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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)

## ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2009

### FINANCIAL HIGHLIGHTS

- **Gross written premiums amounted to HK\$1,170 million.**
- **Profit attributable to shareholders amounted to HK\$56 million.**
- **Earnings per share amounted to HK\$0.019.**

### OVERVIEW OF FINANCIAL RESULTS

As a leading general insurance company headquartered in Hong Kong, The Ming An (Holdings) Company Limited (the “Company”) and its subsidiaries (the “Group”) provide a variety of general insurance products to a broad range of customers in Hong Kong and the People’s Republic of China (the “PRC”).

Performance highlights of the Group for the periods indicated below are as follows:

	<b>Six months ended 30 June</b>	
	<b>2009</b>	<b>2008</b>
	<i>(HK\$ in millions)</i>	
Gross written premiums	<b>1,170</b>	960
Underwriting loss	<b>(106)</b>	(111)
Investment income	<b>105</b>	114
Net realized and unrealized gains on investments	<b>60</b>	45
Profit for the period	<b>56</b>	20
	<b>At 30 June</b>	<b>At 31 December</b>
	<b>2009</b>	<b>2008</b>
	<i>(HK\$ in millions, except percentages)</i>	
Total assets	<b>7,577</b>	7,394
ROAE	<b>1.6%</b>	(10.4%)

The Group recorded a net profit of HK\$56 million for the six months ended 30 June 2009, representing a significant increase of 180% as compared with HK\$20 million for the corresponding period last year. Our Hong Kong operations recorded a net profit of HK\$126 million (2008: HK\$ 171 million), whereas, our PRC operations recorded a net loss of HK\$70 million (2008: HK\$151 million).

Gross written premiums increased by 21.9% to HK\$1,170 million for the six months ended 30 June 2009 as compared with HK\$960 million for the corresponding period last year. Our PRC operations recorded a significant growth and contributed 62.3% (2008: 49.9%) to the total gross written premiums of the Group, whereas Hong Kong Operations contributed 37.7% (2008: 50.1%). For the six months ended 30 June 2009, the Group's five business lines, namely, motor, property, marine, liability and accident and health insurance represented 53.3%, 21.0%, 10.0%, 10.7% and 5.0% (2008: 42.7%, 24.1%, 15.4%, 11.6% and 6.2%) of the Group's total gross written premiums respectively.

Our three primary distribution channels are intermediaries such as agents and brokers, direct sales and other financial institutions. For the six months ended 30 June 2009, the Group's direct written premiums through agents, brokers, direct sales and other financial institutions accounted for approximately 59.4%, 23.0%, 14.7% and 2.9% (2008: 59.5%, 27.7%, 9.1% and 3.7%) respectively of the Group's direct written premiums.

The Group recorded an underwriting loss of HK\$106 million (2008: HK\$111 million) and a combined ratio of 113.3% (2008: 122.0%) for the six months ended 30 June 2009. For our Hong Kong operations, the underwriting profit was HK\$3 million (2008: HK\$14 million) with a combined ratio of 99.0% (2008: 95.1%). Our PRC operations recorded an underwriting loss of HK\$109 million (2008: HK\$125 million) with a combined ratio of 120.9% (2008: 156.8%).

For details of our insurance operations, please refer to the section "Results of insurance operations" below.

During the six months ended 30 June 2009, total investment returns of the Group were HK\$165 million (2008: HK\$159 million). Investment income of the Group recorded a decrease of 7.9% to HK\$105 million for the six-month period as compared with HK\$114 million for the corresponding period last year. The decrease was primarily due to the decrease in dividend income from equity securities. The net realized and unrealized gains on investments recorded an increase of 33.3% to HK\$60 million for the six-month period as compared with HK\$45 million for the corresponding period last year. The increase was attributed by the recovery in the local and the PRC equity market in the first half of 2009 after the financial tsunami.

As at 30 June 2009, our total assets were HK\$7,577 million, representing an increase of 2.5% as compared with HK\$7,394 million as at 31 December 2008. Stable assets level has been maintained for the period.

## RESULTS OF INSURANCE OPERATIONS

The following tables highlight selected results of our insurance operations for the periods indicated below:

### HONG KONG OPERATIONS

	Six months ended 30 June	
	2009	2008
	<i>(HK\$ in millions, except percentages)</i>	
<b>Gross written premiums</b>	<b>441</b>	481
<b>Net earned premiums</b>	<b>275</b>	284
<b>Net claims incurred</b>	<b>(146)</b>	(131)
<b>Net commission expenses</b>	<b>(54)</b>	(73)
<b>Other operating expenses</b>	<b>(71)</b>	(72)
<b>Change in net provision for unexpired risks</b>	<b>(1)</b>	6
<b>Underwriting profit</b>	<b>3</b>	14
<b>Operating ratios:</b>		
Loss ratio	<b>53.5%</b>	44.0%
Expense ratio	<b>45.5%</b>	51.1%
<b>Combined ratio</b>	<b>99.0%</b>	95.1%

### Gross Written Premiums

Gross written premiums decreased by 8.3% to HK\$441 million for the six months ended 30 June 2009 as compared with HK\$481 million for the corresponding period last year.

