



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)

INTERIM REPORT

For the six months ended 30th June, 2025

	<i>Pages</i>
Corporate Information	2
Chairman's Statement	3
Management Discussion and Analysis	5
Interim Results Highlights	9
Condensed Consolidated Statement of Profit or Loss (Unaudited)	10
Condensed Consolidated Statement of Comprehensive Income (Unaudited)	12
Condensed Consolidated Statement of Financial Position (Unaudited)	13
Condensed Consolidated Statement of Changes in Equity (Unaudited)	14
Condensed Consolidated Statement of Cash Flows (Unaudited)	16
Notes to the Interim Financial Statements (Unaudited)	18
Supplementary Financial Information	36
Other Information	40



Board of Directors

Executive Directors

CHAN Bernard Charnwut (*Chairman and President*)
TAN Stephen
WONG Kok Ho

Non-Executive Directors

TATEGAMI Susumu
MORITO Tetsuya

Independent Non-Executive Directors

AU YANG Chi Chun Evan
NGAN Edith Manling
LI Lu Jen Laurence

Audit Committee

NGAN Edith Manling (*Chairperson*)
AU YANG Chi Chun Evan
LI Lu Jen Laurence

Compliance Committee

AU YANG Chi Chun Evan (*Chairperson*)
NGAN Edith Manling
LI Lu Jen Laurence
CHAN Bernard Charnwut
TAN Stephen

Remuneration Committee

LI Lu Jen Laurence (*Chairperson*)
AU YANG Chi Chun Evan
NGAN Edith Manling
CHAN Bernard Charnwut
WONG Kok Ho

Nomination Committee

AU YANG Chi Chun Evan (*Chairperson*)
NGAN Edith Manling
LI Lu Jen Laurence
CHAN Bernard Charnwut
WONG Kok Ho

Risk Committee

LI Lu Jen Laurence (*Chairperson*)
AU YANG Chi Chun Evan
NGAN Edith Manling
CHAN Bernard Charnwut
WONG Kok Ho

Company Secretary

CHIANG Yuet Wah Connie

Auditor

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor

Registered Office

Clarendon House
Church Street
Hamilton HM 11
Bermuda

Head Office and Principal Place of Business

16th Floor, Worldwide House
19 Des Voeux Road Central
Hong Kong
Telephone : (852) 3606 9200
Fax : (852) 2869 1609
Website : www.afh.hk
Email : contactus@afh.hk

Principal Registrar and Transfer Office

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Branch Registrar and Transfer Office

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East, Wan Chai
Hong Kong

Principal Bankers

Bangkok Bank Public Company Limited
Hang Seng Bank Limited
Public Bank (Hong Kong) Limited
Shanghai Commercial Bank Limited

Legal Advisers

Conyers Dill & Pearman
Deacons
Gallant
P. C. Woo & Co.

Share Listing

Main Board of The Stock Exchange of Hong Kong Limited
Stock Code: 662

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

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

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

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

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

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

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

Economic Background

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

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



Economic Background (continued)

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

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

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

Management Approach and Future Prospects

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

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

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

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

CHAN Bernard Charnwut

Chairman and President

Hong Kong, 22nd August, 2025

Business Review

Insurance

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

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

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

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

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

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

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

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

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

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

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

Business Review (continued)

Insurance (continued)

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

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

Other Portfolio Investment

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

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

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

Healthcare and Wellness

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

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

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

Business Review (continued)

Pension and Asset Management

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

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

Property Development

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

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

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

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

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

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

Securities Investments Representing More than 5% of Total Assets

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

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

Both investments are primarily long-term strategic holdings.

Capital Structure

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

Liquidity, Financial Resources and Gearing Ratio

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

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

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

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

Charge on Assets

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

Contingent Liabilities

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

Employees and Remuneration Policy

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

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

The board of directors (the “Board”) of Asia Financial Holdings Limited (the “Company”) is pleased to announce the unaudited interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30th June, 2025 as follows:

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

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

Review of Interim Financial Statements

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

Interim Dividend

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

Closure of Register of Members

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



Condensed Consolidated Statement of Profit or Loss (Unaudited)

For the six months ended 30th June, 2025

	Notes	Six months ended 30th June,	
		2025 HK\$'000	2024 HK\$'000
Insurance revenue	3	1,451,755	1,642,356
Insurance service expense		(1,189,545)	(1,221,842)
Net expenses from reinsurance contracts held		(101,140)	(254,281)
Insurance service result		161,070	166,233
Finance expense from insurance contracts issued		(104,282)	(36,223)
Finance income from reinsurance contracts held		53,156	12,133
Insurance operating result		109,944	142,143
Dividend income		108,312	74,901
Realised gain on investments		30,317	22,335
Unrealised gain on investments		148,029	108,084
Interest income		81,584	88,059
Other income and losses, net		18,686	(16,276)
		496,872	419,246
Operating expenses		(84,621)	(79,978)
Finance costs	4	(71)	(75)
		412,180	339,193
Share of profits or losses of joint ventures		40,347	9,511
Share of profits or losses of associates		14,410	57,000
PROFIT BEFORE TAX	5	466,937	405,704

.....continued



Condensed Consolidated Statement of Profit or Loss (Unaudited)

For the six months ended 30th June, 2025

	Notes	Six months ended 30th June, 2025 HK\$'000	2024 HK\$'000
PROFIT BEFORE TAX	5	466,937	405,704
Income tax expense	6	(43,586)	(44,317)
PROFIT FOR THE PERIOD		423,351	361,387
Attributable to: Equity holders of the Company		423,351	361,387
INTERIM DIVIDEND	7	60,069	51,038
INTERIM DIVIDEND PER SHARE	7	HK6.5 cents	HK5.5 cents
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	8		
Basic and diluted – For profit for the period		HK45.8 cents	HK38.9 cents



Condensed Consolidated Statement of Comprehensive Income (Unaudited)

For the six months ended 30th June, 2025

	Note	Six months ended 30th June,	
		2025 HK\$'000	2024 HK\$'000
PROFIT FOR THE PERIOD		423,351	361,387
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Share of other comprehensive income of associates		18,923	(39,243)
Exchange differences on translation of foreign operations		3,509	(96)
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods		22,432	(39,339)
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	10	(289,448)	(558,850)
Income tax effect		(7,386)	48,511
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods		(296,834)	(510,339)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		(274,402)	(549,678)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		148,949	(188,291)
ATTRIBUTABLE TO:			
Equity holders of the Company		148,949	(188,291)



