

*The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**民安(控股)有限公司**

*The Ming An (Holdings) Company Limited*  
*(incorporated in the Cayman Islands with limited liability)*

(Stock code: 1389)

## **CONTINUING CONNECTED TRANSACTION – REVISED ANNUAL CAPS**

The Management Fees payable by the Group to CIIH Group for the provision of investment management services by CIIH Group to the Group have exceeded the existing annual cap for the year ended 31 December 2007, due to the booming stock market in Hong Kong and the PRC in 2007 and thus the increase in value of investment funds managed by CIIH Group, which was not anticipated when the original annual caps were set in 2006 based on the then market conditions. Accordingly, the Company intends to revise the annual cap for the year ended 31 December 2007.

In light of the increase in the Management Fees for the year ended 31 December 2007, the Company also intends to revise the annual cap for the year ending 31 December 2008 in respect of the provision of investment management services by CIIH Group to the Group.

### **BACKGROUND**

Reference is made to the Prospectus, where amongst others, annual caps for the provision of investment management services by CIIH Group to the Group were set for the six months ended 31 December 2006 and two years ending 31 December 2008. As stated in the Prospectus, investment management services are provided by CIIH Group to the Group under two master investment management agreements entered into between the Company on the one hand, and CIGAML and TPAML respectively on the other, on 7 December 2006 both for a term up to 31 December 2008. Both CIGAML and TPAML are subsidiaries of CIIH, which in turn is a non-wholly owned subsidiary of China Insurance Holdings, the indirect controlling shareholder of the Company. CIGAML currently operates CIIH Group's asset management business outside the PRC and mainly engages in the provision of investment consultancy services. TPAML currently operates CIIH Group's asset management business in the PRC and mainly engages in the provision of investment consultancy services in that region. Accordingly, the provision of investment management services by CIIH Group through CIGAML and TPAML to the Group constitutes continuing connected transactions of the Company under the Listing Rules by virtue of CIGAML and TPAML being associates of China Insurance HK, the controlling shareholder and thus a connected person of the Company.

For the reasons set out below, the Company intends to revise the annual caps for the year ended 31 December 2007 and for the year ending 31 December 2008 in respect of the provision of investment management services by CIIH Group to the Group.

## **MASTER INVESTMENT MANAGEMENT AGREEMENTS**

### **CIGAML Master Investment Management Agreement**

Under the CIGAML Master Investment Management Agreement, CIGAML will receive from the Company management fees and performance bonus fees for its investment management services per annum for each investment management agreement (together, the “**CIGAML Management Fees**”) and such CIGAML Management Fees will be calculated on the basis of (a) a certain percentage of the net asset value of the investment fund; and/or (b) a performance bonus fee representing a certain percentage of the amount of net investment return at the end of the relevant calendar year in excess of an amount equivalent to a certain percentage of the daily average balance of the settlor’s subscription monies or the increase in the net asset value of the relevant investment fund managed by CIGAML; and/or (c) such other bases as may be agreed by the parties to the investment management agreement.

### **TPAML Master Investment Management Agreement**

Under the TPAML Master Investment Management Agreement, TPAML will receive from the Company management fees and performance bonus fees for its investment management services per annum for each investment management agreement (together, the “**TPAML Management Fees**”) and such TPAML Management Fees will be calculated on the basis of (a) a certain percentage of the net asset value of the investment fund; and/or (b) a performance bonus fee representing a certain percentage of the amount of net investment return at the end of the relevant calendar year in excess of an amount equivalent to a certain percentage of the increase in the net asset value of the relevant investment fund managed by TPAML; and/or (c) such other basis as may be agreed by the parties to the investment management agreement.

### **2007 Revised Annual Cap**

Annual caps for the provision of investment management services by CIIH Group to the Group previously set for the six months ended 31 December 2006 and the two years ending 31 December 2008 were HK\$1.2 million, HK\$5.4 million and HK\$9.9 million respectively. The aggregate Management Fees received by CIIH Group from the Group for the six months ended 31 December 2006 was approximately HK\$1.2 million. It came to the attention of the Company shortly before the Chinese New Year holidays, following notification by CIGAML and TPAML in mid-January this year and at the conclusion of the subsequent lengthy negotiation process between the Company and CIGAML and TPAML, respectively, that the Management Fees for the year ended 31 December 2007 would be approximately HK\$16.2 million and have exceeded the existing annual cap of HK\$5.4 million. As stated above, the management fees comprise a management fee and a performance bonus fee. The aggregate management fees under the two master investment management agreements for the year ended 31 December 2007 was approximately HK\$3.7 million, which was within the existing annual cap; however, there was a significant increase in the performance bonus fee payable to CIGAML. Under the individual investment management agreement

with CIGAML, when the net investment return exceeds a certain percentage threshold (“**Surplus**”), a performance bonus fee which is a percentage of the Surplus will be payable at the end of the relevant calendar year or as mutually agreed. Such significant increase was attributable to the booming stock market in Hong Kong in 2007 and thus the increase in value of investment funds managed by CIGAML, which was not anticipated when the original annual caps were set in 2006 based on the then market conditions. For the reasons stated above, the Company intends to revise the annual cap for the year ended 31 December 2007 from HK\$5.4 million to HK\$16.2 million.

