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

(Stock Code: 440)

ANNOUNCEMENT OF 2024 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 2024. The unaudited profit attributable to shareholders after non-controlling interests for the six months ended 30 June 2024 was HK\$1,112.4 million.

UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

The unaudited 2024 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	2024	2023	Variance %
Interest income	3	6,254,269	5,344,223	
Interest expense	3	(3,659,630)	(3,011,711)	
Net interest income		2,594,639	2,332,512	11.2
Fee and commission income	4	711,602	472,779	
Fee and commission expense	4	(116,849)	(103,812)	
Net fee and commission income		594,753	368,967	61.2
Insurance revenue	5	511,351	441,106	
Insurance service expense	5	(305,063)	(263,896)	
Net expense from reinsurance contracts held	5	(157,634)	(125,732)	
Insurance service result		48,654	51,478	
Net trading income	6	99,924	4,762	
Net insurance finance expense	5	(4,735)	(7,866)	
Other operating income	7	59,363	83,150	
Total operating income		3,392,598	2,833,003	19.8
Operating expenses	8	(1,622,647)	(1,576,116)	3.0
Operating profit before impairment losses		1,769,951	1,256,887	40.8
Credit impairment losses	9	(543,863)	(158,386)	243.4
Operating profit before gains and losses on certain investments and fixed assets		1,226,088	1,098,501	11.6
Net loss on disposal of other fixed assets		(122)	(1,311)	
Share of results of an associate	10	430,479	430,240	
Impairment loss on investment in an associate	10	(15,715)	(232,000)	
Loss on deemed disposal of investment in an associate		(1)	(6)	
Share of results of jointly controlled entities		17,395	13,784	
Profit before taxation		1,658,124	1,309,208	26.7
Taxation	11	(187,932)	(102,363)	
Profit for the period		1,470,192	1,206,845	21.8
Profit attributable to non-controlling interests		(357,810)	(284,983)	
Profit attributable to Shareholders of the Company		1,112,382	921,862	20.7
Interim dividend		294,009	115,047	
Earnings per share				
Basic	12	HK\$3.49	HK\$2.89	
Diluted	12	HK\$2.92	HK\$2.74	

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June

HK\$'000	2024	2023
Profit for the period	1,470,192	1,206,845
Other comprehensive income 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	180,602	131,494
Share of other comprehensive income of an associate accounted for using the equity method	65,733	123,156
Net change in allowance for expected credit losses of debt instruments at fair value through other comprehensive income	4,850	(9,132)
Deferred income tax related to the above	(30,891)	(18,619)
	220,294	226,899
Exchange differences arising on translation of the financial statements of foreign entities	(211,737)	(314,538)
Items that will not be reclassified to the consolidated income statement:		
Premises		
Reserves arising from reclassification of premises to investment properties	45,534	-
Investments in securities		
Share of other comprehensive income of an associate accounted for using the equity method	26	139
Net change in fair value of equity instruments at fair value through other comprehensive income	606,228	381,873
Deferred income tax related to the above	(37,653)	(43,585)
	614,135	338,427
Other comprehensive income for the period, net of tax	622,692	250,788
Total comprehensive income for the period, net of tax	2,092,884	1,457,633
Attributable to:		
Non-controlling interests	371,679	275,930
Shareholders of the Company	1,721,205	1,181,703
Total comprehensive income for the period, net of tax	2,092,884	1,457,633

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

HK\$'000	Note	As at 30 Jun 2024	As at 31 Dec 2023
ASSETS			
Cash and balances with banks		13,403,439	16,925,694
Placements with banks maturing between one and twelve months		10,248,569	4,092,372
Trading securities	13	1,873,725	1,739,841
Financial assets at fair value through profit or loss	13	1,460,615	1,680,710
Derivative financial instruments		3,756,988	3,566,149
Advances and other accounts	14	147,743,438	149,668,395
Financial assets at fair value through other comprehensive income	15	48,845,829	45,741,844
Financial assets at amortised cost	16	37,907,023	39,380,187
Investment in an associate	10	2,311,217	2,215,131
Investments in jointly controlled entities		147,341	129,946
Goodwill		785,774	785,774
Intangible assets		92,390	92,390
Premises and other fixed assets		2,849,861	2,900,073
Investment properties		796,047	709,859
Current income tax assets		21,087	1,273
Deferred income tax assets		122,565	158,923
Total assets		272,365,908	269,788,561
LIABILITIES			
Deposits from banks		1,885,555	2,485,044
Derivative financial instruments		1,168,449	1,279,419
Trading liabilities		166,695	99,853
Deposits from customers		207,664,546	206,535,360
Certificates of deposit issued		4,605,087	2,428,028
Subordinated notes		4,109,232	5,916,645
Other accounts and accruals	17	9,683,606	9,565,847
Current income tax liabilities		442,264	287,152
Deferred income tax liabilities		241,601	192,629
Total liabilities		229,967,035	228,789,977
EQUITY			
Non-controlling interests		8,507,554	8,317,026
Equity attributable to the Company's shareholders			
Share capital		4,228,204	4,226,215
Other reserves (including retained earnings)		29,663,115	28,455,343
Shareholders' funds	18	33,891,319	32,681,558
Total equity		42,398,873	40,998,584
Total equity and liabilities		272,365,908	269,788,561

