

| GENERAL MANAGERS' REPORTS



SELECT AWARDS

- Best Hotel Spa – SpaAsia Crystal Awards 2006
SpaAsia (Singapore)
- World's Best Service – Top Hotels for Service in Asia
Travel & Leisure (USA)
- No. 1 in HK and mainland China – World's Best Places to Stay
Asia / Australia / Pacific Nations Condé Nast Traveler (Jan. 2006, USA)
- No. 1 in Hong Kong – Best of the Best, Preferred Brands of China's Richest
Hurun Report (PRC)
- No. 1 Top Five Hotels in Asia – Reader's Choice Platinum List
Celebrated Living (USA)

The Peninsula Spa by ESPA, with sweeping views of the Victoria Harbour

	Guestrooms			Revenue (HK\$m)			
	2006	2005	Change	2006	2005	Change	
Total number of rooms	300	300	-	Hotel	626	564	11%
Average occupancy	80%	79%	1%	Spa	12	-	-
Average room rate	HK\$3,228	HK\$2,872	12%	Retail	37	35	6%
RevPAR	HK\$2,592	HK\$2,271	14%	Commercial rentals	258	236	9%
				Office rentals	24	23	4%
					957	858	12%

Hong Kong enjoyed a year of excellent growth as closer integration with mainland China helped fuel the economy and boosted domestic spending. The city played host to some of the world's leading trade shows and conferences, including the ITU Telecom World 2006, which provided a positive business environment and created strong business demand. Although two luxury hotels were introduced to the market, the impact was considered positive as they helped maintain healthy rates in the upper bracket. The Peninsula Hong Kong remained the city's rate leader.



The hotel's grand lobby

THE PENINSULA HONG KONG

100% owned

2006 saw record-breaking financial results at The Peninsula Hong Kong, with the hotel achieving its highest ever revenue in rooms, surpassing the level achieved 10 years ago. The double-digit growth of mainland visitors, the continued revival of long haul markets from North America and Europe and a significant increase of Japanese visitors brought strong business volumes to the hotel.

- ◆ The hotel achieved an ARR of HK\$3,228, up 12% from 2005; RevPAR was up 14% from 2005 while occupancy increased 1% from 2005.

- ◆ The introduction of The Peninsula Spa by ESPA in May, and the Naturally Peninsula cuisine in several of the hotel's outlets in November, were both very well received. The new Spa occupies 1,116 square meters of space spread over two floors, with 14 state-of-the-art treatment rooms, a tea lounge and his and her relaxation rooms, most of which offer a sweeping view of Victoria Harbour.

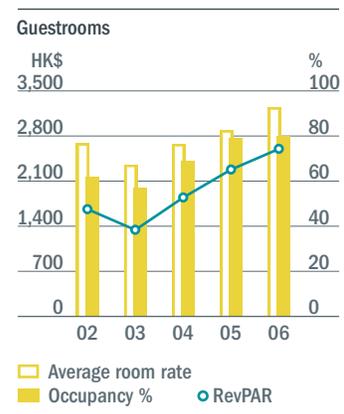


The China Clipper aviation lounge

- ◆ The hotel took delivery of 14 extended wheelbase Rolls Royce Phantoms in December. Finished in signature Peninsula green, each car was handmade in England and customised under Rolls Royce's Bespoke programme to meet the hotel's exacting needs.

- ◆ Major facility enhancements include progression of the hotel property management system from Fidelio to Opera; installation of Wifi in guestrooms in both the Main Building and Tower; and modification of guestroom headboards in the Main Building.

- ◆ Reflecting buoyant retail spending, The Peninsula Arcade achieved 96% occupancy for the year. Rents continued to rise due to a shortage of outstanding retail space in the district. The hotel is favoured by international fashion and jewellery brands and the trade mix at the hotel's Arcade has been further enhanced with the arrival of some additional international brands.



Sources of guests	2006	2005
USA & Canada	33%	32%
Japan	17%	16%
Asia	16%	17%
Europe	22%	21%
Others	8%	10%
China	4%	4%

FIT	13%	20%
Corporate	22%	23%
Wholesale	42%	40%
Others	23%	17%

THE PENINSULA NEW YORK

100% owned

With robust market conditions coupled with its prime location and high service standards, The Peninsula New York was able to grow its average rate strongly during the year and continues to be one of the rate and RevPAR leaders in Manhattan.

