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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)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31ST DECEMBER, 2025

RESULTS

The board of directors (the “Board”) of Asia Financial Holdings Limited (the “Company” or “Asia Financial”) announces the results of the Company and its subsidiaries (collectively known as the “Group”) for the year ended 31st December, 2025 as follows:

Consolidated Statement of Profit or Loss

Year ended 31st December, 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Insurance revenue	3	2,988,450	3,291,506
Insurance service expense		(2,827,759)	(2,461,250)
Net income/(expense) from reinsurance contracts held		<u>130,270</u>	<u>(394,588)</u>
Insurance service result		290,961	435,668
Finance expense from insurance contracts issued		(183,830)	(97,076)
Finance income from reinsurance contracts held		<u>74,184</u>	<u>31,229</u>
Insurance operating result		181,315	369,821
Dividend income		190,386	154,449
Realised gain on investments		251,506	55,203
Unrealised gain on investments		336,090	149,532
Interest income		159,643	175,513
Other income and losses, net		<u>(20,071)</u>	<u>(46,447)</u>
		1,098,869	858,071

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Consolidated Statement of Profit or Loss (continued)

Year ended 31st December, 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Operating expenses		(195,281)	(192,467)
Finance costs	4	<u>(162)</u>	<u>(143)</u>
		903,426	665,461
Share of profits or losses of joint ventures		80,066	33,009
Share of profits or losses of associates		<u>33,510</u>	<u>55,864</u>
PROFIT BEFORE TAX	5	1,017,002	754,334
Income tax credit/(expense)	6	<u>35,992</u>	<u>(107,265)</u>
PROFIT FOR THE YEAR		<u>1,052,994</u>	<u>647,069</u>
Attributable to:			
Equity holders of the Company		<u>1,052,994</u>	<u>647,069</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	8		
Basic and diluted			
- For profit for the year		<u>HK113.9 cents</u>	<u>HK69.7 cents</u>

Consolidated Statement of Comprehensive Income

Year ended 31st December, 2025

	2025 HK\$'000	2024 HK\$'000
PROFIT FOR THE YEAR	<u>1,052,994</u>	<u>647,069</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	20,804	(42,161)
Exchange differences on translation of foreign operations	<u>810</u>	<u>(1,755)</u>
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	<u>21,614</u>	<u>(43,916)</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	1,182,344	506,578
Income tax effect	<u>(123,732)</u>	<u>(67,106)</u>
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	<u>1,058,612</u>	<u>439,472</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	<u>1,080,226</u>	<u>395,556</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u><u>2,133,220</u></u>	<u><u>1,042,625</u></u>
ATTRIBUTABLE TO:		
Equity holders of the Company	<u><u>2,133,220</u></u>	<u><u>1,042,625</u></u>

Consolidated Statement of Financial Position

31st December, 2025

	Note	31st December, 2025 HK\$'000	31st December, 2024 HK\$'000
ASSETS			
Property, plant and equipment		184,180	182,894
Investment properties		158,640	186,200
Interests in joint ventures		437,895	542,406
Due from a joint venture		441	-
Interests in associates		907,449	857,181
Due from associates		240,376	259,390
Held-to-collect debt securities at amortised cost		1,760,917	1,586,577
Equity investments designated at fair value through other comprehensive income		6,666,361	5,482,070
Pledged deposits		349,715	344,352
Other assets		261,085	398,840
Financial assets at fair value through profit or loss		3,540,282	2,746,119
Reinsurance contract assets		1,872,570	1,225,147
Cash and bank balances		2,883,733	2,522,379
Total assets		<u>19,263,644</u>	<u>16,333,555</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Issued capital	9	924,142	924,750
Reserves		12,594,082	10,670,030
Proposed final dividend		147,863	83,219
Total equity		<u>13,666,087</u>	<u>11,677,999</u>
Liabilities			
Insurance contract liabilities		4,622,134	3,891,024
Due to a joint venture		38	38
Due to associates		4,222	4,222
Other liabilities		460,961	309,920
Tax payable		158,552	242,852
Deferred tax liabilities		351,650	207,500
Total liabilities		<u>5,597,557</u>	<u>4,655,556</u>
Total equity and liabilities		<u>19,263,644</u>	<u>16,333,555</u>

Notes

1. Changes in Accounting Policies and Disclosures

The Group has adopted the following amended HKFRS Accounting Standards for the first time for the current year's financial statements. The Group has not early adopted any other standard and amendment that has been issued but is not yet effective.

