



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

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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

修訂組織章程細則

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 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 in the Salisbury Room, The Peninsula, Salisbury Road, Kowloon, Hong Kong on Wednesday, 13 May 2009 at 12:00 noon is set out on pages 10 to 15 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2009年5月13日（星期三）正午12時假座香港九龍梳士巴利道半島酒店利是廳舉行股東週年大會，召開大會的通告詳載於本文件第26至31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。

9 April 2009
2009年4月9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
Pierre Roger Boppe
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

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
Amendments to Articles of Association
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; (ii) the re-election of retiring Directors and (iii) the amendments to Articles of Association and to give you the notice and the proxy form for the annual general meeting to be held on 13 May 2009 (the “Annual General Meeting”).

General mandate to issue and repurchase shares

At the annual general meeting of the Company held on 7 May 2008, 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 7 May 2008, 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 7 May 2008.

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 2009, unless renewed at that Meeting. Resolutions will be proposed at the 2009 Annual General Meeting to renew the mandates to allot or issue new shares and repurchase shares.

As at 1 April 2009, being the latest practicable date prior to the printing of this document (the “Latest Practicable Date”), a total of 7,545,000 shares have been purchased by the Company. The repurchases were made for the benefit of the shareholders with a view to enhancing the net asset value and earnings per share of the Company.

Based on the 1,450,263,502 shares in issue as at 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 290,052,700 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

In accordance with the Articles of Association of the Company, Mr. Ronald J. McAulay, Dr. The Hon. Sir David K. P. Li, Mr. John A. H. Leigh and Mr. Nicholas T. J. Colfer will retire by rotation. All the retiring Directors, being eligible, have agreed to offer themselves for re-election.

Mr. Neil J. Galloway having been appointed to the Board since the date of the last Annual General Meeting, will retire at the forthcoming Annual General Meeting in accordance with the Company’s Articles of Association, 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 document.

Amendments to articles of association

The Directors would like to take this opportunity to modernise various provisions and to include certain amendments to the Listing Rules in the Articles of Association. The more significant changes concern the following:

- (a) Instruments of transfer may be lodged at the registered office of the Company or such other place as the Board may appoint;
- (b) Compliance with any minimum notice period required under the Listing Rules for convening an annual general meeting or an extraordinary general meeting;
- (c) Compliance with the requirements of the Listing Rules for taking votes of shareholders by poll at shareholders meeting;
- (d) A member (except HKSCC Nominees Limited) may appoint not more than two proxies to attend a general meeting and to vote;
- (e) Making the rules for delivery of proxies more consistent with modern practice, by removing the ability to deliver a proxy at the relevant meeting (although retaining the twenty-four hours deadline for delivery of a proxy, which gives a longer period for lodgement than the usual forty-eight hour period in articles of association or as required by the Companies Ordinance);
- (f) Intimation in writing of the death or insanity of the appointor of a proxy or revocation of the appointment of the proxy or of the authority under which the appointment was made must be delivered to the Company at a place specified by the Company or, if no place has been specified, the registered office of the Company;
- (g) To clarify the rights of HKSCC Nominees Limited to appoint multiple proxies to attend any shareholders meeting;
- (h) Rather than requiring approximately one-third of the Directors to retire from office by rotation every year, every Director shall be subject to retirement at least once every three years but shall be eligible for re-election;
- (i) Where two or more persons are nominated to be appointed as Directors, a separate resolution has to be moved regarding each nomination;
- (j) Every person appointed by the Directors as an additional Director shall hold office until the next annual general meeting and be eligible for re-election, whereas any person appointed by the Directors to fill a casual vacancy shall hold office only until the next general meeting and be eligible for re-election;
- (k) Providing for the declaration by Directors of any interests of their associates; and
- (l) Providing for dispatch of financial statements by electronic publication on the basis of deemed consent, to such extent as may be permitted in future by the Companies Ordinance (at present the Companies Ordinance does not provide for deemed consent in this regard).

Our legal advisers, Deacons, have confirmed that the proposed amendments comply with the requirements of the Listing Rules and the laws of Hong Kong. The Company also confirms that there is nothing unusual about the proposed amendments for a company listed in Hong Kong.

