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 大新金融集團有限公司  
DahSingFinancialHoldingsLimited

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

(Stock Code 0440)

 大新銀行集團有限公司  
DahSingBankingGroupLimited

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

The holding company of Dah Sing Bank, Limited  
and MEVAS Bank Limited  
(Stock Code 2356)

## **DISCLOSEABLE TRANSACTION JOINT ANNOUNCEMENT**

DSFH and DSBG announce that on 3 August 2005, DSBG's wholly owned subsidiary, DSB, and BCP entered into the Share Purchase and Sale Agreement in relation to the acquisition of 100% of the issued share capital of BCM and 96% of each of the issued share capital of CSM and CSM Vida, which are incorporated in Macau and indirectly owned by BCP and are, respectively, the third largest bank (by branches) and the eight largest by total assets, the largest general insurance company and the fifth largest life assurance company (both by gross written premiums), in Macau. CSM Vida is also the second largest pension fund administrator in Macau (by assets under management). Under the Share Purchase and Sale Agreement, BCP will sell and/or procure the sale and transfer of all of the BCM Shares, CSM Shares and CSM Vida Shares to DSB. The Consideration for the Acquisition is MOP 1,719 million (HK\$1,669 million). The Acquisition constitutes a discloseable transaction under Chapter 14 of the Listing Rules for each of DSFH and DSBG. Circulars containing further information on the Acquisition will be sent to shareholders as soon as practicable.

### **INTRODUCTION**

DSFH and DSBG announce that on 3 August 2005, DSBG's wholly owned subsidiary, DSB and BCP entered into the Share Purchase and Sale Agreement in relation to the Acquisition.

# **SHARE PURCHASE AND SALE AGREEMENT**

## **Date**

3 August 2005

## **Parties**

DSB and BCP

## **Acquisition**

Under the Share Purchase and Sale Agreement, BCP will sell and/or procure the sale and transfer of all of the BCM Shares, CSM Shares and CSM Vida Shares, free from all third party interests, to DSB.

## **Consideration and payment terms**

The Consideration for the Acquisition is MOP1,719 million (HK\$1,669 million), subject to adjustment for changes in the net assets of each of BCM and CSM between 31 December 2004 and the last date of the quarter immediately preceding completion. The Consideration for the Acquisition will be payable in cash at completion. An adjustment payment based on the changes in net assets of each of BCM and CSM between 31 December 2004 and the end of the last quarter immediately preceding completion and as reviewed by the auditors of BCM and DSB, will be payable upon finalisation of the interim accounts for 2005 for each of BCM and CSM following completion. The Consideration was determined with regard to the net asset value as at 31 December 2004, and profit of BCM, CSM and CSM Vida, including the fact that the owned properties are accounted for on a depreciated cost basis, not on a market value basis, and will be financed from DSBG's internal resources. The Consideration, which the Directors consider is fair and reasonable, includes a premium over the net value of BCM, CSM and CSM Vida, which represents the goodwill attributable to the business. The goodwill will be calculated as the premium over the net asset value of BCM, CSM and CSM Vida as at the date of completion of the Acquisition and will be treated in accordance with Hong Kong accounting standards.

## **Conditions**

Completion of the Acquisition is conditional upon a number of conditions regarding regulatory approvals from (i) the Hong Kong Monetary Authority; and (ii) the Monetary Authority of Macao.

## **Completion**

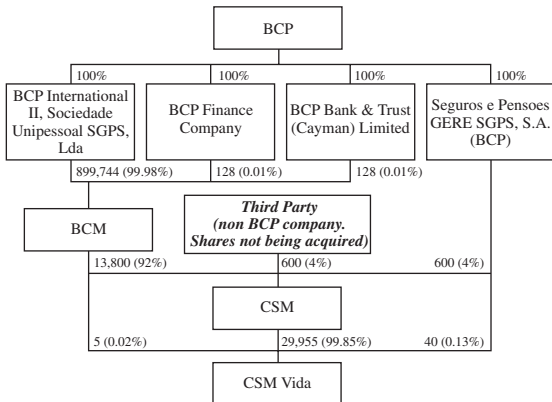
DSB will use its best endeavours to ensure satisfaction of the above conditions as soon as possible, and in any event by 2 May 2006. If the conditions have not been fulfilled by 2 May 2006, then either DSB or BCP has the right to terminate the agreement.

