

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular 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 Hongkong Chinese Limited, you should at once hand this circular 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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



HONGKONG CHINESE LIMITED

香港華人有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 655)

**(1) PROPOSED GRANT OF GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES,
(2) PROPOSED RE-ELECTION OF RETIRING DIRECTORS,
(3) PROPOSED CAPITAL REORGANISATION
AND
(4) 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 Friday, 2 June 2023 at 10:15 a.m. or any adjourned meeting thereof to approve matters referred to in this circular is set out on pages 20 to 26 of this circular.

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 (that is, 10:15 a.m. on Wednesday, 31 May 2023) before the time appointed for holding such meeting or any adjourned meeting thereof, to Tricor Tengis Limited, the Company's Hong Kong Branch Share Registrar, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, 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.

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	
Introduction	4
General mandates to issue and repurchase Shares	5
Explanatory statement	5
Re-election of retiring Directors	8
Proposed Capital Reorganisation	13
Annual General Meeting	18
Voting by poll at general meetings	18
Responsibility Statement	18
Recommendation	18
Expected Timetable of Capital Reorganisation	19
Notice of Annual General Meeting	20

DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Harcourt Room, Lower Lobby, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Friday, 2 June 2023 at 10:15 a.m., notice of which is set out on pages 20 to 26 of this circular, or any adjourned meeting thereof;
“Board”	board of the Directors;
“Bye-law(s)”	bye-law(s) of the Company;
“Capital Diminution”	subject to and immediately upon the Capital Reduction taking effect, the proposed cancellation of all authorised but unissued share capital of the Company (which shall include, without limitation, the authorised but unissued share capital arising from the Capital Reduction) in its entirety resulting in the diminution of the authorised share capital of the Company by such amount representing the amount of Shares cancelled;
“Capital Increase”	immediately upon the Capital Diminution, the increase in the authorised share capital of the Company to HK\$400,000,000 by the creation of such number of additional New Shares as shall be sufficient to increase the authorised share capital of the Company to HK\$400,000,000 divided into 4,000,000,000 New Shares of par value of HK\$0.10 each;
“Capital Reduction”	the proposed reduction of the issued share capital of the Company through a cancellation of the paid-up capital of the Company to the extent of HK\$0.90 on each of the issued Shares such that the par value of each issued Share will be reduced from HK\$1.00 to HK\$0.10;
“Capital Reorganisation”	the proposed reorganisation of the share capital of the Company involving the Capital Reduction, the Capital Diminution, the Capital Increase, the Share Premium Reduction and the Crediting of Contributed Surplus;
“CCASS”	Central Clearing and Settlement System established and operated by HKSCC;
“close associates”	has the meaning ascribed to it in rule 1.01 of the Listing Rules;

DEFINITIONS

“Companies Act”	Companies Act 1981 of Bermuda, as amended, supplemented or otherwise modified from time to time;
“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 Main Board of the Stock Exchange;
“Contributed Surplus Account”	the contributed surplus account of the Company within the meaning of the Companies Act;
“core connected persons”	has the meaning ascribed to it in rule 1.01 of the Listing Rules;
“Crediting of Contributed Surplus”	the proposed transfer of the credit arising the Share Premium Reduction to the Contributed Surplus Account and the authorisation for the Board to apply any credit balance in the Contributed Surplus Account in any manner permitted by the laws of Bermuda and the Bye-laws;
“Director(s)”	director(s) of the Company;
“Existing Share(s)”	ordinary share(s) of HK\$1.00 each in the Company before the Capital Reorganisation becomes effective;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	28 April 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained therein;
“LCR”	Lippo China Resources Limited 力寶華潤有限公司, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange and a fellow subsidiary of the Company;

* For identification purpose only

DEFINITIONS

“Lippo”	Lippo Limited 力寶有限公司, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange and an intermediate holding company of the Company;
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange;
“New Share(s)”	ordinary share(s) of HK\$0.10 each in the Company immediately after the Capital Reorganisation becoming effective;
“OUE”	OUE Limited, a company incorporated in the Republic of Singapore with limited liability, the shares of which are listed on the Mainboard of the SGX-ST and a joint venture of the Company;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“SGX-ST”	Singapore Exchange Securities Trading Limited;
“Share Premium Reduction”	the proposed reduction of the entire amount standing to the credit of the share premium account of the Company;
“Share(s)”	Existing Share(s) and/or the New Share(s), as the case may be;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	Code on Takeovers and Mergers; and
“%”	per cent.