Condensed Consolidated Statement of Financial Position (Unaudited)

30th June, 2025

	Notes	30th June, 2025 HK\$'000	31st December, 2024 HK\$'000
ASSETS			
Property, plant and equipment		185,007	182,894
Investment properties		178,200	186,200
Interests in joint ventures		566,748	542,406
Interests in associates		891,027	857,181
Due from associates		259,803	259,390
Held-to-collect debt securities at amortised cost	9	1,677,622	1,586,577
Equity investments designated at fair value through other comprehensive income	10	5,194,569	5,482,070
Pledged deposits	13	365,450	344,352
Other assets	11	255,412	398,840
Financial assets at fair value through profit or loss	12	3,058,654	2,746,119
Reinsurance contract assets		1,432,306	1,225,147
Cash and bank balances	13	2,666,962	2,522,379
Total assets		16,731,760	16,333,555
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Issued capital	14	924,370	924,750
Reserves		10,757,334	10,670,030
Proposed dividend		60,069	83,219
Total equity		11,741,773	11,677,999
Liabilities			
Insurance contract liabilities		4,226,599	3,891,024
Due to a joint venture		38	38
Due to associates		4,222	4,222
Other liabilities		266,798	309,920
Tax payable		274,240	242,852
Deferred tax liabilities		218,090	207,500
Total liabilities		4,989,987	4,655,556
Total equity and liabilities		16,731,760	16,333,555



Condensed Consolidated Statement of Changes in Equity (Unaudited)

For the six months ended 30th June, 2025

	Attributable to equity holders of the Company										
	Issued capital	Treasury shares	Share premium account	Share based reserve	Contingency reserve	Fair value reserve	Asset revaluation reserve	Exchange reserve	Statutory reserve	Capital redemption reserve	Retained profits
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1st January, 2025	924,750	(380)	560,531	10,551	175,713	2,813,822	141,570	(117,810)	2,427	133,271	6,437,105
Profit for the period	-	-	-	-	-	-	-	-	-	-	423,351
Other comprehensive income for the period:											
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	-	-	-	-	-	(296,834)	-	-	-	-	(296,834)
Share of other comprehensive income of associates	-	-	-	-	-	86	-	18,837	-	-	18,923
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	3,509	-	-	3,509
Total comprehensive income for the period	-	-	-	-	-	(296,748)	-	22,346	-	-	148,949
Final 2024 dividend declared	-	-	-	-	-	-	-	-	-	-	(83,194)
Proposed interim 2025 dividend	-	-	-	-	-	-	-	-	-	-	60,069
Repurchase of shares	(380)	(524)	-	-	-	-	-	-	-	-	(2,040)
Transfer to capital redemption reserve	-	-	-	-	-	-	-	-	-	380	-
Transfer to contingency reserve	-	-	-	-	24,736	-	-	-	-	-	(24,736)
Release from contingency reserve	-	-	-	-	(7,694)	-	-	-	-	-	7,694
Share of share based reserve of a joint venture	-	-	-	59	-	-	-	-	-	-	-
At 30th June, 2025	924,370	(914)*	560,531*	10,610*	192,755*	2,517,074*	141,570*	(95,464)*	2,427*	133,651*	6,761,854*
											60,069
											11,741,773

* These reserve accounts comprise the consolidated reserves of HK\$10,757,334,000 (31st December, 2024: HK\$10,670,030,000) in the unaudited condensed consolidated statement of financial position.

.....continued

Condensed Consolidated Statement of Changes in Equity (Unaudited)

For the six months ended 30th June, 2025

	Attributable to equity holders of the Company													
	Issued capital HK\$'000	Treasury shares HK\$'000	Share premium account HK\$'000	Share based reserve HK\$'000	Contingency reserve HK\$'000	Fair value reserve HK\$'000	Asset revaluation reserve HK\$'000	Exchange reserve HK\$'000	Statutory reserve HK\$'000	Capital reserve HK\$'000	Capital redemption reserve HK\$'000	Retained profits HK\$'000	Proposed dividend HK\$'000	Total HK\$'000
At 1st January, 2024	929,296	(796)	560,531	10,286	142,918	2,374,695	141,570	(74,239)	2,427	513,240	128,725	5,973,740	46,453	10,748,846
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	361,387	-	361,387
Other comprehensive income for the period:														
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	-	-	-	-	-	(510,339)	-	-	-	-	-	-	-	(510,339)
Share of other comprehensive income of associates	-	-	-	-	-	(315)	-	(38,928)	-	-	-	-	-	(39,243)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	(96)	-	-	-	-	-	(96)
Total comprehensive income for the period	-	-	-	-	-	(510,654)	-	(39,024)	-	-	-	361,387	-	(188,291)
Final 2023 dividend declared	-	-	-	-	-	-	-	-	-	-	-	47	(46,453)	(46,406)
Proposed interim 2024 dividend	-	-	-	-	-	-	-	-	-	-	-	(51,038)	51,038	-
Repurchase of shares	(1,182)	527	-	-	-	-	-	-	-	-	-	(2,844)	-	(3,499)
Transfer to capital redemption reserve	-	-	-	-	-	-	-	-	-	-	1,182	(1,182)	-	-
Transfer to contingency reserve	-	-	-	-	20,247	-	-	-	-	-	-	(20,247)	-	-
Release from contingency reserve	-	-	-	-	(5,889)	-	-	-	-	-	-	5,889	-	-
Share of share based reserve of a joint venture	-	-	-	142	-	-	-	-	-	-	-	-	-	142
Share of changes in contingency reserve of a joint venture	-	-	-	-	72	-	-	-	-	-	-	(72)	-	-
At 30th June, 2024	928,114	(269)	560,531	10,428	157,348	1,864,041	141,570	(113,263)	2,427	513,240	129,907	6,265,680	51,038	10,510,792



Condensed Consolidated Statement of Cash Flows (Unaudited)

