

**For immediate release**



**民安(控股)有限公司**  
*The Ming An (Holdings) Company Limited*

## **Ming An Announces 2007 Interim Results**

Hong Kong, 21 August, 2007 – **The Ming An (Holdings) Company Limited** (“Ming An” or the “Company”, SEHK: 1389) today announced the unaudited consolidated financial results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June, 2007.

### **Key Highlights**

- ❖ Net profit attributable to shareholders of the Group was HK\$541 million, representing a year-on-year increase of 183.2%
- ❖ Basic earnings per share was HK\$0.186
- ❖ Gross written premiums was HK\$631 million, an increase of 10.9% from HK\$569 million in the first half of 2006
- ❖ Underwriting profit was HK\$18 million
- ❖ Total investment return was HK\$648 million, including net realized and unrealized gains on investments of HK\$564 million and investment income of HK\$84 million
- ❖ Net investment yield reached 17.7% in the first half of 2007 from 7.3% in the same period last year
- ❖ The Group opened five new branches in Beijing, Shandong, Jiangsu, Zhejiang and Shanghai
- ❖ Interim dividend was HK2 cents per share

The Group recorded a net profit of HK\$541 million for the six months ended 30 June 2007, representing a significant increase of 183.2% as compared with HK\$191 million for the corresponding period last year. Gross written premiums increased by 10.9% to HK\$631 million for the six months ended 30 June 2007 as compared with HK\$569 million in the first half of 2006. Both Ming An’s Hong Kong and PRC operations recorded a steady growth and contributed 72.3 % and 27.7% respectively to the total gross written premiums. As of 30 June 2007, the Group recorded an underwriting profit of HK\$18 million and a combined ratio of 94.4%.

The Group recorded basic earnings per share of HK\$0.186 for the six months ended 30 June 2007. The Company will distribute interim dividend for the six months ended 30 June 2007 of HK2 cents per share.

During the six months ended 30 June 2007, investment performance of the Group was very satisfactory with the total investment return of HK\$648 million. The net realized and unrealized gains on investments recorded a substantial growth of 781.3% to HK\$564 million in the first half of 2007. The increase was primarily due to a HK\$555 million gain on disposal of the Group's entire shareholding in Pacific Century Insurance Holdings Limited ("PCIH"). Investment income of the Group recorded an increase of 100.0% to HK\$84 million for the six-month period as compared with HK\$42 million for the corresponding period last year. The increase was primarily due to the increase in interest income from bank balances.

Chairman of the Group Mr Feng Xiao Zeng said, "Despite intense competition and pricing pressure, Ming An succeeded maintaining its leading position in the Hong Kong general insurance market. Meanwhile, Ming An has further strengthened its network and introduced diversified general insurance products in the PRC by opening five new branches in major provinces. Our management will dedicate efforts to enhance the Group's overall core competencies and execute stringent risk management and disciplined cost control measures with the aim to sustaining competitiveness."

Ming An has accelerated its pace to expand its network coverage in the PRC since 2007. It opened five branches, namely, Beijing, Shandong, Shanghai, Jiangsu and Zhejiang from May to July 2007. Together with the branches in Guangdong, Shenzhen and Hainan, the number of Ming An China's branches in the PRC has increased to eight. These branches will not only lay the foundation for Ming An's further development in the PRC, but also enhance the Group's overall growth in the PRC market. Most importantly, these branch openings represent a significant milestone in the Ming An's roadmap in penetrating the PRC insurance market.

## **REVIEW OF THE HONG KONG OPERATIONS**

Gross written premiums slightly increased by 0.7% to HK\$456 million for the six months ended 30 June 2007 as compared with HK\$453 million for the corresponding period last year. The four leading product lines, namely, marine, property, motor, and liability insurance represented 25.0%, 24.3%, 21.7% and 20.4% of the Group's Hong Kong gross written premiums respectively.

The Group has further fortified the strategic partnership with Cheung Kong to serve the extensive needs of Cheung Kong and its associated companies for general insurance

products. In the first half of 2007, the gross premiums recorded in association with Cheung Kong Group were approximately HK\$40.14 million.

## **REVIEW OF THE PRC OPERATIONS**

Gross written premiums of the PRC operations increased significantly by 50.9% to HK\$175 million for the six months ended 30 June 2007 as compared with \$116 million for the corresponding period last year. The increase was primarily due to the increase in gross written premiums from motor segments as the Group was authorized to write Compulsory Motor Traffic Accident Liability Insurance in the PRC in June 2006. The motor and non-motor business segments of our PRC operations contributed approximately 47.4% and 52.6% of the Group's PRC gross written premiums respectively.