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 Luen Wai Lee, BBS, JP (*Chief Executive Officer*)
Mr. Brian Riady

Non-executive Director:

Mr. Leon Nim Leung Chan

Independent non-executive Directors:

Mr. King Fai Tsui
Mr. Edwin Neo
Ms. Min Yen Goh

Registered Office:

Clarendon House
Church Street
Hamilton HM 11
Bermuda

Principal Place of Business:

40th Floor
Tower Two
Lippo Centre
89 Queensway
Hong Kong

9 May 2023

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSED GRANT OF GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES,
(2) PROPOSED RE-ELECTION OF RETIRING DIRECTORS,
(3) PROPOSED CAPITAL REORGANISATION
AND
(4) NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 6 April 2023 in relation to the proposed Capital Reorganisation.

The purpose of this circular 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 Friday, 2 June 2023 at 10:15 a.m., and to convene the AGM, notice of which is set out on pages 20 to 26 of this circular. This circular contains information concerning the proposed general mandates to issue and repurchase Shares, details of the re-election of retiring Directors, and further details on the Capital Reorganisation 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 8 June 2022 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) not exceeding 20% of the total number of issued Shares 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 not exceeding 10% of the total number of issued Shares 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 all the 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 circular. 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% of the total number of issued Shares as at the date of passing of the relevant resolution.

1. Share capital

As at the Latest Practicable Date, there were 1,998,280,097 Shares in issue. 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% 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% 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 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 the resolutions by ordinary resolutions of the Shareholders in general meeting.

LETTER FROM THE BOARD

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 31 December 2022 (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 31 December 2022) 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	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2022		
May	0.650	0.570
June	0.650	0.580
July	0.650	0.600
August	0.640	0.590
September	0.650	0.550
October	0.600	0.480
November	0.540	0.475
December	0.550	0.485
2023		
January	0.540	0.490
February	0.550	0.490
March	0.530	0.500
April	0.510	0.460

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, to the best of the knowledge and belief of the Company, Lippo was beneficially interested in 1,477,715,492 Shares, representing approximately 73.95% of the total number of issued Shares. In the event that 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 in the Company would be increased to approximately 82.17%. Such increase would not give rise to

LETTER FROM THE BOARD

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 result 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% 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.

RE-ELECTION OF RETIRING DIRECTORS

In accordance with Bye-law 83(2) of the Bye-laws, Ms. Min Yen Goh and Mr. Brian Riady will retire from office at the AGM and, being eligible, will offer themselves for re-election.

In accordance with Bye-law 84 of the Bye-laws, Mr. King Fai Tsui and Dr. Stephen Riady will retire from office by rotation at the AGM and, being eligible, will offer themselves for re-election.

The Board, after the evaluation and recommendation by the nomination committee of the Company (the “Nomination Committee”) in accordance with the Directors’ nomination policy of the Company, recommends the Shareholders to approve the re-election of the above retiring Directors at the AGM.

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

Ms. Min Yen Goh

Ms. Min Yen Goh (“Ms. Goh”), aged 62, was appointed an independent non-executive Director on 30 December 2022. She is a member of the remuneration committee of the Company (the “Remuneration Committee”) and Nomination Committee. On 30 December 2022, Ms. Goh was also appointed as an independent non-executive director and a member of the remuneration committee and nomination committee of each of Lippo and LCR. Since January 2022, Ms. Goh has been serving as an independent director and a member of the nominating committee and remuneration committee of OUE. Save as disclosed herein, Ms. Goh has not held any directorship in other listed public companies for the last three years.

LETTER FROM THE BOARD

Ms. Goh obtained a Bachelor of Science in Economics and Finance with high distinction from Babson College in the United States of America. She is currently the managing director of Eng Wah Group and a director of Eng Wah Global Pte. Ltd. Ms. Goh was a director of Eng Wah Organization Limited, which was listed on the Mainboard of the SGX-ST before it was privatized in 2008.

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

As at the Latest Practicable Date, Ms. Goh was not interested or deemed to be interested in any Shares or underlying Shares pursuant to Part XV of the SFO.

Ms. Goh entered into a letter agreement with the Company for her appointment as an independent non-executive Director for a term of two years commencing from 30 December 2022, which will be terminable by either party by giving three months' prior written notice or in accordance with the provisions of the Bye-laws. Ms. Goh 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, Ms. Goh was entitled to receive a director's fee of HK\$258,000 per annum, which was determined by reference to the prevailing market rate for independent non-executive directors of listed companies in Hong Kong. Following the review of the Directors' fees by the Remuneration Committee, her director's fee has been adjusted to HK\$265,200 per annum with effect from 1 April 2023. Ms. Goh is also entitled to receive additional fees for serving as members of various Board committees of the Company. For the year ended 31 December 2022, Ms. Goh received a director's fee of HK\$1,387 and additional fees of HK\$593 for serving as a member of the Remuneration Committee and Nomination Committee.