### Underwriting Profit

Underwriting profit decreased by 78.6% to HK\$3 million for the six months ended 30 June 2009 as compared with HK\$14 million for the corresponding period last year. The decrease was mainly resulted from the adverse claims experience in motor and liability segments.

## PRC OPERATIONS

	Six months ended 30 June	
	2009	2008
	<i>(HK\$ in millions, except percentages)</i>	
<b>Gross written premiums</b>	<b>729</b>	479
<b>Net earned premiums</b>	<b>522</b>	220
<b>Net claims incurred</b>	<b>(279)</b>	(137)
<b>Net commission expenses</b>	<b>(90)</b>	(46)
<b>Other operating expenses</b>	<b>(262)</b>	(162)
<b>Change in net provision for unexpired risks</b>	<b>–</b>	–
<b>Underwriting loss</b>	<b>(109)</b>	(125)
<b>Operating ratios:</b>		
Loss ratio	<b>53.5%</b>	62.3%
Expense ratio	<b>67.4%</b>	94.5%
<b>Combined ratio</b>	<b>120.9%</b>	156.8%

### Gross Written Premiums

Gross written premiums increased significantly by 52.2% to HK\$729 million for the six months ended 30 June 2009 as compared with \$479 million for the corresponding period last year. The substantial growth was mainly attributed to the establishment of the comprehensive network of our PRC operations and the expansion of business in the first half of 2009. The motor and non-motor business segments of our PRC operations contributed approximately 72.6% (2008: 63.7%) and 27.4% (2008: 36.3%) of the Group's PRC gross written premiums respectively.

### Underwriting loss

Our PRC operations recorded an underwriting loss of HK\$109 million for the six months ended 30 June 2009 when compared with HK\$125 million for the corresponding period last year. The underwriting performance improved, attributable to the increase of premiums income generated from the establishment of our comprehensive networks in the PRC as well as better control of quality of business.

## INVESTMENT PERFORMANCE

The following table summarises the Group's investment portfolio by investment category for the periods indicated below:

	<b>At 30 June 2009</b> <i>(HK \$ in millions)</i>	<b>% of Total</b> %	At 31 December 2008 <i>(HK \$ in millions)</i>	% of Total %
Equity securities:				
Listed	<b>197</b>	<b>3.7%</b>	244	4.7%
Unlisted	<b>153</b>	<b>2.9%</b>	203	3.9%
Debt securities:				
Listed	<b>1,630</b>	<b>30.4%</b>	1,580	30.5%
Unlisted	<b>463</b>	<b>8.7%</b>	443	8.5%
Certificates of deposit	<b>24</b>	<b>0.5%</b>	95	1.8%
Cash and bank deposits	<b>1,759</b>	<b>32.8%</b>	1,494	28.8%
Investment properties	<b>1,094</b>	<b>20.3%</b>	1,088	21.0%
Loan receivables	<b>34</b>	<b>0.6%</b>	34	0.7%
Other investment assets <sup>(1)</sup>	<b>4</b>	<b>0.1%</b>	5	0.1%
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<b>Total invested assets</b>	<b>5,358</b>	<b>100.0%</b>	5,186	100.0%
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(1) Other investment assets primarily consist of interest in an associate, investments in gold and club debentures.

Increase in cash and bank deposits by HK\$265 million is mainly due to the cash inflow generated from investment income and disposal of equity securities and certificates of deposit during the period. Investment in debt securities increased to HK\$2,093 million as at 30 June 2009 compared to HK\$2,023 as at 31 December 2008. The Group remains a stable portfolio on its investment in debt securities with an aim to generate stable cash flows while earning competitive market rate of return.

The following table sets forth the performance of the Group's investment portfolio for the period indicated below:

	<b>Investment Returns</b>		<b>Investment Yields (Annualized)</b>	
	<b>Six months ended 30 June</b>			
	<b>2009</b>	2008	<b>2009</b>	2008
<b>Investment income</b>	(HK\$ in millions)		%	
Interest and dividend income				
Dividend income from listed and unlisted equity securities	<b>9</b>	28	<b>4.8%</b>	9.1%
Interest income from debt securities	<b>59</b>	42	<b>5.6%</b>	5.6%
Interest income from bank balances	<b>11</b>	22	<b>1.3%</b>	2.1%
Interest income from loan receivables	<b>1</b>	0	<b>6.1%</b>	0.0%
Rental income	<b>25</b>	22	<b>4.5%</b>	4.2%
	<b>105</b>	114	<b>4.0%</b>	4.3%
<b>Net realized and unrealized gains on investments</b>	<b>60</b>	45	<b>N/A</b>	N/A
<b>Total investment returns</b>	<b>165</b>	159	<b>6.3%</b>	6.0%

The total investment returns of the Group increased by 3.8% to HK\$165 million for the six months ended 30 June 2009 as compared with HK\$159 million for the corresponding period last year.

