

Press Release

**Wing Lung Bank half-yearly earnings amounted to HK\$350,230,000; profit after taxation decreased by 59.1%  
Interim dividend of HK\$0.50 per ordinary share already paid on 24 July 2008**

The Board of Directors of Wing Lung Bank Ltd announced yesterday that the audited consolidated profit for the six months ended 30 June 2008, after making provision for taxation, amounted to HK\$350,230,000. This represents a decrease of 59.1% over the corresponding period last year. The Directors declared an interim dividend of HK\$0.50 per ordinary share on 10 July 2008, and the interim dividend was paid on 24 July 2008 to shareholders who were on the register of shareholders of the Bank as at 18 July 2008.

Comparing the Bank's performance during the period under review with the corresponding period last year, customer deposits, including structured deposits, increased by 3.2% (3.1% lower than that at the end of 2007), while advances to customers rose by 5.8% (up 4.5% as compared with that at 2007 year-end). Net interest income decreased by 7.4%. Operating income from insurance business increased by 5.9%, however, due to increased claims reserve, insurance operations registered a net loss. Net fees and commission income and other operating income increased by 4.6%. Operating expenses were up by 26%. The decrease in profit was mainly attributable to the mark to market loss on collateralised debt obligations and impairment allowance on the investment in structured investment vehicles.

Adversely affected by the deteriorating external economies, Hong Kong's economic growth slackened as evidenced by the slowdown in property market and falls in stock market, however high inflationary conditions continued, causing domestic consumption to contract in the first half of 2008.

The growing US sub-prime crisis has led to a significant slowdown in US economy, which, in turn, has affected the global markets particularly those with heavy reliance on exports to the US. Given the weakened US Dollar, continual macro economic controls in Mainland China and appreciation of the Renminbi, Hong Kong's business environment will remain difficult, and banking sector is likely to face more difficult challenges in the second half of the year.

A brand new wealth management product – “Wealth Builder” focusing on retirement planning was launched in the second quarter of the year. It is a made-to-measure product which can be tailored for individual customer's needs and personal goals. It is hoped that this new service can help attract more new customers. The Bank will continue its Mainland business development and further enlarge the scope of Renminbi business in Mainland China.

On 30 May 2008, Wu Jieh Yee Company Limited, Wu Yee Sun Company Limited and Yee Hong Company Limited, companies controlled by the Wu Family of the Bank, entered into sale and purchase agreements with China Merchants Bank Co., Ltd to sell their combined 53.12% stake in the Bank. The transaction is still under the process of approval by the relevant regulatory authorities.

Website: <http://www.winglungbank.com>

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Note: As the sale of the Bank's shares by substantial shareholders to CMB has not been completed and the Bank remains within an offer period, the Bank is of the view that it is inappropriate to proceed with a press conference at this stage.