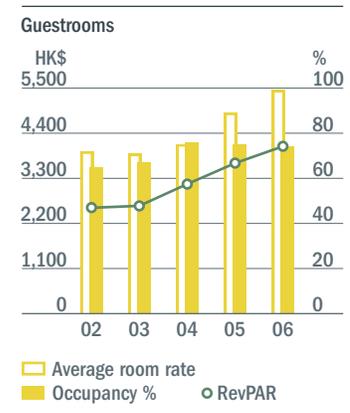
- ◆ The hotel achieved an ARR of HK\$5,458, up 11% from 2005; RevPAR was up 11% from 2005 while occupancy decreased by 1%.
- ◆ Major facility enhancements during the year included replacing carpets in 53 guestrooms and replacing 15 air handling unit motors to high efficiency units.

in over US\$2 million revenue for each category of cardholder; 'Silver Spoon Service' for guests travelling with children; a guest recognition programme with French jeweller Van Cleef & Arpels; and 'The Peninsula Wardrobe' which offers guests exclusive access to high-end clothing rental services.



High tea at Gotham Lounge

- ◆ Radio communication was introduced between all front of house departments to facilitate higher guest recognition and better guest satisfaction.
- ◆ Wireless internet upgrading was completed in all the guestrooms.
- ◆ Major marketing initiatives included the continual joint promotion with American Express Platinum and Centurion cardholders, which resulted



Sources of guests	2006	2005
USA & Canada	66%	68%
Japan	2%	2%
Asia	3%	3%
Europe	20%	21%
Others	9%	6%
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FIT	93%	78%
Corporate	7%	21%
Wholesale	-	1%

- ◆ The hotel's vitrines were popular showcases for high-end retailers including LVMH, Wempe, Sergio Rossi and Van Cleef & Arpels.

SELECT AWARDS

AAA Five Diamond Award
 No.3 The Best Hotels in New York
Condé Nast Traveler (USA)
 Three Stars – Fives, 2006 All-Star
 Eateries in New York
Forbes Magazine (USA)



The Lobby and staircase

Guestrooms	2006	2005	Change	Revenue (HK\$m)	2006	2005	Change
Total number of rooms	239	239	-	Hotel	461	419	10%
Average occupancy	74%	75%	(1%)	Spa	43	46	(7%)
Average room rate	HK\$5,458	HK\$4,902	11%	Commercial rentals	31	29	7%
RevPAR	HK\$4,066	HK\$3,655	11%		535	494	8%

New York City enjoyed a buoyant year, with a high level of financial markets and trading activities, as well as a strong influx of foreign travellers. Demand was very strong for the top luxury hotels in Manhattan, in addition to which the supply of rooms was affected by the closure for renovation or conversion of several luxury hotels.



