

**For immediate release**



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

## **Ming An Announces 2008 Interim Results**

Hong Kong, 28 August, 2008 – **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, 2008.

### **Key Highlights**

- ❖ Net profit attributable to shareholders of the Group was HK\$20 million, representing a year-on-year decrease of 96.3%
- ❖ Gross written premiums was HK\$960 million, an increase of 52.1% from HK\$631 million in the first half of 2007
- ❖ The Group opened four new branches in Hubei, Anhui, Tianjin and Liaoning and twelve sub-branches, together with the established branches in Shenzhen, Guangdong, Henan, Beijing, Hebei, Shandong, Jiangsu, Shanghai, Zhejiang and Ningbo and nineteen sub-branches, there were fourteen branches and thirty-one sub-branches in PRC in total
- ❖ Total investment return was HK\$159 million, including net realized and unrealized gains on investments of HK\$45 million and investment income of HK\$114 million
- ❖ Basic earnings per share was HK\$0.007

The Group recorded a net profit of HK\$20 million for the six months ended 30 June 2008, representing a significant decrease of 96.3% as compared with HK\$541 million for the corresponding period last year. Our Hong Kong operations recorded a net profit of HK\$171 million (2007: HK\$554 million), whereas, our PRC operations recorded a net loss of HK\$151 million (2007: HK\$13 million), which was mainly due to the expansion of the PRC operations and the occurrence of natural disasters. There were four new provincial branches and twelve sub-branches established in the PRC during the six-month period and hence the administrative and operating expenses increased substantially. In addition, the rain storms disaster intensified the loss as it incurred a considerable amount of claims.

During the six months ended 30 June 2008, investment return of the Group was HK\$159 million (2007: HK\$648 million). Investment income of the Group recorded an increase of 35.7% to HK\$114 million for the six-month period as compared with HK\$84 million for the corresponding period last year. The increase was primarily due to the increase in dividend and interest income from equity securities and debt securities. The net realized and unrealized gains on investments recorded a decrease of 92.0% to HK\$45 million for the six-month period as compared with HK\$564 million for the corresponding period last year. The significant decline was primarily due to a one-off gain of HK\$555 million from the disposal of the Group's entire shareholding in Pacific Century Insurance Holdings Limited in the corresponding period of 2007 and the adverse changes in global financial and economic environment as well as the steep decline in the local and the PRC equity markets in the first half of 2008.

Gross written premiums increased by 52.1% to HK\$960 million for the six months ended 30 June 2008 as compared with HK\$631 million for the corresponding period last year. Our PRC operations recorded a significant growth and contributed 49.9% (2007: 27.7%) to the total gross written premiums of the Group, whereas Hong Kong operations contributed 50.1% (2007: 72.3%). For the six months ended 30 June 2008, the Group's five business lines, namely, motor, property, marine, liability and accident and health insurance represented 42.7%, 24.1%, 15.4%, 11.6% and 6.2% (2007: 28.7%, 28.5%, 20.2%, 16.1% and 6.5%) of the Group's total gross written premiums respectively.

Our three primary distribution channels are intermediaries such as agents and brokers, direct sales and other financial institutions. For the six months ended 30 June 2008, the Group's direct written premiums through agents, brokers, direct sales and other financial institutions accounted for approximately 59.5%, 27.7%, 9.1% and 3.7% (2007: 35.8%, 41.9%, 13.8% and 8.5%) respectively of the Group's direct written premiums.

Chairman of the Group Mr Feng Xiao Zeng said, "In the first half of this year, apart from the fierce competition, the occurrence of natural disasters, the rise in operating cost and changes in investment environment influenced the performance of the Group. Ming An will further strengthen corporate risk management and the competitiveness of the core business."

## **REVIEW OF THE PRC OPERATIONS**

Gross written premiums of the PRC operations increased drastically by 173.7% to HK\$479 million (2007: \$175 million). The substantial growth was mainly contributed by the establishment of the comprehensive network of our PRC operations and the expansion of business since the number of branches was increased from eight to fourteen in the PRC compared to the six months period ended 30 June 2007. The motor and non-motor

business segments of our PRC operations contributed approximately 63.7% (2007: 47.4%) and 36.3% (2007: 52.6%) of the Group's PRC gross written premiums respectively.

