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If you have sold or transferred all your shares in 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 SHARES, 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 Thursday, 11th September, 2014 at 10:15 a.m. or any adjourned meeting thereof to approve matters referred to in this document is set out on pages 12 to 16 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 and in such event, the instrument appointing the proxy shall be deemed to be revoked.

* *For identification purpose only*

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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 Thursday, 11th September, 2014 at 10:15 a.m., notice of which is set out on pages 12 to 16 of this document, or any adjourned meeting thereof;
“Board”	board of the Directors;
“Bye-law(s)”	bye-law(s) of the Company;
“close associates”	has the meaning ascribed to it in rule 1.01 of the Listing Rules;
“Companies Act”	Companies Act 1981 of Bermuda;
“Company”	Hongkong Chinese Limited (香港華人有限公司*), a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange;
“core 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”	28th July, 2014, 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; and
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers.

* For identification purpose only



HONGKONG CHINESE LIMITED

香港華人有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 655)

Executive Directors:

Dr. Stephen Riady (*Chairman*)
Mr. John Lee Luen Wai, BBS, JP (*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

31st July, 2014

To the Shareholders

Dear Sir or Madam,

**PROPOSED GRANT OF GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES,
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 Thursday, 11th September, 2014 at 10:15 a.m. and to convene the AGM, notice of which is set out on pages 12 to 16 of this document. This document contains information concerning the proposed general mandates to issue and repurchase Shares 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 SHARES

As the previous general mandates to issue and repurchase Shares granted to the Directors at the annual general meeting of the Company held on 30th August, 2013 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 5A 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 as at the date of passing of the resolution, as set out in paragraph 5B 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 5C 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. 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 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.

1. Share capital

As at the Latest Practicable Date, there were in issue an aggregate of 1,998,280,097 Shares. On the basis of this figure and assuming no further Shares of the Company are issued or repurchased prior to the AGM, not more than 399,656,019 Shares (representing approximately 20 per cent. of the total number of Shares in issue) may be issued by the Company, and not more than 199,828,009 Shares (representing approximately 10 per cent. of the total number of Shares in issue) 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

LETTER FROM THE BOARD

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, 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. Repurchases of Shares 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 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 the repurchase, there are no reasonable grounds for believing that the Company is, and after the repurchase would be, unable to pay its debts as they fall due.

On the basis of the consolidated financial position of the Company as at 31st March, 2014 (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 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 March, 2014) unless the Directors believe that such repurchases are in the interests and for the benefit of the Company.

LETTER FROM THE BOARD

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 on the Stock Exchange were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
July 2013	1.63	1.52
August 2013	1.59	1.50
September 2013	1.69	1.48
October 2013	1.80	1.64
November 2013	1.84	1.67
December 2013	1.86	1.68
January 2014	1.89	1.80
February 2014	1.93	1.82
March 2014	2.05	1.84
April 2014	2.02	1.85
May 2014	1.90	1.69
June 2014	1.80	1.69
July 2014 (up to and including the Latest Practicable Date)	1.72	1.68

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.

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. As a result, a Shareholder or group of Shareholders acting in concert, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, Lippo Capital Limited ("Lippo Capital"), the ultimate holding company of the Company, through its subsidiaries, was interested in 1,121,517,842 Shares, representing approximately 56.12 per cent. of the issued shares of the Company. Lanius Limited ("Lanius") was the registered shareholder of the entire issued shares of Lippo Capital and was the trustee of a discretionary trust which was founded by Dr. Mochtar Riady (father of Dr. Stephen Riady), who does not have any interests in the issued shares of Lanius. The beneficiaries of the trust include, inter alia, Dr. Stephen Riady and other members of the family. In the event the Directors exercise in

LETTER FROM THE BOARD

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 Capital would be increased to approximately 62.36 per cent. of the issued shares 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. 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 close associates presently intend to sell any Shares 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 core connected persons of the Company have notified the Company that they have any present intention to sell any Shares, or that they have undertaken not to sell any Shares held by them to the Company in the event that the Company is authorised to make purchases of Shares.

