



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

(Stock Code 股份代號 : 00045)

(Incorporated in Hong Kong with limited liability 於香港註冊成立的有限公司)

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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

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選舉新董事

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刪除組織章程大綱及修訂組織章程細則

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 Hong Kong, Salisbury Road, Kowloon, Hong Kong on Monday, 12 May 2014 at 12:00 noon is set out on pages 13 to 20 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2014年5月12日(星期一)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33至40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 2014

2014年4月2日



Cover painting projection: "Creation of a Masterpiece" – Renowned Hong Kong artist, Mr Lee Chi Ching, rendered The Peninsula Hong Kong's 85 years of glorious history in a 3,500mm x 800mm ink painting, with the assistance of the Hong Kong Arts Centre and Public Art Hong Kong.

封面藝術投射：《曠世傑作的誕生》— 香港著名畫家李志清先生於長3.5米、高0.8米的畫紙上繪出香港半島酒店85年的光輝歷史。投射匯演得香港藝術中心及香港公共藝術兩家藝術夥伴之協助。

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
Alan Philip Clark

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
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
Election of New Director
Revision of Directors' Fees
Deletion of the Memorandum of Association and
Amendments to the Articles of Association
Notice of Annual General Meeting

Introduction

The purpose of this circular is to provide you with information on the proposed resolutions relating to (i) the renewal of the general mandates to issue and repurchase shares; (ii) the re-election of retiring Directors; (iii) the election of new Director; (iv) the revision of Directors' fees; and (v) deletion of the provisions of the former Memorandum of Association and amendments to the Articles of Association; and to give you the notice and the proxy form for the annual general meeting to be held on 12 May 2014 (the "2014 Annual General Meeting").

General Mandates to Issue and Repurchase Shares

At the annual general meeting of the Company held on 3 May 2013, 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 as at 3 May 2013, 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 total number of shares of the Company in issue as at 3 May 2013.

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 2014 Annual General Meeting, unless renewed at that meeting. Resolutions will be proposed at the 2014 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 repurchase shares in accordance with the terms of those resolutions.

Based on the 1,502,194,391 shares in issue as at 26 March 2014, 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 300,438,878 shares, subject to adjustment in the case of any subdivision and consolidation of shares after the 2014 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 repurchase of shares is set out in Appendix I to this circular.

Re-election of Retiring Directors and Election of New Director

In accordance with the Articles of Association of the Company, Mr. Clement K.M. Kwok, Mr. William E. Mocatta, Mr. Pierre R. Boppe and Dr. William K.L. Fung will retire at the 2014 Annual General Meeting and being eligible, have agreed to offer themselves for re-election.

Mr. Alan P. Clark, following the appointment to the Board as Executive Director of the Company on 30 March 2014, shall hold office until the next general meeting. He will retire at the 2014 Annual General Meeting in accordance with the Company's Articles of Association and being eligible, will offer himself for re-election.

Mr. Ian D. Boyce will resign as Non-Executive Director and Deputy Chairman of the Company with effect from the close of the 2014 Annual General Meeting. Mr. Boyce has been a Director of the Company for over 14 years and has decided to retire and live overseas. The Board has approved the recommendation of Nomination Committee to propose Mr. Andrew C.W. Brandler to be elected as Non-Executive Director of the Company at the 2014 Annual General Meeting. If elected, he will be a Non-Executive Director and appointed as Deputy Chairman of the Company.

Biographical details of the Directors proposed to be re-elected and elected at the 2014 Annual General Meeting are set out in Appendix II to this circular.

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 current fees payable to NEDs were approved by the shareholders on 7 May 2008 at HK\$200,000 each per annum and to INEDs on 16 May 2011 at HK\$250,000 each per annum and there has been no increase to the fees since that time. Under the proposal, the fees of the NEDs and INEDs are to be respectively fixed at HK\$250,000 and HK\$300,000 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. Resolutions will accordingly be proposed at the 2014 Annual General Meeting to approve the ordinary remuneration of the NEDs and INEDs be respectively fixed at HK\$250,000 and HK\$300,000 each per annum with effect from 12 May 2014. These fees will be payable to NEDs and INEDs on a pro rata basis for the financial year ending 31 December 2014.

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 2014 Annual General Meeting.

Board Committees' Fees

The purpose of this circular is also to report to you that the annual review of Directors' fees has also included a review of the fees payable to Board Committee members and the Board has also approved a revision to the fees payable to the Chairmen and members of the Nomination and Remuneration Committees given their responsibilities, and workload and time commitment required. The current fees payable to the Chairman and members of the Nomination Committee is HK\$10,000 each per annum, and the current fees payable to the Chairman and members of the Remuneration Committee are HK\$60,000 and HK\$50,000 each per annum respectively.

Under the Articles of Association of the Company, the Board can fix such remuneration of Directors who serve on Board Committees which are not subject to shareholders' approval. The Board approved on 17 March 2014 that the remuneration of the Chairman and members of Nomination Committee will be increased to HK\$20,000 each per annum, and the remuneration of the Chairman and members of the Remuneration Committee will be respectively increased to HK\$85,000 and HK\$60,000 each per annum with effect from 12 May 2014. These fees will be payable to them on a pro rata basis for the financial year ending 31 December 2014.

