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**CONTINUING CONNECTED TRANSACTIONS
TENANCY AGREEMENT, PROPERTY MANAGEMENT AGREEMENT
AND SITE AGREEMENT**

The Board hereby announces that on 29 March 2018, Guangzhou Tianhe Sub-Branch entered into the Tenancy Agreement with Guangzhou Jiayao for the lease of the Property and the Property Management Agreement with Yue Xiu City Construction Jones Lang LaSalle for the provision of management services in relation to the Property; and Guangzhou Branch entered into the Site Agreement with Guangzhou Yuyao for the lease of the Site for display of the Bank's logo. All of the three agreements will take effect from 1 April 2018 for a term of three years.

As at the date of this announcement, 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, while Guangzhou Jiayao, Yue Xiu City Construction Jones Lang LaSalle and Guangzhou Yuyao are subsidiaries of Yuexiu Property. Accordingly, under Chapter 14A of the Listing Rules, Guangzhou Jiayao, Yue Xiu City Construction Jones Lang LaSalle and Guangzhou Yuyao are connected persons of the Bank, and each of the Tenancy Agreement, the Property Management Agreement and the Site Agreement constitutes continuing connected transactions of the Bank.

As the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the Annual Caps under the Tenancy Agreement, the Property Management Agreement and the Site Agreement exceed 0.1% but are below 5%, the Tenancy Agreement, the Property Management Agreement and the Site 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. TENANCY AGREEMENT

Date : 29 March 2018

Parties : (1) Guangzhou Jiayao Real Estate Company Limited* (廣州佳耀置業有限公司) (as the landlord)

(2) Guangzhou Tianhe Sub-Branch (as the tenant)

Leased Property : Units 101-01, 201 and 301, Yuexiu Financial Tower, 28 Zhujiang East Road, Tianhe District, Guangzhou, the PRC

Gross floor area : Approximately 974.85 square metres

Use : As the office of Guangzhou Tianhe Sub-Branch

Term : A term of three years, commencing from 1 April 2018 to 31 March 2021

Rent : Set out below are the monthly rents (exclusive of utilities, maintenance charges and other charges and outgoings) payable by Guangzhou Tianhe Sub-Branch to Guangzhou Jiayao during the term of the Tenancy Agreement:

Period	Monthly rent (inclusive of 5% VAT)
1 April 2018 – 30 April 2018	RMB166,576.20* (equivalent to approximately HK\$208,220.25)
1 May 2018 – 31 May 2018	RMB166,577.25* (equivalent to approximately HK\$208,221.56)
1 June 2018 – 31 March 2019	RMB333,153.45 (equivalent to approximately HK\$416,441.81)
1 April 2019 – 30 April 2019	RMB166,576.20* (equivalent to approximately HK\$208,220.25)
1 May 2019 – 31 May 2019	RMB166,577.25* (equivalent to approximately HK\$208,221.56)
1 June 2019 – 31 March 2020	RMB333,153.45 (equivalent to approximately HK\$416,441.81)
1 April 2020 – 30 April 2020	RMB166,576.20* (equivalent to approximately HK\$208,220.25)
1 May 2020 – 31 May 2020	RMB166,577.25* (equivalent to approximately HK\$208,221.56)
1 June 2020 – 31 March 2021	RMB333,153.45 (equivalent to approximately HK\$416,441.81)

* During the three years of the lease period, Guangzhou Jiayao grants a rent concession in an aggregate amount of RMB333,153.45 (inclusive of tax) (equivalent to approximately HK\$416,441.81) for the first two months of each year (the “**Relevant Periods**”). If the

Tenancy Agreement is terminated before its expiry date for reasons not related to Guangzhou Jiayao, Guangzhou Tianhe Sub-Branch will no longer be entitled to such rent concession and will be required to immediately repay Guangzhou Jiayao the difference between the rents payable during the Relevant Periods and the actual rents paid.

Save for the rent for the first two months of the lease period, which is required to be paid within 7 days from the date of the Tenancy Agreement, the rent is payable on a monthly basis and is required to be paid before the fifth day of each month.

Option to renew

: If Guangzhou Tianhe Sub-Branch wishes to renew the lease for a period of 24 months, it shall provide 3 months' written notice in advance to Guangzhou Jiayao and shall enter into a tenancy renewal agreement with Guangzhou Jiayao no less than 1 month before the expiry of the Tenancy Agreement. If Guangzhou Tianhe Sub-Branch does not exercise its option to renew pursuant to the terms of the Tenancy Agreement, the Tenancy Agreement will automatically terminate upon the expiry of the lease.

