大新金融集團有限公司

DAH SING FINANCIAL HOLDINGS LIMITED

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

(Stock Code: 0440)

ANNOUNCEMENT OF 2010 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 2010. The unaudited profit attributable to shareholders after non-controlling interests for the six months ended 30 June 2010 was HK$503.7 million.

UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

The unaudited 2010 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 ("HKICPA").

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June

HK$'000	Note	**2010**	2009	Variance %
Interest income		**1,398,892**	1,708,937	
Interest expense		**(296,038)**	(544,540)	
Net interest income	3	**1,102,854**	1,164,397	-5.3
Fee and commission income		**253,994**	209,471	
Fee and commission expense		**(80,521)**	(57,736)	
Net fee and commission income	4	**173,473**	151,735	14.3
Net trading gain/(loss)	5	**221,555**	(21,501)	
Net insurance premium and other income		**1,086,284**	622,630	
Other operating income	6	**22,644**	25,743	
Operating income		**2,606,810**	1,943,004	34.2
Net insurance claims and expenses		**(1,217,122)**	(538,195)	
Total operating income net of insurance claims		**1,389,688**	1,404,809	-1.1
Operating expenses	7	**(717,279)**	(1,043,797)	-31.3
Operating profit before impairment losses		**672,409**	361,012	86.3
Loan impairment losses and other credit provisions	8	**(34,800)**	(274,427)	-87.3
Operating profit before gains or losses on certain investments and fixed assets		**637,609**	86,585	
Net gain on disposal of premises, investment properties and other fixed assets		**4,683**	3,296	
Net gain/(loss) on disposal of available-for-sale securities		**7,414**	(14,686)	
Net (loss)/gain on disposal and repurchase of other financial instruments	9	**(53,449)**	243,983	
Share of results of jointly controlled entities		**2,793**	1,728	
Share of results of an associate		**105,622**	78,117	
Profit before income tax		**704,672**	399,023	76.6
Income tax expense	10	**(69,597)**	(15,865)	
Profit for the period		**635,075**	383,158	65.7
Profit attributable to non-controlling interests		**(131,375)**	(82,256)	
Profit attributable to shareholders of the Company		**503,700**	300,902	67.4
Interim dividend		**52,054**	–	
Earnings per share				
Basic	11	**HK$1.94**	HK$1.16	
Diluted	11	**HK$1.94**	HK$1.16	
Dividends per share				
Interim dividend		**HK$0.20**	–	

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June

HK$'000	**2010**	2009
Profit for the period	**635,075**	383,158
Other comprehensive income/(loss) for the period		
Investments in securities		
Fair value gains recognised in equity	**84,410**	506,846
Fair value (gain)/loss realised and transferred to income statement upon:		
– Disposal of available-for-sale securities	**(7,414)**	14,686
– Disposal of investments in securities included in the loans and receivables category which were previously reclassified from the available-for-sale category	**117,334**	–
– Impairment of available-for-sale securities	**–**	1,937
Related income tax expense	**(41,484)**	(45,819)
	152,846	477,650
Premises		
Deferred income tax released on disposal of premises	**3,261**	–
Exchange differences arising on translation of the financial statements of foreign entities	**9,166**	(3,724)
Other comprehensive income for the period, net of tax	**165,273**	473,926
Total comprehensive income for the period, net of tax	**800,348**	857,084
Total comprehensive income attributable to:		
Non-controlling interests	**188,588**	138,114
Shareholders of the Company	**611,760**	718,970
Total comprehensive income for the period, net of tax	**800,348**	857,084

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

HK$'000	Note	**As at 30 Jun 2010**	As at 31 Dec 2009
ASSETS			
Cash and balances with banks		**8,069,766**	10,741,879
Placements with banks maturing between one and twelve months		**2,937,111**	4,282,749
Trading securities	12	**6,147,568**	5,883,968
Financial assets designated at fair value through profit or loss	12	**4,900,747**	4,509,393
Derivative financial instruments		**684,348**	594,391
Advances and other accounts	13	**75,394,405**	68,046,080
Available-for-sale securities	15	**14,049,571**	12,901,024
Held-to-maturity securities	16	**8,731,242**	8,802,282
Investment in an associate		**1,405,659**	1,299,257
Investments in jointly controlled entities		**61,441**	60,791
Goodwill		**950,992**	950,992
Intangible assets		**131,684**	139,030
Premises and other fixed assets		**2,271,233**	2,426,531
Investment properties		**670,517**	568,659
Current income tax assets		**24,580**	65,283
Deferred income tax assets		**23,464**	78,178
Value of in-force long-term life assurance business		**1,574,742**	1,225,668
Total assets		**128,029,070**	122,576,155
LIABILITIES			
Deposits from banks		**1,603,036**	1,435,136
Derivative financial instruments		**1,577,461**	1,218,225
Trading liabilities		**4,514,918**	2,068,300
Deposits from customers		**88,641,268**	88,370,071
Certificates of deposit issued		**2,687,264**	2,060,010
Subordinated notes		**4,730,206**	4,602,235
Other accounts and accruals	17	**3,724,446**	3,814,136
Current income tax liabilities		**34,845**	19,109
Deferred income tax liabilities		**16,903**	15,366
Liabilities to policyholders under long-term insurance contracts		**5,519,600**	4,794,792
Total liabilities		**113,049,947**	108,397,380
EQUITY			
Non-controlling interests		**2,971,786**	2,783,198
Equity attributable to shareholders of the Company			
Share capital		**520,541**	520,541
Reserves	18	**11,434,742**	10,875,036
Proposed dividend		**52,054**	–
Shareholders' funds		**12,007,337**	11,395,577
Total equity		**14,979,123**	14,178,775
Total equity and liabilities		**128,029,070**	122,576,155

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. Basis of preparation and accounting policies

The accounting policies and methods of computation used in the preparation of the 2010 interim condensed consolidated financial statements are consistent with those used and described in the Group's annual audited financial statements for the year ended 31 December 2009.

