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

(Stock Code: 440)

ANNOUNCEMENT OF 2023 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 2023. The unaudited profit attributable to shareholders after non-controlling interests for the six months ended 30 June 2023 was HK\$921.9 million.

UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

The unaudited 2023 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	2023	Restated 2022	Variance %
Interest income	3	5,344,223	2,702,568	
Interest expense	3	(3,011,711)	(674,869)	
Net interest income		2,332,512	2,027,699	15.0
Fee and commission income	4	472,779	564,056	
Fee and commission expense	4	(103,812)	(88,862)	
Net fee and commission income		368,967	475,194	-22.4
Insurance revenue		441,106	409,533	
Insurance service expense		(263,896)	(230,854)	
Net expense from reinsurance contracts held		(125,732)	(128,679)	
Insurance service result	5	51,478	50,000	3.0
Net trading income	6	4,762	90,528	
Net insurance finance (expense)/ income	5	(7,866)	4,932	
Other operating income	7	83,150	96,821	
Total operating income		2,833,003	2,745,174	3.2
Operating expenses	8	(1,576,116)	(1,460,165)	7.9
Operating profit before impairment losses		1,256,887	1,285,009	-2.2
Credit impairment losses	9	(158,386)	(305,600)	-48.2
Operating profit before gains and losses on certain investments and fixed assets		1,098,501	979,409	12.2
Net loss on disposal of other fixed assets		(1,311)	(426)	
Net gain on disposal of financial assets at amortised cost		-	24	
Share of results of an associate	10	430,240	453,747	
Impairment loss on investment in an associate	10	(232,000)	(139,000)	
Loss on deemed disposal of investment in an associate		(6)	-	
Share of results of jointly controlled entities		13,784	12,736	
Profit before taxation		1,309,208	1,306,490	0.2
Taxation	11	(102,363)	(182,336)	
Profit for the period		1,206,845	1,124,154	7.4
Profit attributable to non-controlling interests		(284,983)	(281,757)	
Profit attributable to Shareholders of the Company		921,862	842,397	9.4
Interim dividend		115,047	105,460	
Earnings per share				
Basic	12	HK\$2.89	HK\$2.64	
Diluted	12	HK\$2.74	HK\$2.64	

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June

HK\$'000	2023	Restated 2022
Profit for the period	<u>1,206,845</u>	<u>1,124,154</u>
Other comprehensive income/ (loss) for the period		
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	131,494	(595,530)
Share of other comprehensive income/ (loss) of an associate accounted for using the equity method	123,295	(63,149)
Net change in allowance for expected credit losses of debt instruments at fair value through other comprehensive income	(9,132)	(14,473)
Deferred income tax related to the above	<u>(18,619)</u>	<u>91,927</u>
227,038(581,225)
Exchange differences arising on translation of the financial statements of foreign entities	<u>(314,538)</u>	<u>(384,842)</u>
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	381,873	(811,004)
Deferred income tax related to the above	<u>(43,585)</u>	<u>97,115</u>
338,288(713,889)
Other comprehensive income/ (loss) for the period, net of tax	<u>250,788</u>	<u>(1,679,956)</u>
Total comprehensive income/ (loss) for the period, net of tax	<u>1,457,633</u>	<u>(555,802)</u>
Attributable to:		
Non-controlling interests	275,930	34,194
Shareholders of the Company	<u>1,181,703</u>	<u>(589,996)</u>
Total comprehensive income/ (loss) for the period, net of tax	<u>1,457,633</u>	<u>(555,802)</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

HK\$'000	Note	As at 30 Jun 2023	Restated As at 31 Dec 2022
ASSETS			
Cash and balances with banks		16,936,574	18,689,646
Placements with banks maturing between one and twelve months		5,643,069	10,143,916
Trading securities	13	141,141	562,161
Financial assets at fair value through profit or loss	13	843,353	622,068
Derivative financial instruments		4,290,911	3,901,236
Advances and other accounts	14	146,832,363	143,143,190
Financial assets at fair value through other comprehensive income	15	42,061,031	42,046,836
Financial assets at amortised cost	16	35,316,836	32,941,710
Investment in an associate	10	2,016,390	2,159,290
Investments in jointly controlled entities		136,856	123,072
Goodwill		785,774	785,774
Intangible assets		92,390	92,390
Premises and other fixed assets		2,761,060	2,897,676
Investment properties		782,816	782,816
Deferred income tax assets		164,417	266,415
Total assets		258,804,981	259,158,196
LIABILITIES			
Deposits from banks		1,571,096	4,112,493
Derivative financial instruments		1,364,766	997,637
Trading liabilities		99,609	730,491
Deposits from customers		201,364,706	198,574,909
Certificates of deposit issued		2,688,932	4,228,983
Subordinated notes		3,833,542	3,801,495
Other accounts and accruals	17	9,255,165	9,141,585
Current income tax liabilities		257,411	297,641
Deferred income tax liabilities		69,895	59,552
Total liabilities		220,505,122	221,944,786
EQUITY			
Non-controlling interests		7,801,018	7,634,175
Equity attributable to the Company's shareholders			
Share capital		4,230,067	4,248,559
Other reserves (including retained earnings)		26,268,774	25,330,676
Shareholders' funds	18	30,498,841	29,579,235
Total equity		38,299,859	37,213,410
Total equity and liabilities		258,804,981	259,158,196

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 consolidated financial statements.