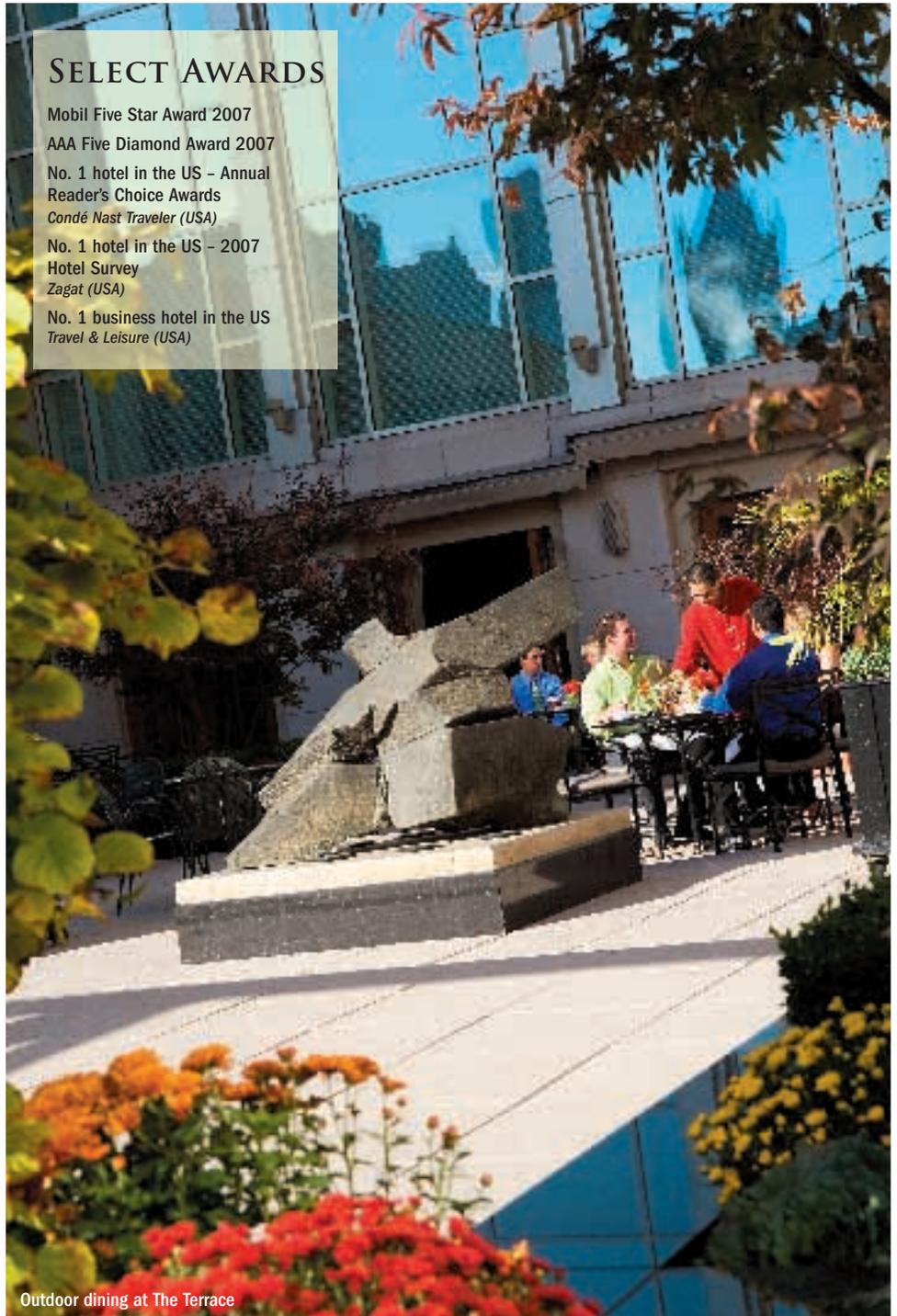
A pageboy at The Peninsula New York

Home to 30 Fortune 500 companies and 12 Fortune Global 500 companies, Chicago continued to prosper economically in 2006. With a large drive-in audience of 1.8 million businesses and 58 million people located within the radius of a day's drive, Chicago continued to develop infrastructure, major highways, airports,



The Peninsula Suite

the convention centre and key attractions to keep the city at the forefront of leisure and corporate business. 2006 also saw one of the best convention years in Chicago with 21 citywide conventions.



Outdoor dining at The Terrace

SELECT AWARDS
 Mobil Five Star Award 2007
 AAA Five Diamond Award 2007
 No. 1 hotel in the US - Annual Reader's Choice Awards *Condé Nast Traveler (USA)*
 No. 1 hotel in the US - 2007 Hotel Survey *Zagat (USA)*
 No. 1 business hotel in the US *Travel & Leisure (USA)*



Guestrooms	2006	2005	Change
Total number of rooms	339	339	-
Average occupancy	72%	71%	1%
Average room rate	HK\$3,398	HK\$2,947	15%
RevPAR	HK\$2,449	HK\$2,087	17%

Revenue (HK\$m)	2006	2005	Change
Hotel	509	442	15%
Spa	29	29	-
	538	471	14%

THE PENINSULA CHICAGO

92.5% owned

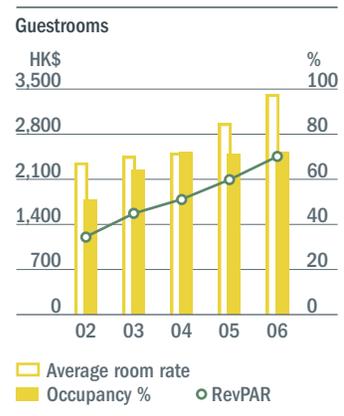
The Peninsula Chicago has clearly established itself as the top luxury hotel in Chicago, retaining its leadership in average room rate in the city and placing the hotel ahead of its competitive set (source: Star Report). With continued investment in the product, exceptional service and strong brand recognition, the hotel seeks to maintain its leading position in Chicago.

- ◆ The hotel achieved an ARR of HK\$3,398, up 15% from 2005; RevPAR was up 17% from 2005 while occupancy increased 1% from 2005.
- ◆ The Spa was renovated with newly added features including a relaxation room with fireplace and two new treatment suites.
- ◆ Special marketing initiatives included ‘Broadway in Chicago’ which offered premium seats to top tier Broadway shows; and continuation of the joint promotion with American Express Platinum and Centurion cardholders.



The rooftop pool, with views of the cityscape

- ◆ Signature restaurants were enhanced with a renovation at Avenues, new flooring and carpet at the Bar, and Shanghai Terrace receiving an updated entrance.
- ◆ A new Business Centre was completed.
- ◆ Existing meeting rooms were given a facelift with new carpeting, wall covering, window treatments and contemporary artwork. A new meeting room was added to cater to the expanding meetings and convention business.



Sources of guests	2006	2005
USA & Canada	89%	89%
Asia	1%	1%
Europe	5%	5%
Others	5%	5%
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FIT	13%	10%
Corporate	27%	30%
Wholesale	26%	30%
Others	34%	30%

THE PENINSULA BEVERLY HILLS

20% owned

Having already sustained an optimal occupancy of over 80% for a number of years, The Peninsula Beverly Hills' strategic focus was to grow rate, thus driving RevPAR, while maintaining its brand image and garnering new awards and recognitions.

