

PRESS RELEASE

3 August 2005

DAH SING GROUP ANNOUNCES THE ACQUISITION OF BANCO COMERCIAL DE MACAU AND ITS INSURANCE SUBSIDIARIES

The Dah Sing Group, through Dah Sing Bank, has agreed to acquire 100% of Banco Comercial de Macau (“BCM”) and 96% equity interests in BCM’s general and life insurance subsidiaries, Companhia de Seguros de Macau (“CSM”) and Companhia de Seguros de Macau Vida (“CSM Vida”) respectively, from Banco Comercial Português (“BCP”), for a total consideration of MOP1,719 million (approximately HK\$1,669 million). It is expected that the acquisition will be completed by the end of the year, subject to the satisfaction of a number of customary closing conditions, including regulatory approvals from both Hong Kong and Macau authorities.

INFORMATION ON BCM, CSM AND CSM VIDA

BCM is primarily engaged in retail and commercial banking in Macau. Established in 1974, BCM, as the third largest bank in Macau by number of branches and the eighth largest by total assets, offers a diversified range of product and services. With its strong market presence and retail-focused strategy, BCM is well positioned to capitalize on Macau’s dynamic growth potential.

BCM has also established a strong bancassurance business in Macau through its insurance subsidiaries, CSM and CSM Vida (92% of the share capital of both insurance subsidiaries are owned by BCM). CSM is the largest general insurance company in Macau. CSM Vida is the fifth largest life assurance company, on the basis of gross written premiums, and is also the second largest pension fund administrator, by assets under management, in Macau.

The table below sets out the net asset value, net profit before taxation and net profit after taxation for each of BCM, CSM and CSM Vida based on the audited financial statements for each company for the fiscal years ended 31 December 2003 and 31 December 2004:

<i>(MOP millions, on 100% basis)</i>	BCM		CSM		CSM Vida	
	2003	2004	2003	2004	2003	2004
Net Asset Value	560.8	549.6	67.9	69.6	36.7	38.6
Net Profit before Taxation	55.8	63.8	9.9	10.7	2.5	2.3
Net Profit after Taxation	53.4	63.3	10.1	10.8	2.1	2.0

INFORMATION ON DAH SING

The Dah Sing Group is a leading financial services group in Hong Kong active in the banking and insurance markets. The Dah Sing Group consists of two listed companies, Dah Sing Financial Holdings (“DSFH”) and Dah Sing Banking Group (“DSBG”). The Dah Sing Group has gained a reputation as one of the most progressive and innovative financial services groups in the Hong Kong market, and in 2004, the Group opened its first Mainland branch in Shenzhen.

In addition to being the majority shareholder of DSBG, DSFH is also active in the life and general insurance sectors. DSBG has two Hong Kong 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.

REASONS FOR THE ACQUISITION

The acquisition of BCM, CSM and CSM Vida is in line with the strategy of DSFH and DSBG of achieving growth through both organic means and through mergers and acquisitions as appropriate.

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. As a result of the acquisition, DSFH and DSBG will be better positioned to take advantage of the growth in the Macau economy, as well as the closer integration between Hong Kong, Macau and the Western Pearl River Delta.

The Directors believe that the terms of the acquisition are fair and reasonable and are in the interests of the shareholders as a whole. The total consideration was arrived at with regard to the net asset value and underlying profitability of BCM, CSM and CSM Vida, factoring in that the owned properties of the BCM group are accounted for on a depreciated cost basis, and that the acquisition will be financed from Dah Sing Group’s internal resources. It is estimated that the current market value of the owned properties of the BCM group is significantly higher than their stated net book value.

Mr. David Shou-Yeh Wong, Chairman of Dah Sing said, "We are very pleased with the acquisition of BCM and its insurance subsidiaries. This reflects our commitment to invest where the opportunity is clear and strategically important so as to position our group for future growth in an increasingly affluent market with a growing economy. This is an important step for the Dah Sing Group in the long term as we build a broader Pan Pearl River Delta presence."

Mr. Derek Wong, Chief Executive of Dah Sing said, “On a standalone basis, the BCM Group offers an attractive mix of existing market presence and growth potential with business lines that are entirely complementary to the Dah Sing Group. The acquisition of the BCM Group, and BCM joining the Dah Sing Group is in line with our growth strategy to benefit from further integration of Hong Kong, Macau and the Western Pearl River Delta, and is of strategic importance to our Group.”

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