



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: 00045)

Notice of Annual General Meeting,
Re-election of Retiring Directors,
General Mandates to Issue and Buy Back Shares and
Revision of Directors' Fees

股東週年大會通告、
重選行將屆滿退任的董事、
發行及回購股份的一般性授權及
修訂董事袍金

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 an exchange participant or other securities dealer licensed as a licensed person under the Securities and Futures Ordinance, bank manager, solicitor, certified public 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 proxy form to the purchaser or transferee or to the bank, exchange participant 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 Hong Kong, Salisbury Road, Kowloon, Hong Kong on Wednesday, 11 May 2016 at 12:00 noon is set out on pages 2 and 3 of this circular. Shareholders are advised to read the notice and to complete and return the attached proxy form 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.

8 April 2016

此乃要件 請即處理

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本公司將於2016年5月11日（星期三）正午12時假座香港九龍梳士巴利道香港半島酒店舉行股東週年大會，召開大會的通告載於本通函第14及15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舉行時間24小時前交回。

2016年4月8日



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

(Incorporated in Hong Kong with limited liability)
(Stock Code: 00045)

Directors

Non-Executive Chairman

The Hon. Sir Michael Kadoorie

Non-Executive Deputy Chairman

Andrew Clifford Winawer Brandler

Executive Directors

Managing Director

and Chief Executive Officer

Clement King Man Kwok

Chief Operating Officer

Peter Camille Borer

Registered Office

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

Dear Shareholders,

On behalf of the Board, it is my pleasure to invite you to our annual general meeting to be held at The Peninsula Hong Kong, Salisbury Road, Kowloon, Hong Kong on Wednesday, 11 May 2016 at 12:00 noon (the "2016 Annual General Meeting").

Notice and information regarding the business to be considered at the 2016 Annual General Meeting are set out in this circular. A proxy form for use at the 2016 Annual General Meeting is attached. Whether or not you intend to attend the 2016 Annual General Meeting, you are advised to complete the proxy form and return it to the Company's share registrar, Computershare Hong Kong Investor Services Limited, as soon as possible, but in any case, to arrive no later than 24 hours before the time of the meeting. Completion and return of the proxy form will not preclude you from attending and voting in person at the 2016 Annual General Meeting and at any adjournment thereof, should you so wish to do so.

The Board considers that the proposed resolutions as set out in the notice of the 2016 Annual General Meeting are in the best interests of the Company and its shareholders, and recommends you to vote in favour of the resolutions.

I will demand that each of the proposed resolutions be voted by way of a poll. The results of the poll will be posted on the websites of the Company and the Stock Exchange after market closes on the day of the 2016 Annual General Meeting.

Yours faithfully,

The Hon. Sir Michael Kadoorie

Chairman

8 April 2016

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

Patrick Blackwell Paul

Pierre Roger Boppe

Dr William Kwok Lun Fung

Dr Rosanna Yick Ming Wong

Dr Kim Lesley Winser

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 Hong Kong, Salisbury Road, Kowloon, Hong Kong on Wednesday, 11 May 2016 (the “2016 Annual General Meeting”) 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 2015.
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 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 Company and to make or grant offers, agreements, options or warrants (including securities convertible into shares of the Company) 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, options and rights which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the total number of shares 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 total number of shares of the Company in issue at the date of passing this Resolution (subject to adjustment in the case of any subdivision and consolidation of shares after the passing 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; 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 or an issue of options, warrants or other securities giving the right to subscribe for shares, open for a period fixed by the Directors of the Company to holders of shares 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 buy back or otherwise acquire shares 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 total number of shares so bought back or otherwise acquired shall not exceed 10% of the total number of shares of the Company in issue at the date of passing this Resolution (subject to adjustment in the case of any subdivision and consolidation of shares after the passing 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; 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 total number of shares of the Company which are bought back or otherwise acquired by the Company pursuant to Resolution 6 shall be added to the total number of shares of the Company which may be issued pursuant to Resolution 5.”
8. **“THAT**, the ordinary remuneration of Non-Executive Directors and Independent Non-Executive Directors be respectively fixed at HK\$300,000 each per annum and HK\$350,000 each per annum with effect from 11 May 2016.”