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 2023 (the “2023 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 2023 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

The accounting policies and methods of computation used in the preparation of the 2024 interim condensed consolidated financial statements are consistent with those used and described in the Group’s annual audited consolidated financial statements for the year ended 31 December 2023.

There are several amendments to HKFRS that became applicable from 1 January 2024:

- HKAS 1 (Amendments) - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
- HKFRS 16 (Amendments) - Lease Liability in a Sale and Leaseback
- HKAS 7 and HKFRS 7 (Amendments) - Supplier Finance Arrangements
- HK Interpretation 5 (Revised) - Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

None of these has a significant effect on the consolidated financial statements of the Group.

There are no other HKFRSs or interpretations that are effective from 1 January 2024 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 30 August 2024.

These interim condensed consolidated financial statements have not been audited.

3. Net interest income

For the six months ended 30 June

HK\$'000	2024	2023
Interest income		
Cash and balances with banks	442,413	418,346
Investments in securities	2,183,816	1,765,463
Advances and other accounts	3,628,040	3,160,414
	<u>6,254,269</u>	<u>5,344,223</u>
Interest expense		
Deposits from banks/ Deposits from customers	3,319,967	2,725,839
Certificates of deposit issued	102,596	108,271
Subordinated notes	177,969	145,517
Lease liabilities	4,748	3,619
Others	54,350	28,465
	<u>3,659,630</u>	<u>3,011,711</u>
Included within interest income		
- Trading securities and financial assets at fair value through profit or loss	39,673	5,026
- Financial assets at fair value through other comprehensive income	1,453,506	1,170,170
- Financial assets at amortised cost	4,761,090	4,169,027
	<u>6,254,269</u>	<u>5,344,223</u>
Included within interest expense		
- Financial liabilities at fair value through profit or loss	7,826	2,472
- Financial liabilities at amortised cost	3,651,804	3,009,239
	<u>3,659,630</u>	<u>3,011,711</u>

In the six months ended 30 June 2024 and 2023, there was no interest income recognised on impaired assets.

4. Net fee and commission income

For the six months ended 30 June

HK\$'000	2024	2023
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	88,558	75,986
- Trade finance	23,456	23,070
- Credit card	125,653	135,370
Other fee and commission income		
- Securities brokerage	52,123	54,629
- Insurance distribution and others	224,741	6,783
- Retail investment and wealth management services	77,159	88,827
- Bank services and handling fees	29,522	35,574
- Other fees	90,390	52,540
	711,602	472,779
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	108,110	95,729
- Other fees paid	8,739	8,083
	116,849	103,812

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	2024	2023
Insurance revenue	511,351	441,106
Insurance service expense	(305,063)	(263,896)
Net expense from reinsurance contracts held	(157,634)	(125,732)
Insurance service result	48,654	51,478
Net insurance finance expense	(4,735)	(7,866)
Insurance service result after net insurance finance expense	43,919	43,612
Analysed by major lines of businesses:		
- Employees' compensation	16,969	10,422
- Property damage	16,853	10,046
- Motor vehicle, damage and liability	11,326	6,268
- Mortgage guarantee	9,215	5,001
- Contractors' all risks	5,623	1,128
- Others	(16,067)	10,747
	43,919	43,612

6. Net trading income

For the six months ended 30 June

HK\$'000	2024	2023
Dividend income from financial assets at fair value through profit or loss	39,531	26,559
Net gain arising from dealing in foreign currencies	65,442	15,410
Net (loss)/ gain on trading securities	(767)	1,610
Net gain from derivatives entered into for trading purpose	37,914	2,291
Net gain arising from financial instruments subject to fair value hedge	381	1,269
Net loss on financial instruments at fair value through profit or loss	(42,577)	(42,377)
	99,924	4,762

