You should carefully consider all of the information in this prospectus, including the risks and uncertainties described below prior to investing in our Shares. You should pay particular attention to the fact that we are a company with operations in Hong Kong and the PRC and are governed by a legal and regulatory environment which in some respects may differ from that which prevails in other countries. Our business, financial condition and results of operations could be materially and adversely affected by any of these risks. The trading price of our Shares could decrease due to any of these risks, and you may lose all or part of your investment.

RISKS RELATING TO OUR BUSINESS

We may be unable to manage our growth successfully or continue our expansion program on schedule or at all

Our strategy depends on rapid growth in the PRC and our ability to manage successfully the expansion of our operations in the PRC. We opened a branch in Guangdong in October 2006 and currently plan to open six additional branches in the PRC by the end of 2007. Our management of this planned growth will require significant management and operational resources, including:

- the development of adequate underwriting and claims handling capabilities and skills;
- stringent cost controls;
- a sufficient and expanded capital base;
- the continued strengthening of financial and management controls and information technology systems;
- increased marketing and sales activities; and
- the hiring, training and retention of personnel.

We cannot assure you that we will be successful in managing our growth or that our expansion strategy in the PRC will be accomplished according to our planned schedule or at all. In particular, we may have difficulties hiring and rapidly training sufficient numbers of customer service personnel to match customer growth and planned branch expansion. In addition, we may experience difficulties upgrading, developing and expanding our information technology systems to accommodate our growing customer base. If we are unable to manage our growth, our business, financial condition, results of operations and prospects could be adversely affected.

We may need additional capital in the future, and we may be unable to obtain adequate financing to fund our capital requirements

For us to grow, remain competitive, enter new lines of business, expand our base of operations or satisfy regulatory capital adequacy or solvency margin requirements, we may require new capital in the future. We cannot assure you that such additional financing will be available to us on reasonable terms or at all. Our ability to obtain additional capital in the future is subject to a variety of uncertainties, including:

- our future financial condition, results of operations and cash flows;
- the ability to obtain the necessary regulatory approvals on a timely basis;
- general market conditions for capital-raising activities by insurance companies and other financial institutions; and
- general economic, political and other conditions in Hong Kong, the PRC and elsewhere.

If we are unable to raise sufficient capital in the future on commercially acceptable terms, we may have to abandon, delay or postpone certain of our planned capital expenditures. Our inability to finance our planned capital expenditures could adversely affect our business, financial condition, results of operations and prospects. In addition, the terms and amount of capital raised through issuing equity securities may significantly dilute the interests of current shareholders.

Differences between claims experience and underwriting and reserving assumptions may require us to increase our reserves

We establish and maintain reserves to cover estimated losses and associated expenses for reported and unreported claims. Consequently, our earnings depend significantly upon the extent to which our actual claims experience is consistent with the assumptions and estimates used in setting the prices for our general insurance products and establishing the reserves for our obligations for future policy claims. We base the level of our outstanding claims reserves on estimates of the amounts that we will ultimately need to settle reported and unreported claims incurred prior to a specific financial statement cut-off date. We base our reserves estimates on facts and circumstances known to us at the time we establish the reserves, historical data regarding our settlement patterns, available industry data and trends and other factors. Reserves estimates can be affected by both internal and external variables, such as changes in claims handling procedures, inflation and legislative and regulatory changes. Many of these variables are not directly quantifiable, particularly on a prospective basis, and are outside our control. Due to the nature of the underlying risks and the high degree of uncertainty associated with the determination of the liabilities for unpaid claims, we can only estimate the amount which we will ultimately pay to settle these liabilities. As a result, actual claims payments may differ significantly from the reserves estimates, despite the use of actuarial analysis in calculating reserves. If our reserves are inadequate and need to be increased in future periods, we would need to obtain the capital necessary to make such increase and such adjustments to the reserves could result in a charge against earnings in our income statement, thereby adversely affecting our results of operations.

Our risk management policies and procedures and internal controls, as well as the risk management tools available to us, may not be adequate or effective

Our risk management policies and procedures and internal controls may not be adequate or effective to mitigate our risk exposures in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Some methods of managing risk are based upon observed historical market behaviour and claims history experienced in past periods. Such methods may fail to predict future risk exposures, which could be significantly greater than those indicated by the historical measures and claims history experienced in past periods. Other risk management methods depend upon an evaluation of available information regarding operating and market conditions and other matters. This information may not be accurate, complete, up-to-date or properly evaluated in all cases. Management of operational, legal and regulatory risks requires, among other things, policies and procedures to record properly and verify a large number of transactions and events, as well as appropriate and consistently applied internal control systems. These policies and procedures and internal controls may not be adequate or effective in all circumstances, and our business, financial condition and results of operations could be adversely affected by the corresponding increase in our risk exposure and actual losses experienced as a direct or indirect result of failures of our risk management policies and internal controls.

