

Main Features of Capital Instruments
30-June-2014

| | | | |
|-----------------------------|---|---|---|
| 1 | Issuer | Chong Hing Bank Limited | Chong Hing Bank Limited |
| 2 | Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement) | The Stock Exchange of Hong Kong Limited's Stock Code : 01111 | ISIN : XS0556302163 |
| 3 | Governing law(s) of the instrument | Hong Kong law | English law / Hong Kong law |
| <i>Regulatory treatment</i> | | | |
| 4 | Transitional Basel III rules [#] | Common Equity Tier 1 | Tier 2 |
| 5 | Post-transitional Basel III rules ⁺ | Common Equity Tier 1 | Ineligible |
| 6 | Eligible at solo*/group/group & solo | Solo and Group | Solo and Group |
| 7 | Instrument type (types to be specified by each jurisdiction) | Ordinary shares | Other Tier 2 instruments |
| 8 | Amount recognised in regulatory capital (Currency in million, as of most recent reporting date) | (HKD million) 1,760.3 | (HKD million) 1,386.5 |
| 9 | Par value of instrument | NA | The subordinated notes with total face value of USD 225 million issued in registered form in denominations of USD100,000 each and integral multiples of USD1,000 in excess thereof |
| 10 | Accounting classification | Shareholders' equity | Liability - amortised cost |
| 11 | Original date of issuance | Since incorporation | 4 November 2010 |
| 12 | Perpetual or dated | Perpetual | Dated |
| 13 | Original maturity date | No maturity | 4 November 2020 |
| 14 | Issuer call subject to prior supervisory approval | No | Yes |
| 15 | Optional call date, contingent call dates and redemption amount | NA | The notes will be redeemable at the option of the Bank in whole but not in part, at a redemption price equal to their principal amount together with accrued and unpaid interest to the date fixed for redemption, upon the occurrence of certain changes in taxation in Hong Kong requiring the payment of additional amounts. The Bank may at its option, having given not less than 30 nor more than 60 days' notice to the noteholders, redeem all the notes. |
| 16 | Subsequent call dates, if applicable | NA | NA |
| <i>Coupons / dividends</i> | | | |
| 17 | Fixed or floating dividend/coupon | Floating | Fixed |
| 18 | Coupon rate and any related index | The final dividend is proposed by the board of directors of the Bank and is subject to approval by the shareholders of the Bank in the annual general meeting. The interim dividend is declared by the board of directors of the Bank. | 6% |
| 19 | Existence of a dividend stopper | No | No |
| 20 | Fully discretionary, partially discretionary or mandatory | Fully discretionary | Mandatory |
| 21 | Existence of step up or other incentive to redeem | No | No |
| 22 | Noncumulative or cumulative | Noncumulative | Cumulative |
| 23 | Convertible or non-convertible | Non-convertible | Convertible |
| 24 | If convertible, conversion trigger (s) | NA | If at any time (on or) after 1 January 2013, the note no longer fully qualifies as term subordinated debt for inclusion in Category III - Tier 2 capital of the Bank upon changes to regulatory requirements, the Bank may, at its option and subject to the prior written approval of the HKMA, exercise a change of the status of the note by serving the "Change in Status Notice" to the noteholders. Upon a "Change in Status Notice" becoming effective, the note shall thereafter constitute unsubordinated obligations and the rate of interest on the note shall be reduced from 6% per annum to 5.5% per annum. As the "Change in Status Notice" has not been served, the rate of interest on the note remains at 6% per annum. |
| 25 | If convertible, fully or partially | NA | Fully |
| 26 | If convertible, conversion rate | NA | 1 : 1 |
| 27 | If convertible, mandatory or optional conversion | NA | Optional |
| 28 | If convertible, specify instrument type convertible into | NA | Other : Senior note |
| 29 | If convertible, specify issuer of instrument it converts into | NA | Chong Hing Bank Limited |
| 30 | Write-down feature | No | No |
| 31 | If write-down, write-down trigger(s) | NA | NA |
| 32 | If write-down, full or partial | NA | NA |
| 33 | If write-down, permanent or temporary | NA | NA |
| 34 | If temporary write-down, description of write-up mechanism | NA | NA |
| 35 | Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument) | Subordinated notes (the fourth column of Main Features of Capital Instruments Template) | Certificates of deposit |
| 36 | Non-compliant transitioned features | No | Yes |
| 37 | If yes, specify non-compliant features | NA | No loss absorption provision at the point of non-viability |

Footnote:
[#] Regulatory treatment of capital instruments subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules

⁺ Regulatory treatment of capital instruments not subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules

^{*} Include solo-consolidated

Main Features of Capital Instruments
31-December-2013

| | | | |
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| 6 | Eligible at solo*/group/group & solo | Solo and Group | Solo and Group |
| 7 | Instrument type (types to be specified by each jurisdiction) | Ordinary shares | Other Tier 2 instruments |
| 8 | Amount recognised in regulatory capital (Currency in million, as of most recent reporting date) | (HKD million) 217.5 | (HKD million) 1,559.7 |
| 9 | Par value of instrument | 435,000,000 ordinary shares of HKD 0.5 each with aggregate amount of HKD 217.5 million | The subordinated notes with total face value of USD 225 million issued in registered form in denominations of USD100,000 each and integral multiples of USD1,000 in excess thereof |
| 10 | Accounting classification | Shareholders' equity | Liability - amortised cost |
| 11 | Original date of issuance | 400,000,000 shares of HKD0.5 each were issued and fully paid in 1994. 435,000,000 shares of HKD0.5 each were issued and fully paid in 1997. | 4 November 2010 |
| 12 | Perpetual or dated | Perpetual | Dated |
| 13 | Original maturity date | No maturity | 4 November 2020 |
| 14 | Issuer call subject to prior supervisory approval | No | Yes |
| 15 | Optional call date, contingent call dates and redemption amount | NA | The notes will be redeemable at the option of the Bank in whole but not in part, at a redemption price equal to their principal amount together with accrued and unpaid interest to the date fixed for redemption, upon the occurrence of certain changes in taxation in Hong Kong requiring the payment of additional amounts. The Bank may at its option, having given not less than 30 nor more than 60 days' notice to the noteholders, redeem all the notes. |
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