By Order of the Board

Christobelle Liao

Company Secretary

8 April 2016

Notes:

1. A member entitled to attend, speak and vote at the 2016 Annual General Meeting convened by the above notice is entitled to appoint a proxy or proxies to attend, speak 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 share 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 2016 Annual General Meeting.
4. The register of members of the Company will be closed during the following periods:-
 - (i) from Monday, 9 May 2016 to Wednesday, 11 May 2016, both days inclusive, for the purpose of ascertaining shareholders’ entitlement to attend, speak and vote at the 2016 Annual General Meeting. In order to be entitled to attend, speak and vote at the 2016 Annual General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, for registration no later than 4:30pm on Friday, 6 May 2016.
 - (ii) from Tuesday, 17 May 2016 to Thursday, 19 May 2016, both days inclusive, for the purpose of ascertaining shareholders’ entitlement to receive the final dividend. In order to be entitled to receive the final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s share registrar, Computershare Hong Kong Investor Services Limited for registration at the address as set out in sub-paragraph (i) above no later than 4:30pm on Monday, 16 May 2016.

During the periods mentioned in sub-paragraphs (i) and (ii) above, no transfers of shares will be registered.

5. Subject to the passing of the necessary resolution at the 2016 Annual General Meeting, the final dividend will be payable on 24 June 2016, to shareholders whose names appear on the register of members on 19 May 2016. Shareholders will be given the option to receive their dividend in the form of scrip rather than cash.
6. The retiring Directors are The Hon. Sir Michael Kadoorie, Mr Peter C. Borer, Mr Patrick B. Paul, Dr Rosanna Y.M. Wong, Dr Kim L. Winser and Mr Matthew J. Lawson who will retire at the 2016 Annual General Meeting and being eligible, have agreed to offer themselves for re-election. The re-election of these retiring Directors will be voted on individually by shareholders. Details of the Directors proposed to be re-elected at the 2016 Annual General Meeting are set out in Appendix I of the circular to the shareholders dated 8 April 2016.
7. Detailed information on other business to be transacted at the 2016 Annual General Meeting is set out in the circular to the shareholders dated 8 April 2016.
8. At the meeting, the Chairman will demand 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 posted on the websites of the Company and the Stock Exchange after market closes on the day of the 2016 Annual General Meeting.

Business of Annual General Meeting

Resolution 1 Receiving the Audited Financial Statements

The audited Financial Statements of the Company and the Reports of the Directors and independent auditor for the year ended 31 December 2015 are set out in the 2015 Annual Report which are available in English and Chinese on the Company's website at www.hshgroup.com and the website of the Stock Exchange at www.hkexnews.hk.

The Financial Statements have been reviewed by the Audit Committee and audited by KPMG.

Resolution 2 Declaration of Final Dividend

The Board has recommended a final dividend of 15 HK cents per share (2014: 18 HK cents per share) for the year ended 31 December 2015. Subject to the approval by shareholders at the 2016 Annual General Meeting, such dividend will be payable on 24 June 2016 to shareholders whose names appear on the register of members on 19 May 2016.

The proposed final dividend will be offered with a scrip alternative for shareholders to elect to receive such final dividend wholly or partly in the form of new fully paid shares instead of in cash. The new shares to be issued pursuant to the scrip dividend scheme are subject to their listing being granted by the Listing Committee of the Stock Exchange.

A circular containing details of this scrip dividend scheme will be dispatched to shareholders together with an election form for the scrip dividend on 24 May 2016.

Resolution 3 Re-election of Retiring Directors

In accordance with the Articles of Association of the Company, The Hon. Sir Michael Kadoorie, Mr Peter C. Borer, Mr Patrick B. Paul and Dr Rosanna Y.M. Wong will retire at the 2016 Annual General Meeting and being eligible, have agreed to offer themselves for re-election. The Nomination Committee considered that they continue to contribute effectively.

