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(Incorporated in Hong Kong with limited liability)
(Stock Code: 01111)

**CONTINUING CONNECTED TRANSACTIONS
RENEWAL OF TENANCY AGREEMENT
AND PROPERTY MANAGEMENT AGREEMENT**

Reference is made to the announcement of the Bank dated 30 November 2015 regarding the Original Tenancy Agreement entered into by the Bank with Guangzhou City Construction for the lease of the Property and the Original Property Management Agreement entered into by the Bank with Yue Xiu City Construction Jones Lang LaSalle for the provision of management services in relation to the Property. Both of the original agreements have expired on 30 November 2018.

Starting from 1 June 2016, Guangzhou Branch replaced the Bank as the tenant of the Property and entered into supplemental agreements to the Original Tenancy Agreement and the Original Property Management Agreement with Guangzhou City Construction and Yue Xiu City Construction Jones Lang LaSalle respectively. From 1 August 2017 onwards, Guangzhou Jingyao (a wholly-owned subsidiary of Guangzhou City Construction) replaced Guangzhou City Construction as the landlord of the Property and entered into a supplemental agreement to the Original Tenancy Agreement with Guangzhou Branch.

The Board hereby announces that on 30 November 2018, Guangzhou Branch entered into the New Tenancy Agreement with Guangzhou Jingyao for the lease renewal of the Property and the New Property Management Agreement with Yue Xiu City Construction Jones Lang LaSalle for the provision of management services in relation to the Property. Both of the new agreements will take effect from 1 December 2018 for a term of three years.

As at the date of this announcement, Yue Xiu Enterprises (Holdings) Limited, which indirectly holds 75% of the issued share capital of the Bank, is a substantial shareholder of the Bank. Yue Xiu Enterprises (Holdings) Limited indirectly holds 49.67% of the equity interests of Yuexiu Property, while Guangzhou Jingyao and Yue Xiu City Construction Jones Lang LaSalle are subsidiaries of Yuexiu Property. Accordingly, under Chapter 14A of the Listing Rules, Guangzhou Jingyao and Yue Xiu City Construction Jones Lang LaSalle are connected persons of the Bank, and the transactions contemplated under each of the New Tenancy Agreement and the New Property Management Agreement constitute continuing connected transactions of the Bank.

As the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the New Annual Caps for the years of 2019, 2020 and 2021 exceed 0.1% but are below 5%, the transactions contemplated under the New Tenancy Agreement and the New Property Management Agreement are subject to the reporting, annual review and disclosure requirements under Chapter 14A of the Listing Rules but are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Reference is made to the announcement of the Bank dated 30 November 2015 regarding the Original Tenancy Agreement entered into by the Bank with Guangzhou City Construction for the lease of the Property and the Original Property Management Agreement entered into by the Bank with Yue Xiu City Construction Jones Lang LaSalle for the provision of management services in relation to the Property. Both of the original agreements have expired on 30 November 2018.

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The Board hereby announces that on 30 November 2018, Guangzhou Branch entered into the New Tenancy Agreement with Guangzhou Jingyao for the lease renewal of the Property and the New Property Management Agreement with Yue Xiu City Construction Jones Lang LaSalle for the provision of management services in relation to the Property. Both of the new agreements will take effect from 1 December 2018 for a term of three years.

1. NEW TENANCY AGREEMENT

- Date** : 30 November 2018
- Parties** : (1) Guangzhou Jingyao (as the landlord)
(2) Guangzhou Branch (as the tenant)
- Leased Property** : Rooms 01-16, 50/F, Yuexiu Financial Tower, 28 Zhujiang East Road, Tianhe District, Guangzhou, PRC
- Gross floor area** : Approximately 3,053.36 square metres
- Use** : As the office of Guangzhou Branch
- Term** : A term of three years, commencing from 1 December 2018 to 30 November 2021
- Rent** : Set out below are the monthly rents (exclusive of utilities, maintenance charges and other charges and outgoings) payable by Guangzhou Branch to Guangzhou Jingyao during the term of the New Tenancy Agreement:

Period	Monthly rent (inclusive of 5% VAT)
1 December 2018 – 30 November 2020	RMB714,486.15 (equivalent to approximately HK\$893,107.69)
1 December 2020 – 30 November 2021	RMB757,355.55 (equivalent to approximately HK\$946,694.44)

Save for the rent for the first month, which is payable on the date of signing of the New Tenancy Agreement (i.e. 30 November 2018), the rent is payable on a monthly basis and is required to be paid before the fifth day of each month.

