chesa and Salon de Ning. There is also a spectacular Peninsula Spa, which was opened in 2006.

2010 was a year of economic recovery and rejuvenation for Asia, particularly Hong Kong. Occupancy returned to pre-crisis levels while the food and beverage outlets enjoyed brisk business. In recognition of the hotel's deep roots in Hong Kong, the hotel's team of 800 staff initiated the production of a book called "Our Hong Kong", which documented personal memories and narratives from the hotel's staff who grew up in Hong Kong or have been residing in Hong Kong for many years. The publication was launched in December 2010 at the hotel's 82nd anniversary. "Our Hong Kong" will provide the theme for the hotel throughout 2011, from which various promotions and guest experiences will be developed.

- The hotel recorded an ARR of HK\$3,816, up 1% from 2009. RevPAR was up 22% from 2009 to HK\$2,660 while occupancy rose 13 percentage points from the year before to 70%.
- Both the corporate and leisure sectors saw a revival in business, with travellers from the US surpassing those from UK and most of Europe. At the same time, Hong Kong's vast hinterland market – mainland China – has become one of the hotel's top producing markets, along with significant growth of business from emerging markets including Russia, Middle East, Mexico, South Korea and Thailand.
- The Peninsula Hong Kong retained its leadership position in terms of room rates. A rooms promotion in conjunction with the Peninsula hotels in Shanghai and Beijing was well received by both the domestic and overseas markets.
- The restaurants and Spa saw robust business in the final quarter of the year.
- The Peninsula Arcade and the Office Tower were able to grow their average rent by 2% and 23% respectively.
- The Peninsula Arcade maintained an average occupancy of 97% during the year with a high quality tenant mix of luxury brands from around the world. New high-end tenants include Chanel Watch & Jewellery and Goyard, while tenants which expanded their presence in the Arcade include Ralph Lauren and Davidoff.

THE PENINSULA SHANGHAI

50% OWNED





The Group's flagship hotel in mainland China celebrated its first anniversary since soft opening in October 2010. Occupying a splendid location with direct frontage on the historic Bund, The Peninsula Shanghai is the first new building on the Bund in the last few decades and an anchor project in the Waitanyuan development scheme. The hotel features 235 rooms and suites, five restaurants and bars, a Peninsula Spa, an indoor swimming pool and fitness centre, as well as a Peninsula Arcade featuring 25 top luxury brands. The adjoining Peninsula Residences has 39 apartments for lease.

The Peninsula Shanghai held its Grand Opening Gala on 18 March 2010, five months after its soft opening. Over 3,000 guests from around the world joined the celebrations to mark the landmark homecoming of HSH to Shanghai, one of its two founding cities. On 1 July 2010, the Peninsula Arcade held its grand opening and two months later, the hotel assumed management of the historic building, No.1 Waitanyuan in the adjacent former British Consulate site, which has become a State Guest House of the Shanghai municipal government, as well as the leasing of buildings No. 2, 3 and 4 and the basement.

- In its first year of operation, the hotel recorded an ARR of HK\$2,830. RevPAR was HK\$1,778, while occupancy averaged 63%.
- The World Expo 2010 Shanghai (May to October 2010) provided a global stage to showcase The Peninsula Shanghai to domestic and international visitors and contributed to the hotel's strong performance. Demand from the domestic market was strong, with 60% of all guests being from within the mainland.
- The Peninsula Arcade was fully let with the last shops opening in December 2010. Leading luxury brands featured in the Arcade include Chanel, Giorgio Armani, Graff, Prada and Ralph Lauren.
- Interior fit-out work continued through the year for the Peninsula Residences, which is part of the hotel complex. The Residences will be available for leasing in the second half of 2011.
- The hotel received numerous local and international accolades in its first year of establishment. (read more on page 43)
- The hotel provided the scenic backdrop for the production of director Wayne Wang's movie, "Snow Flower and the Secret Fan", which will make its debut in 2011.

THE PENINSULA BEIJING

42% OWNED



Opened in 1989, The Peninsula Beijing is situated in the historic city centre, close to Tiananmen Square and is regarded as one of the top hotels in China's capital. The hotel has 525 guestrooms and suites, two restaurants, a Peninsula Spa, an indoor swimming pool, a fleet of Rolls-Royces and BMWs and one of the most prestigious shopping arcades in China, the Peninsula Arcade, which houses 50 exclusive luxury designer boutiques.

