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

(Stock Code: 440)

ANNOUNCEMENT OF 2022 FINAL RESULTS

The Directors of Dah Sing Financial Holdings Limited (“DSFH” or the “Company”) are pleased to present the consolidated audited results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2022.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December

HK\$'000	Note	2022	2021	Variance %
Interest income	4	7,007,942	5,176,672	
Interest expense	4	<u>(2,576,534)</u>	<u>(1,222,447)</u>	
Net interest income		4,431,408	3,954,225	12.1
Fee and commission income	5	2,431,505	1,407,589	
Fee and commission expense	5	<u>(195,544)</u>	<u>(221,741)</u>	
Net fee and commission income		2,235,961	1,185,848	88.6
Net trading income	6	17,385	201,488	
Net insurance premium and other income		464,795	481,050	
Other operating income	7	<u>165,188</u>	<u>191,468</u>	
Operating income		7,314,737	6,014,079	21.6
Net insurance claims and expenses		<u>(318,949)</u>	<u>(337,802)</u>	
Total operating income net of insurance claims		6,995,788	5,676,277	23.2
Operating expenses	8	<u>(3,166,266)</u>	<u>(3,205,522)</u>	(1.2)
Operating profit before impairment losses		3,829,522	2,470,755	55.0
Credit impairment losses	9	<u>(804,112)</u>	<u>(372,305)</u>	116.0
Operating profit before gains and losses on certain investments and fixed assets		3,025,410	2,098,450	44.2
Net loss on disposal of other fixed assets		(2,451)	(8,934)	
Net loss on fair value adjustment of investment properties		(62,092)	(10,642)	
Net gain on disposal of financial assets at fair value through other comprehensive income		-	4,993	
Net gain on disposal of financial assets at amortised cost		24	-	
Share of results of an associate		656,691	697,954	
Impairment loss on the investment in an associate	10	(1,683,000)	(726,000)	
Loss on deemed disposal of investment in an associate		(10)	(31,202)	
Share of results of jointly controlled entities		<u>29,879</u>	<u>33,060</u>	
Profit before taxation		1,964,451	2,057,679	(4.5)
Taxation	11	<u>(380,746)</u>	<u>(322,927)</u>	
Profit for the year		1,583,705	1,734,752	(8.7)
Profit attributable to non-controlling interests		<u>(412,332)</u>	<u>(426,348)</u>	
Profit attributable to Shareholders of the Company		1,171,373	1,308,404	(10.5)
Attributable to:				
- Shareholders of the Company		1,171,373	1,308,404	
- Non-controlling interests		<u>412,332</u>	<u>426,348</u>	
Profit for the year		1,583,705	1,734,752	
Dividends				
Interim dividend paid		105,460	105,460	
Proposed final dividend/ final dividend paid		<u>258,856</u>	<u>233,290</u>	
		364,316	338,750	
Earnings per share				
Basic	12	HK\$3.67	HK\$4.09	
Diluted	12	HK\$3.43	HK\$4.09	

7 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December

HK\$'000	2022	2021
Profit for the year	1,583,705	1,734,752
Other comprehensive (loss)/ income for the year		
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	(834,505)	69,115
Share of other comprehensive (loss)/ income of an associate accounted for using the equity method	(226,037)	44,040
Net change in allowance for expected credit losses of debt instruments at fair value through other comprehensive income	7,093	7,347
Net gain realised and transferred to consolidated income statement upon:		
- Disposal of debt instruments at fair value through other comprehensive income	-	(4,993)
Deferred income tax related to the above	132,617	(11,991)
	<u>(920,832)</u>	<u>103,518</u>
Exchange differences arising on translation of the financial statements of foreign entities	<u>(719,178)</u>	<u>207,165</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	(223,916)	609,613
Deferred income tax related to the above	69,212	(34,737)
	<u>(154,704)</u>	<u>574,876</u>
Other comprehensive (loss)/ income for the year, net of tax	<u>(1,794,714)</u>	<u>885,559</u>
Total comprehensive (loss)/ income for the year, net of tax	<u>(211,009)</u>	<u>2,620,311</u>
Attributable to:		
Non-controlling interests	133,323	507,422
Shareholders of the Company	<u>(344,332)</u>	<u>2,112,889</u>
Total comprehensive (loss)/ income for the year, net of tax	<u>(211,009)</u>	<u>2,620,311</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December