6. Share purchases made by the Company

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

PARTICULARS CONCERNING DIRECTORS SEEKING RE-ELECTION AT THE AGM

In accordance with Bye-law 87 of the Company's Bye-laws, Messrs. 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. Leon Chan Nim Leung

Mr. Leon Chan Nim Leung ("Mr. Chan"), aged 58, was appointed an independent non-executive Director of the Company on 16th September, 1992 and was re-designated as a 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 a member of the audit committee, remuneration committee and nomination 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. Mr. Chan is an independent non-executive director of Midland Holdings Limited and PanAsialum Holdings Company

LETTER FROM THE BOARD

Limited, both of which are listed on the Stock Exchange. Save as disclosed herein, Mr. Chan has not held any directorship in other listed public companies for 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.

As at the Latest Practicable Date, 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, 2012. Following the expiry of the term under the above letter agreement, Mr. Chan entered into a new letter agreement for his appointment as director with the Company for a term of two years commencing from 1st January, 2014, which is 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. Based on the above letter agreements, Mr. Chan was entitled to a director's fee of HK\$160,000 per annum which was adjusted to HK\$192,000 per annum with effect from 1st April, 2013. The director's fee was determined by reference to the prevailing market rate for non-executive directors of listed companies in Hong Kong. Mr. Chan is also entitled to receive additional fees for serving as members of various board committees of the Company. For the year ended 31st March, 2014, Mr. Chan received a director's fee of HK\$192,000 from the Company and additional fees in the total amount of HK\$72,000 for serving as a member of the audit committee, remuneration committee and nomination committee of the Company. In addition, Mr. Chan received director's fees in the total amount of approximately HK\$49,000 from subsidiaries of the Company for the year ended 31st March, 2014 which were not covered by his letter agreement.

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 needed to be brought to the attention of the Shareholders as at the Latest Practicable Date.

LETTER FROM THE BOARD

Mr. Victor Yung Ha Kuk

Mr. Victor Yung Ha Kuk (“Mr. Yung”), aged 60, 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. Yung is 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. Mr. Yung is an independent non-executive director of Travel Expert (Asia) Enterprises Limited which is listed on the Stock Exchange. Mr. Yung was appointed as an independent non-executive director of Magnum Entertainment Group Holdings Limited which was listed on the Stock Exchange in January 2014. Save as disclosed herein, Mr. Yung has not held any directorship in other listed public companies for 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. 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.

As at the Latest Practicable Date, 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, 2012, which is 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 was 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. With effect from 1st April, 2013, the director’s fee payable to Mr. Yung was adjusted to HK\$192,000 per annum. Mr. Yung is also entitled to receive additional fees for serving as members of various board committees of the Company. For the year ended 31st March, 2014, Mr. Yung received a director’s fee of HK\$192,000 from the Company and additional fees in the total amount of HK\$72,000 for serving as a member of the audit committee, 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 needed to be brought to the attention of the Shareholders as at the Latest Practicable Date.

LETTER FROM THE BOARD

Mr. Tsui King Fai

Mr. Tsui King Fai (“Mr. Tsui”), aged 64, 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 the chairman of the audit committee, remuneration committee and nomination committee of the Company. He is the chairman of the remuneration committee and nomination committee and a member of the audit committee of each of Lippo and LCR. He is an independent non-executive director of Vinda International Holdings Limited, China Aoyuan Property Group Limited and Newton Resources Ltd, all of which are listed on the Stock Exchange. Save as disclosed herein, Mr. Tsui has not held any directorship in other listed public companies for 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.

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, Mr. Tsui and his spouse were interested in 600,000 Shares and 75,000 Shares respectively. Save as disclosed herein, as at the Latest Practicable Date, 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, 2012, which is 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 was 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. With effect from 1st April, 2013, the director’s fee payable to Mr. Tsui was adjusted to HK\$192,000 per annum. Mr. Tsui is also entitled to receive additional fees for serving as chairman of various board committees of the Company. For the year ended 31st March, 2014, Mr. Tsui received a director’s fee of HK\$192,000 from the Company and additional fees in the total amount of HK\$96,000 for serving as the chairman of the audit committee, 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 Shareholders as at the Latest Practicable Date.

