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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Asia Financial Holdings Limited, you should at once hand this circular and the enclosed proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser or transferee.

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**亞洲金融集團(控股)有限公司\***  
**Asia Financial Holdings Ltd.**

*Incorporated in Bermuda with limited liability*

**(Stock Code: 662)**

**PROPOSALS FOR ELECTION OF DIRECTORS,  
REMUNERATION OF DIRECTORS AND MEMBERS OF  
CERTAIN BOARD COMMITTEES,  
GENERAL MANDATES TO ISSUE SHARES AND  
REPURCHASE SHARES  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of Asia Financial Holdings Limited to be held at 16th Floor, Worldwide House, 19 Des Voeux Road Central, Hong Kong on Wednesday, 7th May 2014 at 12:00 noon is set out on pages 17 to 20 of this circular.

If you are unable to attend and vote at the annual general meeting, you are requested to complete the enclosed proxy form in accordance with the instructions printed thereon and return the completed proxy form to the principal place of business of the Company at 16th Floor, Worldwide House, 19 Des Voeux Road Central, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the annual general meeting or any adjourned meeting thereof should you so wish.

28th March 2014

\* For identification purposes only

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## DEFINITIONS

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*In this circular, unless the context requires otherwise, the following expressions have the following meanings:*

“2014 AGM”	the annual general meeting of the Company to be held at 16th Floor, Worldwide House, 19 Des Voeux Road Central, Hong Kong on Wednesday, 7th May 2014 at 12:00 noon, to consider and, if appropriate, to approve the Resolutions or any adjournment thereof;
“AGM”	annual general meeting
“AGM Notice”	the notice of the 2014 AGM set out on pages 17 to 20 of this circular;
“Asia Insurance”	Asia Insurance Company, Limited, a wholly owned subsidiary of the Company;
“Board”	the board of Directors of the Company;
“Bye-laws”	the Bye-laws of the Company as may be amended from time to time;
“Company”	Asia Financial Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its Subsidiaries;
“Hong Kong” or “HKSAR”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	18th March 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;

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## DEFINITIONS

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“Resolution(s)”	the ordinary resolution(s) to be proposed for consideration by Shareholders at the 2014 AGM as set out in the AGM Notice;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) of HK\$1.00 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of Shares in issue;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong; and
“%”	per cent.

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## LETTER FROM THE BOARD

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亞洲金融集團(控股)有限公司\*  
Asia Financial Holdings Ltd.

*Incorporated in Bermuda with limited liability*

(Stock Code: 662)

***Executive Directors:***

CHAN Yau Hing Robin, G.B.S., LL.D., J.P. (*Chairman*)

CHAN Bernard Charnwut, G.B.S., J.P. (*President*)

TAN Stephen

WONG Kok Ho

***Registered Office:***

Clarendon House

Church Street

Hamilton HM 11

Bermuda

***Non-executive Directors:***

LAU Ki Chit

SOPHONPANICH Choedchu

NG Song Hin

CHAN Yeow Toh

YAMAGUCHI Yoshihiro

***Head Office and***

***Principal Place of Business:***

16th Floor

Worldwide House

19 Des Voeux Road Central

Hong Kong

***Independent Non-executive Directors:***

CHOW Suk Han Anna

MA Andrew Chiu Cheung

SIAO Chi Lam Kenneth

WONG Yu Hong Philip, G.B.S.

LAI KO Wing Yee Rebecca, J.P.

28th March 2014

Dear Shareholders,

**PROPOSALS FOR ELECTION OF DIRECTORS,  
REMUNERATION OF DIRECTORS AND MEMBERS OF  
CERTAIN BOARD COMMITTEES,  
GENERAL MANDATES TO ISSUE SHARES AND  
REPURCHASE SHARES  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to provide you with information regarding the proposals for election of Directors, remuneration of Directors and members of certain Board Committees, the granting of general mandates to issue Shares and repurchase Shares, and to seek your approval of the proposed resolutions relating to these matters at the 2014 AGM.

\* For identification purposes only

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## LETTER FROM THE BOARD

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### 2. ELECTION OF DIRECTORS

#### 2.1 Re-election of Directors

The Board currently consists of 14 Directors, namely Dr. Chan Yau Hing Robin, Mr. Chan Bernard Charnwut, Mr. Tan Stephen, Mr. Wong Kok Ho, Mr. Lau Ki Chit, Mr. Sophonpanich Choedchu, Mr. Ng Song Hin, Ms. Chan Yeow Toh, Mr. Yamaguchi Yoshihiro, Ms. Chow Suk Han Anna, Mr. Ma Andrew Chiu Cheung, Mr. Siao Chi Lam Kenneth, Dr. Wong Yu Hong Philip and Mrs. Lai Ko Wing Yee Rebecca.

