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

(Stock code: 440)

## **ANNOUNCEMENT OF 2021 INTERIM RESULTS**

The Directors of Dah Sing Financial Holdings Limited (the “Company”) are pleased to present the interim results and condensed consolidated financial statements of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2021. The unaudited profit attributable to shareholders after non-controlling interests for the six months ended 30 June 2021 was HK\$881.2 million.

### **UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS**

The unaudited 2021 interim condensed consolidated financial statements of the Group have been prepared in accordance with Hong Kong Accounting Standard No. 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants.

### **UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT**

For the six months ended 30 June

HK\$'000	Note	2021	2020	Variance %
Interest income	3	<b>2,605,621</b>	3,447,007	
Interest expense	3	<b>(637,412)</b>	(1,574,487)	
<b>Net interest income</b>		<b>1,968,209</b>	1,872,520	5.1
Fee and commission income	4	<b>735,705</b>	675,271	
Fee and commission expense	4	<b>(100,131)</b>	(103,639)	
<b>Net fee and commission income</b>		<b>635,574</b>	571,632	11.2
Net trading income	5	<b>92,661</b>	131,786	
Net insurance premium and other income		<b>248,178</b>	240,760	
Other operating income	6	<b>103,467</b>	91,271	
<b>Operating income</b>		<b>3,048,089</b>	2,907,969	4.8
Net insurance claims and expenses		<b>(169,107)</b>	(156,875)	
<b>Total operating income net of insurance claims</b>		<b>2,878,982</b>	2,751,094	4.6
Operating expenses	7	<b>(1,544,063)</b>	(1,469,948)	5.0
<b>Operating profit before impairment losses</b>		<b>1,334,919</b>	1,281,146	4.2
Credit impairment losses	8	<b>(116,789)</b>	(365,245)	(68.0)
<b>Operating profit before gains and losses on certain investments and fixed assets</b>		<b>1,218,130</b>	915,901	33.0
Net loss on disposal of other fixed assets		<b>(6,895)</b>	(2,867)	
Net gain on disposal of financial assets at fair value through other comprehensive income		<b>3,875</b>	11,594	
Share of results of an associate		<b>433,054</b>	411,759	
Impairment loss on investment in an associate	9	<b>(251,000)</b>	(200,000)	
Loss on deemed disposal of investment in an associate	10	<b>(31,202)</b>	-	
Share of results of jointly controlled entities		<b>16,835</b>	13,580	
<b>Profit before taxation</b>		<b>1,382,797</b>	1,149,967	20.2
Taxation	11	<b>(215,883)</b>	(161,699)	
<b>Profit for the period</b>		<b>1,166,914</b>	988,268	18.1
Profit attributable to non-controlling interests		<b>(285,690)</b>	(243,500)	
<b>Profit attributable to Shareholders of the Company</b>		<b>881,224</b>	744,768	18.3
Interim dividend		<b>105,460</b>	86,285	
<b>Earnings per share</b>				
Basic and diluted	12	<b>HK\$2.76</b>	HK\$2.33	

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June

HK\$'000	2021	2020
<b>Profit for the period</b>	<b>1,166,914</b>	<b>988,268</b>
<b>Other comprehensive income for the period</b>		
Items that may be reclassified to the consolidated income statement:		
Investments in securities		
Net change in fair value of debt instruments at fair value through other comprehensive income	115,887	(540,090)
Net change in allowance for expected credit losses of debt instruments at fair value through other comprehensive income	3,090	4,422
Net gain realised and transferred to income statement upon:		
- Disposal of debt instruments at fair value through other comprehensive income	(3,875)	(11,594)
Deferred income tax related to the above	(29,196)	88,816
	<b>85,906</b>	<b>(458,446)</b>
Exchange differences arising on translation of the financial statements of foreign entities	(146,673)	(128,579)
Items that will not be reclassified to the consolidated income statement:		
Net change in fair value of equity instruments at fair value through other comprehensive income	481,111	(21,506)
Deferred income tax related to the above	(35,154)	12,878
	<b>445,957</b>	<b>(8,628)</b>
Other comprehensive income/ (loss) for the period, net of tax	<b>385,190</b>	<b>(595,653)</b>
<b>Total comprehensive income for the period, net of tax</b>	<b>1,552,104</b>	<b>392,615</b>
Attributable to:		
Non-controlling interests	272,428	94,348
Shareholders of the Company	1,279,676	298,267
<b>Total comprehensive income for the period, net of tax</b>	<b>1,552,104</b>	<b>392,615</b>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

HK\$'000	Note	As at 30 Jun 2021	As at 31 Dec 2020
<b>ASSETS</b>			
Cash and balances with banks		16,206,149	16,119,500
Placements with banks maturing between one and twelve months		2,683,831	5,742,740
Trading securities	13	5,670,686	5,080,047
Financial assets at fair value through profit or loss	13	578,838	557,353
Derivative financial instruments		440,204	1,147,201
Advances and other accounts	14	149,124,950	147,904,807
Financial assets at fair value through other comprehensive income	15	46,490,680	46,395,704
Financial assets at amortised cost	16	22,548,643	22,902,983
Investment in an associate	9	4,190,809	4,277,927
Investments in jointly controlled entities		122,388	105,553
Goodwill		776,364	776,364
Intangible assets		80,927	80,927
Premises and other fixed assets		3,137,413	3,128,922
Investment properties		671,150	671,150
Deferred income tax assets		64,089	69,923
<b>Total assets</b>		<b>252,787,121</b>	<b>254,961,101</b>
<b>LIABILITIES</b>			
Deposits from banks		2,879,476	3,500,442
Derivative financial instruments		1,906,322	3,196,667
Trading liabilities		3,244,284	1,570,675
Deposits from customers		189,208,577	189,901,345
Certificates of deposit issued		5,631,718	8,125,802
Subordinated notes		3,791,691	3,828,458
Other accounts and accruals	17	8,783,310	8,710,618
Current income tax liabilities		266,029	389,147
Deferred income tax liabilities		141,641	46,978
<b>Total liabilities</b>		<b>215,853,048</b>	<b>219,270,132</b>
<b>EQUITY</b>			
Non-controlling interests		7,477,549	7,304,899
<b>Equity attributable to the Company's shareholders</b>			
Share capital		4,248,559	4,248,559
Other reserves (including retained earnings)		25,207,965	24,137,511
<b>Shareholders' funds</b>	18	<b>29,456,524</b>	<b>28,386,070</b>
<b>Total equity</b>		<b>36,934,073</b>	<b>35,690,969</b>
<b>Total equity and liabilities</b>		<b>252,787,121</b>	<b>254,961,101</b>

**Note:**

**1. General information**

Dah Sing Financial Holdings Limited (the “Company”) and its subsidiaries (together the “Group”) provide banking, insurance, financial and other related services in Hong Kong, Macau, and the People’s Republic of China.