## **PROFIT FOR THE PERIOD**

Total investment returns for the six months ended 30 June 2009 were HK\$165 million, while the underwriting loss for the six-month period was HK\$106 million. Income tax charge for the period was HK\$0.3 million, representing a tax provision in the PRC. After deducting the expenses of HK\$2.7 million, the profit for the six-month period was HK\$56 million.

## OUTLOOK

In the year 2009, competition intensified in the Hong Kong general insurance market. The Group adhered to the principles of integrity, professionalism and value, and adopted suitably active marketing strategies to maintain its leading market position.

The Group's business in the PRC market is growing steadily. Following the completion of the establishment of the Group's network on the mainland of China in the year 2008 and the commencement of the operation of its branches, the Group achieved satisfactory premium growth in the first half of 2009. Premium income reached HK\$729 million, an increase of fifty-two per cent compared to the same period in the previous year. In the second half of the year, the Group will continue to reform its sales and marketing systems, and further control costs, in order to make its branch operations break-even and become profitable as soon as possible. In June 2009, the Group received the approval from the China Insurance Regulatory Commission (CIRC) for AMTD Financial Planning Limited of the Cheung Kong Group to acquire the shares of Shenzhen CIG-AMTD Insurance Brokers Company Limited of the Group. It is believed that this will help the Group further develop its mainland business.

In respect of business in the Hong Kong market, the Group will continue to adopt active business development strategies in order to enhance cooperation with its business partners. The Group will not only further strengthen its marketing campaigns, but also develop new products to increase its market share. Furthermore, the Group is actively developing its business, while imposing strict control on the quality of business, striving to increase the volume of good business and maintaining stable profit in order to support the development of the Group's business in the PRC.

The first half of 2009 saw volatile investment market conditions, with opportunities and challenges. The Group seized the opportunities and achieved higher than expected investment income. In the second half of the year, the Group will continue to strengthen its communication and cooperation with asset management companies, to monitor closely changes in market conditions, to ensure good investment analysis and management, and to strive to create stable investment income.

In summary, the Group remains firmly committed to its prudent management approach under the current business conditions. At the same time, the Group will continue to actively explore market opportunities, take full advantage of its interactive business model between Hong Kong and the PRC, and increase its competitiveness in the general insurance market.

The Board of Directors of the Company (the “Board”) has pleasure in presenting the condensed consolidated results of the Group for the six months ended 30 June 2009 with comparative figures for the previous corresponding period as follows:

## CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2009 – unaudited

(Expressed in Hong Kong dollars)

		<b>Six months ended 30 June</b>	
	<i>Notes</i>	<b>2009</b>	<b>2008</b>
		\$	\$
Gross written premiums		<b>1,170,436,843</b>	960,024,030
Change in gross provision for unearned premiums		<u><b>(129,803,958)</b></u>	<u>(210,070,663)</u>
<b>Gross earned premiums</b>		<b>1,040,632,885</b>	749,953,367
Reinsurers' share of earned premiums	4	<u><b>(243,201,140)</b></u>	<u>(245,664,712)</u>
<b>Net earned premiums</b>		<u><b>797,431,745</b></u>	<u>504,288,655</u>
<b>Net commission expenses</b>	4	<u><b>(144,279,659)</b></u>	<u>(119,365,195)</u>
Gross claims paid		<b>(571,949,332)</b>	(377,126,826)
Change in gross provision for outstanding claims		<u><b>64,057,437</b></u>	<u>(66,163,382)</u>
<b>Gross claims incurred</b>		<b>(507,891,895)</b>	(443,290,208)
Reinsurers' share of claims incurred	4	<u><b>82,853,702</b></u>	<u>174,909,712</u>
<b>Net claims incurred</b>		<u><b>(425,038,193)</b></u>	<u>(268,380,496)</u>
<b>Change in net provision for unexpired risks</b>	4	<u><b>(1,480,000)</b></u>	<u>6,120,000</u>
<b>Other operating expenses</b>		<u><b>(332,662,618)</b></u>	<u>(234,046,567)</u>
<b>Underwriting loss</b>		<b>(106,028,725)</b>	(111,383,603)
Investment income	5	<b>104,891,406</b>	114,347,535
Net realised and unrealised gains on investments	6	<b>60,492,746</b>	45,138,044
Other net gain/(loss)		<b>7,994,398</b>	(17,007,732)
Administrative and other expenses		<u><b>(10,335,044)</b></u>	<u>(11,361,257)</u>
<b>Profit from operations</b>		<b>57,014,781</b>	19,732,987
Share of (loss)/profit of an associate		<u><b>(222,084)</b></u>	<u>136,135</u>
<b>Profit before tax</b>	7	<b>56,792,697</b>	19,869,122
Income tax expense	8	<u><b>(318,802)</b></u>	<u>(100,221)</u>
<b>Profit for the period</b>		<u><b>56,473,895</b></u>	<u>19,768,901</u>
<b>Attributable to owners of the Company:</b>			
Profit for the period		<u><b>56,473,895</b></u>	<u>19,768,901</u>
<b>Earnings per share attributable to owners of the Company:</b>			
Basic	10	<u><b>0.019</b></u>	<u>0.007</u>
Diluted		<u><b>0.019</b></u>	<u>0.007</u>



## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2009 – unaudited

*(Expressed in Hong Kong dollars)*

	Six months ended 30 June	
	2009	2008
	\$	\$
Profit for the period	<u>56,473,895</u>	<u>19,768,901</u>
Other comprehensive income:		
Exchange differences arising on translation of foreign operations	(1,458,492)	62,234,151
Net change in fair value of available-for-sale securities	<u>71,197,388</u>	<u>(166,634,356)</u>
Other comprehensive income for the period	<u>69,738,896</u>	<u>(104,400,205)</u>
<b>Total comprehensive income for the period</b>	<b><u>126,212,791</u></b>	<b><u>(84,631,304)</u></b>
<b>Attributable to owners of the Company</b>	<b><u>126,212,791</u></b>	<b><u>(84,631,304)</u></b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2009 – unaudited

(Expressed in Hong Kong dollars)

	Notes	At 30 June 2009 \$	At 31 December 2008 \$ (Audited)
<b>Assets</b>			
Statutory deposits		220,346,273	220,268,135
Property and equipment		207,376,087	220,429,169
Interests in leasehold land held for own use under operating leases		353,940,064	349,306,204
Investment properties		1,094,540,000	1,087,710,000
Interest in an associate		3,958,337	4,180,421
Deferred tax assets		69,306,884	69,306,841
Loan receivables		34,031,700	34,017,900
Investments in securities		2,466,773,791	2,565,721,717
Insurance receivables	11	358,427,366	291,553,045
Other receivables		139,162,923	92,403,673
Reinsurers' share of insurance funds		1,052,182,903	1,158,347,658
Amount due from ultimate holding company		564,494	564,264
Amounts due from shareholders		1,248,803	4,173,936
Amounts due from fellow subsidiaries		708,637	7,358,338
Amounts due from other affiliated companies		35,463,491	15,066,873
Pledged bank deposits		83,276,993	83,276,242
Deposits with banks with original maturity more than three months		669,773,415	123,223,221
Cash and cash equivalents		786,104,184	1,067,109,586
		<u>7,577,186,345</u>	<u>7,394,017,223</u>
<b>Liabilities</b>			
Insurance funds		3,298,429,682	3,230,699,167
Insurance protection fund		3,838,569	6,424,531
Insurance payables	12	433,747,030	410,982,336
Other payables		113,915,858	124,228,379
Amounts due to shareholders		1,164,315	200,868
Amounts due to fellow subsidiaries		4,783,416	29,428,831
Amounts due to other affiliated companies		450,163	629,594
Securities sold under repurchase agreements		113,439,000	110,217,996
Tax liabilities		121,468,537	121,468,537
		<u>4,091,236,570</u>	<u>4,034,280,239</u>
<b>Net assets</b>		<u>3,485,949,775</u>	<u>3,359,736,984</u>
<b>Capital and reserves</b>			
Share capital		290,638,400	290,638,400
Share premium		2,292,071,992	2,292,071,992
Reserves		903,239,383	777,026,592
		<u>3,485,949,775</u>	<u>3,359,736,984</u>
<b>Total equity attributable to owners of the Company</b>		<u>3,485,949,775</u>	<u>3,359,736,984</u>

## NOTES:

### 1. Basis of preparation

The unaudited interim financial report has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorised for issuance on 18 August 2009.

### 2. Significant accounting policies

The unaudited interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2008 annual financial statements. The condensed consolidated financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRSs").

In preparing the unaudited interim financial report, the significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2008.

The accounting policies and methods of computation adopted in the 2008 annual financial statements have been applied consistently to this unaudited interim financial report.

In the current interim period, the Group has applied, for the first time, a number of new and revised standards, amendments and interpretations ("new or revised HKFRSs") issued by the HKICPA, which are effective for the Group's financial year beginning on 1 January 2009. The new or revised HKFRSs mainly include the following:

#### HKFRS 8 Operating Segments

*(effective for annual periods beginning on or after 1 January 2009)*

The application of HKFRS 8 has not resulted in redesignation of the Group's reportable segments (see note 3).

#### HKAS 1 (Revised 2007) Presentation of Financial Statements

*(effective for annual periods beginning on or after 1 January 2009)*

HKAS 1 (Revised 2007) has introduced a number of terminology changes, including revised titles for the condensed consolidated financial statements, and has resulted in a number of changes in presentation and disclosure.

The adoption of the new or revised HKFRSs had no material impact on the results and the financial position of the Group for the current and/or prior accounting periods. Accordingly, no prior period adjustment has been required.