For the six months ended 30th June, 2025

	Six months ended 30th June,	
	2025 HK\$'000	2024 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	466,937	405,704
Adjustments for:		
Interest income	(81,584)	(88,059)
Finance costs	71	75
Dividend income from investments	(108,312)	(74,901)
Gain on change in ownership interest in an associate	(3,861)	(4,316)
Loss/(gain) on redemption/call-back of held-to-collect debt securities	52	(38)
Depreciation	7,834	7,853
Change in expected credit losses		
– held-to-collect debt securities at amortised cost	(230)	(512)
Change in fair value of an investment property	8,000	16,320
Loss on write-off of items of property, plant and equipment	12	13
Share of profits or losses of joint ventures	(40,347)	(9,511)
Share of profits or losses of associates	(14,410)	(57,000)
	234,162	195,628
Decrease/(increase) in other assets	140,707	(132,755)
Increase in financial assets at fair value through profit or loss	(312,535)	(518,596)
Decrease/(increase) in reinsurance contract assets	(207,159)	97,504
Decrease/(increase) in time deposits with original maturity of over three months	(252,055)	309,055
Increase/(decrease) in insurance contract liabilities	335,575	(118,305)
Increase/(decrease) in other liabilities	(39,575)	122,949
	(100,880)	(44,520)
Cash used in operations		
Hong Kong profits tax refund	–	1,925
Overseas withholding tax paid	(9,019)	(7,303)
	(109,899)	(49,898)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	87,794	97,829
Dividends received from investments	108,312	74,901
Dividends received from a joint venture	12,600	–
Dividends received from associates	3,348	2,340
Purchases of held-to-collect debt securities at amortised cost	(234,268)	(419,209)
Purchase of equity investments designated at fair value		
through other comprehensive income	(1,947)	–
Proceeds from redemption/call-back of held-to-collect debt securities		
at amortised cost	143,401	207,839
Purchases of items of property, plant and equipment	(8,959)	(5,530)
Increase in amount due from an associate	(413)	(4,537)
Decrease in amount due from an associate	–	1,857
Proceeds from disposal of items of property, plant and equipment	70	–
Increase in pledged deposits	(21,098)	–
	88,840	(44,510)

.....continued



Condensed Consolidated Statement of Cash Flows (Unaudited)

For the six months ended 30th June, 2025

	Six months ended 30th June,	
	2025	2024
	HK\$'000	HK\$'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Repurchase of shares	(2,040)	(3,499)
Dividends paid	(83,194)	(46,406)
Principal portion of lease payments	(1,108)	(1,076)
Interest paid	(71)	(75)
	<u>(86,413)</u>	<u>(51,056)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(107,472)	(145,464)
Cash and cash equivalents at beginning of period	<u>1,178,773</u>	<u>1,130,589</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>1,071,301</u>	<u>985,125</u>
ANALYSIS OF BALANCES OF CASH AND BANK BALANCES		
Cash and bank balances	500,170	361,976
Non-pledged time deposits with original maturity of over three months when acquired	1,595,661	1,445,758
Non-pledged time deposits with original maturity of less than three months when acquired	<u>571,131</u>	<u>623,149</u>
Cash and bank balances as stated in the unaudited condensed consolidated statement of financial position	2,666,962	2,430,883
Less: Non-pledged time deposits with original maturity of over three months when acquired	<u>(1,595,661)</u>	<u>(1,445,758)</u>
Cash and cash equivalents as stated in the unaudited condensed consolidated statement of cash flows	<u>1,071,301</u>	<u>985,125</u>



Notes to the Interim Financial Statements (Unaudited)

1. Accounting Policies

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

Amendments to HKAS 21 *Lack of Exchangeability*

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

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



2. Operating Segment Information

(a) Operating segments

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

	Insurance HK\$'000	Corporate HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
For the six months ended 30th June, 2025				
Segment revenue:				
External customers	1,451,755	–	–	1,451,755
Other revenue, income and gains, net	178,469	157,333	–	335,802
Intersegment	4,223	–	(4,223)	–
Total	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
	Insurance HK\$'000	Corporate HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
For the six months ended 30th June, 2024				
Segment revenue:				
External customers	1,642,356	–	–	1,642,356
Other revenue, income and gains, net	143,020	109,993	–	253,013
Intersegment	4,550	–	(4,550)	–
Total	1,789,926	109,993	(4,550)	1,895,369
Segment results	264,861	74,332	–	339,193
Share of profits and losses of:				
Joint ventures	(7,884)	17,395	–	9,511
Associates	25,728	31,272	–	57,000
Profit before tax				405,704
Income tax expense	(38,662)	(5,655)	–	(44,317)
Profit for the period				361,387

Notes to the Interim Financial Statements (Unaudited)

2. Operating Segment Information (continued)

(a) Operating segments (continued)

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

(b) Geographical information

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

3. Insurance Revenue

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

4. Finance Costs

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

5. Profit Before Tax

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

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

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



6. Income Tax Expense

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

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

7. Dividend

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

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

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

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

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

9. Held-to-collect Debt Securities at Amortised Cost

	30th June, 2025 HK\$'000	31st December, 2024 HK\$'000
Listed debt securities in Hong Kong, at amortised cost	863,373	695,960
Listed debt securities outside Hong Kong, at amortised cost	697,189	773,396
Unlisted debt securities, at amortised cost	139,811	140,202
	1,700,373	1,609,558
Less: Impairment allowance	(22,751)	(22,981)
Held-to-collect debt securities at amortised cost	1,677,622	1,586,577
Fair value of listed and unlisted held-to-collect debt securities	1,689,862	1,558,647

The fair values of the listed and unlisted held-to-collect debt securities at amortised cost are based on quoted market prices and quoted prices from brokers and fund managers, respectively.

The held-to-collect debt securities at amortised cost, net of impairment allowance, analysed by issuers as at the end of the reporting period are as follows:

	30th June, 2025 HK\$'000	31st December, 2024 HK\$'000
Public sector entities	100,551	122,602
Banks and other financial institutions	1,243,152	1,088,549
Corporate entities	333,919	375,426
	1,677,622	1,586,577

9. Held-to-collect Debt Securities at Amortised Cost (continued)

The maturity profile of held-to-collect debt securities at amortised cost, net of impairment allowance, as at the end of the reporting period is as follows:

	30th June, 2025 HK\$'000	31st December, 2024 HK\$'000
With a residual maturity of:		
Three months or less	126,312	92,393
One year or less but over three months	280,187	205,256
Five years or less but over one year	1,091,369	1,119,526
Over five years	179,754	169,402
	1,677,622	1,586,577

During the period, a cedant of certain pecuniary loss reinsurance contracts requested the Group to provide security in favour of the cedant to secure the performance of the Group's obligations to the cedant under those pecuniary loss reinsurance contracts. Accordingly, at 30th June, 2025, listed debt securities of the Group amounting to HK\$111,479,000 (31st December, 2024: HK\$111,541,000) and bank balance of HK\$17,214,000 (31st December, 2024: Nil) (note 13) were pledged.