HK\$'000	Note	2022	2021
ASSETS			
Cash and balances with banks		18,689,646	12,791,862
Placements with banks maturing between one and twelve months		10,143,916	4,613,803
Trading securities	13	562,161	4,425,384
Financial assets at fair value through profit or loss	13	622,068	609,266
Derivative financial instruments		3,901,236	635,852
Advances and other accounts	14	143,831,680	153,369,713
Financial assets at fair value through other comprehensive income	15	42,046,836	46,398,268
Financial assets at amortised cost	16	32,941,710	24,592,503
Investment in an associate	10	2,159,290	4,230,951
Investments in jointly controlled entities		123,072	114,373
Goodwill		785,774	785,774
Intangible assets		92,390	80,927
Premises and other fixed assets		2,897,676	3,051,205
Investment properties		782,816	760,256
Deferred income tax assets		266,415	70,852
Total assets		259,846,686	256,530,989
LIABILITIES			
Deposits from banks		4,112,493	1,703,197
Derivative financial instruments		997,637	1,425,365
Trading liabilities		730,491	1,511,927
Deposits from customers		198,574,909	194,921,713
Certificates of deposit issued		4,228,983	6,589,717
Subordinated notes		3,801,495	4,128,446
Other accounts and accruals		9,888,937	8,169,362
Current income tax liabilities		297,641	162,365
Deferred income tax liabilities		59,552	92,550
Total liabilities		222,692,138	218,704,642
EQUITY			
Non-controlling interests		7,634,175	7,633,965
Equity attributable to the Company's shareholders			
Share capital		4,248,559	4,248,559
Other reserves (including retained earnings)		25,271,814	25,943,823
Shareholders' funds	17	29,520,373	30,192,382
Total equity		37,154,548	37,826,347
Total equity and liabilities		259,846,686	256,530,989

Note:

1. Statutory Consolidated Financial Statements

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

Certain financial information in this results announcement is extracted from the Group's statutory consolidated financial statements for the year ended 31 December 2022 (the "2022 consolidated financial statements") which will be delivered to the Registrar of Companies and will be available from the website of the Hong Kong Exchanges and Clearing Limited in due course. The auditors have expressed an unqualified opinion on those consolidated financial statements in their report dated 31 March 2023.

2. Basis of Preparation and Accounting Policies

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs" is a collective term which includes individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance Cap.622.

These consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, financial assets at fair value through other comprehensive income, financial assets and financial liabilities held for trading, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss, which are carried at fair value.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in applying the Group's accounting policies.

Except as described below, the accounting policies and methods of computation used in the preparation of the 2022 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 2021.

The financial information in this results announcement is presented in thousands of Hong Kong dollars (HK\$'000), unless otherwise stated.

New and amended standards and interpretations not yet adopted

HKFRS 17, "Insurance contracts"

Under HKFRS 17, the general model requires entities to measure an insurance contract at initial recognition at the total of the fulfilment cash flows (comprising the estimated future cash flows, an adjustment to reflect the time value of money and an explicit risk adjustment for non-financial risk) and the contractual service margin. The fulfilment cash flows are remeasured on a current basis in each reporting period. The unearned profit (contractual service margin) is recognised over the coverage period.

Aside from this general model, the standard provides, as a simplification, the premium allocation approach. This simplified approach is applicable for certain types of contract, including those with a coverage period of one year or less.

For insurance contracts with direct participation features, the variable fee approach applies. The variable fee approach is a variation on the general model. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the contractual service margin. As a consequence, the fair value changes are not recognised in income statement in the period in which they occur but over the remaining life of the contract.

2. Basis of Preparation and Accounting Policies (Continued)

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

HKFRS 17, “Insurance contracts” (Continued)

On 25 June 2020, the International Accounting Standards Board (“IASB”) issued amendments to International Financial Reporting Standards (“IFRS”) 17 to defer the effective date of IFRS 17 to annual reporting periods beginning on or after 1 January 2023 and introduce other changes to:

- simplify some of the requirements;
- make financial performance easier to explain; and
- ease transition by providing additional transition reliefs.

In October 2020, the HKICPA’s Financial Reporting Standards Committee finalised endorsement of, and issued, equivalent Amendments to HKFRS 17, with an effective date of 1 January 2023. A transition option is added to address the possible accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented on initial application of IFRS 17. The Group is assessing the impacts on the Group’s financial statements.

There are no other HKFRSs or interpretations that are effective from 1 January 2022 or not yet effective that would be expected to have a material impact on the Group.

3. Operating segment reporting

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

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

- Personal banking business includes the acceptance of deposits from individual customers and the extension of residential mortgage lending, personal loans, overdraft, vehicle financing and credit card services, and the provision of insurance sales and investment services.
- Corporate banking business includes the acceptance of deposits from and the advance of loans and working capital finance to commercial, industrial and institutional customers, and the provision of trade financing.
- Treasury and global markets activities are mainly the provision of foreign exchange services and centralised cash management for deposit taking and lending, interest rate risk management, management of investment in securities and the overall funding of the Group.
- Overseas banking businesses include personal banking, corporate banking business activities provided by overseas subsidiaries in Macau and China, and the Group’s interest in a commercial bank in China.
- Insurance business includes the Group’s insurance and pension fund management business. Through the Group’s wholly-owned subsidiaries in Hong Kong and 96% owned subsidiaries (which subsequently increased to 100% in November 2021) in Macau, the Group offers a variety of insurance products and services.
- Others include results of operations not directly identified under other reportable segments, corporate investments and debt funding (including subordinated notes).

