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

(Stock code: 662)

DISCLOSEABLE TRANSACTION
IN RELATION TO
THE DISPOSAL OF ASIA INSURANCE'S SHAREHOLDING IN HONG KONG LIFE INSURANCE LIMITED

THE SHARE PURCHASE AGREEMENT

On 27 December 2024, the Sellers (being Asia Insurance, a wholly-owned subsidiary of the Company, Chong Hing Insurance Company Limited, OCBC Bank (Hong Kong) Limited, Shanghai Commercial Bank Limited and CMB Wing Lung Agency Limited) entered into the Share Purchase Agreement with the Purchaser, pursuant to which the Sellers conditionally agreed to sell their respective interests in, and the Purchaser conditionally agreed to purchase (through itself or an entity directly or indirectly wholly-owned by the Purchaser, subject to relevant regulatory approvals), the entirety of the issued share capital of Hong Kong Life, whose core business is the underwriting of long term life insurance business, including non-linked and linked business in Hong Kong.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal are more than 5% but all are below 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but will be exempted from the circular and independent shareholders' approval requirements under Chapter 14 of the Listing Rules.

AS CLOSING OF THE DISPOSAL IS SUBJECT TO THE SATISFACTION OF THE CONDITIONS, THE DISPOSAL MAY OR MAY NOT PROCEED. THE ISSUE OF THIS ANNOUNCEMENT DOES NOT IN ANY WAY IMPLY THAT THE DISPOSAL WILL BE IMPLEMENTED OR COMPLETED. SECURITYHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY SHOULD EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY.

1. INTRODUCTION

On 27 December 2024, the Sellers (being Asia Insurance, a wholly-owned subsidiary of the Company, Chong Hing Insurance Company Limited, OCBC Bank (Hong Kong) Limited, Shanghai Commercial Bank Limited and CMB Wing Lung Agency Limited) entered into the Share Purchase Agreement with the Purchaser, pursuant to which the Sellers conditionally agreed to sell their respective interests in, and the Purchaser conditionally agreed to purchase (through itself or an entity directly or indirectly wholly-owned by the Purchaser, subject to relevant regulatory approvals), the entirety of the issued share capital of Hong Kong Life, whose core business is the underwriting of long term life insurance business, including non-linked and linked business in Hong Kong.

2. SHARE PURCHASE AGREEMENT

Set out below is a summary of the principal terms of the Share Purchase Agreement.

2.1. Date

27 December 2024

2.2. Parties

(i) Asia Insurance;

(ii) Chong Hing Insurance Company Limited;

(iii) OCBC Bank (Hong Kong) Limited;

(iv) Shanghai Commercial Bank Limited;

(v) CMB Wing Lung Agency Limited; and

(vi) Yue Xiu Enterprises (Holdings) Limited.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of the Sellers (other than Asia Insurance), the Purchaser, and their ultimate beneficial owner are third parties independent of the Company and are not connected persons of the Company.

Please see the section headed "3. INFORMATION ON THE COMPANY AND THE PARTIES" below for further information on the parties to the Share Purchase Agreement.

2.3. Subject matter

Under the Share Purchase Agreement, the Sellers conditionally agreed to sell their respective interest in, and the Purchaser conditionally agreed to purchase (through itself or an entity directly or indirectly wholly-owned by the Purchaser, subject to relevant regulatory approvals), the entirety of the issued share capital of Hong Kong Life.

2.4. Consideration

The total consideration for the Transaction is HK$1,768,000,000 (the "**Base Consideration**") plus the amount on a dollar-for-dollar basis of any additional capital contributed by the Sellers to Hong Kong Life on or prior to Closing as required by the Hong Kong Insurance Authority in order to maintain the minimum level of regulatory capital ("**Additional Contribution**", and together with the Base Consideration, the "**Aggregate Consideration**"), subject to customary reductions and adjustments in the event of any leakage from Hong Kong Life.

The Aggregate Consideration has been determined after arm's length negotiations between the Sellers and the Purchaser, taking into account the interests of the Sellers and the financial position of Hong Kong Life.

On the Closing Date, the Purchaser shall pay each Seller its Relevant Proportion of the Aggregate Consideration (as may be adjusted). Assuming no Additional Contribution will be made, Asia Insurance shall receive from the Purchaser HK$294,666,666.66.