In accordance with Bye-law 87(2) of the Bye-laws, Dr. Chan Yau Hing Robin, Mr. Wong Kok Ho, Mr. Lau Ki Chit, Mr. Sophonpanich Choedchu, Mr. Siao Chi Lam Kenneth and Dr. Wong Yu Hong Philip will retire from office by rotation at the 2014 AGM and all of them, being eligible, will offer themselves for re-election except for Mr. Lau Ki Chit, being eligible, will not offer himself for re-election due to his decision to devote more time to his personal affairs.

Accordingly, Mr. Lau Ki Chit will retire as non-executive Director with effect from the conclusion of the 2014 AGM. The Board would like to express its gratitude to Mr. Lau for his valuable contribution to the Company over past years.

Pursuant to Bye-law 86(2) of the Bye-laws, Mr. Yamaguchi Yoshihiro, being a non-executive Director who was appointed after the Company's AGM held on 9th May 2013, will hold office until the 2014 AGM and, being eligible, will offer himself for re-election.

Each of Mr. Siao Chi Lam Kenneth and Dr. Wong Yu Hong Philip, being an independent non-executive Director, has given to the Company his annual written confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Board considers both of them are still independent.

Brief biographical details of the above mentioned Directors offering themselves for re-election at the 2014 AGM are set out in Section A of the Appendix I to this circular.

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## LETTER FROM THE BOARD

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### 2.2 Candidate Recommended by the Board

On 28th February 2014, the Nomination Committee considered a candidate named Mr. Tanaka Junichi who was proposed by a Director of the Company and confirmed that Mr. Tanaka is an appropriate person for the Company's directorship. Accordingly, the Nomination Committee nominated, and the Board recommended Mr. Tanaka to stand for election as a non-executive Director at the 2014 AGM. Information of Mr. Tanaka is set out in Section B of the Appendix I to this circular.

### 2.3 Nomination by Shareholders

In accordance with Bye-law 89 of the Bye-laws, if a Shareholder wishes to nominate a person to stand for election as a Director at the 2014 AGM, notice of his intention to propose such person for election as a Director and the notice executed by the nominated candidate of his/her willingness to be elected together with that candidate's information as required to be disclosed under Rule 13.51(2) of the Listing Rules which must be validly served to the Secretary of the Company at 16th Floor, Worldwide House, 19 Des Voeux Road Central, Hong Kong during the period from 1st April 2014 to 11th April 2014 (both dates inclusive).

Upon receiving a valid nomination, the Company will publish an announcement or issue and despatch a supplementary circular to Shareholders containing the details of the candidate(s) proposed as soon as practicable on or about 16th April 2014.

## 3. REMUNERATION OF DIRECTORS AND MEMBERS OF CERTAIN BOARD COMMITTEES

At the Company's AGM held on 9th May 2013, Shareholders approved the fees of HK\$70,000 and HK\$50,000 per annum be payable to the Chairman and each of the other Directors of the Company respectively, and the fees of HK\$30,000 and HK\$20,000 per annum respectively be payable to the chairman and each of the other members of the Audit Committee, the Compliance Committee, the Nomination Committee and the Remuneration Committee of the Company (collectively referred as "Board Committees").

Having regard to the recent market trend, and the ever more demanding regulatory requirements and corporate governance practices to the Company which have expanded the responsibilities and commitments of the Company's Directors, the Remuneration Committee recommended and the Board endorsed the proposals to increase the fees of the Chairman of the Board and each of the other Directors to HK\$80,000 and HK\$60,000 per annum respectively, whereas the remuneration of the chairman and each of the other members of the Board Committees be remained at HK\$30,000 and HK\$20,000 per annum respectively.

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## LETTER FROM THE BOARD

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The Remuneration Committee considers that the proposed remuneration is reasonable, and if approved by Shareholders, will become effective retrospectively as from 1st January 2014 and will remain in effect until otherwise determined in general meeting.

#### 4. GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES

At the AGM of the Company held on 9th May 2013, approvals were given by the Shareholders for the granting of, inter alia, a general mandate to the Directors to issue Shares up to a maximum of 20% of the issued share capital of the Company at the date of passing the relevant resolution and a general mandate to the Directors to repurchase Shares up to a maximum of 10% of the issued share capital of the Company at the date of passing the relevant resolution. These general mandates will lapse at the conclusion of the 2014 AGM. As at the Latest Practicable Date, the issued share capital of the Company comprised 1,019,200,000 Shares. On the basis that no further Shares will be issued prior to the 2014 AGM, the Directors would be authorised under the Share Issue Mandate (as defined below) to issue Shares up to a limit of 203,840,000 Shares.

