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

The holding company of Dah Sing Bank, Limited

(Stock Code: 2356)

**REVISION OF ANNUAL CAP AMOUNTS FOR  
CONTINUING CONNECTED TRANSACTION  
UNDER THE COOPERATION AGREEMENT  
REGARDING INSURANCE SERVICES**

Reference is made to the announcement of the Company dated 30 December 2022 in relation to, among other things, the Cooperation Agreement in respect of the insurance services provided by members of DSFH Group (i.e. DSI (1976) and MIC) to the Group.

The Directors and senior management of the Company have been closely monitoring, among other things, the Company's continuing connected transactions on a regular basis. Based on the information currently available to the Board and the internal estimates, the Directors are of the view that the existing annual caps in respect of the premiums payable by the Group to DSI (1976) and MIC contemplated under the Cooperation Agreement will not be sufficient for the Company's business needs.

In order to meet the Company's business needs and based on the projected growth in the expansion of scope of insurance services and additional insurance policies provided by DSI (1976) and MIC to DSB and other members of the Group, on 29 September 2023, the Company entered into the Supplemental Agreement with DSFH to amend the Cooperation Agreement by revising the existing annual caps for the three financial years ending 31 December 2023, 2024 and 2025 in respect of the total aggregated amount of the premiums payable to DSI (1976) and MIC under the Cooperation Agreement to the Revised Annual Caps for 2023, 2024 and 2025. Save for the revision of the existing annual caps to the Revised Annual Caps for 2023, 2024 and 2025, all other provisions under the Cooperation Agreement remain the same.

As DSFH is a controlling shareholder of the Company, members of the DSFH Group, including DSI (1976) and MIC, are connected persons of the Company under the Listing Rules. Accordingly, the entering into of the Supplemental Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since the highest of the applicable Percentage Ratios (other than the profits ratio) of the Revised Annual Caps for 2023, 2024 and 2025 is higher than 0.1% but less than 5%, the Supplemental Agreement (including the Revised Annual Caps for 2023, 2024 and 2025) falls under Rule 14A.76(2) of the Listing Rules and is subject to the reporting, announcement and annual review requirements but is exempt from the requirement of independent shareholders' approval under Chapter 14A of the Listing Rules.

**BACKGROUND**

Reference is made to the announcement of the Company dated 30 December 2022 in relation to, among other things, the Cooperation Agreement in respect of the insurance services provided by members of DSFH Group (i.e. DSI (1976) and MIC) to the Group.

## **COOPERATION AGREEMENT REGARDING INSURANCE SERVICES**

On 30 December 2022, the Company and DSFH entered into the Cooperation Agreement in respect of the insurance services provided by members of the DSFH Group (i.e. DSI (1976) and MIC) to the Group for a fixed term of three years with effect from 1 January 2023 and ending on 31 December 2025 (both days inclusive). Details of the terms of the Cooperation Agreement are set out in the Announcement.

Pursuant to the Cooperation Agreement, among other things, the annual caps in relation to the total aggregated amounts of the premiums payable to DSI (1976) and MIC for each of the three financial years ending 31 December 2023, 2024 and 2025 contemplated under the Cooperation Agreement would not exceed the annual limit of HK\$16.0 million.

## **PRINCIPAL TERMS OF THE SUPPLEMENTAL AGREEMENT TO COOPERATION AGREEMENT FOR THE PROVISION OF INSURANCE SERVICES**

On 29 September 2023, the Company entered into the Supplemental Agreement with DSFH to amend the Cooperation Agreement by revising the existing annual caps for the three financial years ending 31 December 2023, 2024 and 2025 in respect of the total aggregated amount of the premiums payable to DSI (1976) and MIC under the Cooperation Agreement to HK\$36.0 million, HK\$56.0 million and HK\$56.0 million for each of the three financial years ending 31 December 2023, 2024 and 2025, respectively. Save for the revision of the existing annual caps to the Revised Annual Caps for 2023, 2024 and 2025, all other provisions under the Cooperation Agreement remain the same.

