

Main features of regulatory capital instruments

		RMB2,500 million 2.93% Tier 2 Capital Bonds due 2034
1	Issuer	Chong Hing Bank Limited
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	Product code in the PRC: 292480005
3	Governing law(s) of the instrument	PRC law (except that the subordination provisions shall be governed by Hong Kong law)
Regulatory treatment		
4	Transitional Basel III rules [#]	NA
5	Post-transitional Basel III rules [*]	Tier 2
6	Eligible at solo ^{**} /group/group & solo	Solo and Group
7	Instrument type (types to be specified by each jurisdiction)	Other Tier 2 instruments
8	Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	(HKD million) 2,674.5
9	Par value of instrument	The subordinated bonds with total face value of RMB2,500 million and the subscription amount and the trading amount of the subordinated bonds shall be in denominations of RMB2,000,000 and integral multiples of RMB100 in excess thereof
10	Accounting classification	Liability - amortised cost
11	Original date of issuance	11 June 2024
12	Perpetual or dated	Dated
13	Original maturity date	11 June 2034
14	Issuer call subject to prior supervisory approval	Yes
15	Optional call date, contingent call dates and redemption amount	<p>The Bank is entitled to a one-time redemption right of the Bonds at the Bank's option. The Bank may redeem the Bonds then outstanding in part or in whole on 11 June 2029, at their outstanding principal amount together with interest accrued to (but excluding) the date of redemption, subject to adjustments following the occurrence of a Non-Viability Event and prior written consent of the Hong Kong Monetary Authority.</p> <p>The Bonds will be redeemable at the option of the Bank in whole but not in part, at a redemption price equal to their principal amount together with interest accrued to (but excluding) the date fixed for redemption, upon the occurrence of a Regulatory Change Event (Regulatory Redemption), or upon the occurrence of certain changes in taxation in Hong Kong requiring the payment of additional amounts (Tax Redemption), in each case, subject to adjustments following the occurrence of a Non-Viability Event.</p> <p>Tax Redemption and Regulatory Redemption are all subject to prior written consent of the Hong Kong Monetary Authority.</p>
16	Subsequent call dates, if applicable	NA
Coupons / dividends		
17	Fixed or floating dividend/coupon	Fixed
18	Coupon rate and any related index	At a fixed rate of 2.93% per annum.
19	Existence of a dividend stopper	No
20	Fully discretionary, partially discretionary or mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Cumulative
23	Convertible or non-convertible	Convertible (Note 1)
24	If convertible, conversion trigger (s)	<p>Each Bondholder shall be subject to having the Bonds being written off, cancelled, converted or modified, or to having the form of the Bonds changed, in the exercise of any Hong Kong Resolution Authority Power by the relevant Hong Kong Resolution Authority without prior notice which may include (without limitation) the conversion of all or a part of the principal amount of, or interest on, the Bonds into shares or other securities or other obligations of the Issuer or another person (and the issue to or conferral on the holder of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Bonds.</p> <p>(Note 1): The conversion details as set out in items 23 to 29 shall be subject to the exercise of any Hong Kong Resolution Authority Power by the relevant Hong Kong Resolution Authority.</p>
25	If convertible, fully or partially	Full or partial
26	If convertible, conversion rate	Note 1
27	If convertible, mandatory or optional conversion	Mandatory (Note 1)
28	If convertible, specify instrument type convertible into	Shares or other securities or other obligations (Note 1)
29	If convertible, specify issuer of instrument it converts into	Chong Hing Bank Limited or another person (Note 1)
30	Write-down feature	Yes
31	If write-down, write-down trigger(s)	<p>If a Non-Viability Event occurs and is continuing, the Bank shall, upon or prior to the provision of a Non-Viability Event Notice and following or concurrently with the Write-off of the aggregate principal amount of all Subordinated Capital Instruments which constitute Junior Obligations of the Issuer (which for the avoidance of doubt includes all Additional Tier 1 Capital Instruments) in accordance with the terms thereof, irrevocably (without the need for the consent of the Bondholders) reduce the then outstanding principal amount of, and cancel any accrued but unpaid interest in respect of, each Bond (in each case in whole or in part) by an amount equal to the Non-Viability Event Write-off Amount per Bond.</p> <p>"Non-Viability Event" means the earlier of:</p> <p>(i) the Monetary Authority notifying the Bank in writing that the Monetary Authority is of the opinion that a Write-off or conversion is necessary, without which the Bank would become non-viable; and</p> <p>(ii) the Monetary Authority notifying the Bank in writing that a decision has been made by the government body, a government officer or other relevant regulatory body with the authority to make such a decision, that a public sector injection of capital or equivalent support is necessary, without which the Bank would become non-viable.</p>
32	If write-down, full or partial	Full or partial
33	If write-down, permanent or temporary	Permanent
34	If temporary write-down, description of write-up mechanism	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	<p>In the event of a Winding-Up of the Issuer, the rights and the claims of the Bondholders to payment of principal and interest on the Bonds shall rank</p> <p>(i) junior in right of payment to, and of all claims of, all unsubordinated creditors of the Issuer (including its depositors and general creditors) and all other Subordinated Creditors of the Issuer whose claims are expressed to rank senior to the Bonds or rank senior to the Bonds by operation of law or contract;</p> <p>(ii) pari passu in right of payment to, and of all claims of, the holders of Parity Obligations; and</p> <p>(iii) senior in right of payment to, and of all claims of, the holders of Tier 1 Capital Instruments and the holders of other Junior Obligations, in each case, present and future.</p>
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	NA

Footnote:
[#] Regulatory treatment of capital instruments subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules

^{*} Regulatory treatment of capital instruments not subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules

^{**} Include solo-consolidated

The full terms and conditions of all capital instruments are available on the Bank's website: <http://www.chbank.com/en/personal/footer/about-ch-bank/regulatory-disclosures/terms-and-conditions/index.shtml>