



亞洲金融  
Asia Financial

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### **Asia Financial Announces 2013 Results**

**Asia Financial Holdings Limited** (“Asia Financial”) announces the results for the year ended 31 December 2013. Mr. Bernard Chan, President of Asia Financial, said, “**Asia Financial achieved net profit attributable to shareholders of HK\$270.7 million** in 2013, a **33.0%** fall from the HK\$403.8 million reported in 2012. This result is due to the decrease in the realized and unrealized gain in the value of portfolio investments, which outweighed continued growth in underwriting profit and insurance operations. Overall returns from joint ventures and associated companies showed satisfactory performance.”

“Wholly-owned subsidiary, **Asia Insurance Company, Limited** (“Asia Insurance”) achieved **profit attributable to shareholders of HK\$215.3 million** in 2013, a **21.5% decrease** on HK\$274.2 million for the year 2012. Turnover rose by 9.6%, supported in particular by rising employees’ compensation premiums. Underwriting profit increased by a healthy 20.3%, reflecting continued success in general development of the business, and helped by a lack of exposure to any major acts of god during the reporting period. This continued positive performance of insurance operations reflects ongoing efforts to attract and grow high-quality business and to maintain prudent balances between levels of reinsurance and direct insurance business and among geographical regions. The success of these measures underlines Asia Insurance’s status as one of Hong Kong’s leading local insurers.”

Mr. Chan continued to say, “Joint Ventures and Associates in the insurance segment all performed satisfactorily. Hong Kong Life Insurance Ltd’s profit rebounded, helped particularly by exposure to investments in bonds. BC Reinsurance Ltd saw lower investment income in line with market volatility, but showed good underwriting profit performance. The People’s Insurance Company of China (Hong Kong) Ltd reported a healthy increase in profit, and Professional Liability Underwriting Services Ltd continued to perform steadily.”

“PICC Life Insurance Co. Ltd in Mainland China, in which Asia Financial has a 5% stake, continues to take advantage of its opportunities as a company with a nationwide licence in a country where life insurance premiums are growing at double-digit rates. It now ranks fifth in the Chinese market and operates a network of some 2,088 offices. The company reported RMB75.3 billion in gross premiums for 2013, up 17.6% on the same period for the year before. All other business performance and risk control indicators showed positive and healthy figures. The insurance liability reserves and solvency ratio were maintained at high levels in line with the fast-growing business volume.”

Mr. Chan added, “Our 3.7% holding in Bumrungrad Hospital Public Company Limited (“Bumrungrad”) in Bangkok remains one of our best performing investments, with its valuation rising 10.6% in 2013. This is largely due to market recognition of Bumrungrad’s success in attracting patients internationally through the delivery of high-quality medical services. This success looks likely to continue.”

“The Group’s holding in Bank Consortium Holding Limited (“BCH”) enjoyed healthy profit growth in 2013, and for the second year declared a dividend. Bank Consortium Trust Co. Ltd. (“BCT”), a wholly owned subsidiary of BCH, remains one of the top five providers of Mandatory Provident Fund services in Hong Kong and is now selling back-office services to other players. Members of MPF schemes may now transfer their personal contributions up to one time a year to other service providers; so far, this has not had much effect on the behaviour. At some stage, employees will have control over all their funds, and this may lead to greater competition in the market. We are confident that BCT’s commitment to quality client service will give it an edge in retaining and indeed attracting funds. Future expansion of this market will to some extent be influenced by government policy, but we expect BCT to remain a solid and steady contributor to Asia Financial.”

Mr. Chan raised, “The Group’s interests in real estate are focused on Shanghai and Suzhou and represent 4.4% of our total assets. The main project is a residential and commercial complex in Jiading, in which we have a 27.5% stake. Sales of 156

will continue to examine possible investment opportunities within acceptable levels of risk.”

“The outlook for our insurance operations is generally positive, thanks to the underlying economic strength of our main markets and management efforts to develop the scope of the business and the quality of its client base. The Group will remain alert to possible new opportunities in health care coverage reforms in Hong Kong and in other health-related demographic and geographical sectors.”

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