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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**

**RESUMPTION OF TRADING IN SHARES OF
FUBON BANK (HONG KONG) LIMITED**

**Financial adviser to
Fubon Financial Holding Co., Ltd.**



UBS AG, Hong Kong Branch

THE SCHEME PROPOSAL AND THE PREFERENCE SHARE OFFER

The board of directors of the Offeror and the Board jointly announce that, (i) on 10 January 2011 the Offeror requested the Board to put forward to the Scheme Shareholders the Scheme Proposal for the privatisation of the ordinary share capital of the Company which, if approved and implemented, would result in the withdrawal of listing of the Shares on the Hong Kong Stock Exchange; and (ii) the Offeror will make, through the Financial Adviser, a voluntary conditional cash offer to acquire all the issued Preference Shares (other than those already owned by the Offeror or parties acting in concert with it). The Offeror owns 75% of the issued Shares and approximately 96.72% of the issued Preference Shares as at the date of this announcement. The Board has reviewed the Scheme Proposal and has agreed to put it forward to the Scheme Shareholders.

The Scheme Proposal will be implemented by way of a scheme of arrangement under Section 166 of the Companies Ordinance. Upon the Scheme of Arrangement becoming effective, the Scheme Shares will be cancelled and the New Shares will be issued as fully paid to the Offeror. The Company will make an application for the listing of the Shares to be withdrawn from the Hong Kong Stock Exchange in accordance with Rule 6.15 of the Hong Kong Listing Rules, with effect from the date on which the Scheme of Arrangement becomes effective.

The Preference Share Offer will be subject to and conditional upon the Scheme of Arrangement becoming effective. By accepting the Preference Share Offer, the Preference Shareholders will sell their Preference Shares to the Offeror free from all liens, claims, encumbrances and together with all rights attaching to the Preference Shares as at the date of the close of the Preference Share Offer, including the right to receive all dividends and distribution identified as payable to the Preference Shareholders on a record date to be set out in the scheme document to be despatched.

Under the Scheme of Arrangement, the Offeror has proposed that the holders of the Scheme Shares will receive from the Offeror as Cancellation Consideration HK\$5.00 for every Scheme Share cancelled.

The Cancellation Consideration of HK\$5.00 in cash for every Scheme Share cancelled under the Scheme of Arrangement represents: (i) a premium of approximately 32.3% over the closing price of HK\$3.78 per Share as quoted on the Hong Kong Stock Exchange on the Last Trading Day; (ii) a premium of approximately 37.7% over the average closing price of approximately HK\$3.63 per Share as quoted on the Hong Kong Stock Exchange for the 30 trading days up to and including the Last Trading Day; (iii) a premium of approximately 35.6% over the average closing price of approximately HK\$3.69 per Share as quoted on the Hong Kong Stock Exchange for the 60 trading days up to and including the Last Trading Day; (iv) a premium of approximately 34.0% over the average closing price of approximately HK\$3.73 per Share as quoted on the Hong Kong Stock Exchange for the 90 trading days up to and including the Last Trading Day; and (v) a premium of approximately 42.0% over the unaudited consolidated net asset value (after deducting the issued share capital of Preference Shares as at 30 June 2010 of approximately HK\$925.4 million) of approximately HK\$3.52 per Share as at 30 June 2010.

The Preference Share Offer will be made on the basis of a cash price per Preference Share in US dollars which equals the sum of (i) US\$0.10237, being the par value of each Preference Share, (ii) an amount representing the accrued but unpaid dividend calculated at the fixed rate of 9 per cent. per annum as provided for in the Articles for the period from 15 December 2010 to and including the date on which the Scheme of Arrangement becomes effective, and (iii) an amount representing the future dividend calculated at the fixed rate of 9 per cent. per annum as provided for in the Articles for the period from the day after the date on which the Scheme of Arrangement becomes effective to and including 24 December 2013, such future dividend to be discounted by applying a discount rate of 6 per cent. per annum, with the discount calculated with reference to the dividend payment schedule provided for in the Articles. Assuming that the Scheme of Arrangement becomes effective on 31 May 2011 and that no dividend has been or will be paid to Preference Shareholders from 16 December 2010 to the closing of the Preference Share Offer, the offer price per Preference Share will be US\$0.128269, representing a premium of approximately 25.3 per cent. over the par value of US\$0.10237 each of the Preference Shares. An estimated cash price per Preference Share, determined in accordance with the planned timetable for the Scheme of Arrangement and Preference Share Offer as stated in the scheme document to be despatched, will be included in such scheme document.

The Scheme of Arrangement is conditional upon the fulfilment or waiver, as applicable, of the conditions described in the section of this announcement headed "Conditions of the Scheme Proposal and the Preference Share Offer", which include, among others, the approval by the Minority Shareholders at the Court Meeting and the sanction by the High Court of the Scheme of Arrangement. If the conditions are not fulfilled or, if applicable, not waived 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), the Scheme of Arrangement will lapse. The listing of the Shares on the Hong Kong Stock Exchange will not be withdrawn if the Scheme of Arrangement is withdrawn, not approved or lapses.

The Shares beneficially owned by the Offeror, representing 75% of the issued Shares, will not form part of the Schemes Shares and, as such, will not be voted at the Court Meeting. Although the Shares beneficially owned by parties acting in concert with the Offeror in respect of the Company may form part of the Scheme Shares, such Shares will not, in compliance with the Takeovers Code, be voted at the Court Meeting.

