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

The holding company of Dah Sing Bank, Limited and MEVAS Bank Limited

(Stock Code: 2356)

CLARIFICATION ANNOUNCEMENT REGARDING THE NEW LEASEBACK AGREEMENT

Reference is made to an announcement (“Announcement”) of Dah Sing Banking Group Limited (the “Company”) dated 30 December 2010 in respect of certain continuing connected transactions of the Company. Unless the context otherwise requires, capitalized terms used herein shall have the same meanings as defined in the Announcement.

As stated in the Announcement, DSB entered into the New Leaseback Agreement with DSLA on 30 December 2010. This announcement is issued for the purposes of providing investors with further information regarding the New Leaseback Agreement.

The New Leaseback Agreement relates to a portion of Flat A on Basement and Portion AA on Ground Floor of Thai Kong Building, No.482 Hennessy Road, Hong Kong (the “Premises”) which have been leased by DSLA to DSB immediately following the disposal of, inter alia, the Premises by DSB to DSLA on 28 December 2007. The Premises have been used by DSB as bank branch premises for more than 16 years. Due to the strategic location of the Premises and the operational needs of the Group, the Directors consider the lease of the Premises is conducive to the business requirements, operations and efficiency of the Group and therefore is of benefit to the Group as a whole.

The New Leaseback Agreement is for a term of three years commencing on 28 December 2010 and ending on 27 December 2013 (both dates inclusive) at a monthly rent of HK\$450,000 which was agreed after arm’s length discussions between DSB and DSLA with reference to the location and condition of the Premises. The aggregate amount of the rental, together with the estimated management fees, government rates, electricity, service charges and air-conditioning charges (based on the actual amounts incurred by DSB from time to time), payable by the Group under the New Leaseback Agreement will not exceed the annual cap of HK\$7 million for each of the three financial years ending 31 December 2011, 2012 and 2013.

In arriving at the above annual cap, the Directors have taken into consideration the valuation report provided by Savills Valuation and Professional Services Limited, an independent professional surveyor, in that the rental value is in line with the current market rent of similar properties in the same area, as well as the benefit to the Group’s operational efficiency in leasing the Premises.

The Board (including the independent non-executive Directors) considers that the New Leaseback Agreement is on normal commercial terms, in the ordinary and usual course of business of the Group and is fair and reasonable to the Shareholders.

By Order of the Board
Dah Sing Banking Group Limited
Hoi-Lun Soo (Helen Soo)
Company Secretary

Hong Kong, 3 January 2011

As at the date of this announcement, the executive directors are David Shou-Yeh Wong (Chairman), Hon-Hing Wong (Derek Wong) (Managing Director and Chief Executive), Lung-Man Chiu (John Chiu), Gary Pak-Ling Wang and Harold Tsu-Hing Wong; the non-executive directors are Kazutake Kobayashi and Frederic Suet-Chiu Lau; and the independent non-executive directors are John William Simpson, David Richard Hinde, Robert Tsai-To Sze, Andrew Kwan-Yuen Leung, Seng-Lee Chan and Lon Dounn (Lonnie Dounn).