The Group has not early applied new and revised standards, amendments or interpretations that have been issued but are not yet effective. The adoption of HKFRS 3 (Revised 2008) may affect the Group's accounting for business combinations for which the acquisition dates are on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised 2008) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary that do not result in loss of control of the subsidiary. Changes in the Group's ownership interest that do not result in loss of control of the subsidiary will be accounted for as equity transactions. The directors of the Company anticipate that the application of other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

For the purpose of the interim financial report, the People's Republic of China ("the PRC") does not include Taiwan, Hong Kong and Macao.

### 3. Segment information

The Group has adopted HKFRS 8 Operating Segments with effect from 1 January 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker being the Board of Directors in order to allocate resources to segments and to assess their performance. In contrast, the predecessor Standard (HKAS 14, Segment Reporting) required an entity to identify two sets of segments (business and geographical) using a risks and returns approach, with the entity's "system of internal financial reporting to key management personnel" serving only as the starting point for the identification of such segments. In the past, the Group's primary reporting format was business segments. The application of HKFRS 8 has not resulted in redesignation of the Group's reportable segments as compared with the primary reportable segment determined in accordance with HKAS 14. Nor has the adoption of HKFRS 8 changed the basis of measurement of segment profit or loss.

#### Business segments

For management purposes, the Group is currently organised into five underwriting business classes - motor, property, liability, marine, and accident and health.

### 3. Segment information (continued)

Motor	:	Own damage and third party insurance of motor vehicles
Property	:	Loss of or damage to property (including fire) and pecuniary loss insurance
Liability	:	Employees' compensation and other liability insurance
Marine	:	Cargo, logistic, hull and aircraft insurance
Accident and health	:	Accident and medical insurance

#### Six months ended 30 June 2009

	<u>Motor</u>	<u>Property</u>	<u>Liability</u>	<u>Marine</u>	<u>Accident and health</u>	<u>Total</u>
	\$	\$	\$	\$	\$	\$
Direct businesses	624,015,876	243,538,556	124,531,826	116,985,479	58,899,759	1,167,971,496
Reinsurance businesses accepted	–	2,127,653	198,989	114,364	24,341	2,465,347
Gross written premiums from external customers - segment revenue	<u>624,015,876</u>	<u>245,666,209</u>	<u>124,730,815</u>	<u>117,099,843</u>	<u>58,924,100</u>	<u>1,170,436,843</u>
Net earned premiums	531,837,727	74,320,604	102,350,148	49,312,242	39,611,024	797,431,745
Net claims incurred	(309,836,033)	(15,814,598)	(68,889,270)	(17,728,867)	(12,769,425)	(425,038,193)
Change in net provision for unexpired risks	–	–	430,000	(890,000)	(1,020,000)	(1,480,000)
Net commission (expenses)/income	(111,276,575)	1,903,162	(20,455,868)	(4,410,825)	(10,039,553)	(144,279,659)
Other operating expenses	(217,206,277)	(50,638,676)	(23,658,122)	(22,744,073)	(18,415,470)	(332,662,618)
Segment results	<u>(106,481,158)</u>	<u>9,770,492</u>	<u>(10,223,112)</u>	<u>3,538,477</u>	<u>(2,633,424)</u>	<u>(106,028,725)</u>
Investment income						104,891,406
Net realised and unrealised gains on investments						60,492,746
Other net gain						7,994,398
Administrative and other expenses						(10,335,044)
Profit from operations						57,014,781
Share of loss of an associate						(222,084)
Profit before tax						56,792,697
Income tax expense						(318,802)
Profit for the period						<u>56,473,895</u>

#### Six months ended 30 June 2008

	<u>Motor</u>	<u>Property</u>	<u>Liability</u>	<u>Marine</u>	<u>Accident and health</u>	<u>Total</u>
	\$	\$	\$	\$	\$	\$
Direct businesses	410,262,238	231,042,492	110,869,713	147,230,493	59,398,974	958,803,910
Reinsurance businesses accepted	47,300	348,912	54,303	185,104	584,501	1,220,120
Gross written premiums from external customers - segment revenue	<u>410,309,538</u>	<u>231,391,404</u>	<u>110,924,016</u>	<u>147,415,597</u>	<u>59,983,475</u>	<u>960,024,030</u>
Net earned premiums	265,934,325	59,230,758	90,802,102	51,157,953	37,163,517	504,288,655
Net claims incurred	(136,827,525)	(51,567,644)	(50,014,929)	(14,211,197)	(15,759,201)	(268,380,496)
Change in net provision for unexpired risks	–	–	5,070,000	1,640,000	(590,000)	6,120,000
Net commission expenses	(79,219,940)	(4,203,362)	(19,003,487)	(6,252,504)	(10,685,902)	(119,365,195)
Other operating expenses	(129,385,759)	(43,121,969)	(22,697,681)	(22,449,115)	(16,392,043)	(234,046,567)
Segment results	<u>(79,498,899)</u>	<u>(39,662,217)</u>	<u>4,156,005</u>	<u>9,885,137</u>	<u>(6,263,629)</u>	<u>(111,383,603)</u>
Investment income						114,347,535
Net realised and unrealised gains on investments						45,138,044
Other net loss						(17,007,732)
Administrative and other expenses						(11,361,257)
Profit from operations						19,732,987
Share of profit of an associate						136,135
Profit before tax						19,869,122
Income tax expense						(100,221)
Profit for the period						<u>19,768,901</u>

### 3. Segment information (continued)

#### Geographical information

The Group's business participates in two principal economic environments, namely Hong Kong and the PRC.