The PRC operations recorded an underwriting loss of HK\$125 million in the first half of 2008 as compared with HK\$12 million for the corresponding period last year. Such loss was mainly due to the newly established four branches in Hubei, Anhui, Tianjin and Liaoning and twelve sub-branches in PRC operations substantially increased administrative and operating expenses to HK\$162 million during six-month period as compared with HK\$48 million for the corresponding period last year. In addition, a considerable amount of claims were incurred by the catastrophic rain storms which happened during the period. The net claims incurred increased by HK\$100 million to HK\$137 million for the six months ended 30 June 2008 as compared with HK\$37 million of the corresponding period last year.

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

Gross written premiums of Hong Kong operations increased by 5.5% to HK\$481 million (2007: HK\$456 million), underwriting profit was HK\$14 million (2007: HK\$30 million) and the combined ratio was 95.1% (2007: 88.0%).

In the first half of 2008, the competitions in the insurance business market in Hong Kong and among competitors were vigorous, particularly in the motor business segments. The Group continued to strengthen and develop the present sales network by establishing stronger cooperation with business partners. In addition, the Group has maintained and strengthened business relationship with our strategic partner - Cheung Kong and its associated companies to develop and reinforce new distribution channels.

## **FUTURE OUTLOOK**

In the second half of the year 2008, the Hong Kong insurance market is expected to remain stable. The Group, as in the past, will maintain its leading position in the Hong Kong general insurance market.

With the steady growth of the Chinese economy, the Chinese insurance market will continue to prosper. Currently, the Group has established seventeen provincial branches in major coastal cities and provinces on the mainland and in developed areas in the central part of China. During the first half of the year 2008, the Group opened new provincial branches in Hubei, Anhui, Tianjin and Liaoning. In July 2008, the Group opened provincial branches in Sichuan, Hunan and Henan. The Group plans to open a branch office in Fujian in September 2008. By the end of the year 2008, the number of provincial branches of the Group will increase to eighteen and the number of sub-branches will increase from thirty-one to around sixty.

Mr Feng added, “Our nationwide network coverage process in the PRC is nearly finished. The number of branches increased to eighteen by the end of year 2008. Through launching diversified insurance products, Ming An will reinforce its business in PRC continuously. In the meantime, the Group will continue to strengthen and develop the present sales network by establishing stronger cooperation with banks, life insurance companies and strategic business partners.”

On the investment front, since the international financial market environment is volatile, the Group will adopt a conservative investment policy, establish a sound assets management plan and avoid high risk investment projects to ensure stable investment returns to shareholders and minimize investment risk.

## **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 2007.

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	
	2008	2007
	<i>(HK\$ in millions, except percentages)</i>	
Gross written premiums	960	631
Net earned premiums	504	323
Net claims incurred	(268)	(125)
Net commission expenses	(119)	(73)
Management and other operating expenses	(234)	(114)
Change in net provision for unexpired risks	6	7
Underwriting profit/(loss)	(111)	18
<b>Operating ratios:</b>		
Loss ratio	52.0%	36.5%
Expense ratio	70.0%	57.9%
Combined ratio	122.0%	94.4%

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

	Six months ended 30 June	
	2008	2007
	<i>(HK\$ in millions, except percentages)</i>	
Gross written premiums	481	456
Net earned premiums	284	249
Net claims incurred	(131)	(88)
Net commission expenses	(73)	(72)
Management and other operating expenses	(72)	(66)
Change in net provision for unexpired risks	6	7
Underwriting profit	14	30
<b>Operating ratios:</b>		
Loss ratio	44.0%	32.5%
Expense ratio	51.1%	55.5%
Combined ratio	95.1%	88.0%

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

	Six months ended 30 June	
	2008	2007
	<i>(HK\$ in millions, except percentages)</i>	
Gross written premiums	479	175
Net earned premiums	220	74
Net claims incurred	(137)	(37)
Net commission expenses	(46)	(1)
Management and other operating expenses	(162)	(48)
Change in net provision for unexpired risks	0	0
Underwriting loss	(125)	(12)
Operating ratios:		
Loss ratio	62.3%	50.0%
Expense ratio	94.5%	66.2%
Combined ratio	156.8%	116.2%