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大眾金融控股有限公司*

PUBLIC FINANCIAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 626)

DISCLOSEABLE TRANSACTION

As disclosed in the Company's announcement dated 7 November 2007, PBB, the ultimate holding company of the Company, had entered into the Strategic Alliance with ING Asia for the joint development of bancassurance business, Takaful business and various other services between PBB and ING Asia in the Asia-Pacific region for a duration of 10 years from 1 January 2008 to 31 December 2017, subject to a further extension of up to 5 years. Pursuant to the Strategic Alliance, separate distribution agreements would be signed by PBB, PBHK and PFL with the local operations of ING Asia. PBB has executed its distribution agreement on 7 November 2007.

On 21 November 2007, a Distribution Agreement between ING and each of PBHK and PFL were formalised. Under the Distribution Agreements, PBHK and PFL had agreed to exclusively (save and except the existing agency arrangement of PBHK on the distribution of insurance products) distribute to its customers ING's Insurance Products and to provide the Services for 10 years from 1 January 2008 to 31 December 2017, subject to any extension as mutually agreed between ING and each of PBHK and PFL.

ING Asia and the Board of Directors of PBB have agreed that ING Asia will pay the Group the Goodwill Payment, upon commencement of the Strategic Alliance in consideration of PBB entering into the Strategic Alliance, which was determined from the information on the customer base and profile furnished by PBHK and PFL.

The transaction is not expected to have any effect on the earnings and earnings per share of the Group for the financial year ending 31 December 2007. However, for the financial year ending 31 December 2008, the Group will recognise the Goodwill Payment upon commencement of the Strategic Alliance in year 2008. In addition, commissions earned from the distribution of bancassurance products are expected to increase the Group's fee based income.

The entering into the Distribution Agreements by PBHK and PFL with ING will constitute a discloseable transaction for the Company under the Listing Rules on the basis that the profits ratio derived from the Goodwill Payment is within the range of 5% or more but less than 25%. Pursuant to Rule 14.38 of the Listing Rules, a circular containing details of the transaction will be sent to the Company's shareholders within 21 days from the date of this announcement.

DETAILS OF THE STRATEGIC ALLIANCE

- Date of agreement : 7 November 2007
- Parties : (1) ING Asia; and
(2) PBB
- Purpose : Joint development of the following proposed business opportunities:
- i) The development of bancassurance business in the Asia-Pacific countries whereby PBB and its affiliates will distribute Insurance Products of ING Asia and its affiliates;
 - ii) The distribution of Takaful life and health insurance products or joint development of Takaful business in the Asia-Pacific countries; including but not limited to the acquisition of an existing Takaful business; and
 - iii) The exploration and joint development of various other services, including but not limited to wealth management, joint promotional activities and co-branded credit card services.
- Term : 10 years from 1 January 2008 to 31 December 2017, subject to a further extension of up to 5 years
- Distribution agreement dated 7 November 2007 : Under the distribution agreement signed with ING Asia on 7 November 2007, PBB will customise bancassurance products with ING Asia to meet their customers' needs and distribute them via their extensive branch network, sales personnel and telemarketing. A dedicated sales team will also be recruited to specialise in the distribution of high-value and tailored Insurance Products to multiple customer segments.

DETAILS OF THE DISTRIBUTION AGREEMENTS

- Date of agreements : 21 November 2007
- Parties : (1) ING; and
(2) each of PBHK and PFL
- Purpose : each of PBHK and PFL will customise bancassurance products with ING to meet their respective customers' needs and distribute them via their respective extensive branch network, sales personnel and telemarketing. A dedicated sales team will also be recruited to specialise in

the distribution of high-value and tailored Insurance Products to multiple customer segments. Each of PBHK and PFL shall exclusively source Insurance Products from ING for distribution to their respective customers in Hong Kong, save and except the existing agency arrangement of PBHK on the distribution of insurance products

