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

(Stock Code: 0440)

CONNECTED TRANSACTION
ISSUE OF NEW SHARES TO CONNECTED PERSON

THE SUBSCRIPTION

The Company announces that on 25 March 2008 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber pursuant to which the Subscriber agreed to subscribe for and the Company agreed to issue and allot 8,461,376 Subscription Shares at the Subscription Price of HK\$55.75 per Share, subject to adjustment as set out below.

The Subscription Shares represent approximately 3.38% of the existing issued share capital of the Company and approximately 3.27% of the issued share capital of the Company as enlarged by the Subscription. The Subscription Price of HK\$55.75 per Share, subject to adjustment as set out below, was arrived at after arm's length negotiation between the Company and the Subscriber, with reference to the market conditions and taking into account the recent trading price of the Shares. The entire net proceeds from the Subscription amounts to approximately HK\$471.72 million, subject to adjustment as set out below and will be used for general working capital purposes.

An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in the Subscription Shares to be issued pursuant to the Subscription.

As of the date of this announcement, the Subscriber is a substantial shareholder of the Company and is therefore a connected person of the Company. Accordingly, the Subscription constitutes a connected transaction of the Company and is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

To the best of the knowledge, information and belief of the directors of the Company, having made all reasonable enquiries, apart from the Subscriber and its associates, no other shareholder of the Company will be required to abstain from voting on the resolutions to approve the Subscription at the EGM.

MOU IN RELATION TO PROPOSED BUSINESS COOPERATION AGREEMENT

The directors of the Company are pleased to announce that on 25 March 2008, the Company, DSBG and the Subscriber entered into the MOU, and that the parties have agreed to commence negotiations along the principles set out in the MOU in respect of a number of strategic and business cooperation opportunities between the parties with a view to entering into of a business cooperation agreement.

The MOU does not create any legal commitment on any party to enter into a business cooperation agreement. However, the MOU constitutes the legally binding obligation on the parties (i) in respect of the exclusivity provisions as stated in the paragraph “Exclusivity” below and (ii) as to confidentiality after termination of the MOU.

The terms set out in the MOU are not definitive and are subject to further negotiations between the parties.

The directors of the Company wish to emphasise that since the MOU is not legally binding (save as described above) and the transactions contemplated under the MOU (including the entering into of a business cooperation agreement) may or may not proceed, investors and shareholders of the Company are urged to exercise caution when dealing in the Company’s shares. The Company will make further announcement(s) containing details of the MOU in accordance with all applicable requirements of the Listing Rules as and when appropriate to keep shareholders of the Company informed.

GENERAL

An Independent Board Committee has been formed to advise the independent shareholders of the Company in respect of the Subscription. An independent financial adviser to advise the Independent Board Committee and the independent shareholders of the Company in respect of the Subscription shall be appointed in this regard. Further announcement will be made as soon as the independent financial adviser has been appointed.

A circular containing, among other things, details of the Subscription, a letter from the independent financial adviser, a letter from the Independent Board Committee, and a notice to convene the EGM will be despatched to the shareholders of the Company as soon as practicable.

THE SUBSCRIPTION

Subscriber:	The Subscriber
Issuer:	The Company
Date of Subscription Agreement:	25 March 2008
Subscription Shares:	The Company has agreed to allot and issue to the Subscriber, and the Subscriber has agreed, conditionally as referred to below, to subscribe for the Subscription Shares. There are no restrictions on the subsequent sale of the Subscription Shares upon completion of the Subscription.

The Subscription Shares represent approximately 3.38% of the existing issued share capital of the Company and approximately 3.27% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares.

