

Environmental, Social and Governance Report

A. About This Report

A1. Reporting Standard

This Environmental, Social and Governance (“ESG”) Report provides details on Asia Financial Group’s (“Asia Financial”, the “Company”, or the “Group”) responsible, sustainable, and ethical business practices during the reporting period. It was prepared in accordance with the Appendix C2 *Environmental, Social and Governance Reporting Code* (“ESG Code”) of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited (“HKEX”), including “comply and explain” provisions set out in the ESG Code.

A2. Reporting Scope and Boundary

Unless otherwise specified, the scope and boundary of this report are the same as in Asia Financial’s 2025 Annual Report, which covers Asia Financial Holdings Ltd. and all its wholly owned subsidiaries including, but not limited to, all branches and representative offices of Asia Insurance Company, Ltd. Where applicable, ESG data are reported separately for Asia Financial Holdings Ltd. (“AFH”) and Asia Insurance Company, Ltd. (“AI”), then in combination as Asia Financial Group (“Asia Financial”).

A3. Reporting Principles

Asia Financial adhered to the following ESG reporting principles in preparation and presentation of materials in this ESG report:

Materiality:	Stakeholder engagement and materiality assessment were conducted to identify and prioritize the most prominent climate and ESG risks and opportunities that concerns our stakeholders and Asia Financial’s Management, who in turn establish short, medium to long-term strategies to monitor and tackle climate and ESG related issues. See section I1 for details.
Quantitative:	Quantitative methods and metrics were utilized and presented throughout this ESG report whenever feasible to set targets, keep track of, compare, and evaluate our ESG performance over the years. Quantitative information is accompanied by qualitative narratives to explain its purpose, impacts, and provide comparative data where appropriate. See section H for details.
Balance:	This ESG report provides an accurate and unbiased picture of Asia Financial’s ESG performance that identifies both areas of success and notable achievements, as well as areas of improvements and challenges.
Consistency:	There were no significant changes to the methods used and reported KPIs compared to the previous reporting period. Asia Financial continues to report AFH and AI figures respectively on top of consolidated figures in order to highlight the differences in business nature and more effectively customize climate and ESG related measures that are applicable to Asia Financial’s businesses. Greenhouse gas emissions (“GHG emissions”) data collected remains consistent over the years, which include company vehicle usage, unleaded petrol consumption, electricity consumption, paper consumption and recycling, and staff’s overseas business trips.

B. Board Statement on ESG Oversight

ESG management continues to play a prominent role within business strategies, particularly in areas such as business health, operations, and risk management. Businesses from all sectors and investors alike are paying closer attention to ESG performance and transparency of climate and ESG related disclosures as one of the factors when it comes to investment or purchase decisions. With new standards and requirements in effect for the reporting period, we are prepared to meet both global and Hong Kong's regulatory bodies' requirements with oversight on Asia Financial's climate and ESG related strategies.

As the steward of our Company's long-term growth and performance, the Asia Financial Board ("the Board") plays the key role in ESG strategy and oversight. The Board and Management meet regularly to review and evaluate ESG performances, identify opportunities for improvements, and create sustainable value for the Group's stakeholders. The Board has developed the following framework that allows us to best discover, assess, and oversee the Company's ESG progress within the existing corporate governance structure.

At the highest level, the Board has overall responsibility for ESG development and performances, where progress is monitored through Compliance Committee meetings and climate risk management is discussed during Risk Committee meetings. During these meetings, Directors can assess ESG in relation to risk and compliance strategies, and to determine whether the Company's existing risk identification processes are sufficient in uncovering climate and ESG related physical, financial and transitional risks. Directors work closely with Management to develop strategies to continually improve ESG performances and to ensure all risks are identified and sufficiently addressed. At the Management level, an ESG Working Committee was established to steer ESG developments within the Company, such as set up ESG Guidelines for Operation to support and integrate climate and ESG related risks and opportunities among key department, and to ensure Asia Financial is well-prepared to meet the latest requirements.

Moreover, the Board oversees Management's due diligence with respect to ESG issues. We ensure Management sufficiently engages with our stakeholders to determine ESG focus areas most relevant to our businesses. Directors actively participate in creating quantifiable and transparent ESG goals whenever possible and closely track progress.

The Compliance Committee receives the following reports from Management and ESG Working Committee regarding ESG implementation and performance:

- Annual full ESG report in March reviewing ESG performances and recommending future strategies to reach goals for the following year;
- Half-yearly ESG report in August reporting progress against set targets and proposing changes in strategies if necessary; and
- Report in the fourth quarter that covers the period up to 30th September of that year projecting full year-end results and will be the basis for setting the following year's strategy and targets.

The Compliance Committee sets a separate ESG agenda item during meetings for Directors to engage in regular and ongoing discussion to review ESG strategies. The Compliance Committee is responsible for submitting reports from Management for the Board's comments and approval after said meetings. Whenever ad hoc ESG matters arise outside of these scheduled reports and meetings, Management will present special reports for members of the Compliance Committee and the Board and will call special meetings if necessary to discuss issues and workshop solutions. To ensure the Board keeps up with the latest trends and insights on climate and ESG related topics, trainings and discussions by external subject matter experts shall be provided from time to time.

B. Board Statement on ESG Oversight (cont'd)

The Board is confident that the framework in place allows for the most effective and efficient oversight on ESG performance. As Hong Kong advances itself to become a leader in green and sustainable finance and works towards carbon neutrality, Asia Financial recognizes the significance of sound ESG practices and the importance of integrating ESG considerations in our daily operations. Asia Financial will continue to develop and review ESG issues relevant to our businesses and recommend appropriate procedures to ensure compliance and enhance our role as a responsible company for the community and the environment for generations to come.



C. ESG Philosophy

Asia Financial takes pride in being recognized as a “Caring Company” by the *Hong Kong Council of Social Service* for our contributions to the community, employees, and environment. AFH has been recognized since 2003 and Asia Insurance has been recognized since 2005.



Additionally, AFH has been awarded the Green Office Award Label from the *World Green Organization* since 2014 and Asia Insurance has been awarded since 2024. We are proud to be recognized for our efforts to improve the quality of life for the current and future generations.

For many years, Asia Financial has demonstrated a strong commitment to Corporate Social Responsibility (“CSR”). We believe it is the duty of a responsible company to protect the environment, provide a quality workplace, and serve the wider community directly through partnerships with social service organizations and social enterprises. Today, the Company aims to build on this foundation by expanding our ESG management strategy and foregrounding sustainability in all parts of our operations.

D. Corporate Governance

Asia Financial maintains a robust corporate governance structure in compliance with relevant laws and regulations. The Group maintains policies and guidelines which define required standards for all staff concerning matters such as: *Codes of Conduct, Whistleblowing Policy, Anti-Money Laundering Guidelines*, etc. The Company makes it clear that all Management and staff must comply with these policies to ensure business decisions are made in the best interests of Asia Financial. Any breach of Company policies and guidelines is subject to disciplinary action.