We may experience failures of our information technology or communications systems

Our business depends heavily on the ability of our information technology systems to timely process a large number of transactions across different markets and numerous general insurance products. Transaction processes have become increasingly complex and the volume of such transactions has grown and continues to grow rapidly. The proper functioning of our financial controls, accounting, customer database, customer service and other data processing systems, including those relating to underwriting and claims processing functions, together with the communications systems linking our headquarters, our branch offices and our main information technology centres, is critical to our basic operations and to our ability to compete effectively. Although we maintain a backup data centre, we cannot assure you that our business activities would not be materially disrupted in the event of a partial or complete failure of any of these or other primary information technology or communications systems. Such failures could be caused by, among other things, software bugs, computer virus attacks or conversion errors due to system upgrading. In addition to adversely affecting our business, a prolonged or significant failure of our information technology system or communications systems could damage our reputation and adversely affect our prospects, financial condition and results of operations.

A perceived or actual reduction in our financial strength, a downgrade in our financial strength rating or a reduction in our solvency margin ratio could increase policy cancellations and non-renewals and damage our relationship with our creditors, our counterparties and the distributors of our products

Measures of financial strength are an important factor affecting public confidence in our products and, as a result, our competitiveness. In particular, customers may consider, among other measures, our financial strength rating and solvency margin ratio when deciding whether to purchase new insurance policies from us or renew existing policies. A downgrade in our financial strength rating or a reduction in our solvency margin ratio could have an adverse effect on our business, financial condition and results of operations. Such events may, among other things:

- increase the number of policy cancellations and non-renewals;
- damage our relationship with our creditors, our counterparties and the distributors of our products; and
- negatively impact new sales of our products.

As with all insurance companies, the conduct of our business depends upon, among others, consumer confidence in our financial strength and that of the insurance industry as a whole. Any decrease in consumer confidence in the insurance industry as a whole, or us in particular, could adversely affect our business, financial condition, results of operations and prospects.

Changes in demand for motor vehicles could result in decreased demand for our motor insurance products

For 2003, 2004 and 2005 and the six months ended 30 June 2006, we derived approximately 31.3%, 32.8%, 28.6% and 22.5%, respectively, of our direct written premiums from motor vehicle insurance products. We anticipate that growth in our direct written premiums from motor vehicle insurance products will be largely driven by rapid growth in consumer demand in the PRC for motor vehicles. We cannot assure you that this growth will occur in the future. Because a high percentage of our direct written premiums are derived from motor vehicle insurance products, changes in consumer demand for motor vehicles, particularly in the PRC, could have an adverse effect on our business, financial condition and results of operations.

Misconduct by our employees and agents is difficult to detect and deter

Employee and sales agent misconduct could result in violations of law by us, regulatory sanctions and serious reputational or financial harm to us. Such misconduct could occur in each of our businesses and could include:

- binding us to transactions that exceed authorised limits;
- hiding unauthorised or unsuccessful activities, resulting in unknown and unmanaged risks or losses;
- improperly using or disclosing confidential information;
- recommending products, services or transactions that are not suitable for particular customers;
- engaging in misrepresentation or fraudulent, deceptive or otherwise improper activities when marketing or selling insurance policies to our customers;
- misappropriating company funds;
- engaging in unauthorised or excessive transactions to the detriment of customers or us; and
- failure to comply with applicable laws or our internal controls, risk management and other policies and procedures.

We may be unable to deter all employee and sales agent misconduct, and the precautions we take to prevent and detect these activities may not be effective in all cases. We cannot assure you that employee and sales agent misconduct will not adversely affect our business, financial condition and results of operations.

The interests of our largest shareholders may not always coincide with your interests or the interests of our other shareholders

Immediately after the completion of the Global Offering, assuming the Over-allotment Option is not exercised, our three largest shareholders will own, directly or indirectly, approximately 75.0% of our outstanding Shares. Accordingly, our largest shareholders, including these three shareholders, may continue to collectively have the ability to exercise significant influence over our business, including matters relating to:

- our management, business strategies and policies;
- the timing and distribution of dividends;
- any plans relating to mergers, acquisitions, joint ventures, investments or divestitures; and
- the election of our directors.