Resolutions will therefore be proposed at the 2014 AGM to renew these general mandates. The relevant resolutions, in summary, are:

- to grant to the Directors a general and unconditional mandate to allot, issue and deal with additional Shares not exceeding 20% of the Company's issued share capital as at the date of the resolution for the period until the conclusion of the next AGM of the Company (or such earlier period as stated in the resolution) (the "Share Issue Mandate");
- to grant to the Directors a general and unconditional mandate to exercise all the powers of the Company to purchase an amount of Shares not exceeding 10% of the Company's issued share capital as at the date of the resolution for the period until the conclusion of the next AGM of the Company (or such earlier period as stated in the resolution) (the "Share Repurchase Mandate"); and
- conditional upon the passing of the Resolutions to grant the Share Issue Mandate and the Share Repurchase Mandate, to extend the Share Issue Mandate by the addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority given pursuant to the Share Repurchase Mandate, provided that such extended amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company at the date of the resolution.



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## LETTER FROM THE BOARD

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The Directors believe that the relevant mandates afford the Directors the flexibility and discretion when the Directors consider it desirable to issue and allot or repurchase Shares.

An explanatory statement as required by the Listing Rules to be sent to the Shareholders in connection with the proposed Share Repurchase Mandate is set out in Appendix II to this circular. The explanatory statement contains information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution at the 2014 AGM.

### 5. ANNUAL GENERAL MEETING

The AGM Notice is set out on pages 17 to 20 of this circular. Resolutions in respect of the election of Directors, remuneration of Directors and members of certain Board Committees, the granting to the Directors the Share Issue Mandate and the Share Repurchase Mandate will be proposed at the 2014 AGM.

A proxy form for use at the 2014 AGM is enclosed with this circular. If you are unable to attend or vote at the 2014 AGM, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the completed proxy form to the principal place of business of the Company at 16th Floor, Worldwide House, 19 Des Voeux Road Central, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the 2014 AGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the 2014 AGM or any adjourned meeting thereof should you so wish.

### 6. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting (including the 2014 AGM) must be taken by poll. The Chairman of the 2014 AGM will demand, pursuant to Bye-law 66 of the Bye-laws of the Company, that all resolutions set out in the AGM Notice be decided by poll.

After the conclusion of the 2014 AGM, the results of the poll will be published on the HKExnews website at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.afh.hk](http://www.afh.hk).

### 7. RECOMMENDATION

Having considered the reasons set out herein, the Directors consider that the proposed resolutions for the election of Directors, remuneration of Directors and members of certain Board Committees, and for granting to the Directors the Share Issue Mandate and the Share Repurchase Mandate are in the interests of the Company and the Shareholders as a whole and accordingly recommend the Shareholders to vote in favour of such resolutions to be proposed at the 2014 AGM.

Yours faithfully,  
For and on behalf of the Board  
**CHAN Yau Hing Robin**  
*Chairman*

**A. DIRECTORS PROPOSED FOR RE-ELECTION**

The biographical details of the Directors proposed to be re-elected at the 2014 AGM according to the Bye-laws of the Company are set out below:

**Dr. Chan Yau Hing Robin**, G.B.S., LL.D., J.P., aged 81, is the Chairman and an executive director of the Company and Asia Insurance. Dr. Chan has been working for the Group for 58 years. He is also a director of several other subsidiaries of the Company and a director of Claremont Capital Holdings Ltd, the controlling shareholder of the Company. Dr. Chan was awarded the Knight Commander (Second Class) of the Most Noble Order of the Crown of Thailand by His Majesty, the King of Thailand and the Gold Bauhinia Star by the Government of the HKSAR in 2000. He was also conferred with the Honorary University Fellowships by Hong Kong Baptist University and the University of Hong Kong in 2010 and 2011 respectively, and the Honorary Fellowship by The Hong Kong University of Science and Technology in June 2013. Dr. Chan is the Life Honorary Chairman of The Chinese General Chamber of Commerce and the Vice Chairman of the All-China Federation of Returned Overseas Chinese. He is also the Founding Chairman and President of the Hong Kong Federation of Overseas Chinese Associations Limited, the Honorary Chairman of the China Federation of Overseas Chinese Entrepreneurs and the Executive Vice Chairman of the China Overseas Chinese Entrepreneurs Association. Dr. Chan had been a Deputy to The National People's Congress of the People's Republic of China from March 1988 to February 2008. He has extensive experience in the banking industry and acts as an adviser to numerous other companies.