The Corporate Governance Report contains more details.

E. Employment and Labour Practices

Currently, established and traditional industries are facing growing competition for new talents from various sectors, particularly due to changes in the workforce and workplace culture. Asia Financial is responding to such competition with development opportunities for interns and graduate trainees and offering competitive packages for retention plans. Additionally, we encourage younger staff to participate in and contribute to company-wide innovative and technology related projects, and experienced staff to continuously guide and mentor the next generation. Asia Financial aims to remain competitive with attractive remuneration packages and enhanced staff benefits in order to attract talents. These measures allow Asia Financial to identify and train high-potential employees to promote the Company's growth. Moreover, the Group can better revise and maintain an adequate succession plan as the average age of our employees increases.

The key to Asia Financial's impeccable customer service, shareholder value creation, and community contribution is a satisfied and motivated workforce. Our workplace policies and guidelines are designed to ensure:

- Full compliance with all legal requirements at all times;
- Maintain mutual respect on a foundation of shared interests;
- Fair treatment, including an equitable and performance-linked reward system;
- Equal opportunities for all individuals to reach their full potential;
- Ample training and development opportunities;
- Working conditions conducive to good physical and mental health; and
- Promoting work-life balance.

During this financial year, Asia Financial fully complied with all legal requirements and ordinances regarding employment relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

The following highlights several of Asia Financial's existing practices and statistics regarding our workforce.

E1. Remuneration and Employee Benefits

Asia Financial's Remuneration Committee provides oversight on the Company's remuneration system. Our policies and practices are reviewed by independent consultants from time to time to ensure remuneration packages remain competitive in attracting and retaining good quality staff. Climate and ESG related performance metrics are not included in the remuneration policy. The remuneration for staff comprises of a basic salary, year-end double pay, and a discretionary bonus based on both the individual's performance evaluation and Asia Financial's overall performance.

Furthermore, in order to enhance employees' welfare, Asia Financial provides staff with medical and life insurance plans and makes additional voluntary provident fund contributions when appropriate.

E. Employment and Labour Practices (cont'd)

E2. Work-life Balance

Asia Financial encourages staff to balance between work and personal life. Thus, all full-time staff are expected to utilize all rest days, public holidays, and paid annual leaves during their employment. Additionally, staff are offered other conditional leave days such as birthday leave, examination leave, marriage leave, compensation leave, etc. The Group and Management make every effort to ensure that employees have the utmost freedom and flexibility in arranging leave and work-from-home schedules.

E3. Equal Employment Opportunities

In 2025, Asia Financial complied with all current Hong Kong equal opportunities laws.

Asia Financial has an *Equal Opportunities Policy* ("EO Policy") in place to ensure staff members comply with the following Ordinances: *Sex Discrimination Ordinance*, *Disability Discrimination Ordinance*, *Family Status Discrimination Ordinance*, and *Race Discrimination Ordinance*.

Our EO Policy ensures that every employee and job applicant is treated fairly, regardless of sex, marital status, pregnancy, breastfeeding, disability, race (defined by race, colour, descent, national or ethnic origin), family status, age, religion, and sexual orientation. Furthermore, our EO Policy is applicable to areas including, but not limited to, recruitment, selection, promotion and transfers, working hours, discipline and dismissal, compensation, and benefits. All staff are expected to treat any colleagues, customers, and members of the public fairly, respectfully, and without discrimination.

E4. Staff Profile

As at 31st December 2025, AFH has 56 staff and AI has 337 staff respectively, totaling 393 staff and representing a 5.1% increase in headcount compared to the previous year.

No. of Employees by Employment Type (as at 31/12/2025)

	AFH	AI	Asia Financial
Full-time	56	326	382
Part-time	0	11	11
Total	56	337	393
YoY%	+/-0.0%	+6.0%	+5.1%

No. of Employees by Geographical Location (as at 31/12/2025)

	AFH	AI	Asia Financial
Hong Kong	56	277	333
Macau	0	56	56
Mainland China	0	1	1
Taiwan	0	3	3
Total	56	337	393

E. Employment and Labour Practices (cont'd)

E4. Staff Profile (cont'd)

No. of Employees by Gender and Breakdown by Grading (as at 31/12/2025)

	AFH	AI	Asia Financial
All Staff			
Male	26 (7%)	118 (30%)	144 (37%)
Female	30 (8%)	219 (56%)	249 (63%)
Total	56 (14%)	337 (86%)	393 (100%)
Senior Executives			
Male	5 (12%)	14 (33%)	19 (44%)
Female	5 (12%)	19 (44%)	24 (56%)
Total	10 (23%)	33 (77%)	43 (100%)
Board of Directors			
Male		7 (88%)	
Female		1 (12%)	
Total		8 (100%)	

Asia Financial recognizes the importance of diversity, including gender diversity, among all levels of the workforce. Employees are recruited and promoted based on merit and objective criteria including, but not limited to, gender, age, cultural and educational background, race, professional experience, skills, knowledge, length of service and other factors that are relevant to their position and responsibilities. Nonetheless, the Company strictly adheres to our EO Policy to ensure all employees and candidates are treated fairly, regardless of sex, marital status, pregnancy, breastfeeding, disability, race (defined by race, colour, descent, national or ethnic origin), family status, age, religion, and sexual orientation.

Asia Financial is currently more female distributed across all levels of employees and is well-balanced between male and female at the Senior Executive level. All our positions are filled by qualified individuals while the Company keeps gender diversity in mind during recruitment stages in order to match the best candidate for every position.

No. of Employees by Age Group** (as at 31/12/2025)

	AFH	AI	Asia Financial
Below 30	2 (1%)	48 (12%)	50 (13%)
30-40	11 (3%)	102 (26%)	113 (29%)
41-50	10 (3%)	84 (22%)	94 (24%)
51 and above	33 (8%)	99 (25%)	132 (34%)
Total	56 (15%)	333 (85%)	389 (100%)

* Hong Kong and Macau employees only

Asia Financial's employee age distribution generally aligns with Hong Kong's labour force participation rate (source: *HKSAR Census and Statistics Department*).

E. Employment and Labour Practices (cont'd)

E5. Staff Turnover (of permanent employees' voluntary turnover) (for the year 2025)

Turnover Rate by Geographic Location (%)			
	AFH	AI	Asia Financial
Hong Kong	3.6%	7.6%	6.9%
Macau	N/A	3.6%	3.6%
Mainland China	N/A	0%	0%
Taiwan	N/A	0%	0%

Turnover Breakdown for Hong Kong Employees Only (no. of staff)			
	AFH	AI	Asia Financial
By Gender			
Male	1	7	8
Female	1	14	15
Total	2	21	23
By Age Group			
Below 30	0	5	5
30-40	0	8	8
41-50	0	6	6
51 and above	2	2	4
Total	2	21	23

According to the *2025 Guangdong–Hong Kong–Macau Greater Bay Area Pay and Benefits Survey*, Hong Kong's turnover rate ranged from 8.3% to 9.8% depending on grading. Asia Financial's turnover rate is considered low and mostly involved staff pursuing better job opportunities or emigration.