Certain financial information in this interim results announcement is extracted from the statutory consolidated financial statements for the year ended 31 December 2022 (the “2022 consolidated 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 (Cap.622), and the Hong Kong Monetary Authority (“HKMA”).

The auditor’s report on the 2022 consolidated 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 (Cap.622).

Basis of preparation and accounting policies

Except as described below, the accounting policies and methods of computation used in the preparation of the 2023 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 2022.

New and amended standards adopted

A number of new standards and amendments to standards and interpretations became effective for the current reporting. None of these has a significant effect on the consolidated financial statements of the Group, except for Hong Kong Financial Reporting Standard (“HKFRS”) 17, “Insurance contracts”

- **Adoption of HKFRS 17**

HKFRS 17 was issued in May 2017 as replacement for HKFRS 4 Insurance Contracts. It requires a current measurement model where estimates are remeasured in each reporting period. Contracts are measured using the building blocks of:

- discounted probability-weighted cash flows
- an explicit risk adjustment, and
- a contractual service margin (“CSM”) representing the unearned profit of the contract which is recognised as revenue over the coverage period.

The standard allows a choice between recognising changes in discount rates either in the unaudited condensed consolidated income statement or directly in other comprehensive income. The Group has elected to report these changes in the unaudited condensed consolidated income statement.

An optional, simplified premium allocation approach is permitted for the recognition of liability for the remaining coverage for short-duration contracts, which are often written by non-life insurers. The Group has applied this simplified approach for insurance contracts which qualify for this option, and has used the general measurement model to account for all the other insurance contracts.

2. Unaudited financial statements and accounting policies (Continued)

Basis of preparation and accounting policies (Continued)

New and amended standards adopted (Continued)

- Adoption of HKFRS 17 (Continued)

In accordance with the transitional arrangements specified in Hong Kong Accounting Standard 8 and HKFRS 17, the Group has adopted HKFRS 17 retrospectively and restated comparatives for the 2022 reporting period. The effects of the restatements are summarised below:

	As previously reported	Adoption of HKFRS 17	As restated
As at 31 December 2022 and 1 January 2023			
- Total assets	259,846,686	(688,490)	259,158,196
- Total liabilities	222,692,138	(747,352)	221,944,786
- Total shareholders' funds	29,520,373	58,862	29,579,235
- of which: Retained earnings	24,480,867	58,862	24,539,729
For the six months ended 30 June 2022			
- Profit attributable to shareholders of the Company	832,979	9,418	842,397

There are no other HKFRSs or interpretations that are effective from 1 January 2023 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 23 August 2023.

These interim condensed consolidated financial statements have not been audited.

3. Net interest income

For the six months ended 30 June

HK\$'000	2023	2022
Interest income		
Cash and balances with banks	418,346	84,566
Investments in securities	1,765,463	593,262
Advances and other accounts	3,160,414	2,024,740
	<u>5,344,223</u>	<u>2,702,568</u>
Interest expense		
Deposits from banks/ Deposits from customers	2,725,839	584,974
Certificates of deposit issued	108,271	22,125
Subordinated notes	145,517	55,663
Lease liabilities	3,619	4,357
Others	28,465	7,750
	<u>3,011,711</u>	<u>674,869</u>
Included within interest income		
- Trading securities and financial assets at fair value through profit or loss	5,026	3,219
- Financial assets at fair value through other comprehensive income	1,170,170	279,443
- Financial assets at amortised cost	4,169,027	2,419,906
	<u>5,344,223</u>	<u>2,702,568</u>
Included within interest expense		
- Financial liabilities not at fair value through profit or loss	3,009,239	674,374
	<u>3,009,239</u>	<u>674,374</u>

In the six months ended 30 June 2023 and 2022, there was no interest income recognised on impaired assets.

4. Net fee and commission income

For the six months ended 30 June

HK\$'000	2023	2022
Fee and commission income		
Fee and commission income from financial assets and liabilities not at fair value through profit or loss		
- Credit related fees and commissions	75,986	79,277
- Trade finance	23,070	29,084
- Credit card	135,370	115,471
Other fee and commission income		
- Securities brokerage	54,629	81,314
- Insurance distribution and others	6,783	91,630
- Retail investment and wealth management services	88,827	97,346
- Bank services and handling fees	35,574	33,419
- Other fees	52,540	36,515
	<u>472,779</u>	<u>564,056</u>
Fee and commission expense		
Fee and commission expense from financial assets and liabilities not at fair value through profit or loss		
- Handling fees and commission	95,729	80,910
- Other fees paid	8,083	7,952
	<u>103,812</u>	<u>88,862</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 consolidated financial statements.

