



FUBON BANK (HONG KONG) LIMITED
(Incorporated in Hong Kong under the Companies Ordinance)
(Stock Code: 636)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the “**Meeting**”) of Fubon Bank (Hong Kong) Limited (the “**Company**”) will be held in the Conference Room, 12th Floor, Central Tower, 28 Queen’s Road Central, Hong Kong on Friday 21 November 2008 at 10:00 a.m. to consider and, if thought fit, pass (with or without amendments) the following resolutions:

ORDINARY RESOLUTION

1. “**THAT** conditional upon (i) the filing with and registration of all relevant documents to be issued by the Company relating to the Open Offer (as hereinafter defined) by the Registrar of Companies in Hong Kong in compliance with the Companies Ordinance; and (ii) the Hong Kong Monetary Authority granting its approval that the Preference Shares (as hereinafter defined) may be treated as “supplementary capital” of the Company for the purposes of the Banking (Capital) Rules (Cap. 155L of the Laws of Hong Kong):
 - (a) the authorised share capital of the Company be and is hereby increased from HK\$1,406,592,000 comprising 1,406,592,000 ordinary shares of HK\$1.00 each to HK\$1,406,592,000 and US\$119,994,019.20 comprising 1,406,592,000 ordinary shares of HK\$1.00 each and 1,172,160,000 non-participating cumulative preference shares of US\$0.10237 each;
 - (b) the issue, by way of open offer, of 1,172,160,000 new non-participating cumulative preference shares of par value of US\$0.10237 each in the issued share capital of the Company (the “**Open Offer**”), such new shares (the “**Preference Shares**”) to be issued at a price of US\$0.10237 per Preference Share (the “**Subscription Price**”) to the Shareholders whose names appear on the register of members of the Company on the date by reference to which entitlements under the Open Offer will be determined (other than those Shareholders (the “**Excluded Shareholders**”) with registered addresses outside Hong Kong and whom the Board of Directors, after making relevant enquiry, considers their exclusion from the Open Offer to be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or any requirements of the relevant regulatory body or stock exchange in that place) in the proportion of one Preference Share for every existing Share then held and otherwise pursuant to and in accordance with the terms and conditions set out in the circular issued by the Company dated 29 October 2008 be and is hereby approved; and

- (c) the Directors be and are hereby authorised to allot and issue the Preference Shares pursuant to or in connection with the Open Offer and, in particular, the Directors be and are hereby authorised to make such exclusions or other arrangements in relation to Excluded Shareholders as they may, at their absolute discretion, deem necessary or expedient or appropriate, and the Preference Shares shall not be issued to the Excluded Shareholders.”

SPECIAL RESOLUTION

1. “**THAT** the articles of association of the Company be and are hereby amended to include Article 5A (the form of which is enclosed as the annex to this notice) immediately after Article 5 of the articles of association and such amended articles of association be and are hereby adopted as the new articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association.”

For the purposes of the above resolutions:

- (i) “Shareholder” means holder of ordinary share(s) of HK\$1.00 each in the share capital of the Company; and
- (ii) “Shares” means ordinary share(s) of HK\$1.00 each in the share capital of the Company.

Notes:

1. A form of proxy for use at the meeting is enclosed herewith.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of any officer or attorney authorised to sign the same.
3. Any member entitled to attend and vote at the above meeting may appoint a proxy to attend and, on a poll, vote instead of him/her. The number of proxies so appointed shall not exceed two. A proxy need not be a member of the Company.
4. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarised copy of such power of attorney or authority, must be lodged at the office of the Company’s share registrar, Computershare Hong Kong Investor Services Limited, Rooms 1806-7, 18th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting thereof (as the case may be).

5. Completion and return of the form of proxy will not preclude members from attending and voting in person at the meeting or at any adjourned meeting thereof (as the case may be) should they so wish and, in such event, the form of proxy shall be deemed to be revoked.
6. Where there are joint registered holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the meeting, whether in person or by proxy, the joint registered holder present whose name stands first on the register of members in respect of the shares shall be accepted to the exclusion of the votes of the other registered holders.

By order of the Board of
Fubon Bank (Hong Kong) Limited
Juliana CHIU Yuk Ching
Company Secretary

Hong Kong, 29 October 2008

As at the date of this announcement, the Board of Directors of the Company comprises Jin-Yi Lee (Managing Director and Chief Executive Officer), Michael Chang Ming-Yuen, James Yip as Executive Directors; Ming-Hsing (Richard) Tsai (Chairman), Ming-Chung (Daniel) Tsai (Vice Chairman), Victor Kung, David Chang Kuo-Chun as Non-Executive Directors; and Robert James Kenrick, Moses Tsang, Hung Shih as Independent Non-Executive Directors.