E. Employment and Labour Practices (cont'd)

E6. Health and Safety

Asia Financial takes all practicable steps to establish health and safety standards that go above and beyond relevant statutory requirements. Our yearly goal is to maintain zero work-related injuries and/or fatalities, and we continued to reach this goal in 2025 (as well as for the past 3 years) with zero work-related injuries and/or fatalities, and zero workdays were lost due to work-related injuries and/or fatalities.

Asia Financial implements clear measures and policies to ensure staff have a safe workplace. In order to minimize fire hazard, the Company maintains strict guidelines on proper use and maintenance of electrical appliances, and we enlist registered and licensed electricians to take care of daily repairs and maintenances.

For fire prevention, fire drills and trainings are arranged from time to time to ensure staff are familiar with emergency procedures. Furthermore, evacuation plans and exit signs are properly displayed and maintained at all exits. The Company also ensures that all office premises are equipped with properly inspected, well-maintained, and accessible fire-fighting equipment and sprinkler systems.

The Company promotes good housekeeping in order to eliminate or rectify office hazards such as loose cables and folded carpets. Staff are encouraged to make use of proper tools and seek assistance when performing manual operations such as transporting heavy documents or boxes. It is also Company policy to maintain adequate first aid facilities on office premises with designated employees to check and refill supplies.

E7. Development and Training

At Asia Financial, we believe that our employees are our most valuable resources. We strive to maintain a healthy, open, and supportive company culture and working environment, and to provide staff with opportunities for further training, development, and potential career advancement within the Company. Apart from organizing workplace training programs to enhance professional skills for staff across all levels, we also offer subsidies, professional fees and examination fees allowances for employees who wish to advance their job-related qualifications and skills.

The Company will continue to develop our talents by equipping them with all-rounded operations knowledge. We would organize trainings that build professional development opportunities both internally and from external parties. We would also provide networking opportunities for our talents to attend Company visits, particularly to AI, and they could keep abreast of the latest insurance development in the Greater Bay Area and beyond.

E. Employment and Labour Practices (cont'd)

E7. Development and Training (cont'd)

Asia Financial's 2025 target was to continuously increase key market trend related training topics over the next 5 years (2025 to 2029), including but not limited to ESG, CSR or cybersecurity related areas. We examined all training topics and came up with the following major categories of training topics and percentage of hours for each category, which will be utilized as a baseline for comparison for the future:

Training Categories			
	AFH (% of Training)	AI (% of Training)	Asia Financial (% of Training)
Compliance and ethics	7%	17%	17%
ESG – staff development & wellness	10%	22%	21%
ESG – trending	2%	7%	6%
Functional knowledge	50%	36%	37%
Insurance and industry knowledge	18%	12%	13%
Risk management	12%	6%	6%

Examples of training topics:

- Asian Insurance Forum 2025
- Security Best Practices When Using AI
- Revised CG Code and Enhanced Risk Management and Internal Control Oversight
- BCT & WTW Post Survey Sharing Webinar-How AI & Tech are Transforming Future HR Plans in HK?
- Environmental, Social and Governance (ESG) Training (internal training by subject matter expertise)

E. Employment and Labour Practices (cont'd)

E7. Development and Training (cont'd)

Training Statistics by Gender (HK Employees only)			
	AFH	AI	Asia Financial
% Male Employees Trained	65%	93%	87%
% Female Employees Trained	100%	99%	99%
% Employees Trained	84%	96%	94%
YoY%	-11%	+/-0%	-2%
Average Training Hours Completed per Male Employee	4.5 hours	26.3 hours	22.1 hours
Average Training Hours Completed per Female Employee	8.0 hours	31.5 hours	27.9 hours
Average Training Hours Completed per Employee	6.4 hours	29.5 hours	25.6 hours
YoY%	-11%	+37%	+35%

Training Statistics by Employee Category (HK Employees only)				
		AFH	AI	Asia Financial
% Employees Trained	Senior Executives	100%	100%	100%
	Middle Management	93%	99%	98%
	General Staff	74%	94%	91%
	Overall	84%	96%	94%
Average Training Hours Completed per Employee	Senior Executives	8.8 hours	30.2 hours	24.6 hours
	Middle Management	10.8 hours	28.4 hours	25.9 hours
	General Staff	3.5 hours	29.9 hours	25.6 hours
	Overall	6.4 hours	29.5 hours	25.6 hours

E. Employment and Labour Practices (cont'd)

E8. Labour Standards

Asia Financial sees little to no risk of potential involvement in, or exposure to, forced or compulsory child labour, thus is not material to our operations. Management believes that our current recruitment procedures are more than adequate to prevent child or forced labour, including verification of candidate details or obtaining job references when appropriate.

The Group is committed to complying with the Employment Ordinance and associated policies, guidelines, laws, and regulations. Our Internal Audit department regularly reviews the Company's employment compliance and conditions at all our locations. In case such practices are discovered, Asia Financial shall take appropriate disciplinary and legal actions according to internal procedures and relevant laws and regulations.

Multiple policies are in place to ensure compliance with employment standards, including:

- Human Resources Policy
- Personal Data (Privacy) Policy
- Equal Opportunities Policy

F. Operating Practices and Governance

F1. Supply Chain Management

Due to the nature of our business operations, Asia Financial does not have nor necessitate a comprehensive supply chain management system, therefore relevant disclosures shall not be provided. Nonetheless, Asia Financial's ethical principles and values are governed by procurement-related policies and guidelines that guide all our interactions with suppliers, contractors, and service providers. We take the following steps to integrate environmental and social standards in its sourcing and procurement activities:

- All suppliers of furniture, equipment, stationary, and other office items to Asia Financial are sourced locally whenever feasible;
- We expect suppliers and their supply chain to comply fully with all applicable laws and regulations in the conduct of their business;
- We identify, assess, and monitor supplier practices with regards to human and labour rights, the environment, health and safety, and anti-corruption principles through business search and reviewing their past experiences;
- We work with our vendors to encourage the use of responsibly and sustainably produced goods and services whenever practical.

In our latest procurement policies, we have included Best Value Procurement practices as one of our principles. This ensures that while goods and services judged based on monetary value are important, we also focus on its quality, reliability, reputation, as well as their commitment to environmentally friendly practices when selecting vendors, contractors, or service providers.

