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

Reference is made to the announcement of the Bank dated 23 June 2014 regarding the Original Tenancy Agreement entered into by the Bank with the Landlord for the lease of the Property and the Original Property Management Agreement entered into by the Bank with the Property Manager for the provision of management services in relation to the Property. Both of the original agreements have expired on 30 June 2017.

The Board hereby announces that on 30 June 2017, Guangzhou Tianhe Sub-Branch entered into the New Tenancy Agreement with the Landlord for the lease renewal of the Property and the New Property Management Agreement with the Property Manager for the provision of management services in relation to the Property. Both of the new agreements will take effect from 1 July 2017 for a term of three years.

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, which in turn indirectly holds 35.04% of the units of Yuexiu REIT. Yuexiu REIT holds 98.99% of the equity interests of the Landlord, and the Property Manager is an indirect subsidiary of Yuexiu Property. Accordingly, under Chapter 14A of the Listing Rules, the Landlord and the Property Manager are connected persons of the Bank, and each of the New Tenancy Agreement and the New 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 New Annual Caps under the New Tenancy Agreement and the New Property Management Agreement exceed 0.1% but are below 5%, 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.

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1. THE NEW TENANCY AGREEMENT

- Date** : 30 June 2017
- Parties** : (1) Guangzhou Yue Xiu City Construction International Finance Centre Co., Ltd (as the Landlord)
(2) Guangzhou Tianhe Sub-Branch (as the tenant)
- Leased premises** : Unit 103, 1/F Podium, Guangzhou International Finance Centre, House 160, 5 Zhujiang West Road and a portion of Unit 203, 2/F Podium, Guangzhou International Finance Centre, House 260, 5 Zhujiang West Road, Tianhe District, Guangzhou, the People's Republic of China
- Gross Floor Area** : Approximately 631.28 square metres
- Use** : As the office of Guangzhou Tianhe Sub-Branch
- Term** : A term of three years, commencing from 1 July 2017 to 30 June 2020
- Rent** : Set out below are the monthly rents (exclusive of utilities, maintenance charges, other charges and outgoings) payable to the Landlord during the term of the New Tenancy Agreement:

Period	Monthly rent (inclusive of 5% VAT)
1 July 2017 – 31 August 2017	RMB128,338.33* (equivalent to approximately HK\$160,422.91)
1 September 2017 – 30 June 2018	RMB256,675.65 (equivalent to approximately HK\$320,844.56)
1 July 2018 – 31 August 2018	RMB128,338.33* (equivalent to approximately HK\$160,422.91)
1 September 2018 – 30 June 2019	RMB256,675.65 (equivalent to approximately HK\$320,844.56)
1 July 2019 – 30 June 2020	RMB269,508.75 (equivalent to approximately HK\$336,885.94)

* During the first two years of the lease period, the Landlord grants a monthly rent concession of RMB128,338.33 (tax inclusive) (equivalent to approximately HK\$160,422.91) for the first two months of each year. If the New Tenancy Agreement is terminated before its expiry date for reasons not related to the Landlord, Guangzhou Tianhe Sub-Branch will no longer be entitled to such rent concession and will be immediately required to repay the Landlord all the rents payable during the relevant periods.

Save that the rent for the first two months is required to be paid within 7 days from the date of signing of the New Tenancy Agreement, the rent is payable on a quarterly basis and is required to be paid before the fifth day of the second month of each quarter.

Caution money : An amount of RMB539,017.50 (tax inclusive) (equivalent to approximately HK\$673,771.88) representing two months' rent (calculated based on the monthly rent for the third year) is required to be paid within 7 days from the date of signing of the New Tenancy Agreement as caution money. Such caution money will be refunded to Guangzhou Tianhe Sub-Branch upon expiry of the New Tenancy Agreement in accordance with the relevant terms contained therein.

2. THE NEW PROPERTY MANAGEMENT AGREEMENT

Date : 30 June 2017

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

Term : A term of three years, commencing from 1 July 2017 to 30 June 2020; upon termination of the New Tenancy Agreement, the New Property Management Agreement will also be terminated accordingly.

Management fee : A monthly management fee of RMB34,720 (equivalent to approximately HK\$43,400) is required to be paid to the Property Manager before the fifth day of each month. 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 Guangzhou Tianhe Sub-Branch with one month's written notice in advance.