ANNEX:

“IRREDEEMABLE CUMULATIVE NON-VOTING PREFERENCE SHARES

5A. The irredeemable cumulative non-voting preference shares shall rank pari passu with each other in all respects. The ordinary shares shall rank pari passu with each other in all respects. The irredeemable cumulative non-voting preference shares shall rank in priority to the ordinary shares with respect to payment of dividends and any return of capital by the Company as provided in these Articles. The rights and restrictions attaching to the irredeemable cumulative non-voting preference shares are as follows:

(A) Distributions

- (i) Each irredeemable cumulative non-voting preference share shall entitle the holder thereof to receive out of the profits of the Company available for distribution and permitted by law to be distributed, in priority to the payment of any dividend to the holders of ordinary shares, a cumulative preferential dividend at a fixed rate of 9 per cent. per annum (the “Preference Dividend”) and payable semi-annually on their nominal amount exclusive of any applicable tax credit and without withholding or deduction for or on account of any present or future tax, duty or charge of whatsoever nature imposed or levied by or on behalf of Hong Kong or any authority having the power to levy tax in Hong Kong, unless such withholding or deduction is required by law. In that event, the Company shall pay such additional amounts as will result (after such withholding or deduction) in the receipt by the holders of such irredeemable cumulative non-voting preference shares of the sums which would have been receivable (in the absence of such withholding or deduction) from it in respect of the irredeemable cumulative non-voting preference shares. The Preference Dividend will be payable in arrear on 15 June and 15 December in each year (each a “Preference Dividend Payment Date”) or, if 15 June or 15 December is not a day on which commercial banks are open for business in Hong Kong, the dividend will be paid on the next day on which commercial banks are open for business in Hong Kong (other than Saturday) when, as and if declared by the Board. The amount of dividend accruing in respect of a period other than a full year will be calculated on an “30/360” basis as that term is defined in the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc.).
- (ii) The Board may elect not to pay any Preference Dividend if, during the 12 calendar months preceding a date on which the Preference Dividend is due to be paid in respect of the irredeemable cumulative non-voting preference shares, no dividend or distribution or other payment has been declared or paid on any class of the share capital of the Company. Such due date is referred to as an “Optional Preference Dividend Payment Date”. Any undeclared or unpaid Preference Dividend is referred to as a “Deferred Preference Dividend”.
- (iii) The Deferred Preference Dividends will be cumulative but will not bear any interest against the Company; and subject to Article 5A(B), the holders of the irredeemable cumulative non-voting preference shares shall not be entitled to receive any payment or other form of compensation in respect of the irredeemable cumulative non-voting preference shares other than payment of the Preference Dividend.

(B) Rights on a Winding-up etc.

- (i) On a winding-up or other return of capital (other than a redemption, reduction or purchase by the Company of any of its issued shares), the assets of the Company available to shareholders shall be applied, in priority to any payment to the holders of ordinary shares and in priority to or pari passu with the holders of any other class of shares in issue (other than shares which may be issued by the Company and which may by their terms rank in priority to the irredeemable cumulative non-voting preference shares in a winding-up or other return of capital), in payment to the holders of the irredeemable cumulative non-voting preference shares of a sum equal to the aggregate of:
 - (a) an amount equal to the Deferred Preference Dividends accrued thereon;
 - (b) an amount equal to dividends accrued thereon for the then current dividend period to the date of the commencement of the winding-up or other return of capital;
 - (c) an amount equal to any dividend thereon which has been resolved to be paid on or after the date of commencement of the winding-up or other return of capital but which is payable in respect of a dividend period ending on or before such date; and
 - (d) the amount paid up or credited as paid up in respect of the nominal value of such irredeemable cumulative non-voting preference shares together with an amount equal to the premium (if any) paid to the Company on the issue of such irredeemable cumulative non-voting preference shares.
- (ii) Subject to Article 5A(B)(i), the balance (if any) of the assets of the Company available to shareholders on a winding-up or other return of capital (other than a redemption, reduction or purchase by the Company of any of its issued shares) shall be applied in payment to the holders of the irredeemable cumulative non-voting preference shares (on a pari passu basis) in proportion to the amounts paid up or credited as paid up on the irredeemable cumulative non-voting preference shares held by them.

(C) Redemption

- (i) Subject always to the prior consent of the Hong Kong Monetary Authority and conditional upon the Company being able to redeem the irredeemable cumulative non-voting preference shares and remain Solvent immediately thereafter, the irredeemable cumulative non-voting preference shares will be redeemable at the option of the Company on the first working day after the fifth anniversary of the issue date, and on every Preference Dividend Payment Date thereafter upon giving not less than 30 nor more than 60 days' notice to the holders of the irredeemable cumulative non-voting preference shares. There shall be paid on each irredeemable cumulative non-voting preference share so redeemed a sum equal to the aggregate of:
- (a) an amount equal to the nominal amount thereof;
 - (b) the premium (if any) credited as paid up on such share;
 - (c) an amount equal to the Deferred Preference Dividends accrued thereon; and
 - (d) an amount equal to dividends accrued thereon for the then current dividend period to the date fixed for redemption.

