

4 April 2011

To the Minority Shareholders and Preference Shareholders

Dear Sir and Madam,

**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

INTRODUCTION

We refer to the document dated 4 April 2011 jointly issued by the Company and the Offeror in relation to the Scheme Proposal and the Preference Share Offer (the “**Composite Document**”) of which this letter forms part. Terms defined in the Composite Document shall have the same meanings in this letter unless the context otherwise requires.

On 19 January 2011, the Company and the Offeror jointly announced 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).

Details of the Scheme Proposal and the Preference Share Offer are set out in the “Letter from the Board” on pages 15 to 25 of the Composite Document, and the Explanatory Statement on pages 67 to 83 of the Composite Document.

We have been appointed as members of the Independent Board Committee to consider the terms of the Scheme Proposal and to advise the Minority Shareholders as to whether, in our opinion, the terms of the Scheme Proposal are fair and reasonable so far as the Minority Shareholders are concerned and to consider the terms of the Preference Share Offer and to advise the Preference Shareholders as to whether, in our opinion, the terms of the Preference Share Offer are fair and reasonable so far as the Preference Shareholders are concerned. CLSA Equity Capital Markets Limited has been appointed as the independent financial adviser to advise the Independent Board Committee in connection with the Scheme Proposal and the Preference Share Offer.

We wish to draw your attention to (i) the letter from the Independent Financial Adviser; and (ii) the additional information set out in the appendices to the Composite Document.


RECOMMENDATIONS

Having carefully considered the terms of the Scheme Proposal and the Preference Share Offer, and having taken into account the opinion of the Independent Financial Adviser and, in particular, the factors, reasons and recommendations as set out in the letter from the Independent Financial Adviser on pages 38 to 66 of the Composite Document, we consider that the terms of the Scheme Proposal are fair and reasonable so far as the Minority Shareholders are concerned and the terms of the Preference Share Offer are fair and reasonable so far as the Preference Shareholders are concerned. Accordingly, we recommend the Minority Shareholders to vote in favour of the relevant resolutions which will be proposed at the Court Meeting and the Extraordinary General Meeting to approve and implement the Scheme of Arrangement and the Preference Shareholders to accept the Preference Share Offer.

Yours faithfully,
the Independent Board Committee

Mr. Robert James Kenrick
*Independent Non-executive
Director*

Mr. Moses Tsang
*Independent Non-executive
Director*


Mr. Hung Shih
*Independent Non-executive
Director*

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Fubon Bank

富邦銀行

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 Tel (852) 2642 8222 Fax (852) 2810 1483 Website www.fubonbank.com.hk

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