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If you are in any doubt as to any aspect of this document or as to the action to be taken, you should consult your licensed securities dealer, other licensed corporation, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in and/or warrants of Hongkong Chinese Limited, you should at once hand this document and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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HONGKONG CHINESE LIMITED

香港華人有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 655)

**PROPOSED GRANT OF GENERAL MANDATES
TO ISSUE AND REPURCHASE SECURITIES,
PROPOSED RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of Hongkong Chinese Limited to be held at Harcourt Room, Lower Lobby, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Wednesday, 8th June, 2011 at 10:30 a.m. or any adjourned meeting thereof to approve matters referred to in this document is set out on pages 14 to 18 of this document.

Whether or not you are able or intend to attend such meeting, please complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding such meeting, or any adjourned meeting thereof, to the principal place of business of Hongkong Chinese Limited at 24th Floor, Tower One, Lippo Centre, 89 Queensway, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjourned meeting thereof should you so wish.

* *For identification purpose only*

29th April, 2011

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DEFINITIONS

In this document, the following terms and expressions shall have the following meanings unless the context otherwise requires:

“AGM”	annual general meeting of the Company to be held at Harcourt Room, Lower Lobby, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Wednesday, 8th June, 2011 at 10:30 a.m., notice of which is set out on pages 14 to 18 of this document, or any adjourned meeting thereof;
“associates”	has the meaning ascribed to it in rule 1.01 of the Listing Rules;
“Board”	board of the Directors;
“Bye-law(s)”	bye-law(s) of the Company;
“Company”	Hongkong Chinese Limited (香港華人有限公司*), a company incorporated in Bermuda with limited liability, the securities of which are listed on the Stock Exchange;
“connected persons”	has the meaning ascribed to it in rule 1.01 of the Listing Rules;
“Director(s)”	director(s) of the Company;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	27th April, 2011, being the latest practicable date prior to the printing of this document for ascertaining certain information contained therein;
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) of HK\$1.00 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers;
“Warrantholders”	holders of the Warrants; and

* For identification purpose only

DEFINITIONS

“Warrants” warrants of the Company listed on the Stock Exchange (Warrant Code: 561) entitling holders thereof to subscribe for fully paid Shares in cash at a subscription price of HK\$1.25 per Share (subject to adjustment) at any time during the period from 4th July, 2008 to 4th July, 2011 (both dates inclusive).



HONGKONG CHINESE LIMITED

香港華人有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 655)

Executive Directors:

Mr. Stephen Riady (*Chairman*)

Mr. John Lee Luen Wai, J.P. (*Chief Executive Officer*)

Mr. Kor Kee Yee

Registered Office:

Clarendon House

Church Street

Hamilton HM 11

Bermuda

Non-executive Director:

Mr. Leon Chan Nim Leung

Principal Place of Business:

24th Floor

Tower One

Lippo Centre

89 Queensway

Hong Kong

Independent non-executive Directors:

Mr. Albert Saychuan Cheok

Mr. Victor Yung Ha Kuk

Mr. Tsui King Fai

29th April, 2011

*To the Shareholders and, for information only,
the Warranholders*

Dear Sir or Madam,

**PROPOSED GRANT OF GENERAL MANDATES
TO ISSUE AND REPURCHASE SECURITIES,
PROPOSED RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this document is to provide Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the resolutions mentioned herein which will be dealt with at the AGM to be held at Harcourt Room, Lower Lobby, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Wednesday, 8th June, 2011 at 10:30 a.m. and to convene the AGM, notice of which is set out on pages 14 to 18 of this document. This document contains information concerning the proposed general mandates to issue and repurchase securities and details of re-election of retiring Directors which are required to be sent to Shareholders under the Listing Rules.

