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If you have sold or transferred all your shares in **The Ming An (Holdings) Company Limited**, you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

**Independent Financial Adviser to the Independent Board Committee and
the Independent Shareholders**



A letter from the Board is set out on pages 4 to 10 of this circular.

A letter from the Independent Board Committee (as defined in this circular) is set out on pages 11 to 12 of this circular. A letter from GF Capital (Hong Kong) Limited, the independent financial adviser, containing its advice to the Independent Board Committee and the Independent Shareholders (as defined in this circular) is set out on pages 13 to 22 of this circular.

A notice for convening the AGM to approve the Continuing Connected Transactions, together with the proxy form for such purpose, will be despatched separately to the Shareholders.

Hong Kong, 31 December 2008

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context otherwise requires:-

“AGM”	an annual general meeting of the Company to be held in May 2009 to consider and approve, among other things, the Continuing Connected Transactions
“AMTD”	AMTD Group Company Limited, a company incorporated in the British Virgin Islands with limited liability, in which Cheung Kong beneficially and indirectly owns approximately 45% of its issued share capital
“AMTDFL”	AMTD Financial Planning Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of AMTD
“AMTD Risk Management”	AMTD Risk Management Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of AMTD
“Annual Caps”	the annual caps for the three financial years ending 31 December 2011 in respect of the Continuing Connected Transactions
“Articles”	the articles of association of the Company
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Cheung Kong”	Cheung Kong (Holdings) Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 0001)
“Cheung Kong Group”	Cheung Kong and its subsidiaries
“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
“China Insurance Group”	China Insurance Holdings and its subsidiaries (excluding CIH Group and the Group)

DEFINITIONS

“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
“CIRe”	China International Reinsurance Company, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of CIIH
“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
“Continuing Connected Transactions”	comprising the non-exempt continuing connected transactions contemplated under the Master Reinsurance Agreement and the Master General Insurance Agreement
“Directors”	directors 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
“Independent Board Committee”	comprising all the independent non-executive Directors
“Independent Financial Adviser”	GF Capital (Hong Kong) Limited
“Independent Shareholders”	Shareholders who are not interested in the Continuing Connected Transactions
“Latest Practicable Date”	29 December 2008, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information containing certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Master Reinsurance Agreement”	the master reinsurance agreement entered into between the Company and CIRe dated 16 December 2008

DEFINITIONS

“Master General Insurance Agreement”	the master general insurance agreement entered into between the Company and Cheung Kong dated 16 December 2008
“Ming An China”	The Ming An Insurance Company (China) Limited, a company established in the PRC and a wholly owned subsidiary of the Company
“Ming An HK”	The Ming An Insurance Company (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of the Company
“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
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tai Ping Insurance”	The Tai Ping Insurance Company Limited, a limited liability company established in the PRC and owned as to 37.50%, 50.05% and 12.45% by China Insurance Holdings, CIIH and Industrial and Commercial Bank of China (Asia) Limited respectively at the Latest Practicable Date

LETTER FROM THE BOARD



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)

Executive Directors:

PENG Wei (*Chief Executive Officer*)
CHENG Kwok Ping (*General Manager*)
CHAN Pui Leung
LEE Wai Kun

Non-executive Directors:

LIN Fan (*Chairman*)
WU Chi Hung
IP Tak Chuen, Edmond
MA Lai Chee, Gerald
HONG Kam Cheung

Independent Non-executive Directors:

YUEN Shu Tong
DONG Juan
WONG Hay Chih
YU Ziyou
LEE Yim Hong, Lawrence

Registered Office:

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P.O. Box 1350 GT
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Grand Cayman
Cayman Islands

*Head office and Principal place of
business in Hong Kong:*

19th Floor
Ming An Plaza
8 Sunning Road
Causeway Bay
Hong Kong

31 December 2008

To the Shareholders

Dear Sir/Madam,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

The Company announced on 16 December 2008 that, among other things, it entered into the Master Reinsurance Agreement with CIRE and it entered into the Master General Insurance Agreement with Cheung Kong.

CIRE is a wholly owned subsidiary of CIH, which in turn is a subsidiary of China Insurance HK, the controlling shareholder of the Company, and therefore CIRE is a connected person of the Company. Cheung Kong is a substantial shareholder of the Company and thus a connected person of the Company. The Continuing Connected Transactions constitute connected transactions of the Company under Chapter 14A of the

LETTER FROM THE BOARD

Listing Rules. Accordingly, the proposed annual caps for the Master Reinsurance Agreement and the Master General Insurance Agreement will be subject to Independent Shareholders' approval at the AGM.

The purpose of this circular is (a) to provide you with further information in respect of the Master Reinsurance Agreement, the Master General Insurance Agreement and the Continuing Connected Transactions; (b) to set out the recommendations of the Independent Board Committee in respect of the Master Reinsurance Agreement, the Master General Insurance Agreement and the Continuing Connected Transactions; (c) to set out the advice of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the terms of the Master Reinsurance Agreement, the Master General Insurance Agreement and the Continuing Connected Transactions; and (d) to provide you with such other information as is required under the Listing Rules. A notice of AGM will be dispatched to the Shareholders separately.

DETAILS OF THE CONTINUING CONNECTED TRANSACTIONS

(A) Reinsurance business with CIRE

On 16 December 2008, the Company and CIRE entered into a master reinsurance agreement (the "**Master Reinsurance Agreement**") pursuant to which CIRE agreed, and the Company agreed to procure its subsidiaries, to enter into reinsurance contracts with CIRE. CIRE, a wholly owned subsidiary of CIHH, mainly engages in the underwriting of all classes of reinsurance business other than casualty reinsurance business outside of Asia. The Master Reinsurance Agreement is for a term of 3 years commencing on 1 January 2009.

Pursuant to the said reinsurance contracts, CIRE acts as reinsurer and accepts risks in return for agreed premiums from members of the Group. Under the reinsurance contracts, the Group will pay the agreed premiums on a quarterly basis and CIRE will pay commission to the Group also on a quarterly basis. The reinsurance transactions, which may be for terms over 3 years, consist of both treaty and facultative business and the range of risks covered includes all lines of general reinsurance risks on both a proportional and non-proportional basis. The period of insurance for construction-related insurance business such as contractors' all risks insurance and erection all risks insurance normally covers the entire construction period. It is not unusual that construction projects take more than three years to complete. The Company usually arranges facultative reinsurance for construction related insurance business, and the period of reinsurance will always adopt the same contract period as the direct insurance contract. It is common for such kind of agreement in the insurance industry to have a term which exceeds three years. Mortgage insurance is another example. Mortgage insurance generally covers the entire repayment period of the mortgage loan, and it is standard and normal business practice for insurance companies to arrange reinsurance covers with the same period of reinsurance as the direct insurance contract. The Company believes that it is in the normal business practice for agreements of these types to be of such duration and the entering into these agreements for a term longer than three years are beneficial to the Company as it not only conforms with normal business practice in the insurance industry, but it also allows the Company to compete with other general insurance companies.