China's impressive economic growth in the global economic crisis was the driving force behind a huge increase in domestic demand for the hotel. In 2010, the mainland became the top market segment for The Peninsula Beijing, achieving 33% growth over 2009. The European and North American markets showed some growth but segment revenues were below the 2008 Olympic levels. Competition remained intense in the capital, as additional five star hotels continued to open in an already crowded marketplace.

- The hotel recorded an ARR of HK\$1,409, up 4% from 2009. RevPAR was up 42% from 2009 to HK\$650 while occupancy rose 12 percentage points from the year before to 46%.

- The commercial sector remained buoyant as the hotel continued to be recognised by discriminating customers as the leading venue for luxury goods in the Chinese capital. An Arcade upgrade is currently underway, in preparation for the introduction of new flagship stores and to ensure the hotel continues as a leading luxury retail destination.
- Food and beverage revenues increased by 41% over 2009 while revenue for the Spa increased by 22%.

THE PENINSULA NEW YORK

100% OWNED



The Peninsula New York is housed in a 23-storey, 1905 landmark building on Fifth Avenue and 55th Street in mid-town Manhattan. The hotel, acquired by the Group in 1988, carries an old world elegance with modern interiors. There are 185 guestrooms and 54 suites, one restaurant and three lounges including Salon de Ning, a Peninsula Spa, a fitness centre and an indoor swimming pool.

The Peninsula New York benefitted from an increase in business and leisure travels to New York City during 2010. Competition remained intense within the luxury hotel segment but with its interiors completely renovated after a two year phased programme, the hotel is well positioned for future growth.

- The hotel recorded an ARR of HK\$5,570, up 5% from 2009. RevPAR was up 12% from 2009 to HK\$3,727 while occupancy rose 5 percentage points from the year before to 67%.
- The soft US Dollar and weak Euro led to a decrease in the international business mix. However, the hotel secured several new key financial corporate accounts as a result of increased business travel to the hotel.
- The Peninsula New York completed the final phase of its guestroom renovation in September 2010. Extensive repairs to the hotel's cornice were completed in December 2010. A complete remodelling of the meeting room facilities was also undertaken during the year.
- The hotel added two customised Mini Cooper S Clubman vehicles to its transportation fleet in November 2010.
- Salon de Ning continues to perform strongly with revenues increasing 9.6% from a year ago.
- The renovated meeting rooms helped to increase banquet revenue by 20%, compared to a year ago, with greater demand from both corporate and social clientele.
- The hotel was given the coveted 2010 Forbes Five Star Award for both the property and the Spa.

THE PENINSULA CHICAGO

100% OWNED



Opened in 2001, The Peninsula Chicago is well recognised as one of the finest hotels in North America. As a reflection of its Hong Kong roots, the hotel hosted the President of China and the Chinese delegation in early 2011. The hotel's 339 guestrooms and suites are among the largest in the city, supported by a Peninsula Spa and fitness centre, four 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' on North Michigan Avenue.

2010 was a challenging year for the United States and The Peninsula Chicago was no exception – the state of Illinois has one of the highest unemployment rates in the country, in addition to intense competition from newly opened five star hotels. The local economy began to see slight signs of improvement in the second half of the year with increased activity in the luxury retail segment. Despite the challenges, The Peninsula Chicago continued to be well-established as the top luxury hotel in Chicago.

- The hotel recorded an ARR of HK\$2,965, down 1% from 2009. RevPAR was up 9% from 2009 to HK\$1,762 while occupancy rose 5 percentage points from the year before to 59%.

- The hotel's guest mix is 62% transient and 38% group. 93% of its guests were domestic travellers while 7% is from international markets. The negotiated corporate segment grew significantly during the year, benefiting from companies improving their travel policies. Catering business remained strong.
- Avenues, the hotel's signature restaurant, received a 2 star award from the Michelin Red Guide.
- In November 2010, the hotel launched two customised MINI Cooper S Clubman vehicles for guest transportation.
- 2011 will see the hotel's 10th anniversary with several events being undertaken to celebrate this milestone.

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 Santa Monica Boulevards. Designed to resemble a gracious private residence, the hotel features 193 guestrooms including 36 suites and 16 private villas which are nestled amid lush, tropical gardens. There are four restaurants and bars, a Spa and fitness centre and a large outdoor pool bordered by private cabanas.

The Peninsula Beverly Hills saw significant improvement in business during 2010, particularly from the entertainment industry and the Middle East market. The hotel was able to maintain its leading position in Los Angeles.

