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)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31ST DECEMBER, 2014

RESULTS

The board of directors (the "Board") of Asia Financial Holdings Limited (the "Company") announces the results of the Company and its subsidiaries (collectively known as the "Group") for the year ended 31st December, 2014 as follows:

Consolidated Statement of Profit or Loss

Year ended 31st December, 2014

	Notes	**2014 HK$'000**	2013 HK$'000
REVENUE	3	**1,279,625**	1,448,080
Gross premiums		**1,314,268**	1,363,390
Reinsurers' share of gross premiums		**(384,092)**	(420,244)
Net insurance contracts premiums revenue		**930,176**	943,146
Gross claims paid		**(506,792)**	(528,717)
Reinsurers' share of gross claims paid		**148,352**	116,296
Gross change in outstanding claims		**(174,213)**	(234,008)
Reinsurers' share of gross change in outstanding claims		**(20,546)**	65,395
Net claims incurred		**(553,199)**	(581,034)
Commission income		**73,601**	72,087
Commission expense		**(278,376)**	(273,316)
Net commission expense		**(204,775)**	(201,229)
Management expenses for underwriting business		**(60,483)**	(62,325)
Underwriting profit		**111,719**	98,558

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Consolidated Statement of Profit or Loss (continued)

Year ended 31st December, 2014

	Notes	2014 HK$'000	2013 HK$'000
Dividend income		**87,619**	75,116
Realised gain/(loss) on investments		**11,774**	(5,598)
Unrealised gain on investments		**141,857**	63,910
Interest income		**72,787**	71,036
Other income and gains, net		**21,293**	9,379
		447,049	312,401
Operating expenses		**(108,637)**	(92,650)
Finance costs	4	**(2,324)**	(2,545)
		336,088	217,206
Share of profits and losses of joint ventures		**41,639**	35,809
Share of profits and losses of associates		**29,826**	35,202
PROFIT BEFORE TAX	5	**407,553**	288,217
Income tax expense	6	**(33,900)**	(13,010)
PROFIT FOR THE YEAR		**373,653**	275,207
Attributable to:			
Equity holders of the Company		**365,507**	270,731
Non-controlling interests		**8,146**	4,476
		373,653	275,207
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	8		
Basic			
- For profit for the year		**HK35.9 cents**	HK26.6 cents
Diluted			
- For profit for the year		**N/A**	N/A

Details of the dividends payable and proposed are disclosed in note 7 to the announcement.

Consolidated Statement of Comprehensive Income

Year ended 31st December, 2014

	2014 HK$'000	2013 HK$'000
PROFIT FOR THE YEAR	**373,653**	275,207
OTHER COMPREHENSIVE INCOME		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Available-for-sale securities:		
Changes in fair value	**381,358**	(167,423)
Share of other comprehensive income/(expense) of joint ventures:		
Changes in available-for-sale investment reserve	**908**	466
Changes in exchange reserve	**996**	(2,423)
	1,904	(1,957)
Share of other comprehensive income/(expense) of associates:		
Changes in available-for-sale investment reserve	**1,172**	(11,023)
Changes in exchange reserve	**(9,548)**	8,966
	(8,376)	(2,057)
Exchange differences on translation of foreign operations	**4**	(45)
OTHER COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR, NET OF TAX	**374,890**	(171,482)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**748,543**	103,725
ATTRIBUTABLE TO:		
Equity holders of the Company	**740,042**	102,606
Non-controlling interests	**8,501**	1,119
	748,543	103,725

