
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular, or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Fubon Bank (Hong Kong) Limited, you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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CONTINUING CONNECTED TRANSACTIONS

**Business Co-operation Agreements between the Company,
Fubon Credit, Fubon Life, Fubon Securities, Fubon SIS and Taipei Fubon**

Independent financial adviser:



A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on page 11 of this circular. A letter from Quam Capital Limited, the independent financial adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 12 to 20 of this circular.

A notice convening the EGM to be held on 28 April 2006 at 9.50 a.m. at the Auditorium, 7th Floor, Fubon Bank Building, 38 Des Voeux Road Central, Hong Kong is set out on page 26 of this circular. Whether or not you are able to attend the EGM, please complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the share registrar of the Company, Computershare Hong Kong Investor Services Limited, 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the EGM or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof and, in such event, the relevant form of proxy shall be deemed to be revoked.

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DEFINITIONS

In this circular the following expressions have the following meanings unless the context requires otherwise:

“Amendment Agreements”	the amendment agreements entered into on 20 March 2006 by each of: (i) the Company and Fubon Life; (ii) the Company and Taipei Fubon; (iii) the Company and Fubon Securities; (iv) Fubon Credit and Taipei Fubon in respect of the Business Co-operation Agreements; and by (v) the Company and Fubon SIS in respect of the SIS Agreement
“Board”	the board of Directors
“Business Co-operation Agreements”	the following four agreements: (i) the Company/Taipei Fubon Business Co-operation Agreement; (ii) the Fubon Credit/Taipei Fubon Business Co-operation Agreement; (iii) the Fubon Life Business Co-operation Agreement; and (iv) the Fubon Securities Business Co-operation Agreement
“Companies Ordinance”	Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Company”	Fubon Bank (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange. Fubon holds approximately 75 per cent. of the issued shares of the Company
“Company/Taipei Fubon Business Co-operation Agreement”	the business co-operation agreement between the Company and Taipei Fubon dated 23 February 2005
“Directors”	the directors of the Company
“EGM”	the Extraordinary General Meeting of the Company to be held for the purposes of considering and, if thought fit, approving the Amendment Agreements
“Fubon”	Fubon Financial Holding Co., Ltd., a company incorporated in the ROC
“Fubon Credit/Taipei Fubon Business Co-operation Agreement”	the business co-operation agreement between Fubon Credit and Taipei Fubon dated 23 February 2005
“Fubon Credit”	Fubon Credit (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability, being a wholly-owned subsidiary of the Company

DEFINITIONS

“Fubon Group”	the Company, Fubon Life, Fubon Securities, Fubon SIS and Taipei Fubon
“Fubon Life”	Fubon Life Assurance Co., Ltd., a company incorporated in the ROC, and a wholly-owned subsidiary of Fubon
“Fubon Life Business Co-operation Agreement”	the business co-operation agreement between the Company and Fubon Life dated 23 February 2005
“Fubon Securities”	Fubon Securities Co., Ltd., a company incorporated in the ROC, and a wholly-owned subsidiary of Fubon
“Fubon Securities Business Co-operation Agreement”	the business co-operation agreement between the Company and Fubon Securities dated 23 February 2005
“Fubon SIS”	Fubon Securities Investment Services Co., Ltd., a company incorporated in the ROC, and a wholly-owned subsidiary of Fubon
“Independent Board Committee”	an independent committee of the Board comprising Moses Tsang, Hung Shih and Robert James Kenrick, all of whom are independent non-executive Directors
“Independent Shareholders”	Shareholders except for Fubon, its subsidiaries and associates (as defined in the Listing Rules)
“Latest Practicable Date”	29 March 2006, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Model Code”	Model Code for Securities Transactions by Directors of Listed Companies set out in Appendix 10 of the Listing Rules
“Revised Annual Caps”	the maximum aggregate annual consideration payable under the Business Co-operation Agreements and the SIS Agreement for each of the three 12-month periods ending 22 February 2007, 2008 and 2009 as proposed to be stipulated therein by the Amendment Agreements, being: HK\$15,000,000 in the period 23 February 2006 to 22 February 2007; HK\$20,000,000 in the period 23 February 2007 to 22 February 2008; and HK\$30,000,000 in the period 23 February 2008 to 22 February 2009

DEFINITIONS

“ROC”	means the Republic of China
“Services”	the services to be provided under the Business Co-operation Agreements and the SIS Agreement, as amended, by members of the Fubon Group to the Company and Fubon Credit, or vice versa
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholders”	the shareholders of the Company
“SIS Agreement”	the business co-operation agreement between the Company and Fubon SIS dated 4 October 2005
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Taipei Fubon”	Taipei Fubon Commercial Bank Co., Ltd., a company incorporated in the ROC, and a wholly-owned subsidiary of Fubon

LETTER FROM THE BOARD



FUBON BANK (HONG KONG) LIMITED

(incorporated in Hong Kong with limited liability)

(Stock code: 636)

Executive Directors:

Jin-Yi Lee, *Managing Director and
Chief Executive Officer*

Fan Sheung Yam, Horace

Registered Office:

Fubon Bank Building
38 Des Voeux Road Central
Hong Kong

Non-Executive Directors:

Ming-Hsing (Richard) Tsai, *Chairman*

Ming-Chung (Daniel) Tsai, *Vice Chairman*

Wing-Fai Ng

Victor Kung

Jesse Ding

Independent Non-Executive Directors:

Moses Tsang

Hung Shih

Robert James Kenrick

4 April 2006

To the Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

Business Co-operation Agreements between the Company, Fubon Credit, Fubon Life, Fubon Securities, Fubon SIS and Taipei Fubon

1. INTRODUCTION

Reference is made to the Company's announcement dated 20 March 2006 regarding the Amendment Agreements entered into between the Company, Fubon Credit, Fubon Life, Fubon Securities, Fubon SIS and Taipei Fubon in respect of the Business Co-operation Agreements and the SIS Agreement.

The purposes of this circular are:

- (a) to provide you with further information relating to the Business Co-operation Agreements, the SIS Agreement, the Amendment Agreements and other information required by the Listing Rules;

LETTER FROM THE BOARD

- (b) to set out the letter of advice from Quam Capital Limited to the Independent Board Committee and the Independent Shareholders and the recommendation and opinion of the Independent Board Committee as advised by Quam Capital Limited in relation to the Amendment Agreements and the Revised Annual Caps; and
- (c) to give you notice of the EGM to consider and, if thought fit, to approve the Amendment Agreements and the Revised Annual Caps.