Details of the proposed amendments are set out in the Special Resolution of the Notice of the Annual General Meeting.

Notice of the Annual General Meeting

Notice of the Annual General Meeting to be held on 13 May 2009 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 advised to complete the form of proxy and return it to the Company's registrars, Computershare Hong Kong Investor Services Limited, Rooms 1806–1807, 18th Floor, Hopewell Centre, 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.

Recommendation

The Directors consider that the proposed general mandates to issue shares of the Company and to repurchase shares of the Company, the re-election of retiring Directors and the amendments to Articles of Association 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
9 April 2009

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 the Latest Practicable Date for determining such figures, the number of Shares of the Company in issue was 1,450,263,502. 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 145,026,350 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, 55.93% 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, 62.14% 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\$)
April 2008	13.80	12.20
May 2008	14.42	13.10
June 2008	13.88	11.28
July 2008	12.62	11.10
August 2008	12.20	10.10
September 2008	11.46	7.51
October 2008	7.85	5.37
November 2008	7.57	5.30
December 2008	6.40	5.13
January 2009	6.80	5.51
February 2009	5.73	4.62
March 2009	4.98	4.26
1 April 2009	4.99	4.75

- (j) Details of repurchase of Shares made by the Company on the Stock Exchange during the six months prior to the Latest Practicable Date were as follows:

Date of purchase	Number of shares purchased	Purchase price per share or highest price paid (HK\$)	Lowest price paid (HK\$)
14 October 2008	544,000	6.69	6.44
15 October 2008	346,000	6.61	6.54
16 October 2008	422,000	6.63	6.28
17 October 2008	22,000	6.50	—
20 October 2008	1,171,500	6.83	6.55
21 October 2008	1,160,500	6.76	6.66
22 October 2008	1,306,000	6.64	6.59
23 October 2008	1,133,000	6.55	6.47
24 October 2008	1,081,000	6.53	6.35
27 October 2008	359,000	6.30	6.26
	<u>7,545,000</u>		

Saved as disclosed above, 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 13 May 2009.

Mr. Ronald James McAulay

Mr. Ronald James McAulay, aged 73, is a Non-Executive Director of the Company. He was appointed to the Board in 1972. 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 Boards of CLP Holdings Limited, Sir Elly Kadoorie & Sons Limited and several other companies. In addition, Mr. McAulay is a trustee of various charitable organisations, is a trustee of the Tate Foundation in London and is a member of the International Council of the Victoria and Albert Museum in London. Except as disclosed above, Mr. McAulay has not held any directorship in other listed companies in Hong Kong and overseas 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 the Latest Practicable Date, Mr. McAulay is deemed (by virtue of the Securities and Futures Ordinance) to be interested in 508,805,573 shares in the Company. Of these, 436,021,024 shares were ultimately held by discretionary trusts, of which Mr. McAulay is one of the discretionary objects and 72,784,549 shares were ultimately 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. 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\$200,000 per annum, as authorised by shareholders at the 2008 annual general meeting.

Save as disclosed above, Mr. McAulay 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. The Hon. Sir David Kwok Po Li

Dr. The Hon. Sir David Kwok Po Li, aged 70, 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 the Legislative Council of Hong Kong and the Chairman of The Chinese Banks' Association, Limited and the Hong Kong Management Association. He is also a member of the Banking 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 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. He was formerly a Director of AviChina Industry & Technology Company Limited, China Merchants China Direct Investments Limited and Dow Jones & Company until he resigned in June 2006, August 2008 and December 2007 respectively. Except as disclosed above, Sir David has not held any directorship in other listed companies in Hong Kong and overseas 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. He has also given an annual confirmation of his independence to the Company which considers him to be independent. Although Sir David has served in this capacity for more than nine years, the Directors are of the opinion that Sir David continues to bring relevant experience and knowledge to the Board and that, notwithstanding his long services, he maintains an independent view of the Company's affairs.

Sir David 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, Sir David had personal interests in 542,284 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. 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\$200,000 per annum, as authorised by shareholders at the 2008 annual general meeting.

Save as disclosed above, Sir David has confirmed that there are no other matters relating to the 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.