Furthermore, Ms. Goh 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.

Mr. Brian Riady

Mr. Brian Riady ("Mr. Riady"), aged 32, was appointed an executive Director on 30 March 2023. Mr. Riady was also appointed an executive director of each of Lippo and LCR on 30 March 2023. He is the Deputy Chief Executive Officer and Executive Director of OUE and a non-independent and non-executive director of OUE Healthcare Limited ("OUEH", formerly known as OUE Lippo Healthcare Limited). He is also a non-independent non-executive director of OUE Commercial REIT Management Pte. Ltd. (the manager of OUE Commercial Real Estate Investment Trust ("OUE C-REIT")). OUEH and OUE C-REIT are listed on the SGX-ST. Save as disclosed herein, Mr. Riady has not held any directorship in other listed public companies for the last three years.

LETTER FROM THE BOARD

Mr. Riady holds a Bachelor of Science (Political Communication) and a Bachelor of Arts (Economics) from the University of Texas at Austin, the United States of America. He attended the Executive Education programs at the Harvard Business School.

Mr. Riady is the son of Dr. Stephen Riady (a controlling shareholder of the Company) and Madam Shincee Leonardi (“Madam Leonardi”). Dr. Stephen Riady is an executive Director and the Chairman of the Board. Mr. Riady is a nephew of Mr. James Tjahaja Riady (“Mr. James Riady”, a controlling shareholder of the Company) and Madam Aileen Hambali (“Madam Hambali”), the spouse of Mr. James Riady. Interest of Dr. Stephen Riady in the Company was disclosed in the section headed “Directors’ and chief executive’s interests and short positions in shares, underlying shares and debentures of the Company and associated corporations” in the Report of the Directors of the Annual Report of the Company for the year ended 31 December 2022 (the “Report of the Directors”). Interests of Madam Leonardi, Mr. James Riady and Madam Hambali in the Company were disclosed in the section headed “Interests and short positions of shareholders discloseable under the Securities and Futures Ordinance” in the Report of the Directors. Mr. Riady holds directorships in certain subsidiaries of LCR which in turn is a subsidiary of Lippo. Lippo has discloseable interests in the Company under Part XV of the SFO. Save as disclosed herein, as at the Latest Practicable Date, Mr. Riady did not have any relationship with any Director, senior management, substantial or controlling shareholder of the Company.

As at the Latest Practicable Date, Mr. Riady was not interested or deemed to be interested in any Shares or underlying Shares pursuant to Part XV of the SFO.

Mr. Riady entered into a letter agreement with the Company for his appointment as an executive Director for a term of two years commencing from 30 March 2023, 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. Riady 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. Riady was entitled to receive a director’s fee of HK\$258,000 per annum, which was determined by reference to his background, experience, offices, time commitment, duties and responsibilities with the Company as well as the employment conditions elsewhere in the Group. Following the review of the Directors’ fees by the Remuneration Committee, his director’s fee has been adjusted to HK\$265,200 per annum with effect from 1 April 2023.

Furthermore, Mr. Riady 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.

Mr. King Fai Tsui

Mr. King Fai Tsui (“Mr. Tsui”), aged 73, was appointed an independent non-executive Director on 30 September 2004. He is also an independent non-executive director of Lippo. Mr. Tsui is the chairman of the Remuneration Committee, Nomination Committee and audit committee of the Company (the “Audit Committee”). He is a member of the audit committee and the chairman of the remuneration committee and nomination committee of Lippo. He is an independent non-executive director of Vinda International Holdings Limited and Newton

LETTER FROM THE BOARD

Resources Ltd, both are listed on the Stock Exchange. Mr. Tsui resigned as an independent non-executive director of LCR on 30 December 2022. He also resigned as an independent non-executive director of China Aoyuan Group Limited, a company listed on the Stock Exchange, on 20 January 2023. Save as disclosed herein, Mr. Tsui has not held any directorship in other listed public companies for the last three years.

Mr. Tsui has over 40 years of extensive experience in accounting, finance and investment management, particularly in investments in mainland China. He 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 Chartered Accountants Australia and New Zealand 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 with the Company for his appointment as an independent non-executive Director for a term of two years commencing from 30 September 2022, 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. With effect from 1 April 2023, Mr. Tsui is entitled to receive a director's fee of HK\$265,200 per annum, which was determined by reference to the prevailing market rate for independent non-executive directors of listed companies in Hong Kong. Mr. Tsui is also entitled to receive additional fees for serving as chairman of various Board committees of the Company. For the year ended 31 December 2022, Mr. Tsui received a director's fee of HK\$255,000 and additional fees in the total amount of HK\$252,900 for serving as the chairman of the Audit Committee, Remuneration Committee and Nomination Committee.

