



THE HONGKONG AND SHANGHAI HOTELS, LIMITED
香港上海大酒店有限公司

(Incorporated in Hong Kong with limited liability 於香港註冊成立的有限公司)
(Stock Code 股份代號: 45)

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
RE-ELECTION OF RETIRING DIRECTORS
ELECTION OF NEW DIRECTORS
NOTICE OF ANNUAL GENERAL MEETING

發行及回購股份的一般性授權

重選行將屆滿退任的董事

選舉新董事

股東週年大會通告

**This document is important and
requires your immediate attention**

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If you have sold or otherwise transferred all your shares in The Hongkong and Shanghai Hotels, Limited (the "Company"), you should at once hand this document and the attached form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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The notice convening the Annual General Meeting of the Company to be held in the Salisbury Room, The Peninsula, Salisbury Road, Kowloon, Hong Kong on Thursday, 18 May 2006 at 12:00 noon is set out on pages 9 to 11 of this document. Shareholders are advised to read the notice and to complete and return the attached form of proxy in accordance with the instructions printed thereon as soon as possible and in any event so that it arrives not less than 24 hours before the time of the meeting.

本公司將於2006年5月18日（星期四）正午12時假座香港九龍梳士巴利道半島酒店利士廳舉行股東週年大會，召開大會的通告詳載於本文件第19頁及第20頁。務請各股東細閱通告並盡速按照所列印的指示填妥及交回隨附的代表委任表格，惟無論如何不得遲於大會指定舉行時間24小時前交回。

13 April 2006
2006年4月13日

Directors

The Hon. Sir Michael Kadoorie
Chairman

Ian D Boyce
Deputy Chairman

Clement K M Kwok
*Managing Director
and Chief Executive Officer*

Sir Sidney Gordon

Ronald J McAulay

William E Mocatta

Dr The Hon. Sir David K P Li*

Robert C S Ng*

James S Dickson Leach

Pierre R Boppe

Robert W Miller*

C Mark Broadley
Chief Financial Officer

Patrick B Paul*

Peter C Borer
Chief Operating Officer

* Independent non-executive director

Registered Office

8th Floor, St. George's Building
2 Ice House Street
Central, Hong Kong

To the Shareholders

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
RE-ELECTION OF RETIRING DIRECTORS
ELECTION OF NEW DIRECTORS
NOTICE OF ANNUAL GENERAL MEETING**

Introduction

The purpose of this document is to provide you with information on the proposed resolutions relating to (i) the renewal of the general mandates to issue and repurchase shares and (ii) the re-election of retiring directors and election of new directors to fill the vacancies of retiring directors and to give you the notice and the proxy form for the annual general meeting to be held on 18 May 2006 (the “Annual General Meeting”).

General mandate to issue and repurchase shares

At the annual general meeting of the Company held on 5 May 2005, ordinary resolutions were passed giving general mandates to directors (i) to allot, issue and otherwise deal with shares equal to 20% of the shares of the Company in issue at 5 May 2005, plus the aggregate number of shares repurchased by the Company and (ii) to repurchase shares of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) up to 10% of the issued share capital of the Company as at 5 May 2005. Pursuant to the general mandate granted, the Company issued 983,001 new shares at HK\$5.855 per share to certain shareholders of Manila Peninsula Hotel, Inc. who had accepted the offer referred to in the announcement dated 25 February 2005. Other than as described above, no shares have been purchased, allotted, issued or otherwise dealt with pursuant to these mandates.

Under the terms of the Companies Ordinance (Chapter 32) of the Laws of Hong Kong (the “Companies Ordinance”) and the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”), these general mandates will lapse at the conclusion of the Annual General Meeting for 2006, unless renewed at that meeting. Resolutions will be proposed at the 2006 Annual General Meeting to renew the mandates to allot or issue new shares and repurchase shares. The Explanatory Statement required by the Listing Rules to be sent to shareholders in connection with the proposed general mandate for the repurchase of shares is set out in Appendix I to this document.

Re-election of retiring directors and election of new directors

In accordance with the Articles of Association of the Company, Sir Sidney Gordon, Mr Ronald J McAulay, Dr The Hon. Sir David K P Li and Mr C Mark Broadley will retire by rotation. Save for Sir Sidney Gordon who has indicated that he would not seek re-election at the Annual General Meeting, all the other retiring directors being eligible, have agreed to offer themselves for re-election. In addition, Mr James S Dickson Leach will retire voluntarily at the Annual General Meeting.