**2. Unaudited financial statements and accounting policies**

The information set out in this interim results announcement does not constitute statutory financial statements.

Certain financial information in this interim results announcement is extracted from the statutory financial statements for the year ended 31 December 2020 (the “2020 financial statements”) which have been delivered to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance, and the Hong Kong Monetary Authority (“HKMA”).

The auditor’s report on the 2020 financial statements was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

**Basis of preparation and accounting policies**

Except as described below, the accounting policies and methods of computation used in the preparation of the 2021 interim condensed consolidated financial statements are consistent with those used and described in the Group’s annual audited financial statements for the year ended 31 December 2020.

(a) New and amended standards adopted by the Group

The following amendments to accounting standards became applicable for the current reporting period, and the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

Interest Rate Benchmark Reform - Phase 2, amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16

The amendments are related to (i) changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities; (ii) hedge accounting; and (iii) disclosures. The amendments address the effects of the reform on an entity’s financial statements that arise when, for example, an interest rate benchmark used to calculate interest on a financial asset is replaced with an alternative benchmark rate.

2. Unaudited financial statements and accounting policies (Continued)

Basis of preparation and accounting policies (Continued)

(b) New and amended standards and interpretations not yet adopted

HKFRS 17, "Insurance contracts"

Insurance contracts are defined as contracts "under which one party (the issuer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policy holder".

HKFRS 17 is effective for reporting periods beginning on or after 1 January 2023. The Group is yet to assess the impact of the standard on the Group's consolidated financial statements.

There are no other HKFRSs or interpretations that are effective from 1 January 2021 or not yet effective that would be expected to have a material impact on the Group.

The interim condensed consolidated financial statements are presented in thousands of Hong Kong dollars (HK\$'000), unless otherwise stated, and were approved by the Board of Directors for issue on 25 August 2021.

These interim condensed consolidated financial statements have not been audited.

3. Net interest income

For the six months ended 30 June

HK\$'000	2021	2020
<b>Interest income</b>		
Cash and balances with banks	86,860	165,423
Investments in securities	516,542	794,980
Advances and other accounts	2,002,219	2,486,604
	<b>2,605,621</b>	<b>3,447,007</b>
<b>Interest expense</b>		
Deposits from banks/ Deposits from customers	549,945	1,375,137
Certificates of deposit issued	30,266	68,984
Subordinated notes	50,344	84,762
Lease liabilities	5,145	5,710
Others	1,712	39,894
	<b>637,412</b>	<b>1,574,487</b>
<b>Included within interest income</b>		
- Trading securities and financial assets at fair value through profit or loss	2,299	47,621
- Financial assets at fair value through other comprehensive income	255,792	605,098
- Financial assets at amortised cost	2,347,530	2,794,288
	<b>2,605,621</b>	<b>3,447,007</b>
<b>Included within interest expense</b>		
- Financial liabilities not at fair value through profit or loss	636,781	1,536,772

In the six months ended 30 June 2021 and 2020, there was no interest income recognised on impaired assets.

**4. Net fee and commission income**

For the six months ended 30 June

HK\$'000	2021	2020
<b>Fee and commission income</b>		
Fee and commission income from financial assets and liabilities not at fair value through profit or loss		
- Credit related fees and commissions	93,736	83,576
- Trade finance	38,879	36,214
- Credit card	132,020	125,480
Other fee and commission income		
- Securities brokerage	124,017	82,257
- Insurance distribution and others	91,651	151,333
- Retail investment and wealth management services	185,527	134,702
- Bank services and handling fees	34,480	32,335
- Other fees	35,395	29,374
	<u>735,705</u>	<u>675,271</u>
<b>Fee and commission expense</b>		
Fee and commission expense from financial assets and liabilities not at fair value through profit or loss		
- Handling fees and commission	91,264	98,564
- Other fees paid	8,867	5,075
	<u>100,131</u>	<u>103,639</u>

The Group provides custody, trustee, corporate administration, and investment management services to third parties. The assets subject to these services are held in a fiduciary capacity and are not included in these financial statements.

**5. Net trading income**

For the six months ended 30 June

HK\$'000	2021	2020
Dividend income from financial assets at fair value through profit or loss	10,482	3,945
Net gain arising from dealing in foreign currencies	87,557	71,244
Net (loss)/ gain on trading securities	(338)	9,147
Net (loss)/ gain from derivatives entered into for trading purpose	(49,523)	81,556
Net (loss)/ gain arising from financial instruments subject to fair value hedge	(5,811)	12,669
Net gain/ (loss) on financial instruments at fair value through profit or loss	<u>50,294</u>	<u>(46,775)</u>
	<u>92,661</u>	<u>131,786</u>

**6. Other operating income**

For the six months ended 30 June

HK\$'000	2021	2020
Dividend income from investments in equity instruments at fair value through other comprehensive income		
- Derecognised during the period		
- Listed investments	4,205	4,084
- Held at the end of the period		
- Listed investments	68,507	49,054
- Unlisted investments	7,059	3,375
Gross rental income from investment properties	10,138	18,464
Other rental income	8,280	7,446
Others	5,278	8,848
	<b>103,467</b>	<b>91,271</b>

**7. Operating expenses**

For the six months ended 30 June

HK\$'000	2021	2020
Employee compensation and benefit expenses (including directors' remuneration)	1,045,374	1,033,359
Premises and other fixed assets expenses, excluding depreciation	104,929	83,938
Depreciation		
- Premises and other fixed assets	101,078	91,144
- Right-of-use properties	115,214	91,921
Advertising and promotion costs	42,496	51,718
Printing, stationery and postage	18,646	21,979
Others	116,326	95,889
	<b>1,544,063</b>	<b>1,469,948</b>

**8. Credit impairment losses**

For the six months ended 30 June

HK\$'000	2021	2020
New allowances net of allowance releases	157,865	408,006
Recoveries of amounts previously written off	(41,076)	(42,761)
	<b>116,789</b>	<b>365,245</b>
Attributable to:		
- Advances to customers	138,567	336,289
- Other financial assets	(6,903)	27,760
- Loan commitments and financial guarantees	(14,875)	1,196
	<b>116,789</b>	<b>365,245</b>

**9. Impairment loss on investment in an associate**

At 30 June 2021, the fair value of the Group's investment in Bank of Chongqing ("BOCQ") had been below the carrying amount for approximately 7.5 years. On this basis, the Group continues to perform an impairment test on the carrying amount of the investment in BOCQ to assess the recoverable amount.