Dr Kim L. Winser and Mr Matthew J. Lawson who were appointed as Directors with effect from 1 January 2016 and 3 May 2016 respectively will hold office until the 2016 Annual General Meeting. They will retire at the 2016 Annual General Meeting in accordance with the Articles of Association and being eligible, will offer themselves for re-election.

The Nomination Committee and the Board have recommended the re-election of retiring Directors.

Biographical details of the Directors proposed to be re-elected at the 2016 Annual General Meeting are set out in Appendix I of this circular.

Resolution 4 Re-appointment of Auditor

The Audit Committee has assessed the performance of the external auditor, KPMG, and recommended to the Board (which endorsed the view) that, subject to shareholders' approval at the 2016 Annual General Meeting, KPMG be re-appointed as the external auditor of the Company for 2016.

Resolutions 5 to 7 General Mandates to Issue and Buy Back Shares

At the annual general meeting of the Company held on 11 May 2015, ordinary resolutions were passed giving general mandates to Directors (i) to allot, issue and otherwise deal with shares equal to 20% of the total number of shares of the Company in issue at 11 May 2015, plus the aggregate number of shares bought back by the Company and (ii) to buy back shares of the Company on the Stock Exchange up to 10% of the total number of shares of the Company in issue as at 11 May 2015.

Under the terms of the Companies Ordinance (Chapter 622 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 2016 Annual General Meeting, unless renewed at that meeting. Resolutions will be proposed at the 2016 Annual General Meeting to give the Directors the mandates to allot or issue new shares or to grant rights to subscribe for or convert to new shares and buy back shares in accordance with the terms of those resolutions.

Based on the 1,542,988,746 shares in issue as at 1 April 2016, 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 total number of shares of the Company in issue after the Latest Practicable Date and up to the passing of the relevant resolution), the Directors will be authorised under the general mandate to issue a maximum of 308,597,749 shares, subject to adjustment in the case of any subdivision and consolidation of shares after the 2016 Annual General Meeting.

The Explanatory Statement required by the Listing Rules to be sent to shareholders in connection with the proposed general mandate for the share buy-back is set out in Appendix II of this circular.

Resolution 8 Revision of Directors' Fees

The Board has carried out a review of the level of fees payable to Non-Executive Directors ("NEDs") and Independent Non-Executive Directors ("INEDs"), being their ordinary remuneration, and has proposed a revision of fees payable to NEDs and INEDs taking into account their responsibilities, workload, enhanced role on corporate governance and time required and spent on the Board and various Board Committees. The respective current fees payable to NEDs and INEDs were approved by the shareholders on 12 May 2014 at HK\$250,000 and HK\$300,000 each per annum. Under the proposal, the fees of the NEDs and INEDs are to be respectively fixed at HK\$300,000 and HK\$350,000 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. Resolution will accordingly be proposed at the 2016 Annual General Meeting to approve that the ordinary remuneration of the NEDs and INEDs be respectively fixed at HK\$300,000 and HK\$350,000 each per annum with effect from 11 May 2016. These fees will be payable to NEDs and INEDs on a pro rata basis for the financial year ending 31 December 2016.

As a matter of good corporate governance, all NEDs and INEDs who are shareholders will be asked to abstain from voting on the proposed resolution relating to their own remuneration at the 2016 Annual General Meeting.

Appendix I

Details of retiring Directors proposed for re-election

The following are the particulars of the Directors proposed to be re-elected at the 2016 Annual General Meeting.

The Hon. Sir Michael Kadoorie

GBS, LL.D. (Hon), DSc (Hon), Commandeur de la Légion d'Honneur, Commandeur de l'Ordre des Arts et des Lettres, Commandeur de l'Ordre de la Couronne, Commandeur de l'Ordre de Leopold II

