
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect about the Prospectus or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your securities in Dah Sing Financial Holdings Limited (the "Company"), you should at once hand the Prospectus and the accompanying Provisional Allotment Letter (as defined herein) and the Excess Application Form (as defined herein) to the purchaser or transferee, or to the bank or stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Dealings in the Shares of the Company and the Rights Shares in their nil-paid form and fully-paid form may be settled through CCASS and you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

A copy of each of the Prospectus Documents, together with copies of the documents specified in the paragraph headed "Documents delivered to the Registrar of Companies" in Appendix IV to the Prospectus, has been registered with the Registrar of Companies in Hong Kong as required by section 38D of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong, The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and the Securities and Futures Commission in Hong Kong take no responsibility for the contents of any of these documents.

Shareholders with registered addresses in any of the Specified Territories (as defined herein) and Beneficial Owners (as defined herein) who are resident in any of the Specified Territories are referred to the important information set out in the sections headed "Non-Qualifying Shareholders" and "Limited categories of persons in the Specified Territories who may be able to take up their Nil Paid Rights and subscribe for the Rights Shares under the Rights Issue".

Hong Kong Exchanges and Clearing Limited, the Stock Exchange and Hong Kong Securities Company Limited take no responsibility for the contents of the Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Prospectus.

The securities described herein have not been registered under the U.S. Securities Act of 1933, as amended, (the "U.S. Securities Act") or the laws of any state in the United States, and may not be offered or sold within the United States, absent registration or an exemption from the registration requirements of the U.S. Securities Act and applicable state laws. There is no intention to register any portion of the rights issue or any securities described herein in the United States or to conduct a public offering of securities in the United States.

Distribution of this Prospectus into jurisdictions other than Hong Kong may be restricted by law. Persons into whose possession this Prospectus comes should inform themselves of and observe any such restrictions. This Prospectus is not for release, publication or distribution, directly or indirectly, in or into the United States. This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the Rights Shares in their nil-paid or fully-paid form or to take up any entitlements to the Rights Shares in their nil-paid or fully-paid form in any jurisdiction in which such an offer or solicitation is unlawful.



RIGHTS ISSUE
OF 38,548,462 RIGHTS SHARES
AT HK\$23.40 PER RIGHTS SHARE
ON THE BASIS OF
13 RIGHTS SHARES FOR EVERY 100 SHARES
HELD ON THE RECORD DATE

Underwriter to the Rights Issue



The latest time for acceptance of, and payment for, the Rights Shares is 4:00 p.m. on Wednesday, 23 April 2014. The procedure for acceptance and payment or transfer of Rights Shares is set out in the section headed "Letter from the Board – Procedure for Acceptance or Transfer" of the Prospectus.

It should be noted that the Underwriting Agreement contains provisions granting HSBC the right, in its absolute discretion, to terminate its obligations thereunder with immediate effect by written notice at any time at or prior to the Latest Time for Termination on the occurrence of certain events including force majeure events. These events are set out in the section headed "Termination of the Underwriting Agreement" on pages 9 to 10 of this Prospectus.

If HSBC exercises such right, the Rights Issue will not become unconditional and the Rights Issue will not proceed. Upon the giving of written notice of termination, all the obligations of HSBC and the Company under the Underwriting Agreement shall cease and no party will have any claim against any other for costs, damages, compensation or otherwise (other than for antecedent breaches) provided that the Company shall remain liable to pay HSBC's reasonable costs, fees and expenses in accordance with the Underwriting Agreement.

The Shares have been dealt in on an ex-rights basis from Tuesday, 1 April 2014. Dealings in the Rights Shares in nil-paid form are expected to take place from Wednesday, 9 April 2014 to Wednesday, 16 April 2014 (both days inclusive). The Rights Issue is conditional upon (i) the Underwriting Agreement becoming unconditional and not being terminated; (ii) the DSBG Underwriting Agreement having been entered into and not being terminated; and (iii) there not having occurred any event which would prevent the DSBG Rights Issue from becoming unconditional. If the Rights Issue does not become unconditional, the Rights Issue will not proceed. Any dealings in the Shares or nil-paid Rights Shares during the period from the date hereof to the date on which all the conditions to which the Rights Issue is subject are fulfilled, which is currently expected to be 4:00 p.m., Monday, 28 April 2014, will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

Any Shareholder or other person contemplating selling or purchasing Shares or Rights Shares in nil-paid form during such periods and who are in any doubt about their position are recommended to consult their professional advisers.

7 April 2014

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The Rights Issue is conditional upon (i) the Underwriting Agreement becoming unconditional and not being terminated; (ii) the DSBG Underwriting Agreement having been entered into and not being terminated; and (iii) there not having occurred any event which would prevent the DSBG Rights Issue from becoming unconditional. If the Rights Issue does not become unconditional, the Rights Issue will not proceed. It should also be noted that the Shares have been dealt in on an ex-rights basis from Tuesday, 1 April 2014 and that the Rights Shares are expected to be dealt in their nil-paid form from Wednesday, 9 April 2014 to Wednesday, 16 April 2014, (both days inclusive). Such dealings will take place when the conditions of the Rights Issue remain unfulfilled. Any person dealing in the securities of the Company up to the date on which such conditions are fulfilled or waived and any person dealing in the nil-paid Rights Shares from Wednesday, 9 April 2014 to Wednesday, 16 April 2014 (being the first and last day of dealings in the nil-paid Rights Shares respectively) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed and should exercise caution. Any person dealing or contemplating any dealing in the securities of the Company and/or the Rights Shares in their nil-paid form during this period who is in any doubt about his or her position is recommended to consult his or her own professional adviser.

EXCEPT AS OTHERWISE SET OUT HEREIN, THE RIGHTS ISSUE DESCRIBED IN THIS PROSPECTUS IS NOT BEING MADE TO SHAREHOLDERS, BENEFICIAL OWNERS OR INVESTORS IN THE SPECIFIED TERRITORIES. This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlements to the nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful. None of the nil-paid Rights Shares, the fully-paid Rights Shares, this Prospectus, the Provisional Allotment Letter and the Excess Application Form will be registered under the securities laws of any of the Specified Territories and none of the nil-paid Rights Shares, the fully-paid Rights Shares, this Prospectus, the Provisional Allotment Letter and the Excess Application Form will qualify for distribution under any of the relevant securities laws of any of the Specified Territories (other than pursuant to any applicable exceptions as agreed by the Company). Accordingly, the nil-paid Rights Shares and the fully-paid Rights Shares may not be offered, sold, pledged, taken up, resold, renounced, transferred or delivered, directly or indirectly, into or within any of the Specified Territories absent registration or qualification under the respective securities laws of such Specified Territories, or exemption from the registration or qualification requirement under applicable rules of such Specified Territories.

Shareholders with registered addresses in any of the Specified Territories and Beneficial Owners who are resident in any of the Specified Territories are referred to the paragraphs of this Prospectus headed “Non-Qualifying Shareholders” and “Limited categories of persons in the Specified Territories who may be able to take up their Nil Paid Rights and subscribe for the Rights Shares under the Rights Issue” under the section headed “Letter from the Board”.

Each person acquiring the Nil Paid Rights and/or Rights Shares under the Rights Issue will be required to confirm, or be deemed by his/her/its acquisition of the Nil Paid Rights and/or Rights Shares to confirm, that he/she/it is aware of the restrictions on offers and sales of Nil Paid Rights and/or Rights Shares as described in this Prospectus.

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NOTICE TO INVESTORS IN AUSTRALIA

This Prospectus is not a disclosure document under Chapter 6D of the Corporations Act 2001 (Cth) (the “Australian Corporations Act”) and has not been and will not be lodged with the Australian Securities and Investments Commission as a disclosure document for the purposes of Chapter 6D of the Australian Corporations Act and does not purport to include the information required of a disclosure document under Chapter 6D of the Australian Corporations Act.

The nil-paid Rights Shares and/or the fully-paid Rights Shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for or buy the nil-paid Rights Shares and/or the fully-paid Rights Shares may be issued, and no draft or definitive offering circular, advertisement or other offering material relating to any of the nil-paid Rights Shares and/or the fully-paid Rights Shares may be distributed in Australia except where disclosure to investors is not required under Chapter 6D of the Australian Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations.

As any offer of the nil-paid Rights Shares and/or the fully-paid Rights Shares under this Prospectus will be made without disclosure in Australia under Chapter 6D of the Australian Corporations Act, the offer of the nil-paid Rights Shares and/or fully-paid Rights Shares for resale in Australia within 12 months may, under section 707 of the Australian Corporations Act, require disclosure to investors under Chapter 6D if none of the exemptions in section 708 apply to that resale. Accordingly, any person who acquires the nil-paid Rights Shares and/or the fully-paid Rights Shares pursuant to this Prospectus should not, within 12 months of acquisition of the nil-paid Rights Shares and/or the fully-paid Rights Shares, offer, transfer, assign or otherwise alienate those nil-paid Rights Shares and/or the fully-paid Rights Shares to investors in Australia except in circumstances where disclosure to investors is not required under Chapter 6D of the Corporations Act or unless a compliant disclosure document is prepared and lodged with the Australian Securities and Investments Commission.

We are not licensed to provide financial product advice in relation to the nil-paid Rights Shares and/or the fully-paid Rights Shares. There is no cooling-off regime that applies in respect of your acquisition of the nil-paid Rights Shares and/or the fully-paid Rights Shares. This Prospectus is intended to provide general information only and has been prepared without taking into account any particular person’s objectives, financial situation or needs. Investors should, before acting on this information, consider the appropriateness of this information having regard to their personal objectives, financial situation or needs. Investors should review and consider the contents of this Prospectus and obtain financial advice specific to their situation before making any decision to make an application for the nil-paid Rights Shares and/or the fully-paid Rights Shares.

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NOTICE TO INVESTORS IN CANADA

The nil-paid Rights Shares and the fully-paid Rights Shares will not be distributed in Canada. Any resale of the nil-paid Rights Shares and/or the fully-paid Rights Shares in Canada must be made under applicable securities laws which will vary depending on the relevant jurisdiction, and which may require resales to be made under available statutory registration and prospectus exemptions, under a discretionary exemption granted by the applicable Canadian securities regulatory authority or in a transaction not subject to securities legislation in Canada. Shareholders and Beneficial Owners are advised to seek legal advice prior to any resale of the nil-paid Rights Shares and/or the fully-paid Rights Shares.

NOTICE TO INVESTORS IN MACAU

The nil-paid Rights Shares and/or the fully-paid Rights Shares may not be promoted, distributed, sold, delivered or offered in Macau to any Macau residents or entities except under the terms of and in compliance with the Macau Financial System Act and any other laws in Macau that may apply to the promotion, distribution, sale, delivery or offer of the nil-paid Rights Shares and/or the fully-paid Rights Shares in Macau. The nil-paid Rights Shares and/or the fully-paid Rights Shares are not registered or otherwise authorised for public offer under the Financial System Act of Macau, thus may not be promoted, distributed, sold, delivered or offered in Macau, unless such actions are made by credit or other financial institutions duly licensed in Macau and upon their communication to the Macau Monetary Authority.

NOTICE TO INVESTORS IN MALAYSIA

This Prospectus has not been and will not be registered as a prospectus with the Malaysian Securities Commission (“SC”) under the Capital Markets and Services Act 2007 (“CMSA”). This Prospectus will not be deposited as an information memorandum with the SC. Accordingly, this Prospectus and any other document or material in connection with the issue or offer for sale, or invitation for acquisition of the nil-paid Rights Shares and/or the fully-paid Rights Shares shall not be circulated nor distributed, nor may the nil-paid Rights Shares and/or the fully-paid Rights Shares be issued, offered or sold, or be made subject of an invitation for acquisition, whether directly or indirectly, to any person in Malaysia, other than to the persons specified in sections 229(1)(b) or 230(1)(b) or schedules 6 or 7 of the CMSA.

The approval of the SC has not been sought and, consequently, the nil-paid Rights Shares and/or the fully-paid Rights Shares may not be made available, or offered for acquisition, nor may any invitation to acquire the nil-paid Rights Shares and/or the fully-paid Rights Shares, whether directly or indirectly, be issued to any person in Malaysia unless such issue, offer or invitation is exempted from the requirement for the approval of the SC by virtue of schedule 5 to the CMSA.

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NOTICE TO INVESTORS IN NEW ZEALAND

This Prospectus is not a New Zealand prospectus nor an investment statement and has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Securities Act 1978 (or any other relevant New Zealand law). This Prospectus may not contain all the information that an investment statement or prospectus prepared under New Zealand law is required to contain. The nil-paid Rights Shares and fully-paid Rights Shares will not be offered to the public in New Zealand.

NOTICE TO INVESTORS IN PAKISTAN

The nil-paid Rights Shares and the fully-paid Rights Shares will not be distributed in Pakistan. Any resale of the nil-paid Rights Shares and/or the fully-paid Rights Shares in Pakistan must be made under applicable securities laws and may be subject to restrictions under the Foreign Exchange Regulation Act 1947 of Pakistan and the Foreign Exchange Manual of the State Bank of Pakistan and the circulars issued by the State Bank of Pakistan pursuant thereto including FE Circular No. 12 of 2001 dated 1 September 2001 and FE Circular No. 11 of 2005 (as amended or replaced from time to time). Shareholders and Beneficial Owners are advised to seek legal advice prior to any resale of the nil-paid Rights Shares and/or the fully-paid Rights Shares.

NOTICE TO INVESTORS IN SINGAPORE

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Rights Shares may not be circulated or distributed, nor may the Rights Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to, and in accordance with the conditions of, an exemption under any provision of Subdivision (4) of Division I of Part XIII of the Securities and Futures Act, Chapter 289 of Singapore.

This Prospectus has been given to you on the basis that you are (i) an existing holder of the Shares, (ii) an “institutional investor” (as defined in the SFA) or (iii) a “relevant person” (as defined in section 275(2) of the SFA). No offer is made to you with a view to the Rights Shares being subsequently offered for sale to any other party.

NOTICE TO INVESTORS IN THAILAND

The nil-paid Rights Shares and the fully-paid Rights Shares will not be offered to the public in Thailand and no registration statement will be filed in Thailand in respect of the Rights Shares. Any resale of the nil-paid Rights Shares and/or the fully-paid Rights Shares in Thailand must be made under applicable securities laws and may require resales to be made under available statutory registration and prospectus exemptions pursuant to notifications of the Securities Exchange Commission. Shareholders and Beneficial Owners are advised to seek legal advice prior to any resale of the nil-paid Rights Shares and/or the fully-paid Rights Shares.

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NOTICE TO INVESTORS IN THE U.K.

This Prospectus has not been delivered for approval to the Financial Conduct Authority (“FCA”) in the U.K. nor has it been approved by an authorised person within the meaning of Financial Services and Markets Act 2000, as amended (“FSMA”). No approved prospectus within the meaning of section 85 of FSMA or of the Directive 2003/71/EC of the European Parliament and the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading (“Prospectus Directive”) has been published or is intended to be published in relation to the Rights Issue. Accordingly, the securities referred to in this Prospectus may not be offered to persons in the U.K. except to persons who are “qualified investors” within the meaning of section 86 of FSMA, or otherwise in circumstances which will not result in an offer to the public in the U.K. in contravention of the FSMA or the Prospectus Directive.

Within the U.K., this Prospectus is only being addressed and distributed to persons to whom interests may lawfully be promoted pursuant to section 21 of FSMA. In particular, this Prospectus may be addressed and distributed only to (a) persons (i) having professional experience in matters relating to investments so as to qualify them as “investment professionals” under Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”); or (ii) falling within Article 49(2)(a) to (d) of the Order; or (b) persons to whom it may be lawfully communicated outside of the U.K. (together being referred to as “Relevant Persons”). This communication must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this communication relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

Please refer to the section headed “Limited categories of persons in the Specified Territories who may be able to take up their Nil Paid Rights and subscribe for the Rights Shares under the Rights Issue” in this Prospectus for further details.

NOTICE TO INVESTORS IN THE U.S.

This Prospectus may not be circulated, distributed, forwarded, delivered or redistributed, electronically or otherwise, to persons within the United States. The Prospectus Documents do not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The Rights Shares in both nil-paid and fully-paid forms have not been and will not be registered under the U.S. Securities Act or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with applicable laws.

The Rights Shares in both nil-paid and fully-paid forms and the Prospectus Documents have not been approved or disapproved by the U.S. Securities and Exchange Commission, any securities commission of any state in the United States or any U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the

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Rights Shares in either nil-paid or fully-paid forms, the Prospectus Documents or the accuracy or adequacy of this Prospectus or any of the other Prospectus Documents. There will be no public offer of these Rights Shares in either nil-paid or fully-paid forms in the United States.

The Rights Shares are being offered in reliance on Regulation S.

In addition, until 40 days after the commencement of the Rights Issue or the procurement of purchasers by HSBC of the Rights Shares not initially taken up, any offer, sale or transfer of the Nil Paid Rights or the Rights Shares in or into the United States by a dealer (whether or not participating in the Rights Issue) may violate the registration requirements of the U.S. Securities Act.

Each purchaser of Nil Paid Rights or subscriber of Rights Shares will be deemed (by accepting delivery of this Prospectus) to have agreed and given each of the following representations and warranties to the Company and HSBC and to any person acting on their behalf, unless in their sole discretion the Company and HSBC waive such requirement expressly in writing:

- he/she/it was a Shareholder as at 5:00 p.m. on the Record Date, or he/she/it lawfully acquired or may lawfully acquire the Nil Paid Rights, directly or indirectly, from such a person;
- he/she/it may lawfully be offered, take up, obtain, subscribe for and receive the Nil Paid Rights and/or the Rights Shares in the jurisdiction in which he/she/it resides or is currently located;
- he/she/it is not resident or located in, or a citizen of, the U.S.;
- he/she/it is not accepting an offer to acquire or take up the Nil Paid Rights or Rights Shares on a non-discretionary basis for a person who is resident or located in, or a citizen of, the U.S. at the time the instruction to accept was given;
- he/she/it is not taking up for the account of any person who is located in the U.S., unless (a) the instruction to purchase or take up the Nil Paid Rights or to subscribe for or accept Rights Shares was received from a person outside the U.S. and (b) the person giving such instruction has confirmed that it (1) has the authority to give such instruction and (2) either (A) has investment discretion over such account or (B) is an investment manager or investment company that is acquiring the Nil Paid Rights and/or the Rights Shares in an “offshore transaction” within the meaning of Regulation S;
- he/she/it is acquiring the Nil Paid Rights and/or the Rights Shares in an “offshore transaction” as defined in Regulation S;
- he/she/it has not been offered the Rights Shares by means of any “directed selling efforts” as defined in Regulation S;

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- he/she/it is not acquiring the Nil Paid Rights or Rights Shares with a view to the offer, sale, allotment, take up, exercise, resale, renouncement, pledge, transfer, delivery or distribution, directly or indirectly, of such Nil Paid Rights or Rights Shares into the U.S.; and
- he/she/it understands that neither the Nil Paid Rights nor the Rights Shares have been or will be registered under the U.S. Securities Act or with any securities regulatory authority of any state, territory, or possession of the U.S. and the Nil Paid Rights and Rights Shares are being distributed and offered only outside the U.S. in reliance on Regulation S. Consequently he/she/it understands the Nil Paid Rights or Rights Shares may not be offered, sold, allotted, taken up, exercised, resold, renounced, pledged, delivered, distributed or otherwise transferred in or into the U.S., except in reliance on an exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act.

