



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)



This circular is important and requires your immediate attention

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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, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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General mandates to issue and repurchase shares

發行及購回股份的一般性授權

Re-election of retiring Directors

重選行將屆滿退任的董事

Notice of Annual General Meeting

股東週年大會通告

The notice convening the Annual General Meeting of the Company to be held at The Peninsula, Salisbury Road, Kowloon, Hong Kong on Friday, 3 May 2013 at 12:00 noon is set out on pages 10 to 12 of this circular. Shareholders are advised to read the notice and to complete and return the attached 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.

本公司將於2013年5月3日(星期五)正午12時假座香港九龍梳士巴利道半島酒店舉行股東週年大會，召開大會的通告載於本通函第22至24頁。務請各股東細閱通告並盡速按照所列印的指示填妥及交回隨附的代表委任表格，惟無論如何不得遲於大會舉行時間24小時前交回。

2 April 2013

2013年4月2日

Directors

Non-Executive Chairman

The Hon. Sir Michael Kadoorie

Non-Executive Deputy Chairman

Ian Duncan Boyce

Executive Directors

Managing Director

and Chief Executive Officer

Clement King Man Kwok

Chief Financial Officer

Neil John Galloway

Chief Operating Officer

Peter Camille Borer

Non-Executive Directors

Ronald James McAulay

William Elkin Mocatta

John Andrew Harry Leigh

Nicholas Timothy James Colfer

Independent Non-Executive Directors

Dr. the Hon. Sir David Kwok Po Li

Robert Warren Miller

Patrick Blackwell Paul

Pierre Roger Boppe

Dr. William Kwok Lun Fung

Dr. Rosanna Yick Ming Wong

Registered office

8th Floor, St. George's Building

2 Ice House Street

Central, Hong Kong

Dear Shareholders,

General mandates to issue and repurchase shares Re-election of retiring Directors Notice of Annual General Meeting

Introduction

The purpose of this circular is to provide you with information on the proposed resolutions relating to (i) the renewal of the general mandates to issue and repurchase shares; and (ii) the re-election of retiring Directors and to give you the notice and the proxy form for the annual general meeting to be held on 3 May 2013 (the "Annual General Meeting").

General mandate to issue and repurchase shares

At the annual general meeting of the Company held on 21 May 2012, 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 21 May 2012, 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 21 May 2012.

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 2013, unless renewed at that meeting. Resolutions will be proposed at the 2013 Annual General Meeting to renew the mandates to allot or issue new shares and repurchase shares.

Based on the 1,502,194,391 shares in issue as at 26 March 2013, being the latest practicable date prior to the printing of this circular (the "Latest Practicable Date") (and assuming that there is no change in respect of the issued share capital of the Company after the Latest Practicable Date and up to the passing of the relevant resolution), the Directors would be authorised under the general mandate to issue a maximum of 300,438,878 shares.

The Explanatory Statement required by the Listing Rules to be sent to shareholders in connection with the proposed general mandate for the repurchase of shares is set out in Appendix I to this circular.

Re-election of retiring Directors

In accordance with the Articles of Association of the Company, The Hon. Sir Michael Kadoorie, Mr. Ian D. Boyce, Mr. Peter C. Borer and Mr. Patrick B. Paul will retire at the conclusion of the Annual General Meeting. All the retiring Directors, being eligible, have agreed to offer themselves for re-election.

Dr. Rosanna Y.M. Wong was appointed as a Director by the Board on 1 February 2013. In accordance with the Company's Articles of Association, Dr. Wong shall hold office until the Annual General Meeting and being eligible, will offer herself for re-election.

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

Annual General Meeting

Notice of the Annual General Meeting to be held on 3 May 2013 is set out in this circular. A proxy form 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 proxy form and return it to the Company's registrar, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible, but in any case so as to arrive no later than 24 hours before the time of the meeting. Completion and return of the proxy form will not preclude a shareholder from attending and voting in person at the Annual General Meeting and at any adjournment thereof, should he or she so wish.

