

For immediate release



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

Ming An Announces 2008 Annual Results

An upsurge in Gross Written Premium to HK\$1,970 million

Hong Kong, 20 March, 2009 – **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 year ended 31 December, 2008.

Key Highlights

- ◆ Gross written premiums was HK\$1,970 million, an increase of 46.4% from HK\$1,346 million in 2008
- ◆ During the year, the Group opened eight new provincial branches in Anhui, Hubei, Tianjin, Liaoning, Sichuan, Hunan, Henan and Fujian and thirty-five sub-branches. Together with those established in 2007, there were eighteen provincial branches and fifty-two sub-branches in PRC in total
- ◆ Total investment loss was HK\$11 million, including investment income of HK\$241 million and net realized and unrealized losses on investments of HK\$252 million
- ◆ Net loss attributable to shareholders of the Group was HK\$375 million

Gross written premiums increased by 46.4% to HK\$1,970 million as compared with HK\$1,346 million in 2007. Our PRC operations recorded a significant growth and contributed 53.7% (2007: 32.2%) to the total gross written premiums of the Group, whereas Hong Kong operations contributed 46.3% (2007: 67.8%). For the year ended 31 December 2008, the Group’s five business lines, namely, motor, property, liability, marine and accident and health insurance represented 48.4%, 18.7%, 15.1%, 12.4% and 5.4% (2007: 34.7%, 22.8%, 21.0%, 15.8% and 5.7%) 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 year ended 31 December 2008, the Group’s direct written premiums through agents, brokers, direct sales and other financial institutions accounted for approximately 62.2%, 26.0%, 7.9% and 3.9% (2007: 45.5%, 36.5%, 12.4% and 5.6%) respectively of the Group’s direct written premiums.

The Group recorded an underwriting loss of HK\$310 million (2007: HK\$34 million) and a combined ratio of 126.7% (2007: 104.5%) in 2008. For our Hong Kong operations, the underwriting profit was HK\$2 million (2007: HK\$53 million) with a combined ratio of 99.7% (2007: 89.9%). Our PRC operations recorded an underwriting loss of HK\$311 million (2007: HK\$87 million) with a combined ratio 152.6% (2007: 139.0%). Underwriting profit of Hong Kong operations dropped was due to the adverse claims experience on Motor and Property business. The rainstorms and floods occurred in June 2008 also intensified the losses as it incurred a considerable amount of claims in both Hong Kong and PRC districts. In addition, we established eight new provincial branches and thirty-five sub-branches in the year 2008. This rapid expansion and the establishment of the comprehensive network of the PRC operations substantially increased the administrative and operating expenses.

During the year 2008, the Group suffered an investment loss of HK\$11 million (2007: gains of HK\$911 million). This was mainly due to the adverse changes of global financial and economic environment and the dramatic downturn in global equity market, particularly in the second half of 2008. The net realised and unrealised investment gain/(loss) turned from a gain of HK\$739 million in 2007 to a loss of HK\$252 million in 2008. The gain of HK\$739 million in 2007 included a one-off gain of HK\$555 million from the disposal of the Group's entire shareholding in Pacific Century Insurance Holdings Limited. Nonetheless, by adopting a prudent investment approach persistently, investment income of the Group recorded an increase of 39.6% to HK\$241 million in 2008 as compared with HK\$172 million in 2007. This was primarily due to the increase in interest income from debt securities.

Mr Lin Fan, Chairman of the Group, said, "In the face of adverse conditions and challenges, Ming An is firmly committed to maintaining prudent management and operation principles. On the one hand, the steady development of our business in Hong Kong will maintain our leading position in the Hong Kong general insurance market; on the other hand, Ming An can take advantage of the current opportunities to further develop business on the mainland of China. The significant increase in premium income will contribute to the robust growth of the company."

FUTURE OUTLOOK

The effect of the international financial crisis on the economy is becoming more apparent. It is difficult to foresee when the financial crisis will end, and the year 2009 will be a challenging year. In the face of fierce competition and adverse economic conditions, the Group will continue to adopt prudent underwriting and investment strategies to create value for shareholders and investors.

Since the international financial crisis has a direct impact on the economy and businesses. The business environment of the Hong Kong general insurance market is also adversely affected. With the experience of the financial crisis, the insurance industry may return to the basics and focus on the importance of underwriting profit again.

The insurance market on the mainland of China is affected by the international financial crisis but the market has enormous potential for long-term growth. The China Insurance Regulatory Commission is tightening the regulation of the insurance industry. The insurance market will be subject to even more rigorous regulatory requirements, and it will have a positive effect on the Group. In the absence of any unforeseen circumstances which may have a material adverse effect on the Group's PRC operation, it is believed that premium income from business in PRC will increase in the year 2009. The Group has completed building the network on the mainland of China. With the further improvement of our management systems, the Group's management and operating expenses will decrease. The operating result of the Group will further improve. We believe that some of those branches which are established earlier will attain the normal standard of operation and will reach breakeven soon.

Mr Lin added, "The global financial crisis is a test of our ability to adhere to our principles and standards, and a test of our perseverance. We firmly believe that if we can adhere to the established strategy, strengthen our overall corporate governance, deepen the reform of our sales model, fully utilize the competitive advantage of Ming An Hong Kong and excel in innovation, we can achieve steady sustainable growth and create even greater value for our shareholders and strategic business partners."

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 fifth in the Hong Kong general insurance market in terms of gross written premiums in 2008.

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

	For the year ended 31 December	
	2008	2007
	<i>(HK\$ in millions, except percentages)</i>	
Gross written premiums	1,970	1,346
Net earned premiums	1,161	752
Net claims incurred	(622)	(295)
Net commission expenses	(285)	(179)
Management and other operating expenses	(570)	(312)
Change in net provision for unexpired risks	6	-
Underwriting profit/(loss)	(310)	(34)
Operating ratios:		
Loss ratio	53.1%	39.2%
Expense ratio	73.6%	65.3%
Combined ratio	126.7%	104.5%

APPENDIX 2: RESULTS OF OPERATIONS – HONG KONG

	For the year ended 31 December	
	2008	2007
	<i>(HK\$ in millions, except percentages)</i>	
Gross written premiums	913	912
Net earned premiums	569	530
Net claims incurred	(280)	(177)
Net commission expenses	(151)	(163)
Management and other operating expenses	(142)	(137)
Change in net provision for unexpired risks	6	-
Underwriting profit	2	53
Operating ratios:		
Loss ratio	48.2%	33.4%
Expense ratio	51.5%	56.5%
Combined ratio	99.7%	89.9%

APPENDIX 3: RESULTS OF OPERATIONS – the PRC

	For the year ended 31 December	
	2008	2007
	<i>(HK\$ in millions, except percentages)</i>	
Gross written premiums	1,057	434
Net earned premiums	592	223
Net claims incurred	(341)	(117)
Net commission expenses	(134)	(17)
Management and other operating expenses	(428)	(176)
Change in net provision for unexpired risks	-	-
Underwriting loss	(311)	(87)
Operating ratios:		
Loss ratio	57.7%	52.7%
Expense ratio	94.9%	86.3%
Combined ratio	152.6%	139.0%