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**FUBON FINANCIAL HOLDING
CO., LTD.**



**FUBON BANK (HONG KONG)
LIMITED**

(Stock Code: 636)

JOINT ANNOUNCEMENT

**PROPOSAL TO PRIVATISE
THE ORDINARY SHARE CAPITAL OF
FUBON BANK (HONG KONG) LIMITED
BY WAY OF A SCHEME OF ARRANGEMENT
UNDER SECTION 166 OF THE COMPANIES ORDINANCE**

**VOLUNTARY CONDITIONAL CASH OFFER BY
UBS AG, HONG KONG BRANCH
ON BEHALF OF
FUBON FINANCIAL HOLDING CO., LTD. TO ACQUIRE
ALL THE ISSUED PREFERENCE SHARES OF
FUBON BANK (HONG KONG) LIMITED
(OTHER THAN THOSE ALREADY OWNED BY
FUBON FINANCIAL HOLDING CO., LTD
OR PARTIES ACTING IN CONCERT WITH IT)**

**PROPOSED WITHDRAWAL OF LISTING OF
FUBON BANK (HONG KONG) LIMITED**

DESPATCH OF SCHEME DOCUMENT

Financial adviser to Fubon Financial Holding Co., Ltd.



UBS AG, Hong Kong Branch

Independent financial adviser to the independent board committee of
Fubon Bank (Hong Kong) Limited



CLSA Equity Capital Markets Limited

The scheme document including, among other things, further details of the Scheme Proposal, the Scheme of Arrangement, an explanatory statement, the terms of the Preference Share Offer, the expected timetable relating to the Scheme Proposal and the Preference Share Offer, the recommendations of the independent committee of the Board, the letter of advice from the independent financial adviser, the notices of the Court Meeting and the EGM and other particulars required by the Takeovers Code, together with a form of acceptance and transfer of the Preference Shares have been despatched to the Shareholders on Monday, 4 April 2011, save as otherwise mentioned in this announcement.

Shareholders, Preference Shareholders and potential investors should be aware that the implementation of the Scheme Proposal and the Preference Share Offer continues to be subject to the conditions set out in the Joint Announcement being fulfilled or waived, as applicable, and thus the Scheme Proposal may or may not become effective and the Preference Share Offer may or may not proceed. Accordingly, they are advised to exercise caution when dealing in the Shares and the Preference Shares.

1. INTRODUCTION

Reference is made to the announcement made by Fubon Financial on 10 January 2011, the joint announcement dated 19 January 2011 issued jointly by the Offeror and the Company in relation to the Scheme Proposal and the Preference Share Offer (the "**Joint Announcement**"), the joint announcement dated 9 February 2011 issued jointly by the Offeror and the Company in relation to delay in the despatch of the scheme document and the joint announcement dated 15 March 2011 issued jointly by the Offeror and the Company in relation to the increase in Cancellation Consideration.

In this announcement, capitalised terms and expressions have the meanings used in the Joint Announcement, unless the context requires otherwise.

2. DESPATCH OF THE SCHEME DOCUMENT

The scheme document including, among other things, further details of the Scheme Proposal, the Scheme of Arrangement, an explanatory statement, the terms of the Preference Share Offer, the expected timetable relating to the Scheme Proposal and the Preference Share Offer, the recommendations of the independent committee of the Board, the letter of advice from the independent financial adviser, the notices of the Court Meeting and the EGM and other particulars required by the Takeovers Code, together with a form of acceptance and transfer of the Preference

Shares have been despatched to the Shareholders on Monday, 4 April 2011, save as otherwise mentioned in this announcement.

3. RECOMMENDATION OF THE INDEPENDENT COMMITTEE OF THE BOARD AND THE INDEPENDENT FINANCIAL ADVISER

The independent committee of the Board (comprising Mr. Robert James Kenrick, Mr. Moses Tsang and Mr. Hung Shih, being independent non-executive Directors) has been formed to advise the Minority Shareholders in connection with the Scheme Proposal and the Preference Shareholders in connection with the Preference Share Offer.

CLSA Equity Capital Markets Limited (“**CLSA**”) has been appointed as the independent financial adviser to advise the independent committee of the Board in connection with the Scheme Proposal, the Scheme of Arrangement and the Preference Share Offer. The scheme document includes, inter alia, a letter from CLSA giving its advice and recommendations to the independent committee of the Board on the Scheme Proposal, the Scheme of Arrangement and the Preference Share Offer. The recommendations of the independent committee of the Board and the advice of CLSA are set out in the scheme document.

The Shareholders are strongly advised to read carefully the scheme document, including the recommendations from the independent committee of the Board and CLSA, before deciding on how to vote in relation to the resolutions relating to the Scheme of Arrangement which will be proposed at the Court Meeting and the EGM.