- The hotel recorded an ARR of HK\$5,147, up 2% from 2009. RevPAR was up 20% from 2009 to HK\$3,699 while occupancy rose 11 percentage points from the year before to 72%.
- In October 2010, the hotel embarked on a guestroom enhancement programme which will continue through the first half of 2011. All 193 guestrooms, including the suites and private villas, will be refurbished and technologically enhanced.
- Group segment business increased to over 9% of overall business, from about 4% the year before. The hotel's enhanced guest loyalty programme also resulted in over 70% repeat guest ratio.
- During the year, The Peninsula Beverly Hills was given both the AAA Five Diamond Award as well as the Forbes Five Star Award. The hotel was consistently ranked amongst the best hotels in North America and in the world by international travel publications. (read more on page 43)

THE PENINSULA TOKYO

100% OWNED



The Peninsula Tokyo is prestigiously located in the Marunouchi business district – the heart of Japan's banking and finance community – and directly faces the Imperial Palace, with easy proximity to Ginza and Hibiya Park. The hotel 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 a fitness centre.

The Peninsula Tokyo, established in 2007, has become a landmark in Japan's capital. The hotel welcomed a return of overseas visitors, particular from Asia, despite a persistently strong Yen throughout the year. The hotel remained competitively positioned in the luxury segment and recorded strong growth both in terms of business and reputation.

After Japan was struck by the huge earthquake on 11 March 2011, the hotel's management and staff provided support and assistance to guests and the general public at the time of crisis, offering its facilities and shelter to those seeking refuge. All the staff and guests were safe and unharmed and the hotel premises did not suffer any physical damage of significance.

- The hotel recorded an ARR of HK\$3,861, up 8% from 2009. RevPAR was up 17% from 2009 to HK\$2,522 while occupancy rose 5 percentage points from the year before to 65%.

- Asia and the Middle East provided much business support to The Peninsula Tokyo. The number of guests from mainland China and Gulf countries doubled from 2009, partly because of visa relaxations and partly because of improved economies in those regions. China and the Middle East now rank among the top 10 geographic sources of business for the hotel.
- The hotel opened a new outlet, The Peninsula Boutique & Café at Naka-dori avenue, on 15 March 2010. The Café offers outdoor seating for 20 and is located in one of the most stylish areas in Tokyo.
- All the retail spaces in the hotel were leased during the year.
- The wedding market was also robust, with a 14% increase of wedding receptions held at the hotel.
- The Peninsula Tokyo was named the No. 1 hotel in the Top 100 Hotels in Asia, 2010 Readers' Choice Awards by renowned travel publication, Conde Nast Traveler (US). (read more on page 43)
- Hei Fung Terrace was awarded a Michelin Star for the third consecutive year.

THE PENINSULA BANGKOK

75% OWNED



The luxurious riverside Peninsula Bangkok was opened in 1998. The 37-storey property features 370 guestrooms and suites, three restaurants, a Peninsula Spa that is housed in a three-storey Thai style villa; and partners with the Group-owned Thai Country Club to offer golf course access to its guests. The Peninsula Bangkok is consistently recognised as one of the best hotels in Asia.

The first half of 2010 saw ongoing political dissension creating tension for the tourism industry. The prolonged street demonstrations in April and May, which led to a violent army crackdown in June, caused businesses in tourist areas to shut down and certain hotels to close temporarily. Following the restoration of peace in Bangkok, the local tourism industry began a price war to lure travellers to return. Tourism rebounded to a limited extent in the final quarter of the year.

- The hotel recorded an ARR of HK\$1,398, down 7% from 2009. RevPAR was down 5% from 2009 to HK\$688 while occupancy rose 1 percentage point from the year before to 49%.
- The Peninsula Bangkok was able to maintain its position as a market leader and was named by Travel + Leisure magazine as the No. 1 Top City Hotel in Asia. (read more on page 43)
- Local banquet business thrived during the year. The wedding market remained strong with a 29% increase in the number of wedding functions held at the hotel. The hotel also held an annual wedding showcase to drive business.
- During the year, the hotel completed the soft refurbishment of 100 guestrooms and 28 suites.
- The shopping arcade was fully leased during the year.

THE PENINSULA MANILA

77% OWNED



The Peninsula Manila is located in the heart of Makati, Manila's business and financial district, at the corner of Ayala and Makati Avenues. Opened in 1976, the 497-room hotel has seven restaurants and bars, including Escolta and Salon de Ning, a Peninsula Spa, a fitness centre and a shopping arcade.