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

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

3. Operating segment reporting (Continued)

For the year ended 31 December 2022

HK\$'000	Personal Banking	Corporate Banking	Treasury and Global Markets	Overseas Banking	Insurance Business	Others	Inter- segment	Total
Net interest income/ (expenses)	1,890,619	1,183,415	918,047	485,207	22,650	(68,565)	35	4,431,408
Non-interest income/ (expenses)	2,102,346	188,591	33,839	114,999	152,532	(6,482)	(21,445)	2,564,380
Total operating income/ (expenses) net of insurance claims	3,992,965	1,372,006	951,886	600,206	175,182	(75,047)	(21,410)	6,995,788
Operating expenses	(1,747,004)	(485,425)	(199,218)	(543,714)	(140,739)	(71,576)	21,410	(3,166,266)
Operating profit/ (loss) before credit impairment (losses)/ written back	2,245,961	886,581	752,668	56,492	34,443	(146,623)	-	3,829,522
Credit impairment (losses)/ written back	(192,606)	(468,865)	(36,388)	(107,358)	(185)	1,290	-	(804,112)
Operating profit/ (loss) after credit impairment (losses)/ written back	2,053,355	417,716	716,280	(50,866)	34,258	(145,333)	-	3,025,410
Net loss on disposal and fair value adjustment of investment properties and other fixed assets	(2,337)	(60)	-	(29)	(4,292)	(57,825)	-	(64,543)
Net gain on disposal of financial assets at amortised cost	-	-	24	-	-	-	-	24
Share of results of an associate	-	-	-	656,691	-	-	-	656,691
Impairment loss on the investment in an associate	-	-	-	(1,683,000)	-	-	-	(1,683,000)
Loss on deemed disposal of investment in an associate	-	-	-	(10)	-	-	-	(10)
Share of results of jointly controlled entities	-	-	-	-	-	29,879	-	29,879
Profit/ (loss) before taxation	2,051,018	417,656	716,304	(1,077,214)	29,966	(173,279)	-	1,964,451
Taxation (expenses)/ credit	(338,200)	(68,936)	(118,357)	(14,879)	(15,642)	175,268	-	(380,746)
Profit/ (loss) for the year	1,712,818	348,720	597,947	(1,092,093)	14,324	1,989	-	1,583,705
For the year ended 31 December 2022								
Depreciation and amortisation	74,355	15,862	8,150	58,725	10,578	223,193	-	390,863
At 31 December 2022								
Segment assets	56,274,744	63,748,997	93,451,822	35,908,242	5,014,790	10,516,947	(5,068,856)	259,846,686
Segment liabilities	117,229,213	48,743,485	14,526,149	29,279,831	2,001,842	15,980,474	(5,068,856)	222,692,138

3. Operating segment reporting (Continued)

For the year ended 31 December 2021

HKS'000	Personal Banking	Corporate Banking	Treasury and Global Markets	Overseas Banking	Insurance Business	Others	Inter- segment	Total
Net interest income/ (expenses)	1,637,016	1,194,462	747,645	494,999	5,121	(125,018)	-	3,954,225
Non-interest income/ (expenses)	991,658	208,776	69,980	133,646	216,399	119,498	(17,905)	1,722,052
Total operating income/ (expenses) net of insurance claims	2,628,674	1,403,238	817,625	628,645	221,520	(5,520)	(17,905)	5,676,277
Operating expenses	(1,724,721)	(520,859)	(206,615)	(537,204)	(143,878)	(90,150)	17,905	(3,205,522)
Operating profit/ (loss) before credit impairment (losses)/ written back	903,953	882,379	611,010	91,441	77,642	(95,670)	-	2,470,755
Credit impairment (losses)/ written back	(178,654)	(126,488)	(15,475)	(51,283)	453	(858)	-	(372,305)
Operating profit/ (loss) after credit impairment (losses)/ written back	725,299	755,891	595,535	40,158	78,095	(96,528)	-	2,098,450
Net loss on disposal and fair value adjustment of investment properties and other fixed assets	(2,326)	(1,034)	(16)	(29)	(930)	(15,241)	-	(19,576)
Net gain on disposal of financial assets at fair value through other comprehensive income	-	-	4,993	-	-	-	-	4,993
Share of results of an associate	-	-	-	697,954	-	-	-	697,954
Impairment loss on the investment in an associate	-	-	-	(726,000)	-	-	-	(726,000)
Loss on deemed disposal of investment in an associate	-	-	-	(31,202)	-	-	-	(31,202)
Share of results of jointly controlled entities	-	-	-	-	-	33,060	-	33,060
Profit/ (loss) before taxation	722,973	754,857	600,512	(19,119)	77,165	(78,709)	-	2,057,679
Taxation (expenses)/ credit	(119,336)	(124,561)	(98,914)	(34,927)	(11,902)	66,713	-	(322,927)
Profit/ (loss) for the year	603,637	630,296	501,598	(54,046)	65,263	(11,996)	-	1,734,752
For the year ended 31 December 2021								
Depreciation and amortisation	76,645	15,500	8,070	59,364	12,131	234,098	-	405,808
At 31 December 2021								
Segment assets	56,651,282	70,473,506	80,791,990	38,977,756	5,057,577	10,660,000	(6,081,122)	256,530,989
Segment liabilities	114,634,275	49,555,753	12,777,503	30,182,181	1,728,188	15,907,864	(6,081,122)	218,704,642

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 period ended 31 December 2022 and 2021, 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.