10. Equity Investments Designated at Fair Value Through Other Comprehensive Income

	30th June, 2025 HK\$'000	31st December, 2024 HK\$'000
Listed equity investments outside Hong Kong, at fair value		
Bangkok Bank Public Company Limited	643,332	646,372
Bumrungrad Hospital Public Company Limited	1,118,954	1,500,953
	1,762,286	2,147,325
Unlisted equity investments, at fair value		
PICC Life Insurance Company Limited	3,005,000	2,930,000
BBL Asset Management Company Limited	211,000	212,000
The People's Insurance Company of China (Hong Kong), Limited	77,991	69,113
BE Reinsurance Limited	43,716	34,853
Others	94,576	88,779
	3,432,283	3,334,745
Total	5,194,569	5,482,070

10. Equity Investments Designated at Fair Value Through Other Comprehensive Income (continued)

During the period, the gross loss in respect of the Group's equity investments designated at fair value through other comprehensive income amounted to HK\$289,448,000 (30th June, 2024: gross loss HK\$558,850,000).

The above equity investments were irrevocably designated at fair value through other comprehensive income at initial recognition as the Group considers these investments to be strategic in nature.

The fair values of listed equity investments are based on quoted market prices. The fair value of unlisted equity investments designated at fair value through other comprehensive income have been estimated using market-based valuation techniques.

11. Other Assets

	30th June, 2025 HK\$'000	31st December, 2024 HK\$'000
Accrued interest and other assets	255,371	398,799
Tax recoverable	41	41
	<u>255,412</u>	<u>398,840</u>

The Group's accrued interest and other assets are current in nature as at 30th June, 2025 and 31st December, 2024.

Where applicable, an impairment analysis is performed on other receivables at each reporting date by considering the probability of default of comparable companies with published credit ratings. In the situation where no comparable companies with credit ratings can be identified, expected credit losses are estimated by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate. The expected credit losses associated with other receivables were minimal in view of the fact that these balances are not yet past due.

12. Financial Assets at Fair Value Through Profit or Loss

	30th June, 2025 HK\$'000	31st December, 2024 HK\$'000
Debt securities:		
– listed in Hong Kong, at fair value	60,192	58,863
– listed outside Hong Kong, at fair value	98,874	107,672
	159,066	166,535
Equity securities at fair value:		
– listed in Hong Kong	454,858	370,720
– listed outside Hong Kong	1,243,287	1,238,990
	1,698,145	1,609,710
Investment funds:		
– listed outside Hong Kong, at fair value	340,401	312,309
– unlisted, at quoted price	861,042	657,565
	1,201,443	969,874
Total	3,058,654	2,746,119

The fair values of the listed and unlisted financial assets at fair value through profit or loss are based on quoted market prices and quoted prices from brokers and fund managers, respectively.

The financial assets at fair value through profit or loss as at the end of the reporting period, analysed by the sector of the issuers, are as follows:

	30th June, 2025 HK\$'000	31st December, 2024 HK\$'000
Public sector entities	13,220	14,550
Banks and other financial institutions	533,038	448,903
Corporate entities	2,512,396	2,282,666
	3,058,654	2,746,119

The above securities and investment funds as at 30th June, 2025 and 31st December, 2024 were classified as financial assets at fair value through profit or loss as they were held for trading.

13. Cash and Bank Balances and Pledged Deposits

	30th June, 2025 HK\$'000	31st December, 2024 HK\$'000
Cash at banks	500,170	439,316
Time deposits with original maturity of over three months	1,595,661	1,343,606
Time deposits with original maturity of less than three months	571,131	739,457
	2,666,962	2,522,379
Pledged deposits	365,450	344,352
	3,032,412	2,866,731

As disclosed in note 9, during the period a cedant of certain pecuniary loss reinsurance contracts requested the Group to provide deposit in favour of the cedant to secure the performance of the Group's obligations to the cedant under those pecuniary loss reinsurance contracts. Accordingly, at 30th June, 2025, bank deposits of the Group amounting to HK\$17,214,000 (31st December, 2024: Nil) were pledged.

14. Share Capital

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

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

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

14. Share Capital (continued)

Note:

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

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

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

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

15. Commitments

The Group had capital commitment as follows:

	30th June, 2025 HK\$'000	31st December, 2024 HK\$'000
Contracted, but not provided for:		
Acquisition of computer hardware and software	4,300	5,586

16. Operating Lease Arrangements

As Lessor

The Group leases its investment properties under operating lease arrangements, with leases negotiated for terms ranging from two to three years. The terms of the leases generally also require the tenants to pay security deposits.

At 30th June, 2025, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	30th June, 2025 HK\$'000	31st December, 2024 HK\$'000
Within one year	3,512	6,674
After one year but within two years	227	427
After two years but within three years	84	—
	3,823	7,101

17. Related Party Transactions

(a)

	30th June, 2025		31st December, 2024	
	Directors and key management personnel HK\$'000	Enterprises and individuals related to directors and key management personnel HK\$'000	Directors and key management personnel HK\$'000	Enterprises and individuals related to directors and key management personnel HK\$'000
Loans and advances granted:				
Aggregate balance at the end of the reporting period	–	101	–	95
Interbank activities:				
Deposits placed	–	709,360	–	439,781
	Six months ended 30th June, 2025		Six months ended 30th June, 2024	
	Directors and key management personnel HK\$'000	Enterprises and individuals related to directors and key management personnel HK\$'000	Directors and key management personnel HK\$'000	Enterprises and individuals related to directors and key management personnel HK\$'000
Interbank activities:				
Interest income	–	8,645	–	16,969
Premium income:				
Gross premiums written	285	4,621	253	6,814
Commission expense, net	–	4,265	–	2,042
Compensation:				
Salaries and short-term employee benefits	7,138	–	6,834	–
Pension scheme contributions	284	–	273	–

Note: The key management personnel were solely the directors of the Company.

