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亞洲金融集團(控股)有限公司*
ASIA FINANCIAL HOLDINGS LIMITED
Incorporated in Bermuda with limited liability

(Stock Code: 662)

2025 INTERIM RESULTS

The board of directors (the “Board”) of Asia Financial Holdings Limited (the “Company” or “Asia Financial”) announces the unaudited condensed consolidated results of the Company and its subsidiaries (collectively known as the “Group”) for the six months ended 30th June, 2025 as follows:

Condensed Consolidated Statement of Profit or Loss (Unaudited)

For the six months ended 30th June, 2025

		Six months ended 30th June,	
	Note	2025	2024
		HK\$'000	HK\$'000
Insurance revenue	3	1,451,755	1,642,356
Insurance service expense		(1,189,545)	(1,221,842)
Net expenses from reinsurance contracts held		(101,140)	(254,281)
Insurance service result		161,070	166,233
Finance expense from insurance contracts issued		(104,282)	(36,223)
Finance income from reinsurance contracts held		53,156	12,133
Insurance operating result		109,944	142,143
Dividend income		108,312	74,901
Realised gain on investments		30,317	22,335
Unrealised gain on investments		148,029	108,084
Interest income		81,584	88,059
Other income and losses, net		18,686	(16,276)
		496,872	419,246

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Condensed Consolidated Statement of Profit or Loss (Unaudited)

For the six months ended 30th June, 2025

	Notes	Six months ended 30th June, 2025 HK\$'000	2024 HK\$'000
Operating expenses		(84,621)	(79,978)
Finance costs	4	<u>(71)</u>	<u>(75)</u>
		412,180	339,193
Share of profits or losses of joint ventures		40,347	9,511
Share of profits or losses of associates		<u>14,410</u>	<u>57,000</u>
PROFIT BEFORE TAX	5	466,937	405,704
Income tax expense	6	<u>(43,586)</u>	<u>(44,317)</u>
PROFIT FOR THE PERIOD		<u>423,351</u>	<u>361,387</u>
Attributable to:			
Equity holders of the Company		<u>423,351</u>	<u>361,387</u>
INTERIM DIVIDEND	7	<u>60,069</u>	<u>51,038</u>
INTERIM DIVIDEND PER SHARE	7	<u>HK6.5 cents</u>	<u>HK5.5 cents</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	8		
Basic and diluted			
- For profit for the period		<u>HK45.8 cents</u>	<u>HK38.9 cents</u>

Condensed Consolidated Statement of Comprehensive Income (Unaudited)

For the six months ended 30th June, 2025

	Six months ended 30th June,	
	2025	2024
	HK\$'000	HK\$'000
PROFIT FOR THE PERIOD	<u>423,351</u>	<u>361,387</u>
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Share of other comprehensive income of associates	18,923	(39,243)
Exchange differences on translation of foreign operations	<u>3,509</u>	<u>(96)</u>
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	<u>22,432</u>	<u>(39,339)</u>
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	(289,448)	(558,850)
Income tax effect	<u>(7,386)</u>	<u>48,511</u>
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	<u>(296,834)</u>	<u>(510,339)</u>
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	<u>(274,402)</u>	<u>(549,678)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>148,949</u>	<u>(188,291)</u>
ATTRIBUTABLE TO:		
Equity holders of the Company	<u>148,949</u>	<u>(188,291)</u>

Condensed Consolidated Statement of Financial Position (Unaudited)

30th June, 2025

	Note	30th June, 2025 HK\$'000	31st December, 2024 HK\$'000
ASSETS			
Property, plant and equipment		185,007	182,894
Investment properties		178,200	186,200
Interests in joint ventures		566,748	542,406
Interests in associates		891,027	857,181
Due from associates		259,803	259,390
Held-to-collect debt securities at amortised cost		1,677,622	1,586,577
Equity investments designated at fair value through other comprehensive income		5,194,569	5,482,070
Pledged deposits		365,450	344,352
Other assets		255,412	398,840
Financial assets at fair value through profit or loss		3,058,654	2,746,119
Reinsurance contract assets		1,432,306	1,225,147
Cash and bank balances		2,666,962	2,522,379
Total assets		<u>16,731,760</u>	<u>16,333,555</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Issued capital	9	924,370	924,750
Reserves		10,757,334	10,670,030
Proposed dividend		60,069	83,219
Total equity		<u>11,741,773</u>	<u>11,677,999</u>
Liabilities			
Insurance contract liabilities		4,226,599	3,891,024
Due to a joint venture		38	38
Due to associates		4,222	4,222
Other liabilities		266,798	309,920
Tax payable		274,240	242,852
Deferred tax liabilities		218,090	207,500
Total liabilities		<u>4,989,987</u>	<u>4,655,556</u>
Total equity and liabilities		<u>16,731,760</u>	<u>16,333,555</u>