2. CONNECTED PARTIES

Fubon Life, Fubon Securities, Fubon SIS and Taipei Fubon are each wholly-owned subsidiaries of Fubon. Fubon, holding approximately 75 per cent. of the issued shares of the Company, is a substantial shareholder of the Company. Therefore, Fubon Life, Fubon Securities, Fubon SIS and Taipei Fubon are each a connected person of the Company under the Listing Rules and, accordingly, the entering into and performance of the Fubon Life Business Co-operation Agreement, the Fubon Securities Business Co-operation Agreement, the SIS Agreement and the Company/Taipei Fubon Business Co-operation Agreement each constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.10 of the Listing Rules, transactions between a subsidiary of a listed issuer and a connected person of such listed issuer are connected transactions for the purposes of the Listing Rules. Fubon Credit is a wholly-owned subsidiary of the Company. Taipei Fubon is an associate of Fubon and Fubon is a substantial shareholder of the Company. Therefore, the entering into and performance of the Fubon Credit/Taipei Fubon Business Co-operation Agreement also constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

3. PARTICULARS OF THE BUSINESS CO-OPERATION AGREEMENTS

On 23 February 2005 the Company entered into three of the Business Co-operation Agreements and Fubon Credit entered into the Fubon Credit/Taipei Fubon Business Co-operation Agreement, each with a member of the Fubon Group. Each Business Co-operation Agreement is for a fixed term of three years expiring on 22 February 2008. Each Business Co-operation Agreement states that the maximum aggregate annual consideration payable under the Business Co-operation Agreements is HK\$10,000,000. In the period 23 February 2005 to 22 February 2006, the aggregate consideration paid under the Business Co-operation Agreements was HK\$5,681,411.

4. PARTICULARS OF THE SIS AGREEMENT

The SIS Agreement is a business co-operation agreement entered into between the Company and Fubon SIS on 4 October 2005 on similar terms to the Business Co-operation Agreements. As, at the time of entering into the SIS Agreement, the annual aggregate consideration payable thereunder was not expected to exceed HK\$1,000,000, pursuant to the *de minimis* exemption provided for under Listing Rule 14A.33(3), such agreement was not subject to the reporting, announcement and Independent Shareholders' approval requirements of Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

5. BENEFITS OF THE BUSINESS CO-OPERATION AGREEMENTS AND SIS AGREEMENT

The Directors consider that the Business Co-operation Agreements and the SIS Agreement give the Company and Fubon Credit better access to Taiwanese customers with business interests in Hong Kong and who require banking and financial related services in Hong Kong. Further, the Company's customers with business interests in Taiwan will, under the Company/Taipei Fubon Business Co-operation Agreement, have greater access to Taiwanese banking and financial related services. This will also generate fee income for the Company. Therefore, the Directors consider it to be beneficial to the Company to be a party to the Business Co-operation Agreements and the SIS Agreement.

6. AGGREGATE CONSIDERATION PAYABLE UNDER THE BUSINESS CO-OPERATION AGREEMENTS AND THE SIS AGREEMENT

Fees are payable by the Company to other members of the Fubon Group under each of: (i) the Fubon Life Business Co-operation Agreement; (ii) the Fubon Securities Business Co-operation Agreement; and (iii) the SIS Agreement as a share of the fee income derived from the referral of business to the Company by each relevant member of the Fubon Group.

Under the Company/Taipei Fubon Business Co-operation Agreement, fees are payable by the Company and Taipei Fubon to each other in consideration of each referring business to the other.

Under the Fubon Credit/Taipei Fubon Business Co-operation Agreement, commissions are payable by Fubon Credit to Taipei Fubon for the referral of customers to Fubon Credit and further fees are payable by Fubon Credit to Taipei Fubon for support services provided by Taipei Fubon in relation to customers it refers to Fubon Credit.

The aggregate annual value of the Business Co-operation Agreements and the SIS Agreement, for the purposes of Listing Rule 14A.35(2), is the aggregate sum of the consideration payable per annum under the Business Co-operation Agreements and the SIS Agreement by: (i) the Company; (ii) Fubon Credit; and (iii) Taipei Fubon.

7. PARTICULARS OF THE AMENDMENT AGREEMENTS

The Amendment Agreements were executed on 20 March 2006 by each of: (i) the Company and Fubon Life; (ii) the Company and Taipei Fubon; (iii) the Company and Fubon Securities; (iv) Fubon Credit and Taipei Fubon in respect of the Business Co-operation Agreements; and by (v) the Company and Fubon SIS in respect of the SIS Agreement. The Amendment Agreements are conditional upon the approval of the Independent Shareholders of the Company. Upon the Amendment Agreements becoming unconditional, (i) the term of each Business Co-operation Agreement and the SIS Agreement is amended such that each shall terminate on 22 February 2009 unless renewed by the agreement of both parties for any further one-year terms; and (ii) the aggregate consideration payable under the Business Co-operation Agreements and the SIS Agreement will be subject to an annual cap of:

LETTER FROM THE BOARD

HK\$15,000,000 in the period 23 February 2006 to 22 February 2007; HK\$20,000,000 in the period 23 February 2007 to 22 February 2008; and HK\$30,000,000 in the period 23 February 2008 to 22 February 2009 and for any further one-year terms.

Further, upon the Amendment Agreements becoming unconditional, the Company/Taipei Fubon Business Co-operation Agreement is amended such that, in relation to any customer introduced by Taipei Fubon's financial services division to the Company, any fee income arising from the sale of Investment Products (as defined in the Company/Taipei Fubon Business Co-operation Agreement) to such customer pursuant to an agreement entered into on or after 1 January 2006 shall be shared by the Company and Taipei Fubon equally. The Company/Taipei Fubon Business Co-operation Agreement currently states that such fee income shall be shared between the Company and Taipei Fubon in the ratio of 30:70 and the Company is of the view that the amendment of such ratio by the relevant Amendment Agreement would more fairly represent the intra-group relationship between the Company and Taipei Fubon and bring such fee income sharing arrangement in line with the other three Business Co-operation Agreements relating to the sale of investment products (namely, the Fubon Life Business Co-operation Agreement, the Fubon Securities Business Co-operation Agreement and the SIS Agreement, which all state that such fee income is to be shared equally amongst the parties). The Fubon Credit/Taipei Fubon Business Co-operation Agreement does not relate to the sale of investment products. The Fubon Credit/Taipei Fubon Business Co-operation Agreement sets out the terms upon which Fubon Credit pays a referral commission of 1 per cent. to Taipei Fubon on loans executed by customers referred to it by Taipei Fubon and sets out the fees to be paid by Fubon Credit to Taipei Fubon for the support services provided by Taipei Fubon to Fubon Credit in relation to customers it refers to Fubon Credit. The referral commission is proposed to be amended to 0.5% and the fees payable to Taipei Fubon for support services are also proposed to be amended under the relevant Amendment Agreement as in the table below:

