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If you are in doubt as to any aspect of this circular or as to the action you should take, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisor.

If you have sold or transferred all of your shares in Dah Sing Banking Group Limited, you should at once hand this circular to the purchaser or to the bank or stockbroker or other agent through whom the sale was effected for transmission to the purchaser.



(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 AND CONNECTED TRANSACTION DISPOSAL OF INTEREST IN CSM AND CSM VIDA

**Independent Financial Advisor to
the Independent Board Committee and the Independent Shareholders**



A letter from the Independent Board Committee containing its advice to the Independent Shareholders in respect of the terms of the Transfer is set out on pages 13 to 14 of this circular. A letter from Tai Fook containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the terms of the Transfer is set out on pages 15 to 23 of this circular.

A notice convening an extraordinary general meeting of Dah Sing Banking Group Limited to be held at 36th Floor, Dah Sing Financial Centre, 108 Gloucester Road, Hong Kong at 3:30 p.m. on 19 May 2006, immediately following its Annual General Meeting, is set out on pages 31 to 32 of this circular. Whether or not you are able to attend the meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the registered office of Dah Sing Banking Group Limited at 36th Floor, Dah Sing Financial Centre, 108 Gloucester Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the relevant extraordinary general meeting or any adjournments thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the relevant extraordinary general meeting or any adjournments thereof should you so desire.

4 May 2006

DEFINITIONS

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

“associate(s)”	has the meaning given to that term in the Listing Rules;
“BCM”	Banco Comercial de Macau, S.A., a company registered with the Macau Businesses and Moveable Assets Register under number 10458(SO), a wholly owned subsidiary of DSB;
“Board”	the board of directors of the Company;
“Company” or “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);
“CSM”	Companhia de Seguros de Macau, S.A., a company registered with the Macau Businesses and Moveable Assets Register under number 1691(SO), which is 4% owned by DSB through Shinning Bloom and 92% owned by BCM;
“CSM Share Sale Agreement”	the share sale agreement in relation to the Transfer signed by BCM, Shinning Bloom, DSLI(1), DSMIG, DSGI(1), DSLI(2) and DSLI(BVI)(1) on 21 April 2006;
“CSM Vida”	Companhia de Seguros de Macau Vida, S.A., a company registered with the Macau Businesses and Moveable Assets Register under number 12175(SO), which is 99.85% owned by CSM, 0.13% by DSLI(1) and 0.02% by BCM;
“Director(s)”	the director(s) of the Company;
“DSB”	Dah Sing Bank, Limited, a wholly owned subsidiary of the Company;
“DSB Subsidiaries”	BCM, DSLI(1) and Shinning Bloom;
“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);

DEFINITIONS

“DSFH Group”	DSFH and its subsidiaries;
“DSFH Subsidiaries”	DSMIG, DSGI(1), DSLI(2) and DSLI(BVI)(1);
“DSGI(1)”	DSGI(1) Limited, a wholly owned subsidiary of DSFH;
“DSLI(1)”	DSLI(1) Limited, a wholly owned subsidiary of DSB;
“DSLI(2)”	DSLI(2) Limited, a wholly owned subsidiary of DSFH;
“DSLI(BVI)(1)”	DSLI(BVI)(1) Limited, a wholly owned subsidiary of DSFH;
“DSMIG”	DSMI Group Limited, a wholly owned subsidiary of DSFH;
“Effective Date”	19 December 2005, being the date on which, amongst others, BCM, CSM and CSM Vida were acquired by the Company through its subsidiaries;
“Extraordinary General Meeting”	the extraordinary general meeting of the Company to be held on 19 May 2006 for the Independent Shareholders to consider and to approve the Transfer (including the Procurement Agreement and the CSM Share Sale Agreement);
“Group”	the Company and its subsidiaries;
“HIBOR”	the Hong Kong Inter-bank Offered Rate for Hong Kong Dollar deposit offered by leading reference banks (rounded up, if necessary, to two decimal places) which was quoted as of 11:00 a.m. (Hong Kong time) on the Effective Date and 30 December 2005 (being the capital injection date) on page “9898” on the Telerate Monitor (or such other page or service as may have replaced it for the purpose of displaying Hong Kong Inter-bank Hong Kong Dollars offered rates of leading reference banks) as being the one month interest rate offered in the Hong Kong Inter-bank Market for Hong Kong dollar deposits, and on applicable subsequent monthly reset dates;
“Independent Board Committee”	the independent board committee established by the Board to advise the Independent Shareholders, comprising all of the independent non-executive Directors;

DEFINITIONS

“Independent Shareholders”	the shareholders of the Company other than DSFH and its associates;
“Latest Practicable Date”	2 May 2006, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Macao” or “Macau”	Macau Special Administrative Region of the People’s Republic of China;
“MOP”	Macao Pataca, the lawful currency of Macao;
“Procurement Agreement”	the agreement in relation to the CSM Share Sale Agreement entered into by DSB and DSFH on 21 April 2006;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Shinning Bloom”	Shinning Bloom Investments Limited, a wholly owned subsidiary of DSB;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Tai Fook”	Tai Fook Capital Limited, a licensed corporation under the SFO to carry out type 6 regulated activity and the independent financial advisor appointed to advise the Independent Board Committee and Independent Shareholders in respect of the Transfer; and
“Transfer”	the transfer by BCM of 74% and 18% of the issued share capital of CSM to DSMIG and DSGI(1), respectively; by Shinning Bloom of 4% of the issued share capital of CSM to DSMIG; by BCM of 0.02% of the issued share capital of CSM Vida to DSLI(2) and by DSLI(1) of 0.13% of the issued share capital of CSM Vida to DSLI(BVI)(1).

For the purpose of this circular, conversion of MOP into HK\$ is calculated at the exchange rate of HK\$1.00 to MOP1.03.

LETTER FROM THE BOARD



(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)

Executive Directors:

David Shou-Yeh Wong (*Chairman*)

Hon-Hing Wong (Derek Wong) (*Chief Executive*)

Gary Pak-Ling Wang

Lung-Man Chiu (John Chiu)

Harold Tsu-Hing Wong

Dennis Tat-Wang Yau

Registered office:

36th Floor

Dah Sing Financial Centre

108 Gloucester Road

Hong Kong

Non-executive Directors:

Takashi Muraoka

Independent Non-executive Directors:

John William Simpson

Robert Tsai-To Sze

David Richard Hinde

Andrew Kwan-Yuen Leung

4 May 2006

To the Shareholders,

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION
DISPOSAL OF INTEREST IN CSM AND CSM VIDA**

1. INTRODUCTION

On 21 April 2006, the Company and DSFH jointly announced that the Company's direct wholly owned subsidiary, DSB, entered into the Procurement Agreement on 21 April 2006 with DSFH, the holder of approximately 74.94% of the issued share capital of the Company, under which DSB and DSFH have agreed to procure the DSB Subsidiaries and the DSFH Subsidiaries, respectively, to enter into the CSM Share Sale Agreement.

