

News release
For Immediate Release

**PricewaterhouseCoopers Appointed Joint Provisional Liquidators
for Anglo Starlite Insurance Company Limited**

HONG KONG, 8 May 2009 – Anglo Starlite Insurance Company Limited, has been placed into provisional liquidation by order of Madam Justice Kwan of the High Court of Hong Kong. Mr Peter A. Whalley and Mr Jan G.W. Blaauw both of Messrs PricewaterhouseCoopers Hong Kong have been appointed as joint and several Provisional Liquidators. The appointment followed an investigation into the affairs of Anglo Starlite Insurance Company Limited which was conducted by Joint Managers appointed by the Commissioner of Insurance under the provisions of the Insurance Companies Ordinance on 5 May 2009.

Anglo Starlite Insurance Company Ltd ceased underwriting new or renewal policies effective 5 May 2009.

Why Anglo Starlite went into Provisional Liquidation?

As at 31 December 2008 Anglo Starlite Insurance Company Limited's regulatory capital (reported in its audited regulatory returns) was lower than the amount required under section 42 of the Insurance Companies Ordinance. The Insurance Authority (IA) has been closely monitoring the Company's solvency position with a view to restoring its capital position and has required the Company to place deposits of HK\$200 million in trust with the Insurance Authority. Following IA's investigation, it was discovered that the existence of certain other bank deposits (included in the Company's management accounts) of HK\$189 million could not be substantiated. No satisfactory explanation has been provided by the management of the Company, and following a report to the Commercial Crimes Bureau of the Hong Kong Police Force, four key employees were detained by them for questioning.

The uncertainty over the Company's cash deposits, together with certain other identified accounting adjustments, has seriously impaired the Company's assets and its ability to pay its debts as they fall due.

What is Provisional Liquidation and who are the Provisional Liquidators?

Provisional liquidation is a procedure which is designed to allow persons independent of a company and its management to preserve and protect the assets and property of the company for the benefit of its creditors who will largely be policyholders, employees, and others, to afford them an opportunity to review the affairs of the company and ascertain its financial status.

The Provisional Liquidators are independent, chartered accountants who are experienced in dealing with the financial affairs of distressed companies.

How does the appointment of Provisional Liquidators affect policyholders?

Anglo Starlite Insurance Company Limited is a non-life insurance business which undertook, inter alia, the following types of business:

- Motor Insurance
- Compulsory Employee Compensation Insurance (claims arising out of accidents during the course of employment)
- Other (less than 0.5% of the Company's 2008 business)

Policyholders should report any claims outstanding under existing policies to Anglo Starlite in the usual manner as set out in the policy documents. These claims will be processed by the Company under the supervision of the Provisional Liquidators.

How policyholders will be affected will depend both on the nature of the insurance policy held and on the nature of the claim under that policy.

In relation to insurance claims creditors:

1. Third party bodily injury liability under motor insurance policies

Motor insurance policyholders and claimants are advised to obtain clarification from the Motor Insurance Bureau (MIB) of their entitlements in respect of third party bodily injury liability claims under the MIB Fund.

We have been in contact with the MIB who confirm that with the Company in provisional liquidation they will deal with personal injury and /or fatal claims (excluding any/ all property losses and damage) within the terms and conditions of its Agreements with the Hong Kong Government arising under Motor Vehicle Third Party liability policies issued by the Company on or before 5 May 2009 whenever occurring within the policy period.

Please contact the MIB on telephone number (2866 9681) for more information in this connection.

2. Employees compensation

Employees compensation policyholders and claimants are advised to obtain clarification from the Employees Compensation Insurer Insolvency Bureau (ECIIB) of their entitlements in respect of the ECIIB Fund.

We have been in contact with the ECIIB in respect of the provisional liquidation of the company who confirm that it will deal within the terms and conditions of its Agreement with the Hong Kong Government claims arising from employee's compensation policies issued by the Company on or before 5 May 2009.

Please contact the ECIB on telephone number 2980 1968 if you require any further assistance or clarification

3. Other claims under motor policies and claims under other policies (Other Claims).

The amount of Other Claims cannot be finalised until the relevant policies have expired (some of which commenced recently and will take one year to expire) and, following this, that all related claims under those policies have been agreed.

Other uncertainties include:

- the integrity and completeness of the books and records and claims statistics with which the Provisional Liquidators have been provided still requires further verification; and
- the development of Other Claims may not follow historic trends.

Our preliminary analyses indicate that there may be sufficient funds available to the Company to pay Other Claims in full. However, due to the above uncertainties, the Provisional Liquidators will need to continue to review this situation in light of both claims development and any relevant new information which is discovered, and there will necessarily be some delay in making payment of Other Claims.

At this stage, the Provisional Liquidators have no immediate plans to cancel any of Anglo Starlite's current policies. Policyholders should take advice from their brokers or legal advisers on whether or not to seek to cancel their policies and/or to seek replacement covers from other underwriters. In respect of administrative requirements such as providing confirmations of no claim bonuses to policyholders, the Provisional Liquidators will endeavour to provide such information as is required to assist the policyholders.

The telephone hotline will continue to answer enquiries in relation to policyholders and other claimants. The hotline telephone number is +852 2289 5011 and the fax number is +852 2890 8345.

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Notes to editors:

1. PricewaterhouseCoopers – Globally

PricewaterhouseCoopers provides industry-focused assurance, tax and advisory services to build public trust and enhance value for its clients and their stakeholders. More than 155,000 people in 153 countries across our network share their thinking, experience and solutions to develop fresh perspectives and practical advice.

"PricewaterhouseCoopers" refers to the network of member firms of PricewaterhouseCoopers International Limited, each of which is a separate and independent legal entity.

2. PricewaterhouseCoopers – China, Hong Kong and Singapore

PricewaterhouseCoopers China, Hong Kong and Singapore operate on a combined basis, subject to local applicable laws. Taken together, we have more than 460 partners and a strength of 13,000 people.

The firm provides a wide range of services to help organisations solve business issues, identify and maximise opportunities. Our industry specialisation enables us to identify trends and customise solutions for your sector of interest. Each line of service is staffed with highly qualified, experienced professionals and leaders in our profession. These resources, combined with our global network, allow us to provide the support you need wherever you may be located.

We are located in these cities: Beijing, Hong Kong, Shanghai, Singapore, Chongqing, Dalian, Guangzhou, Macau, Ningbo, Qingdao, Shenzhen, Suzhou, Tianjin, Xiamen and Xi'an.

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