Subscription Price:

HK\$55.75 per Share (which shall be reduced by the Final Dividends if the Final Dividends are not paid to the Subscriber in respect of the Subscription Shares pursuant to the terms of the Subscription Agreement), determined based on arm's length negotiations between the Company and the Subscriber with reference to the market conditions and taking into account the recent trading price of the Shares, which represents:

- (i) a premium of approximately 13.4% to the closing price of HK\$49.15 per Share as quoted on the Stock Exchange on 25 March 2008 (being the date on which the Subscription Agreement was entered into);
- (ii) a premium of approximately 11.8% to the average closing price of HK\$49.85 per Share as quoted on the Stock Exchange over the last five consecutive trading days up to and including 25 March 2008; and
- (iii) a premium of approximately 9.9% of the average closing price of HK\$50.72 per Share as quoted on the Stock Exchange over the last ten consecutive trading days up to and including 25 March 2008.

The Subscription Monies for the Subscription Shares is approximately HK\$471.72 million. The Subscription Price of HK\$55.75 has been agreed on the basis that the Subscription Shares, when issued and fully paid, shall be entitled to the Final Dividends in respect of the Subscription Shares; however, if the Final Dividends are not paid to the Subscriber in respect of the Subscription Shares, the Subscription Price shall be reduced by an amount equal to the Final Dividends per Share and the Subscription Monies shall be reduced accordingly.

Specific mandate to issue
the Subscription Shares:

The Subscription Shares will be issued under a specific mandate to be sought at the EGM. The specific mandate, if approved, will be valid until the completion of the Subscription or termination of the Subscription Agreement.

Ranking: The Subscription Shares, when fully paid, will rank pari passu in all respects with the existing Shares in issue as at the date of allotment including the rights to all dividends and other distributions declared, made or paid at anytime after the date of allotment, including the right to the Final Dividends.

Conditions: The Subscription is conditional upon:

- (i) the passing of the resolution(s) by the shareholders of the Company at the extraordinary general meeting of the Company to approve the Subscription Agreement, the specific mandate in respect of the issue and allotment of the Subscription Shares to be issued pursuant to the Subscription Agreement and the transactions contemplated under the Subscription Agreement in accordance with the Listing Rules; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares, and such permission and listing not being subsequently revoked.

If the conditions set out above are not fulfilled on or prior to the Long Stop Date, the Subscription Agreement shall terminate and neither the Company nor the Subscriber shall have any claim against the other for costs, damages, compensation or otherwise save for any claim arising from an antecedent breach of any provision of the Subscription Agreement.

Completion of the Subscription: The Subscription Agreement is expected to be completed on the third Business Day after the date upon which the conditions to be satisfied pursuant to the Subscription Agreement shall have been so satisfied (or such other date as agreed by the parties).

Application for listing: Application will be made to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the Subscription Shares.

EFFECT ON SHAREHOLDING

The following table summarises the effects on the shareholding structure of the Company pursuant to the Subscription:

Name of Shareholder	As at date of this announcement		Immediately after completion of the Subscription <i>(Note)</i>	
	No. of Shares	% of issued share capital of the Company (%)	No. of Shares	% of enlarged issued share capital of the Company (%)
Subscriber	30,321,066	12.12	38,782,442	15.0
David Shou-Yeh Wong and his associates	98,258,268	39.29	98,258,268	38.0
Public	121,508,900	48.59	121,508,900	47.00
Total	250,088,234	100.00	258,549,610	100.00

(Note)

The figures assume that other than the Subscription Shares, no Shares are issued (including issue of Shares pursuant to the exercise of the options under the Share Option Scheme or pursuant to the scrip dividend) or purchased by the Company on or after the date of this announcement up to the date of completion of the Subscription.

MOU IN RELATION TO PROPOSED BUSINESS COOPERATION AGREEMENT

The directors of the Company are pleased to announce that on 25 March 2008, the Company, DSBG and the Subscriber entered into the MOU, and that the parties have agreed to commence negotiations along the principles set out in the MOU in respect of a number of strategic and business cooperation opportunities between the parties with a view to entering into of a business cooperation agreement.

Certain key terms of the MOU

Parties:	Subscriber The Company DSBG
Scope of business cooperation:	Among other things, the MOU sets out the principal areas of business cooperation to be covered in the proposed business cooperation agreement, including certain commercial banking, retail banking and treasury services.