The impairment test is performed by comparing the recoverable amount of BOCQ, determined by a value in use ("VIU") calculation, with the carrying amount of the investment. The VIU calculation uses discounted cash flow projections based on management's estimates of BOCQ's earnings and dividends to be paid in future, and the estimated probable exit value in future after considering the growth of BOCQ and its net asset value for the medium and longer term. The discount rate applied to the VIU calculation was estimated with reference to BOCQ's cost of equity, which is publicly available in the market.

In performing the VIU calculation to arrive at the recoverable amount of the investment, the Group considers all relevant factors including market views and qualitative factors to ensure that the inputs to the VIU calculation are appropriate. Adjustments need to be made to reflect the latest situation affecting BOCQ and also market outlook for the medium and longer term that are relevant in projecting BOCQ's future performance. Significant management judgement is required in estimating the future cash flows of BOCQ.

Based on the assessment conducted for the position up to 30 June 2021, the recoverable amount, as determined by the VIU calculation and after considering all relevant factors (including the cumulative impairment charge having been recognised as at 31 December 2020) and valuation assumptions, remained below the carrying amount. The latest impairment test performed by the Group for the position as at 30 June 2021 concludes that the recoverable amount, based on the VIU calculation, is assessed as lower than the carrying amount, after deducting the cumulative impairment allowance made up to 31 December 2020 of HK\$2,266 million, by HK\$251 million. As a result, an additional impairment charge of HK\$251 million was recognised in the first half of 2021 to reduce the value of the investment to HK\$4,191 million.

The calculation of Dah Sing Bank, Limited ("DSB")'s capital adequacy does not include the retained earnings from this investment (the "Investment"), except for BOCQ cash dividend received by DSB. Provided that the Investment continues to be held at or above the original cost of the investment of HK\$1,213 million, impairment made on the Investment does not affect DSB's capital adequacy.

**10. Loss on deemed disposal of investment in an associate**

BOCQ completed the issue and listing of new A Shares (the "BOCQ A Share Issue") on 5 February 2021. With the completion of the BOCQ A Share Issue, the Group's interest in BOCQ was reduced from 14.66% as at 31 December 2020 to 13.20% commencing 5 February 2021.

The Group's interest in BOCQ has been accounted for as an associate using the equity method as the Group has representation in the Board of BOCQ, and the ability to participate in the decision making process. This remains the case after the completion of the BOCQ A Share Issue.

The completion of the BOCQ A Share Issue and the corresponding reduction in the Group's shareholding in BOCQ on 5 February 2021 has been accounted for as a deemed partial disposal of the Group's investment in BOCQ, and resulted in a disposal loss of HK\$31.2 million mainly because of the lowering in the net asset value per share of BOCQ immediately after the completion of the BOCQ A Share Issue.

**11. Taxation**

Hong Kong profits tax has been provided at the rate of 16.5% (2020: 16.5%) on the estimated assessable profit for the period. Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.

Deferred taxation is calculated in full on temporary differences under the liability method at the tax rates that are expected to apply in the year when the liability is settled or the asset is realised.

For the six months ended 30 June

HK\$'000	2021	2020
Current income tax		
- Hong Kong profits tax	<b>144,196</b>	144,162
- Overseas taxation	<b>34,987</b>	9,211
Deferred income tax		
- Origination and reversal of temporary differences	<b>36,700</b>	8,326
Taxation	<b>215,883</b>	161,699

**12. Basic and diluted earnings per share**

The calculation of basic earnings per share and fully dilutive earnings for the six months ended 30 June 2021 is based on earnings of HK\$881,224,000 (2020: HK\$744,768,000) and the weighted average number of 319,575,100 (2020: 319,575,100) ordinary shares in issue during the period.

13. Trading securities and financial assets at fair value through profit or loss

HK\$'000	As at 30 Jun 2021	As at 31 Dec 2020
Trading securities		
Debt securities:		
- Listed in Hong Kong	43,984	30,089
- Unlisted	<u>5,626,702</u>	<u>5,049,958</u>
	<u>5,670,686</u>	<u>5,080,047</u>
Financial assets at fair value through profit or loss		
Debt securities:		
- Unlisted	54,342	33,109
	<u>54,342</u>	<u>33,109</u>
Equity securities:		
- Listed in Hong Kong	54,531	103,994
- Listed outside Hong Kong	469,965	420,250
	<u>524,496</u>	<u>524,244</u>
	<u>578,838</u>	<u>557,353</u>
Total	<u>6,249,524</u>	<u>5,637,400</u>
Included within debt securities are:		
- Treasury bills which are cash equivalents	939,928	482,991
- Other treasury bills	4,686,754	4,566,967
- Government bonds	44,004	30,089
- Other debt securities	<u>54,342</u>	<u>33,109</u>
	<u>5,725,028</u>	<u>5,113,156</u>

As at 30 June 2021 and 31 December 2020, there were no certificates of deposit held included in the above balances.

