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FUBON BANK (HONG KONG) LIMITED

(incorporated in Hong Kong with limited liability)

(Stock code: 636)

CONNECTED TRANSACTION

Acquisition of and subscription for additional interest in Fubon Capital (formerly “FB Gemini Capital Limited”)

On 30 November 2007, the Company and Stoneleigh entered into the Sale and Purchase Agreement, pursuant to which Stoneleigh conditionally agreed to sell and the Company conditionally agreed to buy the Sale Shares for a consideration of HK\$1,111,111. The Sale Shares represent approximately 11.1% of the issued share capital of Fubon Capital.

On the same day, the Company and Fubon Capital entered into the Share Subscription Agreement pursuant to which Fubon Capital agreed to allot and issue and the Company agreed to subscribe for the New Shares in Fubon Capital for a consideration of HK\$20 million. The New Shares represent 66.67% of the enlarged issued share capital of Fubon Capital.

Upon completion of both of the Agreements, the Company will own approximately 87% of the issued share capital of Fubon Capital.

Each of the Sale and Purchase Agreement and the Share Subscription Agreement constitutes a connected transaction for the purpose of Chapter 14A of the Listing Rules and is subject to the reporting and announcement requirements, but is exempt from the independent shareholders' approval requirements, of Chapter 14A of the Listing Rules.

1. BACKGROUND

On 30 November 2007, the Company and Stoneleigh entered into the Sale and Purchase Agreement, pursuant to which Stoneleigh conditionally agreed to sell and the Company conditionally agreed to buy the Sale Shares for a consideration of HK\$1,111,111. The Sale Shares represent approximately 11.1% of the issued share capital of Fubon Capital.

On the same day, the Company and Fubon Capital entered into the Share Subscription Agreement pursuant to which Fubon Capital agreed to allot and issue and the Company agreed to subscribe for New Shares in Fubon Capital for a consideration of HK\$20 million. The New Shares represent 66.67% of the enlarged issued share capital of Fubon Capital.

Prior to the completion of the Sale and Purchase Agreement and the Share Subscription Agreement, Fubon Capital was 50% owned by the Company, approximately 38.9% owned by Fubon BVI and approximately 11.1% owned by Stoneleigh. Fubon Capital was not considered a subsidiary of the Company prior to the completion of the Agreements. Stoneleigh is wholly owned by an associate of a former member of senior management of Fubon Capital. The Company acquired its 50% interest in Fubon Capital in January 2007 pursuant to a share subscription agreement dated 29 January 2007. As disclosed in the related announcement dated the same date, the Directors considered the acquisition of the 50% interest in Fubon Capital to be immaterial and confirmed that the 50% interest would not be equity accounted for in the consolidated audited financial statements of the Company.

Upon completion of both of the Agreements, the Company will own approximately 87% of the issued share capital of Fubon Capital while the balance of approximately 13% will be owned by Fubon BVI. Fubon Capital will have no other shareholders save and except the Company and Fubon BVI and will be considered a subsidiary of the Company.

Fubon, holding 75 per cent. of the issued shares of the Company, is a substantial shareholder and a controlling shareholder of the Company. Fubon BVI is indirectly wholly owned by Fubon. Therefore, Fubon BVI and Fubon Capital are connected persons of the Company under the Listing Rules and, accordingly, the entering into and performance of each of the Agreements constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. The Sale and Purchase Agreement constitutes a connected transaction pursuant to Rule 14A.13(1)(b)(i) of the Listing Rules and the Share Subscription Agreement constitutes a connected transaction pursuant to Rule 14A.13(1)(a) of the Listing Rules.

2. PARTICULARS OF THE SALE AND PURCHASE AGREEMENT

Date:	30 November 2007
Purchaser:	the Company
Seller:	Stoneleigh
Number of Shares:	1,111,111 shares of Fubon Capital, representing approximately 11.1% of the issued capital of Fubon Capital
Consideration:	HK\$1,111,111 payable in cash

The Sale and Purchase Agreement is conditional upon (inter alia) the Company obtaining all necessary corporate authorisations to purchase the Sale Shares and consents and approval (including those of the Stock Exchange) as may be required in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder.

3. PARTICULARS OF THE SHARE SUBSCRIPTION AGREEMENT

Date: 30 November 2007

Subscriber: the Company

Issuer: Fubon Capital

Number of Shares: 20,000,000 shares of Fubon Capital, representing approximately 66.67% of the issued capital of Fubon Capital upon completion of the Agreements

Consideration: HK\$20 million payable in cash

The Share Subscription Agreement is conditional upon (inter alia) Fubon Capital and the Company obtaining all necessary corporate authorisations to effect the increase in the issued share capital of Fubon Capital and the subscription for the New Shares.

If any of the conditions to the Sale and Purchase Agreement or the Share Subscription Agreement is not fulfilled or waived by 15 December 2007 (or such later date as agreed between the parties thereto), the Sale and Purchase Agreement or the Share Subscription Agreement (as the case may be) shall be null and void and of no effect.