LETTER FROM THE BOARD

Pursuant to the Master Reinsurance Agreement, CIRE will enter into reinsurance contracts on the same basis as it accepts reinsurance business from other independent third-party insurers, and the terms and conditions of such reinsurance contracts, in which other independent third-party reinsurers may also participate, will be negotiated on an arm's length basis and will be entered into on normal commercial terms. The Group's reinsurance treaties are arranged annually. Each year, invitations to participate in reinsurance treaties will be sent to selected reinsurers on the Group's approved list of reinsurers approximately two months prior to the commencement date of such treaties. The invitation is in the form of a letter stating the latest performance of the treaty to be renewed or the projected performance of a new treaty, the proposed treaty terms and other relevant information. Reinsurers are ultimately selected on the basis of their financial condition, history of cooperation, quality of service and price of their reinsurance products. The final share allocated to each reinsurer under the treaty will be approved by members of the Company's senior management based on, among other things, the different types of reinsurance products. Facultative reinsurance is to supplement the Company's treaty reinsurance and help underwrite any single but large or complex risk, and will be arranged on an "as needed" basis from time to time. Reinsurers for facultative reinsurance will also be selected by the Company based on their financial condition, history of cooperation, quality of service, price offered and other relevant factors.

Historical amounts

The gross premium income ceded by the Group and underwritten by CIRE in respect of reinsurance transactions for each of the two financial years ended 31 December 2006 and 31 December 2007 and for the 10 months ended 31 October 2008 were HK\$75.55 million, HK\$65.44 million and HK\$49.42 million, respectively.

The commission income received by the Group in respect of the reinsurance transactions for each of the two financial years ended 31 December 2006 and 31 December 2007 and for the 10 months ended 31 October 2008 were HK\$20.04 million, HK\$17.14 million and HK\$14.75 million, respectively.

The amount of commission income received by the Group was based on the gross premium income ceded, but is not directly proportional because the mix of reinsurance arrangements for every year is different and the commission rates for different types of reinsurances, e.g. proportional treaty reinsurance, non-proportional treaty reinsurance and various classes of facultative reinsurance, are also different.

Proposed caps and basis of caps

It is expected that the amount of gross premium income ceded by the Group and underwritten by CIRE under the reinsurance transactions for each of the three financial years ending 31 December 2009, 31 December 2010 and 31 December 2011 will not exceed HK\$120 million, HK\$150 million and HK\$200 million per year, respectively. It is expected that the commission income receivable by the Group in respect of the reinsurance transactions for each of the three financial years ending 31 December 2009, 31 December 2010 and 31 December 2011 will not exceed HK\$31 million, HK\$39 million and HK\$52 million, respectively.

LETTER FROM THE BOARD

The proposed caps are calculated primarily based on the Group's growth projection for gross premium income expected to be derived from the PRC and the amount the Group expect to cede to reinsurers. Due to several natural disasters in 2008 which led to a substantial increase in insurance claims, the reinsurance market will raise the fee level and hence the cost of the reinsurance is expected to increase significantly. In addition, the continued expansion of Ming An China in the coming years will greatly enhance the reinsurance business of the Group. Accordingly, the Company expects the amount of gross premium income ceded by the Group to CIRE will increase in the three years ending 31 December 2009, 31 December 2010 and 31 December 2011. The commission rate used for the calculation of commission income receivable from CIRE is based on the average typical market commission rate.

(B) Provision of general insurance services by the Group to Cheung Kong Group and its associates

On 16 December 2008, Cheung Kong entered into a master general insurance agreement (the "**Master General Insurance Agreement**") with the Company, pursuant to which Cheung Kong agreed to use reasonable endeavours to enter into or to introduce its subsidiaries and associates, and the Company agreed to procure its subsidiaries, to enter into general insurance agreements in its ordinary and usual course of business. In accordance with the Master General Insurance Agreement, the Group may be invited to participate in the tender process and submit tenders for any of Cheung Kong Group's and its associates' general insurance bids along with other independent third-party insurers. The Master General Insurance Agreement is for a term of 3 years commencing on 1 January 2009.

Under the Master General Insurance Agreement, if a member of the Group's tender has been accepted by the relevant member of Cheung Kong Group or its associates, such member or associates will take out relevant insurance policies with the relevant member of the Group. Under the insurance policies, premium will be payable by the relevant member of Cheung Kong Group to the Group on a quarterly basis. Pursuant to the Master General Insurance Agreement, the Company will procure that the terms of each general insurance agreement shall be on terms and conditions that are comparable to those offered by the Group to independent third parties, and will be on normal commercial terms and on an arm's length basis and in accordance with the Group's risk management policy.

Historical amounts

The annual gross premium payable by Cheung Kong Group and its associates for each of the two financial years ended 31 December 2006 and 31 December 2007 and the 10 months ended 31 October 2008 were HK\$41.75 million, HK\$51.80 million and HK\$54.61 million, respectively.

Proposed caps and basis of caps

It is expected that the aggregate annual gross premium to be paid by Cheung Kong Group and its associates for each of the three financial years ending 31 December 2009, 31 December 2010 and 31 December 2011 will not exceed HK\$117 million, HK\$155 million and HK\$206.5 million, respectively. The proposed caps of the gross premium are determined by reference to the historical value of such transactions and the projected value of new businesses that the Group is likely to procure based upon

LETTER FROM THE BOARD

Cheung Kong Group's and its associates' aggregate annual gross premium payment on general insurance for the financial year ended 31 December 2007. The proposed caps are determined based on the understanding that the Group will be able to provide insurance services to members of Cheung Kong Group and its associates, such as Hongkong Electric Holdings Limited, A.S. Watson & Co. Ltd., Citybase Property Management Limited, Goodwell Property Management Limited, Hutchison Telecommunications (Hong Kong) Limited and their operating companies in the PRC and overseas. The increase in the proposed caps is primarily due to the expected growth of Ming An China and the expected increase in its capacity to provide general insurance services in the PRC to Cheung Kong Group and its associates in the next three years. In addition, given the status of the global insurance market, the Company believes that Ming An HK is in a unique position to provide more general insurance services in Hong Kong to Cheung Kong Group and its associates.