4 MEETINGS

The Court Meeting and the EGM will be held at 10 a.m. and 10:30 a.m. (or as soon as the Court Meeting has been concluded or adjourned) respectively on Friday, 29 April 2011, at Harcourt Room, Lower Lobby, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong. Notices of these meetings are set out in the scheme document. For the purposes of these meetings, trading in the Shares are expected to be suspended from 9:00 a.m. on Friday, 29 April 2011 until the release of the results of these meetings, which is expected to be no later than 7:00 p.m. on the same day.

5 CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlements of the Scheme Shareholders to attend and vote at the Court Meeting and the Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 26 April 2011 to Friday, 29 April 2011 (both days inclusive). During such period, no transfers of the Shares will be effected. In order to qualify to vote at the Court Meeting and at the EGM, the relevant share certificates and transfer documentation must be lodged with the share registrar of the Company for registration before 4.30 p.m. on Thursday, 21 April 2011. The share registrar of the Company is Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.

6 CONDITIONS OF THE SCHEME PROPOSAL AND THE PREFERENCE SHARE OFFER

The Scheme Proposal is subject to the fulfilment or waiver, as applicable, of the conditions set out in the section headed “Conditions of the Scheme Proposal and the Preference Share Offer” in the explanatory statement on pages 70 to 72 of the scheme document. All these conditions will have to be fulfilled or waived, as applicable, on or before 30 September 2011 (or such later date as the

Offeror and the Company may agree or (to the extent applicable) as the High Court may direct and as may be permitted under the Takeovers Code), otherwise the Scheme of Arrangement will lapse. Assuming that all of these conditions are fulfilled or waived, as applicable, it is expected that the Scheme of Arrangement will become effective on Wednesday, 8 June 2011, and the listing of the Shares will be withdrawn from the Hong Kong Stock Exchange on the same day.

7 EXPECTED TIMETABLE

Hong Kong time

Despatch date and the commencement of the Preference Share Offer (<i>Note 1</i>)	Monday, 4 April 2011
Latest time for lodging transfers of the Shares in order to be entitled to attend and vote at the Court Meeting and the EGM	4:30 p.m. on Thursday, 21 April 2011
Closure of register of members for determination of entitlement to attend and vote at the Court Meeting and the EGM (<i>Note 2</i>)	Tuesday, 26 April 2011 to Friday, 29 April 2011 (both days inclusive)
Latest time for lodging forms of proxy in respect of the Court Meeting (<i>Note 3</i>)	10:00 a.m. on Wednesday, 27 April 2011
the EGM (<i>Note 3</i>)	10:30 a.m. on Wednesday, 27 April 2011
Suspension of trading of the Shares (<i>Note 4</i>)	9:00 a.m. on Friday, 29 April 2011
Court Meeting (<i>Note 3</i>)	10:00 a.m. on Friday, 29 April 2011
EGM (<i>Note 3</i>)	10:30 a.m. on Friday, 29 April 2011 (or as soon as the Court Meeting has been concluded or adjourned)
Announcement of the results of the Court Meeting and the EGM posted on the website of the Hong Kong Stock Exchange	by 7:00 p.m. on Friday, 29 April 2011
Resumption of trading of Shares	9:00 a.m. on Tuesday, 3 May 2011
Expected latest time for trading of Shares on the Hong Kong Stock Exchange	4:00 p.m. on Friday, 27 May 2011
Suspension of trading of the Shares pending withdrawal of listing	9:00 a.m. on Monday, 30 May 2011
Latest time for lodging transfers of the Shares in order to qualify for entitlements under the Scheme of Arrangement	4:30 p.m. on Wednesday, 1 June 2011
Register of members of the Company closed for determining entitlements to qualify under the Scheme of Arrangement (<i>Note 5</i>)	Thursday, 2 June 2011 to Tuesday, 7 June 2011

(both days inclusive)

High Court hearing of the petition for the sanction of the Scheme of Arrangement (<i>Note 6</i>)	Tuesday, 7 June 2011
Record Time	4:00 p.m. on Tuesday, 7 June 2011
Announcement of the result of the High Court hearing, the expected Effective Date and the expected date of withdrawal of the listing of the Shares on the Hong Kong Stock Exchange posted on the website of the Hong Kong Stock Exchange	by 7:00 p.m. on Tuesday, 7 June 2011
Effective Date (<i>Note 6</i>)	Wednesday, 8 June 2011
Withdrawal of the listing of the Shares on the Hong Kong Stock Exchange becomes effective	9:00 a.m. on Wednesday, 8 June 2011
Announcement of, among other things, the Effective Date and the withdrawal of the listing of the Shares on the Hong Kong Stock Exchange posted on the website of the Hong Kong Stock Exchange	Wednesday, 8 June 2011
Cheques for the cash payment under the Scheme Proposal to be despatched as soon as possible but in any event on or before.....	Saturday, 18 June 2011
Latest time and date for acceptance of the Preference Share Offer (<i>Note 7, 9</i>).....	4:00 p.m. on Wednesday, 22 June 2011
Closing Date of the Preference Share Offer (<i>Note 7</i>)	Wednesday, 22 June 2011
Announcement of the results of the Preference Share Offer, or as to whether the Preference Share Offer has been revised or extended, on the website of the Hong Kong Stock Exchange	by 7:00 p.m. on Wednesday, 22 June 2011
Latest date for posting of remittances for the amounts due under the Preference Share Offer in respect of valid acceptances received under the Preference Share Offer (<i>Note 8</i>)	Saturday, 2 July 2011