F. Operating Practices and Governance (cont'd)

F2. Product Responsibility

For our insurance business, operations strictly comply with the Companies Ordinance and regulations of the Insurance Authority. Our Internal Audit department conducts periodic checks to make sure the quality of service and the terms of the insurance contracts are properly arranged.

Due to the nature of insurance business, there are no recall procedures for our products. If customers are unsatisfied with our service or the terms of the insurance contract, our staff are more than willing to make necessary and reasonable adjustments. During 2025, we received zero customer complaints concerning products and one complaint concerning services provided by AI and that single complaint had been closed without further follow up required. In the event there is any complaint case, it will be carefully addressed and handled by the Complaint Officer with the customers concerned.

Our policy on copyright, patents, and trademarks is subject to review from time to time to ensure compliance with all applicable Hong Kong laws. Our business operation's major exposure is the design of our marketing materials and the use of computer software. We have implemented the following measures to minimize risks:

- All marketing areas are centrally processed to avoid intellectual property right infringement;
- Our policy against illegal and unlicensed computer software prohibits employees from installing computer software onto any information technology equipment on Company premises. Duplicating licensed software for backup purposes is also prohibited unless an additional license is granted.

F3. Personal Data (Privacy) Policies

Asia Financial is committed to adopting and complying with all relevant provisions of the *Personal Data (privacy) Ordinance, Chapter 486, the Laws of Hong Kong* ("the Ordinance"). The Company upholds the personal data privacy protection principles stated in Schedule 1 of the Ordinance for the purpose of collecting, retaining, processing, and using personal data. The Company established an internal *Personal Data (Privacy) Policy* and has a designated Data Protection Officer to monitor compliance and assist department heads who have direct control of personal data. Personal Information Collection Statement are provided whenever necessary during our interactions with customers, clients, recruitment candidates, employees, etc. Our Internal Audit department conducts regular checks to ensure compliance with all regulations.

F4. Data and Cybersecurity

Data and cybersecurity are top concerns for any company that possesses and handles customer data. Naturally, this is a priority risk control area, especially for Asia Financial's insurance business. The Group is committed to reviewing all relevant control systems, has taken active measures to mitigate this risk and has developed relevant information technology-related policies and guidelines to govern employees' handling of data. Internal consultants and external cyber security experts are actively involved in various comprehensive information and technology reviews, such as vulnerability assessments, penetration tests, architectural and process reviews, as well as measures to raise and reinforce staff's data security awareness. The Group continued to develop our in-house expertise to implement necessary upgrades to enhance data and cybersecurity in 2025, and will continue to improve and upgrade our IT infrastructure across various departments to increase efficiency and security in business operations while meeting our ESG targets.

F. Operating Practices and Governance (cont'd)

F5. Anti-Corruption

Asia Financial is committed to complying fully with all applicable laws and regulations in order to combat corruption, money laundering, extortion, fraud, and other financial crimes, and reserves the right to terminate immediately any business relationship that violates or presents the risks of violating such laws, regulations, or policies of the Company.

Asia Financial established written policies to cover anti-corruption clauses, such as *HR Policy* and *Code of Conduct*. Internal controls in this area includes a risk assessment process, education and training, review and approval processes, due diligence procedures, accounting processes, and independent testing processes. Personnel who engage in or facilitate bribery, or who fail to comply with all applicable laws and regulations and our related policies, shall be subject to disciplinary and legal actions.

Anti-corruption was one of the topics covered by the Asia Financial's *Director's Training* in 2025.

There were zero concluded legal cases regarding corrupt practices brought against the Company or its employees during the reporting period.

F6. Preventive Measures & Whistleblowing

Asia Financial is committed to the highest standards of openness, probity, and accountability. Employees at all levels are expected to conduct themselves with integrity, impartiality, and honesty. Employees are encouraged to raise concerns about any suspected misconduct or malpractice within the Group, without fear of victimization or harassment, in a responsible and effective manner, rather than overlooking a problem or blowing the whistle outside.

The Company has devised a *Whistleblowing Policy* to achieve the above corporate governance target. The Policy applies to employees (permanent or temporary) at all levels of the Group and will be reviewed at least annually.

Whistleblowing matters may include, but are not limited to:

- Criminal offenses;
- Failure to comply with any legal obligations;
- Miscarriage of justice;
- Financial impropriety;
- Action which endangers the health and safety of an individual;
- Action which causes damage to the environment;
- Deliberate concealment of information concerning any of the matters listed above.

If Asia Financial discovers any incident of corruption, money laundering, extortion, fraud, and other financial crimes, legal and/or disciplinary action will be taken. The Audit Committee has overall responsibility for overseeing, monitoring, and reviewing the operation of the policy and recommendations for action resulting from investigations, while day-to-day responsibility is assigned to the Chairman & President of the Company.

G. Community Involvement

Commitment to our community is at the heart of Asia Financial's company culture. We aim to make a positive difference to society through donations, partnerships with social enterprises and staff volunteering activities. We strive to reach a wide range of beneficiaries with these different forms of outreach.

G1. Donations & Sponsorship

In 2025, the Group contributed a total of HK\$6,233,000 (mainly through donations and sponsorships) towards the support of non-profit organizations both local and overseas. Respectively, AFH contributed HK\$2,798,000 and AI contributed HK\$3,435,000. This amount represents a 12% decrease from the prior year.

G2. Partnership with Social Enterprises

We invest in *SVHK Capital Limited* ("SVHK"), which is a venture philanthropic organization that provides financial and non-financial support to social-purpose organizations and social enterprises in Hong Kong. SVHK's flagship project is *Light Be (Social Realty) Limited* ("Light Be").



Light Be helps individuals living in poor environments such as subdivided flats find alternative living arrangements, such as Light Rooms, where private property owners are encouraged to rent units at an affordable or below market rate to underprivileged single-parent households to share the dining room, kitchen, and washroom. Light Be aims to restore self-esteem for families to become self-sufficient and encourages people to foster a sense of togetherness and build a supportive neighborhood.

G3. Staff Volunteering and CSR Activities

Community life is as important to our Company's employees as it is to our Company. We encourage volunteering because we believe that personal caring and outreach is a valuable resource that amplifies the social impact of financial contributions and organization sponsorships. At the heart of these efforts is the voluntary work undertaken by individual staff members within our local communities. Volunteer statistics below only include company-organized and volunteer hours completed by staff during their personal time.