The Board proposes that Messrs John A H Leigh and Nicholas T J Colfer be elected as non-executive directors of the Company at the Annual General Meeting to fill the vacancies following the retirement of Sir Sidney Gordon and Mr James S Dickson Leach.

Biographical details of the directors proposed to be re-elected and elected at the Annual General Meeting are set out in Appendix II to this document.

Notice of the annual general meeting

Notice of the Annual General Meeting to be held on 18 May 2006 is set out in this document. A form of proxy for use at the Annual General Meeting is attached. Whether or not you intend to attend the Annual General Meeting, you are requested to complete the form of proxy and return it to the Company's registrars, Computershare Hong Kong Investor Services Limited, Hopewell Centre, 46th Floor, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible, but in any case so as to arrive no later than 24 hours before the time of the meeting. Completion and return of the form of proxy will not preclude a shareholder from attending and voting in person at the Annual General Meeting and at any adjournment thereof, should he or she so wish.

Procedures for voting by poll at general meetings

As required by the Listing Rules, the procedures for voting by poll at general meetings of the Company are set out in Appendix III to this document.

Recommendation

The directors consider that the proposed general mandates to issue shares of the Company and to repurchase shares of the Company, and to re-elect retiring directors and elect new directors are in the best interests of the Company and its shareholders and recommend that shareholders vote in favour of the resolutions.

Yours faithfully,

The Hon. Sir Michael Kadoorie

Chairman

13 April 2006

EXPLANATORY STATEMENT

The following is the Explanatory Statement required to be sent to shareholders under the Listing Rules in connection with the proposed general mandate for repurchase of shares and also constitutes the Memorandum required under Section 49BA of the Companies Ordinance. References in this Appendix to “Shares” mean ordinary share(s) of HK\$0.50 each in the capital of the Company:

- (a) It is proposed that up to 10% of the Shares of HK\$0.50 each of the Company in issue at the date of passing of the resolution to approve the general mandate may be repurchased. As at 7 April 2006, the latest practicable date for determining such figures, the number of Shares of the Company in issue was 1,417,604,767. On the basis of such figures (and assuming no further Shares are repurchased and issued after 7 April 2006 and up to the date of passing such resolution) the directors would be authorised to repurchase Shares of the Company up to a limit of 141,760,476 Shares.
- (b) The directors believe that the ability to repurchase Shares is in the interests of the Company and its shareholders. Repurchases may, depending on the circumstances, result in an increase in net assets and/or earnings per share. The directors are seeking the grant of a general mandate to repurchase Shares to give the Company the flexibility to do so if and when appropriate. The timing and the number(s), the price and other terms upon which the same are repurchased will be decided by the directors at the relevant time having regard to the circumstances then pertaining.
- (c) It is envisaged that the funds required for any repurchase would be derived from the distributable profits of the Company being funds legally available for such repurchase in accordance with the Company’s Articles of Association and the laws of Hong Kong.
- (d) There could be an adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in its most recent published audited financial statements) in the event that the proposed Share repurchases were to be carried out in full at any time during the proposed repurchase period. However, the directors do not propose to exercise the general mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the directors are from time to time appropriate for the Company.
- (e) There are no directors or (to the best of the knowledge of the directors, having made all reasonable enquiries) any associates (as defined in the Listing Rules) of directors of the Company who have a present intention, in the event that the general mandate is granted by shareholders, to sell Shares to the Company.
- (f) The directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the general mandate in accordance with the Listing Rules and the laws of Hong Kong.

- (g) The directors are not aware of any consequences which would arise under the Hong Kong Code on Takeovers and Mergers as a consequence of any purchases pursuant to the general mandate. As at 7 April 2006, 54.79% of the issued share capital of the Company was held by controlling shareholders and, assuming full exercise of the repurchase mandate given to the directors, 60.87% will be held by such shareholders.
- (h) No connected persons (as defined in the Listing Rules) of the Company have notified the Company of a present intention to sell Shares of the Company to the Company and no such persons have undertaken not to sell any such Shares to the Company in the event that the general mandate is granted by shareholders.
- (i) The highest and lowest prices at which Shares of the Company have traded on the Stock Exchange in each of the previous twelve months are as follows:

	Highest HK\$	Lowest HK\$
April 2005	8.000	7.150
May 2005	8.200	7.300
June 2005	8.200	7.550
July 2005	9.100	7.700
August 2005	9.650	8.900
September 2005	9.300	8.250
October 2005	8.900	7.250
November 2005	8.600	7.300
December 2005	8.550	7.800
January 2006	8.700	8.000
February 2006	9.350	8.000
March 2006	9.250	8.550

- (j) No Shares have been repurchased by the Company during the six months prior to the date of this document.

DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION AND ELECTED NEW DIRECTORS

The following are the particulars of the directors proposed to be re-elected and elected at the Annual General Meeting to be held on 18 May 2006.

Mr Ronald James McAulay

Mr Ronald James McAulay, aged 70, has been a non-executive director of the Company since 1971. He is a graduate of the University of Glasgow and a member of the Institute of Chartered Accountants of Scotland. Mr McAulay is a substantial shareholder of the Company and the brother-in-law of a fellow director, The Hon. Sir Michael Kadoorie and does not hold any other position in the group. He also serves on the board of CLP Holdings Limited, Sir Elly Kadoorie & Sons Limited and several other companies. In addition, Mr McAulay is a trustee of various charitable organisations and is a member of the International Council of the Tate Gallery and of the Victoria and Albert Museum in London. Except as disclosed above, Mr McAulay has not held any directorships in other listed companies in the last three years.

Save as disclosed above, Mr McAulay does not have any other relationship with any director, member of senior management or substantial or controlling shareholder of the Company. As at 7 April 2006, the latest practicable date, Mr McAulay is deemed (by virtue of the Securities and Futures Ordinance) to be interested in 490,546,269 shares of the Company. Of these, 420,468,740 shares were held by discretionary trusts, of which Mr McAulay is one of the discretionary objects and 70,077,529 shares were held by a discretionary trust, of which Mr McAulay, his wife and members of his family are discretionary objects.

Mr McAulay's appointment is subject to retirement by rotation and to re-election at the annual general meetings of the Company in accordance with the Articles of Association of the Company and his letter of appointment. The Company has no obligation to pay Mr McAulay compensation when his appointment terminates.

As a non-executive director, Mr McAulay does not have a service contract with the Company but he does have a letter of appointment detailing the terms of his appointment. He receives a director's fee of HK\$100,000 per annum, as authorised by shareholders at the 2004 annual general meeting.

Save as disclosed above, there are no other matters relating to the re-election of Mr McAulay that need to be brought to the attention of the shareholders of the Company and there is no other information which is required to be disclosed pursuant to rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Dr The Hon. Sir David Kwok Po Li

Dr The Hon. Sir David Kwok Po Li, aged 67, is an independent non-executive director of the Company and was appointed to the Board in 1987. Sir David does not hold any other position in the group. He is a member of both the Executive Council and the Legislative Council of Hong Kong and is the chairman of The Chinese Banks' Association, Limited and of the Hong Kong Management Association. He is a member of the Banking Advisory Committee and the Exchange Fund Advisory Committee and the Council of the Treasury Markets Association.

Sir David is also chairman and chief executive of The Bank of East Asia, Limited and a director of AviChina Industry & Technology Company Limited, China Merchants China Direct Investments Limited, China Overseas Land & Investment Limited, COSCO Pacific Limited, Guangdong Investment Limited, The Hong Kong and China Gas Company Limited, PCCW Limited, San Miguel Brewery Hong Kong Limited, SCMP Group Limited and Vitasoy International Holdings Limited. Until 31 March 2006, he was also a director of Henderson Cyber Limited, which was privatised in 2005. Except as disclosed above, Sir David has not held any directorships in other listed companies in the last three years.

Sir David has met the independence guidelines set out in rule 3.13 of the Listing Rules and has submitted

to the Exchange a written confirmation concerning his independence from the Company, has also given an annual confirmation of his independence to the Company which considers him to be independent.

Sir David does not have any relationship with any director, member of senior management or substantial or controlling shareholder of the Company. As at 7 April 2006, the latest practicable date, Sir David is interested in 508,101 shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Sir David's appointment is subject to retirement by rotation and to re-election at the annual general meetings of the Company in accordance with the Articles of Association of the Company and his letter of appointment. The Company has no obligation to pay Sir David compensation when his appointment terminates.

As an independent non-executive director, Sir David does not have a service contract with the Company but he does have a letter of appointment detailing the terms of his appointment. He receives a director's fee of HK\$100,000 per annum, as authorised by shareholders at the 2004 annual general meeting.