In preparing its annual audited financial statements for the year ended 31 December 2009, the Group has already early adopted Hong Kong Financial Reporting Standard ("HKFRS") No. 3 "Business Combinations" (Revised) and the consequential amendments to Hong Kong Accounting Standard ("HKAS") 27, HKAS 28 and HKAS 31 which are originally effective for accounting periods beginning on or after 1 July 2009, and HKFRS 8 Operating Segments (Amendment), which is originally effective for accounting periods beginning on or after 1 January 2010 on the disclosure of segment assets.

The revised HKFRS 3 continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the statement of comprehensive income. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interests in the acquiree either at fair value or at the non-controlling interests' proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed.

The Group has also adopted the amendments to HKAS 17 "Leases" made by the HKICPA as part of HKICPA's annual HKFRS improvement project. These amendments provide certain clarifications on the accounting classification of land leases and are effective for accounting periods beginning on or after 1 January 2010. The adoption of these amendments by the Group has no impact to the Group's accounting policies.

The interim condensed consolidated financial statements are presented in thousands of Hong Kong dollars (HK$'000), unless otherwise stated.

3. Net interest income

For the six months ended 30 June	2010	2009
Interest income		
Cash and balances with banks	**44,568**	81,803
Investments in securities	**365,926**	479,762
Advances to customers and banks	**985,286**	1,145,492
Others	**3,112**	1,880
	1,398,892	1,708,937
Interest expense		
Deposits from banks/Deposits from customers	**241,660**	416,798
Certificates of deposit issued	**5,429**	28,227
Issued debt securities	**–**	13,987
Subordinated notes	**42,341**	70,247
Others	**6,608**	15,281
	296,038	544,540
Included within interest income		
Interest income on financial assets not at fair value through profit or loss	**1,286,784**	1,630,625
Interest income on impaired assets	**3,995**	7,225
Included within interest expenses		
Interest expenses on financial liabilities not at fair value through profit or loss	**279,022**	497,722

4. Net fee and commission income

For the six months ended 30 June

	2010	2009
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	**45,523**	32,160
– Trade finance	**18,827**	19,489
– Credit cards	**114,122**	91,581
Other fee and commission income		
– Securities brokerage and investment services	**14,631**	17,683
– Insurance distribution and others	**6,645**	8,190
– Retail investment funds and fiduciary services	**11,566**	6,735
– Other fees	**42,680**	33,633
	253,994	209,471
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	**75,482**	52,989
Other fees paid	**5,039**	4,747
	80,521	57,736
	173,473	151,735

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

5. Net trading gain/(loss)

For the six months ended 30 June

	2010	2009
Dividend income from financial assets at fair value through profit or loss		
– Listed investments	**4,330**	2,049
– Unlisted investments	**1**	2
Net gain arising from dealing in foreign currencies	**144,704**	64,602
Net gain/(loss) from trading securities	**4,451**	(1,496)
Net (loss)/gain from derivatives entered into for trading purpose	**(72,170)**	29,024
Net loss arising from financial instruments subject to fair value hedge	**(22,645)**	(36,851)
Net gain/(loss) arising from financial instruments designated at fair value through profit or loss	**162,884**	(78,831)
	221,555	(21,501)

6. Other operating income

For the six months ended 30 June

	2010	2009
Dividend income from investments in available-for-sale securities		
– Listed investments	**2,692**	3,950
– Unlisted investments	**3,770**	3,478
Gross rental income from investment properties	**10,105**	10,229
Other rental income	**2,648**	2,796
Others	**3,429**	5,290
	22,644	25,743

7. Operating expenses

For the six months ended 30 June

	2010	2009
Employee compensation and benefit expenses (including directors' remuneration)	**409,356**	410,921
Premises and other fixed assets expenses, excluding depreciation	**88,318**	87,672
Depreciation	**62,639**	55,567
Advertising costs	**36,582**	31,186
Amortisation expenses of intangible assets	**7,346**	9,443
Others	**113,038**	449,008
	717,279	1,043,797

8. Loan impairment losses and other credit provisions

For the six months ended 30 June

	2010	2009
Loan impairment losses		
Net (reversal)/charge of impairment losses on loans and advances		
– Individually assessed	**(12,260)**	177,907
– Collectively assessed	**47,060**	94,583
	34,800	272,490
Of which:		
– new and additional (including amounts directly written off in the period)	**70,911**	303,487
– recoveries	**(36,111)**	(30,997)
	34,800	272,490
Other credit provisions		
Individual impairment losses on available-for-sale securities	**–**	1,937
Net charge to income statement	**34,800**	274,427

9. Net (loss)/gain on disposal and repurchase of other financial instruments

For the six months ended 30 June

	2010	2009
Net loss on disposal of investments in securities included in the loans and receivables category	**(136,233)**	–
Net gain on repurchase of subordinated notes	**82,784**	243,983
	(53,449)	243,983

10. Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2009: 16.5%) on the estimated assessable profit for the period. Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.

Deferred taxation is calculated in full on temporary differences under the liability method using a taxation rate of 16.5% (2009: 16.5%).

For the six months ended 30 June

	2010	2009
Current income tax		
– Hong Kong profits tax	**39,707**	16,720
– Overseas taxation	**11,553**	5,823
– Underprovision in prior years	**306**	–
Deferred income tax		
– relating to the origination and reversal of timing differences	**18,031**	(6,798)
– utilisation of tax losses	**–**	120
	69,597	15,865

11. Basic and diluted earnings per share

The calculation of basic earnings per share and diluted earnings per share are based on earnings of HK$503,700,000 (2009: HK$300,902,000) and the weighted average number of 260,270,655 (2009: 260,270,655) ordinary shares in issue during the period. The share options outstanding during the periods ended 30 June 2010 and 30 June 2009 have no dilutive effect on the weighted average number of ordinary shares.