Consolidated Statement of Financial Position

31st December, 2014

	2014 HK$'000	2013 HK$'000
ASSETS		
Property, plant and equipment	**337,592**	144,657
Investment properties	**9,600**	7,260
Interests in joint ventures	**254,438**	227,615
Loan to a joint venture	**8,669**	11,503
Interests in associates	**329,426**	291,389
Due from an associate	**168,390**	168,390
Deferred tax assets	**5,756**	7,111
Held-to-maturity securities	**554,224**	697,217
Available-for-sale securities	**3,400,372**	3,030,914
Pledged deposits	**131,730**	120,080
Loans and advances and other assets	**188,225**	220,352
Securities measured at fair value through profit or loss	**1,636,611**	1,912,760
Insurance receivables	**208,927**	250,395
Reinsurance assets	**554,315**	588,997
Cash and cash equivalents	**2,172,877**	1,566,933
Total assets	**9,961,152**	9,245,573
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Issued capital	**1,019,200**	1,019,200
Reserves	**5,838,342**	5,179,836
Proposed final dividend	**50,960**	45,864
	6,908,502	6,244,900
Non-controlling interests	**38,391**	30,520
Total equity	**6,946,893**	6,275,420
Liabilities		
Insurance contract liabilities	**2,391,392**	2,251,822
Insurance payables	**138,144**	200,163
Due to a joint venture	**26,589**	26,244
Due to associates	**4,222**	4,222
Other liabilities	**244,713**	257,315
Interest-bearing bank borrowing	**150,000**	200,000
Tax payable	**49,353**	20,541
Deferred tax liabilities	**9,846**	9,846
Total liabilities	**3,014,259**	2,970,153
Total equity and liabilities	**9,961,152**	9,245,573

Notes

1. Changes in Accounting Policies and Disclosures

The Group has adopted the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) for the first time for the current year's financial statements.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	*Investment Entities*
Amendments to HKAS 32	*Offsetting Financial Assets and Financial Liabilities*
Amendments to HKAS 39	*Novation of Derivatives and Continuation of Hedge Accounting*
HK(IFRIC)-Int 21	*Levies*
Amendment to HKFRS 2 included in *Annual Improvements 2010-2012 Cycle*	*Definition of Vesting Condition*[1]
Amendment to HKFRS 3 included in *Annual Improvements 2010-2012 Cycle*	*Accounting for Contingent Consideration in a Business Combination*[1]
Amendment to HKFRS 13 included in *Annual Improvements 2010-2012 Cycle*	*Short-term Receivables and Payables*
Amendment to HKFRS 1 included in *Annual Improvements 2011-2013 Cycle*	*Meaning of Effective HKFRSs*

[1] Effective from 1st July, 2014

The adoption of the above revised standards and interpretation has had no significant financial effect on these financial statements.

Notes (continued)

2. Operating Segment Information

(a) Operating segments

The following tables present revenue, profit, assets and liabilities for the Group's operating segments.

Group	**Insurance 2014 HK$'000**	**Corporate 2014 HK$'000**	**Eliminations 2014 HK$'000**	**Consolidated 2014 HK$'000**
Segment revenue:				
External customers	**1,279,625**	**-**	**-**	**1,279,625**
Other revenue, income and gains, net	**228,487**	**106,843**	**-**	**335,330**
Intersegment	**6,555**	**-**	**(6,555)**	**-**
Total	**1,514,667**	**106,843**	**(6,555)**	**1,614,955**
Segment results	**286,562**	**49,526**	**-**	**336,088**
Share of profits and losses of:				
Joint ventures	**21,889**	**19,750**	**-**	**41,639**
Associates	**16,522**	**13,304**	**-**	**29,826**
Profit before tax				**407,553**
Income tax expense	**(30,465)**	**(3,435)**	**-**	**(33,900)**
Profit for the year				**373,653**

Group	Insurance 2013 HK$'000	Corporate 2013 HK$'000	Eliminations 2013 HK$'000	Consolidated 2013 HK$'000
Segment revenue:				
External customers	1,448,080	-	-	1,448,080
Other revenue, income and gains, net	138,350	75,493	-	213,843
Intersegment	3,322	-	(3,322)	-
Total	1,589,752	75,493	(3,322)	1,661,923
Segment results	189,483	27,723	-	217,206
Share of profits and losses of:				
Joint ventures	18,185	17,624	-	35,809
Associates	16,799	18,403	-	35,202
Profit before tax				288,217
Income tax expense	(9,259)	(3,751)	-	(13,010)
Profit for the year				275,207