Notes to the Interim Financial Statements (Unaudited)

1. Accounting Policies

The condensed consolidated interim financial statements are prepared in accordance with Hong Kong Accounting Standard No. 34 “Interim Financial Reporting”. The accounting policies and basis of preparation adopted are consistent with those adopted in the Company’s financial statements for the year ended 31st December, 2024 except for the adoption of the following amended HKFRS Accounting Standard for the first time for the current period’s financial information and as disclosed below.

Amendments to HKAS 21 *Lack of Exchangeability*

The nature and impact of the amended HKFRS Accounting Standard are described below:

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group’s presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

Notes to the Interim Financial Statements (Unaudited)

2. Operating Segment Information

(a) Operating segments

The following tables present revenue, profit and certain asset and liability information for the Group's operating segments.

	Insurance HK\$'000	Corporate HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
For the six months ended 30th June, 2025				
Segment revenue:				
External customers	1,451,755	-	-	1,451,755
Other revenue, income and gains, net	178,469	157,333	-	335,802
Intersegment	4,223	-	(4,223)	-
Total	<u>1,634,447</u>	<u>157,333</u>	<u>(4,223)</u>	<u>1,787,557</u>
Segment results	<u>291,671</u>	<u>120,509</u>	<u>-</u>	<u>412,180</u>
Share of profits and losses of:				
Joint ventures	20,582	19,765	-	40,347
Associates	15,066	(656)	-	14,410
Profit before tax				466,937
Income tax expense	(34,694)	(8,892)	-	(43,586)
Profit for the period				<u>423,351</u>

	Insurance HK\$'000	Corporate HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
For the six months ended 30th June, 2024				
Segment revenue:				
External customers	1,642,356	-	-	1,642,356
Other revenue, income and gains, net	143,020	109,993	-	253,013
Intersegment	4,550	-	(4,550)	-
Total	<u>1,789,926</u>	<u>109,993</u>	<u>(4,550)</u>	<u>1,895,369</u>
Segment results	<u>264,861</u>	<u>74,332</u>	<u>-</u>	<u>339,193</u>
Share of profits and losses of:				
Joint ventures	(7,884)	17,395	-	9,511
Associates	25,728	31,272	-	57,000
Profit before tax				405,704
Income tax expense	(38,662)	(5,655)	-	(44,317)
Profit for the period				<u>361,387</u>

Notes to the Interim Financial Statements (Unaudited)

2. Operating Segment Information (continued)

(a) Operating segments (continued)

	Insurance HK\$'000	Corporate HK\$'000	Consolidated HK\$'000
30th June, 2025			
Segment assets	8,574,382	6,699,603	15,273,985
Interests in joint ventures	408,826	157,922	566,748
Interests in associates	402,264	488,763	891,027
Total assets	<u>9,385,472</u>	<u>7,346,288</u>	<u>16,731,760</u>
Segment liabilities	<u>4,469,790</u>	<u>520,197</u>	<u>4,989,987</u>
	Insurance HK\$'000	Corporate HK\$'000	Consolidated HK\$'000
31st December, 2024			
Segment assets	8,108,133	6,825,835	14,933,968
Interests in joint ventures	404,249	138,157	542,406
Interests in associates	385,485	471,696	857,181
Total assets	<u>8,897,867</u>	<u>7,435,688</u>	<u>16,333,555</u>
Segment liabilities	<u>4,152,376</u>	<u>503,180</u>	<u>4,655,556</u>

(b) Geographical information

Over 90% of the Group's insurance revenue and results are derived from operations carried out in Hong Kong, Macau and Mainland China.

3. Insurance Revenue

Insurance revenue represents the amount of expected premium receipts allocated to each period of insurance contract services on the basis of the passage of time.