Dr. Chan is an independent non-executive director of K. Wah International Holdings Limited and Keck Seng Investments (Hong Kong) Limited, both of which are listed on the Stock Exchange. On 14th February 2014, Dr. Chan resigned as an independent non-executive director of Chong Hing Bank Limited which is a listed company in Hong Kong. Save as disclosed above, Dr. Chan did not hold any directorship in any other public listed companies in the last three years.

Dr. Chan is the father of Mr. Tan Stephen and Mr. Chan Bernard Charnwut and the brother of Mr. Sophonpanich Choedchu. As at the Latest Practicable Date, Dr. Chan was deemed to be interested in 576,565,712 Shares through his controlled corporations, including (i) 566,069,712 Shares were held through Claremont Capital Holdings Ltd, (ii) 8,830,000 Shares were held through Robinson Enterprise Limited, (iii) 833,000 Shares were held through Asia Panich Investment Company (Hong Kong) Limited, and (iv) 833,000 Shares were held through Man Tong Company Limited. Save as aforesaid, he has no other interest in the Shares of the Company within the meaning of Part XV of the SFO.

There is no service contract signed between Dr. Chan and the Company. Dr. Chan has no fixed term of service but is subject to retirement by rotation and re-election in accordance with the Bye-laws of the Company. For the year ended 31st December 2013, Dr. Chan received total annual fee of HK\$100,000 for being the Chairman of the Company and Asia Insurance respectively and other emoluments of HK\$5,258,000 which included salaries, allowances and discretionary bonus. His director's fee and other emoluments were reviewed by the Remuneration Committee which recommended the same to the Board for approval. The directors' fees were proposed by the Board and approved by the Shareholders at the Company's AGM in 2013. His other emoluments were fixed according to the Group's remuneration policy with reference to his position, his level of responsibilities and the Group's performance and profitability.

**Mr. Wong Kok Ho**, aged 66, has been an executive director of the Company since 2nd May 2007 and has served the Group for over 40 years. Mr. Wong is an executive director and the chief executive officer of Asia Insurance and a director of several other subsidiaries of the Company. Mr. Wong has extensive experience in the insurance industry. He sits on the boards of AFH Charitable Foundation Limited, AR Consultant Service (HK) Limited, BC Reinsurance Limited, Hong Kong Life Insurance Limited and Professional Liability Underwriting Services Limited. In addition, Mr. Wong is an independent non-executive director of Sampo Japan Nipponkoa Insurance (Hong Kong) Company Limited (formerly known as Sampo Japan Insurance (Hong Kong) Company Limited). Mr. Wong was educated in Hong Kong and Deakin University, Melbourne, Australia and is a fellow member of The Chartered Insurance Institute, London. Mr. Wong is currently the Chairman of the Employees Compensation Insurer Insolvency Bureau and a member of the General Committee of the Insurance Claims Complaints Bureau. He is also a councillor of both the General Insurance Council of the Hong Kong Federation of Insurers (HKFI) and the Council of Motor Insurers' Bureau of Hong Kong (MIB). Mr. Wong had served as the Chairman of the General Insurance Council and the MIB Council. He had been a member of the Governing Committee of the HKFI, the President of the Insurance Institute of Hong Kong and a member of the insurance subsector of the Election Committee 2011.

Mr. Wong did not hold any directorship in any other public listed companies in the last three years. He does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Wong was interested in 1,240,000 Shares of the Company within the meaning of Part XV of the SFO, of which 810,000 shares were held as beneficial owner and 430,000 shares were held through spouse or minor children.

There is an employment contract signed between Mr. Wong and Asia Insurance with a contract period of 3 years commencing 1st January 2013. Mr. Wong has no fixed term of director's service with the Company but is subject to retirement by rotation and re-election in accordance with the Bye-laws and the corporate governance practices of the Company. For the year ended 31st December 2013, Mr. Wong received total annual fee of HK\$80,000 for being a director of the Company and Asia Insurance respectively and other emoluments of HK\$3,748,800 which included salaries, allowances and discretionary bonus. His director's fee and other emoluments were reviewed by the Remuneration Committee which recommended the same to the Board for approval. The directors' fees were proposed by the Board and approved by the Shareholders at the Company's AGM in 2013. His other emoluments were fixed according to the Group's remuneration policy with reference to his position, his level of responsibilities and the Group's performance and profitability.