Notes (continued)

2. Operating Segment Information (continued)

(a) Operating segments (continued)

Group	**Insurance HK$'000**	**Corporate HK$'000**	**Consolidated HK$'000**
31st December, 2014			
Segment assets	**5,379,882**	**3,997,406**	**9,377,288**
Interests in joint ventures	**154,822**	**99,616**	**254,438**
Interests in associates	**140,291**	**189,135**	**329,426**
Total assets	**5,674,995**	**4,286,157**	**9,961,152**
Segment liabilities	**2,674,742**	**339,517**	**3,014,259**

Group	Insurance HK$'000	Corporate HK$'000	Consolidated HK$'000
31st December, 2013			
Segment assets	5,043,178	3,683,391	8,726,569
Interests in joint ventures	134,132	93,483	227,615
Interests in associates	131,822	159,567	291,389
Total assets	5,309,132	3,936,441	9,245,573
Segment liabilities	2,549,219	420,934	2,970,153

(b) Geographical information

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

3. Revenue

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

4. Finance Costs

	2014 HK$'000	2013 HK$'000
Interest on a bank loan wholly repayable within five years	**2,324**	2,545

Notes (continued)

5. Profit before Tax

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

	2014 HK$'000	2013 HK$'000
Depreciation	**(10,809)**	(5,762)
Employee benefit expense (including directors' remuneration):		
Wages and salaries	**(101,356)**	(90,114)
Pension scheme contributions	**(4,543)**	(4,120)
Less: Forfeited contributions	**196**	73
Net pension scheme contributions	**(4,347)**	(4,047)
Total employee benefit expense	**(105,703)**	(94,161)
Minimum lease payments under operating leases in respect of land and buildings	**(1,263)**	(1,305)
Realised gain/(loss) on:		
- disposal of securities measured at fair value through profit or loss (held for trading), net	**(668)**	(4,257)
- disposal of available-for-sale securities	**12,381**	58
- redemption/call-back of held-to-maturity securities	**61**	(1,399)
Total realised gain/(loss) on investments	**11,774**	(5,598)
Unrealised gain/(loss) on securities measured at fair value through profit or loss (held for trading), net	**143,057**	64,004
Impairment of available-for-sale securities	**(1,200)**	(740)
Write-back of impairment of available-for-sale-securities	**-**	646
Total unrealised gain on investments	**141,857**	63,910
Interest income	**72,787**	71,036
Gain/(loss) on disposal/write-off of items of property, plant and equipment	**75**	(12)
Change in fair value of investment properties	**2,340**	2,490
Write-back of impairment allowance on insurance receivables	**3**	-
Net gain on conversion of convertible notes and disposal of the underlying shares*	**25,353**	-
Foreign exchange gain/(loss), net*	**(9,478)**	2,906
Dividend income from:		
Listed investments	**62,340**	62,982
Unlisted investments	**25,279**	12,134
Total dividend income	**87,619**	75,116

* Such amount was included in "Other income and gains, net" on the face of the consolidated statement of profit or loss.

Notes (continued)

6. Income Tax

Hong Kong profits tax has been provided at the rate of 16.5% (2013: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the locations in which the Group operates.

	2014	2013
	HK$'000	HK$'000
Group:		
Current - Hong Kong		
Charge for the year	**29,065**	16,431
Overprovision in prior years	**(403)**	(12,097)
Current - Elsewhere		
Charge for the year	**4,068**	4,216
Overprovision in prior years	**(185)**	-
Deferred	**1,355**	4,460
Total tax charge for the year	**33,900**	13,010

7. Dividends

	2014	2013
	HK$'000	HK$'000
Interim – HK3.0 cents (2013: HK1.5 cents) per ordinary share	**30,576**	15,288
Proposed final – HK5.0 cents (2013: HK4.5 cents) per ordinary share	**50,960**	45,864
	81,536	61,152

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting. Accordingly, the proposed final dividend has been included in the proposed final dividend reserve account within the equity attributable to the equity holders of the Company of the statement of financial position.

