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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) IRREVOCABLE UNDERTAKING BY
THE IU SHAREHOLDER TO APPROVE THE PROPOSAL AND THE SCHEME**

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, amongst 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 announcement issued by the Company dated 13 August 2021 in relation to, amongst other things, the unaudited consolidated results of the Group for the six months ended 30 June 2021 (the “**2021 Interim Results**”), and (iii) the supplemental announcement dated 13 August 2021 jointly issued by the Company and the Offeror in relation to the 2021 Interim Results. Unless otherwise specified, all capitalised terms used herein shall have the same respective meanings as defined in the Scheme Document.

IRREVOCABLE UNDERTAKING

On 23 August 2021, the Offeror received an irrevocable undertaking (the “**Irrevocable Undertaking**”) from Bauhinia 97 Ltd. (a wholly-owned subsidiary of COSCO SHIPPING (Hong Kong) Co., Limited and who is holding 19,823,037 Shares as at the date of this announcement) (the “**IU Shareholder**”), pursuant to which, amongst other things, the IU Shareholder has irrevocably and unconditionally undertaken to the Offeror that it shall exercise or procure the exercise of, all voting rights attached to (i) Shares held by it as at the date of the Irrevocable Undertaking, (ii) Shares which it may become interested after the date of the Irrevocable Undertaking, and (iii) any other Shares which may be derived from such Shares set out in (i) and (ii) after the date of the Irrevocable Undertaking (together, the “**IU Shares**”) at the Court Meeting and the EGM to vote in favour of any resolutions (whether or not amended) required to approve and give effect to the Proposal and the Scheme and any other resolutions which are necessary or otherwise in connection with the Proposal and the Scheme.

The IU Shareholder has also undertaken in the Irrevocable Undertaking that:

- (a) it shall not withdraw or amend (whether in writing or by attending the relevant meeting(s) or otherwise) the forms of proxy and/or voting instructions for the Court Meeting and the EGM provided pursuant to the Irrevocable Undertaking;
- (b) it shall not dispose of, charge, pledge or otherwise encumber or grant any option or other right over any of the Shares or any interest in them (whether conditionally or unconditionally) or enter into any transaction having a similar economic effect;
- (c) it shall refrain from, and oppose the taking of, any action which might result in any condition of the Proposal not being satisfied;
- (d) it shall not enter into any agreement or arrangement or allow to arise any obligation with any person, whether conditionally or unconditionally, to do any of the acts prohibited under paragraphs (a) to (c) above which would or might restrict or impede the Proposal becoming unconditional or the Scheme becoming effective or its ability to comply with the Irrevocable Undertaking; and
- (e) it shall take no action which may be prejudicial to the successful outcome of the Proposal or which would or might have the effect of preventing any of the conditions of the Proposal from being fulfilled.

For the avoidance of doubt, the undertakings set out in the Irrevocable Undertaking shall not restrict the IU Shareholder from accepting any other higher competing offers which may be made during the subsistence of the Irrevocable Undertaking.

The Irrevocable Undertaking is unconditional.

The obligations of the IU Shareholder under the Irrevocable Undertaking shall terminate if the Proposal lapses or is withdrawn without having become unconditional in all respects. The above are the only circumstances under which the obligations of the IU Shareholder under the Irrevocable Undertaking shall terminate.

As at the date of this announcement, the IU Shares comprise 19,823,037 Shares in total, representing approximately 2.04% of the issued Shares, approximately 8.14% of the Scheme Shares and approximately 12.68% of the Independent Scheme Shares.

A copy of the Irrevocable Undertaking shall be made available for inspection (i) at the registered office of the Company at Ground Floor, Chong Hing Bank Centre, 24 Des Voeux Road Central, Hong Kong during normal business hours from 9:00 a.m. to 5:00 p.m. (except Saturdays, Sundays and public holidays in Hong Kong); (ii) on the website of the Company at www.chbank.com; and (iii) on the website of the SFC at www.sfc.hk during the period from 24 August 2021 until the earlier of (a) the Effective Date and (b) the date on which the Scheme lapses or is withdrawn.

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, 23 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.