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)

2026 INTERIM RESULTS

The board of directors (the "Board") of Asia Financial Holdings Limited (the "Company" or "Asia Financial") announces the unaudited condensed consolidated results of the Company and its subsidiaries (collectively known as the "Group") for the six months ended 30th June, 2026 as follows:

Condensed Consolidated Statement of Profit or Loss (Unaudited)

For the six months ended 30th June, 2026

	Note	**Six months ended 30th June,**	
		2026	2025
		HK$'000	HK$'000
Insurance revenue	3	**1,531,915**	1,451,755
Insurance service expense		**(1,064,220)**	(1,189,545)
Net expenses from reinsurance contracts held		**(258,237)**	(101,140)
Insurance service result		**209,458**	161,070
Finance expense from insurance contracts issued		**(25,450)**	(104,282)
Finance income from reinsurance contracts held		**480**	53,156
Insurance operating result		**184,488**	109,944
Dividend income		**173,974**	108,312
Realised gain on investments		**26,031**	30,317
Unrealised gain on investments		**280,042**	148,029
Interest income		**80,027**	81,584
Other income and losses, net		**1,061**	18,686
		745,623	496,872

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Condensed Consolidated Statement of Profit or Loss (Unaudited)

For the six months ended 30th June, 2026

	Notes	**Six months ended 30th June,** **2026** **HK$'000**	2025 HK$'000
Operating expenses		**(91,096)**	(84,621)
Finance costs	4	**(144)**	(71)
		654,383	412,180
Share of profits or losses of joint ventures		**12,900**	40,347
Share of profits or losses of associates		**48,138**	14,410
PROFIT BEFORE TAX	5	**715,421**	466,937
Income tax expense	6	**(49,530)**	(43,586)
PROFIT FOR THE PERIOD		**665,891**	423,351
Attributable to:			
Equity holders of the Company		**665,891**	423,351
INTERIM DIVIDEND	7	**64,690**	60,069
INTERIM DIVIDEND PER SHARE	7	**HK7.0 cents**	HK6.5 cents
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	8		
Basic and diluted			
- For profit for the period		**HK72.1 cents**	HK45.8 cents

Condensed Consolidated Statement of Comprehensive Income (Unaudited)

For the six months ended 30th June, 2026

	Six months ended 30th June,	
	2026	2025
	HK$'000	HK$'000
PROFIT FOR THE PERIOD	**665,891**	423,351
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Share of other comprehensive income of associates	**1,602**	18,923
Exchange differences on translation of foreign operations	**2,791**	3,509
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	**4,393**	22,432
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	**(524,297)**	(289,448)
Income tax effect	**67,562**	(7,386)
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	**(456,735)**	(296,834)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**(452,342)**	(274,402)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**213,549**	148,949
ATTRIBUTABLE TO:		
Equity holders of the Company	**213,549**	148,949

Condensed Consolidated Statement of Financial Position (Unaudited)

30th June, 2026

	30th June, 2026 HK$'000	31st December, 2025 HK$'000
ASSETS		
Property, plant and equipment	**186,232**	184,180
Investment properties	**148,640**	158,640
Interests in joint ventures	**437,532**	437,895
Due from a joint venture	**1,280**	441
Interests in associates	**952,532**	907,449
Due from associates	**240,995**	240,376
Held-to-collect debt securities at amortised cost	**1,789,998**	1,760,917
Equity investments designated at fair value through other comprehensive income	**6,145,864**	6,666,361
Pledged deposits	**413,481**	349,715
Other assets	**362,378**	261,085
Financial assets at fair value through profit or loss	**3,879,312**	3,540,282
Reinsurance contract assets	**1,792,463**	1,872,570
Cash and bank balances	**2,629,423**	2,883,733
Total assets	**18,980,130**	19,263,644
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Issued capital	**924,142**	924,142
Reserves	**12,742,843**	12,594,082
Proposed dividend	**64,690**	147,863
Total equity	**13,731,675**	13,666,087
Liabilities		
Insurance contract liabilities	**4,558,551**	4,622,134
Due to a joint venture	**38**	38
Due to associates	**4,222**	4,222
Other liabilities	**320,777**	460,961
Tax payable	**75,679**	158,552
Deferred tax liabilities	**289,188**	351,650
Total liabilities	**5,248,455**	5,597,557
Total equity and liabilities	**18,980,130**	19,263,644