For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties above.

FORWARD-LOOKING STATEMENTS

All statements in this Prospectus other than statements of historical fact are forward-looking statements. In some cases, forward-looking statements may be identified by the use of words such as “might”, “may”, “could”, “would”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “seek”, “continue”, “illustration”, “projection” or similar expressions and the negative thereof. Forward-looking statements in this Prospectus include, without limitation, statements in respect of the Group’s business strategies, product offerings, market position, competition, financial prospects, performance, liquidity and capital resources, as well as statements regarding trends in the relevant industries and markets in which the Group operates, technological advances, financial and economic developments, legal and regulatory changes and their interpretation and enforcement.

The forward-looking statements in this Prospectus are based on management’s present expectations about future events. Management’s present expectations reflect numerous assumptions regarding the Group’s strategy, operations, industry, developments in the credit and other financial markets and trading environment. By their nature, they are subject to known and unknown risks and uncertainties, which could cause actual results and future events to differ materially from those implied or expressed by forward-looking statements. Should one or more of these risks or uncertainties materialise, or should any assumptions underlying forward-looking statements prove to be incorrect, the Group’s actual results could differ materially from those expressed or implied by forward-looking statements. Additional risks not known to the Group or that the Group does not currently consider material could also cause the events and trends discussed in this Prospectus not to occur, and the estimates, illustrations and projections of financial performance not to be realised.

Prospective investors are cautioned that forward-looking statements speak only as at the date of publication of this Prospectus. Except as required by applicable law, the Group does not undertake, and expressly disclaims, any duty to revise any forward-looking statement in this Prospectus, be it as a result of new information, future events or otherwise.

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DEFINITIONS

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

“Acceptance Date”	Wednesday, 23 April 2014, or such later date as HSBC may agree in writing with the Company as the last date for acceptance of, and payment for, the Rights Shares
“Announcement”	the announcement of the Company jointly issued with DSBG dated Wednesday, 26 March 2014 relating to, inter alia, the Rights Issue
“associate”	has the meaning ascribed to it in the Listing Rules
“Beneficial Owner”	any beneficial owner of Shares whose Shares are registered in the name of a Registered Owner
“Board”	the board of Directors
“BTMU Irrevocable Undertaking”	the irrevocable undertaking given by The Bank of Tokyo-Mitsubishi UFJ, Ltd. pursuant to the letter of undertaking dated 2 April 2014 in favour of the Company to subscribe for 5,852,390 Rights Shares to be provisionally allotted to it
“Business Day”	any day (other than a Saturday and Sunday) on which licensed banks are open for normal banking business in Hong Kong
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Clearing Participant”	means a person admitted by HKSCC to participate in CCASS as a direct clearing participant or general clearing participant
“CCASS Custodian Participant”	means a person admitted by HKSCC to participate in CCASS as a custodian participant
“CCASS Investor Participant”	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
“CCASS Participant”	a CCASS Clearing Participant or a CCASS Custodian Participant or a CCASS Investor Participant

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“Closing Date”	the date falling on the third Business Day after the latest time for acceptance or such later date as the Company and HSBC may agree in writing
“Companies Ordinance”	the Companies Ordinance (Cap. 622 of the Laws of Hong Kong), as amended from time to time
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong), as amended from time to time
“Company” or “we”/“us”	Dah Sing Financial Holdings Limited, a company incorporated in Hong Kong, the ordinary shares of which are listed on the Stock Exchange (Stock Code: 0440)
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Controlling Shareholder”	Mr. David Shou-Yeh Wong
“Controlling Shareholder Irrevocable Undertaking”	the irrevocable undertaking given, as part of the Underwriting Agreement, by the Controlling Shareholder in favour of the Company and HSBC to subscribe, and to procure certain subscriptions, for 15,136,142 Rights Shares provisionally allotted in respect of the Controlling Shareholder Irrevocable Undertaking Shares
“Controlling Shareholder Irrevocable Undertaking Shares”	116,431,876 Shares in which the Controlling Shareholder and certain of his associates are interested as at the Latest Practicable Date
“Director(s)”	the director(s) of the Company
“DSBG”	Dah Sing Banking Group Limited (the holding company of Dah Sing Bank, Limited), a company incorporated in Hong Kong, the ordinary shares of which are listed on the Stock Exchange (Stock Code: 2356)
“DSBG Prospectus”	the prospectus to be issued in connection with the DSBG Rights Issue
“DSBG Prospectus Documents”	the DSBG Prospectus, the provisional allotment letter(s) and the excess application form(s) to be issued by DSBG in connection with the DSBG Rights Issue

DEFINITIONS

“DSBG Record Date”	Friday, 4 April 2014, the date by reference to which entitlement to participate in the DSBG Rights Issue was determined
“DSBG Rights Issue”	the proposed offer by way of rights of the DSBG Rights Shares to DSBG qualifying shareholders on the terms set out in the Announcement and in the DSBG Prospectus Documents
“DSBG Rights Share(s)”	the new DSBG Share(s) proposed to be allotted and issued under the DSBG Rights Issue
“DSBG Share(s)”	ordinary share(s) in the capital of DSBG
“DSBG Share Option Scheme”	the share option scheme adopted by DSBG on 12 June 2004
“DSBG Subscription Price”	the subscription price of HK\$8.00 per DSBG Rights Share pursuant to the DSBG Rights Issue
“DSBG Underwriting Agreement”	the underwriting agreement dated Wednesday, 26 March 2014 entered into between DSBG, the Company and HSBC in relation to the underwriting of the DSBG Rights Shares and certain other arrangements in respect of the DSBG Rights Issue
“EAF(s)” or “Excess Application Form(s)”	the excess application form(s) to be issued to the Qualifying Shareholders in respect of applications for excess Rights Shares in connection with the Rights Issue
“Group”	the Company and its subsidiaries (including DSBG)
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“HSBC” or “Underwriter”	The Hongkong and Shanghai Banking Corporation Limited, a registered institution under the SFO registered to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities and a licensed bank under the Banking Ordinance (Cap. 155 of the Laws of Hong Kong)
“Intermediary”	in relation to a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, means the Beneficial Owner’s broker, custodian, nominee or other relevant person who is a CCASS Participant or who has deposited the Beneficial Owner’s Shares with a CCASS Participant
“Irrevocable Undertaking”	the irrevocable undertaking given, as part of the DSBG Underwriting Agreement, by the Company in favour of DSBG and HSBC to subscribe for 112,013,747 DSBG Rights Shares to be provisionally allotted to the Company in respect of 933,447,896 DSBG Shares held by the Company
“Last Trading Day”	Tuesday, 25 March 2014, being the last full trading day for the Shares before the release of the Announcement
“Latest Practicable Date”	Friday, 4 April 2014, being the latest practicable date prior to the printing of this Prospectus for ascertaining certain information contained herein
“Latest Time for Termination”	4:00 p.m. on the Closing Date
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange from time to time
“Macau”	the Macau Special Administrative Region of the People’s Republic of China
“MOL”	M.O.L. Finance (Asia) Ltd., an associate of the Controlling Shareholder
“MOL Irrevocable Undertaking”	the irrevocable undertaking given by MOL in favour of the Company and HSBC to subscribe for 571,179 Rights Shares provisionally allotted in respect of MOL

DEFINITIONS

“MOL Irrevocable Undertaking Shares”	4,393,686 Shares in which MOL is interested in as at the Latest Practicable Date
“Nil Paid Rights”	rights to subscribe for Rights Shares (in the form of Rights Shares in nil-paid form) before the Subscription Price is paid
“Non-Qualifying Shareholder(s)”	those Overseas Shareholder(s) and other person(s) whom the Directors, after making relevant enquiries, consider it necessary or expedient not to offer the Rights Shares to on account of either the legal restrictions under the laws of a place outside Hong Kong or the requirements of the relevant regulatory body or stock exchange in that place, as more fully described under “Non-Qualifying Shareholders” under the section headed “Letter from the Board” of this Prospectus
“Overseas Shareholder(s)”	the Shareholder(s) whose name(s) appeared on the register of members of the Company at 5:00 p.m. on the Record Date and whose address(es) as shown on such register is/are in a place(s) outside Hong Kong
“PAL(s)” or “Provisional Allotment Letter(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in respect of their assured entitlements in connection with the Rights Issue
“Participation”	the proposed acceptance by the Company of the provisional allotment of 112,013,747 DSBG Rights Shares, being its pro-rata entitlement under the DSBG Rights Issue, pursuant to the Irrevocable Undertaking
“PRC”	the People’s Republic of China, which for the purpose of the Prospectus excludes Hong Kong, Macau and Taiwan
“Prospectus”	this prospectus to be issued in connection with the Rights Issue
“Prospectus Documents”	the Prospectus, the PAL and the EAF
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholder(s), whose name(s) appeared on the register of members of the Company at 5:00 p.m. on the Record Date
“Record Date”	Friday, 4 April 2014, the date by reference to which entitlement to participate in the Rights Issue was determined

DEFINITIONS

“Registered Owner”	in respect of a Beneficial Owner, means a nominee, trustee, depository or any other authorised custodian or third party which is the registered holder in the register of members of the Company of the Shares in which the Beneficial Owner is beneficially interested
“Registrar”	the Company’s share registrar and transfer office, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
“Regulation S”	Regulation S under the U.S. Securities Act
“Rights Issue”	the proposed issue by the Company of the Rights Shares on the basis of 13 Rights Shares for every 100 existing Shares held on the Record Date, on a pro rata basis, payable in full on acceptance and subject to the terms set out in this Prospectus and in the Prospectus Documents
“Rights Share(s)”	the new Share(s) proposed to be allotted and issued under the Rights Issue
“SFC”	the Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), as amended and supplemented from time to time
“Share(s)”	ordinary share(s) in the capital of the Company
“Shareholder(s)”	holder(s) of the Company’s Shares
“Share Options”	the outstanding share option(s) granted by the Company pursuant to the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by the Company on 28 April 2005
“Specified Territories”	Australia, Canada, Grenada, Macau, Malaysia, New Zealand, Pakistan, Singapore, Thailand, the U.K. and the U.S.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$23.40 per Rights Share pursuant to the Rights Issue

DEFINITIONS

“subsidiary”	has the meaning ascribed to it under the Companies Ordinance
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Underwriting Agreement”	the underwriting agreement dated 26 March 2014 entered into between the Company and HSBC, among others, in relation to the underwriting of the Rights Shares and certain other arrangements in respect of the Rights Issue
“Underwritten Rights Shares”	16,988,751 Rights Shares being the total number of Rights Shares of 38,548,462 Shares, less the 15,707,321 Rights Shares to be subscribed (or procured to be subscribed) by the Controlling Shareholder pursuant to the Controlling Shareholder Irrevocable Undertaking and the MOL Irrevocable Undertaking and the 5,852,390 Rights Shares to be subscribed by The Bank of Tokyo-Mitsubishi UFJ, Ltd. pursuant to the BTMU Irrevocable Undertaking
“U.K.”	the United Kingdom
“U.S.” or “United States”	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
“U.S. Person(s)”	any person(s) or entity(ies) deemed to be a U.S. person for the purposes of Regulation S
“U.S. Securities Act”	the U.S. Securities Act of 1933, as amended
“%”	per cent.

In this Prospectus, unless the context otherwise requires, any reference to the singular includes the plural and vice versa and any reference to a gender includes a reference to the other gender and the neuter.

SUMMARY OF THE RIGHTS ISSUE

The following information is derived from, and should be read in conjunction with, the full text of the Prospectus:

Number of Rights Shares to be issued:	38,548,462 Rights Shares
Amount to be raised:	Approximately HK\$902 million, before expenses, by way of the Rights Issue
Subscription Price:	HK\$23.40 per Rights Share
Latest time for payment and acceptance:	4:00 p.m. on Wednesday, 23 April 2014 (or such other date as HSBC may agree in writing with the Company as the last date for acceptance of, and payment for, the Rights Shares)
Basis of Rights Issue:	13 Rights Shares for every 100 Shares held on the Record Date, on a pro rata basis
Excess applications:	Qualifying Shareholders may apply for Rights Shares in excess of their provisional allotments

TERMINATION OF THE UNDERWRITING AGREEMENT

The Underwriting Agreement contains provisions granting HSBC the right, which may be exercised by HSBC at any time prior to the Latest Time for Termination, to terminate the obligations of HSBC if any of the following occurs:

- (i) any material breach of any of the warranties or the undertakings given by the Company or the Controlling Shareholder comes to the knowledge of HSBC, or there has been a material breach on the part of the Company or the Controlling Shareholder or certain of his associates of any other provision of the Underwriting Agreement; or
- (ii) any event occurs or matter arises, which, if it had occurred before the date of the Underwriting Agreement or before any of the times on which the warranties given by the Company or the Controlling Shareholder are deemed to be given, would have rendered any of those warranties untrue, incorrect or misleading in any material respect; or
- (iii) any statement contained in the Prospectus has become or been discovered to be untrue, incorrect, incomplete or misleading in any material respect, or matters have arisen or have been discovered which would, if the Prospectus was to be issued at the time, constitute a material omission therefrom; or
- (iv) the Company is required to produce a supplementary prospectus; or
- (v) there is a material adverse change or prospective adverse change in the condition, results of operations, management, business, stockholders' equity or in the financial or trading position of any member of the Group which, in the sole opinion of HSBC, is or may be materially adverse in the context of the Rights Issue; or
- (vi) permission to deal in and listing of all the Rights Shares (in their nil-paid and fully-paid forms) has been withdrawn by the Stock Exchange; or
- (vii) the DSBG Underwriting Agreement is terminated or becomes incapable of becoming unconditional in accordance with its terms; or
- (viii) there has occurred, happened, come into effect or become public knowledge any event, series of events or circumstances concerning or relating to (whether or not foreseeable):
 - (A) any change (whether or not permanent) in local, national or international financial, political, military, industrial, economic, legal, fiscal, regulatory or securities market matters or conditions or currency exchange rates or exchange controls in or affecting the PRC, Hong Kong or the United States; or
 - (B) any event of force majeure including, without limitation, economic sanctions, strike or lock-out (whether or not covered by insurance), riot, fire, explosion, flooding, earthquake, civil commotion, act or declaration of war, outbreak or escalation of hostilities (whether or not war is or has been declared), act of terrorism (whether or not responsibility has been claimed), act of God, pandemic, epidemic, outbreak of infectious disease, declaration of a state of emergency or calamity or crisis, in or affecting the PRC, Hong Kong or the United States; or

TERMINATION OF THE UNDERWRITING AGREEMENT

- (C) the declaration of a banking moratorium by the PRC, Hong Kong or United States authorities occurring due to exceptional financial circumstances or otherwise; or
- (D) any moratorium, suspension or restriction on trading in shares or securities generally, or the establishment of minimum prices, on the Stock Exchange or any major disruption of any securities settlement or clearing services in Hong Kong; or
- (E) any suspension of dealings in the Shares (other than pending publication of announcements in respect of the Rights Issue or where such suspension is temporary or routine in nature for not more than two trading days); or
- (F) any new law or regulation or any change, or any development involving a prospective change, in existing laws or regulations in Hong Kong or any other place in which any member of the Group conducts or carries on business,

the effect of which events or circumstances referred to in (A) to (F) above, individually or in the aggregate (in the sole opinion of HSBC): (1) is or would be materially adverse to, or materially prejudicially affects or would materially and prejudicially affect, the Group as a whole or the Rights Issue; or (2) makes or may make it inadvisable or inexpedient to proceed with the Rights Issue.

If HSBC exercises such right and a notice to terminate the Underwriting Agreement is given to the Company by HSBC prior to the Latest Time for Termination, the obligations of all parties under the Underwriting Agreement shall terminate and the Rights Issue will not proceed.

WARNING OF THE RISKS OF DEALING IN SHARES AND RIGHTS SHARES

The Shares have been dealt in on an ex-rights basis from Tuesday, 1 April 2014. Dealings in the Rights Shares in nil-paid form are expected to take place from Wednesday, 9 April 2014 to Wednesday, 16 April 2014, (both days inclusive). The Rights Issue is conditional upon (i) the Underwriting Agreement becoming unconditional and not being terminated; (ii) the DSBG Underwriting Agreement having been entered into and not being terminated; and (iii) there not having occurred any event which would prevent the DSBG Rights Issue from becoming unconditional. If the Rights Issue does not become unconditional, the Rights Issue will not proceed.

Any Shareholder or other person contemplating selling or purchasing Shares and/or Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or Rights Shares. Any person who is in any doubt about his/her/its position is recommended to consult his/her/its own professional adviser. Any Shareholder or other person dealing in Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (being the same date on which HSBC's right to terminate the Underwriting Agreement ceases) and any person dealing in the nil-paid Rights Shares during the period from Wednesday, 9 April 2014 to Wednesday, 16 April 2014 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

EXPECTED TIMETABLE

EXPECTED TIMETABLE

Record Date	5:00 p.m., Friday, 4 April 2014
Despatch of the Prospectus Documents	Monday 7 April 2014
First day of dealings in nil-paid Rights Shares	Wednesday, 9 April 2014
Latest time for splitting of nil-paid Rights Shares	4:30 p.m., Friday, 11 April 2014
Last day of dealings in nil-paid Rights Shares	Wednesday, 16 April 2014
Latest time for payment for and acceptance of Rights Shares and the application and payment for excess Rights Shares	4:00 p.m., Wednesday, 23 April 2014
Rights Issue expected to become unconditional after	4:00 p.m., Monday, 28 April 2014
Announcement of results of acceptances of and excess applications for the Rights Issue	Tuesday, 29 April 2014
Despatch of refund cheques for wholly and partially unsuccessful excess applications on or before	Wednesday, 30 April 2014
Share certificates for Rights Shares to be posted on or before	Wednesday, 30 April 2014
First day of dealings in fully-paid Rights Shares	9:00 a.m., Friday, 2 May 2014

Note: All times and dates herein refer to Hong Kong local times and dates. Shareholders should note that the dates or deadlines specified in the expected timetable of the Rights Issue as set out above, and in other parts of the Prospectus, are indicative only and may be varied by agreement between the Company and HSBC. In the event any special circumstances arise, the Board may extend, or make adjustment to, the timetable if it considers appropriate. Any such extension or adjustment to the expected timetable will be published or notified to Shareholders and the Stock Exchange as and when appropriate.