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

Recommendation

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

Yours faithfully,

The Hon. Sir Michael Kadoorie

Chairman

2 April 2013

Appendix I

Explanatory Statement

The following is the Explanatory Statement required to be sent to shareholders under Rule 10.06(1)(b) of the Listing Rules in connection with the proposed general mandate for repurchase of shares and also constitutes the Memorandum required under Section 49BA(3) of the Companies Ordinance. References in this Appendix to "Shares" mean ordinary share(s) of HK\$0.50 each in the capital of the Company:

- (a) It is proposed that up to 10% of the Shares of HK\$0.50 each of the Company in issue at the date of passing of the resolution to approve the general mandate may be repurchased. As at the Latest Practicable Date for determining such figures, the number of Shares of the Company in issue was 1,502,194,391. 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 150,219,439 Shares.
- (b) The Directors believe that the ability to repurchase Shares is in the interests of the Company and its shareholders. Repurchases may, depending on the circumstances, result in an increase in net assets and/or earnings per share. The Directors are seeking the grant of a general mandate to repurchase Shares to give the Company the flexibility to do so if and when appropriate. The timing and the number(s), the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.
- (c) It is envisaged that the funds required for any repurchase would be derived from the distributable profits of the Company being funds legally available for such repurchase in accordance with the Company's Articles of Association and the laws of Hong Kong.
- (d) There could be an adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in its most recent published audited accounts) in the event that the proposed Share repurchases were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the general mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.
- (e) There are no Directors or (to the best of the knowledge of the Directors, having made all reasonable enquiries) any associates (as defined in the Listing Rules) of Directors of the Company who have a present intention, in the event that the general mandate is granted by shareholders, to sell Shares to the Company.
- (f) The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the general mandate in accordance with the Listing Rules and the laws of Hong Kong.

(g) The Directors are not aware of any consequences which would arise under the Hong Kong Code on Takeovers and Mergers as a consequence of any purchases pursuant to the general mandate. As at the Latest Practicable Date, 57.88% 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, 64.31% 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\$)
2012		
March	11.60	10.24
April	10.72	9.58
May	10.60	9.52
June	10.52	9.27
July	10.52	9.80
August	10.02	9.26
September	9.46	8.80
October	10.34	9.00
November	11.46	10.00
December	11.24	10.66
2013		
January	13.46	10.90
February	13.70	12.72
1 March to 26 March	13.90	13.00

(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.

Appendix II

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 3 May 2013.

The Hon. Sir Michael Kadoorie

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

The Hon. Sir Michael Kadoorie, aged 71, 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 Hutchison Whampoa 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. Except as disclosed above, Sir Michael has not held any directorship in other listed companies in Hong Kong and overseas in the last three years.

Save as disclosed above, Sir Michael 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, Sir Michael was deemed (by virtue of the Securities and Futures Ordinance) to be interested in 789,051,161 shares in the Company. Of these, 171,906,575 shares were ultimately held by discretionary trusts, of which Sir Michael is one of the discretionary objects; 313,648,997 shares were ultimately held by a discretionary trust, of which Sir Michael is one of the beneficiaries and the founder; and 303,495,589 shares were ultimately held by a discretionary trust, of which Sir Michael is one of the beneficiaries and the founder.

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. The Company has no obligation to pay Sir Michael compensation when his appointment terminates.

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\$200,000 per annum, as authorised by shareholders at the 2008 annual general meeting. Sir Michael also receives a further fee of HK\$10,000 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 of the Company. 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. The above fees payable to Sir Michael were reviewed by the Remuneration Committee with reference to market benchmarks and taking into account his responsibilities and workload. Details are disclosed in the Remuneration Committee Report of the Company's 2012 Annual Report.

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.