The Chairman and members of the Executive Committee will continue to receive a fixed fee of HK\$100,000 each per annum while the Chairman and members of the Audit Committee will respectively continue to receive a fixed fee of HK\$175,000 and HK\$120,000 each per annum for serving on the respective Committees.

Deletion of the Memorandum of Association and Amendments to the Articles of Association

The Board proposes to delete the provisions of the former Memorandum of Association and amend the Articles of Association (each article being an "Article"). The changes are proposed in response to the commencement of the new Companies Ordinance and to address other ancillary matters. The amendments proposed can be broadly summarised as follows:

- (a) the provisions in the Company's former Memorandum of Association are to be deleted entirely and certain provisions of those are to be included in the Articles of Association to reflect the requirements of the new Companies Ordinance;
- (b) to take into account the abolition of the par value regime and the removal of notions such as authorised capital, capital redemption account and share premium account under the new Companies Ordinance, amendments are to be made to various Articles;
- (c) Articles concerning the increase or reduction of share capital are to be amended to reflect the provisions on alteration of share capital and reduction of share capital in the new Companies Ordinance;
- (d) Article 35 is to be amended such that if the Directors refuse to register a share transfer, they must provide reasons to the relevant transferor or transferee on request made pursuant to the new Companies Ordinance;
- (e) Articles relating to stock of the Company are to be removed, as the Company has not issued any stock and the new Companies Ordinance prohibits conversion of shares into stock;
- (f) Article 58 is to be amended to reflect the reduced threshold requirement for members to demand a poll under the new Companies Ordinance;
- (g) requirements on holding annual general meetings and notice for general meetings are to be amended to reflect the related provisions in the new Companies Ordinance;
- (h) Article 68 is to be amended to allow a number of proxies to be appointed by a member to attend and vote at general meetings;

- (i) Article 98(A) is to be amended to align with the manner for directors to disclose their interests under the new Companies Ordinance and Article 98(C)(iv) is to be deleted for consistency with rule 13.44 of the Listing Rules, which effectively removed the 5% materiality threshold;
- (j) Articles relating to the sealing of documents and the securities seal are to be amended following changes to the sealing requirements under the new Companies Ordinance and the prevailing practice on sealing;
- (k) Articles relating to notices and communications from the Company are to be amended to provide for various changes under the new Companies Ordinance;
- (l) Article 142, which provides the Company with the right to indemnify its directors, officers and auditors, is to be amended and split into separate articles for the sake of clarity and to reflect the related provisions in the new Companies Ordinance;
- (m) certain references in the Articles are to be amended to reflect the terminology used in the new Companies Ordinance; and
- (n) other ancillary and housekeeping amendments to the Articles of Association are also proposed.

Our legal advisers, Deacons, have confirmed that the proposed deletion of the provisions of the former Memorandum of Association and the proposed amendments to Articles of Association of the Company 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.

Annual General Meeting

Notice of the Annual General Meeting to be held on 12 May 2014 is set out in this circular. A proxy form for use at the 2014 Annual General Meeting is attached. Whether or not you intend to attend the 2014 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 2014 Annual General Meeting and at any adjournment thereof, should he or she so wish.

At the 2014 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 posted on the websites of the Company and the Stock Exchange after market closes on the day of the 2014 Annual General Meeting.

Recommendation

The Directors consider that the proposed general mandates to issue and repurchase shares of the Company, the re-election of retiring Directors, the election of new Director, the revision of Directors' fees and deletion of the Memorandum of Association and amendments to the 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

2 April 2014

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 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 repurchased (subject to adjustment in the case of any subdivision and consolidation of Shares after the annual general meeting of the Company to be held on 12 May 2014). As at the Latest Practicable Date for determining such figures, the total 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 or issued after the Latest Practicable Date and up to the date of passing such resolution) the Directors would be authorised to repurchase Shares up to a limit of 150,219,439 Shares, subject to adjustment in the case of any subdivision and consolidation of Shares after the annual general meeting of the Company to be held on 12 May 2014.
- (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 financial statements) 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 Code on Takeovers and Mergers as a consequence of any purchases pursuant to the general mandate. As at the Latest Practicable Date, approximately 57.97% of the total number of Shares in issue was held by controlling shareholders and, assuming full exercise of the repurchase mandate given to the Directors, approximately 64.41% 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 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\$)
2013		
March	13.90	13.00
April	13.58	12.22
May	14.20	12.52
June	13.78	12.40
July	12.76	11.66
August	12.28	11.10
September	12.36	11.34
October	13.06	11.68
November	12.26	11.30
December	11.52	10.38
2014		
January	11.14	10.38
February	11.02	10.46
1 March to 26 March	10.72	10.08

(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 and the Proposed New Director

The following are the particulars of the Directors proposed to be re-elected and the proposed new Director at the 2014 Annual General Meeting.