4. Net interest income

HK\$'000	2022	2021
Interest income		
Cash and balances with banks	369,084	152,221
Investments in securities	1,883,723	1,003,279
Advances and other accounts	4,755,135	4,021,172
	<u>7,007,942</u>	<u>5,176,672</u>
Interest expense		
Deposits from banks/ Deposits from customers	2,261,652	1,062,801
Certificates of deposit issued	104,812	43,284
Subordinated notes	164,346	103,308
Lease liabilities	8,333	9,744
Others	37,391	3,310
	<u>2,576,534</u>	<u>1,222,447</u>
Included within interest income		
- Trading securities and financial assets at fair value through profit or loss	6,258	2,508
- Financial assets at fair value through other comprehensive income	1,053,039	466,232
- Financial assets at amortised cost	5,948,645	4,707,932
	<u>7,007,942</u>	<u>5,176,672</u>
Included within interest expense		
- Financial liabilities not at fair value through profit or loss	<u>2,569,448</u>	<u>1,221,471</u>

For the year ended 31 December 2022 and 2021, there was no interest income recognised on impaired assets.

5. Net fee and commission income

HK\$'000	2022	2021
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	156,941	170,138
- Trade finance	57,761	80,739
- Credit card	249,483	276,342
Other fee and commission income		
- Securities brokerage	144,653	215,359
- Insurance distribution and others (Note (a))	1,499,682	199,028
- Retail investment and wealth management services	176,846	325,244
- Bank services and handling fees	70,076	70,720
- Other fees	76,063	70,019
	<u>2,431,505</u>	<u>1,407,589</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	181,237	206,264
- Other fees paid	14,307	15,477
	<u>195,544</u>	<u>221,741</u>

Note:

- (a) The amount reported for 2022 includes recognition of the unamortised upfront payment and deferred payments totalling HK\$1,394,149,000 upon termination of the Hong Kong Distribution Agreement announced by the Group on 8 July 2022.
- (b) 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.

6. Net trading income

HK\$'000	2022	2021
Dividend income from financial assets at fair value through profit or loss	25,614	21,035
Net gain arising from dealing in foreign currencies	43,556	169,160
Net loss on trading securities	(452)	(23)
Net gain/ (loss) from derivatives entered into for trading purpose	90,882	(54,440)
Net loss arising from financial instruments subject to fair value hedge	(3,785)	(7,310)
Net (loss)/ gain on financial instruments at fair value through profit or loss	<u>(138,430)</u>	<u>73,066</u>
	<u>17,385</u>	<u>201,488</u>

7. Other operating income

HK\$'000	2022	2021
Dividend income from investments in equity instruments at fair value through other comprehensive income		
- Derecognised during the year		
- Listed investments	9,575	29,982
- Held at the end of the year		
- Listed investments	103,972	99,615
- Unlisted investments	4,389	14,891
Gross rental income from investment properties	22,256	20,614
Other rental income	16,763	16,523
Others	8,233	9,843
	165,188	191,468

8. Operating expenses

HK\$'000	2022	2021
Employee compensation and benefit expenses		
- Salaries and other staff costs	2,040,263	2,005,835
- Government grant - Employment Support Scheme	(6,008)	-
- Provision for share-based compensation charged	239	480
- Pension costs - defined contribution plans	112,947	101,043
Premises and other fixed assets expenses, excluding depreciation		
- Rental of premises	3,077	3,956
- Others	249,335	229,493
Depreciation		
- Premises and other fixed assets	241,876	213,053
- Right-of-use properties	148,987	192,755
Advertising and promotion costs	101,415	84,496
Printing, stationery and postage	42,644	47,110
Auditors' remuneration	13,430	12,538
Others	218,061	314,763
	3,166,266	3,205,522

9. Credit impairment losses

HK\$'000	2022	2021
New allowances net of allowance releases	869,354	460,597
Recoveries of amounts previously written off	(65,242)	(88,292)
	804,112	372,305
Attributable to:		
-Loans and advances to customers	784,312	394,119
- Other financial assets	41,431	13,552
- Loan commitments and financial guarantees	(21,631)	(35,366)
	804,112	372,305

10. Impairment loss on the investment in an associate

At 31 December 2022, the fair value of the Group's investment in Bank of Chongqing ("BOCQ") had been below the carrying amount for approximately 9 years. On this basis, the Group continues to perform an impairment test on the carrying amount of the investment in BOCQ to assess the recoverable amount.

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

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

Based on the assessment conducted for the position up to 31 December 2022, which takes into account the sensitivity of the key inputs shown above and the effects of possible interaction of these inputs, the recoverable amount, as determined by the VIU calculation and after considering all relevant factors (including the cumulative impairment charge having been recognised as of 31 December 2021) and valuation inputs, remained below the carrying amount. The latest impairment test performed by the Group for the position as at 31 December 2022 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 2021 of HK\$2,992 million, by HK\$1,683 million. As a result, an additional impairment charge of HK\$1,683 million was recognised in the year of 2022 to reduce the value of the investment to HK\$2,159 million at 31 December 2022.

The calculation of Dah Sing Bank, Limited ("DSB")'s capital adequacy does not include the retained earnings from 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% (2021: 16.5%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year 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.