Consultation	HK\$100 per case
Witness of document	HK\$500 per case
Registration of charge over assets	HK\$300 per case
Support services in relation to collateral	HK\$300 per case

8. REASONS FOR ENTERING INTO, AND THE BENEFITS OF, THE AMENDMENT AGREEMENTS

Based on the projections described in paragraph 9 of this letter, the Directors expect that the annual aggregate consideration payable under the Business Co-operation Agreements and the SIS Agreement to exceed the threshold of HK\$10,000,000. In the period 23 February 2005 to 22 February 2006, the aggregate consideration paid under the Business Co-operation Agreements and the SIS Agreement was HK\$5,681,411. Therefore, to allow the benefits of the Business Co-operation Agreements and the SIS Agreement (as described in paragraph 5 of this letter) to continue to accrue to the Company, the caps on the annual consideration payable under the Business Co-operation Agreements and the SIS Agreement would be revised to: HK\$15,000,000 in the period 23 February 2006 to 22 February 2007; HK\$20,000,000 in the period 23 February 2007 to 22 February 2008; and HK\$30,000,000 in the period 23 February 2008 to 22 February 2009 and for any further one-year terms.

LETTER FROM THE BOARD

The terms of the Amendment Agreements have been reached after arms length negotiation between the parties thereto. The Directors of the Company are of the view that the terms of the Business Co-operation Agreements and the SIS Agreement as amended by the Amendment Agreements (including the amendments to the annual caps referred to therein and as described in paragraph 7 of this letter) are entered into in the ordinary and normal course of business of the Company, on normal commercial terms and that they are fair and reasonable and in the interests of the Company and the shareholders as a whole.

9. CAPS ON ANNUAL AGGREGATE CONSIDERATION

The caps proposed under the Amendment Agreements on the annual aggregate consideration payable under the Business Co-operation Agreements and the SIS Agreement have been determined by reference to the projected annual level of Services to be entered into under the Business Co-operation Agreements and the SIS Agreement in the next three financial years based on the actual level of Services entered into in the period 23 February 2005 to 22 February 2006 and with the Company having taken into account the business development objectives reflected in the Company's 2006 financial budget which was formally approved by the Board of Directors of the Company on 5 December 2005. Further, in determining the reasonableness of the projected amounts the Company has made direct reference to the net profit of the Company for the year ended 31 December 2005, as stated in the Company's results announcement of 1 March 2006. Also taken into consideration was (A) the Fubon Group's knowledge of the past demand for financial services in Hong Kong of the Fubon Group's customers, (B) the size and nature of the Fubon Group's customer base with known business interests in Hong Kong, (C) the Company's knowledge of the past demand for financial services in Taiwan of the Company's customers, and (D) the size and nature of the Company's customer base with known business interests in Taiwan.

The projections were also made on the principal underlying assumptions that, for the duration of the projected period, (i) the business of the Company and Fubon Credit and the Fubon Group remains consistent with previous patterns, (ii) there will not be any adverse change or disruption in market conditions, operation and business environment or government policies which materially affect the business of the Company, Fubon Credit or the Fubon Group, and (iii) the industries in which the Company, Fubon Credit and the Fubon Group operate remain stable.

If in the opinion of the Company and its Directors, any of the annual caps described in this letter are expected to be exceeded, Independent Shareholders' approval for the revision of such caps will be sought by the Company before such caps are exceeded.

10. REQUIREMENTS OF THE LISTING RULES

In the period 23 February 2005 to 22 February 2006, the aggregate consideration paid under the Business Co-operation Agreements and the SIS Agreement was less than HK\$10,000,000. As the annual aggregate consideration payable after 22 February 2006 under the Business Co-operation Agreements and the SIS Agreement as amended by the Amendment Agreements is expected to exceed the HK\$10,000,000 threshold stipulated in

LETTER FROM THE BOARD

Listing Rule 14A.34, the entering into of the Amendment Agreements is subject to the reporting, announcement and Independent Shareholders' approval requirements of Chapter 14A of the Listing Rules.

Pursuant to Listing Rule 13.39(6), an independent board committee has been established to advise the shareholders of the Company, and Quam Capital Limited has been appointed as the independent financial adviser to advise the independent board committee and the shareholders, on whether the terms of the Business Co-operation Agreements and the SIS Agreement as amended by the Amendment Agreements and the caps proposed under the Amendment Agreements (except for the caps prescribed for any extended term after 22 February 2009) are fair and reasonable and in the interests of the shareholders of the Company as a whole. The Company will comply with the requirements of the Listing Rules in the event the Business Co-operation Agreements and the SIS Agreement are renewed on or before 22 February 2009, including seeking Independent Shareholders' approval to approve the caps applying to any further one-year term being renewed.

11. EGM

There is set out on page 26 a notice convening the EGM to be held on 28 April 2006 at 9.50 a.m. at the Auditorium, 7th Floor, Fubon Bank Building, 38 Des Voeux Road Central, Hong Kong, at which a resolution will be proposed to the Independent Shareholders to approve the Amendment Agreements. The vote of the Independent Shareholders at the EGM will be taken by a poll. In accordance with the Listing Rules, any connected person with a material interest in the Amendment Agreements, the Business Co-operation Agreements or the SIS Agreement and any Shareholder with a material interest in the Amendment Agreements, the Business Co-operation Agreements or the SIS Agreement and its associates must abstain from voting at the EGM. Fubon, the controlling shareholder of the Company was interested in 75 per cent. of the issued share capital of the Company as at the Latest Practicable Date. Fubon, its subsidiaries and associates are required to and will abstain from voting at the EGM in respect of such resolution.

A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend the EGM in person, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the EGM or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof and, in such event, the relevant form of proxy shall be deemed to be revoked.