Save as disclosed above, there are no other matters relating to the re-election of Sir David that need to be brought to the attention of the shareholders of the Company and there is no other information which is required to be disclosed pursuant to rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Mr Charles Mark Broadley

Mr Charles Mark Broadley, aged 42, is the finance director, the chief financial officer and a member of the Finance Committee. He joined the group in November 2003. Mr Broadley is also a director of most subsidiaries companies, an associated company and jointly controlled entities of the Company. He has a Master of Arts in Law (Cambridge University). Prior to joining the group, Mr Broadley worked in the investment banking industry, both in the United Kingdom and, since 1990, in Hong Kong. His career began with Philips & Drew in London, followed by HSBC Investment Banking. Before moving to HSH, he was managing director with N M Rothschild & Sons in Hong Kong. Save for his directorship in the Company, Mr Broadley has not held any directorships in other listed companies in the last three years.

Mr Broadley does not have any relationship with any director, member of senior management or substantial or controlling shareholder of the Company. As at 7 April 2006, the latest practicable date, Mr Broadley is interested in 203,240 shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr Broadley has an existing service contract with the Company and is subject to retirement by rotation and to re-election at the annual general meetings of the Company in accordance with the Articles of Association of the Company. The total amount of his emoluments, inclusive of basic salary, various allowances, a guaranteed bonus payment and a discretionary bonus payment depending on the performance of the Company, amounted to approximately HK\$6 million in 2005. Mr Broadley is eligible to join the Company's 1994 Retirement Plan and the Company contributes to the retirement funds a percentage of his base salary. The Company has no obligation to give notice of more than one year or to pay Mr Broadley compensation equivalent to more than one year's emoluments when his appointment terminates. The amount of the emoluments payable to Mr Broadley under his service contract was confirmed by the Remuneration Committee with reference to his qualifications, experience and market benchmarks.

Save as disclosed above, there are no other matters relating to the re-election of Mr Broadley that need to be brought to the attention of the shareholders of the Company and there is no other information which is required to be disclosed pursuant to rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Mr John Andrew Harry Leigh

Mr John Andrew Harry Leigh, aged 52, is proposed to be elected as a non-executive director at the 2006 Annual General Meeting. The Board will appoint him as a member of the Executive Committee and Finance Committee which will become effective upon his election at the 2006 Annual General Meeting. He is a solicitor of the Supreme Court of England, Hong Kong and of Australia and was in private practice in Hong Kong and the United Kingdom. He serves on the board of CLP Holdings Limited and Sir Elly Kadoorie & Sons

Limited overseeing a number of Kadoorie family interests in Hong Kong and overseas. Except as disclosed above, Mr Leigh has not held any directorships in other listed companies in the last three years.

Save as disclosed above, Mr Leigh does not have any relationship with any director, member of senior management or substantial or controlling shareholder of the Company nor does he have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr Leigh will enter into a letter of appointment with the Company for a term of three years and will be subject to retirement by rotation and to re-election at the annual general meetings of the Company in accordance with the Articles of Association of the Company. The Company will have no obligation to pay Mr Leigh compensation when his appointment terminates.

As a non-executive director, Mr Leigh will not have a service contract with the Company but he will have a letter of appointment detailing the terms of his appointment. He will receive a director's fee of HK\$100,000 per annum, as authorised by shareholders at the 2004 annual general meeting. Mr Leigh will also receive a further fee of HK\$100,000 per annum as a member of the Executive Committee of the Company which is determined by the Board of Directors from time to time pursuant to the power given to it under the Articles of Association of the Company.

Save as disclosed above, there are no other matters relating to the election of Mr Leigh that need to be brought to the attention of the shareholders of the Company and there is no other information which is required to be disclosed pursuant to rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Mr Nicholas Timothy James Colfer

Mr Nicholas Timothy James Colfer, aged 46, is proposed to be elected as a non-executive director at the 2006 Annual General Meeting. He has a Master of Arts Degree and has over 23 years' experience of corporate management in the Asia-Pacific region, principally in real estate, manufacturing and distribution. He is a non-executive director of Tai Ping Carpets International Limited, Sir Elly Kadoorie & Sons Limited and serves on several other corporate boards in Hong Kong. Except as disclosed above, Mr Colfer has not held any directorships in other listed companies in the last three years.

Save as disclosed above, Mr Colfer does not have any relationship with any director, member of senior management or substantial or controlling shareholder of the Company nor does he have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr Colfer will enter into a letter of appointment with the Company for a term of three years and will be subject to retirement by rotation and to re-election at the annual general meetings of the Company in accordance with the Articles of Association of the Company. The Company will have no obligation to pay Mr Colfer compensation when his appointment terminates.