17. Related Party Transactions (continued)

(b) The Group had the following transactions with certain of its joint ventures during the period:

	30th June, 2025 HK\$'000	31st December, 2024 HK\$'000
Loans and advances received:		
Aggregate balance at the end of the reporting period	<u>38</u>	<u>38</u>
	Six months ended 30th June, 2025 HK\$'000	2024 HK\$'000
Reinsurance premium accepted	1,701	2,394
Reinsurance premium ceded out	223,302	92,502
Commission expenses paid	700	893
Commission income received	<u>123,788</u>	<u>42,038</u>

(c) The Group had the following transactions with certain of its associates during the period:

	30th June, 2025 HK\$'000	31st December, 2024 HK\$'000
Loans and advances granted:		
Aggregate balance at the end of the reporting period	259,803	259,390
Loans and advances received:		
Aggregate balance at the end of the reporting period	<u>4,222</u>	<u>4,222</u>
	Six months ended 30th June, 2025 HK\$'000	2024 HK\$'000
Loans and advances granted:		
Interest income	1,272	1,297
Reinsurance premium accepted	424	327
Commission expense paid	<u>3,358</u>	<u>8,880</u>

18. Fair Value Hierarchy of Financial Instruments

Management has assessed that the fair values of cash and bank balances, pledged deposits, amounts due from associates, financial assets included in other assets, amounts due to a joint venture and associates and other liabilities approximate to their carrying amounts.

Management is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, management analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values of those financial assets and liabilities measured at fair value:

The fair values of listed equity investments are based on quoted market prices. The fair values of the unlisted fund investments at fair value through profit or loss are based on fund house quotations when the open market quotation is not available. The fair values of unlisted equity investments designated at fair value through other comprehensive income and certain unlisted fund investments at fair value through profit or loss have been estimated using market-based valuation techniques based on assumptions that are not supported by observable market prices or rates. The valuation requires management to determine comparable public companies (peers) based on industry, size, leverage and strategy, and calculates an appropriate price multiple, such as price to earnings("P/E") multiple, price to book value multiple and price to embedded value multiple, for each comparable company identified. The multiple is calculated by dividing the price of the comparable company by an earnings or book/embedded value measure. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the unlisted equity investments to measure the fair value. Management believes that the estimated fair values resulting from the valuation technique, which are recorded in the unaudited condensed consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income, are reasonable, and that they were the most appropriate values at the end of the reporting period.

For the fair value of the unlisted equity investments at fair value through other comprehensive income and certain unlisted fund investments at fair value through profit or loss, management has estimated the potential effect of using reasonably possible alternatives as inputs to the valuation model.



18. Fair Value Hierarchy of Financial Instruments (continued)

Below is a summary of significant unobservable inputs to the valuation of principal financial instruments as at 30th June, 2025:

	Valuation technique	Significant unobservable input	Range or weighted average	Sensitivity of fair value to the input
Unlisted equity and fund investments	Valuation multiples	Discount of lack of marketability	0% – 30%	20% increase/(decrease) in discount would result in (decrease)/increase in fair value by HK\$302,080,000
		Price to book value multiple	0.21 – 2.61	10% increase/(decrease) in multiple would result in increase/(decrease) in fair value by HK\$19,072,000
		Enterprise value to earnings multiple	0.84 – 33.70	10% increase/(decrease) in multiple would result in increase/(decrease) in fair value by HK\$2,142,000
		Enterprise value to sales multiple	2.20 – 5.30	10% increase/(decrease) in multiple would result in increase/(decrease) in fair value by HK\$934,000
		Price to earnings multiple	6.44 – 31.00	15% increase/(decrease) in multiple would result in increase/(decrease) in fair value by HK\$31,650,000
		Price to embedded value multiple	0.23 – 1.40	15% increase/(decrease) in multiple would result in increase/(decrease) in fair value by HK\$450,750,000

The discount for lack of marketability represents the amounts of discounts determined by the Group that market participants would take into account when pricing the investments.

18. Fair Value Hierarchy of Financial Instruments (continued)

Below is a summary of significant unobservable inputs to the valuation of principal financial instruments as at 31st December, 2024:

	Valuation technique	Significant unobservable input	Range or weighted average	Sensitivity of fair value to the input
Unlisted equity and fund investments	Valuation multiples	Discount of lack of marketability	0% – 30%	20% increase/(decrease) in discount would result in (decrease)/increase in fair value by HK\$292,832,000
		Price to book value multiple	0.21 – 2.61	10% increase/(decrease) in multiple would result in increase/(decrease) in fair value by HK\$16,424,000
		Enterprise value to earnings multiple	17.1 – 32.71	10% increase/(decrease) in multiple would result in increase/(decrease) in fair value by HK\$9,532,000
		Enterprise value to sales multiple	2.57 – 3.85	10% increase/(decrease) in multiple would result in increase/(decrease) in fair value by HK\$1,736,000
		Price to earnings multiple	8.51 – 18.83	15% increase/(decrease) in multiple would result in increase/(decrease) in fair value by HK\$31,800,000
		Price to embedded value multiple	0.14 – 1.15	15% increase/(decrease) in multiple would result in increase/(decrease) in fair value by HK\$439,500,000

The discount for lack of marketability represents the amounts of discounts determined by the Group that market participants would take into account when pricing the investments.



18. Fair Value Hierarchy of Financial Instruments (continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

	Fair value measurement using			Total HK\$'000
	Quoted prices in active markets (Level 1) HK\$'000	Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	
At 30th June, 2025				
Equity investments designated at fair value through other comprehensive income	643,332	1,118,954	3,432,283	5,194,569
Financial assets at fair value through profit or loss	2,028,501	528,366	501,787	3,058,654
	2,671,833	1,647,320	3,934,070	8,253,223
	Fair value measurement using			Total HK\$'000
	Quoted prices in active markets (Level 1) HK\$'000	Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	
At 31st December, 2024				
Equity investments designated at fair value through other comprehensive income	646,372	1,500,953	3,334,745	5,482,070
Financial assets at fair value through profit or loss	1,886,596	492,571	366,952	2,746,119
	2,532,968	1,993,524	3,701,697	8,228,189

During the periods ended 30th June, 2025 and 30th June, 2024, there were no transfers of fair value measurements between Level 1 and Level 2 for both financial assets and financial liabilities.