12. RECOMMENDATIONS

Your attention is drawn to (i) the letter from the Independent Board Committee set out on page 11 of this circular which contains its recommendation to the Independent Shareholders concerning the Amendment Agreements and the Revised Annual Caps; and (ii) the letter from Quam Capital Limited set out on pages 12 to 20 of this circular which contains their advice to the Independent Board Committee and the Independent Shareholders in relation to the Amendment Agreements and the Revised Annual Caps and the principal factors and reasons considered by them in formulating their advice.

LETTER FROM THE BOARD

13. ADDITIONAL INFORMATION

Your attention is also drawn to the information set out in the Appendix I to this circular and the notice of the EGM set out in this circular.

By order of the Board of
Fubon Bank (Hong Kong) Limited
Ivan Young
Company Secretary

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



FUBON BANK (HONG KONG) LIMITED

(incorporated in Hong Kong with limited liability)

(Stock code: 636)

4 April 2006

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

**Business Co-operation Agreements between the Company,
Fubon Credit, Fubon Life, Fubon Securities, Fubon SIS and Taipei Fubon**

We refer to the circular dated 4 April 2006 of the Company (the “Circular”) of which this letter forms part. Terms defined in the Circular bear the same meanings in this letter unless the context otherwise requires.

We have been appointed to form the Independent Board Committee to consider the terms of the Amendment Agreements and the Revised Annual Caps and to advise the Independent Shareholders whether, in our opinion, such terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Quam Capital Limited has been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Amendment Agreements and the Revised Annual Caps.

We wish to draw your attention to the letter from the Board set out on pages 4 to 10 of the Circular which contains, inter alia, information on the Amendment Agreements and the Revised Annual Caps, the Business Co-operation Agreements and the SIS Agreement, and the letter of advice from Quam Capital Limited set out on pages 12 to 20 of the Circular which contains its advice in respect of the terms of the Business Co-operation Agreements and the SIS Agreement as amended by the Amendment Agreements and the Revised Annual Caps.

Having taken into account the advice of Quam Capital Limited, we consider that the Business Co-operation Agreements and the SIS Agreement as amended by the Amendment Agreements and the Revised Annual Caps are in the ordinary and usual course of business of the Fubon Group and that the terms of the Business Co-operation Agreements and the SIS Agreement as amended by the Amendment Agreements and the Revised Annual Caps are normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM.

Yours faithfully,

The Independent Board Committee

Moses Tsang

Hung Shih

Robert James Kenrick

Independent Non-Executive Directors

LETTER FROM QUAM CAPITAL LIMITED

The following is the text of a letter of advice from Quam Capital Limited in connection with its advice to the Independent Board Committee and the Independent Shareholders in relation to the terms of the Amendment Agreements and the Revised Annual Caps for the purpose of inclusion in this circular.



Quam Capital Limited 華富嘉洛企業融資有限公司

A Member of The Quam Group

4 April 2006

To the Independent Board Committee and the Independent Shareholders
Fubon Bank (Hong Kong) Limited
Fubon Bank Building
38 Des Voeux Road Central
Hong Kong

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the terms and conditions of the Business Co-operation Agreements and the SIS Agreement as amended by the Amendment Agreements (collectively, the “**Agreements**”) and the revised caps on the transactions contemplated under the Agreements for each of the three 12-month periods ended 22 February 2007, 2008 and 2009 (the “**Revised Annual Caps**”), details of which are set out in the “Letter from the Board” contained in the circular dated 4 April 2006 (the “**Circular**”) issued by the Company to the Shareholders, of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular, unless otherwise defined in this letter.

On 20 March 2006, the Company announced that it and Fubon Credit had entered into the Amendment Agreements with Fubon Life, Fubon Securities, Fubon SIS and Taipei Fubon (the “**Fubon Taiwan Group**”). Each of the Amendment Agreements is subject to the approval of the Independent Shareholders and constitutes a continuing connected transaction for the Company for purposes of Chapter 14A of the Listing Rules.

The Independent Board Committee, comprising the three independent non-executive directors of the Company, namely Messrs. Moses Tsang, Hung Shih and Robert James Kenrick, has been established to consider and to advise the Independent Shareholders: (i) whether the terms of the Agreements and the Revised Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (ii) whether the Independent Shareholders should vote in favour of the Agreements and adoption of the Revised Annual Caps. As independent financial adviser, our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders.

LETTER FROM QUAM CAPITAL LIMITED

Quam Capital Limited is independent from and not connected with the Company and its subsidiaries (the “**Fubon HK Group**”) or any of their substantial shareholders, directors or chief executive, or any of their respective associates, and is qualified to give independent advice to the Independent Board Committee and the Independent Shareholders.

In formulating our opinion and recommendation, we have relied on the information, facts and representations contained or referred to in the Circular and the information, facts and representations provided to us by the Company, its directors (the “**Directors**”) and management. We have assumed that all the information, facts, opinions and representations contained or referred in the Circular were true, accurate and complete in all respects at the time that they were made and continue to be true, accurate and complete as at the date of this letter. We have no reason to doubt the truth, accuracy and completeness of the information, facts, opinions and representations provided to us by the Company, the Directors and management. The Directors have confirmed to us that, to the best of their knowledge, no material facts have been withheld or omitted from the information provided and referred to in the Circular, which would make any statement in the Circular misleading.

We consider that we have reviewed all currently available information and documents, which are available under the present circumstances to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our opinions. We have not, however, carried out any form of independent investigation into the business, affairs, operations, financial position or future prospects of either the Company, Fubon Credit or the members of the Fubon Taiwan Group.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our advice in respect of the Agreements and the Revised Annual Caps, we have considered the following principal factors and reasons:

Background of and reasons for entering into the Agreements and setting the Revised Annual Caps

The Company is an authorised bank under section 16 of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) (the “**Banking Ordinance**”) and it principally provides banking, insurance, securities broking and other financial related services to corporate and individual customers in Hong Kong, including credit card services, personal loans, investment banking, corporate banking and treasury services. Fubon Credit is a deposit-taking company authorised under section 16 of the Banking Ordinance and is principally engaged in hire purchase and leasing transactions pursuant to which it provides its customers with machinery and equipment financing.

On 23 February 2005, the Company and Fubon Credit entered into the Business Co-operation Agreements with various members of the Fubon Taiwan Group for cross introduction of prospective customers. Fees payable by a party under the Business Co-operation Agreements are derived by the referral of business by the other party. On 4 October 2005, the Company entered into the SIS Agreement with Fubon SIS on similar terms to the Business Co-operation Agreements.