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

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the Company of HK$365,507,000 (2013: HK$270,731,000) and 1,019,200,000 (2013: 1,019,200,000) ordinary shares in issue during the year.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31st December, 2014 and 2013 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during those years.

MANAGEMENT DISCUSSION AND ANALYSIS

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

Profit attributable to equity holders of the Company:	HK$365.5 million	+35.0%
Earnings per share:	HK35.9 cents	+35.0%
Final dividend per share:	HK5.0 cents	+11.1%
Total dividend per share:	HK8.0 cents	+33.3%

Asia Financial Holdings Limited ("Asia Financial") achieved net profit attributable to shareholders of HK$365.5 million in 2014, a 35.0% increase on the HK$270.7 million reported in 2013. This result is due to realised and unrealised year-on-year gains in the value of portfolio and other investments, and continued growth in underwriting profit. Overall returns from joint ventures and associates showed satisfactory performance.

Economic Background

The global economy remained largely weak during 2014 as it continued its long and often uncertain cyclical recovery from recession. Steady growth has finally returned to the United States, but Europe and Japan showed signs of deflation and the Chinese economy continued to slow down after a period of debt-and-investment-led expansion. Globally, investor and consumer confidence remained poor and interest rates remained at very low levels. Hong Kong showed GDP expansion slowed to 2.3% for the year, although employment and consumption held up.

Loose monetary policy around the world continued to help lift many asset prices during the year, notably in the United States, where the S&P500 ended the year up 11.4%. Chinese equities also performed well, with H Shares rising 10.8% during the year. However, the Hang Seng Index rose just 1.3%, reflecting the poor outlook for the broader world economy; this had a dampening effect on Asia Financial's investment income. Continued growth in Hong Kong's economy supported growth in insurance operations.

Management Approach and Future Prospects

There are reasons to be cautiously confident about the global outlook in the year ahead. On the one hand, asset prices cannot receive support from central banks' quantitative easing indefinitely. However, a stronger dollar and falling unemployment in the US should boost US consumption. Along with declines in world commodity prices, this should be positive for Asian export trade and mainland China's continued adjustment to a new slower-growth model. We hope to see reasonable growth in most of the economies and markets that affect Asia Financial's performance.

Despite this, we will maintain our prudent management of our cash and direct and indirect investments in the coming year. This is our longstanding approach, and it has served our shareholders well over the years. At the same time, we will continue to examine possible investment opportunities within acceptable levels of risk.

Asia Financial's expenses and other income for 2014 reflected steady management costs and income from dividends. We will be alert to upward pressure on costs should consumer price inflation remain strong in Hong Kong during 2015.

The outlook for our insurance operations is generally positive, thanks to the underlying economic strength of our main markets and management efforts to develop the scope of the business and the quality of its client base. The company will remain alert to possible new opportunities in health care coverage reforms in Hong Kong and in other health-related demographic and geographical sectors.

Management Approach and Future Prospects (continued)

Our focus will remain very much on the long term, which we believe offers attractive future opportunities arising from the continued positive economic development in much of the East Asian region. In addition to ongoing plans for investments in various health-related projects mentioned below, we will continue to seek opportunities to build our interests in livelihood-related service industries such as insurance, retirement, health and wellness and property development, focused on Greater China and elsewhere in Asia. This choice of investment segments is based upon the transformation of the Greater China/East Asia region as a large middle class comes into being, societies age and governments seek market-based solutions to demographic policy challenges. This is the long-term environment on which Asia Financial's management focuses.

Our existing base 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.