Set out below are the monthly rents (exclusive of utilities, maintenance charges and other charges and outgoings) payable by Guangzhou Tianhe Sub-Branch to Guangzhou Jiayao during the renewed term if the lease of the Property has been renewed pursuant to the Tenancy Agreement:

Period	Monthly rent (inclusive of 5% VAT)
1 April 2021 – 30 April 2021	RMB176,571.15 (equivalent to approximately HK\$220,713.94)
1 May 2021 – 31 May 2021	RMB176,572.20 (equivalent to approximately HK\$220,715.25)
1 June 2021 – 31 March 2022	RMB353,143.35 (equivalent to approximately HK\$441,429.19)
1 April 2022 – 31 May 2022	RMB187,165.65 (equivalent to approximately HK\$233,957.06)
1 June 2022 – 31 March 2023	RMB374,331.30 (equivalent to approximately HK\$467,914.13)

Caution money

: Caution money in the amount of RMB666,306.90 (inclusive of tax) (equivalent to approximately HK\$832,883.63), 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 the Tenancy Agreement. Such caution money will be refunded to Guangzhou Tianhe Sub-Branch upon the expiry of the Tenancy Agreement in accordance with the relevant terms contained therein.

2. PROPERTY MANAGEMENT AGREEMENT

- Date** : 29 March 2018
- Parties** : (1) 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) (as the Property Manager)
- (2) Guangzhou Tianhe Sub-Branch
- Term** : A term of three years, commencing from 1 April 2018 to 31 March 2021; upon the termination of the Tenancy Agreement, the Property Management Agreement will also be terminated accordingly.
- Management fee** : A monthly management fee in the amount of RMB48,743 (equivalent to approximately HK\$60,928.75) is required to be paid by Guangzhou Tianhe Sub-Branch to Yue Xiu City Construction Jones Lang LaSalle before the fifth day of each month. If there is a change in the costs for providing management services, upon agreement with Guangzhou Jiayao, Yue Xiu City Construction Jones Lang LaSalle may reasonably adjust the amount of management fee by providing 1 month's written notice in advance to Guangzhou Tianhe Sub-Branch.
- Caution money and utilities deposit** : (1) Caution money in the amount of RMB97,486 (representing 2 months' management fee; equivalent to approximately HK\$121,857.50); and (2) utilities deposit in the amount of RMB58,491 (equivalent to approximately HK\$73,113.75) are required to be paid by Guangzhou Tianhe Sub-Branch to Yue Xiu City Construction Jones Lang LaSalle. The said two amounts will be refunded to Guangzhou Tianhe Sub-Branch upon the expiry of the Property Management Agreement in accordance with the relevant terms contained therein.

3. SITE AGREEMENT

- Date** : 29 March 2018
- Parties** : (1) Guangzhou Yuyao Real Estate Company Limited* (廣州譽耀置業有限公司) (as the lessor)
- (2) Guangzhou Branch (as the lessee)
- Leased Site** : Rooftop, Yuexiu Financial Tower, 28 Zhujiang East Road, Tianhe District, Guangzhou, the PRC
- Purpose** : For display of the Bank's logo at the rooftop of Yuexiu Financial Tower
- Term** : A term of three years, commencing from 1 April 2018 to 31 March 2021
- Rental fee of the Site** : An annual rental fee in relation to the lease of the Site in the amount of RMB800,000 (inclusive of tax) (equivalent to approximately HK\$1,000,000) is required to be paid by Guangzhou Branch to Guangzhou Yuyao before the fifth day of January of each year.

Option to renew : If Guangzhou Branch wishes to renew the lease for a period of 24 months, it shall provide 3 months' written notice in advance to Guangzhou Yuyao, and shall enter into a renewal agreement with Guangzhou Yuyao no less than 1 month before the expiry of the Site Agreement. If Guangzhou Branch does not exercise its option to renew pursuant to the terms of the Site Agreement, the Site Agreement will automatically terminate upon the expiry of the lease.

An annual rental fee of RMB800,000 (inclusive of tax) (equivalent to approximately HK\$1,000,000) is payable by Guangzhou Branch to Guangzhou Yuyao during the renewed term if the lease of the Site has been renewed pursuant to the Site Agreement.

4. ANNUAL CAPS

Based on the terms of the Tenancy Agreement, the Property Management Agreement and the Site Agreement, it is estimated that the total amounts payable to Guangzhou Jiayao, Yue Xiu City Construction Jones Lang LaSalle and Guangzhou Yuyao will not exceed the annual caps (“Annual Caps”) as set out below:

Financial Year / Period	Annual Caps
1 April 2018 – 31 December 2018	RMB4,527,000 (equivalent to approximately HK\$5,658,000)
1 January 2019 – 31 December 2019	RMB5,109,000 (equivalent to approximately HK\$6,386,000)
1 January 2020 – 31 December 2020	RMB5,173,000 (equivalent to approximately HK\$6,466,000)
1 January 2021 – 31 March 2021	RMB1,395,000 (equivalent to approximately HK\$1,743,000)

In estimating the above Annual Caps, the Board has taken into account the rents, management fees, rental fees of the Site, caution monies and other costs payable under the Tenancy Agreement, the Property Management Agreement and the Site Agreement, as well as the expected upward adjustment of the management fees.

5. IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, 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, while Guangzhou Jiayao, Yue Xiu City Construction Jones Lang LaSalle and Guangzhou Yuyao are subsidiaries of Yuexiu Property. Accordingly, under Chapter 14A of the Listing Rules, Guangzhou Jiayao, Yue Xiu City Construction Jones Lang LaSalle and Guangzhou Yuyao are connected persons of the Bank, and each of the Tenancy Agreement, the Property Management Agreement and the Site Agreement constitutes continuing connected transactions of the Bank.

As the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the Annual Caps under the Tenancy Agreement, the Property Management Agreement and the Site Agreement exceed 0.1% but are below 5%, the Tenancy Agreement, the Property Management Agreement and the Site 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 Tenancy Agreement, the Property Management Agreement and the Site Agreement, no Director was required to abstain from voting on the relevant Board resolutions of the Bank.

6. REASONS FOR AND BENEFITS OF ENTERING INTO THE TRANSACTIONS

To cater for the overall business development needs and planning of the Bank, Guangzhou Tianhe Sub-Branch will move to the Property from its existing premises at Guangzhou International Finance Centre upon completion of renovation at the Property. The tenancy agreement and property management agreement which were entered into between Guangzhou Tianhe Sub-Branch and an associate of the Bank on 30 June 2017 (please refer to the announcement of the Bank dated 30 June 2017 for further details) will be terminated in accordance with the terms of those existing agreements. The rents payable under the Tenancy Agreement, the management fees payable under the Property Management Agreement and the rental fees payable under the Site 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 Tenancy Agreement, the Property Management Agreement and the Site Agreement are on normal commercial terms and in the ordinary and usual course of business of Guangzhou Tianhe Sub-Branch and Guangzhou Branch, and such transactions (including the Annual Caps) are fair and reasonable and in the interests of the Bank and its shareholders as a whole.

7. GENERAL

The Group is principally engaged in the provision of banking and related financial services. Guangzhou Jiayao and Guangzhou Yuyao are principally engaged in the leasing and management of properties. Yue Xiu City Construction Jones Lang LaSalle is principally engaged in property management.

8. DEFINITIONS

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

“Annual Caps”	has the meaning ascribed to it under the section headed “Annual Caps” of this announcement
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Bank”	Chong Hing Bank Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange (Stock Code: 01111)
“Board”	the board of Directors of the Bank
“connected person(s)”	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 Branch”	Guangzhou Branch of the Bank
“Guangzhou Jiayao”	Guangzhou Jiayao Real Estate Company Limited* (廣州佳耀置業有限公司), an indirect subsidiary of Yuexiu Property
“Guangzhou Tianhe Sub-Branch”	Guangzhou Tianhe Sub-Branch of the Bank
“Guangzhou Yuyao”	Guangzhou Yuyao Real Estate Company Limited* (廣州譽耀置業有限公司), an indirect subsidiary of Yuexiu Property
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Property”	Units 101-01, 201 and 301, Yuexiu Financial Tower, 28 Zhujiang East Road, Tianhe District, Guangzhou, the PRC* (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 101 房自編 01 單元、201 房及 301 房)
“Property Management Agreement”	the property management agreement entered into between Guangzhou Tianhe Sub-Branch and Yue Xiu City Construction Jones Lang LaSalle on 29 March 2018 for the provision of management services in relation to the Property
“RMB”	Renminbi, the lawful currency of the PRC
“Site”	Rooftop, Yuexiu Financial Tower, 28 Zhujiang East Road, Tianhe District, Guangzhou, the PRC
“Site Agreement”	the lease agreement entered into between Guangzhou Branch and Guangzhou Yuyao on 29 March 2018 for the lease of the Site
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Tenancy Agreement”	the tenancy agreement (as supplemented by the supplemental agreement) entered into between Guangzhou Tianhe Sub-Branch and Guangzhou Jiayao on 29 March 2018 for the lease of the Property
“Yuexiu Property”	Yuexiu Property Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange (Stock Code: 00123)

“Yue Xiu City Construction Jones Lang LaSalle” 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), an indirect subsidiary of Yuexiu Property

“%” per cent

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

** for identification purposes only*

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

Hong Kong, 29 March 2018

As at the date of this announcement, the Board 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.