LETTER FROM QUAM CAPITAL LIMITED

The Directors consider that the Business Co-operation Agreements and the SIS Agreement give the Company and Fubon Credit better access to Taiwanese individuals and corporate entities with business interests in Hong Kong and who require banking and financial related services in Hong Kong. The Fubon Credit/Taipei Fubon Business Co-operation Agreement also enables the Company to explore opportunities with its customers who have business interests in Taiwan.

The Business Co-operation Agreements expire on 22 February 2008 and the SIS Agreement expires on 3 October 2008. Accordingly, the Directors consider that in order that the benefits of the Business Co-operation Agreements and the SIS Agreement may continue to accrue, the term of each of the Business Co-operation Agreements and the SIS Agreement should be extended to 22 February 2009 and may be renewed thereafter for successive one-year periods. Under the Business Co-operation Agreements, the relevant parties to each agreement adopted an annual cap of HK\$10,000,000 on the aggregate fees payable by the relevant parties (excluding Fubon SIS) to each other for each of the three 12-month periods ending 22 February 2008. However, as the aggregate consideration payable under the Business Co-operation Agreements and the SIS Agreement is expected to exceed HK\$10,000,000 for each of the three 12-month periods ending 22 February 2009, the Directors consider that it is necessary to adopt higher thresholds for such subsequent periods. Accordingly, the Company entered into the Amendment Agreements on 20 March 2006 principally to extend the term of each of the Business Co-operation Agreements and the SIS Agreement and to revise the annual caps for each of the three 12-month periods ending 22 February 2009.

It was stated in the composite document dated 16 February 2004 issued jointly by the Company and Fubon in relation to the voluntary conditional cash offer by Fubon to acquire the then entire issued share capital of the Company that Fubon is one of the leading financial holding companies in Taiwan; and it is one of the constituent stock of the Taiwan Stock Exchange Weighted Index. The Fubon Taiwan Group serves more than seven million customers through a broad and diverse distribution network, which includes more than 330 bank branches and representative offices and more than 9,000 sales and marketing representatives. We confirmed with the Company that prior to entering into Business Co-operation Agreements and the SIS Agreement, the customers of the Company and Fubon Credit have been primarily corporations and individuals based in Hong Kong.

Given the above, we concur with the Directors' view that the cross-introduction of prospective customers contemplated under the Business Co-operation Agreements and the SIS Agreement and hence the Agreements will help to enhance the Fubon HK Group's business development potential and strengthen its customer base. Furthermore, as the transactions contemplated under the Agreements (the "**Continuing Connected Transactions**") will take place on a regular and frequent basis in the Fubon HK Group's ordinary and usual course of business, we are of the view that it would be impractical for the Company to strictly comply with the Listing Rules' requirements regarding "connected transactions" on each occasion when they arise. In this respect, we consider that it is in the interests of the Company and the Shareholders as a whole for the Company and Fubon Credit to have the Agreements in place and to adopt the Revised Annual Caps as that would help to facilitate the smooth operation and development of the Fubon HK Group's business for the periods covered by the Agreements.

LETTER FROM QUAM CAPITAL LIMITED

Nature of the Continuing Connected Transactions and the principal terms of the Agreements

Set out below are the nature and principal terms of the Continuing Connected Transactions contemplated under the Agreements.

Company/Taipei Fubon Business Co-operation Agreement as amended by an amendment agreement dated 20 March 2006

The Company and Taipei Fubon have agreed to cross-introduce prospective customers for the purpose of promoting and selling investment products and the corporate loans.

For sales of investment products concluded by either the Company or Taipei Fubon, the fee income generated will be shared equally between the Company and Taipei Fubon. For corporate loans extended to customers, the Company or Taipei Fubon, as the case may be, will receive a US\$5 rebate for each letter of credit payable by the letter of credit advising bank. All front-end arrangement fees and/or handling fees for loan transactions will be shared equally for all types of facilities or transactions regardless of the facility amount. In addition, 25% of the net interest income payable for the first year of a term loan and 25% of net interest income (on an assumed 30% utilisation) for a revolving loan facility will be payable to the referring party.

Fubon Life Business Co-operation Agreement as amended by an amendment agreement dated 20 March 2006

Fubon Life has agreed to introduce prospective customers to the Company for the purpose of promoting and selling financial products. The fee income derived from the referral of business to the Company will be shared equally between the Company and Fubon Life.

Fubon Securities Business Co-operation Agreement as amended by an amendment agreement dated 20 March 2006

Fubon Securities has agreed to introduce prospective customers to the Company for the purpose of promoting and selling financial products. The fee income derived from the referral of business to the Company will be shared equally between the Company and Fubon Securities.

Fubon Credit/Taipei Fubon Business Co-operation Agreement as amended by an amendment agreement dated 20 March 2006

Taipei Fubon has agreed to introduce prospective customers to Fubon Credit for the purpose of Fubon Credit providing loans including but not limited to machinery loans to such customers. Furthermore, Taipei Fubon shall provide support services in Taiwan in relation to loans granted by Fubon Credit to such customers including advisory, agreement and document crosschecks, creation of collateral and registration of collateral.

LETTER FROM QUAM CAPITAL LIMITED

For loans extended by Fubon Credit to a customer introduced by Taipei Fubon, Fubon Credit is to pay a sum equivalent to 0.5% of the contractual loan amount to Taipei Fubon after execution of the agreements for the loan; and also a service charge for supporting services provided by Fubon Taipei. Details of the aforementioned service charges are set out in the paragraph 7 of the “Letter from the Board” of the Circular.

SIS Agreement as amended by an amendment agreement dated 20 March 2006

Fubon SIS has agreed to introduce prospective customers to the Company for the purpose of promoting and selling financial products. The fee income derived from the referral of business to the Company will be shared equally between the Company and Fubon SIS.

In assessing and reviewing the principal terms of the Agreements, we have confirmed the following with the Directors:

- the Agreements have been reached after arms-length negotiations between the parties involved and are on normal commercial terms and in the ordinary and usual course of business of the Company;
- the fees charged by Taipei Fubon for providing supporting services under the Fubon Credit/Taipei Fubon Business Co-operation Agreement are in line with the standard fee structure charged by Taipei Fubon to its other customers; and
- the Fubon HK Group will not incur any significant additional fixed costs in providing Services to new customers, referred by the various members of the Fubon Taiwan Group under the Agreements.