4. Finance Costs

	Six months ended 30th June,	
	2025	2024
	HK\$'000	HK\$'000
Interest on lease liabilities	<u>71</u>	<u>75</u>

Notes to the Interim Financial Statements (Unaudited)

5. Profit Before Tax

The Group's profit before tax is arrived at after crediting/(charging):

	Six months ended 30th June,	
	2025	2024
	HK\$'000	HK\$'000
Auditor's remuneration	(3,850)	(2,548)
Depreciation	(7,834)	(7,853)
Employee benefits expense (including directors' remuneration)	(111,705)	(102,703)
Expenses relating short-term leases and leases of low-value assets	(2,010)	(831)
Realised gain/(loss) on:		
- disposal of financial assets at fair value through profit or loss, net	26,508	17,981
- redemption/call-back of held-to-collect debt securities at amortised cost	(52)	38
- change in ownership interest in an associate	3,861	4,316
Total realised gain on investments	<u>30,317</u>	<u>22,335</u>
Unrealised gain on financial assets at fair value through profit or loss, net	148,029	108,084
Change in expected credit losses for:		
- held-to-collect debt securities at amortised cost	230	512
Interest income	81,584	88,059
Loss on write-off of items of property, plant and equipment*	(12)	(13)
Gross rental income*	3,679	3,940
Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties	(142)	(305)
Change in fair value of an investment property*	(8,000)	(16,320)
Foreign exchange gain/(loss), net*	19,572	(7,282)
Dividend income from:		
Listed investments	75,039	58,323
Unlisted investments	33,273	16,578
Total dividend income	<u>108,312</u>	<u>74,901</u>

* Such amounts were included in "Other income and losses, net" in the unaudited condensed consolidated statement of profit or loss.

Notes to the Interim Financial Statements (Unaudited)

6. Income Tax Expense

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the locations in which the Group operates.

	Six months ended 30th June,	
	2025	2024
	HK\$'000	HK\$'000
Current – Hong Kong		
Charge for the period	25,017	1,929
Under provision in prior period	12	110
Current – Elsewhere		
Charge for the period	15,378	13,874
Deferred	<u>3,179</u>	<u>28,404</u>
Total tax charge for the period	<u>43,586</u>	<u>44,317</u>

7. Dividend

	Six months ended 30th June,	
	2025	2024
	HK\$'000	HK\$'000
Proposed interim dividend:		
HK6.5 cents (2024: HK5.5 cents)		
per ordinary share	<u>60,069</u>	<u>51,038</u>

The Board has resolved to pay an interim dividend of HK6.5 cents per share (2024: HK5.5 cents), which will be paid in cash, for the six months ended 30th June, 2025 payable on or about 6th October, 2025 to shareholders whose names appear on the Register of Members of the Company on 26th September, 2025.

8. Earnings Per Share Attributable to Ordinary Equity Holders of the Company

The calculation of the basic earnings per share is based on the profit for the period attributable to ordinary equity holders of the Company of HK\$423,351,000 (2024 : HK\$361,387,000) and the weighted average number of ordinary shares of 924,527,000 (2024: 928,677,000) in issue during the period.

No adjustment has been made to the basic earnings per share amounts presented for the periods ended 30th June, 2025 and 2024 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during those periods.

Notes to the Interim Financial Statements (Unaudited)

9. Share Capital

	30th June, 2025 HK\$'000	31st December, 2024 HK\$'000
Authorised:		
1,500,000,000 ordinary shares of HK\$1 each	<u>1,500,000</u>	<u>1,500,000</u>
Issued and fully paid:		
924,370,000 (2024: 924,750,000) ordinary shares of HK\$1 each	<u>924,370</u>	<u>924,750</u>

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	Share capital HK\$'000
At 1st January, 2025	924,750,000	924,750
Shares repurchased and cancelled (note)	<u>(380,000)</u>	<u>(380)</u>
At 30th June, 2025	<u>924,370,000</u>	<u>924,370</u>

Note:

At 31st December, 2024, 100,000 shares with cost of HK\$390,000 were classified as treasury shares, and were subsequently cancelled in February 2025. During the period ended 30th June, 2025, a subsidiary of the Company repurchased 508,000 ordinary shares of the Company of HK\$1 each on the Stock Exchange at prices ranging from HK\$3.86 to HK\$4.10 per share at a total consideration of HK\$2,040,000 (including expenses and dividend). Out of which, 280,000 repurchased shares were cancelled.

The premium of HK\$1,136,000 paid on the repurchase of such shares was debited to the retained profits account and an amount of HK\$380,000 was transferred from retained profits of the company to the capital redemption reserve.