In January 2005, the Securities and Futures Commission had reprimanded Asia Insurance (Pensions Fund) Limited ("AIPF") for breach of the investment restrictions in managing an authorised ORSO pooled retirement fund. Mr. Wong was a director and the responsible officer of AIPF. Although there was no financial loss to the retirement fund investors, Mr. Wong was suspended his licence to carry on Types 4 (advising on securities), Type 9 (asset management) and Type 6 (advising on corporate finance) regulated activities for four weeks. AIPF had ceased business since June 2005 and was dissolved under members' voluntary liquidation in July 2006.

**Mr. Sophonpanich Choedchu**, aged 67, has been a non-executive director of the Company since October 1990 and has been with the Group for 28 years. He is also an executive director of Asia Insurance and a director of certain other subsidiaries of the Company. Mr. Sophonpanich is a director of Claremont Capital Holdings Ltd which is the controlling shareholder of the Company and the Chairman of the Executive Board of Directors of Bangkok Life Assurance Public Company Limited which is listed on The Stock Exchange of Thailand. Mr. Sophonpanich graduated with a BSc (Econ) degree from the London School of Economics.

Mr. Sophonpanich is the brother of Dr. Chan Yau Hing Robin and the uncle of both Mr. Tan Stephen and Mr. Chan Bernard Charnwut. Save as disclosed above, he did not hold any directorship in any other public listed companies in the last three years. As at the Latest Practicable Date, Mr. Sophonpanich was interested in 1,055,107 Shares of the Company within the meaning of Part XV of the SFO.

Mr. Sophonpanich held a service contract with the Company for a term of 2 years commencing 3rd May 2012 and is subject to retirement by rotation and re-election in accordance with the Bye-laws of the Company. Mr. Sophonpanich, if elected at the 2014 AGM, will have a new two-year service term with the Company until the conclusion of the Company's AGM in 2016. For the year ended 31st December 2013, Mr. Sophonpanich received total annual fee of HK\$80,000 for being a director of the Company and Asia Insurance respectively and other emoluments of HK\$212,000 which included allowances and discretionary bonus. His director's fee and other emoluments were reviewed by the Remuneration Committee which recommended the same to the Board for approval. The directors' fees were proposed by the Board and approved by the Shareholders at the Company's AGM in 2013. His other emoluments were fixed according to the Group's remuneration policy with reference to his position, his level of responsibilities and the Group's performance and profitability.

**Mr. Siao Chi Lam Kenneth**, aged 66, has been a member of the Board since 28th June 1999 and was redesignated as a non-executive director of the Company on 30th September 2004. He became an independent non-executive director of the Company after another redesignation on 6th December 2011. Mr. Siao is a member of both the Audit Committee and the Compliance Committee of the Company. Mr. Siao is the founder and senior partner of Messrs. Siao, Wen and Leung, Solicitors and Notaries. He obtained his Bachelor of Commerce degree (B.Com) from McGill University and his Bachelor of Laws degree (LL.B) from King's College, University of London. Mr. Siao is a Notary Public in Hong Kong and a China-Appointed Attesting Officer. He was co-opted as a Council Member of The Law Society of Hong Kong in 1994 and is currently a Honorary Fellow Member of the Hong Kong Institute of Real Estate Administrators. Mr. Siao has extensive experience in banking, commercial, corporate and property matters.

Mr. Siao did not hold any directorship in any other public listed companies in the last three years. He does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Siao did not have any interests in the Shares of the Company within the meaning of Part XV of the SFO.

Mr. Siao held a service contract with the Company for a term of 2 years commencing 3rd May 2012 and is subject to retirement by rotation and re-election in accordance with the By-laws of the Company. Mr. Siao, if elected at the 2014 AGM, will have a new two-year service term with the Company until the conclusion of the Company's AGM in 2016. For the year ended 31st December 2013, Mr. Siao received the fee of HK\$90,000 for being a director of the Company and a member of the Audit Committee and the Compliance Committee. His director's fee and other committees' fees were reviewed by the Remuneration Committee which recommended the same to the Board for approval. These fees were proposed by the Board and approved by the Shareholders at the Company's AGM in 2013.

**Dr. Wong Yu Hong Philip**, G.B.S., aged 75, has been a member of the Board since 19th October 1990 and was redesignated as a non-executive director of the Company on 3rd September 2004. He became an independent non-executive director of the Company after another redesignation on 6th December 2011. He is also a non-executive director of Asia Insurance. He has been with the Group for over 20 years. Dr. Wong attained his BSc., MSc., JD and PhD degrees in 1963, 1967, 1982 and 1987 respectively. Dr. Wong is the Chairman of Winco Paper Products Company Limited, the Life Honorary Chairman of The Chinese General Chamber of Commerce and the Honorary Chairman of the Hong Kong Publishing Federation. He had been a Deputy to the National People's Congress of the People's Republic of China and a member of the Legislative Council of the HKSAR.

