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**大新金融集團有限公司**  
**DahSingFinancialHoldingsLimited**  
*(incorporated in Hong Kong with limited liability  
under the Companies Ordinance)*  
(Stock Code: 0440)



**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)

## **Announcement**

### **Exposure to Washington Mutual Bank and subscription of new subordinated debt in Dah Sing Bank, Limited by Dah Sing Financial Holdings Limited**

This announcement is made pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

Following the filing of a Chapter 11 bankruptcy petition by Washington Mutual Inc, on 26 September 2008, the Board of Directors of Dah Sing Banking Group Limited (“DSBG”) wishes to update shareholders on the exposure of DSBG to Washington Mutual Bank (“WaMu”), a major banking subsidiary of Washington Mutual Inc.

In aggregate, DSBG has exposure of approximately EUR31.9 million (approximately HK\$362 million) to WaMu, representing approximately 0.3% of DSBG’s total assets as at 30 June 2008. At this stage, it is not certain what losses will arise from the bankruptcy of Washington Mutual Inc. However, a full impairment of all of DSBG’s exposure to WaMu would result in a post-tax charge to the income statement of approximately HK\$330 million in 2008 for DSBG, and on a consolidated basis this would result in a post-tax charge to the income statement of Dah Sing Financial Holdings Limited (“DSFH”) of approximately HK\$280 million after minority interests.

As at 30 June 2008, the consolidated capital adequacy ratio of DSBG was 16.4%, well above the international required level. As a prudent measure in current market conditions, and to ensure that there will be no reduction in the capital adequacy ratio of DSBG relating to its exposure to WaMu even in the event of a total loss on such exposure, DSFH has agreed to subscribe for HK\$400 million of new subordinated debt to be issued by Dah Sing Bank, Limited (“DSB”), which, subject to the consent of the Hong Kong Monetary Authority, will qualify as Tier 2 capital of DSB.

For the purposes of this announcement, an exchange rate of EUR1 = HK\$11.3563 has been used.

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, 29 September 2008

*As at the date of this announcement, the Board of Directors of DSFH comprises Messrs. 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; Messrs. Chung-Kai Chow, Kunio Suzuki (Kenichi Yonetani as alternate), Tatsuo Tanaka (Tetsuya Wada as alternate), Eiichi Yoshikawa, John Wai-Wai Chow and Yiu-Ming Ng as Non-Executive Directors; Messrs. Peter Gibbs Birch, Robert Tsai-To Sze, Tai-Lun Sun (Dennis Sun) and Kwok-Hung Yue (Justin Yue) as Independent Non-Executive Directors.*

*As at the date of this announcement, the Board of Directors of DSBG comprises Messrs. David Shou-Yeh Wong (Chairman), Hon-Hing Wong (Derek Wong) (Managing Director and Chief Executive), Lung-Man Chiu (John Chiu), Gary Pak-Ling Wang, Harold Tsu-Hing Wong and Frederic Suet-Chiu Lau as Executive Directors; Mr. Keisuke Tahara as Non-Executive Director; Messrs. John William Simpson, David Richard Hinde, Robert Tsai-To Sze, Andrew Kwan-Yuen Leung and Seng-Lee Chan as Independent Non-Executive Directors.*