

Media Release

For Immediate Release

28 July 2020

Chong Hing Bank Successfully Issues US\$250 Million Undated Non-cumulative Subordinated Additional Tier 1 Capital Securities

Chong Hing Bank (the “Bank”) announces that in connection with the proposed international offering of US\$ denominated perpetual capital securities under the US\$2 billion Medium Term Note and Perpetual Capital Securities Programme (the “Programme”) of the Bank, the Bank successfully issued US\$250 million Undated Non-Cumulative Subordinated Additional Tier 1 Capital Securities (the “Securities”), at a fixed rate of 5.5% per annum for the first five years, under the Programme on 27 July 2020. The issuance is expected to complete on 3 August 2020.

The Securities are non-call 5-year fixed rate perpetual securities, with a fixed coupon rate of 5.5% per annum, payable semi-annually for the first five years. The interest rate will be reset on 3 August 2025 to the sum of the then prevailing 5-year US Treasury Rate and the initial spread. The Securities are qualified as Basel III-compliant additional tier 1 capital. The proceeds from the offering will enable the Bank to strengthen its capital base and will be used for general corporate purposes in order to support business growth and the implementation of its strategic plans.

The aggregate principal amount of the Securities is US\$250 million. This includes the subscription by Yuexiu Group, the Bank's major shareholder, for up to US\$25 million of the Securities (on the same terms and conditions as those applicable to all other investors of the Securities). It demonstrates the confidence of the Bank's major shareholder in the future development and growth of the Bank. Following its issuance of additional tier 1 capital securities in 2019, once again the Bank gained high recognition from international capital market investors of the growth prospect of Yuexiu Group and Chong Hing Bank. In the current turbulent economic environment, the Bank managed to maintain an advantage in its rate setting and achieved a coupon rate which is even lower than that of the last issuance in 2019 (5.7%) and compares favourably with peer banks' recent issuances.

The joint global coordinators for the issuance are BOCI Asia Limited, CMBC Securities Company Limited, CMB International Capital Limited, CLSA Limited, Yue Xiu Securities Company Limited and Chong Hing Bank Limited. The joint lead managers and joint bookrunners are BOCI Asia Limited, CMBC Securities Company Limited, CMB International Capital Limited, CLSA Limited, ABCI Capital Limited, CCB International Capital Limited, Yue Xiu Securities Company Limited and Chong Hing Bank Limited.

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About Chong Hing Bank

Chong Hing Bank Limited was founded in Hong Kong in 1948. The Bank has been listed on the main board of the Stock Exchange of Hong Kong (Stock code: 01111) since 1994. The Bank and its subsidiaries (including Chong Hing Securities Limited and Chong Hing Insurance Company Limited) offer comprehensive commercial banking and financial services to individual and corporate customers. These services include HKD and foreign currency deposits, credit, foreign exchange, wealth management, investment, securities and insurance, among other products. In addition, the Bank has joined hands with a number of local financial institutions and is one of the founding members of the BCT group, which provides a full range of mandatory provident fund services to customers. The Bank currently operates a network of more than 30 branches in Hong Kong. It also has branches in Guangzhou, Shenzhen, Shanghai, Shantou and Macau, sub-branches in Guangzhou Tianhe District, Foshan Nanhai District, Foshan Chancheng District, Nansha and Hengqin, and a representative office in San Francisco.

Chong Hing Bank became a member of Yuexiu Group on 14 February 2014. Yuexiu Group was established in Hong Kong in 1985. As of end of 2019, the total assets of the Group amount to over RMB660 billion. Yuexiu Group was ranked 382nd in the “Top 500 Chinese Enterprises” list in 2019.

For more information about Chong Hing Bank, please visit the Bank’s website www.chbank.com.

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