HK\$'000	2022	2021
Current income tax:		
- Hong Kong profits tax	366,894	285,077
- Overseas taxation	39,607	46,020
- Under/ (over)-provision in prior years	4	(10,958)
Deferred income tax:		
- Origination and reversal of timing differences	(29,303)	(4,924)
- Utilisation of tax losses	3,544	7,712
Taxation	<u>380,746</u>	<u>322,927</u>

12. Earnings per share

The calculation of basic earnings per share is based on earnings of HK\$1,171,373,000 (2021: HK\$1,308,404,000) and the weighted average number of 319,575,100 (2021: 319,575,100) ordinary shares in issue during the year.

The calculation of diluted earnings per share is based on earnings of HK\$1,095,997,000 (2021: HK\$1,308,404,000) after taking into account of the dilutive effect of share of profits in an associate in HK\$75,376,000 (2021: Nil) and the weighted average number of 319,598,426 (2021: 319,575,100) ordinary shares in issue during the year after adjusting for the effect of shares awarded under share award scheme in 23,326 shares (2021: Nil). The share options outstanding during the year and at the year end have no dilutive effect on the weighted average number of ordinary shares..

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

HK\$'000	As at 31 Dec 2022	As at 31 Dec 2021
Trading securities:		
Debt securities:		
- Listed in Hong Kong	16,866	12,285
- Unlisted	<u>545,295</u>	<u>4,413,099</u>
	<u>562,161</u>	<u>4,425,384</u>
Financial assets at fair value through profit or loss:		
Equity securities and investment funds:		
- Listed in Hong Kong	23,428	46,756
- Listed outside Hong Kong	551,523	475,483
- Unlisted	<u>47,117</u>	<u>87,027</u>
	<u>622,068</u>	<u>609,266</u>
Total	<u>1,184,229</u>	<u>5,034,650</u>
Included within debt securities are:		
- Treasury bills which are cash equivalents	89,278	2,304,220
- Other treasury bills	455,887	2,108,879
- Government bonds	<u>16,996</u>	<u>12,285</u>
	<u>562,161</u>	<u>4,425,384</u>

As at 31 December 2022 and 2021, 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	562,161	4,425,384
- Banks and other financial institutions	3,997	14,263
- Corporate entities	<u>618,071</u>	<u>595,003</u>
	<u>1,184,229</u>	<u>5,034,650</u>

14. Advances and other accounts

HK\$'000	As at 31 Dec 2022	As at 31 Dec 2021
Gross loans and advances to customers	136,530,235	144,313,339
Less: impairment allowances		
- Stage 1	(406,618)	(469,184)
- Stage 2	(342,731)	(354,154)
- Stage 3	(887,053)	(547,609)
	<u>(1,636,402)</u>	<u>(1,370,947)</u>
	134,893,833	142,942,392
Trade bills	3,666,988	4,253,850
Less: impairment allowances		
- Stage 1	(5,569)	(7,347)
- Stage 2	(1)	-
	<u>(5,570)</u>	<u>(7,347)</u>
	3,661,418	4,246,503
Other assets	5,315,912	6,220,508
Less: impairment allowances		
- Stage 1	(12,272)	(13,119)
- Stage 2	(2,238)	(489)
- Stage 3	(24,973)	(26,082)
	<u>(39,483)</u>	<u>(39,690)</u>
	5,276,429	6,180,818
Advances and other accounts	143,831,680	153,369,713

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 31 Dec 2022		As at 31 Dec 2021	
	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	5,194,440	3.8	5,467,229	3.8
- Property investment	21,406,840	15.7	19,253,002	13.3
- Financial concerns	2,564,573	1.9	4,661,129	3.2
- Stockbrokers	842,926	0.6	1,642,984	1.1
- Wholesale and retail trade	4,825,599	3.5	5,401,435	3.7
- Manufacturing	1,954,317	1.4	1,987,035	1.4
- Transport and transport equipment	2,247,726	1.7	2,269,160	1.6
- Recreational activities	79,708	0.1	59,895	0.1
- Information technology	22,048	-	59,058	0.1
- Others	6,054,928	4.4	6,970,986	4.8
	45,193,105	33.1	47,771,913	33.1
Individuals				
- Loans for the purchase of flats in Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	484,470	0.4	529,218	0.4
- Loans for the purchase of other residential properties	33,911,826	24.8	33,473,466	23.2
- Credit card advances	3,674,222	2.7	3,670,096	2.5
- Others	12,181,304	8.9	13,105,677	9.1
	50,251,822	36.8	50,778,457	35.2
Loans for use in Hong Kong	95,444,927	69.9	98,550,370	68.3
Trade finance (Note (1))	5,752,611	4.2	8,123,088	5.6
Loans for use outside Hong Kong (Note (2))	35,332,697	25.9	37,639,881	26.1
	136,530,235	100.0	144,313,339	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 Hong Kong Monetary Authority (“HKMA”).