Our largest shareholders may collectively take actions that you may not agree with or that are not in your or our other shareholders' best interests.

We may experience a material increase in the enterprise income tax rate applicable to our PRC operations in the Shenzhen Special Economic Zone

Our PRC operations in Shenzhen are subject to a preferential enterprise income tax rate of 15% applicable in the Shenzhen Special Economic Zone, compared to the standard enterprise income tax rate of 33% applicable to most other companies in the PRC. We cannot assure you that the preferential enterprise income tax rate in the Shenzhen Special Economic Zone will not be increased in the future. As a majority of our investment income is subject to the preferential enterprise income tax rates, an increase in the preferential enterprise income tax rate of Ming An China in the Shenzhen Special Economic Zone could adversely affect our business, financial condition and results of operations.

A future outbreak of severe acute respiratory syndrome, avian flu or similar illnesses in Hong Kong or the PRC may occur

From November 2002 to June 2003, Hong Kong, the PRC and certain other countries and regions experienced an outbreak of a new and highly contagious form of atypical pneumonia now known as severe acute respiratory syndrome, or SARS. On 5 July 2003, the World Health Organization declared that the SARS outbreak had been contained. However, new cases of SARS were reported in the PRC in April 2004. In 2004 and 2005, the media reported the spread of the H5N1 virus, or "Avian Influenza A", among birds and poultry as well as some isolated cases in countries and regions outside Hong Kong of transmission of the virus to humans. We experienced a material number of claims arising from the SARS outbreak, several of which remain unsettled.

We cannot predict at this time the effect of any new outbreak of SARS, H5N1 or other highly communicable diseases on our business and prospects. As a result, any future outbreak of SARS, H5N1 or other highly communicable diseases may, among other things, significantly increase the payment obligations under our insurance policies, which could adversely affect our business, financial condition and results of operations. Moreover, a future outbreak may significantly disrupt our ability to adequately staff, and may generally disrupt, our operations. Any future outbreak of SARS, H5N1 or similar illnesses may have an adverse effect on our business, financial condition and results of operations.

We may be unable to attract and retain qualified personnel

Our future performance depends upon our ability to attract and retain qualified and experienced management and technical, sales and other professional personnel and in particular, any loss of service of our executive Directors, Mr. Peng Wei, Mr. Cheng Kwok Ping, Mr. Chan Pui Leung and Mr. Lee Wai Kun may have an adverse impact on our business. Our business could suffer if we lose the services of any of these personnel and cannot replace them. In particular, we will require an increasing number of these employees in connection with our future growth plans, and there is intense competition for their services in the Hong Kong and PRC insurance industries. Other insurance companies may provide better salaries and terms of employment than us. As a result, we may be forced to incur higher costs to attract new talent and to retain existing experienced personnel or we may be unable to attract such personnel. Failure to attract and retain qualified and experienced personnel could adversely affect our ability to operate and expand our business effectively, and could impair our competitiveness and have an adverse effect on our business, financial condition and results of operations.

Our relationships with our distributors, independent agents and brokers may be disrupted

We market our insurance products primarily through a network of independent agents and brokers. An important part of our business is written through approximately 4,670 of such intermediaries. Our relationship with these intermediaries could be adversely affected by numerous factors including, among others, failure to maintain competitive commissions or prices for our insurance products, failure to provide adequate product support and failure to communicate effectively with such intermediaries. Loss of all or a substantial portion of the business provided through such agents and brokers could have an adverse effect on our business, financial condition and results of operations.

Periodic examinations by PRC regulatory authorities may result in fines, other penalties or adverse actions against us

Our PRC operations are subject to periodic examinations by PRC regulatory authorities. In the past, we have been found from time to time to have violated certain laws and regulations. As a result, we have been subject to penalties, including among others, monetary fines. During the three years ended 31 December 2005, we were fined RMB50,000 by SAFE on one occasion for violating foreign exchange regulations.

During the same period, we were required on three occasions to pay surcharges totalling RMB77,324 to PRC regulatory authorities in connection with late payment of taxes. We cannot assure you that future penalties will not have an adverse effect on our business, financial condition and results of operations.