The remaining 228,000 shares with cost of HK\$914,000 were classified as treasury shares at 30th June, 2025 and were subsequently cancelled in July 2025.

As at the date of this announcement, the number of issued shares of the Company is 924,142,000 shares.

Management Discussion and Analysis

(All changes in % refer to the same period last year)

Profit attributable to equity holders of the Company:	HK\$423.4 million	+17.1%
Earnings per share:	HK45.8 cents	+17.7%
Interim dividend per share:	HK6.5 cents	+18.2%

Asia Financial Holdings Limited ("Asia Financial", "The Group", or "The Company") reported a net profit attributable to shareholders of HK\$423.4 million for the first half of 2025, with 17.1% growth over the first half of 2024.

Our strong performance in the first half of 2025 was sustained by year-over-year growth in trading investments, which contributed significantly to earnings. Solid results from our insurance operations, along with dependable contributions from our joint ventures and associates, further reinforced this success.

As part of our ongoing portfolio strategy, we reduced exposure to the US market and diversified into other key regions, including China, Japan and Europe. Both China and Hong Kong demonstrated notable resilience, supported by favourable policy measures and robust capital flows. We remain optimistic about the long-term potential of these markets. Japan emerged as an attractive investment destination, driven by improving economic fundamentals, including rising wage growth and advancements in corporate governance. Meanwhile, Europe delivered an exceptional performance during the period, buoyed by a resurgent Euro and improved investor sentiment.

The global landscape has become increasingly complex, shaped by heightened trade tensions, policy uncertainty and geopolitical instability. Ongoing conflicts in Ukraine and the Middle East have further amplified market volatility, while persistent inflationary pressures and unresolved trade issues continue to weigh on global sentiment.

In response to these challenges, we adopted a proactive and disciplined investment approach. We actively reallocated exposure across select sectors while maintaining substantial positions in resilient, high-quality assets. By prioritising quality over short-term gains, we effectively mitigated risks, created value and positioned the portfolio for sustainable growth in an increasingly uncertain environment.

Management Discussion and Analysis (continued)

Looking ahead to the second half of 2025, our investment strategy remains anchored in equities, supported by a cautious and flexible approach given ongoing geopolitical and economic uncertainties. We anticipate moderate but stable global economic growth, with no imminent signs of recession in major economies and the potential easing of tariffs and trade tensions, further supported by stimulus measures, such as a softening of interest rates and fiscal initiatives in the United States, as well as China's proactive economic policy support. Nevertheless, we stay alert to key risks, including geopolitical conflicts, inflationary pressures, tariffs and unpredictable policy changes. This balanced and adaptable strategy ensures we are well-positioned to navigate the changing market conditions.

Our disciplined, long-term strategy has enabled us to navigate turbulent markets effectively. By focusing on quality and maintaining a forward-looking approach, we continue to deliver sustainable growth and create value for our shareholders, even in the face of uncertainty.

Economic Background

After a period of significant disruptions, the global economy has regained stability, with modest growth resuming. However, shifting policy priorities among governments have introduced ongoing uncertainty. Despite persistent geopolitical and economic pressures, the global economy is expected to maintain its stability and sustain moderate growth through the remainder of 2025. Global growth is projected at 2.8% in 2025 by the International Monetary Fund ("IMF"). GDP forecasts for 2025 in China are 4%, and for Hong Kong, 1.5%, compared to 1.8% for the United States and 1.2% for the European Union ("EU").

Trading momentum remained resilient across the US, Japan and Europe in the first half of the year, with the Dow Jones Industrial Average rising 3.6%, the NIKKEI 225 increasing 1.5% and MSCI Europe advancing 6.5%. Meanwhile, equity markets in China and Hong Kong experienced robust growth, driven by increased government stimulus and strong domestic capital inflows. The Hang Seng China Enterprises (H-share) Index climbed 19%, while the Hang Seng Index surged 20%.

Amidst ongoing US trade tensions, the EU and Asia are actively strengthening new partnerships and pursuing policies to support economic growth. A notable trend is the rise in bilateral trade agreements, as nations aim to reduce their reliance on unpredictable American policies. This realignment reflects a strategic effort to ensure stability and resilience in global trade.

