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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)

2012 INTERIM RESULTS

The board of directors (the "Board") of Asia Financial Holdings Limited (the "Company") announces the unaudited condensed consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30th June, 2012 as follows:

Condensed Consolidated Income Statement (Unaudited)

For the six months ended 30th June, 2012

	Notes	**Six months ended 30th June, 2012 HK$'000**	2011 HK$'000
REVENUE	3	**687,858**	538,376
Gross premiums		**687,858**	538,376
Reinsurers' share of gross premiums		**(208,830)**	(163,288)
Change in unearned premiums reserve		**(71,034)**	(31,914)
Change in life fund		**(2,958)**	(1,275)
Net insurance contracts premiums revenue		**405,036**	341,899
Gross claims paid		**(308,219)**	(196,991)
Reinsurers' share of gross claims paid		**69,784**	67,488
Gross change in outstanding claims		**(7,509)**	(50,467)
Reinsurers' share of gross change in outstanding claims		**6,939**	(7,008)
Net claims incurred		**(239,005)**	(186,978)
Commission income		**34,062**	27,560
Commission expense		**(126,621)**	(111,019)
Net commission expense		**(92,559)**	(83,459)

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Condensed Consolidated Income Statement **(Unaudited)** (continued)

For the six months ended 30th June, 2012

	Notes	Six months ended 30th June, 2012 HK$'000	2011 HK$'000
Management expenses for underwriting business		**(23,926)**	(22,656)
Underwriting profit		**49,546**	48,806
Dividend income		**39,492**	33,491
Realised gain/(loss) on investments		**23,243**	(8,425)
Unrealised gain/(loss) on investments		**93,397**	(14,778)
Interest income		**32,937**	30,791
Other income and gains, net		**(2,309)**	5,641
		236,306	95,526
Operating expenses		**(39,688)**	(37,980)
		196,618	57,546
Share of profits and losses of jointly-controlled entities		**15,363**	12,386
Share of profits and losses of associates		**60,399**	37,636
PROFIT BEFORE TAX	4	**272,380**	107,568
Income tax expense	5	**(19,818)**	(10,522)
PROFIT FOR THE PERIOD		**252,562**	97,046
Attributable to:			
Equity holders of the Company		**249,894**	94,331
Non-controlling interests		**2,668**	2,715
		252,562	97,046
INTERIM DIVIDEND	6	**35,672**	15,288
INTERIM DIVIDEND PER SHARE	6	**HK3.5 cents**	HK1.5 cents
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	7		
Basic - For profit for the period		**HK24.5 cents**	HK9.3 cents
Diluted - For profit for the period		**N/A**	N/A

Condensed Consolidated Statement of Comprehensive Income **(Unaudited)**
For the six months ended 30th June, 2012

	Six months ended 30th June,	
	2012	2011
	HK$'000	HK$'000
PROFIT FOR THE PERIOD	**252,562**	97,046
OTHER COMPREHENSIVE INCOME		
Available-for-sale securities:		
Changes in fair value	**346,240**	20,935
Share of other comprehensive income of jointly-controlled entities:		
Changes in available-for-sale investment reserve	**252**	(118)
Changes in exchange reserve	**726**	2,737
Reclassification of exchange difference included in the condensed consolidated income statement for capital reduction of a jointly-controlled entity	**(5,211)**	(12,318)
	(4,233)	(9,699)
Share of other comprehensive income of associates:		
Changes in available-for-sale investment reserve	**7,709**	(5,048)
Changes in exchange reserve	**(2,722)**	4,944
	4,987	(104)
Exchange differences on translation of foreign operations	**349**	(199)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**347,343**	10,933
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**599,905**	107,979
ATTRIBUTABLE TO:		
Equity holders of the Company	**594,897**	106,815
Non-controlling interests	**5,008**	1,164
	599,905	107,979

Condensed Consolidated Statement of Financial Position (Unaudited)