In addition, the PRC Insurance Law and CIRC regulations contain strict limitations regarding the use of funds by PRC insurance companies, including Ming An China. In particular, the PRC Insurance Law and CIRC regulations prohibit PRC insurance companies from, among other things, using their funds to engage in activities that are outside their approved business scope. While we have not used our funds in a manner that is inconsistent with, or impermissible under, the applicable limitations set forth under the PRC Insurance Law and CIRC regulations, we cannot assure you that the relevant regulatory authorities will not take any such action in the future if we use our funds in a manner that violates the PRC Insurance Law or the CIRC regulations. Any future administrative sanctions, fines or other penalties may have an adverse effect on our business, financial condition and results of operations.

RISKS RELATING TO OUR OPERATIONS

Competition in the Hong Kong and PRC insurance industries is increasing and we may be unable to compete effectively

We face competition in all areas of our business. Competition in the insurance industry is intense and is based on many factors, including premiums charged and other terms and conditions of coverage, services provided, financial ratings assigned by independent rating agencies, claims services, reputation, perceived financial strength and the experience of the insurance company in the line of insurance to be written. Our competitors in Hong Kong and the PRC include both domestic and foreign-invested general insurance companies. Some of these companies have greater financial, management and other resources than we do, and they may have more extensive experience than us. Furthermore, these companies may be able to offer a broader range of products and services, as well as establish their reserves more adequately and achieve higher investment returns through sophisticated asset management policies, than us. In addition, some of our domestic competitors in the PRC have taken advantage of favourable governmental policies applicable only to them. The entry by foreign insurance companies into the PRC insurance market has also continued to increase in recent years and is expected to further increase as a result of the PRC's entry into the WTO. In particular, some of these new entrants may be able to commence operations rapidly by forming alliances and joint ventures with other PRC companies and by employing products and skills developed in their home markets. Some new entrants may also adopt pricing strategies that are more aggressive than our pricing policies.

In addition, China Insurance Group engages in general insurance business in the PRC through Tai Ping Insurance. Although we do not foresee any significant competition between the Group and Tai Ping Insurance, such competition is a possibility since we both operate in the general insurance business in the PRC. See "Relationship with China Insurance Group and Connected Transactions — Relationship with the China Insurance Group — Excluded General Insurance Business — Tai Ping Insurance". The increased competitive pressures resulting from these and other factors, if we cannot compete successfully, may adversely affect our business, financial condition, results of operations and prospects by:

- reducing our market share in our principal lines of business;
- decreasing our margins;
- reducing the growth of our customer base as well as our ability to retain existing customers;
- increasing our policy acquisition costs;
- increasing our operating expenses, including sales and marketing expenses; and
- increasing turnover of our management and sales personnel.

We may experience sudden and unexpected claims and investment losses due to catastrophic events

Our insurance operations expose us to claims arising out of catastrophes and other events affecting a large segment of the population. Earthquakes, typhoons, floods, wind, fires, explosions, industrial accidents and other events may cause catastrophes, and the occurrence and severity of catastrophes are inherently unpredictable. In accordance with HKFRS, we do not establish reserves for catastrophes in advance of their occurrence, and the loss or losses from a single catastrophe or multiple catastrophes could adversely affect our business, financial condition and results of operations. In addition, a significant portion of our assets is comprised of our investment portfolio, which consists primarily of equity and debt securities and investment properties, and catastrophic events may adversely affect market prices for these investments, thereby causing decreased asset quality during a period in which we may also experience increases in claims incurred.

Our reliance on intermediaries subjects us to their credit risk

We rely on agents, and in certain cases brokers, to collect premiums paid by insured parties on our behalf. When the insured pays premiums for insurance policies to intermediaries for payment to us, these premiums are considered to be paid in most cases and the insured will no longer be liable to us for such amounts, whether or not we actually receive the premiums from the intermediary. Consequently, we assume a degree of credit risk associated with our intermediaries. The failure by intermediaries to forward all or a portion of the premiums to us could adversely impact our business, financial condition and results of operations.

One or more of our reinsurers could default on their obligations to make claim payments in relation to risks ceded

Like many other insurance companies, we transfer some of the risk from insurance policies we underwrite to reinsurers in exchange for a portion of the premiums received in connection with the underwriting of such policies. Although reinsurance makes the reinsurer liable to us for the risk transferred, it does not discharge our primary liability to our policyholders. As a result, we are exposed to credit risk with respect to reinsurers in all lines of our insurance business. In particular, a default by one or more of our reinsurers under our existing reinsurance arrangements would increase our financial losses arising out of a risk we have insured, which would reduce our profitability and may adversely affect our liquidity position. We have general insurance reinsurance arrangements with a number of local and international reinsurers. However, we cannot assure you that these reinsurers will be able to meet their obligations under the existing reinsurance arrangements on a timely basis, or at all. In addition, we receive payments from our reinsurers through brokers, and are thus subject to the risk of non-payment from brokers. If our reinsurers or brokers fail to pay us on a timely basis or at all, our business, financial condition and results of operations could be adversely affected.