EXPECTED TIMETABLE

EFFECT OF BAD WEATHER ON LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR RIGHTS SHARES AND EXCESS RIGHTS SHARES

The latest time for acceptance of, and payment for, the Rights Shares and for application of, and payment for, excess Rights Shares will not take place as shown in the section headed “Expected Timetable” if there is a tropical cyclone warning signal no. 8 or above or a “black” rainstorm warning:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Wednesday, 23 April 2014. Instead the latest time for acceptance of and payment for the Rights Shares and excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; and
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Wednesday, 23 April 2014. Instead the latest time of acceptance of and payment for the Rights Shares and excess Rights Shares will be rescheduled to 4:00 p.m. on the next following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m..

If the latest time for acceptance of and payment for the Rights Shares and excess Rights Shares does not take place on Wednesday, 23 April 2014, the dates as shown in the section headed “Expected Timetable” above may be affected. The Company will notify Shareholders by way of announcement(s) of any change to the expected timetable as soon as practicable.

LETTER FROM THE BOARD



大新金融集團有限公司
DAH SING FINANCIAL HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)
(Stock Code: 0440)

Executive Directors:

David Shou-Yeh Wong (*Chairman*)
Hon-Hing Wong (Derek Wong)
(*Managing Director and Chief Executive*)
Gary Pak-Ling Wang
Nicholas John Mayhew

Registered Office:

36th Floor
Dah Sing Financial Centre
108 Gloucester Road
Hong Kong

Non-Executive Directors:

Takashi Morimura (Muneo Kurauchi as alternate)
Hidekazu Horikoshi
John Wai-Wai Chow

Independent Non-Executive Directors:

Robert Tsai-To Sze
Lon Dounn
Seiji Nakamura
Blair Chilton Pickerell
Yuan Shu

7 April 2014

*To the Qualifying Shareholders,
holders of the Share Options, and, for information only,
certain Non-Qualifying Shareholders*

Dear Sir or Madam,

**RIGHTS ISSUE
OF 38,548,462 RIGHTS SHARES
AT HK\$23.40 PER RIGHTS SHARE
ON THE BASIS OF
13 RIGHTS SHARES FOR EVERY 100 SHARES
HELD ON THE RECORD DATE**

INTRODUCTION

On Wednesday, 26 March 2014, the Company jointly with DSBG announced, inter alia, the Rights Issue. Subject to the fulfilment of the conditions of the Rights Issue, the Company proposes to raise approximately HK\$902 million, before expenses, by way of the Rights Issue of 38,548,462 Rights Shares at the Subscription Price of HK\$23.40 per Rights Share.

LETTER FROM THE BOARD

The Company has provisionally allotted 13 Rights Shares in nil-paid form for every 100 Shares held by each Qualifying Shareholder on the Record Date on a pro rata basis. Fractional entitlements have not been provisionally allotted but will be aggregated and sold for the benefit of the Company.

The Rights Issue is not available to the Non-Qualifying Shareholders.

As at the Latest Practicable Date, the Company had 296,526,638 Shares in issue.

Pursuant to the Underwriting Agreement, the Underwritten Rights Shares are fully underwritten by HSBC, subject to the conditions set out in the Underwriting Agreement. The Rights Issue is conditional upon, among other things, the Underwriting Agreement becoming unconditional. If the Rights Issue does not become unconditional, the Rights Issue will not proceed.

The Company intends to use the net proceeds from the Rights Issue in paying the subscription price for the Company's subscription of 112,013,747 DSBG Rights Shares, being the Company's pro-rata entitlement under the DSBG Rights Issue, that will be provisionally allotted to the Company subject to the terms and conditions of the DSBG Rights Issue. In the event that the DSBG Rights Issue does not become unconditional or does not proceed after the Rights Issue has gone unconditional, the Company intends to apply the entire net proceeds from the Rights Issue as general working capital.

The purpose of the Prospectus is to provide you with further details of (i) the Rights Issue, including information on dealings in and transfers of Rights Shares in their nil-paid form and the procedure for the acceptance of provisional allotments of Rights Shares and certain financial and other information of the Group and (ii) the Company's proposed Participation in the DSBG Rights Issue.

LETTER FROM THE BOARD

1. RIGHTS ISSUE

(A) TERMS OF THE RIGHTS ISSUE

Issue Statistics

Basis of Rights Issue:	13 Rights Shares for every 100 Shares held at 5:00 p.m. on the Record Date, on a pro rata basis
Number of existing Shares in issue as at the Latest Practicable Date:	296,526,638 Shares
Number of Rights Shares to be issued:	38,548,462 Rights Shares
Subscription Price:	HK\$23.40 per Rights Share
Excess applications:	Qualifying Shareholders may apply for Rights Shares in excess of their provisional allotment. Any Rights Shares available for excess application would be those Rights Shares (if any) representing unsold aggregated fractional entitlements and any Rights Shares provisionally allotted but not accepted by Qualifying Shareholders or otherwise subscribed for by renouncees or transferees of nil-paid Rights Shares and any Rights Shares representing any unsold entitlements of the Non-Qualifying Shareholders

LETTER FROM THE BOARD

Status: The Rights Shares to be allotted and issued will, subject to the articles of association of the Company, rank pari passu in all respects with each other, including, in particular, as to dividends, voting and capital, and with all Shares in issue as at the date of allotment and issue of Rights Shares, such that holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions, the record dates of which are on or after the date of allotment and issue of the Rights Shares. In particular, holders of fully-paid Rights Shares will be entitled to receive the dividend of HK\$0.91 per Share recommended by the Directors as set out in the announcement by the Company of its annual results for the year ended 31 December 2013 on Wednesday, 26 March 2014 subject to such dividend being approved by the Shareholders in general meeting.

As at the Latest Practicable Date, there were outstanding vested Share Options entitling the holders to subscribe for up to 380,000 Shares. None of the Share Options had been exercised as at 5:00 p.m. on the Record Date. Other than the Share Options, there are no other securities or options in issue which are convertible into or confer any right to subscribe for Shares.

The nil-paid Rights Shares proposed to be provisionally allotted represent:

- (i) approximately 13% of the Company's issued share capital as at the Latest Practicable Date; and
- (ii) approximately 11.5% of the Company's enlarged issued share capital as enlarged by the issue of the Rights Shares.

Subscription Price

The Subscription Price for the Rights Shares is HK\$23.40 per Rights Share, payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of Rights Shares or, where applicable, upon application for excess Rights Shares under the Rights Issue, or when a renounee or transferee of Nil Paid Rights applies for the relevant Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 33.99% to the closing price of HK\$35.45 per Share as quoted on the Stock Exchange on the Last Trading Day;

LETTER FROM THE BOARD

- (ii) a discount of approximately 31.30% to the theoretical ex-rights price of HK\$34.06 per Share, which is calculated on the basis of the closing price of HK\$35.45 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 33.77% to the average of the closing prices per Share as quoted on the Stock Exchange for the five (5) trading days ending on the Last Trading Day of approximately HK\$35.33 per Share;
- (iv) a discount of approximately 34.86% to the average of the closing prices per Share as quoted on the Stock Exchange for the ten (10) trading days ending on the Last Trading Day of approximately HK\$35.92 per Share; and
- (v) a discount of approximately 58.45% to the audited consolidated net asset value attributable to equity holders of the Company as at 31 December 2013 of approximately HK\$56.32 per Share.

The Rights Shares have no nominal value.

The Subscription Price was determined by the Directors with reference to the market price of the Shares prior to and including the Last Trading Day. Each Qualifying Shareholder is entitled to subscribe for the Rights Shares at the same price in proportion to his/her/its shareholding in the Company held at 5:00 p.m. on the Record Date.

The Directors consider the terms of the Rights Issue, including the Subscription Price (and the discounts to the relative values as indicated above), to be fair and reasonable and to be in the interests of the Company and the Shareholders as a whole.

Qualifying Shareholders

To qualify for the Rights Issue, a Shareholder must have been:

- (i) registered as a member of the Company at 5:00 p.m. on the Record Date; and
- (ii) not be a Non-Qualifying Shareholder.

Qualifying Shareholders who take up their pro-rata entitlements in full will not suffer any dilution to their interests in the Company (save in respect of fractions). If a Qualifying Shareholder does not take up his/her/its entitlement under the Rights Issue in full, his/her/its proportionate shareholding in the Company will be diluted.

LETTER FROM THE BOARD

Basis of Provisional Allotment of Rights Shares

Qualifying Shareholders will receive a PAL in respect of the Rights Issue. The Rights Shares have been provisionally allotted on the pro-rata basis of 13 Rights Shares, in nil-paid form, for every 100 existing Shares held by a Qualifying Shareholder at 5:00 p.m. on the Record Date (i.e. the number of Rights Shares to be allotted to each Qualifying Shareholder shall be the number of Shares held at 5:00 p.m. on the Record Date multiplied by 0.13, rounded down to the nearest whole number). The board lot of the Rights Shares in nil-paid form will be 400 Shares.

Application for all of a Qualifying Shareholder's provisional allotment of Rights Shares should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for. Please refer to the section headed "Procedures for acceptance or transfer" below for further details.

If a Qualifying Shareholder wishes to accept only part of, or transfer a part of, his/her/its Rights Shares provisionally allotted to him/her/it under the PAL or to transfer his/her/its rights to more than one person, please refer to the paragraphs headed "Transfers and "splitting" of Nil Paid Rights" under the section headed "Procedures for acceptance or transfer" below.

Distribution of this Prospectus and the other Prospectus Documents

The Company will only send this Prospectus accompanied by the other Prospectus Documents to the Qualifying Shareholders. However, to the extent reasonably practicable and legally permitted, the Company will send this Prospectus, for information purposes only, to the Non-Qualifying Shareholders. The Company will not send any Provisional Allotment Letter or Excess Application Form to the Non-Qualifying Shareholders.

This Prospectus will not be sent to any Shareholders in the Specified Territories except to those Shareholders who fulfil, to the satisfaction of the Company, the relevant requirements specified in the section headed "Limited categories of persons in the Specified Territories who may be able to take up their Nil Paid Rights and subscribe for the Rights Shares under the Rights Issue".

Distribution of this Prospectus and the other Prospectus Documents into jurisdictions other than Hong Kong may be restricted by law. Persons into whose possession the Prospectus Documents come (including, without limitation, agents, custodians, nominees and trustees) should inform themselves of and observe any such restriction. Any failure to comply with those restrictions may constitute a violation of the securities laws of any such jurisdiction. Any Shareholder or Beneficial Owner who is in any doubt as to his/her/its position should consult an appropriate professional adviser without delay. In particular, subject to certain exceptions as agreed between the Company and HSBC, this Prospectus and the other Prospectus Documents should not be distributed, forwarded to or transmitted in, into or from any of the Specified Territories.

LETTER FROM THE BOARD

It is the responsibility of any person (including but not limited to any agent, custodian, nominee or trustee) outside Hong Kong wishing to make an application for the Rights Shares to satisfy himself as to the full observance of the laws and regulations of the relevant territory or jurisdiction, including obtaining any governmental or other consents and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith. Any acceptance of the offer of the Rights Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been fully complied with. Such persons should consult their professional advisers if in doubt.

For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to the representations and warranties above.

The Prospectus Documents will not be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

Non-Qualifying Shareholders

Non-Qualifying Shareholders are:

- (i) those Overseas Shareholders; and
- (ii) those Shareholders and Beneficial Owners who are known by the Company to be residents of places outside Hong Kong,

in respect of whom the Directors, based on relevant enquiries made by the Directors, consider it necessary or expedient not to offer the Rights Shares on account either of the legal restrictions under the laws of the relevant place in which the Shareholder or Beneficial Owner (as the case maybe) is located or the requirements of the relevant regulatory body or stock exchange in that place.

The Board has made due enquiries pursuant to Rule 13.36(2) of the Listing Rules as to the applicable securities legislation of the Specified Territories or the requirements of any relevant regulatory body or stock exchange for the issue of the Rights Shares in those territories. Having considered the circumstances, the Directors have formed the view that, other than certain limited exceptions as described below, it is necessary or expedient not to offer the Rights Shares (in both nil-paid and fully-paid forms) to Shareholders or Beneficial Owners in the Specified Territories due to the time and costs involved in the registration or filing of this Prospectus and/or approval required by the relevant authorities in those territories and/or additional steps the Company and/or Shareholders and/or Beneficial Owners need to take to comply with the local legal requirements and/or other requirements to be satisfied in order to comply with relevant local legal or regulatory requirements in those territories.

Accordingly, for the purposes of the Rights Issue, Non-Qualifying Shareholders are:

LETTER FROM THE BOARD

- (a) Shareholders whose name(s) appeared in the register of members of the Company on the Record Date and whose address(es) as shown in such register is/are in any of the Specified Territories, except for those Overseas Shareholders with addresses in the U.K. who fulfil the requirements specified in the section below headed “Limited categories of persons in the Specified Territories who may be able to take up their Nil Paid Rights and subscribe for the Rights Shares under the Rights Issue” to the satisfaction of the Company; and
- (b) any Shareholders or Beneficial Owners on the Record Date who are otherwise known by the Company to be residing in any of the Specified Territories, except for those Shareholders or Beneficial Owners residing in the U.K. who fulfil the requirements specified in the section below headed “Limited categories of persons in the Specified Territories who may be able to take up their Nil Paid Rights and subscribe for the Rights Shares under the Rights Issue” to the satisfaction of the Company.

Notwithstanding any other provision in this Prospectus or the Provisional Allotment Letter or the Excess Application Form, the Company reserves the right to permit any Shareholder to take up his/her/its Nil Paid Rights and/or to apply for excess Rights Shares if the Company, in its absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions in question.

Receipt of this Prospectus and/or a Provisional Allotment Letter and/or an Excess Application Form or the crediting of Nil Paid Rights to a stock account in CCASS does not and will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus and/or a Provisional Allotment Letter and/or an Excess Application Form must be treated as sent for information only and should not be copied or redistributed. Persons (including, without limitation, agents, custodians, nominees and trustees) who receive a copy of this Prospectus and/or a Provisional Allotment Letter and/or an Excess Application Form or whose stock account in CCASS is credited with Nil Paid Rights should not, in connection with the Rights Issue, distribute or send the same in, into or from, or transfer Nil Paid Rights to any person in, into or from, any of the Specified Territories. If a Provisional Allotment Letter or an Excess Application Form or a credit of Nil Paid Rights in CCASS is received by any person in any such territory, or by his/her/its agent or nominee, he/she/it should not seek to take up the rights referred to in the Provisional Allotment Letter or transfer the Provisional Allotment Letter (or apply for any excess Rights Shares under the Excess Application Form) or transfer the Nil Paid Rights in CCASS unless the Company and HSBC determine that such actions would not violate applicable legal or regulatory requirements. Any person (including, without limitation, agents, custodians, nominees and trustees) who does forward this Prospectus or a Provisional Allotment Letter or an Excess Application Form in, into or from any of the Specified Territories (whether under a contractual or legal obligation or otherwise) should draw the recipient’s attention to the contents of this section.

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Arrangements will be made for the Nil Paid Rights which would otherwise have been allotted to Non-Qualifying Shareholders, had they been Qualifying Shareholders, to be provisionally allotted to HSBC or its nominee and to be sold in the market in their nil-paid form after dealings in the Nil Paid Rights commence on the Stock Exchange and in any event before the latest time for acceptance of Rights Shares, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses and stamp duty, will be paid to the relevant Non-Qualifying Shareholder(s) (pro rata to their shareholdings at 5:00 p.m. on the Record Date), provided that the Company will retain individual amounts of HK\$100 or less for the benefit of the Company. Any Rights Shares in respect of unsold entitlements of Non-Qualifying Shareholders, together with any Rights Shares (if any) representing unsold aggregated fractional entitlements, Rights Shares in respect of Nil Paid Rights not taken up by the Qualifying Shareholders or otherwise not subscribed for by renouncees or transferees of Nil Paid Rights, will be made available for excess application on Excess Application Forms by Qualifying Shareholders.

The arrangements described in the above paragraph will not apply to any Non-Qualifying Shareholder who is a Shareholder or Beneficial Owner residing in any of the Specified Territories but (in the case of a Shareholder) whose address, or (in the case of a Beneficial Owner) who holds his/her/its interest in Shares through a Registered Owner whose address, was shown in the register of members of the Company on the Record Date as not being in a Specified Territory. Such Shareholders and Beneficial Owners are referred to herein as “Non-Qualifying Beneficial Owners” and may include Beneficial Owners holding interests in Shares through CCASS (which Shares are registered in the register of members of the Company in the name of HKSCC Nominees Limited, a company incorporated in Hong Kong). The Company is unable to extend those arrangements to such Non-Qualifying Beneficial Owners as the Company does not have the necessary information in relation to such Non-Qualifying Beneficial Owners to make a unilateral determination as to whether those Shareholders or Beneficial Owners are Non-Qualifying Shareholders for the purposes of the Rights Issue. Instead of the arrangements described above, the Nil Paid Rights which would otherwise have been available to be taken up by those Non-Qualifying Beneficial Owners will not be sold in the market and the relevant Non-Qualifying Beneficial Owners will not receive the proceeds of any such sale. All Non-Qualifying Beneficial Owners are advised to seek their own legal advice as to whether or not they may be permitted, having regard to their own particular circumstances (including the laws and regulations of the relevant jurisdiction in which they are resident), to sell their Nil Paid Rights in the market. Any such Nil Paid Rights which are not sold in the market by Non-Qualifying Beneficial Owners will be made available for excess applications on Excess Application Forms by Qualifying Shareholders.

With respect to Non-Qualifying Shareholders who hold interests in Shares through CCASS, their nominees, custodians or other Intermediaries may sell, on such Non-Qualifying Shareholders' behalf, their entitlements to the Nil Paid Rights in compliance with applicable securities laws and distribute the proceeds thereof as appropriate.