18. Fair Value Hierarchy of Financial Instruments (continued)

The movements in fair value measurement within level 3 during the period ended 30th June, 2025 are as follow:

	Financial assets at fair value through profit or loss – unlisted HK\$'000	Equity investment at fair value through other comprehensive income – unlisted HK\$'000
At 1st January, 2025	366,952	3,334,745
Purchase during the period	114,921	1,947
Disposal during the period	(2,424)	–
Total gain recognised in profit or loss	22,338	–
Total gain recognised in other comprehensive income	–	95,591
At 30th June, 2025	501,787	3,432,283

The movements in fair value measurement within level 3 during the period ended 30th June, 2024 are as follow:

	Financial assets at fair value through profit or loss – unlisted HK\$'000	Equity investment at fair value through other comprehensive income – unlisted HK\$'000
At 1st January, 2024	311,180	2,621,754
Purchase during the period	49,302	–
Disposal during the period	(2,270)	–
Total gain recognised in profit or loss	1,021	–
Total loss recognised in other comprehensive income	–	(469,270)
At 30th June, 2024	359,233	2,152,484

During the periods ended 30th June, 2025 and 30th June, 2024, there were no transfers of fair value measurements into or out of Level 3 for both financial assets and financial liabilities.

The Group did not have any financial liabilities measured at fair value through profit or loss as at the periods ended 30th June, 2025 and as at 31st December, 2024.

Financial Risk Management Objectives and Policies

The Group has established policies and procedures for identifying, evaluating, monitoring and controlling the various types of risks pertaining to the Group's businesses, which are approved and endorsed by the board of directors and reviewed regularly by the Group's management, executive committee, investment committee, fund management committee and other designated committees or working groups. Material risks are identified and measured by designated committees and/or working groups before the launch of new products or business activities, and monitored, documented and controlled against applicable risk limits after the introduction of new products or services or implementation of new business activities. Internal auditors of the Group also perform regular audits to ensure compliance with the policies and procedures. The key risks include credit risk, liquidity risk, capital management risk, interest rate risk, foreign exchange risk, insurance risk, operational risk and equity price risk.

The overall internal control environment and the management policies for the major types of risks are as follows:

(1) Internal control environment

The internal control framework of the Group comprises comprehensive control policies and standards. The areas of responsibilities of each business and operational unit are clearly defined. Internal control procedures have been established based on the risk inherent in the individual business unit.

The internal audit department, together with internal audit outsourcing professionals, play an important role in the Group's internal control framework. They monitor the effectiveness of the internal control procedures and ensure compliance with the policies and standards across the whole group. A direct reporting line to the audit committee under the board of directors safeguards its independence. The audit committee meets periodically to review and discuss financial performance, internal control, compliance issues and matters raised by the external auditors to ensure that all audit recommendations are implemented.

(2) Credit risk management

Credit risk is the risk that a customer or counterparty in a transaction may default. It arises from the credit terms which extend to clients, intermediaries and reinsurers, and other activities undertaken by the Group. To manage credit risk, the Group has considered the underlying security and the long-established business relationship with the counterparty.

There are no significant concentrations of credit risk within the Group as the customer bases of the Group's insurance contracts issued in an asset position are widely dispersed in different intermediaries and direct customers from different sectors and industries.

The credit risk of the Group's other financial assets, which comprise cash and bank balances, pledged deposits, held-to-collect debt securities at amortised cost, other assets and amounts due from associates arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

(3) Liquidity risk management

Liquidity risk is the risk that the Group cannot meet its current obligations as they fall due. To manage liquidity risk, the Group has established liquidity management policies that are pertinent to the operations of business units.

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets and the projected cash flows from operations.

Financial Risk Management Objectives and Policies (continued)**(4) Capital management**

Externally imposed capital requirements are mainly set and regulated by the Hong Kong Insurance Authority (“HKIA”). The Group implemented the Risk-based Capital regime (“RBC regime”) on 1 July 2024, following the commencement of Insurance (Amendment) Ordinance 2023 and the relevant subsidiary legislation, and the promulgation of new and revised guidelines by the HKIA. The RBC regime is put in place to ensure capital requirements. Further objectives are set by the Group to maintain a strong credit rating and healthy capital ratios in order to support its business objectives and maximise shareholders’ value.

Under the RBC regime, in accordance with the Insurance Ordinance (Cap.41) and the Valuation and Capital Rules, the capital requirement of insurers is determined by assessing their level of risk exposures and drivers. The Group ensures at all times that its capital base is not less than each of 1) the prescribed capital amount; 2) the minimum capital amount; and 3) HK\$20,000,000. The minimum capital amount is determined as 50% of the prescribed capital amount, or such other amount determined by the HKIA by way of variation or relaxation.

The Group manages its capital requirements by assessing any shortfalls between its capital base, as defined in Part 3 of the Insurance (Valuation and Capital) Rules (Cap. 41R), and the prescribed capital amount and minimum capital amount, as defined in Part 5 of the Insurance (Valuation and Capital) Rules, on a regular basis. Adjustments to current capital levels are made in light of changes in economic conditions and risk characteristics of the Group’s activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid or return capital to ordinary shareholders.

Prescribed capital amount is determined by aggregating the risk capital amounts for each risk module and sub-risk module with respect to market risk, general insurance risk, counterparty default and other risk, and operational risk, taking account of diversification benefits.

The Group fully complied with the externally imposed capital requirements of Section 10 of the Hong Kong Insurance Ordinance during the reported financial periods.

In addition, the Group monitors capital using a gearing ratio, which is net current debt divided by total capital plus net current debt. Net current debt includes current portion of insurance contracts 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. As at 30th June, 2025, the Group has no net current debt.

(5) Interest rate risk management

Interest rate risk is the risk that the value/future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Floating rate instruments expose the Group to cash flow interest rate risk, whereas fixed interest rate instruments expose the Group to fair value interest rate risk.

The Group’s interest rate risk policy requires it to manage interest rate risk by maintaining an appropriate mix of fixed and variable rate instruments. The policy also requires it to manage the maturities of interest-bearing financial assets. Interest on floating rate instruments is repriced at intervals of less than one year. Interest on fixed interest rate instruments is priced at inception of the financial instruments and is fixed until maturity.