Based on the audited accounts of Fubon Capital for the financial year ended 31 December 2006, the audited net assets of Fubon Capital were US\$627,079 and the audited net profit (or loss) before and after taxation and extraordinary items of Fubon Capital amounted to US\$892 and US\$892 respectively for the financial year ended 31 December 2005 and (US\$94,568) and (US\$94,568) respectively for the financial year ended 31 December 2006. Based on the unaudited management accounts of Fubon Capital for the eight months ended 31 August 2007, the unaudited net assets of Fubon Capital were US\$1,265,828.

The consideration for the Sale Shares and the New Shares will be financed by the Company's internal financial resources. The consideration for the Sale Shares has been arrived at after arm's length negotiation between the Company and Stoneleigh with reference to the par value of the shares of Fubon Capital as of 31 December 2006. The consideration for the New Shares has been arrived at after arm's length negotiation between the Company and Fubon Capital and reflects the nominal value of 20,000,000 HK\$1.00 ordinary shares of Fubon Capital. The Directors believe the consideration for the Sale Shares and the New Shares is fair and reasonable.

4. REASONS FOR ENTERING INTO THE AGREEMENTS

The Sale and Purchase Agreement has been entered into in connection with an internal reorganisation of the Fubon Group, with a view to consolidating Fubon Group's operations in Hong Kong. Fubon Capital is a licensed corporation under the SFO and is entitled to conduct a number of regulated activities, including advising on corporate finance (Type 6 regulated activity) and dealing in securities (Type 1 regulated activity). In addition, Fubon Capital is licensed to act as sponsor for companies listing on the Stock Exchange, entering into the Share Subscription Agreement helps to strength Fubon Capital's underwriting capabilities in the capital market. Upon completion of the Agreements, Fubon Capital will become a subsidiary of the Company. The Directors of the Company (including the independent non-executive Directors) are of the view that the terms of the Sale and Purchase Agreement and the Share Subscription Agreement are fair and reasonable and in the interests of the Company and the shareholders as a whole.

5. REQUIREMENTS OF THE LISTING RULES

In accordance with Rule 14A.32(1) of the Listing Rules, based on the calculations of the percentage ratios, each of the connected transactions (singly and in aggregate) will only be subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules and will be exempt from the independent shareholders' approval requirements.

6. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY, FUBON BVI AND FUBON CAPITAL

The Company

The Company is authorised by the Hong Kong Monetary Authority pursuant to section 16 of the Banking Ordinance to carry on banking business in Hong Kong. The Company is principally engaged in banking, 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 currently holds 75 per cent. of the issued shares of the Company and is, therefore, a substantial shareholder of the Company.

Fubon BVI

Fubon BVI's principal business activities include the holding for investment purposes of certain of Fubon Group's non-domestic Taiwan securities businesses and investing in marketable securities.

Fubon Capital

Fubon Capital is a licensed corporation under the SFO entitled to conduct Types 1, 4 and 6 regulated activities. Fubon Capital is principally engaged in advising in corporate finance and securities underwriting. Prior to the completion of the Agreements, Fubon Capital is 50% owned by the Company, approximately 38.9% owned by Fubon BVI and approximately 11.1% own by Stoneleigh.

Stoneleigh

Stoneleigh is an investment holding company wholly owned by an associate of a former member of senior management of Fubon Capital.

DEFINITIONS

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

“Agreements”	the Sale and Purchase Agreement and the Share Subscription Agreement
“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 75 per cent. of the issued shares of the Company
“Directors”	the directors of the Company
“Fubon”	Fubon Financial Holding Co., Ltd., a company incorporated in the Republic of China
“Fubon BVI”	Fubon Securities (BVI) Limited, a company incorporated in the British Virgin Islands, owns approximately 38.9% of the issued capital of Fubon Capital, and is an indirect wholly owned subsidiary of Fubon
“Fubon Capital”	Fubon Capital (HK) Limited (formerly FB Gemini Capital Limited”), a company incorporated in Hong Kong, which is 50% owned by the Company as at the date of this announcement
“Fubon Group”	Fubon and its subsidiaries, including the Company, Fubon BVI and Fubon Capital
“HK\$”	Hong Kong Dollars
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Shares”	20,000,000 ordinary shares of HK\$1.00 each in Fubon Capital
“Sale Shares”	1,111,111 ordinary shares of HK\$1.00 each in Fubon Capital, representing approximately 11.1% of the issued capital of Fubon Capital
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)

“Sale and Purchase Agreement”	the Sale and Purchase Agreement between the Company and Stoneleigh dated 30 November 2007
“Share Subscription Agreement”	the Share Subscription Agreement between the Company and Fubon Capital dated 30 November 2007
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Stoneleigh”	Stoneleigh International Limited, a company incorporated in the British Virgins Islands and is wholly owned by an associate of a former member of senior management of Fubon Capital

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

Hong Kong, 30 November, 2007

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