Amendments to HKAS 21 *Lack of Exchangeability*

The nature and impact of the amended HKFRS Accounting Standards 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 in and the functional currencies of overseas subsidiaries, joint ventures and associates for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements

Notes (continued)

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 2025 HK\$'000	Corporate 2025 HK\$'000	Eliminations 2025 HK\$'000	Consolidated 2025 HK\$'000
Segment revenue:				
External customers	2,988,450	-	-	2,988,450
Other revenue, income and gains, net	491,753	316,155	-	807,908
Intersegment	5,200	-	(5,200)	-
Total	<u>3,485,403</u>	<u>316,155</u>	<u>(5,200)</u>	<u>3,796,358</u>
Segment results	<u>671,643</u>	<u>231,783</u>	<u>-</u>	<u>903,426</u>
Share of profits or losses of:				
Joint ventures	47,274	32,792	-	80,066
Associates	35,699	(2,189)	-	33,510
Profit before tax				<u>1,017,002</u>
Income tax credit/(expense)	51,255	(15,263)	-	<u>35,992</u>
Profit for the year				<u>1,052,994</u>

	Insurance 2024 HK\$'000	Corporate 2024 HK\$'000	Eliminations 2024 HK\$'000	Consolidated 2024 HK\$'000
Segment revenue:				
External customers	3,291,506	-	-	3,291,506
Other revenue, income and gains, net	223,192	199,211	-	422,403
Intersegment	5,367	-	(5,367)	-
Total	<u>3,520,065</u>	<u>199,211</u>	<u>(5,367)</u>	<u>3,713,909</u>
Segment results	<u>554,701</u>	<u>110,760</u>	<u>-</u>	<u>665,461</u>
Share of profits or losses of:				
Joint ventures	(129)	33,138	-	33,009
Associates	34,310	21,554	-	55,864
Profit before tax				<u>754,334</u>
Income tax expense	(94,443)	(12,822)	-	<u>(107,265)</u>
Profit for the year				<u>647,069</u>

Notes (continued)

2. Operating Segment Information (continued)

(a) Operating segments (continued)

	Insurance HK\$'000	Corporate HK\$'000	Consolidated HK\$'000
31st December, 2025			
Segment assets	9,755,109	8,163,191	17,918,300
Interests in joint ventures	290,746	147,149	437,895
Interests in associates	408,924	498,525	907,449
Total assets	10,454,779	8,808,865	19,263,644
Segment liabilities	4,943,251	654,306	5,597,557
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	8,897,867	7,435,688	16,333,555
Segment liabilities	4,152,376	503,180	4,655,556

(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

	2025 HK\$'000	2024 HK\$'000
Interest on lease liabilities	<u>162</u>	<u>143</u>

Notes (continued)**5. Profit before Tax**

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

	2025 HK\$'000	2024 HK\$'000
Auditors' remunerations	(8,414)	(7,700)
Depreciation	(18,424)	(16,143)
Employee benefit expense (including directors' remuneration):		
Wages and salaries	(255,896)	(232,907)
Pension scheme contributions	(9,891)	(8,545)
Less: Forfeited contributions	690	590
Net pension scheme contributions	(9,201)	(7,955)
Total employee benefit expense	(265,097)	(240,862)
Long-term incentive scheme contribution	(8,829)	-
Provision for long service payment	(1,412)	-
Expenses relating short-term leases and leases of low-value assets	(3,350)	(1,126)
Realised gain/(loss) on:		
- disposal of financial assets at fair value through profit or loss, net	113,623	50,536
- redemption/call-back of held-to-collect debt securities at amortised cost	(52)	351
- gain on disposal of a joint venture	134,537	-
- change in ownership interest in an associate	3,398	4,316
Total realised gain on investments	251,506	55,203
Unrealised gain on financial assets at fair value through profit or loss, net	336,090	149,532
Changes in expected credit losses for:		
Held-to-collect debt securities at amortised cost	117	(20,044)
Due from an associate*	(19,839)	-
Interest income	159,643	175,513
Loss on disposal/write-off of items of property, plant and equipment*	(12)	(24)
Gross rental income*	6,943	7,407
Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties	(372)	(437)
Change in fair value of investment properties*	(27,560)	(45,300)
Foreign exchange gain/(loss), net*	10,321	(14,352)

