Chairman's Statement

Fiscal Year 2006 was one of remarkable growth and transformation for The Ming An (Holdings) Company Limited. We were successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited on 22 December 2006.

Feng Xiao Zeng
Chairman

OVERVIEW

Fiscal Year 2006 was one of remarkable growth and transformation for The Ming An (Holdings) Company Limited (the "Company", and together with its subsidiaries, the "Group"). We were successfully listed on the main board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 22 December 2006. The listing further strengthened our already-robust financial base. In addition, we were able to capitalize on our leading position in the general insurance market in Hong Kong to not only further penetrate the Hong Kong market but expedite our nationwide expansion to capture opportunities in the fast-growing general insurance market in the People's Republic of China (the "PRC") as well.

For the year ended 31 December 2006, the Group's total gross written premiums and underwriting profit were HK$1,076 million (2005: HK$1,100 million) and HK$107 million (2005: HK$249 million) respectively. Net profit for the same period was HK$306 million, with a combined ratio of 82.9%.

The Group's total investment income recorded an increase of 51.1% to HK$142 million for the year ended 31 December 2006, as compared to HK$94 million for 2005. This increase was a result of an increase in bank interest income by HK$76 million due to rising interest rates and also an increase in bank deposits through the collection of a significant amount in receivables due from reinsurers and through capital raised from our global offering.

However, the net realized and unrealized gains on investments of the Group decreased by 52.2% to HK$85 million in 2006 from HK$178 million in 2005. This was mainly due to a decrease in revaluation surplus of investment properties by HK$162 million owing to the slower growth in market prices for Hong Kong real estate in 2006 as compared with the growth in 2005. As a result, the total investment returns of the Group decreased by 16.5% to HK$227 million in 2006 from HK$272 million in 2005.

The 2006 fiscal year also witnessed two major strategic developments, marking a new stage of growth for the Group's business in both Hong Kong and the PRC. We believe that in May 2006, the Group, through a subsidiary The Ming An Insurance Company (China) Limited ("Ming An China"), became the first and only general insurance company incorporated outside the PRC to receive approval from the China Insurance Regulatory Commission ("CIRC") to be regulated as a domestic insurance company. This dual Hong Kong-PRC status gives us a strong first-mover advantage. It also allows the Group full access to the PRC insurance market without geographical and operational restrictions, and we are permitted to engage in the full spectrum of general insurance products and services.

On 1 July 2006, CIRC introduced "Regulations for Compulsory Traffic Accident Liability Insurance of Motor Vehicles" and we received authorization from CIRC as one of the 22 insurers to provide Compulsory Motor Traffic Accident Liability Insurance in the PRC in June 2006. Since motor insurance is one of the largest lines of general insurance business in the PRC, and we can take this opportunity to cross sell other products, we believe it will contribute significantly to our premium growth in the PRC.

We are equally excited about our strategic partnership with Cheung Kong (Holdings) Limited ("Cheung Kong", and together with its subsidiaries and associated companies, "Cheung Kong Group"). With Cheung Kong holding a 21.74% interest in the Group as of 31 December 2006, we are able to leverage this partnership in many ways, including new sources of premium income and access to Cheung Kong Group's extensive customer base in both Hong Kong and the PRC.

BUSINESS REVIEW

Over the years, the Group has successfully established a renowned brand name and a leading market position in Hong Kong by offering a comprehensive range of quality general insurance products and services. In 2006, the Hong Kong operations contributed 78.0% of the total gross written premiums while the PRC operations accounted for the remaining 22.0%.

Chairman's Statement

Our strategic partnership with Cheung Kong allows us to cater to the extensive needs of Cheung Kong Group for insurance products. In 2006, the gross premiums recorded in association with Cheung Kong Group were around HK$42 million. In addition, AMTD Risk Management Limited, an associated company of Cheung Kong, has included us on its list of referred insurers and we have started utilizing its call centre for telemarketing our insurance products in Hong Kong.

We have also implemented a series of initiatives to further expand our distribution channels to enhance the Group's overall marketing efforts. A new department, set up in 2005 to focus on building relationships with major banks and life insurers, has successfully grown our income source from HK$69 million in 2005 to HK$80 million in 2006, representing a 15.9% increase compared to that of the previous year.

Our accident and health insurance businesses continued to register healthy growth in 2006. Gross written premiums from this segment of the Group increased by 16.1% to HK$65 million in 2006 from HK$56 million in the previous year. The Group has successfully expanded the distribution channels for this business segment amongst banking institutions and travel agencies.

We continued to leverage our competitive advantage and solid foundation in Hong Kong to provide operational and technical support to growing our business in the PRC. In 2006, we further expanded our PRC presence by enhancing our product offerings, implementing a number of brand-building initiatives and commencing a rapid expansion of our branch network. In October 2006, we successfully opened our Guangdong branch office, our third branch office in the PRC, in addition to our Shenzhen and Hainan branch offices, which pioneered our foray into the PRC. We have also received approval from CIRC to open branch offices in Beijing, Shanghai, Jiangsu, Zhejiang, Shandong and Hebei. We are now in the process of setting up these new branch offices. Looking forward, we plan to apply for CIRC approval to open six to eight additional new branch offices in 2008. In October 2006, we also obtained CIRC approval to open a brokerage firm in Shenzhen.

2007 OUTLOOK

Hong Kong is one of the largest general insurance markets in Asia with an extensive range of sophisticated products. The mature Hong Kong market will continue to be highly competitive and we expect to see continued downward pressure on premium rates particularly in the property and motor insurance segments.

On the other hand, the PRC's general insurance market continues to be one of the fastest growing markets not only in Asia, but also the world. The motor insurance segment, in particular, has been witnessing unprecedented growth, following the implementation of the Compulsory Motor Traffic Accident Liability Insurance. Given the rapid economic development in the PRC, which is further driving growth in tourism and logistics, liability insurance is also on the growth trend. In this positive market environment, there is high growth potential for experienced general insurers, like us, that have advanced underwriting capabilities and in-depth market knowledge. As a result, we expect an increasing number of players entering the PRC market, which will intensify competition and exert some pressure on premium rates going forward.

With our long-standing history in the Hong Kong market, the Group remains steadfast in continuing to strengthen our leading position in the local market. Efforts are being made to capitalize potential in selected growth segments, such as accident and health insurance.

Our strong Hong Kong operations have provided us with a solid foundation to further expand our business in the PRC. Consequently, our PRC operations will benefit from the operational and technical support provided from the experienced Hong Kong team. The development of our network presence in the PRC will take priority in 2007. We plan to open six new branches in 2007 to grow our customer base and expand our business in both reach and scale. We are plowing in significant investment to accelerate the Group's expansion in the PRC which will nonetheless create near term impact on our return. However, we are confident that the successful execution of our growth strategy will enable the Group to reap the long-term benefits, crucial to our overall business development.

We strongly believe that our professional management team, the think tank behind our visionary strategies, will set us apart from the competition. Furthermore, attracting, retaining, and training skilled employees have long been a key objective of the Group. In view of this, we will identify and hire local experienced professionals to support our network expansion in the PRC. The Group will also continue to implement a range of initiatives to attract and retain the best people, which includes staff development through extensive training programs and seminars. In addition, the Group will strive to offer competitive compensation, including profit sharing and share option schemes, to retain qualified personnel within the Group.

Finally, I would like to take this opportunity to extend my deepest gratitude to our staff for their hard work and dedication. Looking ahead, as a newly-listed company, the Board of Directors and the management team will work diligently towards creating valuable returns for our investors and shareholders.

Feng Xiao Zeng
Chairman

Hong Kong, 21 March 2007