LETTER FROM THE BOARD

Pursuant to the Procurement Agreement, the DSB Subsidiaries and DSFH Subsidiaries entered into the CSM Share Sale Agreement on 21 April 2006, whereby the DSB Subsidiaries have agreed to transfer 96% of the issued share capital of CSM and, effectively, approximately 96% of the issued share capital of CSM Vida to the DSFH Subsidiaries (more particularly detailed below and in the definition of “Transfer”).

Upon completion of the Transfer, all of the Company’s interest in CSM and CSM Vida will be transferred to the DSFH Subsidiaries and each of CSM and CSM Vida will cease to be a subsidiary of the Company. The Transfer is subject to approval by the Independent Shareholders in general meeting.

The purpose of this circular is (i) to provide you with further information on the Procurement Agreement, CSM Share Sale Agreement and the Transfer; (ii) to set out the opinions and recommendations of the Independent Board Committee and Tai Fook; and (iii) to give you notice of the EGM at which the resolution set out therein will be proposed. The EGM will be held for the purpose of obtaining the approval from the Independent Shareholders in respect of the Transfer by way of poll.

The Independent Board Committee has been formed to advise the Independent Shareholders on the terms of the Transfer. Tai Fook has been appointed as the independent financial advisor to the Independent Board Committee and Independent Shareholders. The recommendation of the Independent Board Committee and the advice of Tai Fook are as set out on pages 13 to 23 of this circular.

2. BACKGROUND

On 19 December 2005, DSB completed its acquisition of 100% of the issued share capital of BCM, 96% of the issued share capital of CSM and, effectively, approximately 96% of the issued share capital of CSM Vida. Please refer to the joint announcement of DSFH and the Company dated 3 August 2005 for further details. It was also stated in the announcement that it was the intention of the Company to subsequently transfer its interests in CSM and CSM Vida to DSFH, which is the company holding the insurance interests of the DSFH Group. Under the share purchase and sale agreement dated 3 August 2005, the consideration for the acquisition of shares in CSM and CSM Vida by the Company was MOP289 million (HK\$280,582,524).

On 30 December 2005, the DSB Subsidiaries injected a total amount of MOP4,800,000 (HK\$4,660,194) to CSM to increase CSM’s capital to a level higher than that required by regulation in Macau.

LETTER FROM THE BOARD

3. PROCUREMENT AGREEMENT

Date

21 April 2006

Parties

DSB and DSFH (a substantial shareholder and a connected person of the Company)

Terms

DSB agrees to procure the DSB Subsidiaries to enter into and perform all of their respective obligations under the CSM Share Sale Agreement. DSFH agrees to procure the DSFH Subsidiaries to enter into and perform all of their respective obligations under the CSM Share Sale Agreement.

4. CSM SHARE SALE AGREEMENT

Date

21 April 2006

Parties

Vendors: BCM, Shinning Bloom, DSLI(1)

Purchasers: DSMIG, DSGI(1), DSLI(2) and DSLI(BVI)(1) (all associates of DSFH and, therefore, connected persons of the Company)

Transfer

Under the CSM Share Sale Agreement, the DSB Subsidiaries have agreed to transfer shares in CSM and CSM Vida to the DSFH Subsidiaries as follows:

LETTER FROM THE BOARD

CSM

Vendor	Number of shares held	Number of shares to be transferred	Percentage of issued capital to be transferred	Purchaser to which shares are to be transferred
BCM	18,400	14,800 3,600	74% 18%	DSMIG DSGI(1)
Shinning Bloom	800	800	4%	DSMIG

CSM Vida

Vendor	Number of shares held	Number of shares to be transferred	Percentage of issued capital to be transferred	Purchaser to which shares are to be transferred
BCM	5	5	0.02%	DSL(2)
DSL(1)	40	40	0.13%	DSL(BVI)(1)

Conditions

Completion of the Transfer is conditional upon all consents necessary or relevant for the Transfer to take place without breaching any statute, rule of any stock exchange or agreement, including approval by the Independent Shareholders in general meeting.

5. COMPLETION

Under the Procurement Agreement and the CSM Share Sale Agreement, completion of the Transfer is scheduled to take place within 14 days from the fulfillment or waiver of the last condition or on such other date as the parties may otherwise agree.

6. CONSIDERATION AND ITS DETERMINATION

The total consideration payable by DSFH and the DSFH Subsidiaries under the Procurement Agreement and the CSM Share Sale Agreement is HK\$285,242,718 (being the original acquisition cost plus the capital injection made on 30 December 2005) plus interest at 1 month HIBOR calculated from the Effective Date in respect of the original acquisition cost, and from the date of the injection in respect of the capital injection, to the date of completion of the Transfer.

LETTER FROM THE BOARD

The consideration was determined on an arm's length basis after negotiation between the Company and DSFH. The consideration principally reflects the original acquisition cost of the CSM shares and the CSM Vida shares for the Company, plus the capital injected into CSM by the DSB Subsidiaries on 30 December 2005, in aggregate being HK\$285,242,718, plus interest. Payment of the consideration will be funded from internal resources of DSFH. The Directors consider that the consideration is on normal commercial terms, fair and reasonable.

7. GAIN/LOSS ON SALE AND USE OF PROCEEDS

The CSM shares and the CSM Vida shares will be transferred at cost by the Company and the DSB Subsidiaries, plus interest. It is expected that there will be a gain, principally reflecting the interest determined with reference to 1 month HIBOR for the period during which the CSM shares and the CSM Vida shares were held by the Company and the DSB Subsidiaries, to be recorded by the Company as a result of the Transfer which will not have any material impact on the Company. The proceeds will be used by the Company for general working capital purposes.

8. INFORMATION ON DSB, BCM, CSM AND CSM VIDA

DSB is a wholly owned banking subsidiary of the Company. DSB owns all of the issued share capital of BCM, which in turn owns 92% of the issued share capital of CSM. DSB, through its wholly owned subsidiary, Shinning Bloom, also owns 4% of the issued share capital of CSM. CSM owns 99.85% of the issued share capital of CSM Vida, with the remaining 0.15% interest in CSM Vida owned by BCM and another wholly owned subsidiary of DSB.

BCM is primarily engaged in retail and commercial banking in Macau. CSM and CSM Vida are primarily engaged in non-life insurance and life assurance, asset management, investment and pension fund management & other related activities in Macau, and are, respectively, the largest general insurance company in Macau and the fifth largest life assurance company in Macau (both by gross written premiums). CSM Vida is also the second largest pension fund administrator in Macau (by assets under management).

After the Transfer, the DSFH Subsidiaries will hold 96% of the issued share capital of CSM with the remaining 4% interest continuing to be held by a third party who is independent of the Company, DSFH and their associates. CSM will continue to hold 99.85% of the issued share capital of CSM Vida with the remaining 0.15% interest held by the DSFH Subsidiaries.

Based on the audited financial statements of CSM for the year ended 31 December 2005, the net asset value was MOP78.2 million.