The following geographical information is prepared based on the geographical location of customers.

	<b>Six months ended 30 June 2009</b>		
	<b>Hong Kong</b>	<b>The PRC</b>	<b>Total</b>
	\$	\$	\$
Direct businesses	440,281,237	727,690,259	1,167,971,496
Reinsurance businesses accepted	439,594	2,025,753	2,465,347
Gross written premiums from external customers	<u>440,720,831</u>	<u>729,716,012</u>	<u>1,170,436,843</u>
Net earned premiums	275,675,000	521,756,745	797,431,745
Net claims incurred	(145,806,918)	(279,231,275)	(425,038,193)
Change in net provision for unexpired risks	(1,480,000)	–	(1,480,000)
Net commission expenses	(54,341,782)	(89,937,877)	(144,279,659)
Other operating expenses	<u>(70,865,819)</u>	<u>(261,796,799)</u>	<u>(332,662,618)</u>
Investment income	3,180,481	(109,209,206)	(106,028,725)
Net realised and unrealised gains on investments	82,042,737	22,848,669	104,891,406
Other net gain	42,889,874	17,602,872	60,492,746
Administrative and other expenses	4,728,444	3,265,954	7,994,398
	<u>(6,093,174)</u>	<u>(4,241,870)</u>	<u>(10,335,044)</u>
Profit/(loss) from operations	126,748,362	(69,733,581)	57,014,781
Share of loss of an associate	(222,084)	–	(222,084)
Profit/(loss) before tax	126,526,278	(69,733,581)	56,792,697
Income tax expense	–	(318,802)	(318,802)
Profit/(loss) for the period	<u>126,526,278</u>	<u>(70,052,383)</u>	<u>56,473,895</u>

	<b>Six months ended 30 June 2008</b>		
	<b>Hong Kong</b>	<b>The PRC</b>	<b>Total</b>
	\$	\$	\$
Direct businesses	479,655,755	479,148,155	958,803,910
Reinsurance businesses accepted	1,220,120	–	1,220,120
Gross written premiums from external customers	<u>480,875,875</u>	<u>479,148,155</u>	<u>960,024,030</u>
Net earned premiums	283,816,436	220,472,219	504,288,655
Net claims incurred	(131,488,701)	(136,891,795)	(268,380,496)
Change in net provision for unexpired risk	6,120,000	–	6,120,000
Net commission expenses	(72,920,849)	(46,444,346)	(119,365,195)
Other operating expenses	<u>(71,620,060)</u>	<u>(162,426,507)</u>	<u>(234,046,567)</u>
Investment income	13,906,826	(125,290,429)	(111,383,603)
Net realised and unrealised gains/ (losses) on investments	81,197,631	33,149,904	114,347,535
Other net gain/(loss)	58,640,095	(13,502,051)	45,138,044
Administrative and other expenses	26,372,417	(43,380,149)	(17,007,732)
	<u>(8,850,127)</u>	<u>(2,511,130)</u>	<u>(11,361,257)</u>
Profit/(loss) from operations	171,266,842	(151,533,855)	19,732,987
Share of profit of an associate	136,135	–	136,135
Profit/(loss) before tax	171,402,977	(151,533,855)	19,869,122
Income tax expense	–	(100,221)	(100,221)
Profit/(loss) for the period	<u>171,402,977</u>	<u>(151,634,076)</u>	<u>19,768,901</u>

**4. Reinsurers' share of earned premiums, net commission expenses, reinsurers' share of claims incurred and change in net provision for unexpired risks**

	<b>Six months ended 30 June</b>	
	<b>2009</b>	<b>2008</b>
	\$	\$
Premiums ceded to reinsurers	(279,478,757)	(276,687,677)
Change in reinsurers' share of provision for unearned premiums	<u>36,277,617</u>	<u>31,022,965</u>
<b>Reinsurers' share of earned premiums</b>	<b><u>(243,201,140)</u></b>	<b><u>(245,664,712)</u></b>
Gross commission income	72,113,587	69,366,398
Gross commission expenses	<u>(216,393,246)</u>	<u>(188,731,593)</u>
<b>Net commission expenses</b>	<b><u>(144,279,659)</u></b>	<b><u>(119,365,195)</u></b>
Reinsurers' share of claims paid	225,532,272	135,278,518
Reinsurers' share of change in provision for outstanding claims	<u>(142,678,570)</u>	<u>39,631,194</u>
<b>Reinsurers' share of claims incurred</b>	<b><u>82,853,702</u></b>	<b><u>174,909,712</u></b>
Change in gross provision for unexpired risks	(1,620,000)	13,170,000
Change in reinsurers' share of provision for unexpired risks	<u>140,000</u>	<u>(7,050,000)</u>
<b>Change in net provision for unexpired risks</b>	<b><u>(1,480,000)</u></b>	<b><u>6,120,000</u></b>