* *For identification purpose only*

LETTER FROM THE BOARD

GENERAL MANDATES TO ISSUE AND REPURCHASE SECURITIES

As the previous general mandates to issue and repurchase Shares granted to the Directors at the annual general meeting of the Company held on 8th June, 2010 will expire on conclusion of the AGM, ordinary resolutions relating to renewal of general mandates will be proposed at the AGM:

- (i) authorising the Directors to allot, issue and otherwise deal with additional Shares (and securities convertible into Shares) with an aggregate nominal amount not exceeding 20 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the resolution, as set out in paragraph 4A of the notice of AGM;
- (ii) authorising the Directors to repurchase Shares with an aggregate nominal amount not exceeding 10 per cent. of the aggregate nominal amount of the issued share capital of the Company and to repurchase Warrants with an aggregate amount not exceeding 10 per cent. of the outstanding Warrants issued by the Company as at the date of passing of the resolution, as set out in paragraph 4B of the notice of AGM; and
- (iii) authorising the addition to the mandate to issue new Shares (referred to at (i) above) those Shares repurchased by the Company pursuant to the repurchase mandate (referred to at (ii) above), as set out in paragraph 4C of the notice of AGM.

In accordance with the Listing Rules, and in particular the rules regulating repurchase of securities on the Stock Exchange, the Company is required to send to Shareholders an explanatory statement containing information reasonably necessary to enable Shareholders to make an informed decision on whether to vote for or against the resolution to approve the repurchase by the Company of its Shares and Warrants. This explanatory statement is set out below.

EXPLANATORY STATEMENT

At the AGM, an ordinary resolution will be proposed which, if passed, will give the Directors a general and unconditional mandate to exercise all powers of the Company to repurchase issued Shares and Warrants subject to the criteria set out in this document. In particular, Shareholders should note that the maximum number of Shares that may be repurchased pursuant to the mandate must not exceed such number of Shares representing 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the relevant resolution and the maximum amount of Warrants that may be repurchased pursuant to the mandate must not exceed such amount of Warrants representing 10 per cent. of the outstanding Warrants issued by the Company as at the date of passing of the relevant resolution.

LETTER FROM THE BOARD

1. Share capital

As at the Latest Practicable Date, there were in issue an aggregate of 1,954,317,179 Shares and HK\$80,448,067.50 outstanding Warrants. On the basis of these figures and assuming no further securities of the Company are issued or repurchased prior to the AGM, not more than 390,863,435 Shares (representing approximately 20 per cent. of the total number of Shares in issue) may be issued by the Company, and not more than 195,431,717 Shares (representing approximately 10 per cent. of the total number of Shares in issue) and HK\$8,044,806.75 Warrants (representing 10 per cent. of the total amount of outstanding Warrants) may be repurchased on the Stock Exchange during the period from the passing of the resolutions at the AGM until whichever is the earliest 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 any applicable law or the Bye-laws of the Company to be held; or (iii) the revocation or variation of the authorities given under the resolutions by ordinary resolutions of the shareholders of the Company in general meeting.

2. Reasons for repurchases

While it is not possible to anticipate in advance any specific circumstances in which the Directors might think it appropriate to repurchase Shares or Warrants, the Directors believe that an ability to do so would give the Company additional flexibility that would be beneficial to the Company. The repurchases may, depending on market conditions and funding arrangements of the Company at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share. Shareholders can be assured that the Directors would only make such repurchases in circumstances where they consider them to be in the interests and for the benefit of the Company.

3. Funding of repurchase

The Company is empowered by its Memorandum of Association and Bye-laws to repurchase its Shares and Warrants. Repurchases of Shares and Warrants must be funded out of funds legally available for the purpose in accordance with the Company's Bye-laws and the laws of Bermuda. The Companies Act 1981 of Bermuda (the "Companies Act") provides that the amount of capital paid in connection with a share repurchase may only be paid out of the capital paid up on the relevant shares, or the funds of the Company which would otherwise be available for dividend or distribution or the proceeds of a fresh issue of shares made for the purpose. The amount of premium payable on repurchase may only be paid out of either the funds of the Company which would otherwise be available for dividend or distribution or out of the share premium account of the Company. The Companies Act further provides that such repurchase may only be made if on the effective date of purchase, there are no reasonable grounds for believing that the Company is, and after the purchase would be, unable to pay its debts as they fall due.

LETTER FROM THE BOARD

On the basis of the consolidated financial position of the Company as at 31st December, 2010 (being the date to which the latest published audited financial statements of the Company have been made up) and in particular the working capital position of the Company at that time and the number of Shares and the amount of outstanding Warrants now in issue, the Directors consider that there might be a material adverse impact on the working capital or gearing position of the Company in the event that the proposed repurchases were to be carried out in full at any time during the proposed repurchase period.

