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## JOINT ANNOUNCEMENT

**(1) PROPOSAL FOR THE PRIVATISATION OF CHONG HING BANK LIMITED BY YUE XIU ENTERPRISES (HOLDINGS) LIMITED BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 673 OF THE COMPANIES ORDINANCE**

AND

**(2) PROPOSED WITHDRAWAL OF LISTING OF THE SHARES OF CHONG HING BANK LIMITED**

AND

**(3) DESPATCH OF SCHEME DOCUMENT AND SHARE AWARD OFFER LETTER**

AND

**(4) CLOSURE OF REGISTER OF MEMBERS OF CHONG HING BANK LIMITED**

Joint Financial Adviser to the Offeror



China International Capital Corporation  
Hong Kong Securities Limited

Joint Financial Adviser to the Offeror



CLSA Capital Markets Limited

*(in alphabetical order)*

Financial Adviser to the Company



Yue Xiu Capital Limited

Independent Financial Adviser to the Independent Board Committee



Somerley Capital Limited

## **INTRODUCTION**

Reference is made to (i) the announcement jointly issued by Chong Hing Bank Limited (the “**Company**”) and Yue Xiu Enterprises (Holdings) Limited (the “**Offeror**”) dated 18 May 2021 in relation to, among other matters, the proposal for the privatisation of the Company by the Offeror by way of a scheme of arrangement under Section 673 of the Companies Ordinance; (ii) the announcements jointly issued by the Company and the Offeror dated 8 June 2021 and 18 June 2021 in relation to the delay in despatch of the Scheme Document; (iii) the announcement issued by the Company dated 8 July 2021 to update the number of relevant securities of the Company; (iv) the announcement jointly issued by the Company and the Offeror dated 16 July 2021 providing a monthly update on the status and progress in connection with the Proposal and the Scheme; (v) the announcement jointly issued by the Company and the Offeror dated 27 July 2021 providing an update on the despatch of the composite scheme document (the “**Scheme Document**”) relating to the Proposal; and (vi) the Scheme Document jointly issued by the Company and the Offeror dated 30 July 2021 in relation to the Proposal, the Scheme and the Share Award Offer. Unless otherwise specified, all capitalised terms used herein shall have the same respective meanings as those defined in the Scheme Document.

## **DESPATCH OF THE SCHEME DOCUMENT AND THE SHARE AWARD OFFER LETTER**

The Scheme Document, together with the notices of the Court Meeting and EGM to be held on Monday, 30 August 2021 and the related proxy forms, will be despatched to the Shareholders and the holders of the Outstanding Share Awards, and, in respect of the Share Award Offer, the Share Award Offer Letter together with the Form of Acceptance will be despatched to the holders of the Outstanding Share Awards, on Friday, 30 July 2021.

The Scheme Document contains, among other things, (a) further details of the Proposal, the Scheme and the Share Award Offer; (b) an explanatory statement of the Scheme; (c) the expected timetable relating to the Proposal, the Scheme and the Share Award Offer; (d) the letter from the Independent Board Committee containing its recommendations to the Independent Scheme Shareholders and the holders of the Outstanding Share Awards in respect of the Proposal, the Scheme and the Share Award Offer; (e) the letter of advice from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the Proposal and the Share Award Offer; and (f) the notices of the Court Meeting and the EGM (including proxy forms relating to such meetings for use by the relevant Shareholders).

## **RECOMMENDATIONS OF THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee, comprising: (a) Mr Chow Cheuk Yu Alfred (a non-executive Director); and (b) Mr Cheng Yuk Wo, Mr Lee Ka Lun and Mr Yu Lup Fat Joseph (each an independent non-executive Director), has been established by the Board in accordance with Rule 2.1 of the Takeovers Code to make recommendations to the Independent Scheme Shareholders and the holders of the Outstanding Share Awards as to: (i) whether the terms of the Proposal, the Scheme and the Share Award Offer are, or are not, fair and reasonable; (ii) whether to vote in favour of the Scheme at the Court Meeting; and (iii) acceptance of the Share Award Offer by the Outstanding Share Award Holders.