We may be unable to obtain reinsurance and we may be required to bear increased risks or to reduce the level of our underwriting commitments

Our ability to obtain reinsurance on a timely basis and at a reasonable cost is subject to a number of factors, including prevailing market conditions, many of which are beyond our control. The availability and cost of reinsurance may affect the volume of our business as well as our profitability. In particular, we may be unable to maintain our current reinsurance coverage or to obtain other reinsurance coverage in adequate amounts or at favourable rates. If we are unable to renew our expiring coverage or to obtain new reinsurance coverage, either our net risk exposure would increase or, if we are unwilling to bear an increase in net risk exposure, our overall underwriting capacity and the amount of risk we are able to underwrite would decrease. To the extent that we are unable to obtain reinsurance on a timely basis, at a reasonable cost or at all, our business, financial condition and results of operations could be adversely affected.

Underwriting conditions in the international reinsurance market could affect our results of operations

Although all of our income is derived from our operations in Hong Kong and the PRC, general market conditions in the international reinsurance market can still adversely affect our business. The availability and cost of such reinsurance are subject to international reinsurance market conditions from time to time. If shortages in reinsurance capacity or other events or conditions in the international market cause the price of reinsurance to increase, we may be unable to obtain sufficient reinsurance at reasonable commercial rates or to pass such higher costs on to policyholders. As a result, our underwriting capacity, business, financial condition and results of operations could be adversely affected.

The insurance industry in the PRC may become more cyclical in the future

Unlike insurance markets in other countries and regions, the insurance industry in the PRC has not historically demonstrated cyclical trends. However, as the PRC insurance industry deregulates to include more participants, we expect the insurance industry in the PRC to become more cyclical. Cyclicality occurs when excess underwriting capacity causes intense price competition in the market, which may result in fewer market participants. A decline in market participants then creates a shortage of underwriting capacity, which may drive premium levels up, in turn attracting more participants to enter the market. Periods of excess underwriting capacity could have an adverse effect on our business, financial condition and results of operations.

Our PRC operations are subject to the uncertainties of the PRC legal system

The PRC legal system is a civil law system based on written statutes. Unlike common law systems, it is a system in which decided legal cases have little value as precedents. In 1979, the PRC government began to promulgate a comprehensive system of laws and regulations governing economic matters in general. Although legislation over the past 25 years has significantly enhanced the protection afforded to various forms of foreign investment in China in general and laws and regulations applicable to wholly foreign-owned enterprises in particular, these laws, regulations and legal requirements are relatively new and are often changing and their interpretation and enforcement involve uncertainties. These uncertainties limit the reliability of legal protections available to us. We cannot predict the effect of future developments in the PRC legal system, particularly with regard to regulatory developments in the insurance industry. We may be required in the future to procure additional permits, authorisations and approvals for our existing and future operations, which may not be obtainable in a timely fashion or at all.

Potential changes in accounting practices may adversely affect our financial results

We cannot predict the impact that future changes in accounting standards or practices may have on public companies in general, companies operating in the insurance industry or our operations specifically. New accounting standards could be issued that change the way we record revenues, expenses, assets and liabilities. These changes in accounting standards could adversely affect our reported earnings or could increase reported liabilities.

RISKS RELATING TO OUR INVESTMENT PORTFOLIO

We may incur significant losses on our investments, which may cause our investment income to decrease

A substantial portion of our assets is managed through our investment portfolio. Our investment returns, and thus our results of operations, may be adversely affected from time to time by conditions affecting our specific investments and, more generally, by market fluctuations in interest rates and credit quality, the performance of the Hong Kong equity and property markets, as well as macroeconomic and political conditions. Any significant deterioration in one or more of these factors could have an adverse impact on the value of, and the income generated by, our investment portfolio and could have a material adverse effect on our business, financial condition and results of operations. As at 30 June 2006, our investments were concentrated in bank deposits in the PRC and a high proportion of property investments in Hong Kong. Such concentration may result in lower investment returns, in the case of our bank deposits, or increased volatility and illiquidity, in the case of our Hong Kong property investments. In addition, the majority of our investment portfolio is managed by CIGAML and TPAML, both of which are subsidiaries of CIIH, whose ultimate parent is a PRC entity. Given that the PRC asset management industry is relatively new, our asset managers may not be able to generate the same level of returns as managers from a more mature jurisdiction.