However, no repurchases would be made in circumstances that would have a material adverse impact on the working capital or gearing position of the Company (as compared with the financial position as at 31st December, 2010) unless the Directors believe that such repurchases are in the interests and for the benefit of the Company.

4. Share prices

During each of the twelve months immediately preceding and up to and including the Latest Practicable Date, the highest and lowest traded prices for Shares and Warrants on the Stock Exchange were as follows:

	Shares		Warrants	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
April 2010	0.800	0.730	0.096	0.080
May 2010	0.780	0.630	0.068	0.048
June 2010	0.750	0.640	0.070	0.065
July 2010	0.790	0.660	0.089	0.054
August 2010	1.130	0.780	0.133	0.050
September 2010	1.050	0.920	0.106	0.055
October 2010	1.150	0.990	0.130	0.080
November 2010	1.580	1.070	0.350	0.090
December 2010	1.420	1.330	0.265	0.180
January 2011	1.710	1.350	0.420	0.197
February 2011	1.830	1.550	0.530	0.340
March 2011	1.800	1.610	0.520	0.335
April 2011 (up to and including the Latest Practicable Date)	1.880	1.670	0.580	0.400

5. Disclosure of Interests

The Directors have undertaken to the Stock Exchange that they will exercise the power of the Company to make repurchases pursuant to the proposed resolution in accordance with the Listing Rules and all applicable laws of Bermuda, the jurisdiction in which the Company was incorporated, and in accordance with the regulations set out in the Memorandum of Association and Bye-laws of the Company.

LETTER FROM THE BOARD

If, as a result of a share repurchase by the Company, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code and, if such increase results in a change in control, may in certain circumstances give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Lippo Cayman Limited ("Lippo Cayman"), the ultimate holding company of the Company, through its subsidiaries, was interested in 1,120,987,842 Shares, representing approximately 57.36 per cent. of the issued share capital of the Company. Lanius Limited ("Lanius") was the registered shareholder of the entire issued share capital of Lippo Cayman and was the trustee of a discretionary trust which was founded by Dr. Mochtar Riady (father of Mr. Stephen Riady), who does not have any interests in the share capital of Lanius. The beneficiaries of the trust include, inter alia, Mr. Stephen Riady and other members of the family. In the event the Directors exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the relevant ordinary resolution at the AGM, the shareholding interest of Lippo Cayman would be increased to approximately 63.73 per cent. of the issued share capital of the Company. Such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors are not aware of any consequence which would arise under the Takeovers Code as a consequence of any purchases by the Company of its Shares or Warrants. The Directors have no intention to exercise the repurchase mandate to such extent as would cause the public float to fall below 25 per cent. or such other minimum percentage as prescribed by the Listing Rules from time to time.

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, any of their respective associates presently intend to sell any Shares or Warrants to the Company or its subsidiaries in the event that the grant to the Directors of a repurchase mandate is approved by the Shareholders.

No connected persons of the Company have notified the Company that they have any present intention to sell any Shares or Warrants, or that they have undertaken not to sell any Shares or Warrants held by them to the Company in the event that the Company is authorised to make purchases of Shares and Warrants.

6. Share or Warrant purchases made by the Company

The Company has not purchased any of its Shares or Warrants (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

LETTER FROM THE BOARD

PARTICULARS CONCERNING DIRECTORS SEEKING RE-ELECTION AT THE AGM

In accordance with Bye-law 87 of the Company's Bye-laws, Messrs. Albert Saychuan Cheok, Leon Chan Nim Leung, Victor Yung Ha Kuk and Tsui King Fai will retire from office by rotation and, being eligible, will offer themselves for re-election at the AGM.

Details of the Directors proposed to be re-elected at the AGM as at the Latest Practicable Date are as follows:

Mr. Albert Saychuan Cheok

Mr. Albert Saychuan Cheok ("Mr. Cheok"), aged 60, was appointed an independent non-executive Director of the Company on 17th January, 2002. He is also a member of the audit committee, remuneration committee and nomination committee of the Company. Mr. Cheok is the Chairman of AcrossAsia Limited, a company listed on the Stock Exchange, and Auric Pacific Group Limited, a company listed on Singapore Exchange Securities Trading Limited ("SGX").