REASONS AND BENEFITS FOR THE CONTINUING CONNECTED TRANSACTIONS

The Group entered into the Continuing Connected Transactions for the effective and efficient conduct of its ordinary business. Taking into account the past performance and historical relationship between the counterparties of each of the Continuing Connected Transactions and the Group, the Company believes that it is in the best interest of the Group to continue the Continuing Connected Transaction.

IMPLICATIONS OF THE LISTING RULES

Given that one or more of the relevant applicable percentage ratios set out in the Listing Rules for determining the value for each of the Continuing Connected Transactions are expected to be 2.5% or above on an annual basis, each such transaction falls within Rule 14A.35 of the Listing Rules, and is subject to the reporting, announcement and independent shareholders' approval requirements under Rules 14A.45 to 14A.48 and the annual review requirements under Rules 14A.37 and 14A.38 of the Listing Rules.

To the best of the knowledge, information and belief of the directors of the Company, having made all reasonable enquiries, apart from China Insurance Holdings, CIH, Cheung Kong and their respective associates, no other shareholder of the Company has a material interest in the Continuing Connected Transactions and thus no other shareholder will be required to abstain from voting on the resolution to approve the Continuing Connected Transactions at the AGM. China Insurance Holdings and its associates (including CIH Group) will abstain from voting on the reinsurance transactions as described in paragraph (A) above. Cheung Kong and its associates will abstain from voting on the provision of general insurance transactions as described in paragraph (B) above.

GENERAL INFORMATION

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.

China Insurance Holdings is one of the longest established general insurers based in the PRC and is a state investment holding company under the direct supervision of the State Council. China Insurance Group principally engages in general insurance, life insurance, reinsurance, reinsurance broking, asset management, pension management, property investment, property development and securities broking.

LETTER FROM THE BOARD

CIIH Group principally engages in the underwriting of all classes of global reinsurance business and direct life insurance business in the PRC. CIRE, a wholly owned subsidiary of CIIH, mainly engages in the underwriting of all classes of reinsurance business other than casualty reinsurance business outside of Asia.

The principal activities of Cheung Kong Group are investment holding, property development and investment, hotel and serviced suite operation, property and project management and investments in securities. AMTD Risk Management principally engages in the provision of insurance brokerage services, and AMTDFL principally engages in the business of providing financial service products.

AGM

The Directors propose to approve the Continuing Connected Transactions and the Annual Caps at the AGM. A notice of the AGM together with a proxy form will be despatched to the Shareholders separately.

As the Continuing Connected Transactions continue following the expiration of the financial year ending 31 December 2008, the Directors will ensure that each of the aggregate transaction values of the Continuing Connected Transactions fall within 2.5% of the applicable percentage ratios as defined in the Listing Rules, prior to obtaining approval from the Shareholders at the AGM. Various control mechanisms have been adopted by the Company to ensure that the relevant connected transactions fall within the 2.5% threshold. Such mechanisms include generating monthly reports showing the transaction figures for each of the relevant connected transactions, and imposing a lower threshold as an internal cap whereby a warning signal will be issued and preventive measures will be taken immediately if the relevant connected transactions reach the internal cap.

Under the Master Reinsurance Agreement, the Group is not obliged to enter into reinsurance contracts with CIRE, and under the Master General Insurance Agreement, the Group is not obliged to enter into general insurance agreements with Cheung Kong, its subsidiaries nor its associates. Accordingly, in the event that the Shareholders of the Company do not grant approval for the Continuing Connected Transactions at the AGM, the Company will ensure that the transaction amounts of such connected transactions fall within the 2.5% threshold for the remaining of the year.

PROCEDURES FOR DEMANDING A POLL

Pursuant to the Articles, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless voting by way of a poll is required by the Listing Rules or (before or on the declaration of the results of the show of hands or on the withdrawal of any other demand for poll) a poll is demanded (i) by the Chairman of the meeting; or (ii) by at least two Shareholders present in person (or, in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or (iii) by any Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or (iv) by any Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Shares conferring that right.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the terms of all the Continuing Connected Transactions are fair and reasonable, on normal commercial terms, were entered into in the interests of the Company and the Shareholders as a whole, and that Annual Caps of each of the Continuing Connected Transactions are fair and reasonable. The Directors therefore recommend the Shareholders to vote in favour of the resolutions regarding the Continuing Connected Transactions to be proposed at the AGM.

FURTHER INFORMATION

The Independent Board Committee has been appointed to advise the Independent Shareholders in respect of the Continuing Connected Transactions. GF Capital (Hong Kong) Limited has been appointed to advise the Independent Board Committee and the Independent Shareholders in such regard. Accordingly, your attention is drawn to the letter of advice from the Independent Board Committee set out on pages 11 to 12 of this circular, which contains its recommendation to the Independent Shareholders, and the letter from GF Capital (Hong Kong) Limited set out on pages 13 to 22 of this circular, which contains its advice to the Independent Board Committee and the Independent Shareholders.

Your attention is also drawn to the general information set out in the Appendix to this circular.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



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)

Independent Non-executive Directors:

YUEN Shu Tong

DONG Juan

WONG Hay Chih

YU Ziyou

LEE Yim Hong, Lawrence

Registered Office:

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George Town

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Cayman Islands

*Head office and Principal place of
business in Hong Kong:*

19th Floor

Ming An Plaza

8 Sunning Road

Causeway Bay

Hong Kong

31 December 2008

To the Independent Shareholders

Dear Sir/Madam,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

We refer to the circular to the Shareholders dated 31 December 2008 (the “**Circular**”) of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

The Independent Board Committee has been formed to advise the Independent Shareholders as to whether, in our opinion, the entering into of the Continuing Connected Transactions are in the interests of the Company and its Shareholders as a whole and the terms of which are fair and reasonable so far as the Independent Shareholders are concerned. GF Capital (Hong Kong) Limited has been appointed to advise the Independent Board Committee and the Independent Shareholders in such regards.

We wish to draw your attention to the “Letter from GF Capital (Hong Kong) Limited” as set out on pages 13 to 22 of the Circular. We have considered the terms and conditions of the Continuing Connected Transactions, the advice of GF Capital (Hong Kong) Limited and the other factors contained in the “Letter from the Board” as set out on pages 4 to 10 of the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

In our opinion, the terms of the Continuing Connected Transactions are fair and reasonable so far as the Independent Shareholders are concerned and the Continuing Connected Transactions are in the best interests of the Company and the Shareholders as a whole. We also consider that the terms of the Continuing Connected Transactions are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the AGM to approve the Continuing Connected Transactions.

