



FUBON FINANCIAL HOLDING CO., LTD.

(incorporated in Taiwan with limited liability)

PROPOSED PRIVATISATION OF FUBON BANK (HONG KONG) LIMITED

The board of directors of Fubon Financial Holding Co., Ltd. ("**Fubon Financial**") has unanimously resolved on 10 January 2011 to make a proposal to (i) privatise the ordinary share capital of Fubon Bank (Hong Kong) Limited ("**Fubon Bank**"), and (ii) make a voluntary cash offer to acquire all the issued preference shares of Fubon Bank (other than those already held by Fubon Financial) and such proposal has been communicated to Fubon Bank. Fubon Bank is a licensed bank in Hong Kong. The consideration for the ordinary shares of Fubon Bank shall be HK\$5.00 per ordinary share and Fubon Financial will make a voluntary offer in cash for the preference shares of Fubon Bank at a price to be determined in compliance with the Hong Kong Takeovers Code. The consideration for the ordinary shares of Fubon Bank is determined with reference to the net asset value of Fubon Bank, the historical trading prices of such shares and comparable transactions in the market. Taking into account market conditions, the current operating results and the anticipated operations of Fubon Bank, Fubon Financial considers that the consideration for the proposal is reasonable. Furthermore, it is expected that the proposed transaction will bring benefits including a simpler shareholding structure, an enhancement of management efficiency and shareholder value as well as effectively reducing fees and expenses relating to the listing status of a subsidiary such that the proposed transaction will not have material impact on the net asset value per share and earnings per share of Fubon Financial.

The proposed transaction requires the satisfaction of certain pre-conditions including the completion of relevant procedures (including court procedures) and the obtaining of approvals or consent from relevant authorities, including the Financial Supervisory Commission of Taiwan, the Investment Commission of the Ministry of Economic Affairs of Taiwan, The Stock Exchange of Hong Kong Limited (the "**SEHK**") and the High Court of Hong Kong. It is expected that the proposed transaction will complete in the second quarter of 2011. **However, the proposed transaction is only a possibility as it is subject to the satisfaction of conditions and therefore may or may not proceed. Investors should exercise caution when dealing in the securities of Fubon Bank or Fubon Financial.** If the proposed transaction is successful, Fubon Financial will hold 100% of the issued ordinary shares of Fubon Bank and Fubon Bank will apply to SEHK for the withdrawal of the listing of the ordinary shares on the SEHK.

Fubon Financial has also published an announcement in Taiwan on 10 January 2011 in relation to the proposed transaction, which can be viewed at the website of Fubon Financial www.fubon.com/eng/index_IR.htm and by selecting "Event and News" and "Announcements in TWSE".

An announcement in compliance with Rule 3.5 of The Code on Takeovers and Mergers (the "**Takeovers Code**") will be published as soon as possible.

In accordance with Rule 3.8 of the Takeovers Code, associates of Fubon Financial (including shareholders having interests of more than 5 per cent. of the relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) are hereby reminded to disclose their dealings in the securities of Fubon Bank pursuant to the requirements of the Takeovers Code.

By order of the board of
Fubon Financial Holding Co., Ltd.
Victor Kung
President

Hong Kong, 10 January 2011

The directors of Fubon Financial Holding Co., Ltd. jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and that there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate case, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquires. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”