Mr. Cheok graduated from the University of Adelaide, Australia, with a First Class Honours degree in Economics. He is a Fellow of the Australian Society of Certified Public Accountants and is a banker with over 30 years of experience in banking in the Asia-Pacific region, particularly in Australia, Hong Kong, Philippines and Malaysia. Mr. Cheok is the Chairman of Bowsprit Capital Corporation Limited ("Bowsprit"), the Manager of First REIT, a listed healthcare REIT in Singapore, and a director of Amplefield Limited ("Amplefield"). Bowsprit and Amplefield are listed on SGX. Mr. Cheok is the independent non-executive Chairman of Lippo-Mapletree Indonesia Retail Trust Management Limited, the Manager of Lippo-Mapletree Indonesia Retail Trust which is a listed Singapore based real estate investment trust. Mr. Cheok is the Vice Chairman of Export and Industry Bank, Inc. which is listed on The Philippine Stock Exchange, Inc. Mr. Cheok is a director of Metal Reclamation Berhad, a public listed company in Malaysia and a director of Oriental Capital Assurance Berhad, a general insurance company in Malaysia. Mr. Cheok is also an independent non-executive director of Eoncap Islamic Bank Berhad and MIMB Investment Bank Berhad in Malaysia. Mr. Cheok is an independent non-executive director of MIDAN City Development Co., Ltd. Mr. Cheok is currently a member of the Board of Governors of the Malaysian Institute of Corporate Governance in Malaysia. He was the Chairman of Bangkok Bank Berhad in Malaysia for the period from September 1995 to November 2005. Save as disclosed herein, Mr. Cheok has not held any directorship in other listed public companies in the last three years.

Save as disclosed herein, as at the Latest Practicable Date, Mr. Cheok did not have any relationship with any Director, senior management, substantial or controlling shareholder of the Company.

LETTER FROM THE BOARD

As at the Latest Practicable Date, Mr. Cheok held an option under the share option scheme of the Company to subscribe for 607,500 Shares at an exercise price of HK\$1.24 per share (subject to adjustment). Save as disclosed herein, Mr. Cheok was not interested or deemed to be interested in any Shares or underlying Shares pursuant to Part XV of the SFO.

Mr. Cheok entered into a letter agreement for his appointment as director with the Company for a term of two years commencing from 1st January, 2010, which will be terminable by either party by giving three months' prior written notice or in accordance with the provisions of the Bye-laws. Mr. Cheok is also subject to retirement by rotation and re-election at the Company's annual general meetings in accordance with the Bye-laws. Based on the above letter agreement, Mr. Cheok is entitled to a director's fee of HK\$160,000 per annum, which was determined by reference to the prevailing market rate for independent non-executive directors of listed companies in Hong Kong. For the year ended 31st December, 2010, Mr. Cheok received director's fees in the total amount of HK\$179,418 from the Company and its subsidiary. He also received a fee of HK\$20,000 for being a member of the audit committee of the Company and a fee of HK\$15,000 for being a member of each of the remuneration committee and nomination committee of the Company.

Furthermore, Mr. Cheok did not have any matter that was required to be disclosed pursuant to paragraphs (h) to (v) of rule 13.51(2) of the Listing Rules or that need to be brought to the attention of the holders of securities of the Company as at the Latest Practicable Date.

Mr. Leon Chan Nim Leung

Mr. Leon Chan Nim Leung ("Mr. Chan"), aged 55, was appointed a Director of the Company on 16th September, 1992 and was re-designated from independent non-executive Director to non-executive Director of the Company on 30th September 2004. He is also a non-executive director of Lippo Limited ("Lippo"), an intermediate holding company of the Company, and Lippo China Resources Limited ("LCR"), a fellow subsidiary of the Company, both are listed on the Stock Exchange. Mr. Chan is the Chairman of the remuneration committee and nomination committee and a member of the audit committee of each of the Company, Lippo and LCR. He is also a director of a subsidiary of the Company and the Chairman of the supervisory board of a subsidiary of the Company. Save as disclosed herein, Mr. Chan has not held any directorship in other listed public companies in the last three years.

Mr. Chan is a practising lawyer and presently the principal partner of Messrs. Y.T. Chan & Co. He was admitted as a solicitor of the Supreme Court of Hong Kong in 1980 and was also admitted as a solicitor in England in 1984 and in Victoria, Australia in 1985. He was a member of the Solicitors Disciplinary Tribunal from May 1993 to April 2008 and is currently one of the Panel Chairman of the Appeal Tribunal Panel on appeals against a decision of the Building Authority.