5. Insurance service result after net insurance finance expense

For the six months ended 30 June

HK\$'000	2023	Restated 2022
Insurance revenue	441,106	409,533
Insurance service expense	(263,896)	(230,854)
Net expense from reinsurance contracts held	<u>(125,732)</u>	<u>(128,679)</u>
Insurance service result	51,478	50,000
Net insurance finance (expense)/ income	<u>(7,866)</u>	<u>4,932</u>
Insurance service result after net insurance finance expense	<u>43,612</u>	<u>54,932</u>
Analysed by major lines of businesses:		
- Employees' compensation	10,422	11,768
- Property damage	10,046	12,123
- Motor vehicle, damage and liability	6,268	17,271
- Mortgage guarantee	5,001	1,137
- Contractors' all risks	1,128	1,423
- Others	10,747	11,210
	<u>43,612</u>	<u>54,932</u>

6. Net trading income

For the six months ended 30 June

HK\$'000	2023	2022
Dividend income from financial assets at fair value through profit or loss	26,559	14,199
Net gain arising from dealing in foreign currencies	15,410	57,366
Net gain/ (loss) on trading securities	1,610	(4,361)
Net gain from derivatives entered into for trading purpose	2,291	67,596
Net gain/ (loss) arising from financial instruments subject to fair value hedge	1,269	(2,832)
Net loss on financial instruments at fair value through profit or loss	(42,377)	(41,440)
	4,762	90,528

7. Other operating income

For the six months ended 30 June

HK\$'000	2023	Restated 2022
Dividend income from investments in equity instruments at fair value through other comprehensive income		
- Derecognised during the period		
- Listed investments	13,428	7,599
- Held at the end of the period		
- Listed investments	30,997	57,891
- Unlisted investments	19,521	2,779
Gross rental income from investment properties	9,741	11,357
Other rental income	7,546	8,616
Others	1,917	8,579
	83,150	96,821

8. Operating expenses

For the six months ended 30 June

HK\$'000	2023	Restated 2022
Employee compensation and benefit expenses (including directors' remuneration)	1,068,664	1,068,762
Premises and other fixed assets expenses, excluding depreciation	104,358	96,692
Depreciation		
- Premises and other fixed assets	102,893	106,324
- Right-of-use properties	72,097	74,427
Advertising and promotion costs	38,852	42,706
Printing, stationery and postage	23,624	16,404
Others	165,628	54,850
	1,576,116	1,460,165

9. Credit impairment losses

For the six months ended 30 June

HK\$'000	2023	Restated 2022
New allowances net of allowance releases	198,180	335,696
Recoveries of amounts previously written off	(39,794)	(30,096)
	158,386	305,600
Attributable to:		
- Loans and advances to customers	220,825	363,349
- Other financial assets	(35,540)	(32,935)
- Loan commitments and financial guarantees	(26,899)	(24,814)
	158,386	305,600

10. Share of results of an associate, and impairment loss on investment in an associate

Share of results of an associate

As at the date of this announcement, the results of the Group's associate, Bank of Chongqing ("BOCQ"), for the six months ended 30 June 2023 are not yet publicly available. The Group has determined its share of results of BOCQ for the first half of 2023 by reference to the results published by BOCQ in particular those attributable to the first quarter of 2023 ended 31 March 2023, and taking into account the financial effect of significant transactions or events in the period from 1 April 2023 to 30 June 2023 which BOCQ had made known to the public.

Impairment loss on investment in an associate

At 30 June 2023, the fair value of the Group's investment in BOCQ had been below the carrying amount for approximately 9.5 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.

The latest impairment test performed by the Group for the position as at 30 June 2023 using a discount rate of 12.0% (31 December 2022: 12.0%) 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 2022 of HK\$4,675 million, by HK\$232 million. As a result, an additional impairment charge of HK\$232 million was recognised in the first half of 2023 to reduce the value of the investment to HK\$2,016 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.

11. Taxation

Hong Kong profits tax has been provided at the rate of 16.5% (2022: 16.5%) on the estimated assessable profit for the period. Taxation on profits in Mainland China and Macau 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	2023	2022
Current income tax		
- Hong Kong profits tax	89,864	118,239
- Mainland China's and Macau's taxation	21,326	16,111
- Over-provision for prior years	(60,044)	-
Deferred income tax		
- Origination and reversal of temporary differences	51,217	47,986
Taxation	102,363	182,336

12. Basic and diluted earnings per share

The calculation of basic earnings per share for the six months ended 30 June 2023 is based on earnings of HK\$921,862,000 (2022: HK\$842,397,000) and the weighted average number of 319,428,585 (2022: 319,575,100) ordinary shares in issue during the period.

The calculation of diluted earnings per share for the six months ended 30 June 2023 is based on earnings of HK\$921,862,000 (2022: HK\$842,397,000) and deducting from it the dilutive effect of our share of profits in an associate amounting to HK\$44,647,000 (2022: Nil) and the weighted average number of 320,223,142 (2022: 319,575,100) ordinary shares in issue during the period after adjusting for the effect of shares awarded under share award scheme in 648,042 shares (2022: Nil). The share options outstanding during the period and at the period end have no dilutive effect on the weighted average number of ordinary shares.

