

Media Release

For immediate release

Chong Hing Bank Proposes Rights Issue on the Basis of One Rights Share for Every Two Shares at the Subscription Price of HK\$17.05 Per Rights Share To Raise Approximately HK\$3,708 million

(Hong Kong –17 August 2015) – **Chong Hing Bank Limited (the “Bank”; stock code: 1111)**, announced that the Bank proposes to raise approximately HK\$3,708 million, before expenses, by way of the Rights Issue of 217,500,000 Rights Shares, representing 50% of the Bank’s issued share capital as at 13 August 2015, at the subscription price of HK\$17.05 per Rights Share. The Bank will provisionally allot one Rights Share in nil-paid form for every two Shares held by each qualifying shareholder at 5 p.m. on 31 August 2015 (the “Record Date”). The latest time for acceptance of and payment for the Rights Shares and application for excess Rights Shares is expected to be at 4 p.m. on 16 September 2015. BOCI Asia Limited, DBS Asia Capital Limited and Nomura International (Hong Kong) Limited are the Joint Global Coordinators and Joint Underwriters of the Rights Issue.

The subscription price of HK\$17.05 per Rights Share represents a discount of 26.03% to the closing price of HK\$23.05 per Share as quoted on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 13 August 2015 (the “Last Trading Day”), a discount of approximately 19% to the theoretical ex-rights price of HK\$21.05 per share.

Yue Xiu Enterprises (Holdings) Limited (“Yue Xiu Group”), the Bank’s parent company which is currently interested in 326,250,000 ordinary shares or 75% of the total issued share capital of the Bank through its wholly-owned subsidiary of Yuexiu Financial Holdings Limited, has irrevocably undertaken to the Bank and the Joint Underwriters that it will fully subscribe for the 163,125,000 Rights Shares to be allotted to Yue Xiu Group.

The estimated net proceeds of the Rights Issue are expected to be approximately HK\$3,675 million after the deduction of all estimated expenses. The Bank intends to use the net proceeds to expand the Bank’s business, position the Bank for sustainable growth and to satisfy its capital adequacy requirements. It will also be used to reposition the Bank’s branch network to focus on locations of strategic value and to upgrade the core banking information technology systems to enhance the Bank’s infrastructure to support future growth.

Looking ahead, Hong Kong will continue to be the main source of growth for the Bank. In order to capture the business opportunities, the Bank plans to provide a wider range of products and services to diversify its sources of income. These plans include developing new products focusing on Renminbi-related services, developing cross-border banking products and services, and increasing cross-selling, in particular, mortgage, wealth management, retail brokerage and insurance services to diversify and strengthen its income stream. The Bank will also deepen its customer segmentation through customer retention and new customer acquisition, to develop additional businesses with selected customer segments, such as Hong Kong corporates, to develop a small- and medium-sized enterprises model. Furthermore, the Bank plans to reposition its branch network with more strategic locations in Hong Kong and an increased number of both in-branch and offsite ATMs. In addition, the Bank also intends to upgrade its core banking information technology systems to enhance its infrastructure and to strengthen other electronic channels to satisfy the increasing demand for internet banking services.

Subject to regulatory approval, the Bank intends to further expand its network in the Mainland, particularly in Guangdong Province, and to acquire more quality customers. The Bank plans to develop its corporate banking,

inter-banking businesses by focusing on companies with cross-border operations and cross-banking needs, and grow its personal banking business targeting mainly high net worth individuals. To achieve its growth plans in the PRC at a similar pace as its Hong Kong business, the Bank is recruiting more high-quality banking professionals to build up its talent pool, upgrading its core banking information technology systems to enhance its infrastructure to support future growth, and actively seizing state-owned-enterprise business in both Hong Kong and China through referrals from Yue Xiu Group.

Mrs. Margaret Leung, Deputy Chairman and Managing Director of the Bank, said, “The funds raised from the Rights Issue will further enhance the Bank’s capital resources for further growth and business development. Looking ahead, we are committed to enhancing our banking services for our customers and continue to build our business network in the PRC by utilizing the superior business management, corporate governance, risk management and the extensive resources provided by Yue Xiu Group and the beneficial policies between Hong Kong and the PRC. We are confident about the Bank’s future prospects and it is our goal to maximize the returns to our shareholders in the long run.”

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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 Hong Kong Stock Exchange. The Bank with its Head Office in Hong Kong and 47 local branches, 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 Shantou and Macau, sub-branches in Guangzhou and Foshan, 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 2014, Yue Xiu Group had total assets exceeding RMB300 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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