Mr. John Andrew Harry Leigh

Mr. John Andrew Harry Leigh, aged 55, is a Non-Executive Director of the Company. He was appointed to the Board in May 2006 and is also a member of the Finance Committee and Executive Committee. He was in private practice as a solicitor in Hong Kong and the United Kingdom. He serves on the Boards of CLP Holdings Limited and Sir Elly Kadoorie & Sons Limited, overseeing a number of Kadoorie family interests in Hong Kong and overseas and, as such, is associated with a substantial shareholder of the Company. Except as disclosed above, Mr. Leigh has not held any directorships in other listed companies in Hong Kong and overseas in the last three years.

Save as disclosed above, Mr. Leigh 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. Leigh is one of the trustees of a charitable trust which is one of the ultimate owners of unit trusts which indirectly hold 377,133,448 shares of the Company, within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Leigh'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. The Company has no obligation to pay Mr. Leigh compensation when his appointment terminates.

As a Non-Executive Director, Mr. Leigh 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\$200,000 per annum, as authorised by shareholders at the 2008 annual general meeting. Mr. Leigh also receives 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, Mr. Leigh 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.

Mr. Nicholas Timothy James Colfer

Mr. Nicholas Timothy James Colfer, aged 49, is a Non-Executive Director of the Company. He was appointed to the Board in May 2006 and does not hold any other position in the Group. He has a Master of Arts Degree and has over 26 years' experience of corporate management in the Asia-Pacific region, principally in real estate, manufacturing and distribution. He is Chairman of Tai Ping Carpets International Limited and 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 a substantial shareholder of the Company. He also 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 Hong Kong and overseas in the last three years.

Save as disclosed above, Mr. Colfer does not have any other 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'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. The Company has no obligation to pay Mr. Colfer compensation when his appointment terminates.

As a Non-Executive Director, Mr. Colfer 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\$200,000 per annum, as authorised by shareholders at the 2008 annual general meeting.

Save as disclosed above, Mr. Colfer 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.

Mr. Neil John Galloway

Mr. Neil John Galloway, aged 40, is an Executive Director of the Company. He was appointed to the Board as Finance Director and Chief Financial Officer of the Company in September 2008. Mr. Galloway has also been appointed as a member of the Group Management Committee and Finance Committee of the Company and a Director in most of the Group entities. He holds a Bachelor of Laws Degree (with Honours) from the University of Edinburgh. His career began with Midland Montagu (subsequently HSBC Investment Bank) in 1990 in London with subsequent postings in France, the Philippines and Hong Kong. Mr. Galloway joined ABN AMRO Bank in 2000, where he held a range of senior positions in Hong Kong and the United Kingdom specialising in the telecom, media and technology sectors, and latterly heading the Asian mergers & acquisitions and equity capital markets business. Except as disclosed above, Mr. Galloway has not held any directorship in other listed companies in Hong Kong and overseas in the last three years.

Mr. Galloway 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 within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Galloway has an existing service contract with the Company and is subject to retirement by rotation 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 base salary, various allowances, a guaranteed bonus payment and a discretionary bonus payment depending on the performance of the Company, amounted to approximately HK\$2 million in 2008. Mr. Galloway 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. Galloway'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. Galloway compensation equivalent to more than one year's emoluments when his appointment terminates. The amount of the emoluments payable to Mr. Galloway under his service contract was reviewed by the Remuneration Committee with reference to market benchmarks, his qualifications and experience.

Save as disclosed above, Mr. Galloway 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 The Hongkong and Shanghai Hotels, Limited 香港上海大酒店有限公司 (the “Company”) will be held in the Salisbury Room, The Peninsula, Salisbury Road, Kowloon, Hong Kong on Wednesday, 13 May 2009 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 2008.
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, 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 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; 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 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; 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."

