

Media Release

For Immediate Release

Chong Hing Bank Announces 2017 Interim Results

(Hong Kong — 25 August 2017) Chong Hing Bank Limited (“Chong Hing Bank” or the “Bank”; stock code: 01111) announces its interim results for the six months ended 30 June 2017. The Bank’s core business lines and overall financial position remained strong, asset quality was sound, and profitability was enhanced.

- Operating profit before impairment allowances amounted to HK\$699 million, representing an improvement of 3.2% from the corresponding period in 2016. Net interest income at HK\$1,114 million was 13.4% higher than the same period last year. Net interest margin at 1.54% was 9 basis points less than the corresponding period in previous year.
- Profit attributable to equity owners amounted to HK\$512 million, representing a decline of 13.5% from the corresponding period in 2016.
- Return of shareholders’ equity was 6.26% and earnings per share was HK\$0.67.
- The Bank’s core business lines, financial position and asset quality are strong, while impaired loan ratio remains low with high provision coverage. Capital adequacy ratio and liquidity maintenance ratio are above the relevant statutory requirements.

The major financial ratios for the first half of 2017 are as follows:

- Return on shareholders’ equity: 6.26% (annualised)
- Average liquidity maintenance ratio: 39.92%
- Total capital ratio: 15.78% as of 30 June 2017
- Tier 1 capital ratio: 13.94% as of 30 June 2017
- Loan to deposit ratio: 68.88% as of 30 June 2017

- An interim cash dividend of HK\$0.15 per share is declared for the six months ended 30 June 2017.

Mr Zong Jianxin, Chief Executive of Chong Hing Bank, said, ‘The Bank’s core business lines and overall financial position remained strong, asset quality was sound, and profitability was enhanced. The decline of consolidated profit for the period was mainly attributable to an increase in loan impairment mainly from one credit relationship; and a translation loss resulting from the RMB appreciation in the first half of 2017. As a pivotal hub and an important pillar in China’s “Belt and Road” strategy as well as a core city in the “Guangdong - Hong Kong - Macau Bay Area”, Hong Kong will be faced with historic opportunities for development. In the second half of the year, not only will the Bank steadily develop customer relationship, it will also further strengthen its internal management, enhance service efficiency, improve customer experience, and sharpen professional service capabilities.’

Mr Zhang Zhaoxing, Chairman of Chong Hing Bank, talked about the Chong Hing Bank’s future development and said, ‘As the major shareholder of Chong Hing Bank, Yue Xiu Group is pleased with the Bank’s gradual transformation in line with the five-year strategic plan launched in late 2016. The Bank’s strategic direction has been redefined, contributing to significant improvement in business development, enhanced operating and management efficiency and gradual completion in advanced IT systems. Hong Kong is positioned to play a key role in bridging the Chinese and foreign economies. The Bay Area Agreement is expected to bring long-term benefits to the financial service industry in Hong Kong. Chong Hing Bank is poised to ride on its collaborative efforts in Guangdong and Hong Kong, pursue cross-border business opportunities, enhance overall financial service capabilities and establish itself as an “integrated commercial bank with cross-border expertise”.’

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About Chong Hing Bank

Chong Hing Bank (formerly known as “Liu Chong Hing Bank”) was founded in 1948. The Bank is listed on the main board of The Stock Exchange of Hong Kong. The Bank currently operates a network of 40 branches in Hong Kong, together with its subsidiaries and affiliates, offers a wide range of banking solutions to individual and corporate customers, which include HKD and foreign currency deposits, credit, wealth management, investment, securities, insurance, mandatory provident fund and other commercial banking products. The Bank has branches in Guangzhou, Shenzhen, Shantou and Macau, sub-branches in Guangzhou Tianhe, Foshan, Nansha and Hengqin, and representative offices in Shanghai and San Francisco.

Chong Hing Bank has been a member of Yue Xiu Group since 14 February 2014. Yue Xiu Group was established in Hong Kong in 1985. As at the end of 2016, Yue Xiu Group had total assets nearly RMB420 billion, which is the largest state-owned enterprise group in Guangzhou in terms of asset size with leading performance in overall economic efficiency.

For other information about Chong Hing Bank, please go to the Bank’s website www.chbank.com.

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