- Term : 10 years from 1 January 2008 to 31 December 2017, subject to any extension as mutually agreed between ING and each of PBHK and PFL
- Conditions : During the term of the Distribution Agreements, each of PBHK and PFL shall exclusively (save and except the existing agency arrangement of PBHK on the distribution of insurance products) distribute to its customers ING's Insurance Products, as amended from time to time by mutual consent of the parties in writing, and to provide the Services and in return, ING shall pay to each of PBHK and PFL a commission, which will be calculated in accordance with Schedule I of the respective Distribution Agreements, taking into account the prevailing market rates and industry environment

THE PARTIES

The Company is an investment holding company, with its subsidiaries engaged in the provision of a comprehensive range of banking, financial and related services, deposit taking, personal and commercial lending, mortgage financing, stockbroking, the letting of investment properties, the provision of finance to purchasers of taxis and public light buses, the trading of taxi cabs and taxi licences, and the leasing of taxis.

PBHK is a wholly-owned subsidiary of the Company and is a licensed bank registered under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong). The principal activities of PBHK and its subsidiaries consist of the provision of a comprehensive range of banking, financial and related services.

PFL is a wholly-owned subsidiary of the Company and is a deposit-taking company registered under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong). The principal activities of PFL consist of deposit taking, personal and commercial lending, which comprise mainly the granting of personal loans, overdrafts, property mortgage loans, hire purchase loans to individuals and small to medium size manufacturing companies, the provision of finance to purchasers of taxis and the letting of investment properties.

ING is part of the ING Group, which is one of the 20 largest financial institutions worldwide and ranked top ten in Europe. ING Group was formed in 1991 through the merger of Nationale-Nederlanden with NMB Postbank, then respectively the largest

insurer and second largest banking institution in The Netherlands. This was the first merger between an insurer and a bank in the world, thus making ING Group a pioneer in the field of bancassurance. With a staff force of approximately 120,000 employees, the ING Group provides banking, insurance and asset management services to over 75 million customers in more than 50 countries. As of 30 June 2007, ING Group has EUR640 billion of investment assets under management, with total assets worth EUR1,300 billion and shareholders' equity of EUR38 billion. The above was based on information provided by ING.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, ING and the ultimate beneficial owner of ING are third parties independent of the Company and connected persons of the Company.

THE CONSIDERATION

ING Asia and the Board of Directors of PBB have agreed that ING Asia will pay the Group the Goodwill Payment, upon commencement of the Strategic Alliance in consideration of PBB entering into the Strategic Alliance, which was determined from the information on the customer base and profile furnished by PBHK and PFL.

During the term of the Distribution Agreements, ING shall pay to each of PBHK and PFL a commission for the Insurance Products as specified in the Distribution Agreements as amended from time to time by mutual consent of the parties in writing.

EFFECTS OF THE STRATEGIC ALLIANCE AND DISTRIBUTION AGREEMENTS ON THE GROUP'S EARNINGS

As disclosed in the Company's announcement dated 7 November 2007, the Strategic Alliance and the Distribution Agreements are not expected to have any effect on the earnings and earnings per share of the Group for the financial year ending 31 December 2007. However, for the financial year ending 31 December 2008, the Group will recognise the Goodwill Payment upon commencement of the Strategic Alliance in year 2008. In addition, commissions earned from the distribution of bancassurance products are expected to increase the Group's fee based income.

REASON FOR THE TRANSACTION

PBB is the second largest domestic bank in Malaysia by market capitalisation, with an extensive branch network of 240 branches throughout Malaysia and affiliates in Hong Kong and China, Cambodia, Laos, Vietnam and Sri Lanka. With PBB's strong presence in retail banking, the Strategic Alliance allows ING to tap into market segments not captured by the traditional insurance sales force. There is expected to be more productive use of the PBB Group's customer base to enhance the delivery of the Insurance Products, as well as reciprocal business developed under the Strategic Alliance. This distribution channel for the delivery of Insurance Products is expected to be relatively cheaper, and any cost savings will be potentially passed back to the

Group's customers in the form of more competitive premiums and better customer benefits.