Trading securities and financial assets at fair value through profit or loss are analysed by categories of issuers as follows:

- Central governments and central banks	5,670,686	5,080,047
- Banks and other financial institutions	20,634	23,368
- Corporate entities	<u>558,204</u>	<u>533,985</u>
	<u>6,249,524</u>	<u>5,637,400</u>

**14. Advances and other accounts**

HK\$'000	As at 30 Jun 2021	As at 31 Dec 2020
Gross advances to customers	139,236,985	137,577,384
Less: impairment allowances		
- Stage 1	(490,264)	(486,431)
- Stage 2	(215,026)	(208,225)
- Stage 3	(587,554)	(556,508)
	<u>(1,292,844)</u>	<u>(1,251,164)</u>
	<u>137,944,141</u>	<u>136,326,220</u>
Trade bills	4,325,752	3,791,124
Less: impairment allowances		
- Stage 1	(6,340)	(8,848)
- Stage 2	(4)	(11)
	<u>(6,344)</u>	<u>(8,859)</u>
	<u>4,319,408</u>	<u>3,782,265</u>
Other assets	6,898,427	7,833,678
Less: impairment allowances		
- Stage 1	(12,220)	(12,516)
- Stage 2	(580)	(547)
- Stage 3	(24,226)	(24,293)
	<u>(37,026)</u>	<u>(37,356)</u>
	<u>6,861,401</u>	<u>7,796,322</u>
Advances and other accounts	<u>149,124,950</u>	<u>147,904,807</u>

14. Advances and other accounts (Continued)

(a) Gross advances to customers by industry sector classified according to the usage of loans

HK\$'000	As at 30 Jun 2021		As at 31 Dec 2020	
	Outstanding balance	% of gross advances	Outstanding balance	% of gross advances
Loans for use in Hong Kong				
Industrial, commercial and financial				
- Property development	6,110,389	4.4	5,611,830	4.1
- Property investment	17,844,068	12.8	17,221,674	12.5
- Financial concerns	5,061,824	3.6	5,756,814	4.2
- Stockbrokers	2,324,471	1.7	1,733,867	1.3
- Wholesale and retail trade	5,777,869	4.1	6,004,660	4.4
- Manufacturing	1,578,804	1.1	1,790,941	1.3
- Transport and transport equipment	2,324,069	1.7	2,512,559	1.8
- Recreational activities	95,023	0.1	96,223	0.1
- Information technology	50,422	0.0	51,827	0.0
- Others	6,810,726	4.9	6,003,396	4.3
	<b>47,977,665</b>	<b>34.4</b>	<b>46,783,791</b>	<b>34.0</b>
Individuals				
- Loans for the purchase of flats in Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	524,781	0.4	558,428	0.4
- Loans for the purchase of other residential properties	31,753,603	22.8	31,260,619	22.8
- Credit card advances	3,607,905	2.6	3,610,141	2.6
- Others	13,070,537	9.4	13,079,682	9.5
	<b>48,956,826</b>	<b>35.2</b>	<b>48,508,870</b>	<b>35.3</b>
Loans for use in Hong Kong	<b>96,934,491</b>	<b>69.6</b>	<b>95,292,661</b>	<b>69.3</b>
Trade finance (Note (1))	8,080,113	5.8	8,115,481	5.9
Loans for use outside Hong Kong (Note (2))	34,222,381	24.6	34,169,242	24.8
	<b>139,236,985</b>	<b>100.0</b>	<b>137,577,384</b>	<b>100.0</b>

Note:

(1) Trade finance shown above represents loans covering finance of imports to Hong Kong, exports and re-exports from Hong Kong and merchandising trade classified with reference to the relevant guidelines issued by the HKMA.

Trade finance loans not involving Hong Kong (including trade finance extended by the overseas subsidiary banks of DSB) totalling HK\$332,918,000 (31 December 2020: HK\$260,328,000) are classified under "Loans for use outside Hong Kong".

(2) "Loans for use outside Hong Kong" include loans extended to customers located in Hong Kong with the finance used outside Hong Kong.

14. Advances and other accounts (Continued)

(b) Impaired, overdue and rescheduled assets

(i) Impaired loans

HK\$'000	As at 30 Jun 2021	As at 31 Dec 2020
Gross loans and advances	<b>139,236,985</b>	137,577,384
Less: total impairment allowances	<b>(1,292,844)</b>	(1,251,164)
Net	<b><u>137,944,141</u></b>	<u>136,326,220</u>
Credit-impaired loans and advances	<b>1,342,513</b>	1,573,803
Less: Stage 3 impairment allowances	<b>(587,554)</b>	(556,508)
Net	<b><u>754,959</u></b>	<u>1,017,295</u>
Fair value of collateral held*	<b><u>592,117</u></b>	<u>787,030</u>
Credit-impaired loans and advances as a % of total loans and advances to customers	<b><u>0.96%</u></b>	<u>1.14%</u>

\* Fair value of collateral is determined at the lower of the market value of collateral and outstanding loan balance.

(ii) Gross amount of overdue loans

	As at 30 Jun 2021		As at 31 Dec 2020	
	Gross amount of overdue loans	% of total	Gross amount of overdue loans	% of total
Gross advances to customers which have been overdue for:				
- six months or less but over three months	127,727	0.09	240,472	0.17
- one year or less but over six months	296,327	0.21	136,656	0.10
- over one year	471,448	0.34	525,674	0.38
	<b><u>895,502</u></b>	<b><u>0.64</u></b>	<u>902,802</u>	<u>0.65</u>
Represented by:				
- Secured overdue advances	430,251		593,229	
- Unsecured overdue advances	465,251		309,573	
Market value of securities held against the secured overdue advances	<b><u>826,820</u></b>		<u>930,016</u>	
Stage 3 impairment allowances	<b><u>434,642</u></b>		<u>302,651</u>	

Collateral held mainly represented pledged deposits, mortgages over properties and charges over other fixed assets such as equipment.

14. Advances and other accounts (Continued)

(b) Impaired, overdue and rescheduled assets (Continued)

(iii) Rescheduled advances net of amounts included in overdue advances shown above

HK\$'000	As at 30 Jun 2021	% of total	As at 31 Dec 2020	% of total
Advances to customers	<u>370,917</u>	<u>0.27</u>	<u>374,963</u>	<u>0.27</u>
Stage 3 impairment allowances	<u>141,744</u>		<u>141,869</u>	

(iv) Trade bills

As at 30 June 2021, there were no balance of trade bills that were overdue for more than 3 months. As at 31 December 2020, trade bills that were overdue for more than 3 months related to an amount of HK\$607,000 which was overdue for over one year and was fully secured with no Stage 3 impairment allowances made.

(c) Repossessed collateral

Reposessed collateral held is as follows:

Nature of assets	As at 30 Jun 2021	As at 31 Dec 2020
Reposessed properties	152,387	304,514
Others	<u>21,308</u>	<u>24,923</u>
	<u>173,695</u>	<u>329,437</u>

Reposessed collaterals are sold as soon as practicable with the proceeds used to reduce the outstanding indebtedness of the borrowers concerned.