30th June, 2012

	30th June, 2012 HK$'000	31st December, 2011 HK$'000
ASSETS		
Property, plant and equipment	**151,815**	154,971
Investment property	**4,150**	4,150
Interests in jointly-controlled entities	**203,329**	245,020
Loans to jointly-controlled entities	**35,457**	37,600
Interests in associates	**225,460**	162,099
Due from an associate	**168,390**	164,763
Deferred tax assets	**17,955**	35,029
Held-to-maturity securities	**746,440**	776,816
Available-for-sale securities	**2,754,332**	2,262,256
Pledged deposits	**102,605**	92,605
Loans and advances and other assets	**198,309**	208,225
Securities measured at fair value through profit or loss	**1,790,515**	1,848,154
Insurance receivables	**211,098**	151,751
Reinsurance assets	**484,244**	426,625
Cash and cash equivalents	**1,081,560**	841,581
Total assets	**8,175,659**	7,411,645
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Issued capital	**1,019,200**	1,019,200
Reserves	**4,917,234**	4,358,009
Proposed dividend	**35,672**	20,384
	5,972,106	5,397,593
Non-controlling interests	**19,457**	14,449
Total equity	**5,991,563**	5,412,042
Liabilities		
Insurance contract liabilities	**1,765,394**	1,633,212
Insurance payables	**163,861**	135,341
Due to associates	**4,222**	4,222
Other liabilities	**195,408**	168,451
Tax payable	**45,365**	48,531
Deferred tax liabilities	**9,846**	9,846
Total liabilities	**2,184,096**	1,999,603
Total equity and liabilities	**8,175,659**	7,411,645

Notes to the Interim Financial Statements (Unaudited)

1. Accounting Policies

The condensed consolidated interim financial statements are prepared in accordance with Hong Kong Accounting Standard No.34 "Interim Financial Reporting". The accounting policies and basis of preparation adopted are consistent with those adopted in the Company's financial statements for the year ended 31st December, 2011 except for the adoption of the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") and Hong Kong Accounting Standard ("HKAS"), which are effective for accounting period beginning on 1st January, 2012 and as disclosed below.

HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Transfers of Financial Assets*
HKAS 12 Amendments	Amendments to HKAS 12 *Income Taxes – Deferred Tax: Recovery of Underlying Assets*

HKFRS 1 Amendments introduce a new deemed cost exemption for entities that have been subject to severe hyperinflation, whereby these entities can elect fair value as the deemed cost for assets and liabilities affected by severe hyperinflation in their first HKFRS financial statements. The amendment also removes the legacy fixed dates in HKFRS 1 relating to derecognition and day one gain or loss transactions.

HKFRS 7 Amendments require an entity to disclose both quantitative and qualitative information for the derecognition of financial assets where the entity has a continuing involvement in the derecognised assets.

HKAS 12 Amendments clarify the determination of deferred tax for investment property measured at fair value. The amendments introduce a rebuttable presumption that deferred tax on investment property measured at fair value should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, the amendments incorporate the requirement previously in Hong Kong (Standing Interpretations Committee) Interpretation ("HK(SIC)-Int") 21 *Income Taxes - Recovery of Revalued Non-Depreciable Assets* that deferred tax on non-depreciable assets, measured using the revaluation model in HKAS 16, should always be measured on a sale basis.

Adoption of these new and revised HKFRSs and HKAS did not have any material effect on the financial position or performance of the Group, nor resulted in restatement of comparative figures.

2. Operating Segment Information

(a) Operating segments

The following tables present revenue and results for the Group's operating segments.

Group	**Insurance HK$'000**	**Corporate HK$'000**	**Eliminations HK$'000**	**Consolidated HK$'000**
For the six months ended 30th June, 2012				
Segment revenue:				
External customers	**687,858**	**-**	**-**	**687,858**
Other revenue, income, gains, net	**128,660**	**58,100**	**-**	**186,760**
Intersegment	**939**	**-**	**(939)**	**-**
Total	**817,457**	**58,100**	**(939)**	**874,618**
Segment results	**157,361**	**39,257**	**-**	**196,618**
Share of profits and losses of:				
Jointly-controlled entities	**2,964**	**12,399**	**-**	**15,363**
Associates	**9,558**	**50,841**	**-**	**60,399**
Profit before tax				**272,380**
Income tax expense	**(15,996)**	**(3,822)**	**-**	**(19,818)**
Profit for the period				**252,562**

Group	Insurance HK$'000	Corporate HK$'000	Eliminations HK$'000	Consolidated HK$'000
For the six months ended 30th June, 2011				
Segment revenue:				
External customers	538,376	-	-	538,376
Other revenue, income, gains, net	35,062	11,658	-	46,720
Intersegment	1,302	-	(1,302)	-
Total	574,740	11,658	(1,302)	585,096
Segment results	64,558	(7,012)	-	57,546
Share of profits and losses of:				
Jointly-controlled entities	6,959	5,427	-	12,386
Associates	9,686	27,950	-	37,636
Profit before tax				107,568
Income tax expense	(9,376)	(1,146)	-	(10,522)
Profit for the period				97,046

Notes to the Interim Financial Statements **(Unaudited)** (continued)

2. Operating Segment Information (continued)

(b) Geographical information

Over 90% of the Group's revenue and results are derived from operations carried out in Hong Kong, Macau and China.