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The Company reserves the right to treat as invalid any acceptance of or application for the Nil Paid Rights where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Overseas Shareholders and Beneficial Owners who are residing outside Hong Kong should exercise caution when dealing in the Shares and/or the Nil Paid Rights.

Limited categories of persons in the Specified Territories who may be able to take up their Nil Paid Rights and subscribe for the Rights Shares under the Rights Issue

Notwithstanding what is said in the section headed “Non-Qualifying Shareholders” above, although Shareholders or Beneficial Owners in the U.K. are generally Non-Qualifying Shareholders, a limited number of Shareholders and Beneficial Owners in the U.K. who are qualified investors as defined under section 86(7) of the Financial Services and Markets Act 2000 (“FSMA”) may be able to take up their Nil Paid Rights and subscribe for Rights Shares being offered in the Rights Issue, provided they fulfil relevant requirements to the satisfaction of the Company.

The Company reserves the absolute discretion in determining whether to allow such participation as well as the identity of the persons who may be allowed to do so.

Procedures for acceptance or transfer

General

Any person (including, without limitation, agents, nominees and trustees) wishing to take up his/her/its rights under the Rights Issue must satisfy himself/herself/itself as to full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories. The attention of Shareholders with registered addresses in, and Shareholders or Beneficial Owners who are otherwise residing in, any of the Specified Territories and persons holding Shares on behalf of persons with such addresses or residences is drawn to the sections above headed “Non-Qualifying Shareholders” and “Limited categories of persons in the Specified Territories who may be able to take up their Nil Paid Rights and subscribe for the Rights Shares under the Rights Issue”.

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Each purchaser of Nil Paid Rights or subscriber of Rights Shares will be deemed (by accepting delivery of this Prospectus) to have agreed and given each of the following representations and warranties to the Company and HSBC and to any person acting on their behalf, unless in their sole discretion the Company and HSBC waive such requirement expressly in writing:

- he/she/it was a Shareholder as at 5:00 p.m. on the Record Date, or he/she/it lawfully acquired or may lawfully acquire the Nil Paid Rights, directly or indirectly, from such a person;
- he/she/it may lawfully be offered, take up, obtain, subscribe for and receive the Nil Paid Rights and/or the Rights Shares in the jurisdiction in which he/she/it resides or is currently located;
- he/she/it is not resident or located in, or a citizen of, the U.S.;
- he/she/it is not accepting an offer to acquire or take up the Nil Paid Rights or Rights Shares on a non-discretionary basis for a person who is resident or located in, or a citizen of, the U.S. at the time the instruction to accept was given;
- he/she/it is not taking up for the account of any person who is located in the U.S., unless (a) the instruction to purchase or take up the Nil Paid Rights or to subscribe for or accept Rights Shares was received from a person outside the U.S. and (b) the person giving such instruction has confirmed that it (1) has the authority to give such instruction and (2) either (A) has investment discretion over such account or (B) is an investment manager or investment company that is acquiring the Nil Paid Rights and/or the Rights Shares in an “offshore transaction” within the meaning of Regulation S;
- he/she/it is acquiring the Nil Paid Rights and/or the Rights Shares in an “offshore transaction” as defined in Regulation S;
- he/she/it has not been offered the Rights Shares by means of any “directed selling efforts” as defined in Regulation S;
- he/she/it is not acquiring the Nil Paid Rights or Rights Shares with a view to the offer, sale, allotment, take up, exercise, resale, renouncement, pledge, transfer, delivery or distribution, directly or indirectly, of such Nil Paid Rights or Rights Shares into the U.S.; and
- he/she/it understands that neither the Nil Paid Rights nor the Rights Shares have been or will be registered under the U.S. Securities Act or with any securities regulatory authority of any state, territory, or possession of the U.S. and the Nil Paid Rights and Rights Shares are being distributed and offered only outside the U.S. in reliance on Regulation S. Consequently he/she/it understands the Nil Paid Rights or Rights Shares may not be offered, sold,

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allotted, taken up, exercised, resold, renounced, pledged, delivered, distributed or otherwise transferred in or into the U.S., except in reliance on an exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act.

For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties above.

Action to be taken by Qualifying Shareholders

Subscription for all Rights Shares provisionally allotted

For each Qualifying Shareholder, a Provisional Allotment Letter is enclosed with this Prospectus which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of the Rights Shares shown thereon. If a Qualifying Shareholder wishes to take up his/her/its right to subscribe for any or all of the Rights Shares provisionally allotted to him/her/it as specified in the Provisional Allotment Letter, he/she/it must lodge the Provisional Allotment Letter in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by no later than 4:00 p.m. on the Acceptance Date, i.e. Wednesday, 23 April 2014. All remittances must be made in Hong Kong dollars and cheques must be drawn on a bank account with, or cashier's orders issued by, a licensed bank in Hong Kong and made payable to "**DSFH (440) – Rights Issue Account (2014)**" and crossed "**Account Payee Only**".

It should be noted that unless the Provisional Allotment Letter, together with the appropriate remittance, has been lodged with the Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by 4:00 p.m. on the Acceptance Date, whether by the original allottee or any person in whose favour the rights have been validly renounced or transferred, that provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled. The Company may, at its discretion, treat a Provisional Allotment Letter as valid and binding on the person(s) by whom or on whose behalf it is lodged even if it has not been completed in accordance with the relevant instructions.

The Provisional Allotment Letter contains further information regarding the procedure to be followed for acceptance of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders.

All cheques and cashier's orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Any Provisional Allotment Letter in respect of which the cheque or cashier's order is dishonoured on first presentation is liable to be rejected, and in that event the provisional allotment and all rights thereunder will be deemed to have

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been declined and will be cancelled. Completion and return of a Provisional Allotment Letter together with a cheque or cashier's order in payment for the Rights Shares accepted will constitute a warranty by the applicant(s) that the cheque or cashier's order will be honoured on first presentation. If the Rights Issue does not proceed, the monies received in respect of the relevant provisional allotments will be refunded to the Qualifying Shareholders or such other person to whom the Rights Shares in their nil-paid form have been validly renounced or transferred or, in the case of joint acceptances, to the first-named person, without interest and by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders or such other persons to their registered addresses by the Registrar on or before Wednesday, 30 April 2014.

Transfers and "splitting" of Nil Paid Rights

The Nil Paid Rights can be traded on the Stock Exchange. A Qualifying Shareholder can accept all of his/her/its provisional allotment of Rights Shares, or sell all of his/her/its provisional allotment on the Stock Exchange or accept only part of his/her/its provisional allotment and sell the remaining part on the Stock Exchange.

If a Qualifying Shareholder wishes to accept only part of, or renounce or transfer a part of, his/her/its Rights Shares provisionally allotted to him/her/it under the Provisional Allotment Letter or to renounce or transfer his/her/its rights to more than one person, the entire Provisional Allotment Letter must be surrendered and lodged for cancellation together with a covering letter stating clearly the number of split Provisional Allotment Letters required and the number of Nil Paid Rights to be comprised in each split Provisional Allotment Letter (which, in aggregate, should be equal to the number of Rights Shares provisionally allotted to such holder as stated in Box B of the original Provisional Allotment Letter), by no later than 4:30 p.m. on Friday, 11 April 2014 to the Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. The Registrar will cancel the original Provisional Allotment Letter and issue new Provisional Allotment Letters in the denominations required which will be available for collection from the Registrar at the above address after 9:00 a.m. on the second Business Day after the surrender of the original Provisional Allotment Letter. This process is commonly known as "splitting" the nil-paid Rights Shares.

Having "split" the Nil Paid Rights, a Qualifying Shareholder who wishes to accept the provisional allotment of Rights Shares represented by a new Provisional Allotment Letter should do so in accordance with the instructions given above in the section headed "Subscription for all Rights Shares provisionally allotted".

If a Qualifying Shareholder wishes to renounce or transfer all of his/her/its Nil Paid Rights under a Provisional Allotment Letter (or a split Provisional Allotment Letter, as the case may be) to another person, he/she/it should complete and sign the "Form of Transfer and Nomination" (Form B) in the Provisional Allotment Letter and hand the Provisional Allotment Letter to the person to or through whom he/she/it is transferring his/her/its Nil Paid Rights. The transferee must then complete and sign

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the “Registration Application Form” (Form C) in the Provisional Allotment Letter and lodge the Provisional Allotment Letter intact together with a remittance for the full amount payable on acceptance with the Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, by no later than 4:00 p.m. Wednesday, 23 April 2014.

It should be noted that Hong Kong stamp duty is payable in connection with the transfer of Nil Paid Rights to the transferee(s) and the acceptance by the transferee(s) of such rights.

The Provisional Allotment Letter contains further information regarding the procedures to be followed for transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders.

The Company reserves the right to refuse to register any transfer in favour of any person in respect of which the Company believes such transfer may violate applicable legal or regulatory requirements.

Important notice and representations and warranties relating to Qualifying Shareholders in the Specified Territories

As described above, Shareholders with registered addresses in the Specified Territories and Shareholders and Beneficial Owners who are otherwise known by the Company to be residing in any of the Specified Territories are only permitted to take up their rights under the Rights Issue if they fulfil the relevant requirements to the satisfaction of the Company.

Any Qualifying Shareholder accepting and/or transferring a Provisional Allotment Letter or requesting registration of the Rights Shares comprised therein represents and warrants to the Company that, except where proof has been provided to the satisfaction of the Company that such person’s use of the Provisional Allotment Letter will not result in the contravention of any applicable legal requirement in any jurisdiction, he/she/it: (i) is not accepting and/or transferring the Provisional Allotment Letter, or requesting registration of the relevant Nil Paid Rights or Rights Shares from within any of the Specified Territories; (ii) is not in any of the Specified Territories or in any territory in which it is otherwise unlawful to make or accept an offer to acquire the Nil Paid Rights or the Rights Shares or to use the Provisional Allotment Letter in any manner in which such person has used or will use it; (iii) is not acting on a non-discretionary basis for a person resident in any of the Specified Territories at the time the instruction to accept or transfer was given; and (iv) is not acquiring the Nil Paid Rights or the Rights Shares with a view to the offer, sale, allotment, take up, exercise, resale, renouncement, pledge, transfer, delivery or distribution, directly or indirectly, of any such Nil Paid Rights or Rights Shares into any of the Specified Territories.

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The Company may treat as invalid any acceptance or purported acceptance of the allotment of Rights Shares comprised in, or transfer or purported transfer of, a Provisional Allotment Letter if it: (a) appears to the Company to have been executed in, or despatched from, any of the Specified Territories and the acceptance or transfer may involve a breach of the laws of the relevant Specified Territory or the acceptance or transfer is otherwise in a manner which may involve a breach of the laws of any jurisdiction or if it or its agents believe the same may violate any applicable legal or regulatory requirement; (b) provides an address in any of the Specified Territories for delivery of definitive share certificates for Rights Shares and such delivery would be unlawful or provides an address for delivery of definitive share certificates in any other jurisdiction outside Hong Kong in which it would be unlawful to deliver such certificates; or (c) purports to exclude the representation and/or warranty required by the paragraph immediately above.

Action to be taken by Beneficial Owners whose Shares are held by a Registered Owner (other than Shares deposited in CCASS)

Subscription for Rights Shares provisionally allotted and transfers and “splitting” of nil-paid Rights Shares

If you are a Beneficial Owner whose Shares are registered in the name of a Registered Owner and you wish to subscribe for the Rights Shares provisionally allotted to such Registered Owner in respect of your Shares or sell the respective Nil Paid Rights or “split” those Nil Paid Rights and accept part of the provisional allotment and sell the remaining part, you should contact the Registered Owner and provide the Registered Owner with instructions or make arrangements with the Registered Owner in relation to the acceptance, transfer and/or “splitting” of the Nil Paid Rights.

Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in the section headed “Expected Timetable” and otherwise in accordance with the requirements of the Registered Owner in order to allow the Registered Owner sufficient time to ensure that your instructions are given effect.

Important notice and representations and warranties relating to Beneficial Owners in the Specified Territories whose Shares are held by a Registered Owner (other than HKSCC Nominees Limited)

As described above, Beneficial Owners resident in any of the Specified Territories are only permitted to take up their rights under the Rights Issue if they fulfil relevant requirements to the satisfaction of the Company.

Any Beneficial Owner instructing a Registered Owner to accept and/or transfer a Provisional Allotment Letter or request registration of the Rights Shares comprised therein, and the Registered Owner accepting and/or transferring or requesting registration, represents and warrants to the Company that, except where proof has been provided to the satisfaction of the Company that such person’s use of the

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Provisional Allotment Letter will not result in the contravention of any applicable legal requirement in any jurisdiction, he/she/it: (i) is not accepting and/or renouncing the Provisional Allotment Letter, or requesting registration of the relevant Nil Paid Rights or Rights Shares from within any of the Specified Territories; (ii) is not in any of the Specified Territories or in any territory in which it is otherwise unlawful to make or accept an offer to acquire the Nil Paid Rights and/or the Rights Shares or to use the Provisional Allotment Letter in any manner in which such person has used or will use it; (iii) is not acting on a non-discretionary basis for a person resident in any of the Specified Territories at the time the instruction to accept or transfer was given; and (iv) is not acquiring Nil Paid Rights and/or the Rights Shares with a view to the offer, sale, allotment, take up, exercise, resale, renouncement, pledge, transfer, delivery or distribution, directly or indirectly, of any such Nil Paid Rights and/or Rights Shares into any of the Specified Territories.

The Company may treat as invalid any acceptance or purported acceptance of the allotment of Rights Shares comprised in, or transfer or purported transfer of, a Provisional Allotment Letter if it: (a) appears to the Company to have been executed in, or despatched from, any of the Specified Territories and the acceptance or transfer may involve a breach of the laws of the relevant Specified Territory or the acceptance or transfer is otherwise in a manner which may involve a breach of the laws of any jurisdiction or if it or its agents believe the same may violate any applicable legal or regulatory requirement; (b) provides an address in any of the Specified Territories for delivery of definitive share certificates for Rights Shares and such delivery would be unlawful or provides an address for delivery of definitive share certificates in any other jurisdiction outside Hong Kong in which it would be unlawful to deliver such certificates; or (c) purports to exclude the representation and/or warranty required by the paragraph immediately above.

Action to be taken by Beneficial Owners holding interests in Shares through CCASS

Subscription for Rights Shares provisionally allotted and transfers and “splitting” of nil-paid Rights Shares

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to subscribe for the Rights Shares provisionally allotted to HKSCC Nominees Limited in respect of your Shares, or sell the respective Nil Paid Rights or “split” those Nil Paid Rights and accept part of the provisional allotment and sell the remaining part, you should (unless you are a CCASS Investor Participant) contact your Intermediary and provide your Intermediary with instructions or make arrangements with your Intermediary in relation to the acceptance, transfer and/or “splitting” of your Nil Paid Rights.

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Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in the section headed “Expected Timetable” of this Prospectus and otherwise in accordance with the requirements of your Intermediary in order to allow your Intermediary sufficient time to ensure that your instructions are given effect. The procedure for acceptance, transfer and/or “splitting” by CCASS Participants of the Rights Shares provisionally allotted to CCASS stock accounts in respect of the Shares registered in the name of HKSCC Nominees Limited shall be in accordance with the “General Rules of CCASS”, the “CCASS Operational Procedures” and any other requirements of CCASS.

Beneficial Owners who are CCASS Investor Participants should contact CCASS and provide CCASS with instructions or make arrangements with CCASS in relation to the manner in which such Beneficial Owners’ interests in Rights Shares should be dealt with. The procedures for acceptance, transfer and/or “Splitting” of Rights Shares provisionally allotted to Beneficial Owners who have been admitted to participate in CCASS as CCASS Investor Participants shall be in accordance with “An Operating Guide for Investor Participants” and any other requirements of CCASS.

Important notice and representations and warranties relating to Beneficial Owners in the Specified Territories holding interests in Shares through CCASS

As described above, Beneficial Owners resident in any of the Specified Territories are only permitted to take up their rights under the Rights Issue if they fulfil relevant requirements to the satisfaction of the Company.

Any Beneficial Owner holding interests in Shares through CCASS and any CCASS Participant who instructs his/her/its Intermediary to make an acceptance and/or transfer in accordance with the procedures set out above represents and warrants to the Company that, except where proof has been provided to the satisfaction of the Company that his/her/its acceptance or transfer will not result in the contravention of any applicable legal requirement in any jurisdiction, he/she/it: (i) is not accepting or requesting registration of the relevant Nil Paid Rights and/or Rights Shares from within any of the Specified Territories; (ii) is not in any of the Specified Territories or in any territory in which it is otherwise unlawful to make or accept an offer to acquire Nil Paid Rights or Rights Shares; (iii) is not acting on a non-discretionary basis for a person located within any of the Specified Territories at the time the instruction to accept was given; and (iv) is not acquiring the Nil Paid Rights or Rights Shares with a view to the offer, sale, allotment, take up, exercise, resale, renouncement, pledge, transfer, delivery or distribution, directly or indirectly, of any such Nil Paid Rights or Rights Shares into any of the Specified Territories.

The Company may treat as invalid any instruction (a) which appears to the Company to have been despatched from any of the Specified Territories and which may involve a breach of the laws of the relevant Specified Territory or any instruction which otherwise appears to the Company may involve a breach of the laws of any jurisdiction; or (b) if the Company or its agents believes the same may

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violate any applicable legal or regulatory requirement; or (c) which purports to exclude the representation and/or warranty required by the paragraph immediately above.

For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties above.

Share certificates and refund cheques for the Rights Issue

Subject to the fulfilment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted on or before Wednesday, 30 April 2014 to those who have accepted and paid for the Rights Shares by ordinary post at their own risk. Applicant(s) will receive one share certificate for all Rights Shares allotted and issued to him/her/it.

Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before Wednesday, 30 April 2014 by ordinary post to the applicants at their own risk.

Status of the Rights Shares

All of the Rights Shares to be allotted and issued will, subject to the articles of association of the Company, rank *pari passu* in all respects with each other, including, in particular, as to dividends, voting and capital, and with all Shares in issue as at the date of allotment and issue of the Rights Shares such that holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions the record dates of which are on or after the date of allotment of the Rights Shares. In particular, holders of fully-paid Rights Shares will be entitled to receive the dividend of HK\$0.91 per Share recommended by the Directors as set out in the announcement by the Company of its annual results for the year ended 31 December 2013 on Wednesday, 26 March 2014 subject to such dividend being approved by the Shareholders in general meeting.