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

	As at 30 Jun 2010	As at 31 Dec 2009
Trading securities:		
Debt securities:		
– Listed in Hong Kong	**1,042,276**	1,051,938
– Listed outside Hong Kong	**–**	61,348
– Unlisted	**5,013,277**	4,681,167
	6,055,553	5,794,453
Equity securities:		
– Listed in Hong Kong	**5,160**	–
– Listed outside Hong Kong	**75,526**	76,290
– Unlisted		
– Interests in investment funds	**11,329**	13,225
	92,015	89,515
Total trading securities	**6,147,568**	5,883,968
Financial assets designated at fair value through profit or loss:		
Debt securities:		
– Listed in Hong Kong	**454,068**	154,084
– Listed outside Hong Kong	**1,879,499**	1,684,054
– Unlisted	**1,551,896**	1,951,534
	3,885,463	3,789,672
Equity securities:		
– Listed in Hong Kong	**104,674**	69,611
– Listed outside Hong Kong	**454,483**	180,747
– Unlisted	**456,127**	469,363
	1,015,284	719,721
Total financial assets designated at fair value through profit or loss	**4,900,747**	4,509,393
Total trading securities and financial assets designated at fair value through profit or loss	**11,048,315**	10,393,361
Included within debt securities are:		
– Government bonds included in trading securities	**5,901,196**	5,570,751
– Certificates of deposit held	**40,127**	–
– Other government bonds	**35,287**	686,265
– Other debt securities	**3,964,406**	3,327,109
	9,941,016	9,584,125

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

	As at 30 Jun 2010	As at 31 Dec 2009
– Central governments and central banks	**6,233,532**	6,257,017
– Public sector entities	**34,153**	21,650
– Banks and other financial institutions	**936,734**	637,875
– Corporate entities	**3,653,090**	3,444,399
– Others	**190,806**	32,420
	11,048,315	10,393,361

13. Advances and other accounts

	As at 30 Jun 2010	As at 31 Dec 2009
Gross advances to customers	**65,210,949**	57,165,159
Gross advances to banks	**150,000**	150,000
	65,360,949	57,315,159
Other assets		
– Amounts receivable arising from sale of securities pending for settlement	**299,591**	–
– Other accounts receivable and prepayments	**2,713,266**	2,606,802
	3,012,857	2,606,802
Less: impairment allowances		
– Individually assessed	**(202,759)**	(317,017)
– Collectively assessed	**(360,943)**	(358,212)
	(563,702)	(675,229)
Investments in securities included in the loans and receivables category (Note 14)	**7,584,301**	8,799,348
Advances and other accounts	**75,394,405**	68,046,080

13. Advances and other accounts (Continued)

(a) Gross advances to customers by industry sector classified according to the usage of loans and analysed by percentage covered by collateral

	As at 30 Jun 2010		As at 31 Dec 2009	
	Outstanding balance	**% of gross advances covered by collateral**	Outstanding Balance	% of gross advances covered by collateral
Loans for use in Hong Kong				
Industrial, commercial and financial				
– Property development	**979,222**	**78.0**	611,218	65.0
– Property investment	**12,480,071**	**92.7**	11,209,001	89.2
– Financial concerns	**509,864**	**56.0**	333,243	47.7
– Stockbrokers	**67,691**	**35.0**	52,265	100.0
– Wholesale and retail trade	**956,077**	**95.4**	1,001,216	96.3
– Manufacturing	**773,793**	**94.8**	657,570	86.9
– Transport and transport equipment	**3,611,384**	**96.5**	3,207,328	97.4
– Recreational activities	**229,204**	**49.6**	157,565	–
– Information technology	**2,479**	**89.0**	902	42.2
– Others	**2,317,678**	**94.1**	1,847,970	92.7
	21,927,463	**91.5**	19,078,278	89.0
Individuals				
– Loans for the purchase of flats in Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	**1,295,918**	**100.0**	1,398,373	100.0
– Loans for the purchase of other residential properties	**11,027,034**	**99.9**	10,462,174	99.9
– Credit card advances	**3,223,932**	**–**	3,173,620	–
– Others	**7,660,111**	**67.6**	6,510,864	62.9
	23,206,995	**75.4**	21,545,031	74.0
Loans for use in Hong Kong	**45,134,458**	**83.2**	40,623,309	81.0
Trade finance	**3,928,675**	**68.7**	3,136,776	68.4
Loans for use outside Hong Kong	**16,147,816**	**71.7**	13,405,074	83.3
	65,210,949	**79.5**	57,165,159	80.9

13. Advances and other accounts (Continued)

(a) Gross advances to customers by industry sector classified according to the usage of loans and analysed by percentage covered by collateral (Continued)

For each industry sector reported above with loan balance constituting 10% or more of the total balance of advances to customers, the attributable amount of impaired loans, overdue loans, and individually and collectively assessed loan impairment allowances are as follows:

	As at 30 Jun 2010				
	Outstanding Balance	**Impaired loans**	**Gross advances overdue for over 3 months**	**Individually assessed impairment allowances**	**Collectively assessed impairment allowances**
Loans for use in Hong Kong					
Industrial, commercial and financial					
– Property investment	**12,480,071**	**–**	**–**	**–**	**63,380**
Individuals					
– Loans for the purchase of other residential properties	**11,027,034**	**4,131**	**6,039**	**465**	**9,064**