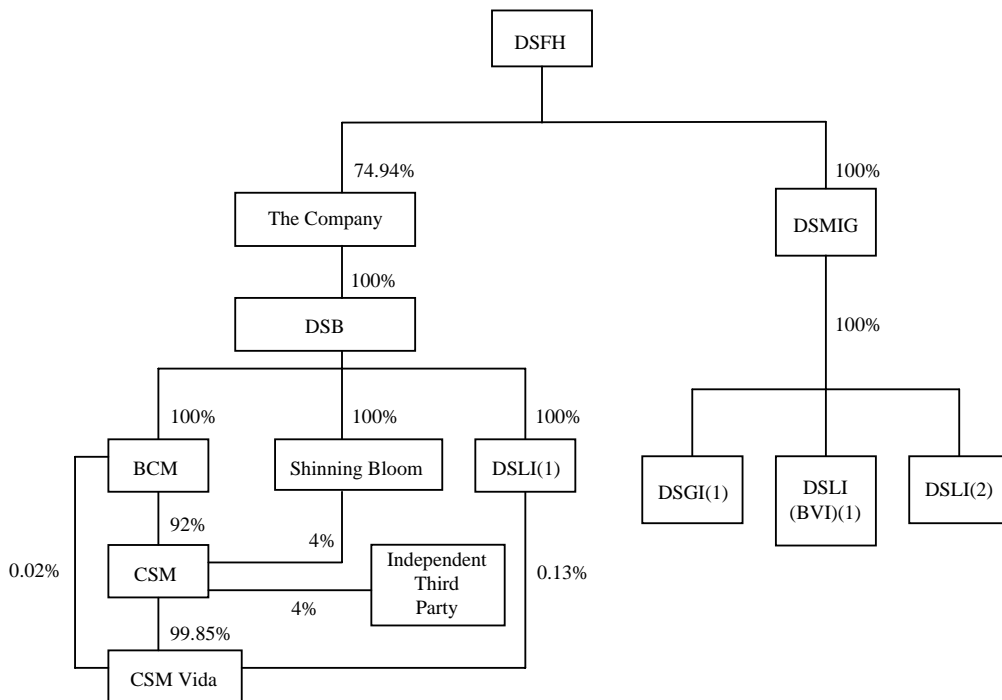
LETTER FROM THE BOARD

Based on the audited financial statements of CSM Vida for the year ended 31 December 2005, the net asset value was MOP42.1 million.

Based on the audited financial statements of CSM for the years ended 31 December 2004 and 2005, the net profit before taxation and extraordinary items were MOP10.7 million and MOP10.9 million respectively, and the net profit after taxation and extraordinary items for those years were MOP10.7 million and MOP9.0 million, respectively.

Based on the audited financial statements of CSM Vida for the years ended 31 December 2004 and 2005, the net profit before taxation and extraordinary items were MOP2.3 million and MOP3.9 million respectively, and the net profit after taxation and extraordinary items for those years were MOP2.0 million and MOP3.5 million, respectively.

A summarised structure of the DSFH Group before the Transfer is as follows:



LETTER FROM THE BOARD

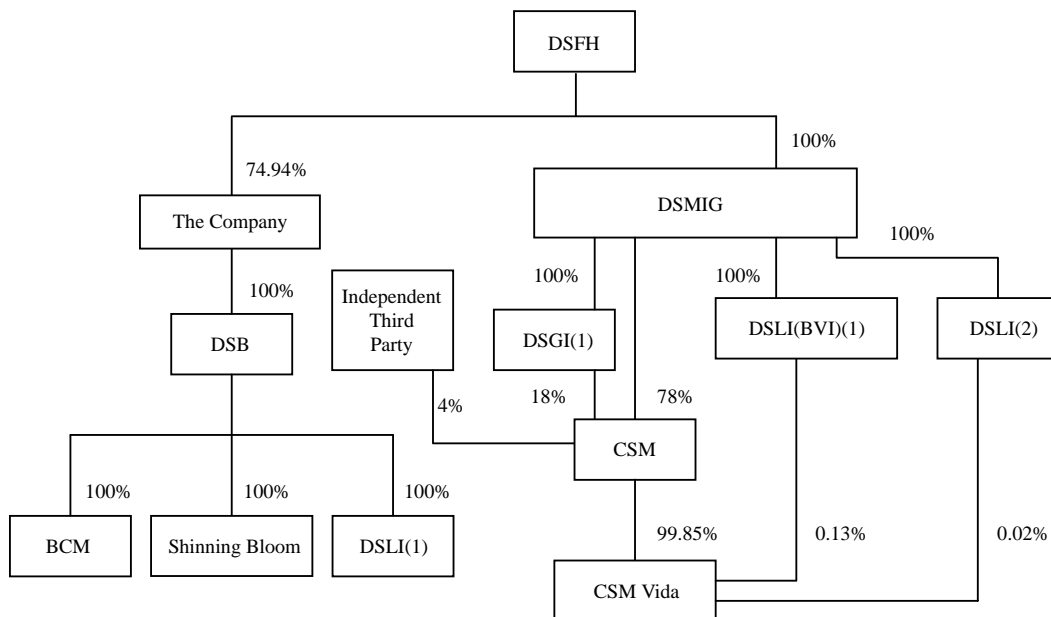
9. INFORMATION ON THE COMPANY, DSFH AND SUBSIDIARIES

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 DSFH Group.

The Company is the holding company of three banking subsidiaries, DSB, BCM and MEVAS Bank Limited, a restricted licence bank, Pacific Finance (Hong Kong) Limited, and a securities trading company, as well as an offshore joint venture private banking business with SG Hambros Bank.

BCM (in addition to operating its banking business in Macau), Shinning Bloom and DSLI(1) are wholly owned subsidiaries of DSB and are investment holding companies holding, amongst others, the interests in CSM and CSM Vida. DSMIG, DSGI(1), DSLI(2) and DSLI(BVI)(1) are wholly owned subsidiaries of DSFH and are investment holding companies to hold, amongst others, the interests in CSM and CSM Vida subsequent to the Transfer.

A summarised structure of the DSFH Group after the Transfer is as follows:



10. REASON FOR THE TRANSFER

The Transfer is in line with the strategy of the DSFH Group to centralise the holding of its insurance business by DSFH, and to avoid competition between DSFH and the Company. In the joint announcement of DSFH and the Company dated 3 August 2005, it was stated that it was the intention of the Company to transfer the shares of CSM and CSM Vida to DSFH, which holds the insurance businesses of the DSFH Group.

LETTER FROM THE BOARD

The directors of the Company and DSFH consider that the Transfer and the terms thereof are on normal commercial terms, are fair and reasonable and that the transactions contemplated thereunder are in the interests of the shareholders of the Company as a whole.

11. FINANCIAL EFFECT

The Transfer has the effect of decreasing the asset value of the Group by approximately HK\$531 million and decreasing the liabilities of the Group by approximately HK\$531 million as at 31 December 2005. The Transfer will not have a material effect on the earnings of the Group.

12. GENERAL

DSFH owns approximately 74.94% of the issued share capital of the Company, and therefore DSFH is a connected person of the Company under the Listing Rules. Accordingly, the Transfer constitutes a connected transaction for the Company under the Listing Rules. As the revenue percentage ratio (as defined in Rule 14.07 of the Listing Rules) is more than 2.5%, the Transfer is subject to reporting, announcement and independent shareholders' approval requirements under Rule 14A.32 of the Listing Rules.

