



亞洲金融
Asia Financial

*For immediate release
23rd March 2016*

Asia Financial Announces 2015 Results

Asia Financial Holdings Limited (“Asia Financial”) announces the results for the year ended 31 December 2015. Mr. Bernard Chan, President of Asia Financial, said, “**Asia Financial** achieved **net profit attributable to shareholders of HK\$186.1 million** in 2015, a **49.1% decrease** on the HK\$365.5 million reported in 2014. This result is due to realised and unrealised year-on-year losses in the value of portfolio and other investments, though there was also healthy 42% growth in underwriting profit. Returns from joint ventures and associates generally fell in line with the investment environment.”

“Wholly-owned subsidiary, **Asia Insurance Company, Limited** (“Asia Insurance”) achieved **profit attributable to shareholders of HK\$188.5 million**, a **decline of 37.3%** on the previous year. Turnover declined by 8.2%, largely as a result of persistent competition in the Hong Kong general insurance industry affecting all main segments, especially employees’ compensation, liability and motor. Weakness in some regional currencies also affected turnover in dollar terms. Despite this, underwriting profit increased by a healthy 42.6%. This was largely due to the underlying market strength of the business and a continued active focus on high-quality business. This performance was also helped by continued strength of sectors such as construction in the local and regional economy, and a lack of exposure to any major natural disasters during the reporting period.”

Mr. Chan continued to say, “Joint ventures and associates in the insurance segment all performed broadly in line with an increasingly challenging environment. BC Reinsurance Limited saw an unrealised loss in investments but satisfactory underwriting profit. The People’s Insurance Company of China (Hong Kong) Limited’s performance also followed this pattern. Hong Kong Life Insurance Limited’s profit was stable, owing

to limited exposure to equities. Professional Liability Underwriting Services Limited saw a slight decline in profit.”

“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 continues to rank fifth in the Chinese market and operates a network of some 2,233 offices. The company reported RMB89.4 billion in premium income for 2015, a 13.7% increase over 2014. 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 15.0% of our total assets.”

Mr. Chan added, “Our 3.6% holding in Bumrungrad Hospital Public Company Limited (“Bumrungrad”) in Bangkok remains one of our best performing investments, with its valuation rising 36.2% in 2015. This reflects market recognition of Bumrungrad’s continuing success in attracting patients internationally through the delivery of high-quality and good-value medical services.”

“Our 20% share (in a consortium with Bumrungrad Hospital) in a 51% stake in Ulaanbaatar Songdo Hospital (“UBSD”) returned a small loss for the year in dollar terms, owing to the weakening of the local currency. We see this investment as an opportunity to participate in the long-term growth in Mongolia’s health-care sector and an attractive long-term addition to our portfolio of investments in regional companies focusing on personal coverage and care services.”

“Our wholly owned Hong Kong wellness centre, the Kinnet, reported a loss in its first full year of operation. Management is focusing on developing its brand awareness and client base. We see very attractive prospects in Hong Kong and possibly elsewhere in serving the growing senior population. As a producer of future operating income, it will also help diversify Asia Financial’s investment base.”

“The Group’s holding in Bank Consortium Holding Limited (“BCH”), one of our joint ventures, enjoyed satisfactory profit growth in 2015 owing to organic growth. Bank Consortium Trust Company Limited (“BCT”), a wholly owned subsidiary of BCH, remains one of the top five 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 3.1% of our total assets. The main project is a residential and commercial complex in Jiading, in which we have a 27.5% stake. A small sales figure was booked in 2015. Demand for the remaining units is anticipated to be good.”

“Foundation work and planning are underway for Phase 3 of the project, and construction is expected to begin later in 2016. Sales have commenced for a development on a smaller lot of land in the same district, profit from which should be booked in 2016. Despite competition, demand is proving firm.”

Looking ahead, Mr. Chan said, “The outlook for our insurance operations is generally positive, despite possibly weaker growth and exchange rates in some markets outside Hong Kong. Management will continue with efforts to flexibly develop the scope of the business and maintain the quality of the client base.”

“Our focus will remain very much on the long term, which we believe offers attractive future opportunities arising from the continued positive economic development in much of the East Asian region. In addition to investments in various projects mentioned above, we will continue to seek 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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