3. Revenue

Revenue, which is also the Group's turnover, represents gross premiums net of discounts, from direct and reinsurance business underwritten during the period.

4. Profit before Tax

The Group's profit before tax is arrived at after crediting/(charging):

	Six months ended 30th June,	
	2012	2011
	HK$'000	HK$'000
Auditors' remuneration	**(1,203)**	(1,157)
Depreciation	**(4,735)**	(6,178)
Employee benefits expense (including directors' remuneration)	**(39,982)**	(38,936)
Minimum lease payments under operating leases in respect of land and buildings	**(468)**	(388)
Realised gain/(loss) on:		
- disposal of securities measured at fair value through profit or loss (held for trading), net	**21,379**	(7,985)
- disposal of available-for-sale securities	**47**	39
- redemption/call back of held-to-maturity securities	**1,817**	(479)
	23,243	(8,425)
Unrealised gain/(loss) on:		
- securities measured at fair value through profit or loss (held for trading), net	**77,055**	(14,778)
- securities measured at fair value through profit or loss (designated upon initial recognition)	**16,342**	-
	93,397	(14,778)
Gain/(loss) on disposal/write-off of items of property, plant and equipment	**35**	(1)
Impairment allowance on insurance receivables	**(9)**	-
Impairment of an interest in a jointly-controlled entity #	**-**	(12,318)
Reclassification of exchange difference included in the condensed consolidated income statement for capital reduction of a jointly-controlled entity #	**5,211**	12,318
Dividend income from:		
Listed investments	**36,536**	29,993
Unlisted investments	**2,956**	3,498
	39,492	33,491
Interest income	**32,937**	30,791

4. Profit before Tax (continued)

Impairment of an interest in a jointly-controlled entity and reclassification of exchange difference included in the condensed consolidated income statement for capital reduction of a jointly-controlled entity are included in "Share of profit and loss of jointly-controlled entities" on the face of the condensed consolidated income statement.

5. Income Tax Expense

Hong Kong profits tax has been provided at the rate of 16.5% (2011: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the locations in which the Group operates.

	Six months ended 30th June,	
	2012	2011
	HK$'000	HK$'000
Group:		
Current – Hong Kong		
Charge for the period	**294**	7,272
Current – Elsewhere		
Charge for the period	**2,450**	2,206
Underprovision in prior periods	**-**	120
Deferred	**17,074**	924
Total tax charge for the period	**19,818**	10,522

6. Dividend

	Six months ended 30th June,	
	2012	2011
	HK$'000	HK$'000
Proposed interim dividend:		
HK3.5 cents (2011: HK1.5 cents) per ordinary share based on 1,019,200,000 (2011: 1,019,200,000) shares in issue	**35,672**	15,288

The Board has resolved to pay an interim dividend of HK3.5 cents per share (2011: HK1.5 cents), which will be paid in cash, for the six months ended 30th June, 2012 payable on or about 8th October, 2012 to shareholders whose names appear on the Register of Members of the Company as at the close of business on 21st September, 2012.

7. Earnings Per Share Attributable to Ordinary Equity Holders of the Company

The calculation of the basic earnings per share is based on the profit for the period attributable to ordinary equity holders of the Company of HK$249,894,000 (2011: HK$94,331,000) and 1,019,200,000 (2011: 1,019,200,000) ordinary shares in issue during the periods.

8. Fair Value Hierarchy

The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments:

Level 1: fair values measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: fair values measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly, but where prices have not been determined in an active market, financial assets with fair value based on broker quotes, investments in private equity funds with fair values obtained via fund managers and assets that are valued using the Group's own model whereby the majority of assumptions are market observation.

Level 3: fair values measured based on valuation techniques for which any inputs which have a significant effect on the recorded fair value are not based on observable market data (unobservable inputs).