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

Mr. Tsui has served as independent non-executive Director for more than nine years and his re-election as an independent non-executive Director will be subject to a separate resolution to be approved by the Shareholders at the AGM. In addition to his confirmation of independence in accordance with rule 3.13 of the Listing Rules, Mr. Tsui continues to demonstrate the attributes of an independent non-executive director by providing

LETTER FROM THE BOARD

independent views and advice to the Group. Mr. Tsui also continues to demonstrate his ability to exercise independent judgment and provide a balanced and objective view in relation to the Group's affairs. There is no evidence that his tenure has had any impact on his independence. The Directors are of the opinion that Mr. Tsui remains independent notwithstanding the length of his service. The Directors also believe that his valuable knowledge and experience in the business of the Group and his external experience continue to generate significant contribution to the Company and the Shareholders as a whole. The continuous appointment of Mr. Tsui as an independent non-executive Director will help to maintain the stability of the Board. Furthermore, the Nomination Committee reviewed the eligibility of Mr. Tsui seeking for re-election at the AGM and also reviewed and assessed the annual confirmation of independence of 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. Tsui has met the independence guidelines of rule 3.13 of the Listing Rules. With the reasons above, the Board considers that Mr. Tsui is independent for the purpose of acting as an independent non-executive Director.

Dr. Stephen Riady

Dr. Stephen Riady (former name: Stephen Tjondro Riady) ("Dr. Riady"), aged 62, was appointed a Director on 1 September 1992 and the Chairman of the Board on 25 March 2011. He is also an executive director and the Chairman of the board of directors of each of Lippo and LCR. Dr. Riady was appointed as the Executive President of each of the Company, Lippo and LCR with effect from 1 January 2015. He is a member of the remuneration committee and nomination committee of each of the Company, Lippo and LCR. Dr. Riady also holds directorships in certain subsidiaries of the Company, Lippo and LCR. He is the Executive Chairman and Group Chief Executive Officer of OUE and a non-executive non-independent director of Healthway Medical Corporation Limited, a company listed on the sponsor-supervised listing platform of the SGX-ST. He was a member of the board of commissioners of PT Lippo Karawaci Tbk, a company listed on the Indonesia Stock Exchange. Save as disclosed herein, Dr. Riady has not held any directorship in other listed public companies for the last three years.

Dr. Riady is a graduate of the University of Southern California, the United States of America and holds a Master of Business Administration from Golden Gate University, the United States of America and an Honorary Degree of Doctor of Business Administration from Edinburgh Napier University, United Kingdom. He is one of the first Honorary University Fellows installed by the Hong Kong Baptist University in September 2006.

Dr. Riady is a director of Lippo Capital Group Limited ("Lippo Capital Group"), Lippo Capital Holdings Company Limited ("Lippo Capital Holdings") and Lippo Capital Limited ("Lippo Capital") which, together with Lippo, have discloseable interests in the Company under Part XV of the SFO. Dr. Riady is the father of Mr. Brian Riady, an executive Director of each of the Company, Lippo and LCR. Dr. Riady is the spouse of Madam Leonardi, a brother of Mr. James Riady and a brother-in-law of Madam Hambali and their interests in the Company were disclosed in the section headed "Interests and short positions of shareholders discloseable under the Securities and Futures Ordinance" in the Report of the Directors.

LETTER FROM THE BOARD

As at the Latest Practicable Date, Lippo Capital, through its subsidiary, Lippo, was indirectly interested in 1,477,715,492 Shares, representing approximately 73.95% of the issued Shares. Lippo Capital is a 60% owned subsidiary of Lippo Capital Holdings which in turn is a wholly-owned subsidiary of Lippo Capital Group. Dr. Riady was the beneficial owner of one share in, representing 100% of the issued share capital of, Lippo Capital Group. Accordingly, Dr. Riady was taken to be interested in 1,477,715,492 Shares, representing approximately 73.95% of the issued Shares pursuant to Part XV of the SFO. Further information about the interest of Dr. Riady in the Company was disclosed in the section headed “Directors’ and chief executive’s interests and short positions in shares, underlying shares and debentures of the Company and associated corporations” in the Report of the Directors.

