

**WING LUNG BANK LIMITED SIGNS AGREEMENT
TO BECOME ONE OF YANTAI CITY COMMERCIAL BANK'S
KEY SHAREHOLDERS**

Wing Lung Bank Limited (“WLB”) has today (31 January 2008) signed an agreement with Yantai City Commercial Bank (“Yantai City Bank”) to acquire 4.99% of Yantai City Bank’s enlarged capital for a total consideration of RMB200 million (approximately US\$26 million). Hang Seng Bank Limited (“HSB”) concurrently agreed to acquire a 20% stake in Yantai City Bank for RMB800 million (approximately US\$103 million).

Yantai City Bank operates in the rapidly developing Bohai Economic Zone. Upon completion of the transaction, Yantai City Bank’s foreign ownership will amount to 24.99% with HSB becoming its largest shareholder and WLB a key shareholder. PRC law currently prohibits aggregate foreign ownership in a Mainland bank to exceed 25%.

This is the first time that WLB has invested in a Mainland bank. This investment represents an important step in WLB’s expansion into the Mainland market. This investment further enhances WLB’s cumulated operational experience in the Mainland besides broadening our liasion and networking. In the process, we are privileged to contribute towards commercial banking development in the Mainland.

The agreement is subject to the approval of the regulatory authorities and the passing of the relevant resolutions regarding the transaction at Yantai City Bank’s shareholders’ meeting.

WLB will take a seat on Yantai City Bank’s board of directors.

Mr Zhang Jiangting, Mayor of Yantai City; Mr Zhang Guangbo, Vice Mayor; Mr Zhuang Yonghui, Chairman of Yantai City Bank; Dr Patrick Po-kong Wu, Vice Chairman and Executive Director of WLB and Mr Raymond Or, Vice Chairman and CEO of HSB attended today’s signing ceremony.

Mr Zhang on behalf of Yantai City congratulated Yantai City Bank, HSB and WLB on their cooperative agreement, stating that such a large foreign investment represented a milestone in the development of local city commercial banks and a paragon for the development of Yantai City’s financial sector. Mr Zhang also

expressed that this transaction would be beneficial to all parties and would be monumental in developing the local economy. The Mayor further stated that the local government would continue to support Yantai City Bank's development, and will create a better environment and beneficial conditions for the mutual cooperation between the parties.

Yantai City Bank's Chairman, Mr Zhuang stated that the investment by HSB and WLB in Yantai City Bank will enhance Yantai City Bank's financial position. It is also in line with the central government's commitment to step up financial market reforms, and to strengthen corporate governance, risk management and business development of Mainland banks through foreign investments. HSB and WLB are also in a position to introduce their experience in technology and management to Yantai City Bank thereby further improving Yantai City Bank's business structure and practices to be in line with international standards and enhancing its market competitiveness.

WLB's Vice Chairman and Executive Director Dr Wu expressed his gratitude to the regulators and to Yantai City Bank for the invitation to be a key investor. He further stated that WLB in conjunction with HSB aims to bring quality customer service and overseas banking experience of Hong Kong based banks to Yantai City Bank, thereby complementing Yantai City Bank's local advantages. Dr Wu has no doubt that this cooperation between the parties will contribute to the economic development of Yantai City as well as the Bohai Rim.

Yantai is an international port city within the Bohai Economic Zone. It is also the second largest industrial city in the Shandong Province. In 2006, Yantai's GDP grew by 17%, reaching RMB240.21 billion.

About Yantai City Bank:

Yantai City Bank was established in 1997 and is the second largest city commercial bank in Shandong Province. As of December 31, 2007, the bank had total assets amounting to RMB 26.8 billion. The bank has 68 offices, over 1,200 employees and provides comprehensive range of personal banking services such as deposits, consumer loans and bank card services. Yantai City Bank also provides trade financing, remittances and other commercial banking services. Further details can be found on the bank's website <http://www.ytcb.com>.

About WLB:

WLB is a full service commercial bank providing a wide range of banking services including deposits, loans, trade finance, foreign exchange, syndicated lending, corporate lending, credit cards, Internet banking, and the Mandatory Provident Fund and wealth management services. WLB also provides hire purchase, agency services, trustee services, insurance services (as underwriters, agents, brokers and consultants) as well as futures and securities brokerage services. In 2004, WLB established its Shenzhen branch and thereafter a sub-branch in the Shenzhen Nanshan District. The establishment of WLB's Shanghai Branch is near completion. WLB will thereafter expand its scope of services by incorporating locally in the PRC. As of June 30, 2007, the bank's assets amounted to HK\$89.9 billion and the semi-annual profits attributable to shareholders amounted to HK\$855 million. Details of WLB can be found at the bank's website <http://www.winglungbank.com>.

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