



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)

TRANSACTION VALUE EXCEEDED 2006 ANNUAL CAP – CONNECTED TRANSACTIONS WITH DAH SING FINANCIAL HOLDINGS LIMITED

For the year ending 31 December 2006, the aggregate annual interest expense payable by DSB, a wholly owned subsidiary of the Company, for deposits placed by DSLA and DSGI with DSB, has exceeded the estimated annual cap of HK\$5 million for the purpose of the connected transaction waiver granted by the Stock Exchange. The revised estimated annual interest expense payable for 2006 is HK\$5.6 million. The Company makes this announcement pursuant to the requirements of Rule 14A.34 of the Listing Rules.

The Company proposes that the annual cap for annual interest expenses payable for the year ending 31 December 2006 be revised to HK\$5.6 million.

The board of directors (the “Directors”, and the “Board”) of Dah Sing Banking Group Limited (the “Company”) wishes to announce that, for the year ending 31 December 2006, the estimated annual interest expense payable by Dah Sing Bank, Limited (“DSB”), a wholly owned subsidiary of the Company, to Dah Sing Life Assurance Company Limited (“DSLA”) and Dah Sing General Insurance Company Limited (“DSGI”), for deposits placed by DSLA and DSGI with DSB, is expected to be approximately HK\$5.6 million (the “Revised Interest Expense Estimate”). The Revised Interest Expense Estimate will therefore exceed the annual cap of HK\$5 million previously set for the year ending 31 December 2006 according to the connected transaction waiver granted by The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Revised Interest Expense Estimate, however, is expected to be less than 2.5% of the applicable percentage ratios under Rule 14A.34 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) for the year ending 31 December 2006.

DSLA is a wholly owned subsidiary of Dah Sing Financial Holdings Limited (“DSFH”), incorporated in Bermuda, and is an authorised life assurance company in Hong Kong regulated by the Insurance Authority in Hong Kong. As DSLA is a wholly owned subsidiary of DSFH, and DSFH is the Company’s substantial shareholder, DSLA is a connected person of the Company pursuant to the Listing Rules.

DSGI is a 51% owned subsidiary of DSFH, incorporated in Bermuda, and is an authorised general insurance company in Hong Kong regulated by the Insurance Authority of Hong Kong. As DSGI is a 51% owned subsidiary of DSFH, and DSFH is the Company’s substantial shareholder, DSGI is a connected person of the Company pursuant to the Listing Rules.

For the purpose of the connected transaction waiver granted by the Stock Exchange, the particulars of which are disclosed in the prospectus of the Company dated 18 June 2004, the annual cap for interest expenses payable by DSB to members of the DSFH Group for each of the three years ending 31 December 2006 is HK\$5 million. As at 31 October 2006, DSLA and DSGI had deposited an aggregate of HK\$112 million with DSB in various interest-bearing deposit accounts. Of this HK\$112 million, HK\$109 million had been deposited in fixed-deposit accounts, which had matured as of the date of this announcement and was substantially transferred to an unrelated bank in Hong Kong. As a result of higher fixed-deposits balances and rising interest rates, the interest accrued on such deposits has increased beyond the annual cap anticipated by the Company. As at 31 October 2006, after a review of DSB’s internal bank records, it has come to the Company’s attention that the aggregate interest expense payable by DSB to DSLA and DSGI has reached HK\$5.5 million. After further review, the Company expects that the Revised Interest Expense Estimate payable on such deposits by 31 December 2006 will reach HK\$5.6 million. The Company therefore makes this announcement in accordance with the requirements of Rule 14A.34 of the Listing Rules.

The Company proposes that the annual cap for the above transactions with DSFH for the year ending 31 December 2006 be revised to HK\$5.6 million.

The Company is the holding company of three banking subsidiaries, DSB, Banco Commercial de Macau, S.A., and MEVAS Bank Limited, and a securities trading company, as well as an offshore joint venture banking business with SG Hambros Bank.

DSFH is the holder of approximately 74.94% of the issued share capital of the Company, and is the company holding the insurance interests of the group.

DSB is a wholly owned banking subsidiary of the Company.

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

Hong Kong, 17 November 2006

As at the date of this announcement, the Executive Directors of the Company 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. Kosuke Furukawa.