Save as disclosed herein, as at the Latest Practicable Date, Mr. Chan did not have any relationship with any Director, senior management, substantial or controlling shareholder of the Company.

LETTER FROM THE BOARD

As at the Latest Practicable Date, Mr. Chan held an option under the share option scheme of the Company to subscribe for 810,000 Shares at an exercise price of HK\$1.24 per share (subject to adjustment). Save as disclosed herein, Mr. Chan was not interested or deemed to be interested in any Shares or underlying Shares pursuant to Part XV of the SFO.

Mr. Chan entered into a letter agreement for his appointment as director with the Company for a term of two years commencing from 1st January, 2010, which will be terminable by either party by giving three months' prior written notice or in accordance with the provisions of the Bye-laws. Mr. Chan is also subject to retirement by rotation and re-election at the Company's annual general meetings in accordance with the Bye-laws. Pursuant to the terms of the above letter agreement, Mr. Chan is entitled to a director's fee of HK\$160,000 per annum. For the year ended 31st December, 2010, Mr. Chan received director's fees in the total amount of HK\$209,418 from the Company and its subsidiaries. He also received a fee of HK\$20,000 for being a member of the audit committee of the Company and a fee of HK\$20,000 for being the Chairman of each of the remuneration committee and nomination committee of the Company.

Furthermore, Mr. Chan did not have any matter that was required to be disclosed pursuant to paragraphs (h) to (v) of rule 13.51(2) of the Listing Rules or that need to be brought to the attention of the holders of securities of the Company as at the Latest Practicable Date.

Mr. Victor Yung Ha Kuk

Mr. Victor Yung Ha Kuk ("Mr. Yung"), aged 57, was appointed an independent non-executive Director of the Company on 30th September, 2004. He is also an independent non-executive director of Lippo and LCR. He was the Chairman of the audit committee of the Company until 1st July, 2010. He is currently a member of the audit committee, remuneration committee and nomination committee of the Company. He is also the Chairman of the audit committee and a member of the remuneration committee and nomination committee of each of Lippo and LCR. Save as disclosed herein, Mr. Yung has not held any directorship in other listed public companies in the last three years.

Mr. Yung is a professional accountant with over 30 years of working experience in the financial and accounting fields, and served in management positions in various multinational companies in Asia. He had been a member of the listings sub-committee of the Stock Exchange of Singapore. Mr. Yung holds a Master of Science Degree in Corporate Governance and Directorship from the Hong Kong Baptist University, and is a member of the Hong Kong Institute of Certified Public Accountants.

Save as disclosed herein, as at the Latest Practicable Date, Mr. Yung did not have any relationship with any Director, senior management, substantial or controlling shareholder of the Company.

LETTER FROM THE BOARD

As at the Latest Practicable Date, Mr. Yung held an option under the share option scheme of the Company to subscribe for 607,500 Shares at an exercise price of HK\$1.24 per share (subject to adjustment). Save as disclosed herein, Mr. Yung was not interested or deemed to be interested in any Shares or underlying Shares pursuant to Part XV of the SFO.

Mr. Yung entered into a letter agreement for his appointment as director with the Company for a term of two years commencing from 30th September, 2010, which will be terminable by either party by giving three months' prior written notice or in accordance with the provisions of the Bye-laws. Mr. Yung is also subject to retirement by rotation and re-election at the Company's annual general meetings in accordance with the Bye-laws. Based on the above letter agreement, Mr. Yung is entitled to a director's fee of HK\$160,000 per annum, which was determined by reference to the prevailing market rate for independent non-executive directors of listed companies in Hong Kong. For the year ended 31st December, 2010, Mr. Yung received director's fee of HK\$160,000 from the Company. He also received a fee of HK\$30,000 for being the Chairman/a member of the audit committee of the Company and a fee of HK\$15,000 for being a member of each of the remuneration committee and nomination committee of the Company.

Furthermore, Mr. Yung did not have any matter that was required to be disclosed pursuant to paragraphs (h) to (v) of rule 13.51(2) of the Listing Rules or that need to be brought to the attention of the holders of securities of the Company as at the Latest Practicable Date.