### **2008 Revised Annual Cap**

In light of the volatile nature of the securities markets in Hong Kong and the PRC, it would be difficult for the Company to estimate an appropriate annual cap for the Transaction for the year ending 31 December 2008. For the reasons stated above and due to the substantial increase in the Management Fees for the year ended 31 December 2007, the Company intends to revise the annual cap for the year ending 31 December 2008 in respect of the provision of investment management services by CIIH Group to the Group from HK\$9.9 million to HK\$26.2 million.

The revised annual cap has been determined by reference to (i) the historical value of the transactions; (ii) the projection of the amount of funds the Group plans to outsource to CIIH Group for investment management; (iii); the estimated level of the Group’s net investment return for the year ending 31 December 2008; and (iv) the provision of buffer for the inherent volatility of the securities markets.

## **LISTING RULES IMPLICATIONS**

### **2007 Revised Annual Cap**

As each of the relevant percentage ratios set out in the Listing Rules in respect of the 2007 Revised Annual Cap is less than 2.5% as referred to in Chapter 14A of the Listing Rules, the revised cap is only subject to the reporting and announcement requirements as set out in Rules 14A.45 to 14A.47 of the Listing Rules, but is exempt from the independent shareholders’ approval requirements under the Listing Rules.

The Directors (including the independent non-executive Directors) consider that the Transaction and the 2007 Revised Annual Cap is fair and reasonable and in the interests of the Company and its shareholders as a whole.

### **2008 Revised Annual Cap**

As each of the relevant percentage ratios set out in the Listing Rules in respect of the 2008 Revised Annual Cap is less than 2.5% as referred to in Chapter 14A of the Listing Rules, the revised cap is only subject to the reporting and announcement requirements as set out in Rules 14A.45 to 14A.47 of the Listing Rules, but is exempt from the independent shareholders’ approval requirements under the Listing Rules.

The Directors (including the independent non-executive Directors) consider that the Transaction and the 2008 Revised Annual Cap is fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **GENERAL**

The Company is a leading general insurance company in Hong Kong providing a variety of general insurance products to a broad range of customers in Hong Kong and the PRC.

CIIH Group principally engages in the underwriting of all classes of global reinsurance business and direct life insurance business in the PRC.

## **DEFINITIONS**

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“China Insurance HK”	China Insurance H.K. (Holdings) Company Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of China Insurance Holdings
“China Insurance Holdings”	China Insurance (Holdings) Company Limited, a joint stock limited company established in the PRC and the ultimate controlling shareholder of the Company
“CIGAML”	China Insurance Group Assets Management Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of CIIH
“CIGAML Management Fees”	as defined in the section headed “MASTER INVESTMENT MANAGEMENT AGREEMENTS” of this announcement
“CIGAML Master Investment Management Agreement”	the master investment management agreement entered into between CIGAML and the Company on 7 December 2006
“CIIH”	China Insurance International Holdings Company Limited, a company incorporated in Hong Kong with limited liability and a subsidiary of China Insurance HK; the shares of CIIH are listed on the Main Board of the Stock Exchange (stock code: 966)
“CIIH Group”	CIIH and its subsidiaries
“Company”	The Ming An (Holdings) Company Limited, a limited liability company incorporated in the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange

“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Directors”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Management Fees”	CIGAML Management Fees and TPAML Management Fees
“Prospectus”	the prospectus of the Company dated 11 December 2006
“PRC”	the People’s Republic of China, excluding, for the purposes of this announcement, Hong Kong, Macao Special Administrative Region and Taiwan
“TPAML”	Tai Ping Asset Management Company Limited, a company incorporated in the PRC with limited liability and an non-wholly owned subsidiary of CIIH
“TPAML Management Fees”	as defined in the section headed “MASTER INVESTMENT MANAGEMENT AGREEMENTS” of this announcement
“TPAML Master Investment Management Agreement”	the master investment management agreement entered into between TPAML and the Company on 7 December 2006
“Transaction”	the provision of investment management services by CIIH Group to the Group
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“2007 Revised Annual Cap”	the Management Fees of HK\$16.2 million payable by the Group to CIIH Group for the year ended 31 December 2007
“2008 Revised Annual Cap”	the Management Fees of HK\$26.2 million payable by the Group to CIIH Group for the year ending 31 December 2008

By order of the Board of  
**The Ming An (Holdings) Company Limited**  
**CHENG Kwok Ping**  
*Executive Director*

Hong Kong, 18 February 2008

*As at the date of this announcement, the executive Directors of the Company are PENG Wei, CHENG Kwok Ping, CHAN Pui Leung, and LEE Wai Kun; the non-executive Directors of the Company are FENG Xiao Zeng, LIN Fan, WU Chi Hung, IP Tak Chuen, Edmond, MA Lai Chee, Gerald, and HONG Kam Cheung; and the independent non-executive Directors of the Company are YUEN Shu Tong, DONG Juan, WONG Hay Chih, YU Ziyou, and LEE Yim Hong, Lawrence.*

*This announcement is posted on the website of the main board of The Stock Exchange of Hong Kong Limited at [www.hkex.com.hk](http://www.hkex.com.hk) on the “Latest Listed Company Information” page and on the website of the Company at [www.mahcl.com](http://www.mahcl.com).*