Financial Risk Management Objectives and Policies (continued)

(6) Foreign exchange risk management

Foreign exchange risk is the risk that the holding of foreign currencies will affect the Group's position as a result of a change in foreign currency exchange rates. The Group's foreign exchange risk primarily arises from its overseas operations, reinsurance and investment activities.

The Group currently does not have a foreign currency hedging policy. However, the management monitors the foreign exchange positions and will consider hedging those significant foreign currency exposures should the need arise.

(7) Insurance risk management

The business of the Group comprises both life and general insurance contracts, and general insurance contracts represent 99% of its total insurance revenue.

The risk under an insurance contract is the risk that an insured event will occur including the uncertainty of the amount and timing of any resulting claim. The principal risk the Group faces under such contracts is that the actual claims and benefit payments may exceed the carrying amount of insurance liabilities. This is influenced by the frequency of claims, severity of claims, actual benefits paid which are greater than originally estimated and subsequent development of long tail claims.

The variability of risks is improved by diversification of risk of loss to a large portfolio of insurance contracts as a more diversified portfolio is less likely to be affected across the board by change in any subset of the portfolio, as well as unexpected outcomes.

The variability of risks is also improved by careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and geographical area. Furthermore, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are all policies and procedures put in place to reduce the risk exposure of the Group. The Group further enforces a policy of actively managing and prompt pursuing of claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the Group.

The majority of reinsurance business ceded is placed on both the proportional and excess of loss basis with retention limits varying by product line and territory. Excess-of-loss reinsurance is designed to mitigate the Group's net exposure to catastrophic losses. Amounts recoverable from reinsurers are estimated in a manner consistent with the assumptions used for ascertaining the underlying policy benefits and are presented in the unaudited condensed consolidated statement of financial position as reinsurance contract assets.

Although the Group has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to reinsurance ceded, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements.

The Group's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Group substantially dependent upon any single reinsurance contract. The Group also considers the long-established business relationship with the reinsurers.

Financial Risk Management Objectives and Policies (continued)**(7) Insurance risk management** (continued)

The Group also has limited its exposure to a certain level by imposing maximum claim amounts on certain contracts as well as the use of reinsurance arrangements in order to limit exposure to catastrophic events, such as hurricanes, earthquakes and flood damages. The purpose of these underwriting and reinsurance strategies is to limit the exposure to catastrophes to a pre-determined maximum amount based on the Group's risk appetite as decided by management. For a single realistic catastrophic event, this maximum amount is less than 5% of the shareholders' equity of the wholly-owned subsidiary, Asia Insurance Company, Limited, on a net basis. In the event of such a catastrophe, counterparty exposure to a single reinsurer is estimated not to exceed 5% of the shareholders' equity of the wholly-owned subsidiary, Asia Insurance Company, Limited.

(8) Operational risk management

Operational risk is the risk of financial loss resulting from procedural errors, system failures, frauds and other events.

The Group manages operational risk by maintaining adequate documentation of its operating procedures to facilitate training and quality performance. A proper internal control system is incorporated in the operation workflow to minimise the risk of losses caused by human errors. To reduce the interruptions to business activities caused by system failures or natural disasters, back-up systems and contingency business resumption plans are in place for critical business and back-office functions. Detailed recovery procedures are properly documented, with periodic drills conducted to ensure that the procedures are current and correct.

(9) Equity price risk management

Equity price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the values of individual securities. The Group is exposed to equity price risk arising from individual equity investments classified as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income as at 30th June, 2025. The Group's listed investments are mainly listed on the stock exchanges of Hong Kong, the United States, and Thailand and are valued at quoted market prices at the end of the reporting period.

The Group monitors market risk by establishing limits for transactions, open positions and stop-loss. These limits are reviewed and approved by the Investment Committee periodically and are monitored on a daily basis.

Other Information

The Code for Securities Transactions by Directors

The Company has adopted a code for securities transactions by directors (the “Securities Code”) on terms no less exacting than the required standard in the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

All directors have confirmed, following specific enquiry by the Company, that they have complied with the required standard as set out in the Securities Code and the Model Code throughout the six months ended 30th June, 2025.

Directors’ and Chief Executive’s Interests in Shares

As at 30th June, 2025, the interests of the Company’s directors and chief executive in the shares and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the “SFO”)) as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name of director	Number of ordinary shares held, capacity and nature of interest			Total	Approximate % of the Company’s issued share capital ⁽¹⁾
	Directly beneficially owned	Through spouse or minor children	Through controlled corporation		
CHAN Bernard Charnwut	1,912,680	–	578,829,712 ⁽²⁾⁽³⁾	580,742,392	62.83
TAN Stephen	–	–	8,830,000 ⁽⁴⁾	8,830,000	0.96
WONG Kok Ho	810,000	430,000	–	1,240,000	0.13

Notes:

(1) Based on 924,370,000 shares in issue as at 30th June, 2025.

(2) Mr. CHAN Bernard Charnwut was deemed to be interested in 569,999,712 shares. Out of which, (i) 566,069,712 shares were held through Claremont Capital Holdings Ltd (“Claremont Capital”), (ii) 3,097,000 shares were held through Asia Panich Investment Company (Hong Kong) Limited (“Asia Panich”) and (iii) 833,000 shares were held through Man Tong Company Limited (“Man Tong”). More than one-third of the issued share capital of Claremont Capital, Asia Panich and Man Tong are held by Cosmos Investments Inc. These corporations or their directors are accustomed to act in accordance with the directions or instructions of Mr. CHAN Bernard Charnwut.

(3) Mr. CHAN Bernard Charnwut was also deemed to be interested in 8,830,000 shares that were held through Robinson Enterprise Holdings Limited which was 54.2% held by Mr. CHAN Bernard Charnwut and his spouse.

(4) Mr. TAN Stephen was deemed to be interested in 8,830,000 shares that were held through Robinson Enterprise Holdings Limited which was 33.8% held by Mr. TAN Stephen and his spouse.

In addition to the above, Mr. WONG Kok Ho has non-beneficial personal equity interest in a subsidiary held for the benefit of the Company solely for the purpose of complying with the minimum company membership requirements.

