



亞洲金融  
ASIA FINANCIAL

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### **Asia Financial Announces 2020 Results**

**Asia Financial Holdings Limited** (“Asia Financial”) announces the results for the year ended 31 December 2020. Mr. Bernard Chan, President of Asia Financial, said, “**Asia Financial achieved net profit attributable to shareholders of HK\$337.9 million in 2020, a 17.4% decrease** on the HK\$409.0 million reported in 2019. This result reflects realised loss but unrealised gain in our investment portfolio, continued firm underwriting profit and overall contributions from our joint ventures and associates were mixed.”

“Wholly-owned subsidiary, **Asia Insurance Company, Limited** (“Asia Insurance”) achieved **profit attributable to shareholders of HK\$189.6 million, down 0.6%** on the previous year. Despite the pandemic’s impact on our clients’ businesses, we maintained most of our existing business while adding new business as well, particularly in our core small and medium sized enterprises (SMEs) market. Our turnover for 2020 rose by 3%, this reflects successful development of new business, expansion and diversification of distribution channels. There was no exposure to major catastrophes during the period, underwriting profit showed a 2% growth. Our fundamental underwriting profit trend remains healthy and stable, and we remain among the top performers in the Hong Kong insurance industry, with a S&P Global rating of A, an extraordinary testimony to our company’s reputation for service, its diversified scope of insurance products, and client confidence.”

Mr. Chan continued to say, “Joint ventures and associates in the insurance segment had mixed performances in 2020. BC Reinsurance Limited and Professional Liability Underwriting Services Limited enjoyed a stable profit while Hong Kong Life Insurance Limited experienced a marginal loss. The People’s Insurance Company of China (Hong Kong) Limited saw a return to healthy underwriting profit up to October 2020, when it was reclassified as a direct investment.”

“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. The fair value appreciated sharply in 2020. During the year 2020, PICC Life declared a record high dividend to the company. At the time of writing, final results were still awaited. However, the company maintains a healthy position in the Chinese market, with a substantial network of offices. This stake is Asia Financial’s single biggest external holding.”

“Our 4.7% holding in Bumrungrad Hospital Public Company Limited (“Bumrungrad”) in Bangkok is our largest listed equity investment. This year, the stock market valuation weakened due to a suffering Thai economy, which experienced its sharpest downturn in 22 years. Additionally, the company felt the transitional negative effect of coronavirus pandemic restrictions on entry to Thailand. As Thailand slowly re-opens its borders to medical tourism, Bumrungrad’s success in attracting patients internationally through the delivery of high-quality medical services is likely to rebound in the long term.”

“The Group’s holding in BBL Asset Management Company Limited of Thailand represent 2.8% of our total assets. It saw a stable return in 2020 and has continued to declare dividend for the past several years.”

“The Group’s holding in Bank Consortium Holding Limited (“BCH”), one of our joint ventures, generated very healthy returns in 2020, in spite of the economic situation. Bank Consortium Trust Company Limited (“BCT”), 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 3.4% 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. Its Phase 3 is being developed in four stages, and in the first half of 2020 we took a healthy profit from 2019 residential sales of Stage One. Despite the COVID-19 pandemic, there was enthusiastic demand for residential sales of Stage Two, which is now 100% sold. We expect to

realise these profits in 2021. Stage Three is now complete and 99% has been sold. The property's 450 units will be delivered in the second quarter of 2021 and we anticipate realizing these profits in the coming year. Stage Four will be put up for sale in 2021, and because of current demand in the Shanghai market we expect the steady profits from this project to continue apace. ”

Looking ahead, Mr. Chan said, “The global and regional economic picture as we enter 2021 remains uncertain and difficult to predict, but there are reasons for cautious optimism in both the near and long term. We also anticipate possible opportunities arising from the central government’s “Greater Bay Area” plan to further integrate Pearl River Delta regions. Additionally, in the aftermath of COVID-19 people are increasingly aware of the need to protect their health with insurance coverage, a trend that will add to our core business and support our market growth.”

“In terms of our 2021 investment performance, we are expecting that the introduction of vaccines will result in the gradual reopening of borders and resumption of normal business activity, however the pace of recovery is still uncertain. We will maintain a sensible and watchful approach towards portfolio management”

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