G. Community Involvement (cont'd)

G3. Staff Volunteering and CSR Activities (cont'd)

Asia Financial set a target to organize at least one CSR-related event for each quarter, which was achieved with various volunteering and community events, such as *The Community Chest HKEX Gong Run*, *TWGH Mid-Autumn festival celebration activity* and *The Community Chest Dress Casual Day*. With the cooperation of various organizations, such as *Evangelical Lutheran Church Social Service – Hong Kong*, *Feeding Hong Kong*, and *the Tung Wah Group of Hospitals*, AI and AFH has arranged several volunteer activities in 2025 to bring love and care to the community. Volunteering statistics for 2025 are as follow:

	AFH	AI	Asia Financial
Total number of volunteers	22	54	76
Total service hours	80 hours	146 hours	226 hours
YoY%	+78%	-4%	+15%

Asia Financial continues to enhance CSR-themed activities and partnerships with the aim to create greater impact on the society and drive internal engagement. This initiative will serve as a guiding framework on our social responsibility effort allowing us to create meaningful change to the community. We will encourage staff to participate in volunteer activities, either through Company-organized programmes or during staff's personal time.

H. Environment

The scope and boundary of the following reported data on environmental performances covers the Hong Kong operations of Asia Financial Holdings Limited ("AFH") and its wholly-owned subsidiary, Asia Insurance Company, Limited ("AI").

Types of emission data	Sources and calculation tools
Emission factors for scope 1 & scope 3 (paper consumption only)	Appendix 2 Reporting Guide on Environmental KPIs of How to prepare an ESG Report? issued by HKEX
Emission factors (EF) for scope 2 electricity consumption	EF published by HK Electric Investments Limited and CLP Power Hong Kong Limited respectively
Emission factors for scope 3 (overseas business travel only)	Cathay Pacific's carbon emissions calculator and International Civil Aviation Organization's Carbon emissions calculator
Global Warming Potential (GWP) values	Greenhouse Gas Protocol's adaptation of Intergovernmental Panel on Climate Change's (IPCC) fourth, fifth and sixth assessment reports
Emission factors for air pollutants	Appendix 2 Reporting Guide on Environmental KPIs of How to prepare an ESG Report? issued by HKEX
Standards used and referenced:	HKEX's "How to prepare an ESG report A step-by-step guide to ESG Reporting" appendix 2 and appendix 3 Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)

H. Environment (cont'd)

H1. Emissions

Asia Financial complied with laws and regulations relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste relevant to our business operations. Asia Financial is conscious of the environmental impact of our operations and strives to reduce our impact by collecting relevant consumption and emission data and implementing carbon reduction strategies.

(a) Emissions data from gaseous fuel consumption:

Asia Financial does not have operations within this scope.

(b) Emissions data from vehicles:

Asia Financial's consumption of unleaded petrol from company vehicles were the major contributors of air pollutants (namely Nitrogen Oxides (NO_x), Sulphur Oxides (SO_x) and Particular Matter (PM)), though in nonsignificant amounts, emissions in 2025 were around 18% to 30% less than in 2024, mainly due to replacement of petrol vehicles with hybrid vehicles and EVs.

(c) Total hazardous and non-hazardous waste produced

Hazardous waste	Hazardous waste is minimal due to the nature of our business operations.			
Non-hazardous waste	Our non-hazardous waste mainly comes from disposal of paper waste at landfills, other types of waste are not feasible for data collection.			
		AFH	AI	Asia Financial
	Paper sent to landfill	N/A (recycle volume exceed consumption)	9.24 tons	9.24 tons
	tCO ₂ e	-17.28	44.37	27.08
	tCO ₂ e per staff	-0.31	0.16	0.08
YoY%	-107%	+20%	-3%	

	AFH	AI	Asia Financial
% with Recycled Content	350%	60%	77%
Total Paper Recycling	5,043 kg	13,861 kg	18,904 kg

H. Environment (cont'd)

H2. Use of Resources

Asia Financial's business does not involve significant use of resources such as energy, water, raw and packaging materials. However, we strive to reduce wastage and use resources efficiently within our business operations as much as possible.

Total water consumption and intensity is unavailable as business premises are located within buildings with centralized water metering. Thus, we are also unable to provide description on sourcing water and setting water efficiency targets.

Total packaging materials used for finished goods is not applicable to our business operations, thus no data will be disclosed.

Direct and Indirect Energy Consumption by Type (e.g., electricity, gas, or oil) and Intensity

Data of direct energy from renewable energy consumed, self-generated electricity, heating, cooling and steam, and electricity, heating, cooling and steam sold are unavailable because it is not applicable to Asia Financial's business operations, only direct non-renewable fuel consumed and indirect electricity purchased for consumption are included in the following:

	AFH	AI	Asia Financial
Total energy consumption (kWh)	553,180	574,546	1,127,726
Energy consumption per staff (kWh/staff)	9,878	2,074	3,387
YoY%	-6%	-12%	-11%

H3. The Environment and Natural Resources

As a responsible member of Hong Kong's business community, we support Hong Kong's plan to achieve carbon neutrality by 2050 and associated strategies as listed in the Climate Action Plan 2050 as our long-term plan.

Asia Financial's business operations do not generate significant amounts of GHG emissions or pollutants, nor do we require significant amounts of resources such as energy, water, raw and packaging materials. However, we strive to be a pioneer in environmental best practices and to comply with, and exceed, regulatory requirements whenever possible. We have active strategies to manage our carbon footprint, use resource efficiently, and reduce waste throughout our business operations. Detailed records of the Company's carbon emission have proven to be an extremely useful tool to identify and eliminate unnecessary energy consumption.

Asia Financial's consumptions are considered necessary to our operations and business nature, although we do not set specific reduction targets for respective emission types, we strive to achieve overall decrease in carbon emission intensity year after year, details to be reported in section H4.

H. Environment (cont'd)

H3. The Environment and Natural Resources (cont'd)

Asia Financial takes the following measures to reduce and mitigate carbon emission:

Staff engagement	Employee participation is essential to our green office policies, including a “switch-off” policy for idle electronic equipment. Furthermore, staff are encouraged to print hardcopies only when necessary.
Use of energy efficient lighting & equipment	Asia Financial has replaced T5 fluorescent lamps with 21W LED lighting system at our main office in 2022. It is expected to reduce the Company’s carbon emission from electricity used in the long-term, and employees can work under suitable lighting.
Enhance virtual meeting equipment	As the Company’s business continues to grow and in order to reach partners from various locations, Asia Financial have enhanced video conferencing equipment and communication tools to encourage staff to limit business travels and reduce carbon emissions.
Green office policy	We promote green practices through internal “ <i>ESG Guidelines for Operations Purpose</i> ” that includes suggestions on recycling, switch-off policy, printing practices, and reusing materials such as stationaries.
Recycling and Minimizing Waste	Professional vendors and specialists collect ink cartridges from copiers and printers and paper for recycling and confidential disposal.
Printing efficiency project to reduce paper waste	AI has launched a printing efficiency project with centralized and consolidated printer functions, and double-sided and black & white printing modes are now set as office-wide defaults. These initiatives are expected to help reduce paper waste in the future. In the long term, AI will explore the possibility of paperless operations by adopting electronic solutions for business processes.