As a non-executive director, Mr Colfer will not have a service contract with the Company but he will have a letter of appointment detailing the terms of his appointment. He will receive a director's fee of HK\$100,000 per annum, as authorised by shareholders at the 2004 annual general meeting.

Save as disclosed above, there are no other matters relating to the election of Mr Colfer that need to be brought to the attention of the shareholders of the Company and there is no other information which is required to be disclosed pursuant to rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

PROCEDURES FOR VOTING BY POLL AT GENERAL MEETINGS

The following Articles of Association of the Company set out the procedures for voting by poll:

58. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:
- (i) the chairman of the meeting; or
 - (ii) not less than three members present in person or by proxy and entitled to vote; or
 - (iii) a member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
 - (iv) a member or members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.
59. A demand for a poll may be withdrawn only with the approval of the meeting. Unless a poll is required a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or carried by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution. If a poll is required, it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers and may adjourn the meeting to some place, day and time fixed by him for the purpose of declaring the result of the poll.
60. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote.
61. A poll demanded on the choice of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the meeting) and place as the chairman may direct. No notice need be given of a poll not taken immediately. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.

Pursuant to Article 58, the Chairman will demand a poll on each of the resolutions at the forthcoming Annual General Meeting. The results of the poll will be published in the local newspapers and on the Company's and the Stock Exchange's websites on the business day following the Annual General Meeting.

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held in the Salisbury Room, The Peninsula, Salisbury Road, Kowloon, Hong Kong, on Thursday, 18 May 2006 at 12:00 noon for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors and auditors for the year ended 31 December 2005.
2. To declare a final dividend.
3. To re-elect retiring directors and to elect new directors to fill vacancies arising on retirements.
4. To reappoint the auditors and authorise the directors to fix their remuneration.

As special business, to consider and, if thought fit, to pass with or without modification the following Resolutions as ordinary resolutions:

5. **“THAT:**
 - (a) subject to paragraph (c), a general mandate be unconditionally granted to the directors of the Company to exercise during the Relevant Period all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements, options or warrants which would or might require the exercise of such powers;
 - (b) the mandate in paragraph (a) shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period;
 - (c) the aggregate number of shares in the capital of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the mandate in paragraph (a), otherwise than pursuant to (i) a Rights Issue, or (ii) any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company, or (iii) any scrip dividend or similar arrangement pursuant to the Articles of Association of the Company from time to time, shall not exceed 20% of the aggregate number of shares in the capital of the Company in issue at the date of this Resolution and the said mandate shall be limited accordingly; and
 - (d) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and
 - (iii) the date on which the authority given under this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to holders of shares in the capital of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

6. **“THAT:**

(a) a general mandate be unconditionally granted to the directors of the Company to exercise during the Relevant Period all the powers of the Company to repurchase or otherwise acquire shares of HK\$0.50 each in the capital of the Company in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, provided that the aggregate number of shares in the capital of the Company so repurchased or otherwise acquired shall not exceed 10% of the aggregate number of the shares in the capital of the Company in issue at the date of this Resolution; and

(b) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and

(iii) the date on which the authority given under this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

7. **“THAT,** subject to the passing of Resolutions 5 and 6 set out in the notice of this meeting, the aggregate number of the shares in the capital of the Company which are repurchased or otherwise acquired by the Company pursuant to Resolution 6 shall be added to the aggregate number of the shares in the capital of the Company which may be issued pursuant to Resolution 5.”

By Order of the Board

Christobelle Liao

Company Secretary

13 April 2006

Notes:

