



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)

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發行及購回股份的一般性授權

重選行將屆滿退任的董事

修訂獨立非執行董事袍金

股東週年大會通告

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

If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in The Hongkong and Shanghai Hotels, Limited (the "Company"), you should at once hand this circular and the attached form of proxy to the purchaser or transferee 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 at The Peninsula, Salisbury Road, Kowloon, Hong Kong on Monday, 16 May 2011 at 12:00 noon is set out on pages 10 to 12 of this circular. 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2011年5月16日（星期一）正午12時假座香港九龍梳士巴利道半島酒店舉行股東週年大會，召開大會的通告詳載於本通函第22頁至第24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。

11 April 2011
2011年4月11日

Directors

Non-Executive Chairman
The Hon. Sir Michael Kadoorie

Non-Executive Deputy Chairman
Ian Duncan Boyce

Executive Directors

Managing Director
and Chief Executive Officer
Clement King Man Kwok

Chief Financial Officer
Neil John Galloway

Chief Operating Officer
Peter Camille Borer

Non-Executive Directors

Ronald James McAulay
William Elkin Mocatta
John Andrew Harry Leigh
Nicholas Timothy James Colfer

Independent Non-Executive Directors

Dr. the Hon. Sir David Kwok Po Li
Robert Chee Siong Ng
Robert Warren Miller
Patrick Blackwell Paul
Pierre Roger Boppe
Dr. William Kwok Lun Fung

Registered office

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

Dear Shareholder,

General mandates to issue and repurchase shares
Re-election of retiring Directors
Revision of Independent Non-Executive Directors' fees
Notice of Annual General Meeting

Introduction

The purpose of this circular is to provide you with information on the proposed resolutions relating to (i) the renewal of the general mandates to issue and repurchase shares; (ii) the re-election of retiring Directors; and (iii) the revision of Independent Non-Executive Directors' fees and to give you the notice and the proxy form for the annual general meeting to be held on 16 May 2011 (the "Annual General Meeting").

General mandate to issue and repurchase shares

At the annual general meeting of the Company held on 12 May 2010, 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 12 May 2010, 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 12 May 2010.

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 2011, unless renewed at that Meeting. Resolutions will be proposed at the 2011 Annual General Meeting to renew the mandates to allot or issue new shares and repurchase shares.

Based on the 1,479,704,990 shares in issue as at 4 April 2011, being the latest practicable date prior to the printing of this circular (the "Latest Practicable Date") (and assuming that there is no change in respect of the issued share capital of the Company after the Latest Practicable Date and up to the passing of the relevant resolution), the Directors would be authorised under the general mandate to issue a maximum of 295,940,998 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 circular.

Re-election of retiring Directors

In accordance with the Articles of Association of the Company, Mr. Clement K.M. Kwok, Mr. William E. Mocatta, Mr. Pierre R. Boppe and Mr. Robert W. Miller will retire at the conclusion of Annual General Meeting. All the retiring Directors, being eligible, have agreed to offer themselves for re-election.

Dr. William K.L. Fung was appointed as a Director by the Board on 3 January 2011. In accordance with the Company's Articles of Association, Dr. Fung shall hold office until the Annual General Meeting and being eligible, will offer himself for re-election.

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

Revision of Independent Non-Executive Directors' fees

The Board has carried out a review of the level of fees payable to Non-Executive Directors (the "NEDs") and Independent Non-Executive Directors (the "INEDs") and has proposed a revision of fees payable to INEDs taking into account their responsibilities, workload, enhanced role on corporate governance and time spent on the Board and various Board Committees. The current fees payable to NEDs and INEDs were approved by the shareholders on 7 May 2008 at the rate of HK\$200,000 each per annum and there has been no increase to the fees since that time.

Under the proposal, the fees of the INEDs are to be fixed at the rate of HK\$250,000 each per annum and the NEDs would continue to receive HK\$200,000 each per annum. The proposed revised level of fees has been reviewed and endorsed by Remuneration Committee and the Board, and is recommended to shareholders for approval.