Management Discussion and Analysis (continued)

Economic Background (continued)

China's economy in 2025 is supported by targeted government stimulus and a strong focus on innovation, green energy and self-reliance in critical industries, such as semiconductors. While challenges such as weak domestic demand and a sluggish property sector persist, initiatives like the Belt and Road Initiative and strengthened ties with emerging markets are also helping to counter these headwinds and position China for a more resilient and sustainable economic future.

Hong Kong continues to actively position itself as a global hub by attracting international businesses, investment and talent to strengthen its financial, technological and trade sectors. Leveraging its strategic location within the Guangdong-Hong Kong-Macau Greater Bay Area ("GBA"), Hong Kong is also set to unlock new opportunities for economic expansion.

Management Approach and Future Prospects

Despite the prevailing geopolitical and economic conditions, our long-term strategy remains focused on maintaining core market exposure within a diversified investment portfolio. This approach is designed to mitigate volatility, balance geopolitical risks and capitalise on growth opportunities in transformative sectors such as generative artificial intelligence, cybersecurity and robotics. By maintaining a flexible and well-balanced portfolio, we aim to navigate economic uncertainties effectively while prioritising sustainable returns for our shareholders.

We remain confident in the growth potential of our insurance business. Despite market competition and broader economic challenges, our focused and adaptable approach enables us to refine strategies, address shifting conditions and capitalise on emerging opportunities.

Asia Financial's strong brand reputation and extensive regional expertise give us a competitive advantage. We are committed to ensuring the long-term stability of our businesses by aligning with emerging economic and societal trends. Recognising the region's significant demographic shifts, we concentrate on expanding services that improve quality of life, including insurance, retirement planning and healthcare.

With a particular emphasis on Hong Kong, Macau, Mainland China and international reinsurance markets, our investment strategy leverages our extensive networks and expertise. Guided by prudence and strategic foresight, we remain committed to creating sustainable value and driving long-term growth.

Management Discussion and Analysis (continued)

Business Review

Insurance

Asia Insurance Company, Limited ("Asia Insurance"), a wholly owned subsidiary of the Group, reported a net profit of HK\$297.4 million for the first half of 2025, reflecting a 19.4% increase compared to the same period in 2024. Despite ongoing challenges from geopolitical tensions, economic volatility and increased competition, the company demonstrated resilience and adaptability, achieving solid growth in key areas. Though insurance revenue dropped by 11.6% year-on-year due to market softness, insurance service result saw only a slight decrease of 3.2%, highlighting the effectiveness of Asia Insurance's strategic focus and its ability to operate successfully in a challenging environment.

This performance showcases the stability of a business founded on a lifetime of trust, strong client relationships and strategic partnerships. By focusing on professionalism, innovation and a forward-looking approach, Asia Insurance has prospered while ensuring long-term sustainability. The company's ability is driven by geographic and product diversification. Partnerships in the GBA and Southeast Asia have driven growth beyond Hong Kong's saturated market. These efforts are supported by digital insurance solutions and specialised policies for evolving client needs.

Asia Insurance's regional strategy includes cross-border medical and dental products, offering affordable, high-quality care in Mainland China. Leveraging regional cost efficiencies and advanced healthcare infrastructure, these solutions address affordability and accessibility concerns.

To meet the healthcare needs of an ageing population, Asia Insurance introduced low-cost dental plans and expanded medical services for elderly clients. These efforts close protection gaps and ensure access to essential care. Collaborations with GBA providers further enhance innovative and cost-effective solutions across the region.

Asia Insurance has controlled operating expenses through disciplined management and initiatives such as expanding sales, onboarding new brokers and agents, securing key tenders and enhancing digital platforms. The company continues to strengthen partnerships in insurance and banking while exploring new distribution channels. Insurance service result decreased by 3.2% compared to the first half of last year, with a positive outlook for the second half of 2025. Overseas reinsurance diversification drove significant growth.

Management Discussion and Analysis (continued)

Business Review (continued)

Insurance (continued)

A disciplined underwriting approach remains key. By prioritising quality business with healthy profit margins over top-line growth, this strategy underpins financial resilience, risk management and key account retention.

All the above figures are before the elimination of group transactions.

Investments in technology and digital transformation enhance efficiency and improve client experiences. The successful deployment of a new system in Macau streamlines processes and helps the company to seize emerging opportunities. Enhanced cybersecurity and ongoing process optimisation further strengthen Asia Insurance's competitive advantage in a digital environment.