	As at 31 Dec 2009				
	Outstanding balance	Impaired loans	Gross advances overdue for over 3 months	Individually assessed impairment allowances	Collectively assessed impairment allowances
Loans for use in Hong Kong					
Industrial, commercial and financial					
– Property investment	11,209,001	15,802	–	1,063	60,825
Individuals					
– Loans for the purchase of other residential properties	10,462,174	6,765	8,406	1,358	8,836

(b) Non-bank Mainland exposures

	As at 30 Jun 2010			
Type of counterparties	**On-balance sheet exposure**	**Off-balance sheet exposure**	**Total**	**Individually assessed impairment allowances**
Mainland entities	**4,366,322**	**899**	**4,367,221**	**5,281**
Companies and individuals outside Mainland where the credits are granted for use in the Mainland	**7,506,086**	**475,835**	**7,981,921**	**113,622**
Other counterparties the exposures to whom are considered by the Group to be non-bank Mainland exposures	**211,004**	**–**	**211,004**	**–**

13. Advances and other accounts (Continued)

(b) Non-bank Mainland exposures (Continued)

	As at 31 Dec 2009			
Type of counterparties	On-balance sheet exposure	Off-balance sheet exposure	Total	Individually assessed impairment allowances
Mainland entities	3,046,123	–	3,046,123	–
Companies and individuals outside Mainland where the credits are granted for use in the Mainland	5,543,273	578,294	6,121,567	164,245
Other counterparties the exposures to whom are considered by the Group to be non-bank Mainland exposures	214,212	–	214,212	–

Note: The balances of exposures reported above include gross advances and other balances of claims on the customers.

(c) Analysis of gross advances to customers and overdue loans by geographical area

Advances to customers by geographical area are classified according to the location of the counterparties after taking into account the transfer of risk. In general, risk transfer applies when an advance is guaranteed by a party located in an area which is different from that of the counterparty.

The following table analyses gross advances to customers by geographical area.

	As at 30 Jun 2010	As at 31 Dec 2009
Gross advances to customers		
– Hong Kong	**55,470,403**	48,779,171
– China	**3,032,391**	1,479,379
– Macau	**6,066,100**	6,151,486
– Others	**642,055**	755,123
	65,210,949	57,165,159

In relation to the Group's impaired advances and overdue advances, over 90% of the outstanding balance as at 30 June 2010 and 31 December 2009 were classified under Hong Kong after taking into account the effect of transfer of risk.

13. **Advances and other accounts (Continued)**

(d) Impaired, overdue and rescheduled assets

Apart from the investments in certain securities included in the loans and receivables category described in Note 14, other assets of HK$639,000 (31 December 2009: HK$639,000) against which full individual impairment had been made, and advances to customers (as set out below), there were no advances to banks or other assets which were individually impaired, overdue for over 3 months or rescheduled as at 30 June 2010 and 31 December 2009. In respect of advances to customers, the relevant amounts are analysed below.

(i) Impaired loans

	As at 30 Jun 2010	As at 31 Dec 2009
Impaired loans and advances to customers		
– Individually impaired (Note (1))	**334,725**	529,399
– Collectively impaired (Note (2))	**13,195**	17,767
	347,920	547,166
Impairment allowances made		
– Individually assessed (Note (3))	**(202,120)**	(316,378)
– Collectively assessed (Note (2))	**(12,470)**	(16,941)
	(214,590)	(333,319)
	133,330	213,847
Fair value of collaterals held*	**135,715**	215,514
Impaired loans and advances as a % of total loans and advances to customers	**0.53%**	0.96%

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

Note:

(1) Individually impaired loans are defined as those loans having objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event has an impact on the estimated cash flows of the loans that can be reliably estimated.

(2) Collectively impaired loans and advances refer to those unsecured loans and advances assessed for impairment on a collective basis and which have become overdue for more than 90 days as at the reporting date. The collective impairment allowance for these impaired loans, which is a part of the overall collective impairment allowances, is shown above.

(3) The above individual impairment allowances were made after taking into account the value of collaterals in respect of such advances as at 30 June/31 December.

13. Advances and other accounts (Continued)

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

(ii) Overdue loans

	As at 30 Jun 2010	**% of total advances to customers**	As at 31 Dec 2009	% of total advances to customers
Gross advances to customers which have been overdue for:				
– six months or less but over three months	**69,986**	**0.10**	102,346	0.18
– one year or less but over six months	**50,283**	**0.08**	185,079	0.32
– over one year	**253,266**	**0.39**	267,141	0.47
	373,535	**0.57**	554,566	0.97
Market value of securities held against the secured overdue advances	**245,525**		350,867	
Secured overdue advances	**182,518**		256,960	
Unsecured overdue advances	**191,017**		297,606	
Individual impairment allowances	**179,352**		282,455	

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

	As at 30 Jun 2010	**% of total advances to customers**	As at 31 Dec 2009	% of total advances to customers
Rescheduled advances	**221,141**	**0.34**	236,637	0.41
Impairment allowances	**20,550**		24,242	

(e) Repossessed collateral

Repossessed collateral held is as follows:

	As at 30 Jun 2010	As at 31 Dec 2009
Nature of assets		
– Repossessed properties	**80,594**	49,109
– Others	**1,023**	8,240
	81,617	57,349

14. Investments in securities included in the loans and receivables category

	As at 30 Jun 2010	As at 31 Dec 2009
Investments in securities reclassified from the available-for-sale category		
– At fair value under fair value hedge (for hedging interest rate risk)	**5,354,013**	6,509,995
– At amortised cost	**1,914,914**	1,989,010
	7,268,927	8,499,005
Individual impairment allowances	**(1,610)**	(1,893)
	7,267,317	8,497,112
Investments in securities classified as loans and receivables upon initial recognition	**316,984**	302,236
	7,584,301	8,799,348

The individual impairment allowances were made in respect of an investment in a security with a carrying value of HK$92,647,000 at 30 June 2010 (31 December 2009: HK$102,758,000) which was assessed as individually impaired since 31 December 2009.

