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(incorporated in Hong Kong with limited liability)
(Stock code: 0440)



(incorporated in Hong Kong with limited liability)
(the holding company of Dah Sing Bank, Limited and
MEVAS Bank Limited)
(Stock code: 2356)

ANNOUNCEMENT

Dah Sing Bank, Limited and MEVAS Bank Limited Make an Offer to Repurchase Equity Index-linked Fixed Coupon Principal Protected Notes issued by Lehman Brothers

This is a voluntary announcement made by DSBG and DSFH pursuant to Rule 13.09(1) of the Listing Rules. The Banks have decided, without admission of liability, to make an offer to Eligible Customers, to repurchase their holdings in Lehman PPNs purchased through the Banks.

Dah Sing Banking Group Limited is the holding company of the Banks.

DSFH and DSBG announce that the Banks have decided to make an offer to repurchase from Eligible Customers, Lehman PPNs which were first sold by the Banks by way of private placements on or after 5 August 2008 (the "**Repurchase Offer**").

The Repurchase Offer will be made, without the admission of any liability on the part of the Banks, to Eligible Customers to repurchase the Lehman PPNs at a price equal to 80% of the principal amount paid for them by those Eligible Customers.

As at the date of this announcement, approximately 87% of the investors (i.e. 462 out of 529 customers) who purchased the Lehman PPNs have already reached a settlement with the Banks. The Banks will make an ex-gratia top-up payment (the "**Top-up Payment**") to all those customers who would have qualified as Eligible Customers, but who have reached a previous settlement with the Banks on or before the date of this announcement on terms which are financially less favourable than those to be offered to the Eligible Customers under the Repurchase Offer. The ex-gratia Top-up Payment is intended to bring the treatment of these customers in line with that of the Eligible Customers who will accept the Repurchase Offer. The Banks will write to Eligible Customers outlining the terms of the Repurchase Offer by 6 January 2010 and will make the required Top-up Payments within 30 days of this date.

Based on the information currently available to the Banks, the estimated total amount involved in the acceptance of the Repurchase Offer and Top-up Payment (assuming all Eligible Customers accept the Repurchase Offer) is approximately HK\$72 million. As prior provision for expenses relating to the sale of Lehman related products had already been made as at 30 June 2009, the repurchase offer is not expected to have any material impact on the future financial performance of the Banks. The Repurchase Offer and Top-up Payment are made strictly in relation to the Lehman PPNs, and not in relation to any other investment products.

The Repurchase Offer and Top-up Payment are made under the framework of the earlier Agreement involving 16 banks (including the Banks) relating to Lehman Minibonds. In light of the proposed repurchase and the ongoing commitments given by the Banks under the Agreement, the SFC will not take any enforcement action against the Banks or any of their past or present directors, officers or employees under the SFC's Code of Conduct in relation to the sale of the Lehman PPNs. The HKMA has also informed the Banks that it does not intend to take any enforcement action against their executive officers and relevant individuals in connection with the sale of Lehman PPNs by them to customers who have accepted the Repurchase Offer or the Top-up Payment.

The Board of each of Dah Sing Bank, Limited and MEVAS Bank Limited wishes to emphasise that each Bank respectively will continue to ascribe to the highest standards of conduct in conducting their respective businesses. The Repurchase Offer and Top-up Payment evidence the Banks' efforts to assist customers who may have been affected by the sudden collapse of the Lehman Brothers group, and demonstrates the Banks' unwavering commitment to reinforce the public's confidence in the banking and financial systems of Hong Kong.

DEFINITIONS

In this announcement, references to the percentage and number of investors/customers are based on the number of unique customer accounts and the following expressions have the following meanings:

“Agreement”	The agreement between the SFC, the HKMA and certain distributing banks (including the Banks) relating to Lehman Minibonds, dated 22 July 2009, pursuant to section 201 of the SFO.
“Banks”	Dah Sing Bank, Limited and MEVAS Bank Limited.
“Board”	the board of directors of each of the Banks.
“Code of Conduct”	the Code of Conduct for Persons Licensed by or Registered with the SFC issued by the SFC pursuant to section 399 of the SFO.
“DSBG”	Dah Sing Banking Group Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange of Hong Kong with Stock Code 2356.
“DSFH”	Dah Sing Financial Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange of Hong Kong with Stock Code 0440.

“Eligible Customers”	Individual investors who, through the Banks, purchased the Lehman PPNs, and who have open positions in outstanding Lehman PPNs except those who have previously settled their claims in relation to the sale of Lehman PPNs with the Banks. For the purposes of the Repurchase Offer, an “individual investor” includes any individual who has invested in Lehman PPNs through a private investment vehicle set up specifically for the purposes of investing the individual’s assets.
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong SAR.
“HKMA”	the Hong Kong Monetary Authority.
“Lehman Minibonds”	all retail structured notes issued under the “Secured Continuously Offered Note Programme” of Pacific International Finance Limited, commonly known as Lehman Brothers Minibonds.
“Lehman PPNs”	the Equity Index-linked Fixed Coupon Principal Protected Notes issued by Lehman Brothers, which were first sold by the Banks by way of private placements on or after 5 August 2008.
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.
“SFC”	the Securities and Futures Commission.
“SFO”	the Securities and Futures Ordinance, Cap 571 of the Laws of Hong Kong.

By Order of the Board
Dah Sing Financial Holdings Limited

H.L. Soo
Company Secretary

By Order of the Board
Dah Sing Banking Group Limited

H.L. Soo
Company Secretary

Hong Kong, 23 December 2009

As at the date of this announcement, the Board 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. 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, Dr. Tai-Lun Sun (Dennis Sun), Kwok-Hung Yue (Justin Yue) and Nicholas Robert Sallnow-Smith as Independent Non-executive Directors.

As at the date of this announcement, the Board 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; and Messrs. John William Simpson, David Richard Hinde, Robert Tsai-To Sze, Andrew Kwan-Yuen Leung and Seng-Lee Chan as Independent Non-executive Directors.