Asia Insurance focuses on talent development to drive long-term growth. Training programmes, including overseas opportunities and secondments, enhance staff retention and strengthen succession planning. The company has also recruited specialised professionals bringing expertise and fresh perspectives to better meet client needs.

As a leading player in Hong Kong's general insurance sector, Asia Insurance is well-positioned to capitalise on opportunities from GBA integration. By developing innovative products, exploring new markets and forging new partnerships, it aims to expand its presence and unlock growth.

During the first half of 2025, Asia Insurance's investments delivered realised and unrealised returns, boosting its insurance segment's performance. Joint ventures like BC Reinsurance Limited and Professional Liability Underwriting Services Limited delivered steady profitability, while Hong Kong Life Insurance Limited and Avo Insurance Company Limited exhibited incremental improvements.

With disciplined strategies, innovation and sustainability, Asia Insurance is well-positioned to navigate uncertainties and deliver long-term stakeholder value. Supported by an "A" S&P rating and strong financials, it is positioned to sustain industry leadership and promote sustainable growth.

Asia Financial's 5% equity stake in PICC Life Insurance Company Limited ("PICC Life"), a key subsidiary of PICC Group, strengthens its strategic position. PICC Life's extensive nationwide branch and bank distribution network ensures broad market reach and financial stability.

Management Discussion and Analysis (continued)

Business Review (continued)

Other Portfolio Investment

In the first half of 2025, our trading investments delivered strong performance, with gains across value-focused equities, investment-grade fixed-income bonds and alternative investments. While most markets contributed positively, challenges in Thailand highlighted the value of our diversified approach in managing volatility.

We have shifted the portfolio allocation to one with broader geographic diversification, reducing over-reliance on the US while expanding into China, Japan and Europe. This geographic expansion, along with an investment focus on technology which takes advantage of new innovations, financials which benefit from expected global economic growth, and conglomerates which gain from diversified earnings streams, has strengthened portfolio stability. These adjustments enable us to manage risk effectively and capitalise on new opportunities.

Our strategy also remained focused on investments generating stable cash flows, such as high-credit-quality fixed-income bonds, which serve as a defensive anchor against market volatility. Additionally, selective exposure to hedge funds and private market funds provided diversified and uncorrelated returns, further enhancing portfolio resilience. Our long-term holdings continue to generate reliable dividend income, complementing trading gains.

Healthcare and Wellness

Our 4.8% shareholding in Bumrungrad Hospital Public Company Limited ("Bumrungrad Hospital") is our most significant listed equity investment. Headquartered in Bangkok, Bumrungrad Hospital has been a global healthcare leader for nearly 40 years, providing care to over 1.1 million patients each year from more than 190 countries.

In the first half of 2025, Bumrungrad Hospital's share price decreased by 30.1% in Thai Baht terms and 25.5% in Hong Kong Dollar terms. This reflects a drop in tourist arrivals caused by several factors, including a soft global economy that led to a notable reduction in international patient admissions particularly from key markets like the Middle East. Recent economic uncertainty could dampen the growth outlook for the second half of the year.

Despite these hurdles, Bumrungrad Hospital remains well-positioned to adapt due to its strong brand, diverse patient base and emphasis on innovative healthcare solutions. As tourism gradually recovers, we expect Bumrungrad Hospital to regain momentum and continue being a valuable part of our portfolio.

Management Discussion and Analysis (continued)

Business Review (continued)

Pension and Asset Management

Our joint venture, Bank Consortium Holding Limited ("BCH"), continues to generate stable and reliable profits. Its wholly owned subsidiary, Bank Consortium Trust Company Limited ("BCT"), has established itself as a market leader in providing Mandatory Provident Fund services in Hong Kong. With a strong focus on service excellence, innovation and customer satisfaction, BCT has built and continues to maintain a loyal and growing client base.

Furthermore, the Group has maintained a 10% stake in BBL Asset Management Company Limited ("BBLAM"), a leading investment management firm based in Thailand, since 1992. BBLAM is known for its wide range of services, including asset management, equities, fixed income, customised investment strategies, financial planning and advisory solutions. Its ability to adapt to changing market conditions while delivering consistent returns demonstrates the strength of this strategic partnership. Over the years, BBLAM has regularly paid attractive dividends, reinforcing its position as a key long-term investment for the Group.

Property Development

Our commitment to Shanghai's real estate sector remains evident, representing 3.9% of our total assets.