## **INFORMATION ON BCM, CSM AND CSM VIDA**

BCM is an indirectly wholly-owned subsidiary of BCP, and is primarily engaged in retail and commercial banking in Macau. BCM is the third largest bank in Macau by number of branches and the eighth largest by total assets. 96% of the shares in CSM are indirectly owned by BCP through its wholly-owned subsidiaries BCM and Seguros e

Pensoes GERE SGPS, S.A. 96% of CSM Vida is indirectly owned by BCP through BCM and CSM. The remaining 4% of the shares in CSM and CSM Vida are owned, directly and indirectly, respectively, by Sociedade de Turismo e Diversões de Macau, S.A., a third party independent of DSFH, DSBG and their connected persons (as defined in the Listing Rules). CSM and CSM Vida are primarily engaged in life assurance and non-life insurance, asset management, investment and pension fund management & other related activities in Macau, and are, respectively, the largest general insurance company in Macau and the fifth largest life assurance company in Macau (both by gross written premiums). CSM Vida is also the second largest pension fund administrator in Macau (by assets under management).

The BCM group structure before the Acquisition is as follows:



Based on the audited financial statements of BCM, CSM and CSM Vida for the year ended 31 December 2004, BCM, CSM and CSM Vida had shareholders' funds of MOP549.6 million, MOP69.6 million and MOP38.6 million respectively. Under BCM and CSM's current accounting policy, which follows Macao GAAP, the owned properties of each company are currently held on a depreciated cost basis, and not on a market value basis. It is estimated that the current market value of the owned properties of the BCM group is significantly higher than their stated book value.

Based on the audited financial statements of BCM, for the years ended 31 December 2003 and 2004, the net profits of BCM before taxation and extraordinary items were MOP55.8 million and MOP63.8 million respectively, and the net profits of BCM after taxation and extraordinary items for those years were MOP53.4 million and MOP63.3 million respectively.

Based on the audited financial statements of CSM, for the years ended 31 December 2003 and 2004, the net profits of CSM before taxation and extraordinary items were MOP9.9 million and MOP10.7 million respectively, and the net profits of CSM after taxation and extraordinary items for those years were MOP10.1 million and MOP10.8 million respectively.

Based on the audited financial statements of CSM Vida, for the years ended 31 December 2003 and 2004, the net profits of CSM Vida before taxation and extraordinary items were MOP2.5 million and MOP2.3 million respectively, and the net profits of CSM Vida after taxation and extraordinary items for those years were MOP2.1 million and MOP2.0 million respectively.

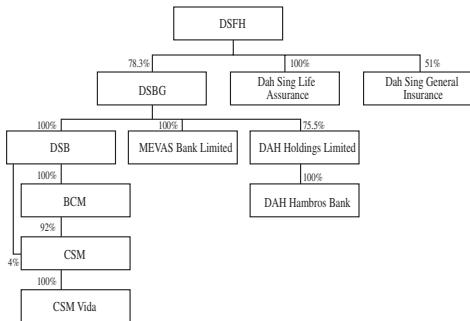
### **INFORMATION ON BCP**

BCP is a Portuguese financial services group listed on Euronext Lisbon, with total consolidated assets of approximately €72 billion (HK\$690 billion) and total shareholders' equity of approximately €3.6 billion (HK\$34 billion) as at 31 December 2004. BCP's principal activities include individual and corporate customer fund-taking, credit granting, custody of securities, treasury services, foreign-exchange transactions and money-market operations.

### **INFORMATION ON DSBG AND DSFH**

DSBG is the holding company of two banking subsidiaries (Dah Sing Bank and MEVAS Bank), and a securities trading company, as well as an offshore joint venture private banking business with SG Hambros Bank. In addition to its 78.3% interest in DSBG, DSFH is also active in the life and general insurance businesses.

The structure of the DSFH Group after the Acquisition is as follows:



## REASONS FOR THE ACQUISITION

The acquisition of BCM, CSM and CSM Vida is in line with the strategy of both DSFH and DSBG to grow our business both through organic means and through mergers and acquisitions as appropriate, and represents a continuation of the strategy of both DSFH and DSBG of investing for growth. Neither DSFH nor DSBG currently has any operations in Macau. The acquisition of BCM, CSM and CSM Vida will enable DSFH and DSBG to enter the Macau market, which is an increasingly affluent market with a growing economy, and to gain significant market share in each of the banking, general insurance and life assurance businesses. The business nature of BCM, CSM and CSM Vida is wholly in line with the business nature of DSFH and DSBG. Following the completion of the Acquisition, it is the intention of DSBG to sell and transfer the shares of CSM and CSM Vida to DSFH, which is the company holding the insurance interests of the group. The Directors believe that the terms of the transaction are fair and reasonable, and in the interests of the shareholders as a whole.