Trade finance loans not involving Hong Kong (including trade finance extended by the overseas subsidiary banks of DSB) totalling HK\$281,123,000 (31 December 2021: HK\$485,128,000) 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 31 Dec 2022	As at 31 Dec 2021
Gross loans and advances	136,530,235	144,313,339
Less: total impairment allowances	<u>(1,636,402)</u>	<u>(1,370,947)</u>
Net	<u>134,893,833</u>	<u>142,942,392</u>
Credit-impaired loans and advances	2,539,012	1,398,836
Less: Stage 3 impairment allowances	<u>(887,053)</u>	<u>(547,609)</u>
Net	<u>1,651,959</u>	<u>851,227</u>
Fair value of collateral held*	<u>1,056,118</u>	<u>758,124</u>
Credit-impaired loans and advances as a % of total loans and advances to customers	<u>1.86%</u>	<u>0.97%</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 31 Dec 2022		As at 31 Dec 2021	
	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	535,376	0.39	103,435	0.07
- one year or less but over six months	987,443	0.72	126,868	0.09
- over one year	<u>332,525</u>	<u>0.25</u>	<u>583,423</u>	<u>0.40</u>
	<u>1,855,344</u>	<u>1.36</u>	<u>813,726</u>	<u>0.56</u>
Market value of securities held against the secured overdue loans and advances	<u>1,715,178</u>		<u>888,796</u>	
Secured overdue loans and advances	888,975		456,744	
Unsecured overdue loans and advances	<u>966,369</u>		<u>356,982</u>	
Stage 3 impairment allowances	<u>632,380</u>		<u>350,828</u>	

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

14. Advances and other accounts (Continued)

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

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

HK\$'000	As at 31 Dec 2022	% of total	As at 31 Dec 2021	% of total
Loans and advances to customers	<u>339,249</u>	<u>0.25</u>	<u>350,761</u>	<u>0.24</u>
Stage 3 impairment allowances	<u>123,023</u>		<u>141,673</u>	

(c) Trade bills

As at 31 December 2022 and 2021, there were no balance of trade bills that were overdue for more than 3 months.

(d) Repossessed collateral

Repossessed collateral held at the year-end is as follows:

Nature of assets	As at 31 Dec 2022	As at 31 Dec 2021
Repossessed properties	125,262	208,090
Others	<u>5,560</u>	<u>1,090</u>
	<u>130,822</u>	<u>209,180</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 the Mainland China with a total estimated realisable value of HK\$59,356,000 (2021: HK\$64,984,000), which had been foreclosed and repossessed by the Group pursuant to orders issued by courts in the 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 31 Dec 2022	As at 31 Dec 2021
Debt securities:		
- Listed in Hong Kong	13,609,856	16,676,005
- Listed outside Hong Kong	15,742,345	16,231,931
- Unlisted	8,590,336	8,459,857
	<u>37,942,537</u>	<u>41,367,793</u>
Equity securities:		
- Listed in Hong Kong	864,117	909,722
- Listed outside Hong Kong	2,565,200	4,031,647
- Unlisted	674,982	89,106
	<u>4,104,299</u>	<u>5,030,475</u>
Total	<u>42,046,836</u>	<u>46,398,268</u>
Included within debt securities are:		
- Certificates of deposit held	234,493	489,774
- Treasury bills which are cash equivalents	897,617	2,439,243
- Other treasury bills	3,867,536	5,459,898
- Government bonds	635,348	708,540
- Other debt securities	32,307,543	32,270,338
	<u>37,942,537</u>	<u>41,367,793</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	9,160,937	7,987,115
- Public sector entities	802,807	789,164
- Banks and other financial institutions	5,902,047	6,800,550
- Corporate entities	22,076,746	25,790,889
- Others	-	75
	<u>37,942,537</u>	<u>41,367,793</u>
Equity securities:		
- Banks and other financial institutions	589,850	543,571
- Corporate entities	3,514,449	4,486,904
	<u>4,104,299</u>	<u>5,030,475</u>
	<u>42,046,836</u>	<u>46,398,268</u>

16. Financial assets at amortised cost

HK\$'000	As at 31 Dec 2022	As at 31 Dec 2021
Debt securities		
- Listed in Hong Kong	11,895,925	9,748,480
- Listed outside Hong Kong	12,981,228	9,869,613
- Unlisted	8,123,992	5,004,625
	<u>33,001,145</u>	<u>24,622,718</u>
Less: impairment allowance		
- Stage 1	(59,435)	(30,215)
Total	<u>32,941,710</u>	<u>24,592,503</u>
Included within debt securities are:		
- Certificates of deposit held	3,120,178	1,537,364
- Treasury bills	1,121,950	921,707
- Government bonds	214,612	242,800
- Other debt securities	28,544,405	21,920,847
	<u>33,001,145</u>	<u>24,622,718</u>
Financial assets at amortised cost are analysed by categories of issuers as follows:		
- Central governments and central banks	1,336,562	1,164,507
- Public sector entities	1,410,432	529,658
- Banks and other financial institutions	10,420,964	7,898,098
- Corporate entities	19,833,187	15,019,366
- Others	-	11,089
	<u>33,001,145</u>	<u>24,622,718</u>

17. Shareholders' funds

HK\$'000	As at 31 Dec 2022	As at 31 Dec 2021
Share capital	4,248,559	4,248,559
Premises revaluation reserve	608,287	608,287
Investment revaluation reserve	55,738	1,429,486
Exchange reserve	(367,591)	167,264
Capital reserve	6,318	6,318
General reserve	484,289	484,289
Reserve for share-based compensation	3,906	3,507
Retained earnings	<u>24,480,867</u>	<u>23,244,672</u>
	<u>29,520,373</u>	<u>30,192,382</u>
Proposed final dividend/ final dividend paid included in retained earnings	<u>258,856</u>	<u>233,290</u>

Note:

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 31 December 2022, DSB has earmarked a regulatory reserve of HK\$438,466,000 (2021: HK\$432,194,000) first against its consolidated general reserve; and for any excess amount, the balance is earmarked against its consolidated retained earnings.