Investments in securities classified as loans and receivables upon initial recognition were overdue at the time of recognition. As at 30 June 2010 and 31 December 2009, these investments were overdue for more than one year.

Investments in securities included in the loans and receivables category are analysed as follows:

	As at 30 Jun 2010	As at 31 Dec 2009
Debt securities:		
– Listed in Hong Kong	**685,582**	655,689
– Listed outside Hong Kong	**6,335,031**	7,514,833
– Unlisted	**565,298**	630,719
	7,585,911	8,801,241
Less: individual impairment allowances	**(1,610)**	(1,893)
	7,584,301	8,799,348
Market value of listed securities	**6,010,603**	6,415,120

As at 30 June 2010 and 31 December 2009, there were no certificates of deposit held included in the above balances of investments in debt securities.

	As at 30 Jun 2010	As at 31 Dec 2009
Investments in securities included in the loans and receivables category are analysed by categories of issuers as follows:		
– Banks and other financial institutions	**4,118,583**	4,729,417
– Corporate entities	**3,467,328**	4,071,824
	7,585,911	8,801,241

15. Available-for-sale securities

	As at 30 Jun 2010	As at 31 Dec 2009
Debt securities:		
– Listed in Hong Kong	**334,889**	381,931
– Listed outside Hong Kong	**4,712,382**	4,329,625
– Unlisted	**8,110,565**	7,231,327
	13,157,836	11,942,883
Equity securities:		
– Listed in Hong Kong	**183,431**	149,012
– Listed outside Hong Kong	**161,947**	188,961
– Unlisted	**546,357**	620,168
	891,735	958,141
Total available-for-sale securities	**14,049,571**	12,901,024

As at 30 June 2010 and 31 December 2009, there were no certificates of deposit held included in the above balances of investments in debt securities.

	As at 30 Jun 2010	As at 31 Dec 2009
Available-for-sale securities are analysed by categories of issuers as follows:		
– Central governments and central banks	**4,622,739**	2,841,211
– Public sector entities	**61,002**	426,487
– Banks and other financial institutions	**4,662,565**	4,759,879
– Corporate entities	**4,701,737**	4,871,919
– Others	**1,528**	1,528
	14,049,571	12,901,024

In the six months ended 30 June 2010, the Group did not reclassify any investments in securities out of the available-for-sale category (six months ended 30 June 2009: investments in securities with a total market value at the time of reclassification of HK$1,640,590,000 and HK$3,259,762,000 were reclassified from the available-for-sale category into the loans and receivables category and the held-to-maturity category respectively).

16. Held-to-maturity securities

	As at 30 Jun 2010	As at 31 Dec 2009
Debt securities:		
– Listed in Hong Kong	**194,200**	193,414
– Listed outside Hong Kong	**6,453,038**	6,114,930
– Unlisted	**2,084,004**	2,493,938
	8,731,242	8,802,282
Market value of listed securities	**6,105,394**	5,846,622

As at 30 June 2010 and 31 December 2009, there were no certificates of deposit held included in the above balances of investments in debt securities.

	As at 30 Jun 2010	As at 31 Dec 2009
Held-to-maturity securities are analysed by issuer as follows:		
– Central governments and central banks	**1,246,201**	1,100,627
– Public sector entities	**202,220**	201,555
– Banks and other financial institutions	**4,980,708**	5,236,412
– Corporate entities	**2,302,113**	2,263,688
	8,731,242	8,802,282

17. Other accounts and accruals

	As at 30 Jun 2010	As at 31 Dec 2009
Amounts payable arising from purchase of securities pending for settlement	**25,236**	–
Other accounts payable and accruals	**3,699,210**	3,814,136
	3,724,446	3,814,136

18. Reserves

	As at 30 Jun 2010	As at 31 Dec 2009
Reserves		
Share premium	**1,551,426**	1,551,426
Retained earnings	**8,908,064**	8,380,833
Premises revaluation reserve	**1,027,074**	1,048,187
Investment revaluation reserve	**(539,925)**	(638,819)
Exchange reserve	**55,868**	49,120
General reserve	**484,289**	484,289
	11,486,796	10,875,036
Proposed dividend included in retained earnings	**52,054**	–

The Group's Hong Kong banking subsidiaries, DSB and MEVAS Bank Limited ("MEVAS"), are required to maintain regulatory reserve to satisfy the provisions of the Hong Kong Banking Ordinance for prudential supervision purposes. At 30 June 2010, each of DSB and MEVAS had earmarked a regulatory reserve of HK$393,481,000 (31 December 2009: HK$305,774,000) and HK$20,321,000 (31 December 2009: HK$18,343,000) in the consolidated general reserve and retained profits respectively. Movements in the regulatory reserve are made directly through equity reserve and in consultation with the Hong Kong Monetary Authority ("HKMA").

19. Operating segment reporting

Segment reporting by the Group was prepared in accordance with HKFRS 8 "Operating Segments". Information reported to the chief operating decision maker, which includes the Chief Executive and other Executive Committee members, for the purposes of resource allocation and assessment of performance, 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, we group 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 and credit card services, the provision of insurance sales and investment services.

- Commercial 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. Hire purchase finance and leasing related to equipment, vehicle and transport financing are included.