Notes to the Interim Financial Statements (Unaudited)

1. Changes in Accounting Polices and Disclosures

The condensed consolidated interim financial statements are prepared in accordance with Hong Kong Accounting Standard No. 34 “Interim Financial Reporting”. The accounting policies and basis of preparation adopted are consistent with those adopted in the Group’s annual consolidated financial statements for the year ended 31st December, 2025 except for the adoption of the following amended HKFRS Accounting Standards for the first time for the current period’s financial information and as disclosed below.

Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*
Annual Improvements to HKFRS Accounting Standards – Volume 11	*Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7*

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

Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify that a financial asset is derecognised when the entity’s rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. Since the Group’s accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information. The Group will provide additional disclosures for its equity investments designated at fair value through other comprehensive income in the Group’s consolidated financial statements for the year ending 31st December, 2026.

Notes to the Interim Financial Statements (Unaudited)

1. Changes in Accounting Polices and Disclosures (continued)

Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the “own-use” requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity’s financial performance and future cash flows. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

Annual Improvements to HKFRS Accounting Standards – Volume 11 set out narrow scope amendments to HKFRS 1, HKFRS 7 (and the accompanying Guidance on implementing HKFRS 7), HKFRS 9, HKFRS 10 and HKAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding HKFRS Accounting Standards. The amendments did not have any impact on the interim condensed consolidated financial information.

Notes to the Interim Financial Statements (Unaudited)

2. Operating Segment Information

(a) Operating segments

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

	Insurance HK$'000	**Corporate HK$'000**	**Eliminations HK$'000**	**Consolidated HK$'000**
For the six months ended 30th June, 2026				
Segment revenue:				
External customers	**1,531,915**	**-**	**-**	**1,531,915**
Other revenue, income and gains, net	**309,946**	**226,219**	**-**	**536,165**
Intersegment	**5,062**	**-**	**(5,062)**	**-**
Total	**1,846,923**	**226,219**	**(5,062)**	**2,068,080**
Segment results	**462,444**	**191,939**	**-**	**654,383**
Share of profits and losses of:				
Joint ventures	**(7,808)**	**20,708**	**-**	**12,900**
Associates	**7,744**	**40,394**	**-**	**48,138**
Profit before tax				**715,421**
Income tax expense	**(34,103)**	**(15,427)**	**-**	**(49,530)**
Profit for the period				**665,891**

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

Notes to the Interim Financial Statements (Unaudited)

2. Operating Segment Information (continued)

(a) Operating segments (continued)

	Insurance HK$'000	**Corporate HK$'000**	**Consolidated HK$'000**
30th June, 2026			
Segment assets	**9,827,603**	**7,762,463**	**17,590,066**
Interests in joint ventures	**269,675**	**167,857**	**437,532**
Interests in associates	**391,035**	**561,497**	**952,532**
Total assets	**10,488,313**	**8,491,817**	**18,980,130**
Segment liabilities	**4,662,049**	**586,406**	**5,248,455**

	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

(b) Geographical information

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

3. Insurance Revenue

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

4. Finance Costs

	Six months ended 30th June, 2026 HK$'000	2025 HK$'000
Interest on lease liabilities	**144**	71

Notes to the Interim Financial Statements (Unaudited)

5. Profit Before Tax

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

	Six months ended 30th June,	
	2026	2025
	HK$'000	HK$'000
Auditor's remuneration	**(4,187)**	(3,850)
Depreciation	**(10,023)**	(7,834)
Employee benefits expense (including directors' remuneration)	**(133,943)**	(111,705)
Expenses relating short-term leases and leases of low-value assets	**(1,344)**	(2,010)
Realised gain/(loss) on:		
- disposal of financial assets at fair value through profit or loss, net	**26,031**	26,508
- redemption/call-back of held-to-collect debt securities at amortised cost	**-**	(52)
- change in ownership interest in an associate	**-**	3,861
Total realised gain on investments	**26,031**	30,317
Unrealised gain on financial assets at fair value through profit or loss, net	**280,042**	148,029
Change in expected credit losses for:		
- held-to-collect debt securities at amortised cost	**11**	230
Interest income	**80,027**	81,584
Loss on write-off of items of property, plant and equipment*	**(59)**	(12)
Gross rental income*	**449**	3,679
Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties	**(328)**	(142)
Change in fair value of an investment property*	**(10,000)**	(8,000)
Foreign exchange gain, net*	**9,155**	19,572
Dividend income from:		
Listed investments	**142,082**	75,039
Unlisted investments	**31,892**	33,273
Total dividend income	**173,974**	108,312