The Hon. Sir Michael Kadoorie is the Non-Executive Chairman, the Chairman of the Nomination Committee and Executive Committee of the Company. He was appointed a Director in 1964 and elected Chairman in 1985, Sir Michael is a substantial shareholder of the Company by virtue of the Securities and Futures Ordinance. He is the brother-in-law of a fellow Director, Mr Ronald James McAulay, and is a Director of several subsidiaries of the Company. He is also Chairman of CLP Holdings Limited, an Independent Non-Executive Director of CK Hutchison Holdings Limited, an Alternate Director of Hong Kong Aircraft Engineering Company Limited, a Director of Sir Elly Kadoorie & Sons Limited, as well as holding a number of other directorships. In addition, Sir Michael acts as a trustee of a number of notable local charitable organisations. He was an Independent Non-Executive Director of Hutchison Whampoa Limited until July 2015. He is 74 years old. Except as disclosed above, Sir Michael has not held any directorships in any listed companies in Hong Kong or overseas in the last three years.

Save as disclosed above, Sir Michael does not have any other relationship with any Directors, members of senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Sir Michael was deemed (by virtue of the Securities and Futures Ordinance) to be interested in 820,303,098 shares in the Company. Of these: (i) 178,814,930 shares were ultimately held by discretionary trusts, of which Sir Michael is one of the discretionary objects; (ii) 325,490,460 shares were ultimately held by a discretionary trust, of which Sir Michael is one

of the beneficiaries and the founder; and (iii) 315,997,708 shares were ultimately held by a discretionary trust, of which Sir Michael is one of the beneficiaries and the founder.

As a Non-Executive Director, Sir Michael 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\$250,000 per annum, as authorised by shareholders at the 2014 annual general meeting. Subject to the approval by shareholders at the 2016 Annual General Meeting, the Non-Executive Directors' fees will be fixed at HK\$300,000 each per annum. Sir Michael also receives a further fee of HK\$20,000 per annum as the Chairman of the Nomination Committee, and a fee of HK\$100,000 per annum as the Chairman of the Executive Committee. These fees are 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 16 March 2016, the Chairman of the Nomination Committee will receive a revised fee of HK\$40,000 per annum. The revised fees will take effect from 11 May 2016 and be payable to Sir Michael on a pro rata basis for the financial year ending 31 December 2016. Each of the above fees payable to Sir Michael as a Non-Executive Director was reviewed by the Remuneration Committee with reference to market benchmarks and taking into account the relevant responsibilities and workload. Details are disclosed in the Remuneration Committee Report of the Company's 2015 Annual Report.

Sir Michael'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.

Save as disclosed above, there are no other matters relating to Sir Michael's 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.

Peter Camille Borer

Mr Peter Camille Borer is the Chief Operating Officer of the Company. He was appointed to the Board as an Executive Director in April 2004. He is also a member of the Group Management Board of the Company and a Director of the majority of the Group's entities. Mr Borer is a graduate of the Ecole Hoteliere Lausanne, Switzerland and is now a member of the International Advisory Board of the school. He is also a member of the Advisory Board of the School of Hotel and Tourism Management of The Chinese University of Hong Kong. He joined the Group in 1981 and was appointed General Manager of The Peninsula Hong Kong in 1994, taking on additional regional responsibility in 1999, culminating in his appointment as Chief Operating Officer in April 2004. He is 62 years old. Save for his directorship in the Company, Mr Borer has not held any directorships in any listed companies in Hong Kong or overseas in the last three years.

Mr Borer does not have any relationship with any Directors, members of senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr Borer had personal interests in 347,567 shares in the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr Borer 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 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, retirement benefits, a guaranteed bonus payment and a discretionary bonus payment depending on the performance of the Company and other benefits in kind, amounted to approximately HK\$9.2 million for the financial year ended 31 December 2015. Mr Borer is eligible to join the Company's 1994 Retirement Plan and the Company contributes a percentage of his basic salary to the retirement fund. Mr Borer's service contract does not have a specified term. As an Executive Director of the Company, Mr Borer is not entitled to any Director's fees for serving on the Board and Board Committees. The amount of the emoluments payable to Mr Borer under his service contract was reviewed by the Remuneration Committee with reference to market benchmarks, his qualifications and experience. Details are disclosed in the Remuneration Committee Report of the Company's 2015 Annual Report.

Save as disclosed above, there are no other matters relating to Mr Borer's 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.

