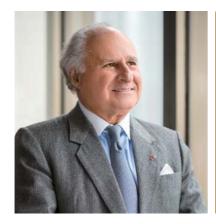
CHAIRMAN'S OVERVIEW



Our objective is to continually improve our governance practices and the effectiveness of the Board

Dear Shareholders,

As Chairman of the Board, I am committed to ensuring that HSH operates to the highest standards of corporate governance. Our governance framework, led by the Board, supports the culture of the Company and our values and principles of integrity, transparency and accountability which we believe are the basis of a successful and sustainable company. We carefully consider the interests of our shareholders and other stakeholders, and our goal is to operate within a well-established framework of policies, processes and management systems that ensure the long-term success of the Group.

Improving our Governance Practices

Our objective is to continually improve our governance practices and the effectiveness of the Board. In 2015 we continued to enhance our risk management and internal control systems, as well as our financial management and reporting. We increased the accountability and transparency of risk ownership and management, and strengthened our monitoring of the Group's principal and emerging risks.

In particular, during the year, we refined our risk management structure and processes, and reviewed new emerging risks such as the global terrorist threat and the potential impact of climate change on our businesses. The latter topic was reviewed by the Group Corporate Responsibility Committee, which has included its report in this Annual Report for the first time on pages 138 and 139.

We also implemented a top-down and bottom-up approach to risk management, enhanced our tracking of risks and identified risk trends for operational issues which was reviewed at management and Board level. Our objective was to ensure that the Group's risk management framework is robust and capable of adapting and responding to our ever-changing business environment.

In 2015, the Board's second self-evaluation was carried out, to assess its own performance and that of its committees and individual Directors with the aim of improving effectiveness. The evaluation provided the Board and management with constructive feedback, and resulted in the actions described under the Board Evaluation section of this report.

Board Changes and Succession Planning

My role as Chairman is to ensure that HSH has a dynamic Board with a diverse range and balance of skills, expertise and experience, who can work effectively and constructively in challenging the Executive Directors and management.

In November 2015, Mr Alan Clark stepped down from our Board as an Executive Director and the Chief Financial Officer. We have identified Mr Matthew Lawson as his successor who has had extensive experience with hospitality and real estate transactions, investments and financing, including joint venture negotiations and structuring. He will join the Board on 3 May 2016. I am also delighted to announce the appointment of Dr Kim Winser, OBE as an Independent Non-Executive Director. Dr Winser is recognised as one of the UK's most internationally renowned and inspirational businesswomen and will bring a new level of global insight to our Board. During 2015, we appointed two new members to the Group Management Board, Mr Shane Izaks and Mr P.T. Wong, recognising their years of experience with the Group and their strategic input in the areas of Information Technology and Projects respectively. Their biographies can be read on pages 108 and 109.

Compliance

As a Hong Kong listed company, we are reporting in the context of the Stock Exchange's Corporate Governance Code and Corporate Governance Report in Appendix 14 of the Listing Rules. This report sets out our approach to corporate governance, how we have applied the main principles and whether we have complied with the relevant provisions. It also shows the structure of our Board and Board Committees, the roles that they play, how they operate, and our risk management structure and processes.

Objectives for the Year Ahead

It is pleasing to see the progress we have made in 2015 in the area of governance. We seek to continually improve and enhance our efforts in this domain. Our objectives for the Board this year are to ensure that it continues to support the execution of our strategy and the opportunities and challenges that we face.

The Hon. Sir Michael Kadoorie

16 March 2016