

**Main Features of Capital Instruments**  
**31-December-2014**

	Ordinary shares	USD300 million Undated Non-Cumulative Subordinated Additional Tier 1 Capital Securities	USD225 million 6% Subordinated Notes due 2020
1 Issuer	Chong Hing Bank Limited	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 : XS1107229582	ISIN : XS0556302163
3 Governing law(s) of the instrument	Hong Kong law	English law / Hong Kong law	English law / Hong Kong law
<i>Regulatory treatment</i>			
4 Transitional Basel III rules <sup>#</sup>	Common Equity Tier 1	NA	Tier 2
5 Post-transitional Basel III rules <sup>+</sup>	Common Equity Tier 1	Additional Tier 1	Ineligible
6 Eligible at solo*/group/group & solo	Solo and Group	Solo and Group	Solo and Group
7 Instrument type (types to be specified by each jurisdiction)	Ordinary shares	Undated Non-Cumulative Subordinated Capital Securities	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) 2,312.0	(HKD million) 1,388.2
9 Par value of instrument	NA	USD300 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	Equity	Liability - amortised cost
11 Original date of issuance	Since incorporation	25 September 2014	4 November 2010
12 Perpetual or dated	Perpetual	Perpetual	Dated
13 Original maturity date	No maturity	No maturity	4 November 2020
14 Issuer call subject to prior supervisory approval	No	Yes	Yes
15 Optional call date, contingent call dates and redemption amount	NA	The First Call Date is on 25 September 2019. The Capital Securities have no fixed redemption date. Optional Redemption (on a designated date in 2019 or on any Distribution Payment Date thereafter), Tax Redemption and Regulatory Redemption are all subject to prior written consent of the Hong Kong Monetary Authority. Redemption amount will be the then prevailing principal amount.	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	NA
<i>Coupons / dividends</i>			
17 Fixed or floating dividend/coupon	Floating	Fixed	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.	At a fixed rate of 6.5% per annum until 25 September 2019. Thereafter reset at: five years U.S. Treasury Rate + 4.628%	6%
19 Existence of a dividend stopper	No	Yes	No
20 Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary	Mandatory
21 Existence of step up or other incentive to redeem	No	No	No
22 Noncumulative or cumulative	Noncumulative	Noncumulative	Cumulative
23 Convertible or non-convertible	Non-convertible	Non-convertible	Convertible
24 If convertible, conversion trigger (s)	NA	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	NA	Fully
26 If convertible, conversion rate	NA	NA	1 : 1
27 If convertible, mandatory or optional conversion	NA	NA	Optional
28 If convertible, specify instrument type convertible into	NA	NA	Other : Senior note
29 If convertible, specify issuer of instrument it converts into	NA	NA	Chong Hing Bank Limited
30 Write-down feature	No	Yes	No
31 If write-down, write-down trigger(s)	NA	If a Non-Viability Event occurs and is continuing, the Bank shall, upon the provision of a Non-Viability Event Notice, irrevocably reduce the then principal amount of, and cancel any accrued but unpaid Distribution in respect of, each Capital Security (in each case in whole or in part) by an amount equal to the Non-Viability Event Write-off Amount per Capital Security.  "Non-Viability Event" means the earlier of: (i) the Hong Kong Monetary Authority notifying the Bank in writing that the Hong Kong Monetary Authority is of the opinion that a Write-off or conversion is necessary, without which the Bank would become non-viable; and (ii) the Hong Kong Monetary Authority notifying the Bank in writing that a decision has been made by the government body, a government officer or other relevant regulatory body with the authority to make such a decision, that a public sector injection of capital or equivalent support is necessary, without which the Bank would become non-viable.	NA
32 If write-down, full or partial	NA	Full or partial	NA
33 If write-down, permanent or temporary	NA	Permanent	NA
34 If temporary write-down, description of write-up mechanism	NA	NA	NA
35 Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated additional tier 1 capital securities	Subordinated to all claims of: (i) all unsubordinated creditors of the Bank (including depositors), (ii) creditors in respect of Tier 2 Capital Securities of the Bank, and (iii) all other Subordinated Creditors of the Bank whose claims are stated to rank senior to the Capital Securities or rank senior to the Capital Securities by operations of law or contract	Certificates of deposit
36 Non-compliant transitioned features	No	No	Yes
37 If yes, specify non-compliant features	NA	NA	No loss absorption provision at the point of non-viability

Footnote:

- <sup>#</sup> Regulatory treatment of capital instruments subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules  
<sup>+</sup> Regulatory treatment of capital instruments not subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules  
<sup>\*</sup> Include solo-consolidated

**Main Features of Capital Instruments**
**31-December-2013**

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 <sup>#</sup>	Common Equity Tier 1	Tier 2
5	Post-transitional Basel III rules <sup>+</sup>	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) 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.
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

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