Based on the above and in particular that after taking into account of the following factors:

- the Agreements have been entered into between the Company/Fubon Credit with the various members of the Fubon Taiwan Group in their respective usual and ordinary course of business; and
- any successful client referrals by the Fubon Taiwan Group will directly contribute further income to the Fubon HK Group and broaden its customer base and provisions of services to such customers do not entail any significant additional fixed costs to the Fubon HK Group,

we are of the opinion that the terms of the Agreements, which are based on normal commercial terms and after arms length negotiation between the parties thereto, are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

LETTER FROM QUAM CAPITAL LIMITED

The Revised Annual Caps

In determining the Revised Annual Caps, the Company has taken into consideration the following bases and assumptions:

- the projected annual level of the Services to be entered into under the Agreements in the next three financial years;
- the actual level of the Services entered into in the 12 months ended 22 February 2006;
- the business development objectives reflected in the Company's 2006 financial budget, which was formally approved by the Board on 5 December 2005;
- the net profit of the Company for the year ended 31 December 2005, as stated in the Company's results announcement of 1 March 2006;
- the Fubon Taiwan Group's knowledge of its customers' past demand for financial services in Hong Kong;
- the size and nature of the Fubon Taiwan Group's customer base with known business interests in Hong Kong;
- its knowledge of the past demand for financial services in Taiwan of its customers;
- the size and nature of its customer base with known interests in Taiwan;
- the business of the Company and the Fubon Taiwan Group remains consistent with previous levels;
- there will not be any adverse change or disruption in market conditions, operations and business environment or government policies which materially affect the business of the Company, Fubon Credit or the Fubon Taiwan Group; and
- the industries in which the Company, Fubon Credit and the Fubon Taiwan Group operate remain stable.

Analysis of the basis of determination for the Revised Annual Caps

In our assessment of the reasonableness of the Revised Annual Caps, we have taken into consideration (1) the projection and representation of the Company's management of the expected volumes of the Continuing Connected Transactions for the three 12-month periods ending 22 February 2009 and the bases and assumptions adopted related thereto; (2) the present and prospective financial market sentiment in Hong Kong; and (3) the actual volume of the transactions contemplated by the Business Co-operation Agreements and the SIS Agreement conducted during the period from 23 February 2005 to 22 February 2006.

LETTER FROM QUAM CAPITAL LIMITED

We have reviewed the projections regarding the expected volumes of the Continuing Connected Transactions for the three 12-month periods ended 22 February 2009 prepared by the Company and discussed with the Company's management the principal bases and assumptions adopted. In this regard, we are of the opinion that the aforementioned projections and hence the Revised Annual Caps have been made with due care and consideration and after due and careful enquiry.

In 2005, the financial market in Hong Kong experienced a robust year. Based on the statistics and data published by Hong Kong Exchanges and Clearing Limited, the stock market capitalisation recorded an all-time high at approximately HK\$8,260.3 billion while the total market turnover for 2005 amounted to approximately HK\$4,520.4 billion, representing a growth of approximately 14% from the record in 2004. On 22 February 2006, the Hong Kong Government announced that the preliminary gross domestic product ("GDP") of Hong Kong in 2005 was approximately HK\$1,382.2 billion, representing a growth of approximately 7.3% in real terms over 2004. The Hong Kong Government expects that the GDP will attain growth of 4-5% in real terms in 2006 and the main growth impetus to overall investment spending in 2006 is expected to come from private sector acquisition of machinery and equipment.

Given the anticipated future improvements in the economy and financial market in Hong Kong discussed above, we concur with the Directors' view that the demand of financial services and products in Hong Kong is expected to continue to increase in the medium term and the original annual caps on the consideration to be paid related to the Continuing Connected Transactions stipulated under the Business Co-operation Agreements is likely to restrict the full potential growth of the Fubon HK Group's businesses derived by the customer referrals by the Fubon Taiwan Group.

It is noted that the aggregate amount of consideration paid under the Business Co-operation Agreements and the SIS Agreement for the 12 months ended 22 February 2006 was approximately HK\$5.6 million. The Revised Annual Cap for the 12 months ending 22 February 2007 therefore represents a projection of growth of around 167.9%. We have discussed with the Company's management regarding the substantial growth in the consideration to be paid under the Agreements, and we concur with their view that it will be in the interests for both the Company and the Shareholders as a whole to set the Revised Annual Cap at the proposed level, after taking into consideration the following:

- 2005 was the first year that the Company, Fubon Credit and the various members of the Fubon Taiwan Group started cross-referral of customers under the Business Co-operation Agreements and the SIS Agreement and it is reasonable that it will take some time before the arrangements can be implemented smoothly;
- the expected future improvement in the performance of the Hong Kong financial market in the medium term as discussed above;
- the interests shown by the Fubon Taiwan Group's customers in the Hong Kong financial market so far;

LETTER FROM QUAM CAPITAL LIMITED

- any successful customer referrals by the various members of the Fubon Taiwan Group to the Company/Fubon Credit will contribute to the Fubon HK Group's income and broaden its customer base and the provisions of services to such customers will not entail any significant additional fixed cost to the Fubon HK Group; and
- the Company's ability to fully explore potential opportunities in its business development and expansion will be unduly restricted, if the annual caps on the Agreements were to remain at the original levels.

Based on the foregoing, we are of the opinion that the Revised Annual Caps are fair and reasonable and are in the interests of both the Company and the Shareholders as a whole.

We note that the Revised Annual Cap for the 12-month ended 22 February 2009 will be applied to any further one-year terms after 22 February 2009 under the Amendment Agreements. As such caps will be subject to further approval from the Independent Shareholders pursuant to Chapter 14A of the Listing Rules, we are of the opinion that the inclusion of such a term in the Amendment Agreements is fair and reasonable.

Conditions of the Agreements and the requirements under the Listing Rules

Pursuant to the Agreements, the Company, Fubon Credit and the members of the Fubon Taiwan Group have agreed that, if at any time a transaction or payment to be made under the Agreements would result in the relevant Revised Annual Cap being equalled or exceeded, such transaction shall not be entered into, or if entered into, no fee shall be payable in respect of the transaction by any party to the Agreements, and all other rights and obligations of the parties under the Agreements shall be suspended until such time as the Company has complied with applicable requirements of the Listing Rules.