Ian Duncan Boyce

Mr. Ian Duncan Boyce, aged 68, is the Non-Executive Deputy Chairman and the Chairman of Finance Committee as well as a member of Audit Committee, Remuneration Committee and Executive Committee of the Company. Mr. Boyce was appointed to the Board in 1999 and elected Deputy Chairman in May 2002; he is also Chairman of two subsidiaries of the Company. He is a Fellow of the Institute of Chartered Accountants in

England and Wales. Based in Hong Kong since 1984, Mr. Boyce was formerly Managing Director of Schroders Asia and had held executive positions with the S.G. Warburg Group. He is Non-Executive Chairman of Schroder Investment Management (Hong Kong) Limited, a Director of CLP Holdings Limited and Tai Ping Carpets International Limited, and Chairman of Sir Elly Kadoorie & Sons Limited, overseeing a number of the Kadoorie family interests in Hong Kong and overseas and, as such, is associated with the major shareholders of the Company. Except as disclosed above, Mr. Boyce has not held any directorship in other listed companies in Hong Kong and overseas in the last three years.

Save as disclosed above, Mr. Boyce does not have any relationship with any Director, member of senior management or substantial or controlling shareholder of the Company. As at the Latest Practicable Date, Mr. Boyce had personal interests in 222,810 shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

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

As a Non-Executive Director, Mr. Boyce does not have a service contract with the Company but he does have a letter of appointment detailing the terms of his appointment. He receives a Non-Executive Director's fee of HK\$200,000 per annum, as authorised by shareholders at the 2008 annual general meeting. Mr. Boyce also receives a further fee of HK\$120,000 per annum as a member of the Audit Committee; a fee of HK\$50,000 per annum as a member of the Remuneration Committee; and a fee of HK\$100,000 per annum as a member of the Executive Committee of the Company. 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. The above fees payable to Mr. Boyce were reviewed by the Remuneration Committee with reference to market benchmarks and taking into account his responsibilities and workload. Details are disclosed in the Remuneration Committee Report of the Company's 2012 Annual Report.

Save as disclosed above, there are no other matters relating to Mr. Boyce'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, aged 59, is the Chief Operating Officer of the Company. He was appointed to the Board as an Executive Director in April 2004. He has also been appointed as a member of the Group Management Committee of the Company and a Director of most of the Group 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 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, The Peninsula Hotels, in April 2004. Except as disclosed above, Mr. Borer has not held any directorship in other listed companies in Hong Kong and overseas in the last three years.

Mr. Borer does not have any relationship with any Director, member of senior management or substantial or controlling shareholder of the Company. As at the Latest Practicable Date, Mr. Borer had personal interests in 334,924 shares of 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 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\$7 million for the financial year ended 31 December 2012. 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 funds. Mr. Borer'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. Borer compensation equivalent to more than one year's emoluments when his appointment terminates. 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 2012 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, aged 65, is an Independent Non-Executive Director of the Company. He was appointed to the Board in February 2004 and is also the Chairman of the Audit Committee and Remuneration Committee. He is a Fellow of the Institute of Chartered Accountants in England and Wales. Mr. Paul 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. Except as disclosed above, Mr. Paul has not held any directorship in other listed companies in Hong Kong and 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. Notwithstanding his long-term service, given his extensive financial experience, the Nomination Committee and the Board are of the opinion that he continues to bring independent and objective perspectives to the Company's affairs and provides valuable insights and challenges to the management. The Nomination Committee and the Board, therefore, recommended him to be re-elected.

Mr. Paul 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, he did not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

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

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\$250,000 per annum, as authorised by shareholders at the 2011 annual general meeting. Mr. Paul also receives a further fee of HK\$175,000 per annum as the Chairman of the Audit Committee and HK\$60,000 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. The above fees payable to Mr. Paul were reviewed by the Remuneration Committee with reference to market benchmarks and taking into account his responsibilities and workload. Details are disclosed in the Remuneration Committee Report of the Company's 2012 Annual Report.