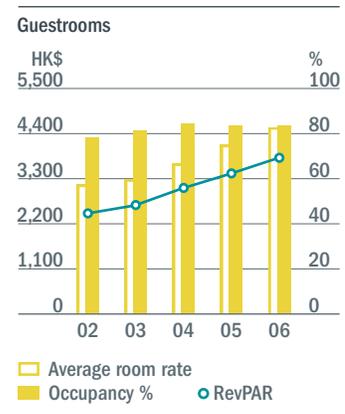
- ◆ The hotel achieved an ARR of HK\$4,523, up 11% from 2005; RevPAR was up 11% from 2005 while occupancy was the same as in 2005.
- ◆ The hotel completed its soft goods renovation of the Deluxe, California and Superior Suites in addition to rejuvenating the Roof Garden
- ◆ A cutting-edge room assignment system was introduced in the Housekeeping Department and a seamless arrival and departure process was established. The resulting gains in productivity allowed the hotel to build further on its unique, 24-hour flexible check-in/check-out capability.



A villa at The Peninsula Beverly Hills

restaurant and pool area to enhance guests' experience.

- ◆ The renovation of the spa enabled the hotel to be positioned as a favourable destination for out-of-town visitors, as well as a new attraction for the local community.



Sources of guests	2006	2005
USA & Canada	85%	86%
Japan	1%	1%
Asia	2%	2%
Europe	7%	7%
Others	5%	4%
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FIT	94%	92%
Corporate	1%	3%
Wholesale	5%	5%

SELECT AWARDS

Mobil Five Star Award
 AAA Five Diamond Award
 AAA Five Diamond Award – The Belvedere Restaurant
 No. 1 Top 20 US City Hotels – World's Best Hotels, Resorts & Hideaways
 Andrew Harper's Hideaway Report (USA)



The Living Room

	2006	2005	Change	Revenue (HK\$m)	2006	2005	Change
Guestrooms							
Total number of rooms	194	196	(1%)				
Average occupancy	83%	83%	-				
Average room rate	HK\$4,523	HK\$4,091	11%				
RevPAR	HK\$3,772	HK\$3,395	11%				
				Hotel	413	374	10%

The Californian economy continued to benefit from steady growth in the stock market and a stable political climate. This has translated into very sound occupancy and healthy rate growth for The Peninsula Beverly Hills. The positive business climate was further supported by new cultural activities and interests in Los Angeles, such as the Walt Disney Concert Hall, the Getty Villa and the recently renovated Griffith Park Observatory.



Lush gardens at the hotel



SELECT AWARDS

- No. 1 World's Best Business Hotel Overall
Travel & Leisure (USA)
- No. 3 Best Asian Hotel - Reader's Choice Awards 2006
Condé Nast Traveler (USA)
- No. 3 World's Best Hotel - Asia
Travel & Leisure (USA)
- No. 4 World's Best Hotel Overall
Travel & Leisure (USA)

Lantern Corridor at The Peninsula Spa by ESPA, housed in its own Thai-style building

	Guestrooms			Revenue (HK\$m)			
	2006	2005	Change	2006	2005	Change	
Total number of rooms	370	370	-	Hotel	214	200	7%
Average occupancy	71%	72%	(1%)	Spa	2	1	100%
Average room rate	HK\$1,424	HK\$1,293	10%	Retail	4	3	33%
RevPAR	HK\$1,010	HK\$935	8%	Commercial rentals	2	2	-
					222	206	8%

2006 was a challenging year for Thailand. After a strong first half year that was underpinned by solid growth from regional and international arrivals, demand slowed dramatically in September due to political uncertainty in the country following the coup which resulted in the overthrow of the Prime Minister. The uncertainty was further exacerbated by the bombings on New Year's Eve.



Views from the Grand Deluxe Room

THE PENINSULA BANGKOK

75% owned

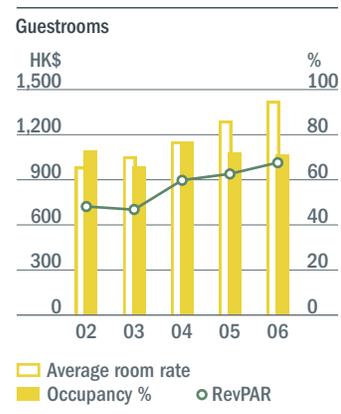
Despite external factors impacting overall market growth, The Peninsula Bangkok achieved year-on-year revenue growth across the entire complex. 2006 also saw the hotel successfully launching its new Spa, and winning many international awards and accolades.

