

Media Release

For Immediate Release

21 September 2018

Chong Hing Bank Completes Rights Issue Exercise Raises Over HK\$4.5 Billion Total from Rights Issue and Subscription

Chong Hing Bank Limited (the “Bank”; stock code: 1111) has announced today the results of its earlier proposed Rights Issue on the basis of one Rights Share for every two Shares at the subscription price of HK\$14.26 per Rights Share. Dealings in the Rights Shares, in their fully-paid form, are expected to commence on the Stock Exchange at 9:00 a.m. on Wednesday, 26 September 2018.

A total of 249,900,094 Rights Shares were subscribed, approximately 69.16% of the total number of Rights Shares available for subscription under the Rights Issue, successfully raising over HK\$3.5 billion for the Bank. Together with the successful completion on 21 August 2018 of the new shares issue under the Subscription Agreement signed with Guangzhou Metro Investment Finance (HK) Limited (“GZ Metro”), the Subscription and Rights Issue transactions raised over HK\$4.5 billion for the bank in total. Although the Subscription and Rights Issue were carried out while global capital markets were volatile, they still successfully provided ample capital for the Bank, effectively raising its capital adequacy ratio and liquidity maintenance ratio, complementing its business development. For the purposes of illustrating hypothetically the effect of the Subscription and Rights Issue, the unaudited pro forma Tier 1 capital ratio of the Bank as at 30 June 2018 would have been increased from 13.23% to approximately 17.06% had the Subscription and the Rights Issue been completed on 30 June 2018.

The Subscription and Rights Issue were both carried out with a subscription price at a low discount rate and close to market price, fully demonstrating the confidence of GZ Metro, the new strategic investor, and Yuexiu Group, parent company of the Bank, in the Bank’s development prospects and growth potential. As the subscription price for the Rights Shares was the same as the Subscription price GZ Metro paid, the dilution effect was minimal and the interests of minority shareholders were well protected. Also, shareholders who participated in the Rights Issue will receive the 2018 interim dividends, allowing them to share in the fruit of growth of the Bank; hence a good number of public shareholders were attracted to the Rights Issue. As a result, Chong Hing raised adequate capital and its capital adequacy ratio and liquidity maintenance ratio have both improved, supporting the continued rapid development of the Bank.

The Bank’s parent company Yuexiu Group also showed exceptional support to the Bank in the Rights Issue, as it took up its pro rata entitlement and applying for the excess Rights Shares to the maximum extent permissible under the Listing Rules in the Right Issue at a low discount rate compared to the closing price of the Shares as at the date of the Announcement, demonstrating its commitment in devoting resources to the future development of the Bank.

Moreover, with the Subscription, the Bank has introduced GZ Metro as one of the important strategic shareholders. GZ Metro is a wholly state-owned company under the Guangzhou Municipal Government. Established in 1992, it is responsible for the investment, financing, construction, operation, property development and expansion of Guangzhou's urban rail transportation. As at 31 March 2018, GZ Metro had total assets of more than RMB 270 billion. Its business covers over 20 upstream and downstream industries including railway transportation, advanced manufacturing, construction, real estate and services. The Bank believes that it can explore participation and cooperation opportunities in cross-border financing and financial consulting with GZ Metro. Besides, with the 13 rail lines of GZ Metro at a total length of 392km, carrying on average over 8 million passengers daily, the Bank believes it shall enjoy significant synergies by leveraging GZ Metro's business footprints and experience in Guangdong Province. That plus the strong support from Yuexiu Group will complement the Bank's development plans in the Greater Bay Area, enabling the Bank to grasp the enormous development potential and unprecedented business opportunities in the area.

Chong Hing Bank has been growing alongside Hong Kong for 70 years, and it always strives to create value for shareholders and benefit society. Going forward, the Bank will continue to devote itself to realising its corporate vision of becoming an "integrated commercial bank with cross-border expertise". It will strive to consolidate its business base in Hong Kong, while seizing development opportunities presented by the Guangdong-Hong Kong-Macao Bay Area Initiative.

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About Chong Hing Bank

Chong Hing Bank (formerly known as 'Liu Chong Hing Bank Limited') was founded in 1948. The Bank has been listed on the mainboard of the Stock Exchange of Hong Kong (Stock code: 01111) since 1994 and currently operates a network of 39 branches in Hong Kong. Together with its subsidiaries (Chong Hing Securities Limited and Chong Hing Insurance Company Limited), the Bank offers a wide range of banking services to individual and corporate customers, which include HKD and foreign currency deposits, credit, wealth management, investment, securities, insurance and other commercial banking products. Besides, the Bank joined hands with a number of local financial institutions and is one of the founding members of BCT group which provides a full range of mandatory provident fund services to customers. The Bank has branches in Guangzhou, Shenzhen, Shantou and Macau, sub-branches in Guangzhou Tianhe, Foshan, Nansha and Hengqin, and representative offices in Shanghai and San Francisco.

Chong Hing Bank has been a member of Yuexiu Group since 14 February 2014. Yuexiu Group was established in Hong Kong in 1985. As at the end of 2017, Yuexiu Group had total assets of about RMB480 billion, making it one of the leading state-owned enterprise groups in Guangzhou in terms of economic efficiency.

For other information about Chong Hing Bank, please go to the Bank's website www.chbank.com.

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Unless otherwise expressed, capitalised terms in this release shall have the same meanings as defined in the announcement of the Bank relating to the Subscription and the Rights Issue dated 14 August 2018 and the prospectus of the Bank relating to the Rights Issue dated 31 August 2018.