## GENERAL

The Acquisition constitutes a discloseable transaction of each of DSFH and DSBG under Chapter 14 of the Listing Rules. A circular containing further information on the Acquisition will be sent to shareholders of DSFH and DSBG as soon as practicable. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, BCM, CSM and CSM Vida and its ultimate beneficial owners are third parties independent of DSFH, DSBG and their connected persons (as defined in the Listing Rules), and are not connected persons of either DSFH or DSBG.

## DEFINITIONS

Unless the context otherwise requires, terms used in this announcement shall have the following meanings:

“Acquisition”	the acquisition by DSB of the BCM Shares, CSM Shares and CSM Vida Shares
“BCM”	Banco Comercial de Macau, S.A., a company registered with the Macau Businesses and Moveable Assets Register under number 10458(SO)
“BCM Shares”	900,000 shares, representing 100% of the share capital of BCM beneficially owned by BCP
“BCP”	Banco Comercial Português, S.A.
“Consideration”	the consideration for the Acquisition under the Share Purchase and Sale Agreement
“CSM”	Companhia de Seguros de Macau, S.A., a company registered with the Macau Businesses and Moveable Assets Register under number 1691(SO)
“CSM Shares”	600 shares representing 4% of the share capital of CSM beneficially owned by BCP
“CSM Vida”	Companhia de Seguros de Macau Vida, S.A., a company registered with the Macau Businesses and Moveable Assets Register under number 12175(SO)
“CSM Vida Shares”	means 40 shares representing 0.13% of the share capital of CSM Vida beneficially owned by BCP
“Directors”	the directors of DSFH and of DSBG
“DSB”	Dah Sing Bank, Limited, a wholly owned subsidiary of DSBG
“DSBG”	Dah Sing Banking Group Limited, a company incorporated in Hong Kong with limited liability and whose shares are listed on the Stock Exchange (Stock code: 2356)
“DSFH”	Dah Sing Financial Holdings Limited, a company incorporated in Hong Kong with limited liability and whose shares are listed on the Stock Exchange (Stock code: 0440)
“Macao or Macau”	Macau Special Administrative Region of the People’s Republic of China
“MOP”	Macao Pataca, the lawful currency of Macao
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange

**“Share Purchase and  
Sale Agreement”**

the Share Purchase and Sale Agreement in relation to the  
Acquisition signed by DSB and BCP on 3 August 2005

**“Stock Exchange”**

The Stock Exchange of Hong Kong Limited

Exchange rate as at 3 August 2005: HK\$1.00 = MOP1.03

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

By Order of the Board  
**Dah Sing Banking Group Limited**  
**Hoi-Lun Soo (Helen Soo)**  
*Company Secretary*

Hong Kong, 3 August 2005

*As at the date of this announcement, the Executive Directors of DSFH are Messrs David Shou-Yeh Wong, Hon-Hing Wong (Derek Wong), Roderick S. Anderson, Gary Pak-Ling Wang and Nicholas J. Mayhew. The Independent Non-Executive Directors are Messrs Peter G. Birch, Robert Tsai-To Sze, Tai-Lun Sun (Dennis Sun), Kwok-Hung Yue (Justin Yue). The Non-Executive Directors are Messrs Chung-Kai Chow, Kumio Suzuki (with Toshifumi Kato as alternate), Sohei Sasaki, Kosuke Furukawa, John Wai-Wai Chow and Yiu-Ming Ng.*

*As at the date of this announcement, the Executive Directors of DSBG are Messrs David Shou-Yeh Wong, Hon-Hing Wong (Derek Wong), Gary Pak-Ling Wang, Lung-Man Chiu (John Chiu), Harold Tsu-Hing Wong and Dennis Tat-Wang Yau. The Independent Non-executive Directors are Messrs John William Simpson, David Richard Hinde, Robert Tsai-To Sze and Andrew Kwan-Yuen Leung. The Non-executive Director is Mr. Takashi Muraoka.*

Please also refer to the published version of this announcement in The Standard.