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WING HANG BANK, LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 302)

DISCLOSEABLE TRANSACTION DISPOSAL OF HONFIRST LAND LIMITED

Reference is made to the announcement of the Bank on 8 March 2013 regarding the appointment of Jones Lang LaSalle Limited as the sole agent of Honfirst in connection with the possible disposal of the Property.

On 11 June 2013, the Bank entered into the Expression of Interest with the Purchaser in relation to the disposal of Honfirst, the sole registered owner of the Property, for consideration of HK\$1,588,000,000. An initial deposit of HK\$100,000,000 was paid to the Bank's solicitors by the Purchaser on 11 June 2013 in partial satisfaction of the consideration, and the balance of the consideration will be settled by the Purchaser in cash in the following manner:

- (a) a sum of HK\$58,800,000, being an additional deposit, will be paid to the Bank's solicitors by the Purchaser within 30 days of the Bank and the Purchaser executing the SPA;
- (b) a sum of HK\$158,800,000, being the final deposit, will be paid to the Bank's solicitors by the Purchaser on or before 29 July 2013; and
- (c) a sum of HK\$1,270,400,000, being the outstanding amount of the consideration after payment of the deposits, will be paid to the Bank by the Purchaser at Completion.

All amounts paid by the Purchaser towards the satisfaction of the consideration (and any interest accrued thereon) will be required to be paid back to the Purchaser in the event the Disposal is terminated by the Purchaser due to either the Bank failing to complete the Disposal on the agreed Completion Date (other than for reasons of a material breach by the Purchaser) or a successful claim by the Purchaser prior to Completion in relation to certain warranties provided by the Bank in relation to the Disposal.

The consideration will be subject to customary adjustments following Completion to take into account the current assets and liabilities of Honfirst (other than the Property) as at the date of Completion.

As certain of the applicable percentage ratios for the Disposal under Chapter 14 of the Listing Rules exceed 5% but are less than 25%, the Disposal constitutes a discloseable transaction for the Bank under the Listing Rules.

THE EXPRESSION OF INTEREST

Date: 11 June 2013

Seller: Wing Hang Bank, Limited

Purchaser: Emperor (China) Property Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser is an investment holding company and the Purchaser and its ultimate beneficial owners are third parties independent of the Bank and its connected persons.

Asset to be sold

Honfirst is a beneficially wholly-owned subsidiary of the Bank and is the sole registered owner of the Property, an office building located at No. 60 Gloucester Road, Wanchai, Hong Kong, which Honfirst has leased to a number of commercial tenants and members of the Group in its capacity as landlord.

Honfirst sold all other commercial properties owned by it to the Bank for cash on 30 April 2013, leaving the Property as Honfirst's sole asset.

Honfirst derives its revenue from leasing the Property to commercial tenants and members of the Group. The audited net profit of Honfirst before and after tax for the financial year ended 31 December 2012 were HK\$367,058,689 and HK\$363,195,089, respectively. The audited net profit of Honfirst before and after tax for the financial year ended 31 December 2011 were HK\$403,275,560 and HK\$399,994,560, respectively.

The pre-tax profit attributed to the Property in the consolidated income statement of the Group was HK\$146,000,000 for the financial year ended 31 December 2012.

Consideration and payment terms

The consideration for the Disposal of HK\$1,588,000,000 was arrived at following a public tender process managed by Jones Lang LaSalle Limited involving multiple bidders bidding on arm's length terms.

An initial deposit of HK\$100,000,000 was paid to the Bank's solicitors by the Purchaser on 11 June 2013 in partial satisfaction of the consideration, and the balance of the consideration will be settled by the Purchaser in cash in the following manner:

- (a) a sum of HK\$58,800,000, being an additional deposit, will be paid to the Bank's solicitors by the Purchaser within 30 days of the Bank and the Purchaser executing the SPA;
- (b) a sum of HK\$158,800,000, being the final deposit, will be paid to the Bank's solicitors by the Purchaser on or before 29 July 2013; and
- (c) a sum of HK\$1,270,400,000, being the outstanding amount of the consideration after payment of the deposits, will be paid to the Bank by the Purchaser at Completion.