	2023	2022
Profit attributable to shareholders (HK\$'000)	921,862	842,397
Dilutive effect of share of profits in an associate (HK\$'000)	(44,647)	-
Profit used to determine diluted earnings per share (HK\$'000)	877,215	842,397
Weighted average number of ordinary shares in issue	319,575,100	319,575,100
Effect of awarded shares	648,042	-
Weighted average number of ordinary shares in issue used to determine diluted earnings per share	320,223,142	319,575,100

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

HK\$'000	As at 30 Jun 2023	As at 31 Dec 2022
Trading securities		
Debt securities:		
- Listed in Hong Kong	18,893	16,866
- Unlisted	<u>122,248</u>	<u>545,295</u>
	<u>141,141</u>	<u>562,161</u>
Financial assets at fair value through profit or loss		
Equity securities and investment funds:		
- Listed in Hong Kong	89,819	23,428
- Listed outside Hong Kong	701,460	551,523
- Unlisted	<u>52,074</u>	<u>47,117</u>
	<u>843,353</u>	<u>622,068</u>
Total	<u>984,494</u>	<u>1,184,229</u>
Included within debt securities are:		
- Treasury bills which are cash equivalents	-	89,278
- Other treasury bills	122,248	455,887
- Government bonds	<u>18,893</u>	<u>16,996</u>
	<u>141,141</u>	<u>562,161</u>

As at 30 June 2023 and 31 December 2022, 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	141,141	562,161
- Banks and other financial institutions	102,808	3,997
- Corporate entities	<u>740,545</u>	<u>618,071</u>
	<u>984,494</u>	<u>1,184,229</u>

14. Advances and other accounts

HK\$'000	As at 30 Jun 2023	Restated As at 31 Dec 2022
Gross loans and advances to customers	139,419,039	136,530,235
Less: impairment allowances		
- Stage 1	(346,414)	(406,618)
- Stage 2	(249,274)	(342,731)
- Stage 3	(477,320)	(887,053)
	<u>(1,073,008)</u>	<u>(1,636,402)</u>
	<u>138,346,031</u>	<u>134,893,833</u>
Trade bills	3,026,109	3,666,988
Less: impairment allowances		
- Stage 1	(5,447)	(5,569)
- Stage 2	-	(1)
	<u>(5,447)</u>	<u>(5,570)</u>
	<u>3,020,662</u>	<u>3,661,418</u>
Other assets	5,486,838	4,613,162
Less: impairment allowances		
- Stage 1	(8,584)	(10,198)
- Stage 2	(2,377)	(2,238)
- Stage 3	(10,207)	(12,787)
	<u>(21,168)</u>	<u>(25,223)</u>
	<u>5,465,670</u>	<u>4,587,939</u>
Advances and other accounts	<u>146,832,363</u>	<u>143,143,190</u>

14. Advances and other accounts (Continued)

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

HK\$'000	As at 30 Jun 2023		As at 31 Dec 2022	
	Outstanding balance	% of gross loans and advances	Outstanding balance	% of gross loans and advances
Loans for use in Hong Kong				
Industrial, commercial and financial				
- Property development	5,249,694	3.8	5,194,440	3.8
- Property investment	21,926,922	15.7	21,406,840	15.7
- Financial concerns	3,160,494	2.3	2,564,573	1.9
- Stockbrokers	1,593,238	1.1	842,926	0.6
- Wholesale and retail trade	4,867,022	3.5	4,825,599	3.5
- Manufacturing	1,542,529	1.1	1,954,317	1.4
- Transport and transport equipment	2,508,893	1.8	2,247,726	1.7
- Recreational activities	82,673	0.1	79,708	0.1
- Information technology	22,853	-	22,048	-
- Others	6,291,486	4.5	6,054,928	4.4
	47,245,804	33.9	45,193,105	33.1
Individuals				
- Loans for the purchase of flats in Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	480,008	0.3	484,470	0.4
- Loans for the purchase of other residential properties	34,482,868	24.7	33,911,826	24.8
- Credit card advances	3,480,985	2.5	3,674,222	2.7
- Others	12,846,740	9.2	12,181,304	8.9
	51,290,601	36.7	50,251,822	36.8
Loans for use in Hong Kong	98,536,405	70.6	95,444,927	69.9
Trade finance (Note (1))	6,084,419	4.4	5,752,611	4.2
Loans for use outside Hong Kong (Note (2))	34,798,215	25.0	35,332,697	25.9
	139,419,039	100.0	136,530,235	100.0

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 subsidiary banks of DSB in Mainland China and Macau) totalling HK\$201,685,000 (31 December 2022: HK\$281,123,000) 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 2023	As at 31 Dec 2022
Gross loans and advances	139,419,039	136,530,235
Less: total impairment allowances	(1,073,008)	(1,636,402)
Net	<u>138,346,031</u>	<u>134,893,833</u>
Credit-impaired loans and advances	2,581,753	2,539,012
Less: Stage 3 impairment allowances	(477,320)	(887,053)
Net	<u>2,104,433</u>	<u>1,651,959</u>
Fair value of collateral held*	<u>1,609,444</u>	<u>1,056,118</u>
Credit-impaired loans and advances as a % of total loans and advances to customers	<u>1.85%</u>	<u>1.86%</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 2023		As at 31 Dec 2022	
	Gross amount of overdue loans	% of total	Gross amount of overdue loans	% of total
Gross loans and advances to customers which have been overdue for:				
- six months or less but over three months	595,460	0.43	535,376	0.39
- one year or less but over six months	559,138	0.40	987,443	0.72
- over one year	923,037	0.66	332,525	0.25
	<u>2,077,635</u>	<u>1.49</u>	<u>1,855,344</u>	<u>1.36</u>
Represented by:				
- Secured overdue loans and advances	1,462,331		888,975	
- Unsecured overdue loans and advances	615,304		966,369	
Market value of securities held against the secured overdue loans and advances	<u>2,672,591</u>		<u>1,715,178</u>	
Stage 3 impairment allowances	<u>262,140</u>		<u>632,380</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 loans and advances net of amounts included in overdue loans and advances shown above

HK\$'000	As at 30 Jun 2023	% of total	As at 31 Dec 2022	% of total
Loans and advances to customers	<u>435,359</u>	<u>0.31</u>	<u>339,249</u>	<u>0.25</u>
Stage 3 impairment allowances	<u>141,652</u>		<u>123,023</u>	

(iv) Trade bills

As at 30 June 2023 and 31 December 2022, there were no balance of trade bills that were overdue for more than 3 months.