7. Other operating income

For the six months ended 30 June

HK\$'000	2024	2023
Dividend income from investments in equity instruments at fair value through other comprehensive income		
- Derecognised during the period		
- Listed investments	3,284	13,428
- Held at the end of the period		
- Listed investments	30,709	30,997
- Unlisted investments	1,952	19,521
Gross rental income from investment properties	9,269	9,741
Other rental income	7,901	7,546
Others	6,248	1,917
	59,363	83,150

8. Operating expenses

For the six months ended 30 June

HK\$'000	2024	2023
Employee compensation and benefit expenses (including directors' remuneration)	1,125,443	1,068,664
Premises and other fixed assets expenses, excluding depreciation	105,787	104,358
Depreciation		
- Premises and other fixed assets	117,992	102,893
- Right-of-use properties	72,230	72,097
Advertising and promotion costs	39,516	38,852
Printing, stationery and postage	24,012	23,624
Others	137,667	165,628
	1,622,647	1,576,116

9. Credit impairment losses

For the six months ended 30 June

HK\$'000	2024	2023
New allowances net of allowance releases	582,258	198,180
Recoveries of amounts previously written off	(38,395)	(39,794)
	543,863	158,386
Attributable to:		
- Loans and advances to customers	550,546	220,825
- Other financial assets	(1,650)	(35,540)
- Loan commitments and financial guarantees	(5,033)	(26,899)
	543,863	158,386

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 2024 are not yet publicly available. The Group has determined its share of results of BOCQ for the first half of 2024 by reference to the results published by BOCQ in particular those attributable to the first quarter of 2024 ended 31 March 2024, and taking into account the financial effect of significant transactions or events in the period from 1 April 2024 to 30 June 2024 which BOCQ had made known to the public.

Impairment loss on investment in an associate

At 30 June 2024, the fair value of the Group's investment in BOCQ had been below the carrying amount for approximately 10.5 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 carrying amount of the investment against the higher of the recoverable amount of BOCQ, determined by a value in use ("VIU") calculation, and fair value 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.

For the position as at 30 June 2024, the recoverable amount concluded by the latest impairment test performed based on the VIU calculation using a discount rate of 12.0% (31 December 2023: 12.0%) and the fair value of the investment are assessed as lower than the carrying amount, after deducting the cumulative impairment allowance made up to 31 December 2023 of HK\$ 5,227 million, by HK\$85 million and HK\$16 million respectively. As a result, an additional impairment charge of HK\$16 million was recognised in the first half of 2024 to reduce the value of the investment to HK\$2,311 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% (2023: 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	2024	2023
Current income tax		
- Hong Kong profits tax	155,930	89,864
- Mainland China's and Macau's taxation	21,621	21,326
- Under/ (over)-provision for prior years	168	(60,044)
Deferred income tax		
- Origination and reversal of temporary differences	10,327	51,217
- Recognition of tax losses	(114)	-
Taxation	<u>187,932</u>	<u>102,363</u>

12. Basic and diluted earnings per share

The calculation of basic earnings per share for the six months ended 30 June 2024 is based on earnings of HK\$1,112,382,000 (2023: HK\$921,862,000) and the weighted average number of 318,989,131 (2023: 319,428,585) ordinary shares in issue during the period.

The calculation of diluted earnings per share for the six months ended 30 June 2024 is based on earnings of HK\$1,112,382,000 (2023: HK\$921,862,000) and deducting from it the dilutive effect of our share of profits in an associate amounting to HK\$175,815,000 (2023: HK\$44,647,000) and the weighted average number of 320,647,854 (2023: 320,223,142) ordinary shares in issue during the period after adjusting for the effect of shares awarded under share award scheme in 1,072,754 shares (2023: 648,042 shares). The share options outstanding during the period and at the period end have no dilutive effect on the weighted average number of ordinary shares.

	2024	2023
Profit attributable to shareholders (HK\$'000)	1,112,382	921,862
Dilutive effect of share of profits in an associate (HK\$'000)	<u>(175,815)</u>	<u>(44,647)</u>
Profit used to determine diluted earnings per share (HK\$'000)	<u>936,567</u>	<u>877,215</u>
Weighted average number of ordinary shares in issue	319,575,100	319,575,100
Effect of awarded shares	<u>1,072,754</u>	<u>648,042</u>
Weighted average number of ordinary shares in issue used to determine diluted earnings per share	<u>320,647,854</u>	<u>320,223,142</u>