All amounts paid by the Purchaser towards the satisfaction of the consideration (and any interest accrued thereon) will be required to be paid back to the Purchaser in the event the Disposal is terminated by the Purchaser due to either the Bank failing to complete the Disposal on the agreed Completion Date (other than for reasons of a material breach by the Purchaser) or a successful claim by the Purchaser prior to Completion in relation to certain warranties provided by the Bank in relation to the Disposal.

The consideration will be subject to customary adjustments following Completion to take into account the current assets and liabilities of Honfirst (other than the Property) as at the date of Completion.

Entry into of SPA

The Bank and the Purchaser are required to enter into the SPA within two weeks from the date of the Expression of Interest.

Completion

Completion is intended to take place within three months from the entry into of the SPA by the Bank and the Purchaser or on 30 September 2013, whichever is earlier.

Following Completion, Honfirst will cease to be a subsidiary of the Bank and will no longer be consolidated into its audited financial statements.

REASONS FOR THE DISPOSAL

The Group provides a comprehensive range of banking and related financial services through a network of branches in Hong Kong, Shenzhen, Guangzhou, Shanghai, Beijing, Zhuhai and Macau. In addition, through its subsidiaries and affiliated companies the Group provides nominee, deposit taking, offshore banking, hire purchase, consumer financing, insurance and share brokerage services.

Given recent buoyancy in the commercial property market in Hong Kong, the Directors consider that now is a good opportunity to dispose of Honfirst in order to capitalise on such favourable market conditions and realise capital gain on a non-core business asset. The Directors are of the view that the Disposal is on normal commercial terms which are fair and reasonable and in the interests of the Bank and its shareholders as a whole.

Certain members of the Group currently lease office and billboard space in and on the Property under lease and licence agreements entered into during 2013. No amendment to these lease and licence agreements is intended to be made as a result of the Disposal.

FINANCIAL EFFECT OF THE DISPOSAL AND INTENDED USE OF PROCEEDS

The net book value of the Property as at 31 December 2012 was HK\$1,332,509,000. The Disposal would enable the Bank to recognise a gain of HK\$255,491,000, before expenses and subject to adjustment of the consideration following Completion. The net proceeds from the Disposal are intended to be applied to fund the continued growth of the Group's core banking business and the ordinary working capital needs of the Group.

GENERAL

As certain of the applicable percentage ratios for the Disposal under Chapter 14 of the Listing Rules exceed 5% but are less than 25%, the Disposal constitutes a discloseable transaction for the Bank under the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Bank”	Wing Hang Bank, Limited, a company incorporated with limited liability under the laws of Hong Kong and listed on the SEHK;
“Completion”	the completion of the Disposal;
“Completion Date”	the date on which Completion occurs;
“Connected persons”	has the meaning given to it in the Listing Rules;
“Directors”	the directors, including the independent non-executive directors, of the Bank;
“Disposal”	the sale of Honfirst by the Bank to the Purchaser in accordance with the terms of the Expression of Interest and the SPA;
“Expression of Interest”	the expression of interest entered into on 11 June 2013 between the Bank and the Purchaser in relation to the Disposal;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Honfirst”	Honfirst Land Limited, a company incorporated with limited liability under the laws of Hong Kong;
“Group”	the Bank and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the SEHK;
“PRC”	the People’s Republic of China;
“Property”	the property known as Wing Hang Finance Centre, which is situated at No. 60 Gloucester Road, Wanchai, Hong Kong;

“Purchaser”	Emperor (China) Property Limited, a company incorporated with limited liability under the laws of the British Virgin Islands;
“SEHK”	The Stock Exchange of Hong Kong Limited; and
“SPA”	the definitive and legally binding sale and purchase agreement to be entered into between the Bank and the Purchaser in relation to the Disposal.

On behalf of the Board
Wing Hang Bank, Limited
LEUNG Chiu Wah
Company Secretary

Hong Kong, 11 June 2013

As at the date of this announcement, the Board of the Bank comprises:

Executive directors

Dr FUNG Yuk Bun Patrick JP (Chairman & Chief Executive)
Mr Frank John WANG (Deputy Chief Executive)
Mr FUNG Yuk Sing Michael

Non-executive directors

Mr HO Chi Wai Louis
Mr Stephen Dubois LACKEY
Mr Brian Gerard ROGAN

Independent non-executive directors

Dr CHENG Hon Kwan GBS, JP
Mr LAU Hon Chuen Ambrose GBS, JP
Mr LI Sze Kuen Billy
Mr TSE Hau Yin Aloysius