Dr. Wong is currently an independent non-executive director of Hop Hing Group Holdings Limited which is listed on the Stock Exchange. On 22nd March 2012, Dr. Wong resigned as the non-executive Chairman of Qin Jia Yuan Media Services Company Limited which is a listed company in Hong Kong. Save as disclosed above, he did not hold any directorship in any other public listed companies in the last three years. He does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Dr. Wong did not have any interests in the Shares of the Company within the meaning of Part XV of the SFO.

Dr. Wong held a service contract with the Company for a term of 2 years commencing 3rd May 2012 and is subject to retirement by rotation and re-election in accordance with the Bye-laws of the Company. Dr. Wong, if elected at the 2014 AGM, will have a new two-year service term with the Company until the conclusion of the Company's AGM in 2016. For the year ended 31st December 2013, Dr. Wong received total annual fee of HK\$80,000 for being a director of the Company and Asia Insurance respectively. His director's fee was reviewed by the Remuneration Committee which recommended the same to the Board for approval. The directors' fees were proposed by the Board and approved by the Shareholders at the Company's AGM in 2013.

**Mr. Yamaguchi Yoshihiro**, aged 56, has been a non-executive director of the Company since 22nd May 2013. Mr. Yamaguchi is the Hong Kong Representative of Aioi Nissay Dowa Insurance Company, Limited ("Aioi Insurance"). He graduated with a degree in Economics from Kwansai Gakuin University, Japan in 1980 and joined Dowa General Insurance Limited ("Dowa") in the same year. Dowa subsequently merged with Aioi Insurance Company, Limited in 2010 and became Aioi Insurance which currently holds 5.16% of the Company's issued share capital.

Mr. Yamaguchi did not hold any directorship in any other public listed companies in the last three years. Save as disclosed above, he does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Yamaguchi did not have any interests in the Shares of the Company within the meaning of Part XV of the SFO.

Mr. Yamaguchi held a service contract with the Company for an initial term commencing on 22nd May 2013 until the conclusion of the Company's 2014 AGM and will be eligible for re-election at that meeting in accordance with the Bye-laws of the Company. Mr. Yamaguchi, if elected at the 2014 AGM, will have a new two-year service term with the Company until the conclusion of the Company's AGM in 2016. For the year ended 31st December 2013, Mr. Yamaguchi received the fee of HK\$30,685 which was calculated in proportion to the period of his service for being a director of the Company. His director's fee was reviewed by the Remuneration Committee which recommended the same to the Board for approval. The directors' fees were proposed by the Board and approved by the Shareholders at the Company's AGM in 2013.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules in respect of the above Directors proposed for re-election and there are no other matters that need to be brought to the attention of the Shareholders in relation to the re-election of the above Directors.

**B. CANDIDATE RECOMMENDED BY THE BOARD**

Information of Mr. Tanaka Junichi who stands for election as a Director at the 2014 AGM is set out below:

**Mr. Tanaka Junichi**, aged 52, is currently the General Manager of the Automobile Business Promotion Department of Sompo Japan Insurance Inc. (“Sompo Japan”). He graduated from Japan’s Keio University, Faculty of Law in 1984 and joined The Yasuda Fire and Marine Insurance Company Limited (“Yasuda”) in the same year. Yasuda subsequently merged with another insurance company in 2002 and became Sompo Japan. Sompo Japan currently holds 5.16% of the Company’s issued share capital. Mr. Tanaka did not hold any directorship in any other public listed companies, whether in Hong Kong or overseas, in the last three years. Save as disclosed above, he does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Tanaka did not have any interests in the Shares of the Company within the meaning of Part XV of the SFO.

The candidate has no service contract with any member of the Group.

The candidate, if elected at the 2014 AGM, will be appointed as a non-executive Director of the Company with effect from the conclusion of the 2014 AGM for a term of approximately 2 years expiring at the conclusion of the Company’s AGM to be held in 2016.

The fee of HK\$60,000 per annum, which is subject to the approval by Shareholders at 2014 AGM, will be payable to Directors of the Company for services rendered by each of them, provided that such fee be payable in proportion to the period of service in case of a Director who has not served the entire period.

Save as disclosed above, the candidate as mentioned above has indicated that there is no other information required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules nor any other matters that need to be brought to the attention of Shareholders.