- ◆ The hotel achieved an ARR of HK\$1,424, up 10% from 2005; RevPAR was up 8% from 2005 while occupancy fell 1% from 2005.
- ◆ New developments included the completion and opening of The Peninsula Spa by ESPA in December, to wide acclaim from guests; and the development of a new Peninsula Boutique and Café in March at Siam Paragon, the city's new shopping and entertainment complex.
- ◆ The gym and locker room area was renovated while wireless internet was installed for all the guestrooms, function rooms and pool area.
- ◆ The retail spaces were fully occupied throughout the year.
- ◆ The hotel participated in a contest conducted by The Ministry of Welfare and Labour Protection of the Thai government, and won The Best Consultant to Female Employee Award.



Thai dessert - making class at Thiptara

- ◆ To add flexibility to daily room assignments, 15 sets of connecting rooms were added and 11 twin-bedded suites were converted.
- ◆ An F & B concierge was introduced with the task of providing restaurant information to guests and to co-ordinate guest information.



Sources of guests	2006	2005
USA & Canada	22%	21%
Japan	11%	11%
Asia	28%	29%
Europe	26%	26%
Others	13%	13%
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FIT	23%	25%
Corporate	25%	26%
Wholesale	47%	44%
Others	5%	5%



Guestrooms	2006	2005	Change	Revenue (HK\$m)	2006	2005	Change
Total number of rooms	525	525	-	Hotel	319	269	19%
Average occupancy	67%	66%*	2%	Commercial rentals	90	84	7%
Average room rate	HK\$1,436	HK\$1,219	18%		409	353	16%
RevPAR	HK\$958	HK\$806	19%				

* In 2005, on average 41 rooms were closed for renovation.

Beijing is developing at a rapid pace which has quickened with the 2008 Olympic Games becoming more imminent. Many major international hotel companies are focused on establishing a presence in Beijing. 2006 also saw many internationally-significant events held in the city, with frequent visits by heads of states from around the world. The Peninsula Beijing, with an enviable location in the historic city centre, is competitively favoured by both leisure and corporate travellers.



The Lobby

THE PENINSULA BEIJING

42% owned

Reflecting significant investment in the hotel's facilities, the hotel was re-named as *The Peninsula Beijing* in July (formerly named *The Peninsula Palace Beijing*). The hotel's Chinese name was also changed to allow closer identification with the Peninsula Group.

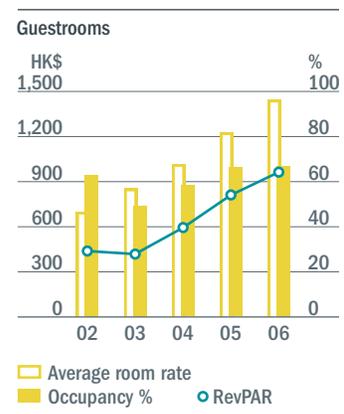
- ◆ In 2006, the hotel achieved an ARR of HK\$1,436, up 18% from 2005; RevPAR was up 19% from 2005 while occupancy increased 1% from 2005.
- ◆ The new Peninsula Suite has been the residence of choice for many heads of states, business leaders and high-end leisure travellers who visited Beijing.



The Peninsula Suite

- ◆ The Peninsula Arcade remained the capital's most prestigious venue for luxury goods and continued to refine its brand mix in order to maintain its position. With 50 brands represented, it is considered to be the leading shopping arcade of its kind in mainland China.

- ◆ While the hotel saw strong overseas visitor arrivals, the domestic market is increasingly displaying substantial signs of growth.