Somerley Capital Limited has been appointed by the Company, with the approval of the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code, to advise the Independent Board Committee as to: (a) whether the terms of the Proposal and the Share Award Offer are, or are not, fair and reasonable; (b) voting by the Independent Scheme Shareholders at the Court Meeting; and (c) acceptance of the Share Award Offer by the Outstanding Share Award Holders.

In the letter from the Independent Financial Adviser set out in the Scheme Document, Somerley Capital Limited states that it considers the terms of the Proposal and the Share Award Offer to be fair and reasonable so far as the Scheme Shareholders and the Outstanding Share Award Holders are respectively concerned, and advises the Independent Board Committee to recommend (i) the Independent Scheme Shareholders to vote in favour of the resolution to be proposed at the Court Meeting to approve the Scheme; (ii) all Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM to approve and give effect to the Scheme; and (iii) the Outstanding Share Award Holders to accept the Share Award Offer.

The Independent Board Committee, having considered the terms of the Proposal, the Scheme and the Share Award Offer, and having taken into account the opinion of the Independent Financial Adviser, and in particular the factors, reasons and recommendations set out in its letter, considers that the terms of the Proposal, the Scheme and the Share Award Offer are fair and reasonable so far as the Independent Scheme Shareholders and the holders of the Outstanding Share Awards are concerned. Accordingly, the Independent Board Committee recommends the Independent Scheme Shareholders to vote in favour of the resolution to be proposed at the Court Meeting to approve the Scheme and the relevant resolutions to be proposed at the EGM to approve and give effect to the Scheme and the Outstanding Share Award Holders to accept the Share Award Offer.

Shareholders and holders of the Outstanding Share Awards are urged to read and consider carefully the recommendations of the Independent Board Committee and the advice of the Independent Financial Adviser in relation to the Proposal, the Scheme and the Share Award Offer as set out in the letter from the Independent Board Committee and the letter from the Independent Financial Adviser as contained in the Scheme Document.

## **COURT MEETING AND THE EGM**

The Court Meeting and the EGM are scheduled to be held at 10:00 a.m. and 10:30 a.m. (or if later, on the same day and at the same place immediately after the Court Meeting shall have been concluded or adjourned), respectively, on Monday, 30 August 2021 at 13th, 27th and/or 28th Floor(s) (with registration taking place on 27th Floor), Chong Hing Bank Centre, 24 Des Voeux Road Central, Hong Kong.

The Court has directed that the Court Meeting be convened for the purpose of considering and, if thought fit, approving the Scheme (with or without modification).

Immediately following the conclusion of the Court Meeting, the EGM will be held for the purpose of considering and, if thought fit, passing (a) the special resolution to approve and give effect to the reduction of the issued share capital of the Company on the Effective Date by the cancellation and extinguishment of the Scheme Shares in issue on the Scheme Record Date; and (b) the ordinary resolution to approve and give effect to, immediately after such cancellation, extinguishment and reduction, the restoration of the issued share capital of the Company to the amount immediately prior to such cancellation, extinguishment and reduction by the issue by the Company to the Offeror SPV Entity of such number of new Shares (credited as fully-paid by applying the reserve created as a result of such cancellation, extinguishment and reduction) as is equal to the number of the Scheme Shares so cancelled and extinguished.

Notices of the Court Meeting and the EGM are contained in the Scheme Document.

An announcement will be jointly made by the Company and the Offeror on the results of the Court Meeting and the EGM in accordance with Rule 19.1 of the Takeovers Code to the extent applicable.

## **CLOSURE OF REGISTER OF MEMBERS OF THE COMPANY**

For the purpose of determining the entitlement of the holders of the Scheme Shares to attend and vote at the Court Meeting and the entitlement of the Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Wednesday, 25 August 2021 to Monday, 30 August 2021 (both days inclusive) (or such other dates as may be notified by the Company by way of announcement(s)), and during such period, no transfer of the Shares will be effected. In order to qualify to attend and vote at the Court Meeting and the EGM, the relevant forms of transfer accompanied by the relevant share certificates shall be lodged with the Company's share registrar and transfer office, Computershare Hong Kong Investor Services Limited of Shops 1712 – 1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Tuesday, 24 August 2021.