Mr. Tsui King Fai

Mr. Tsui King Fai ("Mr. Tsui"), aged 61, was appointed an independent non-executive Director of the Company on 30th September, 2004. He is also an independent non-executive director of Lippo and LCR. Mr. Tsui is a member of the audit committee, remuneration committee and nomination committee of each of the Company, Lippo and LCR. He took up the role as the Chairman of the audit committee of the Company on 1st July, 2010. He is an independent non-executive director of Vinda International Holdings Limited and China Aoyuan Property Group Limited, both of which are listed on the Stock Exchange. Saved as disclosed herein, Mr. Tsui has not held any directorship in other listed public companies in the last three years.

Mr. Tsui is a director and senior consultant of a registered financial services company in Hong Kong. He has over 30 years of extensive experience in accounting, finance and investment management, particularly in investments in mainland China. Mr. Tsui worked for two of the Big Four audit firms in the United States of America and Hong Kong and served in various public listed companies in Hong Kong in a senior capacity. He is a Fellow of the Hong Kong Institute of Certified Public Accountants, a member of the Institute of Chartered Accountants in Australia and a member of the American Institute of Certified Public Accountants. He graduated from the University of Houston, Texas, the United States of America and holds a Master of Science in Accountancy and a Bachelor of Business Administration with first class honours.

LETTER FROM THE BOARD

Save as disclosed herein, as at the Latest Practicable Date, Mr. Tsui did not have any relationship with any Director, senior management, substantial or controlling shareholder of the Company.

As at the Latest Practicable Date, the spouse of Mr. Tsui was interested in 67,500 Shares and HK\$9,375 warrants entitling her to subscribe for 7,500 Shares in the Company at a subscription price of HK\$1.25 per share (subject to adjustment). Mr. Tsui held an option under the share option scheme of the Company to subscribe for 607,500 Shares at an exercise price of HK\$1.24 per share (subject to adjustment). Save as disclosed herein, Mr. Tsui was not interested or deemed to be interested in any Shares or underlying Shares pursuant to Part XV of the SFO.

Mr. Tsui entered into a letter agreement for his appointment as director with the Company for a term of two years commencing from 30th September, 2010, which will be terminable by either party by giving three months' prior written notice or in accordance with the provisions of the Bye-laws. Mr. Tsui is also subject to retirement by rotation and re-election at the Company's annual general meetings in accordance with the Bye-laws. Based on the above letter agreement, Mr. Tsui is entitled to a director's fee of HK\$160,000 per annum, which was determined by reference to the prevailing market rate for independent non-executive directors of listed companies in Hong Kong. For the year ended 31st December, 2010, Mr. Tsui received director's fee of HK\$160,000 from the Company. He also received a fee of HK\$30,000 for being a member/the Chairman of the audit committee of the Company and a fee of HK\$15,000 for being a member of each of the remuneration committee and nomination committee of the Company.

Furthermore, Mr. Tsui did not have any matter that was required to be disclosed pursuant to paragraphs (h) to (v) of rule 13.51(2) of the Listing Rules or that need to be brought to the attention of the holders of securities of the Company as at the Latest Practicable Date.

ANNUAL GENERAL MEETING

The notice convening the AGM is set out on pages 14 to 18 of this document. A form of proxy for use at the AGM is enclosed. Whether or not you are able or intend to attend the AGM in person, please complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's principal place of business at 24th Floor, Tower One, Lippo Centre, 89 Queensway, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjourned meeting thereof should you so wish.

LETTER FROM THE BOARD

VOTING BY POLL AT GENERAL MEETINGS

Pursuant to the requirements under the Listing Rules, any votes of shareholders at a general meeting must be taken by poll. Therefore, the Chairman of the AGM will exercise his power under the Bye-laws to demand a poll for each and every resolution put forward at the AGM. The Company will appoint scrutineers to handle vote-taking procedures at the AGM. The results of the poll will be published on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.hkchinese.com.hk as soon as possible after the conclusion of the AGM.

RECOMMENDATION

The Directors consider that the proposed grant of general mandates to issue and repurchase securities and proposed re-election of retiring Directors are each in the best interests of the Company and the Shareholders, and accordingly recommend that the Shareholders vote in favour of the resolutions to be proposed at the AGM.

