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

The holding company of Dah Sing Bank, Limited

(Stock Code: 2356)

REVISION OF ANNUAL CAP FOR 2013 OF AN EXISTING CONTINUING CONNECTED TRANSACTION

The Directors and senior management of the Company have been closely monitoring, among other things, the Continuing Connected Transaction regularly. Based on internal estimates and the anticipated growth in business, the Directors are of the view that the existing cap for 2013 in respect of the total commissions received by, and expenses paid on behalf of and reimbursed to, the Group by DSIS, DSIA, MLIC and MIC under the Continuing Connected Transaction will not be sufficient for the Company to cope with its business needs.

In order to cope with the Company's business needs and based on the projected growth in the life assurance business for 2013, the Directors have decided to revise the annual cap for the financial year ending 31 December 2013 in respect of the total commissions received by, and expenses paid on behalf of and reimbursed to, the Group by DSIS, DSIA, MLIC and MIC under the Continuing Connected Transaction from the current annual cap of HK\$82,500,000 to HK\$110,000,000.

Since the highest of the applicable Percentage Ratios (other than the profits ratio) of the Revised Annual Cap for 2013 is higher than 0.1% but less than 5%, the Continuing Connected Transaction (including the revised annual cap for the financial year ending 31 December 2013) is subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules, the annual review requirement under Rules 14A.37 to 14A.40 and the requirements under Rule 14A.35(1) and 14A.35(2) of the Listing Rules, but is exempt from the requirement of independent shareholders' approval under Chapter 14A of the Listing Rules.

BACKGROUND

Reference is made to the Company's announcement published on 30 December 2010 (the "**Announcement**") regarding, among other things, the Continuing Connected Transaction.

The Company is the holding company of various subsidiaries including DSB, BCM and Dah Sing Bank (China) Limited which conduct banking business, and MEVAS (1931).

MEVAS (1931), formerly known as MEVAS Bank Limited, used to conduct banking business in Hong Kong before the voluntary revocation of its banking licence on 23 November 2012. It had also ceased to be registered with the Insurance Agents Registration Board of The Hong Kong Federation of Insurers in June 2012. MEVAS (1931) currently is principally engaged in property investment.

DSFH is a substantial shareholder of the Company, holding as at the date of this announcement approximately 74.59% of the issued share capital of the Company. DSFH is the company holding the insurance interests of the DSFH Group, and is the holding company of certain insurance subsidiaries including DSIA, DSIS, MIC and MLIC.

DSIA is a wholly-owned subsidiary of DSFH and is the general agent of Dah Sing Insurance Company Limited in Hong Kong. As DSFH is the Company's substantial shareholder, DSIA is a connected person of the Company pursuant to the Listing Rules. Dah Sing Insurance Company Limited ceased to carry on general insurance business in August 2012 after its business had been transferred to Dah Sing Insurance Company (1976) Limited (formerly known as Summit Insurance (Asia) Limited).

DSIS is a wholly-owned subsidiary of DSFH and is the general agent of DSLA which is principally engaged in the underwriting of life insurance business in Hong Kong. As DSFH is the Company's substantial shareholder, DSIS is a connected person of the Company pursuant to the Listing Rules.

MIC is a company which is 78% owned by DSMI Group Limited and 18% owned by DSGI (1) Limited. Both DSMI Group Limited and DSGI (1) Limited are wholly-owned subsidiaries of DSFH. MIC is principally engaged in the underwriting of general insurance business in Macau. As DSFH is the Company's substantial shareholder, MIC is a connected person of the Company pursuant to the Listing Rules.

MLIC is a company which is 99.85% owned by MIC, 0.13% owned by DSLI (BVI) (1) Limited and 0.02% owned by DSLI (2) Limited. MLIC is principally engaged in the underwriting of life insurance and operating pensions business in Macau. As MIC is a connected person of the Company pursuant to the Listing Rules, and DSLI (BVI) (1) Limited and DSLI (2) Limited are both wholly-owned subsidiaries of DSFH, and DSFH is the Company's substantial shareholder, MLIC is a connected person of the Company pursuant to the Listing Rules.

DESCRIPTION OF TRANSACTIONS

On 30 December 2010, DSIS and DSIA entered into distribution agreements and underlying agency agreements with each of DSB and MEVAS (1931) for the marketing and distribution of life

and general insurance products through the branch network of DSB and the former branch network of MEVAS (1931) for a fixed term of three years with effect from 1 January 2011. On the same day, MIC and MLIC entered into distribution agreements and underlying agency agreements with BCM for the marketing and distribution of life and general insurance products through BCM's branch network for a fixed term of three years with effect from 1 January 2011. The agreements entered into by DSIS and DSIA with MEVAS (1931) were terminated on 30 June 2012.