Certain other properties in Mainland China with a total estimated realisable value of HK\$63,633,000 (31 December 2020: HK\$63,158,000), which had been foreclosed and reposessed by the Group pursuant to orders issued by courts in Mainland China, represent assets held by the Group for resale and have been reported under "Other assets". The relevant loans had been derecognised.

15. Financial assets at fair value through other comprehensive income

HK\$'000	As at 30 Jun 2021	As at 31 Dec 2020
Debt securities:		
- Listed in Hong Kong	15,226,813	14,080,633
- Listed outside Hong Kong	18,194,148	16,774,050
- Unlisted	<u>8,159,124</u>	<u>10,892,365</u>
	<u>41,580,085</u>	<u>41,747,048</u>
Equity securities:		
- Listed in Hong Kong	1,244,276	1,077,412
- Listed outside Hong Kong	3,583,754	3,488,755
- Unlisted	<u>82,565</u>	<u>82,489</u>
	<u>4,910,595</u>	<u>4,648,656</u>
Total	<u>46,490,680</u>	<u>46,395,704</u>
Included within debt securities are:		
- Certificates of deposit held	492,987	344,348
- Treasury bills which are cash equivalents	638,984	3,551,262
- Other treasury bills	5,491,080	6,026,161
- Government bonds	665,164	123,458
- Other debt securities	<u>34,291,870</u>	<u>31,701,819</u>
	<u>41,580,085</u>	<u>41,747,048</u>
Financial assets at fair value through other comprehensive income are analysed by categories of issuers as follows:		
Debt securities:		
- Central governments and central banks	6,795,228	9,700,881
- Public sector entities	641,415	134,779
- Banks and other financial institutions	7,912,823	7,590,109
- Corporate entities	26,230,544	24,321,204
- Others	<u>75</u>	<u>75</u>
	<u>41,580,085</u>	<u>41,747,048</u>
Equity securities:		
- Banks and other financial institutions	643,695	536,366
- Corporate entities	<u>4,266,900</u>	<u>4,112,290</u>
	<u>4,910,595</u>	<u>4,648,656</u>
	<u>46,490,680</u>	<u>46,395,704</u>

**16. Financial assets at amortised cost**

HK\$'000	As at 30 Jun 2021	As at 31 Dec 2020
Debt securities:		
- Listed in Hong Kong	9,125,829	8,751,193
- Listed outside Hong Kong	9,355,014	9,297,525
- Unlisted	4,091,488	4,878,617
	<u>22,572,331</u>	<u>22,927,335</u>
Less: impairment allowance		
- Stage 1	(23,688)	(24,352)
Total	<u>22,548,643</u>	<u>22,902,983</u>
Included within debt securities are:		
- Certificates of deposit held	1,435,625	1,745,601
- Treasury bills	834,412	1,308,909
- Government bonds	245,075	248,395
- Other debt securities	20,057,219	19,624,430
	<u>22,572,331</u>	<u>22,927,335</u>
Financial assets at amortised cost are analysed by categories of issuers as follows:		
- Central governments and central banks	1,079,487	1,557,304
- Public sector entities	282,002	293,469
- Banks and other financial institutions	7,375,619	7,707,121
- Corporate entities	13,824,134	13,358,352
- Others	11,089	11,089
	<u>22,572,331</u>	<u>22,927,335</u>

**17. Other accounts and accruals**

HK\$'000	As at 30 Jun 2021	As at 31 Dec 2020
Lease liabilities	623,040	689,450
Amount payable arising from purchase of securities pending for settlement	195,041	2,649
Other liabilities and accruals	7,965,229	8,018,519
	<u>8,783,310</u>	<u>8,710,618</u>

18. Shareholders' funds

HK\$'000	As at 30 Jun 2021	As at 31 Dec 2020
Share capital	4,248,559	4,248,559
Premises revaluation reserve	606,238	606,238
Investment revaluation reserve	1,348,586	977,875
Exchange reserve	(95,959)	13,191
Capital reserve	6,318	6,318
General reserve	484,289	484,289
Reserve for share-based compensation	3,431	3,150
Retained earnings	<u>22,855,062</u>	<u>22,046,450</u>
	<u>29,456,524</u>	<u>28,386,070</u>
Proposed dividend/ dividend paid included in retained earnings	<u>105,460</u>	<u>345,141</u>

DSB as a locally incorporated bank in Hong Kong is required to maintain minimum impairment provisions in excess of those required under HKFRS in the form of regulatory reserve. The regulatory reserve, which also covers Banco Comercial de Macau, S.A and Dah Sing Bank (China) Limited, is maintained to satisfy the provisions of the Hong Kong Banking Ordinance and local regulatory requirements for prudential supervision purposes. The regulatory reserve restricts the amount of reserves which can be distributed to shareholders. Movements in the regulatory reserve are made directly through equity reserve and in consultation with the HKMA.

As at 30 June 2021, DSB has earmarked a regulatory reserve of HK\$506,080,000 (31 December 2020: HK\$502,278,000) first against its consolidated general reserve; and for any excess amount, the balance is earmarked against its consolidated retained earnings.

**19. Operating segment reporting**

Segment reporting by the Group is prepared in accordance with HKFRS 8 “Operating Segments”. Information reported to the chief operating decision maker, including the Chief Executive and other Executive Committee members, for the purposes of resource allocation and performance assessment, is determined on the basis of banking business and insurance business. For banking business, operating performances are analysed by business activities for local banking business, and on business entity basis for overseas banking business. For insurance business, resources allocation and performance evaluation are based on insurance business entity basis.

Considering the customer groups, products and services of local businesses, the economic environment and regulations, the Group splits the operating segments of the Group into the following reportable segments:

- Personal banking business includes the acceptance of deposits from individual customers and the extension of residential mortgage lending, personal loans, overdraft, vehicle financing and credit card services, and the provision of insurance sales and investment services.
- Corporate banking business includes the acceptance of deposits from and the advance of loans and working capital finance to commercial, industrial and institutional customers, and the provision of trade financing.
- Treasury and global markets activities are mainly the provision of foreign exchange services and centralised cash management for deposit taking and lending, interest rate risk management, management of investment in securities and the overall funding of the Group.
- Overseas banking businesses include personal banking, corporate banking business activities provided by overseas subsidiaries in Macau and China, and the Group’s interest in a commercial bank in China.
- Insurance business includes the Group’s insurance and pension fund management business. Through the Group’s wholly-owned subsidiaries in Hong Kong and 96% owned subsidiaries in Macau, the Group offers a variety of insurance products and services.
- Others include results of operations not directly identified under other reportable segments, corporate investments and debt funding (including subordinated notes).