Exclusivity:	Subject to termination of the MOU, each party agrees that it shall not, without the prior written consent of the other parties, engage in any discussion or negotiation in relation to certain strategic and business cooperation opportunities in Hong Kong and/or Macau with any other third party bank or financial services company (other than each party's own affiliated companies) as set out in the MOU for a period of six months from the date of the MOU.
Conditions:	The implementation of a business cooperation agreement shall be subject to any necessary regulatory approvals for each party.
Termination:	The MOU will terminate on 25 September 2008, or such later date as to be agreed between the parties.
Non binding effect:	The MOU does not create any legal commitment on any party to enter into a business cooperation agreement. However, the MOU constitutes the legally binding obligation on the parties (i) in respect of the exclusivity provisions as stated in the paragraph "Exclusivity" above and (ii) as to confidentiality after termination of the MOU.

The terms set out in the MOU are not definitive and are subject to further negotiations between the parties.

The directors of the Company wish to emphasise that since the MOU is not legally binding (save as described above) and the transactions contemplated under the MOU (including the entering into of a business cooperation agreement) may or may not proceed, investors and shareholders of the Company are urged to exercise caution when dealing in the Company's shares. The Company will make further announcement(s) containing details of the MOU in accordance with all applicable requirements of the Listing Rules as and when appropriate to keep shareholders of the Company informed.

INFORMATION ON THE COMPANY AND THE SUBSCRIBER

The Company is a company listed on the Stock Exchange. The Company and its subsidiaries provide banking, insurance, financial and other related services in Hong Kong, Macau and the People's Republic of China. DSBG is a company listed on the Stock Exchange. DSBG is the holding company of three banking subsidiaries, Dah Sing, Bank, Limited, Banco Comercial de Macau, S.A. and MEVAS Bank Limited, a securities trading company, as well as an offshore joint venture banking business with SG Hambros Bank.

The Subscriber is a wholly owned subsidiary of Mitsubishi UFJ Financial Group, Inc., whose shares are listed on the Tokyo Stock Exchange, and is the largest financial group in Japan. The Subscriber is a global financial institution headquartered in Japan with an extensive network around the world. In Hong Kong, it has two branches and two sub-branches providing banking services to its corporate customers. As of the date of this announcement, the Subscriber is a substantial shareholder of the Company and holds approximately 12.1% of the issued share capital of the Company.

FUND RAISING BY THE COMPANY IN THE PAST 12 MONTHS

The Company has not raised any funds on any issue of equity securities in the 12 months preceding the date of this announcement.

REASONS FOR AND BENEFIT OF THE SUBSCRIPTION AND USE OF PROCEEDS

The Subscriber has been a long-term strategic shareholder in the Company and wishes to increase its shareholding to, among other things, foster closer business cooperation with the Company and enter into a business cooperation agreement. The Company and the Subscriber believe that there are opportunities to work together in such areas as commercial banking, retail banking and treasury services that would be mutually beneficial and that the increased shareholding will strengthen the relationship between the Company and the Subscriber. Moreover, the net proceeds from the Subscription will enable the Company to add to the surplus capital resources.

The directors (excluding the independent non-executive directors whose views will be disclosed in the circular to be despatched) of the Company are of the view that the Subscription is fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole.

The entire net proceeds from the Subscription amounts to approximately HK\$471.72 million (if the Subscriber is paid the Final Dividends pursuant to the terms of the Subscription Agreement) or approximately HK\$465.38 million (if the Subscriber is not paid the Final Dividends pursuant to the terms of the Subscription Agreement) and will be used for general working capital purposes.

LISTING RULES IMPLICATIONS

As of the date of this announcement, the Subscriber is a substantial shareholder of the Company and is therefore a connected person of the Company. Accordingly, the Subscription Agreement constitutes a connected transaction of the Company and is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The entering into of a business cooperation agreement shall constitute a connected transaction of the Company. The Company shall comply with all applicable requirements of the Listing Rules as and when appropriate.