In accordance with the Articles of Association of the Company, the ordinary remuneration of the Directors shall from time to time be determined by an ordinary resolution of the Company. A resolution will accordingly be proposed at the Annual General Meeting of the Company to approve the ordinary remuneration of INEDs be fixed at the rate of HK\$250,000 each per annum with effect from 16 May 2011. These fees will be payable to INEDs on a pro rata basis for the financial year ending 31 December 2011. The current fees payable to NEDs would remain at HK\$200,000 each per annum.

As a good corporate governance practice, all INEDs who are shareholders will be asked to abstain from voting on the proposed resolution relating to their remuneration at the Annual General Meeting.

Board Committees' fees

The annual review of the level of fees has also included the fees payable to Board Committee members and the Board has also approved a revision to the fees payable to the Chairman and Members of the Audit Committee given that their responsibilities and workload. The current fees payable to them were approved by the Board on 26 February 2004 at the rate of HK\$100,000 each per annum and there has been no increase to the fees since that time.

Under the Articles of Association of the Company, the Board has the power to fix the additional remuneration of Directors who serve on Board Committees which is not subject to shareholders' approval. The Board approved on 22 March 2011 that the remuneration of Chairman and members of the Audit Committee would be raised to HK\$175,000 and HK\$120,000 each per annum respectively with effect from 16 May 2011. These fees will be payable to them on a pro rata basis for the financial year ending 31 December 2011.

The fees payable to Chairmen and Members of the Executive Committee and the Remuneration Committee would remain at HK\$100,000 and HK\$50,000 each per annum for serving on the respective Committees.

Annual General Meeting

Notice of the Annual General Meeting to be held on 16 May 2011 is set out in this circular. 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 advised to complete the form of proxy and return it to the Company's registrar, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, 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.

At the Annual General Meeting, the Chairman will put each of the proposed resolutions to the vote by way of a poll in accordance with Article 58 of the Articles of Association of the Company. The results of the poll will be uploaded on the Company's and the Stock Exchange's websites after market closes on the day of Annual General Meeting.

Recommendation

The Directors consider that the proposed general mandates to issue and repurchase shares of the Company, the re-election of retiring Directors and the revision of the Independent Non-Executive Directors' fees 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

11 April 2011

Explanatory Statement

The following is the Explanatory Statement required to be sent to shareholders under Rule 10.06(1)(b) of the Listing Rules in connection with the proposed general mandate for repurchase of shares and also constitutes the Memorandum required under Section 49BA(3) 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 the Latest Practicable Date for determining such figures, the number of Shares of the Company in issue was 1,479,704,990. On the basis of such figures (and assuming no further Shares are repurchased and issued after the Latest Practicable Date 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 147,970,499 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 accounts) 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 the Latest Practicable Date, 57.54% 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, 63.93% 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 up to and including the Latest Practicable Date were as follows:

	Highest (HK\$)	Lowest (HK\$)
2010		
April	13.000	11.860
May	13.060	10.720
June	13.000	11.900
July	12.900	12.160
August	13.200	12.240
September	14.180	12.900
October	14.900	13.500
November	14.160	12.920
December	13.820	12.720
2011		
January	14.500	13.220
February	14.740	12.960
March	14.400	13.000
1 April — 4 April	14.280	13.860

- (j) The Company had not purchased any of its Shares (whether on the Stock Exchange or otherwise) during the six months prior to the Latest Practicable Date.

Details of retiring Directors proposed for re-election

The following are the particulars of the Directors proposed to be re-elected at the Annual General Meeting to be held on 16 May 2011.

Clement King Man Kwok

Mr. Clement King Man Kwok, aged 51, is an Executive Director of the Company. He was appointed to the Board as Managing Director and Chief Executive Officer in February 2002. Mr. Kwok is a member of the Finance Committee and Executive Committee, and a Director in most of the Group entities. He is a Bachelor of Science in Economics from the London School of Economics and a Member of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants. Mr. Kwok's career began with Price Waterhouse and Barclays de Zoete Wedd in the United Kingdom, following which he returned to Hong Kong in 1986 to work with Schroders Asia. Prior to joining the Group, he had served as Finance Director of MTR Corporation since 1996. He is an Independent Non-Executive Director of Swire Pacific Limited, a fellow of The Hong Kong Management Association, a Non-official Member of Harbourfront Commission and serves on the Boards of the Community Chest and the Faculty of Business and Economics of the University of Hong Kong. Except as disclosed above, Mr. Kwok has not held any directorship in other listed companies in Hong Kong and overseas in the last three years.