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, aged 60, is an Independent Non-Executive Director 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 and also a member of the Commission on Poverty of the Hong Kong Special Administrative Region. She is the Executive Director of The Hong Kong Federation of Youth Groups, a Non-Executive Director of The Hongkong and Shanghai Banking Corporation Limited and an Independent Non-Executive Director of Cheung Kong (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, Chairman of World Vision Hong Kong and a Global Advisor to Mars, Incorporated. She is a Court Member of The Hong Kong University of Science and Technology, a member of The Hong Kong University of Science and Technology Business School Advisory Council, and an elected Member of the Council and an

ex-officio Member of the Court of The University of Hong Kong. Except as disclosed above, Dr. Wong has not held any directorship in other listed companies in Hong Kong and 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 and the Company 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. Wong 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, she did not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Dr. Wong's appointment is subject to retirement at the forthcoming 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. The Company has no obligation to pay Dr. Wong compensation when her appointment terminates.

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\$250,000 per annum, as authorised by shareholders at the 2011 annual general meeting. The above fee payable to Dr. Wong was reviewed by the Remuneration Committee with reference to market benchmarks and taking into account her responsibilities and workload.

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.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of shareholders of The Hongkong and Shanghai Hotels, Limited (the "Company") will be held at The Peninsula, Salisbury Road, Kowloon, Hong Kong on Friday, 3 May 2013 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 2012.
2. To declare a final dividend.
3. To re-elect retiring Directors.
4. To re-appoint the auditor and authorise the Directors to fix their remuneration.

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

5. **"THAT:**
 - (a) subject to paragraph (c), a general mandate be unconditionally granted to the Directors of the Company to exercise during the Relevant Period all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements, options or warrants which would or might require the exercise of such powers;
 - (b) the mandate in paragraph (a) shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period;

- (c) the aggregate number of shares in the capital of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the mandate in paragraph (a), otherwise than pursuant to (i) a Rights Issue, or (ii) any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company, or (iii) any scrip dividend or similar arrangement pursuant to the Articles of Association of the Company from time to time, shall not exceed 20% of the aggregate number of shares in the capital of the Company in issue at the date of passing this Resolution and the said mandate shall be limited accordingly; and

- (d) for the purpose of this Resolution:

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

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

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

6. **"THAT:**

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

- (b) for the purpose of this Resolution:

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

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

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

By Order of the Board

Christobelle Liao

Company Secretary

2 April 2013

Notes:

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint not more than two proxies to attend and vote instead of him/her. A proxy need not be a member of the Company.
 2. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
 3. In order to be valid, the proxy form, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority must be deposited at the Company's registrar, Computershare Hong Kong Investor Service Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, at least 24 hours before the time appointed for holding the meeting.
 4. The Register of Members of the Company will be closed during the following periods:-
 - (i) from Tuesday, 30 April 2013 to Friday, 3 May 2013, both days inclusive, for the purpose of ascertaining shareholders' entitlement to attend and vote at the Annual General Meeting. In order to be entitled to attend and vote at the Annual General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's 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 4:30 p.m. on Monday, 29 April 2013.
 - (ii) from Thursday, 9 May 2013 to Monday, 13 May 2013, 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 for registration with the Company's registrar, Computershare Hong Kong Investor Services Limited for registration at the address as set out in sub-paragraph (i) above no later than 4:30 p.m. on Wednesday, 8 May 2013.
- 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 forthcoming Annual General Meeting, the final dividend will be payable on 20 May 2013, to shareholders whose names appear on the register of members on 13 May 2013.
 6. The retiring Directors are The Hon. Sir Michael Kadoorie, Mr. Ian D. Boyce, Mr. Peter C. Borer, Mr. Patrick B. Paul and Dr. Rosanna Y.M. Wong. All of the retiring Directors eligible for re-election, have agreed to put their names forward for re-election. Details of the Directors proposed to be re-elected at the Annual General Meeting are set out in Appendix II of the circular to the shareholders dated 2 April 2013.
 7. At the meeting, the Chairman will put each of the above resolutions to the vote by way of a poll in accordance with Article 58 of the Articles of Association of the Company. The results of the poll will be uploaded on the websites of the Company and the Stock Exchange after market closes on the day of Annual General Meeting.