

Speech by Dr. Richard Hu
Chairman of Asia Financial Holdings at
“CBA and AFH Strategic Cooperation Signing Ceremony”
Great Hall of the People, Beijing
6 June 2006

Mr. Liu Mingkang, Chairman, China Banking Regulatory Commission

Mr. Guo Shuqing, Chairman, China Banking Association

Your Excellency, Brigadier-General Chin Siat Yoon, Ambassador of Singapore to China

Mr. Heng Swee Keat, Managing Director, Monetary Authority of Singapore

Distinguished Guests

Ladies and Gentlemen

A very good afternoon.

It is a great pleasure to be here today for the signing ceremony of this strategic cooperation with the China Banking Association.

Headquartered in Singapore, Asia Financial Holdings was founded in 2002 with a clear mandate as a financial services holding company with a prime focus in Asia. We are a strong believer of value creation, always striving to leverage our management expertise to bring an operation perspective to our investments. Our emphasis in adding value has enabled us to establish a solid foothold in many of the important economies in the region. Asia Financial Holdings has now built a portfolio that covers Greater China, Korea, Thailand, Malaysia, Indonesia, India and Pakistan. To date, we have invested in twelve financial institutions in these markets. Our interests in these investments vary from minority stakes to controlling shareholdings.

Having been in the financial sector for over 20 years, I recognise that investment success can only come as a result of the right mix of strategies. At Asia Financial Holdings, we are committed to understanding the business of our portfolio companies and where appropriate, offer guidance or support to help them realise their full potential. We achieve this goal by developing the right people, by leveraging our unique relationship business model and by ensuring disciplined execution. Based on this philosophy, we have deployed various ways of helping our companies deliver results. One example is transforming the banking business into a more customer-centric model, with the appointment of key management, strategic expansion plans and an enhancement of the capital structure.

As a specialised financial services investment platform, Asia Financial Holdings believes in having a concise assessment process, and setting clear objectives and strong goals for every investment decision. Our perspective on China has always been highly positive, given its robust economic performance and commitment to banking reform. Through knowledge transfer, technical cooperation and operations advice, we hope to not only enhance the performance of our portfolio companies, but also to facilitate their talent development. I am glad to report that we have made solid progress in these areas. As in other parts of the region, our ultimate goal is to grow with our companies and with the sector. We will also remain open to other opportunities in the China market.

The long-term view we take in China has prompted us to think beyond our own investments. We understand that professionalism is critical to sustainable growth in the sector. This is why we have entered this strategic cooperation with the China Banking Association. With their dedication and experience to the training and development of industry professionals, I am sure this will be a fruitful partnership.

In addition to the sponsorship, we are also looking to further this cooperation for the long-term. We have plans to launch scholarship programmes, set up annual forums, establish professional publications, advocate for a professional association for the industry and to sponsor distance learning programmes. Our team will work closely with the Association and I look forward to seeing continuous upgrading of our professionals in the future.

Finally, I would like to thank the China Banking Association for inviting us here and providing the opportunity to meet with some of the best banking professionals in China.

Thank you.