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

Notes to the Interim Financial Statements (Unaudited)

6. Income Tax Expense

Hong Kong profits tax has been provided at the rate of 16.5% (2025: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the locations in which the Group operates.

	Six months ended 30th June,	
	2026	2025
	HK$'000	HK$'000
Current – Hong Kong		
Charge for the period	**23,698**	25,017
Under provision in prior period	**-**	12
Current – Elsewhere		
Charge for the period	**20,732**	15,378
Deferred	**5,100**	3,179
Total tax charge for the period	**49,530**	43,586

7. Dividend

	Six months ended 30th June,	
	2026	2025
	HK$'000	HK$'000
Proposed interim dividend:		
HK7.0 cents (2025: HK6.5 cents) per ordinary share	**64,690**	60,069

The Board has resolved to pay an interim dividend of HK7.0 cents per share (2025: HK6.5 cents), which will be paid in cash, for the six months ended 30th June, 2026 payable on or about 8th October, 2026 to shareholders whose names appear on the Register of Members of the Company on 30th September, 2026.

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

The calculation of the basic earnings per share is based on the profit for the period attributable to ordinary equity holders of the Company of HK$665,891,000 (2025: HK$423,351,000) and the weighted average number of ordinary shares of 924,142,000 (2025: 924,527,000) in issue during the period.

No adjustment has been made to the basic earnings per share amounts presented for the periods ended 30th June, 2026 and 2025 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during those periods.

Management Discussion and Analysis

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

Profit attributable to equity holders of the Company:	HKD665.9 million	+57.3%
Earnings per share:	HK72.1 cents	+57.4%
Interim dividend per share:	HK7.0 cents	+7.7%

Asia Financial Holdings Limited ("Asia Financial", the "Group" or the "Company") reported a net profit attributable to shareholders of HK$665.9 million for the first half of 2026, representing an increase of 57.3% compared with the corresponding period of the previous year.

The Group's result for the first half of 2026 reflected continued strength in insurance, disciplined portfolio management and stable contributions from joint ventures and associates. Within the insurance segment, favourable demographic trends and rising demand for healthcare and retirement protection continued to drive growth.

During the period, one of the Group's joint ventures was granted a new life insurance licence to support selected in-force portfolios, providing an orderly servicing solution for long-duration policies in Hong Kong. Combined with our health, medical and digital offerings, this strengthens the Group's position in protection and retirement markets and broadens its recurring income base.

The global environment remained unsettled in the first half of the year, shaped by geopolitical tensions, conflict in the Middle East, shifting interest-rate expectations and ongoing market volatility. While several equity markets remained firm, we adopted a more prudent stance in light of valuation concerns, inflation risks, and an uncertain external backdrop. We took advantage of favourable conditions to realise gains and moderate risk exposure in more volatile equity segments, while increasing allocations to high-quality fixed-income securities to strengthen recurring income and provide a more resilient foundation for the portfolio. These actions have protected the gains achieved in the period and created flexibility to selectively reallocate capital across asset classes as market conditions and opportunities evolve.

The Group also benefited from its healthcare, pension, asset management and property interests, which provided additional stability across market cycles, complementing its core insurance business.

The Board also recognised the collective response of the wider Hong Kong insurance industry to expedite claims settlements for policyholders affected by the Tai Po fire. Experience from major incidents and severe weather events continues to inform Asia Insurance's approach to risk awareness, safety standards and preventive measures, reinforcing the Group's commitment to responsible underwriting, robust governance, and timely client support.