For our 27.5% stake in the property project in Jiading District, economic headwinds, slower income growth, and cautious consumer sentiment have tempered anticipated demand in the first half of 2025, while government stimulus efforts and buyer interest remained, no additional sales were recorded during this period.

Our Qingpu District project comprises six residential blocks, offering a total of 468 units. We are expediting efforts to finalise construction and ensure the timely handover of units by the end of the year.

We acquired an additional parcel of land in the Qingpu District covering 21,000 square metres. We are incorporating various designs, including duplex units, to meet market demand and plan to launch the first phase of sales, consisting of 50 units, in the fourth quarter of this year.

The combination of additional government stimulus, easier credit conditions, and Shanghai's relaxed housing policy stance is expected to offset some of the difficulties caused by subdued homebuying sentiment across both primary and secondary residential sales markets.

Management Discussion and Analysis (continued)

Business Review (continued)

Property Development (continued)

Through a balanced strategy that responds to market challenges and opportunities, we remain dedicated to delivering high-quality developments and promoting sustainable growth in Shanghai's vibrant real estate market.

Securities Investments Representing More than 5% of Total Assets

As of the 30th June, 2025, there were two securities investments, each representing above 5% of the Group's total assets:

Holding	No. of shares (in thousand)	Investment cost (HK\$'million)	Fair value as at 30th June, 2025 (HK\$'million)	% of total Group assets	Realised and unrealised gain/(loss) up to 30th June, 2025 (HK\$'million)	Dividends received up to 30th June, 2025 (HK\$'million)
PICC Life	1,288,055	1,522	3,005	18.0%	75	-
Bumrungrad Hospital	38,186	555	1,288	7.7%	(437)	27

Both investments are primarily long-term strategic holdings.

Capital Structure

The Group finances its working capital requirement through funds generated from operations.

Liquidity, Financial Resources and Gearing Ratio

The Group's cash and bank balances as of 30th June, 2025 amounted to HK\$2,666,962,000 (31st December, 2024: HK\$2,522,379,000).

The Group had no bank borrowing as of 30th June, 2025 and 31st December, 2024.

No gearing ratio was calculated as the Group had no net current debt as of 30th June, 2025. The gearing ratio was based on net current debt divided by total capital plus net current debt. Net current debt includes the current portion of insurance contract liabilities, amounts due to a joint venture and associates, and other liabilities, less cash and bank balances and financial assets at fair value through profit or loss. Capital represents equity attributable to equity holders of the Company.

Management Discussion and Analysis (continued)

Liquidity, Financial Resources and Gearing Ratio (continued)

The Group's liquidity position remains strong, and the Group has sufficient financial resources to satisfy its commitment and working capital requirements.

Charge on Assets

As of 30th June, 2025, Asia Insurance Company, Limited ("Asia Insurance") charged assets with a carrying value of HK\$128,693,000 (31st December, 2024: HK\$111,541,000) in favour of a cedant to secure the performance of Asia Insurance's obligations to the cedant under certain pecuniary loss reinsurance contracts.

Contingent Liabilities

As of 30th June, 2025, the Group had no material contingent liabilities.

Employees and Remuneration Policy

As of 30th June, 2025, the total number of employees of the Group was 386 (31st December, 2024: 374). Employee compensation was determined by individual performance, level of experience and prevailing industry practices. The employee remuneration package encompasses salary and discretionary bonus, contingent upon the Group's results and each employee's performance. There was no share option scheme in operation during the period. The Group provides comprehensive medical and retirement benefits to all staff members. Additionally, a range of training and induction programs are available to the Group's employees.

The Group's remuneration policy is formulated and recommended by the Remuneration Committee for the Board's approval. The Remuneration Committee's responsibilities include reviewing and endorsing the management's remuneration proposals and making recommendations to the Board on adjustments to remuneration packages payable to directors, senior management and employees of the Group.

