



永隆銀行

WING LUNG BANK

HK\$700,000,000 subordinated floating rate note due 2019

港幣700,000,000元浮息後償票據(二〇一九年到期)

SUMMARY OF HK\$700,000,000 SUBORDINATED FLOATING RATE NOTE DUE 2019

Principal Amount : HK\$700,000,000

Currency	: Hong Kong Dollars (HK\$)	Series No.	: SN002
Issue Date	: 22 September 2009	Margin over HIBOR	: 200 basis points for the first 5 years and 250 basis points afterward
Issue Price	: 100 per cent	Redemption Price	: 100 per cent
Maturity Date	: The Interest Payment Date falling on 22 September 2019	HIBOR basis	: Three months HIBOR Reuters Page "HKABHIBOR"
Put Option	: Not Applicable	Noteholder	: Name of Noteholder
Call Option	: Applicable	Option Redemption Date	: 23 September 2014
Day Count Fractions	: Actual/365	Business Day Convention	: Modified Following
Issuing, Paying and Reference Agent	: Wing Lung Bank Limited	Business Centre	: Hong Kong
Custodian	: N/A		

HK\$700,000,000 SUBORDINATED FLOATING RATE NOTE DUE 2019

CONDITIONS

1. Status, Subordination and Conditionality

1.1 The Note constitutes direct, unsecured obligations of the Issuer, conditional and subordinated as described below, (a) ranking *pari passu* without any preference among themselves and (b) ranking at least *pari passu* with all other present and future unsecured and subordinated obligations of the Issuer which by their terms rank equal with the Note and in priority to any obligations of the Issuer which by their terms rank junior to the Note including, but not limited to, ordinary shares and preference shares. The rights of Noteholder will, in the event of the winding-up of the Issuer, be subordinated in right of payment to the claims of depositors and all other creditors of the Issuer other than claimants in respect of any Subordinated Indebtedness (as defined below).

1.2 The Issuer's obligation to make any payment of interest and, where applicable, any repayment of principal in respect of the Note is conditional upon the Issuer being able to make such payment and remain Solvent immediately thereafter.

For the purposes of this Condition 1.2, "**Solvent**" means that the Issuer:

- (a) is able to pay its debts as they fall due; and
- (b) has Assets that exceed its Liabilities (other than its Liabilities to persons in respect of any Subordinated Indebtedness and any principal and interest payable in respect of the Note).

1.3 Claims in respect of the Note may not be set-off, or be the subject of a counterclaim, by the Noteholder against or in respect of any obligations of the Noteholder to the Issuer or to any other persons and the Noteholder shall be deemed to have waived all such rights of set-off.

1.4 In this Condition 1, the following expressions have the following meanings:

"**Assets**" means the unconsolidated gross assets (including contingencies) of the Issuer and "**Liabilities**" means the unconsolidated gross liabilities (including contingencies) of the Issuer, all as shown in the latest published balance sheet; and

"**Subordinated Indebtedness**" means any liability of the Issuer howsoever arising for the payment of money, the right to payment of which by the Issuer by the terms whereof is, or is expressed to be, subordinated in the event of a winding-up of the Issuer to the claims of depositors or of all or any of the creditors of the Issuer.

2. Interest Payment Dates, Interest Periods and Payments

2.1 The Principal Amount bears interest from the Issue Date and, subject to Condition 2.2, such interest will be payable on the 22nd day of March, June, September and December of each year, each an "**Interest Payment Date**", commencing on 22 December 2009 and ending on 22 September 2019 (the "**Maturity Date**").

- 2.2 If any Interest Payment Date, including the Maturity Date, would otherwise fall on a day which is not a Business Day it shall be postponed to the immediately succeeding Business Day unless such immediately succeeding Business Day falls in the next calendar month in which case the relevant Interest Payment Date or Maturity Date shall be brought forward to the immediately preceding Business Day.
- 2.3 The period from and including the Issue Date to but excluding the first Interest Payment Day and each subsequent period from and including an Interest Payment Date to but excluding the next Interest Payment Date are each referred to as an "**Interest Period**".
- 2.4 Interest will be calculated on the basis of the actual number of days elapsed in an Interest Period and a year of 365 days.
- 2.5 Interest on the Principal Amount shall accrue from and including the Issue Date until but excluding the Maturity Date at the Interest Rate and shall be payable subject to Condition 2.2, on or after the Interest Payment Date.

