



The holding company of Dah Sing Bank, Limited and MEVAS Bank Limited

Dah Sing Banking Group Limited Announces Proposed Listing Plan on the Main Board of the Stock Exchange of Hong Kong

(17 June 2004 – HONG KONG) **Dah Sing Banking Group Limited** (“DSBG” or “the Group”, stock code: 2356), a subsidiary of Dah Sing Financial Holdings, Limited (“DSFH”, stock code: 440), announced today its proposed listing plan on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) by way of a global offering (“Global Offering”) comprising an international placing (the “International Placing”) and a public offer in Hong Kong (the “Public Offer”).

The Global Offering consists of a total of 182,000,000 shares (the “Shares”), of which 100,100,000 Shares are new shares and 81,900,000 are existing Shares. Of these, 136,500,000 Shares (75% of the total offering), will be available for purchase by professional investors through the International Placing, 27,300,000 Shares (15% of the total offering) are reserved by way of a preferential offer for the existing shareholders of DSFH, and the remaining 18,200,000 Shares (10% of the total offering) will be available for purchase by the public in Hong Kong. The offer price per Share will not be more than HK\$13.86 per Share and is currently expected not to be less than HK\$12.66 per Share. The Public Offer will open on Friday, 18 June 2004, and will close at noon on Thursday, 24 June 2004. Dealings in the Shares on the Stock Exchange are expected to commence on Wednesday, 30 June 2004.

The Hongkong and Shanghai Banking Corporation Limited (“HSBC”) is the Global Coordinator and Sponsor, and HSBC and CLSA Limited are the Joint Bookrunners and Joint Lead Managers of the Global Offering.

DSBG is a subsidiary of DSFH and operates the Group’s banking business through its subsidiaries with banking licences, Dah Sing Bank, Limited, MEVAS Bank Limited and D.A.H. Hambros Bank Limited. DSBG’s operations comprise three main lines of business carried out through its banking subsidiaries: personal banking, commercial banking and treasury.

Mr. Nicholas Mayhew, General Manager of Dah Sing group, said, “Over the last five years, DSBG, through its banking subsidiaries, has consistently outperformed the average of all retail banks in Hong Kong in terms of return on average assets, net interest margin, non-performing loan ratio and return on shareholders’ funds. This demonstrates how our experienced and seasoned management team has been able to identify and execute opportunities to expand into new business areas or grow existing businesses leading the bank to flourish.”

With a history of over 50 years in the banking business, Dah Sing has built up a well-known brand name and developed a broad customer base of over 700,000 customers. Currently, DSBG has 44 branches in Hong Kong and has recently opened its first Mainland China branch in Shenzhen.

Mr. David Shou-Yeh Wong, Chairman of DSBG said, “DSBG offers a wide range of innovative personal banking services integrated with the needs and aspirations of our

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customers. On the commercial banking side, we enjoy long-standing commercial banking relationships, particularly in the SME sector. In addition, DSBG has a treasury management infrastructure which has enabled the Group to take advantage of the high degree of liquidity in the Hong Kong market, strengthening the Group's business model."

Looking ahead, Mr. Wong said, "Our strategy is to deliver value to our shareholders and customers through organic growth, as well as to seek opportunities for expansion through investments and other corporate moves, including mergers and acquisitions where they fit our strict investment strategy. We will continue to grow our customer base and develop our businesses through selling a more diverse range of products to our customers. Moreover, the Group will continue its efforts to identify new business areas with attractive risk-return characteristics, such as our recent initiatives in wealth management and increased investments in debt securities in the wholesale banking market. In terms of market reach, DSBG sees the tremendous opportunities offered by Hong Kong's increasing integration with Mainland China. As such, we have recently opened our first Mainland China branch in Shenzhen."

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At a Glance Factsheet

Size of Global Offering	HK\$2,304,120,000 (based on the minimum Offer Price of HK\$12.66) HK\$2,522,520,000 (based on the maximum Offer Price of HK\$13.86)
Offer structure	182,000,000 shares - 75% for International Placing - 15% for preferential offer to existing DSFH shareholders - 10% for Public Offer in Hong Kong (subject to adjustment)
Issue price	HK\$12.66 per share (minimum Offer Price) HK\$13.86 per share (maximum Offer Price)
Market capitalisation	HK\$11,521 million (based on the minimum Offer Price of HK\$12.66 per Share) HK\$12,613 million (based on the maximum Offer Price of HK\$13.86 per Share)
Adjusted net tangible assets per Share	HK\$7.58 (based on the minimum Offer Price of HK\$12.66 per Share) HK\$7.71 (based on the maximum Offer Price of HK\$13.86 per Share)

	2001	2002	2003
Key Financial Figures	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Net interest income	1,698,989	1,828,995	1,683,381
Other operating income	443,711	550,082	534,254
Profit on ordinary activities	989,310	853,729	1,007,356
Profit attributable to Shareholders	850,708	776,333	879,826

Use of Net Proceeds

The net proceeds (after deduction of underwriting fees and estimated expenses in relation to the Global Offering and assuming the Over-allotment Option is not exercised) based on the Offer Price of HK\$13.26 per share, being the midpoint of the stated Offer Price range of HK\$12.66 to HK\$13.86 per Share, are estimated to be approximately HK\$2,318 million, with HK\$1,275 million from the issue of new Shares and HK\$1,043 million from the offer of existing Shares.

The net proceeds raised from the issue of new Shares will form part of the assets of the Group and will, together with its other assets, be deployed in its existing banking businesses in accordance with the Group's "Future Plans and Strategy" as outlined below. Whilst the Group intends to grow in the future by expanding in Mainland China and seeking opportunities to expand through mergers and/or acquisitions in Hong Kong or investments, joint-ventures and/or alliances in Mainland China, pending the identification of any specific opportunity in this regard, none of the proceeds of the Global Offering have been earmarked for such use.

Future Plans and Strategy:

Opportunities for Growth

- *To grow organically with a particular focus on:*
 - increasing its customer base
 - selling more products and services to its existing customers
 - identifying new business areas with attractive risk-return characteristics
 - diversifying its business so as not to be overly dependent on any single business area
 - expanding in Mainland China
- *To seek opportunities to expand through:*
 - mergers and/or acquisitions in Hong Kong
 - investments, joint ventures and/or alliances in Mainland China

Financial Discipline and Risk Management

- *The Group aims to grow in an efficient and disciplined manner through:*
 - the expansion of those areas of business that provide attractive returns within the risk levels, which are acceptable to the management and the Board;

- a continued focus on risk management, ensuring that appropriate risk management systems and controls are in place for existing and new business areas and that such systems and controls are effective; and
- a continued focus on cost control and efficiency improvements, in particular through close attention to detail regarding costs and the benefits of economies of scale as the Group's businesses grow