Overview by Investment Segments

Insurance

Wholly owned subsidiary, Asia Insurance Company, Limited ("Asia Insurance") achieved profit attributable to shareholders of HK$300.7 million, a 39.7% increase on the previous year. Turnover declined by 11.6%, largely as a result of increased competition, notably in liability, medical and property segments. Despite this, underwriting profit reached HK$113.2 million, representing a healthy increase of 13.6%, reflecting the underlying market strength of the business and a continued focus on high-quality business. (All the above figures are before elimination of intergroup transactions.) This performance was also helped by continued strength of sectors such as construction in the local and regional economy, and a lack of exposure to any major natural disasters during the reporting period.

This continued positive performance of insurance operations at a time of heightened competition is ultimately due to our basic approach of attracting and growing high-quality business and maintaining prudent balances between levels of reinsurance and direct insurance business and among geographical regions. The success of this approach is evident in Asia Insurance's status as one of Hong Kong's leading local general insurers.

There were no significant changes to the size and reach of our agent network.

Asia Insurance's securities holdings experienced year-on-year gains in valuations, helped in particular by unrealised gains in key strategic holdings and stable dividend and interest income. Portfolio performance was otherwise largely stable, in line with a cautious strategy in light of market uncertainty. This meant a focus on good-quality equities and bonds in anticipation of new opportunities arising from interest-rate rises in the medium term. Asia Insurance has no significant direct exposure to vulnerable European sovereign debt and related investments.

The 7.2% rise in expenses was largely due to upward pressure in the cost in Hong Kong of many general and professional services. Asia Insurance otherwise successfully kept costs under control and in line with market pay levels.

Overview by Investment Segments (continued)

Insurance (continued)
The main potential problem for Asia Insurance's core business (and indeed for Hong Kong as a whole) would be a major slowdown in the Mainland or wider regional economy. Otherwise, core underwriting in 2015 looks likely to face similar challenges as in 2014, notably fiercer competition on pricing in the market and possibly a weakening of Hong Kong consumption levels. Asia Insurance is well positioned to meet such challenges. It will continue to use its risk-management capabilities to optimize the mix of business segments. And we will retain our long-term focus on maintaining and enhancing our sound reputation among a steadily expanding base of quality clients in the Hong Kong and regional general insurance market.

In December 2014, Asia Insurance joined several partners including Sirius International Insurance Corporation of Sweden, Sompo Japan Nipponkoa Insurance (Hong Kong) Company Limited and Sompo Japan Nipponkoa Reinsurance Company Limited in forming BE Reinsurance Limited, with paid-up capital of HK$500 million. The new venture will enable Asia Insurance to expand the international scope of its reinsurance activities, complementing the success of BC Reinsurance Limited.

We also see possible new sources of growth arising in time from the Hong Kong government's proposed measures to expand personal health care coverage, although this policy still faces some political uncertainty.

Prospects for portfolio investments reflect the wider global picture, and management will maintain its prudent approach to management of traded investments and the maintenance of a well-balanced investment portfolio.

Joint ventures and associates in the insurance segment all performed satisfactorily. BC Reinsurance Limited saw a healthy gain in investment income in line with equities market, and experienced steady underwriting profit. Hong Kong Life Insurance Limited's profit narrowed slightly, reflecting lower interest income. The People's Insurance Company of China (Hong Kong), Limited reported continued steady performance, while Professional Liability Underwriting Services Limited saw a decline in profit.

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. It now ranks fifth in the Chinese market and operates a network of some 2,151 offices. PICC Life reported RMB80.2 billion in premium income for 2014, a 6.5% increase over 2013. 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 adequate levels in line with the business volume. This stake is Asia Financial's single biggest external holding, accounting for 15.3% of our total assets.

Other Portfolio Investment
Year-on-year realised and unrealised gains on trading investments fell slightly compared with 2013. This largely reflected the very moderate gains made by the Hang Seng Index during the period and relatively cautious asset allocation. Income from non-trading investments and other income more than compensated for this. This included the proceeds from the sale of Suzhou property interests, conversion of our holding in convertible note and healthy dividends from strategic holdings. Net interest income declined owing to the disposal of bond holdings.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Overview by Investment Segments (continued)

Other Portfolio Investment (continued)
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 are of investment grade or above.