The Preference Shares are not listed on any stock exchange. The Preference Share Offer will only be subject to and conditional upon the Scheme of Arrangement becoming effective. The Preference Share Offer is not conditional upon the Offeror having received any pre-determined level of acceptances in respect of the Preference Share Offer.

The Preference Shareholders who do not accept the Preference Share Offer will continue to hold the Preference Shares they own and will continue to be entitled to the rights, including the right to receive a cumulative preferential dividend at the fixed rate of 9 per cent. per annum, attached to the Preference Shares. However, if the Scheme of Arrangement becomes effective, the Offeror intends to obtain the prior consent of the HKMA and conditional upon the Company being able to redeem the Preference Shares and remain solvent immediately thereafter, the Offeror intends to procure the Company to redeem the Preference Shares on or shortly after 24 December 2013.

FINANCIAL RESOURCES

The total consideration payable under the Scheme Proposal will be approximately HK\$1,465.2 million and assuming that (i) the Scheme of Arrangement becomes effective on 31 May 2011; (ii) all Preference Shareholders accept the Preference Share Offer; and (iii) no dividend has been or

will be paid to the Preference Shareholders from 16 December 2010 to the closing of the Preference Share Offer, the total cash consideration payable under the Preference Share Offer will be approximately US\$4.9 million. Assuming that (i) the Scheme of Arrangement becomes effective on 30 September 2011; (ii) all Preference Shareholders accept the Preference Share Offer; and (iii) no dividend (other than the cumulative preferential dividend at the fixed rate of 9 per cent. per annum for the period from 15 December 2010 to 14 June 2011 as provided for in the Articles) has been or will be paid to the Preference Shareholders from 16 December 2010 to the closing of the Preference Share Offer, the total cash consideration payable under the Preference Share Offer will be approximately US\$4.8 million. The consideration payable under the Scheme Proposal and the Preference Share Offer will be funded from the internal resources of and existing credit facility available to the Offeror.

UBS AG, Hong Kong Branch, the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to implement the Scheme Proposal and the Preference Share Offer in accordance with its terms.

SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the authorised share capital of the Company is HK\$1,406,592,000 divided into 1,406,592,000 Shares of par value HK\$1.00 each and US\$119,994,019.20 divided into 1,172,160,000 Preference Shares of par value US\$0.10237 each, and the issued share capital of the Company is HK\$1,172,160,000 divided into 1,172,160,000 Shares and US\$119,994,019.20 divided into 1,172,160,000 Preference Shares.

As at the date of this announcement, the Offeror is interested in 879,120,000 Shares, representing 75% of the issued Shares, and the Scheme Shareholders are interested in an aggregate of 293,040,000 Shares, representing 25% of the issued Shares. The Offeror is also interested in 1,133,662,994 Preference Shares, representing approximately 96.72% of the issued Preference Shares, and the remaining 38,497,006 Preference Shares in issue, representing approximately 3.28% of the issued Preference Shares, are held by the Preference Shareholders, being parties other than the Offeror or parties acting in concert with the Offeror (save for those members of the group of companies of UBS that are conducting exempt principal trader activities or exempt fund manager activities). UBS (other than those members of the group of companies of UBS that are conducting exempt principal trader activities or exempt fund manager activities) does not hold any Shares or Preference Shares.

As at the date of this announcement, the Company does not have in issue any outstanding options, warrants, derivatives or securities convertible into Shares.

Assuming that no new Shares or Preference Shares will be issued after the date of this announcement up to the Record Time and all Preference Shareholders accept the Preference Share Offer, the Offeror will immediately after the Scheme of Arrangement becomes effective and the closing of the Preference Share Offer be interested in 1,172,160,000 Shares and 1,172,160,000 Preference Shares, representing all of the Shares and Preference Shares then in issue, respectively.

INFORMATION ON FUBON FINANCIAL

Fubon Financial is a company incorporated in Taiwan with limited liability with its shares listed on the Taiwan Stock Exchange. Fubon Financial is a leading financial holding company in Taiwan. Fubon Financial and its subsidiaries provide a comprehensive range of financial products and services, including commercial banking, life insurance, general insurance, securities trading and brokerage, investment trust and asset management and are market leaders in their respective

sectors. As at the end of September 2010, the total assets of Fubon Financial amounted to NT\$3.37 trillion, ranking second amongst Taiwan's publicly listed financial holding company. As at 30 June 2010, Fubon Financial had a network of more than 600 retail outlets and more than 30,000 employees in Taiwan.

INFORMATION ON THE COMPANY

The Company is a licensed bank incorporated in Hong Kong, the Shares of which are listed on the Hong Kong Stock Exchange. The Company is principally engaged in a wide range of financial services encompassing wealth management, consumer and wholesale banking, financial markets, securities brokerage and investment services. The Company offers banking services in Hong Kong through 24 retail distribution outlets, including 22 branches and 2 securities services centres.

FUTURE PLANS FOR FUBON BANK

It is the intention of Fubon Financial to continue the development of the core business of Fubon Bank in banking and financial services in Hong Kong after the successful privatisation of the ordinary share capital of the Company. It is also the intention of Fubon Financial to develop a better business integration between Fubon Financial and Fubon Bank so as to achieve an efficient allocation of resources and business development.