Fractional entitlements

The Company will not provisionally allot fractions of Rights Shares. All fractions of Rights Shares will be aggregated (rounded down to the nearest whole number). All nil-paid Rights Shares arising from such aggregation will be provisionally allotted (in nil-paid form) to HSBC or its nominee, and will be sold in the market on behalf of the Company if a premium (net of expenses) can be obtained, with the Company retaining the proceeds for its own benefit. Any unsold fractions of Rights Shares will be available to meet excess applications by Qualifying Shareholders (please refer to the section headed "Application for Excess Rights Shares" for details).

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Application for excess Rights Shares

Qualifying Shareholders may apply, by way of excess applications, for any unsold entitlements of the Non-Qualifying Shareholders (if any), any unsold Rights Shares created by adding together fractions of the Rights Shares (if any), and any Rights Shares provisionally allotted but not accepted by Qualifying Shareholders or otherwise subscribed for by renounees or transferees of Nil Paid Rights.

Action to be taken by Registered Shareholders who wish to apply for excess Rights Shares

Excess Rights Shares application procedures

Applications for excess Rights Shares can be made only by Qualifying Shareholders. If a Qualifying Shareholder wishes to apply for any Rights Shares in addition to his/her/its provisional allotment, he/she/it may do so only by completing and signing the enclosed Excess Application Form in accordance with the instructions printed thereon and lodging it, together with a separate remittance for the amount payable on application in respect of the excess Rights Shares applied for, with the Registrar, by no later than 4:00 p.m. on Wednesday, 23 April 2014 or such later time and/or date as may be agreed between the Company and HSBC. All remittances must be made in Hong Kong dollars and cheques must be drawn on an account with, and cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "**DSFH (440) – Excess Application Account (2014)**" and crossed "Account Payee Only".

The Directors will allocate the excess Rights Shares at their discretion on a fair and equitable basis on the following principles:

- (i) subject to the availability of such excess Rights Shares for all such applications, preference will be given to applications for less than a board lot of Rights Shares where it appears to the Directors that such applications are made to round up odd-lot holdings to whole-lot holdings unless the total number of excess Rights Shares is insufficient to top-up all odd lots into whole board lots or the Directors consider that such applications are made with the intention to abuse this mechanism; and
- (ii) subject to the availability of excess Rights Shares after allocation under principle (i) above, the excess Rights Shares will be allocated to Qualifying Shareholders based on a sliding scale with reference to the number of the excess Rights Shares applied for by them with flexibility to round up to whole board lots at the discretion of the Directors (i.e. Qualifying Shareholders applying for a smaller number of Rights Shares will be allocated a higher percentage of the excess Rights Shares they have applied for; whereas Qualifying Shareholders applying for a larger number of Rights Shares will be

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allocated a lower percentage of the excess Rights Shares they have applied for (although they will receive a greater number of Rights Shares than those applying for a smaller number)).

In applying the above principles, reference will only be made to the number of excess Rights Shares being applied for.

All cheques and cashier's orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Any Excess Application Form in respect of which a cheque or cashier's order is dishonoured on first presentation is liable to be rejected. Completion and return of a Provisional Allotment Letter together with a cheque or cashier's order in payment for the Rights Shares accepted will constitute a warranty by the applicant(s) that the cheque or cashier's order will be honoured on first presentation. The Excess Application Form is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including cheques or cashier's orders for amounts due, will be sent at the risk of the person(s) entitled thereto to their registered addresses by the Registrar. The Company may, at its discretion, treat an Excess Application Form as valid and binding on the person(s) by whom or on whose behalf it is lodged even if it has not been completed in accordance with the relevant instructions.

If no excess Rights Shares are allotted and issued to a Qualifying Shareholder, the amount tendered on application is expected to be refunded to that Qualifying Shareholder in full without any interest by means of cheque(s) despatched by ordinary post and at the risk of such Shareholder on or before Wednesday, 30 April 2014. If the number of excess Rights Shares allotted and issued to a Qualifying Shareholder is less than that applied for, the surplus application monies are also expected to be refunded to such Shareholder without any interest by means of cheque(s) despatched by ordinary post and at the risk of such Shareholder on or before Wednesday, 30 April 2014.

If the Rights Issue does not proceed, the monies received in respect of relevant applications for excess Rights Shares will be refunded to the relevant persons without interest, by means of cheque(s) to be despatched by ordinary post at the risk of such persons on or before Wednesday, 30 April 2014.

Important notice and representations and warranties relating to Qualifying Shareholders in the Specified Territories

The matters set out in the paragraphs under the heading "Important notice and representations and warranties relating to Qualifying Shareholders in the Specified Territories" above in the section headed "Procedures for acceptance or transfer" on page 26 of this Prospectus also apply to applications for excess Rights Shares, with appropriate changes to reflect that the context is an application for excess Rights Shares.

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Important notice to Beneficial Owners

Beneficial Owners whose Shares are held by a Registered Owner, or which are held in CCASS, should note that the Board will regard the Registered Owner (including HKSCC Nominees Limited) as a single Shareholder on the register of members of the Company. Accordingly, Beneficial Owners whose Shares are registered in the name of a Registered Owner, or which are held in CCASS, should note that the aforesaid arrangement in relation to the allocation of excess Rights Shares will not be extended to them individually.

Action to be taken by Beneficial Owners whose Shares are held by a Registered Owner (other than Shares deposited in CCASS) who wish to apply for excess Rights Shares

Excess Rights Shares application procedures

If you are a Beneficial Owner whose Shares are registered in the name of a Registered Owner and you wish to apply for excess Rights Shares, you should contact the Registered Owner and provide the Registered Owner with instructions or make arrangements with the Registered Owner in relation to such application. Such instructions and/or arrangements should be given or made in advance of the latest time for application and payment for excess Rights Shares stated in the section headed “Expected Timetable” in this Prospectus and otherwise in accordance with the requirements of the Registered Owner, in order to allow the Registered Owner sufficient time to ensure that your instructions are given effect.

Important notice and representations and warranties relating to Beneficial Owners whose Shares are held by a Registered Owner (other than HKSCC Nominees Limited) in relation to the Specified Territories

The matters set out in the paragraphs under the heading “Important notice and representations and warranties relating to Beneficial Owners in the Specified Territories whose Shares are held by a Registered Owner (other than HKSCC Nominees Limited)” in the section headed “Procedures for acceptance or transfer” on page 27 of this Prospectus also apply to applications for excess Rights Shares, with appropriate changes to reflect that the context is an application for excess Rights Shares.

Action to be taken by Beneficial Owners holding interests in Shares through CCASS who wish to apply for excess Rights Shares

Excess Rights Shares application procedures

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to apply for excess Rights Shares, you should (unless you are a CCASS Investor Participant) contact your Intermediary and provide your Intermediary with instructions or make arrangements

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with your Intermediary in relation to the application for excess Rights Shares. Such instructions and/or arrangements should be given or made in advance of the date stated in the section headed “Expected Timetable” in this Prospectus and otherwise in accordance with the requirements of your Intermediary, in order to allow your Intermediary sufficient time to ensure that your instructions are given effect.

Beneficial Owners who are CCASS Participants should contact CCASS and provide CCASS with instructions or make arrangements with CCASS in relation to any applications for excess Rights Shares. HKSCC Nominees Limited will allocate the excess Rights Shares it receives to the relevant CCASS Participants pro rata to the number of excess Rights Shares each has applied for, or in such other manner as HKSCC Nominees Limited considers fair and appropriate which is pursuant to the allocation basis stipulated in Rule 8.10.4(ix) of the CCASS Operational Procedures. The procedures for application for excess Rights Shares shall be in accordance with the “General Rules of CCASS”, the “CCASS Operational Procedures” and any other requirements of CCASS.

Important notice and representations and warranties relating to Beneficial Owners in the Specified Territories holding interests in Shares through CCASS

Please note that the contents of the paragraphs under the heading “Important notice and representations and warranties relating to Beneficial Owners in the Specified Territories holding interests in Shares through CCASS” in the section headed “Procedures for acceptance or transfer” on page 29 of this Prospectus also apply to applications for excess Rights Shares, with appropriate changes to reflect that the context is an application for excess Rights Shares.

Application for Listing and Dealings of the Rights Shares

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares on the Stock Exchange in both their nil-paid and fully-paid forms. It is expected that dealings in the Rights Shares in their nil-paid form will take place from Wednesday, 9 April 2014 to Wednesday, 16 April 2014, both days inclusive. No part of the securities of the Company in issue or for which listing or permission to deal is being or is proposed to be sought is listed or dealt in or on any other stock exchange. The nil-paid Rights Shares shall have the same board lot size as the Shares (i.e. 400 Shares in one board lot).

Dealings in the Rights Shares in their nil-paid and fully-paid forms will be subject to the payment of stamp duty and any other applicable fees and charges in Hong Kong.

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Rights Shares will be Eligible for Admission Into CCASS

Subject to the granting of listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbroker or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

(B) UNDERWRITING ARRANGEMENTS FOR THE RIGHTS ISSUE

Undertakings by the Controlling Shareholder and MOL and by The Bank of Tokyo-Mitsubishi UFJ, Ltd.

The Controlling Shareholder, together with his associates (including MOL), is interested as at the Latest Practicable Date in 120,825,562 Shares representing 40.75% of the total issued share capital of the Company. The Controlling Shareholder has undertaken to the Company that, in relation to 116,431,876 of those Shares (being the Controlling Shareholder Irrevocable Undertaking Shares), he will subscribe or procure the subscription of the 15,136,142 Rights Shares to be provisionally allotted to him and/or certain of his associates in respect thereof, subject to the terms and conditions of the Rights Issue. MOL has undertaken to the Company that, in relation to 4,393,686 of those Shares (being the MOL Irrevocable Undertaking Shares), it will subscribe or procure the subscription of 571,179 Rights Shares to be provisionally allotted in respect thereof, subject to the terms and conditions of the Rights Issue.

The Bank of Tokyo-Mitsubishi UFJ, Ltd., which is interested as at the Latest Practicable Date in 45,018,387 Shares, has undertaken to the Company and HSBC, pursuant to the BTMU Irrevocable Undertaking, that it will subscribe or procure the subscription of the 5,852,390 Rights Shares to be provisionally allotted to it, subject to the terms and conditions of the Rights Issue.

Save for the Controlling Shareholder Irrevocable Undertaking, the MOL Irrevocable Undertaking and the BTMU Irrevocable Undertaking, as at the Latest Practicable Date, the Company has not obtained undertakings from any other Shareholders that they will subscribe for any or all of the Rights Shares to be provisionally allotted to them.

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Principal terms of the Underwriting Agreement

Date:	26 March 2014
Issuer:	the Company
Underwriter:	HSBC
Number of Rights Shares underwritten:	16,988,751 Rights Shares being the total number of Rights Shares of 38,548,462 Shares, less the 15,707,321 Rights Shares to be subscribed (or procured to be subscribed) by the Controlling Shareholder pursuant to the Controlling Shareholder Irrevocable Undertaking and the MOL Irrevocable Undertaking and the 5,852,390 Rights Shares to be subscribed by The Bank of Tokyo-Mitsubishi UFJ, Ltd. pursuant to the BTMU Irrevocable Undertaking
Underwriter's commission:	2.25% of the aggregate Subscription Price of the Rights Shares underwritten by HSBC

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, HSBC and its ultimate holding company are not connected persons (as defined in the Listing Rules) of the Company.

The Directors consider that the Underwriting Agreement is (i) on normal commercial terms; and (ii) fair and reasonable so far as the Shareholders are concerned.

Conditions of the Rights Issue and the Underwriting Agreement

The Rights Issue is conditional upon (i) the Underwriting Agreement becoming unconditional and not being terminated; (ii) the DSBG Underwriting Agreement having been entered into and not having been terminated; and (iii) there not having occurred any event which would prevent the DSBG Rights Issue from becoming unconditional.

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The obligations of HSBC to underwrite the Rights Issue are conditional upon, inter alia:

- (i) permission to deal in and listing of all the Rights Shares (in their nil-paid and fully-paid forms) being granted (subject only to allotment and despatch of the appropriate documents of title) by the Stock Exchange by no later than the Business Day prior to the commencement of trading of the Rights Shares (in their nil-paid and fully-paid forms respectively) and such permission not being withdrawn or revoked prior to the Latest Time for Termination;
- (ii) all relevant consents and approvals being obtained from the regulatory authorities, including the Stock Exchange and the SFC, as the case may require in connection with the Rights Issue by the relevant time that each consent and approval is required;
- (iii) compliance with and performance of the obligations of the Company taking place by the times specified in the Underwriting Agreement in connection with the making of the Rights Issue and the allotment and offer of the Rights Shares;
- (iv) compliance with and performance of the obligations of the Controlling Shareholder taking place by the times specified in the Underwriting Agreement in connection with the Controlling Shareholder Irrevocable Undertaking;
- (v) receipt by HSBC (in a form and substance satisfactory to it) of all relevant documents to be provided by the Company by the times specified in the Underwriting Agreement; and
- (vi) the DSBG Underwriting Agreement having been entered into and not having been terminated.

The Company and the Controlling Shareholder shall use their best endeavours to procure the fulfilment of each of the conditions by the due time and/or date referred to in each case (or if no date is specified, by the latest time for termination of the Underwriting Agreement) and to procure that each of such conditions is fulfilled in sufficient time so that the latest time for termination falls on or before 4:00 p.m. on Thursday, 8 May 2014 (or such later date as HSBC may agree) and in particular shall furnish such information, supply such documents, pay (in the case of the Company) such fees, give such undertakings and do all such acts and things as may reasonably be required by HSBC and the Stock Exchange in connection with the making of the Rights Issue and the listing of the Rights Shares.

If the conditions of the Underwriting Agreement are not fulfilled and/or waived (where applicable) by the time and/or date as specified in each case, or the latest time for termination of the Underwriting Agreement occurs, or will occur, after 4:00 p.m. on Thursday, 8 May 2014 (or such later date as HSBC may agree), or if the Underwriting Agreement shall be terminated as described in the paragraph

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headed “Termination of the Underwriting Agreement” below, the obligations of all parties under the Underwriting Agreement shall terminate and no party will have any claim against any other for costs, damages, compensation or otherwise (other than for antecedent breaches) provided that the Company shall remain liable to pay HSBC’s reasonable costs, fees and other expenses in accordance with the Underwriting Agreement but the Company shall not be liable to pay to HSBC the underwriting commission thereunder.

If the Underwriting Agreement does not become unconditional or is terminated, the Rights Issue will not proceed.

HSBC shall have the right, in its absolute discretion, by giving notice to the Company on or before the latest time at which, or the latest day on which, any of the above conditions may be fulfilled:

- (a) to extend the deadline for the fulfilment of such condition by such time or number of days or in such manner as HSBC may determine;
- (b) to waive such condition (other than condition (i) above), and such waiver may be made subject to such terms and conditions as HSBC may determine.

Termination of the Underwriting Agreement

Shareholders should note that the Underwriting Agreement contains provisions granting HSBC the right, which may be exercised by HSBC at any time prior to the Latest Time for Termination, to terminate the obligations of HSBC if any of the following occurs:

- (i) any material breach of any of the warranties or the undertakings given by the Company or the Controlling Shareholder comes to the knowledge of HSBC, or there has been a material breach on the part of the Company or the Controlling Shareholder or certain of his associates of any other provision of the Underwriting Agreement; or
- (ii) any event occurs or matter arises, which, if it had occurred before the date of the Underwriting Agreement or before any of the times on which the warranties given by the Company or the Controlling Shareholder are deemed to be given, would have rendered any of those warranties untrue, incorrect or misleading in any material respect; or
- (iii) any statement contained in the Prospectus has become or been discovered to be untrue, incorrect, incomplete or misleading in any material respect, or matters have arisen or have been discovered which would, if the Prospectus was to be issued at the time, constitute a material omission therefrom; or
- (iv) the Company is required to produce a supplementary prospectus; or

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- (v) there is a material adverse change or prospective adverse change in the condition, results of operations, management, business, stockholders' equity or in the financial or trading position of any member of the Group which, in the sole opinion of HSBC, is or may be materially adverse in the context of the Rights Issue; or
- (vi) permission to deal in and listing of all the Rights Shares (in their nil-paid and fully-paid forms) has been withdrawn by the Stock Exchange; or
- (vii) the DSBG Underwriting Agreement is terminated or becomes incapable of becoming unconditional in accordance with its terms; or
- (viii) there has occurred, happened, come into effect or become public knowledge any event, series of events or circumstances concerning or relating to (whether or not foreseeable):
 - (A) any change (whether or not permanent) in local, national or international financial, political, military, industrial, economic, legal, fiscal, regulatory or securities market matters or conditions or currency exchange rates or exchange controls in or affecting the PRC, Hong Kong or the United States; or
 - (B) any event of force majeure including, without limitation, economic sanctions, strike or lock-out (whether or not covered by insurance), riot, fire, explosion, flooding, earthquake, civil commotion, act or declaration of war, outbreak or escalation of hostilities (whether or not war is or has been declared), act of terrorism (whether or not responsibility has been claimed), act of God, pandemic, epidemic, outbreak of infectious disease, declaration of a state of emergency or calamity or crisis, in or affecting the PRC, Hong Kong or the United States; or
 - (C) the declaration of a banking moratorium by the PRC, Hong Kong or United States authorities occurring due to exceptional financial circumstances or otherwise; or
 - (D) any moratorium, suspension or restriction on trading in shares or securities generally, or the establishment of minimum prices, on the Stock Exchange or any major disruption of any securities settlement or clearing services in Hong Kong; or
 - (E) any suspension of dealings in the Shares (other than pending publication of announcements in respect of the Rights Issue or where such suspension is temporary or routine in nature for not more than two trading days); or

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- (F) any new law or regulation or any change, or any development involving a prospective change, in existing laws or regulations in Hong Kong or any other place in which any member of the Group conducts or carries on business,

the effect of which events or circumstances referred to in (A) to (F) above, individually or in the aggregate (in the sole opinion of HSBC): (1) is or would be materially adverse to, or materially prejudicially affects or would materially and prejudicially affect, the Group as a whole or the Rights Issue; or (2) makes or may make it inadvisable or inexpedient to proceed with the Rights Issue.

If HSBC exercises such right and a notice to terminate the Underwriting Agreement is given to the Company by HSBC prior to the Latest Time for Termination, the obligations of all parties under the Underwriting Agreement shall terminate and the Rights Issue will not proceed.