## **REASONS FOR REVISING THE EXISTING ANNUAL CAPS AND THE BASIS FOR DETERMINING THE REVISED ANNUAL CAPS FOR 2023, 2024 AND 2025**

The Directors and senior management of the Company have been closely monitoring, among other things, the Company's continuing connected transactions. The Directors note that for the first eight months of 2023, there has been a significant increase in the premiums payable to DSI (1976) and MIC by the Group. The Directors believe that the overall increase is mainly attributable to the faster than expected growth in expansion in the scope of insurance services and additional insurance policies provided by DSI (1976) and MIC to DSB and other members of the Group. For the eight months ended 31 August 2023, the total aggregated premiums payable to DSI (1976) and MIC by the Group (unaudited) was approximately HK\$12.8 million. As at the date of this announcement, the existing annual cap for the year ending 31 December 2023 has not been exceeded. Based on internal estimates and the anticipated growth in expansion in the scope of insurance services and additional insurance policies provided by DSI (1976) and MIC to DSB and other members of the Group, the Directors are of the view that the existing annual caps in respect of the premiums payable to DSI (1976) and MIC by the Group contemplated under the Cooperation Agreement will not be sufficient for the Company's business needs.

In order to meet the Company's business needs and based on the projected growth in expansion in the scope of insurance services and additional insurance policies provided by DSI (1976) and MIC to DSB and other members of the Group for the three financial years ending 2023, 2024 and 2025, the Company entered into the Supplemental Agreement with DSFH to amend the Cooperation Agreement by revising the existing annual caps for the three financial years ending 31 December 2023, 2024 and 2025 in respect of the total aggregated amount of the premiums payable to DSI (1976) and MIC under the Cooperation Agreement to HK\$36.0 million, HK\$56.0 million and HK\$56.0 million for each of the three financial years ending 31 December 2023, 2024 and 2025, respectively.

## **IMPLICATIONS UNDER THE LISTING RULES**

As DSFH is a controlling shareholder of the Company, members of the DSFH Group, including DSI (1976) and MIC, are connected persons of the Company under the Listing Rules. Accordingly, the entering into of the Supplemental Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since the highest of the applicable Percentage Ratios (other than the profits ratio) of the Revised Annual Caps for 2023, 2024 and 2025 is higher than 0.1% but less than 5%, the Supplemental Agreement (including the Revised Annual Caps for 2023, 2024 and 2025) falls under Rule 14A.76(2) of the Listing Rules and is subject to the reporting, announcement and annual review requirements but is exempt from the requirement of independent shareholders' approval under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.68(8) of the Listing Rules, Messrs. David Shou-Yeh Wong, Hon-Hing Wong (Derek Wong), Gary Pak-Ling Wang and Robert Tsai-To Sze, being directors of DSFH, and Mr. Nicholas John Mayhew, being a director of DSI (1976), have abstained from voting on the board resolutions regarding the Supplemental Agreement and the Revised Annual Caps for 2023, 2024 and 2025. The resolutions were voted and approved by the remaining Directors who are not connected to the Supplemental Agreement and the revision of the existing annual caps.

The Directors (including the independent non-executive Directors), after reviewing the business needs of the Company, are of the view that the Revised Annual Caps for 2023, 2024 and 2025, and the transactions contemplated under the Supplemental Agreement are on normal commercial terms or on terms no less favourable than those available to independent third parties, in the ordinary and usual course of business of the Group, are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## **INFORMATION ON THE COMPANY**

The Company is a company incorporated in Hong Kong, whose shares are listed on the Stock Exchange. It is the holding company of various subsidiaries including DSB and BCM, both of which conduct banking business.

## **INFORMATION ON THE PARTIES TO THE SUPPLEMENTAL AGREEMENT**

### **(i) DSB**

DSB is a company incorporated in Hong Kong. It is a direct wholly owned subsidiary of the Company. It is a licensed bank in Hong Kong and is principally engaged in the provision of banking, financial and other related services in Hong Kong.

### **(ii) BCM**

BCM is a company incorporated in Macau. It is an indirect wholly owned subsidiary of the Company. It is a licensed bank in Macau and is principally engaged in the provision of banking services in Macau.

