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(Incorporated in Hong Kong with limited liability under the Companies Ordinance)

The holding company of Dah Sing Bank, Limited

(Stock code: 2356)

### **EARLY TERMINATION OF AN EXISTING CONTINUING CONNECTED TRANSACTION AND REVISION OF THE RELATED ANNUAL CAP**

DSB has decided to early terminate the New Leaseback Agreement in accordance with the break clause contained in the agreement which requires a 2-month notice. On 11 January 2019, DSB served an early termination notice to FL that DSB will vacate the Premises with effect from 11 March 2019 whereupon the deposit of HK\$860,000 paid under the New Leaseback Agreement will be returned to DSB without interest.

There is no change to the terms of the New High Standard Lease Agreement pursuant to which the annual rent together with the associated management fees, government rates, electricity, service charges and air-conditioning charges payable by the Group is not to exceed HK\$3.4 million per annum. To reflect the reduced amount together with the associated management fees, government rates, electricity, service charges and air-conditioning charges payable by the Group under the New Leaseback Agreement for the financial year ending 31 December 2019, the total aggregate amount payable under the New Leaseback Agreement and the New High Standard Lease Agreement for the financial year ending 31 December 2019 will be revised to the limit of not exceeding HK\$4.4 million accordingly.

The Percentage Ratios (other than the profits ratio) of the Revised Annual Cap for 2019 are all less than 0.1%. This announcement is made to comply with the requirements under Rule 14A.35 of the Listing Rules.

### **PARTIES AND THEIR CONNECTED RELATIONSHIP**

The Company is a company incorporated in Hong Kong, whose shares are listed on the Stock Exchange. It is the holding company of various subsidiaries which are principally engaged in banking business.

DSB is a company incorporated in Hong Kong. It is a wholly owned subsidiary of the Company. It is a licensed bank in Hong Kong and is principally engaged in the provision of banking, financial and other related services in Hong Kong.

FL is a company incorporated in Hong Kong. As at the date of this announcement, it is a wholly owned subsidiary of DSFH. It is principally engaged in property investment.

As DSFH is the substantial shareholder of the Company, members of the DSFH Group constitute connected persons of the Company under the Listing Rules. The transactions between members of DSFH Group (including FL) and DSB constitute connected transaction of the Company, subject to relevant disclosures and/or independent shareholders' approval requirements under the Listing Rules.

## **DESCRIPTION OF THE TRANSACTIONS**

As disclosed in the Announcement, pursuant to the New Leaseback Agreement (as defined in the Announcement), DSB has renewed the leasing of the Premises with DSLA, the then owner of the Premises, for a term of three years commencing on 28 December 2016 and expiring on 27 December 2019 (both days inclusive) at a monthly rent of HK\$430,000 exclusive of management fees, government rates, electricity, service charges and air-conditioning charges. The annual rent together with these excluded items, as set out in the New Leaseback Agreement, was estimated not to exceed HK\$5.5 million per annum.

The owner of the Premises has been changed from DSLA to FL with effect from 26 May 2017 and that DSLA's rights and obligations under the New Leaseback Agreement have been fully transferred to FL. Accordingly, FL became the landlord of the Premises under the New Leaseback Agreement by operation of law (please refer to the Company's announcement published on 26 May 2017 for details).

DSB has decided to early terminate the New Leaseback Agreement in accordance with the break clause contained in the agreement which requires a 2-month notice. On 11 January 2019, DSB served an early termination notice to FL that DSB will vacate the Premises with effect from 11 March 2019 whereupon the deposit of HK\$860,000 paid under the New Leaseback Agreement will be returned to DSB without interest.

## **REASONS FOR THE TRANSACTION**

FL is required to carry out certain building works in the Premises. To avoid any possible disruption that may be caused by the building works to the normal operation of the bank branch of DSB at the Premises, the Directors consider that it is in the best interests of the Company and its shareholders as a whole to early terminate the New Leaseback Agreement. DSB has entered into a new tenancy agreement with an independent third party to rent another commercial shop premises in the vicinity of its current Causeway Bay branch, which will allow DSB to continue providing its banking services in the district.