The investment options available to PRC insurance companies are limited and we may experience low returns or losses

Our results of operations and financial condition are, to a significant extent, dependent on the quality and performance of our investment portfolio, part of which relates to our operations in the PRC which are regulated by PRC law. Pursuant to the PRC Insurance Law and relevant regulations, the use of funds by insurance companies is restricted to a limited range of PRC financial instruments only. See "Regulation — Regulation of Insurance Companies — Regulation of Use of Funds by Insurance Companies." These restrictions may constrain the ability of Ming An China to diversify investment risks and improve returns on its investment portfolio. We intend to apply for permission to invest our PRC-sourced premium income in Hong Kong pursuant to the QDII scheme which is currently being considered by the CIRC, but we cannot assure you that the scheme will be implemented by the CIRC or, if implemented, that we will be granted such permission on a timely basis or at all.

Fluctuations in interest rates and equity share prices could adversely affect our financial condition and results of operations

Volatility in the financial markets and interest rates in the PRC and Hong Kong could impair our investment returns, financial condition and results of operations. As at 30 June 2006, all of Ming An China's premium income was invested in bank deposits, which investments may generate a lower rate of return than the investments of our competitors' investments in bonds or treasury products in the PRC. Bank deposit investments are also subject to interest rate risk which could have a material adverse effect on our investment portfolio. Similarly, fluctuations in equity share prices could have a material adverse effect on the value of our investment portfolio. Macroeconomic conditions, specific industry trends, performance of individual companies and other factors beyond our control can adversely affect the value of our investments and our ability to control the timing of the realisation of our investment income.

RISKS RELATING TO OUR INSURANCE INDUSTRY

Our businesses are highly regulated and future regulatory changes may occur

Our business in Hong Kong is regulated by the IA and by the CIRC in the PRC, and we are subject to laws regulating all aspects of our insurance business. Compliance with applicable laws, rules and regulations may restrict our business activities and require us to incur increased expense and time related to such compliance efforts. Furthermore, these laws, rules and regulations may change from time to time and we cannot assure you that future legislative or regulatory changes, including deregulation, will not have an adverse effect on our business, financial condition and results of operations. Moreover, we may be required to increase our reserves in response to future changes in rules and regulations by the IA or the CIRC. We cannot predict the effect of potential regulatory changes on our business. In addition, some of the laws, rules and regulations that we are subject to in the PRC are relatively new and their interpretation and application remain uncertain. Failure to comply with any of the laws, rules and regulations to which we are subject could result in fines, suspension of our business licences or, in extreme cases, business licence revocation, which could adversely affect us. In particular, future laws, rules and regulations, or the interpretation of existing or future laws, rules and regulations, may have an adverse effect on our business, financial condition and results of operations.

The rate of growth of the PRC insurance market may not be sustained

The rate of growth of the PRC insurance market may not be sustained. The impact on the PRC insurance industry of certain trends and events, such as the pace of economic growth in the PRC, the PRC's accession to the WTO and the ongoing reform of the social welfare system is generally uncertain. Consequently, the growth and development of the PRC insurance market is subject to a number of uncertainties that are beyond our control.

New entrants in the PRC insurance market as a result of the PRC joining the WTO may increase competition and reduce our profitability

As a result of the PRC joining the WTO in December 2001, the PRC government is gradually reducing restrictions on foreign participation in the PRC insurance market. We expect the PRC government to continue to reduce these restrictions in accordance with the PRC WTO accession agreement. This will result in the further opening of the PRC insurance market to foreign insurance companies. The opening of the PRC insurance market to foreign insurance companies and the resulting increased competition may adversely affect our business, financial condition and results of operations.

Insurance agents distributing our products in the PRC may not have required licences

Substantially all of our sales through intermediaries in the PRC are conducted through insurance agencies. Insurance agents in the PRC are required to obtain a qualification certificate from the CIRC in order to conduct insurance agency business. If the CIRC were to enforce this requirement in the future, and if a substantial number of our PRC insurance agencies or their individual employees were not licenced, we could lose the services of these insurance agencies and their employees, which could adversely affect our ability to service our customers, as well as our plan to expand our insurance business in the PRC. Moreover, we could be subject to fines and other administrative proceedings in the PRC for the failure of our insurance agencies or their individual employees to obtain the necessary CIRC qualification certificates. While we have not violated any laws or regulations in the PRC with respect to obtaining CIRC qualification certificates, any such violations in the future could lead to fines or administrative proceedings which could adversely affect our business, financial condition and results of operations.