**5. Investment income**

	<b>Six months ended 30 June</b>	
	<b>2009</b>	<b>2008</b>
	\$	\$
Interest income		
- Debt securities	54,718,572	34,921,404
- Bank balances	11,017,562	22,249,794
- Loan receivables	1,053,404	-
Interest income from held-for-trading securities	3,989,604	6,864,923
Rental income	24,580,150	22,490,127
Dividend income		
- Listed equity securities	1,657,513	6,245,629
- Unlisted equity securities	<u>7,874,601</u>	<u>21,575,658</u>
	<b><u>104,891,406</u></b>	<b><u>114,347,535</u></b>

**6. Net realised and unrealised gains on investments**

	<b>Six months ended 30 June</b>	
	<b>2009</b>	<b>2008</b>
	\$	\$
Property related gains		
- Fair value gain on investment properties	6,830,000	128,802,500
Investment related gains/(losses)		
- Net gain/(loss) on disposal of available-for-sale securities		
- transfer from equity	4,287,677	53,489,499
- arising in current period	35,291,098	(105,259,019)
- Net gain on disposal of held-for-trading securities	10,362,234	2,755,045
- Net unrealised gain/(loss) on held-for-trading securities	3,674,044	(2,769,905)
- Impairment loss on available-for-sale securities	-	(31,880,076)
Others		
- Gain on winding up of a subsidiary	<u>47,693</u>	<u>-</u>
	<b><u>60,492,746</u></b>	<b><u>45,138,044</u></b>

## 7. Profit before tax

	Six months ended 30 June	
	2009	2008
	\$	\$
Profit before tax is arrived at after charging/(crediting):		
Auditor's remuneration	1,124,743	1,243,165
Depreciation	16,460,148	8,453,433
Amortisation of interests in leasehold land held for own use under operating leases	1,160,782	136,020
Staff costs		
- Contributions to defined contribution retirement plan	10,789,628	11,136,890
- Salaries, wages and other benefits	193,572,837	112,689,753
	204,362,465	123,826,643
Operating lease charges in respect of land and buildings	18,747,404	11,131,745
Net impairment losses written back		
- insurance receivables	(2,882,966)	(2,449,163)
- interests in leasehold land held for own use under operating leases	(2,742,648)	(23,729,263)
Net foreign exchange loss	104,617	43,975,581
Bad debts recovered	(1,200)	(18,937)
Gross property rental income	(24,580,150)	(22,490,128)
Less: direct outgoings	1,205,279	688,969
Net property rental income	(23,374,871)	(21,801,159)
Share of tax of an associate	6,021	12,235
	18,747,404	11,131,745

## 8. Income tax expense

	Six months ended 30 June	
	2009	2008
	\$	\$
Current tax in the PRC:		
Provision for the year	129,845	–
Under-provision in prior years	188,957	100,221
Income tax expense	318,802	100,221

Taxation outside Hong Kong is calculated at rates prevailing in the respective jurisdictions.

## 9. Dividend

No interim dividend has been declared by the Board of Directors for the six months ended 30 June 2009 and 2008.

No final dividend (2008: \$87,191,520, representing \$0.03 per share) in respect of the previous financial year, was approved and paid during the period.

## 10. Earnings per share

### Basic earnings per share

The calculation of basic earnings per share for the six months ended 30 June 2009 is based on the profit attributable to owners of the Company for the period of \$56,473,895 (2008: \$19,768,901) and the number of shares in issue of 2,906,384,000 (2008: 2,906,384,000) during the period.

### Diluted earnings per share

There were no dilutive potential ordinary shares as at 30 June 2009 and 2008.

## 11. Insurance receivables

	At 30 June 2009 \$	At 31 December 2008 \$
Premiums receivable under direct business	278,594,366	224,239,072
Amounts due under reinsurance contracts	99,745,230	89,880,391
Less: Allowance for impairment	<u>(20,082,445)</u>	<u>(22,868,368)</u>
	<b>358,257,151</b>	291,251,095
Deposits retained by cedants	<u>170,215</u>	<u>301,950</u>
	<b>358,427,366</b>	291,553,045
Amounts expected to be settled within 1 year:		
- Premiums receivable under direct business	274,278,418	216,120,940
- Amounts due under reinsurance contracts	<u>51,476,888</u>	<u>49,537,325</u>
	<b>325,755,306</b>	265,658,265

An ageing analysis of the insurance receivables excluding deposits retained by cedants (net of allowance for impairment) is as follows:

	At 30 June 2009 \$	At 31 December 2008 \$
Current	243,700,055	220,499,574
1 to 3 months past due	51,373,244	40,032,041
More than 3 months past due but less than 12 months past due	56,428,595	20,815,585
Over 1 year past due	<u>6,755,257</u>	<u>9,903,895</u>
	<b>358,257,151</b>	291,251,095

The Group normally allows a credit period ranging from 0 to 90 days for premiums receivable under direct business and 50 to 90 days for the amounts due under reinsurance contracts after the quarterly statements have been sent.