Management Discussion and Analysis (continued)

Looking ahead to the second half of 2026, we expect conditions to remain challenging, yet opportunities will persist. With a stronger liquidity position and rebalanced portfolio following the actions taken in the first half, the Group will continue to emphasise prudence, diversification, and liquidity, while seeking to grow stable earnings across its insurance and related businesses and to create lasting value for shareholders.

Economic Background

The global economy continued to expand in the first half of 2026, although growth remained moderate, and the outlook became more complex. The International Monetary Fund's (IMF) July 2026 World Economic Outlook forecast stable global growth at around 3.0% in 2026, compared to 3.5% in 2025. However, renewed inflationary pressures and conflict-related risk have contributed to a more challenging economic environment.

These competing forces produced markedly different outcomes across equity markets in the first half of 2026. The Dow Jones Industrial Average rose 8.9%, the Nikkei 225 surged 39.2%, and the MSCI Europe Index gained 8.8%, while the Hang Seng Index declined 10.7% and the Hang Seng China Enterprises (H-share) Index fell 15.2% over the same period. Fund flows were heavily skewed towards developed markets, with large weightings in technology and semiconductor names, where enthusiasm for artificial intelligence and substantial capital expenditure by global hyperscale platforms provided a powerful tailwind.

Geopolitical developments, particularly the conflict in the Middle East, have significantly reshaped the risk landscape. Monetary policy in major economies remains a source of uncertainty. Earlier expectations of near-term interest-rate cuts have largely faded, and market forecasts now point to policy rates staying higher for longer in the United States and other major economies.

China is expected to continue to deliver growth that compares favourably with many developed economies, supported by targeted policy measures and a sustained emphasis on innovation, green energy, and greater self-reliance in critical technologies, while structural headwinds — including softness in the property sector, cautious consumer sentiment and labour market pressures — may temper the pace of expansion. Growth is therefore expected to vary across sectors in the near term, despite continued policy support for high-value industries.

Management Discussion and Analysis (continued)

Economic Background (continued)

Hong Kong’s economy recorded solid headline growth in early 2026, with real GDP rising 5.9% year on year in the first quarter, supported by external demand, improved tourism flows and increased investment, including activity in AI-driven and technology sectors. The capital markets remained active, with strong IPO activity and continued inflows into asset and wealth management, reinforcing Hong Kong’s position as an international financial centre and gateway to the Greater Bay Area. However, the recovery has been uneven, with certain retail and property segments facing continued pressure and broader business and consumer sentiment remaining cautious. Higher energy prices and potential spill over effects from tensions in the Middle East remain downside risks.

Across the US, Europe and Asia, tariff changes, policy measures, evolving technology and trade relationships are reshaping capital flows and sectoral opportunities. In this environment of inconsistent growth, shifting policies and concentrated market leadership in technology-related sectors, the Group will continue to manage risk carefully and maintain flexibility in its capital and portfolio strategies, with a view to patiently deploying capital where valuations and fundamentals remain supportive.

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. In the first half of 2026, this meant managing risk prudently while preserving the flexibility to respond to opportunities as they arise.

The Group’s long-term strategy remains centred on its core insurance and protection businesses, supported by complementary interests in healthcare, pension, asset management and property. Together, these activities position the Group to benefit from structural trends such as demographic ageing, rising healthcare demand and the continuing development of retirement solutions across the region.

Against this backdrop, the investment portfolio remains an important source of income and diversification, complementing the stable earnings generated by the Group’s insurance and related businesses. Following adjustments made in the first half, the portfolio is now more balanced between equities and high-quality fixed income, with a selective and disciplined approach to risk. Management will continue to deploy capital in a measured way, focusing on areas that align with the Group’s long-term themes and core competencies.

Business review

Insurance

Asia Insurance Company, Limited ("Asia Insurance"), a wholly owned subsidiary of the Group, delivered a solid performance in the first half of 2026, reporting a net profit of HK$433.9 million and maintaining a strong capital position amid a mixed operating environment. The period was marked by disciplined execution and selective growth, with a continued focus on balance sheet strength and quality.

Insurance revenue for the first half of 2026 increased by 5.6% compared with the same period in 2025. The insurance service result rose by 29.9%, while operating expenses increased, reflecting ongoing investment in people, systems, and business development.