3. **Rates of Interest**

- 3.1 The rate of interest per annum ("**Interest Rate**") payable on the Principal Amount in respect of each Interest Period shall be calculated by the Reference Agent as the aggregate of the Margin and the HIBOR, calculated in accordance with Condition 3.2, in effect on the second Hong Kong Business Day before the first day of such Interest Period (the "**Interest Determination Date**") for a period equivalent to such Interest Period.
- 3.2 For the purposes of Condition 3.1 "**HIBOR**" shall be the rate determined by the Reference Agent on the basis of the following provisions:

HIBOR:

- 3.2.1 If, at or about 11 a.m. (Hong Kong time) on the Interest Determination Date an offered rate for HK dollar deposits for the same period as the relevant Interest Period (or, if the periods are not the same, such period, if any, as the Reference Agent determines to be substantially the same) is quoted on the three months HIBOR Reuters Page "HKABHIBOR" (or such other page or service as may replace it for the purpose of displaying Hong Kong inter-bank offered rates of leading banks for HK dollars), then HIBOR for the relevant Interest Period shall be such rate.
- 3.2.2 If on any Interest Determination Date the rate described in Condition 3.2.1 above does not appear, the Reference Agent will request each of the Reference Banks (being the principal Hong Kong offices of three major banks, as selected by the Reference Agent, who are active in the Hong Kong inter-bank HK dollars deposits market) to provide the Reference Agent with its offered quotation to leading banks for HK dollar deposits in Hong Kong for a period equivalent, or approximately equivalent, to the relevant Interest Period in an amount equal or approximately equal to the Principal Amount as at about 11 a.m. (Hong Kong time) on the Interest Determination Date in question and HIBOR for the relevant Interest Period shall, subject as provided below, be the arithmetic mean (rounded, if necessary, to five decimal places) of such offered quotations, as determined by the Reference Agent.

- 3.2.3 If on any Interest Determination Date one or two only of the Reference Banks when requested to do so provide the Reference Agent with such offered quotations, HIBOR for the Interest Period concerned shall be determined as in Condition 3.2.2 above on the basis of the offered quotations of those Reference Banks providing such quotations.
- 3.2.4 If on any Interest Determination Date none of the Reference Banks when requested to do so provides the Reference Agent with such offered quotations HIBOR shall, subject as provided below, be HIBOR in effect for the last preceding Interest Period to which Condition 3.2.1, 3.2.2 or 3.2.3 above shall have applied; provided that if at any time during such relevant Interest Period the Reference Agent determines that a rate can once again be determined in accordance with Condition 3.2.1, 3.2.2 or 3.2.3 above the Reference Agent shall determine such rate and references to an Interest Period shall be construed as being references to the period from such date of determination until the next succeeding Interest Payment Date.
- 3.3 The Reference Agent will, as soon as practicable after 11 a.m. on each Interest Determination Date calculate the amount of interest payable in respect of the Note for the relevant Interest Period (the "**Interest Amount**").
- 3.4 The Reference Agent's Note as to the amount on which and the rate at which interest accrues during any Interest Period and as to the amount of interest accrued in respect of any Interest Period or part thereof shall be conclusive and binding on the Noteholder after Noteholder's acceptance.
- 3.5 The Reference Agent shall as soon as practicable after the receipt of a request from the Noteholder certify to the Noteholder the Interest Rate in respect of any Interest Period and the Interest Amount payable in respect of such Interest Period.
- 3.6 If full repayment is improperly withheld or refused on any due date interest will continue to be accrued on the Principal Amount at a rate calculated by reference to the Margin and the Interest Rate determined by the Reference Agent, on the basis of interest periods having approximately the same length as the Interest Periods.
- 3.7 Deferral of Interest:
- (i) Where during the 12 calendar months preceding a date on which interest is due to be paid in respect of the Note no dividend has been declared or paid on any class of share capital of the Issuer, such due date shall be referred to as an "**Optional Interest Payment Date**".
 - (ii) The Issuer may if it so elects, but shall not be obliged to, pay on any Optional Interest Payment Date the interest that would, but for this paragraph, be due to be paid on such date in respect of the Note and any failure so to pay shall not constitute a default by the Issuer for any purpose. Any interest not paid on an Optional Interest Payment Date shall (except to the extent such interest shall subsequently have been paid) constitute "**Arrears of Interest**".

