



亞洲金融  
Asia Financial

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## **Asia Financial Announces 2018 Results**

**Asia Financial Holdings Limited** (“Asia Financial”) announces the results for the year ended 31 December 2018. Mr. Bernard Chan, President of Asia Financial, said, “**Asia Financial achieved net profit attributable to shareholders of HK\$255.9 million in 2018, a 46.4% fall compared to the restated profit of HK\$477.1 million in 2017.** This result reflects realised and unrealised year-on-year declines in the value of portfolio investments at a time of market volatility; on the positive side, we achieved a very healthy increase in underwriting profit, and booked an exceptional profit arising from the forfeited deposit on the terminated sale of Hong Kong Life Insurance Limited. Returns from joint ventures and associates were generally in line with the business and investment environments.”

“Wholly-owned subsidiary, **Asia Insurance Company, Limited** (“Asia Insurance”) achieved **profit attributable to shareholders of HK\$260 million, a decline of 24.7%** on the previous year. Turnover grew by 14.5%, while underwriting profit was 93.2% up on 2017. The increase in turnover was balanced across business classes and is very satisfactory in view of the extremely soft and overcrowded market currently prevailing in Hong Kong. This reflects development of new distribution channels as well as Asia Insurance’s success in winning loyalty among its clients.”

“The rise in underwriting profit partly reflects the losses in 2017 from extreme weather, notably typhoon Hato. Following that experience, Asia Insurance significantly strengthened a range of risk management practices, and was well-positioned to withstand the impact of 2018’s typhoon Mangkhut and such events as typhoons in Japan, an earthquake in Indonesia and fires in California.”

Mr. Chan continued to say, “Joint ventures and associates in the insurance segment all performed broadly in line with overall market conditions. BC Reinsurance Limited reported a loss, and Hong Kong Life Insurance Limited saw fall in profit, largely due to

declines in investments. The People's Insurance Company of China (Hong Kong) Limited and Professional Liability Underwriting Services Limited both reported stable results.”

“PICC Life Insurance Company Limited (“PICC Life”), in which Asia Financial has a 5% stake, continues to take advantage of its opportunities as a company with a nationwide licence. It maintains as a major player in the China market, with a network of some 1,920 offices. PICC Life reported RMB93.7 billion in premium income for 2018, an 11.8% decrease over 2017. All other business performance and risk control indicators showed positive and healthy figures. PICC Life's insurance liability reserves and solvency ratio were maintained at adequate levels in line with the business volume. This stake is Asia Financial's single biggest external holding, accounting for 19.4% of our total assets.”

Mr. Chan added, “Our 3.6% holding in Bumrungrad Hospital Public Company Limited (“Bumrungrad”) in Bangkok remains a very sound investment. This reflects Bumrungrad's continuing success in attracting patients internationally through the delivery of high-quality and good-value medical services.”

“The Group's holding in Bank Consortium Holding Limited (“BCH”), one of our joint ventures, enjoyed satisfactory performance in 2018. Bank Consortium Trust Company Limited, a wholly owned subsidiary of BCH, remains one of the major providers of Mandatory Provident Fund services in Hong Kong.”

Mr. Chan raised, “The Group's interests in real estate are focused on Shanghai and represent 2.7% of our total assets. The main project is a residential and commercial complex in Jiading, in which we have a 27.5% stake. No profits were booked during 2018.”

“The majority of the 460 units in Stage 1 of Phase 3 of the project had been sold at by the end of 2018, and we expect to book profits from this phase from late 2019 to early 2020 upon delivery. Work on and sales of the 400-unit Stage 2 are expected to be completed in 2019-20, and of the final 400-unit Stage 3 in 2021.”

Looking ahead, Mr. Chan said, “Asia Insurance – approaching its 60th anniversary – is performing well in a crowded and competitive market. The outlook for our insurance operations is positive, and management will continue to develop the scope and quality of the business, while exploring possible new opportunities from industry development in Hong Kong and the region.”

“Our long-term focus rests especially on the great potential arising from continued economic development in much of the East Asian region. We will continue to seek more opportunities to build our interests in livelihood-related service industries such as insurance, retirement, health and wellness, education and property development, focused on Greater China and elsewhere in Asia.”

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*For further information, please contact:  
Ms. Shirley Kwok (Tel: 3606 9620)  
Asia Financial Holdings Limited*