*This appendix serves as an explanatory statement as required by the Listing Rules to provide requisite information for you to consider whether to vote for or against the resolution to be proposed at the 2014 AGM in relation to the Share Repurchase Mandate.*

### **1. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,019,200,000 Shares. Subject to the passing of the relevant Resolution and on the basis that no further Shares are issued or repurchased prior to the 2014 AGM, the Company would be allowed under the Share Repurchase Mandate to repurchase a maximum of 101,920,000 Shares during the period ending on the earliest of the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required to be held by law or the date upon which such authority is revoked or varied by a resolution of the Shareholders in general meeting.

### **2. REASONS FOR REPURCHASE**

The Directors believe that the Share Repurchase Mandate affords the Company the flexibility and ability in pursuing the best interests for the Company and its Shareholders. Such purchases may, depending on market conditions and funding arrangements at the time, be beneficial to the Shareholders by enhancing the net assets and/or earnings per share and will only be made when the Directors believe that such a purchase will benefit the Company and the Shareholders.

### **3. FUNDING OF REPURCHASE**

The Company is empowered by its Memorandum of Association and Bye-laws to repurchase its Shares. Bermuda law provides that the amount of capital repaid in connection with a share repurchase may only be paid out of either the capital paid up on the relevant Shares, or funds of the Company that would otherwise be available for dividend or distribution or the proceeds of a new issue of Shares made for such purpose. Repurchase will be funded entirely from the funds legally available for the purpose in accordance with the Memorandum of Association and Bye-laws of the Company and the applicable laws of Bermuda, Hong Kong and the Listing Rules. The amount of premium payable on a repurchase may only be paid out of either funds of the Company that would otherwise be available for dividend or distribution or out of the share premium account of the Company. Under Bermuda law, the Shares so repurchased will be treated as cancelled but the aggregate amount of authorised share capital will not be reduced.



The Directors do not propose to exercise the Share Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or gearing position which in the opinion of the Directors are from time to time appropriate for the Company. However, there may be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31st December 2013) in the event that the proposed share repurchases are to be carried out in full at any time during the proposed repurchase period.

#### 4. SHARES REPURCHASE MADE BY THE COMPANY

The Company did not repurchase any of its Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

#### 5. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve months were as follows:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
March 2013	3.750	3.300
April 2013	3.520	3.220
May 2013	3.620	3.430
June 2013	3.650	3.350
July 2013	3.470	3.300
August 2013	3.380	3.000
September 2013	3.340	3.120
October 2013	3.270	3.060
November 2013	3.400	3.160
December 2013	3.390	3.250
January 2014	3.360	3.140
February 2014	3.310	3.100
March 2014 (up to the Latest Practicable Date)	3.220	3.220

**6. UNDERTAKING**

The Directors of the Company have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the proposed Share Repurchase Mandate in accordance with the Listing Rules and all applicable laws of Bermuda and Hong Kong.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates, have any present intention to sell any Shares to the Company under the Share Repurchase Mandate if such is approved by the Shareholders.

No connected persons (as defined in the Listing Rules) of the Company have notified the Company that they have a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Share Repurchase Mandate is approved by the Shareholders.

**7. HONG KONG CODE ON TAKEOVERS AND MERGERS**

If a Shareholder's proportionate interest in the voting rights of the Company increases as a result of a repurchase of Shares, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert, depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Dr. Chan Yau Hing Robin, Chairman of the Company together with his associates, held approximately 57.42% of the issued share capital of the Company. Based on such interests and assuming that no further Shares are issued or repurchased prior to the 2014 AGM and in the event that the Directors exercise in full the power to repurchase Shares, the proportionate interests of Dr. Robin Yau Hing Chan and his associates in the Company would be increased to approximately 63.80% of the issued share capital of the Company and such increase would not give rise to an obligation to make a mandatory offer pursuant to Rule 26 of the Takeovers Code.

The Directors are not aware of any consequences which would arise under the Takeovers Code as consequence of any purchase pursuant to the Shares Repurchase Mandate.

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## NOTICE OF ANNUAL GENERAL MEETING

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亞洲金融集團(控股)有限公司\*  
Asia Financial Holdings Ltd.

*Incorporated in Bermuda with limited liability*

(Stock Code: 662)

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of Asia Financial Holdings Limited (the “Company”) will be held at 16th Floor, Worldwide House, 19 Des Voeux Road Central, Hong Kong on Wednesday, 7th May 2014 at 12:00 noon for the following purposes:

1. To receive and consider the audited Financial Statements and the Reports of the Directors and the Auditors for the year ended 31st December 2013.
2. To declare a final dividend for the year ended 31st December 2013.
3. To elect Directors.
4. To approve the Directors’ remuneration including fees payable to the chairman and members of certain Board Committees.
5. To re-appoint Ernst & Young as the Auditors and authorise the Board of Directors to fix their remuneration.

