



Income statement for the year ended 31 December 2008

(Expressed in Hong Kong dollars)

	Note	2008	2007
Interest income	3(a)	84,493,503	115,660,490
Interest expense	3(b)	(35,716,778)	(54,537,329)
Net interest income		48,776,725	61,123,161
Fee and commission income	4	35,449,261	36,184,304
Fee and commission expense		(386,876)	(413,006)
Net fee and commission income		35,062,385	35,771,298
Other net income	5	34,494,787	34,697,482
Operating income		118,333,897	131,591,941
Operating expenses	6	(55,133,551)	(52,128,459)
Operating profit before provisions		63,200,346	79,463,482
Impairment losses on trade bills and loans and advances	8	(7,000,000)	(4,500,000)
Gain on disposal of fixed assets		-	54,969
Profit before taxation		56,200,346	75,018,451
Income tax	9(a)	(8,459,640)	(14,192,661)
Profit for the year		47,740,706	60,825,790
Dividends payable to shareholders of the company			
Final dividend payable in respect of financial year	10	10,000,000	-
Final dividend proposed after the balance sheet date	10	-	10,000,000

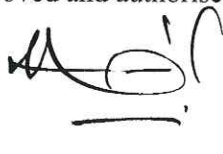

The notes on pages 14 to 59 form part of these financial statements.

Balance sheet at 31 December 2008

(Expressed in Hong Kong dollars)

	Note	2008	2007
Assets			
Cash and balances with banks	11	667,599,583	337,778,322
Placements with banks	12	58,454,467	317,187,413
Trade bills	13	634,887,727	768,016,147
Derivative assets	25(b)	733,086	-
Advances to customers	14(a)	370,973,698	347,110,470
Tax paid in advance	20(a)	3,175,605	300,018
Deferred tax assets	20(b)	460,708	-
Fixed assets	15	28,447,253	29,838,841
Other assets	16	45,370,172	59,361,627
Total assets		1,810,102,299	1,859,592,838
Liabilities			
Deposits and balances from banks	17	37,666,162	11,783,894
Derivative liabilities	25(b)	786,075	-
Bills payable		3,116,367	-
Deposits from customers	18	1,092,117,195	1,190,496,496
Other liabilities	19	306,431,454	314,626,891
Deferred tax liabilities	20(b)	-	441,217
Total liabilities		1,440,117,253	1,517,348,498
Equity			
Share capital	22	200,000,000	200,000,000
Reserves	23	169,985,046	142,244,340
Total equity		369,985,046	342,244,340
Total equity and liabilities		1,810,102,299	1,859,592,838

Approved and authorised for issue by the Board of Directors on 28 April 2009

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