Save as disclosed herein and in the Report of the Directors, as at the Latest Practicable Date, Dr. Riady did not have any relationship with any Director, senior management, substantial or controlling shareholder of the Company.

Dr. Riady entered into a letter agreement with the Company for his appointment as an executive Director for a term of two years commencing from 1 January 2023, which will be terminable by either party by giving three months’ prior written notice or in accordance with the provisions of the Bye-laws. Dr. Riady is also subject to retirement by rotation and re-election at the Company’s annual general meetings in accordance with the Bye-laws. With effect from 1 April 2023, Dr. Riady is entitled to receive a director’s fee of HK\$265,200 per annum. Dr. Riady also entered into an employment agreement (as supplemented) for his appointment as Executive President of the Company with effect from 1 January 2015, which will be terminable by either party by giving three months’ prior written notice. Under the above employment agreement (as supplemented), Dr. Riady is entitled to receive a monthly salary of HK\$87,150, discretionary bonus and other fringe benefits. For the year ended 31 December 2022, Dr. Riady received director’s fee, salaries, fringe benefits and pension contribution in the total amount of HK\$1,312,275 and a discretionary bonus of HK\$83,000. The above discretionary bonus was not fixed in the employment agreement and was determined by the Remuneration Committee from time to time. His emoluments were determined by reference to his duties and responsibilities.

Furthermore, Dr. Riady 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.

PROPOSED CAPITAL REORGANISATION

The Board proposes to undertake and implement the Capital Reorganisation for the purpose of reducing the par value of each Existing Share. The Capital Reorganisation will involve the following steps:

- (a) the Capital Reduction, which will involve the reduction of the issued share capital of the Company through a cancellation of the paid-up capital of the Company to the extent of HK\$0.90 on each of the issued Shares such that the par value of each issued Share will be reduced from HK\$1.00 to HK\$0.10, and as a result of the Capital Reduction, the share premium account of the Company shall be increased by HK\$1,798,452,087.30 from HK\$92,274,966.87 to HK\$1,890,727,054.17;

LETTER FROM THE BOARD

- (b) subject to and immediately upon the Capital Reduction taking effect, the Capital Diminution will take place which will involve the cancellation of all authorised but unissued share capital of the Company (which shall include, without limitation, the authorised but unissued share capital arising from the Capital Reduction) in its entirety resulting in the diminution of the authorised share capital of the Company by such amount representing the amount of Shares cancelled;
- (c) immediately upon the Capital Diminution, the Capital Increase will take place which will involve the increase in the authorised share capital of the Company to HK\$400,000,000 by the creation of such number of additional New Shares as shall be sufficient to increase the authorised share capital of the Company to HK\$400,000,000 divided into 4,000,000,000 New Shares of par value of HK\$0.10 each;
- (d) the Share Premium Reduction, which will involve the reduction of the entire amount standing to the credit of the share premium account of the Company; and
- (e) the Crediting of Contributed Surplus, which will involve the transfer of the credit arising from the Share Premium Reduction to the Contributed Surplus Account and the authorisation for the Board to apply any credit balance in the Contributed Surplus Account in any manner permitted by the laws of Bermuda and the Bye-laws.

As at the Latest Practicable Date, the authorised share capital of the Company was HK\$4,000,000,000 comprised of 4,000,000,000 Shares of HK\$1.00 each.

Effect of the Capital Reorganisation

Assuming that there is no change in the issued share capital of the Company during the period from the Latest Practicable Date to the day immediately prior to the effective date of the Capital Reorganisation, upon the Capital Reorganisation taking effect, the share capital structure of the Company will be as follows:

	As at the Latest Practicable Date	Immediately upon the Capital Reorganisation taking effect
Par value of each Share	HK\$1.00	HK\$0.10
Amount of authorised share capital of the Company	HK\$4,000,000,000	HK\$400,000,000
Number of authorised Shares	4,000,000,000 Existing Shares	4,000,000,000 New Shares
Number of issued Shares	1,998,280,097 Existing Shares	1,998,280,097 New Shares
Amount of issued and paid up share capital	HK\$1,998,280,097	HK\$199,828,009.70

LETTER FROM THE BOARD

Further, upon the Capital Reorganisation taking effect:

- (a) the share premium account of the Company will be reduced to zero;
- (b) there will be no change in the number of issued Shares or percentage level of shareholding held by or any rights of each Shareholder;
- (c) the New Shares shall rank *pari passu* in all respects with each other and subject to the restrictions in the Bye-laws; and
- (d) the existing board lot of 2,000 Shares will remain unchanged.

Other than the expenses to be incurred in relation to the Capital Reorganisation, the implementation of the Capital Reorganisation will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders.