H. Environment (cont'd)

H3. The Environment and Natural Resources (cont'd)

Other measures to reduce carbon emissions



H. Environment (cont'd)

H4. Greenhouse Gas (“GHG”) Emissions

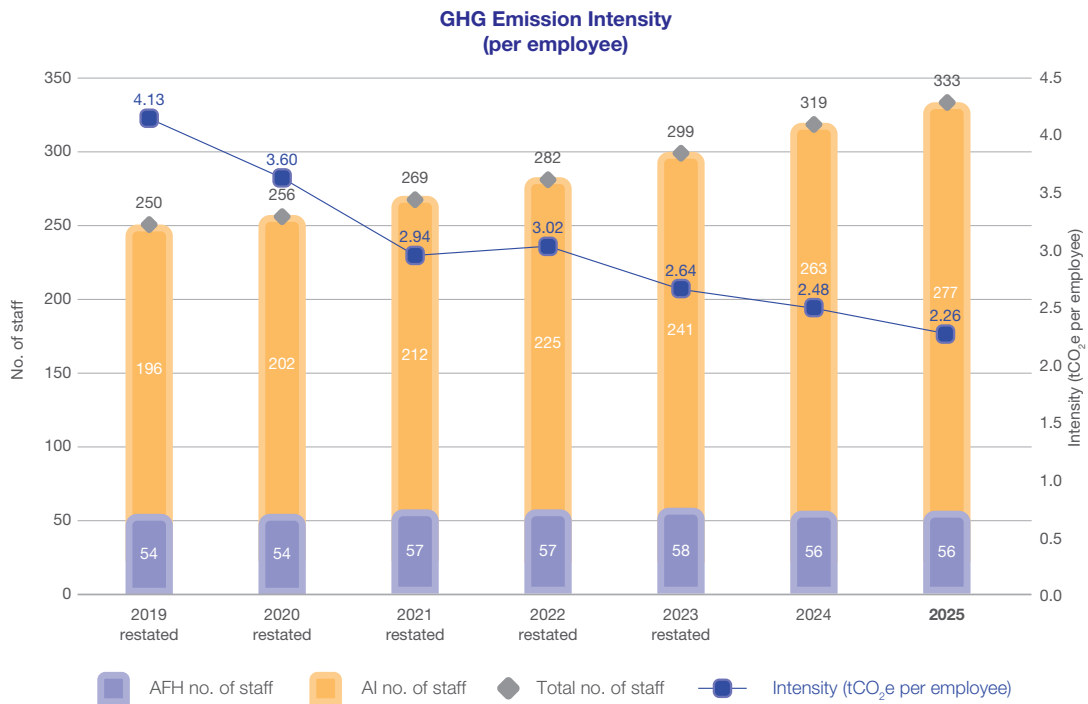
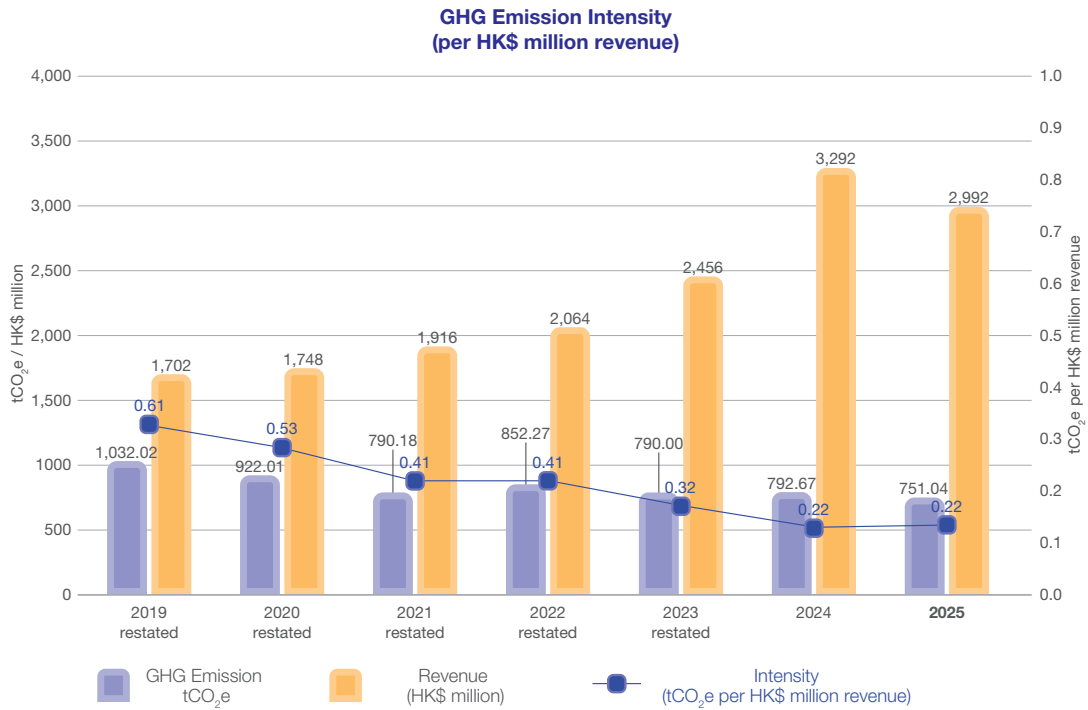
	GHG Emissions (tons CO ₂ equivalent “tCO ₂ e”)					
	AFH		AI		Asia Financial	
	tCO ₂ e	YoY%	tCO ₂ e	YoY%	tCO ₂ e	YoY%
Scope 1: Unleaded petrol & diesel combustion	51.71	-12%	16.75	-33%	68.45	-18%
Scope 2: Purchased electricity	207.24	-12%	308.24	-11%	515.48	-12%
Scope 3: Paper waste	-17.28	107%	44.37	27%	27.08	+2%
Scope 3: Overseas business travel	125.26	36%	14.76	113%	140.02	+42%
Total	366.93	-3%	384.12	-7%	751.04	-5%

	GHG Emissions Intensity for AFH Group						
	2019 Base- year	2020	2021	2022	2023	2024	2025
Total tons of GHG emission (tCO ₂ e)							
2019-2023 (restated)	1,032.02	922.01	790.18	852.87	790.00	792.67	751.04
Revenue* (HK\$ million)	1,702	1,748	1,916	2,064	2,456	3,292	2,992
Intensity (tCO ₂ e per HK\$ million in revenue)							
2019-2023 (restated)	0.61	0.53	0.41	0.41	0.32	0.24	0.25
Total no. of staff	250	256	269	282	299	319	333
Intensity (tCO ₂ e per employee)	4.13	3.60	2.94	3.02	2.64	2.48	2.26

*Note: From 2019 to 2021, revenue refers to “Gross Written Premium” under HKFRS4. From 2022 onwards, revenue refers to “Insurance Revenue” under HKFRS17.