INDEPENDENT ADVICE AND SCHEME DOCUMENT

Independent board committee of the Company

An 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. As for the other non-executive Directors, (1) Mr. Ming-Hsing (Richard) Tsai is a director and Vice Chairman of the Offeror; (2) Mr. Ming-Chung (Daniel) Tsai is a director and Chairman of the Offeror; (3) Mr. Victor Kung is a director and president of the Offeror; (4) Mr. David Chang Kuo-Chun and Mr. Michael Chang Ming-Yuen are senior consultants of the Offeror. They have not been included on the independent board committee of the Company so as to avoid a conflict of interest.

An independent financial adviser will be appointed (with the approval of the independent committee of the Board) to advise the independent committee of the Board, the Minority Shareholders and the Preference Shareholders in connection with the Scheme Proposal, the Scheme of Arrangement and the Preference Share Offer. A further announcement will be made following the appointment of the independent financial adviser.

Scheme document

A 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, notices of the Court Meeting and the EGM, a form of acceptance and transfer of the Preference Shares as well as other particulars required by the Takeovers Code will be despatched to the Shareholders and the Preference Shareholders as soon as possible after publication of the Company's 2010 final results in March 2011. An application will be made to the Executive for the delay in the despatch of the scheme document and a further announcement will be made regarding the expected timetable for the Scheme Proposal and the Preference Share Offer.

SUSPENSION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Hong Kong Stock Exchange was suspended from 9:30 a.m. on 10 January 2011 pending the release of this announcement. Application has been made to the Hong Kong Stock Exchange for a resumption of trading in the Shares with effect from 9:30 a.m. on 20 January 2011.

Shareholders, Preference Shareholders and potential investors should be aware that the implementation of the Scheme Proposal and the Preference Share Offer is subject to the conditions set out below 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.

INTRODUCTION

On 10 January 2011, the Offeror requested the Board to put forward to the Scheme Shareholders the Scheme Proposal which, if implemented, will result in the Offeror owning 100% of the issued Shares of the Company. The Offeror owns 75% of the issued Shares and approximately 96.72% of the issued Preference Shares. The Scheme Proposal will be implemented by way of a scheme of arrangement under Section 166 of the Companies Ordinance. Upon the Scheme of Arrangement becoming effective, the Scheme Shares will be cancelled and the New Shares will be issued as fully paid to the Offeror. The Offeror will also make, through the Financial Adviser, a voluntary conditional cash offer to acquire all the issued Preference Shares (other than those already owned by the Offeror or parties acting in concert with it).

Following a meeting of the Board on 12 January 2011, the Board has agreed to put forward the Scheme Proposal for consideration by the Scheme Shareholders. The Company will make an application for the listing of the Shares to be withdrawn from the Hong Kong Stock Exchange in accordance with Rule 6.15 of the Hong Kong Listing Rules, with effect from the date on which the Scheme of Arrangement becomes effective.

The Preference Share Offer will be subject to and conditional upon the Scheme of Arrangement becoming effective. By accepting the Preference Share Offer, the Preference Shareholders will sell their Preference Shares to the Offeror free from all liens, claims, encumbrances and together with all rights attaching to the Preference Shares as at the date of the close of the Preference Share Offer, including the right to receive all dividends and distribution identified as payable to the Preference Shareholders on a record date to be set out in the scheme document to be despatched.

Consideration

Under the Scheme Proposal, if the Scheme of Arrangement becomes effective, the holders of the Scheme Shares will receive from the Offeror as Cancellation Consideration HK\$5.00 in cash for every Scheme Share cancelled.

The Preference Share Offer will be made on the basis of a cash price per Preference Share in US dollars which equals the sum of (i) US\$0.10237, being the par value of each Preference Share, (ii) an amount representing the accrued but unpaid dividend calculated at the fixed rate of 9 per cent. per annum as provided for in the Articles for the period from 15 December 2010 to and including the date on which the Scheme of Arrangement becomes effective, and (iii) an amount representing the future dividend calculated at the fixed rate of 9 per cent. per annum as provided for in the Articles for the period from the day after the date on which the Scheme of Arrangement becomes

effective to and including 24 December 2013, such future dividend to be discounted by applying a discount rate of 6 per cent. per annum, with the discount calculated with reference to the dividend payment schedule provided for in the Articles. Assuming that the Scheme of Arrangement becomes effective on 31 May 2011 and that no dividend has been or will be paid to Preference Shareholders from 16 December 2010 to the closing of the Preference Share Offer, the offer price per Preference Share will be US\$0.128269, representing a premium of approximately 25.3 per cent. over the par value of US\$0.10237 each of the Preference Shares. An estimated cash price per Preference Share, determined in accordance with the planned timetable for the Scheme of Arrangement and Preference Share Offer as stated in the scheme document to be despatched, will be included in such scheme document.

For the avoidance of doubt, the accrued but unpaid dividend for the period from 15 December 2010 to and including the date on which the Scheme of Arrangement becomes effective equals the dividend that Preference Shareholders are entitled to pursuant to the Articles for such dividend less any dividend paid or payable by Fubon Bank to the Preference Shareholders at any time during such period or in respect of such period.

SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the authorised share capital of the Company is HK\$1,406,592,000 divided into 1,406,592,000 Shares of par value HK\$1.00 each and US\$119,994,019.20 divided into 1,172,160,000 Preference Shares of par value US\$0.10237 each, and the issued share capital of the Company is HK\$1,172,160,000 divided into 1,172,160,000 Shares and US\$119,994,019.20 divided into 1,172,160,000 Preference Shares.