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

HK\$'000	As at 30 Jun 2024	As at 31 Dec 2023
Trading securities:		
Debt securities:		
- Listed in Hong Kong	8,728	14,406
- Unlisted	<u>1,864,997</u>	<u>1,725,435</u>
	<u>1,873,725</u>	<u>1,739,841</u>
Financial assets at fair value through profit or loss:		
Equity securities and investment funds:		
- Listed in Hong Kong	5,808	12,057
- Listed outside Hong Kong	483,059	505,297
- Unlisted	<u>971,748</u>	<u>1,163,356</u>
	<u>1,460,615</u>	<u>1,680,710</u>
Total	<u>3,334,340</u>	<u>3,420,551</u>
Included within debt securities are:		
- Treasury bills which are cash equivalents	593,702	1,725,135
- Other treasury bills	1,271,295	-
- Government bonds	8,617	14,706
- Other debt securities	<u>111</u>	<u>-</u>
	<u>1,873,725</u>	<u>1,739,841</u>

As at 30 June 2024 and 31 December 2023, 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	1,873,725	1,739,841
- Corporate entities	<u>1,460,615</u>	<u>1,680,710</u>
	<u>3,334,340</u>	<u>3,420,551</u>

14. Advances and other accounts

HK\$'000	As at 30 Jun 2024	As at 31 Dec 2023
Gross loans and advances to customers	141,373,635	143,049,476
Less: impairment allowances		
- Stage 1	(343,875)	(364,345)
- Stage 2	(305,297)	(263,656)
- Stage 3	(531,018)	(485,255)
	(1,180,190)	(1,113,256)
	140,193,445	141,936,220
Trade bills	1,721,946	2,060,317
Less: impairment allowances		
- Stage 1	(1,170)	(2,981)
- Stage 2	(1)	-
	(1,171)	(2,981)
	1,720,775	2,057,336
Other assets	5,853,763	5,695,762
Less: impairment allowances		
- Stage 1	(9,036)	(6,987)
- Stage 2	(4,121)	(2,907)
- Stage 3	(11,388)	(11,029)
	(24,545)	(20,923)
	5,829,218	5,674,839
Advances and other accounts	147,743,438	149,668,395

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 2024		As at 31 Dec 2023	
	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	6,951,364	4.9	6,908,262	4.8
- Property investment	24,014,821	17.0	23,767,506	16.6
- Financial concerns	4,599,058	3.3	3,607,794	2.5
- Stockbrokers	1,433,408	1.0	1,240,252	0.9
- Wholesale and retail trade	4,809,848	3.4	4,791,670	3.4
- Manufacturing	1,706,130	1.2	1,684,066	1.2
- Transport and transport equipment	2,863,701	2.0	2,662,549	1.9
- Recreational activities	53,090	-	62,840	-
- Information technology	34,386	-	29,760	-
- Others	6,007,514	4.3	6,062,815	4.2
	52,473,320	37.1	50,817,514	35.5
Individuals				
- Loans for the purchase of flats in Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	444,188	0.3	467,752	0.3
- Loans for the purchase of other residential properties	33,977,726	24.0	34,954,353	24.4
- Credit card advances	3,572,866	2.5	3,841,087	2.7
- Others	13,351,583	9.5	13,530,504	9.5
	51,346,363	36.3	52,793,696	36.9
Loans for use in Hong Kong	103,819,683	73.4	103,611,210	72.4
Trade finance (Note (1))	5,360,265	3.8	5,624,799	3.9
Loans for use outside Hong Kong (Note (2))	32,193,687	22.8	33,813,467	23.7
	141,373,635	100.0	143,049,476	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.
- (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 2024	As at 31 Dec 2023
Gross loans and advances	141,373,635	143,049,476
Less: total impairment allowances	<u>(1,180,190)</u>	<u>(1,113,256)</u>
Net	<u>140,193,445</u>	<u>141,936,220</u>
Credit-impaired loans and advances	2,768,240	2,779,561
Less: Stage 3 impairment allowances	<u>(531,018)</u>	<u>(485,255)</u>
Net	<u>2,237,222</u>	<u>2,294,306</u>
Fair value of collateral held*	<u>1,671,490</u>	<u>1,707,443</u>
Credit-impaired loans and advances as a % of total loans and advances to customers	<u>1.96%</u>	<u>1.94%</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 2024		As at 31 Dec 2023	
	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	578,344	0.41	344,615	0.24
- one year or less but over six months	526,856	0.37	664,811	0.46
- over one year	<u>1,479,844</u>	<u>1.05</u>	<u>1,158,163</u>	<u>0.81</u>
	<u>2,585,044</u>	<u>1.83</u>	<u>2,167,589</u>	<u>1.51</u>
Represented by:				
- Secured overdue loans and advances	1,932,377		1,553,890	
- Unsecured overdue loans and advances	<u>652,667</u>		<u>613,699</u>	
Market value of securities held against the secured overdue loans and advances	<u>3,327,817</u>		<u>2,615,092</u>	
Stage 3 impairment allowances	<u>287,690</u>		<u>228,158</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 2024	% of total	As at 31 Dec 2023	% of total
Loans and advances to customers	<u>390,582</u>	<u>0.28</u>	<u>405,780</u>	<u>0.28</u>
Stage 3 impairment allowances	<u>124,288</u>		<u>115,036</u>	