Notes (continued)

5. Profit before Tax (continued)

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

	2025 HK\$'000	2024 HK\$'000
Dividend income from:		
Listed investments	118,997	98,348
Unlisted investments	<u>71,389</u>	<u>56,101</u>
Total dividend income	<u>190,386</u>	<u>154,449</u>

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

6. Income Tax

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 year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the locations in which the Group operates.

	2025 HK\$'000	2024 HK\$'000
Current - Hong Kong		
Charge for the year	41,276	186,142
Under/(over) provision in prior years	(79,011)	335
Current - Elsewhere		
Charge for the year	24,478	24,322
Under/(over) provision in prior years	106	(614)
Deferred	<u>(22,841)</u>	<u>(102,920)</u>
Total tax charge/(credit) for the year	<u>(35,992)</u>	<u>107,265</u>

Notes (continued)

7. Dividends

	2025 HK\$'000	2024 HK\$'000
Interim – HK6.5 cents (2024: HK5.5 cents) per ordinary share	60,069	51,038
Proposed final – HK16.0 cents (2024: HK9.0 cents) per ordinary share	<u>147,863</u>	<u>83,219</u>
	<u>207,932</u>	<u>134,257</u>

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting. Accordingly, the proposed final dividend has been included in the proposed final dividend reserve account within the equity attributable to equity holders of the Company in the statement of financial position.

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

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the Company of HK\$1,052,994,000 (2024: HK\$647,069,000) and the weighted average number of ordinary shares of 924,333,000 (2024: 927,735,000) in issue during the year.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31st December, 2025 and 2024 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during the years ended 31st December, 2025 and 2024.

Notes (continued)

9. Share Capital

	2025 HK\$'000	2024 HK\$'000
Authorised: 1,500,000,000 (2024: 1,500,000,000) ordinary shares of HK\$1 each	<u>1,500,000</u>	<u>1,500,000</u>
Issued and fully paid: 924,142,000 (2024: 924,750,000) ordinary shares of HK\$1 each	<u>924,142</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, 2024	929,296,000	929,296
Shares repurchased and cancelled	<u>(4,546,000)</u>	<u>(4,546)</u>
At 31st December, 2024 and 1st January, 2025	<u>924,750,000</u>	<u>924,750</u>
Shares repurchased and cancelled (Note)	<u>(608,000)</u>	<u>(608)</u>
At 31st December, 2025	<u>924,142,000</u>	<u>924,142</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 year ended 31st December, 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\$2,041,000 (including expenses and dividend). All 508,000 repurchased shares were cancelled.

The premium of HK\$1,823,000 paid on the repurchase of such shares was debited to the retained profits account and an amount of HK\$608,000 was transferred from retained profits of the Company to the capital redemption reserve, as set out in the consolidated statement of changes in equity.

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

MANAGEMENT DISCUSSION AND ANALYSIS

Asia Financial Holdings Limited (“Asia Financial”, “The Group” or “The Company”) delivered a solid performance in 2025 amid modest global growth and persistent geopolitical tensions. Building on strong first-half momentum, the Group recorded a net profit attributable to shareholders of HK\$1,053.0 million, representing a 62.7% year-on-year increase.

The result reflected resilient contributions from the Group’s insurance business, strong performance from our strategically managed portfolio investments, and a one-off gain from the disposal of the Group’s stake in Hong Kong Life Insurance Limited for a consideration of almost HK\$295 million. The transaction crystallised substantial value for shareholders and released capital for redeployment into areas with stronger long-term growth potential and clearer strategic alignment.

The Group’s insurance operations remain a core pillar of its business, supported by favourable long-term demographic trends and rising demand for healthcare and retirement protection products across Hong Kong, Macau, Mainland China and the wider region. The Group’s healthcare, pension, asset management and property interests continue to provide diversification and resilience across market cycles.