- Treasury activities are mainly the provision of foreign exchange services and centralized 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 includes personal banking, commercial 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 life assurance and general insurance businesses. Through the Group's wholly-owned subsidiaries in Hong Kong and 96% owned subsidiaries in Macau, the Group offers a variety of life and general 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 2010

	Personal Banking	Commercial Banking	Treasury	Overseas Banking	Insurance Business	Others	Total
Net interest income/(expenses)	**451,600**	**373,917**	**93,620**	**133,682**	**105,401**	**(55,366)**	**1,102,854**
– external customers	**278,230**	**382,298**	**245,283**	**144,695**	**103,087**	**(50,739)**	**1,102,854**
– inter-segments	**173,370**	**(8,381)**	**(151,663)**	**(11,013)**	**2,314**	**(4,627)**	**–**
Non-interest income/(expenses)	**98,158**	**56,054**	**16,975**	**38,443**	**104,072**	**(26,868)**	**286,834**
Total operating income/(expenses) net of insurance claims	**549,758**	**429,971**	**110,595**	**172,125**	**209,473**	**(82,234)**	**1,389,688**
Operating expenses	**(368,136)**	**(116,961)**	**(34,975)**	**(117,455)**	**(65,986)**	**(13,766)**	**(717,279)**
Operating profit/(loss) before impairment losses	**181,622**	**313,010**	**75,620**	**54,670**	**143,487**	**(96,000)**	**672,409**
Loan impairment (losses)/reversal and other credit provisions	**(31,643)**	**3,277**	**–**	**(6,434)**	**–**	**–**	**(34,800)**
Operating profit/(loss) before gains or losses on certain investments and fixed assets	**149,979**	**316,287**	**75,620**	**48,236**	**143,487**	**(96,000)**	**637,609**
Net (loss)/gain on disposal of premises, investment properties and other fixed assets	**(358)**	**–**	**–**	**29**	**6**	**5,006**	**4,683**
Net (loss)/gain on disposal and repurchase of financial instruments	**(104)**	**–**	**(126,455)**	**(6,301)**	**–**	**86,825**	**(46,035)**
Share of results of an associate	**–**	**–**	**–**	**105,622**	**–**	**–**	**105,622**
Share of results of jointly controlled entities	**–**	**–**	**–**	**–**	**–**	**2,793**	**2,793**
Profit/(loss) before income tax	**149,517**	**316,287**	**(50,835)**	**147,586**	**143,493**	**(1,376)**	**704,672**
Income tax (expenses)/credit	**(22,488)**	**(52,187)**	**8,388**	**(7,439)**	**(6,858)**	**10,987**	**(69,597)**
Profit/(loss) after income tax	**127,029**	**264,100**	**(42,447)**	**140,147**	**136,635**	**9,611**	**635,075**
For the six months ended 30 June 2010							
Depreciation and amortisation	**20,242**	**8,523**	**1,587**	**20,992**	**3,877**	**14,764**	**69,985**
As at 30 June 2010							
Segment assets	**25,663,287**	**31,502,725**	**43,267,844**	**16,504,391**	**10,409,347**	**681,476**	**128,029,070**
Segment liabilities	**57,717,056**	**13,872,998**	**16,732,298**	**13,011,298**	**7,528,545**	**4,187,752**	**113,049,947**

19. Operating segment reporting (Continued)

For the six months ended 30 June 2009

	Personal Banking	Commercial Banking	Treasury	Overseas Banking	Insurance Business	Others	Total
Net interest income/(expenses)	392,797	459,807	253,495	117,445	76,921	(136,068)	1,164,397
– external customers	219,140	451,901	444,465	119,347	66,344	(136,800)	1,164,397
– inter-segments	173,657	7,906	(190,970)	(1,902)	10,577	732	–
Non-interest income/(expenses)	106,556	40,506	42,959	21,996	89,903	(61,508)	240,412
Total operating income/(loss) net of insurance claims	499,353	500,313	296,454	139,441	166,824	(197,576)	1,404,809
Operating expenses	(689,642)	(114,416)	(45,587)	(108,366)	(74,639)	(11,147)	(1,043,797)
Operating (loss)/profit before impairment losses	(190,289)	385,897	250,867	31,075	92,185	(208,723)	361,012
Loan impairment losses and other credit provisions	(64,147)	(202,675)	–	(5,668)	(1,937)	–	(274,427)
Operating (loss)/profit before gains or losses on certain investments and fixed assets	(254,436)	183,222	250,867	25,407	90,248	(208,723)	86,585
Net gain on disposal of premises, investment properties, and other fixed assets	–	–	–	26	–	3,270	3,296
Net (loss)/gain on disposal and repurchase of financial instruments	(203)	–	2	–	(20,882)	250,380	229,297
Share of results of an associate	–	–	–	78,117	–	–	78,117
Share of results of jointly controlled entities	–	–	–	–	–	1,728	1,728
(Loss)/profit before income tax	(254,639)	183,222	250,869	103,550	69,366	46,655	399,023
Income tax credit/(expense)	42,153	(30,447)	(41,473)	(2,431)	(6,918)	23,251	(15,865)
(Loss)/profit after income tax	(212,486)	152,775	209,396	101,119	62,448	69,906	383,158
For the six months ended 30 June 2009							
Depreciation and amortisation	18,324	8,247	2,588	20,473	4,105	11,273	65,010
As at 31 December 2009							
Segment assets	23,774,539	27,743,861	46,356,147	14,782,608	9,718,569	200,431	122,576,155
Segment liabilities	53,914,872	14,216,278	18,416,822	11,452,134	6,917,631	3,479,643	108,397,380

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.