Mr. Kwok does not have any relationship with any Director, member of senior management or substantial or controlling shareholder of the Company. As at the Latest Practicable Date, Mr. Kwok had personal interests in 655,261 shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Kwok has an existing service contract with the Company and is subject to retirement at the conclusion of the third annual general meeting following his appointment and to re-election at the annual general meetings 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\$11.7 million in 2010. Mr. Kwok is eligible to join the Company's 1994 Retirement Plan and the Company contributes a percentage of his basic salary to the retirement funds. Mr. Kwok's service contract does not have a specified term but however, the Company has no obligation to give notice of more than one year or to pay Mr. Kwok compensation equivalent to more than one year's emoluments when his appointment terminates. The amount of the emoluments payable to Mr. Kwok under his service contract was reviewed by the Remuneration Committee with reference to market benchmarks, his qualifications and experience.

Save as disclosed above, Mr. Kwok has confirmed that there are no other matters relating to his re-election 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) of the Listing Rules.

William Elkin Mocatta

Mr. William Elkin Mocatta, aged 58, is a Non-Executive Director of the Company. He was appointed to the Board in 1985 and served as Deputy Chairman from 1993 until May 2002. He is also a Director in several subsidiaries of the Company and a Fellow of the Institute of Chartered Accountants in England and Wales. Mr. Mocatta is an Executive Director of Sir Elly Kadoorie & Sons Limited, overseeing a number of Kadoorie family interests in Hong Kong and overseas and, as such, is associated with the major shareholders of the Company. He holds other non-executive positions including Vice Chairman of CLP Holdings Limited and Chairman of CLP Power Hong Kong Limited. He is also an Alternate Director for The Hon. Sir Michael Kadoorie in Hutchison Whampoa Limited. Except as disclosed above, Mr. Mocatta has not held any directorship in other listed companies in Hong Kong and overseas in the last three years.

Save as disclosed above, Mr. Mocatta does not have any other relationship with any Director, member of senior management or substantial or controlling shareholder of the Company. As at the Latest Practicable Date, Mr. Mocatta had personal interest of 17,000 shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Mocatta's appointment is subject to retirement at the conclusion of the third annual general meeting following his appointment and to re-election at the annual general meetings of the Company in accordance with the Articles of Association of the Company. The Company has no obligation to pay Mr. Mocatta compensation when his appointment terminates.

As a Non-Executive Director, Mr. Mocatta 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 Non-executive Director's fee of HK\$200,000 per annum, as authorised by shareholders at the 2008 annual general meeting.

Save as disclosed above, Mr. Mocatta has confirmed that there are no other matters relating to his re-election 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) of the Listing Rules.

Pierre Roger Boppe

Chevalier dans l'Ordre National de la Légion d'Honneur

Mr. Pierre Roger Boppe, aged 63, is an Independent Non-Executive Director. He was Managing Director and Chief Executive Officer of the Group from 1996 until January 2002 and was re-designated from a Non-Executive Director to an Independent Non-Executive Director in June 2009. Mr. Boppe does not hold any other position in the Group. A Master of Science from both the Swiss Federal Institute of Technology and Stanford University, Mr. Boppe held various executive positions with the international quality control company SGS. Upon his return to Europe, Mr. Boppe continues to be active in the hotel and travel industries and is also involved in microfinance. Mr. Boppe was formerly Deputy Chairman of Kuoni Travel Group until he retired in mid 2007. Except as disclosed above, Mr. Boppe has not held any directorship in other listed companies in Hong Kong and overseas in the last three years.

Mr. Boppe has met the independence guidelines set out in rule 3.13 of the Listing Rules and has submitted to the Stock Exchange a written confirmation concerning his independence to the Company. He has also given an annual confirmation of his independence to the Company. The Board, therefore, considers him to be independent.