Patrick Blackwell Paul, CBE

Mr Patrick Blackwell Paul is an Independent Non-Executive Director and is also the Chairman of Audit Committee and Remuneration Committee of the Company. He was appointed to the Board in February 2004. He is a Fellow of the Institute of Chartered Accountants in England and Wales. He began his career with Price Waterhouse in London in 1969. A resident of Hong Kong since 1980, he was Chairman and senior partner of PricewaterhouseCoopers in Hong Kong from 1994 until 2001. He is an Independent Non-Executive Director of Johnson Electric Holdings Limited and Pacific Basin Shipping Limited. He is also the Chairman of the Supervisory Board of the British Chamber of Commerce in Hong Kong. He is 68 years old. Except as disclosed above, Mr Paul has not held any directorships in any listed companies in Hong Kong or overseas in the last three years.

Mr Paul 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. Mr Paul has served in this capacity for more than nine years. The Nomination Committee and the Board believe that it is not appropriate to apply an arbitrary period of service beyond which a director is assumed to have lost his or her independence. The importance is that each Independent Non-Executive Director has an independent mindset and is prepared to challenge conventional wisdom in a constructive fashion. The Nomination Committee and the Board, therefore, considered him to be independent and recommended him to be re-elected.

Mr Paul does not have any relationship with any Directors, members of senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr Paul did not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Appendix I

As an Independent Non-Executive Director, Mr Paul 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\$300,000 per annum, as authorised by shareholders at the 2014 annual general meeting. Subject to the approval by shareholders at the 2016 Annual General Meeting, the Independent Non-Executive Directors' fees will be fixed at HK\$350,000 each per annum and will take effect from 11 May 2016 and be payable to Independent Non-Executive Directors on a pro rata basis for the financial year ending 31 December 2016. Mr Paul also receives a further fee of HK\$175,000 per annum as the Chairman of Audit Committee and HK\$85,000 per annum as the Chairman of Remuneration Committee. These fees are 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. Each of the above fees payable to Mr Paul as an Independent Non-Executive Director was reviewed by the Remuneration Committee with reference to market benchmarks and taking into account the relevant responsibilities and workload. Details are disclosed in the Remuneration Committee Report of the Company's 2015 Annual Report.

Mr Paul'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.

Save as disclosed above, there are no other matters relating to Mr Paul's 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 Rosanna Yick Ming Wong, DBE, JP

Dr Rosanna Yick Ming Wong is an Independent Non-Executive Director and a member of the Remuneration Committee of the Company. She was appointed to the Board in February 2013 and holds a Doctor of Philosophy degree in Sociology from University of California, Davis and has been awarded Honorary Doctorates from The Chinese University

of Hong Kong, The Hong Kong Polytechnic University, The University of Hong Kong, The Hong Kong Institute of Education and The University of Toronto, Dr Wong is a member of the National Committee of the Chinese People's Political Consultative Conference. She is the Executive Director of The Hong Kong Federation of Youth Groups, an Independent Non-Executive Director of The Hongkong and Shanghai Banking Corporation Limited, CK Hutchison Holdings Limited and Hutchison Telecommunications Hong Kong Holdings Limited. In addition, Dr Wong is the Non-Executive Chairman of the Hongkong Bank Foundation's Advisory Committee, Honorary Chairman of World Vision Hong Kong and a Global Advisor to Mars, Incorporated. She is a member of The Hong Kong University of Science and Technology Business School Advisory Council. Dr Wong was an Independent Non-Executive Director of Cheung Kong (Holdings) Limited until June 2015. She is 63 years old. Except as disclosed above, Dr Wong has not held any directorships in any listed companies in Hong Kong or overseas in the last three years.

Dr Wong 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 her independence to the Company. She has also given an annual confirmation of her independence to the Company. The Nomination Committee and the Board, therefore, considered her to be independent and recommended her to be re-elected.