## 12. Insurance payables

	At 30 June 2009 \$	At 31 December 2008 \$
Amounts due under direct business	153,739,745	148,709,178
Amounts due under reinsurance contracts	<u>231,236,796</u>	<u>219,795,829</u>
	<b>384,976,541</b>	368,505,007
Deposits retained from reinsurers	<u>48,770,489</u>	<u>42,477,329</u>
	<b>433,747,030</b>	410,982,336
Amounts expected to be settled within 1 year:		
- Amounts due under direct business	146,014,996	142,991,746
- Amounts due under reinsurance contracts	<u>222,880,278</u>	<u>208,394,056</u>
	<b>368,895,274</b>	351,385,802

An ageing analysis of the insurance payables excluding deposits retained from reinsurers is analysed as follows:

	At 30 June 2009 \$	At 31 December 2008 \$
Current or on demand	255,231,678	282,820,141
1 to 3 months overdue	36,537,052	41,711,872
More than 3 months overdue but less than 12 months overdue	73,395,737	28,841,360
Over 1 year overdue	<u>19,812,074</u>	<u>15,131,634</u>
	<b>384,976,541</b>	368,505,007



## **FINANCIAL RESOURCES REVIEW**

### **LIQUIDITY AND FINANCIAL RESOURCES**

Our major sources of funds generated from our insurance business are insurance premiums received and claims recoveries. Other sources of fund include rental, interest and dividend income from investment activities as well as proceeds from disposal of investments. We aim to maintain adequate cash to meet claim payments and other obligations in relation to our insurance business, capital expenditures, operating expenses and tax payments. Our liquidity needs will be affected depending on the timing, frequency and severity of losses under our outstanding policies. We closely monitor and maintain a minimum cash level, taking into account the possibility of infrequent large claims arising from catastrophic events that could affect our general insurance business.

The Group's cash and bank deposits (excluding statutory deposits) as at 30 June 2009 amounted to HK\$1,539 million (31 December 2008: HK\$1,274 million). Increase is mainly caused by contribution from investment activities during the period. We believe that we have sufficient working capital to meet our present requirement.

### **CONTINGENT LIABILITIES**

In November 2005, the Group received a query issued by the Inland Revenue Department of Hong Kong in relation to the taxability of certain realised and unrealised gains on the disposal of listed investments for the years of assessment from 2000/2001 to 2002/2003. Considering that such gains were capital in nature, the Directors believe that the Group has good prospect to support its tax position, and therefore no provision for a potential tax exposure of approximately HK\$30 million was made in the condensed consolidated financial statements.

Save as herein disclosed above and other than those incurred in the normal course of the Group's insurance business, there was neither outstanding litigation nor any contingent liabilities as at 30 June 2009 and 31 December 2008.

### **HEDGING INSTRUMENTS**

The Group does not use any financial instruments for hedging purposes.

## **OTHER INFORMATION**

### **CORPORATE GOVERNANCE PRACTICES**

The Company strives to attain the highest standards of corporate governance. Throughout the six months ended 30 June 2009, the Company is fully compliant with all code provisions of the Code on Corporate Governance Practices contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

### **REVIEW OF UNAUDITED INTERIM REPORT**

The Company has established an audit committee (the “Audit Committee”) in compliance with Rule 3.21 of the Listing Rules of Hong Kong.

The Audit Committee, along with the management, has reviewed the accounting standards, principles and methods adopted by the Group, and considered matters regarding auditing, internal control and financial reporting, including the unaudited interim report for the six months ended 30 June 2009.

In addition, the condensed consolidated financial statements of the Company for the six months ended 30 June 2009 have been reviewed by our auditors, Messrs. Deloitte Touche Tohmatsu, in accordance with Hong Kong Standard on Review Engagements No. 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants and an unqualified review report is issued.

### **PURCHASE, SALE OR REDEMPTION OF OWN SHARES**

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities during the six months ended 30 June 2009.

By Order of the Board  
**The Ming An (Holdings) Company Limited**  
**Lin Fan**  
Chairman

Hong Kong, 18 August 2009

*As at the date of this announcement, the executive Directors of the Company are PENG Wei, CHENG Kwok Ping, CHAN Pui Leung, LEE Wai Kun and LIU Shi Hung; the non-executive Directors of the Company are 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.*

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