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WING LUNG BANK LIMITED

(Incorporated in Hong Kong with limited liability)

Registered Office:
45 Des Voeux Road Central
Hong Kong

Directors:

Dr Michael Po-ko WU, BSME, LLD (Hon), PEng (Ontario), FHKIB, Chairman
Dr Patrick Po-kong WU, HonMBA CSturt, HonDUniv CSturt, Hon DSocSc, FCIB, FHKIB, JP, Vice-Chairman
Dr Jieh-yee WU, DCL (Hon), DBA (Hon), FHKIB
Mr Albert Po-cheung WU, BComm
Dr Philip Po-him WU, BA, MBA, PhD, DBA (Hon), FHKIB, JP
Mr Ivan Po-young WU, BComm, CA (Canada)
Mr Stephen Tze-tung HO, BSCE, Independent Non-executive Director (resigned on 17 February 2004)
Mr Che-shum CHUNG, BA
Mr Kee-choe NG, BSc (Hons), Independent Non-executive Director
Dr Siu-chan NG, BVSc, DBA (Hon), Independent Non-executive Director
Mr Norman Nai-pang LEUNG, BA, GBS, JP, Independent Non-executive Director
Mr Lincoln Hung-leung SOO, BScChE, MBA, JP, Independent Non-executive Director
Mr Anthony Shang-fung WU, BAppSc (Computing), MBA, MACS (Alternate to Dr Jieh-yee WU)
Mr Kenneth Ngai-keung MA, BMath, MBA (Alternate to Mr Ivan Po-young WU)

27 March 2004

To the Shareholders

Dear Sir or Madam

PROPOSAL RELATING TO A GENERAL MANDATE TO REPURCHASE SHARES OF THE BANK

INTRODUCTION

The purpose of this circular is to provide you with information in connection with the proposal to grant a general mandate to repurchase shares of Wing Lung Bank Limited (“the Bank”). Your approval of the said proposal will be sought at the forthcoming annual general meeting of the Bank to be held on 24 April 2004 (the “Annual General Meeting”).

GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting of shareholders of the Bank held on 26 April 2003 approval was given by shareholders for the granting of, inter alia, a general mandate to the directors of the Bank (the "Directors") to repurchase shares of the Bank on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") up to 10% of the issued share capital of the Bank at the date of passing the relevant resolution. No shares have been repurchased pursuant to that mandate. In accordance with the terms of the approval, that general mandate will expire on 24 April 2004 upon the conclusion of the forthcoming Annual General Meeting of the Bank to be held on that day. To keep in line with current corporate practice, the grant of fresh general mandate for the same purpose is being sought from shareholders and an ordinary resolution to grant the share repurchase mandate to the Directors (the "Repurchase Mandate") will be proposed at the forthcoming Annual General Meeting. The explanatory statement required by the Listing Rules (the "Explanatory Statement") to be sent to shareholders in connection with the proposed share repurchase resolution are set out in the Appendix to this circular.

ACTION TO BE TAKEN

Notice of the Annual General Meeting dated 25 February 2004 is set out on pages 94 and 95 in the Bank's annual report 2003, and a form of proxy for use at the Annual General Meeting is enclosed. Whether or not you intend to attend the Annual General Meeting, you are requested to complete the form of proxy and return it to the registered office of the Bank not less than 24 hours before the time appointed for holding the Annual General Meeting. The return of the form of proxy will not preclude a shareholder from attending and voting in person.

RECOMMENDATION

Your Directors consider that the above proposal is in the interests of the Bank and its shareholders and accordingly recommend that all shareholders vote in favour of the resolution to be proposed at the forthcoming Annual General Meeting of the Bank.

Yours faithfully
Michael Po-ko WU
Chairman

The Appendix serves as an explanatory statement, as required by the Listing Rules, to provide information to you with regard to the Repurchase Mandate.

1. SHARE CAPITAL

As at 24 March 2004 (the latest practicable date prior to the printing of this circular), the issued share capital of the Bank comprised 232,190,115 shares of HK\$5 each of the Bank (“Shares”). Subject to the passing of the necessary ordinary resolution and on the basis that no further Shares are issued prior to the Annual General Meeting, exercise in full of the Repurchase Mandate could accordingly result in up to 23,219,011 Shares being repurchased by the Bank during the course of the period prior to the next annual general meeting.

2. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Bank and its shareholders to have a general authority from shareholders to enable the Directors to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of net assets per Share and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Bank and its shareholders.

3. FUNDING OF REPURCHASES

Repurchases of Shares will be funded entirely from the Bank’s available cash flow or working capital facilities, which will be funds legally available for the purchase in accordance with the articles of association of the Bank and the applicable laws of the Hong Kong Special Administrative Region.

There might be a material adverse effect on the working capital requirements or gearing levels of the Bank (as compared with the position disclosed in the audited accounts contained in the annual report for the year ended 31 December 2003) in the event that the Repurchase Mandate is exercised in full at any time. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Bank or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Bank.

4. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will only exercise the Repurchase Mandate in accordance with the Listing Rules, the applicable laws of the Hong Kong Special Administrative Region and the memorandum and articles of association of the Bank.

5. DISCLOSURE OF INTERESTS

None of the Directors nor, to the best of their knowledge (having made all reasonable enquiries), any of their associates presently intend to sell Shares to the Bank under the Repurchase Mandate in the event that the Repurchase Mandate is approved by shareholders. No connected person (as defined in the Listing Rules) has notified the Bank that he has a present intention to sell Shares to the Bank, or has undertaken not to sell any Shares to the Bank, if the Repurchase Mandate is approved by shareholders.

6. HONG KONG CODE ON TAKEOVERS AND MERGERS

Subject to the comments below, the Directors are not aware of any consequences which would arise under the Hong Kong Code on Takeovers and Mergers (the “Takeovers Code”) as a result of any repurchases pursuant to the Repurchase Mandate.

If, on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a shareholder's proportionate interest in the voting rights of the Bank increases, such increase may be treated as an acquisition for the purposes of the Takeovers Code. As a result, a shareholder or group of shareholders acting in concert could, depending on the level of increase of shareholding interest, become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

If the Directors were to exercise the Repurchase Mandate in full, the aggregate interest of the substantial shareholders of the Bank, being Wu Yee Sun Company Limited, Wu Jieh Yee Company Limited, Yee Hong Company Limited, DBS Bank Ltd, Wings Investment Company Limited, Hopes Enterprises Limited, together with other shareholders who may be taken to be acting in concert with them for the purposes of the Takeovers Code, will increase by 7.10% from 63.92% to 71.02%. However, the Directors believe that such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code and would not reduce the amount of shares held by the public to less than 25%.

7. SHARE REPURCHASE MADE BY THE BANK

The Bank has not repurchased any of its Shares in the six months preceding the date of this circular.

8. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the previous twelve months were as follows:

	Highest	Lowest
	HK\$	HK\$
March 2003	31.20	30.00
April 2003	30.80	27.80
May 2003	31.40	28.45
June 2003	34.20	31.30
July 2003	34.20	32.10
August 2003	40.00	32.90
September 2003	46.50	39.90
October 2003	51.50	45.70
November 2003	51.50	48.60
December 2003	53.50	49.60
January 2004	52.00	48.50
February 2004	54.75	46.70