FINAL DIVIDEND

At the forthcoming annual general meeting (“AGM”) of the Company to be held on Friday, 2 June 2023, the Directors will propose a final dividend of HK\$0.81 per share for 2022 to shareholders whose names are on the Register of Shareholders as at the close of business on Tuesday, 13 June 2023. Subject to shareholders’ approval at the AGM, the final dividend will be payable on Wednesday, 21 June 2023.

CLOSURE OF REGISTER OF SHAREHOLDERS

For determining shareholders’ right to attend and vote at the AGM:

Latest time to lodge transfers	4:30 p.m. on 29 May 2023 (Monday)
Closure of Register of Shareholders (both days inclusive)	30 May 2023 (Tuesday) to 2 June 2023 (Friday)
Record date	2 June 2023 (Friday)
AGM	2 June 2023 (Friday)

For determining shareholders’ entitlement to receive the proposed final dividend:

Latest time to lodge transfers	4:30 p.m. on 8 June 2023 (Thursday)
Closure of Register of Shareholders (both days inclusive)	9 June 2023 (Friday) to 13 June 2023 (Tuesday)
Record date	13 June 2023 (Tuesday)

During the periods of the closure of Register of Shareholders, no share transfers will be registered. For registration, 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 relevant latest time to lodge transfers.

CORPORATE AND BUSINESS OVERVIEW

HIGHLIGHTS

Economic conditions in our core market were generally poor, with Hong Kong experiencing recession once again, after the recovery in 2021. Real GDP fell by 3.5%, as the third recession in Hong Kong in four years. Many areas of the economy were weak, with total export of goods dropping by 13.9% and aviation, hotels and tourism remaining at very low levels of activity with the continuation of the COVID restrictions until the end of the year.

Unemployment, however, was relatively benign, ending the year at 3.5%, compared to the April-peak of 5.4%. Inflation was also less of an issue in Hong Kong than in certain other parts of the world, with consumer price inflation registering an average growth of 1.9% for 2022.

The Mainland China economy was also slow, facing headwinds from the continued zero-COVID policy as well as weak trade figures. GDP growth for the year was below target at 3.0%. Inflation remained under control at 2.0% for 2022, while the unemployment rate stayed elevated at 5.5% at the end of the year. Economic conditions in Macau were also under severe pressure, with GDP falling by 26.8% for the year.

Global financial markets performed poorly, with negative returns for most major equity markets, as well as global bond markets. The Federal Reserve raised interest rates in the US a total of seven times to 4.5% by the end of 2022 in an attempt to dampen rapidly rising inflation. Locally, financial markets also performed poorly, with the Hang Seng Index falling for the third consecutive year.

Against the backdrop of weak economic conditions in our major markets, we reported a decrease in profit attributable to shareholders of 10% to HK\$1,171 million for the year ended 31 December 2022. Our results for the year were impacted by two large items: a gain on the termination of our previous insurance distribution agreement and a larger than usual impairment charge on our investment in Bank of Chongqing due to revisions to some of the inputs used in the impairment assessment model. Excluding these two items, our profit attributable to shareholders would have been HK\$1,235 million, a decrease of 6%.

For the second half of the year, a dividend of HK\$0.81 per share was declared, making the full year dividend HK\$1.14 per share, an increase of 7.5%.

BUSINESS AND FINANCIAL REVIEW

Net interest income grew by 12% during the year due both to the improved net interest margin and to higher balances of interest earning assets, despite relatively subdued demand conditions in our core loan markets, mainly driven by higher balances of securities investments. The operating profit before impairment charges of our banking business was substantially higher than the prior year with growth of 61%. However, much of this increase was driven by the gain on the termination of our previous insurance distribution agreement. Excluding this item, operating profit before impairment was up by 2%, and non-interest income was down by 27% for the year.

Loan demand remained weak across most business lines, and our overall loan balances contracted by 5%. The contraction was driven mainly by our corporate banking business, with loan balances in that business segment contracting by 9%. Loan balances in our retail banking business were more stable and we achieved a 4% growth in average loan volume in 2022 as compared to 2021. Net interest margin grew by 13 basis points due to our efforts to control our funding cost during the year, the sharp rise in interest rates during the course of 2022, with asset yields repricing more quickly than deposit costs.

Excluding the gain on the termination of our previous insurance distribution agreement, non-interest income was lower overall by 28%, although performance in various areas diverged. FX-related revenues were somewhat more robust with stable customer business particularly through our retail banking network, whilst other wealth management revenues remained weak due to adverse conditions in most major markets during the year, combined with the continued lack of new life insurance products.