2.5. Conditions

Closing of the Transaction (including the Disposal) is conditional upon the satisfaction of the following Conditions, or their satisfaction subject only to Closing:

(i) the execution of the addenda to each of the General Agent's Agreement between Hong Kong Life and each of the Seller Banks;

(ii) the nominee elected by the Purchaser to purchase the Shares on its behalf having obtained written approval or a written notice of no objection from the Hong Kong Insurance Authority to become a "majority shareholder controller" of Hong Kong Life and the Hong Kong Insurance Authority having approved the appointment of individuals nominated by the Purchaser as directors of Hong Kong Life;

(iii) the controller(s) of Chong Hing Bank Limited having obtained approval from the Hong Kong Monetary Authority in respect of the Transaction (if required);

(iv) the Purchaser having reported the Transaction to SASAC and/or its authorised bodies and not having received any objection from SASAC (except for an objection from SASAC based on any of the circumstances in paragraph 2.5(v) below) on or before Closing;

(v) the performance by the Purchaser of its obligations under the Share Purchase Agreement not resulting in a breach of any applicable law, rule, regulation, policy, executive order or administrative order;

(vi) in respect of the Schemes: (i) the SFC having approved of the change of the controlling shareholders of Hong Kong Life pursuant to the Code on Investment-Linked Assurance Schemes; and (ii) (if required by the SFC) notice of such change having been given to

the participants of the Schemes and the SFC's prescribed notice period to the participants of the Scheme having expired;

(vii) relevant Sellers having obtained approval from the Hong Kong Monetary Authority and/or Monetary Authority of Singapore (as applicable) in respect of the Transaction (if required);

(viii) CMB Wing Lung Bank Limited having obtained its requisite internal corporate approvals on or before the date falling three months from the date of the Share Purchase Agreement;

(ix) none of the fundamental warranties given by the Sellers under the Share Purchase Agreement having been breached on or before Closing; and

(x) the embedded value of Hong Kong Life as at Closing has not dropped by more than 25% as compared to the embedded value of Hong Kong Life as at 31 December 2023.

If the Condition set out in paragraph 2.5(vii) above is not satisfied by 5pm (Hong Kong time) on the Long Stop Date or where the Condition set out in paragraph 2.5(viii) above is not satisfied on or before the date falling three months from the date of the Share Purchase Agreement, but all other Conditions have been satisfied or waived (as applicable), the Purchaser shall have the sole discretion to require the Sellers to proceed to Closing (other than the Seller to which the unsatisfied Condition relates (the "**Remaining Seller**")); otherwise, either the Purchaser or the Sellers may in their sole discretion terminate the Share Purchase Agreement by written notice. The Remaining Seller shall enter into a shareholders agreement effective on Closing with the other shareholders of Hong Kong Life (excluding any Seller who will sell their Shares to the Purchaser at Closing) as agreed pursuant to the Share Purchase Agreement.

2.6. Closing

Closing shall take place on the fifth Business Day following the fulfilment or waiver (as applicable) of the last of the Conditions (other than the Conditions that shall be determined or fulfilled on the Closing Date).

The Purchaser has agreed that if the Share Purchase Agreement is terminated due to (i) the Condition set out in paragraph 2.5(iv) above not being fulfilled by the Long Stop Date or if SASAC and / or its authorised bodies having indicated its objection to the Transaction (except for an objection from SASAC based on any of the circumstances in paragraph 2.5(v) above) or (ii) the Purchaser fails to complete the Transaction after all Conditions have been satisfied or waived (as applicable), save that the Purchaser is not obliged to purchase any of the Shares under the Share Purchase Agreement unless all Shares are to be sold simultaneously by each Seller in accordance with its respective Relevant Proportion, the Purchaser shall pay each Seller its Relevant Proportion of a break fee of HK$100,000,000 within five Business Days after the termination of the Share Purchase Agreement or the failure to complete the Transaction occurs.

The Sellers have agreed that if the Share Purchase Agreement is terminated due to any Seller's failure to complete the Transaction after all Conditions have been satisfied or waived (as applicable), such Seller(s) shall be liable to pay the Purchaser, pro rata to the Relevant Proportion of, and as between (as the case may be), such Seller(s), a break fee of HK$100,000,000 within five Business Days after the termination of the Share Purchase Agreement or the failure to complete the Transaction occurs.