Each year the Continuing Connected Transactions are subject to review by the independent non-executive Directors and the Company's auditors under Rules 14A.37 and 14A.38 of the Listing Rules. The independent non-executive Directors must confirm in the annual report and accounts that the Continuing Connected Transactions have been entered into:

- in the ordinary and usual course of business of the Company;
- either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, no terms on less favourable to the Company than terms available to or from (as appropriate) independent third parties; and
- in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM QUAM CAPITAL LIMITED

Furthermore, the Listing Rules require that the Company's auditors must provide a letter to the Board (with a copy provided to the Stock Exchange at least ten business days prior to the bulk printing of the annual report of the Company), confirming that the Continuing Connected Transactions:

- have received the approval of the Board;
- are in accordance with the pricing policies of the Company if the transactions involve provision of goods or services of services by the Company;
- have been entered into in accordance with the relevant agreement governing the transactions; and
- have not exceeded the cap disclosed in its previous announcement.

Given the above, we are of the opinion that there will be sufficient procedures and arrangements in place to ensure that the Continuing Connected Transactions will be conducted on terms that are fair and reasonable.

RECOMMENDATION

Having taken into account the principal factors and reasons as discussed above and in particular the following:

- the background and nature of the Continuing Connected Transactions and the reasons for the entering into the Agreements;
- the basis of determination of the Revised Annual Caps; and
- the procedures and arrangements in place in relation to the control and review of the Continuing Connected Transactions,

we consider that the terms of the Agreements, which are based on normal commercial terms and after arms length negotiation between the parties thereto, and the Revised Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Accordingly, we advise the Independent Board Committee to recommend that the Independent Shareholders vote in favour of the ordinary resolution to be proposed at the EGM to approve the Agreements and the adoption of the Revised Annual Caps.

Yours faithfully,
For and on behalf of
Quam Capital Limited
Richard D. Winter **Karen C. Wong**
Managing Director *Director*

RESPONSIBILITY STATEMENT

This document includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company.

The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this document and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

MATERIAL ADVERSE CHANGE

The Directors confirm that, as at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Fubon Group since 31st December 2005, being the date to which the latest published audited accounts of the Company were made up.

DISCLOSURE OF INTERESTS**(a) Share Interests of Directors and Chief Executive**

Save as disclosed below, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of the SFO), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or deemed to have taken under such provisions of the SFO); or (b) were required pursuant to section 352 of the SFO to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

Interests in shares of the Company's ultimate holding company, Fubon Financial Holding Co., Ltd. ("Fubon") (all being long positions)

Ordinary shares in Fubon of NT\$1 each

Name	Personal	Family	Corporate	Total number of shares held	Percentage of total issued shares (%)
Ming-Chung (Daniel) Tsai	229,536,304	27,241,166	1,718,859,232 ⁽¹⁾	1,975,636,702	24.50
Ming-Hsing (Richard) Tsai	208,947,280	26,390,879	1,718,859,232 ⁽¹⁾	1,954,197,391	24.23
Jin-Yi Lee	600,000 ⁽²⁾	–	–	600,000	0.01
Jesse Ding	2,191,531	–	–	2,191,531	0.03
Victor Kung	805,571	383	–	805,954	0.01
Fan Sheung Yam, Horace	150,000 ⁽²⁾	–	–	150,000	0.00

Notes:

- (1) 1,718,859,232 shares were held through corporations in which Mr. Ming-Ching (Daniel) Tsai, Mr Ming-Hsing (Richard) Tsai and other Tsai family members have beneficial interests.
- (2) The shares were acquired during 2004 pursuant to Fubon's Treasury shares programme which invited the directors and certain senior management of the Group to acquire Fubon's shares at a discounted price.

(b) Substantial shareholders

Save as disclosed below, the Directors and chief executive of the Company are not aware that there was any party who, as at the Latest Practicable Date, had an interest or short position in the shares and underlying shares (including options) of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO:

Interests in shares of the Company

	No. of Shares	Percentage of issued capital (%)	Long or short position
Fubon Bank (Hong Kong) Limited			
Fubon Financial Holding Co., Ltd	879,120,000	75	Long

(c) Substantial shareholders in the Company's subsidiaries

So far as is known to any Director or chief executive of the Company, as at the Latest Practicable Date, the following persons were interested in 10 per cent. or more of the issued capital carrying rights to vote at general meetings of the following subsidiaries of the Company:

Name of subsidiary	Name of shareholder	Number and class of shares held	Percentage of shareholding
NIL	-	-	-

(d) Other interests of Directors

NIL

(e) Interests in assets

As at the latest Practicable Date, none of the Directors and the expert whose name is referred to in the paragraph headed "Consent of Expert" in this Appendix I has or has had any interest, direct or indirect, in any assets which have been, since 31st December 2005, being the date to which the latest published audited accounts of the Fubon Group were made up, acquired or disposed of by or leased to any member of the Fubon Group, or are proposed to be acquired or disposed of by or leased to any member of the Fubon Group.

(f) Service contracts

No Director has a service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN CONTRACTS

None of the Directors is materially interested, directly or indirectly, in any contract or arrangement entered into by the Company and its subsidiaries subsisting at the date of this circular and which is significant in relation to the business of the Company and its subsidiaries.

COMPETING INTERESTS

None of the Directors and their respective associates have any interests in a business, which competes or may compete with the business of the Fubon Group.

LITIGATION

As at the Latest Practicable Date, no member of the Fubon Group was engaged in any litigation or arbitration of material importance to the Fubon Group and so far as the Directors are aware, no litigation or claims of material importance are pending or threatened by or against any member of the Fubon Group.

CONSENT OF EXPERT

Quam Capital Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter as set out in this circular and references to its name in the form and context in which they respectively appear in this circular.

QUALIFICATION OF EXPERT

The following are the qualifications of the experts which have given their opinions or advice which are contained in this circular:

Name	Qualification
Quam Capital Limited	a corporation licensed to carry out type 6 (advising on corporate finance) regulated activity under the SFO

Quam Capital Limited has confirmed to the Company that, as at the Latest Practicable Date, Quam Capital Limited held, for itself and on behalf of its clients, less than 5 per cent. of the entire issued share capital of the Company. Quam Capital Limited has confirmed to the Company that save as disclosed in the preceding sentence, it did not, as at the Latest

Practicable Date, have any shareholding interest, directly or indirectly, in any member of the Fubon Group nor the right (whether legally enforceable or not) to subscribe for or to nominate any person to subscribe for securities in any members of the Fubon Group.