## **CONDITIONS OF THE PROPOSAL**

Shareholders, holders of the Outstanding Share Awards and potential investors of the Company should be aware that the implementation of the Proposal, the Scheme and the Share Award Offer are subject to the fulfilment or waiver, as applicable, of the Conditions described in the section headed "CONDITIONS OF THE PROPOSAL" in the Explanatory Statement of the Scheme Document. Accordingly, the Proposal and the Share Award Offer may or may not be implemented and the Scheme may or may not become effective.

All of the Conditions would have to be fulfilled or waived, as applicable, on or before the Long Stop Date, failing which the Proposal, the Scheme and, as the Share Award Offer is conditional upon the Scheme becoming effective, the Share Award Offer shall lapse.

Assuming that all of the Conditions are fulfilled or, as applicable, waived, the Scheme will become effective on the Effective Date, which is expected to be Monday, 27 September 2021, and the listing of the Shares on the Stock Exchange is expected to be withdrawn at 4:00 p.m. on Thursday, 30 September 2021 pursuant to Rule 6.15(2) of the Listing Rules.

If all the resolutions are passed at the Court Meeting and the EGM, further announcements will be made by the Company and the Offeror in relation to, among other things, the results of the hearing of the petition for the sanction of the Scheme by the Court, the Effective Date and the date of withdrawal of listing of the Shares on the Stock Exchange in accordance with the requirements of the Takeovers Code and the Listing Rules.

## EXPECTED TIMETABLE

The following timetable takes into account the procedures of the Court for the Scheme. The expected timetable is indicative only and is subject to change. Further announcement(s) will be made jointly by the Offeror and the Company if there is any change to the following expected timetable.

### Hong Kong time

Date of despatch of the Scheme Document .....	Friday, 30 July 2021
Latest time for lodging transfers of the Shares in order to become entitled to attend and vote at the Court Meeting and the EGM.....	4:30 p.m. on Tuesday, 24 August 2021
Register of members of the Company closed for determining entitlement to attend and vote at the Court Meeting and the EGM ( <i>Note 1</i> ) .....	Wednesday, 25 August 2021 to Monday, 30 August 2021 (both days inclusive)
Latest time for lodging the <b>pink</b> proxy form in respect of the Court Meeting ( <i>Note 2</i> ) .....	10:00 a.m. on Friday, 27 August 2021
Latest time for lodging the <b>white</b> proxy form in respect of the EGM ( <i>Note 2</i> ) .....	10:30 a.m. on Friday, 27 August 2021
Meeting Record Date .....	Monday, 30 August 2021
Court Meeting ( <i>Notes 3 and 4</i> ) .....	10:00 a.m. on Monday, 30 August 2021
EGM ( <i>Notes 3 and 4</i> ) .....	10:30 a.m. on Monday, 30 August 2021 (or, if later, immediately after the conclusion or adjournment of the Court Meeting)
Announcement of the results of the Court Meeting and the EGM posted on the website of the Stock Exchange .....	no later than 7:00 p.m. on Monday, 30 August 2021
Expected latest time for trading in the Shares on the Stock Exchange .....	4:10 p.m. on Thursday, 2 September 2021

Latest time for lodging transfers of the Shares in order to qualify for entitlements under the Scheme . . . . .	4:30 p.m. on Monday, 6 September 2021
Register of members of the Company closed for determining entitlements to qualify under the Scheme ( <i>Note 5</i> ). . . . .	from Tuesday, 7 September 2021 onwards
Court hearing of the petition for the sanction of the Scheme ( <i>Note 6</i> ). . . . .	Thursday, 23 September 2021
Announcement of (1) the result of the Court hearing, (2) the expected Effective Date and (3) the expected date of withdrawal of listing of the Shares on the Stock Exchange posted on the website of the Stock Exchange . . . . .	no later than 7:00 p.m. on Thursday, 23 September 2021
Scheme Record Date for determining (1) the entitlement of the Scheme Shareholders under the Scheme and (2) the entitlement of the Outstanding Share Award Holders under the Share Award Offer . . . . .	Thursday, 23 September 2021
Effective Date ( <i>Note 6</i> ) and the date when the Share Award Offer becomes unconditional . . . . .	Monday, 27 September 2021
Announcement of (1) the Effective Date, (2) the results of the Share Award Offer (based on the acceptances and/or rejections of the Share Award Offer received as at the date of the announcement) ( <i>Note 7</i> ) and (3) the withdrawal of listing of the Shares on the Stock Exchange posted on the website of the Stock Exchange . . . . .	Monday, 27 September 2021
Expected withdrawal of listing of the Shares on the Stock Exchange becomes effective ( <i>Note 8</i> ). . . . .	4:00 p.m. on Thursday, 30 September 2021
Latest time to despatch cheques for the cash payment of the Cancellation Price to the Scheme Shareholders ( <i>Note 9</i> ). . . . .	on or before Thursday, 7 October 2021
Latest time to accept the Share Award Offer and the closing date of the Share Award Offer ( <i>Note 7</i> ) . . . . .	4:00 p.m. on Monday, 11 October 2021
Announcement of the results of the Share Award Offer published on the website of the SFC ( <i>Note 7</i> ) . . . . .	no later than 7:00 p.m. on Monday, 11 October 2021