- Caution money** : Caution money in the amount of RMB2,272,066.65 (inclusive of tax) (equivalent to approximately HK\$2,840,083.31), representing three months' rent (calculated based on the monthly rent for the third year under the New Tenancy Agreement), is required to be paid by Guangzhou Branch to Guangzhou Jingyao. Such caution money will be refunded to Guangzhou Branch upon the expiry of the New Tenancy Agreement in

accordance with the relevant terms contained therein.

2. NEW PROPERTY MANAGEMENT AGREEMENT

- Date** : 30 November 2018
- Parties** : (1) Yue Xiu City Construction Jones Lang LaSalle (as the property manager)
(2) Guangzhou Branch
- Term** : A term of three years, commencing from 1 December 2018 to 30 November 2021; if the New Tenancy Agreement is terminated prior to the expiry, the New Property Management Agreement will also be terminated accordingly.
- Management fee** : A monthly management fee in the amount of RMB100,761 (equivalent to approximately HK\$125,951.25) is required to be paid by Guangzhou Branch to Yue Xiu City Construction Jones Lang LaSalle before the fifth day of each month. If there is a change in the costs for providing management services, upon agreement with Guangzhou Jingyao, Yue Xiu City Construction Jones Lang LaSalle may reasonably adjust the amount of management fee by providing 1 month's written notice in advance to Guangzhou Branch.
- Caution money and utilities deposit** : (1) Caution money in the amount of RMB201,522 (representing 2 months' management fee; equivalent to approximately HK\$251,902.50); and (2) utilities deposit in the amount of RMB70,227 (equivalent to approximately HK\$87,783.75) are required to be paid by Guangzhou Branch to Yue Xiu City Construction Jones Lang LaSalle. The said two amounts will be refunded to Guangzhou Branch upon the expiry of the New Property Management Agreement in accordance with the relevant terms contained therein.

3. NEW ANNUAL CAPS

Based on the terms of the New Tenancy Agreement and the New Property Management Agreement, it is estimated that the total amounts payable by Guangzhou Branch to Guangzhou Jingyao and Yue Xiu City Construction Jones Lang LaSalle will not exceed the annual caps ("New Annual Caps") as set out below:

Financial Year / Period	New Annual Caps
1 December 2018 – 31 December 2018	RMB3,360,000 (equivalent to approximately HK\$4,199,000)
1 January 2019 – 31 December 2019	RMB9,904,000 (equivalent to approximately HK\$12,380,000)
1 January 2020 – 31 December 2020	RMB10,080,000 (equivalent to approximately HK\$12,600,000)
1 January 2021 – 30 November 2021	RMB9,807,000 (equivalent to approximately HK\$12,258,000)

In estimating the above New Annual Caps, the Board has taken into account the rents, management fees and caution monies payable by Guangzhou Branch under the New Tenancy

Agreement and the New Property Management Agreement, as well as the expected upward adjustment of the management fees.

4. IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Yue Xiu Enterprises (Holdings) Limited, which indirectly holds 75% of the issued share capital of the Bank, is a substantial shareholder of the Bank. Yue Xiu Enterprises (Holdings) Limited indirectly holds 49.67% of the equity interests of Yuexiu Property, while Guangzhou Jingyao and Yue Xiu City Construction Jones Lang LaSalle are subsidiaries of Yuexiu Property. Accordingly, under Chapter 14A of the Listing Rules, Guangzhou Jingyao and Yue Xiu City Construction Jones Lang LaSalle are connected persons of the Bank, and the transactions contemplated under each of the New Tenancy Agreement and the New Property Management Agreement constitute continuing connected transactions of the Bank.