Our portfolio investment strategy will continue to focus on the long term rather than on simple year-on-year changes in valuations. While being flexible enough to cope with market changes, 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 and Wellness
Our 3.6% holding in Bumrungrad Hospital Public Company Limited ("Bumrungrad") in Bangkok remains one of our best performing investments, with its valuation rising 60.3% in 2014. This reflects market recognition of Bumrungrad's continuing success in attracting patients internationally through the delivery of high-quality and good-value medical services.

In March 2014, Asia Financial announced the acquisition of a stake in Ulaanbaatar Songdo Hospital ("UBSD"), one of the leading hospitals in the capital of Mongolia. Our stake comprises a 20% share in a consortium with Bumrungrad. The consortium is taking a 51% stake in UBSD, which we hope will start to contribute returns during the year ahead. This is an opportunity to participate in significant growth in Mongolia's healthcare sector and an attractive long-term addition to our portfolio of investments in regional companies focusing on personal coverage and care services.

In October 2014, Asia Financial opened a wholly owned wellness centre aimed at the over-50s. The Kinnet, in the Sheung Wan district adjacent to Central, offers an extensive range of age-specific facilities and activities to nurture the physical, mental and emotional well-being of clients. 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. Following its launch, the Kinnet has been successfully developing its client base.

This will be a long-term project seeking to serve Hong Kong's growing senior population. We see very attractive prospects in Hong Kong and possibly elsewhere in serving this developing market. As a producer of future operating income, it will also help diversify Asia Financial's investment base.

We continue to foresee good prospects in the health and wellness sectors in the region, owing to long-term demographic and policy trends, and we continue to consider further opportunities, including possibly in Mainland China.

Pension and Asset Management
The Group's holding in joint venture, Bank Consortium Holding Limited ("BCH") enjoyed healthy profit growth in 2014, and for the third year declared a dividend. 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 and is increasing its fee income by providing back-office services to other players.

Overview by Investment Segments (continued)

Property Development

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 which we have a 27.5% stake.

Sales of Phase 2 of the project are now mostly complete, yielding share of profits of HK$14.3 million booked in 2014. Demand for the remaining units is anticipated to be good.

Construction work is expected to start on Phase 3 in the second half of 2015, and application for sales permits should take place in the second half of 2016. Foundation work has been completed on a smaller lot of land in the same district, and construction on schedule for sales to begin in the second quarter of 2015. Sales revenue will be booked after 2015.

Prospects for China's residential property market and possibly future policy – such as an easing of ownership restrictions – are subjects of considerable discussion. We are confident that where financing is concerned, existing capital and cash flow are fully sufficient. Prices remain firm at these Shanghai projects, which are aimed at middle-class end-users and are in attractive locations for transport and schools. We will consider new possible opportunities in this sector.

Liquidity, Financial Resources and Gearing Ratio

Cash and cash equivalents as at 31st December, 2014 amounted to HK$2,172,877,000 (2013: HK$1,566,933,000).

The Group had a bank borrowing of HK$150,000,000 as at 31st December, 2014 (2013: HK$200,000,000), which was secured by certain Hong Kong listed shares, repayable on or before 30th January, 2015 and charged at 1.15% over the 3-month Hong Kong Interbank Offered Rate per annum.

No gearing ratio was calculated as the Group had no net debt as at 31st December, 2014. The gearing ratio was based on net debt divided by total capital plus net debt. Net debt includes insurance contract liabilities, insurance payables, amounts due to associates and a joint venture, interest-bearing bank borrowing and other liabilities, less cash and cash equivalents and securities measured at fair value through profit or loss. Capital represents equity attributable to equity holders of the Company.

The Group's liquidity position remains strong and the Group has sufficient financial resources to satisfy its commitment and working capital requirements.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Charge on Assets

As at 31st December, 2014, Asia Insurance charged assets with a carrying value of HK$128,853,000 (2013: HK$127,981,000) in favour of a cedant to secure the performance of Asia Insurance's obligations to the cedant under certain pecuniary loss reinsurance contracts.