Assets measured at fair value:

At 30th June, 2012	**Level 1 HK$'000**	**Level 2 HK$'000**	**Total HK$'000**
Available-for-sale securities:			
Equity investments	**1,105,073**	**387,519**	**1,492,592**
Securities measured at fair value through profit or loss	**766,869**	**1,023,646**	**1,790,515**
	1,871,942	**1,411,165**	**3,283,107**

At 31st December, 2011	Level 1 HK$'000	Level 2 HK$'000	Total HK$'000
Available-for-sale securities:			
Equity investments	1,004,184	-	1,004,184
Securities measured at fair value through profit or loss	970,002	878,152	1,848,154
	1,974,186	878,152	2,852,338

8. Fair Value Hierarchy (continued)

As at 30th June, 2012 and 31st December, 2011, the Group had no financial instruments measured at fair value under Level 3.

During the period ended 30th June, 2012, due to no active market for the respective security, an equity listed outside Hong Kong under available-for-sale securities with a fair value of HK$387,519,000, and under securities measured at fair value through profit or loss with fair value of HK$74,420,000 were transferred out from Level 1 to Level 2.

During the period ended 30th June, 2011, there were no transfers of fair value measurements between Level 1 and Level 2.

During the period ended 30th June, 2012 and 30th June, 2011, there were no transfers of fair value measurements into or out of Level 3.

Management Discussion and Analysis

(All changes in % refer to the same period last year)

Profit attributable to equity holders of the Company:	HK$249.9m	+164.9%
Earnings per share:	HK24.5 cents	+163.4%
Interim dividend per share:	HK3.5 cents	+133.3%

Asia Financial Holdings Limited ("Asia Financial") achieved net profit attributable to shareholders of HK$249.9 million in the first half of 2012, a 164.9% increase over the same period in 2011. This healthy rise was largely due to realized and unrealized gains in the value of portfolio investments, the continued respectable underwriting performance and organic growth of insurance operations and satisfactory results by most of our joint-venture and associated companies. Aside from certain one-off costs incurred during the period, our ongoing expenses remained steady.

The second half of the year looks distinctly uncertain. However, looking further ahead, we remain confident in the prospects for the insurance, retirement and other individual and family services sectors in Asia represented by our longer-term direct investments, which form our strategic focus.

Economic Background

Asia showed resilience in the face of economic weakness in much of the western world during the first half of the year, with China reporting a 7.6% rise in GDP in the 2nd quarter of 2012, and Hong Kong's consumption and unemployment rates suggesting continued underlying strength. Capital inflows following quantitative easing in Western economies contributed to recovery in the markets. Regional trade and investment held up well, and these supported Asia Financial's operational performance and that of its joint ventures and associated companies. However, by the end of the period there were signs that the impact of the European and American situations was starting to affect the region's export performance, possibly leading to greater fiscal and monetary support in China and elsewhere.

Global markets generally experienced improvements during the period, peaking in the first quarter of 2012, with the Dow Jones index showing a six-month rise of 5.4%, and the Hang Seng index gaining 5.5%. The gains in the two indices were reflected in the higher market value of Asia Financial's equity portfolio investments. Continued low interest rates limited our interest income.

Overview by Investment Segments

Insurance

Wholly owned Asia Insurance's profit attributable to shareholders rose by 115.1% in the first half of 2012 compared with the same period in 2011. Underwriting profit increased by 0.8%, which is acceptable given exposure to the flooding in Thailand in the second half of 2011. Turnover rose by a healthy 27.6%; this trend was broad-based, reflecting growth in the property market and the construction sector in both Hong Kong and Macau. These solid operating results reflect Asia Insurance's status as a leader in Hong Kong's general insurance market with a very sound reputation among clients.

Asia Insurance's investments, although weighted slightly more to bonds, performed in line with those of Asia Financial as a whole (see below). We took the opportunity to re-weight the portfolio further towards bonds during the period, which helped to increase interest income. Other income was affected by foreign exchange exposure. Asia Insurance has no significant direct exposure to vulnerable European sovereign debt and related investments. Asia Insurance continues to keep costs under control. The agency network size remained stable despite growth in turnover, while increases in staff numbers included expansion of specialist technical expertise, which is already contributing to business growth.