Lock up

The Company has undertaken to HSBC that for the period from the date of the Underwriting Agreement and ending on the date which is 90 days from the Closing Date (which is expected to be on Monday, 28 April 2014), except with the prior written consent of HSBC, the Company will not:

- (i) except for the Rights Shares, allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares other than the issue, offer to issue or grant of any option pursuant to any employee share option scheme adopted in accordance with the Listing Rules or allotment or issue of any Shares upon the exercise of such options;
- (ii) buy back, cancel, retire, reduce, redeem, re-purchase, purchase or otherwise acquire any Shares;
- (iii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (i) above; or
- (iv) announce any intention to enter into or effect any such transaction described in (i), (ii) or (iii) above.

The Controlling Shareholder has undertaken to the Company and HSBC that he will not and shall procure that certain of his associates (who, together with the Controlling Shareholder, are interested in the Controlling Shareholder Irrevocable Undertaking Shares) shall not, without the prior written consent of HSBC, transfer or otherwise dispose of (including without limitation entering into any agreement to

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dispose of, or the creation of any option or derivative) or acquire (except by taking up Rights Shares provisionally allotted to them pursuant to the Rights Issue and pursuant to the Underwriting Agreement or acquiring Nil Paid Rights or submitting EAFs or acquiring Shares in circumstances which do not contravene the rules of the Stock Exchange and/or the Takeovers Code and do not render information submitted to the Stock Exchange and/or the SFC to become untrue, inaccurate or misleading in any material respect (whether by omission or otherwise)) any Share or any interest therein up to the latest time for acceptance.

MOL has undertaken to the Company and HSBC in similar terms in respect of the MOL Irrevocable Undertaking Shares.

The Bank of Tokyo-Mitsubishi UFJ, Ltd. has undertaken to the Company and HSBC that, on or prior to the Acceptance Date, it will not transfer or otherwise dispose of (including without limitation, by the creation of any option, charge or encumbrance or rights over or in respect of) or enter into any agreement to transfer or otherwise dispose of any of the Shares registered in its name or in which it is beneficially interested or otherwise acquire any Shares or interest therein (except by taking the Rights Shares provisionally allotted to it pursuant to the Rights Issue in circumstances which do not contravene the rules of the Takeovers Code and do not result in the Company's non-compliance with the public float requirement contained in the Listing Rules).

The Controlling Shareholder has undertaken to the Company and HSBC that from the latest time for acceptance of the Rights Shares until the date which is 90 days from the Closing Date (which is expected to be on Monday, 28 April 2014), except with the prior written consent of HSBC, he will not and will procure that certain of his associates (who, together with the Controlling Shareholder, are interested in the Controlling Shareholder Irrevocable Undertaking Shares) (whether individually or together and whether directly or indirectly) will not:

- (i) offer, lend, pledge, issue, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares (including the Rights Shares) or any interests therein beneficially owned or held by the Controlling Shareholder or those associates or such controlled companies or any securities convertible into or exercisable or exchangeable for or substantially similar to any such Shares or interests;
- (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in (i) above or this paragraph (ii) is to be settled by delivery of Shares or such other securities, in cash or otherwise; or
- (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above.

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MOL has undertaken to the Company and HSBC in similar terms.

WARNING OF THE RISKS OF DEALING IN SHARES AND NIL-PAID RIGHTS SHARES

The Shares have been dealt in on an ex-rights basis from Tuesday, 1 April 2014. Dealings in the Rights Shares in nil-paid form are expected to take place from Wednesday, 9 April 2014 to Wednesday, 16 April 2014, (both days inclusive). The Rights Issue is conditional upon (i) the Underwriting Agreement becoming unconditional and not being terminated; (ii) the DSBG Underwriting Agreement having been entered into and not being terminated; and (iii) there not having occurred any event which would prevent the DSBG Rights Issue from becoming unconditional. If the Rights Issue does not become unconditional, the Rights Issue will not proceed.

Any Shareholder or other person contemplating selling or purchasing Shares and/or Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or Rights Shares. Any person who is in any doubt about his/her position is recommended to consult his/her own professional adviser. Any Shareholder or other person dealing in Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (being the same date on which HSBC's right to terminate the Underwriting Agreement ceases) and any person dealing in the nil-paid Rights Shares during the period from Wednesday, 9 April 2014 to Wednesday, 16 April 2014 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

2. REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS OF THE RIGHTS ISSUE

The estimated gross proceeds of the Rights Issue will be approximately HK\$902 million.

The Company intends to use the net proceeds from the Rights Issue in paying the subscription price for the Company's subscription of 112,013,747 DSBG Rights Shares, being the Company's pro-rata entitlement under the DSBG Rights Issue, that will be provisionally allotted to the Company subject to the terms and conditions of the DSBG Rights Issue. In the event that the DSBG Rights Issue does not become unconditional or does not proceed after the Rights Issue has gone unconditional, the Company intends to apply the entire net proceeds from the Rights Issue as general working capital.

The estimated expenses of the Rights Issue (including underwriting fees, printing, registration, translation, legal and accounting charges and other related expenses) amount to approximately HK\$11 million and will be borne by the Company. The net subscription price per Rights Share upon full acceptance of the relevant provisional allotment of Rights Shares is expected to be approximately HK\$23.11 per Rights Share.

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3. EFFECT OF RIGHTS ISSUE ON SHAREHOLDINGS IN THE COMPANY

Set out below is the shareholding structure of the Company as at the Latest Practicable Date and immediately after completion of the Rights Issue assuming there is no change in the shareholding structure of the Company from the Latest Practicable Date to immediately before completion of the Rights Issue.

Scenario 1 – Assuming all Rights Shares are fully subscribed for by Qualifying Shareholders^{(a)(f)}

Shareholder	As at the Latest Practicable Date		Immediately after completion of the Rights Issue	
	No. of Shares	% of issued share capital of the Company (%)	No. of Shares	% of issued share capital of the Company (%)
Controlling Shareholder and his associates	120,825,562 ^{(c)(d)}	40.75	136,532,883 ^(d)	40.75
The Bank of Tokyo-Mitsubishi UFJ, Ltd ^(e)	45,018,387	15.18	50,870,777	15.18
Directors of the Company and its subsidiaries ^(b) (other than the Controlling Shareholder)	1,082,505	0.37	1,223,230	0.37
Public	129,600,184	43.71	146,448,210	43.71
Total	296,526,638	100.00	335,075,100	100.00

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Notes:

- (a) As at the Latest Practicable Date, the Company had issued and outstanding Share Options (both vested and unvested) to subscribe for up to an aggregate of 1,150,000 Shares, of which Share Options to subscribe for an aggregate total of 770,000 Shares remain unvested and Share Options to subscribe for 380,000 Shares can be freely exercised at the Latest Practicable Date. None of the Share Options had been exercised as at 5:00 p.m. on the Record Date.
- (b) As at the Latest Practicable Date, certain directors of the Company's subsidiaries have holdings in vested Share Options to subscribe for 380,000 Shares and unvested Share Options to subscribe for 770,000 Shares. These Share Options are the Share Options mentioned in note (a) above.
- (c) HSBC International Trustee Limited, a trustee of a discretionary trust established for the benefit of the Controlling Shareholder and his family members, has indirect interests in 111,671,848 Shares.
- (d) The Controlling Shareholder and MOL have undertaken to subscribe or procure subscriptions for an aggregate of 15,707,321 Rights Shares.
- (e) BTMU has undertaken to subscribe or procure subscriptions for an aggregate of 5,852,390 Rights Shares.
- (f) Certain percentage figures included in the table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

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Scenario 2 – Assuming no Qualifying Shareholders subscribe for Rights Shares other than the Controlling Shareholder and certain of his associates and The Bank of Tokyo-Mitsubishi UFJ, Ltd. pursuant to the Controlling Shareholder Irrevocable Undertaking, the MOL Irrevocable Undertaking and the BTMU Irrevocable Undertaking^{(a)(g)}

Shareholder	As at the Latest Practicable Date		Immediately after completion of the Rights Issue	
	No. of Shares	% of issued share capital of the Company (%)	No. of Shares	% of issued share capital of the Company (%)
Controlling Shareholder and his associates	120,825,562 ^{(d)(e)}	40.75	136,532,883 ^(e)	40.75
The Bank of Tokyo-Mitsubishi UFJ, Ltd ^(f)	45,018,387	15.18	50,870,777	15.18
Directors of the Company and its subsidiaries ^(b) (other than the Controlling Shareholder)	1,082,505	0.37	1,082,505	0.32
HSBC ^(c)	–	–	16,988,751	5.07
Other	129,600,184	43.71	129,600,184	38.68
Total	296,526,638	100.00	335,075,100	100.00

Notes:

- (a) As at the Latest Practicable Date, the Company had issued and outstanding Share Options (both vested and unvested) to subscribe for up to an aggregate of 1,150,000 Shares, of which Share Options to subscribe for an aggregate total of 770,000 Shares remain unvested and Share Options to subscribe for 380,000 Shares can be freely exercised at the Latest Practicable Date. None of the Share Options had been exercised as at 5:00 p.m. on the Record Date.
- (b) As at the Latest Practicable Date, certain directors of the Company's subsidiaries have holdings in vested Share Options to subscribe for 380,000 Shares and unvested Share Options to subscribe for 770,000 Shares. These Share Options are the Share Options mentioned in note (a) above.
- (c) Pursuant to its underwriting obligations and excluding any other interests.

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- (d) HSBC International Trustee Limited, a trustee of a discretionary trust established for the benefit of the Controlling Shareholder and his family members, has indirect interests in 111,671,848 Shares.
- (e) The Controlling Shareholder and MOL have undertaken to subscribe or procure subscriptions for an aggregate of 15,707,321 Rights Shares.
- (f) BTMU has undertaken to subscribe or procure subscriptions for an aggregate of 5,852,390 Rights Shares.
- (g) Certain percentage figures included in the table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

4. ADJUSTMENT IN RELATION TO THE EXERCISE PRICE OF SHARE OPTIONS AND/OR THE NUMBER OF SHARES TO BE ISSUED UNDER THE SHARE OPTIONS AS A RESULT OF THE RIGHTS ISSUE

Pursuant to the Share Option Scheme, the Company has issued and outstanding Share Options (both vested and unvested) entitling holders to subscribe for up to an aggregate of 1,150,000 Shares as at the Latest Practicable Date. The issuance of the Rights Shares is an event which may cause an adjustment to the exercise price of the outstanding Share Options and the number of Shares issuable upon exercise of the outstanding Share Options. Pursuant to the terms of the Share Option Scheme, the Company will consult its auditors or an independent financial adviser for the required adjustment and the holders of the Share Options will be informed of the required adjustments (if any) as soon as practicable. Further announcement will be made for adjustments to the exercise price or number of Share Options if and when required and in accordance with the Listing Rules.

5. FUND RAISING BY THE COMPANY IN THE PAST TWELVE MONTHS

Save for the Rights Issue, the Company has not raised any funds by an issue of equity securities in the 12 months preceding the Latest Practicable Date.

6. PARTICIPATION OF THE COMPANY IN DSBG RIGHTS ISSUE

As of the Latest Practicable Date, the Company holds 933,447,896 DSBG Shares, representing approximately 74.59% of the issued share capital of DSBG. Pursuant to the Irrevocable Undertaking, the Company will subscribe or procure the subscription of 112,013,747 DSBG Rights Shares, being its pro-rata entitlement under the DSBG Rights Issue, that will be provisionally allotted to it, subject to the terms and conditions of the DSBG Rights Issue. Immediately after completion of the DSBG Rights Issue, the Company's interest in DSBG will be approximately 74.59%.

The principal business activities of the Group comprise the provision of banking, insurance, financial and other related services in Hong Kong, Macau and the People's Republic of China. DSBG is the company holding the banking interests of the Group in Hong Kong, Macau and the People's Republic of China.

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The Directors consider that the Participation will enable the Company to maintain its pro-rata shareholding in DSBG and share the benefit from the growth of the Group. Accordingly, the Directors believe that the Participation is in the interests of the Company and the Shareholders as a whole.

The Directors further consider that the DSBG Rights Issue is on normal commercial terms and the DSBG Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole. The aggregate DSBG Subscription Price payable by the Company in respect of the Participation will be approximately HK\$896 million, which is proposed to be mainly financed from the net proceeds of the Rights Issue.

7. BUSINESS REVIEW, TRENDS AND PROSPECTS OF THE GROUP

The Company is active in providing banking, insurance, financial and other related services in Hong Kong, Macau and the PRC, and is the holding company for the Group's life and general insurance business, as well as the majority shareholder in DSBG. DSBG has three banking subsidiaries (Dah Sing Bank, Limited, Banco Comercial de Macau, S.A. and Dah Sing Bank (China) Limited), providing banking and financial services through a branch network of around 70 branches in Hong Kong, Macau and the PRC, and a securities trading company.

In 2013, the Group reported its highest ever core profit, with profit attributable to shareholders increasing by 15.1% as compared to 2012 to HK\$1,498 million. There were a number of key growth drivers relating to the core business which were particularly encouraging, including 25% growth in net interest income, 32% growth in net fee and commission income, and 45% growth in overall pre-provision operating income, despite more modest volume growth, with loans and advances to customers increasing by 13.7%. With higher credit cost, operating profit after impairment losses increased by 36% and profit attributable to shareholders by 15.1%, reflecting, amongst others, higher disposal losses on investment and lower revaluation gains on property during the year.

The business and financial performance of the Group during the past three years ended 31 December 2013, as measured by each of the growth in operating profit after impairment losses, net profit, and loans and deposits, has been on an improving trend each year.

Upon receipt of the proceeds of the Rights Issue, the capital and financial position of the Group will be further strengthened.

The outlook for 2014 remains mixed. Whilst the U.S. continues to forecast growth in GDP during the year, economic growth in Europe remains very slow, and emerging markets also face some pressure. The PRC economy continues to grow rapidly compared with overall global growth rates, but at a somewhat slower pace than its past trajectory. In the early part of the year, we have already seen uncertainty caused by the beginning of tapering down of assets purchased by the U.S. Federal Reserve, volatility in emerging

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markets, instability in Ukraine, and an unexpected depreciation in the value of the RMB. All of these uncertainties remind us to take a cautious approach to growth and capital in the year ahead.

As well as market and credit risk, we are also mindful of the possible effect on liquidity of the US tapering in our local markets, and therefore continue to build our deposit base and maintain an adequate liquidity ratio, and cash and liquid asset reserves.

Prospects in the Pearl River Delta and Macau remain good in the long term, and we look forward to solidifying the foundations that we have built in those locations. Our self-owned PRC business has now built a base, and we look forward to continued growth with close attention to credit risk management. Domestically in Hong Kong and Macau, whilst current trends in volume growth are slower than in the PRC and PRC related business, credit quality remains excellent. Bank of Chongqing continues to perform well, and we note the outlook for stronger growth in the Western part of the PRC, compared with the country as a whole.

We continue to see opportunities for growth in all of our core markets, and core businesses. With various uncertainties in the market, we will pursue those opportunities and growth in a cautious manner, and with proper attention to risk.

8. TAXATION

Qualifying Shareholders are advised to consult their professional advisers if they are in any doubt as to the taxation implications of holding or disposal of, or dealing in the Rights Shares and, as regards the Non-Qualifying Shareholders (if any), their receipt of the net proceeds of sale of the Rights Shares otherwise falling to be issued to them under the Rights Issue. It is emphasised that none of the Company, its Directors or any other parties involved in the Rights Issue accept responsibility for any tax effects or liability of holders of the Rights Shares resulting from the purchase, holding or disposal of, or dealing in the Rights Shares.

9. SHAREHOLDERS' APPROVAL IS NOT REQUIRED

There is no requirement under the Listing Rules for the Rights Issue and/or the Participation to be approved by Shareholders in general meeting.

10. GENERAL

If you have questions in relation to the Rights Issue or the DSBG Rights Issue, please telephone the Shareholder hotline on (852) 2862 8647 during business hours from 9:00 a.m. to 6:00 p.m., Monday to Friday (other than Hong Kong public holidays).

LETTER FROM THE BOARD

11. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in Appendices I to IV to the Prospectus.

Yours faithfully,
For and on behalf of the Board of
Dah Sing Financial Holdings Limited
David Shou-Yeh Wong
Chairman

1. PROFILE OF DIRECTORS AND SENIOR MANAGEMENT**Executive Directors****David Shou-Yeh Wong** (*Chairman*)

Aged 73. Appointed as the Chairman of the Company in 1987. Chairman of DSBG, Dah Sing Bank, Limited, Banco Comercial de Macau, S.A., Dah Sing Life Assurance Company Limited (“DSL A”), Dah Sing Insurance Company (1976) Limited, Macau Insurance Company Limited, Macau Life Insurance Company Limited, New Asian Shipping Company, Limited and various other companies. Currently a member of the Nomination and Remuneration Committee of both the Company and DSBG. Honorary President of Hong Kong Guangdong Chamber of Foreign Investors and Guangdong Chamber of Foreign Investors. Member of The Hong Kong Association of Banks, The Chinese Banks Association Limited and The Hong Kong Shipowners Association. Vice President of The Hong Kong Institute of Bankers. General Committee Member of The Chamber of Hong Kong Listed Companies. Mr. Wong has over 45 years of experience in banking and finance. Father of Mr. Harold Tsu-Hing Wong, the Managing Director and Chief Executive of DSBG, Vice Chairman of Dah Sing Bank, Limited and DSL A, and an Executive Director of the Company’s other key operating banking and insurance subsidiaries.

Hon-Hing Wong (Derek Wong) (*Managing Director and Chief Executive*)

Aged 61. Appointed as a Director in 1993 and promoted as the Managing Director of the Company in January 2002. Joined Dah Sing Bank, Limited, a key operating subsidiary of the Company’s banking group, in 1977 and has served and managed various departments before appointed as a Director in 1989 and Managing Director in 2000. Promoted as Vice Chairman of Dah Sing Bank, Limited and DSBG in April 2011. Currently a member of the Nomination and Remuneration Committee of both the Company and DSBG. Chairman of Dah Sing Bank (China) Limited and a director of various major subsidiaries of the Group. Director of Great Wall Life Insurance Company Limited, and a non-executive Vice Chairman and Director of Bank of Chongqing Co., Ltd. in which the Group has a 17% equity interest in its H shares listed in Hong Kong. Associate of The Institute of Bankers (U.K.), Founder Member of The Hong Kong Institute of Bankers and The International Retail Banking Council of the U.K. Mr. Wong has over 35 years of experience in banking.