- (iii) In relation to the Note, Arrears of Interest may, prior to the commencement of the winding-up of the Issuer, be paid in whole or in part upon the expiration of not less than seven days' notice given to the Noteholder in accordance with Condition 8, but payment in respect of Interest Periods during which Arrears of Interest have accrued shall be made taking the earliest Interest Period first. Arrears of Interest shall otherwise only become payable on (i) the due date for repayment of the Note to which such Arrears of Interest relate, (ii) the date on which any declaration or payment of any dividend on any class of share capital of the Issuer is made or (iii) the commencement of the winding-up of the Issuer (except for the purposes of a reconstruction, amalgamation or otherwise the terms of which have previously been approved by an Extraordinary Resolution of the Noteholder). If notice is given by the Issuer of its intention to pay any Arrears of Interest, the Issuer shall be obliged to do so upon the expiration of such notice. Arrears of Interest shall not themselves bear interest.
- (iv) The Issuer shall give written notice in accordance with Condition 8:
 - (1) not more than 30 days nor less than seven days prior to any Optional Interest Payment Date in respect of which it will elect not to make any payment of interest in accordance with the above provisions, of such election; and
 - (2) of any date on which Arrears of Interest shall have become payable.
- (v) For the purposes of this Condition 3.7, "**Extraordinary Resolution**" means a resolution passed at a meeting duly convened and held by a majority of not less than three quarters of the votes cast.

4. **Call Option**

- 4.1 Subject to Condition 6, the Issuer may at its option redeem the Note in whole but not in part on the Option Redemption Date on giving not more than 45 nor less than 30 days' prior written notice to the Paying Agent and the Noteholder of its intention to exercise such option, which notice shall be irrevocable and shall be binding on both the Issuer and the Noteholder.
- 4.2 Upon giving notice in accordance with the provisions of Condition 4.1, the Issuer shall be obliged to repay the Principal Amount on the Option Redemption Date upon surrender of the Note to the Paying Agent. Notice shall be deemed to have been given to the Noteholder when delivered or sent in accordance with the Condition 6.

5. **Redemption for Taxation Reasons**

Subject to Condition 6, the Note may be redeemed in whole but not in part at the option of the Issuer, on any Interest Payment Date and on giving not less than 30 nor more than 60 days' notice to the Noteholder in accordance with Condition 6 below (which notice shall be irrevocable) at the principal amount thereof together with accrued interest if:

- (i) the Issuer has or will become obliged to pay any Hong Kong tax, duties or other levies under or in connection with this Note as the result of any change in, or amendment to, the laws or regulations of Hong Kong or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date; and

- (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Note then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Paying Agent a certificate signed by one of its directors stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and an opinion of independent legal advisers in Hong Kong of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

5.1 Taxes

All payments hereunder will be made without deduction or withholding for or on account of taxes, duties or other levies of whatsoever nature imposed or levied by or on behalf of Hong Kong or any authority thereof or therein having power to tax unless the Issuer is required by law to deduct or withhold any such taxes, duties or other levies, in which event the Issuer will pay in like manner and at the same time such additional amounts shall be necessary in order that the net amounts received by the Noteholder after such deduction or withholding shall equal the amount which would have been receivable by the Noteholder had no such deduction or withholding been required to be made except that no such additional amounts shall be payable in respect of any payment to be made

- (i) to, or to a person on behalf of, the Noteholder who is liable to such taxes, duties, assessments or governmental charges in respect of his interest in this Note by reason of his having some connection with Hong Kong other than the mere holding of his interest in this Note; or
- (ii) more than 30 days after the Relevant Date except to the extent that the Noteholder would have been entitled to such additional amounts on the last day of such period of 30 days.