The outlook for Asia Insurance's core underwriting activities in Greater China and the rest of Asia looks generally positive for the second half of 2012 and beyond. Asia Insurance's exposure to losses arising from Typhoon Vicente in Hong Kong and the July flooding in Beijing is minor. In terms of investment performance, however, the uncertainty of the global and regional outlook makes a forecast very difficult. Given the uncertainty surrounding the markets, we will maintain a prudent approach towards portfolio management. We will also continue to monitor potential opportunities arising from the Hong Kong government's plans to encourage a bigger role for personal health insurance coverage in the community.

Associated and joint venture companies in the insurance segment delivered generally satisfactory results. BC Reinsurance Limited, Professional Liability Underwriting Services Limited and the People's Insurance Company of China (Hong Kong) Limited achieved reasonable increases in profit and business turnover, while Hong Kong Life Insurance Limited performed less well. On the whole, all these companies look set to show healthy development in the future. 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 company reported RMB42.7 billion in premium income for the first half of 2012, down 2.4% on the same period of 2011. 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 14.4% of our total assets.

Management Discussion and Analysis (continued)

Overview by Investment Segments (continued)

Other Portfolio Investment

Year-on-year realized and unrealized valuation gains on trading investments rose significantly compared with the first half of 2011. These improved results largely reflected the rise in major markets during the period and our generally cautious approach, focusing on high-quality trading investments. Strong market performance in the first quarter of the year provided an opportunity to lock in some gains. Net interest income remained steady, in line with low rates.

Asia Financial has no direct exposure to vulnerable European sovereign debt. Secondary exposure via equity and fund investments is limited by our policy of diversification and focus on quality, while our fixed income investments and derivative instruments are of investment grade or above. Ever since the extreme volatility of world markets in 2008-09, we have adopted a particularly prudent attitude towards management of our portfolio investments. In view of the ongoing uncertainty posed in particular by the indebtedness of major western economies, and the very real possibility of volatility in world markets as a result, our investment strategy will be flexible enough to cope with the market changes. Regardless of year-on-year fluctuations in market valuations, we will continue to place the highest priority on preservation of core shareholder wealth. At the same time, we will remain alert to strategic and long-term opportunities arising from structural changes in the international environment.

Health Care

Our 3.7% holding in Bumrungrad Hospital Public Company Limited ("Bumrungrad") in Bangkok remains one of our best-performing investments, with its valuation rising 61.6% for the first half of 2012. This is largely due to 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.

Bumrungrad International Limited ("BIL"), in which Asia Financial holds a 19.5% stake, is undergoing liquidation following the consolidation of its activities and the lack of suitable new investment opportunities. This has resulted in a return of capital to Asia Financial, including some exchange rate gain, which accounts for an increase in our share of profits from this source in the first half of 2012. We have also refrained from submitting a bid to the Hong Kong government to start a new hospital at Wong Chuk Hang on the south of Hong Kong Island, as in our view the conditions attached to the project seriously hindered its viability. Despite these developments, we continue to foresee very good prospects for the health care business in the region, owing to long-term demographic and policy trends, and we will remain alert to potential new opportunities in the sector.

Management Discussion and Analysis (continued)

Overview by Investment Segments (continued)

Pension and Asset Management

The Group's holding in the jointly controlled Bank Consortium Holding Limited ("BCH") continued to produce an acceptable level of profit in the first half of 2012, owing to asset portfolio growth following the recovery of markets. 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. Starting 1st November, 2012, employees will have the right to transfer their personal contributions up to one time a year to other service providers. This will heighten competition in the market; we are confident that BCT's commitment to quality client service will give it an edge in retaining and indeed attracting funds.

Property Development

The Group's interests in real estate are focused on Shanghai and Suzhou and represent 5.3% 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. Sales of Phase 2 of the project are proceeding well, with some 65% of units for sale now sold, yielding share of profits of HK$50.8 million booked in the first half of 2012. We expect the sales target for the full year will be met. To allow for possible changes in market conditions, disposal of remaining units will be kept flexible for the time being. This also applies to the development of Phase 3 and a smaller lot of land in the same district; approval to build on the latter has recently been approved.

The outlook for the China residential property market is a subject of considerable discussion. Government controls to moderate bank lending and speculative activity are likely to remain for the time being. We are confident that where financing is concerned, existing capital and cash flow will be sufficient for future projects. We are also confident that our projects contribute to a socially positive housing market, being aimed at middle-class end-users in a competitive local market. We will consider new possible opportunities in this sector.