Yours faithfully,
Independent Board Committee of
The Ming An (Holdings) Company Limited
YUEN Shu Tong
DONG Juan
WONG Hay Chih
YU Ziyou
LEE Yim Hong, Lawrence

LETTER FROM GF CAPITAL (HONG KONG) LIMITED

The following is the text of a letter of advice from GF Capital (Hong Kong) Limited, which has been prepared for the purpose of incorporation into this circular, setting out its advice to the Independent Board Committee and Independent Shareholders in connection with the Continuing Connected Transactions.



廣發融資(香港)有限公司

GF Capital (Hong Kong) Limited

Suites 2301-5 & 2313, COSCO Tower
183 Queen's Road Central
Hong Kong

31 December 2008

*The Independent Board Committee
and the Independent Shareholders*

Dear Sirs,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and Independent Shareholders on the terms of the Continuing Connected Transactions and the Annual Caps for each of the three financial years ending 31 December 2011. Details of the Continuing Connected Transactions are set out in the letter from the Board (the "**Letter from the Board**") contained in the circular to Shareholders dated 31 December 2008 (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

As disclosed in the Prospectus, the Company obtained from the Stock Exchange a waiver from strict compliance with the requirements under the Listing Rules in respect of the Continuing Connected Transactions and an annual cap was assigned to each of the Continuing Connected Transactions for the six months ended 31 December 2006 and the two years ending 31 December 2008. The Company expected that the Continuing Connected Transactions will continue following the expiration of the year ending 31 December 2008.

As one or more of the relevant applicable percentage ratios set out in the Listing Rules for determining the value for each of the Continuing Connected Transactions are expected to be 2.5% or above on an annual basis, each such transaction falls within Rule 14A.35 of the Listing Rules, and is subject to the reporting, announcement and independent shareholders' approval requirements under Rules 14A.45 to 14A.48 and the annual review requirements under Rules 14A.37 and 14A.38 of the Listing Rules.

Pursuant to the Letter from the Board, to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, apart from China Insurance Holdings, CIHH, Cheung Kong and their respective associates, no other shareholder of the Company has a material interest in the Continuing Connected Transactions and thus no other shareholder will be required to abstain from voting on the resolution to approve the

LETTER FROM GF CAPITAL (HONG KONG) LIMITED

Continuing Connected Transactions at the AGM. China Insurance Holdings and its associates (including CIH Group) will abstain from voting on the reinsurance transactions. Cheung Kong and its associates will abstain from voting on the provision of general insurance transactions.

INDEPENDENT BOARD COMMITTEE

The executive Directors are Mr. Peng Wei, Mr. Cheng Kwok Ping, Mr. Chan Pui Leung, and Mr. Lee Wai Kun; the non-executive Directors are Mr. Lin Fan, Mr. Wu Chi Hung, Mr. Ip Tak Chuen, Edmond, Mr. Ma Lai Chee, Gerald, and Mr. Hong Kam Cheung; and the independent non-executive Directors are Mr. Yuen Shu Tong, Ms. Dong Juan, Mr. Wong Hay Chih, Ms. Yu Ziyu, and Mr. Lee Yim Hong, Lawrence. The Independent Board Committee comprising all independent non-executive Directors has been formed to advise the Independent Shareholders as to the terms of the Continuing Connected Transactions and the Annual Caps.

BASIS OF OUR OPINION

In forming our opinion as to whether the terms of the Continuing Connected Transactions and the Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Independent Shareholders as a whole, we have relied on the information and representations contained in the Circular and have assumed that all information and representations made or referred to in the Circular were true, accurate and complete at the time when they were made and continued to be true, accurate and complete as at the date of the Circular.

We have also assumed that all statements of belief, opinion and intention made by the Board contained in the Circular were reasonably made by them after their due enquiry and careful consideration and that there are no other facts the omission of which would make any statement in the Circular misleading in any material respect.

Our review and analyses were based upon the information provided by the Company which include among others, the Master Reinsurance Agreement and the Master General Insurance Agreement, the Prospectus, certain agreements governing the past Continuing Connected Transactions entered into by the Company with CIRE and with the Cheung Kong Group and its associates as well as those to independent third parties for similar transactions and the annual reports of the Company for the years ended 31 December 2006 and 31 December 2007.

We consider that we have reviewed sufficient information to reach a reasonably informed view to justify our reliance on the accuracy of the information contained in the Circular as aforesaid and to provide reasonable grounds for our advice.

Furthermore, we have no reason to doubt the truth, accuracy and/or completeness of the information and representations as provided to us by the Company. We have not conducted any independent in-depth investigation into nor have we carried out any independent verification of the information supplied.

LETTER FROM GF CAPITAL (HONG KONG) LIMITED

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our recommendation in relation to the terms of the Continuing Connected Transactions and the Annual Caps, we have considered the following principal factors and reasons:

1. Background of the Continuing Connected Transactions

The Continuing Connected Transactions include (i) reinsurance business with CIRE; and (ii) provision of general insurance services by the Group to Cheung Kong Group and its associates.

(i) Reinsurance business with CIRE

As disclosed in the Letter from the Board, on 16 December 2008, the Company and CIRE entered into the Master Reinsurance Agreement pursuant to which CIRE agreed, and the Company agreed to procure its subsidiaries, to enter into reinsurance contracts with CIRE. CIRE, a wholly owned subsidiary of CIH, mainly engages in the underwriting of all classes of reinsurance business other than casualty reinsurance business outside of Asia.

Pursuant to the said reinsurance contracts, CIRE acts as reinsurer and accepts risks in return for agreed premiums from members of the Group. Under the reinsurance contracts, the Group will pay the agreed premiums on a quarterly basis and CIRE will pay commission to the Group also on a quarterly basis. The reinsurance transactions, which may be for terms over 3 years, consist of both treaty and facultative business and the range of risks covered includes all lines of general reinsurance risks on both a proportional and non-proportional basis.