A key development in this period was the granting of a new life insurance licence to a joint venture in which the Group participates, thereby establishing a specialist platform to support run-off and in-force portfolios. The platform creates a dedicated vehicle for long-duration policies that are no longer strategic for their original owners. This model helps address a longstanding industry challenge by providing an orderly solution for life insurers wishing to wind down smaller or legacy portfolios in Hong Kong, while ensuring continuity of service for policyholders. The platform is underpinned by an AI-enabled core system developed in-house, which supports efficient administration and can be deployed for third-party in-force portfolios, aligning with the Hong Kong Insurance Authority's broader AI and Insurtech agenda.

Within its general insurance operations, Asia Insurance maintained a balanced portfolio across key lines, including property, liability, health, and speciality risks, and continued to apply a cautious underwriting stance. The company prioritised business with sound risk-adjusted returns and remained prepared to sacrifice volume when pricing or terms did not meet its standards. Management reports that market conditions in Hong Kong remained competitive, while overseas reinsurance relationships across the Asia Pacific region continued to provide diversification benefits. Health and medical solutions remained a strategic priority, particularly for clients in an ageing population and for those engaging more actively with the Greater Bay Area ("GBA"), where partnerships and regional cost differentials support affordable, sustainable coverage.

Management Discussion and Analysis (continued)

Business Review (continued)

Insurance (continued)

Distribution remained well diversified, spanning brokers, agents, banks, and technology-enabled platforms. Asia Insurance and its digital arm, Avo Insurance Company Limited (“Avo”), operate in a complementary manner, combining specialist underwriting expertise with efficient, technology-driven delivery. Asia Insurance focuses on a wide range of commercial insurance solutions, while Avo — operating under Hong Kong’s first virtual general insurance licence — provides fully online solutions and rapidly develops bespoke platforms for partners through its in-house team. Together, they enable the Group to capture opportunities where digital journeys and automation are critical, thereby extending its reach across both conventional and digital channels.

Operational efficiency and expense discipline remained central in the first half of the year, with Asia Insurance streamlining processes, enhancing digital workflows, and using data analytics to improve service responsiveness and decision-making. These measures, together with careful cost control, helped offset the effects of competitive pricing and claims volatility in key segments.

In risk and claims management, Asia Insurance maintained its focus on providing timely client support and robust governance. Experience gained from past severe weather and major incidents continues to inform Asia Insurance’s approach to risk awareness, safety standards and preventive measures.

People and culture remained a cornerstone of the Group’s strategy. Asia Insurance continued to invest in young professionals and trainee programmes and has maintained a workforce in which approximately one-third of employees are under 34, providing a healthy balance between emerging talent and experienced staff. Staff benefit from structured training, rotation opportunities and overseas exposure, which support skills development, retention, and succession planning.

Asia Insurance retains a Standard & Poor’s A rating, unchanged during the period. Its capital position and key solvency indicators were broadly in line with those reported for the first half of 2025 and subsequent disclosures, supporting disciplined growth and compliance with evolving regulatory requirements.

The Group’s 5% stake in PICC Life Insurance Company Limited, the primary life arm of PICC Group, a Fortune Global 500 company, offers exposure to a leading Mainland Chinese insurer with nationwide coverage, aligning with its focus on long-term protection and retirement solutions.

Management Discussion and Analysis (continued)

Business Review (continued)

Insurance (continued)

Supported by its diversified business model, AI-enabled run-off platform, regional health and medical offerings, and a strong risk culture, Asia Insurance enters the second half of 2026 with a cautiously optimistic outlook, focused on sustainable value creation for stakeholders.

All figures above are before eliminating Group transactions.

Portfolio Investment

The Group's trading investment activities remained profitable in the first half of 2026, although a more defensive stance was adopted than in the corresponding period last year. The portfolio was repositioned to reflect a shifting risk-return balance in global equity markets. Exposure to equity markets including Japan, Europe and certain Asian markets was reduced to lock in gains, with a portion of the proceeds redeployed into high-quality fixed-income securities to strengthen the portfolio's income profile. At the same time, the Group maintained exposure to core markets in the US, Hong Kong, and China where valuations and fundamentals remained supportive. This approach proved particularly beneficial in China, where the Group's equity positions outperformed the broader MSCI China Index, reflecting the value of a disciplined and selective investment approach.