(c) Repossessed collateral

Repossessed collateral held is as follows:

Nature of assets	As at 30 Jun 2023	As at 31 Dec 2022
Repossessed properties	<u>142,386</u>	125,262
Others	<u>5,810</u>	<u>5,560</u>
	<u>148,196</u>	<u>130,822</u>

Repossessed 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\$57,050,000 (31 December 2022: HK\$59,356,000), which had been foreclosed and repossessed 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 2023	As at 31 Dec 2022
Debt securities:		
- Listed in Hong Kong	11,766,479	13,609,856
- Listed outside Hong Kong	17,103,373	15,742,345
- Unlisted	<u>8,477,009</u>	<u>8,590,336</u>
	<u>37,346,861</u>	<u>37,942,537</u>
Equity securities:		
- Listed in Hong Kong	361,132	864,117
- Listed outside Hong Kong	3,622,580	2,565,200
- Unlisted	<u>730,458</u>	<u>674,982</u>
	<u>4,714,170</u>	<u>4,104,299</u>
Total	<u>42,061,031</u>	<u>42,046,836</u>
Included within debt securities are:		
- Certificates of deposit held	352,970	234,493
- Treasury bills which are cash equivalents	1,987,974	897,617
- Other treasury bills	906,335	3,867,536
- Government bonds	1,004,433	635,348
- Other debt securities	<u>33,095,149</u>	<u>32,307,543</u>
	<u>37,346,861</u>	<u>37,942,537</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	8,003,467	9,160,937
- Public sector entities	1,041,344	802,807
- Banks and other financial institutions	8,015,401	5,902,047
- Corporate entities	<u>20,286,649</u>	<u>22,076,746</u>
	<u>37,346,861</u>	<u>37,942,537</u>
Equity securities:		
- Banks and other financial institutions	240,786	589,850
- Corporate entities	<u>4,473,384</u>	<u>3,514,449</u>
	<u>4,714,170</u>	<u>4,104,299</u>
	<u>42,061,031</u>	<u>42,046,836</u>

16. Financial assets at amortised cost

HK\$'000	As at 30 Jun 2023	As at 31 Dec 2022
Debt securities:		
- Listed in Hong Kong	12,054,835	11,895,925
- Listed outside Hong Kong	15,612,343	12,981,228
- Unlisted	7,695,022	8,123,992
	<u>35,362,200</u>	<u>33,001,145</u>
Less: impairment allowance		
- Stage 1	(45,364)	(59,435)
Total	<u>35,316,836</u>	<u>32,941,710</u>
Included within debt securities are:		
- Certificates of deposit held	2,692,313	3,120,178
- Treasury bills	925,200	1,121,950
- Government bonds	217,096	214,612
- Other debt securities	31,527,591	28,544,405
	<u>35,362,200</u>	<u>33,001,145</u>
Financial assets at amortised cost are analysed by categories of issuers as follows:		
- Central governments and central banks	1,142,296	1,336,562
- Public sector entities	1,638,092	1,410,432
- Banks and other financial institutions	11,328,257	10,420,964
- Corporate entities	21,253,555	19,833,187
	<u>35,362,200</u>	<u>33,001,145</u>

17. Other accounts and accruals

HK\$'000	As at 30 Jun 2023	Restated As at 31 Dec 2022
Lease liabilities	471,340	539,020
Other liabilities and accruals (Note)	8,783,825	8,602,565
	<u>9,255,165</u>	<u>9,141,585</u>

Note: Included in "Other liabilities and accruals" are insurance and reinsurance contract liabilities in respect of the Group's general insurance business amounting to HK\$1,239,250,000 (31 December 2022: HK\$1,097,994,000). The aggregate of net insurance liabilities and trade and tax payables of the Group's general insurance business after deducting cash and bank balances held for operations and collateral placed out for mortgage insurance business, or "float" available for investment, as at 30 June 2023, was HK\$724,565,000 (31 December 2022: HK\$593,542,000).