Management Approach and Future Prospects

Asia Financial's management maintains a conservative investment approach and sensible policies in such areas as cost control in the pursuit of long-term growth in shareholder value. We seek good quality investments and avoid unnecessary risk. The underlying quality of our trading portfolios and long-term direct investments at the end of the first half of 2012, following global financial and debt crises that may not yet be over, confirm the value of this approach.

The Company has in recent years increasingly focused its sights on acquiring holdings in specific business and geographic sectors with solid but very attractive development prospects. Accumulating and developing such holdings is the strategic priority; at the same time, we will select opportunities very carefully and therefore possibly infrequently. Year-on-year fluctuations in the nominal value of the portfolio investments are of relatively less importance. We are currently witnessing signs of a probably historic rebalancing and structural shift in the global economy, which point to the rise of China and other parts of Asia as major potential consuming economies. As an investment company with a focus on insurance, retirement and other individual and family services in the region, we continue to see major strategic opportunities for Asia Financial.

Charges on Assets

As of 30th June, 2012, Asia Insurance charged assets with a carrying value of HK$108,078,000 (31st December, 2011: HK$102,658,000) in favour of the Hong Kong Mortgage Corporation Limited (the “HKMC”) to secure the payments under the HKMC Mortgage Insurance Programme.

Contingent Liabilities

As at 30th June, 2012, there was an outstanding counter guarantee issued by the Company in favour of The People’s Insurance Company (Group) of China Limited (the “PICC Group”) amounting to 5% of all the liabilities and expenses of RMB112.5 million (approximately HK$137.3 million) (31st December, 2011: RMB112.5 million, approximately HK$138.8 million) under a master guarantee provided by the PICC Group. The master guarantee is to secure the repayment of 10-year subordinated term debt of RMB2.25 billion issued by PICC Life Insurance Company Limited. The counter guarantee will expire on 25th April, 2019.

Employees and Remuneration Policy

The total number of employees of the Group as at 30th June, 2012 was 254 (31st December, 2011: 263). Employees were remunerated on the basis of their performance, experience and prevailing industry practice. Remuneration of the employees includes salary and discretionary bonus which is based on the Group’s results and individual performance. Medical and retirement benefit schemes are made available to all levels of personnel. There was no share option scheme in operation during the six months ended 30th June, 2012. The Group also offers various training and induction programmes to its employees.

Interim Dividend

The Board has resolved to declare an interim cash dividend of HK3.5 cents (2011: HK1.5 cents) per ordinary share for the six months ended 30th June, 2012 payable on or about Monday, 8th October, 2012 to shareholders whose names appear on the Register of Members of the Company on Friday, 21st September, 2012.

Closure of Register of Members

The Register of Members of the Company will be closed from Wednesday, 19th September, 2012 to Friday, 21st September, 2012, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the interim 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 not later than 4:30 p.m. on Tuesday, 18th September, 2012.

Purchase, Sale or Redemption of the Company's Shares

During the six months ended 30th June, 2012, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares.

Corporate Governance Code

The Company has complied with all the applicable code provisions set out in the Code on Corporate Governance Practices (effective until 31st March, 2012) and the Corporate Governance Code (effective from 1st April, 2012) contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited throughout the six months ended 30th June, 2012.

Review of Interim Results

The Audit Committee has reviewed the unaudited interim financial statements of the Group for the six months ended 30th June, 2012 and recommended it for the Board's approval.

Publication of Interim Results and Interim Report

This results announcement is published on the Company's website at www.afh.hk and the HKExnews website at www.hkexnews.hk. The 2012 Interim Report will be despatched to the shareholders and available at the same websites on or about Friday, 7th September, 2012.

By Order of the Board
Asia Financial Holdings Limited
Robin Y.H. Chan
Chairman

Hong Kong, 21st August, 2012

As at the date of this announcement, the executive directors of the Company are Dr. Robin Yau Hing Chan (Chairman), Mr. Bernard Charnwut Chan (President), Mr. Stephen Tan, Mr. Wong Kok Ho; the non-executive directors are Mr. Lau Ki Chit, Mr. Choedchu Sophonpanich, Mr. Ng Song Hin, Mr. Mamoru Miyazaki, Ms. Chan Yeow Toh; and the independent non-executive directors are Ms. Anna Suk Han Chow, Mr. Andrew Chiu Cheung Ma, Mr. Kenneth Chi Lam Siao and Dr. The Hon. Philip Yu Hong Wong.

* *For identification purpose only*