Our credit cost increased substantially during the year, with credit impairment losses increasing by 116% to HK\$804 million. A large part of the increase was reported in our corporate banking business, with one of the key factors in the weaker credit quality being exposures to the Mainland China and in particular the real estate sector. Whilst our overall exposure to those sectors is relatively modest, the rapid worsening in business conditions and credit quality led to a much higher overall credit impairment charge for this business area during the course of the year. In contrast, credit quality in our retail banking business was more stable, despite the recessionary economic conditions in our core markets and the credit impairment charge in this business recorded only a mild increase.

BUSINESS AND FINANCIAL REVIEW (CONTINUED)

We recorded a modest decrease in our share of the net profit of our associate, Bank of Chongqing, for the year to HK\$657 million. However, due to a reduction in the valuation of this associate company in our regular year end revaluation, we made a further provision of HK\$1,544 million in the second half after a provision of HK\$139 million in the first half, bringing the total impairment charge for the year to HK\$1,683 million. It should be noted that the provision made relating to Bank of Chongqing is non-cash and does not affect our capital adequacy.

We are pleased to report continued progress in building our non-life insurance businesses during the course of 2022. Despite the poor economy in our core markets of Hong Kong and Macau, gross premiums written was up by 12% for the year, and costs and claims were both kept well under control. The performance of our investment portfolio was affected by the volatile market conditions. Together, they managed to generate a small profit in the year. It should be noted that the bulk of our investment portfolio is accounted for under “Other Comprehensive Income” and therefore is not captured in our Consolidated Income Statement. As a whole, the total return of our combined insurance and group investment portfolios produced a negative 10.6% return for the year.

As at 31 December 2022, the consolidated Common Equity Tier 1 ratio of Dah Sing Bank, Limited (“DSB”) was 15.2%, 1% higher than the level of 14.2% at the end of 2021. Taking into account DSB’s outstanding Tier 2 subordinated debts, DSB’s consolidated capital adequacy level at the year end was 19.3%, higher than the prior year ratio of 18.1%.

PROSPECTS

At the beginning of 2023, we were starting to become somewhat more optimistic about the prospects for the year, with the relaxation of COVID restrictions in Hong Kong, and the full reopening of borders. However, as we near the end of the first quarter of the year, it is clear that there are still many uncertainties and much volatility in global markets. The economic outlook in our core markets of Hong Kong, Macau, and Mainland China is somewhat better than the prior year, although this is in part due to a low base effect, particularly in Hong Kong and Macau, with recessions in both areas last year.

Globally, growth in both the US and Europe is likely to be slow, although earlier concerns about more severe recessionary conditions now appear to be reducing. Against this, global markets have been much more volatile than anticipated, and the global financial system has recently been tested by the failures of a number of banks in the US and Europe. Whilst this does not have a direct impact on us, or more broadly on our peer banks in Asia, it is clear that the current level of volatility and concerns over banking stability in other markets pose additional challenges for banks around the world. That said, Hong Kong, our core market, remains stable, with strong regulation and generally high levels of bank capital and liquidity. We expect that to remain the case.

With the higher levels of uncertainty and volatility in the markets, we are cautious on our business operations. We also note continuing caution from many of our customers, despite the somewhat better economic conditions. This means that whilst we expect to make some progress in developing and growing our core businesses during the course of the year, we do not expect at this stage that the progress will be rapid.

On a more positive note, we expect that our Shenzhen branch will become fully operational during the course of the year, making us the first non-Mainland China banking group to operate both a branch and a subsidiary in the Mainland. This will make it easier for us to serve our customers, and we hope that it will also help us to expand our cross boundary business, particularly in the Greater Bay Area.

We continue to target growth in our general insurance operations, both in Hong Kong and Macau. A number of new business initiatives are underway, with the objectives to attract new partnerships and customers, to make more effective use of technology to serve our customers better, and to keep our cost base under close control. Our underwriting risk is concentrated in our core markets, and we have increased our underwriting capabilities to be able to cope with the anticipated higher volumes of business.

Looking forward, we expect the new partnership that we announced with Sun Life in January to become fully operational in the second half of the year. This will enable us to resume service to our customers in the life insurance segment, and we believe that this is very important in helping to serve our customers with a range of financial services products throughout different stages in their lives.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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 throughout the year ended 31 December 2022, 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. In light of COVID-19 pandemic and border control measures for inbound travellers, Mr. David Shou-Yeh Wong, the Chairman of the Board, was unable to attend the 2022 Annual General Meeting (the “2022 AGM”) of the Company held in Hong Kong on 27 May 2022 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 2022 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 year ended 31 December 2022.

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 consolidated financial statements of the Group for the year ended 31 December 2022.

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 year ended 31 December 2022.

ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL 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 2022 Annual 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 2022 Annual Report will be sent to shareholders who have elected to receive printed versions of the Company’s corporate communications before the end of April 2023.

BOARD OF DIRECTORS

As at the date of this announcement, the Board of Directors 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, Friday, 31 March 2023