(ii) Provision of general insurance services by the Group to Cheung Kong Group and its associates

As disclosed in the Letter from the Board, on 16 December 2008, Cheung Kong entered into the Master General Insurance Agreement with the Company, pursuant to which Cheung Kong agreed to use reasonable endeavours to enter into or to introduce its subsidiaries and associates, and the Company agreed to procure its subsidiaries, to enter into general insurance agreements in its ordinary and usual course of business. In accordance with the Master General Insurance Agreement, the Group may be invited to participate in the tender process and submit tenders for any of Cheung Kong Group's and its associates' general insurance bids along with other independent third-party insurers.

Under the Master General Insurance Agreement, if a member of the Group's tender has been accepted by the relevant member of Cheung Kong Group or its associates, such member or associates will take out relevant insurance policies with the relevant member of the Group. Under the insurance policies, premium will be payable by the relevant member of Cheung Kong Group to the Group on a quarterly basis.

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As 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, we are of the view that the Continuing Connected Transactions are in the ordinary and usual course of business of the Company.

2. Terms of the Continuing Connected Transactions

(i) *Reinsurance business with CIRe*

The Master Reinsurance Agreement is for a term of three years commencing on 1 January 2009. However pursuant to the Letter from the Board, the actual duration of insurance can be more than three years. The Directors are of the view that the period of insurance for construction-related insurance business such as contractors' all risks insurance and erection all risks insurance normally covers the entire construction period. It is not unusual that construction projects take more than three years to complete. The Company usually arranges facultative reinsurance for construction related insurance business, and the period of reinsurance will always adopt the same contract period as the direct insurance contract. It is common for such kind of agreement in the insurance industry to have a term which exceeds three years. Mortgage insurance is another example provided by the Directors. Mortgage insurance generally covers the entire repayment period of the mortgage loan, and it is standard and normal business practice for insurance companies to arrange reinsurance covers with the same period of reinsurance as the direct insurance contract. The Company believes that it is in the normal business practice for agreements of these types to be of such duration and the entering into these agreements for a term longer than three years are beneficial to the Company as it not only conforms with normal business practice in the insurance industry, but it also allows the Company to compete with other general insurance companies. We have searched for information on the nature of construction-related insurance and mortgage insurance and noted that it is a common practice in the industry to have the insurance duration equivalent to the construction or mortgage periods which are usually over three years. As a result we concur with the Director's view that the entering into insurance agreements for a term longer than three years is common and reasonable.

According to the Letter from the Board, pursuant to the Master Reinsurance Agreement, CIRe will enter into reinsurance contracts on the same basis as it accepts reinsurance business from other independent third-party insurers, and the terms and conditions of such reinsurance contracts, in which other independent third-party reinsurers may also participate, will be negotiated on an arm's length basis and will be entered into on normal commercial terms. The Group's reinsurance treaties are arranged annually. Each year, invitations to participate in reinsurance treaties will be sent to selected reinsurers on the Group's approved list of reinsurers approximately two months prior to the commencement date of such treaties. The invitation is in the form of a letter stating the latest performance of the treaty to be renewed or the projected performance of a new treaty, the proposed treaty terms and other relevant information. Reinsurers are ultimately selected on the basis of their financial condition, history of cooperation, quality of service and price of their reinsurance products. The final share allocated to each reinsurer under the treaty will be approved by members of the Company's senior management based on, among other things, the different types of reinsurance products. Facultative reinsurance is to supplement the

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Company's treaty reinsurance and help underwrite any single but large or complex risk, and will be arranged on an "as needed" basis from time to time. Reinsurers for facultative reinsurance will also be selected by the Company based on their financial condition, history of cooperation, quality of service, price offered and other relevant factors.

(ii) *Provision of general insurance services by the Group to Cheung Kong Group and its associates*

The Master General Insurance Agreement is for a term of three years commencing on 1 January 2009. Under the Master General Insurance Agreement, if a member of the Group's tender has been accepted by the relevant member of Cheung Kong Group or its associates, such member or associates will take out relevant insurance policies with the relevant member of the Group. Pursuant to the Master General Insurance Agreement, the general insurance businesses will be effected on terms and conditions that are comparable to those offered by the Group to independent third parties, and will be on normal commercial terms and on an arm's length basis and in accordance with the Group's risk management policy.

The Directors also confirmed that all Continuing Connected Transactions were and will be carried out in the ordinary and usual course of business of the Company based on normal commercial terms and in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of Company and the Independent Shareholders as a whole. We have reviewed the major terms of certain agreements governing the transactions entered into by the Company with CIRE and with the Cheung Kong Group and its associates as well as those to independent third parties for similar transactions and compared the terms thereof. Based on the information and documents reviewed which are provided by the Company, we are of the view that the terms to or from connected persons are no less favorable than those available to or from independent parties for similar transactions.

The Company has established an internal control system intended to ensure that Continuing Connected Transactions between the Group and its connected persons are monitored and that they are undertaken on terms in compliance with the applicable rules and guidelines. As required by the Listing Rules, all Continuing Connected Transactions must be carried out at arm's length terms and in the best interest of Shareholders. We are of the view that the reinsurers selection system of the Group enables the Group's transaction with CIRE are carried out at arm's length terms. Moreover, the terms of the Master General Insurance Agreement also stated that the general insurance business between the Group and Cheung Kong Group and its associates are selected by biddings and on normal commercial terms and on an arm's length basis. We have reviewed certain procedures and guidelines of the Group in relation to the acceptance and underwriting of insurance policy.

Accordingly, we are of the view that the terms of the Continuing Connected Transactions are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned and the terms of the Continuing Connected Transactions are in the interests of the Company and its Independent Shareholders as a whole.

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3. Reasons for the Continuing Connected Transactions

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. According to the Letter from the Board, the Group entered into the Continuing Connected Transactions for the effective and efficient conduct of its ordinary business. Taking into account the past performance and historical relationship between the counterparties of each of the Continuing Connected Transactions and the Group, the Company believes that it is in the best interest of the Group to continue the Continuing Connected Transaction.

The Directors confirm that the premiums or commissions receivable or payable under the Continuing Connected Transactions were and will be determined after arm's length negotiation and having taken into account of the prevailing market rate. We concur with the Directors' view that the Continuing Connected Transactions are in the ordinary and usual course of business of the Company and it would be in the interest of the Group to continue such arrangements.