### **(iii) DSFH**

DSFH is a company incorporated in Hong Kong, whose shares are listed on the Stock Exchange. DSFH is a controlling shareholder of the Company with 74.37% interest in the issued share capital of the Company as of the date of this announcement. DSFH is a connected person of the Company pursuant to the Listing Rules. DSFH is the company holding the insurance interests of the DSFH Group, and as at the date of this announcement, is the holding company of certain subsidiaries including DSI (1976) and MIC, which are engaged in general insurance or insurance-related businesses.

### **(iv) DSI (1976)**

DSI (1976) is a company incorporated in Hong Kong. DSI (1976) is a direct wholly owned subsidiary of DSFH. It is an authorised general insurance company in Hong Kong and is principally engaged in the underwriting of general insurance in Hong Kong. As DSFH is the Company's controlling shareholder, DSI (1976) is a connected person of the Company pursuant to the Listing Rules.

### **(v) MIC**

MIC is a company incorporated in Macau. MIC is an indirect wholly owned subsidiary of DSFH. MIC is principally engaged in the underwriting of general insurance in Macau. As DSFH is the Company's controlling shareholder, MIC is a connected person of the Company pursuant to the Listing Rules.

## DEFINITIONS

Unless the context otherwise requires, the following terms shall have the meanings set out below for the purposes of this announcement:

"Announcement"	the announcement of the Company dated 30 December 2022
"BCM"	Banco Comercial de Macau, S.A.
"Board"	the board of Directors
"Company"	Dah Sing Banking Group Limited, a company incorporated in Hong Kong, whose shares are listed on the Stock Exchange
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"controlling shareholder"	has the meaning ascribed to it under the Listing Rules
"Cooperation Agreement"	the cooperation agreement dated 30 December 2022 entered into by the Company and DSFH, in respect of the insurance services provided by DSI (1976) and MIC to the Group, for a fixed term of three years with effect from 1 January 2023 and ending on 31 December 2025 (both days inclusive)
"DSB"	Dah Sing Bank, Limited
"Directors"	the directors of the Company
"DSFH"	Dah Sing Financial Holdings Limited
"DSFH Group"	DSFH and its subsidiaries (but excluding the Group)
"DSI (1976)"	Dah Sing Insurance Company (1976) Limited
"existing annual caps"	the existing annual caps of HK\$16.0 million for each of the three financial years ending 31 December 2023, 2024 and 2025, prior to the Revised Annual Caps for 2023, 2024 and 2025, in respect of the total aggregated amount of the premiums payable to DSI (1976) and MIC by the Group under the Cooperation Agreement
"Group"	the Company and its subsidiaries
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Macau"	Macau Special Administrative Region of the People's Republic of China
"MIC"	Macau Insurance Company Limited

"Percentage Ratios"	the percentage ratios set out in Rule 14.07 of the Listing Rules, (i.e. "assets ratio", "profits ratio", "revenue ratio", "consideration ratio" and "equity capital ratio", as such terms are defined in the Listing Rules)
"Revised Annual Caps for 2023, 2024 and 2025"	the revised annual caps of HK\$36.0 million, HK\$56.0 million and HK\$56.0 million for each of the three financial years ending 31 December 2023, 2024 and 2025, respectively in respect of the total aggregated amount of the premiums payable to DSI (1976) and MIC by the Group under the Supplemental Agreement
"Shareholders"	the shareholders of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supplemental Agreement"	the supplemental agreement to the Cooperation Agreement for the provision of insurance services entered into by the Company and DSFH on 29 September 2023 to amend the Cooperation Agreement by revising the existing annual caps to the Revised Annual Caps for 2023, 2024 and 2025

By Order of the Board  
**Dah Sing Banking Group Limited**  
**Richard Tsung-Yung Li**  
*Company Secretary*

Hong Kong, 29 September 2023

*As at the date of this announcement, the Board of Directors of the Company comprises Messrs. David Shou-Yeh Wong (Chairman), Hon-Hing Wong (Derek Wong) (Vice Chairman, Managing Director and Chief Executive), Gary Pak-Ling Wang and Nicholas John Mayhew (Deputy Chief Executive) as Executive Directors; Messrs. Robert Tsai-To Sze, Seng-Lee Chan, Blair Chilton Pickerell and David Wai-Hung Tam as Independent Non-Executive Directors.*