(iv) Trade bills

As at 30 June 2024 and 31 December 2023, 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 2024	As at 31 Dec 2023
Repossessed properties	275,242	252,687
Others	<u>1,020</u>	<u>925</u>
	<u>276,262</u>	<u>253,612</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\$56,706,000 (31 December 2023: HK\$58,181,000), 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 2024	As at 31 Dec 2023
Debt securities:		
- Listed in Hong Kong	11,370,240	10,976,354
- Listed outside Hong Kong	18,288,944	15,729,976
- Unlisted	<u>11,479,943</u>	<u>12,057,957</u>
	<u>41,139,127</u>	<u>38,764,287</u>
Equity securities:		
- Listed in Hong Kong	139,626	237,415
- Listed outside Hong Kong	5,805,611	4,978,850
- Unlisted	<u>1,761,465</u>	<u>1,761,292</u>
	<u>7,706,702</u>	<u>6,977,557</u>
Total	<u>48,845,829</u>	<u>45,741,844</u>
Included within debt securities are:		
- Certificates of deposit held	-	361,139
- Treasury bills which are cash equivalents	433,557	1,489,951
- Other treasury bills	3,718,315	1,878,367
- Government bonds	1,178,639	1,198,230
- Other debt securities	<u>35,808,616</u>	<u>33,836,600</u>
	<u>41,139,127</u>	<u>38,764,287</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	9,020,064	8,338,984
- Public sector entities	1,996,507	1,799,394
- Banks and other financial institutions	11,673,764	9,422,100
- Corporate entities	<u>18,448,792</u>	<u>19,203,809</u>
	<u>41,139,127</u>	<u>38,764,287</u>
Equity securities:		
- Banks and other financial institutions	712,756	591,167
- Corporate entities	<u>6,993,946</u>	<u>6,386,390</u>
	<u>7,706,702</u>	<u>6,977,557</u>
	<u>48,845,829</u>	<u>45,741,844</u>

16. Financial assets at amortised cost

HK\$'000	As at 30 Jun 2024	As at 31 Dec 2023
Debt securities:		
- Listed in Hong Kong	13,404,561	13,549,372
- Listed outside Hong Kong	14,349,327	15,977,711
- Unlisted	<u>10,183,456</u>	<u>9,894,062</u>
	<u>37,937,344</u>	<u>39,421,145</u>
Less: impairment allowance		
- Stage 1	<u>(30,321)</u>	<u>(40,958)</u>
Total	<u>37,907,023</u>	<u>39,380,187</u>
Included within debt securities are:		
- Certificates of deposit held	4,670,049	3,918,269
- Treasury bills	1,794,251	1,577,781
- Government bonds	225,745	222,317
- Other debt securities	<u>31,247,299</u>	<u>33,702,778</u>
	<u>37,937,344</u>	<u>39,421,145</u>
Financial assets at amortised cost are analysed by categories of issuers as follows:		
- Central governments and central banks	2,019,996	1,800,098
- Public sector entities	1,927,156	2,031,319
- Banks and other financial institutions	13,268,041	13,394,699
- Corporate entities	<u>20,722,151</u>	<u>22,195,029</u>
	<u>37,937,344</u>	<u>39,421,145</u>

17. Other accounts and accruals

HK\$'000	As at 30 Jun 2024	As at 31 Dec 2023
Lease liabilities	457,512	487,592
Other liabilities and accruals (Note)	<u>9,226,094</u>	<u>9,078,255</u>
	<u>9,683,606</u>	<u>9,565,847</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\$1,321,027,000 (31 December 2023: HK\$1,367,305,000). 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 guarantee business, or "float" available for investment, as at 30 June 2024, was HK\$753,974,000 (31 December 2023: HK\$719,734,000).