	Hong Kong and Others	**Macau**	**Inter-segment elimination**	**Total**
For the six months ended 30 June 2010				
Total operating income net of insurance claims	**1,250,581**	**139,278**	**(171)**	**1,389,688**
Profit before income tax	**664,180**	**40,492**	**–**	**704,672**
As at 30 June 2010				
Total assets	**118,021,318**	**12,216,982**	**(2,209,230)**	**128,029,070**
Total liabilities	**104,898,659**	**10,360,518**	**(2,209,230)**	**113,049,947**
Intangible assets and goodwill	**318,667**	**764,009**	**–**	**1,082,676**
Contingent liabilities and commitments	**41,699,108**	**1,756,254**	**–**	**43,455,362**

	Hong Kong and Others	Macau	Inter-segment elimination	Total
For the six months ended 30 June 2009				
Total operating income net of insurance claims	1,271,096	133,884	(171)	1,404,809
Profit before income tax	361,698	37,325	–	399,023
As at 31 December 2009				
Total assets	113,045,033	12,110,240	(2,579,118)	122,576,155
Total liabilities	100,675,307	10,301,191	(2,579,118)	108,397,380
Intangible assets and goodwill	318,667	771,355	–	1,090,022
Contingent liabilities and commitments	42,726,720	1,379,709	–	44,106,429

FINANCIAL RATIOS

	Six months ended 30 Jun 2010	Six months ended 30 Jun 2009
Net interest income/operating income	**79.4%**	82.9%
Cost to income ratio	**51.6%**	74.3%
Loan to deposit (including certificates of deposit) ratio	**71.4%**	65.5%
Return on average total assets	**0.8%**	0.5%
Return on average shareholders' funds	**8.6%**	6.3%
Net interest margin	**1.87%**	1.98%

INTERIM DIVIDEND

The Directors have declared an interim dividend of HK$0.2 per share for 2010 payable on or after Friday, 24 September 2010 to shareholders whose names are on the Register of Shareholders at the close of business on Friday, 17 September 2010.

CLOSING OF REGISTER OF SHAREHOLDERS

The Register of Shareholders will be closed from Monday, 13 September 2010 to Friday, 17 September 2010, both days inclusive. In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Registrars, Computershare Hong Kong Investor Services Limited, Shops 1712 - 1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 10 September 2010.

CORPORATE AND BUSINESS OVERVIEW

HIGHLIGHTS

Against a backdrop of steady economic performance in Hong Kong and the Mainland, and generally more stable financial markets than in the first half of 2009, our performance in the first half of 2010 improved substantially. Operating income including insurance premium income net of insurance claims basically flat on the same period last year, but with substantially lower operating expenses and credit cost, as well as fewer exceptional items, our profit attributable to shareholders improved very substantially, by 67% to HK$504 million, and earnings per share increasing by a similar rate to HK$1.94 per share.

With more stable market conditions, and much lower loan impairment costs, we resumed our growth strategy and are pleased to report that our loan book grew rapidly in the first half of the year, up by 14% relative to the end of 2009. Loan growth was most rapid in our commercial banking business with overall loans growing by 16% for the six months to 30 June 2010, particularly in the areas of large corporate syndicated loans, trade finance and property investment lending, despite a mild contraction of our hire purchase loan portfolio. Our retail banking business also reported healthy loan growth of 9%, driven mainly by mortgage lending, although credit cards and other personal loans reported mild growth for the period.

Net interest margin reduced mildly in the first half of the year, mainly due to the competition in the market relating to loan pricing, as well as higher deposit costs, in addition to the cost of maintaining high levels of liquidity during the period.

Our insurance business, on the back of stronger investment returns and notwithstanding the significant increase in actuarial reserves for insurance claims due to the decrease in the valuation interest rates, reported a very substantial growth in net profit to HK$137 million, up 119% when compared with the first six months in 2009.

Our 20% associate, Bank of Chongqing performed well during the period, contributing HK$106 million, representing 35% growth comparing with the same period in 2009.

With the improved performance, we are pleased to announce the resumption of dividend payments, with an interim dividend of HK$0.2 per share declared by the Board of Directors.

Due to the strong recovery in profitability, and corresponding increase in retained earnings, even after the proposed dividend, as well as the increase in our total assets driven by loan increases, the combined capital adequacy of Dah Sing Banking Group improved compared with the 2009 year end, with core capital adequacy increasing from 10.2% to 10.7% and total capital adequacy increasing from 16.8% to 17.2%.

BUSINESS AND FINANCIAL REVIEW

Net interest income during the period reduced mildly by 5% from HK$1,164 million to HK$1,103 million, and net interest margin reduced by 11 basis points from 1.98% during the first half of 2009 to 1.87% in the period. The principal reason for the decline in net interest income was pressure on margins, due both to asset yields with strong competition in major loan markets and changes in business mix, as well as higher interest rate mark-ups on deposits and reduced deposit spreads due to the high levels of liquid assets maintained during the period, and lower yields for short-term liquid assets. Whilst loan volumes grew strongly, most of the growth was achieved in the second quarter of the year, and therefore did not bring about higher benefit to the interest income line for the whole period.

Non-interest income grew by 19% to HK$287 million, driven mainly by fee and commission income increases as a result of higher volumes of lending business, and the much stronger investment returns of our insurance investment portfolios. Net trading income of our banking business also improved, with a very strong performance in foreign exchange income offset to some extent by negative fair value items.

As a result of the meaningful decreases in the medium to long term risk-free interest rates and the corresponding lowering in the valuation interest rates for valuing our long-term life policy liabilities, a much higher actuarial reserving costs was charged in the period. The growth in our insurance premium and other income, including the increase in embedded value in the period, did not however fully cover the reserving cost increase. With the lower medium to long term risk-free interest rates, and our continued diversification of the investment portfolios including more allocations to bond investments to better match our long-term life liabilities, a substantial increase in the returns of our insurance investment portfolios was recorded, which had more than offset the net incremental insurance cost increase in the period.

Total operating expenses were down significantly by 31% to HK$717 million in the first half of the year. In part this was due to the absence in provision expenses relating to possible settlement and compensation to customers having bought retail investment products from the Group's Hong Kong banking subsidiaries. However, even excluding the variance brought about by the provision expense reduction, core operating expenses remained very much under control, and were similar to the first half of 2009 on a normalized basis.