Save as disclosed above, as at 30th June, 2025, none of the Company’s directors and chief executive had registered an interest or a short position in the shares or underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Substantial Shareholders' and Other Persons' Interests in Shares

As at 30th June, 2025, the following persons (other than the directors or chief executive of the Company) had interests in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO, or as otherwise notified to the Company:

Name of shareholder	Notes	Number of ordinary shares held	Approximate % of the Company's issued share capital ⁽¹⁾
Cosmos Investments Inc.	(2), (3)	569,999,712	61.66
Claremont Capital Holdings Ltd	(2)	566,069,712	61.24
Bangkok Bank Public Company Limited		89,988,236	9.74
Sompo Holdings, Inc.	(4)	91,759,753	9.93
Sompo Japan Insurance Inc.	(4)	91,759,753	9.93
Aioi Nissay Dowa Insurance Company, Limited		52,550,175	5.68

Notes:

- (1) Based on 924,370,000 shares in issue as at 30th June, 2025.
- (2) These shares have been included in the interest disclosure of Mr. CHAN Bernard Charnwut as set out in the section "Directors' and Chief Executive's Interests in Shares" above.
- (3) Cosmos Investments Inc. was deemed to be interested in 569,999,712 shares in which 566,069,712 shares were held by Claremont Capital, 3,097,000 shares were held by Asia Panich and 833,000 shares were held by Man Tong since Cosmos Investments Inc. holds more than one-third of the issued share capital of Claremont Capital, Asia Panich and Man Tong, respectively.
- (4) Sompo Japan Insurance Inc. ("SJII") is a wholly-owned subsidiary of Sompo Holdings, Inc. ("SHI") and accordingly, the shares in which SJII is shown as interested are included in the shares in which SHI is shown as interested.

Save as disclosed above, as at 30th June, 2025, no other persons had registered an interest or a short position in the shares or underlying shares of the Company that was required to be recorded pursuant to section 336 of the SFO.

Purchase, Sale or Redemption of the Company's Shares

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

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

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

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

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

Changes in Directors' Information

There have been changes in the information related to directors of the Company since the date of its Annual Report 2024. Details of the changes as required to be disclosed under Rule 13.51B(1) of the Listing Rules are as follows:

The following fees payable to directors of the Company ("AFH") and Asia Insurance Company, Limited ("AI"), the Company's wholly owned subsidiary, were approved by the shareholders of the Company and AI in their annual general meetings held on 28th May, 2025 respectively, with retrospective effect from 1st January, 2025 or 26th March, 2025 where applicable:

	Fee for Director <i>(per annum)</i>	
	Fee for the year ending 31st December, 2025 (with retrospective effect from 1st January, 2025) HK\$	Fee for the year ended 31st December, 2024 HK\$
AFH Director's fee ("Revised AFH Director Fee"):		
AFH Board Chairman's fee	80,000	100,000
AFH Director's fee	(same as year 2024)	80,000
*AFH Board committees' fees ("Revised AFH Committees' Fees"):		
AFH Audit Committee		
– Chairman	(same as year 2024)	40,000
– Member	(same as year 2024)	30,000
AFH Compliance Committee		
– Chairman	30,000	40,000
– Member	20,000	30,000
AFH Nomination Committee		
– Chairman	20,000	40,000
– Member	10,000	30,000
AFH Remuneration Committee		
– Chairman	30,000	40,000
– Member	20,000	30,000
AFH Risk Committee		
– Chairman	(same as year 2024)	40,000
– Member	(same as year 2024)	30,000



Other Information

Changes in Directors' Information (continued)

	Fee for Director (per annum)	
	Fee for the year ending 31st December, 2025 (with retrospective effect from 1st January, 2025) HK\$	Fee for the year ended 31st December, 2024 HK\$
AI Director's fee ("Revised AI Director Fee"):		
AI Board Chairman's fee	80,000	60,000
AI Director's fee	80,000	60,000
*AI Board committees' fees ("Revised AI Committees' Fees"):		
AI Audit Committee		
– Chairman	40,000	20,000
– Member	30,000	10,000
AI Risk Committee		
– Chairman	30,000	20,000
– Member	30,000	20,000
	Fee for Director (per annum)	
	Fee for the year ending 31st December, 2025 (with retrospective effect from 26th March, 2025) HK\$	Fee for the year ended 31st December, 2024 HK\$
*AI Remuneration Committee's fee ("New AI Committee's Fee"):		
– Chairman	30,000	Nil
– Member	30,000	Nil

* The Executive Directors do not receive committees' fees.

Changes in Directors' Information (continued)

Accordingly, the fees of the following directors of the Company would be changed:

- (1) Mr. CHAN Bernard Charnwut is entitled to receive the following fees for the year ending 31st December, 2025:
 - the Revised AFH Director Fee of HK\$80,000 per annum; and
 - the Revised AI Director Fee of HK\$80,000 per annum.
- (2) Mr. WONG Kok Ho is entitled to receive the following fee for the year ending 31st December, 2025:
 - the Revised AI Director Fee of HK\$80,000 per annum.
- (3) Mr. AU YANG Chi Chun Evan, Ms. NGAN Edith Manling and Mr. LI Lu Jen Laurence are entitled to receive the following fees for the year ending 31st December, 2025:
 - the Revised AI Director Fee of HK\$80,000 per annum;
 - the Revised AFH Committees' Fees and Revised AI Committees' Fees of total HK\$190,000 per annum; and
 - the New AI Committee's Fee of HK\$30,000 per annum. Such fee payable to each of them will be calculated in proportion to the period of service from 26th March, 2025 to 31st December, 2025.

Mr. CHAN Bernard Charnwut has been appointed as a member of the Remuneration Committee of AI with effect from 28th May, 2025.

Mr. WONG Kok Ho has been appointed as a member of the Remuneration Committee of AI with effect from 28th May, 2025.

Mr. AU YANG Chi Chun Evan has been appointed as a member of the Remuneration Committee of AI with effect from 26th March, 2025. He has also been appointed as a co-opted member in the Subcommittee on Ecosystem and Infrastructure under the Task Force on Promoting Web3 Development from 1st July, 2025 to 30th June, 2027.

Ms. NGAN Edith Manling has been appointed as a member of the Remuneration Committee of AI with effect from 26th March, 2025.

Mr. LI Lu Jen Laurence has been appointed as the chairperson of the Remuneration Committee of AI with effect from 26th March, 2025.



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 Listing Rules throughout the six months ended 30th June, 2025, except a deviation from CG Code C.2.1 which stipulates, inter alia, that the roles of chairman and chief executive should be separate and should not be performed by the same individual and that the division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

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

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

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