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INSIDE INFORMATION UPDATE ON BUSINESS AND FINANCIAL INFORMATION

The board of directors (the “**Board**”) of Chong Hing Bank Limited (the “**Bank**”, together with its subsidiaries, the “**Group**”) would like to take this opportunity to keep its shareholders and investors updated on the following business and financial information.

The Board currently expects a decline in the Group’s consolidated net profit before taxation, in the region of approximately 16%, for the six months ended 30 June 2017, while the overall operating profit of the Group before impairment allowances is expected to remain largely the same as the corresponding period last year. The expected decline is mainly attributable to the preliminary assessment of (i) an increase in impairment allowances on loans and advances made during the first six months of 2017 in the region of HK\$180 million mainly due to one credit relationship; and (ii) a translation loss of approximately HK\$25 million from the non-Renminbi net monetary assets maintained in the Mainland branches whereas the corresponding translation gain from consolidation is recorded under the other comprehensive income, and a translation loss of approximately HK\$62 million arising from the translation of Renminbi net monetary liabilities at the Head Office due to the appreciation of Renminbi in the first half of 2017. Conversely, under a similar translation method adopted according to the Hong Kong Accounting Standard, for the year ended 31 December 2016 as disclosed in the Bank’s 2016 Annual Report, the Group reported a translation gain of approximately HK\$56 million arising from the translation of non-Renminbi net monetary assets maintained in Mainland and another HK\$70 million translation gain arising from Renminbi net monetary liabilities at the Head Office due to the depreciation of Renminbi.

The information above is only based on the Board’s preliminary assessment of the information currently available to the Bank and disclosed pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance. Such information is neither based on any figure nor information that has been audited or reviewed by or discussed with the auditors of the Bank. **Shareholders and securities holders of the Bank and potential investors are advised to exercise caution when dealing in the securities of the Bank.**

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

Hong Kong, 7 July 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.