The sale of insurance products by the Group is expected to grow substantially during the period of the Strategic Alliance and expand the Group's fee-based income. The Directors believe that the terms of the Distribution Agreements are fair and reasonable and in the interests of the shareholders as a whole.

IMPLICATIONS UNDER LISTING RULES

The entering into the Distribution Agreements by PBHK and PFL with ING constitutes a discloseable transaction for the Company under the Listing Rules on the basis that the profits ratio derived from the Goodwill Payment is within the range of 5% or more but less than 25%. Pursuant to Rule 14.38 of the Listing Rules, a circular containing details of the transaction will be sent to the Company's shareholders within 21 days from the date of this announcement.

DEFINITIONS

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

“Company”	Public Financial Holdings Limited, a company incorporated in Bermuda with its shares listed on The Stock Exchange of Hong Kong Limited
“Directors”	the directors of the Company
“Distribution Agreement(s)”	the distribution agreement(s) entered into between ING and each of PBHK and PFL on 21 November 2007
“Goodwill Payment”	EUR4.1218 million (equivalent to approximately HKD46.9 million or RM20 million)
“Group”	the Company and its subsidiaries
“ING”	ING Life Insurance Company (Bermuda) Limited, a company incorporated in Bermuda and is licensed to carry on insurance business in Hong Kong (including long-term and linked long-term insurance products)
“ING Asia”	ING Asia/Pacific Limited, part of ING Group which provides banking, insurance and asset management services
“ING Group”	ING Group was formed in 1991 through the merger of Nationale-Nederlanden with NMB Postbank, then respectively the largest insurer and second largest banking institution in The Netherlands. ING Group provides banking, insurance and asset management services to over 75 million customers in more than 50 countries
“Insurance Products”	the types of insurance products falling within the classes of insurance business currently set out under Classes A, C and D of Part 2 of Schedule 1 to the Insurance Companies Ordinance (Chapter 41 of the Laws of Hong Kong) and including the classes of long term businesses identified in the

Distribution Agreements which combine the additional businesses specified in Classes 1 and 2 of Part 3 of Schedule 1 offered by ING which will be sold subject to the terms of the Distribution Agreements as may be added, omitted, deleted or substituted by mutual written agreement of ING and each of PBHK and PFL from time to time. For the avoidance of doubt, Classes 1 and 2 of Part 3 of Schedule 1 which are not linked to or combined with any of the classes of long term business identified above shall not be considered the “Insurance Products”

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PBB”	Public Bank Berhad, a company incorporated in Malaysia and has an approximate 73.5% interest in the issued share capital of the Company
“PBHK”	Public Bank (Hong Kong) Limited, a wholly-owned subsidiary of the Company and is a licensed bank registered under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)
“PFL”	Public Finance Limited, a wholly-owned subsidiary of the Company and is a deposit-taking company registered under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)
“Services”	the marketing and distribution of the Insurance Products of PBHK and PFL as set out in their respective Distribution Agreements
“Strategic Alliance”	Regional Strategic Alliance Agreement dated 7 November 2007 entered into between PBB and ING Asia, which will remain valid for 10 years from 1 January 2008 to 31 December 2017, subject to a further extension of up to 5 years

By Order of the Board
Tan Sri Dato’ Sri Dr. Teh Hong Piow
Chairman

Hong Kong, 21 November 2007

As at the date of this announcement, the Board of Directors of the Company comprises Tan Sri Dato’ Sri Dr. Teh Hong Piow, Dato’ Sri Tay Ah Lek, Dato’ Chang Kat Kiam and Mr. Wong Kong Ming as Non-executive Directors, Mr. Tan Yoke Kong and Mr. Lee Huat Oon as Executive Directors, and Tan Sri Dato’ Thong Yaw Hong, Dato’ Yeoh Chin Kee and Mr Lee Chin Guan as Independent Non-executive Directors.

** For identification purpose only*