Dr Wong does not have any relationship with any Directors, members of senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Dr Wong did not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

As an Independent Non-Executive Director, Dr Wong does not have a service contract with the Company but she does have a letter of appointment detailing the terms of her appointment. She receives an Independent Non-Executive Director's fee of HK\$300,000 per annum, as authorised by shareholders at the 2014 annual general meeting. Subject to the approval by shareholders at the 2016 Annual General

Meeting, the Independent Non-Executive Directors' fees will be fixed at HK\$350,000 each per annum and will take effect from 11 May 2016 and be payable to Independent Non-Executive Directors on a pro rata basis for the financial year ending 31 December 2016. Dr Wong also receives a further fee of HK\$60,000 per annum as a member of Remuneration Committee 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. Each of the above fees payable to Dr Wong as an Independent Non-Executive Director was reviewed by the Remuneration Committee with reference to market benchmarks and taking into account the relevant responsibilities and workload. Details are disclosed in the Remuneration Committee Report of the Company's 2015 Annual Report.

Dr Wong's appointment is subject to retirement at the conclusion of the third annual general meeting following her appointment and to re-election at the annual general meetings of the Company in accordance with the Articles of Association of the Company.

Save as disclosed above, there are no other matters relating to Dr Wong's 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 Kim Lesley Winser, OBE

Dr Kim Lesley Winser is an Independent Non-Executive Director of the Company. She was appointed to the Board in January 2016 and she was awarded an Order of the British Empire (OBE) by Her Majesty The Queen and a Doctorate from Heriot-Watt University for her work in British business. She has substantive experience and

expertise in the consumer and retail industries. She began her career with Marks & Spencer plc in the United Kingdom and became its first female commercial divisional board director as well as its youngest director in the 1990s. She went on to successfully deliver turnarounds for the iconic British heritage brands Pringle of Scotland as Chief Executive Officer and Aquascutum as President and Chief Executive Officer. She became a senior adviser to 3i, a leading private equity firm in the UK, for its investments in the consumer and retail industries and became Chairman of one of their brands, Agent Provocateur. Dr Winser has also previously served as an adviser to Natalie Massenet at online retailer Net-a-Porter and a Non-Executive Director of The Edrington Group Limited. Dr Winser is the Founder and Chief Executive Officer of Winser London Limited, an online womenswear business. Appointed by the British Prime Minister, Dr Winser is a member of the Board of Trustees and the audit and risk committees of The Natural History Museum in the UK. She is 57 years old. Save for her directorship in the Company, Dr Winser has not held any directorships in any listed companies in Hong Kong or overseas in the last three years.

Dr Winser 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 her independence to the Company. The Nomination Committee and the Board, therefore, considered her to be independent and recommended her to be re-elected.

Dr Winser does not have any relationship with any Directors, members of senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Dr Winser did not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Appendix I

As an Independent Non-Executive Director, Dr Winser does not have a service contract with the Company but she does have a letter of appointment detailing the terms of her appointment. She receives an Independent Non-Executive Director's fee of HK\$300,000 per annum, as authorised by shareholders at the 2014 annual general meeting. Subject to the approval by shareholders at the 2016 Annual General Meeting, the Independent Non-Executive Directors' fees will be fixed at HK\$350,000 each per annum and will take effect from 11 May 2016 and be payable to Independent Non-Executive Directors on a pro rata basis for the financial year ending 31 December 2016. The above fee payable to Dr Winser as an Independent Non-Executive Director was reviewed by the Remuneration Committee with reference to market benchmarks and taking into account the relevant responsibilities and workload.

Dr Winser will retire at the 2016 Annual General Meeting in accordance with the Articles of Association and being eligible, will offer herself for re-election. After she has been re-elected at the 2016 Annual General Meeting, she is subject to retirement at the conclusion of the third annual general meeting following her appointment and to re-election at the annual general meetings of the Company in accordance with the Articles of Association of the Company.

Save as disclosed above, there are no other matters relating to Dr Winser's 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.