Clement King Man Kwok

Mr. Clement King Man Kwok, aged 54, is an Executive Director of the Company. He was appointed to the Board as Managing Director and Chief Executive Officer in February 2002. Mr. Kwok is a member of the Executive Committee and Finance Committee as well as a Director in most of the Group entities. He is a Bachelor of Science in Economics from the London School of Economics and a Member of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants. His career began with Price Waterhouse and Barclays de Zoete Wedd in the United Kingdom, following which he returned to Hong Kong in 1986 to work with Schroders Asia. From 1996 to 2002, Mr. Kwok served as Finance Director of MTR Corporation. He is an Independent Non-Executive Director of Swire Pacific Limited, a Fellow of The Hong Kong Management Association, a Council Member of the World Travel & Tourism Council, and serves on the Board of the Faculty of Business and Economics of The University of Hong Kong. Except as disclosed above, Mr. Kwok has not held any directorships in any listed companies in Hong Kong or overseas in the last three years.

Mr. Kwok 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. Kwok had personal interests in 668,448 shares in the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Kwok has an existing service contract with the Company and is subject to retirement at the conclusion of the third annual general meeting following his appointment and to re-election at the annual general meetings in accordance with the Articles of Association of the Company. The total amount of his emoluments,

inclusive of basic salary, various allowances, 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\$13.3 million for the financial year ended 31 December 2013. Mr. Kwok is eligible to join the Company's 1994 Retirement Plan and the Company contributes a percentage of his basic salary to the retirement fund. Mr. Kwok's service contract does not have a specified term. The Company has no obligation to give notice of more than one year or to pay Mr. Kwok compensation equivalent to more than one year's emoluments when his appointment terminates. The amount of the emoluments payable to Mr. Kwok under his service contract was reviewed by the Remuneration Committee with reference to market benchmarks, his qualifications and experience. Details are disclosed in the Remuneration Committee Report of the Company's 2013 Annual Report.

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

William Elkin Mocatta

Mr. William Elkin Mocatta, aged 61, is a Non-Executive Director of the Company. He was appointed to the Board in 1985 and served as Deputy Chairman from 1993 until May 2002. He is also a Director of several subsidiaries of the Company. Mr. Mocatta is a Fellow of the Institute of Chartered Accountants in England and Wales. He is an Executive Director of Sir Elly Kadoorie & Sons Limited, overseeing a number of Kadoorie family interests in Hong Kong and overseas and, as such, is associated with the major shareholders of the Company. He holds other non-executive positions including Vice Chairman of CLP Holdings Limited and Chairman of CLP Power Hong Kong Limited. He is also an Alternate Director for The Hon. Sir Michael Kadoorie in Hutchison Whampoa Limited. Except as disclosed above, Mr. Mocatta has not held any directorships in any listed companies in Hong Kong or overseas in the last three years.

Save as disclosed above, Mr. Mocatta 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, Mr. Mocatta had personal interests in 17,000 shares in the Company within the meaning of Part XV of the Securities and Futures Ordinance.

As a Non-Executive Director, Mr. Mocatta does not have a service contract with the Company but he does have a letter of appointment detailing the terms of his appointment. He receives a Non-Executive Director's fee of HK\$200,000 per annum, as authorised by shareholders at the 2008 annual general meeting. Subject to the approval by shareholders at the 2014 Annual General Meeting, the Non-Executive Directors' fees will be fixed at HK\$250,000 each per annum and will take effect from 12 May 2014 and be payable to Non-Executive Directors on a pro rata basis for the financial year ending 31 December 2014. The above fee payable to Mr. Mocatta 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 2013 Annual Report. The Company has no obligation to pay Mr. Mocatta compensation when his appointment terminates.

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

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

Pierre Roger Boppe

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

Mr. Pierre Roger Boppe, aged 66, is an Independent Non-Executive Director of the Company. He was Managing Director and Chief Executive Officer of the Group from 1996 until January 2002 and was re-designated from a Non-Executive Director to an Independent Non-Executive Director in June 2009. A Master of Science from both the Swiss Federal Institute of Technology and Stanford University, Mr. Boppe has held various executive positions with the international quality control company SGS. Upon his return to Europe, Mr. Boppe continues to be active in the hotel and travel industries and is also involved in microfinance. Save for his directorship in the Company, Mr. Boppe has not held any directorships in any listed companies in Hong Kong or overseas in the last three years.

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

Mr. Boppe 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. Boppe had personal interests in 150,000 shares in the Company within the meaning of Part XV of the Securities and Futures Ordinance.

As an Independent Non-Executive Director, Mr. Boppe does not have a service contract with the Company but he does have a letter of appointment detailing the terms of his appointment. He receives an Independent Non-Executive Director's fee of HK\$250,000 per annum, as authorised by shareholders at the 2011 annual general meeting. Subject to the approval by shareholders at the 2014 Annual General Meeting, the Independent Non-Executive Directors' fees will be fixed at HK\$300,000

each per annum and will take effect from 12 May 2014 and be payable to Independent Non-Executive Directors on a pro rata basis for the financial year ending 31 December 2014. The above fee payable to Mr. Boppe 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 2013 Annual Report. The Company has no obligation to pay Mr. Boppe compensation when his appointment terminates.