18. Shareholders' funds

HK\$'000	As at 30 Jun 2023	Restated As at 31 Dec 2022
Share capital and shares held for share award scheme	4,230,067	4,248,559
Premises revaluation reserve	608,287	608,287
Investment revaluation reserve	640,582	55,738
Exchange reserve	(601,513)	(367,591)
Capital reserve	6,318	6,318
General reserve	484,289	484,289
Reserve for share-based compensation	14,216	3,906
Retained earnings	<u>25,116,595</u>	<u>24,539,729</u>
	<u>30,498,841</u>	<u>29,579,235</u>
Proposed dividend/ dividend paid included in retained earnings	<u>115,047</u>	<u>258,532</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 2023, DSB has earmarked a regulatory reserve of HK\$617,258,000 (31 December 2022: HK\$438,466,000) 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 banking businesses in Mainland China and Macau. 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.
- Mainland China and Macau banking businesses include personal banking, corporate banking business activities provided by subsidiaries in Mainland China and Macau, and the Group’s interest in a commercial bank in Mainland China.
- Insurance business includes the Group’s insurance and pension fund management business. Through the Group’s wholly-owned subsidiaries in Hong Kong and 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.

19. Operating segment reporting (Continued)

For the six months ended 30 June 2023

HK\$'000	Personal Banking	Corporate Banking	Treasury and Global Markets	Mainland China and Macau Banking	Insurance Business	Others	Inter- segment	Total
Net interest income/ (expenses)	969,887	536,646	525,910	229,212	31,365	39,566	(74)	2,332,512
Non-interest income/ (expenses)	<u>328,739</u>	<u>101,036</u>	<u>(94,506)</u>	<u>76,298</u>	<u>59,281</u>	<u>38,017</u>	<u>(8,374)</u>	<u>500,491</u>
Total operating income/ (expenses)	1,298,626	637,682	431,404	305,510	90,646	77,583	(8,448)	2,833,003
Operating expenses	<u>(905,476)</u>	<u>(251,753)</u>	<u>(99,112)</u>	<u>(270,505)</u>	<u>(40,095)</u>	<u>(17,623)</u>	<u>8,448</u>	<u>(1,576,116)</u>
Operating profit before credit impairment (losses)/ write- back	393,150	385,929	332,292	35,005	50,551	59,960	-	1,256,887
Credit impairment (losses)/ write-back	<u>(133,933)</u>	<u>(46,157)</u>	<u>27,720</u>	<u>(4,893)</u>	<u>(1,385)</u>	<u>262</u>	<u>-</u>	<u>(158,386)</u>
Operating profit before gains and losses on certain investments and fixed assets	259,217	339,772	360,012	30,112	49,166	60,222	-	1,098,501
Net (loss)/ gain on disposal of other fixed assets	(1,306)	-	-	2	(2)	(5)	-	(1,311)
Share of results of an associate	-	-	-	430,240	-	-	-	430,240
Impairment loss on investment in an associate	-	-	-	(232,000)	-	-	-	(232,000)
Loss on deemed disposal of investment in an associate	-	-	-	(6)	-	-	-	(6)
Share of results of jointly controlled entities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,784</u>	<u>-</u>	<u>13,784</u>
Profit before taxation	257,911	339,772	360,012	228,348	49,164	74,001	-	1,309,208
Taxation (expenses)/ credit	<u>(42,524)</u>	<u>(56,071)</u>	<u>(59,370)</u>	<u>(15,714)</u>	<u>(274)</u>	<u>71,590</u>	<u>-</u>	<u>(102,363)</u>
Profit for the period	<u>215,387</u>	<u>283,701</u>	<u>300,642</u>	<u>212,634</u>	<u>48,890</u>	<u>145,591</u>	<u>-</u>	<u>1,206,845</u>
For the six months ended 30 June 2023								
Depreciation and amortisation	35,148	7,680	4,403	28,544	3,888	95,327	-	174,990
As at 30 June 2023								
Segment assets	57,264,249	65,336,328	90,126,019	35,823,059	4,572,111	11,225,570	(5,542,355)	258,804,981
Segment liabilities	117,123,431	52,259,834	10,605,291	29,617,342	1,417,278	15,024,301	(5,542,355)	220,505,122

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19. Operating segment reporting (Continued)

For the six months ended 30 June 2022

Restated HK\$'000	Personal Banking	Corporate Banking	Treasury and Global Markets	Mainland China and Macau Banking	Insurance Business	Others	Inter- segment	Total
Net interest income/ (expenses)	857,073	573,873	393,865	249,147	3,498	(49,791)	34	2,027,699
Non-interest income/ (expenses)	401,075	95,080	42,719	55,049	75,730	55,566	(7,744)	717,475
Total operating income/ (expenses)	1,258,148	668,953	436,584	304,196	79,228	5,775	(7,710)	2,745,174
Operating expenses	(800,438)	(227,771)	(85,895)	(272,597)	(49,068)	(32,106)	7,710	(1,460,165)
Operating profit/ (loss) before credit impairment (losses)/ write-back	457,710	441,182	350,689	31,599	30,160	(26,331)	-	1,285,009
Credit impairment (losses)/ write-back	(63,196)	(218,946)	20,267	(46,201)	53	2,423	-	(305,600)
Operating profit/ (loss) before gains and losses on certain investments and fixed assets	394,514	222,236	370,956	(14,602)	30,213	(23,908)	-	979,409
Net (loss)/ gain on disposal of other fixed assets	(344)	(60)	-	3	-	(25)	-	(426)
Net gain on disposal of financial assets at amortised cost	-	-	24	-	-	-	-	24
Share of results of an associate	-	-	-	453,747	-	-	-	453,747
Impairment loss on investment in an associate	-	-	-	(139,000)	-	-	-	(139,000)
Share of results of jointly controlled entities	-	-	-	-	-	12,736	-	12,736
Profit/ (loss) before taxation	394,170	222,176	370,980	300,148	30,213	(11,197)	-	1,306,490
Taxation (expenses)/ credit	(65,076)	(36,668)	(61,344)	(9,012)	(18,235)	7,999	-	(182,336)
Profit/ (loss) for the period	329,094	185,508	309,636	291,136	11,978	(3,198)	-	1,124,154
For the six months ended 30 June 2022								
Depreciation and amortisation	37,889	7,814	4,138	30,756	4,204	95,950	-	180,751
As at 31 December 2022								
Segment assets	56,274,744	63,748,997	93,451,822	35,908,242	4,326,300	10,516,947	(5,068,856)	259,158,196
Segment liabilities	117,229,213	48,743,485	14,526,149	29,279,831	1,254,490	15,980,474	(5,068,856)	221,944,786