To the best of the knowledge, information and belief of the directors of the Company, having made all reasonable enquiries, apart from the Subscriber and its associates, no other shareholder of the Company will be required to abstain from voting on the resolution to approve the Subscription at the EGM.

GENERAL

An Independent Board Committee has been formed to advise the independent shareholders of the Company in respect of the Subscription. An independent financial adviser to advise the Independent Board Committee and the independent shareholders of the Company in respect of the Subscription shall be appointed in this regard. Further announcement will be made as soon as the independent financial adviser has been appointed.

A circular containing, among other things, details of the Subscription, a letter from the independent financial adviser, a letter from the Independent Board Committee, and a notice to convene the EGM will be despatched to the shareholders of the Company as soon as practicable.

DEFINITIONS

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

“associate”	has the meaning given to it under the Listing Rules;
“Companies Ordinance”	the Companies Ordinance (Cap. 32 of the Laws of Hong Kong), as amended from time to time;
“Company”	Dah Sing Financial Holdings Limited, a company incorporated in Hong Kong with limited liability under the Companies Ordinance, the ordinary shares of which are listed on the Stock Exchange (Stock Code: 0440);
“connected person”	has the meaning given to it under the Listing Rules;
“DSBG”	Dah Sing Banking Group Limited, a company incorporated in Hong Kong with limited liability under the Companies Ordinance, the ordinary shares of which are listed on the Stock Exchange (Stock Code: 2356);
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve, among other things, the Subscription Agreement and the transactions contemplated thereunder;
“Final Dividends”	the proposed final dividend of HK\$0.75 per Share in respect of the financial year ended 31 December 2007 declared and to be paid by the Company in the form of cash or scrip dividend at the option of the shareholders of the Company, subject to shareholders’ approval at the forthcoming annual general meeting of the Company;
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Independent Board Committee”	the committee of independent non-executive directors of the Company formed to advise the independent shareholders of the Company in respect of the terms of the Subscription;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange from time to time;
“Long Stop Date”	25 June 2008, or such later date as may be agreed between the Company and the Subscriber;

“Macau”	Macau Special Administrative Region of the People’s Republic of China;
“MOU”	the memorandum of understanding dated 25 March 2008 entered into between the Company, DSBG and the Subscriber in relation to certain strategic cooperation between the parties;
“Share(s)”	ordinary share(s) of HK\$2.00 each in the capital of the Company;
“Share Option Scheme”	the share option scheme adopted by the Company on 28 April 2005;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscriber”	The Bank of Tokyo-Mitsubishi UFJ, Ltd., a company incorporated under the laws of Japan with limited liability;
“Subscription”	the conditional subscription of the Subscription Shares by the Subscriber on and subject to the terms and conditions set out in Subscription Agreement;
“Subscription Agreement”	the subscription agreement entered into between the Company and the Subscriber dated 25 March 2008 in relation to the Subscription;
“Subscription Monies”	the cash amount of HK\$471.72 million, being the Subscription Price multiplied by the number of Subscription Shares, subject to such adjustment as set out above;
“Subscription Price”	price payable for the Subscription Shares in respect of the Subscription which shall be HK\$55.75 per Subscription Share, subject to adjustment as set out above; and
“Subscription Shares”	8,461,376 new Shares available for the Subscription at the Subscription Price.

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

Hong Kong, 25 March 2008

As at the date of this announcement, the directors of the Company comprises David Shou-Yeh Wong (Chairman), Hon-Hing Wong (Derek Wong) (Managing Director and Chief Executive), Roderick Stuart Anderson, Gary Pak-Ling Wang and Nicholas John Mayhew as Executive Directors; Chung-Kai Chow, Kunio Suzuki (Kenichi Yonetani as alternate), Tatsuo Tanaka (Keisuke Tahara as alternate), Eiichi Yoshikawa, John Wai-Wai Chow and Yiu-Ming Ng as Non-executive Directors; Peter Gibbs Birch, Robert Tsai-To Sze, Dr. Tai-Lun Sun (Dennis Sun), and Kwok-Hung Yue (Justin Yue) as Independent Non-executive Directors.