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

Save as disclosed above, there are no other matters relating to Mr. Boppe'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. William Kwok Lun Fung

SBS, OBE, JP

Dr. William Kwok Lun Fung, age 65, is an Independent Non-Executive Director and a member of Audit Committee and Nomination Committee of the Company. He was appointed to the Board in January 2011. Dr. Fung 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 with 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 Chairman of Li & Fung Limited and also serves as a Non-Executive Director of other Li & Fung Group companies including Convenience Retail Asia Limited and Trinity Limited. He is a Director of the Fung Global Institute,

an independent and non-profit think-tank. 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 is a past Chairman of the Hong Kong General Chamber of Commerce, the Hong Kong Exporters' Association and Hong Kong Committee for the Pacific Economic Cooperation Council. Except as disclosed above, Dr. Fung has not held any directorships in any listed companies in Hong Kong or overseas in the last three years.

Dr. Fung has met the independence guidelines set out in rule 3.13 of the Listing Rules and has submitted to the Stock Exchange a written confirmation concerning his independence to the Company. He has also given an annual confirmation of his independence to the Company. The Nomination Committee and the Board, therefore, considered him to be independent and recommended him to be re-elected.

Dr. Fung 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. Fung 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. Fung does not have a service contract with the Company but he does have a letter of appointment detailing the terms of his appointment. He receives an Independent Non-Executive Director's fee of HK\$250,000 per annum, as authorised by shareholders at the 2011 annual general meeting. Subject to the approval by shareholders at the 2014 Annual General Meeting, the Independent Non-Executive Directors' fees will be fixed at HK\$300,000 each per annum. Dr. Fung also receives a further fee of HK\$120,000 per annum as a member of the Audit Committee and HK\$10,000 per annum as a member of Nomination 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 17 March 2014, members of the Nomination Committee will receive a revised fee of HK\$20,000 each per annum for serving on the Committee. The revised fees will take effect from 12 May 2014 and be payable to Dr. Fung on a pro rata basis for the financial year ending 31 December 2014. Each of the fees payable to Dr. Fung as an Independent Non-Executive Director were 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 2013 Annual Report. The Company has no obligation to pay Dr. Fung compensation when his appointment terminates.

Dr. Fung'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 Dr. Fung'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.

Alan Philip Clark

Mr. Alan Philip Clark, aged 46, 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 30 March 2014. Mr. Clark will be appointed as a Director in most of the Group entities. He holds a Bachelor of Accounting Science from the University of South Africa and is a Member of the Chartered Institute of Management Accountants in the United Kingdom. Mr. Clark began his career with KPMG in South Africa in 1985. He previously worked for Le Meridien Hotels & Resorts as Deputy

Vice President Finance, Europe and for Malmaison & Hotel du Vin Hotels as Group Financial Controller, and then Financial Director. Since 2010 and prior to joining the Group, Mr. Clark served as Group Finance Director of Rocco Forte Hotels. Save for his directorship in the Company, Mr. Clark has not held any directorships in any listed companies in Hong Kong or overseas in the last three years.

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

Mr. Clark has an existing service contract with the Company and will retire at the 2014 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 2014 Annual General Meeting, he is subject to retirement and re-election at the conclusion of the third annual general meeting of the Company following the 2014 Annual General Meeting in accordance with the Articles of Association of the Company. Mr. Clark is entitled to an annual base compensation of HK\$3.6 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. Clark's service contract does not have a specified term. The Company has no obligation to give notice of more than one year or to pay Mr. Clark compensation equivalent to more than one year's emoluments when his appointment terminates. The amount of the emoluments payable to Mr. Clark 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. Clark'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.

Andrew Clifford Winawer Brandler

Mr. Andrew Clifford Winawer Brandler, aged 57, is proposed to be elected as a Non-Executive Director at the 2014 Annual General Meeting. He will also be appointed as Deputy Chairman, Chairman of Finance Committee, and a member of Executive, Audit and Remuneration Committees if he is elected at the 2014 Annual General Meeting. He holds BA and MA degrees from the University of Cambridge, an MBA degree from Harvard Business School, and is a Member of the Institute of Chartered Accountants in England and Wales. From May 2000 to September 2013, Mr. Brandler was the Group Managing Director and Chief Executive Officer of CLP Holdings Limited. Mr. Brandler was an Executive Director of CLP Holdings Limited until 31 March 2014. On 1 April 2014, he joined Sir Elly Kadoorie & Sons Limited as Director although he continues to serve as a Non-Executive Director of CLP Holdings Limited. Prior to joining CLP Holdings Limited in May 2000, Mr. Brandler worked for Schroders, a U.K. investment bank, based in London, in Singapore and latterly in Hong Kong, where his last position was Head of Asia-Pacific Corporate Finance. He was the Chairman of The Hong Kong General Chamber of Commerce between 2008 and 2010. He is a member of the Operations Review Committee of the Independent Commission Against Corruption of the Government of the Hong Kong Special Administrative Region. Except as disclosed above, Mr. Brandler has not held any directorships in any listed companies in Hong Kong or overseas in the last three years.