The tragic Tai Po fire on 26th November, 2025 caused significant loss of life and affected many policyholders across the Hong Kong insurance market. Asia Insurance Company, Limited (“Asia Insurance”) responded promptly and responsibly, working closely with regulators and industry bodies to support affected customers and facilitate claims processing. The incident underscored the essential social role of insurance and reinforced the Group’s commitment to prudent underwriting, risk awareness and safety standards.

Financial markets were influenced by concerns over U.S. tariffs and trade tensions early in the year, but the focus shifted to the positive effects of fiscal and monetary stimulus. These supportive policies ultimately offset trade-related risks, allowing markets to finish the year with strong returns. In this environment, the Group actively maintained a disciplined, quality-focused approach, balancing long-term growth opportunities with prudent capital and liquidity management.

Looking ahead, the operating environment is expected to remain complex, shaped by geopolitical developments, evolving trade relations, and technological change. The Group will remain focused on maintaining a strong balance sheet, disciplined risk management and a diversified business portfolio aligned with long-term structural trends.

On behalf of the Board, I would like to express our sincere appreciation to our employees, business partners, and above all, our customers and shareholders for their continued trust and support. The Board remains confident that Asia Financial’s prudent culture, diversified platform, and long-term perspective provide a strong foundation for sustainable growth and long-term value creation.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Economic Background

The global economy in 2025 remained on a modest but positive growth path, with outcomes increasingly shaped by policy and geopolitics rather than the traditional business cycle. The International Monetary Fund's ("IMF") October 2025 World Economic Outlook estimates world real GDP growth at 3.2% in 2025, with a similar pace projected at 3.1% into 2026, as disinflationary trends, resilient labour markets and ongoing fiscal support offset the drag from geopolitical tensions and trade uncertainties.

Monetary policy in major economies is now widely regarded as remaining accommodative. Consensus forecasts expect the US Federal Reserve, the European Central Bank, and other major central banks will maintain a low interest rate policy. At the same time, geopolitical risks – including the ongoing conflict in Ukraine, renewed instability in parts of the Middle East, and heightened strategic competition between major powers – have affected commodity prices, supply chains, and investor sentiment, reinforcing a focus on diversification and risk management.

China remained a key engine of regional growth despite structural headwinds. The IMF projects China's real GDP growth at around 4.8% in 2025 and 4.2% in 2026, supported by targeted fiscal and credit measures and a continued emphasis on innovation, green energy, and greater self-reliance in critical technologies. However, challenges from a prolonged adjustment in the property sector and soft domestic demand persisted, making policy support and reforms essential to sustaining momentum. In contrast, the United States played a key role in supporting global demand and influencing financial markets, with GDP growth in 2025 estimated at about 2.0% and expected to ease only slightly in 2026, even as trade and technology policies remained a source of friction with China and other partners.

Hong Kong's economy continued to recover in 2025, benefiting from normalised cross-border activity, tourism and closer integration with Mainland China. Official and international forecasts place Hong Kong's real GDP growth at about 2.4% in 2025 and 2.1% in 2026, consistent with its status as a mature, externally oriented economy closely linked to Mainland China and global financial conditions. Policy initiatives remained focused on strengthening Hong Kong's role as an international financial and asset management centre and as a gateway to the Guangdong–Hong Kong–Macao Greater Bay Area, including deepening market connectivity schemes, supporting innovation and technology, and attracting high-value enterprises and talent.

Strong returns in financial markets were underpinned by moderating inflation, relatively low interest rates, capital inflows into equity markets, and powerful structural themes around digitalisation and artificial intelligence. In 2025, the Dow Jones Industrial Average gained about 13.0%, the Hang Seng Index and the Hang Seng China Enterprises Index increased 27.8% and 22.3%, respectively, Japan's Nikkei 225 advanced 26.2%, and MSCI Europe rose 16.3%.

Overall, 2025 was characterised by steady global growth, strong but volatile markets, and persistent geopolitical tensions, underscoring the importance of a diversified, liquid, and risk-aware approach for institutions such as the Group.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Management Approach and Future Prospects

The Group's management approach continues to emphasise stability, diversification and liquidity while remaining responsive to evolving macroeconomic and market conditions.