4. Basis of determination of the Proposed Caps

Set out below are the values of the Continuing Connected Transactions for each of the year ended 31 December 2006, the year ended 31 December 2007 and the ten months ended 31 October 2008, the previously approved annual caps, and the Annual Caps:

(i) *Reinsurance business with CIRe*

(a) Gross premium income ceded by the Group and underwritten by CIRe

	For the year ended 31 December		For the ten months ended 31 October 2008
	2006	2007	
Transaction value	HK\$75.55 million	HK\$65.44 million	HK\$49.42 million
	For the six months ended 31 December 2006	For the year ended 31 December 2007	For the year ending 31 December 2008
Previously approved annual caps	HK\$54.6 million	HK\$181 million	HK\$208 million
	For the year ending 31 December		
	2009	2010	2011
Annual Caps	HK\$120 million	HK\$150 million	HK\$200 million

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(b) Commission income received by the Group from CIRE

	For the year ended 31 December		For the ten months ended 31 October 2008
	2006	2007	

Transaction value	HK\$20.04 million	HK\$17.14 million	HK\$14.75 million
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	For the six months ended 31 December 2006	For the year ended 31 December 2007	For the year ending 31 December 2008
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Previously approved annual caps	HK\$18.8 million	HK\$68 million	HK\$78 million
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	For the year ending 31 December		
	2009	2010	2011

Annual Caps	HK\$31 million	HK\$39 million	HK\$52 million
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According to the Letter from the Board, the Annual Caps of the reinsurance business with CIRE are calculated primarily based on the Group's growth projection for gross premium income expected to be derived from the PRC and the amount the Group expect to cede to reinsurers. Due to several natural disasters in 2008 which led to a substantial increase in insurance claims, the reinsurance market will raise the fee level and hence the cost of the reinsurance is expected to increase significantly. Accordingly, the Company expects the amount of gross premium income ceded by the Group to CIRE will increase in the three years ending 31 December 2009, 31 December 2010 and 31 December 2011. The commission rate used for the calculation of commission income receivable from CIRE is based on the average typical market commission rate.

We understand from the Company that the total branches (including all branches, sub-branches and sub sub-branches) of the Group increased from 31 as at 31 December 2007 to 92 as at 15 November 2008. The Company expected that their business will continue to expand in the coming three years. As a result the gross premium income to be derived from the PRC is expected to increase in the three years ending 31 December 2011.

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(ii) *Provision of general insurance services by the Group to Cheung Kong Group and its associates*

	For the year ended 31 December		For the ten months ended 31 October
	2006	2007	2008
Transaction value	HK\$41.75 million	HK\$51.8 million	HK\$54.61 million
	For the six months ended 31 December 2006	For the year ended 31 December 2007	For the year ending 31 December 2008
Previously approved annual caps	HK\$5 million	HK\$123 million	HK\$180 million
	For the year ending 31 December		
	2009	2010	2011
Annual Caps	HK\$117 million	HK\$155 million	HK\$206.5 million

According to the Letter from the Board, the Annual Caps of the gross premium are determined by reference to the historical value of such transactions and the projected value of new businesses that the Group is likely to procure based upon Cheung Kong Group's and its associates' aggregate annual gross premium payment on general insurance for the financial year ended 31 December 2007. The Annual Caps are determined based on the understanding that the Group will be able to provide insurance services to members of Cheung Kong Group and its associates, such as Hongkong Electric Holdings Limited, A.S. Watson & Co. Ltd., Citybase Property Management Limited, Goodwell Property Management Limited, Hutchison Telecommunications (Hong Kong) Limited and their operating companies in the PRC and overseas.

According to the Directors, the increase in the Annual Caps is primarily due to the expected growth of Ming An China and the expected increase in its capacity to provide general insurance services in the PRC to Cheung Kong Group and its associates in the next three years. In addition, given the status of the global insurance market, the Company believes that Ming An HK is in a unique position to provide more general insurance services in Hong Kong to Cheung Kong Group and its associates.

As stated above, we understand from the Company that the total branches (including all branches, sub-branches and sub sub-branches) of the Group increased from 31 as at 31 December 2007 to 92 as at 15 November 2008. The Company expected that their business, in particular the capacity of the Group's general insurance business in the PRC, will continue to expand in the coming three years. As a result it is expected that the general insurance businesses between the Group and Cheung Kong Group and its associates will increase in the three years ending 31 December 2011.

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Accordingly, we are of the view the Annual Caps are fair and reasonable and in the interest of the Independent Shareholders as a whole.

5. Implications of Listing Rules

The Continuing Connected Transactions are subject to the following annual review requirements of Rule 14A.37 to 14A.41 of the Listing Rules:

- a. Each year the independent non-executive Directors must review the transactions contemplated under the Master Reinsurance Agreement and the Master General Insurance Agreement and confirm in the annual report and accounts that the Continuing Connected Transactions have been entered into:
 - (1) in the ordinary and usual course of business of the Company;
 - (2) either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Company than terms available to or from (as appropriate) independent third parties; and
 - (3) in accordance with the Master Reinsurance Agreement and the Master General Insurance Agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.
- b. Each year the auditors must provide a letter to the Board (with a copy provided to the Stock Exchange at least 10 business days prior to the bulk printing of the Company's annual report), confirming that the Continuing Connected Transactions:
 - (1) have received the approval of the Board;
 - (2) are in accordance with the pricing policies of the Company if the Continuing Connected Transactions involve provision of goods or services by the Company;
 - (3) have been entered into in accordance with the Master Reinsurance Agreement and the Master General Insurance Agreement governing the Continuing Connected Transactions; and
 - (4) have not exceeded the Annual Caps.
- c. The Company shall allow, and shall procure that the connected persons under the Continuing Connected Transactions shall allow, the auditors sufficient access to their records for the purpose of reporting on the Continuing Connected Transactions as set out in the Listing Rules. The Board must state in the annual report whether its auditors have confirmed the matters stated in (b) above.
- d. The Company shall promptly notify the Stock Exchange and publish an announcement in accordance with Rule 2.07C if it knows or has reason to believe that the independent non-executive Directors and/or the auditors will not be able

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to confirm the matters set out in (a) and/or (b) above respectively. The Company may have to re-comply with Rules 14A.35(3) and (4) of the Listing Rules and any other conditions the Stock Exchange considers appropriate.

- e. Upon any variation or renewal of the Master Reinsurance Agreement and the Master General Insurance Agreement, the Company must comply in full with all applicable reporting, disclosure and independent Shareholders' approval requirements of Chapter 14 of the Listing Rules in respect of all continuing connected transactions effected after such variation or renewal.

The aforesaid annual review requirements pursuant to Rules 14A.37 to 14A.41 of the Listing Rules can provide appropriate measures to govern the Company in carrying out the Continuing Connected Transactions and safeguard the interest of the Shareholders thereunder.