Save as disclosed above, Mr. Brandler 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, Mr. Brandler did not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

As a Non-Executive Director, if elected, Mr. Brandler will not have a service contract with the Company but he will have a letter of appointment detailing the terms of his appointment. He will receive a Non-Executive Director's fee of HK\$250,000 per annum subject to the approval by shareholders at the 2014 Annual General Meeting. Mr. Brandler will also receive a further fee of HK\$100,000 per annum as a member of Executive Committee, HK\$120,000 per annum as a member of the Audit Committee and HK\$60,000 per annum as a member 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 fees payable to Mr. Brandler as a Non-Executive Director were reviewed by the Remuneration Committee with reference to market benchmarks and taking into account the relevant responsibilities and workload. The Company has no obligation to pay Mr. Brandler compensation when his appointment terminates.

Mr. Brandler'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. Brandler's 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 Hong Kong, Salisbury Road, Kowloon, Hong Kong on Monday, 12 May 2014 (the "2014 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 2013.
2. To declare a final dividend.
3. To re-elect retiring Directors and to elect new Director.
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 of 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 and options 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 2014 Annual General Meeting) 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 repurchase 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 repurchased 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 2014 Annual General Meeting); 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 repurchased 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\$250,000 each per annum and HK\$300,000 each per annum with effect from 12 May 2014."

and to consider and, if thought fit, pass with or without modification the following as a special resolution:

9. **"THAT** all of the provisions in the Memorandum of Association of the Company, which have been deemed to be provisions in the Articles of Association by the Companies Ordinance (Cap. 622 of the Laws of Hong Kong), be deleted and the Articles of Association of the Company be amended as follows:

(a) Article 1 be amended only:

– by deleting it and replacing it with the following:

- '1. (A) The name of the Company is "THE HONGKONG AND SHANGHAI HOTELS, LIMITED 香港上海大酒店有限公司".
- (B) The Registered Office of the Company will be situate in Hong Kong.
- (C) The liability of the members is limited.
- (D) The liability of the members is limited to any amount unpaid on the shares held by the members.
- (E) The initial subscribers of the shares in the capital of the Company were as follows:

Names, Addresses and Descriptions of Subscribers	Number of shares taken by each Subscriber
W. Nissen, of Hongkong, Merchant	Twenty-five
H. Kaiser, Banker, Hongkong	Twenty-five
M. Bosman, Merchant, Hongkong	Fifty
G. Overbeck, Merchant, Hongkong	Fifty
Benj. T. Kindersley, Merchant, Hongkong	Ten
N. J. Ede, Merchant, Hongkong	Ten
J. I. Murray, M.D., Hongkong	Ten
Total shares taken	One hundred and eighty

(F) No regulations set out in any schedule to a notice made under any ordinance concerning companies shall apply as regulations or articles of the Company and the Model Articles in section 2 of the Companies (Model Articles) Notice (L.N.77 of 2013) shall not apply to the Company.';

– by inserting next to Article 1.(A) the marginal note 'Former provisions in the Memorandum of Association';

- by deleting the marginal note 'Table A not to apply' next to the current Article 1 and replacing it with 'Other regulations and Model Articles not to apply';
- (b) Article 2 be amended only by:
- inserting the following new definition immediately after the definition of "associate":
' "Companies Ordinance" the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).';
 - deleting the words '73A of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)' and replacing them with the words '126 of the Companies Ordinance', within the definition of "Securities Seal";
 - deleting the definition of "the Statutes" and replacing it with the following:
' "the Statutes" the Companies Ordinance as amended from time to time and every other ordinance for the time being in force concerning companies and affecting the Company.';
 - deleting the sentence 'All such of the provisions of these Articles as are applicable to paid-up shares shall apply to stock, and the words "share" and "shareholder" shall be construed accordingly.';
- (c) Article 3 be amended by deleting the words 'nominal value of the' whenever used in that Article and replacing them with the words 'the aggregate number of';
- (d) Article 5 be amended by deleting it and replacing it with the following:
- '5. The Company may from time to time by Ordinary Resolution increase its share capital by allotting and issuing new shares or without allotting and issuing new shares if the funds or other assets for the increase are provided by the members of the Company. All new shares shall be subject to the provisions of the Statutes and of these Articles with reference to allotment and issue, payment of calls, lien, transfer, transmission, forfeiture and otherwise.';
- (e) Article 6 be amended only by:
- deleting it and replacing it with the following:
'6. The Company may by Ordinary Resolution:-
- (a) allot and issue bonus shares with or without increasing its share capital;
 - (b) convert all or any of its shares into a larger or smaller number of shares;
 - (c) cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person and diminish the amount of its capital by the amount of the shares so cancelled, or which have been forfeited.';
- by deleting the marginal note 'Consolidation, division, subdivision and cancellation of shares' next to Article 6 and replacing it with 'Other alteration of share capital';
- (f) Article 7 be amended by deleting it and replacing it with the following:
- '7. The Company may by Special Resolution reduce its share capital in any manner permitted by the Companies Ordinance.';
- (g) Article 9 be amended by deleting it and replacing it with the following:
- '9. Subject to the provisions of the Statutes relating to authority, pre-emption rights and otherwise and of any relevant resolution of the Company and the Listing Rules, the Directors may allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of shares to such persons, at such times and on such terms as they think proper.';
- (h) Article 15 be amended by replacing the word 'for' with the word 'to' before the following wording at the end of the Article:
- 'one or several certificates within the period as may from time to time be permitted under the Listing Rules and the Statutes after the allotment or lodgement of a transfer.';

