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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: 45)

Appointment of Independent Non-Executive Director and Member of the Audit Committee

Appointment of Independent Non-Executive Director

The Board of Directors (the “Board”) of The Hongkong and Shanghai Hotels, Limited (the “Company”) is pleased to announce that Dr. William Kwok Lun Fung (“Dr. Fung”) would be appointed as an Independent Non-Executive Director and a member of the Audit Committee of the Company with effect from 3 January 2011.

Dr. Fung, aged 61, 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 privatized 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.

Dr. Fung has held key positions in major trade and business associations. 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. He has been awarded the Silver Bauhinia Star by the Hong Kong Special Administrative Region Government in 2008.

Save as disclosed above, Dr. Fung has not held any directorship in other listed companies in Hong Kong and overseas in the last three years. As at the date of this announcement, Dr. Fung does not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Future Ordinance nor any relationship with any Directors, members of senior management or substantial or controlling shareholders of the Company.

Dr. Fung is subject to retirement and re-election by the shareholders of the Company at the 2011 Annual General Meeting according to the Articles of Association of the Company (the "Articles"). In addition, Dr. Fung, is also 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. The Company has no obligation to pay Dr. Fung compensation when his appointment terminates.

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. Dr. Fung will receive a Director's fee of HK\$200,000 per annum, as authorised by shareholders at the 2008 Annual General Meeting. Dr. Fung will also receive 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.

Save as disclosed above, there is no other information to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules nor are there other matters that need to be brought to the attention of shareholders in relation to the appointment of Dr. Fung as an Independent Non-Executive Director of the Company.

Member of the Audit Committee

The Board also announces that Mr. Robert Chee Siong Ng would step down as a member of the Audit Committee with effect from 3 January 2011 but remains as an Independent Non-Executive Director of the Company.

By order of the Board
Christobelle Liao
Company Secretary

Hong Kong, 16 December 2010

As at the date of this announcement, the Board of Directors of the Company comprises the following 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