DOCUMENTS AVAILABLE FOR INSPECTION

A copy of each of the Amendment Agreements, the Business Co-operation Agreements and the SIS Agreement is available for inspection by Shareholders during normal business hours at the registered office of the Company at Fubon Bank Building, 38 Des Voeux Road Central, Hong Kong on weekdays other than public holidays up to and including Thursday, 21 April 2006.

POLL PROCEDURE

Under the articles of association of the Company, at any general meeting, on a show of hands every member present in person shall have one vote and on a poll every member present in person or by proxy shall have one vote for every share of which he is the holder. A resolution put to the vote of a meeting shall be decided on a show of hands unless, before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll, a poll is duly demanded. Article 57 of the Company's articles of association provides that, subject to the provisions of the Companies Ordinance, a poll may be demanded by:

- (i) the chairman of the meeting; or
- (ii) at least three members present in person or by proxy and entitled to vote at the meeting; or
- (iii) any member or members present in person or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all members having the right to attend and vote at the meeting; or
- (iv) any member or members present in person or by proxy and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

MISCELLANEOUS

1. The Company Secretary of the Company is Ivan Young. He graduated in law from Victoria University, New Zealand and is admitted as a New Zealand solicitor. Mr Young is also admitted as a solicitor in England and Wales and in Hong Kong and is a member of the Law Society of Hong Kong. He holds a Master of Business Administration Degree from DePaul University, U.S.A.
2. The Chief Financial Officer to the Company is David Chan Yik Keung. He holds a Bachelor of Science Degree in Mathematics from the Imperial College of Science, Technology and Medicine – University of London and a Master of Business Administration Degree from DePaul University, U.S.A. He is an Associate Member of the Institute of Chartered Accountants in England and Wales.
3. The Company's share registrar and transfer office is Computershare Hong Kong Investor Services Limited, 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.

NOTICE OF EXTRAORDINARY GENERAL MEETING



FUBON BANK (HONG KONG) LIMITED

(incorporated in Hong Kong with limited liability)

(Stock code: 636)

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the shareholders of Fubon Bank (Hong Kong) Limited will be held in the Auditorium, 7th Floor, Fubon Bank Building, 38 Des Voeux Road Central, Hong Kong on Friday, 28 April 2006 at 9:50 a.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolution as an ordinary resolution:

ORDINARY RESOLUTION

THAT the entering into of the Amendment Agreements (copies of which have been produced to the meeting and signed by the chairman of the meeting for the purpose of identification) and the Revised Annual Caps referred to in the Amendment Agreements be and are hereby approved. Terms defined in the circular to the shareholders of the Company dated 4 April 2006 have the same meaning when used in this resolution.

By order of the Board of
Fubon Bank (Hong Kong) Limited
Ivan Young
Company Secretary

Hong Kong, 4 April 2006

NOTES:

1. A member entitled to attend and vote at the Extraordinary General Meeting may appoint a proxy to attend and vote in his or her place. The number of proxy so appointed shall not exceed two. A proxy need not be a member of the Company. A form of proxy for use at the Extraordinary General Meeting is enclosed. Whether or not you are able to attend the Extraordinary General Meeting, you are requested to complete and return the form of proxy in accordance with the instructions thereon. All proxies must be deposited with the Company Secretary, Fubon Bank (Hong Kong) Limited at 8th Floor, Fubon Bank Building, 38 Des Voeux Road Central, Hong Kong, not less than 48 hours before the time of the Extraordinary General Meeting.
2. The vote at the Extraordinary General Meeting will be taken by a poll.



Fubon Bank
富邦銀行

FUBON BANK (HONG KONG) LIMITED

富邦銀行(香港)有限公司

(Incorporated in Hong Kong under the Companies Ordinance)

(Stock Code: 636)

PROXY FORM

(EXTRAORDINARY GENERAL MEETING – Friday, 28 April 2006)

I/We¹ _____
of _____
being the registered holder(s) of _____² shares of HK\$1.00 each in
Fubon Bank (Hong Kong) Limited (富邦銀行(香港)有限公司) (the “Bank”) hereby appoint the Chairman of the
Meeting³ or failing him _____
of _____

as my/our proxy to attend and vote⁴ for me/us and on my/our behalf at the Extraordinary General Meeting of the Bank and at
any adjournment thereof to be held in the Auditorium, 7th Floor, Fubon Bank Building, 38 Des Voeux Road Central, Hong
Kong on Friday, 28 April 2006 at 9:50 am and to vote for me/us in respect of the resolution(s) as set out in the notice
convening the said meeting as indicated below:

Ordinary Resolution	For	Against
“That the entering into of the Amendment Agreements (copies of which have been produced to the meeting and signed by the chairman of the meeting for the purpose of identification) and the Revised Annual Caps referred to in the Amendment Agreements be and are hereby approved.”		

Signature of shareholder(s): _____

Dated this _____ day of _____ 2006.

Full Name(s) _____

Notes:

1. Full name(s) and address(es) to be inserted in **BLOCK CAPITALS**.
2. Please insert the number of shares registered in your name(s). If no number is inserted, this form will be deemed to relate to all the shares in the Bank registered in your name(s).
3. If you wish to appoint a proxy other than the Chairman of the Meeting, please strike out “the Chairman of the Meeting” and insert the name and address of the person you wish to appoint in the space provided. **ANY ALTERATION MADE TO THIS FORM OF PROXY MUST BE INITIALED BY THE PERSON(S) WHO SIGNS IT.**
4. **IMPORTANT:** Please indicate with an “X” in the appropriate space beside each of the resolutions how you wish the proxy to vote on your behalf. In the absence of any such indication, the proxy will vote for or against the resolution or will abstain at his discretion.
5. In the case of joint shareholders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of other joint holder(s) and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members with that appearing first being deemed to be the most senior.
6. The form of proxy must be signed by you or your attorney duly authorised in writing. In the case of a corporation, this form must be executed under seal or under the hand of an officer or attorney duly authorised.
7. To be valid, this form of proxy together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof must be lodged with the Company Secretary, Fubon Bank (Hong Kong) Limited, 8th Floor, Fubon Bank Building, 38 Des Voeux Road Central, Hong Kong, not less than 48 hours before the time for holding the meeting or adjourned meeting.
8. A proxy need not be a member of the Bank.