- (i) Article 18 be amended by deleting the words '(whether on account of the nominal value of the shares or by way of premium)';
- (j) Article 20 be amended by deleting the words '(whether on account of the nominal value of the share or by way of premium)';
- (k) Article 23 be amended by deleting the words '(whether on account of the nominal value of the shares or by way of premium)';
- (l) Article 25 be amended by deleting the word 'seven' and replacing it with the word 'fourteen';
- (m) Article 35 be amended by deleting the words 'and without assigning any reason therefor' in the first sentence;
- (n) Articles 44, 45 and 46 and the marginal notes next to those articles be deleted entirely;
- (o) Article 47 be amended by deleting it and replacing it with the following:

'47. An Annual General Meeting shall be held once in every year, at such time (within six months after the end of the preceding financial year) and place as may be determined by the Directors. All other general meetings shall be called Extraordinary General Meetings.';
- (p) Article 49 be amended by deleting it and replacing it with the following:

'49. An Annual General Meeting shall be called by twenty-one days' notice in writing at the least and any Extraordinary General Meeting by fourteen days' notice in writing at the least, and where relevant such other longer minimum notice period as may be specified under the Listing Rules. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the meeting is to be held and shall be given in manner hereinafter mentioned to all members entitled to attend and vote at the meeting, provided that:-

 - (a) a general meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:
 - (i) in the case of a meeting called as the Annual General Meeting, by all the members entitled to attend and vote thereat; and
 - (ii) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting being a majority together holding not less than ninety-five per cent. of the total voting rights at the meeting of all the members; and
 - (b) the accidental omission to give notice of a general meeting to or the non-receipt of notice of a general meeting by any person entitled thereto shall not invalidate the proceedings at that general meeting.';
- (q) Article 50 be amended only by deleting paragraph (A) and replacing that paragraph with the following:

'50. (A) Every notice calling a general meeting shall specify the place (and if the meeting is to be held in two or more places using any technology that enables the members who are not together at the same place to listen, speak and vote at the meeting, the principal place of the meeting and the other place or places of the meeting) and the day and time of the meeting, and there shall appear with reasonable prominence in every such notice a statement that a member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and, on a poll, vote instead of him and that a proxy need not be a member of the Company.';
- (r) Article 51 be amended by deleting the word 'accounts', wherever used in that Article, and replacing it with the words 'financial statements';
- (s) Article 58 be amended by replacing the word 'three' with the word 'two' in paragraph (ii) and by replacing the words 'one-tenth' with the words 'one-twentieth' in paragraphs (iii) and (iv) respectively;

- (t) Article 68 be amended by deleting it and replacing it with the following:
- '68. A member may in respect of any shares held by him attend by one or more proxies any general meeting which he is entitled to attend in person and, on a poll but not otherwise, vote by proxy on any resolution at any such meeting on which he would, if present in person, otherwise be entitled to vote in respect of such shares. A proxy need not be a member of the Company.';
- (u) Article 98 be amended only by the following:
- deleting paragraph (A) and replacing it with the following:
- '98. (A) A Director who, to his knowledge, is materially interested or has an associate who is materially interested, in any way, whether directly or indirectly, in a contract, arrangement or transaction or proposed contract, arrangement or transaction with the Company and which is of significance in relation to the Company's business shall declare the nature and extent of his interest or the interest of his associate at the earliest meeting of the Directors at which it is practicable for him to do so, in accordance with the Statutes. A general notice to the Directors by a Director stating that, by reason of facts specified in the notice, he or any of his associates is to be regarded as interested in contracts, arrangements or transactions or proposed contracts, arrangements or transactions of any description which may subsequently be made or contemplated by the Company shall be deemed for the purposes of this Article to be a sufficient declaration of his or its interest, so far as attributable to those facts, in relation to any contract, arrangement or transaction or proposed contract, arrangement or transaction of that description which may subsequently be made or contemplated by the Company, but no such general notice shall have effect in relation to any contract, arrangement or transaction unless it is given in writing and sent to the Company at least twenty-one days before the date on which the question of entering into the same is first taken into consideration at a meeting of the Directors, or given at such meeting of Directors.' ;
- deleting paragraph (C)(iv) only;
- (v) Article 112 be amended only by the following:
- inserting at the end of paragraph (A) the words 'Notwithstanding any other provision of these Articles, a document which requires execution under seal may be executed by the Company, without affixing the Seal thereto, by two Directors on behalf of the Company or by a Director and the Secretary and the Company may execute a document as a deed by executing it in such manner, with the document expressed to be executed and delivered by the Company as a deed.';
 - deleting paragraph (D) and replacing it with the following:
- '(D) Any Securities Seal shall only be used for sealing securities issued by the Company and documents creating or evidencing securities so issued. The Securities Seal shall be affixed by impressing that seal by mechanical means, or, if authorised by the Directors by resolution, by printing that seal or a facsimile of it, on the securities or document creating or evidencing the securities. Any such securities or documents sealed with the Securities Seal shall not require to be signed.';
- (w) Article 114 be amended by deleting the word 'accounts', wherever used in that Article, and replacing it with the words 'financial statements';
- (x) Article 120 be amended only by the following:
- deleting at the end of paragraph (A) the words '(and provided that an adequate number of unissued shares are available for the purpose)';
 - deleting paragraph (A)(i)(d) and replacing it with the following:
- '(d) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable on shares in respect of which the share election has been duly exercised ("the elected shares") and in lieu thereof additional shares shall be allotted credited as fully paid to the holders of the elected shares on the basis of allotment determined as aforesaid and for such purpose the Directors shall capitalise