With continued tight cost control, our core operating expenses were even slightly lower than the first half of 2008, and staff related expenses were lower after implementing cost rationalization programs since late 2008. Some non-staff cost increases were caused by higher premises and depreciation expenses, and also operating expenses in relation to the operation of our wholly owned subsidiary bank in China, which commenced its business in August 2008.

Credit quality, in both our commercial and retail lending businesses was much improved. Collective impairment charges reduced from HK$95 million to HK$47 million for the period, and individual impairment saw a mild write-back of previous charges of HK$12 million, against a net charge of HK$178 million in the first half of 2009. Underlying credit performance improved, with impaired loan ratio falling from 0.96% at the end of 2009 to 0.53% as at 30 June 2010. In addition, increases in prices of properties held as collateral against certain impaired loans contributed to the write-back of individual impairment charges.

BUSINESS AND FINANCIAL REVIEW (Continued)

The stable operating income, together with much lower operating expenses, due to smaller exceptional expenses, as well as tight control of core operating expenses, and the much lower impairment charges, contributed to a significant improvement in operating profit after loan impairment charges, from HK$87 million to HK$638 million for the period.

Bank of Chongqing performed strongly during the period, resulting in an increase in the contribution from our 20% equity interest, under the share of results of an associate line from HK$78 million to HK$106 million for the period. We also benefited from a gain of HK$83 million on the repurchase of a portion of Dah Sing Bank's perpetual subordinated debt callable in 2017, and the closing out of certain interest rate swap hedges associated with this, against a loss on disposal of certain securities of HK$129 million as part of our strategy to reduce the risk in our securities investment portfolio.

We continued to be prudent in the first half of the year in both our liquidity management, as well as our capital management. We issued a new US$225 million Lower Tier 2 10-year subordinated bond in the first quarter, and subsequently called and retired a previous issue of Lower Tier 2 subordinated debt in the amount of US$150 million, as well as repurchasing US$75 million of our perpetual subordinated debt callable in 2017 as referred to above. With the strong recovery in earnings, and retention of a substantial portion of such earnings, notwithstanding the resumption of dividend payments, the capital position of our Banking Group further improved with an increase in overall capital adequacy from 16.8% to 17.2%, as well as an increase in our core Tier 1 capital from 10.2% to 10.7%.

PROSPECTS

After a relatively good first quarter, there are more recent signs of further pressure on economies in many parts of the world. This may lead to a slower global recovery, or even a renewed downturn in the global economies. So far, in relative terms, Asia, and in particular China has remained reasonably robust, albeit on a somewhat slower growth path than had previously been the case. We also note certain measures taken by the central government to cool various areas of the economy, notably in the property sector.

Taking all of these into account, we enter the second half of the year in a reasonably conservative position. Whilst we do not see any immediate major problems ahead for the economy in Hong Kong and the Mainland, we believe that it is appropriate to be prepared for a potential further slow-down, and potential challenges that could be caused by renewed market volatility. Therefore, we continue to hold high levels of liquidity and capital, and we are also likely to see the pace of growth slow in the second half. We are also mindful of forthcoming changes to banking regulation globally, in particular relating to capital and liquidity requirements, and will review the impact of these changes in detail once they have been announced.

However, our conservatism is measured, and we still see bright prospects ahead in the medium term. With our core business base in Hong Kong, and our expansion in Macau and the Mainland, we believe that the dynamism of the Greater China region will provide us with many opportunities in the years to come.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with all the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2010.

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted its own code of conduct regarding directors' securities dealings on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors (Appendix 10 of the Main Board Rules). After having made specific enquiry of all Directors, the Company confirmed that the required standard set out in the Model Code and the Company's code of conduct regarding directors' securities dealings have been fully complied with.

UNAUDITED FINANCIAL STATEMENTS

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

AUDIT COMMITTEE

The Audit Committee has reviewed with Management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the unaudited interim financial statements for the six months ended 30 June 2010.

REMUNERATION AND STAFF DEVELOPMENT

There have been no material changes to the information disclosed in the Company's 2009 Annual Report in respect of the remuneration of employees, remuneration policies and training schemes.

DEALINGS IN THE COMPANY'S SHARES

There was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's listed shares during the six months ended 30 June 2010.

INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

Copies of this announcement may be obtained from Corporate Secretarial Department at 36th Floor, Dah Sing Financial Centre, 108 Gloucester Road, Hong Kong, or downloaded from the Company's website at <http://www.dahsing.com> free of charge.

The 2010 Interim Report of the Group containing all the information required by the Listing Rules will be published on the websites of the Hong Kong Stock Exchange and the Company in due course. Printed copies of the 2010 Interim Report will be sent to shareholders before the end of September 2010.

BOARD OF DIRECTORS

As at the date of this announcement, the Board of Directors of the Company comprises Messrs. David Shou-Yeh Wong (Chairman), Hon-Hing Wong (Derek Wong) (Managing Director and Chief Executive), Roderick Stuart Anderson, Gary Pak-Ling Wang and Nicholas John Mayhew as Executive Directors; Messrs. Akimitsu Ashida (Shugo Aoto as alternate), Tatsuo Tanaka (Takashi Morisaki as alternate), Hidemitsu Otsuka, John Wai-Wai Chow and Yiu-Ming Ng as Non-Executive Directors; Messrs. Peter Gibbs Birch, Robert Tsai-To Sze, Dr. Tai-Lun Sun (Dennis Sun) and Nicholas Robert Sallnow-Smith as Independent Non-Executive Directors.

By Order of the Board
H L Soo
Company Secretary

Hong Kong, Monday, 9 August 2010