Within the equity portfolio, the emphasis shifted from highly volatile technology and AI-driven names towards established, cash-generative businesses including financial, healthcare, and industrial stocks. This shift, together with the higher allocation to fixed income, was intended to make the portfolio more resilient while still allowing the Group to participate selectively in structural growth themes. Looking ahead, management expects to remain active in adjusting equity exposure in the second half of the year and stands prepared to add to positions where valuations, fundamentals and policy signals indicate improved opportunities.

Alternative investments remained a source of diversification. During the period, selected hedge fund exposure was reduced to realise gains, improve liquidity, and maintain flexibility to respond to changing market conditions.

Healthcare and Wellness

Our 4.8% shareholding in Bumrungrad Hospital Public Company Limited ("Bumrungrad Hospital") remains a high-quality strategic holding for the Group, underpinned by its strong brand, leading medical capabilities, and established position in regional medical tourism.

Management Discussion and Analysis (continued)

Business Review (continued)

Healthcare and Wellness (continued)

In the first half of 2026, Bumrungrad Hospital's share price recovered strongly from the weakness seen in the prior-year period, with a 19.4% rebound in Thai Baht terms and 14.5% in Hong Kong dollar terms. This recovery, together with solid earnings and strong international patient demand, particularly from the Middle East, has underpinned confidence in the long-term outlook for this investment.

The competitive environment in regional healthcare remains intense, and Bumrungrad Hospital continues to invest in service quality, clinical depth, and new capacity, including its planned Phuket facility, which is expected to begin serving patients in the second half of 2027. The Group views these developments positively and believes they will further strengthen Bumrungrad Hospital's position in the premium healthcare segment.

Asia Financial continues to regard Bumrungrad Hospital as a core, long-term investment, supported by demographic ageing, rising demand for high-quality healthcare, and the region's ongoing leadership in cross-border medical services. Within the Group's broader portfolio, Bumrungrad Hospital offers both attractive exposure to structural healthcare growth and a meaningful contribution to earnings and shareholder value.

Pension and Asset Management

Our joint venture, Bank Consortium Holding Limited ("BCH"), continues to deliver solid, predictable profits to the Group through its wholly owned subsidiary, Bank Consortium Trust Company Limited ("BCT"), a leading provider of Mandatory Provident Fund services in Hong Kong. In the first half of 2026, BCT maintained its strong position in a highly competitive market, supporting members and employers while advancing digital capabilities and service quality. Performance was broadly in line with expectations and reinforced BCH's role as a lower-volatility, earnings-accretive pillar within the Group's portfolio.

The Group also retains its 10% stake in BBL Asset Management Company Limited ("BBLAM"), one of Thailand's leading asset management companies. BBLAM remains an important long-term strategic investment and a source of recurring dividend income.

Taken together, the Group's pension and asset management interests offer diversification and a reliable income stream. They sit alongside the Group's insurance and investment activities and underpin its strategy of staying aligned with long-term themes in retirement planning, savings, and wealth management.

Business Review (continued)

Property

Our commitment to Shanghai's real estate sector remains evident, with property projects continuing to account for 3.8% of the Group's asset base. Market conditions in Mainland China remained challenging during the first half of 2026, as cautious consumer sentiment, slower income growth and a more prolonged decision-making process continued to weigh on residential sales. While supportive Government policy measures in Shanghai may provide some underlying stability to the market, competition has intensified due to increased supply of residential properties, and the pace of recovery remains uneven across districts and buyer segments.

For the Group's 27.5% stake in the mixed-use 60,000-square-metre property project in Qingpu District, sales activity remained subdued during the period. In response to current market conditions, attention has been directed to reviewing the pricing strategy and overall market positioning to align with prevailing buyer preferences. Construction work is progressing, and the Group remains focused on prudent execution and quality delivery.

Work also continues at the Group's other Qingpu project, a 21,000-square-metre site in the district. Planning and design reviews are underway to maintain flexibility in the unit mix and product positioning in response to evolving market demand. The Group will continue to assess development phasing and launch timing carefully, in line with market conditions.