According to the Listing Rules, the Transfer also constitutes a discloseable transaction of the Company which is subject to the notification and publication requirements as set out in Rules 14.34 to 14.39 of the Listing Rules.

13. RECOMMENDATION OF THE INDEPENDENT BOARD COMMITTEE

Tai Fook has been appointed as an independent financial advisor to advise the Independent Board Committee and the Independent Shareholders in respect of the Transfer.

The Independent Board Committee, having taken into account the advice of Tai Fook, considers that the Transfer is fair and reasonable so far as the Independent Shareholders are concerned and accordingly recommends the Independent Shareholders to vote in favour of the ordinary resolution which will be proposed at the Extraordinary General Meeting.

The text of the letter from Independent Board Committee is set out on pages 13 to 14 of this circular and the text of the letter from Tai Fook containing its advice is set out on pages 15 to 23 of this circular.

LETTER FROM THE BOARD

14. EXTRAORDINARY GENERAL MEETING

You will find on pages 31 and 32 of this circular a notice of the Extraordinary General Meeting to be held at 36th Floor, Dah Sing Financial Centre, 108 Gloucester Road, Hong Kong on 19 May 2006 at 3:30 p.m., immediately following the Second Annual General Meeting of the Company. The ordinary resolution to be proposed will be voted by way of poll.

A form of proxy for use in connection with the Extraordinary General Meeting is enclosed with this circular. Whether or not you are able to attend the meeting, please complete and return the form of proxy in accordance with the instructions printed thereon as soon as practicable and in any event not less than 48 hours before the time appointed for holding the meeting.

DSFH and its associates will abstain from voting at the Extraordinary General Meeting in respect of the resolution relating to the Transfer.

Yours faithfully,
For and on behalf of the Board
David Shou-Yeh Wong
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



(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)

4 May 2006

To the Independent Shareholders,

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION

INTRODUCTION

We refer to the circular (the “Circular”) dated 4 May 2006 issued by the Company to its shareholders of which this letter forms part. The terms defined in the Circular shall have the same meanings when used in this letter, unless the context otherwise requires.

We are writing to you to set out our recommendation as to whether or not the Transfer (including the Procurement Agreement and CSM Share Sale Agreement) is fair and reasonable so far as the Independent Shareholders as a whole are concerned. The terms and the reasons for the Transfer are summarised in the letter from the Board set out on pages 4 to 12 of the Circular. In considering the fairness and reasonableness of the Transfer, the Independent Board Committee have been advised by Tai Fook. You are advised to read Tai Fook’s letter to the Independent Board Committee which is set out on pages 15 to 23 of this Circular.

RECOMMENDATION

We have discussed with the management of the Company the reasons for the Transfer, the mechanism for the determination of the consideration, the terms of the Transfer and the basis upon which its terms have been determined. We have also considered the key factors taken into account by the Board in arriving at its opinion regarding the terms of the Transfer (including the Procurement Agreement and CSM Share Sale Agreement) as set out in the letter from the Board on pages 4 to 12 of the Circular, which we advise you to read carefully.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee concurs with the views of Tai Fook and considers the terms of the Transfer (including the Procurement Agreement and CSM Share Sale Agreement) to be in the best interest of the Company and its shareholders as a whole, and are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, members of the Independent Board Committee unanimously recommend the Independent Shareholders to vote in favour of the ordinary resolution set out in the notice of the Extraordinary General Meeting contained in the Circular.

Yours faithfully,

John William Simpson Robert Tsai-To Sze
David Richard Hinde Andrew Kwan-Yuen Leung
Independent Non-executive Directors

LETTER FROM TAI FOOK

The following is the letter of advice from Tai Fook to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.



25th Floor
New World Tower
16-18 Queen's Road Central
Hong Kong

4 May 2006

To the Independent Board Committee and the Independent Shareholders

Dah Sing Banking Group Limited
36th Floor
Dah Sing Financial Centre
108 Gloucester Road
Hong Kong

Dear Sirs,

DISCLOSEABLE AND CONNECTED TRANSACTION

INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders with respect to the terms of the Procurement Agreement and the CSM Share Sale Agreement, details of which are set out in the letter from the Board ("Letter") contained in the circular of DSBG dated 4 May 2006 (the "Circular"), of which this letter forms part. Terms used in this letter shall have the same respective meanings as defined in the Circular unless the context otherwise requires.

As referred to in the Letter, on 21 April 2006, DSB, a wholly owned subsidiary of DSBG, entered into the Procurement Agreement with DSFH under which DSB and DSFH agreed to procure the DSB Subsidiaries and the DSFH Subsidiaries, respectively, to enter into the CSM Share Sale Agreement.

Pursuant to the Procurement Agreement, the DSB Subsidiaries and the DSFH Subsidiaries entered into the CSM Share Sale Agreement on 21 April 2006, whereby the DSB Subsidiaries agreed to transfer 96% of the issued share capital of CSM and, effectively, approximately 96% of the issued share capital of CSM Vida to the DSFH Subsidiaries.

LETTER FROM TAI FOOK

Since DSFH is the holder of approximately 74.94% of the issued share capital of DSBG, DSFH and the DSFH Subsidiaries are connected persons of DSBG under Rule 14A.11(1) of the Listing Rules. The Transfer constitutes a connected transaction and discloseable transaction of DSBG under Rule 14A.13(1)(a) and Rule 14.06(2) of the Listing Rules respectively. As the revenue percentage ratio (as defined in Rule 14.07 of the Listing Rules) is more than 2.5%, the Transfer is subject to reporting, announcement and independent shareholders' approval requirements under Rule 14A.32 of the Listing Rules. DSFH and its associates will abstain from voting on the resolution to approve the Transfer at the Extraordinary General Meeting.

An independent board committee of DSBG comprising Messers John William Simpson, Robert Tsai-To Sze, David Richard Hinde and Andrew Kwan-Yuen Leung has been appointed to advise the Independent Shareholders whether or not to vote in favour of the Transfer. In our capacity as the independent financial adviser to the Independent Board Committee and the Independent Shareholders, our role is to provide the Independent Board Committee and the Independent Shareholders with an independent opinion and recommendation as to whether the terms of the Procurement Agreement and the CSM Share Sale Agreement are fair and reasonable so far as the Independent Shareholders are concerned and whether the Transfer is in the interests of DSBG and the Independent Shareholders as a whole.

BASIS OF OUR OPINION

In formulating our recommendation, we have relied on the information and facts supplied to us and representations expressed by the Directors and/or management of DSBG and have assumed that all such information and facts and any representations made to us, for which they are fully responsible, are true, accurate and complete as at the date hereof. We have been advised by the Directors and/or the management of DSBG that all relevant information has been supplied to us and that no material facts have been omitted from the information supplied and representations expressed to us. We have also relied on certain information available to the public and have assumed such information to be accurate and reliable. We have no reason to doubt the completeness, truth or accuracy of the information and facts provided and we are not aware of any facts or circumstances which would render such information provided and representations made to us untrue, inaccurate or misleading.