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 2023 and 2022, 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.

FINANCIAL RATIOS

In respect of the Group's banking business

	Six months ended 30 Jun 2023	Six months ended 30 Jun 2022
Net interest income/operating income	84.3%	76.9%
Cost to income ratio	57.0%	52.9%
Return on average total assets (annualised)	0.9%	0.9%
Return on average shareholders' funds (annualised)	7.4%	7.4%

In respect of the Group's insurance business

	As at 30 Jun 2023	As at 31 Dec 2022
Solvency ratio		
- In respect of Hong Kong operations	1,479%	1,457%
- In respect of Macau operations	1,184%	1,167%
	Six months ended 30 Jun 2023	Six months ended 30 Jun 2022
Combined ratio	97.8%	92.6%

Note: Combined ratio is the ratio of the sum of net incurred claims and expenses to net earned premium.

INTERIM DIVIDEND

The Directors have declared an interim dividend of HK\$0.36 per share for 2023 payable on Thursday, 21 September 2023 to shareholders whose names are on the Register of Shareholders at the close of business on Wednesday, 13 September 2023.

CLOSURE OF REGISTER OF SHAREHOLDERS

For determining shareholders' entitlement to receive the interim dividend:

Latest time to lodge transfers	4:30 p.m. on 8 September 2023 (Friday)
Closure of Register of Shareholders (both days inclusive)	11 September 2023 (Monday) to 13 September 2023 (Wednesday)
Record date	13 September 2023 (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

The Hong Kong economy improved in the first half of 2023, with real GDP rebounding by 2.2% year-on-year after the 4.3% year-on-year contraction in the second half of 2022. The improving economic conditions were led by the recovery of inbound tourism and domestic demand which increased by 4.8% year-on-year during the period. The revival of inbound tourism was supported by the resumption of normal travel including tourists from Mainland China and the rest of the world. Nonetheless, external trade continued to fall notably, with the weak demand in key markets posing a significant drag on export performance. Investment spending in the period, affected by higher interest rate, was weak.

In addition, the unemployment rate declined to 2.9% in April to June 2023, falling below 3% for the first time in 4 years while inflation edged up by 1.7% year-on-year in the second quarter this year. The number of transactions in the residential property market revived in the first quarter after undergoing a marked correction last year, but cooled down in the second quarter. Recovery in Hong Kong business and consumer sentiment has been observed after the COVID restrictions were lifted since early 2023. Nevertheless, Hong Kong major equity indices have dropped in the first six months of this year.

Major Mainland cities in the Greater Bay Area have shown an uneven pace of recovery since the beginning of 2023, demonstrating that different industries are facing challenges even though industrial production has stabilised at the national level. Curbs on the property sector were a major reason for the economic slowdown in Mainland China. Renminbi has depreciated since last year due to the lukewarm economic growth and higher rates in other currencies, notably US Dollars. While funding pressure for developers has eased somewhat, property investment remained mostly stagnant.

In the first half of 2023, global recession risks have reduced but the economic conditions were uneven across different regions and sectors. Interest rates have increased in key markets in the first half of the year with the exception of Mainland China, putting a drag in the economic growth of some sectors. There are other uncertainties and volatility in financial markets, including geopolitical tensions among major economies such as the US, China, and Russia, as well as the mini-crisis in the US regional banking sector.

In the first half of the year, our profit attributable to shareholders recorded an increase of 9% to HK\$922 million.

The Banking Group reported relatively stable profit attributable to shareholders. Underlying business performance was stable, and the lower credit impairment loss was largely offset by a higher impairment charge on the investment in Bank of Chongqing (“BOCQ”).

BUSINESS AND FINANCIAL REVIEW

The performance of our banking business reported a solid growth in the first half of the year. Net interest income grew by 12% due to a higher net interest margin during the period. Loan growth remained subdued at 2% compared to the end of 2022. The rapid rise in interest rates curtailed demand for mortgage loans and corporate lending. Our net interest margin rose to 1.93%, compared to 1.74% in first half of 2022, supported by higher asset yields and carefully managed funding cost. Net fee and commission income declined by 22% mainly due to lower investment and securities trading income and a result of no amortization of bancassurance fee because the Hong Kong and Macau Distribution Agreements entered into with Tahoe were terminated in the second half of 2022. Other non-interest income, including trading income, dropped by 64% due largely to the higher cost of funding swaps.