Notes:

- (1) The Preference Share Offer is made on Monday, 4 April 2011, being the date of posting of the scheme document, and is capable of acceptance on and from that date until the Closing Date.
- (2) The register of members of the Company will be closed during such period for the purpose of determining entitlements of the Scheme Shareholders to attend and vote at the Court Meeting and the Shareholders to attend and vote at the EGM. For the avoidance of doubt, this period of closure is not for determining entitlements of Scheme Shareholders under the Scheme of Arrangement.
- (3) The pink form of proxy in respect of the Court Meeting and the yellow form of proxy in respect of the EGM should be completed and signed in accordance with the instructions respectively printed thereon and should be lodged with the share registrar of the Company, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event by the times and dates stated above. In the case of the pink form of proxy in respect of the Court Meeting, it may alternatively be handed to the chairman of the Court Meeting at the Court Meeting if it is not so lodged. The yellow form of proxy for the EGM must be lodged no later than the time and date stated above or handed to the chairman of the EGM at the EGM if it is not so lodged in order for it to be valid. Completion and return of the forms of proxy will not preclude

a member from attending and voting in person at the relevant meeting or any adjournment thereof if he so wishes. In such event, the relevant form of proxy shall be deemed to have been revoked.

- (4) Trading of the Shares will be suspended from 9:00 a.m. on Friday, 29 April 2011 pending publication of an announcement of the results of the Court Meeting and the EGM. Trading of the Shares is expected to resume at 9:00 a.m. on the trading day following the announcement of these results.
- (5) The register of members of the Company will be closed during such period for the purpose of determining the identities of Scheme Shareholders who are qualified for entitlements under the Scheme of Arrangement.
- (6) The Scheme of Arrangement shall become effective when it is sanctioned (with or without modification) by the High Court and an office copy of the order of the High Court, together with the minute containing the particulars required by Section 61 of the Companies Ordinance, are delivered to and registered by the Registrar of Companies.
- (7) The Preference Share Offer, which is not conditional upon any pre-determined level of acceptances received, will close on Wednesday, 22 June 2011 unless the Offeror revises or extends the Preference Share Offer in accordance with the Takeovers Code. The Offeror reserves the right to extend the Preference Share Offer until such date as it may determine pursuant to the Takeovers Code. An announcement will be posted on the website of the Hong Kong Stock Exchange by 7:00 p.m. on Wednesday, 22 June 2011 stating whether the Preference Share Offer has been revised or extended or has expired. In the event that the Offeror decides to extend the Preference Share Offer, notice in writing of at least 14 days will be given, before the Preference Share Offer is closed, to those Preference Shareholders who have not accepted the Preference Share Offer. If in the course of the Preference Share Offer, the Offeror revises its terms, all the Preference Shareholders, whether or not they have already accepted the Preference Share Offer, will be entitled to the revised terms. A revised Preference Share Offer must be kept open for at least 14 days following the date on which the revised Preference Share Offer document is posted and shall not be closed earlier than 22 June 2011.
- (8) Pursuant to the Takeovers Code, remittances in respect of the consideration payable for the Preference Shares tendered under the Preference Share Offer will be paid by ordinary post to the Preference Shareholders accepting the Preference Share Offer at their respective addresses as they appear on the register of members of the Company or, in the case of joint Preference Shareholders, to the Preference Shareholder whose name stands first in the register of members of the Company at his/her/its own risks as soon as possible, but in any event within 10 days from the date of the receipt by Computershare Hong Kong Investor Services Limited of the duly completed form of acceptance and transfer of the Preference Shares and all valid requisite documents from the Preference Shareholders accepting the Preference Share Offer. Please refer to the paragraph headed "Acceptance and Settlement - Settlement of the Preference Share Offer" in the "Letter from UBS" of the scheme document for further information in relation to the settlement of the Preference Share Offer.
- (9) Acceptance of the Preference Share Offer shall be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code. Please refer to sub-paragraph (B) under the paragraph headed "General" in the "Letter from UBS" of the scheme document for further information on the circumstances when acceptances may be withdrawn.