To consider as special business and, if thought fit, pass with or without amendments the following resolutions as ordinary resolutions:

### Ordinary Resolutions

6. “**THAT** the Directors be and are hereby granted an unconditional general mandate to repurchase issued shares in the capital of the Company in accordance with all applicable laws and subject to the following conditions:
  - (a) such mandate should not extend beyond the Relevant Period (defined in subparagraph (c) below);
  - (b) the aggregate nominal amount of share capital purchased or agreed conditionally or unconditionally to be purchased by the Directors of the Company pursuant to this Resolution shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution; and

\* For identification purposes only

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## NOTICE OF ANNUAL GENERAL MEETING

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- (c) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable law of Bermuda to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

7. **“THAT** the Directors be and are hereby granted an unconditional general mandate to allot, issue and otherwise deal with additional shares in the capital of the Company and to make or grant offers, agreements, warrants and options in respect thereof, subject to the following conditions:

- (a) such mandate should not extend beyond the Relevant Period (defined in sub-paragraph (c) below) save that the Directors may during the Relevant Period make or grant offers, agreements, warrants and options which might require the exercise of such power after the end of the Relevant Period;
- (b) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors, otherwise than pursuant to (i) a Rights Issue (as defined in sub-paragraph (c) below), (ii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Bye-laws of the Company, or (iii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution; and

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## NOTICE OF ANNUAL GENERAL MEETING

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(c) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable law of Bermuda to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

8. “**THAT** conditional upon the passing of the Resolutions 6 and 7 set out in the notice of this meeting, the general mandate granted to the Directors to allot, issue and otherwise deal with additional shares pursuant to Resolution 7 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to Resolution 6 set out in the notice convening this meeting, provided that such extended amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company at the date of passing of this Resolution.”

By Order of the Board  
**Asia Financial Holdings Limited**  
**LAU Chi Tak**  
*Company Secretary*

Hong Kong, 28th March 2014

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

- (1) Any member entitled to attend and vote at the above meeting is entitled to appoint another person as proxy to attend and, on a poll, vote in his/her stead. A proxy need not be a member of the Company.
- (2) To be valid, a proxy form, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the Company's principal place of business at 16th Floor, Worldwide House, 19 Des Voeux Road Central, Hong Kong not less than 48 hours before the time appointed for holding the above meeting or adjourned meeting (as the case may be).
- (3) For the purposes of ascertaining shareholders' right to attend and vote at the above meeting, and entitlement to the final dividend, the register of members of the Company will be closed for the following periods:

- (i) For ascertaining shareholders' right to attend and vote at the above meeting:

Latest time to lodge transfers	4:30 p.m. on 2nd May 2014
Book close dates (both days inclusive)	5th to 7th May 2014
Record date	7th May 2014

- (ii) For ascertaining shareholders' entitlement to the final dividend:

Latest time to lodge transfers	4:30 p.m. on 14th May 2014
Book close dates (both days inclusive)	15th to 19th May 2014
Record date for final dividend	19th May 2014

During the above closure periods, no transfer of shares will be effected. To be eligible to attend and vote at the above meeting, and to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration no later than the abovementioned latest time.

- (4) With regard to agenda item 4 in this notice, the Board of Directors (the "Board") of the Company recommends to the shareholders the remuneration payable to the Directors who serve on the Board and certain Board Committees (including the Audit Committee, the Compliance Committee, the Nomination Committee and the Remuneration Committee) of the Company, at the levels as shown in the table below. Such remuneration payable to the Directors will be calculated, if applicable, in proportion to the period of service in the case of any Director who has not served the entire period during the relevant financial year.

	<b>Fee for Director</b>	
	<i>(per annum)</i>	
	<b>Chairman</b>	<b>Member</b>
	<i>HK\$</i>	<i>HK\$</i>
The Board	80,000	60,000
Each Board Committee	30,000	20,000

- (5) Pursuant to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, all resolutions set out in this Notice will be decided by poll at the above meeting.
- (6) If Typhoon Signal No. 8 or above, or a Black Rainstorm Warning Signal is in effect any time after 9:00 a.m. on the date of the above meeting, the meeting will be postponed. The Company will post an announcement on the Company's website ([www.afh.hk](http://www.afh.hk)) and the HKExnews website ([www.hkexnews.hk](http://www.hkexnews.hk)) to notify shareholders of the date, time and place of the rescheduled meeting.