The table below sets out the shareholding structure of the Company as at the date of this announcement and immediately upon the Scheme of Arrangement becoming effective and closing of the Preference Share Offer, assuming that no other new Shares or Preference Shares will be issued prior thereto and that all holders of Preference Shares accept the Preference Share Offer:

Shareholders	As at the date of this announcement				Upon the Scheme of Arrangement becoming effective and closing of the Preference Share Offer ^(Note)			
	Number of Shares	%	Number of Preference Shares	%	Number of Shares	%	Number of Preference Shares	%
The Offeror	879,120,000	75	1,133,662,994	96.72	1,172,160,000	100	1,172,160,000	100
Other concert parties	0	0	0	0	0	0	0	0
The Offeror and parties acting in concert with it	879,120,000	75	1,133,662,994	96.72	1,172,160,000	100	1,172,160,000	100
Minority Shareholders/ Preference Shareholders	293,040,000	25	38,497,006	3.28	0	0	0	0
Total issued Shares/Preference Shares	1,172,160,000	100	1,172,160,000	100	1,172,160,000	100	1,172,160,000	100

Note: assuming that all holders of Preference shares accept the Preference Share Offer

As at the date of this announcement, the Offeror is interested in 879,120,000 Shares, representing 75% of the issued Shares. The Shares beneficially owned by the Offeror will not form part of the Scheme Shares and, as such, will not be voted at the Court Meeting. However, the Offeror has indicated that, if the Scheme of Arrangement is approved at the Court Meeting, the Offeror will vote in favour of the special resolution to be proposed at the EGM to approve and give effect to the Scheme of Arrangement, including the approval of the reduction of the issued share capital of the Company by cancelling and extinguishing the Scheme Shares and of the issue to the Offeror of such number of New Shares as is equal to the number of the Scheme Shares cancelled. Although the Shares beneficially owned by parties acting in concert with the Offeror may form part of the Scheme Shares, such Shares will not, in compliance with the Takeovers Code, be voted at the Court Meeting.

As at the date of this announcement, the Offeror is interested in 1,133,662,994 Preference Shares, representing approximately 96.72% of the issued Preference Shares. The remaining 38,497,006 Preference Shares in issue, representing approximately 3.28% of the issued Preference Shares, are held by the Preference Shareholders, being parties other than the Offeror or parties acting in concert with it (save for those members of the group of companies of UBS that are conducting exempt principal trader activities or exempt fund manager activities). UBS (other than those members of the group of companies of UBS that are conducting exempt principal trader activities or exempt fund manager activities) does not hold any Shares or Preference Shares.

As at the date of this announcement, the Company does not have in issue any outstanding options, warrants, derivatives or securities convertible into Shares or Preference Shares.

Save as aforesaid, the Offeror and any parties acting in concert with it (save for those members of the group of companies of UBS that are conducting exempt principal trader activities or exempt fund manager activities) do not hold any other Shares or Preference Shares or any options, warrants, derivatives or securities convertible into Shares or Preference Shares.

As at the date of this announcement, the Minority Shareholders are interested in an aggregate of 293,040,000 Shares, representing 25% of the issued Shares, and they will be entitled to vote at the Court Meeting. As of the date of this announcement, none of the Offeror or parties acting in concert with it has received any irrevocable voting commitment from the Minority Shareholders in respect of the Court Meeting.

As of the date of this announcement, there are no arrangements (whether by way of option, indemnity or otherwise) in relation to Shares or Preference Shares or other securities of the Offeror which might be material to the Scheme Proposal, the Scheme of Arrangement or the Preference Share Offer.

As of the date of this announcement, the Offeror and any person acting in concert with it (other than those members of the group of companies of UBS that are conducting exempt principal trader activities or exempt fund manager activities) have not borrowed or lent any relevant securities of the Company (as defined in Note 4 to Rule 22 of the Takeovers Code).

There have been no dealings in the securities of Fubon Bank by the Offeror and persons acting in concert with it (other than those members of the group of companies of UBS that are conducting exempt principal trader activities or exempt fund manager activities) during the six-month period prior to and including the date of this announcement.

CONDITIONS OF THE SCHEME PROPOSAL AND THE PREFERENCE SHARE OFFER

Scheme of Arrangement

The Scheme Proposal is subject to, and the Scheme of Arrangement will become effective and binding on the Company, the Offeror and all the Scheme Shareholders subject to the fulfilment or waiver, as applicable, of the following conditions:

- (a) the approval of the Scheme of Arrangement (by way of poll) by a majority in number of the Scheme Shareholders, representing not less than three-fourths in nominal value of the Scheme Shares, present and voting either in person or by proxy at the Court Meeting, provided that:
 - (i) the Scheme of Arrangement is approved (by way of poll) by at least 75% of the votes attaching to the Scheme Shares held by the Minority Shareholders that are cast either in person or by proxy at the Court Meeting; and
 - (ii) the number of votes cast (by way of poll) against the resolution to approve the Scheme of Arrangement at the Court Meeting is not more than 10% of the votes attaching to all the Scheme Shares held by the Minority Shareholders;
- (b) the passing of a special resolution by a majority of not less than 75% of the votes cast by the Shareholders present and voting in person or by proxy at the EGM to give effect to the Scheme of Arrangement, including the approval of the reduction of the issued share capital of the Company by cancelling and extinguishing the Scheme Shares and of the issue to the Offeror of such number of New Shares as is equal to the number of the Scheme Shares cancelled;
- (c) the sanction of the Scheme of Arrangement (with or without modifications) and the confirmation of the reduction of the issued share capital of the Company involved in the Scheme of Arrangement by the High Court and the delivery to the Registrar of Companies of a copy of the order of the High Court for registration;
- (d) the compliance with the procedural requirements of Section 61 and Section 166 of the Companies Ordinance in relation to the reduction of the issued share capital of the Company and the Scheme of Arrangement, respectively;
- (e) all necessary authorisations, consents and approvals (including approval in-principle) of any governmental or regulatory body (including the approvals from the FSC and the ROC Investment Commission of the Ministry of Economic Affairs) in relation to the Scheme Proposal (including its implementation) or the Preference Share Offer having been obtained and remaining in full force and effect pursuant to the provisions of any laws or regulations in Hong Kong, Taiwan and other relevant jurisdictions;
- (f) all necessary third party consents in relation to the Scheme Proposal or the Preference Share Offer required pursuant to any agreement to which any member of the Fubon Bank Group is a party (where any failure to obtain a consent would have a material adverse effect on the business of the Fubon Bank Group taken as a whole) having been obtained or waived by the relevant party(ies);
- (g) no relevant government, governmental, quasi-governmental, statutory or regulatory body, court or agency having granted any order or made any decision that would make the Scheme Proposal or the Preference Share Offer void, unenforceable or illegal, or restrict or prohibit the implementation of, or impose any additional material conditions or obligations with respect to, the Scheme Proposal or the Preference Share Offer (other than such orders

or decisions as would not have a material adverse effect on the legal ability of the Offeror to proceed with or consummate the Scheme Proposal or the Preference Share Offer);

- (h) all Authorisations remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with and no requirement having been imposed by any of the Relevant Authorities which is not expressly provided for, or is in addition to the requirements expressly provided for, in the relevant laws, rules, regulations or codes in connection with the Scheme Proposal or the Preference Share Offer or any matters, documents (including circulars) or things relating thereto, in each case up to and at the time when the Scheme of Arrangement becomes effective;
- (i) no event having occurred which would make the Scheme Proposal, the Preference Share Offer or the cancellation of the Scheme Shares void, unenforceable or illegal or which would prohibit the implementation of the Scheme Proposal or the Preference Share Offer or impose any additional material conditions or obligations with respect to the Scheme Proposal or the Preference Share Offer or any part thereof or on the cancellation of the Scheme Shares; and
- (j) since the date of this Announcement, there having been no material adverse change in the business, financial or trading position of the Fubon Bank Group, taken as a whole.

The Offeror reserves the right to waive all or any of the conditions (except for the conditions referred to in paragraphs (a) to (e), (g) and (i) above) in whole or in part. The Company does not have the right to waive any of the conditions. All of the above 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. If the Scheme of Arrangement is withdrawn, not approved or lapses, the listing of the Shares on the Hong Kong Stock Exchange will not be withdrawn.

As of the date of this announcement, there are no agreements or arrangements to which the Offeror is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a condition to the Scheme Proposal, the Scheme of Arrangement or the Preference Share Offer.

Preference Share Offer

The Preference Shares are not listed on any stock exchange. The Preference Share Offer will only be subject to and conditional upon the Scheme of Arrangement becoming effective. The Preference Share Offer is not conditional upon the Offeror having received any pre-determined level of acceptances in respect of the Preference Share Offer.

COMPARISON OF VALUE

The Cancellation Consideration of HK\$5.00 in cash for every Scheme Share cancelled under the Scheme of Arrangement represents:

- (i) a premium of approximately 32.3% over the closing price of HK\$3.78 per Share as quoted on the Hong Kong Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 37.7% over the average closing price of approximately HK\$3.63 per Share as quoted on the Hong Kong Stock Exchange for the 30 trading days up to and including the Last Trading Day;

- (iii) a premium of approximately 35.6% over the average closing price of approximately HK\$3.69 per Share as quoted on the Hong Kong Stock Exchange for 60 trading days up to and including the Last Trading Day;
- (iv) a premium of approximately 34.0% over the average closing price of approximately HK\$3.73 per Share as quoted on the Hong Kong Stock Exchange for the 90 trading days up to and including the Last Trading Day; and
- (v) a premium of approximately 42.0% over the unaudited consolidated net asset value (after deducting the issued share capital of Preference Shares as at 30 June 2010 of approximately HK\$925.4 million) of approximately HK\$3.52 per Share as at 30 June 2010.

The Preference Shares are not listed on any stock exchange and therefore there is no market value for the Preference Shares to compare against the offer price under the Preference Share Offer.

TOTAL CONSIDERATION AND CONFIRMATION OF FINANCIAL RESOURCES

The total consideration payable under the Scheme Proposal will be approximately HK\$1,465.2 million and assuming that (i) the Scheme of Arrangement becomes effective on 31 May 2011; (ii) all Preference Shareholders accept the Preference Share Offer; and (iii) no dividend has been or will be paid to the Preference Shareholders from 16 December 2010 to the closing of the Preference Share Offer, the total cash consideration payable under the Preference Share Offer will be approximately US\$4.9 million. Assuming that (i) the Scheme of Arrangement becomes effective on 30 September 2011; (ii) all Preference Shareholders accept the Preference Share Offer; and (iii) no dividend (other than the cumulative preferential dividend at the fixed rate of 9 per cent. per annum for the period from 15 December 2010 to 14 June 2011 as provided for in the Articles) has been or will be paid to the Preference Shareholders from 16 December 2010 to the closing of the Preference Share Offer, the total cash consideration payable under the Preference Share Offer will be approximately US\$4.8 million. The consideration payable under the Scheme Proposal and the Preference Share Offer will be funded from the internal resources of and existing credit facility available to the Offeror.