Gary Pak-Ling Wang

Aged 53. Appointed as an Executive Director of the Company in 2001. Joined Dah Sing Bank, Limited, a key operating subsidiary of the Company, as the Group Financial Controller in 1995 and was promoted as a Director in 1997, responsible for the overall financial management and control, operations and IT functions of the Group for a number of years since then. Promoted as the Managing Director and Chief Executive of Dah Sing Bank, Limited in May 2011. Also a Director of DSBG, Banco Comercial de Macau, S.A., Dah Sing Bank (China) Limited and Dah Sing Life Assurance Company

Limited. Qualified accountant, Fellow of The Association of Chartered Certified Accountants of the U.K. and member of the Hong Kong Institute of Certified Public Accountants. Mr. Wang has over 25 years of experience in financial management and banking.

Nicholas John Mayhew

Aged 46. Joined the Company in 1998 and currently an Executive Director of the Company, Dah Sing Life Assurance Company Limited, Macau Insurance Company Limited, Macau Life Insurance Company Limited, Dah Sing Bank, Limited and Dah Sing Bank (China) Limited. Deputy Chief Executive of Dah Sing Bank, Limited, and Head of Treasury and Corporate Finance of Dah Sing Bank, Limited, responsible for its treasury and corporate finance activities. Mr. Mayhew has over 24 years of experience in financial services both in the U.K. and Hong Kong.

Non-Executive Directors

Hidekazu Horikoshi

Aged 52. Appointed as a Non-Executive Director of the Company in August 2012. Joined The Bank of Tokyo, Ltd. (now The Bank of Tokyo-Mitsubishi UFJ, Ltd. (“BTMU”) after several mergers over a decade completed in 2006) in 1984. Assumed various senior positions in BTMU mainly responsible for corporate and strategic planning and development in the different regions including Asia, Europe and the Americas before appointed as the Executive Officer and General Manager of European Business Division in London in 2011. Currently the Executive Officer, Regional Head for Hong Kong and General Manager of BTMU Hong Kong Branch. Former Non-Executive Director of Chong Hing Bank Limited. Mr. Horikoshi has over 29 years of experience in banking, mainly in corporate and strategic planning and development.

Takashi Morimura

Aged 61. Appointed as a Non-Executive Director of the Company in December 2011. Joined The Bank of Tokyo, Ltd. (now The Bank of Tokyo-Mitsubishi UFJ, Ltd. (“BTMU”) after several mergers over a decade completed in 2006) in 1975. Served and managed various divisions in BTMU before appointed as the Senior Managing Executive Officer and the Chief Executive Officer for Europe, Middle East and Africa in 2009. Currently, the Deputy President and the Chief Executive Officer of Global Business Unit of BTMU and the Managing Officer and the Group Head of Integrated Global Business Group of Mitsubishi UFJ Financial Group, Inc., Mr. Morimura possesses over 35 years of experience in corporate banking and finance.

John Wai-Wai Chow

Aged 64. Appointed as a Director in 1994 and currently a Non-Executive Director of the Company. Served as a member of Audit Committee of the Company from May 2011 to June 2013. Managing Director of Winsor Industrial Corporation Limited, Executive

Director of Wing Tai Properties Limited and Non-Executive Director of ARA Trust Management (Suntec) Limited (manager of the Singapore-listed Suntec Real Estate Investment Trust). Former Managing Director of Winsor Properties Holdings Limited (now renamed as Vanke Property (Overseas) Limited). Mr. Chow has over 30 years of experience in textile, garment and property business.

Independent Non-Executive Directors

Robert Tsai-To Sze

Aged 73. Appointed as an Independent Non-Executive Director of the Company in 1997. Also an Independent Non-Executive Director of DSBG, Dah Sing Bank, Limited, Dah Sing Bank (China) Limited and Dah Sing Life Assurance Company Limited. Currently the Chairman of the Audit Committee and the Nomination and Remuneration Committee of both the Company and DSBG, and a non-executive Director to a number of Hong Kong listed companies as set out below. Fellow of The Institute of Chartered Accountants in England and Wales and The Hong Kong Institute of Certified Public Accountants. Mr. Sze was a former partner of an international firm of accountants with which he practised for over 20 years.

Apart from the Company and DSBG, Mr. Robert Sze also holds/held directorships in other Hong Kong listed companies during the last three years, namely, China Travel International Investment Hong Kong Limited, Hop Hing Group Holdings Limited, Min Xin Holdings Limited, Nanyang Holdings Limited, Sunwah Kingsway Capital Holdings Limited, Asia Satellite Telecommunications Holdings Limited (retired in June 2013) and QPL International Holdings Limited (retired in September 2013).

Lon Dounn (Lonnie Dounn)

Aged 61. Appointed as an Independent Non-Executive Director, a member of the Audit Committee of the Company and the chairman of Risk Management and Compliance Committee of Dah Sing Bank, Limited in April 2012. Also an Independent Non-Executive Director of Dah Sing Banking Group Limited between December 2010 and March 2012. Mr. Dounn has over 30 years of extensive experience in the banking industry and had assumed various senior executive positions in credit and risk management in a number of banks, including HSBC and Bank of China.

Seiji Nakamura

Aged 71. Appointed as an Independent Non-Executive Director and a member of the Nomination and Remuneration Committee of the Company in June 2012. Also an Alternate Director to 2 Non-Executive Directors of the Company during 1998 to 2003. Joined Mitsui O.S.K. Lines, Ltd. ("MOL") in 1965. Assumed various senior positions of MOL before being appointed as the President of MOL Ferry Co., Ltd. in 2003. Appointed as an External Director of Kurita Water Industries Ltd. which is listed in Tokyo Stock

Exchange in June 2013. Mr. Nakamura has over 40 years of extensive experience in the shipping industry, in addition to the 5 years' financial sector and regulatory experience as a member of the Policy Board of the Bank of Japan during April 2007 to April 2012.

Yuan Shu

Aged 64. Appointed as an Independent Non-Executive Director and a member of the Nomination and Remuneration Committee of the Company in December 2012. Also an Independent Non-Executive Director of Dah Sing Bank (China) Limited. Currently the Dean and Professor of Economics of the International Business School of Sun Yat-Sen University, Vice Chairman of the Board of Trustees of Lingnan (University) College of Sun Yat-Sen University, and the Chairman of the Board of Zhongda Venture Capital Limited. Dr. Shu has over 37 years of extensive experience in the academic sector in Mainland China and overseas, and also rich international exposure and active involvement in business and investment.

Blair Chilton Pickerell

Aged 57. Appointed as an Independent Non-Executive Director and a member of the Audit Committee of the Company in June 2013. Currently the Chairman, Asia of Nikko Asset Management Group, which he joined in 2010. Mr. Pickerell joined Jardine Matheson Holdings Group in 1984 and held various positions in Jardine Matheson Holdings Group, including as general manager of Jardine Fleming Taiwan, president of Taiwan International Securities Corporation, development director of Mandarin Oriental Hotel Group, general manager of Jardine Fleming Unit Trusts, and managing director of Jardine Pacific Limited. From 1999 to 2002, he was managing director of JF Asset Management Limited. He also served as chairman of JF Funds Limited during part of that time. In 2003, he joined HSBC Investments (Hong Kong) Limited as the chief executive officer, Asia Pacific. From 2007 to 2010, he served as managing director and CEO, Asia, of Morgan Stanley Investment Management. Mr. Pickerell is a court member of The University of Hong Kong, a vice patron of The Community Chest of Hong Kong and a director of Harvard Business School Association of Hong Kong.

Alternate Director

Muneo Kurauchi (*Alternate Director to Takashi Morimura*)

Aged 59. Appointed as an Alternate Director to Takashi Morimura, a Non-Executive Director of the Company, in August 2013. Currently the Senior Managing Executive Officer, Deputy Chief Executive, Chief Executive Officer for East Asia of the Global Business Unit of The Bank of Tokyo-Mitsubishi UFJ, Ltd., a wholly-owned commercial banking subsidiary of Mitsubishi UFJ Financial Group, Inc. ("MUFG"), the Managing Officer of MUFG and the Chairman and Chief Executive Officer of Bank of Tokyo-Mitsubishi UFJ (China) Ltd.. He was also a director of ZIP-FM Inc. and auditor of FM Aichi Broadcasting Co., Ltd. and Community Network Center Inc. during the period from 2010 to 2012. Mr. Kurauchi currently is a commissioner of The Japan Indonesia Association, Inc., a vice chairman of Japan-China Northeast Development

Association, a director of Asian Bankers Association and a councilor of The Japan Thailand Association. Mr. Kurauchi has over 35 years of extensive experience in various areas in the banking industry, and has assumed executive positions in credit management and corporate banking.

Senior Management

Harold Tsu-Hing Wong (*Managing Director and Chief Executive of Dah Sing Banking Group Limited*)

Aged 44. Joined Dah Sing Bank, Limited, a key operating subsidiary of the Company, in 2000, and appointed as an Executive Director in 2005 and as the Vice Chairman in March 2010. Currently the Managing Director and Chief Executive of DSBG. Also a Vice Chairman of Dah Sing Life Assurance Company Limited, and a Director of Dah Sing Bank (China) Limited and Banco Comercial de Macau, S.A. Qualified solicitor in England and Wales and in Hong Kong. Son of Mr. David Shou-Yeh Wong, the Chairman of the Boards of the Company and DSBG.

Wing-Kay Chow (Eleonore Chow) (*Director and Chief Executive of Dah Sing Life Assurance Company Limited*)

Aged 48. Appointed as a Director and the Chief Executive of Dah Sing Life Assurance Company Limited in 2010, responsible for overseeing the operation of long-term insurance business. Also a Director of Macau Life Insurance Company Limited. Fellow member of Life Office Management Association (FLMI) USA. Ms. Chow has over 20 years of experience in insurance industry in Hong Kong, China and Taiwan.

Addresses of Directors and senior management

The business address of the Directors and the senior management of the Group is the same as the address of the Company's registered office at 36th Floor, Dah Sing Financial Centre, 108 Gloucester Road, Hong Kong.

2. CORPORATE INFORMATION

Registered office:	36th Floor Dah Sing Financial Centre 108 Gloucester Road Hong Kong
Company secretary:	Doris Wai-Nar Wong <i>FCIS, FCS</i>
Legal advisers to the Company:	As to Hong Kong and U.S. law: Herbert Smith Freehills 23rd Floor Gloucester Tower 15 Queen's Road Central Hong Kong
Auditor:	PricewaterhouseCoopers Certified Public Accountants 22nd Floor Prince's Building Central Hong Kong
Share registrar and transfer office:	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor Hopewell Centre 183 Queen's Road East Wanchai Hong Kong
Principal bankers:	Dah Sing Bank, Limited
Underwriter:	The Hongkong and Shanghai Banking Corporation Limited 1 Queen's Road Central Hong Kong
Legal advisers to the Underwriter:	As to Hong Kong and U.S. law: Norton Rose Fulbright Hong Kong 38th Floor, Jardine House 1 Connaught Place Central Hong Kong

Authorised representatives: Hon-Hing Wong (Derek Wong), *Managing Director and Chief Executive*
Gary Pak-Ling Wang, *Executive Director*
The business address of the authorised representatives of the Company is at 36th Floor, Dah Sing Financial Centre, 108 Gloucester Road, Hong Kong

3. SHARE CAPITAL AND SHARE OPTIONS

(a) Share capital

As at the Latest Practicable Date, the number of issued shares of the Company was, and immediately following completion of the Rights Issue (assuming no further issue of Shares from the Latest Practicable Date to the completion of the Rights Issue) will be, as follows:

296,526,638	Shares in issue as at the Latest Practicable Date
<u>38,548,462</u>	Rights Shares to be allotted and issued under the Rights Issue
<u><u>335,075,100</u></u>	Shares in issue immediately after completion of the Rights Issue

All of the Shares currently in issue rank pari passu in all respects with each other, including, in particular, as to dividends, voting rights and capital. The Shares in issue are listed on the Stock Exchange.

All of the Rights Shares to be allotted and issued will, subject to the articles of association of the Company, rank pari passu in all respects with each other, including, in particular, as to dividends, voting and capital, and with all Shares in issue as at the date of allotment and issue of Rights Shares such that holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions the record dates of which are on or after the date of allotment of the Rights Shares. In particular, holders of fully-paid Rights Shares will be entitled to receive the dividend of HK\$0.91 per Share recommended by the Directors as set out in the announcement by the Company of its annual results for the year ended 31 December 2013 on Wednesday, 26 March 2014 subject to such dividend being approved by the Shareholders in general meeting.

No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

Dealings in the Shares may be settled through CCASS and Shareholders should consult their stockbrokers or other registered dealer of securities, bank manager, solicitors, professional accountants or other professional advisers for details of these settlement arrangements and how such arrangements may affect their rights and interests.

(b) Share options

Details of the Share Options granted to Directors by the Company, outstanding at the Latest Practicable Date, are set out in section headed “Directors’ Interests” under the heading “Share Option Scheme of the Company” in Appendix IV.

Upon the Rights Issue becoming unconditional, the exercise price of and the number of Shares issuable upon exercise in full of the outstanding Share Options may be subject to adjustments. Further announcements will be made in this regard in due course.

Save for the Share Options disclosed above, the Company did not have any other options and other convertible securities or rights affecting the Shares and no capital of any member of the Group was under option, or agreed conditionally or unconditionally to be put under options as at the Latest Practicable Date.

4. INDEBTEDNESS

At the close of business on 28 February 2014, being the latest practicable date for the purpose of this indebtedness statement, the Group had the following outstanding borrowings:

- (a) Dah Sing Bank, Limited (“DSB”) has a US\$2,000,000,000 Euro Medium Term Note Programme (the “Programme”) under which notes can be issued. The outstanding issues under the Programme, which are all unsecured and unguaranteed, are as follows:
- Subordinated Fixed Rate Notes (the “Notes”) of US\$225,000,000 issued by DSB on 29 January 2014 that qualify as Tier 2 capital of DSB under the Banking (Capital) Rules, and are listed on The Stock Exchange of Hong Kong Limited. The Notes will mature on 29 January 2024 with an optional redemption date falling on 29 January 2019. Interest at 5.25% p.a. is payable semi-annually from the issue date to the optional redemption date. Thereafter, if the Notes are not redeemed, the interest rate will be reset and the Notes will bear interest at the then prevailing U.S. Treasury rate plus 375 basis points. DSB may, subject to receiving the prior approval of the Hong Kong Monetary Authority (“HKMA”), redeem the Notes in whole but not in part, at par either on the optional redemption date or any of the interest payment dates thereafter. An interest rate swap contract to swap the fixed rate payment liability of the Notes to floating interest rate based on LIBOR has been entered into with an international bank.

- Subordinated Fixed Rate Notes (the “Notes”) of S\$225,000,000 issued by DSB on 8 February 2012 that qualify for inclusion as Tier 2 capital of DSB in accordance with the transitional provisions of the Banking (Capital) Rules, and are listed on Singapore Stock Exchange Securities Trading Limited (“SGX”). The Notes will mature on 9 February 2022 with an optional redemption date falling on 9 February 2017. Interest at 4.875% p.a. is payable semi-annually from the issue date to the optional redemption date. Thereafter, if the Notes are not redeemed, the interest rate will be reset and the Notes will bear interest at the then prevailing 5-year Singapore Dollar swap rate plus 376 basis points. DSB may, subject to receiving the prior approval of the HKMA, redeem the Notes in whole but not in part, at par either on the optional redemption date or for taxation reasons on interest payment date. An interest rate swap contract to swap the fixed rate payment liability of the Notes to floating interest rate based on LIBOR has been entered into with an international bank.
 - Subordinated Fixed Rate Notes (the “Notes”) of US\$225,000,000 issued by DSB on 11 February 2010 that qualify for inclusion as Tier 2 capital of DSB in accordance with the transitional provisions of the Banking (Capital) Rules, and are listed on the SGX. The Notes will mature on 11 February 2020. Interest at 6.625% p.a. is payable semi-annually. An interest rate swap contract to swap the fixed rate payment liability of the Notes to floating interest rate based on LIBOR has been entered into with an international bank.
 - The remaining outstanding amount of US\$55,000,000 of the original US\$200,000,000 Perpetual Subordinated Fixed Rate Notes (the “Notes”) issued by DSB on 16 February 2007 that qualify for inclusion as Tier 2 capital of DSB in accordance with the transitional provisions of the Banking (Capital) Rules, and are listed on the SGX. The Notes carry an optional redemption date falling on 17 February 2017. Interest at 6.253% p.a. is payable semi-annually from the issue date to the optional redemption date. Thereafter, if the Notes are not redeemed, the interest rate will be reset and the Notes will bear interest at 3-month LIBOR plus 190 basis points. DSB may, subject to receiving the prior approval of the HKMA, redeem the Notes in whole but not in part, at par either on the optional redemption date or for taxation reasons on interest payment date. An interest rate swap contract to swap the fixed rate payment liability of the Notes to floating interest rate based on LIBOR has been entered into with an international bank.
 - Senior Floating Rate Notes (the “Notes”) of US\$100,000,000 issued by DSB on 28 April 2011 which are listed on the SGX. The Notes will mature on 28 April 2014. Interest rate for the Notes is set on a quarterly basis based on a 3-month LIBOR plus 110 basis points.
- (b) Term loan of HK\$236,000,000 obtained by a subsidiary of the Group, Modern World Holdings Limited (“MW”), from an authorised institution in Hong Kong unrelated to the Group pursuant to a facility agreement dated 28 April 2008. The

loan is secured by a share mortgage over the entire issued share capital of MW and bears interest at 1-month HIBOR plus 100bps. The loan is fully repayable on 29 April 2014.

- (c) Term loan of HK\$77,000,000 obtained by a wholly-owned subsidiary of the Group, Modern Bright Hong Kong Limited (“MBHK”), from an authorised institution in Hong Kong unrelated to the Group pursuant to a facility agreement dated 28 April 2008. The loan is secured by a share mortgage over the entire issued share capital of MBHK and bears interest at 1-month HIBOR plus 100bps. The loan is fully repayable on 29 April 2014.
- (d) In addition, as at 28 February 2014, the Group had deposits from customers, money market takings, and certificates of deposit issued, repurchase and short-sale transactions, direct credit substitutes, transaction-related contingencies, trade-related contingencies and other commitments that arise from the normal course of banking business.

Save as aforesaid or otherwise disclosed herein, and apart from the intra-group liabilities, the Group did not have any outstanding loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities, borrowing or other similar indebtedness, liabilities under acceptance (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance leases, hire purchase commitments, guarantees or other material contingent liabilities as at the close of business on 28 February 2014.

To the best of the knowledge of the Directors, having made all reasonable enquiries, there has been no material change in the level of indebtedness of the Group since 28 February 2014.

