

Media Release

For Immediate Release

Chong Hing Bank announces 2015 Interim Results

(Hong Kong — 17 August 2015) Chong Hing Bank Limited (“Chong Hing Bank” or the “Bank”; stock code: 01111) announces its satisfactory interim results for the six months ended 30 June 2015. The Bank’s operating profit after impairment allowances amounted to HK\$604 million and showed an improvement of 34% from the corresponding period in previous year.

The major financial ratios for the first half of 2015:

- Return on shareholders’ equity: 14.89% (annualised)
 - Average liquidity maintenance ratio: 37.23%
 - Total capital ratio: 14.14% as of 30 June 2015
 - Tier 1 capital ratio: 11.43% as of 30 June 2015
 - Loan to deposit ratio: 59.55% as of 30 June 2015
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- Profit attributable to equity owners amounted to HK\$726 million an increase of 87% over that for the same period last year after excluding the net gains on disposal of Chong Hing Bank Centre in 2014, translating into annualised return on shareholders’ equity of 14.89% and earnings of HK\$1.50 per share
 - Net interest income at HK\$845 million was 37% higher than same period last year as net interest margin at 1.51% was similar to 1.52% for the corresponding period in previous year and total assets grew by 33% year on year with advances to customers increasing by 28% and investments in securities increasing by 90%
 - Net fee and commission income rose 86% to HK\$185 million mainly because of the significant increase in commission income arising from securities dealings
 - Compared with the figures as of 31 December 2014, total loans and advances to customers increased by 10% to HK\$62,333 million, and some of such growth was attributable to growth in loans to stockbrokers in Hong Kong, companies listed in Hong Kong and China state-owned enterprises. With careful management on the exposure to credit risk, asset quality of loans and advances continued to be good with impaired loan ratio at 0.05%, provision coverage of impaired loans and advances at 891.52%, and rescheduled loan ratio at 0.01%
 - Total assets increased by 7% in the six month period to HK\$115,821 million

- Total capital ratio decreased by 11% from 15.94% in December 2014 to 14.14% in June 2015 after the growth in total assets, the Tier 1 capital ratio was at 11.43% and the Common Equity Tier 1 capital ratio was at 8.65%
- The Bank's core business lines and overall financial health are strong and sound, asset quality good, impaired loan ratio low, provision coverage high, and capital adequacy ratio and liquidity maintenance ratio well above the relevant statutory requirements
- An interim cash dividend of HK\$0.21 per share is declared for the six months ended 30 June 2015 (2014 interim cash dividend: HK\$0.19 per share)

Mrs Leung Ko May Yee Margaret, Deputy Chairman and Managing Director of Chong Hing Bank, said, "Despite an increasingly complex business environment in 2015, the Bank continued to expand and recorded a satisfactory profit growth. The satisfactory results were contributed by several key strategies, first, good assets and liabilities management with strong growth in total assets (increase 7% to HK\$115,821 million) and net gains from disposals of and fair value adjustments on non-core assets; second, proactively promote high quality customers with better yield and cross-border banking business with the Mainland; third, significant increase in the commission income from securities dealing. In addition, through careful credit assessment and ongoing close monitoring, the quality of the Bank's loans and advances remained high; the impaired loan ratio was at 0.05% and rescheduled loan ratio was at 0.01%."

Mr Zhang Zhaoxing, Chairman of Chong Hing Bank, talked about Chong Hing Bank's future plan and said, "In recent years, Yue Xiu Group has pursued opportunities arising from increasing financial cooperation between Guangdong and Hong Kong, and has sought to be a pioneer and promoter in this arena. Banking is considered to be of strategic importance for its future development. Since becoming a member of Yue Xiu Group, Chong Hing Bank has a vision of becoming a competitive financial institution based in Hong Kong with service coverage radiating to Guangzhou and other parts of the Mainland, as well as the Asia-Pacific region. Following on from its sub-branch that was opened in Guangzhou in 2014, Foshan Sub-branch was opened in January 2015 with operations at the two sub-branches rapidly expanding. Looking ahead, the Bank will continue to develop its Mainland business and pursue opportunities created by the Guangdong free trade zone. Beginning with Guangzhou, the Bank will seek to steadily expand its service network."

About Chong Hing Bank

Chong Hing Bank (formerly known as “Liu Chong Hing Bank”) was founded in 1948. The Bank is listed on the main board of the Hong Kong Stock Exchange. The Bank with its Head Office in Hong Kong and 47 local branches, together with its subsidiaries and affiliates, offers a wide range of banking solutions to individual and corporate customers, which include HKD and foreign currency deposits, credit, wealth management, investment, securities, insurance, mandatory provident fund and other commercial banking products. The Bank has branches in Shantou and Macau, sub-branches in Guangzhou and Foshan, and representative offices in Shanghai and San Francisco.

Chong Hing Bank has been a member of Yue Xiu Group since 14 February 2014. Yue Xiu Group was established in Hong Kong in 1985. As at the end of 2014, Yue Xiu Group had total assets exceeding RMB300 billion, which is the largest state-owned enterprise group in Guangzhou in terms of asset size with leading performance in overall economic efficiency.

For other information about Chong Hing Bank, please go to the Bank’ s website www.chbank.com.

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