The Group will maintain its disciplined, moderately conservative investment philosophy. Core equity exposure in the United States will be maintained, while diversified allocations across Mainland China, Hong Kong, Japan and Europe will continue to provide balance and access to regional growth opportunities. High-quality fixed income will remain an important component of portfolio construction, providing stable income.

Management remains alert to valuation and concentration risks, particularly in technology-related sectors. Structural themes such as artificial intelligence, automation, and digital infrastructure will be pursued through diversified, risk-controlled exposures, complemented by the selective use of alternative strategies to enhance diversification.

Beyond investments, the Group remains confident in the long-term prospects of its insurance and related businesses, supported by ageing populations and rising demand for healthcare and retirement solutions across the region. The Group will continue to align its activities with long-term structural trends while maintaining strong capital discipline and prudent risk management.

Key Financial and Business Performance Indicators

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

Profit attributable to equity holders of the Company:	HK\$1,053.0 million	+62.7%
Earnings per share:	HK113.9 cents	+63.4%
Final dividend per share:	HK16.0 cents	+77.8%
Total dividend per share:	HK22.5 cents	+55.2%
Equity attributable to equity holders of the Company:	HK\$13,666.1 million	+17.0%
Total assets:	HK\$19,263.6 million	+17.9%
Return on equity:	8.3% (5.8% for 2024)	

Earnings and Dividends

For the year ended 31st December, 2025, the Group recorded net profit attributable to shareholders of HK\$1,053.0 million, representing a 62.7% increase over the previous year. Our growth was driven by several key factors, notably the strong performance of our insurance operations, which benefited from expanding our reinsurance business into new markets. Additionally, we achieved solid earnings from our trading investments, alongside steady returns from most of our joint ventures and associates.

The Group's earnings per share for 2025 were HK113.9 cents. In August 2025, the board declared an interim dividend of HK6.5 cents and proposed a final dividend of HK16.0 cents, for a total dividend of HK22.5 cents per share for the year.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

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 at 31st December, 2025, amounted to HK\$2,883,733,000 (31st December, 2024: HK\$2,522,379,000).

The Group had no bank borrowing as at 31st December, 2025 and 31st December, 2024. No gearing ratio was calculated as the Group had no net current debt as of 31st December, 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 the portion of equity attributable to the company's equity holders.

The Group's liquidity position remains strong, and it has sufficient financial resources to meet its commitments and working capital requirements.

Charge on Assets

As of 31st December, 2025, Asia Insurance Company, Limited ("Asia Insurance") charged assets with a carrying value of HK\$153,448,000 (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 31st December, 2025, the Group had no material contingent liabilities.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Business Review

Insurance

Asia Insurance Company, Limited (“Asia Insurance”), a wholly owned subsidiary of the Group, delivered a resilient performance in 2025 amid a challenging operating environment, reporting a net profit of HK\$812.3 million.

Asia Insurance maintained a stable, well-balanced portfolio, supported by long-standing client relationships and consistent service standards. Customer loyalty remained strong, underpinned by professionalism, responsiveness and a clear focus on evolving client needs.

Despite softness in the Hong Kong insurance market, disciplined underwriting supported sustained growth, reflecting the portfolio’s underlying quality. There was a year-on-year decrease in insurance revenue of 9.2%, reflecting a one-off uplift in the previous year arising from the pipeline estimation practice.

Asia Insurance further strengthened its partnerships with intermediaries, banking partners, and life insurance counterparts during the year. Distribution continued to diversify across traditional and technology-enabled platforms, including collaborative initiatives with business partners to develop systems that support insurance and protection needs. Product development remained focused on innovation and relevance, with growth driven by quality opportunities rather than by volume-led expansion.

Against the backdrop of a softer market and higher claims incurred, there was a decrease in our insurance service result of 33.0% year-on-year. Reserving remains conservative but disciplined, and the outlook for 2026 is encouraging.

Asia Insurance’s investments generated realised and unrealised returns, boosting the performance of its insurance segment. The disposal of Hong Kong Life Insurance Limited, formerly a joint venture of the Group, resulted in a one-off gain that benefited all stakeholders. The relevant proportion of the consideration was paid in full.

The Group’s joint ventures and associates continued to make positive contributions during the year. BC Reinsurance Limited and Professional Liability Underwriting Services Limited reported stable earnings, while Avo Insurance Company Limited's performance showed encouraging progress.

