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*(incorporated in Hong Kong with limited liability  
under the Companies Ordinance)*  
(Stock Code 0440)



*(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 AND RESUMPTION OF TRADING**

DSFH and DSBG announce that on 27 June 2005, DSBG's wholly owned subsidiary, DSB, and the Vendors entered into the Share Purchase Agreement in relation to the acquisition of the consumer and SME finance company, PFHK, a company jointly owned by each of the Vendors. Under the Share Purchase Agreement, the Vendors will sell and transfer all the issued shares of PFHK to DSB. The Consideration for the Acquisition is HK\$936 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. At the request of DSFH and DSBG, trading in their shares on the Stock Exchange were suspended with effect from 9:30 a.m. on 28 June 2005 pending for the release of this announcement. Trading in the shares of DSFH and DSBG will resume with effect from 9:30 a.m. on 29 June 2005.

#### **INTRODUCTION**

DSFH and DSBG announce that on 27 June 2005, DSBG's wholly owned subsidiary, DSB and the Vendors entered into the Share Purchase Agreement in relation to the Acquisition.

#### **SHARE PURCHASE AGREEMENT**

##### **Date**

27 June 2005

##### **Parties**

DSB and the Vendors

##### **Acquisition**

Under the Share Purchase Agreement, the Vendors will sell and transfer all the issued shares of PFHK, free from all third party interests, to DSB.

##### **Consideration and Payment Terms**

The Consideration for the Acquisition is HK\$936.0 million, payable in cash at completion. A deposit of HK\$46.8 million will be paid by DSB within seven business days after the signing of the Share Purchase Agreement, and the balance of HK\$889.2 million is payable on completion. The Consideration was determined with regard to the net asset value and profit of PFHK, 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 asset value of PFHK, which represents the goodwill attributable to the business.

##### **Conditions**

Completion of the Acquisition is conditional upon a number of conditions regarding regulatory approvals from the Hong Kong Monetary Authority, which may not be waived.

##### **Completion**

DSB and the Vendors will use their best endeavours to ensure satisfaction of the above conditions as soon as possible, and in any event by 27 October 2005. If the conditions have not been fulfilled by 27 October 2005, then either DSB or the Vendors have the right to terminate the Share Purchase Agreement.

## **INFORMATION ON PFHK**

PFHK is primarily engaged in consumer and SME finance activities in Hong Kong in relation to vehicle finance, equipment finance, property finance and unsecured loans, and is owned as to 50% by Jardine Matheson and 50% by JPMIF. PFHK was incorporated in November 1994, and has developed a balanced business, with each of the four business areas shown above contributing between 22% and 31% of operating income for the year ended 31 December 2004.

Based on the audited financial statement of PFHK for the years ended 31 December 2003 and 2004, the shareholders' funds of PFHK were HK\$503.8 million and HK\$531.8 million respectively, the net profits of PFHK before taxation and extraordinary items were HK\$28.1 million and HK\$81.9 million respectively, and the net profits of PFHK after taxation and extraordinary items for those years were HK\$24.3 million and HK\$68.0 million respectively.

## **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 interest in DSBG, DSFH is also active in the life and general insurance businesses.

## **REASONS FOR THE ACQUISITION**

The acquisition of PFHK 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. The acquisition of PFHK broadens our existing vehicle finance, equipment finance, property finance and unsecured loan businesses, and, we believe, will help us achieve additional scale in those business areas. 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, PFHK 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.

## **SUSPENSION AND RESUMPTION OF TRADING**

At the request of DSFH and DSBG, trading in their shares on the Stock Exchange were suspended with effect from 9:30 a.m. on 28 June 2005 pending for the release of this announcement. Trading in the shares of DSFH and DSBG will resume with effect from 9:30 a.m. on 29 June 2005.

## **DEFINITIONS**

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

|                            |  |
|----------------------------|--|
| “Acquisition”              | the acquisition by DSB of all the issued shares of PFHK  |
| “Consideration”            | the consideration for the Acquisition under the Share Purchase Agreement   |
| “Directors”                | the directors of DSFH and of DSBG  |
| “DSB”                      | Dah Sing Bank, Limited   |
| “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) |
| “HK\$”                     | Hong Kong Dollars  |
| “Jardine Matheson”         | Jardine, Matheson & Co., Limited   |
| “JPMIF”                    | J.P. Morgan International Finance Limited  |
| “Listing Rules”            | Rules Governing the Listing of Securities on the Stock Exchange  |
| “PFHK”                     | Pacific Finance (Hong Kong) Limited, a restricted license bank incorporated in Hong Kong with limited liability  |
| “Share Purchase Agreement” | the Share Purchase Agreement in relation to the Acquisition signed by DSB and the Vendors on 27 June 2005  |

“SME” Small and medium size enterprises  
“Stock Exchange” The Stock Exchange of Hong Kong Limited  
“Vendors” Jardine Matheson and JPMIF

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, 28 June 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, Kunio 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.