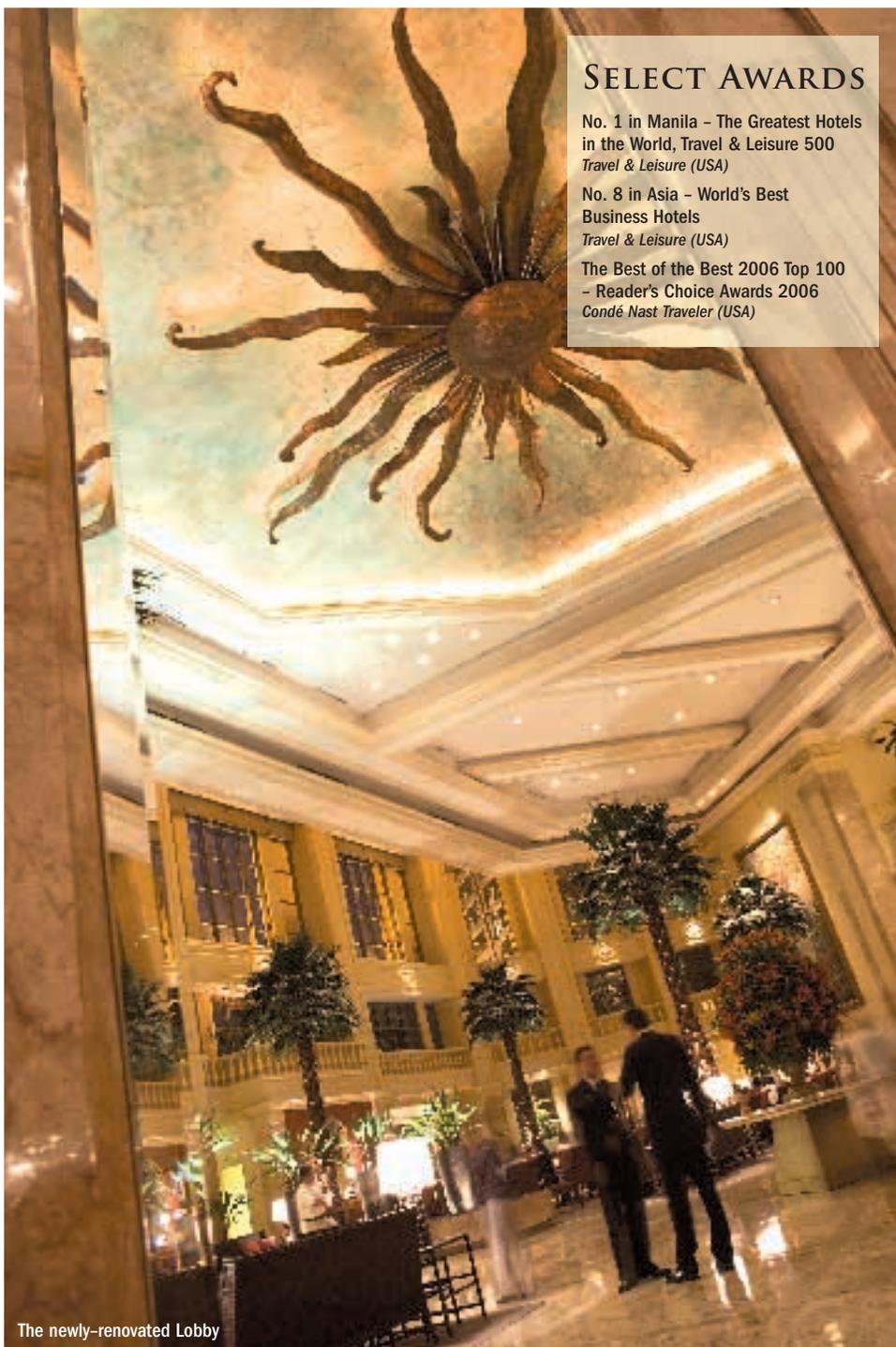
Sources of guests	2006	2005
USA & Canada	30%	25%
Japan	7%	10%
Asia	36%	40%
Europe	18%	15%
Others	9%	10%
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FIT	30%	41%
Corporate	20%	17%
Wholesale	29%	23%
Others	21%	19%

The Philippines enjoyed a second year of relative political stability, although the national elections set to be held in May 2007 could lead to some political volatility. Hotel occupancy rates continued to improve, and with the absence of any additional inventory in the market, the hotel is looking forward to maximizing room



The Upper Lobby

revenues from the newly renovated Makati Tower guestrooms. The continued development in the country of call centres and back office operations is also expected to positively impact the hotel.



The newly-renovated Lobby

SELECT AWARDS
 No. 1 in Manila - The Greatest Hotels in the World, Travel & Leisure 500
Travel & Leisure (USA)
 No. 8 in Asia - World's Best Business Hotels
Travel & Leisure (USA)
 The Best of the Best 2006 Top 100 - Reader's Choice Awards 2006
Condé Nast Traveler (USA)

	Guestrooms			Revenue (HK\$m)		
	2006	2005	Change	2006	2005	Change
Total number of rooms	497	498	-	Hotel	165	168 (2%)
Average occupancy	66%*	78%	(15%)	Spa	1	2 (50%)
Average room rate	HK\$737	HK\$630	17%	Retail	5	5 -
RevPAR	HK\$484	HK\$493	(2%)	Commercial rentals	2	1 100%
					173	176 (2%)

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

THE PENINSULA MANILA

76% owned

In 2006 The Peninsula Manila completed its renovation programme, encompassing the Makati Tower guestrooms, the Rigodon ballroom, function rooms and the Lobby. This successful renovation has been warmly received by both the local community and by overseas visitors.

- ◆ The hotel achieved an ARR of HK\$737 in ADR, up 17% from 2005; RevPAR was down 2% from 2005 while occupancy decreased 12% from 2005. It should be noted that the average number of rooms available in 2006 was reduced due to renovation during part of the year.
- ◆ Besides the public areas and the Makati Tower, the Club Lounge, Makati Tower

occupancy levels of the hotel's retail space, with an increase to 70% by the end of 2006.

