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(Incorporated in Hong Kong with limited liability)



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(Stock Code: 1111)

**(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**

**JOINT SUPPLEMENTAL ANNOUNCEMENT**

**IN RELATION TO 2021 INTERIM RESULTS OF THE GROUP**

**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**



## INTRODUCTION

Reference is made to (i) the composite scheme document dated 30 July 2021 (the “**Scheme Document**”) jointly issued by Chong Hing Bank Limited (the “**Company**”) and Yue Xiu Enterprises (Holdings) Limited (the “**Offeror**”) 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; and (ii) the announcement issued by the Company dated 13 August 2021 (the “**2021 Interim Results Announcement**”) in relation to, among other things, the unaudited consolidated results of the Group for the six months ended 30 June 2021 (the “**2021 Interim Results**”). Unless otherwise specified, all capitalised terms used herein shall have the same respective meanings as those defined in the Scheme Document and the letter from the Independent Financial Adviser in the Scheme Document (the “**IFA Letter**”).

## NO DIVIDEND ADJUSTMENT TO THE CANCELLATION PRICE AND THE SHARE AWARD OFFER PRICE

As set out in the 2021 Interim Results Announcement, the Board has declared the payment of an interim cash dividend of HK\$0.11 per Share for the six months ended 30 June 2021 (the “**2021 Interim Dividend**”). As the 2021 Interim Dividend is not more than HK\$0.11 per Share, pursuant to the terms of the Proposal, there will not be any Dividend Adjustment, and hence the Cancellation Price per Scheme Share and the Share Award Offer Price per Outstanding Share Award of HK\$20.80 respectively will not be adjusted and will remain unchanged. As at the date of this announcement, save for the 2021 Interim Dividend which has been declared, the Company does not intend to announce, declare, make or pay any dividend, distribution or return of capital on or before the Effective Date.

As further set out in the 2021 Interim Results Announcement, (i) the 2021 Interim Dividend is expected to be paid on Thursday, 7 October 2021, to Shareholders whose names appear on the register of members of the Company on Tuesday, 7 September 2021 (the “**2021 Interim Dividend Record Date**”) and (ii) the register of members of the Company will be closed on Tuesday, 7 September 2021 for the purpose of determining entitlements to the 2021 Interim Dividend. In order to qualify for the 2021 Interim Dividend, all transfer documents, together with the relevant share certificates, must be lodged for registration 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, not later than 4:30 p.m. (Hong Kong time) on Monday, 6 September 2021.

Shareholders are reminded that, as set out in the Scheme Document, the register of members of the Company will be closed from Tuesday, 7 September 2021 onwards for the purpose of determining which holders of the Scheme Shares are qualified for entitlements under the Scheme. In order to qualify for entitlements under the Scheme, holders of the Scheme Shares should ensure that the transfers of the Shares to them are 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, for registration in their names or in the names of their nominees no later than 4:30 p.m. (Hong Kong time) on Monday, 6 September 2021.

Since the 2021 Interim Dividend Record Date is before the Effective Date, Shareholders whose names appear on the register of members of the Company on the 2021 Interim Dividend Record Date will be entitled to receive the 2021 Interim Dividend.

## **CONFIRMATION FROM THE INDEPENDENT FINANCIAL ADVISER AND THE INDEPENDENT BOARD COMMITTEE**

Somerley, the Independent Financial Adviser, has reviewed the 2021 Interim Results Announcement, which also sets out the 2021 Interim Dividend. After considering such 2021 Interim Results Announcement, the 2021 Interim Results showed some improvements in performance which were substantially reflected in the factors identified by the Directors and management of the Group as set out in the IFA Letter in, and the paragraph headed “4. MATERIAL CHANGES” in Appendix I to the Scheme Document, which Somerley had already taken into account in reaching its opinion and recommendation. Somerley has also reviewed the increase of discount of the Cancellation Price to the net asset value per Share from 9.2% (based on the net asset value as at 31 December 2020 having adjusted for the Final Dividend divided by 972,862,220 Shares in issue) to 13.2% (based on the net asset value as at 30 June 2021 having adjusted for the 2021 Interim Dividend divided by 972,862,220 Shares in issue) but regard this is not material as compared to the historical discount of the Share price to the net asset value per Share during the Undisturbed Period ranging from 37.4% to 59.5%. Therefore, Somerley’s opinion that the terms of the Proposal and the Share Award Offer as contained in the Scheme Document are fair and reasonable so far as the Scheme Shareholders and the Outstanding Share Award Holders are respectively concerned remains unchanged. Somerley’s advice to 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 also remains unchanged (the “**No Change Opinion**”).

The Independent Board Committee, having taken into account the No Change Opinion of Somerley, has confirmed that (i) its opinion 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 respectively concerned, and (ii) its recommendation (1) to the Independent Scheme Shareholders in relation to voting in favour of the resolution to be proposed at the Court Meeting to approve the Scheme and voting in favour of the relevant resolutions to be proposed at the EGM to approve and give effect to the Scheme, and (2) to the Outstanding Share Award Holders to accept the Share Award Offer, as set out in the letter from the Independent Board Committee, the text of which is set out in the Scheme Document, remain unchanged.

**This announcement is supplemental to and should be read in conjunction with the Scheme Document.**

## **QUESTIONS RELATING TO THE COURT MEETING AND/OR THE EGM**

As set out in the Scheme Document, please contact the Company's share registrar and transfer office, Computershare Hong Kong Investor Services Limited, for any questions relating to the Court Meeting and/or the EGM (including arrangements of the hybrid Court Meeting and the hybrid EGM), contact details of which are set out in the Scheme Document.

In addition, a designated hotline has been set up to answer any questions concerning administrative or procedural matters which Shareholders may have about the Court Meeting and/or the EGM from 9:00 a.m. to 5:00 p.m. (Hong Kong time) from Monday to Friday from the date of this announcement up to the time appointed for holding the EGM, i.e. 10:30 a.m. (Hong Kong time) on Monday, 30 August 2021:

IHS Markit at +86 21 24229188 or +852 3726 7066

**For the avoidance of doubt, IHS Markit cannot and will not provide any advice on the merits or risks of the Proposal, the Scheme or the Share Award Offer or give any financial or legal advice via the above designated hotline.**

## **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, 13 August 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.*