Mr. Boppe does not have any relationship with any Director, member of senior management or substantial or controlling shareholder of the Company. As at the Latest Practicable Date, Mr. Boppe had personal interests in 150,000 shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Boppe's appointment is subject to retirement at the conclusion of the third annual general meeting following his appointment and to re-election at the annual general meetings of the Company in accordance with the Articles of Association of the Company. The Company has no obligation to pay Mr. Boppe compensation when his appointment terminates.

As an Independent Non-Executive Director, Mr. Boppe 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 an Independent Non-Executive Director's fee of HK\$200,000 per annum, as authorised by shareholders at the 2008 annual general meeting. Subject to the approval by shareholders at the forthcoming Annual General Meeting, the Independent Non-Executive Directors' fees will be fixed at the rate of HK\$250,000 each per annum and will take effect from 16 May 2011 and be payable to Independent Non-Executive Directors on a pro rata basis for the financial year ending 31 December 2011.

Save as disclosed above, Mr. Boppe has confirmed that there are no other matters relating to his re-election 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) of the Listing Rules.

Robert Warren Miller

Mr. Robert Warren Miller, aged 77, is an Independent Non-Executive Director and a member of the Remuneration Committee of the Company. He was appointed to the Board in 2001 and does not hold any other position in the Group. A Bachelor of Science in Hotel Administration from Cornell University and a Presidential Councillor and Trustee Emeritus of the University, Mr. Miller, a resident of Hong Kong since 1960, is the founder of the DFS Group, Duty Free Shoppers Limited, and Chairman of the Search Group, a private international investment group. Save for his directorship in the Company, Mr. Miller has not held any directorship in other listed companies in Hong Kong and overseas in the last three years.

Mr. Miller has met the independence guidelines set out in rule 3.13 of the Listing Rules and has submitted to the Stock Exchange a written confirmation concerning his independence to the Company. He has also given an annual confirmation of his independence to the Company. Although Mr. Miller has served in this capacity for more than nine years, the Board is of the opinion that Mr. Miller continues to bring relevant experience and knowledge to the Board and that, notwithstanding his long service, he maintains an independent view of the Company's affairs. The Board, therefore, considers him to be independent.

Mr. Miller 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. Miller's appointment is subject to retirement at the conclusion of the third annual general meeting following his appointment and to re-election at the annual general meetings of the Company in accordance with the Articles of Association of the Company. The Company has no obligation to pay Mr. Miller compensation when his appointment terminates.

As an Independent Non-Executive Director, Mr. Miller 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 an Independent Non-Executive Director's fee of HK\$200,000 per annum, as authorised by shareholders at the 2008 annual general meeting. Mr. Miller also receives a further fee of HK\$50,000 per annum as a member of the Remuneration 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. Subject to the approval by shareholders at the forthcoming Annual General Meeting, the Independent Non-Executive Directors' fees will be fixed at the rate of HK\$250,000 each per annum and will take effect from 16 May 2011 and be payable to Directors on a pro rata basis for the financial year ending 31 December 2011.

Save as disclosed above, Mr. Miller has confirmed that there are no other matters relating to his re-election 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) of the Listing Rules.

Dr. William Kwok Lun Fung

SBS, OBE, JP

Dr. William Kwok Lun Fung, aged 62, is an Independent Non-Executive Director and a member of Audit Committee. He was appointed to the Board in January 2011 and graduated from Princeton University with a Bachelor of Science degree in Engineering and also holds an MBA degree from the Harvard Graduate School of Business. He was conferred Honorary Doctorate degrees of Business Administration by the Hong Kong University of Science and Technology and by The Hong Kong Polytechnic University. Dr. Fung is the Group Managing Director of Li & Fung Limited. He also serves as a Non-Executive Director of other Li & Fung group companies including Convenience

Retail Asia Limited, Trinity Limited and Integrated Distribution Services Group Limited which has been privatised on 29 October 2010. Dr. Fung is an Independent Non-Executive Director of VTech Holdings Limited, Shui On Land Limited and Sun Hung Kai Properties Limited, and an Independent Director of Singapore Airlines Limited. He retired as a Non-Executive Director of HSBC Holdings plc on 28 May 2010 and resigned as an Independent Non-Executive Director of CLP Holdings Limited on 1 April 2008. He is the past Chairman of the Hong Kong General Chamber of Commerce, the Hong Kong Exporters' Association and Hong Kong Committee for the Pacific Economic Cooperation Council. Except as disclosed above, Dr. Fung has not held any directorship in other listed companies in Hong Kong and overseas in the last three years.