3. INFORMATION ON THE COMPANY AND THE PARTIES

3.1. The Company

The principal activities of the Company and its subsidiaries include underwriting general and life insurance as well as investment holding.

3.2. Asia Insurance

Asia Insurance is a company incorporated in Hong Kong and a direct wholly-owned subsidiary of the Company. The principal activities of Asia Insurance are underwriting general and life insurance.

3.3. Hong Kong Life

Hong Kong Life is a company incorporated in Hong Kong with limited liability. It offers a broad product suite to cater to the insurance needs of customers in every life stage, including traditional savings insurance, universal life, term life insurance, retirement plans, juvenile plans, medical & dread disease coverage, accidental & disability coverage, and group insurance.

3.4. Chong Hing Insurance Company Limited

Chong Hing Insurance Company Limited is a wholly-owned subsidiary of Chong Hing Bank Limited (i.e., one of the Seller Banks) and an indirect wholly-owned subsidiary of the Purchaser. It carries on general insurance business other than insurance of a long-term nature, insurance underwriting services including fire insurance, home insurance, travel insurance, domestic helper insurance and commercial insurance, and prompt and quality claims services.

3.5. OCBC Bank (Hong Kong) Limited

OCBC Bank (Hong Kong) Limited is a wholly-owned subsidiary of the Oversea-Chinese Banking Corporation Limited. It offers a broad array of commercial banking, specialist financial and wealth management services, ranging from consumer, corporate, investment, and transaction banking to treasury, insurance, asset management and stockbroking services.

3.6. Shanghai Commercial Bank Limited

Shanghai Commercial Bank Limited is an established local Chinese bank in Hong Kong, majority-owned by The Shanghai Commercial & Savings Bank, Limited, offering customers a range of retail and corporate banking services and products including deposits, securities

trading, credit cards, insurance and wealth management services and corporate and personal loans.

3.7. CMB Wing Lung Agency Limited

CMB Wing Lung Agency Limited is a wholly-owned subsidiary of CMB Wing Lung Bank, and is primarily engaged in holding investments.

3.8. Yue Xiu Enterprises (Holdings) Limited

Yue Xiu Enterprises (Holdings) Limited is a limited liability company incorporated under the laws of Hong Kong and is an investment holding company investing in banking and finance, real estate, transportation infrastructure and other businesses. It is also the holding company of Chong Hing Bank Limited and Chong Hing Insurance Company Limited.

4. FINANCIAL INFORMATION CONCERNING HONG KONG LIFE

Set out below are the key financial information of Hong Kong Life prepared in accordance with Hong Kong Financial Reporting Standards:

	For the year ended 31 December 2022	*For the year ended 31 December 2023*
	(audited)	*(audited)*
	(HK$)	*(HK$)*
Net loss before taxation and extraordinary items	(504,926,025)	(484,128,301)
Net loss after taxation and extraordinary items	(512,356,186)	(488,164,294)
	As of 31 December 2023	*As of 30 June 2024*
	(audited)	*(unaudited)*
	(HK$)	*(HK$)*
Total assets	14,729,358,403	14,211,848,776

Based solely on the carrying value of Hong Kong Life as of 31 December 2023 in the amount of approximately HK$135,518,008 included in the audited consolidated financial statements of the Company for the year ended 31 December 2023 and the consideration for the Asia Insurance Shares under the Share Purchase Agreement in the amount of approximately HK$294,666,666.66, the Company would record an unaudited estimated gain of approximately

HK$159,148,658.66 before taxation from the Disposal. However, it is expected that the ultimate gain that the Company will record may be different from the above stated gain given that there have been changes to the carrying value of Hong Kong Life since 31 December 2023 due to, amongst other things, the profits earned by Hong Kong Life since 31 December 2023, being the date to which the last audited financial statements of the Group were made up.

5. REASONS FOR AND BENEFITS OF THE DISPOSAL

The Directors believe that the sale of the Asia Insurance Shares is in line with the strategy of all of the Sellers. In particular, Hong Kong Life is currently a joint venture between the five Sellers. The Sellers believe that it is in the best interests of Hong Kong Life to have one single shareholder to take charge to grow its business in line with its customers' evolving needs. The Directors also believe that the sale will generate substantial value in the interests of the Shareholders.

Upon completion of the Share Purchase Agreement, the Group will utilise the proceeds for reinvestment in its business and for general working capital purposes.

