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(a Hong Kong-incorporated limited liability company)

(Stock Code: 01111)

CONTINUING CONNECTED TRANSACTIONS

TENANCY AGREEMENT

PROPERTY MANAGEMENT AGREEMENT

The Board hereby announces that the Bank entered into the Tenancy Agreement with the Landlord on 30 November 2015 for the lease of the Property with effect from 1 December 2015 for a term of three years. The Bank also entered into the Property Management Agreement with the Property Manager on the same day for the provision of management services in relation to the Property.

Each of the Tenancy Agreement and the Property Management Agreement constitutes a continuing connected transaction of the Bank. As the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the annual caps for the Tenancy Agreement and the Property Management Agreement in aggregate exceed 0.1% but are below 5%, each of the Tenancy Agreement and the Property Management Agreement is subject to the reporting, annual review and disclosure requirements under Chapter 14A of the Listing Rules but is exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

1. THE TENANCY AGREEMENT

The Board hereby announces that the Bank entered into the Tenancy Agreement with the Landlord on 30 November 2015 for the lease of the Property with effect from 1 December 2015 for a term of three years.

Date : 30 November 2015

Parties : (1) Guangzhou City Construction & Development Co. Ltd. as the Landlord
(2) the Bank as the tenant

Leased premises : Rooms 01-16, 50/F Yuexiu Financial Tower, 28 Zhujiang East Road, Tianhe District, Guangzhou, the People's Republic of China

Gross Floor Area : Aggregate gross floor area of approximately 3,017.2 square metres

- Use** : the Bank's Guangzhou Branch to be established
- Term** : A term of three years, commencing from 1 December 2015 to 30 November 2018 (both days inclusive)
- Rent** : Set out below are the monthly rents (exclusive of utilities, maintenance charges, other charges and outgoings) payable by the Bank to the Landlord during the term of the Tenancy Agreement:

Period	Monthly rent
1 December 2015 – 30 November 2016	RMB627,578 (equivalent to approximately HK\$784,473)
1 December 2016 – 30 November 2017	RMB665,233 (equivalent to approximately HK\$831,541)
1 December 2017 – 30 November 2018	RMB705,147 (equivalent to approximately HK\$881,434)

Save that the rent for the first month is payable on the date of signing of the Tenancy Agreement (i.e. 30 November 2015), the rents are payable monthly before the fifth day of each month.

- Rent concession** : The Bank is entitled to the following rent concession for the period from 1 December 2015 to 29 February 2016 (the "**Rent Concession Period**"):

Rent Concession Period	Concessionary monthly rent
1 December 2015 – 31 January 2016	RMB209,192 (equivalent to approximately HK\$261,490)
1 February 2016 – 29 February 2016	RMB209,194 (equivalent to approximately HK\$261,493)

If the Tenancy Agreement is terminated before its expiry date for reasons not related to the Landlord, the Bank will no longer be entitled to such rent concession and the original rent (i.e. RMB627,578 (equivalent to approximately HK\$784,473)) will apply in respect of the Rent Concession Period. The Bank will therefore be immediately required to repay the rental difference to the Landlord.

- Caution money** : An amount of RMB1,410,294 (equivalent to approximately HK\$1,762,868) is payable by the Bank to the Landlord as caution money. Such amount may be refunded to the Bank upon expiry or early termination of the Tenancy Agreement in accordance with the terms thereunder.

2. THE PROPERTY MANAGEMENT AGREEMENT

The Bank also entered into the Property Management Agreement with the Property Manager on 30 November 2015 for the provision of management services in relation to the Property.

Date : 30 November 2015

Parties : (1) Guangzhou Yue Xiu City Construction Jones Lang LaSalle Property Services Co., Ltd. as the Property Manager
(2) the Bank

Term : A term of three years, commencing from 1 December 2015 to 30 November 2018 (both days inclusive).

Upon termination of the Tenancy Agreement, the Property Management Agreement will also be terminated accordingly.

Management fee : A management fee of RMB99,568 (equivalent to approximately HK\$124,460) per month is payable by the Bank to the Property Manager during the term of the Tenancy Agreement. If there is an increase in costs for providing management services, upon agreement with the Landlord, the Property Manager may reasonably adjust the amount of management fee by providing the Bank with one month's written notice.

Save that the management fee for the first month is payable on the date of delivery of possession of the Property, the management fees are payable monthly before the fifth day of each month.

Caution money : An amount of RMB199,135 (equivalent to approximately HK\$248,919) is payable by the Bank to the Property Manager as caution money. Such amount may be refunded to the Bank upon expiry of the Property Management Agreement in accordance with the terms thereunder.