Yours faithfully,
By Order of the Board
HONGKONG CHINESE LIMITED
John Lee Luen Wai
Chief Executive Officer



HONGKONG CHINESE LIMITED

香港華人有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 655)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Hongkong Chinese Limited (the “Company”) will be held at Harcourt Room, Lower Lobby, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Wednesday, 8th June, 2011 at 10:30 a.m. for the following purposes:

1. To receive and adopt the audited Financial Statements of the Company, the Report of the Directors and the Independent Auditors’ Report for the year ended 31st December, 2010.
2. To consider the re-election of the retiring Directors and to authorise the Board of Directors to fix the Directors’ remuneration.
3. To consider the re-appointment of Ernst & Young as Auditors of the Company and to authorise the Board of Directors to fix their remuneration.
4. As special business, to consider and, if thought fit, pass the following resolutions as Ordinary Resolutions:

A. **“THAT:**

- (a) subject to paragraph (c) of this resolution, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of 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 and options (including warrants, bonds, debentures and other securities which carry rights to subscribe for or are convertible into shares of the Company), which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors of the Company and shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds, debentures and other securities which carry rights to subscribe for or are convertible into shares of the Company), which might require the exercise of such powers after the end of the Relevant Period;

* *For identification purpose only*

NOTICE OF ANNUAL GENERAL MEETING

(c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to paragraphs (a) and (b) above, otherwise than pursuant to: (i) a Rights Issue (as hereinafter defined); (ii) the exercise of any options granted under any share option scheme of the Company; (iii) an issue of shares upon exercise of subscription rights pursuant to warrants (if any) issued by the Company; or (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution, and the said approval 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 earliest 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 any applicable law or the Bye-laws of the Company to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company 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 whose names appear on the Register of Members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions 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 applicable to the Company).”

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B. “THAT:

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase issued shares in the capital of the Company and warrants to subscribe for shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), or any other stock exchange on which the shares and warrants of the Company are or may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amounts of shares and warrants to subscribe for shares of the Company which may be repurchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution and 10 per cent. of the aggregate amount of warrants of the Company outstanding as at the date of passing of this resolution respectively, and the said approval shall be limited accordingly; and
- (c) for the purpose of this resolution:
 - “Relevant Period” means the period from the passing of this resolution until whichever is the earliest 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 any applicable law or the Bye-laws of the Company to be held; or
 - (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

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- C. “**THAT** conditional on the passing of the resolutions set out in paragraphs 4A and 4B of the notice convening this meeting, the general mandate granted to the Directors of the Company and for the time being in force to exercise the powers of the Company to allot, issue and deal with additional shares pursuant to the resolution set out in paragraph 4A of the notice convening this meeting be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to such general mandate of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to the resolution set out in paragraph 4B of the notice convening this meeting, provided that such extended amount shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution.”

By Order of the Board
HONGKONG CHINESE LIMITED
Andrew Hau
Secretary

Hong Kong, 29th April, 2011

Registered Office:

Clarendon House
Church Street
Hamilton HM 11
Bermuda

Principal Place of Business:

24th Floor
Tower One
Lippo Centre
89 Queensway
Hong Kong

Note:

1. A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and vote in his stead in accordance with the Bye-laws of the Company. A proxy need not be a member of the Company.
2. To be valid, a form of proxy, together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the principal place of business of the Company at 24th Floor, Tower One, Lippo Centre, 89 Queensway, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude a member from attending and voting in person at the meeting or any adjourned meeting thereof should he so wishes.

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3. The Register of Members of the Company will be closed from Thursday, 2nd June, 2011 to Wednesday, 8th June, 2011 (both dates inclusive) during which period no transfer of shares will be registered and no share which will fall to be allotted and issued on the exercise of the subscription rights attaching to the outstanding warrants of the Company will be registered. In order to qualify for the proposed final distribution and be entitled to attend and vote at the meeting, (i) all transfers of shares accompanied by the relevant share certificates and transfer forms and (ii) all subscription forms accompanied by the relevant warrant certificates and subscription monies relating to the exercise of outstanding warrants of the Company in respect of which holders of such warrants wish to exercise their rights must be lodged with Tricor Tengis Limited, the Company's Branch Share Registrars in Hong Kong, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 1st June, 2011.
4. At the meeting, the Chairman of the meeting will exercise his power under Bye-law 66(a) of the Bye-laws of the Company to put each of the above resolutions to the vote by way of a poll as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.