In parallel, Asia Insurance broadened its reinsurance footprint, particularly in Australia, New Zealand, and Southeast Asia, while exploring emerging opportunities in the Middle East and Europe. This measured diversification has helped mitigate pressure from a softening local market and contributed to the company’s earnings stability. Across all territories, underwriting discipline and selective risk management remain the cornerstones of performance.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Business Review (continued)

Insurance (continued)

Asia Insurance's risk management capabilities were demonstrated during the year through its response to severe weather events, including two Typhoon Signal No. 10 warnings and five Black Rainstorm alerts. Following the tragic Tai Po fire, Asia Insurance proactively engaged with affected clients, streamlined claims procedures for relevant policies, and received positive feedback for its handling of the event. Management continues to emphasise the importance of risk awareness, safety standards and preventive measures as essential components of sustainable insurance practice.

Cross-border initiatives within the Greater Bay Area ("GBA") progressed during the year. Asia Insurance continued to establish medical partnerships and to design insurance solutions for underserved segments, including affordable medical coverage tailored for retirees travelling to or residing in the GBA.

People development remains a priority. Asia Insurance continues to attract young talent, with approximately one-third of employees under age of 34, while also offering flexible working arrangements to long-serving colleagues. This balanced workforce structure supports continuity, staff retention and effective succession planning.

Asia Insurance remains well-positioned to navigate ongoing market uncertainty through its diversified business model, disciplined underwriting and strong partnerships. Supported by its solid financial position and an "A" rating from Standard & Poor's, Asia Insurance is committed to delivering sustainable growth and long-term value for stakeholders.

Through its 5% equity investment in PICC Life Insurance Company Limited, a principal subsidiary of PICC Group, a Fortune Global 500 company ranked 141st in 2025 and 7th on the Global Insurance 100 list for 2024, Asia Financial gains exposure to a well-established life insurer with a branch network that provides nationwide market coverage and a stable operating base.

All figures above are before eliminating group transactions.

Portfolio Investment

The Group's trading portfolio delivered another strong year in 2025, with gains across a balance of value-oriented and growth equities, high-quality fixed income and selective alternative investments. Broad-based advances in major markets, particularly the United States, Mainland China, Hong Kong, Japan, and Europe, supported results, while weaker performance in Thailand highlighted the importance of maintaining a diversified, geographically balanced allocation.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Business Review (continued)

Portfolio Investment (continued)

During the year, the Group continued to broaden its geographic footprint, increasing exposure to Mainland China, Hong Kong, Japan and Europe while maintaining core positions in the United States. Within equities, the emphasis remained on traditional value themes in addition to structural themes in technology, financials, and industrials. The Group's trading portfolio also benefited from long-term strategic holdings that provided reliable dividend income.

Fixed income and alternatives were central to risk management. As expectations increasingly priced in a more gradual easing of global interest rates, the Group increased allocations to investment-grade bonds to lock in more attractive yields and ensure steady income, while maintaining selective, modest exposure to hedge funds and private markets to enhance diversification and reduce overall portfolio volatility. This disciplined and balanced investment approach is intended to preserve capital, manage downside risk and deliver sustainable returns across changing market conditions.

Healthcare and Wellness

Asia Financial's healthcare and wellness exposure in 2025 remained anchored by its strategic 4.8% stake in Bumrungrad Hospital Public Company Limited ("Bumrungrad Hospital"), the Group's largest listed equity investment. Bumrungrad Hospital remains one of Asia's leading private hospitals and a flagship in regional medical tourism, serving over 1.1 million patients from more than 190 countries each year.

Following a sharp share price correction in the first half of 2025, driven by weaker international arrivals from key markets such as China and the Middle East, Bumrungrad Hospital's operating performance stabilised later in the year, supported by disciplined cost control and resilient profitability. International patients continued to account for the majority of revenue, as the hospital further expanded into higher-value specialities such as oncology, cardiovascular care and precision medicine. Thailand's longer-term strategy to position itself as a global medical and wellness hub, together with favourable demographics and rising demand for high-quality cross-border healthcare, underpins the Group's investment rationale. While near-term volatility in visitor flows and currency can affect reported performance, management continues to view Bumrungrad Hospital as a core healthcare and wellness holding that aligns with Asia Financial's focus on demographic trends and the growth of premium medical tourism in the region.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Business Review (continued)

Pension and Asset Management

The Group's pension and asset management interests continued to provide a steady, resilient earnings contribution in 2025, reinforcing their role as a lower-volatility pillar within the overall portfolio. Our strategy in this segment remains focused on partnering with established, specialist operators that combine scale, product breadth and strong governance with a long-term, client-centric approach.