The Capital Reorganisation will not involve the diminution of any liability in respect of any unpaid capital of the Company nor does it involve the repayment to the Shareholders of any paid up capital of the Company.

Conditions of the Capital Reorganisation

The Capital Reorganisation is conditional upon the following conditions:

- (a) the passing of the special resolution approving the Capital Reorganisation by the Shareholders at the AGM;
- (b) compliance with section 46(2) of the Companies Act, including (i) the publication of a notice of the Capital Reduction and the Share Premium Reduction in an appointed newspaper in Bermuda on a date not more than thirty days and not less than fifteen days before the date on which the Capital Reduction and the Share Premium Reduction are to take effect, and (ii) the Directors being satisfied that on the date on which the Capital Reduction and the Share Premium Reduction are to be effected, there are no reasonable grounds for believing that the Company is, or after the Capital Reduction and the Share Premium Reduction would be, unable to pay its liabilities as they become due;
- (c) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the New Shares to be allotted and issued by the Company after the Capital Reorganisation becomes effective;
- (d) the compliance with the relevant procedures and requirements under the Bye-laws, the laws of Bermuda and the Listing Rules to effect the Capital Reorganisation; and
- (e) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Capital Reorganisation.

LETTER FROM THE BOARD

As at the Latest Practicable Date, none of the above conditions have been fulfilled. Subject to the fulfilment of the conditions of the Capital Reorganisation and in order to provide more certainty to the expected timetable for the Capital Reorganisation, the effective date of the Capital Reorganisation is expected to be on Monday, 3 July 2023, due to the fact that the Company would be required to seek certain consents and approvals from third parties if the Capital Reorganisation were to take place prior to such date.

Listing application

An application has been made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the New Shares upon the Capital Reorganisation becoming effective.

Subject to the granting of listing of, and permission to deal in, the New Shares on the Stock Exchange upon the Capital Reorganisation becoming effective, as well as compliance with the stock admission requirements of HKSCC, the New Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the New Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the New Shares to be admitted into CCASS.

None of the Shares are listed or dealt in on any other stock exchange other than the Stock Exchange. Upon the Capital Reorganisation becoming effective, the New Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is currently proposed to be sought.

Exchange of share certificates

Subject to the Capital Reorganisation becoming effective, which is currently expected to be on Monday, 3 July 2023, the Shareholders may during the business hours, on or after Monday, 3 July 2023 and until Tuesday, 8 August 2023 (both dates inclusive) submit existing share certificates in the colour of pink for the Existing Shares to the Company's Hong Kong Branch Share Registrar, Tricor Tengis Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong, in exchange for new share certificates in the colour of yellow for the New Shares at the expense of the Company.

Thereafter, share certificates of the Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the New Shares, whichever the number of share certificates cancelled/issued is higher.

Notwithstanding the Capital Reorganisation becoming effective, the existing share certificates for the Existing Shares will remain effective as documents of title and may be exchanged for share certificates for New Shares at any time and will be accepted for delivery, trading and settlement purposes.

LETTER FROM THE BOARD

Reasons for the Capital Reorganisation

The Company notes that the Shares have been trading between HK\$0.460 and HK\$0.550 during the six-month period immediately before the Latest Practicable Date and which is below the existing par value per Share of HK\$1.00.

Under the laws of Bermuda, shares of a Bermuda company may not be issued for an amount less than the par value of the shares. Based on the current and historical trading price of the Shares, this restriction would hinder any capital raising opportunities of the Company by way of new issue of Shares.

The Capital Reorganisation will therefore provide the Company with greater flexibility to raise capital for business growth. Further, the Capital Reorganisation will also increase the credit balance of the Contributed Surplus Account which the Board may apply, as its considers appropriate and in accordance with the Bye-laws and applicable laws, for other uses such as declaring distributions which involves the use of the distributable reserves of the Company.

The Board considers that the Capital Reorganisation will have no material impact on the net asset value of the Group nor the underlying assets, business operations, management or financial position of the Group or the proportionate interests or rights of the Shareholders.

As at the Latest Practicable Date, the Company has no plans to conduct any capital raising activities in the next 12 months and accordingly, the Capital Reorganisation will unlikely have any effect on any capital raising activities of the Company in the next 12 months. However, the Board cannot rule out the possibility that the Company will conduct capital raising exercises such as placing and rights issues when suitable opportunities arise in order to support future development of the Company and the Board considers that Capital Reorganisation will make capital raising exercises requiring the issuance of Shares (if any) more viable. The Company will make further announcement in this regard in accordance with the Listing Rules as and when appropriate.