Purchase, Sale or Redemption of the Company's Shares

During the six months ended 30th June, 2025, a subsidiary of the Company repurchased a total of 508,000 ordinary shares of the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") at an aggregate purchase price of approximately HK\$2,036,000 (excluding expenses) which was paid wholly out of retained profits. Such repurchased shares were cancelled during the reporting period and after the end of the reporting period. Details of the ordinary shares repurchased on the Stock Exchange during the reporting period are as follows:

Month of repurchase	Number of ordinary shares repurchased	Price per share		Aggregate purchase price (excluding expenses) HK\$'000
		Highest HK\$	Lowest HK\$	
Apr 2025	214,000	4.00	3.86	855
May 2025	66,000	4.10	3.91	268
Jun 2025	228,000	4.10	3.90	913
	<u>508,000</u>			<u>2,036</u>

As a result of the above share repurchases, the issued share capital of the Company was accordingly reduced by the par value of the aforesaid repurchased ordinary shares which were cancelled during the reporting period and after the end of the reporting period. As at the date of this announcement, the number of issued ordinary shares of the Company is 924,142,000 shares.

The purchase of the Company's shares during the reporting period and after the end of the reporting period was effected by the directors, pursuant to the mandate from shareholders received at the annual general meetings held in 2024 and 2025 respectively. The directors believe that the above share repurchases were exercised in the best interests of the Company and its shareholders and that such share repurchases would lead to an enhancement of the net asset value and/or earnings per share of the Company.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's ordinary shares during the six months ended 30th June, 2025 and up to the date of this announcement.

Corporate Governance Code

The Company has applied the principles and complied with all the applicable code provisions set out in the Corporate Governance Code ("CG Code") contained in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited throughout the six months ended 30th June, 2025, except a deviation from CG Code C.2.1 which stipulates, inter alia, that the roles of chairman and chief executive should be separate and should not be performed by the same individual and that the division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

The Company has appointed a President instead of a Chief Executive. The division of responsibilities between the Chairman and President of the Company has been clearly established and set out in writing. The roles of Chairman and President had been separated until the passing away of Dr. CHAN Yau Hing Robin, the late Chairman of the Company. Mr. CHAN Bernard Charnwut ("Mr. Bernard Chan") has been appointed as Chairman from 20th April, 2022 and since then concurrently acts as Chairman and President of the Company.

The Board considers that such deviation will not impair the balance of power and authority as it is ensured by the operations and governance of the Board which comprises experienced and high calibre individuals. The Company has policies and guidelines which set out the delegation of authority and Internal Audit will check whether such policies and guidelines have been complied with. Moreover, important decisions will require the approval of the Board which comprises non-executive director and independent non-executive director, in addition to executive director, who can help to provide a check and balance on the exercise of power of the Chairman cum President.

In allowing the two positions to be occupied by the same person, the Board has considered that both positions require in-depth knowledge and considerable experience of the Group's business. Based on the experience and qualification of Mr. Bernard Chan, the Board believes that the vesting of two roles to Mr. Bernard Chan will continue to provide the Group with stable and consistent leadership and continue to allow for effective and efficient planning and implementation of long term business strategies and is beneficial to the Company and in the interests of its shareholders. The Board will review the structure from time to time and shall adjust the situation when suitable circumstance arises.

Review of Interim Financial Statements

The Audit Committee of the Company has reviewed the unaudited condensed consolidated interim financial statements of the Group for the six months ended 30th June, 2025 and recommended it for the Board's approval.

Interim Dividend

The Board has resolved to declare an interim cash dividend of HK6.5 cents (2024: HK5.5 cents) per ordinary share for the six months ended 30th June, 2025 payable on or about Monday, 6th October, 2025 to shareholders whose names appear on the Register of Members of the Company on Friday, 26th September, 2025.

Closure of Register of Members

The Register of Members of the Company will be closed from Wednesday, 24th September, 2025 to Friday, 26th September, 2025, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 23rd September, 2025.

Publication of 2025 Interim Results and Interim Report

This results announcement is published on the Company's website at www.afh.hk and the HKEXnews website at www.hkexnews.hk. The 2025 Interim Report will be published on the same websites and available to the shareholders on or about Tuesday, 9th September, 2025.

By Order of the Board
Asia Financial Holdings Limited
CHAN Bernard Charnwut
Chairman & President

Hong Kong, 22nd August, 2025

As at the date of this announcement, the executive directors of the Company are Mr. CHAN Bernard Charnwut (Chairman & President), Mr. TAN Stephen, Mr. WONG Kok Ho; the non-executive directors are Mr. TATEGAMI Susumu, Mr. MORITO Tetsuya; and the independent non-executive directors are Mr. AU YANG Chi Chun Evan, Ms. NGAN Edith Manling and Mr. LI Lu Jen Laurence.

* For identification purpose only