8 OVERSEAS SCHEME SHAREHOLDERS AND OVERSEAS PREFERENCE SHAREHOLDERS

Offers made under the Scheme Proposal to those Scheme Shareholders, and under the Preference Share Offer to those Preference Shareholders, who are not resident in Hong Kong may be subject to the laws of the relevant jurisdictions where such Scheme Shareholders and Preference Shareholders are located. Such Scheme Shareholders and Preference Shareholders should inform themselves about and observe any applicable legal and regulatory requirements of their own jurisdictions. It is the responsibility of any overseas Scheme Shareholders wishing to accept the offers under the Scheme Proposal and any overseas Preference Shareholders wishing to accept the offers under the Preference Share Offer to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental or exchange control or other consents which may be required, or the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction.

The Offeror reserves the right to make arrangements in respect of the Scheme Shareholders and the Preference Shareholders who are not resident in Hong Kong in relation to the terms of the

Scheme Proposal and the Preference Share Offer, respectively. Such arrangements may include notifying any matter in connection with the Scheme Proposal to the Scheme Shareholders, and any matter in connection with the Preference Share Offer to the Preference Shareholders, having a registered overseas address by announcement or by advertisement in a newspaper which may or may not be circulated in the jurisdiction within which such persons are resident. The notice will be deemed to have been sufficiently given, despite any failure by such Scheme Shareholders and Preference Shareholders to receive or see that notice.

9 GENERAL

Fubon Financial will publish an announcement in Taiwan as soon as practicable after the date of this joint announcement in relation to the subject matter of this joint announcement. Such announcement can be viewed at the website of Fubon Financial www.fubon.com/eng/index_IR.htm and by selecting “Event and News”, “IR Calendar” and “2011”.

10 CLARIFICATION TO COMPANY’S ANNOUNCEMENT ON 28 MARCH 2011

The Company made an announcement on 28 March 2011 in relation to a final resolution proposal for certain series of Lehman Brothers minibonds (“**Minibonds**”) issued by Pacific International Finance Limited (“**Minibonds Announcement**”). In the announcement, the Company stated that “...it is expected that there will be a net overall positive financial impact to the profit of the [Company] due to an updated expected rate of recovery from the Collateral which is higher than that reflected in the accounts of the [Company].”

The Company would like to state clearly it is expected that there will be a net overall positive financial impact to the financial performance of Fubon Bank over the next six years as a result of this final resolution proposal. This is due to an updated expected rate of recovery from the Collateral (defined in the Minibonds Announcement to mean the collateral for, among others, the Minibonds and Series 10 to 12, 15 to 23 and 25 to 36 of the Minibonds) which is higher than the expected rate of recovery reflected in the most recent published accounts of Fubon Bank. The actual overall positive financial impact to Fubon Bank over the next six years as a result of this final resolution proposal is likely to be between HK\$4 million and HK\$30 million. Please refer to the Minibonds Announcement and the scheme document for further details.

WARNING

Shareholders, Preference Shareholders and potential investors should be aware that the implementation of the Scheme Proposal and the Preference Share Offer continues to be subject to the conditions set out in the Joint Announcement being fulfilled or waived, as applicable, and thus the Scheme Proposal may or may not become effective and the Preference Share Offer may or may not proceed. Accordingly, they are advised to exercise caution when dealing in the Shares and the Preference Shares.

By Order of the Board
FUBON FINANCIAL HOLDING CO., LTD.
Victor Kung
President

By Order of the Board
FUBON BANK (HONG KONG) LIMITED
Pei-Hwa Thomas Liang
Managing Director

Hong Kong, 4 April 2011

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

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement relating to the Company, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Offeror), have been arrived at after due and careful consideration and there are no facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

As at the date of this announcement, the board of directors of the Offeror comprises Mr. Ming-Chung (Daniel) Tsai (Chairman), Mr. Ming-Hsing (Richard) Tsai (Vice Chairman), Mr. Dah-Jan Chiou, Mr. Yeh-Shin Chen, Mr. Tsan-Ming Shih, Mr. Victor Kung, Mr. Peng-Yuan Cheng and Mr. Jerry Harn as executive directors and Mr. Hong-Chang Chang, Mr. Nelson Chang, Mr. Timothy Ting-yu Ting and Mr. Kok-Choo Chen as independent directors.

As at the date of this announcement, the Board of Directors of the Company comprises of Pei-Hwa Thomas LIANG (Managing Director), James YIP, Dennis CHAN Wen Yueh as Executive Directors; Ming-Hsing (Richard) TSAI (Chairman), Ming-Chung (Daniel) TSAI (Vice Chairman), Victor KUNG, David CHANG Kuo-Chun, Michael CHANG Ming-Yuen as Non-Executive Directors; and Robert James KENRICK, Moses TSANG, Hung SHIH as Independent Non-Executive Directors.