H. Environment (cont'd)

H4. Greenhouse Gas (“GHG”) Emissions (cont'd)



H. Environment (cont'd)

H4. Greenhouse Gas (“GHG”) Emissions (cont'd)

	5-year trend (2019 to 2023)	2025 compared to 2024	2025 compared to 2019 (base year)
Total tons of GHG emission (tCO ₂ e)	-23%	-5%	-27%
Intensity (tCO ₂ e per HK\$ million in revenue)	-47%	+4%	-59%
Intensity (tCO ₂ e per employee)	-36%	-9%	-45%

In 2025, Asia Financial's decrease in GHG emission was mostly due to decreases in scope 1 emission from consumption of unleaded petrol with the increasing use of EVs, however the decrease was slightly offset by increases in scope 3 emission from overseas business travel which was inevitable with continued business growth.

With 2019 as our base year, there is an overall decrease in both GHG emission and intensity from the 5-years between 2019 to 2023. For the next 5 years (from 2024 to 2028), while continued business growth may contribute to increasing GHG emission, we strive to limit our carbon footprint whenever feasible and continue to enhance our targeted carbon emission reduction strategies based on quantifiable emission data over the years to meet our target.

Asia Financial has arranged the offset of 751 tons of GHG emissions through purchasing Carbon Credits from CLP, where CLP Wind Farms (India) Private Limited has developed a green-field wind-based electricity generation project at Andhra Lake, Pune District, in the State of Maharashtra. The project is verified by Verra Standard (VCS#1480), considered a technological-based, carbon reduction project.

I. Climate Strategies

In order to assess climate and ESG related risks and opportunities that could reasonably be expected to affect Asia Financial's cash flows, access to finance or cost of capital over the short, medium or long term, the following steps were taken:

11. Stakeholder Engagement and Materiality Assessment

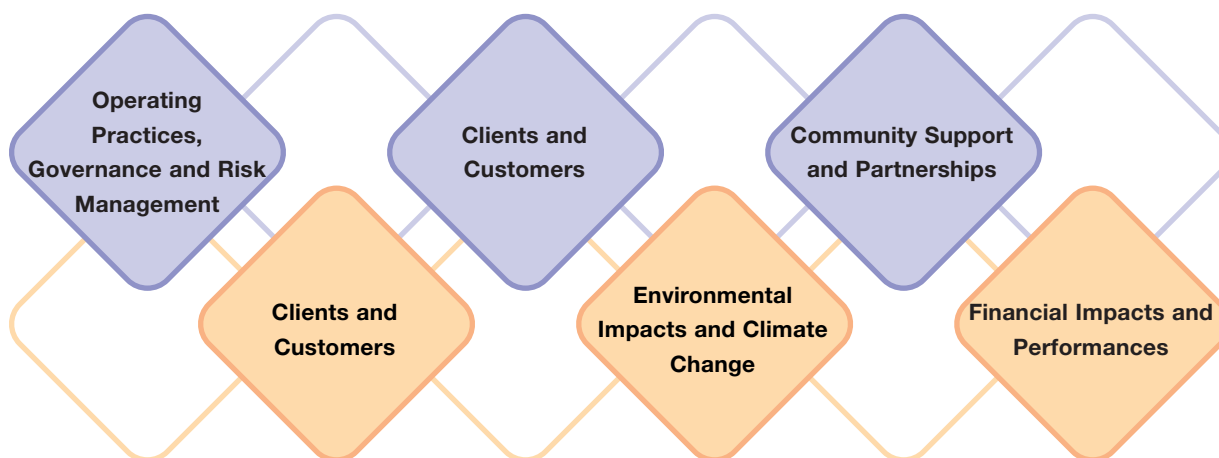
Asia Financial operates in a socially responsible and transparent manner by engaging with various stakeholders via multiple communication channels. These communication channels are opportunities for Asia Financial to convey our strategies and for stakeholders to voice their expectations.

Stakeholders	Communication Channels
Community	- Meeting with NGOs
	- Sponsorships and donations
	- Participate in events and activities
Customers	- Client relationship contacts
	- Company website
	- Customer service hotline
	- Online platform
Employees	- Annual performance appraisal system
	- Recreational and volunteer activities
	- Townhall meetings held by AI
	- Trainings, seminars and briefing sessions
Regulators	- Compliance reports & risk reports
	- On-site review
	- Regular meetings and communications
	- Training, focus groups and other events
Shareholders	- Annual General Meetings and other ad hoc meetings
	- Company website
	- Corporate communications including announcements, press releases, circulars, interim reports and annual reports
	- Investor meetings and briefings
Suppliers	- Annual supplier, service provider, contractor, and vendor review for internal use
	- Regular supplier, service provider, contractor, and vendor communications and engagements

I. Climate Strategies (cont'd)

11. Stakeholder Engagement and Materiality Assessment (cont'd)

Following stakeholder engagement, a list of the most significant economic, environmental, and social focus areas to Asia Financial's Management and our stakeholders was compiled:



These focus areas were considered for our materiality assessment to identify material climate and ESG related risks and opportunities. These insights are particularly helpful for the Company to review our short, medium to long-term strategy in addressing specific sustainability issues and identifying areas of improvement for ESG performance and reporting.

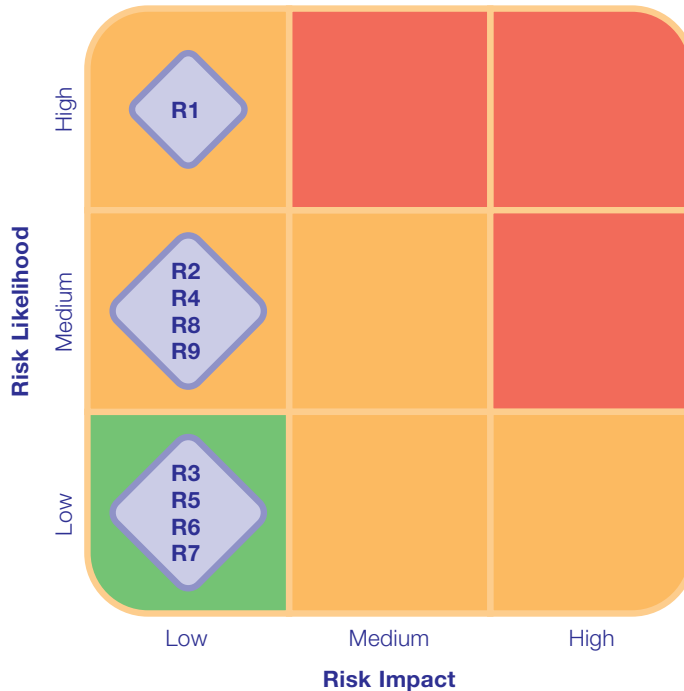
Materiality of climate and ESG related risks and opportunities was assessed with the following criteria:

Time Horizon (by occurrence of risk event)	Short term \leq 3 years Medium term $>$ 3 years or \leq 10 years Long term $>$ 10 years	Aligns with nature of major business – investment and insurance operations
Likelihood (by occurrence of risk impact)	Low: Potential of occurring \leq 1 per year Medium: Potential of occurring $>$ 1 or \leq 5 per year High: Potential of occurring $>$ 5 per year	
Impact Materiality	Low \leq 1% of relevant financial measures Medium $>$ 1% or \leq 5% of relevant financial measures High $>$ 5% of relevant financial measures	

I. Climate Strategies (cont'd)

I1. Stakeholder Engagement and Materiality Assessment (cont'd)

The results of materiality assessment of climate and ESG related risks and opportunities are as follow:



Risk Type		Risk Category	Time Horizon
R1	Physical (acute) Risk	Extreme Weather Events (corporate level)	Short, Medium & Long Term
R2	Physical (acute) Risk	Extreme Weather Events (insurance operation)	Short, Medium & Long Term
R3	Physical (chronic) Risk	Rising temperature/Rising energy consumption	Medium & Long Term
R4	Physical (chronic) Risk	Rising temperature & Rising Sea Levels/Increase in claims and exposure	Medium & Long Term
R5	Transition Risk	New regulations	Short, Medium & Long Term
R6	Transition Risk	Negative public feedback	Short & Medium Term
R7	Transition Risk	Increased in carbon price	Short & Medium Term
R8	Transition Risk	Reinsurance and risk transfer challenges	Short, Medium & Long Term
R9	Transition Risk	Evolving Green Technologies/Underwriting	Short, Medium & Long Term

The materiality assessment indicated non-material climate and ESG related risks and opportunities for Asia Financial, nor do we currently necessitate a climate and ESG related transition plan, scenario analysis or assessment of climate resilience. Asia Financial do not foresee any current or anticipated changes to our business model, value chain, strategy, capital deployment, and efforts necessary to address climate and ESG related risks and opportunities as our core business operations already strategizes around climate and ESG related topics and financials are properly managed to anticipate any ad hoc situations. We do not foresee any current or anticipated effects on our financial position, financial performance and cash flows resulting from climate and ESG related risks and opportunities. We are conscious of potential materiality of climate and ESG related risks and opportunities in the future and shall revisit the assessment and plan from time to time or when necessary.

I. Climate Strategies (cont'd)

I2. Impact of Climate Change on Our Core Business

Insurance Operations

Climate change, for obvious reasons, has a direct and dramatic impact on an insurance company's balance sheet. Extreme and unpredictable weather conditions increase our exposure to disaster related risks like typhoons, floods, and fires. For this reason, AI continually reviews its reinsurance protection and when necessary, increases it. With an eye towards decreasing our exposure to climate related disaster, we are also expanding risk analytic capabilities of our climate and ESG related exposures.

One of the major ways to alleviate the impact of extreme weather on our insurance risk profile is to arrange for an extra layer of reinsurance. This provides protection for our business in Hong Kong, and also covers our exposure in other geographical regions, especially Asia.

AI has provided a cumulative net claims reserve of HK\$31.7 million up to 31st December 2025 and net claims incurred is a credit of HK\$11.1 million in relation to extreme weather events for the period ended 31st December 2025.

Currently, we have assessed the business impact caused by climate change and set quantifiable climate and ESG related targets by considering the standards (HKFRS S1 and HKFRS S2) issued by HKICPA. The Insurance Authority has been working on a set of ESG guidelines, requirements and reporting standards which are expected to come out soon. Once they release this information, we will incorporate it into our strategy and targets.

Investment Strategy

Asia Financial continues to expand our portfolio on green investments across different asset classes including stocks, funds, and bonds with exposure to electric vehicles, renewable energy, and environmental investment themes. At the same time, our investment strategy is prudent and well-informed with climate and ESG related trends and research to ensure we maximize shareholders' return. For 2025, Asia Financial reached its goal of generating a high single digit annual return from green and environmental-themed investments through prudent and diversified strategies across all asset classes.

I3. Risk Management

Asia Financial's risk management frameworks has been established and consistently been utilized throughout the years. Under our risk management framework, one of our risk categories is Climate Risk, which incorporates the risks associated with climate and ESG related physical and transition risks and ensure climate change adaptation or mitigation policies are in place. Our integrated risk management model also ensures periodic risk assessment and monitoring cycles are in place to understand the relevant risks and assess the need to refresh our risk appetite, results and findings are reported to our management and relevant Committees on a quarterly basis. Climate and ESG related risks and opportunities will continuously be monitored to ensure key corporate risks are properly identified and adequately assessed, managed and monitored incase materiality changes.

Refer to section on *Risk Management and Internal Control* in the Corporate Governance Report.

J. Metrics and Targets

Asia Financial did not identify any material climate and ESG related risks and opportunities, hence, no metrics or targets in terms of amount and percentage of assets or business activities vulnerable to climate and ESG related risks and opportunities shall be disclosed, nor shall set industry-based metrics described in the *IFRS S2 Industry-based Guidance* that are associated with our business in asset management and insurance. Moreover, Asia Financial does not apply an internal carbon price at the moment in decision making for investments, insurance product pricing, or transfer pricing.

Nonetheless, Asia Financial have set the following short-to-medium term targets, which shall be evaluated whenever necessary. The following targets are set for 2026, and progress from 2025 were presented throughout the report.

J1. GHG Emissions

Achieve 10% reduction in GHG emission intensity (tCO₂e per HK\$ million in revenue & tCO₂e per employee) over the next 5 years (from 2024 to 2028).

J2. Impact of Climate Change

AI aims to continue to review and increase, if necessary, reinsurance protection, and will further expand its risk analysis of coverage to cover climate and ESG related risks. AI also aims to set quantifiable targets by considering the standards (HKFRS S1 and HKFRS S2) issued by HKICPA. We will also update the target when the Insurance Authority has completed and released its requirements and reporting standards.

The Board will continue to exercise stringent oversight over ESG-related matters that covers Asia Financial as a Group.

J3. Training

Continuously increase key market trend related training topics over the next 5 years (from 2025 to 2029), including but not limited to ESG, CSR or cybersecurity related areas.

J4. Volunteering or CSR-themed activities

Achieve at least one CSR related event in each quarter.

J5. Green Finance

Aim for mid-to-high single digit returns annually from green and environmental-themed investments through prudent strategies.

K. Conclusion

This ESG report describes Asia Financial's ongoing and multi-platform efforts to be a responsible company. We remain committed to a continuous review of our performance in the areas of workplace equity, environmental sustainability, promotion of ethical business practices and community involvement, so that we may evolve and improve. As the business environment constantly grows and changes, so does the community of which we are a part of. That is why we will continue to monitor and develop our ESG performance as a core function of corporate management, just as we do with our traditional financial indicators.