For the purpose of segment reporting, revenue derived from customers, products and services directly identifiable with individual segments are reported directly under respective segments, while revenue and funding cost arising from inter-segment funding operation and funding resources are allocated to segments by way of transfer pricing mechanism with reference to market interest rates. Transactions within segments are priced based on similar terms offered to or transacted with external parties. Inter-segment income or expenses are eliminated on consolidation.

All direct costs incurred by different segments are grouped under respective segments. Indirect costs and support functions’ costs are allocated to various segments and products based on effort and time spent as well as segments’ operating income depending on the nature of costs incurred. Costs related to corporate activities that cannot be reasonably allocated to segments, products and support functions are grouped under Others as unallocated corporate expenses.

## Dah Sing Financial Holdings Limited

### 19. Operating segment reporting (Continued)

#### For the six months ended 30 June 2021

HK\$'000	Personal Banking	Corporate Banking	Treasury and Global Markets	Overseas Banking	Insurance Business	Others	Inter- segment	Total
Net interest income/ (expenses)	797,488	591,285	387,720	245,930	2,534	(56,748)	-	1,968,209
Non-interest income/ (expenses)	538,433	103,669	27,594	66,553	119,657	62,311	(7,444)	910,773
Total operating income/ (expenses) net of insurance claims	1,335,921	694,954	415,314	312,483	122,191	5,563	(7,444)	2,878,982
Operating expenses	(821,447)	(241,605)	(95,785)	(264,021)	(71,557)	(57,092)	7,444	(1,544,063)
Operating profit/ (loss) before credit impairment (losses)/ written back	514,474	453,349	319,529	48,462	50,634	(51,529)	-	1,334,919
Credit impairment (losses)/ written back	(108,627)	(29,286)	133	20,683	(100)	408	-	(116,789)
Operating profit/ (loss) after credit impairment (losses)/ written back	405,847	424,063	319,662	69,145	50,534	(51,121)	-	1,218,130
Net loss on disposal of other fixed assets	(2,240)	(1,031)	(16)	(77)	-	(3,531)	-	(6,895)
Net gain on disposal of financial assets at fair value through other comprehensive income	-	-	3,875	-	-	-	-	3,875
Share of results of an associate	-	-	-	433,054	-	-	-	433,054
Impairment loss on investment in an associate	-	-	-	(251,000)	-	-	-	(251,000)
Loss on deemed disposal of investment in an associate	-	-	-	(31,202)	-	-	-	(31,202)
Share of results of jointly controlled entities	-	-	-	-	-	16,835	-	16,835
Profit/ (loss) before taxation	403,607	423,032	323,521	219,920	50,534	(37,817)	-	1,382,797
Taxation (expenses)/ credit	(66,611)	(69,768)	(53,358)	(31,220)	(9,349)	14,423	-	(215,883)
Profit/ (loss) for the period	336,996	353,264	270,163	188,700	41,185	(23,394)	-	1,166,914
For the six months ended 30 June 2021								
Depreciation and amortisation	38,403	7,645	4,039	29,493	5,475	131,237	-	216,292
As at 30 June 2021								
Segment assets	55,407,885	67,652,540	82,090,403	37,431,876	5,001,299	11,489,055	(6,285,937)	252,787,121
Segment liabilities	113,915,143	46,511,359	15,316,168	29,197,919	1,764,017	15,434,379	(6,285,937)	215,853,048

## Dah Sing Financial Holdings Limited

### 19. Operating segment reporting (Continued)

For the six months ended 30 June 2020

HK\$'000	Personal Banking	Corporate Banking	Treasury and Global Markets	Overseas Banking	Insurance Business	Others	Inter- segment	Total
Net interest income/ (expenses)	806,614	564,334	307,145	243,251	7,303	(56,127)	-	1,872,520
Non-interest income/ (expenses)	494,781	89,338	104,806	54,467	117,172	24,547	(6,537)	878,574
Total operating income/ (expenses) net of insurance claims	1,301,395	653,672	411,951	297,718	124,475	(31,580)	(6,537)	2,751,094
Operating expenses	(811,981)	(254,547)	(88,540)	(246,094)	(67,900)	(7,423)	6,537	(1,469,948)
Operating profit/ (loss) before credit impairment losses	489,414	399,125	323,411	51,624	56,575	(39,003)	-	1,281,146
Credit impairment losses	(224,128)	(48,234)	(18,329)	(73,264)	(451)	(839)	-	(365,245)
Operating profit/ (loss) after credit impairment losses	265,286	350,891	305,082	(21,640)	56,124	(39,842)	-	915,901
Net loss on disposal of other fixed assets	(2,829)	-	-	(31)	-	(7)	-	(2,867)
Net gain on disposal of financial assets at fair value through other comprehensive income	-	-	11,594	-	-	-	-	11,594
Share of results of an associate	-	-	-	411,759	-	-	-	411,759
Impairment loss on investment in an associate	-	-	-	(200,000)	-	-	-	(200,000)
Share of results of jointly controlled entities	-	-	-	-	-	13,580	-	13,580
Profit/ (loss) before taxation	262,457	350,891	316,676	190,088	56,124	(26,269)	-	1,149,967
Taxation (expenses)/ credit	(43,057)	(58,067)	(52,230)	(4,448)	(6,243)	2,346	-	(161,699)
Profit/ (loss) for the period	219,400	292,824	264,446	185,640	49,881	(23,923)	-	988,268
For the six months ended 30 June 2020								
Depreciation and amortisation	37,549	7,774	3,533	27,855	3,957	102,397	-	183,065
As at 31 December 2020								
Segment assets	53,965,730	66,782,037	84,562,197	38,200,663	4,753,741	11,990,176	(5,293,443)	254,961,101
Segment liabilities	112,788,974	46,684,129	16,220,032	29,899,300	1,767,611	17,203,529	(5,293,443)	219,270,132

#### Geographical information

Geographical segment information is based on the domicile of the legal entities within the Group with business dealing and relationship with, and services to external customers. For the six months ended 30 June 2021 and 2020, no single country or geographical segment other than Hong Kong contributed 10% or more of the Group's assets, liabilities, operating income, or profit before taxation.