The Group also pledged certain equity securities listed in Hong Kong classified as available-for-sale securities and securities measured at fair value through profit or loss with fair value of not less than HK$150,000,000 (2013: HK$200,000,000) to a bank to secure the interest-bearing bank borrowing of HK$150,000,000 (2013: HK$200,000,000).

Contingent Liabilities

As at 31st December, 2014, there was an outstanding counter guarantee of RMB112.5 million (approximately HK$140.7 million) (2013: RMB112.5 million) issued by the Company in favour of The People's Insurance Company (Group) of China Limited (the "PICC Group"), representing 5% of all the liabilities and expenses under a master guarantee provided by the PICC Group. The master guarantee is to secure the repayment of a 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 for the year ended 31st December, 2014 was 281 (2013: 261). 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 year. The Group also offers various training and induction programmes to its employees.

The remuneration policy of the Group is formulated and recommended by the Remuneration Committee of the Company for the Board's approval. The Remuneration Committee's responsibilities include reviewing and approving the management's remuneration proposals, and making recommendations to the Board on the adjustments to remuneration packages payable to directors, senior management and employees of the Group.

ANNUAL GENERAL MEETING

The Annual General Meeting (the "AGM") of the Company will be held on Wednesday, 20th May, 2015. Notice of the AGM will be published and despatched to the shareholders on or about Monday, 20th April, 2015.

FINAL DIVIDEND

The Board has resolved to recommend to the shareholders the payment of a final dividend of HK5.0 cents (2013: HK4.5 cents) per share which, together with the interim dividend of HK3.0 cents (2013: HK1.5 cents) per share, will make a total dividend of HK8.0 cents (2013: HK6.0 cents) per share for the year ended 31st December, 2014. The proposed final dividend will be paid in cash to those shareholders whose names are on the Register of Members of the Company on Tuesday, 2nd June, 2015 and the dividend warrants will be despatched to shareholders on or about Wednesday, 10th June, 2015.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed for the following periods:

(a) For the purpose of ascertaining shareholders' right to attend and vote at the AGM:

Latest time to lodge transfers	4:30 p.m. on 15th May, 2015
Book close dates (both days inclusive)	18th to 20th May, 2015
Record date	20th May, 2015
AGM	20th May, 2015

(b) For the purpose of ascertaining shareholders' entitlement to the proposed final dividend:

Ex-dividend date for final dividend	27th May, 2015
Latest time to lodge transfers	4:30 p.m. on 28th May, 2015
Book close dates (both days inclusive)	29th May to 2nd June, 2015
Record date for final dividend	2nd June, 2015

All transfers accompanied by the relevant share certificates must be lodged for registration 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, not later than the above specified time.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the year ended 31st December, 2014, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares.

CORPORATE GOVERNANCE CODE

Throughout the year ended 31st December, 2014, the Company has complied with all the code provisions set out in the Corporate Governance Code contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

REVIEW OF RESULTS

The Audit Committee of the Company has met the external auditors of the Company, Messrs. Ernst & Young, and reviewed the Group's results for the year ended 31st December, 2014.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

This results announcement is published on the Company's website at www.afh.hk and the HKExnews website at www.hkexnews.hk. The 2014 annual report will be despatched to the shareholders and available at the same websites on or about Monday, 20th April, 2015.

By Order of the Board
Asia Financial Holdings Limited
CHAN Yau Hing Robin
Chairman

Hong Kong, 24th March, 2015

As at the date of this announcement, the executive directors of the Company are Dr. CHAN Yau Hing Robin (Chairman), Mr. CHAN Bernard Charnwut (President), Mr. TAN Stephen, Mr. WONG Kok Ho; the non-executive directors are Mr. SOPHONPANICH Choedchu, Mr. NG Song Hin, Ms. CHAN Yeow Toh, Mr. YAMAGUCHI Yoshihiro, Mr. TANAKA Junichi; and the independent non-executive directors are 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.

* *For identification purpose only*