1. *A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint not more than two proxies to attend and, on a poll, vote instead of him or her. A proxy need not be a member of the Company.*
2. *In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the shares.*
3. *The register of members will be closed from 15 May to 18 May 2006, both days inclusive, during which period no transfer of shares can be registered.*
4. *To be entitled to receive the final dividend, shareholders must ensure that all transfer documents accompanied by the relevant share certificates are lodged with the Company's registrars, Computershare Hong Kong Investor Services Limited of Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:00 p.m. on Friday, 12 May 2006.*
5. *Subject to the passing of the necessary resolution at the forthcoming Annual General Meeting, the final dividend will be payable on or about 23 June 2006, to shareholders whose names appear on the register of members on 18 May 2006. Shareholders will be given the option to receive their dividend in the form of scrip rather than cash.*
6. *The directors retiring by rotation are Sir Sidney Gordon, Mr Ronald J McAulay, Dr The Hon. Sir David K P Li and Mr C Mark Broadley. Save for Sir Sidney Gordon who has indicated that he would not seek re-election, all of the other retiring directors eligible for re-election, have agreed to put their names forward for re-election. In addition, Mr James S Dickson Leach will retire voluntarily at the forthcoming Annual General Meeting. The Board proposes that Messrs John A H Leigh and Nicholas T J Colfer be elected as non-executive directors of the Company to fill the vacancies following the retirement of Sir Sidney Gordon and Mr James S Dickson Leach. Separate resolutions will be proposed for their re-election and election. Details of the directors proposed to be re-elected and elected at the Annual General Meeting are set out in Appendix II of the circular to the shareholders dated 13 April 2006.*
7. *Pursuant to Article 58 of the Company's Articles of Association, the Chairman will demand a poll on each of the resolutions submitted at the Annual General Meeting. The results of the poll will be published in the local newspapers and on the Company's and the Stock Exchange's websites on the business day following the Annual General Meeting.*



THE HONGKONG AND SHANGHAI HOTELS, LIMITED
香港上海大酒店有限公司

ANNUAL GENERAL MEETING – PROXY FORM

I/We ^(Note 1) _____
of ^(Note 2) _____
being the registered shareholder(s) of _____ ^(Note 3) shares of HK\$0.50 each in
The Hongkong and Shanghai Hotels, Limited 香港上海大酒店有限公司 (the “Company”) hereby appoint ^(Notes 4 and 5) _____
of _____

or failing him/her the Chairman of the Annual General Meeting of the Company to be held on 18 May 2006 as my/our proxy to attend and, on a poll, vote for me/us and on my/our behalf at the aforementioned Annual General Meeting of the Company and at any adjournment thereof on the resolutions below as follows:

	For ^(Note 6)	Against ^(Note 6)
1. To receive the audited financial statements and the reports of the directors and auditors for the year ended 31 December 2005.		
2. To declare a final dividend.		
3. (a) To re-elect Mr Ronald J McAulay as a director.		
(b) To re-elect Dr The Hon. Sir David K P Li as a director.		
(c) To re-elect Mr C Mark Broadley as a director.		
(d) To elect Mr John A H Leigh as a new director.		
(e) To elect Mr Nicholas T J Colfer as a new director.		
4. To re-appoint KPMG as auditors of the Company at a fee to be agreed by the directors.		
5. To grant a general mandate to issue new shares.		
6. To grant a general mandate for share repurchase.		
7. To add shares repurchased to the general mandate to issue new shares in Resolution No. 5.		

Dated this _____ day of _____ 2006. Signature(s): _____ ^(Notes 7 and 8)

Notes:

1. Full name(s) to be inserted in BLOCK CAPITALS.
2. Full address(es) to be inserted in BLOCK CAPITALS.
3. Please insert the number of shares of HK\$0.50 each registered in your name(s). If no number is inserted, this proxy form will be deemed to relate to all the shares of the Company registered in your name(s). If a number is inserted, this form of proxy will be deemed to relate only to that number of shares.
4. A member entitled to attend and vote at the meeting is entitled to appoint not more than two proxies to attend and, on a poll, vote instead of him or her. A proxy need not be a member of the Company. If you wish to appoint a proxy, insert the name and address of your proxy in the spaces provided.
5. As a matter of law, you have the right to appoint separate proxies to represent respectively such number of the shares you hold as you may specify in this proxy form; but the number of proxies so appointed must not exceed two.
6. Please indicate with a “√” in the appropriate space beside each of the resolutions how you wish the proxy to vote on your behalf. In the absence of such an indication, the proxy will vote for or against the resolution or will abstain at his or her discretion.
7. This proxy form must be signed by the appointor or his or her attorney, or if the appointor is a corporation must be either under its common seal or signed on its behalf by an attorney or duly authorised officer of the corporation.
8. In the case of joint holders, any one shareholder may sign the proxy form. The vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
9. To be valid this proxy form and the power of attorney or other authority (if any) under which it is signed, or a duly certified copy thereof, must be deposited at the Company’s registrars, Computershare Hong Kong Investor Services Limited, 46th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, at least 24 hours before the time appointed for holding the meeting.
10. The Chairman will demand a poll on each of the resolutions submitted at the Annual General Meeting. On a poll, every shareholder present in person or by proxy or (being a corporation) represented by proxy shall have one vote for every share held by him/her.
11. Completion and delivery of this proxy form will not preclude you from attending and voting at the meeting if you so wish.