As the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the New Annual Caps for the years of 2019, 2020 and 2021 exceed 0.1% but are below 5%, the transactions contemplated under the New Tenancy Agreement and the New Property Management Agreement are subject to the reporting, annual review and disclosure requirements under Chapter 14A of the Listing Rules but are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As none of the Directors had any material interest in the New Tenancy Agreement and the New Property Management Agreement, no Director was required to abstain from voting on the relevant Board resolutions of the Bank.

5. REASONS FOR AND BENEFITS OF ENTERING INTO THE TRANSACTIONS

The Property will continue to be the office of Guangzhou Branch. The rents payable under the New Tenancy Agreement and the management fees payable under the New Property Management Agreement have been determined after arm's length negotiations with reference to prevailing market rents and management fees for comparable premises in the area where the Property is situated.

The Directors (including the independent non-executive Directors) consider that the transactions contemplated under each of the New Tenancy Agreement and the New Property Management Agreement are on normal commercial terms and in the ordinary and usual course of business of Guangzhou Branch, and the terms of such transactions (including the New Annual Caps) are fair and reasonable and in the interests of the Bank and its shareholders as a whole.

6. GENERAL

The Group is principally engaged in the provision of banking and related financial services. Guangzhou Jingyao is principally engaged in property investment. Yue Xiu City Construction Jones Lang LaSalle is principally engaged in property management.

7. DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms and expressions have the respective meanings as set out below:

“Bank”	Chong Hing Bank Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange (Stock Code: 01111)
“Board”	the board of Directors of the Bank

“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Bank
“Group”	the Bank and its subsidiaries
“Guangzhou Branch”	Guangzhou branch of the Bank
“Guangzhou City Construction”	Guangzhou City Construction & Development Co. Ltd., an indirect subsidiary of Yuexiu Property
“Guangzhou Jingyao”	Guangzhou Jingyao Real Estate Company Limited* (廣州景耀置業有限公司), an indirect subsidiary of Yuexiu Property
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Annual Caps”	has the meaning ascribed to it under the section headed “New Annual Caps” of this announcement
“New Property Management Agreement”	the property management agreement entered into between Guangzhou Branch and Yue Xiu City Construction Jones Lang LaSalle on 30 November 2018 for the provision of management services in relation to the Property following the lease renewal of the Property
“New Tenancy Agreement”	the tenancy agreement (as supplemented by the supplemental agreement) entered into between Guangzhou Branch and Guangzhou Jingyao on 30 November 2018 for the lease renewal of the Property
“Original Property Management Agreement”	the property management agreement entered into between the Bank and Yue Xiu City Construction Jones Lang LaSalle on 30 November 2015 for the provision of management services in relation to the Property
“Original Tenancy Agreement”	the tenancy agreement entered into between the Bank and Guangzhou City Construction on 30 November 2015 for the lease of the Property
“PRC”	the People’s Republic of China
“Property”	Rooms 01-16, 50/F, Yuexiu Financial Tower, 28 Zhujiang East Road, Tianhe District, Guangzhou, PRC* (中國廣州市天河區珠江東路 28 號越秀金融大廈 50 層 01-16 房號)
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Yuexiu Property”	Yuexiu Property Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange (Stock Code: 00123)

“Yue Xiu City Construction
Jones Lang LaSalle”

Guangzhou Yue Xiu City Construction Jones Lang LaSalle
Property Services Co., Ltd.* (廣州越秀城建仲量聯行物業服
務有限公司), an indirect subsidiary of Yuexiu Property

“%”

per cent

For illustrative purposes, the exchange rate of RMB1.00 = HK\$1.25 is adopted in this announcement.

** for identification purposes only*

By order of the Board
Chong Hing Bank Limited
Lai Wing Nga
Company Secretary

Hong Kong, 30 November 2018

As at the date of this announcement, the Board comprises:

- *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 Ma Chiu Cheung Andrew, Mr Lee Ka Lun and Mr Yu Lup Fat Joseph.