

For immediate release
21st August 2019

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\$244.6 million** in the first half of 2019, a **120.7% increase** over the same period in 2018. This largely reflected realised and unrealised increases in the value of portfolio investments during a period of market strengthening. Underwriting profits remained at a steady and healthy level. Overall contributions from our joint-ventures and associates were broadly positive. Our expenses remained under control and in line with inflation.”

“Wholly owned subsidiary, **Asia Insurance Company, Limited** (“Asia Insurance”) achieved **profit attributable to shareholders of HK\$149.5 million** in the first half of 2019, a **59.9% increase** compared with the same period in 2018. Turnover rose by 22.1%. This was largely due to an increased number of agent and brokerage distribution channels and good market reception for upgraded product lines. There was no exposure to major catastrophes in the period. Underwriting profit in the first half of 2019 fell, reflecting an exceptional writeback in the same period in 2018; our fundamental underwriting profit trend remains healthy and stable.”

Mr. Chan also said, “Joint ventures and associates in the insurance segment performed acceptably in the first half of 2019. BC Reinsurance Limited, Hong Kong Life Insurance Limited and Professional Liability Underwriting Services Limited all reported generally healthy performances. The People’s Insurance Company of China (Hong Kong) Limited saw a decline in profit due to underwriting loss.”

“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. PICC Life reported RMB70.8 billion in premium income for the first half of 2019, a 1.4% increase over the same period in 2018. 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 18.3% of our total assets.”

Mr. Chan continued to say, “Trading investments showed healthy realised and unrealised gains in the first half of 2019. This reflected strength in the Hong Kong, China and US equities markets, largely due to good corporate earnings and expectations of lower interest rates, and higher dividend income. Returns from non-traded investments were healthy. Net interest income rose owing to higher returns from deposits.”

“Our 3.6% holding in Bumrungrad Hospital Public Company Limited (“Bumrungrad”) in Bangkok remains one of our most solid investments. The stock market valuation weakened in the first half of the year. Bumrungrad’s success in attracting patients internationally through the delivery of high-quality medical services looks likely to continue. The company is also continuing to explore new opportunities.”

Mr. Chan added, “The Group’s holding in Bank Consortium Holding Limited (“BCH”), one of our joint ventures, generated healthy returns in the first half of 2019. 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.”

“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 Shanghai, in which we have a 27.5% stake. The only profits from the project booked in the first half of 2019 resulted from the sale of a number of car parking spaces. The first stage of Phase 3 of the project is nearing handover to customers, and we are preparing to apply for sales permits for the second stage.”

Looking forward, Mr. Chan said, “We remain cautious about the overall longer-term outlook. China’s leadership is gradually addressing structural adjustment through increased consumption, urbanization and financial and other reforms. Other parts of East Asia are continuing their own long-term reforms and development. The region is undergoing a major transformation involving the rise of large middle classes, gradually aging societies and greater use of market-based solutions to demographic and other policy challenges.”

“The outlook for our insurance operations remains positive, with our strong distribution network and market positioning helping us to perform well despite a crowded market. We will continue reviewing and optimizing our mix of business segments. We are also further developing our distribution capacity and product range.”

- End -

For further information, please contact:

Ms. Shirley Kwok

Asia Financial Holdings Ltd.

Tel: 2545 0496