18. Shareholders' funds

HK\$'000	As at 30 Jun 2024	As at 31 Dec 2023
Share capital and shares held for share award scheme	4,228,204	4,226,215
Premises revaluation reserve	642,151	608,287
Investment revaluation reserve	2,649,797	2,121,197
Exchange reserve	(641,234)	(483,765)
Capital reserve	6,318	6,318
General reserve	484,289	484,289
Reserve for share-based compensation	21,441	17,005
Retained earnings	<u>26,500,353</u>	<u>25,702,012</u>
	<u>33,891,319</u>	<u>32,681,558</u>
Proposed dividend/ dividend paid included in retained earnings	<u>294,009</u>	<u>522,681</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 2024, DSB has earmarked a regulatory reserve of HK\$580,779,000 (31 December 2023: HK\$616,530,000) 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 2024

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)	1,094,468	582,205	650,687	230,318	26,555	10,429	(23)	2,594,639
Non-interest income/ (expenses)	<u>531,816</u>	<u>103,928</u>	<u>21,032</u>	<u>83,682</u>	<u>75,153</u>	<u>7,771</u>	<u>(25,423)</u>	<u>797,959</u>
Total operating income/ (expenses)	1,626,284	686,133	671,719	314,000	101,708	18,200	(25,446)	3,392,598
Operating expenses	<u>(927,592)</u>	<u>(269,760)</u>	<u>(128,918)</u>	<u>(265,550)</u>	<u>(40,658)</u>	<u>(15,615)</u>	<u>25,446</u>	<u>(1,622,647)</u>
Operating profit before credit impairment (losses)/ write- back	698,692	416,373	542,801	48,450	61,050	2,585	-	1,769,951
Credit impairment (losses)/ write-back	<u>(236,258)</u>	<u>(277,530)</u>	<u>1,528</u>	<u>(29,638)</u>	<u>(114)</u>	<u>(1,851)</u>	<u>-</u>	<u>(543,863)</u>
Operating profit before gains and losses on certain investments and fixed assets	462,434	138,843	544,329	18,812	60,936	734	-	1,226,088
Net gain/ (loss) on disposal of other fixed assets	3	-	-	1	-	(126)	-	(122)
Share of results of an associate	-	-	-	430,479	-	-	-	430,479
Impairment loss on investment in an associate	-	-	-	(15,715)	-	-	-	(15,715)
Loss on deemed disposal of investment in an associate	-	-	-	(1)	-	-	-	(1)
Share of results of jointly controlled entities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,395</u>	<u>-</u>	<u>17,395</u>
Profit before taxation	462,437	138,843	544,329	433,576	60,936	18,003	-	1,658,124
Taxation (expenses)/ credit	<u>(76,483)</u>	<u>(22,596)</u>	<u>(89,859)</u>	<u>(11,870)</u>	<u>(2,220)</u>	<u>15,096</u>	<u>-</u>	<u>(187,932)</u>
Profit for the period	<u>385,954</u>	<u>116,247</u>	<u>454,470</u>	<u>421,706</u>	<u>58,716</u>	<u>33,099</u>	<u>-</u>	<u>1,470,192</u>
For the six months ended 30 June 2024								
Depreciation and amortisation	43,368	11,692	7,372	28,359	4,187	95,244	-	190,222
As at 30 June 2024								
Segment assets	57,939,390	66,205,873	95,967,963	38,846,486	5,213,412	13,438,356	(5,245,572)	272,365,908
Segment liabilities	125,305,767	45,436,071	14,071,184	31,867,969	1,616,110	16,915,506	(5,245,572)	229,967,035

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 31 December 2023								
Segment assets	59,462,117	65,445,748	93,997,176	38,706,673	5,093,158	12,166,591	(5,082,902)	269,788,561
Segment liabilities	121,866,174	49,354,251	12,902,840	31,848,027	1,592,808	16,308,779	(5,082,902)	228,789,977

19. Operating segment reporting (Continued)

More than 90% of the revenues from external customers were contributed from banking subsidiaries in Hong Kong, Macau and People's Republic of China, with major products and services including deposit taking, extension of credit, asset-based finance, securities investment services offered to customers.

The following tables provide information by geographical area, which was determined with reference to the domicile of the legal entities within the Group with business dealing and relationship with, and services to external customers.

HKD'000	Hong Kong and others	Macau	Inter-segment elimination	Total
For the six months ended 30 June 2024				
Total operating income	3,170,057	223,757	(1,216)	3,392,598
Profit before taxation	1,590,789	67,335	-	1,658,124
As at 30 June 2024				
Total assets	248,888,058	27,413,470	(3,935,620)	272,365,908
Total liabilities	210,659,364	23,243,291	(3,935,620)	229,967,035
Intangible assets and goodwill	231,891	646,273	-	878,164
Contingent liabilities and commitments	<u>64,504,189</u>	<u>2,664,542</u>	<u>(113,182)</u>	<u>67,055,549</u>
	Hong Kong and others	Macau	Inter-segment elimination	Total
For the six months ended 30 June 2023				
Total operating income	2,620,620	212,881	(498)	2,833,003
Profit before taxation	1,240,428	68,780	-	1,309,208
As at 31 December 2023				
Total assets	246,590,475	26,691,563	(3,493,477)	269,788,561
Total liabilities	209,847,069	22,436,385	(3,493,477)	228,789,977
Intangible assets and goodwill	231,891	646,273	-	878,164
Contingent liabilities and commitments	<u>69,117,565</u>	<u>2,291,041</u>	<u>(101,434)</u>	<u>71,307,172</u>