In view of the above reasons, the Board is of the view that the Capital Reorganisation is beneficial to and in the interests of the Company and the Shareholders as a whole.

Special Resolution

A special resolution to approve the Capital Reorganisation will be proposed for approval by the Shareholders at the AGM. To the best of knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholders are required to abstain from voting on the special resolution to be proposed at the AGM.

LETTER FROM THE BOARD

ANNUAL GENERAL MEETING

The notice convening the AGM is set out on pages 20 to 26 of this circular. 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 Tricor Tengis Limited, the Company's Hong Kong Branch Share Registrar, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours (that is, 10:15 a.m. on Wednesday, 31 May 2023) 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 put each resolution set out in the notice of AGM to be voted by way of a poll pursuant to Bye-law 66(1) of the Bye-laws. 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.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Directors are of the opinion that (i) the proposed grant of general mandates to issue and repurchase Shares; (ii) the proposed re-election of retiring Directors; and (iii) the proposed Capital Reorganisation, in each case as described in this circular, are in the interests of the Company and the Shareholders, and accordingly, recommend you to vote in favour of all the relevant resolutions to be proposed at the AGM.

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

EXPECTED TIMETABLE OF CAPITAL REORGANISATION

Set out below is the expected timetable for the Capital Reorganisation:

Events	Time and Date
Latest date and time for lodging transfer documents in order to qualify for attending and voting at the AGM	4:30 p.m. on Monday, 29 May 2023
Closure of register of members for the entitlement to attend and vote at the AGM	Tuesday, 30 May 2023 to Friday, 2 June 2023 (both dates inclusive)
Latest date and time for lodging forms of proxy for the AGM	10:15 a.m. on Wednesday, 31 May 2023
Record date for attending the AGM	Friday, 2 June 2023
Date and time of the AGM	10:15 a.m. on Friday, 2 June 2023
Announcement of voting results of the AGM	Friday, 2 June 2023

The following events are conditional upon the fulfilment of the conditions for the implementation of the Capital Reorganisation:

Effective date of the Capital Reorganisation	Monday, 3 July 2023
First day for free exchange of existing share certificates for new share certificates for the New Shares	Monday, 3 July 2023
Dealings in the New Shares commence	9:00 a.m., Monday, 3 July 2023
Last day for free exchange of existing share certificates for new share certificates for the New Shares	Tuesday, 8 August 2023

All times and dates stated above refer to Hong Kong local times and dates. The expected timetable set out above is indicative only and may be subject to change. Any changes to the expected timetable will be announced by the Company as and when appropriate.



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 Friday, 2 June 2023 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 Auditor’s Report for the year ended 31 December 2022.
2.
 - A. To consider the re-election of Ms. Min Yen Goh as a Director of the Company;
 - B. To consider the re-election of Mr. Brian Riady as a Director of the Company;
 - C. To consider the re-election of Mr. King Fai Tsui as a Director of the Company;
 - D. To consider the re-election of Dr. Stephen Riady as a Director of the Company;
and
 - E. To authorise the Board of Directors of the Company to fix the Directors’ remuneration.
3. To consider the re-appointment of Ernst & Young as the Auditor of the Company and to authorise the Board of Directors of the Company to fix its remuneration.
4. As special business, to consider and, if thought fit, pass the following resolutions as Ordinary Resolutions:
 - A. “THAT:
 - (a) subject to paragraphs (c) and (d) 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;

* For identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

- (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;
- (c) the aggregate number of shares 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% of the total number of shares of the Company in issue as at the date of passing of this resolution, and the said approval shall be limited accordingly;
- (d) the Company may not issue securities convertible into shares for cash consideration unless the initial conversion price is not lower than the Benchmarked Price (as hereinafter defined) of the shares at the time of the relevant placing, and the Company may not issue warrants, options or similar rights to subscribe for (i) any new shares of the Company or (ii) any securities convertible into new shares of the Company, for cash consideration; and
- (e) for the purpose of this resolution:

“Benchmarked Price” means the higher of:

- (a) the closing price on the date of the relevant placing agreement or other agreement involving the proposed issue of securities under the general mandate in this resolution; and
- (b) the average closing price in the 5 trading days immediately prior to the earlier of:
 - (i) the date of announcement of the placing or the proposed transaction or arrangement involving the proposed issue of securities under the general mandate in this resolution;
 - (ii) the date of the placing agreement or other agreement involving the proposed issue of securities under the general mandate in this resolution; and

NOTICE OF ANNUAL GENERAL MEETING

(iii) the date on which the placing or subscription price is fixed;

“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; and

“Rights Issue” means an offer by way of rights to holders of shares whose names appear on the Register of Members of the Company on a fixed record date which enables those holders to subscribe shares in proportion to their then shareholdings (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).”