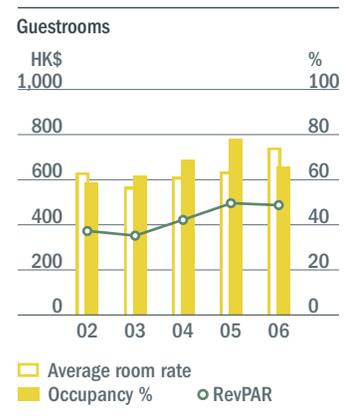
- ◆ The hotel celebrated the launch of its new look in a ceremony which also marked the property's 30th anniversary.



A new guestroom at The Makati Tower

guest lifts, Front Office and Concierge desk were also renovated. A second boardroom was added.

- ◆ A new fleet of eight Peninsula-green Mercedes Benz S-Class limousines was introduced to coincide with the renovation completion.
- ◆ A direct result of the renovation has been the marked improvement in the



Sources of guests	2006	2005
USA & Canada	32%	27%
Japan	10%	10%
Asia	36%	42%
Europe	10%	10%
Others	12%	11%
FIT	17%	19%
Corporate	77%	74%
Wholesale	6%	7%

- ◆ As a bid to capture the spirit of the country, the hotel launched The Peninsula Manila Digital Photographic Competition in March for photography professionals and amateurs. The winning works now adorn the walls of the new Makati Tower guestrooms.

QUAIL LODGE RESORT AND GOLF CLUB

100% owned

HSH took over management of Quail Lodge Resort and Golf Club on 1 April, 2006. The management proceeded to re-structure the business and marketing plans in order to re-position the asset and increase yields. By the year-end, these changes had resulted in a significant improvement in Quail Lodge's financial results.

- ◆ Quail Lodge achieved an ARR of HK\$2,190, down 5% from 2005. RevPAR was up 3% from 2005 while occupancy increased 4% from 2005.
- ◆ Major facility upgrades during the year included the lease of new greens



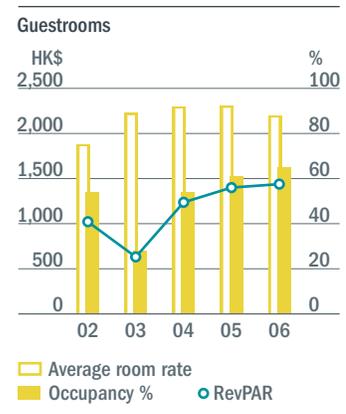
Spa at the Quail Lodge

keeping equipment; creating space for an employee dining room to improve staff welfare; and re-allocating offices to improve productivity and coordination.

- ◆ The annual Quail Motorsports Gathering in August has been established as one of the major attractions during the classic car week and a notable event in the annual classic car agenda.

◆ Staffing at Quail Lodge underwent a restructuring in 2006 to streamline operations and enhance productivity. In addition, union negotiations for new contracts were successfully concluded in January 2007.

- ◆ A pet-friendly programme was re-instated and completed with a pet amenity programme.



Sources of guests	2006	2005
USA & Canada	95%	96%
Asia	1%	1%
Europe	1%	2%
Others	3%	1%
FIT	51%	52%
Corporate	49%	48%



SELECT AWARDS

- AAA Four Diamond Award
- The Covey Best Award of Excellence
Wine Spectator (USA)
- Distinguished Restaurants of North
America Award
Covey (USA)

The Covey Restaurant, overlooking the picturesque lake

	Guestrooms			Revenue (HK\$m)		
	2006	2005	Change	2006	2005	Change
	97	97	-	97	89	9%
Total number of rooms	65%	61%	7%	30	31	(3%)
Average occupancy	HK\$2,190	HK\$2,297	(5%)			
Average room rate	HK\$1,431	HK\$1,393	3%	127	120	6%
RevPAR						

General business conditions in the Monterey Peninsula, particularly Carmel, were favourable in 2006. With no new additional golf courses or hotels being introduced into the market, many hotels and resorts enjoyed increased sales.



Golfing at Quail Lodge

PROPERTIES, CLUBS AND OTHER OPERATIONS



The Peak Tower's Grand Opening celebrations



Exterior view of the new Peak Tower

Properties

The Peak Complex (Hong Kong)

- ◆ The revitalisation of The Peak Tower was completed in July 2006 and a Grand Opening celebration was held in November.
- ◆ The new look Tower was fully leased by the year end. Noteworthy features include several upscale restaurants with spectacular views over Hong Kong, a 'festival market' shopping arcade featuring contemporary interpretations of traditional and well known Hong Kong landmarks and a new elevated Viewing Terrace which offers 360-degree panoramas of the city. Since its unveiling, the Tower has been well received by the local community and overseas visitors. A positive rental growth has been achieved with average rents up by 50% and an increase in lettable space by approximately 1,664 square meters.