The property business nevertheless recorded a profit during the period. In the current environment, the Group remains disciplined in its approach to project launches, capital allocation and sales planning. Contributions are expected to remain limited in the second half of the year, and development activities will continue to be managed prudently in line with market conditions.

Management Discussion and Analysis (continued)

Business Review (continued)

Securities Investments Representing More than 5% of Total Assets

As of 30th June, 2026, there were two securities investments, each representing above 5% of the Group's total assets:

Holding	No. of shares (in thousand)	Investment cost (HK$'million)	Fair value as at 30th June, 2026 (HK$'million)	% of total Group assets	Realised and unrealised gain/(loss) up to 30th June, 2026 (HK$'million)	Dividends received up to 30th June, 2026 (HK$'million)
PICC Life	1,288,055	1,522	3,394	17.9%	(746)	-
Bumrungrad Hospital	38,318	561	1,701	9.0%	215	83

Both investments are primarily long-term strategic holdings.

Capital Structure

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

Liquidity, Financial Resources and Gearing Ratio

The Group's cash and bank balances as of 30th June, 2026, amounted to HK$ 2,629,423,000 (31st December, 2025: HK$ 2,883,733,000).

The Group had no bank borrowing as of 30th June, 2026 and 31st December, 2025.

No gearing ratio was calculated as the Group had no net current debt as of 30th June, 2026. The gearing ratio was based on net current debt divided by total capital plus net current debt. Net current debt includes the current portion of insurance contract liabilities, amounts due to a joint venture and associates, and other liabilities, less cash and bank balances and financial assets at fair value through profit or loss. Capital represents equity attributable to equity holders of the Company.

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

Charge on Assets

As of 30th June, 2026, Asia Insurance Company, Limited ("Asia Insurance") charged assets with a carrying value of HK$171,258,000 (31st December, 2025: HK$153,448,000) in favour of a cedant to secure the performance of Asia Insurance's obligations to the cedant under certain pecuniary loss reinsurance contracts.

Contingent Liabilities

As of 30th June 2026, the Group had no material contingent liabilities.

Employees and Remuneration Policy

As of 30th June, 2026, the total number of employees of the Group was 391 (31st December, 2025: 393). Employee compensation was determined by individual performance, level of experience and prevailing industry practices. The employee remuneration package encompasses salary and discretionary bonus, contingent upon the Group's results and each employee's performance. There was no share option scheme in operation during the period. The Group provides comprehensive medical and retirement benefits to all staff members. Additionally, a range of training and induction programs are available to the Group's employees.

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

Purchase, Sale or Redemption of the Company's Listed Securities

During the six months ended 30th June, 2026, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities. The Company has not had any treasury shares (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) since the new treasury share regime came into effect on 11th June, 2024.

Corporate Governance Code

The Company has applied the principles and complied with all the applicable code provisions set out in the Corporate Governance Code ("CG Code") contained in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited throughout the six months ended 30th June, 2026, except a deviation from CG Code C.2.1 which stipulates, inter alia, that the roles of chairman and chief executive should be separate and should not be performed by the same individual and that the division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

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

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

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

Review of Interim Financial Statements

The Audit Committee of the Company has reviewed the unaudited condensed consolidated interim financial statements of the Group for the six months ended 30th June, 2026 and recommended it for the Board's approval.

Interim Dividend

The Board has resolved to declare an interim cash dividend of HK7.0 cents (2025: HK6.5 cents) per ordinary share for the six months ended 30th June, 2026 payable on or about Thursday, 8th October, 2026 to shareholders whose names appear on the Register of Members of the Company on Wednesday, 30th September, 2026.

Closure of Register of Members

The Register of Members of the Company will be closed from Monday, 28th September, 2026 to Wednesday, 30th September, 2026, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration not later than 4:30 p.m. on Friday, 25th September, 2026.

Publication of 2026 Interim Results and Interim Report

This results announcement is published on the Company's website at www.afh.hk and the HKEXnews website at www.hkexnews.hk. The 2026 Interim Report will be published on the same websites and available to the shareholders on or about Friday, 11th September, 2026.

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

Hong Kong, 26th August, 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. MORITO Tetsuya, Mr. HIYOSHI Yusuke; 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*