



創興銀行有限公司
Chong Hing Bank Limited

(a Hong Kong-incorporated limited liability company)

(Stock Code: 1111)

15 January 2014

To the Independent CHB Shareholders

Dear Sir or Madam,

**VOLUNTARY CASH PARTIAL OFFER BY NOMURA
ON BEHALF OF YUEXIU FINANCIAL HOLDINGS LIMITED TO ACQUIRE
A MAXIMUM OF 326,250,000 CHB SHARES IN THE CAPITAL OF
CHONG HING BANK LIMITED (REPRESENTING 75% OF ITS ISSUED SHARE CAPITAL)
FROM QUALIFYING CHB SHAREHOLDERS**

We refer to the Composite Document dated 15 January 2014 in respect of the Partial Offer jointly issued by Yuexiu, the Offeror and CHB, of which this letter forms part. Unless the context otherwise requires, terms used in this letter shall have the same meanings as defined in the Composite Document.

We have been appointed by the CHB Board as members of the CHB Code Independent Board Committee to consider, among other things, the terms of the Partial Offer and to advise you (i.e. the Independent CHB Shareholders), among other things, as to whether or not the terms of the Partial Offer are fair and reasonable and as to the acceptance of the Partial Offer. Somerley Limited has been appointed as the CHB Independent Financial Adviser to make recommendation to us in respect of, among other things, whether the terms of the Partial Offer are fair and reasonable and as to acceptance of the Partial Offer. Details of its advice and recommendation, together with the principal factors and reasons which it has considered before arriving at such recommendation, are set out in the "Letter from Somerley" in the Composite Document.

We also wish to draw your attention to the "Letter from the CHB Board", the "Letter from Nomura" and the additional information set out in the appendices to the Composite Document.

Having taken into account the principal factors set out in the "Letter from Somerley" in the Composite Document and summarised in the section headed "Discussion and Analysis" therein, we consider that the terms of the Partial Offer (including the Offer Price) are fair and reasonable so far as the Independent CHB Shareholders are concerned and accordingly we recommend the Independent CHB Shareholders to accept the Partial Offer.

Those Qualifying CHB Shareholders who, after considering the information on Yuexiu and the Offeror and the future intentions of the Offeror regarding the CHB Group, are attracted by the future prospects of the CHB Group following the Partial Offer, may consider retaining their CHB Shares or tendering less than all their CHB Shares under the Partial Offer. If acceptances are received in respect of more than 326,250,000 CHB Shares, not all CHB Shares tendered will be taken up under the Partial Offer, so Qualifying CHB Shareholders will continue to hold some CHB Shares in any event, unless they sell in the market.

Some CHB Shareholders, particularly those holding a small number of board lots, who are concerned about the drawbacks of being left with an odd lot, may consider selling their CHB Shares in the market before the close of the Partial Offer to achieve a complete sale. Such CHB Shareholders should note however that if they sell in the market before the ex-entitlement date in respect of the CHB Special Dividend, they will not receive the CHB Special Dividend. Consequently, they should use caution when comparing the current price of the CHB Shares (and future prices up to the last day of dealings with entitlement to the CHB Special Dividend of HK\$4.5195), with the Offer Price of HK\$35.69, which does not include an entitlement to the CHB Special Dividend.

The procedures for acceptance of the Partial Offer, which is somewhat unusual in Hong Kong, are set out in Appendix I to the Composite Document and the accompanying Form of Acceptance. Qualifying CHB Shareholders are urged to read the timetable set out in the Composite Document and any revised timetable (if any) to be announced by the Offeror and CHB carefully and act accordingly if they wish to accept the Partial Offer.

The Independent CHB Shareholders are also strongly recommended to read the full text of the "Letter from Somerley" set out in the Composite Document.

Yours faithfully,



the CHB Code Independent Board Committee

He Jiale
Hidekazu Horikoshi
Alfred Cheuk Yu Chow
Meng Qinghui
Robin Yau Hing Chan
Timothy George Freshwater
Wanchai Chiranakhorn
Cheng Yuk Wo
Andrew Chiu Cheung Ma