UBS AG, Hong Kong Branch, the financial advisor to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to implement the Scheme Proposal and the Preference Share Offer in accordance with their terms.

PREFERENCE SHARE OFFER

Effect of accepting the Preference Share Offer

The Preference Share Offer will only be subject to and conditional upon the Scheme of Arrangement becoming effective. By accepting the Preference Share Offer, the Preference Shareholders will sell their Preference Shares to the Offeror free from all liens, claims, encumbrances and together with all rights attaching to the Preference Shares as at the date of the close of the Preference Share Offer, including the right to receive all dividends and distributions identified as payable to the Preference Shareholders on a record date to be set out in the scheme document to be despatched.

Stamp duty

Ad valorem stamp duty of the accepting Preference Shareholders arising in connection with acceptance of the Preference Share Offer amounting to 0.1% of the amount payable in respect of the relevant acceptance or, if higher, the value of the Preference Shares as determined by the Collector of Stamp Revenue under the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong

Kong) will be borne by the Offeror. The Offeror will also bear its own portion of buyer's ad valorem stamp duty under the Preference Share Offer at the rate of 0.1% of the amount payable in respect of the relevant acceptance or, if higher, the value of the Preference Shares as determined by the Collector of Stamp Revenue under the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong) and will be responsible to account to the Stamp Office of Hong Kong for the stamp duty payable for the sale and purchase of the relevant Preference Shares pursuant to the acceptances of the Preference Share Offer.

Payment

Payment in cash in respect of acceptances of the Preference Share Offer will be made as soon as possible but in any event within 10 days of the date on which the relevant documents of title are received by the Offeror to render each such acceptance complete and valid.

REASONS FOR AND BENEFITS OF THE SCHEME PROPOSAL AND THE PREFERENCE SHARE OFFER

The Scheme Proposal will facilitate business integration between Fubon Financial and Fubon Bank and will provide Fubon Financial with greater flexibility to support the future business development of Fubon Bank. The Offeror currently holds 75% of the total issued Shares and the Listing Rules require a minimum public float of 25%. The privatisation of Fubon Bank will simplify the shareholding structure of Fubon Bank.

In addition, the listing of the Shares requires Fubon Bank to bear listing-related costs and expenses. If the privatisation and the resulting withdrawal of listing of Fubon Bank is successful, these costs and expenses can be saved.

During the six-month period preceding the Last Trading Day, the highest closing price of the Shares as quoted on the Hong Kong Stock Exchange was HK\$3.92 per Share on 17 September and 27 September 2010, and the lowest closing price of the Shares as quoted on the Hong Kong Stock Exchange was HK\$3.31 per Share on 19 July and 20 July 2010. Fubon Financial believes that the Cancellation Consideration represents a premium to the prices at which the market had valued Fubon Bank and has reflected the potential value of the development of the business of Fubon Bank in the next few years and provides an opportunity for the Shareholders to realise their investments immediately.

The Preference Share Offer will only be subject to and conditional upon the Scheme of Arrangement becoming effective. However, the Preference Share Offer is not unconditional upon the Offeror having received any pre-determined level of acceptances in respect of the Preference Share Offer.

The Preference Shareholders who do not accept the Preference Share Offer will continue to hold the Preference Shares they own and will be entitled to the rights, including the right to receive a cumulative preferential dividend at the fixed rate of 9 per cent. per annum, attached to the Preference Shares. However, if the Scheme of Arrangement becomes effective, the Offeror intends to obtain the prior consent of the HKMA and conditional upon the Company being able to redeem the Preference Shares and remain solvent immediately thereafter, the Offeror intends to procure the Company to redeem the Preference Shares on or shortly after 24 December 2013.

Accordingly, the Preference Share Offer provides an opportunity to the Preference Shareholders to exit Fubon Bank and have their investments realised immediately should they so wish, instead of waiting for Fubon Bank to redeem the Preference Shares at its discretion (subject to the prior consent of the HKMA) and by December 2013 at the earliest.

Further information about the future intention for Fubon Bank is set out in the section below headed "Future Plans for Fubon Bank".

INFORMATION ON FUBON FINANCIAL

Fubon Financial is a company incorporated in Taiwan with limited liability with its shares listed on the Taiwan Stock Exchange. Fubon Financial is a leading financial holding company in Taiwan. Fubon Financial and its subsidiaries provide a comprehensive range of financial products and services, including commercial banking, life insurance, general insurance, securities trading and brokerage, investment trust and asset management and are market leaders in their respective sectors. As at the end of September 2010, the total assets of Fubon Financial amounted to NT\$3.37 trillion, ranking second amongst Taiwan's publicly listed financial holding company. As at 30 June 2010, Fubon Financial had a network of more than 600 retail outlets and more than 30,000 employees in Taiwan.

INFORMATION ON THE COMPANY

The Company is a licensed bank incorporated in Hong Kong, the Shares of which are listed on the Hong Kong Stock Exchange. The Company is principally engaged in a wide range of financial services encompassing wealth management, consumer and wholesale banking, financial markets, securities brokerage and investment services. The Company offers banking services in Hong Kong through 24 retail distribution outlets, including 22 branches and 2 securities services centres.

