

SinoCast Insurance Business Beat

Ping An Insurance to Control XJ Electric

XUCHANG, November 5, SinoCast -- XJ Electric Co., Ltd. (000400.SZ), a manufacturer of electric power equipments in China, announced that the Xuchang government has agreed to sell all the 65 percent state shares in XJ Group Corporation, the controlling shareholder of the Shenzhen-listed company, to Ping An Insurance (Group) Co., Ltd.

The State-owned Asset Supervision and Administration Commission of Xuchang

City has been checking and auditing XJ Group's assets since September 30.

The remaining 35 percent stake in XJ Group is owned by the employee stock ownership meeting on behalf of the group's employees.

Upon the completion of the deal, Ping An Insurance, who runs China's second-biggest life insurer and third-biggest property insurer, will be a controlling shareholder of XJ Electric, piloting the industrial investment by an insurer.

XJ Group, headquartered in Xuchan, Henan Province, central China, covers electric power equipment manufacture, technology and trade & finance. The group achieved sales income of CNY 6.6 billion and profit of CNY 450 million in 2006. It owns one listed subsidiary, one securities unit and one investment management unit and 23 subsidiaries and branches.

Ping An, Huatai Granted with QDII License

SHANGHAI, November 7, SinoCast -- Ping An Insurance (Group) Company of China, Ltd. (Ping An, 2318.HK, 601318.SH) and Huatai Insurance Co., Ltd. recently were granted with QDII licenses to invest into the Hong Kong equity market with purchased foreign exchange.

The China Insurance Regulatory Commission approved the two to invest in H shares and red-chips, which are limited to maximum 5 percent of their total assets.

Thus, such investment by Ping An will be CNY 22 billion based upon its assets of CNY 441.79 billion as at the end of 2006. The figure for Huatai Insurance is CNY 1 billion, based upon its assets of CNY 19.29 billion.

Ping An Assets Management (Hong Kong) Company and Huatai Assets Management Company will act as their investment trustees, respectively, and the Shanghai branch of Citibank (China) Company Limited will be the asset custodian.

By far, the Chinese regulator has granted QDII licenses to some qualified banks, fund managers as well as insurers. Also, local securities brokers and trust companies are applying for such qualification.

On June 20, 2007, the China Securities Regulatory Commission promulgated interim rules allowing local fund firms and securities brokers to invest in overseas equity markets on behalf of their clients. Following the policy, altogether ten fund management companies have received the QDII licenses.

Among them, China Southern Fund Management Co., Ltd., China Asset Management Co., Ltd., Harvest Fund Management Co. Ltd. and China International Fund Management Co., Ltd. have launched their own QDII stock funds, as the first four.

Days ago, Guangzhou-headquartered Yinhua Fund Management Co., Ltd. obtained the QDII license, to invest in overseas equity markets for domestic

residents.

Yinhua Fund Management had spent nearly one year studying on the new business. The fund manager has been fully prepared to launch QDII fund.

Another player China Universal Asset Management Co., Ltd., which is based in the country's economic hub Shanghai, also received such qualification.

After gaining the QDII license, Universal Asset Management is ready to launch its QDII fund as soon as possible and it has chosen a globally reputed asset management company as its overseas investment advisor. The foreign consultant is known to have rich experience in investment research. (USD 1 = CNY 7.44)