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(incorporated in Hong Kong with limited liability under the Companies Ordinance)

(Stock code: 440)

**POSSIBLE MAJOR TRANSACTION IN RELATION TO THE PROPOSED
SEPARATE LISTING OF
New Endeavour Group Limited
(proposed to be renamed Dah Sing Banking Group Limited and
which will become the holding company of Dah Sing Bank, Limited
and MEVAS Bank Limited)
ON THE MAIN BOARD OF
THE STOCK EXCHANGE OF HONG KONG LIMITED**

ANNOUNCEMENT

The Board is pleased to announce that the Stock Exchange has granted approval for the Company to proceed with the Proposed Transaction, subject to compliance with the relevant provisions of the Listing Rules, and that a formal application to the Stock Exchange for the separate listing of the Shares on the main board of the Stock Exchange was made on 18 March, 2004. Listing of the Shares is subject to, among others, the approval of the Listing Committee.

The Group's principal business operations can be categorised into two main business lines, banking and insurance. Prior to the Proposed Transaction, the Company intends to implement a group reorganisation whereby the Company will separate its banking-related subsidiaries and insurance-related subsidiaries and consolidate all of its banking business and operations into NewCo.

The Proposed Transaction may constitute a major transaction as defined under Rule 14.09 of the Listing Rules. Following the proposed reorganisation, NewCo will also be a major subsidiary (as defined in the Listing Rules) of the Company, and the Proposed Transaction will constitute a material dilution of the Company's interest, which will require approval of shareholders of the Company. A circular providing full details of the Proposed Transaction and its effect on the Company, the advice of an independent financial adviser to be appointed, and convening an extraordinary general meeting to approve the Proposed Transaction will be circulated to shareholders of the Company in due course. The Proposed Transaction will also require the consent of the Hong Kong Monetary Authority.

It is intended that an assured entitlement to the Shares will be offered to shareholders of the Company if the Board decides to proceed with the Proposed Transaction and the Offering. In addition, it is currently intended that, subject to completion of the Proposed Transaction and the Offering, shareholders of the Company will be entitled to a special dividend in cash with a scrip alternative relating to shares in the Company. The details of such entitlement and special dividend will be announced as soon as possible after their respective terms are finalised.

No final decision has yet been made as to whether and when the Proposed Transaction and Offering will be launched. There can also be no assurance that the necessary regulatory approvals, including the approval for the listing of, and permission to deal in, the Shares on the main board of the Stock Exchange by the Listing Committee, will be granted. A further announcement will be made in relation to the Proposed Transaction and the Offering by the Company if and when appropriate.

At the request of the Company, trading in the shares of the Company on the Stock Exchange was suspended with effect from 2:30 p.m. on Thursday, 18 March, 2004, pending the release of this announcement. Application has been made to the Stock Exchange for trading to resume from 9:30 a.m. on Friday, 19 March, 2004.

As the listing of the Shares pursuant to the Proposed Transaction and Offering is subject to, among others, the approval of the Listing Committee and the final decision of the Board and the shareholders of the Company, shareholders of the Company and other investors are reminded to exercise caution when dealing in the securities of the Company.

This announcement is made pursuant to paragraph 2 of the listing agreement between the Company and the Stock Exchange.

INTRODUCTION

The Board wishes to announce that a formal application was made on 18 March, 2004 to the Stock Exchange in respect of the Offering and for permission to deal in the Shares in issue and to be issued under the Offering on the main board of the Stock Exchange. The Proposed Transaction will be effected in compliance with Practice Note 15 of the Listing Rules.

BACKGROUND

NewCo is currently a wholly-owned subsidiary of the Company. The Group's principal business operations can be categorised into two main business lines, banking and insurance. Prior to the separate listing of NewCo, the Company intends to implement a group reorganisation whereby the Company will separate its banking-related subsidiaries and insurance-related subsidiaries and consolidate all of its banking business and operations under NewCo.

INFORMATION ON THE PROPOSED TRANSACTION

It is currently proposed that:

- (a) following the Offering, subject to the Listing Committee granting a waiver to NewCo from the prescribed percentage public float requirements in the Listing Rules, the percentage interest of the Company in the share capital of NewCo will be reduced from the current level of 100% to approximately 85%;
- (b) the proceeds of the Offering, net of the special dividend of the Company referred to below, will be divided between the Company and NewCo on terms yet to be decided, but with the majority of such proceeds being retained by NewCo;
- (c) the terms of the Offering will include the provision to shareholders of the Company of assured entitlements to Shares by way of preferred application on terms yet to be finalised;
- (d) subject to completion of the Proposed Transaction and the Offering, shareholders of the Company will receive a special dividend in cash with a scrip alternative relating to shares in the Company. In this regard, the Company has been informed that it is the current intention that holders of the shares of the Company in which Mr. David S.Y. Wong, the Chairman of the Company, has a deemed interest will elect to receive the scrip alternative; and
- (e) subject to completion of the Proposed Transaction and the Offering, the dividend policy of the Company will be revised, it being anticipated that 45-50% of the Company's profit attributable to shareholders will be distributed in the form of dividends each year (excluding the special dividend referred to above).

CONDITIONS

The Proposed Transaction and the Offering will be conditional on, amongst others, the following:

- (a) the Listing Committee granting approval for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Offering (including the Shares to be issued upon the exercise of any over-allotment option);
- (b) the shareholders of the Company passing an ordinary resolution at an extraordinary general meeting of the Company to approve the Proposed Transaction;
- (c) all relevant consents and approvals required for the implementation of the Proposed Transaction and the Offering being obtained in terms satisfactory to the Company including from the Hong Kong Monetary Authority; and
- (d) the obligations of the underwriters under the underwriting agreements to be entered into between, among others, NewCo and the underwriters in respect of the Offering

becoming unconditional (including, if relevant, as a result of the waiver of any condition(s) by or on behalf of the underwriters) and the underwriting agreements not being terminated in accordance with their terms or otherwise, on or before the dates and times to be specified therein.