A summary of the audited consolidated results of the Company for each of the two financial years ended 31 December 2008 and 2009 is set out below:

	For the year ended 31 December		(Decrease) compared to previous year
	2009	2008	
	HK\$'000	HK\$'000	%
Operating income	1,420,667	1,454,666	(2.34)
Profit before taxation	26,651	97,956	(72.79)
Profit after taxation	22,534	100,338	(77.54)
Profit attributable to Shareholders	22,995	100,896	(77.21)
Dividends ¹	35,164	87,912	(60.00)
Earnings per Share (HK cents) ²	(5.16)	8.43	Not meaningful

*Note:

1. Includes interim dividend paid during the year and final dividend proposed after the balance sheet date.

2. The earnings per share is calculated on profit attributable to shareholders of HK\$22,995,000 (2008: HK\$100,896,000) less the preference share dividend of HK\$83,517,000 (2008: HK\$2,092,000) and 1,172,160,000 (2008: 1,172,160,000) Shares in issue during the year.

The audited consolidated net assets attributable to the Shareholders were approximately HK\$4,717.9 million as at 31 December 2008 and approximately HK\$4,931.9 million as at 31 December 2009.

FUTURE PLANS FOR FUBON BANK

It is the intention of Fubon Financial to continue the development of the core business of Fubon Bank in banking and financial services in Hong Kong after the successful privatisation of the Company. It is also the intention of Fubon Financial to develop a better business integration between Fubon Financial and Fubon Bank so as to achieve an efficient allocation of resources and business development.

WITHDRAWAL OF LISTING OF THE SHARES

Upon the Scheme of Arrangement becoming effective, all Scheme Shares will be cancelled and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Company will apply to the Hong Kong Stock Exchange for the withdrawal of the listing of the Shares on the Hong Kong Stock Exchange in accordance with Rule 6.15 of the Hong Kong Listing Rules, with effect from the date on which the Scheme of Arrangement becomes effective. Subject to the requirements of the Takeovers Code, the Scheme of Arrangement will lapse if any of the conditions described in the section headed "Conditions of the Scheme Proposal and the Preference Share Offer" has not been 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). The Scheme Shareholders will be notified by way of an announcement of the dates of the last day for dealing in the Shares and on which the Scheme of Arrangement and the withdrawal of the listing of the Shares on the Hong Kong Stock Exchange will become effective. A detailed timetable of the Scheme of Arrangement and the Preference Share Offer will be included in the scheme document referred to in the section headed "Scheme document" below. The scheme document will also contain, among other things, further details of the Scheme Proposal, the Scheme of Arrangement and the Preference Share Offer.

If the Scheme of Arrangement is withdrawn or not approved or lapses, the listing of the Shares on the Hong Kong Stock Exchange will not be withdrawn.

The 2016 Notes and the 2020 Notes issued by Fubon Bank under the Euro Medium Term Note Programme, which are not convertible into Shares or Preference Shares, will remain listed on the Hong Kong Stock Exchange.

OVERSEAS 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 and Preference Shareholders wishing to accept the offers under the Scheme Proposal and/or 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.

In the event that the receipt of the scheme document by overseas Scheme Shareholders or overseas Preference Shareholders is prohibited by any relevant law or regulation or may only be effected after compliance with conditions or requirements that the directors of the Offeror regard as unduly onerous or burdensome (or otherwise not in the best interests of the Offeror or the

shareholders of the Offeror), the scheme document will not be despatched to such overseas Scheme Shareholders or overseas Preference Shareholders. For that purpose, the Offeror will apply for any waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. Any such waiver will only be granted if the Executive is satisfied that it would be unduly burdensome to despatch the scheme document to such overseas Scheme Shareholders or overseas Preference Shareholders. In granting the waiver, the Executive will be concerned to see that all material information in the scheme document is made available to such Scheme Shareholders and Preference Shareholders.

Scheme Shareholders and Preference Shareholders are recommended to consult their own professional advisors if they are in any doubt as to the taxation implications of accepting the Scheme Proposal or the Preference Share Offer (as the case may be). It is emphasised that none of the Company, the Offeror or UBS or any of their respective directors, officers or associates or any other person involved in the Scheme Proposal or the Preference Share Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Scheme Proposal or the Preference Share Offer (as the case may be).

INDEPENDENT ADVICE AND SCHEME DOCUMENT

Independent committee of the Board

An 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. As for the other non-executive Directors, (1) Mr. Ming-Hsing (Richard) Tsai is a director and Vice-Chairman of the Offeror; (2) Mr. Ming-Chung (Daniel) Tsai is a director and Chairman of the Offeror; (3) Mr. Victor Kung is a director and president of the Offeror; (4) Mr. David Chang Kuo-Chun and Mr. Michael Chang Ming-Yuen are senior consultants of the Offeror. They have not been included on the independent board committee of the Company so as to avoid a conflict of interest.

An independent financial adviser will be appointed (with the approval of the independent committee of the Board) to advise the independent committee of the Board, the Minority Shareholders and the Preference Shareholders in connection with the Scheme Proposal, the Scheme of Arrangement and the Preference Share Offer. A further announcement will be made following the appointment of the independent financial adviser.

Scheme document

A 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, notices of the Court Meeting and the EGM, a form of acceptance and transfer of the Preference Shares as well as other particulars required by the Takeovers Code will be despatched to the Shareholders as soon as possible after publication of the Company's 2010 final results in March 2011. An application will be made to the Executive for the delay in the despatch of the scheme document and a further announcement will be made regarding the expected timetable for the Scheme Proposal and the Preference Share Offer.