Dr. Fung has met the independence guidelines set out in rule 3.13 of the Listing Rules and has submitted to the Stock Exchange and the Company a written confirmation concerning his independence to the Company. The Board, therefore, considers him to be independent.

Dr. Fung 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.

Dr. Fung's appointment is subject to retirement at the forthcoming Annual General Meeting following his appointment and to re-election at the annual general meetings of the Company in accordance with the Articles of Association of the Company. The Company has no obligation to pay Dr. Fung compensation when his appointment terminates.

As an Independent Non-Executive Director, Dr. Fung 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 an Independent Non-Executive Director's fee of HK\$200,000 per annum, as authorised by shareholders at the 2008 annual general meeting. Dr. Fung also receives a further fee of HK\$100,000 per annum as a member of the Audit 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. As approved by the Board of Directors on 22 March 2011, the members of the Audit Committee of the Company will receive a revised fee of HK\$120,000 each per annum for serving on the Committee. Subject to the approval by shareholders at the forthcoming Annual General Meeting, the Independent Non-Executive Directors' fees will be fixed at the rate of HK\$250,000 each per annum. Both fees will take effect from 16 May 2011 and be payable to Directors on a pro rata basis for the financial year ending 31 December 2011.

Save as disclosed above, Dr. Fung has confirmed that there are no other matters relating to his re-election 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) of the Listing Rules.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of shareholders of The Hongkong and Shanghai Hotels, Limited (the “Company”) will be held at The Peninsula, Salisbury Road, Kowloon, Hong Kong on Monday, 16 May 2011 at 12:00 noon for the following purposes:

1. To receive and consider the audited Financial Statements and the Reports of the Directors and independent auditor for the year ended 31 December 2010.
2. To declare a final dividend.
3. To re-elect retiring Directors.
4. To re-appoint the auditor and authorise the Directors to fix their remuneration.

As special business, to consider and, if thought fit, pass with or without modification the following 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 passing 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; or
 - (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 passing 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; or
 - (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."

8. **"THAT** the ordinary remuneration of the Independent Non-Executive Directors be fixed at the rate of HK\$250,000 each per annum with effect from 16 May 2011 and the Non-Executive Directors would remain at HK\$200,000 each per annum."

By Order of the Board
Christobelle Liao
Company Secretary
11 April 2011

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 vote instead of him/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 joint holding.*
- 3. In order to be valid, the proxy form, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority must be deposited at the Company's registrar, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong at least 24 hours before the time appointed for holding the Meeting.*
- 4. The register of members will be closed from 12 May to 16 May 2011, both days inclusive, during which period no transfer of shares can be registered.*
- 5. 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 registrar, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Wednesday, 11 May 2011.*
- 6. Subject to the passing of the necessary resolution at the forthcoming Annual General Meeting, the final dividend will be payable on 24 June 2011, to shareholders whose names appear on the register of members on 16 May 2011. Shareholders will be given the option to receive their dividend in the form of scrip rather than cash.*
- 7. The retiring Directors are Mr. Clement K.M. Kwok, Mr. William E. Mocatta, Mr. Pierre R. Boppe, Mr. Robert W. Miller and Dr. William K.L. Fung. All of the retiring Directors eligible for re-election, have agreed to put their names forward for re-election. Details of the Directors proposed to be re-elected at the Annual General Meeting are set out in Appendix II of the circular to the shareholders dated 11 April 2011.*
- 8. At the Meeting, the Chairman will put each of the above resolutions to the vote by way of a poll in accordance with Article 58 of the Articles of Association of the Company. The results of the poll will be uploaded on the Company's and the Stock Exchange's websites after market closes on the day of Annual General Meeting.*