



PRESS RELEASE

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Dah Sing Financial Holdings Announces A Proposed Reorganisation and Separate Listing of its Banking Businesses

Hong Kong, 18 March 2004: Hong Kong financial services group, Dah Sing Financial Holdings (DSFH), today announced that the Stock Exchange had granted preliminary approval for DSFH to proceed with a proposed reorganisation for a separate listing for DSFH's banking businesses, and that an application for listing had been submitted earlier today.

DSFH is planning to separate its banking-related subsidiaries and insurance-related subsidiaries and consolidate all of its banking businesses and operations into a new holding company, to be called Dah Sing Banking Group (NewCo), and to list approximately 15% of NewCo's shares through a placing and IPO, assuming that it can get a waiver from the Stock Exchange from the required public float requirements.

DSFH believes that there will be a number of benefits from the transaction, namely:

- To take advantage of opportunities in Hong Kong and the PRC resulting from the improving economy and increased integration, including opportunities arising out of CEPA;
- To facilitate the banking businesses to raise additional capital for organic growth, acquire new businesses, form alliances, joint ventures and/or make investments in the banking sector in the PRC and attract and incentivise management;
- To increase the dividend payout ratio; and
- To enable DSFH to focus more on the development of the insurance business including expansion organically or through M&A, attracting and retaining management and developing new distribution channels.

In addition, as part of the proposal, DSFH will pay a special dividend in cash with a scrip alternative (relating to DSFH shares). The holders of DSFH shares in which the Chairman and largest shareholder of DSFH, Mr David S. Y. Wong, is deemed interested, currently intend to elect to receive the scrip dividend.

The proceeds of the global offering, net of DSFH's special dividend, will be divided between DSFH and NewCo with the majority of the proceeds going to NewCo.

Following the proposed reorganization and separate listing, the funds raised and the group structure will mean that there is less requirement in future to build capital reserves and this in turn will enable DSFH to increase its dividend payout ratio to between 45-50% of profit attributable to shareholders. The dividend payout ratio of NewCo is currently anticipated to be approximately 50% of profit attributable to NewCo shareholders following completion of the global offering.

Mr. David S. Y. Wong said "this is a strategic positioning for the future development of the Group's core banking and insurance businesses, which will enable us to take advantage of the improving economic conditions in Hong Kong and new opportunities in the Mainland including CEPA."

About Dah Sing Financial Holdings

The Dah Sing Financial Group (the "Group" or "Dah Sing") is a Hong Kong based financial services group



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principally engaged in providing banking, insurance and related financial services.

The Group's principal subsidiary, Dah Sing Bank Limited ("Dah Sing Bank" or the "Bank") was established in 1947 and has grown both organically and by the acquisition of two banks in Hong Kong. Dah Sing was listed in 1987, and has grown consistently as a listed company. Today, the Group has more than 40 branches which puts the Group in the top 10 banks in Hong Kong in terms of branches. The banking business comprises principally commercial, retail and private banking, and provides products and services such as trade finance, commercial lending, hire purchase and vehicle financing, equipment finance, mortgage lending, consumer finance, credit card, deposit taking, treasury and foreign exchange dealing, and investment-related services.

The Group offers both general insurance and life assurance products to its customers. The life products are marketed through agents and the branch network of the Group. The Group also has a long history of providing general insurance products in Hong Kong.

The Group reported a net profit attributable to shareholders of HK\$993 million (US\$127 million) for the year ended 31 December 2003. Consolidated total assets amounted to HK\$63.8 billion (US\$8.2 billion) at 31 December 2003.

Additional corporate information of the Group and of Dah Sing Bank can be seen from the Group's website at www.dahsing.com.