Pursuant to the distribution agreement entered into by DSIS with DSB (the “**DSIS Distribution Agreement**”), DSB markets and distributes such life assurance products as agreed between the parties from time to time for the DSFH Group through its branch network.

Pursuant to the DSIS Distribution Agreement, DSB has entered into an agency agreement with DSIS (the “**DSIS Agency Agreement**”) in respect of the sale of life assurance policies in return for commission payments as agreed between the parties from time to time. Under the terms of the DSIS Agency Agreement, the commissions payable by DSIS to DSB in respect of such life assurance products shall vary, depending on the product type, between 0.1% and 50% of the first year’s premium received, plus up to 24% of the renewal premiums in respect of certain policies.

Pursuant to the distribution agreement entered into by DSIA with DSB (the “**DSIA Distribution Agreement**”), DSB markets and distributes such general insurance and life assurance products as agreed between the parties from time to time for the DSFH Group through its branch network.

Pursuant to the DSIA Distribution Agreement, DSB has entered into an agency agreement with DSIA (the “**DSIA Agency Agreement**”) in respect of the sale of certain general insurance and life assurance products in return for commission payments, as agreed between the parties from time to time. Under the terms of the DSIA Agency Agreement, the commissions payable by DSIA to DSB in respect of:

- (1) general insurance products shall vary, depending on the product type, between 1% and 30% of each year’s premium received in respect of a new or renewal policy; and
- (2) life assurance products shall vary, depending on the product type, between 0.1% and 50% of the first year’s premium received, plus up to 24% of the renewal premiums in respect of certain policies.

Pursuant to the distribution agreement entered into by MLIC with BCM (the “**MLIC Distribution Agreement**”), BCM markets and distributes such life assurance products as agreed between the parties from time to time for MLIC through its branch network.

Pursuant to the MLIC Distribution Agreement, BCM has entered into an agency agreement with MLIC (the “**MLIC Agency Agreement**”) in respect of the sale of life assurance policies in return for commission payments as agreed between the parties from time to time. Under the terms of the

MLIC Agency Agreement, the commissions payable by MLIC to BCM in respect of such life assurance products shall vary, depending on the product type, between 0.5% and 40% of the first year's premium received.

Pursuant to the distribution agreement entered into by MIC with BCM (the "**MIC Distribution Agreement**"), BCM markets and distributes such general insurance products of MIC as agreed between the parties from time to time through its branch network.

Pursuant to the MIC Distribution Agreement, BCM has entered into an agency agreement with MIC (the "**MIC Agency Agreement**") in respect of the sale of general insurance products in return for commission payments, as agreed between the parties from time to time. Under the terms of the MIC Agency Agreement, the commissions payable by MIC to BCM in respect of general insurance products shall vary, depending on the product type, between 10% and 50% of each year's premium received in respect of new or renewal policies.

In respect of each of the DSIS, DSIA, MLIC and MIC Distribution Agreements (collectively the "**Distribution Agreements**"), DSIS and DSIA shall each reimburse or pay on behalf of DSB, and MLIC and MIC shall each reimburse or pay on behalf of BCM, agreed expenses including the registration fees for licences for the bank staff to sell insurance, sales incentives, marketing expenses and other costs and expenses related to the performance of the Distribution Agreements.

Each of the Distribution Agreements is on a mutually non-exclusive basis and for a three-year fixed term with effect from 1 January 2011. Each of the DSIS, DSIA, MLIC and MIC Agency Agreements (collectively the "**Agency Agreements**") is on a mutually non-exclusive basis for a three-year fixed term with effect from 1 January 2011, save that the provisions relating to the payment of outstanding renewal premiums shall remain in force until payment is received in full.

The distribution and agency arrangements described above, including the commission rates set out in the various sets of Distribution Agreements and Agency Agreements, are consistent with normal arrangements between banks and insurance companies in the Hong Kong and Macau markets, and provide the Group with insurance products and services to be offered to the customers of the banking subsidiaries of the Group. The distribution of different types of insurance products through the respective bank branch networks of DSB and BCM in return for a commission income to be paid by the DSFH Group, produces fee income which is of benefit to the Group.

Pursuant to the Announcement, among other things, the cap in relation to the aggregate commissions received by, and expenses paid on behalf of and reimbursed to, the Group by DSIS, DSIA, MLIC and MIC contemplated under the Continuing Connected Transaction for the financial year ending 31 December 2013 would not, in aggregate, exceed the annual limit of HK\$82,500,000.