**INTERIM DIVIDEND**

The Directors have declared an interim dividend of HK\$0.33 per share for 2021 payable on Tuesday, 21 September 2021 to shareholders whose names are on the Register of Shareholders at the close of business on Wednesday, 15 September 2021.

**CLOSURE OF REGISTER OF SHAREHOLDERS**

For determining shareholders' entitlement to receive the interim dividend:

Latest time to lodge transfers	4:30 p.m. on 10 September 2021 (Friday)
Closure of Register of Shareholders (both days inclusive)	13 September 2021 (Monday) to 15 September 2021 (Wednesday)
Record date	15 September 2021 (Wednesday)

In order to qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong before the above latest time to lodge transfers.

## **CORPORATE AND BUSINESS OVERVIEW**

### **HIGHLIGHTS**

Economic conditions in the first half of 2021 rebounded sharply after the very difficult conditions in 2020. In the first half of 2021, Hong Kong real GDP grew by 7.8%, a sharp rebound from the drop in real GDP in the first half of 2020 of 9%. However, the economic recovery remained uneven. Trade recovered strongly and exports of goods surpassed the peak reached in the same period of 2018. Conversely, tourism remained at a standstill due to the pandemic. Consumption-related activities improved, but were still notably below their pre-recession levels. The economic environment in Hong Kong is expected to remain buoyant in the second half of the year, helped in part by the boost to consumer spending following the launch of the Hong Kong Government's consumption voucher scheme. The Hong Kong Government's forecast for real GDP growth for 2021 as a whole is 5.5% to 6.5%, as announced by the Government on 13 August, although uncertainties remain as prior government support measures such as the principal repayment holiday for loans gradually run-down. Inflation currently remains under control, with price increases of 1.0% per the underlying increase in the July composite CPI vs. a year ago. Employment has continued to improve, with the seasonally adjusted unemployment rate falling to 5.0% in the quarter ended 31 July 2021, the fifth consecutive moving 3-month period that registered a decline.

Mainland China economic growth continued to rebound strongly, with growth in GDP of 12.7% in the first half of 2021. Trade in particular grew very strongly, with imports and exports up by 27%. Both inflation and unemployment remained under control at 1.1% and 5.0% respectively. There are some signs that growth is beginning to stabilize, and GDP growth in the second quarter of the year was notably slower than in the first quarter.

Whilst global financial markets, particularly US markets, performed very strongly in the first half of the year, Hong Kong has been a laggard, with growth in the first half of the year lower than most major markets. Short term interest rates in HKD and USD have remained generally low and stable during the first half of the year, although there has been some volatility in medium and longer term US rates, driven by rising concerns about the re-emergence of inflationary pressures, and the potential that this could have an impact on the direction of interest rates in the medium term. In the short term, however, the low and stable rate conditions are forecast to persist. Short term interest rates in RMB have fallen somewhat in recent months.

With economic conditions having improved significantly in the first half of the year, our profit attributable to shareholders grew by 18% to HK\$881 million, driven mainly by the improved performance from our Banking Group. The performance of our insurance and investment activities during the period also improved.

For the first half of the year, a dividend of HK\$0.33 per share was declared.

The Banking Group reported an increase in profit attributable to shareholders of 17%, mainly caused by lower impairment charges on loans and improved net interest income. Underlying business performance improved, with better credit quality and stable net interest margin.

### **BUSINESS AND FINANCIAL REVIEW**

The performance of our banking business in the first half of the year improved in most major areas. After significant volatility during the course of last year, net interest margin stabilized at a level somewhat higher than that in the first half of 2020 (1.74% vs. 1.66%). This, coupled with modest loan growth enabled us to grow net interest income by 6%. Net fee and commission income also recorded robust growth in the first half of the year, whilst trading income was significantly lower, mainly due to funding swap net cost in the period vs. net gain in the first half of last year, as the gap between Hong Kong dollar and US dollar rates contracted sharply. Asset growth was modest, with small increases in the loan book and the securities investment portfolio.

The improvement in our net fee and commission income for the period was broadly based with our wealth management business, including our broking business, fund distribution and foreign exchange business all performing well. Growth in operating expenses was at 5.0%. Staff numbers remained relatively stable as compared to last year end.

**BUSINESS AND FINANCIAL REVIEW (Continued)**

Our move to a new head office in the first half of the year was accompanied by the launch of a new flagship bank branch. The design of the branch has focused on the needs of customers today, including much greater use of digital, rather than paper communication and processing, and has been aligned with our strategy to make greater use of technology in both physical branch and digital distribution and service channels including our online presence and mobile app.

The performance of our banking subsidiary in Macau improved very significantly in the first half of the year, after a very difficult first half in 2020 when Macau effectively closed down for a period of time due to very tight COVID restrictions. The performance of our China subsidiary was slightly better than the same period last year, as was the performance of our associate company, Bank of Chongqing (“BOCQ”).

One of the highlights in the first half of the year, and a key reason for the improved financial performance was the improvement in credit conditions and credit quality. After a very difficult first half in 2020, our credit impairment charges fell by 68% to HK\$117 million. The improvement was broadly based, with better credit quality experienced in both our Corporate and Retail banking businesses, as well as our banking subsidiaries in Macau and Mainland China. It was notable that even certain businesses carrying somewhat higher credit risk, such as unsecured lending to individual borrowers, our loan portfolio demonstrated relatively robust and improving credit quality during the period.

As is our usual practice, we conducted a periodic review of the Value in Use of our investment in BOCQ as at 30 June 2021, resulting in an impairment charge against the value of this investment in the amount of HK\$251 million. In addition, as a result of the “A” share IPO of BOCQ in the early part of the year, our shareholding was diluted, and we booked a deemed disposal loss on this dilution of HK\$31 million.

Our general insurance business in Hong Kong continued to report growth in premium income. Overall, our insurance and investment activities, both in Hong Kong and Macau reported increased profitability, with growth in profit attributable to shareholders of 23%. The total comprehensive income from our insurance and investment activities grew by more than 16 times than in the first half of 2020, to HK\$503 million, which reflects how market volatility in the short term may cause swings to our investment performance; however, we judge our investment results over the longer term, rather than be excited by market ups and downs, whether or not the investment results are captured in our reported earnings.