5. WORKING CAPITAL

The Directors, after due and careful consideration, are of the opinion that based on the expected net proceeds from the Rights Issue and internal resources of the Group, the Group will have sufficient working capital for its present requirements for at least the next 12 months following the date of this Prospectus.

FINANCIAL RESULTS

Financial information of the Group for each of the three years ended 31 December 2013 is disclosed in the following documents which have been published on Dah Sing Bank, Limited's website at <http://www.dahsing.com/en/html/aboutus/financial.html> and the website of the Stock Exchange at www.hkexnews.hk.

- (a) annual report of the Company for the year ended 31 December 2011 (pages 63-251);
- (b) annual report of the Company for the year ended 31 December 2012 (pages 67-264); and
- (c) the final results announcement of the Company for the year ended 31 December 2013 published on Wednesday, 26 March 2014.

For illustrative purposes, the financial information prepared in accordance with paragraph 4.29 of the Listing Rules is set out here to provide prospective investors with further information about how the financial information of the Group might be affected by completion of the Rights Issue as if the Rights Issue had been completed on 31 December 2013. The statement has been prepared for illustrative purposes only and because of its nature, it may not give a true picture of the Group's financial condition on the completion of the Rights Issue.

**(A) UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED
NET TANGIBLE ASSETS OF THE GROUP**

The following is an illustrative and unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the Shareholders of the Company which has been prepared on the basis of the notes set out below, for the purpose of illustrating the effect of the Rights Issue as if it had taken place on 31 December 2013. This unaudited pro forma statement of adjusted consolidated net tangible assets has been prepared for illustrative purposes only, and because of its hypothetical nature, may not give a true picture of the financial position of the Group had the Rights Issue been completed as at 31 December 2013 or at any future date.

	Audited consolidated net tangible assets of the Group attributable to the Shareholders of the Company as at 31 December 2013	Estimated net proceeds from Rights Issue	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the Shareholders of the Company	Unaudited pro forma adjusted consolidated net tangible assets per Share
	<i>Note (1)</i>	<i>Note (2)</i>		<i>Note (3), (4)</i>
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$</i>
Based on Rights Shares (38,548,462 shares) to be issued at subscription price of HK\$23.40 per Rights Share	15,662	891	16,553	49.40

Notes

- (1) The consolidated net tangible assets of the Group attributable to the Shareholders of the Company as at 31 December 2013 is based on the audited consolidated net assets of the Group attributable to the Shareholders of the Company as at 31 December 2013 of HK\$16,701 million, with an adjustment for the intangible assets and the goodwill as at 31 December 2013 of HK\$1,039 million as extracted from the published final results announcement for the year ended 31 December 2013.
- (2) The estimated net proceeds from the Rights Issue are based on 38,548,462 Rights Shares to be issued at the subscription price of HK\$23.40 per Rights Share, after deduction of the related expenses of approximately HK\$11 million.
- (3) The unaudited pro forma adjusted consolidated net tangible assets per Share is arrived at after aggregating the audited consolidated net tangible assets of the Group of HK\$15,662 million and the estimated net proceeds of HK\$891 million from the Rights Issue (Note 2) and on the basis that 296,526,638 Shares were in issue as at 31 December 2013 and 38,548,462 Shares were issued under the Rights Issue assuming the Rights Issue has been completed on 31 December 2013.
- (4) No adjustments have been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2013.

**(B) REPORT FROM THE REPORTING ACCOUNTANT ON THE UNAUDITED
PRO FORMA FINANCIAL INFORMATION OF THE GROUP**

The following is the text of a report received from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.



羅兵咸永道

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL
INFORMATION INCLUDED IN A PROSPECTUS****TO THE DIRECTORS OF DAH SING FINANCIAL HOLDINGS LIMITED**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Dah Sing Financial Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") by the directors for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted net tangible assets of the Group as at 31 December 2013, and related notes (the "Unaudited Pro Forma Financial Information") as set out on pages 61 to 62 of the Company's prospectus dated 7 April 2014, in connection with the proposed rights issue of the Company. The applicable criteria on the basis of which the directors have compiled the Unaudited Pro Forma Financial Information are described on page 62 of the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the directors to illustrate the impact of the proposed rights issue on the Group's financial position as at 31 December 2013 as if the proposed rights issue had taken place at 31 December 2013. As part of this process, information about the Group's financial position has been extracted by the directors from the Group's financial statements for the year ended 31 December 2013, on which the audited results have been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules")

*PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com*

and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“AG 7”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

Reporting Accountant’s Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus”, issued by the HKICPA. This standard requires that the reporting accountant complies with ethical requirements and plans and performs procedures to obtain reasonable assurance about whether the directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of unaudited pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the proposed rights issue at 31 December 2013 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and

- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the company, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

PricewaterhouseCoopers

Certified Public Accountants
Hong Kong, 7 April 2014

1. RESPONSIBILITY OF THE DIRECTORS

The Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in the Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other facts the omission of which would make any statement herein misleading or this Prospectus misleading.

2. DIRECTORS' INTERESTS

Save as disclosed below, as at the Latest Practicable Date, none of the Directors and chief executives of the Company or their respective associates had any interest or short position in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules:

a) Interests in the shares of the Company and its associated corporation

Directors	Number of shares				Percentage of interests in the relevant issued share capital
	Personal Interests	Corporate Interests	Other Interests	Total Interests	
Number of ordinary shares in the Company					
David Shou-Yeh Wong	–	9,153,714 ⁽¹⁾	111,671,848 ⁽²⁾	120,825,562	40.75
John Wai-Wai Chow	1,082,505	–	–	1,082,505	0.37
Number of ordinary shares in DSBG					
David Shou-Yeh Wong	–	933,595,496 ⁽³⁾	–	933,595,496	74.61
John Wai-Wai Chow	186,376	–	–	186,376	0.01
Nicholas John Mayhew ⁽⁴⁾	22,000	–	–	22,000	0.00

Notes:

- (1) The corporate interests are in respect of shares held by companies in which the director controls one third or more of the voting powers at general meeting.
- (2) Such shares are indirectly held by HSBC International Trustee Limited, a trustee of a discretionary trust established for the benefit of David Shou-Yeh Wong and his family members.
- (3) Such shares include the indirect corporate interests of David Shou-Yeh Wong in DSBG under Part XV of the SFO by virtue of his beneficial interests of 40.75% in the Company which currently holds a controlling interest of 74.59% in DSBG and interests in DSBG held through a company in which David Shou-Yeh Wong has a controlling interest.
- (4) In addition to the interests in DSBG disclosed above, Nicholas John Mayhew is also beneficially interested in all of the preference shares of DSE Investment Services Limited (“DSE”) in issue totalling HK\$700. DSE is a wholly owned subsidiary of the Company which is currently dormant.

b) Interests in options under share option schemes of the Company and its associated corporation

i) Share Option Scheme of the Company

Pursuant to the Share Option Scheme, a Director of the Company and directors of the Company’s major operating subsidiaries were granted options under the Share Option Scheme. Details of the share option outstanding as at the Latest Practicable Date which have been granted under the Share Option Scheme are as follows:

Grantee	Number of the Company’s shares in the options					Exercise price HK\$	Grant date (D/M/Y)	Exercise period ⁽³⁾	
	Held at 30/06/2013	Granted during the period	Exercised/ Cancelled during the period	Lapsed during the period	Held at Latest Practicable Date			From (D/M/Y)	To (D/M/Y)
<i>Director</i>									
Nicholas John Mayhew	104,475	-	-	104,475	-	59.28 ⁽¹⁾	28/9/2007	28/9/2008	28/9/2013
<i>Aggregate of other employees⁽²⁾</i>	104,475	-	-	104,475	-	59.28 ⁽¹⁾	28/9/2007	28/9/2008	28/9/2013
	750,000	-	-	-	750,000	40.00	12/12/2011	12/12/2012	12/12/2017
	400,000	-	-	-	400,000	33.25	21/12/2012	21/12/2013	21/12/2018

Notes:

- (1) Adjusted as a result of the rights issue completed in December 2010. The key summary of related adjustments had been announced by the Company on 16 December 2010.
- (2) Share options were granted to certain eligible employees, who are directors, senior executives or officers of major operating subsidiaries of the Company and are working under employment contracts that are regarded as “continuous contracts” for the purpose of the Employment Ordinance of Hong Kong.

- (3) All the existing share options under the Company's Share Option Scheme shall be exercisable upon vesting in five equal tranches between the first and fifth anniversaries from the date of grant.

ii) *DSBG Share Option Scheme*

Pursuant to the DSBG Share Option Scheme, certain Directors of the Company and its major operating subsidiaries were granted options under the DSBG Share Option Scheme. Details of the share options outstanding as at the Latest Practicable Date which have been granted under the DSBG Share Option Scheme are as follows:

Grantee	Number of DSBG's shares in the options				Exercise price HK\$	Grant date (D/M/Y)	Exercise period ⁽²⁾⁽³⁾	
	Held at 30/06/2013	Granted during the period	Exercised/ Lapsed/ cancelled during the period	Held at Latest Practicable Date			From (D/M/Y)	To (D/M/Y)
<i>Directors</i>								
Gary Pak-Ling Wang	2,600,000	-	-	2,600,000	9.25	12/12/2011	12/12/2012	12/12/2017
	900,000	-	-	900,000	8.27	21/12/2012	21/12/2013	21/12/2018
Nicholas John Mayhew	2,400,000	-	-	2,400,000	9.25	12/12/2011	12/12/2012	12/12/2017
	800,000	-	-	800,000	8.27	21/12/2012	21/12/2013	21/12/2018
<i>Aggregate of other employees⁽¹⁾</i>								
	2,800,000	-	-	2,800,000	9.25	12/12/2011	12/12/2012	12/12/2017
	2,300,000	-	-	2,300,000	8.27	21/12/2012	21/12/2013	21/12/2018
	-	300,000	-	300,000	12.13	26/03/2014	26/03/2015	26/03/2020

Notes:

- (1) Share options were granted to certain eligible employees, who are directors, senior executives or officers of major operating subsidiaries of DSBG and are working under employment contracts that are regarded as "continuous contracts" for the purpose of the Employment Ordinance of Hong Kong.
- (2) All the existing share options under the DSBG Share Option Scheme shall be exercisable upon vesting in five equal tranches between the first and fifth anniversaries from the date of grant.
- (3) No share options under the DSBG Share Option Scheme were exercised or cancelled during the period.

All the interests stated above represent long positions. As at the Latest Practicable Date, neither the Directors nor the chief executive of the Company held any short positions as defined under the SFO which are required to be recorded in the register of directors' and chief executives' interests and short positions.

3. SUBSTANTIAL SHAREHOLDERS' INTERESTS

Save as disclosed below, as at the Latest Practicable Date, the Directors and chief executive of the Company are not aware of any person (other than a Director or chief executive of the Company) who had an interest or short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or were directly or indirectly interested in 10% or more of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Company:

Shareholder	Capacity	Number of shares	Percentage of interests in the issued share capital ⁽⁴⁾
David Shou-Yeh Wong	Beneficial and corporate interest	120,825,562 ⁽¹⁾	40.75%*
Christine Yen Wong	Deemed interests by virtue of her spouse having a notifiable interest	120,825,562 ⁽¹⁾	40.75%*
HSBC International Trustee Limited	Trustee and corporate interests	111,671,848 ⁽²⁾	37.66%*
DSI Limited	Trustee and corporate interests	54,164,233 ⁽³⁾	18.27%*
DSI Group Limited	Trustee and corporate interests	39,883,977 ⁽³⁾	13.45%*
DSI Holding Limited	Trustee and corporate interests	17,623,638 ^{(3),(5)}	5.94%*
Mitsubishi UFJ Financial Group, Inc.	Corporate interests	45,018,387	15.18%
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Beneficial interests	45,018,387	15.18%
HSBC Holdings plc	Interests of controlled corporation	18,962,161 ⁽⁶⁾	5.66% ⁽⁷⁾

Shareholder	Capacity	Number of shares	Percentage of interests in the issued share capital ⁽⁴⁾
Aberdeen Asset Management Asia Limited	Investment manager	18,048,000	6.09%
Aberdeen Asset Management Plc and its associates under mandates	Investment manager	18,883,814	6.37%

* Each of the interests of HSBC International Trustee Limited, DSI Limited, DSI Group Limited and DSI Holding Limited forms part of the 120,825,562 Shares in the Company in which David Shou-Yeh Wong has an interest. The interest of Christine Yen Wong represents the whole of such Shares. Therefore, these shareholdings should not be aggregated, and rather form part or whole of the same interest of 120,825,562 shares in the Company disclosed by David Shou-Yeh Wong.

Notes:

- Such Shares represent the deemed interest of Christine Yen Wong by virtue of her spouse, David Shou-Yeh Wong being a controlling Shareholder of the Company having a notifiable interest in the relevant share capital of the Company (under the interpretation of section 316(1) of the SFO).
- Such Shares are mainly comprised of the interest indirectly held by HSBC International Trustee Limited in trust for a discretionary trust established for the benefit of David Shou-Yeh Wong and his family members.
- Such Shares are mainly comprised of the interests indirectly held by DSI Limited, DSI Group Limited and DSI Holding Limited in trust for a discretionary trust established for the benefit of David Shou-Yeh Wong and his family members.
- Such percentage of interests held by the named Shareholders have been adjusted with reference to the total number of Shares currently in issue as of the Latest Practicable Date.
- Such Shares also include MOL's Shares in the Company.
- Such Shares include the number of Rights Shares underwritten by HSBC pursuant to the Underwriting Agreement.
- The approximate percentage of the total issued Shares is calculated based on the number of Shares in issue upon completion of the Rights Issue, being 335,075,100 Shares.

All the interests stated above represent long positions. As at the Latest Practicable Date, no short positions were recorded in the register of Shareholders' interests in shares and short positions.

4. MATERIAL ADVERSE CHANGES

As at the Latest Practicable Date, the Directors are not aware of any material adverse changes in the financial or trading position of the Company since 31 December 2013, being the date to which the latest published audited financial results of the Group were made up.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with the Company or any of its subsidiaries which is not terminable within one year without payment of compensation (other than statutory compensation).

6. OTHER ARRANGEMENTS INVOLVING DIRECTORS

As at the Latest Practicable Date:

- (a) none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date and which was significant in relation to the business of the Group; and
- (b) none of the Directors had any direct or indirect interest in any assets which had been since 31 December 2013 (the date to which the latest audited accounts of the Company were made up) (i) acquired or disposed of by; (ii) leased to; or (iii) are proposed to be acquired or disposed of by; or (iv) are proposed to be leased to any member of the Group.

7. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened by or against the Company or any other member of the Group.

8. EXPENSES

The estimated expenses in connection with the Rights Issue, including but not limited to underwriting fees, printing, registration, translation, legal and accountancy charges and other related expenses are estimated to amount to approximately HK\$11 million and will be borne by the Company.

9. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) had been entered into by the Group within the period commencing the two years preceding this Prospectus and up to the Latest Practicable Date and are, or may be, material:

- (1) a share subscription agreement entered into between Dah Sing Bank, Limited (“DSB”) and Bank of Chongqing Co., Ltd. (“BOCQ”) on 30 November 2012, pursuant to which DSB agreed to subscribe for 52,000,000 shares of BOCQ for a consideration of RMB260,000,000 (the “BOCQ Proposed Share Issuance”). The BOCQ Proposed Share Issuance was subsequently terminated on 17 January 2014;

- (2) a letter of undertaking provided by DSB on 27 May 2013 to BOCQ and the China Banking Regulatory Commission in respect of the listing by BOCQ of its H shares on the Stock Exchange which commenced on 6 November 2013, pursuant to which DSB undertook not to sell its BOCQ shareholding nor appoint any person to manage its BOCQ shares for a period of 3 years commencing from the date of the H-shares listing of BOCQ on the Stock Exchange;
- (3) a third supplemental agreement to the original Strategic Co-Operation Agreement dated 4 April 2007 entered into between DSB and BOCQ on 11 July 2013, pursuant to which, inter alia, DSB agreed to subscribe for additional BOCQ shares, as H shares issued under the initial public offering of BOCQ, for a consideration of not more than HK\$330 million;

Note: DSB, the Company's subsidiary, is the strategic investor currently holding a 17% interest in BOCQ.

- (4) the Underwriting Agreement; and
- (5) the DSBG Underwriting Agreement.

10. EXPERT'S QUALIFICATION AND CONSENT

The following is the qualification of the expert who has given opinions or advice, which are contained or referred to in the Prospectus:

Name	Qualification
PricewaterhouseCoopers	Certified Public Accountants

As at the Latest Practicable Date, PricewaterhouseCoopers:

- (a) has given and has not withdrawn its written consent to the issue of the Prospectus with the inclusion of its letter and the reference to its name, in the form and context in which it appears;
- (b) did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and
- (c) did not have any direct or indirect interest in any assets which had been since 31 December 2013 (the date to which the latest published audited accounts of the Company were made up), acquired, disposed of by, or leased to any member of the Group or were proposed to be acquired or disposed of by, or leased to any member of the Group.

11. MISCELLANEOUS

- (a) The company secretary of the Company is Doris Wai-Nar Wong.
- (b) The Prospectus is prepared in both English and Chinese. In the event of inconsistency, the English text shall prevail.
- (c) As at the Latest Practicable Date, the Directors are not aware of any restriction affecting the remittance of profits or repatriation of capital into Hong Kong from outside Hong Kong which materially affects the business of the Group as a whole.

12. DOCUMENT DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus Documents and the written consent of PricewaterhouseCoopers referred to in the paragraph headed “Expert’s Qualification and Consent” in this appendix has been delivered to the Registrar of Companies of Hong Kong pursuant to section 38D of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours on any weekday (excluding Saturdays, Sundays and public holidays) at the registered office of the Company at 36th Floor, Dah Sing Financial Centre, 108 Gloucester Road, Hong Kong up to and including Wednesday, 23 April 2014:

- (a) articles of association of the Company;
- (b) the written consent referred to in the paragraph headed “Expert’s Qualification and Consent” in this appendix;
- (c) the material contracts referred to in the paragraph headed “Material Contracts” in this appendix;
- (d) the annual reports of the Company for the two financial years ended 31 December 2011 and 31 December 2012 respectively;
- (e) the final results announcement of the Company for the year ended 31 December 2013 published on Wednesday, 26 March 2014;
- (f) the report in respect of the unaudited pro forma financial information of the Group in respect of the Rights Issue, the text of which is set out in Appendix III; and
- (g) this Prospectus.