Under the PRC Insurance Law, insurance agents are required to be registered with, and obtain a business licence from, the relevant local bureau of the SAIC. We understand that the SAIC does not have procedures in place to effect the registration and licencing of insurance agencies or their individual employees. While we have not violated any laws or regulations in the PRC concerning registration with and obtaining licences from the SAIC, we do not know whether the local bureau of the SAIC will enforce these requirements in the future. If so, our PRC insurance agencies and their individual insurance agents would be required to register and obtain a business licence. We cannot assure you that our PRC insurance agencies or their individual employees would obtain such licences. The enforcement of this requirement could adversely affect the composition and effectiveness of our insurance agent distribution system in the PRC, which could have an adverse effect on our business, financial condition and results of operations.

Our ability to comply with minimum solvency requirements is affected by a number of factors, and our compliance may force us to raise additional capital, which could be dilutive to you, or could limit our growth

We are required by the ICO in Hong Kong and CIRC regulations in the PRC to maintain minimum solvency levels. Our minimum solvency is affected primarily by the premiums we receive, by the volume of insurance policies we sell and by regulations on the determination of statutory reserves. Our solvency is also affected by a number of other factors, including the profit margin of our products, returns on our investments, underwriting and acquisition costs and policyholder and shareholder dividends. Any failure by Ming An China or any of our future subsidiaries in the PRC to meet the minimum capital and surplus requirements will subject it to corrective action, including supervised management or placement of the subsidiary under state regulatory control. If we are successful in our efforts to expand our business in the future, if the required solvency level of either Ming An Hong Kong or Ming An China is increased or if the regulations are amended by regulators, we may need to raise additional capital to meet such solvency requirements, which would be dilutive to you. If we are not able to raise additional capital, we may face adverse consequences to our business, financial condition and results of operations.

RISKS RELATING TO THE PRC

The PRC's economic, political and social conditions and government policies could adversely affect our business

A significant and increasing proportion of our assets and operations are located in the PRC. The economy of the PRC differs from the economies of most developed countries in many respects, including:

- government involvement;
- level of development;
- growth rate;
- control of foreign exchange; and
- allocation of resources.

While the PRC's economy has experienced significant growth in the past twenty years, such growth has been concentrated in certain geographic areas and sectors of the economy. The PRC government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures may benefit the overall economy of the PRC, but may also have a negative effect on us. For example, our operating results may be adversely affected by government control over capital investments or changes in applicable tax regulations.

The economy of the PRC has been transitioning from a planned economy to a more market-oriented economy. Although the PRC government has in recent years implemented measures emphasising the utilisation of market forces for economic reform, the reduction of state ownership of productive assets and the establishment of sound corporate governance in business enterprises, a substantial portion of productive assets in the PRC are still owned by the PRC government. Many of the reforms are unprecedented or experimental, however, and are expected to be modified from time to time. In addition, the PRC government continues to play a significant role in regulating industry development by imposing industrial policies. The PRC government also exercises significant control over the PRC's economic growth through the allocation of resources, controlling payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. We cannot assure you that the PRC economy will continue to grow or that the PRC government will not regulate our industry in a manner detrimental to our business. Any slowdown in the growth of the PRC economy could have a material adverse effect on our business, financial condition and results of operations.

Government control of currency conversion and future movements in exchange rates may restrict our ability to pay dividends in foreign currencies

We receive substantially all of our PRC-related revenues in Renminbi, which currently is not a freely convertible currency. A portion of these revenues must be converted into other currencies to meet our foreign currency obligations. We need to obtain foreign currency to pay dividends declared, if any, in respect of our Shares and to pay foreign exchange expenses and liabilities, if any.

The PRC government may take measures at its discretion in the future to restrict access to foreign currencies for current account transactions if foreign currencies become scarce in the PRC. We may not be able to pay dividends in foreign currencies to our shareholders if the PRC government restricts access to foreign currencies for current account transactions. In addition, devaluation of the Renminbi could adversely affect the value of, and dividends (if any), payable on, our Shares in foreign currency terms.

Foreign exchange transactions under our capital account continue to be subject to significant foreign exchange controls and require the approval of the State Administration of Foreign Exchange. These limitations could affect our ability to obtain foreign exchange through equity financing, or to obtain foreign exchange for capital expenditures.