SUSPENSION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Hong Kong Stock Exchange was suspended from 9:30 a.m. on 10 January 2011 pending the release of this announcement. Application has been made to the Hong Kong Stock Exchange for a resumption of trading in the Shares with effect from 9:30 a.m. on 20 January 2011.

GENERAL

Fubon Financial will publish an announcement in Taiwan on 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”.

Associates (including persons who own or control 5 per cent. or more of any class of relevant securities) of the Company and the Offeror are reminded to disclose their dealings in any relevant securities in the Company.

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

“Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million. This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved. Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.

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

WARNING

Shareholders, Preference Shareholders and potential investors should be aware that the implementation of the Scheme Proposal and the Preference Share Offer is subject to the conditions set out above 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.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise .

“2016 Notes”	the US\$200,000,000 Dated Subordinated Fixed Rate Notes due 2016 issued by Fubon Bank on 25 April 2006 under its Euro Medium Term Note Programme
“2020 Notes”	the US\$200,000,000 Dated Subordinated Fixed Rate Notes due 2020 issued by Fubon Bank on 30 November 2010 under its Euro Medium Term Note Programme
“acting in concert”	has the meaning given to it in the Takeovers Code, and “parties acting in concert” and “concert parties” shall be construed accordingly
“Associate(s)”	has the meaning given to it in the Takeovers Code
“Authorisations”	all necessary authorisations, registrations, filings, rulings, consents, permissions, waivers, exemptions and approvals required from the Relevant Authorities or other third parties which are necessary for the Company to carry on its business
“Board”	the board of the directors of the Company
“Cancellation Consideration”	the consideration of HK\$5.00 in cash for every Scheme Share cancelled
“Companies Ordinance”	Companies Ordinance, Chapter 32 of the Laws of Hong Kong
“Company” or “Fubon Bank”	Fubon Bank (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability whose Shares are listed on the Hong Kong Stock Exchange (stock code: 636)
“Court Meeting”	a meeting of the Minority Shareholders to be convened at the direction of the High Court for the purpose of approving the Scheme of Arrangement
“Director(s)”	director(s) of the Company
“Effective Date”	the date on which the Scheme of Arrangement becomes effective
“EGM”	an extraordinary general meeting of the Company to be held immediately following the Court Meeting for the purpose of approving the reduction of the share capital of the Company and implementing the Scheme of Arrangement
“Euro Medium Term Note Programme”	the US\$1,000,000,000 Euro Medium Term Note Programme established by Fubon Bank on 20 March 2006 (as amended from time to time)
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Financial Adviser” or “UBS”	UBS AG, Hong Kong Branch, the financial adviser to the Offeror and a registered institution under the SFO for type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance), type 7 (providing automated trading services) and type 9 (asset management) regulated activities as defined under the SFO

“FSC”	ROC Financial Supervisory Commission
“Fubon Bank Group”	the Company and its subsidiaries
“High Court”	High Court of Hong Kong SAR
“HKMA”	the Hong Kong Monetary Authority
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Last Trading Day”	7 January 2011, being the last full trading day in the Shares immediately before the suspension of trading in the Shares pending publication of this announcement
“Minority Shareholders”	Shareholders other than the Offeror or parties acting in concert with it
“New Shares”	new Shares to be issued to the Offeror pursuant to the Scheme of Arrangement, and being the same in number as the number of the Scheme Shares
“NT\$”	New Taiwan Dollar(s), the lawful currency of Taiwan
“Offeror” or “Fubon Financial”	Fubon Financial Holding Co., Ltd., a limited company incorporated in Taiwan and the shares of which are listed on the Taiwan Stock Exchange (stock number: 2881)
“Preference Shareholders”	holders of Preference Shares other than the Offeror or parties acting in concert with it (save for those members of the group of companies of UBS that are conducting exempt principal trader activities or exempt fund manager activities)
“Preference Share Offer”	the voluntary conditional cash offer for all the issued Preference Shares (other than those already owned by the Offeror or parties acting in concert with it)
“Preference Shares”	cumulative preference shares of par value US\$0.10237 each in the capital of the Company
“Record Time”	4:00 p.m. Hong Kong time on the trading day immediately preceding the day when the Scheme of Arrangement becomes effective, being the record time for determining entitlements of the Scheme Shareholders under the Scheme of Arrangement
“Registrar of Companies”	the Registrar of Companies appointed under the Companies Ordinance
“Relevant Authorities”	applicable governments or governmental bodies, regulatory bodies, courts or institutions including but not limited to the FSC, the ROC Investment Commission of the Ministry of Economic Affairs, the SFC, the Hong Kong Stock Exchange and the Hong

	Kong Monetary Authority
“ROC”	Republic of China
“Scheme of Arrangement”	the scheme of arrangement under Section 166 of the Companies Ordinance involving the cancellation of all the Scheme Shares
“Scheme Proposal”	the proposed privatisation of the ordinary share capital of the Company by the Offeror by way of the Scheme of Arrangement
“Scheme Shareholders”	registered holders of the Scheme Shares
“Scheme Shares”	Shares in issue at the Record Time, including any Shares which may be issued by the Company following the date of this announcement other than those beneficially owned by the Offeror
“SFC”	Securities and Futures Commission
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Shareholders”	registered holders of the Shares
“Shares”	ordinary shares of HK\$1.00 each in the capital of the Company
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers (as revised from time to time)
“US\$”	United States dollar(s), the lawful currency of the United States of America

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, 19 January 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. Su-Jin Hung, Mr. Yeh-Shin Chen, Mr. Tsan-Ming Shih, Mr. Victor Kung 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 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.