HONGKONG CHINESE LIMITED
香港華人有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 655)

PROPOSED AMENDMENTS TO THE BYE-LAWS

At the meeting of the board of Directors (the "**Board**") of Hongkong Chinese Limited (the "**Company**") held on 29th March, 2012, the Board approved, inter alia, to submit a proposal to amend the bye-laws of the Company (the "**Bye-laws**"). The proposed amendments to the Bye-laws are subject to the approval of the shareholders of the Company (the "**Shareholders**") by way of a special resolution at the forthcoming annual general meeting of the Company (the "**AGM**").

A circular containing, inter alia, further details concerning the proposed amendments to the Bye-laws and a notice of the AGM will be dispatched to the Shareholders in due course.

INTRODUCTION

The Board announces that at a meeting of the Board held on 29th March, 2012, the Board approved, inter alia, to submit a proposal to amend the Bye-laws. The proposed amendments to the Bye-laws are subject to the approval of the Shareholders by way of a special resolution at the AGM.

PROPOSED AMENDMENTS TO THE BYE-LAWS

The Stock Exchange of Hong Kong Limited has amended the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") relating to, inter alia, the Code on Corporate Governance Practices set out in Appendix 14 of the Listing Rules and the rules pertaining to corporate governance. Some of the amendments to the Listing Rules took effect on 1st January, 2012 and some of them would come into effect on 1st April, 2012. In addition, on 18th December, 2011, the Companies Amendment (No. 2) Act 2011 of Bermuda (the "**Act**") received assent and became operative. The Act provides for significant amendments to the Companies Act 1981, the principal statute governing the formation and operation of Bermuda companies.

Accordingly, the Board proposes to seek the approval of the Shareholders by way of a special resolution for the amendments to the Bye-laws to bring the Bye-laws in line with the amended Listing Rules and the Act and to incorporate certain housekeeping amendments proposed by the Board. The major proposed amendments include the following:

1. to allow the chairman of a general meeting, acting in good faith and in compliance with the Listing Rules, to allow resolutions to be voted on by the Shareholders on a show of hands;
2. to remove the 5 per cent. interest exemption for voting by a director on a board resolution in which he has an interest;
3. to clarify the method of attendance in a board meeting;
4. to clarify that the auditors of the Company shall be removed in accordance with the Listing Rules;
5. to remove prohibitions on providing financial assistance;
6. to permit paperless share transfers for the Company; and
7. to amend the applicable solvency test, allowing the Company to declare dividends or distributions when recording a profit, notwithstanding that the Company may carry a negative retained earnings balance.

Details of the proposed amendments will be set out in the notice of the AGM.

GENERAL

A circular containing, inter alia, further details concerning the proposed amendments to the Bye-laws and a notice of the AGM will be dispatched to the Shareholders of the Company in due course.

By Order of the Board
HONGKONG CHINESE LIMITED
Andrew Hau
Secretary

Hong Kong, 29th March, 2012

As at the date of this announcement, the executive Directors of the Company are Messrs. Stephen Riady (Chairman), John Lee Luen Wai (Chief Executive Officer) and Kor Kee Yee; the non-executive Director of the Company is Mr. Leon Chan Nim Leung; and the independent non-executive Directors of the Company are Messrs. Albert Saychuan Cheok, Victor Yung Ha Kuk and Tsui King Fai.

* *For identification purpose only*