Our joint venture, Bank Consortium Holding Limited ("BCH"), once again delivered solid, predictable profits during the year. Its wholly owned subsidiary, Bank Consortium Trust Company Limited ("BCT"), has further strengthened its position as a prominent provider of Mandatory Provident Fund ("MPF") and related retirement solutions in Hong Kong, supported by ongoing enhancements to digital capabilities, member communication, and employer servicing. BCT's focus on operational efficiency, product innovation, and regulatory compliance has helped deepen relationships with existing scheme members while steadily broadening its client base in an increasingly competitive MPF market.

The Group also continues to benefit from its long-standing 10% shareholding in BBL Asset Management Company Limited ("BBLAM") in Thailand, an investment held since 1992. BBLAM remains a well-diversified asset manager with capabilities spanning equities, fixed income and tailored investment strategies, as well as financial planning and advisory services for a wide range of institutional and retail clients. Its ability to navigate a challenging Thai market environment while maintaining disciplined risk management and a focus on long-term performance has delivered consistent dividend income for the Group over many years. This stable stream of returns, together with the partnership's strategic value, underpins BBLAM's continued importance within the Group's asset management portfolio.

Property Development

Our presence in Shanghai's property market remains integral to our portfolio, with projects in the city representing roughly 3.5% of total assets. Lingering household caution continues to temper overall housing demand. While China's housing market remains weak, policy easing in first-tier cities has helped stabilise sentiment in Shanghai, with transaction volumes and new-home prices showing modest improvement in 2025. However, recovery remains uneven across districts and buyer segments, and household caution continues to temper overall housing demand. Field visits also indicate that activity in top-tier retail centres and tourist destinations remains steady, although some secondary locations continue to experience softer conditions.

Our 27.5% interest in the mixed-use project in Jiading District saw muted sales in the second half of 2025, primarily due to slower income growth and job insecurity, particularly among younger buyers. However, around 60% of the units in this final phase have been sold. Nonetheless, the policy direction set out at the Chinese government's Central Economic Work Conference in December, together with sustained flexible mortgage terms, is expected to provide gradual support.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Business Review (continued)

Property Development (continued)

Progress continues at our 60,000-square-metre mixed-use development in Qingpu District, where sales and the delivery of completed units remain immediate priorities. Although conditions remain subdued, buyer enquiries have strengthened, supported by competitive pricing and the project's established location. Handover of residential units in the Qing Feng Hui phase is scheduled to commence in February 2026, with 40% of total units already sold. These deliveries are expected to underpin earnings as sales momentum builds.

Work on the design of the 21,000-square-metre site in Qingpu, purchased in December 2024, is progressing steadily. The current scheme offers adaptable layouts, including duplex options, to meet shifting buyer tastes and price sensitivities. The initial batch of around 50 units is expected to go on sale after the 2026 Chinese New Year holiday. The government's commitment to enhancing the area's vitality through new schools, road upgrades and related public facilities should further support long-term demand for the Group's projects.

In this environment, the Group remains disciplined in project launches and capital allocation, with a strong focus on quality delivery, prudent sales management, and sustainable growth in key districts such as Jiading and Qingpu.

Securities Investments Representing More than 5% of Total Assets

As of 31st December 2025, there were two securities investments, each represented above 5% of the Group's total assets:

Holding	No. of shares (in thousand)	Investment cost (HK\$'million)	Fair value as at 31st December, 2025 (HK\$'million)	% of total Group assets	Realised and unrealised gain/(loss) (HK\$'million)	Dividends received (HK\$'million)
PICC Life	1,288,055	1,522	4,140	21.5%	1,210	-
Bumrungrad Hospital	38,186	555	1,481	7.7%	(245)	45

Both investments are primarily long-term strategic holdings.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Compliance with Laws and Regulations

The Group takes active steps to ensure compliance with all relevant laws and regulations in all jurisdictions in which it operates and recognises the risks of non-compliance. It dedicates sufficient resources and personnel to ensure such compliance and to maintain adequate liaison and communication with regulatory authorities. We believe that the risks attached to non-compliance are low.