REASONS FOR THE REVISED ANNUAL CAP FOR 2013

The Directors and senior management of the Company have been closely monitoring, among other things, the Continuing Connected Transaction regularly. The Directors note that for the ten months of 2013, there has been a significant increase in the total commissions received by, and expenses paid on behalf of and reimbursed to, the Group by DSIS, DSIA, MLIC and MIC. The Directors believe that the overall increase is mainly attributable to the faster than expected growth in the new life business generated by DSB in selling DSLA life products. As at 30 October 2013, the aggregate commissions received by, and expenses paid on behalf of and reimbursed to, the Group by DSIS, DSIA, MLIC and MIC (unaudited) was approximately HK\$81,969,000. Based on internal estimates and the anticipated growth in business, the Directors are of the view that the existing cap for 2013 in respect of the total commissions received by, and expenses paid on behalf of and reimbursed to, the Group by DSIS, DSIA, MLIC and MIC contemplated under the Continuing Connected Transaction will not be sufficient for the Company to cope with its business needs.

In order to cope with the Company's business needs and based on the projected growth in life assurance business for 2013, the Directors have decided to revise the annual cap for the financial year ending 31 December 2013 in respect of the total commissions received by, and expenses paid on behalf of and reimbursed to, the Group by DSIS, DSIA, MLIC and MIC contemplated under the Continuing Connected Transaction from the current annual cap of HK\$82,500,000 to HK\$110,000,000.

IMPLICATIONS UNDER THE LISTING RULES

Since the highest of the applicable Percentage Ratios (other than the profits ratio) of the Revised Annual Cap for 2013 is higher than 0.1% but less than 5%, the conduct of the Continuing Connected Transaction (including the revised annual cap for the financial year ending 31 December 2013) is subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules, the annual review requirement under Rules 14A.37 to 14A.40 and the requirements under Rule 14A.35(1) and 14A.35(2) of the Listing Rules, but is exempt from the requirement of independent shareholders' approval under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.56(9) of the Listing Rules, Messrs David Shou-Yeh Wong, Hon-Hing Wong (Derek Wong), Gary Pak-Ling Wang and Robert Tsai-To Sze, being directors having a connected relationship with DSFH Group, have abstained from voting on the board resolutions regarding the Revised Annual Cap for 2013. The resolutions were voted and approved by Directors who are not connected to the Continuing Connected Transaction.

The Directors (including the independent non-executive directors), after reviewing the business needs of the Company, are of the view that the Revised Annual Cap for 2013, the terms of the Distribution Agreements and Agency Agreements subject to the revised annual cap and the transactions contemplated thereunder and the commission rates, and expenses to be paid and

reimbursed are on normal commercial terms, in line with market rates for insurance products of similar types, in the ordinary and usual course of business of the Group, and are fair and reasonable to the Company and its Shareholders as a whole.

DEFINITIONS

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

“BCM”	Banco Comercial de Macau, S.A.
“Board”	the board of Directors of the Company
“Company”	Dah Sing Banking Group Limited, a company incorporated in Hong Kong, whose shares are listed on the Stock Exchange
“Continuing Connected Transaction”	the continuing connected transaction contemplated under the distribution agreements and the underlying agency agreements by DSIS and DSIA with DSB, and the distribution agreements and the underlying agency agreements by MIC and MLIC with BCM
“DSB”	Dah Sing Bank, Limited
“Directors”	the directors of the Company
“DSFH”	Dah Sing Financial Holdings Limited
“DSFH Group”	DSFH and its subsidiaries (but excluding the Group)
“DSIA”	Dah Sing Insurance Agency Limited
“DSIS”	Dah Sing Insurance Services Limited
“DSL A”	Dah Sing Life Assurance Company Limited
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macao” or “Macau”	Macau Special Administrative Region of the People’s Republic of China
“MEVAS (1931)”	MEVAS (1931) Limited, formerly known as MEVAS Bank Limited
“MIC”	Macau Insurance Company Limited
“MLIC”	Macau Life Insurance Company Limited
“Percentage Ratios”	the percentage ratios set out in Rule 14.07 of the Listing Rules, (i.e. “assets ratio”, “profits ratio”, “revenue ratio”, “consideration ratio” and “equity capital ratio”, as such

	terms are defined in the Listing Rules)
“Revised Annual Cap for 2013”	the revised annual cap for the Continuing Connected Transaction for the financial year ending 31 December 2013 adjusted from the current cap of HK\$82,500,000 to HK\$110,000,000
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board
Dah Sing Banking Group Limited
Doris Wai Nar Wong
Company Secretary

Hong Kong, 22 November 2013

As at the date of this announcement, the Board of the Company comprises Messrs. David Shou-Yeh Wong (Chairman), Hon-Hing Wong (Derek Wong) (Vice Chairman), Harold Tsu-Hing Wong (Managing Director and Chief Executive) and Gary Pak-Ling Wang as Executive Directors; Mr. Shoji Hirai as Non-Executive Director; Messrs. Robert Tsai-To Sze, Andrew Kwan-Yuen Leung, Seng-Lee Chan and Yuen-Tin Ng as Independent Non-Executive Directors.