If such conditions have not been fulfilled or waived prior to the dates and times to be specified, the Proposed Transaction and the Offering will lapse, the Stock Exchange will be notified immediately and a notice will be published by the Company and/or NewCo on the next trading day following such lapse.

BENEFITS OF THE PROPOSED TRANSACTION

The Board considers that the Proposed Transaction will be commercially beneficial for the Company for the following reasons:

- The Proposed Transaction is intended to enable the Company and NewCo to take advantage of the many new opportunities which are expected to arise as a result of the improvement in the Hong Kong economy and Hong Kong's increasing business and economic integration with the PRC, including opportunities arising out of CEPA.
- The Proposed Transaction will benefit the Company because its banking subsidiaries will be positioned better to take advantage of the opportunities that now present themselves. The Proposed Transaction is intended to facilitate NewCo and its banking subsidiaries to:
 - raise additional capital for organic growth on cost efficient terms through ready and varied access to the capital markets;
 - acquire new businesses for shares or cash;
 - form alliances and joint ventures and/or make investments in banking related businesses in the PRC under the supervision of the China Banking Regulatory Commission; and
 - attract and incentivise management.

All of these will benefit the Company and its shareholders as a result of its majority shareholding in NewCo.

- The Proposed Transaction will raise capital for each of the Company and NewCo and will facilitate future capital raising and, as a result, there will be less need to build capital out of future earnings. Accordingly, it is intended that following completion of the Proposed Transaction and the Offering, the dividend policy of the Company will be revised, and it is anticipated that between 45-50% of the profit attributable to shareholders would be distributed in the form of dividends each year (excluding the special dividend referred to above). It is also anticipated that NewCo will adopt a dividend policy whereby, barring any unforeseen events, approximately 50% of the profit attributable to NewCo shareholders would be distributed by NewCo in the form of dividends each year.

- The insurance business is likely to follow a different path and require a different approach in the future when compared to the banking business. The Company will be able to focus more on the development of the insurance business including:
 - expansion whether organic or by merger and/or acquisition;
 - attracting and retaining management and agents; and
 - developing new distribution channels.

APPROVAL REQUIRED FROM SHAREHOLDERS OF THE COMPANY

As stated above, the Proposed Transaction may constitute a major transaction as defined under Rule 14.09 of the Listing Rules. Following the proposed reorganisation, NewCo will also be a major subsidiary (as defined under paragraph 19 of the Company's Listing Agreement with the Stock Exchange) of the Company, and the Proposed Transaction will constitute a material dilution of the Company's interest under Practice Note 13 of the Listing Rules. Pursuant to Practice Note 15 of the Listing Rules, approval of the shareholders of the Company will be required in respect of the Proposed Transaction. A circular providing full details of the Proposed Transaction and its effect on the Company, the advice of an independent financial adviser to be appointed, and convening an extraordinary general meeting to approve the Proposed Transaction will be circulated to the shareholders of the Company in due course.

GENERAL

It must be noted that the Board has not yet decided to proceed with the Proposed Transaction and that the decision of the Board to proceed with the Proposed Transaction and Offering is dependent, inter alia, on market conditions during the period leading up to the proposed Offering. Further, there can be no assurance that the necessary regulatory approvals including the approval for the listing of, and permission to deal in, the Shares in issue and to be issued under the Offering on the main board of the Stock Exchange by the Listing Committee, will be granted. The Company will make a further announcement in relation to the Proposed Transaction and Offering if and when appropriate.

In connection with the Offering, the price of the Offer Shares may be stabilised in accordance with the Securities and Futures (Price Stabilising) Rules (Cap. 571W of the Laws of Hong Kong). Details of any intended stabilisation and how it will be regulated under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) will be contained in the prospectus.

As the listing of the Shares pursuant to the Proposed Transaction and Offering is subject to, among others, the approval of the Listing Committee and the final decision of the Board and shareholders of the Company, shareholders of the Company and other investors are reminded to exercise caution when dealing in the securities of the Company.

RESUMPTION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange was suspended with effect from 2:30 p.m. on Thursday, 18 March, 2004, pending the release of this announcement. Application has been made to the Stock Exchange for trading to resume from 9:30 a.m. on Friday, 19 March, 2004.

DEFINITIONS

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

“Board”	the board of directors of the Company;
“Company”	Dah Sing Financial Holdings Limited;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Committee”	the listing committee of the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“NewCo”	a company incorporated in Hong Kong on 11th March, 2004 with limited liability which is currently a wholly-owned subsidiary of the Company and the name of which is proposed to be changed to Dah Sing Banking Group Limited, and which will be the holding company of Dah Sing Bank, Limited and MEVAS Bank Limited;
“Offer Shares”	the Shares to be offered under the Offering;
“Offering”	the offer of Shares to the public in Hong Kong and placing of Shares with professional, institutional and other investors;
“PRC”	the People’s Republic of China;
“Proposed Transaction”	the separate listing of the shares in NewCo on the main board of the Stock Exchange;
“Share(s)”	ordinary share(s) in the capital of NewCo;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

By Order of the Board
Dah Sing Financial Holdings Limited
Hoi-Lun Soo
Company Secretary

Hong Kong 18 March, 2004

Please also refer to the published version of this announcement in South China Morning Post.