We consider we have reviewed sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted an independent verification of the information nor have we conducted any form of in-depth investigation into the businesses, affairs, financial position or prospects of the DSBG group.

LETTER FROM TAI FOOK

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the terms of the Procurement Agreement and the CSM Share Sale Agreement, we have considered the following principal factors and reasons:

I. Background and reasons for the Transfer

DSFH is a company listed on the Stock Exchange and owns 74.94% of the issued share capital of DSBG. DSFH is the company holding the insurance interests of the DSFH group. DSBG is the company holding the banking interests of the DSFH group and is the holding company of three banking subsidiaries, namely DSB, BCM and MEVAS Bank Limited, a restricted license bank, namely Pacific Finance (Hong Kong) Limited, a securities trading company and an offshore joint venture private banking business with SG Hambros Bank.

On 3 August 2005, DSBG and DSFH jointly announced the acquisition (the “Acquisition”) of 100% of the equity of BCM, 96% of the equity of CSM and, effectively, approximately 96% of the equity of CSM Vida by DSB, a wholly owned subsidiary of DSBG. CSM Vida is 99.85% owned by CSM, the results of which are consolidated into the accounts of CSM. CSM and CSM Vida are primarily engaged in non-life assurance and life insurance, asset management, investment and pension fund management and other related activities in Macau. CSM and CSM Vida are, respectively, the largest general insurance company in Macau and the fifth largest life assurance company in Macau (both by gross written premiums). CSM Vida is also the second largest pension fund administrator in Macau (by assets under management).

As stated in DSBG’s prospectus dated 18 June 2004 for its separate listing (the “Prospectus”), DSBG was established as the holding company for DSFH group’s banking subsidiaries and, DSBG group operates in banking and related services and would not involve in any insurance underwriting business. It is further stated in the Prospectus that, DSFH group, other than investment holdings, including its interest in DSBG, would only engage in the insurance business. Accordingly, as stated in the joint announcement dated 3 August 2005, it was the intention of DSBG to subsequently transfer the shares of CSM and CSM Vida to DSFH after completion of the Acquisition.

As a result of the completion of the Acquisition on 19 December 2005, DSBG owned 96% of the equity of CSM and, effectively, approximately 96% of the equity of CSM Vida as at the Latest Practicable Date. According to the joint announcement of DSBG and DSFH dated 19 December 2005 in relation to the completion, DSBG still intended to transfer the shares of CSM and CSM Vida to DSFH as soon as practicable after completion of the Acquisition. As DSBG regards its equity interests in CSM group as an investment held for resale, the consolidated

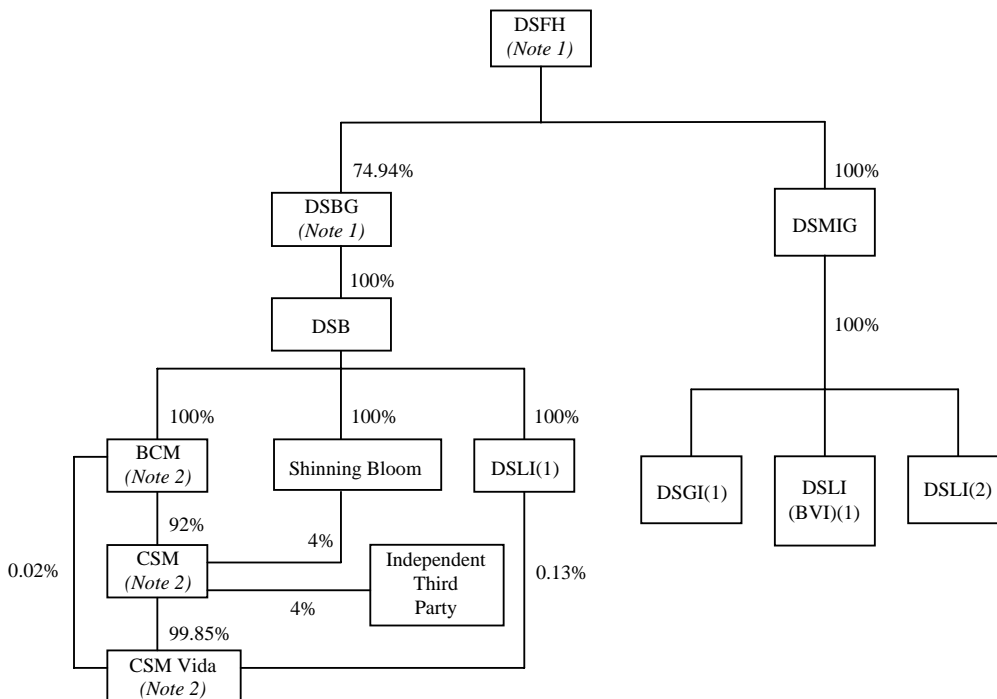
LETTER FROM TAI FOOK

assets and liabilities of CSM group as at 31 December 2005, together with the goodwill arising from the Acquisition, have been reflected as non-current assets and liabilities held for resale in the audited consolidated accounts of DSBG for the year ended 31 December 2005.

On 21 April 2006, DSBG and DSFH jointly announced that DSB entered into the Procurement Agreement with DSFH under which DSB and DSFH agreed to procure the DSB Subsidiaries and the DSFH Subsidiaries, respectively, to enter into the CSM Share Sale Agreement.

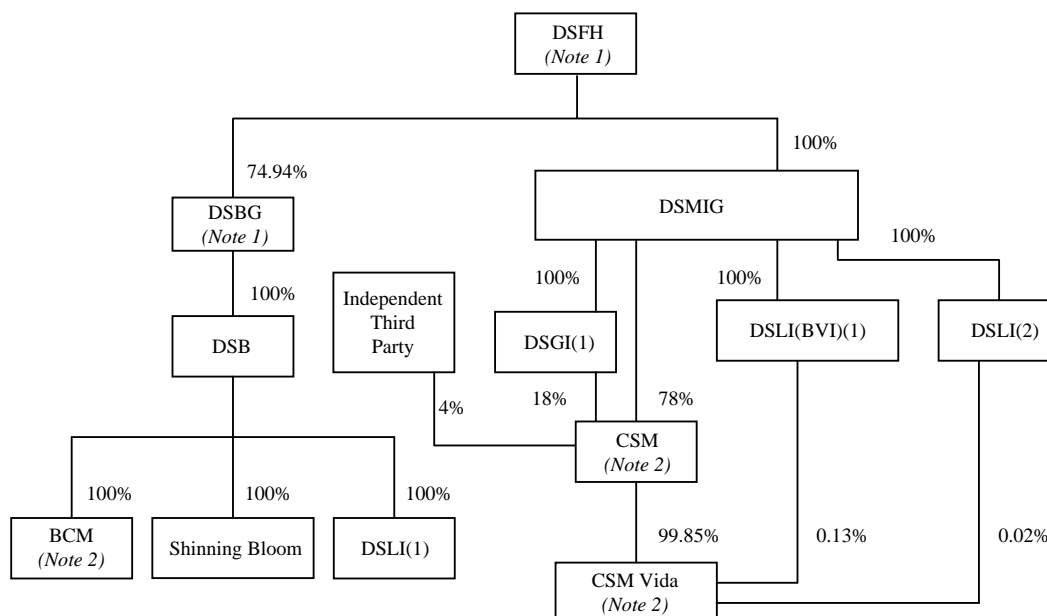
Pursuant to the Procurement Agreement, the DSB Subsidiaries and DSFH Subsidiaries entered into the CSM Share Sale Agreement on 21 April 2006, under which the DSB Subsidiaries agreed to transfer 96% of the issued share capital of CSM and, effectively, approximately 96% of the issued share capital of CSM Vida to the DSFH Subsidiaries. Upon completion of the Transfer, CSM and CSM Vida will become subsidiaries of DSFH, and their results will cease to be consolidated into DSBG. The group structure of DSBG and DSFH before and after the Transfer is illustrated as follows:

Existing structure



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Upon completion of the Transfer



Notes:

1. Each of DSFH and DSBG is listed on the Stock Exchange
2. BCM, CSM and CSM Vida were acquired by DSBG from an independent third party on 19 December 2005

In view of the fact that i) it has always been the intention of DSBG to transfer its indirect equity interests in CSM and CSM Vida to DSFH and the Transfer provides an opportunity for DSBG to implement the intended reorganization; ii) DSBG is able to focus resources in its principal banking business as a result of the Transfer; iii) the net proceeds from the Transfer will provide DSBG additional general working capital for its daily operation; and iv) the proposed Transfer is in line with the business strategy and focus as disclosed in the Prospectus and the potential competition between DSFH and DSBG will be avoided, we are of the view that the Transfer is in the interests of DSBG and the Independent Shareholders as a whole.

II. Principal terms of the Procurement Agreement and the CSM Share Sale Agreement

The total consideration payable by DSFH and the DSFH Subsidiaries (the “Transfer Consideration”) under the Procurement Agreement and the CSM Share Sale Agreement will be the sum of i) the acquisition cost of 96% equity interests in CSM and, effectively, approximately 96% equity interests in CSM Vida, of MOP289 million (equivalent to approximately HK\$280,582,524) (the “Original Acquisition Cost”), which was stated in the share purchase and sale agreement dated 3 August 2005; ii) the capital injection cost of MOP

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4.8 million (equivalent to approximately HK\$4,660,194) paid by the DSB Subsidiaries to CSM (the “Capital Injection Cost”, together with the Original Acquisition Cost, the “Total Cost”); and iii) the interest on the Original Acquisition Cost and the Capital Injection Cost calculated at 1 month HIBOR effective from the respective payment dates to the date of completion of the Transfer. The Transfer Consideration was determined on an arm’s length basis after negotiation between DSBG and DSFH with reference to the Total Cost paid by DSBG and the interest element for holding CSM and CSM Vida by DSBG as investment for resale. The directors of DSBG consider that the Transfer Consideration is on normal commercial terms, fair and reasonable.

Despite the fact that different insurance companies have different risk exposure because of different insurance business portfolios, and the size of operations and asset bases of different insurance companies may vary significantly from each other, we have identified six Main Board listed companies which are principally engaged in the insurance business and set out below their price-to-earnings ratios and price-to-book ratios as at the Latest Practicable Date for reference.

Company name	Stock code	Price-to-earnings ratio as at the Latest Practicable Date <i>(Note 2)</i>	Price-to-book ratio as at the Latest Practicable Date <i>(Note 3)</i>
Ping An Insurance (Group) Company of China Ltd.	2318	33.23	4.23
PICC Property and Casualty Company Limited	2328	30.21	2.00
China Life Insurance Company Limited	2628	32.19	3.70
Manulife Financial Corporation	945	18.16	2.50
China Insurance International Holdings Company Limited	966	N/A	1.65
Pacific Century Insurance Holdings Limited	65	69.81	1.14
Transfer Consideration <i>(Note 1)</i>		24.94	3.44

Sources: Website of the Stock Exchange and Bloomberg

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Notes:

1. The calculations of the price-to-earnings ratio and the price-to-book ratio of the Transfer Consideration are based on the consideration of not less than HK\$290 million as further discussed in the section headed “Financial effects on DSBG” below and the financial information of CSM and CSM Vida as extracted from the audited consolidated accounts of CSM and CSM Vida for the year ended 31 December 2005.
2. The calculation of the price-to-earnings ratio is based on the closing price as at the Latest Practicable Date and the audited consolidated profit after tax of the company as stated in its latest annual report.
3. The calculation of the price-to-book ratio is based on the closing price as at the Latest Practicable Date and the audited consolidated net assets value of the company as stated in its latest annual report.

CSM Vida is a subsidiary of CSM. Moreover, as advised by the Directors, CSM and CSM Vida have essentially been managed as a single insurance business unit which provides non-life assurance and life insurance, asset management, investment and pension fund management and other related activities in Macau. Therefore, in assessing the valuation of CSM and CSM Vida, we consider multi-line insurers would be the most relevant reference companies. In view of the fact that insurance portfolios of PICC Property and Casualty Company Limited and China Life Insurance Company Limited consist principally of property and casualty insurance, and life insurance respectively, we have not included them in the following analysis. Instead, we have considered Ping An Insurance (Group) Company of China Ltd., Manulife Financial Corporation, China Insurance International Holdings Company Limited and Pacific Century Insurance Holdings Limited are more suitable references (“Market References”) in our analysis.

The price-to-earnings ratios of the Market References range from approximately 18.16 to approximately 69.81, with an average price-to-earnings ratio of approximately 40.40. Therefore, the price-to-earnings ratio of the Transfer Consideration of approximately 24.94 falls within the range of the price-to-earnings ratio of the Market References and is approximately 38.27% lower than the average price-to-earnings ratio of the Market References. Having considered that i) the size of operations and asset bases of CSM group are relatively smaller as compared to the Market References; ii) each of the Market References is operated in different territories with different target customers; iii) the insurance portfolio of each of the Market References is different and therefore the risk exposure varies; and iv) each of CSM and CSM Vida is unlisted, we are of the view that the discount of the price-to-earnings ratio of the Transfer Consideration to the average price-to-earnings ratio of the Market References of approximately 38.27% is acceptable.

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The price-to-book ratios of the Market References range from approximately 1.14 to approximately 4.23, with an average price-to-book ratio of approximately 2.38. Therefore, the price-to-book ratio of the Transfer Consideration of approximately 3.44 falls within the range of the price-to-book ratio of the Market References and is approximately 44.54% higher than the average price-to-book ratio of the Market References, which is favourable to DSBG and the Independent Shareholders.