RISKS RELATING TO OWNERSHIP OF OUR SHARES

There has been no prior public market for our Shares

Before the Global Offering, there was no public market for our Shares. While we have applied to have our Shares listed on the Stock Exchange, we cannot assure you that an active public market for our Shares will develop. The Offer Price of our Offer Shares will be determined by agreement between the Global Coordinator, on behalf of the Underwriters, and us and may not be indicative of prices that will prevail in the trading market. You may not be able to resell your Shares at a price that is attractive to you or at all.

Our share price may be volatile which could result in substantial losses for investors purchasing Offer Shares in the Global Offering

The market price for our Shares may fluctuate significantly and rapidly as a result of the following factors, among others, some of which are beyond our control:

- variations of our results of operations (including variations arising from foreign exchange rate fluctuations);
- changes in securities analysts' estimates of our financial performance;
- announcement by us of significant acquisitions, strategic alliances or joint ventures;
- addition or departure of key personnel;
- fluctuations in stock market prices and volume;
- involvement in litigation; and
- general economic and stock market conditions.

Moreover, in recent years, stock markets in general, and particularly the shares of companies with substantial operations in the PRC, have experienced increasing price and volume fluctuations, some of which have been unrelated or disproportionate to the operating performance of such companies. These broad market and industry fluctuations may adversely affect the market price of our Shares.

We may be unable to pay any dividends on our Shares

We will only pay dividends out of our accumulated realised profits so far as not previously utilised by distribution or capitalisation, less our accumulated realised losses, so far as not previously written off in a reduction or reorganisation of capital duly made. Our ability to pay dividends will therefore depend on our ability to generate sufficient accumulated net realised profits. In addition, the profit available for distribution from our PRC subsidiary determined in accordance with PRC GAAP may differ from the amount that would result from a determination under HKFRS.

Any future declaration of dividends may or may not be consistent with our historical declarations of dividends. We cannot assure you that we will declare dividends at all in the future. Future dividends, if any, will be at the discretion of the Board and will depend upon our future results of operations, capital requirements, general financial condition, legal and contractual restrictions and other factors the Board may deem relevant.

Future sales of substantial amounts of our Shares in the public market could have a material adverse effect on the prevailing market price of our Shares

The market price of our Shares could decline as a result of future sales of substantial amounts of our Shares or other securities relating to our Shares in the public market or the issuance of new Shares, or the perception that such sales or issuances may occur. Future sales, or perceived sales, of substantial amounts of our Shares could also materially and adversely affect our ability to raise capital in the future at a time and at a price we deem appropriate. In addition, our shareholders may experience dilution in their holdings to the extent we issue additional securities in future offerings.

RISKS RELATING TO THE GLOBAL OFFERING

You may experience difficulties in effecting service of legal process and enforcing judgments against us and our management

We are a company incorporated under the laws of the Cayman Islands with limited liability and the laws of the Cayman Islands differ in some respects from those of Hong Kong or other jurisdictions where investors may be located. As a result, the rights of minority shareholders may not enjoy the same level of protection as pursuant to the laws of Hong Kong or your own jurisdiction.

Our corporate affairs are governed by our memorandum and articles of association, the Cayman Islands Companies Law and the common law of the Cayman Islands. The rights of shareholders to take legal action against our directors and us, actions by minority shareholders and the fiduciary responsibilities of our directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from English common law, which has persuasive, but not binding, authority on a court in the Cayman Islands. The rights of our shareholders and the fiduciary responsibilities of our directors under Cayman Islands law may not be as clearly established as they would be under statutes or judicial precedents in Hong Kong or other jurisdictions where investors may be located. In particular, Cayman Islands has a less developed body of securities laws.

In addition, although we will be subject to the Listing Rules and the Hong Kong Codes on Takeovers and Mergers and Share Repurchases upon the listing of our Shares on the Stock Exchange, the holders of Shares will not be able to bring actions on the basis of violations of the Listing Rules and must rely on the Stock Exchange to enforce its rules. Furthermore, the Hong Kong Codes on Takeovers and Mergers and Share Repurchases do not have the force of law and provide only standards of commercial conduct acceptable for takeover and merger transactions and share repurchases in Hong Kong.

As a result of any or all of the above, our shareholders may have more difficulty in protecting their interests in the face of actions taken by our management, directors or major shareholders than they would as shareholders of a Hong Kong company or companies incorporated in other jurisdictions.