*Notes:*

1. The register of members of the Company will be closed during such period for the purposes of determining the entitlement of the holders of Scheme Shares to attend and vote at the Court Meeting and of the Shareholders to attend and vote at the EGM. This book closure period is not for determining entitlements under the Scheme.
2. The **pink** proxy form in respect of the Court Meeting and the **white** proxy form in respect of the EGM should be completed and signed in accordance with the instructions respectively printed thereon and should be lodged with the Company's share registrar and transfer office, Computershare Hong Kong Investor Services Limited of 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by the times and dates stated above. The **pink** proxy form for use at the Court Meeting and the **white** proxy form for use at the EGM must be lodged no later than the time and date stated above in order for them to be valid. The completion and return of a proxy form for the Court Meeting and/or the EGM will not preclude a Shareholder from attending and voting in person at the relevant meeting or any adjournment thereof if he/she/it so wishes. In the event that the Shareholder attends and votes at the relevant meeting or any adjournment thereof after having lodged his/her/its proxy form, whether by physical attendance or online attendance through the Online Platform in the case of the Overseas Registered Shareholders, the returned proxy form shall be deemed to have been revoked by operation of law.
3. The Court Meeting and the EGM will be held at 13th, 27th and/or 28th Floor(s) (with registration taking place on 27th Floor), Chong Hing Bank Centre, 24 Des Voeux Road Central, Hong Kong at the times and dates specified above. Please see the notice of the Court Meeting set out in Appendix V to the Scheme Document and the notice of the EGM set out in Appendix VI to the Scheme Document for details.
4. If there is a "black" rainstorm warning or a tropical cyclone warning signal number 8 or above or post-super typhoon extreme conditions in force at or after 8:00 a.m. on Monday, 30 August 2021 and/or the Hong Kong Observatory has announced at or before 8:00 a.m. on Monday, 30 August 2021 that any of the above mentioned warnings is to be issued within the next two hours, the Court Meeting and the EGM shall automatically be postponed to the next Business Day on which no "black" rainstorm warning or tropical cyclone warning signal number 8 or above is hoisted and no post-super typhoon extreme conditions are in force between the hours from 8:00 a.m. to 10:00 a.m. and in such case the Court Meeting and the EGM shall be held at 10:00 a.m. and 10:30 a.m., respectively, on that Business Day at 13th, 27th and/or 28th Floor(s) (with registration taking place on 27th Floor), Chong Hing Bank Centre, 24 Des Voeux Road Central, Hong Kong. For the avoidance of doubt, the Court Meeting and the EGM will be held as scheduled even when a tropical cyclone warning signal number 3 or below is hoisted or an amber or red rainstorm warning signal is in force. The Shareholders should make their own decision as to whether to attend the Court Meeting and the EGM under bad weather conditions bearing in mind their own situation and, if they should choose to do so, they are advised to exercise care and caution.
5. The register of members of the Company will be closed during such period for the purpose of determining which holders of the Scheme Shares are qualified for the entitlements under the Scheme.
6. The Court hearing will be held at the Court at the High Court Building, 38 Queensway, Hong Kong. The Scheme will become effective upon all the Conditions having been fulfilled or waived (as applicable). The Scheme shall become effective when an office copy of the order of the Court sanctioning the Scheme (with or without modification) and confirming the reduction of the share capital of the Company involved in the Scheme together with a minute and a return that comply with subsections (2) and (3) of section 230 of the Companies Ordinance shall have been delivered and registered by the Registrar of Companies.
7. The duly completed and executed Form of Acceptance must be lodged by the Outstanding Share Award Holders with the Offeror at 26/F, Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong for the attention of the Offeror and marked "Chong Hing Bank Limited – Share Award Offer" by no later than 4:00 p.m. on Monday, 11 October 2021 (or such later date and time as may be notified to the holders of the Outstanding Share Awards by or on behalf of the Offeror). If acceptances and/or rejections of the Share Award Offer have been received from all the Outstanding Share Award Holders as at the date of publication of the announcement of the results of the Share Award Offer on Monday, 27 September 2021, no further announcement of the results of the Share Award Offer will be published on the website of the Stock Exchange following the closing date of the Share Award Offer on Monday, 11 October 2021.