As a Special Resolution:

8. **"THAT** the Articles of Association of the Company be amended by:

- (a) Adding the words "of the Laws of Hong Kong" immediately after the words "Chapter 32" in Article 1.
- (b) Amending Article 2 as follows:
 - (i) Deleting the word "First" in the third line and substituting therefor the word "first";
 - (ii) Amending the definition of "associate" by adding the word "Listing" immediately before the word "Rules" and deleting the words "Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited";
 - (iii) Deleting the existing definition "the Statutes" and adding the same definition "the Statutes" immediately after the definition "Securities Seal" and adding the words "of the Laws of Hong Kong" to the definition "the Statutes" immediately after the words "Chapter 32";

- (iv) Deleting the existing definition “these Articles” and adding the same definition “these Articles” immediately before the definition “associate”;
 - (v) Adding the following definition immediately after the definition “associate”:
 ““Listing Rules” the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as may be amended from time to time.”;
 - (vi) Deleting the existing definition “month” and adding the same definition “month” immediately before the definition “Office”; and
 - (vii) Deleting the existing definition “paid” and adding the same definition “paid” immediately before the definition “Seal”;
- (c) Deleting the word “Ordinance” in the second line of Article 7A and substituting therefor the word “Statutes”;
 - (d) Deleting the words “rules prescribed by The Stock Exchange of Hong Kong Limited” wherever they appear in Article 15 and substituting therefor the words “Listing Rules”;
 - (e) Deleting the words “rules prescribed by The Stock Exchange of Hong Kong Limited” in Article 17(A) and substituting therefor the words “Listing Rules”;
 - (f) Deleting the words “rules prescribed by The Stock Exchange of Hong Kong Limited” in Article 17(B) and substituting therefor the words “Listing Rules”;
 - (g) Adding the words “or such other place as the Board may appoint,” immediately after the words “at the Office” in the third line of Article 36;
 - (h) Deleting the words “rules prescribed by The Stock Exchange of Hong Kong Limited” in Article 38 and substituting therefor the words “Listing Rules”;
 - (i) Adding the words “, and where relevant such other longer minimum notice period as may be specified under the Listing Rules” immediately after the words “at the least” in the fourth line of Article 49;
 - (j) Adding the words “(a) required under the Listing Rules (in which event voting shall be by way of poll and no demand therefor shall be required) or (b)” immediately after the words “unless a poll is” in Article 58;
 - (k) Deleting the words “Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited” in Article 65A and substituting therefor the words “Listing Rules”;
 - (l) Adding the words “not more than two proxies (provided that such restriction in the number of proxies shall not apply to Article 74A)” immediately after the words “attend by” in the first line of Article 68;
 - (m) Deleting the words “either” in the first line and “or be delivered to the Secretary or the chairman of the meeting on the day and at the place, but before the start, of the meeting or adjourned meeting or poll” commencing in the seventh line of Article 70;
 - (n) Amending Article 72 as follows:
 - (i) Deleting the words “at the Office” before the words “at least twenty-four hours” and substituting therefor the words “at such place or one of such places (if any) as may have been specified for the purpose of Article 70 (or, if no place has been so specified, at the Office)”;

- (ii) Deleting the words “, or by the Secretary or the chairman of the meeting on the day and at the place, but before the start, of” in the fifth to seventh lines;
- (o) Amending Article 74A as follows:
 - (i) Adding the words “(Chapter 571 of the Laws of Hong Kong)” immediately after the words “Securities and Futures Ordinance”;
 - (ii) Deleting the word “nominee” wherever it appears and substituting therefor the word “nominee(s)”;
 - (iii) Adding “,” immediately after the words “the Company” in the second line;
 - (iv) Deleting the word “Directors” and substituting therefor the word “directors” in the third line;
 - (v) Adding “(s) or proxy(ies)” immediately after the word “representative” in the fourth line;
 - (vi) Deleting the words “or representatives” in the fourth to fifth lines;
 - (vii) Adding the words “or proxy form(s)” immediately after the word “authorisation” in the seventh line; and
 - (viii) Deleting the words “A person so authorised” in the eighth line and substituting therefor the words “The person so authorised shall be deemed to have been duly authorised without any need to produce any documents of title, notarised authorisation and/or further evidence for substantiating the facts that it is duly authorised and”;
- (p) Deleting the existing Article 86 and its existing marginal note and substituting therefor the following new Article 86 and a new marginal note “ Retirement of Directors”:

“86. Any Director elected by the Company shall retire at the conclusion of the third Annual General Meeting following his appointment provided however that on expiration of his term he shall be deemed a retiring Director and eligible for re-appointment.”;
- (q) Amending Article 87 as follows:
 - (i) Deleting the words from “The Directors to retire” to “be determined by lot.” (inclusive) in the first to seventh lines; and
 - (ii) Deleting the existing marginal note and substituting therefor a new marginal note “Retiring Director eligible for re-election”;
- (r) Amending Article 89 as follows:
 - (i) Deleting the words from “unless a resolution” to “shall be void” (inclusive) in the second to fifth lines of Article 89; and
 - (ii) Deleting the existing marginal note and substituting therefor a new marginal note “Separate resolutions required for appointments of Directors”;
- (s) Deleting the words from “and any person” to “last elected a Director” (inclusive) in the seventh to tenth lines of Article 91;
- (t) Amending Article 92 as follows:
 - (i) Adding the words “as an additional Director” immediately after the words “so appointed by the Directors” in the sixth line;
 - (ii) Adding the words “and any person so appointed by the Directors to fill a casual vacancy shall hold office only until the next General Meeting and shall then be eligible for re-election” immediately after the words “eligible for re-election” in the seventh line; and

- (iii) Deleting the words “, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting” in the seventh to ninth lines;
- (u) Amending Article 98(A) as follows:
 - (i) Adding the words “, to his knowledge,” immediately after the word “who” in the first line;
 - (ii) Deleting the words “in any way, whether directly or indirectly,” in the first line;
 - (iii) Adding the words “or has an associate who is materially interested, in any way, whether directly or indirectly,” immediately after the words “materially interested” in the second line;
 - (iv) Adding the words “or the interest of his associate” immediately after the word “interest” in the fifth line;
 - (v) Adding the words “or any of his associates” immediately after the word “he” in the seventh line;
 - (vi) Adding the words “or its” immediately after the word “his” in the eleventh line; and
 - (vii) Deleting the existing marginal note and substituting therefor a new marginal note “Disclosure of interests of Director and associate”;
- (v) Deleting the words “The Stock Exchange of Hong Kong Limited” in Article 130(A) and substituting therefor the words “the Listing Rules”;
- (w) Amending Article 130(C) as follows:
 - (i) Deleting the words “any rules prescribed by The Stock Exchange of Hong Kong Limited from time to time” wherever they appear and substituting therefor the words “the Listing Rules”; and
 - (ii) Adding the words “or is deemed to have consented (if and to the extent such deemed consent is provided for by the Statutes and the Listing Rules)” immediately after the word “consented” in the third line;
- (x) Deleting the words “rules of The Stock Exchange of Hong Kong Limited” wherever they appear in Article 133 and substituting therefor the words “Listing Rules”;
- (y) Deleting the words “rules of The Stock Exchange of Hong Kong Limited” in Article 135 and substituting therefor the words “Listing Rules”; and
- (z) Deleting the words “rules of The Stock Exchange of Hong Kong Limited” in Article 137 and substituting therefor the words “Listing Rules”.

By Order of the Board
Christobelle Liao
Company Secretary
9 April 2009

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 joint holding.*
- 3. The register of members will be closed from 11 May to 13 May 2009, 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 4:30 p.m. on Friday, 8 May 2009.*
- 5. Subject to the passing of the necessary resolution at the forthcoming Annual General Meeting, the final dividend will be payable on or about 19 June 2009, to shareholders whose names appear on the register of members on 13 May 2009. Shareholders will be given the option to receive their dividend in the form of scrip rather than cash.*
- 6. The retiring Directors are Mr. Ronald J. McAulay, Dr. The Hon. Sir David K. P. Li, Mr. John A. H. Leigh, Mr. Nicholas T. J. Colfer and Mr. Neil J. Galloway. 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 document to the shareholders dated 9 April 2009.*
- 7. The Directors wish to state that the above proposed Special Resolution is to modernise various provisions of the Articles of Association and to reflect and comply with certain amendments to the Listing Rules in relation to corporate governance.*
- 8. The Memorandum and Articles of Association of the Company is written in English. The Chinese version of the Resolution on amendments of Articles of Association is a translation for reference only. Should there be any discrepancies, the English version shall prevail.*
- 9. The Chairman will demand a poll on each of the resolutions submitted at the Annual General Meeting. 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.*