In spite of the global economic downturn, The Peninsula Manila welcomed a marked improvement in business during 2010, fuelled chiefly by a strong demand for guestrooms.

- The hotel recorded an ARR of HK\$1,036, up 6% from 2009. RevPAR was up 30% from 2009 to HK\$719 while occupancy rose 12 percentage points from the year before to 69%.
- The highlight of the year was marked by the opening of Salon de Ning on 4 December. Joining the Peninsula hotels' signature collection of Shanghai style Art Deco-inspired bars and lounges, Salon de Ning at The Peninsula Manila features four themed rooms, all set in a clubby lounge venue. The Salon has quickly established itself as one of the most stylish venues in Manila, much welcomed by local and foreign guests.

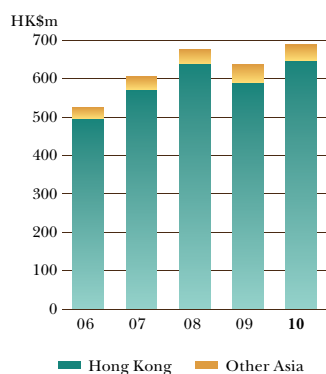
- In the Spring of 2010, major upgrades of the hotel's security measures were carried out. The upgrades included installation of bomb blast film on lower floor glass walls, road blockers, gate shutters and spikes on perimeter concrete walls, as well as the implementation of handheld bomb detectors. These upgrades have made The Peninsula Manila one of the most secure hotels in the city and provide a great competitive advantage by addressing the safety concerns of international clients.
- The hotel's business was negatively impacted in the last quarter of the year as several multinational companies opted to move their meetings to other countries, following several international governments having issued or renewed travel alerts for The Philippines.
- Other significant capital expenditure projects during the year include the renovation of the staff dining room, as well as carpet replacement in the Makati Tower guestroom floors and the Rigodon ballroom.

COMMERCIAL PROPERTIES' AND CLUBS & SERVICES' PERFORMANCE CHARTS

	ATTRIBUTABLE INTEREST %	REVENUE (HK\$m)		NET LETTABLE AREA (SF)		OCCUPANCY %		YIELD (HK\$)	
		2010	2009	2010	2009	2010	2009	2010	2009
The Repulse Bay Complex*	100	505	469	842,660	842,549	92	88	38	37
The Peak Tower	100	103	83	67,254	67,254	100	99	72	60
St. John's Building	100	38	36	61,102	61,102	97	93	37	35
The Landmark, Vietnam	70	42	49	134,140	134,409	92	96	23	29
Total		688	637	1,105,156	1,105,314				
Average						93%	90%	38	37

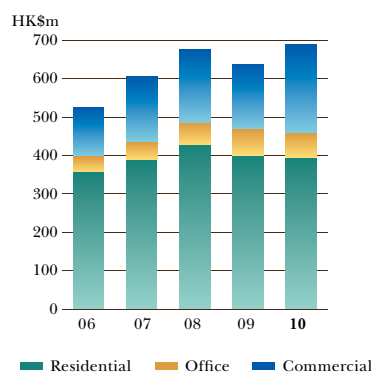
* Part of the Repulse Bay Arcade was closed for revitalisation from March to July 2008, and again from February to August 2009.

Rental revenue from Commercial Properties, by geographical segment



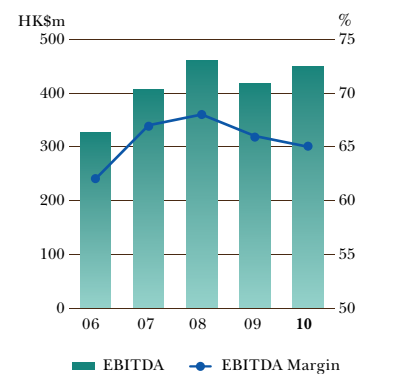
HK\$m	2006	2007	2008	2009	2010
Hong Kong	495	570	636	588	646
Other Asia	31	35	41	49	42
	526	605	677	637	688