FINANCIAL RATIOS/ KEY PERFORMANCE INDICATORS

In respect of the Group's banking business

	Six months ended 30 Jun 2024	Six months ended 30 Jun 2023
Net interest income/operating income	77.2%	84.3%
Cost to income ratio	48.5%	57.0%
Return on average total assets (annualised)	1.1%	0.9%
Return on average shareholders' funds (annualised)	8.5%	7.4%

In respect of the Group's insurance business

	As at 30 Jun 2024	As at 31 Dec 2023
Solvency ratio		
- In respect of Hong Kong operations	1021%	738%
- In respect of Macau operations	1109%	1288%
	Six months ended 30 Jun 2024	Six months ended 30 Jun 2023
Combined ratio	92.4%	97.8%

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

INTERIM DIVIDEND

The Directors have declared an interim dividend of HK\$0.92 per share for 2024 payable on Thursday, 26 September 2024 to shareholders whose names are on the Register of Shareholders at the close of business on Tuesday, 17 September 2024.

CLOSURE OF REGISTER OF SHAREHOLDERS

For determining shareholders' entitlement to receive the interim dividend:

Latest time to lodge transfers	4:30 p.m. on 12 September 2024 (Thursday)
Closure of Register of Shareholders (both days inclusive)	13 September 2024 (Friday) to 17 September 2024 (Tuesday)
Record date	17 September 2024 (Tuesday)

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

Hong Kong's economy grew by 3.3% year-on-year in the second quarter of 2024, faster than the 2.8% growth in the previous quarter despite weaker private consumption expenditure during the quarter and a continued slowdown in visitor arrivals. The growth was again driven by the acceleration of exports of goods, the recovery of government spending and stronger domestic investment, offsetting the impact of weaker private consumption and slower growth in service exports. The unemployment rate remained steady at 3% in the second quarter. Hong Kong's inflation rose by 1.5% year-on-year in June, 0.3 percentage points faster than that in May.

The Mainland's economy grew by 4.7% year-on-year in the second quarter, slower than the 5.3% growth rate in the first quarter, mainly due to the lower contribution of the tertiary sector. The June data slowed further, which may reflect that the pace of growth is still not stable. On the domestic demand front, the consumer market weakened again, the contraction in real estate investment stabilised in June, and the decline in residential sales narrowed slightly, although the price of new homes continued to fall, indicating that the recent pro-property measures have not significantly boosted market sentiment.

With the economic uncertainties during the first half of 2024, customers' borrowing and investment sentiment remained cautious. The banking sector was impacted and continued to face challenges in loan demand and credit quality. Our business strategy has been consistent and prudent, and our Group has continued to focus on improving operational efficiency and prudently managing risks.

The Greater Bay Area's cross-border connectivity has further developed with Wealth Management Connect opening new markets and expanding the potential customer base. We are delighted to re-launch the Cross-border Wealth Management Connect Pilot Scheme to strengthen our Northbound Service through more Mainland partner banks to keep pace with market development. In addition, higher interest rates have generally been positive for our Bank, which helped our net interest income in the period.

During the first half of 2024, both Dah Sing Banking Group Limited ("DSBG") and Dah Sing Financial Holdings Limited ("DSFH") benefitted from higher asset yields, whilst overall performance was partly impacted by the increase in funding cost and impairment charges. DSBG reported a 26% rise in profit attributable to shareholders to HK\$1.4 billion with a positive profit contribution from Bank of Chongqing ("BOCQ") of HK\$430 million and a large decrease in the impairment on the investment in BOCQ. Together with our insurance business as a whole, DSFH reported a 21% growth in profit attributable to shareholders.

BUSINESS AND FINANCIAL REVIEW

DSBG's net interest income grew by 12%, helped by an upward movement in our net interest margin and mild increase in our average loan balance in the first half of 2024 as compared to the same period last year. Our net interest margin rose to 2.09%, compared to 1.93% in the first half of 2023, supported by overall higher yielding assets and the prudent management of funding cost. Non-interest income increased by 77%, due mainly to growth in net fee and commission income and net trading income.

Whilst we continued to remain vigilant in expense control during the first half of 2024, DSBG's operating expenses recorded a modest rise of 4%, with an increase in staff numbers, in part to support the growing bancassurance sales. However, credit impairment losses increased notably, reflecting higher credit costs than the same period last year but an improvement from the second half of last year driven by the reduced additional provisions on exposures to the Mainland China property sector as compared to the immediately preceding six months but higher provisions on Hong Kong real estate exposures and unsecured lending.