3. THE ANNUAL CAPS

It is estimated that the total amounts payable by the Bank to the Landlord under the Tenancy Agreement and the Property Manager under the Property Management Agreement will not exceed the annual caps set out below:

Financial Year / Period	Annual Caps
1 December 2015 – 31 December 2015	RMB1,919,000 (equivalent to HK\$2,398,750)
1 January 2016 – 31 December 2016	RMB8,047,000 (equivalent to HK\$10,058,750)
1 January 2017 – 31 December 2017	RMB9,469,000 (equivalent to HK\$11,836,250)
1 January 2018 – 30 November 2018	RMB9,215,000 (equivalent to HK\$11,518,750)

The Board has taken into account the amounts of the caution money, the rents payable by the Bank under the Tenancy Agreement, the management fees payable by the Bank under the Property Management Agreement and the expected upward adjustment of the management fee in estimating the above annual caps.

4. IMPLICATIONS UNDER THE LISTING RULES

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 Company Limited, which in turn indirectly holds 95% of the equity interests of the Landlord. Accordingly, the Landlord is an associate of Yue Xiu Enterprises (Holdings) Limited. The Landlord, being an associate of a substantial shareholder of the Bank, is a connected person of the Bank.

The Property Manager, being an indirect subsidiary of Yue Xiu Enterprises (Holdings) Limited, is an associate of Yue Xiu Enterprises (Holdings) Limited. The Property Manager, being an associate of a substantial shareholder of the Bank, is a connected person of the Bank.

Accordingly, each of the Tenancy Agreement and the Property Management Agreement constitutes a continuing connected transaction of the Bank under Chapter 14A of the Listing Rules. As the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the annual caps for the Tenancy Agreement and the Property Management Agreement in aggregate exceed 0.1% but are below 5%, each of the Tenancy Agreement and the Property Management Agreement is subject to the reporting, annual review and disclosure requirements under Chapter 14A of the Listing Rules but is exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

None of the Directors has any material interest in the Tenancy Agreement or the Property Management Agreement.

5. REASONS FOR AND BENEFITS OF ENTERING INTO THE TRANSACTION

The Property will be used by the Bank as its Guangzhou branch and regulatory approvals have been obtained for the branch to be established. The rent payable under the Tenancy Agreement and the management fee payable under the Property Management Agreement have been determined after arm's length negotiations with reference to prevailing market rent and management fee for comparable premises in the area.

The Board (including its independent non-executive Directors) considers that the transactions under each of the Tenancy Agreement and the Property Management Agreement are on normal commercial terms and in the ordinary and usual course of business of the Group; and such transactions (including the annual caps) are fair and reasonable and in the interests of the Group and the Bank's shareholders as a whole.

6. GENERAL

The Group is principally engaged in the provision of banking and related financial services. The Landlord is principally engaged in the development, operation, leasing, and management of properties. The Property Manager is principally engaged in property management.

7. DEFINITIONS

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

“Bank”	Chong Hing Bank Limited, a company incorporated in Hong Kong, the shares of which are listed on the Stock Exchange
“Board”	the board of Directors of the Bank
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Bank
“Group”	the Bank and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Landlord”	Guangzhou City Construction & Development Co. Ltd. (廣州市城市建設開發有限公司)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	Rooms 01-16, 50/F Yuexiu Financial Tower, 28 Zhujiang East Road, Tianhe District, Guangzhou, the People’s Republic of China (中華人民共和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)
“Property Management Agreement”	the property management agreement entered into between the Bank and the Property Manager on 30 November 2015 in respect of the Property
“Property Manager”	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)
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning as ascribed to it under the Listing Rules
“Tenancy Agreement”	the tenancy agreement entered into between the Bank and the Landlord on 30 November 2015 in respect of the Property
“%”	per cent

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

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

Hong Kong, 30 November 2015

As of the date of this announcement:

- *the four Executive Directors of the Bank are Mrs. Leung Ko May Yee Margaret (Deputy Chairman and Managing Director), Mr. Zong Jianxin (Deputy Managing Director), Mr. Lau Wai Man (Chief Executive Officer) and Mr. Liu Tit Shing Don (Deputy Chief Executive Officer);*
- *the five Non-executive Directors are Mr. Zhang Zhaoxing (Chairman), Mr. Zhu Chunxiu, Mr. Wang Shuhui, Mr. Li Feng and Mr. Chow Cheuk Yu Alfred; and*
- *the five Independent Non-executive Directors are Mr. Chiranakhorn Wanchai, Mr. Cheng Yuk Wo, Mr. Ma Chiu Cheung Andrew, Mr. Lee Ka Lun and Mr. Yu Lup Fat Joseph.*