The PRC operations recorded an underwriting loss of HK\$12 million in the first half of 2007 when compared with an underwriting profit of HK\$7 million for the corresponding period last year. The reason for the loss was mainly due to the setting up of five new branches during the six-month period. The management and other operating expenses of the PRC operations therefore increased to HK\$48 million during the six-month period from HK\$28 million for the same period in 2006.

## **FUTURE OUTLOOK**

The Hong Kong insurance market will remain steady for the latter part of 2007. The Group will further expand the distribution channels including major banks and life insurers which are crucial to the marketing and sales of the Group's products.

The PRC market holds considerable potential for the Group and its strong Hong Kong operational expertise will fuel the continual growth of our business in the PRC. The Group's branch office in Hebei will be established in September 2007. In addition, to further strengthen our market presence in China market, Ming An has already applied from China Insurance Regulatory Commission ("CIRC") approval to open eight more new branches in other major provinces, namely in Liaoning, Tianjin, Anhui, Fujian, Henan, Hubei, Hunan and Sichuan, in the second half of this year or early next year. .

Mr Feng added, "We have accelerated our nationwide network coverage in the PRC and maintain a strong growth momentum going forward. The Board is confident that the Group is well positioned to fully capitalize on opportunities in the PRC market. The management team and all staff will work relentlessly toward achieving greater success for the Group and maximizing returns to our shareholders."

On the investment front, the recent policy by the Central Government allowing the qualified domestic institutional investor to invest overseas which is a strong boost to the insurance sector. The Group will take advantage of the flexibility offered by this new regulation and widen its scope of investments abroad. Currently, the Group is in a very strong cash position after the disposal of equity interest in PCIH in June 2007. Following the established procedure in place for selecting appropriate investment companies to manage the Group's investment funds, the Group has engaged two asset management firms in Hong Kong and one in the PRC. While adhering to a prudent investment approach, the Group will utilize their expertise to maximize investment return to our shareholders.

## **ABOUT MING AN**

The Group commenced business in Hong Kong in 1949, and is a member of China Insurance H.K. (Holdings) Company Limited. The Group provides a variety of general insurance products covering motor, property, liability, marine and accident & health. The Ming An Insurance Company (Hong Kong) Limited ("Ming An Hong Kong"), a wholly owned subsidiary of the Company, was ranked fourth in the Hong Kong general insurance market in terms of gross written premiums in 2006.

In May 2006, Ming An Insurance Company (China) Limited ("Ming An China"), an indirect wholly-owned subsidiary of Ming An, received approval from CIRC to be regulated as a PRC insurance company, giving the Company full access to the PRC general insurance market. Ming An was successfully listed on the main board of The Stock Exchange of Hong Kong Limited on December 22, 2006.

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## **APPENDIX 1: CONSOLIDATED REVENUE ACCOUNT**

	Six months ended 30 June	
	2007	2006
	<i>(HK\$ in millions, except percentages)</i>	
Gross written premiums	631	569
Net earned premiums	323	318
Net claims incurred	(125)	(57)
Net commission expenses	(73)	(64)
Management and other operating expenses	(114)	(119)
Change in net provision for unexpired risks	7	10
Underwriting profit	18	88
<b>Operating ratios:</b>		
Loss ratio	36.5%	14.8%
Expense ratio	57.9%	57.5%
Combined ratio	94.4%	72.3%

## **APPENDIX 2: RESULTS OF OPERATIONS – HONG KONG**

	Six months ended 30 June	
	2007	2006
	<i>(HK\$ in millions, except percentages)</i>	
Gross written premiums	456	453
Net earned premiums	249	259
Net claims incurred	(88)	(33)
Net commission expenses	(72)	(64)
Management and other operating expenses	(66)	(91)
Change in net provision for unexpired risks	7	10
Underwriting profit	30	81
<b>Operating ratios:</b>		
Loss ratio	32.5%	8.9%
Expense ratio	55.5%	59.8%
Combined ratio	88.0%	68.7%

### **APPENDIX 3: RESULTS OF OPERATIONS – the PRC**

	Six months ended 30 June	
	2007	2006
	<i>(HK\$ in millions, except percentages)</i>	
Gross written premiums	175	116
Net earned premiums	74	59
Net claims incurred	(37)	(24)
Net commission expenses	(1)	0
Management and other operating expenses	(48)	(28)
Change in net provision for unexpired risks	0	0
Underwriting (loss) / profit	(12)	7
<b>Operating ratios:</b>		
Loss ratio	50.0%	40.7%
Expense ratio	66.2%	47.5%
<b>Combined ratio</b>	<b>116.2%</b>	<b>88.2%</b>