Including both the results of our banking business and general insurance business, and of our investment activities, DSFH’s profit for the first half of 2021 represented a return on assets of 0.9% and return on shareholders’ funds of 6.2% for the period.

As at 30 June 2021, Dah Sing Bank’s consolidated Common Equity Tier 1 ratio and total consolidated capital adequacy ratio were 14.2% and 18.0% respectively.

## **PROSPECTS**

After a very difficult first half in 2020, economic conditions rebounded strongly in our key markets in the first half of 2021. However, it should be noted that part of this strong recovery was due to the low base effect caused by the significant shrinkage in GDP in the same period last year. Therefore whilst we have seen a turnaround in business conditions and business sentiment in the year to date, it has not been as strong as might be expected from the very robust GDP growth figures.

We expect relatively similar conditions in the second half of the year. Whilst the economy is expected to recover, albeit at a somewhat slower rate than in the first half of the year, we believe that loan demand will continue to remain relatively subdued. With the improvement in credit quality we expect to remain positive in the second half of the year as regards credit risk appetite, and therefore stand ready to grow our loan book at a faster pace if there is an unexpectedly quick rebound in loan demand in our business.

A clear focus is also non-interest income. After a relatively robust performance in the recent past, we believe there could be some short term headwinds in this business, given the recent poor performance of the local stock market. However, over time, we believe that there are strong opportunities for growth, which we are keen to position for as and when market sentiment turns more positive.

Investment in technology remains extremely important. We believe that to the extent possible this investment should be focused on improving customer experience and making it easier, quicker and simpler for our customers to do business with us. We are also keen to align our physical presence accordingly, and after the launch of our new flagship branch at our head office building, we expect to gradually roll out more “digital” branches in our network over time. As an important part of our investment in technology, our core banking system replacement project is entering into an important phase of development, which will call for more resources in relation to testing and overall implementation.

Our capital and liquidity positions remain robust, and we believe that this will position us to take advantage of market opportunities as they arise.

Outside the banking business, we are keen to continue to grow premium income for our general insurance businesses. Certain business areas have seen improvements in premium levels over the course of the last year or more, and we are continuing to focus not only on premium income growth, but also on business mix, to ensure that we can maintain a respectable combined ratio as our business grows further. As with our banking business, our insurance businesses are well capitalized and liquid, and therefore in a position to grow as opportunities arise. Investment performance remains important to the overall profitability of both our general insurance businesses and our group investments, and this will be driven mainly by the direction of financial markets in the second half of the year.

All of this makes us cautiously positive on the outlook for the second half of the year. However, as noted above, the very strong GDP figures have not thus far been reflected in a very strong upturn in loan demand. Conversely, with a better economy, we are seeing some pressure in operating expenses. Therefore, whilst overall we are positive, our businesses will continue to be managed conservatively in the second half of the year.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

During the six months ended 30 June 2021, the Company has applied the principles and complied with all the code provisions set out in the Corporate Governance Code (“CG Code”) under Appendix 14 of the Listing Rules, with the exception of code provisions A.4.1 and E.1.2.

Pursuant to code provision A.4.1 of the CG Code, non-executive directors should be appointed for a specific term, subject to re-election. The Non-Executive Directors of the Company are not appointed for a specific term, but are subject to retirement by rotation and re-election at annual general meetings in accordance with the provisions of the Company’s Articles of Association.

Pursuant to code provision E.1.2 of the CG Code, the chairman of the board should attend the annual general meeting. In light of COVID-19 pandemic and quarantine measures for inbound travellers, Mr. David Shou-Yeh Wong, the Chairman of the Board, was unable to attend the 2021 Annual General Meeting (the “2021 AGM”) of the Company held in Hong Kong on 2 June 2021 as he was required to comply with compulsory quarantine requirements in Hong Kong at that time. Mr. Hon-Hing Wong (Derek Wong), Managing Director and Chief Executive of the Company, took the chair of the 2021 AGM.

## **CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted its own code of conduct for directors’ securities dealing (“Directors’ Dealing Code”) on terms no less exacting than the prevailing required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) under Appendix 10 of the Listing Rules. Following specific enquiry, the Directors of the Company confirmed that they had complied with the required standard set out in the Model Code and the Directors’ Dealing Code throughout the six months ended 30 June 2021.

## **UNAUDITED FINANCIAL STATEMENTS**

The financial information in this interim results announcement is unaudited and does not constitute statutory financial statements.

## **AUDIT COMMITTEE**

The Audit Committee has reviewed with Management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the unaudited interim financial statements for the six months ended 30 June 2021.

## **REMUNERATION AND STAFF DEVELOPMENT**

There have been no material changes to the information disclosed in the Company’s 2020 Annual Report in respect of the remuneration of employees, remuneration policies and training schemes.

## **PURCHASE, SALE OR REDEMPTION OF SECURITIES**

There was no purchase, sale or redemption by the Company, or any of its subsidiaries, of listed securities of the Company during the six months ended 30 June 2021.

## **INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This announcement is published on the websites of Hong Kong Exchanges and Clearing Limited (“HKEX”) at [www.hkexnews.hk](http://www.hkexnews.hk) and Dah Sing Bank at [www.dahsing.com](http://www.dahsing.com).

The 2021 Interim Report of the Group containing all the information required by the Listing Rules will be published on the websites of HKEX and Dah Sing Bank in due course. Printed copies of the 2021 Interim Report will be sent to shareholders who have elected to receive printed versions of the Company’s corporate communications before the end of September 2021.

**BOARD OF DIRECTORS**

As at the date of this announcement, the Board of Directors of the Company comprises Messrs. David Shou-Yeh Wong (Chairman), Hon-Hing Wong (Derek Wong) (Managing Director and Chief Executive) and Gary Pak-Ling Wang (Deputy Chief Executive) as Executive Directors; Messrs. Eiichi Yoshikawa (Shinkichi Nakamura as alternate) and Yoshikazu Shimauchi as Non-Executive Directors; Messrs. Robert Tsai-To Sze, Andrew Kwan-Yuen Leung, Paul Michael Kennedy and Paul Franz Winkelmann as Independent Non-Executive Directors.

By Order of the Board

**Doris W. N. Wong**

*Company Secretary*

Hong Kong, Wednesday, 25 August 2021