8. If the Proposal becomes unconditional and the Scheme becomes effective, it is expected that the listing of the Shares on the Stock Exchange will be withdrawn at 4:00 p.m. on Thursday, 30 September 2021.
9. Cheques for entitlements of Scheme Shareholders will be despatched by ordinary post in postage pre-paid envelopes addressed to the Scheme Shareholders at their respective addresses as appearing in the register of members of the Company as at the Scheme Record Date or, in the case of joint holders, at the address appearing in the register of members of the Company as at the Scheme Record Date of the joint holder whose name then stands first in the register of members of the Company in respect of the relevant joint holding as soon as possible but in any event within seven (7) business days (as defined in the Takeovers Code) following the Effective Date. Cheques shall be posted at the risk of the addressees and none of the Offeror, the Company, CICC, CLSA, Yue Xiu Capital, the Independent Financial Adviser and the Company's share registrar and transfer office and their respective directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal shall be responsible for any loss or delay in transmission.

*All references to times and dates are references to Hong Kong times and dates, except as otherwise specified.*

## **WARNING**

**Shareholders, holders of the Outstanding Share Awards and potential investors of the Company should be aware that the implementation of the Proposal, the Scheme and the Share Award Offer are subject to the Conditions being fulfilled or waived (as applicable). Accordingly, the Proposal and the Share Award Offer may or may not be implemented and the Scheme may or may not become effective. Shareholders, holders of the Outstanding Share Awards and potential investors of the Company are advised to exercise extreme caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.**

By order of the board of directors of  
**Yue Xiu Enterprises (Holdings) Limited**  
**Yu Tat Fung**  
*Company Secretary*

By order of the Board  
**Chong Hing Bank Limited**  
**Lai Wing Nga**  
*Company Secretary*

Hong Kong, 30 July 2021

*As at the date of this announcement, the directors of the Offeror are Mr Zhang Zhaoxing, Mr Ye Shanhu, Mr Wu Shanghui, Ms Chen Shu, Mr Tan Yue, Mr Huang Benjian, Mr Chen Ping and Mr Liang Yuxing.*

*The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than the information relating to the Group) and confirm, having made all reasonable inquiries, that, to the best of their knowledge, opinions expressed in this announcement (other than the opinions expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

*As at the date of this announcement, the directors of Yuexiu Holdings are Mr Zhang Zhaoxing, Mr Ye Shanhu, Mr Wu Shanghui, Ms Chen Shu, Mr Tan Yue, Mr Huang Benjian, Mr Chen Ping, Mr Liang Yuxing and Mr Zeng Yun.*



*The directors of Yuexiu Holdings jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than the information relating to the Group) and confirm, having made all reasonable inquiries, that, to the best of their knowledge, opinions expressed in this announcement (other than the opinions expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

*As at the date of this announcement, the Board comprises the following members:*

- *Executive Directors*  
*Mr Zong Jianxin (Deputy Chairman and Chief Executive) and Mr Lau Wai Man (Deputy Chief Executive);*
- *Non-executive Directors*  
*Mr Zhang Zhaoxing (Chairman), Mr Li Feng, Mr Chow Cheuk Yu Alfred and Ms Chen Jing; and*
- *Independent Non-executive Directors*  
*Mr Cheng Yuk Wo, Mr Lee Ka Lun and Mr Yu Lup Fat Joseph.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than the information relating to the Offeror and the Offeror Concert Parties) and confirm, having made all reasonable inquiries, that, to the best of their knowledge, opinions expressed in this announcement (other than the opinions expressed by the directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*