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創興銀行有限公司
Chong Hing Bank Limited

(a Hong Kong-incorporated limited liability company)

(Stock code: 1111)

**(I) DESPATCH OF CIRCULAR
IN RELATION TO
THE PROPERTY AGREEMENT CONSTITUTING
A DISCLOSEABLE TRANSACTION,
A CONNECTED TRANSACTION AND
A CONTINUING CONNECTED TRANSACTION AND
A SPECIAL DEAL IN RELATION TO THE PARTIAL OFFER
AND
(II) OPINION OF THE INDEPENDENT FINANCIAL ADVISER
IN RELATION TO THE DURATION OF THE LEASE**

Reference is made to (i) the joint announcement of Liu Chong Hing Investment Limited, Chong Hing Bank Limited (“CHB”), Yue Xiu Enterprises (Holdings) Limited and Yuexiu Financial Holdings Limited dated 25 October 2013 (the “**Announcement**”) in relation to, among other things, the Property Agreement constituting a discloseable transaction, a connected transaction, a continuing connected transaction and a special deal in relation to the Partial Offer of CHB and (ii) the announcement of CHB dated 15 November 2013 in relation to the delay in despatch of circular. Unless otherwise stated, terms defined in the Announcement shall have the same meanings when used herein.

DESPATCH OF THE CHB CIRCULAR

The CHB Circular containing, among other things, (i) information on the Property Agreement; (ii) a letter of advice from the CHB Independent Board Committees to the Independent CHB Shareholders in relation to the Property Agreement; (iii) a letter of advice from the CHB Independent Financial Adviser to the CHB Independent Board Committees and the Independent CHB Shareholders in relation to the Property Agreement; (iv) the independent valuation report on the Property; and (v) a notice convening the CHB EGM has been despatched to the CHB Shareholders on 4 December 2013.

CHB Shareholders are advised to read the CHB Circular, in particular, the letter of advice from the CHB Independent Board Committees to the Independent CHB Shareholders and the letter of advice from the CHB Independent Financial Adviser to the CHB Independent Board Committees and the Independent CHB Shareholders carefully before making a decision on the voting of the resolution to be proposed at the CHB EGM.

OPINION OF THE CHB INDEPENDENT FINANCIAL ADVISER IN RELATION TO THE DURATION OF THE LEASE

As disclosed in its letter of advice to the CHB Independent Board Committees and the Independent CHB Shareholders, the CHB Independent Financial Adviser is of the opinion that the duration of the Lease of five years plus an option to renew for another five years is in line with normal business practice for office leases by banks and that it is necessary for the Lease to be of a duration longer than three years.

In arriving at the opinion that it is necessary for the Lease to be of a duration longer than three years, the CHB Independent Financial Adviser has considered, among other things, the following factors:

- (i) stringent security requirements are necessary for the safe operation of a bank and it may be time consuming to secure suitable alternative premises which satisfy such requirements; and
- (ii) it is difficult to secure suitable alternative premises, particularly in the central business district, of sufficient size to accommodate CHB's core operations in one place for operational efficiency.

The full letter of advice of the CHB Independent Financial Adviser to the CHB Independent Board Committees and the Independent CHB Shareholders is included in the CHB Circular.

By order of the Board
CHONG HING BANK LIMITED
Michael K W Yeung
Company Secretary

Hong Kong, 4 December 2013

As at the date of this announcement, the five Executive Directors of CHB are Dr. Liu Lit Mo (Chairman), Mr. Liu Lit Chi (Deputy Chairman and Managing Director), Mr. Lau Wai Man (Chief Executive Officer), Mr. Don Tit Shing Liu (Deputy Chief Executive Officer) and Mr. Wilfred Chun Ning Liu; the five Non-executive Directors are Mr. He Jiale, Mr. Hidekazu Horikoshi, Mr. Christopher Kwun Shing Liu, Mr. Alfred Cheuk Yu Chow and Mr. Meng Qinghui; and the five Independent Non-executive Directors are Dr. Robin Yau Hing Chan, Mr. Timothy George Freshwater, Mr. Wanchai Chiranakhorn, Mr. Cheng Yuk Wo and Mr. Andrew Chiu Cheung Ma.

The directors of CHB jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.