2006, generally a result of a steady influx of expatriates due to a buoyant economy, especially from the financial services sector.

- ◆ We had an opportunity to increase rents in line with market trends, as the supply of new luxury residential units and existing developments, particularly on the south side of Hong Kong Island, remained limited.
- ◆ A further two serviced apartments in de Ricou underwent soft goods

The Repulse Bay Complex	2006	2005	Change	Revenue (HK\$m)	2006	2005	Change
Unfurnished apartments	353	353	-	Residential	344	284	21%
Average occupancy	94%	86%	9%	Club	14	13	8%
Average rental (pnsf)	HK\$34	HK\$28	21%	Commercial rentals	37	36	3%
Serviced apartments	68	68	-	Food & beverage	48	42	14%
Average occupancy	67%	60%	12%		443	375	18%
Average rental (pnsf)	HK\$26	HK\$21	24%				

- ◆ The Peak Tram continued to perform well and achieved a record-breaking annual patronage of 4.43 million, up 13% from 2005. Revenue was very strong despite the extensive revitalisation work undertaken at The Peak Tower during the first half of 2006.
- ◆ St. John's Building was fully occupied from March onwards, with a positive increase in overall revenues and unit rates. The office leasing market on Hong Kong Island remained relatively strong overall with some areas, such as core Central, showing significant growth.

The Repulse Bay Complex (Hong Kong)

- ◆ Leasing activities for both serviced and unfurnished apartments were strong in

refurbishment, bringing the number of refurbished units to 57, out of a total of 68 available apartments. The outlook for this business segment remains promising although the business pattern remains more transient, causing more fluctuation in occupancies.

- ◆ There was a high level of usage of Club facilities as a result of the high occupancies in the serviced and unfurnished apartments.
- ◆ The commercial arcade was fully let throughout the year, and the restaurants achieved stellar performance, driven by an exceptionally high level of banqueting business, particularly in the wedding segment.



The Thai Country Club

The Landmark (Vietnam)

- ◆ The Landmark continued to achieve higher rental rates and consistently high occupancies for both the residential and commercial areas.
- ◆ With the continuous upgrading of the apartments, commercial space and facilities, The Landmark has maintained its competitive edge in the market.
- ◆ Overall outlook remains positive due to limited supply of new residential and commercial buildings, and a surge of foreign direct investments following Vietnam joining the World Trade Organisation.



The Thai Country Club

Revenue (HK\$m)	2006	2005	Change
St. John's Building	23	18	28%
The Peak Tower*	29	7	314%
The Landmark			
Office	19	18	6%
Residential	12	11	9%
	83	54	54%

* Renovation at The Peak Tower commenced in April 2005 and finished in phases from July 2006.

Clubs & Club Management

- ◆ The Thai Country Club, celebrating its 10th anniversary, was voted the Best Clubhouse in Asia and the Best Course in Thailand in the 2006 Asian Golf Monthly

Awards. It continued hosting the season-ending Volvo Masters of Asia in December. The Club remained a popular choice for golfers, resulting in improved revenues and profitability.

- ◆ Major facility enhancements included a new freshwater reservoir, an extension to the driving range to 280 yards, new sand in 12 fairway bunkers, new carpeting and flooring in major public areas.
- ◆ The Group entered into the 10th year of management of Butterfield's as it celebrated its 10th anniversary in January while The Hong Kong Bankers Club celebrated its 25th anniversary in March.
- ◆ The Wing and The Pier, both Cathay Pacific Lounges operated by the Group, won two Skytrax Awards in 2006 (No. 1 for the Best First Class Lounge, and No. 2 for the Best Business Class Lounge).

Revenue (HK\$m)	2006	2005	Change
Thai Country Club	52	41	27%
PCCS	52	6	767%
	104	47	121%



Other Operations

- ◆ Tai Pan Laundry services were in good demand in 2006 given the excellent hotel occupancies.
- ◆ In 2006 Peninsula Merchandising opened its fourth licenced shop in Japan (Nagoya) and its second licenced shop in Taiwan (Taipei), bringing the total number of shops to 13. Furthermore, an agreement was signed in December 2006 to open five shops in South Korea within five years from 2007.
- ◆ The first cookbook, titled *Naturally Peninsula – Flavours*, received the 2006 Gourmand World Cookbook Award for 'Best Photography' in the 'English Rest of the World' category.

Revenue (HK\$m)	2006	2005	Change
The Peak Tram	66	58	14%
Tai Pan Laundry	20	25	(20%)
Peninsula Merchandising	27	17	59%
	113	100	13%