"Relevant Date" means the date on which such payment first becomes due and is available for payments.

6. Conditions of Redemption and Purchase

Notwithstanding any other provision in these Conditions, the Note (subject as provided below) may not be redeemed (other than redemption at the Maturity Date) or purchased and cancelled without the prior consent of the Hong Kong Monetary Authority (the "**HKMA**") (or any successor thereto). Accordingly the Issuer shall not give any notice of redemption (other than redemption at the Maturity Date) and redeem any of such Note, and none of the Issuer or its subsidiaries shall purchase or cancel the Note, unless the prior written consent of the HKMA thereto shall have been obtained provided, however, that if from time to time the consent of the HKMA is not a requirement for any such Note to constitute Category II Supplementary Capital (or equivalent) of Wing Lung Bank Limited for the purposes of the Banking Ordinance (Cap. 155) of Hong Kong, or any successor legislation, then the condition to the redemption of the relevant Note set out in this Condition 6 shall not apply for so long as such consent is not so required.

Noteholder should note that it is intended that such Note should constitute Category II Supplementary Capital of Wing Lung Bank Limited and accordingly, under statutory requirements prevailing at the date hereof relative to Category II Supplementary Capital, and by virtue of the above provisions, any redemption of such Note, other than at maturity, is subject to the prior consent of the Hong Kong Monetary Authority at the relevant time.

7. Restrictions of Transfer

- 7.1 The Issuer shall not transfer all or any of its rights or obligations under the Note without the consent of the Noteholder.
- 7.2 The Note shall not be transferable by the Noteholder unless prior consent from the Issuer is obtained.

8. Notices

Notices will be given to the Noteholder specifying (i) the Interest Rate, the applicable amounts on which interest will accrue in respect of each Interest Period and the Interest Amount, (ii) any change of Paying Agent or Reference Agent or office thereof within 14 days of such change and (iii) any notice to be given in accordance with Condition 3, 4.1 or 5 above. Any notice to be given for any purposes under this Note shall be given in writing and, unless otherwise stated, may be made by hand delivery, courier or by facsimile. Any such notice shall be given as follows:

To the Issuer, Paying Agent
and Reference Agent:

Wing Lung Bank Limited
45 Des Voeux Road Central
Hong Kong

Attention: Alex Cheung
Facsimile number: (852) 2868-5807

To the Noteholder:

Name of Noteholder
Address of Noteholder

Attention: Name of contact person of Noteholder
Facsimile number of Noteholder

or to such other address or facsimile number as shall have been notified (in accordance with this condition 8) to the other parties. Any notice delivered by hand or sent by courier as set out above shall be deemed to have been given when received and any notice sent by facsimile transmission as set out above shall be deemed to have been given when received and confirmed by an activity report confirming such transmission was successfully completed.

9. **Definitions**

In this Note:

"Business Day" means a day (other than a Saturday, a Sunday or a public holiday) on which banks and foreign exchange markets are open for business in Hong Kong.

"Hong Kong Business Day" means a day (other than a Saturday, a Sunday or a public holiday) on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in Hong Kong.

"Paying Agent" means Wing Lung Bank Limited at its office at 45 Des Voeux Road Central, Central, Hong Kong or any successor Paying Agent.

"Reference Agent" means Wing Lung Bank Limited at its office at 45 Des Voeux Road Central, Central, Hong Kong or any successor Reference Agent.

"HK\$" or "HK dollars" means the legal currency for the time being of the Special Administrative Region of Hong Kong.