Whilst we continued to remain vigilant in expense control during the first half of 2023, our operating expenses recorded a rise of 10% led by higher inflation and increase in staff number to replenish the unfilled headcounts from last year and to support the new bancassurance arrangement entered into with Sun Life which has commenced in the second half of 2023. In addition, there were some reversals of unutilised expense accruals in the first half of 2022 which did not recur in the current period. Credit impairment losses reduced by 49%, driven by prudent credit risk management and improved economic conditions during the period.

The performance of our banking subsidiary in Macau recovered largely due to a lower credit impairment charge. However, its operating income was still behind the level achieved during the pre-COVID period, with investment sentiment and loan demand remaining weak. The performance of our Mainland subsidiary was subdued, in part due to the slower than expected economic recovery in the Mainland and margin compression with both falling interest rates and intense competition. We were pleased to open our new Shenzhen Branch of Dah Sing Bank in early August this year.

BUSINESS AND FINANCIAL REVIEW (Continued)

Our general insurance business in Hong Kong continued to report solid growth in insurance revenue, with an increase of 15% compared with the first six months of 2022. Overall, our insurance and investment activities, both in Hong Kong and Macau reported higher profitability. The better performance was due to the improved market conditions for our investments in equities in the first half of the year.

Our overall business performance for the six months ended 30 June 2023 was stable and profit growth was moderate. Operating profit after credit impairment losses grew by 12% to HK\$1,099 million, compared to a drop of 20% in the same period last year. We conducted a regular review of the Value in Use of our investment in BOCQ, resulting in an impairment charge against the value of this investment in the amount of HK\$232 million, higher than the HK\$139 million recorded in the first half of 2022.

Our profit for the first half of 2023 represented a return on assets of 0.9% and return on shareholders' funds of 6.1%. Our capital and liquidity positions remain robust. As at 30 June 2023, our consolidated Common Equity Tier 1 ratio and total consolidated capital adequacy ratio were at 15.6% and 19.7% respectively, while liquidity maintenance ratio was at 62.5%. Loan to deposit ratio was at 68.3%, compared to 67.3% as at the end of last year.

PROSPECTS

Economic conditions in our major markets experienced a mild improvement in the first half of the year. The Hong Kong Government's forecast for real GDP growth for 2023 is at 4%-5%, higher than last year. Inflation held steady at 1.9% in June, and is expected to remain at a moderate level while the unemployment rate will continue to be under control. While there is likely to be continued growth in the second half of the year, led by the gradual rebound in consumption demand following the lifting of COVID restrictions and increase in inbound tourists in Hong Kong, Macau, and Mainland China, exports of goods and external demand will likely continue to face challenges.

Loan demand will continue to be affected by the high interest rate environment, with investment sentiment and loan demand expected to remain sluggish. Credit quality improved in the first half of the year, and we expect impairment charges to be generally under control in the second half of 2023, although if economic growth slows there is some potential downside risk. Following the increase of interest rates in Hong Kong in the first half of the year, further to increases in US rates by the Federal Reserve, we are expecting the tightening to taper off in the second half of the year.

Whilst we anticipate continued gradual growth in our core markets under the current economic environment, we remain cautious about the outlook for the second half of the year and will continue to manage our wholly-owned businesses accordingly in a conservative manner.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the six months ended 30 June 2023, the Company has applied the principles and complied with the code provisions set out in the Corporate Governance Code (“CG Code”) under Part 2 of Appendix 14 of the Listing Rules, with the exception of code provision F.2.2.

Pursuant to code provision F.2.2 of the CG Code, the chairman of the board should attend the annual general meeting. Mr. David Shou-Yeh Wong, the Chairman of the Board, was unable to attend the 2023 Annual General Meeting (the “2023 AGM”) of the Company held in Hong Kong on 2 June 2023 as he was away from Hong Kong at that time. Mr. Hon-Hing Wong (Derek Wong), Managing Director and Chief Executive of the Company, took the chair of the 2023 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 2023.

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 2023.

REMUNERATION AND STAFF DEVELOPMENT

There have been no material changes to the information disclosed in the Company’s 2022 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 2023, except that the trustee of the Share Award Scheme of the Company, pursuant to the terms of the rules and the trust deed of the Company’s Share Award Scheme, purchased on the Stock Exchange a total of 930,000 shares of the Company at a total consideration of HK\$18,492,283.66.

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 and Dah Sing Bank at www.dahsing.com.

The 2023 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 2023 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 2023.

BOARD OF DIRECTORS

As at the date of this announcement, the Board of the Company comprises Mr. David Shou-Yeh Wong (Chairman), Mr. Hon-Hing Wong (Derek Wong) (Managing Director and Chief Executive) and Mr. Gary Pak-Ling Wang (Deputy Chief Executive) as Executive Directors; Mr. Junji Mori (Mr. Yuichi Tashita as alternate) as Non-Executive Director; Mr. Robert Tsai-To Sze, Mr. Andrew Kwan-Yuen Leung, Mr. Paul Michael Kennedy, Mr. Paul Franz Winkelmann and Ms. Mariana Suk-Fun Ngan as Independent Non-Executive Directors.

By Order of the Board

Richard Tsung-Yung Li

Company Secretary

Hong Kong, Wednesday, 23 August 2023