For the purposes of this Article:

- (a) "Solvent" means that the Company:
 - (1) is able to pay its debts as they fall due; and
 - (2) has Assets that exceed its Liabilities; and
- (b) (1) "Assets" means the unconsolidated gross assets (including contingencies) of the Company; and
- (2) "Liabilities" means the unconsolidated gross liabilities of the Company,
 - all as shown in the latest balance sheet of the Company having the benefit of an unqualified Auditors' report, but with such adjustments as the Auditors or, if the Company is in winding-up, the liquidator shall determine.

- (ii) Redemption shall take place at the registered office of the Company. At the time so fixed, the registered holders of the irredeemable cumulative non-voting preference shares shall be bound to deliver to the Company the certificates thereof for cancellation and thereupon the Company shall pay to such holders the redemption moneys payable in respect of such irredeemable cumulative non-voting preference shares and the Company shall issue to such holders a new certificate for the balance (if any) of the irredeemable cumulative non-voting preference shares then held.

- (iii) No irredeemable cumulative non-voting preference shares shall be redeemed unless the Preference Dividend immediately preceding the service of notice by the Company calling for redemption together with all arrears accumulated as at the date of redemption (whether earned or declared or not) have been paid.

(D) Voting

The holders of irredeemable cumulative non-voting preference shares shall not be entitled to receive notice of, or to attend or vote, in person, by representation or by proxy, at any general meeting unless the business of the meeting includes the consideration of:

- (a) a resolution for varying or abrogating any of the rights, preferences, privileges, limitations or restrictions attached to any class of shares of which such share forms part; or
- (b) a resolution for winding-up the Company proposed by any holders of ordinary shares,

in which case the holders of the irredeemable cumulative non-voting preference shares shall be entitled to speak upon any such resolution and shall have one vote for each irredeemable cumulative non-voting preference share which they hold.

(E) Variation of Rights and Further Issues

- (i) Save with the written consent of the holders of not less than three-quarters in nominal value of the irredeemable cumulative non-voting preference shares then in issue, or with the sanction of a special resolution passed at a separate general meeting of the holders of irredeemable cumulative non-voting preference shares then in issue, the Board shall not authorise or create, or increase the amount of, any shares of any class or any security convertible into shares of any class ranking as regards participation in the profits or assets of the Company (other than on a redemption or purchase by the Company of any such share) in priority to the irredeemable cumulative non-voting preference shares.
- (ii) The Company shall be entitled at any time and from time to time and without any consent or sanction of the holders of the irredeemable cumulative non-voting preference shares to create and issue further preference share capital ranking as regards participation in the profits and assets of the Company after or pari passu with the irredeemable cumulative non-voting preference shares. Such creation and issue shall be deemed not to alter, vary, affect, modify or abrogate any of the rights attaching to the irredeemable cumulative non-voting preference shares and for the avoidance of doubt such rights shall not be deemed to be varied by the alteration of any of the provisions, other than provisions as to pari passu ranking, set out in these Articles in respect of any unissued preference shares. Any further series of preference shares ranking, as regards participation in profits or assets, pari passu with the irredeemable cumulative non-voting preference shares may, without

their creation or issue being deemed to vary the special rights attaching to the irredeemable cumulative non-voting preference shares, either carry identical rights in all respects with the irredeemable cumulative non-voting preference shares or carry rights differing therefrom in any respect including, but without prejudice to the foregoing, in that:

- (a) the rate and/or basis of calculating dividends may differ and the dividend may be cumulative or non-cumulative;
- (b) such shares may rank for dividends as from such date as may be provided by the terms of issue thereof and the dates for payment of dividend may differ;
- (c) such shares may be denominated in any currency or, if permitted by law, any basket of currencies;
- (d) a premium may be payable on return of capital or there may be no such premium;
- (e) such shares may be redeemable at the option of the Company or may be non-redeemable;
- (f) such shares may carry a right to additional shares by way of capitalisation of profits or reserves similar to that attaching to the irredeemable cumulative non-voting preference shares; and
- (g) such shares may be convertible into ordinary shares or any other class of shares ranking as regards participation in the profits and assets of the Company *pari passu* with or after the irredeemable cumulative non-voting preference shares, in each case on such terms and conditions as may be prescribed by the terms of issue thereof.”