Rental revenue from Commercial Properties, by nature



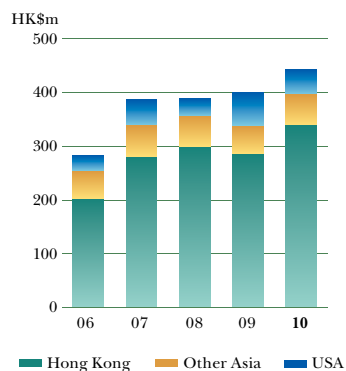
HK\$m	2006	2007	2008	2009	2010
Residential	355	386	425	398	392
Office	42	49	59	70	66
Commercial	129	170	193	169	230
	526	605	677	637	688

Commercial Properties' EBITDA



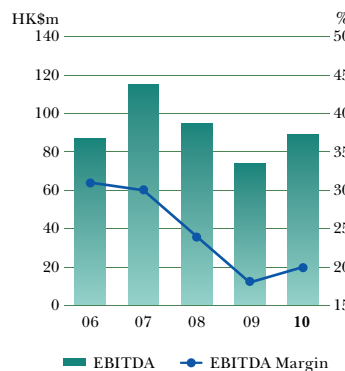
	2006	2007	2008	2009	2010
EBITDA (HK\$m)	327	406	460	418	450
EBITDA Margin (%)	62	67	68	66	65

Revenue from Clubs & Services, by geographical segment



HK\$m	2006	2007	2008	2009	2010
Hong Kong	202	279	298	285	338
Other Asia	52	59	58	52	58
USA	30	49	33	64	47
	284	387	389	401	443

Clubs & Services' EBITDA



	2006	2007	2008	2009	2010
EBITDA (HK\$m)	87	115	95	74	89
EBITDA Margin (%)	31	30	24	18	20

THE REPULSE BAY COMPLEX

100% OWNED



The Repulse Bay Complex is located on the scenic south side of Hong Kong Island, overlooking the famous Repulse Bay beach and South China Sea. The Complex consists of eight apartment towers and a shopping arcade with restaurants and a health wing, built on the site of the former Repulse Bay Hotel (1920 – 1982). All the apartments are held as investment properties for leasing.

One year after a full revitalisation of the Repulse Bay Complex's restaurants and shopping arcade, the Complex has re-established itself as the premier shopping and dining destination for tourists and residents on the south side of the Island. The Complex is poised to embark on its next phase of major improvement. Commencing in mid 2011, this will comprise a three-year phased programme that will significantly enhance all the public areas of the residential towers and improve the layout and efficiency of the serviced apartment tower.

- Leasing activities for both the unfurnished and serviced apartments were strong, particularly in the second half of the year, reflecting the robustness of Hong Kong's economy. Usage of the Club facilities remained high.
- Turnover for The Repulse Bay Complex increased by 8% compared to 2009. The average rent per net square foot (yield) was HK\$38, an increase of 3% compared to 2009.
- The Arcade, which has a varied range of lifestyle and specialty retailers, remained fully leased during the year.
- The new Marquee has quickly established itself as a much sought after banqueting venue. During the year, The Repulse Bay hosted more than 150 weddings and has also become a popular venue of choice for luxury car shows and elaborate product launches.
- The renovated Verandah and Spices restaurants maintained their well-established popularity with patrons. Overall, the food and beverage operation experienced a very good year, delivering the best results both in terms of revenue and profitability, since year 2000.
- The Repulse Bay website was revamped and launched in August 2010, offering the latest information on residential leasing, food and beverage promotions, arcade and community activities as well as arts and cultural events.

THE PEAK TOWER

100% OWNED

The Peak Tower is a key entertainment, retail and dining complex atop Hong Kong's Victoria Peak, offering visitors spectacular 360 degree views of Hong Kong from its rooftop Sky Terrace.



In 2010, the Peak Tower continued to perform strongly, as a result of increased retail rentals and number of visitors to the Sky Terrace.

- Mainland China, North and Southeast Asia are key sources of business for the Tower. Enhanced promotional efforts in these markets led to a considerable surge in sales to travel agents; the management also deployed a diversified strategy by forming an alliance with several other key tourist attractions in Hong Kong to promote visits.
- The Tower achieved 100% occupancy during the year and recorded an increase of 24% in year-on-year revenue.

ST. JOHN'S BUILDING 100% OWNED

Built in 1983, St. John's is an office building situated in Hong Kong's Central business district, close to the SAR government offices and houses the lower Peak Tram terminus.

- St. John's Building ended the year with 97% occupancy. Revenue increased by 6% due to higher occupancy and rental increases upon tenancy renewals.