Caution money and utilities deposit : (1) Caution money of RMB69,440 (representing two months' management fee; equivalent to approximately HK\$86,800); and (2) utilities deposit of RMB14,519 (equivalent to approximately HK\$18,148.75) are required to be paid to the Property Manager. The said two amounts will be refunded to Guangzhou Tianhe Sub-Branch upon expiry of the New Property Management Agreement in accordance with the relevant terms contained therein.

3. THE 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 Tianhe Sub-Branch to the Landlord and the Property Manager will not exceed the annual caps (the "New Annual Caps") as set out below:

Financial Year / Period	New Annual Caps
1 July 2017 – 31 December 2017	RMB2,115,000 (equivalent to approximately HK\$2,644,000)
1 January 2018 – 31 December 2018	RMB3,282,000 (equivalent to approximately HK\$4,103,000)
1 January 2019 – 31 December 2019	RMB3,662,000 (equivalent to approximately HK\$4,577,000)
1 January 2020 – 30 June 2020	RMB1,895,000 (equivalent to approximately HK\$2,368,000)

In estimating the above New Annual Caps, the Board has taken into account the rents, management fees and caution monies payable by Guangzhou Tianhe Sub-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

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, which in turn indirectly holds 35.04% of the units of Yuexiu REIT. Yuexiu REIT holds 98.99% of the equity interests of the Landlord, and the Property Manager is an indirect subsidiary of Yuexiu Property. Accordingly, under Chapter 14A of the Listing Rules, the Landlord and the Property Manager are connected persons of the Bank, and each of the New Tenancy Agreement and the New 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 New Annual Caps under the New Tenancy Agreement and the New Property Management Agreement exceed 0.1% but are below 5%, 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 or 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 TRANSACTION

The Property will continue to be the office of Guangzhou Tianhe Sub-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 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 Tianhe Sub-Branch; and such transactions (including the New Annual Caps) are fair and reasonable and in the interests of the Bank 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 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 limited liability company incorporated in Hong Kong, the shares of which are listed on the Stock Exchange (Stock Code: 01111)

“**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
“Guangzhou Tianhe Sub-Branch”	Guangzhou Tianhe Sub-Branch of the Bank
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Landlord”	Guangzhou Yue Xiu City Construction International Finance Centre Co., Ltd (廣州越秀城建國際金融中心有限公司)
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“New Annual Caps”	has the meaning ascribed to it under section “The New Annual Caps” of this announcement
“New Property Management Agreement”	the property management agreement entered into between Guangzhou Tianhe Sub-Branch and the Property Manager on 30 June 2017 for the provision of management services in relation to the Property following the lease renewal of the Property
“New Tenancy Agreement”	the tenancy agreement entered into between Guangzhou Tianhe Sub-Branch and the Landlord on 30 June 2017 for the lease renewal of the Property
“Original Property Management Agreement”	the property management agreement entered into between the Bank and the Property Manager on 23 June 2014 for the provision of management services in relation to the Property
“Original Tenancy Agreement”	the tenancy agreement entered into between the Bank and the Landlord on 23 June 2014 for the lease of the Property
“Property”	Unit 103, 1/F Podium, Guangzhou International Finance Centre, House 160, 5 Zhujiang West Road and a portion of Unit 203, 2/F Podium, Guangzhou International Finance Centre, House 260, 5 Zhujiang West 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西路 5 號 160 房廣州國際金融中心裙樓第一層 103 單元及珠江西路 5 號 260 房廣州國際金融中心裙樓第二層 203 單元部份物業)
“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 ascribed to it under the Listing Rules
“Yuexiu Property”	Yuexiu Property Company Limited (越秀地產股份有限公司), a limited liability company incorporated in Hong Kong, the shares of which are listed on the Stock Exchange (Stock Code: 00123)

“**Yuexiu REIT**” Yuexiu Real Estate Investment Trust (越秀房地產投資信託基金), a Hong Kong collective investment scheme constituted as a unit trust and authorised under Section 104 of the Securities and Futures Ordinance subject to applicable conditions from time to time (whose undivided units are listed on the Stock Exchange, Stock Code: 00405)

“%” 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 June 2017

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

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