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*(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)

## **CONTINUING CONNECTED TRANSACTION**

On 3 April 2012, DSB, a wholly owned subsidiary of the Company, entered into the Tenancy Agreement with DSIS in relation to the leasing of the Office Premises for a term of 1 year, 8 months and 28 days commencing from 3 April 2012.

DSIS is a wholly-owned subsidiary of DSFH. As DSFH is a substantial shareholder of the Company, DSIS is a connected person of the Company pursuant to the Listing Rules. Accordingly, the transactions contemplated under the Tenancy Agreement constitute continuing connected transactions of the Company under the Listing Rules.

As one of the Percentage Ratios (other than the profits ratio) of the continuing connected transactions contemplated under Tenancy Agreement, on an annual basis, is higher than 0.1% but less than 5%, accordingly, such transactions are subject to the reporting and announcement requirements set out under Rules 14A.45 to 14A.47 of the Listing Rules, the annual review requirements set out in rules 14A.37 to 14A.40, but are exempt from the requirements of independent shareholders' approval under Chapter 14A of the Listing Rules.

## **INTRODUCTION**

On 3 April 2012, DSB, a wholly owned subsidiary of the Company, entered into the Tenancy Agreement with DSIS in relation to the leasing of the Office Premises for a term of 1 year, 8 months and 28 days commencing from 3 April 2012.

## **PARTIES AND CONNECTION OF THE PARTIES**

The Company is the holding company of four banking subsidiaries: DSB, Banco Comercial de Macau, S.A., Dah Sing Bank (China) Limited, MEVAS Bank Limited and a securities trading company.

DSIS is a wholly-owned subsidiary of DSFH. As DSFH is a substantial shareholder of the Company, DSIS is a connected person of the Company pursuant to the Listing Rules. DSIS is the general agent of Dah Sing Life Assurance Company Limited in Hong Kong.

Accordingly, the transactions contemplated under the Tenancy Agreement constitute continuing connected transactions of the Company under the Listing Rules.

## **TENANCY AGREEMENT**

Pursuant to the Tenancy Agreement entered into on 3 April 2012 between DSB, a wholly owned subsidiary of the Company, and DSIS, DSIS agreed to lease from DSB the Office Premises with a lettable floor area of approximately 5,919 square feet for a term of 1 year, 8 months and 28 days commencing from 3 April 2012 and expiring on 31 December 2013 (both days inclusive) at a monthly rent of HK\$207,165 (exclusive of management charges, Government rates and other charges but inclusive of Government rent) payable monthly in advance by cheque. The annual rent together with the excluded items are estimated not to exceed HK\$3,200,000 per annum.

The Office Premises leased under the Tenancy Agreement are for use as an office.

## **REASONS FOR SUCH TRANSACTION**

DSIS is headquartered at Island Place Tower. Due to business expansion, DSIS entered into the Tenancy Agreement relating to the Office Premises. Given the operational set-up and close business co-operation between the subsidiaries of the Company and the insurance subsidiaries of DSFH, the Directors consider the lease of the Office Premises by DSIS is conducive to the business requirements, operations and efficiency of the Group, and therefore is of benefit to the Group as a whole.

## **PROPOSED CAPS**

Based on the terms of Tenancy Agreement, the annual aggregate amount payable by DSIS to DSB under the Tenancy Agreement, together with associated management fees, government rates,

electricity, service charges and air-conditioning charges for each of the financial years ending 31 December 2012 and 2013 will not exceed the sum of HK\$2,600,000 and HK\$3,200,000, respectively.

### **BASIS FOR SUCH CAPS**

In arriving at the above caps, the Directors have considered:

- the information of market rents of relevant properties provided by an independent professional surveyor; and
- the benefit to the Group's operational efficiency in leasing some of the Group's office premises (which are not to be used by the Group for its own operations in the near future) to the DSFH Group.

### **LISTING RULES IMPLICATIONS**

As one of the Percentage Ratios (other than the profits ratio) of the continuing connected transactions contemplated under Tenancy Agreement, on an annual basis, is higher than 0.1% but less than 5%, accordingly, such transactions are subject to the reporting and announcement requirements set out under Rules 14A.45 to 14A.47 of the Listing Rules, the annual review requirements set out in rules 14A.37 to 14A.40 and the requirements set out in rules 14A.35(1) and 14A.35(2), but are exempt from the requirements of independent shareholders' approval under Chapter 14A of the Listing Rules.

Pursuant to Rules 14A.56(9) of the Listing Rules, Messrs. David Shou-Yeh Wong, Hon-Hing Wong (Derek Wong), Gary Pak-Ling Wang and Robert Tsai-To Sze, all being directors of the Board and having material interest in the continuing connected transactions, abstained from voting on the board resolution relating to the entering of the Tenancy Agreement (and the respective caps). The relevant resolution was approved by directors who are not connected to the transactions.

The Board (including the independent non-executive Directors) considers that the Tenancy Agreement (and the transactions contemplated under the Tenancy Agreement) was entered into on normal commercial terms or on terms no less favourable than those available to independent third parties and was entered into on a continuing and regular basis and in the ordinary and usual course of business of the Company, are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and that the annual caps of the continuing connected transactions contemplated under the Tenancy Agreement for the financial years ending 31 December 2012 and 2013 for the abovementioned continuing connected transactions are fair and reasonable.

## DEFINITIONS

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

"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
"DSIS"	Dah Sing Insurance Services Limited
"Group"	the Company and its subsidiaries
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Office Premises"	Portion of the 19 <sup>th</sup> Floor of Island Place Tower, Island Place, No.510 King's Road, Hong Kong
"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)
"Shareholders"	the shareholders of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Tenancy Agreement"	the tenancy agreement entered into between DSB and DSIS relating to leasing of the Office Premises for a term of 1 year, 8 months and 28 days commencing from 3 April 2012

By Order of the Board  
**Dah Sing Banking Group Limited**  
**H. L. Soo**  
Company Secretary

Hong Kong, 3 April 2012

*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), Harold Tsu-Hing Wong (Managing Director and Chief Executive), Gary Pak-Ling Wang and Lung-Man Chiu (John Chiu) as Executive Directors; Mr. Kazutake Kobayashi as Non-Executive Director; Messrs. Robert Tsai-To Sze, Andrew Kwan-Yuen Leung, Seng-Lee Chan and Yuen-Tin Ng as Independent Non-Executive Directors.*