THE LANDMARK (VIETNAM) 70% OWNED

Opened in 1995 in the core business quarter of Ho Chi Minh City (formerly known as Saigon), The Landmark is a 16-storey residential and office complex located on a prime waterfront site. The complex has 65 serviced apartments, a fully equipped business centre, as well as 100,000 square feet of first class office space for leasing. There are also two restaurants and a luxury leisure boat to ferry guests along the Saigon River.

- The office tower maintained an average occupancy of 98% for the year while revenue was 18% lower than 2009.
- The residential tower achieved an average occupancy of 85% for the year and revenue was 15% lower than the year before.
- Upgrading of the commercial areas and the lobby in the residential tower were carried out during the year.
- The Landmark won an ASEAN energy award for energy efficient building, reflecting its commitment to environmental protection.

CLUBS & SERVICES

The Group owns and operates the historic Peak Tram, a major tourist attraction in Hong Kong. The Group also owns and manages the Thai Country Club near Bangkok, one of the finest golf clubs in Asia; Quail Golf & Country Club in Carmel, California, USA; Peninsula Merchandising, which operates the Peninsula Boutiques around the world; and Tai Pan Laundry services in Hong Kong. Under Clubs & Consultancy Services, HSH manages the prestigious Hong Kong Club, The Hong Kong Bankers Club and Butterfield's Club in Hong Kong as well as No.1 Waitanyuan in Shanghai, and operates Cathay Pacific Airways' first and business class lounges in the Hong Kong International Airport.



THE PEAK TRAM 100% OWNED

- A record-breaking 5.4 million passengers patronised the Peak Tram in 2010, an 11% increase from 2009, while revenue increased 20% from the year before.
- The Tram attracted a growing number of visitors from mainland China, Taiwan, Korea and India, its four new key markets.
- The Peak Tram earned two important awards in recognition for its outstanding performance, safety record and excellent customer services. (read more on page 43)

THAI COUNTRY CLUB (THAILAND) 75% OWNED

- Thai Country Club maintained the same number of golfers in 2010 but revenue increased by 12% over 2009.
- New member relation initiatives were introduced, including a monthly newsletter in three languages (English, Thai and Japanese) and promotions for merchandise in the ProShop.
- The Club was voted the Best Course in Thailand and first runner up for Best Course in Asia Pacific by the Asian Golf Monthly Magazine.



QUAIL GOLF & COUNTRY CLUB (USA) 100% OWNED

- The 8th Annual Quail Motorsports Gathering, now regarded the premier event in the Monterey Peninsula, was held in August 2010 and raised over US\$20,000 to benefit charitable organisations including the American Red Cross Monterey Chapter, Rancho Cielo and Court Appointed Special Advocates.
- The hotel portion of Quail Lodge remained closed but the golf course and Clubhouse remain open to service the Club's 300-plus members and catering clientele.

PENINSULA MERCHANDISING 100% OWNED

- In 2010, Peninsula Merchandising again achieved record sales in Hong Kong and Asia for its signature mooncakes during the Mid Autumn Festival period.
- Overall, revenue and profits exceeded expectations and returned to pre-crisis levels. With the exception of Japan, revenue from this division's major wholesale markets exceeded 2009. Retail sales at the Peninsula Boutique in The Peninsula Hong Kong were very strong.



TAI PAN LAUNDRY (HONG KONG, CHINA) 100% OWNED

- Tai Pan Laundry expanded its operational premises during the year and the total floor area reached 33,000 square feet.
- A significant replacement of existing equipment with highly automated modern machinery and renovation of the premises is earmarked for 2011, so as to enable the operation to continue with its provision of top quality laundry and dry cleaning services to Hong Kong's luxury hotels and high-end restaurants.



CATHAY PACIFIC LOUNGES, HONG KONG INTERNATIONAL AIRPORT (HONG KONG, CHINA)

- The Lounges recorded a 12.9% increase in passenger numbers.
- In anticipation of continuous growth in capacity, Cathay Pacific opened a new airport lounge, The Cabin, in October 2010 which is also managed by HSH.



NO. 1 WAITANYUAN (SHANGHAI, CHINA)

- The two-storey, Renaissance style building was constructed in 1872 and is listed as a National Cultural Heritage site. No. 1 Waitanyuan is considered an important element of the historic scenery of the legendary Bund.
- Since the opening on 1 September 2010 of this building as a State Guest House of the Shanghai municipal government, more than 120 events were held in the four months till the end of the year.
- This building is open to the public and it is intended to be used for high-end cultural exhibitions and receptions.