Matthew James Lawson

Mr Matthew James Lawson has been appointed to the Board as Executive Director, Chief Financial Officer and a member of the Finance Committee and the Group Management Board with effect from 3 May 2016. Mr Lawson will be appointed as a Director of some of the Group's entities. He holds a Bachelor of International Business Relations from Griffith University and a Bachelor of Commerce from The University of Queensland. Mr Lawson has also completed various post graduate studies in China, including at the Hopkins-Nanjing Center for Chinese and American Studies. Over the course of his career Mr Lawson has had extensive experience with hospitality and real estate transactions, investments and financing, including joint venture negotiations and structuring. He began his career with Arthur Andersen

Corporate Finance in Sydney in 1998 and subsequently joined Deutsche Bank AG in Sydney in 2001 where he worked across Equity Capital Markets and Real Estate Investment Banking. Mr Lawson joined JPMorgan in Asia in 2006, where he has held senior positions in Hong Kong and Singapore, most recently as Managing Director and Head of the Real Estate, Gaming and Lodging investment banking practice in Asia. He is 42 years old. Save for his proposed directorship in the Company, Mr Lawson has not held any directorships in any listed companies in Hong Kong or overseas in the last three years.

Mr Lawson does not have any relationship with any Directors, members of senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr Lawson did not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr Lawson has a service contract with the Company and will retire at the 2016 Annual General Meeting in accordance with the Articles of Association and being eligible, will offer himself for re-election. After he has been re-elected at the 2016 Annual General Meeting, he 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. Mr Lawson is entitled to an annual base compensation of HK\$4.4 million together with other benefits. He is also entitled to an annual bonus payment and an additional discretionary bonus depending on performance. He is eligible to join the Company's 1994 Retirement Plan and the Company will contribute a percentage of his basic salary to the retirement fund. Mr Lawson's service contract does not have a specified term. As an Executive Director of the Company, Mr Lawson is not entitled to any Director's fees for serving on the Board and Board Committees. The amount of the emoluments payable to Mr Lawson under his service contract was reviewed by the Remuneration Committee with reference to market benchmarks, his qualifications and experience.

Save as disclosed above, there are no other matters relating to Mr Lawson's 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.

Appendix II

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 the share buy-back and also constitutes the memorandum required under Section 239(2) of the Companies Ordinance. References in this Appendix to “Shares” mean ordinary share(s) in the capital of the Company:

- (a) It is proposed that up to 10% of the total number of Shares in issue at the date of passing of the resolution to approve the general mandate may be bought back (subject to adjustment in the case of any subdivision and consolidation of Shares after the passing of the relevant resolution). As at the Latest Practicable Date for determining such figures, the total number of Shares of the Company in issue was 1,542,988,746. On the basis of such figures (and assuming no further Shares are bought back or issued after the Latest Practicable Date and up to the date of passing such resolution) the Directors would be authorised to buy back Shares up to a limit of 154,298,874 Shares, subject to adjustment in the case of any subdivision and consolidation of Shares after the passing of the relevant resolution.
- (b) The Directors believe that the ability to buy back Shares is in the interests of the Company and its shareholders. Buy-backs 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 buy back 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 bought back 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 buy-back would be derived from the distributable profits of the Company being funds legally available for such buy-back 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 buy-backs were to be carried out in full at any time during the proposed buy-back 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 close 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 Code on Takeovers and Mergers as a result of any buy-backs pursuant to the general mandate. As at the Latest Practicable Date, approximately 58.56% of the total number of Shares in issue was held by controlling shareholders and, assuming full exercise of the buy-back mandate given to the Directors, approximately 65.06% will be held by such shareholders.
- (h) No core 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.

Appendix II

- (i) The highest and lowest prices at which Shares of the Company have traded on the Stock Exchange in each of the previous 12 months up to and including the Latest Practicable Date were as follows:

	Highest (HK\$)	Lowest (HK\$)
2015		
April	11.86	10.88
May	12.20	10.92
June	11.30	10.70
July	10.80	9.73
August	10.30	8.33
September	8.99	8.08
October	9.21	8.40
November	8.89	8.03
December	8.74	8.00
2016		
January	8.70	7.36
February	7.85	7.15
March	8.60	7.60
1 April (Latest Practicable Date)	8.48	8.00

- (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.