LETTER FROM THE BOARD

Mr. Yung and Mr. Tsui have served as independent non-executive Directors of the Company for more than nine years and their re-election as Directors will be subject to separate resolutions to be approved by the Shareholders at the AGM. In addition to their confirmation of independence in accordance with rule 3.13 of the Listing Rules, Mr. Yung and Mr. Tsui continue to demonstrate the attributes of independent non-executive directors by providing independent views and advice and there is no evidence that their tenure have had any impact on their independence. The Directors are of the opinion that Mr. Yung and Mr. Tsui remain independent notwithstanding the length of their service. The Directors also believe that their valuable knowledge and experience in the business of the Company and its subsidiaries and their external experience continue to generate significant contribution to the Company and the Shareholders as a whole. Furthermore, the nomination committee of the Company reviewed the eligibility of Mr. Yung and Mr. Tsui seeking for re-election at the AGM and also reviewed and assessed the annual confirmation of independence of each of Mr. Yung and Mr. Tsui provided pursuant to rule 3.13 of the Listing Rules. The Board, through the assessment and recommendation by the nomination committee, is of the opinion that Mr. Yung and Mr. Tsui have met the independence guidelines of rule 3.13 of the Listing Rules and are independent for the purpose of acting as independent non-executive Directors of the Company. Accordingly, the Board recommends the re-election of Mr. Yung and Mr. Tsui as Directors at the AGM.

ANNUAL GENERAL MEETING

The notice convening the AGM is set out on pages 12 to 16 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 and in such event, the instrument appointing the proxy shall be deemed to be revoked.

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 except where the chairman of the meeting, in good faith and in compliance with the Listing Rules, decides to allow a resolution to be voted on by a show of hands. Therefore, the Chairman of the AGM will exercise his power under the Bye-laws to demand a poll for each resolution set out in the notice of 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.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors consider that the proposed grant of general mandates to issue and repurchase Shares and the 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 Thursday, 11th September, 2014 at 10:15 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 March, 2014.
2. To consider and declare a final distribution for the year ended 31st March, 2014.
3. To consider the re-election of the retiring Directors and to authorise the Board of Directors to fix the Directors’ remuneration.
4. To consider the re-appointment of Ernst & Young as Auditors of the Company and to authorise the Board of Directors to fix their remuneration.
5. 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;

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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).”

NOTICE OF ANNUAL GENERAL MEETING

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 on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), or any other stock exchange on which the shares 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 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 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.”

NOTICE OF ANNUAL GENERAL MEETING

- C. “**THAT** conditional on the passing of the resolutions set out in paragraphs 5A and 5B 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 5A 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 5B 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, 31st July, 2014

Registered Office:
Clarendon House
Church Street
Hamilton HM 11
Bermuda

Principal Place of Business:
24th Floor
Tower One
Lippo Centre
89 Queensway
Hong Kong

NOTICE OF ANNUAL GENERAL MEETING

Note:

1. A member entitled to attend and vote at the above meeting is entitled to appoint another person as his proxy to attend and vote in his stead in accordance with the Bye-laws of the Company. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf 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 and in such event, the instrument appointing the proxy shall be deemed to be revoked.
3. The Register of Members of the Company will be closed during the following periods:
 - (i) from Monday, 8th September, 2014 to Thursday, 11th September, 2014 (both dates inclusive) during which period no transfer of shares will be registered, for the purpose of ascertaining shareholders' entitlement to attend and vote at the meeting. In order to be entitled to attend and vote at the meeting, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with Tricor Tengis Limited, the Company's Branch Share Registrar in Hong Kong, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 5th September, 2014; and
 - (ii) from Monday, 22nd September, 2014 to Thursday, 25th September, 2014 (both dates inclusive) during which period no transfer of shares will be registered, for the purpose of ascertaining shareholders' entitlement to the proposed final distribution. In order to qualify for the proposed final distribution, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with Tricor Tengis Limited, the Company's Branch Share Registrar in Hong Kong, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 19th September, 2014.
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.