Principal Risks and Uncertainties

The Group faces several key primary risks: credit, equity price, insurance, interest rate, liquidity, foreign exchange, market, and operational risks. Comprehensive information on these key risks and the strategies to mitigate them is detailed in the note of “Financial Risk Management Objectives and Policies” to the consolidated financial statements of the Group in the 2025 annual report.

Stakeholders

Asia Financial understands and respects the importance of its relationships with employees, customers, suppliers, investors, regulators, members of the communities in which we operate, and other stakeholders whose actions can affect the company’s performance and value.

Employees

The Company acknowledges that a skilled and motivated workforce is essential for achieving its objectives. Consequently, our human resources policy emphasises cultivating, recognising, and rewarding high performance through effective training programmes, evaluations, and compensation strategies. We are confident in our ability to attract talented and qualified individuals, and we believe the risks associated with reliance on key personnel are manageable.

Customers

The Company’s main clients are insurance policyholders. Excellent customer service and a wide selection of products are critical to our consistent underwriting profitability. Our risk management practices include diversifying our client base and avoiding over-dependence on core clients.

Shareholders

The Company is dedicated to generating value for our shareholders, an integral goal of every aspect of our operations and investment endeavours.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Employees and Remuneration Policy

As of 31st December, 2025, the total number of employees of the Group was 393 (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 year. 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 approving 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.

ANNUAL GENERAL MEETING

The Annual General Meeting (the "AGM") of the Company will be held on Wednesday, 10th June, 2026. Notice of the AGM will be published and despatched to the shareholders on or about Thursday, 16th April, 2026.

FINAL DIVIDEND

The Board has resolved to recommend to the shareholders the payment of a final dividend of HK16.0 cents (2024: HK9.0 cents) per share which, together with the interim dividend of HK6.5 cents (2024: HK5.5 cents) per share, will make a total dividend of HK22.5 cents (2024: HK14.5 cents) per share for the year ended 31st December, 2025. The proposed final dividend will be paid in cash to those shareholders whose names are on the Register of Members of the Company on Monday, 22nd June, 2026 and the dividend warrants will be despatched to shareholders on or about Tuesday, 30th June, 2026.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed for the following periods:

(a) For the purpose of ascertaining shareholders' right to attend and vote at the AGM:

Latest time to lodge transfers	4:30 p.m. on 4th June, 2026
Book close dates (both days inclusive)	5th June, 2026 to 10th June, 2026
Record date	10th June, 2026
AGM	10th June, 2026

(b) For the purpose of ascertaining shareholders' entitlement to the proposed final dividend:

Ex-dividend date for final dividend	15th June, 2026
Latest time to lodge transfers	4:30 p.m. on 16th June, 2026
Book close dates (both days inclusive)	17th June, 2026 to 22nd June, 2026
Record date for final dividend	22nd June, 2026

All transfers accompanied by the relevant share certificates must be lodged for registration 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, not later than the above specified time.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the year ended 31st December, 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 year. Details of the ordinary shares repurchased on the Stock Exchange during the year are as follows:

Month of repurchase	Number of ordinary shares repurchased	Price per share		Aggregate purchase price
		Highest HK\$	Lowest HK\$	(excluding expenses) HK\$'000
April 2025	214,000	4.00	3.86	855
May 2025	66,000	4.10	3.91	268
June 2025	<u>228,000</u>	4.10	3.90	<u>913</u>
	<u><u>508,000</u></u>			<u><u>2,036</u></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 year. 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 year 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 shares during the year ended 31st December, 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 year ended 31st December, 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 RESULTS

The Audit Committee of the Company has met the auditor of the Company, Ernst & Young, and reviewed and agreed with the auditor the Group’s results for the year ended 31st December, 2025.

PUBLICATION OF FINAL RESULTS AND ANNUAL 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 annual report will be published on the same websites and available to the shareholders on or about Thursday, 16th April, 2026.

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

Hong Kong, 23rd March, 2026

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*