Taking into account the reasons and benefits of the Disposal described above, the Board (including the Independent Directors) considers that the terms of the Disposal are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

6. IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal are more than 5% but all are below 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but will be exempted from the circular and independent shareholders' approval requirements under Chapter 14 of the Listing Rules.

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7. DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions shall have the following meanings:

"**Additional Contribution**"	has the meaning as defined in section 2.4 Consideration of this announcement

"**Aggregate Consideration**"	the aggregate consideration for the Transaction payable by the Purchaser to the Sellers under the Share Purchase Agreement
"**Asia Insurance**"	Asia Insurance Company, Limited, a limited liability company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
"**Asia Insurance Shares**"	145,000,000 Shares, representing $16\,^{2}/_{3}\%$ of the Shares of Hong Kong Life on the date of the Share Purchase Agreement, held by Asia Insurance and proposed to be sold to the Purchaser, subject to the terms and conditions as set out in the Share Purchase Agreement
"**Base Consideration**"	has the meaning as defined in section 2.4 Consideration of this announcement
"**Board**"	the board of Directors
"**Closing**"	the completion of the sale of the Shares pursuant to the Share Purchase Agreement
"**Closing Date**"	the date on which Closing takes place
"**Company**"	Asia Financial Holdings Limited, a company incorporated in Bermuda with limited liability, the ordinary shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 662)
"**Condition(s)**"	the condition(s) precedent for the Closing
"**Director(s)**"	the director(s) of the Company
"**Disposal**"	the disposal of Asia Insurance Shares by Asia Insurance on and subject to the terms and conditions set out in the Share Purchase Agreement
"**Group**"	the Company and its subsidiaries
"**HK$**"	Hong Kong dollar, the lawful currency of Hong Kong
"**Hong Kong**"	the Hong Kong Special Administrative Region of the PRC
"**Hong Kong Life**"	Hong Kong Life Insurance Limited (香港人壽保險有限公司)
"**Listing Rules**"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"**Long Stop Date**"	the date falling 18 months after the date of the Share Purchase Agreement or such other date as the Sellers and

	the Purchaser may agree in writing pursuant to the Share Purchase Agreement
"**percentage ratios**"	has the meaning ascribed to it under the Listing Rules
"**PRC**"	the People's Republic of China, excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region and Taiwan
"**Purchaser**"	Yue Xiu Enterprises (Holdings) Limited, a limited liability company incorporated under the laws of Hong Kong
"**Relevant Proportion**"	with respect to each Seller or the Purchaser, as the case may be, the percentage holding in the issued share capital of Hong Kong Life which each Seller shall sell, or the Purchaser shall purchase, pursuant to the Share Purchase Agreement; and with respect to Asia Insurance, $16\,{}^{2}/_{3}\%$
"**SASAC**"	the State-owned Assets Supervision and Administration Commission of Guangzhou Municipal People's Government
"**Schemes**"	the Wealth Express Invest Plan, the Wealth Express Single Premium Invest Plan and the Wealth Plus Invest Plan, being investment-linked assurance schemes offered by Hong Kong Life
"**Seller Banks**"	Chong Hing Bank Limited, OCBC Bank (Hong Kong) Limited, Shanghai Commercial Bank Limited and CMB Wing Lung Bank Limited
"**Sellers**"	Asia Insurance, Chong Hing Insurance Company Limited, OCBC Bank (Hong Kong) Limited, Shanghai Commercial Bank Limited and CMB Wing Lung Agency Limited
"**Sellers' Group**"	each Seller and its holding companies and subsidiaries, and any subsidiary of such holding company from time to time
"**SFC**"	the Securities and Futures Commission of Hong Kong
"**Share Purchase Agreement**"	the Share Purchase Agreement dated 27 December 2024 entered into by the Sellers and the Purchaser in relation to the Transaction
"**Shareholder(s)**"	holder(s) of the ordinary shares in the issued share capital of the Company
"**Shares**"	the issued shares in the share capital of Hong Kong Life
"**Stock Exchange**"	the Stock Exchange of Hong Kong Limited

"**Transaction**"	the disposal of Shares by the Sellers (including the Disposal) to the Purchaser on and subject to the terms and conditions set out in the Share Purchase Agreement
"%"	per cent.

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

Hong Kong, 27 December 2024

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. KAWAUCHI Yuji, Mr. TATEGAMI Susumu; 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*