

For immediate release
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Asia Financial Announces Interim Results

Asia Financial Holdings Limited (“Asia Financial”) announced its interim results today. Mr. Bernard Chan, President of Asia Financial, said, “We recorded **net profit attributable to shareholders of HK\$260.1 million** in the first half of 2015, a **36.9% increase** over the same period in 2014. This rise reflected healthy increase in underwriting profits, and realised and unrealised gains in the value of portfolio investments. The results of most of our joint ventures and associates were also positive. Except for some start-up expenses incurred, our expenses remained in line with inflation.”

“Wholly owned subsidiary, **Asia Insurance Company, Limited** (“Asia Insurance”) achieved **profit attributable to shareholders of HK\$229.0 million** in the first half of 2015, a **68.6% increase** compared with the same period in 2014. Turnover fell by 10.1% as Asia Insurance reduced exposure to segments experiencing intense competition in pricing, mostly like property insurance and employees’ compensation. This selective response to market conditions contributed to the very healthy 82.4% growth in underwriting profit. This was helped by an absence of exposure to certain major catastrophes in earlier periods or to more recent natural disasters.”

Mr. Chan also said, “Joint ventures and associates in the insurance segment delivered good results in the first half of 2015. The People’s Insurance Company of China (Hong Kong) Limited achieved a healthy increase in profit, as did BC Reinsurance Limited; both were helped by good investment returns. Hong Kong Life Insurance Limited enjoyed stable performance, while Professional Liability Underwriting Services Limited continued to deliver steady results. Looking further ahead, all these companies look well positioned for future development.”

“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 license. PICC Life reported RMB67.0 billion in premium income for the first half of 2015, a 15.5% increase over the same period in 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 high levels in line with the business volume. This stake is Asia Financial's single biggest external holding, accounting for 14.6% of our total assets."

Mr. Chan continued to say, "Realised and unrealised year-on-year gains on trading investments showed healthy increases in the first half of 2015. This particularly reflected gains in the Hong Kong market. Returns from non-traded investments saw a satisfactory rise. Net interest income weakened in line with a reweighting away from bonds."

"Our 3.6% holding in Bumrungrad Hospital Public Company Limited ("Bumrungrad") in Bangkok remains one of our best-performing investments, with its valuation rising 29.1% for the first half of the year. This reflects continued recognition in the market of Bumrungrad's success in attracting patients internationally through the delivery of high-quality medical services. This success looks likely to continue."

"Asia Financial's stake in Ulaanbaatar Songdo Hospital ("UBSD"), one of the leading hospitals in the capital of Mongolia, comprises a 20% share in a consortium with Bumrungrad; the consortium has a 51% stake in UBSD. This is an opportunity to participate in future growth in Mongolia's health-care sector and forms an attractive long-term addition to our portfolio of investments in regional companies focusing on personal coverage and care services."

"The Kinnet, our wholly owned Hong Kong wellness centre aimed at healthy aging, opened last October. Facilities include a well-equipped fitness centre, studios and a café. The venture benefits from a board of respected advisors in relevant health and social fields. So far, we are building awareness in the market and spending efforts on increasing the number of cardholders. We are exploring possible partnerships with other organizations in order to build the client base."

Mr. Chan added, "The Group's holding in Bank Consortium Holding Limited ("BCH"), one of our joint ventures, continued to enjoy growth in assets under management and achieved an acceptable increase in profit in the first half of 2015, helped by the rise in market values. 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. BCT is also successful in providing services to third parties in the sector."

“The Group’s interests in real estate are focused on Shanghai and represent 3.2% of our total assets. The main project is a residential and commercial complex in Jiading in Shanghai, in which we have a 27.5% stake. After successful sales of Phases 1 and 2 in past years, construction of Phase 3 should begin by end-2015.”

“Work on a smaller lot of land in the same district is now underway. Although government regulations to discourage speculation are still in place, the units at this project are attractively designed and demand has proved very healthy, with the majority of units offered already sold. Profits from this project will be booked upon occupation, which will commence in 2016.”

Looking forward, Mr. Chan said, “We will continue to build on our interests in livelihood-related service industries such as insurance, retirement, health and property development, focused on Greater China and elsewhere in Asia. Our existing range of investments fits well with our traditional expertise and networks of clients and partners, and is well-positioned to benefit from long-term economic and social trends. In considering ways to build upon this base, we will adhere to this fundamental approach and exercise patience and caution.”

“Medium-term prospects for Asia Insurance are positive, thanks in particular to continued strength in Hong Kong infrastructure and construction. We will actively continue to anticipate changes in the market by reviewing and optimizing our mix of business segments. We are also monitoring possible future progress in the expansion of private health coverage in Hong Kong.”

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