## **REVISED ANNUAL CAP FOR 2019**

There is no change to the terms of the New High Standard Lease Agreement pursuant to which the annual rent together with the associated management fees, government rates, electricity, service charges and air-conditioning charges payable by the Group is not to exceed HK\$3.4 million per annum. To reflect the reduced amount together with the associated management fees, government rates, electricity, service charges and air-conditioning charges payable by the Group under the New Leaseback Agreement for the financial year ending 31 December 2019, the total aggregate amount payable under the New Leaseback Agreement and the New High Standard Lease Agreement for the financial year ending 31 December 2019 will be revised from the limit of not exceeding HK\$8.9 million to HK\$4.4 million accordingly.

## LISTING RULES IMPLICATIONS

The Percentage Ratios (other than the profits ratio) of the Revised Annual Cap for 2019 are all less than 0.1%. This announcement is made to comply with the requirements under Rule 14A.35 of the Listing Rules.

Pursuant to Rule 14A.68(8) of the Listing Rules, Messrs. David Shou-Yeh Wong, Hon-Hing Wong (Derek Wong), Gary Pak-Ling Wang and Robert Tsai-To Sze, being Directors having a connected relationship with DSFH Group, have abstained from voting on the Board resolution relating to the Revised Annual Cap for 2019. The resolution was voted and approved by Directors who are not connected to the transactions.

The Directors (including the independent non-executive Directors) are of the view that the Revised Annual Cap for 2019 and the terms of the continuing connected transactions contemplated under the leasing arrangement between the Group and DSFH Group for the financial year ending 31 December 2019 were entered into on a continuing and regular basis, are fair and reasonable and in the interest of the Company and Shareholders as a whole.

## DEFINITIONS

Unless the context otherwise requires, the following terms shall have the meanings set out below for the purposes of this announcement:

"Announcement"	an announcement published by the Company on 30 December 2016 regarding, among other things, the leaseback arrangement between DSB and DSLA in relation to the Premises
"Board"	the board of Directors of the Company
"Company"	Dah Sing Banking Group Limited, a company incorporated in Hong Kong, whose shares are listed on the Stock Exchange
"DSB"	Dah Sing Bank, Limited
"Directors"	the directors of the Company
"DSFH"	Dah Sing Financial Holdings Limited
"DSFH Group"	DSFH and its subsidiaries (but excluding the Group)
"DSLA"	Dah Sing Life Assurance Company Limited (now known as "Tahoe Life Insurance Company Limited")
"FL"	Fortune Land Corporation Limited
"Group"	the Company and its subsidiaries
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange

"Premises"	Portion of Flat A on Basement and Portion AA on Ground Floor of Thai Kong Building, No.482 Hennessy Road, Hong Kong with a lettable floor area of 2,349 square feet
"Percentage Ratios"	the percentage ratios set out in Rule 14.07 of the Listing Rules, (i.e. "assets ratio", "profits ratio", "revenue ratio", "consideration ratio" and "equity capital ratio", as such terms are defined in the Listing Rules)
"Revised Annual Cap for 2019"	the revised total aggregate amount of the continuing connected transactions contemplated under New Leaseback Agreement and the New High Standard Lease Agreement (as respectively defined in the Announcement) between the Group and DSFH Group for the financial year ending 31 December 2019
"Shareholders"	the shareholders of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

By Order of the Board  
**Dah Sing Banking Group Limited**  
**Doris W. N. Wong**  
*Company Secretary*

Hong Kong, 11 January 2019

*As at the date of this announcement, the Board of the Company comprises Messrs. David Shou-Yeh Wong (Chairman), Hon-Hing Wong (Derek Wong) (Vice Chairman, Managing Director and Chief Executive), Gary Pak-Ling Wang (Group Chief Financial and Operating Officer) and Nicholas John Mayhew (Deputy Chief Executive) as Executive Directors; Mr. Jun Fujimoto as Non-Executive Director; Messrs. Robert Tsai-To Sze, Seng-Lee Chan, Yuen-Tin Ng and Blair Chilton Pickerell as Independent Non-Executive Directors.*