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 of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), or on 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 number 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% of the total number of shares of the Company in issue as at the date of passing of this resolution, and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

(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.”

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 of the Company and to make or grant offers, agreements and options which might require the exercise of such powers 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 number of shares 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 the aggregate number of shares 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 number of shares shall not exceed 10% of the total number of shares of the Company in issue as at the date of passing of this resolution.”

NOTICE OF ANNUAL GENERAL MEETING

5. As special business, to consider and, if thought fit, pass the following resolution as a Special Resolution:

“THAT subject to and conditional upon (i) compliance with section 46(2) of the Companies Act 1981 of Bermuda in respect of the Capital Reduction (as defined below) and the Share Premium Reduction (as defined below); (ii) the listing committee of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting the listing of, and permission to deal in, the New Shares (as defined below) to be allotted and issued by the Company after the Capital Reorganisation (as defined below) becomes effective; (iii) compliance with the relevant procedures and requirements under the Bye-laws of the Company, the laws of Bermuda and the Rules Governing of the Listing of Securities on the Stock Exchange to effect the Capital Reorganisation (as defined below); and (iv) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Capital Reorganisation (as defined below), with effect from the next business day immediately following the date on which the aforesaid conditions are fulfilled:

- (a) the issued share capital of the Company be reduced through the cancellation of the paid-up capital of the Company to the extent of HK\$0.90 on each of the issued shares of the Company such that the par value of each issued share of the Company will be reduced from HK\$1.00 to HK\$0.10 (the “New Shares”) (the “Capital Reduction”) and such that the share premium account of the Company be increased by HK\$1,798,452,087.30 from HK\$92,274,966.87 to HK\$1,890,727,054.17;
- (b) subject to and immediately upon the Capital Reduction taking effect, all the authorised but unissued share capital of the Company (which shall include, without limitation, the authorised but unissued share capital arising from the Capital Reduction) be cancelled in its entirety resulting in the diminution of the authorised share capital of the Company by such amount representing the amount of share capital being cancelled (the “Capital Diminution”);
- (c) immediately upon the Capital Diminution taking effect, the authorised share capital of the Company be increased to HK\$400,000,000 by the creation of such number of additional New Shares as shall be sufficient to increase the authorised share capital of the Company to HK\$400,000,000 divided into 4,000,000,000 New Shares (the “Capital Increase”);
- (d) immediately following the Capital Increase, the authorised share capital of the Company will be HK\$400,000,000 divided into 4,000,000,000 New Shares of par value of HK\$0.10 each;

NOTICE OF ANNUAL GENERAL MEETING

- (e) the amount of HK\$1,890,727,054.17 standing to the credit of the share premium account of the Company be reduced such that the share premium account of the Company be reduced from HK\$1,890,727,054.17 to zero (the “Share Premium Reduction”);
- (f) the credit arising from the Share Premium Reduction be transferred to the contributed surplus account of the Company (the “Crediting of Contributed Surplus”) and the Directors of the Company be authorised to apply any credit balance in the contributed surplus account of the Company in any manner permitted by the laws of Bermuda and the Bye-laws of the Company; and
- (g) any one of the Directors of the Company be hereby authorised to do all such acts and things and execute all such documents on behalf of the Company, including under the common seal of the Company, where applicable, as he/she may consider necessary or expedient to give effect to or in connection with the implementation of the Capital Reduction, the Capital Diminution, the Capital Increase, the Share Premium Reduction and the Crediting of Contributed Surplus (together referred to as “Capital Reorganisation”).”

By Order of the Board
HONGKONG CHINESE LIMITED
Millie Luk
Secretary

Hong Kong, 9 May 2023

Registered Office:

Clarendon House
Church Street
Hamilton HM 11
Bermuda

Principal Place of Business:

40th Floor
Tower Two
Lippo Centre
89 Queensway
Hong Kong

NOTICE OF ANNUAL GENERAL MEETING

Note:

1. Any member entitled to attend and vote at the 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 certified copy of such power or authority, must be delivered to Tricor Tengis Limited, the Company's Hong Kong Branch Share Registrar, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours (that is, 10:15 a.m. on Wednesday, 31 May 2023) 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/she so wish 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 from Tuesday, 30 May 2023 to Friday, 2 June 2023 (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 Hong Kong Branch Share Registrar, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 29 May 2023.
4. Should there be any discrepancies between the English and the Chinese versions, the English version shall prevail.