RECOMMENDATION

Having considered the above principal factors and reasons, we consider that (i) the terms of the Continuing Connected Transactions and the Annual Caps are fair and reasonable so far as the independent Shareholders are concerned and are on normal commercial terms; and (ii) the Continuing Connected Transactions are in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole. Accordingly, we advise (i) the Independent Board Committee to recommend to the Independent Shareholders, and (ii) the Independent Shareholders, to vote in favour of the ordinary resolution(s) to be proposed at the AGM in relation to the Continuing Connected Transactions and the Annual Caps.

For and on behalf of
GF Capital (Hong Kong) Limited
Dino Ng
Managing Director and Co-Head of Corporate Finance

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS**(A) Directors' interests in the shares of the Company and associated corporations**

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have taken under such provisions of the SFO) or as recorded in the register maintained by the Company under Section 352 of the SFO or as notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Long positions in shares of the Company

Name	Number of shares held	Underlying shares pursuant to share options	Nature of interest	Percentage of interests in the issued share capital of the Company
Wu Chi Hung	130,000	–	Personal	0.004%
Cheng Kwok Ping	300,000	–	Personal	0.010%

Long positions in shares of the associated corporations

Name of Directors	Associated corporation	No. of Shares held	Underlying shares pursuant to share options	Nature of interest	Percentage of interests in the issued share capital of the associated corporation
Lin Fan	CIH	770,000	3,200,000	Personal	0.28%
Wu Chi Hung	CIH	–	800,000	Personal	0.06%
Peng Wei	CIH	70,000	400,000	Personal	0.03%

(B) Interests of substantial Shareholders of the Company

Save as disclosed below, as at the Latest Practicable Date, the Directors and the chief executive of the Company are not aware of any person (other than a Director or the chief executive of the Company) who had an interest or short

position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Long positions in the Shares of the Company

Substantial Shareholders	Capacity	Number of Ordinary Shares	Percentage of issued share capital
China Insurance Holdings (<i>Note 1</i>)	Interest of controlled corporations	1,492,196,000 (<i>Notes 1 and 2</i>)	51.34%
China Insurance HK (<i>Note 1</i>)	Beneficial owner	1,389,247,000 (<i>Note 1</i>)	47.80%
China Insurance HK (<i>Note 2</i>)	Interest of controlled corporations	102,949,000 (<i>Note 2</i>)	–
Cheung Kong (Holdings) Limited (“CKH”) (<i>Note 3</i>)	Interest of controlled corporations	609,290,000 (<i>Note 3</i>)	20.96%
Li Ka-Shing (<i>Note 3</i>)	Founder of discretionary trusts	609,290,000 (<i>Note 3</i>)	20.96%
Li Ka-Shing Unity Trustcorp Limited (<i>Note 3</i>) (as trustee of another discretionary trust)	Trustee & beneficiary of a trust	609,290,000 (<i>Note 3</i>)	20.96%
Li Ka-Shing Unity Trustee Corporation Limited (<i>Note 3</i>) (as trustee of The Li Ka-Shing Unity Discretionary Trust)	Trustee & beneficiary of a trust	609,290,000 (<i>Note 3</i>)	20.96%
Li Ka-Shing Unity Trustee Company Limited (<i>Note 3</i>) (as trustee of The Li Ka-Shing Unity Trust)	Trustee	609,290,000 (<i>Note 3</i>)	20.96%
Max Easy Enterprises Limited (<i>Note 3</i>)	Interest of controlled corporation	609,290,000 (<i>Note 3</i>)	20.96%
Marvel Bonus International Limited (<i>Note 3</i>)	Beneficial owner	609,290,000 (<i>Note 3</i>)	20.96%

Notes:

1. China Insurance HK held 1,388,761,000 shares of the Company Manhold Limited, a wholly-owned subsidiary of China Insurance HK, held 486,000 shares of the Company. China Insurance HK was, in turn, deemed to be interested in these 1,389,247,000 shares of the Company. China Insurance Holdings was deemed to be interested in these 1,389,247,000 shares of the Company by virtue of China Insurance HK being a wholly-owned subsidiary of China Insurance Holdings.
2. Share China Assets Limited, a wholly-owned subsidiary of CIH, held 102,949,000 shares of the Company. As CIH was a 54.38%-owned subsidiary of China Insurance HK which was in turn wholly-owned by China Insurance Holdings, both China Insurance Holdings and China Insurance HK were deemed to be interested in these 102,949,000 shares of the Company held by Share China Assets Limited
3. Mr. Li Ka-Shing is the settlor of each of The Li Ka-Shing Unity Discretionary Trust (“DT1”) and another discretionary trust (“DT2”). Each of Li Ka-Shing Unity Trustee Corporation Limited (“TDT1”, which is the trustee of DT1) and Li Ka-Shing Unity Trustcorp Limited (“TDT2”, which is the trustee of DT2) holds units in The Li Ka-Shing Unity Trust (“UT1”) but is not entitled to any interest or share in any particular property comprising the trust assets of the said unit trust. The discretionary beneficiaries of each of DT1 and DT2 are, inter alia, Mr. Li Tzar Kuoi, Victor, his wife and children and Mr. Li Tzar Kai, Richard. Li Ka-Shing Unity Trustee Company Limited (“TUT1”) as trustee of UT1 together with certain companies which TUT1 as trustee of UT1 is entitled to exercise or control the exercise of one-third or more of the voting power at their general meetings hold more than one-third of the issued share capital of Cheung Kong (Holdings) Limited (“CKH”).

The entire issued share capital of each of TUT1, TDT1 and TDT2 are owned by Li Ka-Shing Unity Holdings Limited (“Unity Holdco”). Each of Mr. Li Ka-Shing, Mr. Li Tzar Kuoi, Victor and Mr. Li Tzar Kai, Richard is interested in one-third of the entire issued share capital of Unity Holdco. TUT1 is only interested in the shares of CKH by reason only of its obligation and power to hold interests in those shares in its ordinary course of business as trustee and, when performing its functions as trustee, exercises its power to hold interests in the shares of CKH independently without any reference to Unity Holdco or any of Mr. Li Ka-Shing, Mr. Li Tzar Kuoi, Victor and Mr. Li Tzar Kai, Richard as a holder of the shares of Unity Holdco as aforesaid.