Taking into account that i) the price-to-earnings ratio and price-to-book ratio of the Transfer Consideration fall within the respective ranges of the Market References; ii) the discount of the price-to-earnings ratio of the Transfer Consideration to the average price-to-earnings ratio of the Market References is acceptable as discussed above; iii) the price-to-book ratio of the Transfer Consideration is higher than the average price-to-book ratio of the Market References; iv) DSBG is able to fully recover its Total Cost paid; and v) DSBG is able to earn a reasonable return on the Total Cost, which is the interest calculated at 1 month HIBOR effective from the respective payment dates of the Original Acquisition Cost and the Capital Injection Cost to the date of completion of the Transfer, we are of the view that the Transfer Consideration is fair and reasonable and in the interests of DSBG and the Independent Shareholders as a whole.

III. Financial effects on DSBG

The following illustrates the effect on earnings, net assets value, gearing and cash position of DSBG as a result of the Transfer.

Earnings and net assets value

The audited consolidated net profits of DSBG for the year ended 31 December 2005 and audited consolidated net assets value of DSBG as at 31 December 2005 were approximately HK\$979 million and HK\$8,673 million respectively.

The Transfer Consideration is HK\$285,242,718 plus interest of the Total Cost calculated at 1 month HIBOR effective from the respective payment dates of the Original Acquisition Cost and the Capital Injection Cost to the date of completion of the Transfer, which will be satisfied by DSFH and the DSFH Subsidiaries in cash. As advised by the Directors, the interest accrued from the respective payment dates of the Original Acquisition Cost and the Capital Injection Cost to the Latest Practicable Date was approximately HK\$5 million. As a result, the Transfer Consideration will be not less than HK\$290 million. As further advised by the Directors, in the audited balance sheet of DSBG as at 31 December 2005, DSBG recorded approximately HK\$284.4 million in relation to its investment in 96% equity interests in CSM and CSM Vida, which represented the sum of 96% audited consolidated net assets value of CSM and CSM

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Vida as at 31 December 2005 and the relevant goodwill arising from the acquisition of CSM and CSM Vida on 19 December 2005. Based on the above, it is expected that DSBG may record a gain of approximately HK\$5.6 million as a result of the Transfer, which is immaterial to DSBG. Besides, it is expected that the consolidated net assets value of DSBG will also be slightly improved because of the immaterial gain resulting from the Transfer.

Gearing

The audited gearing (represents total interest-bearing borrowings over total equity) of DSBG as at 31 December 2005 was approximately 8.29. Taking into account that the consolidated net assets value of DSBG is expected to be slightly improved as discussed in the sub-paragraph headed "Earnings and net assets value" above and there will not be any effect on the borrowings of DSBG as a result of the Transfer, it is expected that the gearing of DSBG would be slightly improved from approximately 8.29 to approximately 8.28 upon completion of the Transfer.

Cash position

The audited cash and cash equivalent balance of DSBG as at 31 December 2005 was approximately HK\$12,692 million. Upon completion of the Transfer, the net cash proceeds of not less than HK\$290 million will be added to DSBG's cash and cash equivalent balance.

Based on the above, we are of the view that the Transfer is favourable to the financial position of DSBG.

RECOMMENDATION

Having considered the above principal factors and reasons, in particular the initial intention of DSBG to transfer the shares of CSM and CSM Vida to DSFH after completion of the Acquisition, we are of the view that the terms of the Procurement Agreement and CSM Share Sale Agreement are fair and reasonable so far as the Independent Shareholders are concerned and the Transfer is in the interests of DSBG and the Independent Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the Extraordinary General Meeting to approve the Procurement Agreement and the CSM Share Sale Agreement and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of
Tai Fook Capital Limited
Derek C.O. Chan **April Chan**
Managing Director *Director*

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement in this circular misleading.

2. INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

As at the Latest Practicable Date, the interests and short positions of the Directors and the Chief Executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO to be entered in the register referred to therein or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

2.1 Aggregate long position in the shares, underlying shares and debentures of the Company and its associated corporations

The interests of the Directors and the Chief Executive of the Company in the shares of the Company and its associated corporations as at the Latest Practicable Date were as follows:

Directors	Personal Interests	Corporate Interests (Note 1)	Other Interests	Total Interests in Number of Ordinary Share	% of the Issued Shares Capital
Number of ordinary shares of HK\$1 each in the Company					
David Shou-Yeh Wong	—	697,969,170 (Note 2)	—	697,969,170	74.94
Number of ordinary shares of HK\$2 each in DSFH					
David Shou-Yeh Wong	—	4,476,219	93,524,849 (Note 3)	98,001,068	39.19
John William Simpson	10,000 (Note 4)	—	—	10,000	0.00
Lung-Man Chiu (John Chiu)	38,800	—	—	38,800	0.02

Notes:

- 1) The corporate interest is in respect of shares held by a company in which the Director has an interest of one third or more.
- 2) Such shares represent the corporate interest of David Shou-Yeh Wong under Part XV of the SFO by virtue of his beneficial interest in 98,001,068 ordinary shares of DSFH, representing 39.19% of its entire share capital currently in issue as at the Latest Practicable Date.
- 3) Such shares are indirectly held by HSBC International Trustee Limited (“HSBCIT”), the trustee of a discretionary trust established for the benefit of David Shou-Yeh Wong and his family.
- 4) Such shares are jointly owned by John William Simpson and his wife.

The interests of the Directors and the Chief Executive of the Company in options under share option schemes of the Company and its associated corporations as at the Latest Practicable Date were as follows:

Directors	Number of Shares in the Options		Exercise Price (HK\$)	Grant Date (D/M/Y)	Exercise period	
	As At the Latest Practicable Date				From (D/M/Y)	To (D/M/Y)
Number of share options in the Company						
Lung-Man Chiu (John Chiu)	250,000		16.70	25/11/2004	25/11/2005	25/11/2010
Number of share options in DSFH						
Hon-Hing Wong (Derek Wong)	1,000,000		51.71	25/8/2005	25/8/2006	25/8/2011
Gary Pak-Ling Wang	400,000		51.71	25/8/2005	25/8/2006	25/8/2011
Harold Tsu-Hing Wong	250,000		51.71	25/8/2005	25/8/2006	25/8/2011

Messrs David Richard Hinde, Robert Tsai-To Sze, Andrew Kwan-Yuen Leung and Takashi Muraoka and Dennis Tat-Wang Yau have each confirmed that they had no interests in the shares of the Company as at the Latest Practicable Date.

2.2 Aggregate short position in the shares, underlying shares and debentures of the Company and its associated corporations

None of the Directors had short positions in respect of shares, underlying shares and debentures of the Company and its associated corporations.

3. INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, save as disclosed above in respect of the Directors' and the Chief Executive's interests and as stated below, so far as is known to any Director or the Chief Executive of the Company, no person had any interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

3.1 Aggregate long position in the shares and underlying shares of the Company

Substantial Shareholders	Capacity	Total Interests in Number of Ordinary Shares	% of the Issued Share Capital
DSFH	Beneficial interest	697,969,170	74.94
HSBC International Trustee Limited	Corporate interest	697,969,170 <i>(Note 1)</i>	74.94
Christine Yen Wong	Deemed interest by virtue of her spouse having a notifiable interest	697,969,170 <i>(Note 2)</i>	74.94

Notes:

1. By virtue of the deemed interest in DSFH shares indirectly held by HSBCIT in trust for a discretionary trust established for the benefit of David Shou-Yeh Wong and his family. HSBCIT is taken to have a duty of disclosure in relation to the relevant shares of the Company held through its controlled companies. Relevant shares have been included in the “Corporate interests” of David Shou-Yeh Wong as disclosed under the heading of “Interests of Directors and Chief Executive” above.
2. Such shares represented deemed interest of Christine Yen Wong by virtue of her spouse, David Shou-Yeh Wong, being a substantial shareholder of DSFH and having a deemed interest in relevant share capital of the Company. Christine Yen Wong is taken to have a duty of disclosure in relation to the deemed interest of the Company held by her spouse. This interest comprised the same interests of David Shou-Yeh Wong under the heading of “Interests of Directors and Chief Executive” above.

3.2 Aggregate short position in the shares and underlying shares of the Company

As at the Latest Practicable Date, the Company had not been notified of any short positions being held by any substantial shareholder in the shares and underlying shares of the Company.

4. DISCLOSURE OF INTERESTS

- (a) As at the Latest Practicable Date, none of the Directors or their associates is considered by the Company to have interests in businesses which compete with, or might compete with, either directly or indirectly, the businesses of the Group, other than those businesses where such Directors have been appointed to represent the interests of the Company and/or other members of the Group.
- (b) Since 31 December 2005 (being the date to which the latest published audited consolidated accounts of the Company were made up), none of the Directors or any proposed Director or Tai Fook has had any interest, direct or indirect, in any assets which have been acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group.
- (c) There is no contract or arrangement subsisting at the Latest Practicable Date in which any of the Directors is materially interested and which is significant in relation to the business of the Group.

5. SERVICE CONTRACTS

No Director has entered into a service contract with any member of the Group which does not expire or is not terminable by such member of the Group within one year without payment of compensation, other than statutory compensation.

6. LITIGATION

Neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration or claim of material importance and, so far as the Directors are aware, no litigation or arbitration or claim of material importance is pending or threatened by or against the Company or any of its subsidiaries.

7. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial or trading position of the Company since 31 December 2005, being the date of the latest published audited financial statements of the Company.

8. INTEREST IN SUBSIDIARY

Each of CSM and CSM Vida will cease to be a subsidiary of the Company following the Transfer.

9. QUALIFICATIONS OF EXPERT

The following are the qualifications of the professional advisor who has given its opinion or advice contained in this circular:

Names	Qualifications
Tai Fook Capital Limited	a corporation licensed under the SFO to carry out Type 6 regulated activity (advising on corporate finance)

10. CONSENT

As at the Latest Practicable Date, Tai Fook, being the independent financial advisor to the Independent Board Committee and the Independent Shareholders, does not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for securities in any member of the Group.

Tai Fook has given and has not withdrawn its written consent to the issue of this document with the inclusion of its letter (which has been prepared for inclusion in this document) and references to its name and its letter in the form and context in which they are respectively included.

11. DEMAND OF POLL

Pursuant to article 65 of the articles of association of the Company, a poll may be demanded in relation to a resolution put to the vote of any general meeting before or on the declaration of the result of the show of hands:

- (a) by the Chairman; or
- (b) by not less than three shareholders having the right to vote at the meeting; or
- (c) by a shareholder or shareholders present in person or by proxy, or a duly authorised representative of a corporation which is a member, representing not less than one-tenth of the total voting rights of all the member having the right to vote at the meeting; or
- (d) by a shareholder or shareholders holding shares conferring a right to vote at the meeting on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

12. MISCELLANEOUS

- (a) The Qualified Accountant of the Company is Gary Pak-Ling Wang CPA (HKICPA), FCCA.
- (b) The Secretary of the Company is Hoi-Lun Soo B.A. (Hons.), ACIS.
- (c) The share registrars and transfer office of the Company is Computershare Hong Kong Investor Services Limited, which is situated at 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (d) This circular has been prepared in both English and Chinese. In the case of any discrepancy, the English text shall prevail.

13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of the Company at 36th Floor, Dah Sing Financial Centre, 108 Gloucester Road, Hong Kong during normal business hours on any business day from the date of this circular until 19 May 2006:

- (a) Procurement Agreement;
- (b) CSM Share Sale Agreement.

NOTICE OF EXTRAORDINARY GENERAL MEETING



(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)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Dah Sing Banking Group Limited (the “Company”) will be held at 36th Floor, Dah Sing Financial Centre, 108 Gloucester Road, Hong Kong on 19 May 2006 at 3:30 p.m., immediately following the Second Annual General Meeting of the Company, for the purpose of considering and, if thought fit, passing (with or without modifications) the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“THAT

- (a) the Procurement Agreement dated 21 April 2006 entered into between Dah Sing Bank, Limited, a wholly owned subsidiary of the Company, and Dah Sing Financial Holdings Limited and the CSM Share Sale Agreement dated 21 April 2006 entered into between certain subsidiaries of the Company and certain subsidiaries of Dah Sing Financial Holdings Limited, respectively, be and are hereby approved, confirmed and ratified and the transactions contemplated under the Procurement Agreement and the CSM Share Sale Agreement be and are hereby approved; and
- (b) any one director of the Company be and is hereby authorised to do such acts or execute such other documents by hand or, in case of execution of documents under seal, to do so jointly with either the secretary or a second director of the Company or a person appointed by the board of directors of the Company, which in his or their opinion may be necessary, desirable or expedient to carry out or to give effect to the Procurement Agreement and the CSM Share Sale Agreement.”

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

Hong Kong, 4 May 2006

NOTICE OF EXTRAORDINARY GENERAL MEETING

Registered Office:

36th Floor, Dah Sing Financial Centre,
108 Gloucester Road,
Hong Kong

Notes:

- (a) *A member entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint one or, in certain cases, more proxies to attend and vote on his behalf. A proxy need not be a member of the Company.*
- (b) *Where there are joint registered holders of any share, any one of such persons may vote at the Extraordinary General Meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders is present at the Extraordinary General Meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company shall, in respect of such share, be entitled alone to vote in respect thereof.*
- (c) *A form of proxy for use at the Extraordinary General Meeting is enclosed.*
- (d) *In order to be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed must be lodged at the registered office of the Company, 36th Floor, Dah Sing Financial Centre, 108 Gloucester Road, Hong Kong not less than 48 hours before the time appointed for the holding of the Extraordinary General Meeting (or the adjourned meeting as the case may be).*
- (e) *Completion and return of the form of proxy will not preclude a member from attending and voting in person at the Extraordinary General Meeting, if he so wishes. If such member attends the Extraordinary General Meeting, his form of proxy will be deemed to have been revoked.*
- (f) *The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.*
- (g) *As the above ordinary resolution is subject to independent shareholders' approval, the votes of shareholders to be taken at the above meeting to approve such ordinary resolution shall be taken on a poll. Dah Sing Financial Holdings Limited and its associates (as defined in The Rule Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) will abstain from voting on the resolution.*