Our personal banking business reported a robust result in the first half of 2024. Both operating profit before impairment and operating profit after impairment increased by 78% year-on-year, mainly driven by a higher contribution from our wealth management business in particular fee income from our bancassurance partnership with Sun Life Hong Kong Limited which successfully commenced since July last year. On the other hand, our corporate banking performance declined from the same period last year, with operating profit after impairment falling 59% due to higher credit costs overall.

BUSINESS AND FINANCIAL REVIEW (Continued)

Although investment sentiment was weak, the treasury and global markets business delivered a 51% growth in operating profit after impairment. In addition to achieving a higher interest margin, we saw a stronger contribution from foreign exchange and other income relating to treasury products/solutions during the period. We continued to maintain a robust liquidity position and sound cash flow against a challenging business environment. The performance of our banking subsidiary in Macau was subdued largely due to a weak local economy and a higher credit impairment charge whilst our banking subsidiary in Mainland China continued to deliver profit from its operations.

Our general insurance business achieved a double digit growth in insurance revenue compared with the first half of 2023. Overall, our insurance and investment operations in Hong Kong and Macau recorded higher profitability with positive contributions from both underwriting and investments. Through effective cost management, prudent risk selection and adequate pricing, the combined ratio of the general insurance business improved to 92.4% by 5.4 percentage points compared with the prior period. Our general insurance businesses have been making progress as part of the Group's strategy on digitalisation and automation to achieve cost savings and enhance customer experience over time. Meanwhile, a high solvency ratio was sustained for our insurance subsidiaries, providing strong capacity for business volume growth, protection to policyholders and buffer against investment market volatility.

DSBG's consolidated profit for the first half of 2024 represented an annualised return on assets of 1.1% and an annualised return on shareholders' funds of 8.5%. Our capital and liquidity positions remained robust. As at 30 June 2024, our consolidated Common Equity Tier 1 ratio and total consolidated capital adequacy ratio were 16.7% and 20.8% respectively, and our liquidity maintenance ratio was at 64.7%. Loan to deposit ratio was at 66.5%, compared to 68.2% as at the end of last year.

PROSPECTS

The US Federal Reserve is expected to cut interest rates in the second half of the year, which may be somewhat helpful for external demand and corporate investment, as domestic interest rates in Hong Kong should also come down. In addition to how potential interest rate cuts in Hong Kong may stimulate domestic demand, the performance of our major markets will depend on factors such as the outcome of Mainland's economic stabilisation measures, the trade relationship between China and the rest of the world in particular USA, and generally the extent of any improvement in global economic momentum in the coming months.

In the near term, the trend in services deficit in Hong Kong is unlikely to reverse amid the changes in spending pattern of visitors to Hong Kong, while Hong Kong residents have been shifting more of their consumption to the Mainland. Although the local consumption sentiment is likely to remain weak, we anticipate that the various exhibitions and events scheduled for the summer holidays in Hong Kong may provide some support to the broader retail industry in the third quarter.

Lending interest rates for businesses have been moving sideways whilst loan demand has remained soft. Weakness in business investment also led to lower financing requirements. Nonetheless, potentially lower interest rates in the coming months could lead to a gradual rebound in the economy and improvement in credit conditions. There may be opportunities in the second half of the year for growth in some of our businesses if our core markets gradually improve, although credit costs are expected to remain high for the rest of 2024. We will continue to manage our businesses conservatively in the current economic environment.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the six months ended 30 June 2024, 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 C1 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 2024 Annual General Meeting (the “2024 AGM”) of the Company on 31 May 2024 due to other business engagement. Mr. Hon-Hing Wong (Derek Wong), Vice Chairman, Managing Director and Chief Executive of the Company, took the chair of the 2024 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 C3 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 2024.

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 of the Group for the six months ended 30 June 2024.

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 2024, 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 160,000 shares of the Company at a total consideration of HK\$3,508,935.16.

REMUNERATION AND STAFF DEVELOPMENT

There have been no material changes to the information disclosed in the Company’s 2023 Annual Report in respect of the remuneration of employees, remuneration policies and training schemes.

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 2024 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 2024 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 2024.

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) (Vice Chairman, Managing Director and Chief Executive), Mr. Harold Tsu-Hing Wong (Group General Manager) and Mr. Gary Pak-Ling Wang (Deputy Chief Executive) as Executive Directors; Mr. Hideomi Shinozaki (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, Friday, 30 August 2024