By virtue of the SFO, each of Mr. Li Ka-Shing, being the settlor and may being regarded as a founder of each of DT1 and DT2 for the purpose of the SFO, TUT1, TDT1, TDT2 and CKH is deemed to be interested in the 609,290,000 Shares of the Company of which all the Shares are held by Marvel Bonus International Limited which is the wholly-owned subsidiary of Max Easy Enterprises Limited which is then the wholly-owned subsidiary of CKH.

3. LITIGATION

As at the Latest Practicable Date, neither the Company nor any other member of the Group is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened by or against the Company or any other member of the Group.

4. DIRECTORS’ SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with the Company or any of its subsidiaries which is not terminable within one year without payment of compensation (other than statutory compensation).

5. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, the following Directors had interests in the following businesses (apart from the Company's businesses) conducted through the companies named below, their subsidiaries, associated companies or other investment forms which are considered to compete or be likely to compete, either directly or indirectly, with the principal businesses of the Company conducted during the year required to be disclosed pursuant to rule 8.10 of the Listing Rules:

Name of Director	Name of company	Nature of Interest	Nature of competing business
Lin Fan	China Insurance Holdings	Executive Director	General insurance business
	China Insurance HK	Executive Director	General insurance business
Peng Wei	China Insurance Holdings	Executive Director	General insurance business
	China Insurance HK	Executive Director	General insurance business
Cheng Kwok Ping	China Insurance HK	Non-executive Director	General insurance business

The Board and senior management of the Company operate independently of the boards and senior management of each of the above companies. For details of the arrangement in place, please refer to the Prospectus under the section headed "Relationship with China Insurance Group and Connected Transactions".

Each of China Insurance Holdings and China Insurance HK has, upon the Company's listing, given non-competition undertakings and equity of treatment undertakings to the Company. Pursuant to the non-competition undertakings, each of China Insurance Holdings and China Insurance HK has undertaken to the Company that it will not further engage or participate in any general insurance business that competes or may compete with the Group's business. Pursuant to the equity of treatment undertakings, each of China Insurance Holdings and China Insurance HK has undertaken that they will treat their investments in Tai Ping Insurance (Note) and the Company on an equal footing and will not take advantage of their status as a holder of the Company's shares or take advantage of the information obtained by virtue of such status to make decisions or judgments against the Company and in favour of Tai Ping Insurance; and will disregard the interests of Tai Ping Insurance when exercising their voting rights as Shareholders of the Company. The Company's independent non-executive Directors will annually review all the decisions taken in relation to such undertakings given by China Insurance Holdings and China Insurance HK, and disclose such decisions and rationale for them in the Company's annual reports.

Note: As at the Latest Practicable Date, Tai Ping Insurance is owned as to 37.50%, 50.05% and 12.45% by China Insurance Holdings, CIIH and Industrial and Commercial Bank of China (Asia) Limited. China Insurance Holdings, together with parties acting in concert with it (including China Insurance HK), holds over 50% of the issued share capital of CIIH as at the Latest Practicable Date.

6. OTHER ARRANGEMENTS INVOLVING DIRECTORS

As at the Latest Practicable Date:

- (a) none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date and which was significant in relation to the business of the Group; and
- (b) none of the Directors had any direct or indirect interest in any assets which had been since 31 December 2007 (the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by, or leased to, or were proposed to be acquired or disposed of by, or leased to any member of the Group.

7. MATERIAL ADVERSE CHANGE

Due to the recent global financial crisis, equity prices around the world have generally decreased across the board. Therefore, when comparing the investment returns of 2007 with that of the first half of 2008, the Directors believe that investment returns in 2008 will likely be significantly lower than investment returns of 2007.

Save as disclosed above, as at the Latest Practicable Date, the Directors are not aware of any material adverse changes in the financial or trading position of the Group since 31 December 2007, being the date to which the latest published audited financial statements of the Group were made up.

8. EXPERT

- (a) The following is the qualification of the expert who has given its opinions or advice which are contained in this circular:

Name	Qualification
GF Capital (Hong Kong) Limited	a corporation licensed to carry out type 6 (advising on corporate finance) regulated activities under the SFO

- (b) As at the Latest Practicable Date, GF Capital (Hong Kong) Limited had no shareholding in any member of the Group and did not have any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group.
- (c) As at the Latest Practicable Date, GF Capital (Hong Kong) Limited had no direct or indirect interest in any assets which had been, since 31 December 2007 (the date to which the latest published audited financial statements of the Company were made up), acquired, disposed of by, or leased to any member of the Group, or were proposed to be acquired, disposed of by, or leased to any member of the Group.

- (d) GF Capital (Hong Kong) Limited has given and has not withdrawn its written consent to the issue of this circular with inclusion of its letter and the reference to its name included herein in the form and context in which they respectively appear.

9. MISCELLANEOUS

- (a) The registered office of the Company is Clifton House, 75 Fort Street, P. O. Box 1350 GT, George Town, Grand Cayman, Cayman Islands.
- (b) The head office and principal place of business of the Company in Hong Kong is 19/F., Ming An Plaza, 8 Sunning Road, Causeway Bay, Hong Kong.
- (c) The company secretary of the Company is Ms Lim Bik Har. Ms Lim is an associate member of The Institute of Chartered Secretaries Administrators and The Hong Kong Institute of Chartered Secretaries. She has over 20 years of experience in corporate administration, compliance and company secretarial practice. Ms Lim obtained a Master's degree in Business Administration from the University of Strathclyde, United Kingdom in 2000 and a Master's degree in Corporate Governance from the Hong Kong Polytechnic University in 2006.
- (d) The qualified accountant of the Company appointed pursuant to Rule 3.24 of the Listing Rules is Ms Ho Kwok Ching. Ms Ho holds a Bachelor of Social Sciences degree in Economics from the Chinese University of Hong Kong in 1983 and a Master's degree in Business Administration from the University of Strathclyde, United Kingdom in 2000. Ms Ho is a Fellow member of the Association of Chartered Certified Accountants in United Kingdom and Fellow member of Hong Kong Institute of Certificate Public Accountants.
- (e) The Hong Kong branch share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited of Room 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (f) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at the principal place of business of the Company at 19th Floor, Ming An Plaza, 8 Sunning Road, Causeway Bay, Hong Kong from the date of this circular up to and including 14 January 2009:

- (a) the Master Reinsurance Agreement and the Master General Insurance Agreement;
- (b) the "Letter from the Independent Board Committee" as set out in this circular;
- (c) the "Letter from GF Capital (Hong Kong) Limited " as set out in this circular; and
- (d) the letter of consent from GF Capital (Hong Kong) Limited referred to in paragraph 8 of this Appendix