- and apply out of any sum standing to the credit of any of the Company's reserve accounts or to the credit of the statement of comprehensive income or any sum otherwise available for distribution and not required for paying the fixed dividends on any shares entitled to fixed preferential dividends with or without further participation in profits as the Directors may determine a sum equal to the aggregate value of shares to be allotted on such basis and apply the same in paying up in full the appropriate number of new shares for allotment and distribution to and amongst the holders of the elected shares on such basis; or';
- deleting paragraph (A)(ii)(b) and replacing it with the following:
 - (b) such dividend (or the relevant part thereof as aforesaid) shall not be payable on shares in respect of which the cash election has not been duly exercised ("the non-elected shares") and in lieu thereof shares shall be allotted credited as fully paid to the holders of the non-elected shares on the basis of allotment determined as aforesaid and for such purpose the Directors shall capitalise and apply out of any sum standing to the credit of any of the Company's reserve accounts or to the credit of the statement of comprehensive income or any sum otherwise available for distribution and not required for paying the fixed dividends on any shares entitled to fixed preferential dividends with or without further participation in profits as the Directors may determine a sum equal to the aggregate value of shares to be allotted on such basis and apply the same in paying up in full the appropriate number of new shares for allotment and distribution to and amongst the holders of the non-elected shares on such basis.';
 - (y) Article 128 be amended by deleting it and replacing it with the following:

'128. The Directors may, with the sanction of an Ordinary Resolution of the Company, capitalise any sum standing to the credit of any of the Company's reserve accounts (including any undistributable reserve) or any sum standing to the credit of the statement of comprehensive income, with or without allotting and issuing new shares, by appropriating such sum to the holders of Ordinary Shares on the Register of Members at the close of business on the date of the relevant Ordinary Resolution (or such other date as may be specified therein or determined as therein provided) in the proportions in which such sum would have been divisible amongst them had the same been a distribution of profits by way of dividend on the Ordinary Shares, provided that any sum standing to the credit of any reserve of the Company may, for the purposes of this Article, only be applied in accordance with the Statutes. The Directors may do all acts and things considered necessary or expedient to give effect to any such capitalisation, with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the members concerned). The Directors may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for any such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned. For the purposes of this Article, where all the shares in issue or agreed to be issued are shares of a single class, they shall be considered Ordinary Shares.';
 - (z) Article 130 and the marginal notes next to that article be amended by deleting the words 'relevant financial', wherever used in the Article, and replacing them with the word 'reporting';
 - (aa) Article 133 be amended only by:
 - deleting paragraph (v) and replacing it with the following:

'by transmitting it by electronic means (other than by making it available on the Company's website) to the entitled person at such electronic address as he may have provided; or'

- deleting paragraph (vi) and replacing it with the following:

'by making it available on a computer network (including the Company's website).';

- (bb) Article 134 be amended by inserting at the end of the paragraph the following:

'A specification or an agreement of one of the joint holders in respect of notices or communications from the Company shall be taken as a specification or an agreement of all the joint holders.';

- (cc) Article 135 be amended only by:

- deleting the word 'served', wherever used in paragraph (i), (ii) and (iii) and the marginal note of that Article, and replacing it with the word 'received';
- deleting paragraph (iv) of that Article and replacing it with the following:

'(iv) if sent by electronic means (other than being made available on the Company's website), shall be deemed to have been received at the time when the notice or document was sent; and';

- deleting paragraph (v) of that Article and replacing it with the following:

'(v) if made available on the Company's computer network (including the Company's website), shall be deemed to have been received by a person at the time that such person was notified by the Company of such notice or document having been made available on the Company's computer network (or the Company's website, as the case may be).';

- (dd) Article 142 be amended by deleting it and replacing it with the following:

'142. Subject to the provisions of and so far as may be consistent with the Statutes, every Director, Secretary or other officer of the Company or a related company may be indemnified by the Company against any claims, costs, charges, losses and expenses

arising from liability incurred by him in the execution and/or discharge of his duties and/or the exercise of his powers and/or otherwise in connection with his duties, powers or office as a Director, Secretary or an officer (as the case may be) to a person other than the Company or a related company in connection with any negligence, default, breach of duty or breach of trust. Such indemnity may extend to liabilities arising after a person ceases to be a Director, Secretary or officer of the Company or a related company (as the case may be) but only in respect of acts or omissions having taken place while he was acting in such capacity. Nothing in this Article 142 shall permit the Company to indemnify any Director, Secretary or other officer of the Company or a related company against:-

- (a) any liability to pay a fine imposed in criminal proceedings, or a sum payable by way of a penalty in respect of non-compliance with any requirement of a regulatory nature;
- (b) any liability in defending criminal proceedings in which he is convicted, or in defending civil proceedings brought by the Company, or a related company, in which judgment is given against the director;
- (c) any liability in defending civil proceedings brought on behalf of the Company by a member or a member of a related company, in which judgment is given against him, or in defending civil proceedings brought on behalf of a related company by a member of that related company or by a member of related company of that related company, in which judgment is given against him; or
- (d) in connection with an application for relief under the Statutes in which the Court refuses to grant him relief.';

- (ee) A new Article 143 with marginal note be inserted as follows:

'143. Every auditor of the Company may be indemnified against any liability incurred by the auditor:

Indemnity
to auditors

- (a) in defending any proceedings (whether civil or criminal) in which judgment is given in the auditor's favour or the auditor is acquitted; or
- (b) in connection with an application under section 903 or section 904 of the Companies Ordinance in which relief is granted to the auditor by the court.;

and

- (ff) Article 142A be and is deleted and a new Article 144 be inserted as follows:

'144. The Company may purchase and maintain for any Director, Secretary and officer and auditor of the Company:-

- (a) insurance against any liability to the Company, a related company or any other party in respect of any negligence, default, breach of duty or breach of trust (save for fraud) of which he may be guilty in relation to the Company or a related company; and
- (b) insurance against any liability incurred by him in defending any proceedings, whether civil or criminal, taken against him for any negligence, default, breach of duty or breach of trust (including fraud) of which he may be guilty in relation to the Company or a related company.

For the purpose of Articles 142 and 144, "related company" means any company that is the Company's subsidiary or holding company or a subsidiary of that holding company or a company, partnership or undertaking in which the Company has an equity interest.' "

By Order of the Board

Christobelle Liao

Company Secretary

Hong Kong, 2 April 2014

Notes:

1. A member entitled to attend, speak and vote at the 2014 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 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 2014 Annual General Meeting.
4. The Register of Members of the Company will be closed during the following periods:-
 - (i) from Thursday, 8 May 2014 to Monday, 12 May 2014, both days inclusive, for the purpose of ascertaining shareholders' entitlement to attend and vote at the 2014 Annual General Meeting. In order to be entitled to attend and vote at the 2014 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 Wednesday, 7 May 2014.
 - (ii) from Friday, 16 May 2014 to Tuesday, 20 May 2014, 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 Thursday, 15 May 2014.

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 2014 Annual General Meeting, the final dividend will be payable on 20 June 2014, to shareholders whose names appear on the register of members on 20 May 2014. Shareholders will be given the option to receive their dividend in the form of scrip rather than cash.
6. The retiring Directors are Mr. Clement K.M. Kwok, Mr. William E. Mocatta, Mr. Pierre R. Boppe, Dr. William K.L. Fung and Mr. Alan P. Clark will retire at the 2014 Annual General Meeting and being eligible, have agreed to offer themselves for re-election. The Board proposes that Mr. Andrew C.W. Brandler be elected as Non-Executive Director of the Company. Separate resolutions will be proposed for their re-election and election. Details of the Directors proposed to be re-elected and elected at the 2014 Annual General Meeting are set out in Appendix II of the circular to the shareholders dated 2 April 2014.
7. The Directors wish to state that the above proposed Special Resolution is to delete the provisions of the former Memorandum of Association and amend the Articles of Association. The changes are proposed in response to the commencement of the new Companies Ordinance and to address other ancillary matters.
8. The Articles of Association of the Company are written in English. The Chinese version of the Special Resolution on amendments of Articles of Association is a translation for reference only. Should there be any discrepancies, the English version shall prevail.
9. Detailed information on other business to be transacted at the 2014 Annual General Meeting is set out in the circular to the shareholders dated 2 April 2014.
10. At the 2014 Annual General 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 posted on the websites of the Company and the Stock Exchange after market closes on the day of the 2014 Annual General Meeting.