

Immediate Release

December 23, 2009

Commitment, respect and moving forward

Dah Sing Bank and MEVAS Bank
to repurchase Lehman Brothers
Equity Index-linked Principal Protected Notes

“Customers first” has always been the motto of Dah Sing Bank and MEVAS Bank (the “Banks”). As a testament to the commitment of the Banks to serving their customers with the highest standards of professionalism and integrity, the Banks announce that they will make offers to repurchase, from eligible customers, certain Equity Index-linked Fixed Coupon Principal Protected Notes issued by Lehman Brothers, which the Banks first sold by way of private placements on or after 5 August 2008 (the “Lehman PPNs”).

The offers will be made, without the admission of any liability on the part of the Banks, to eligible customers to repurchase their Lehman PPNs at a price equal to 80 % of the principal amount paid by the eligible customers. Eligible customers are all individual investors¹ who purchased outstanding Lehman PPNs (which the Banks first sold by way of private placements on or after 5 August 2008) and who have open positions in such outstanding Lehman PPNs, except those who have previously settled their claims in relation to the sale of Lehman PPNs with the Banks.

Approximately 87% of the individual investors (i.e. 462 out of 529 customers) who purchased the Lehman PPNs have already reached a settlement with the Banks. The Banks will offer an *ex gratia* top-up payment to all those customers who would have been eligible for the repurchase offer but who have previously reached a settlement with the Banks on terms which are financially less favourable than those offered to the eligible customers. The *ex gratia* top-up payment is intended to bring those customers in line with the eligible customers who accept the repurchase offer.

¹ For the purposes of this 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.

Based on information currently available to the Banks, the estimated total amount involved in the repurchase and top-up exercise (assuming all eligible customers accept the offer) is approximately HK\$72 million. The repurchase offer is made strictly in relation to Lehman PPNs and is not applicable to any other investment products.

The repurchase offers and the *ex gratia* top-up payments, which have been agreed by both the SFC and the HKMA as part of a resolution of regulatory investigations into the sale of Lehman PPNs, are made under the framework of the agreement made between 16 banks (including the Banks), the SFC and the HKMA relating to Lehman Minibonds on 22 July 2009.

In the spirit of moving forward together with the financial industry in Hong Kong, we are firmly committed to serving our customers by constantly striving to improve the quality of our products and services. We take this opportunity to express our gratitude and respect to all customers for their continued understanding and support.

~ The End ~