



CHINA INSURANCE INTERNATIONAL HOLDINGS COMPANY LIMITED

2006 INTERIM RESULTS PRESENTATION

17 August 2006

Forward-Looking Statements

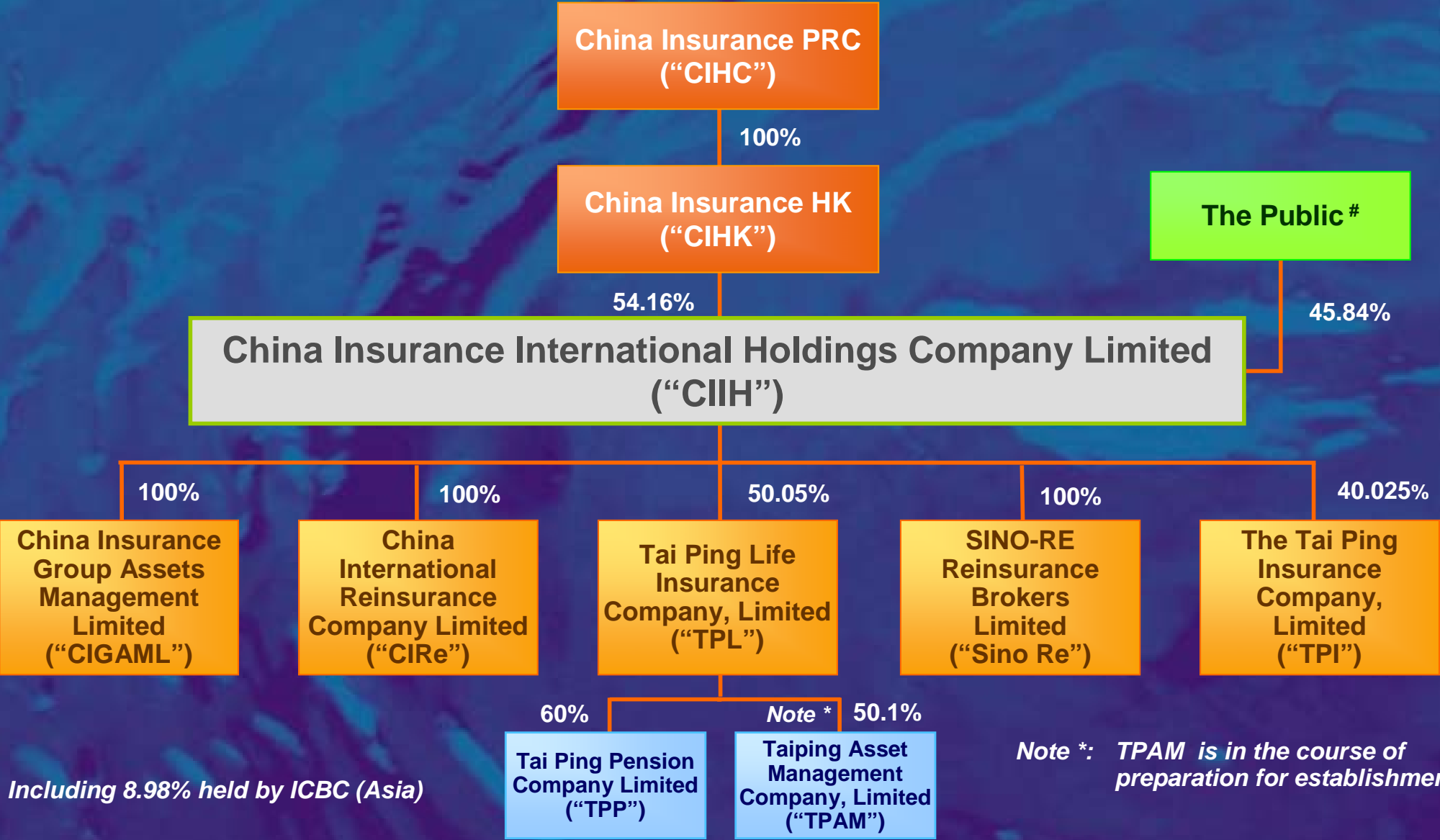
This presentation and subsequent discussions may contain certain forward-looking statements with respect to the financial condition, results of operations and business of the Group. These forward-looking statements represent the Group's expectations or beliefs concerning future events and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Additional detailed information concerning important factors that could cause actual results to differ materially is available in our Interim Report.

Chairman's Remark

- ◆ Gross premiums written and policy fees increased by 88.7% to HK\$7,061.50 million
- ◆ Net profit attributable to the Group was HK\$328.29 million (1H05: net loss of HK\$43.77 million)
- ◆ TPL and TPI achieved profitability in the first half of 2006, which is their fifth full year of operations. This represents an important milestone as the strategic objective of the Group, TPL and TPI to achieve breakeven or profitability for the full year in 2006. Net profits contributed to the Group from TPL and TPI were HK\$128.47 million and HK\$4.35 million, respectively
- ◆ CIRe's net profit contribution also increased mainly because of stable underwriting and strong investment performance
- ◆ Outlook: TPL and TPI are expected to accomplish their objectives of the breakeven or profitability for the full year of 2006. Barring unforeseen circumstances, CIRe is expected to have a strong year in 2006

Organisation Chart

Updated as of 17 August 2006



#: Including 8.98% held by ICBC (Asia)

Note *: TPAM is in the course of preparation for establishment

Group – Financial Highlights

HK\$ million

	1H06	1H05	Change
Gross premiums written and policy fee	7,061.50	3,743.17	88.7%
Net investment income and net gain	948.21	315.80	200.3%
Net exchange gain/(loss)	24.95	(46.87)	nm
Profit/(loss) attributable to the Group	328.29	(43.77)	nm
Basic earnings/(loss) per share (HK cent)	24.5	(3.3)	nm
	At 30 Jun 2006	At 31 Dec 2005	Change
Shareholders' equity	2,807.49	2,507.16	12.0%

Net Profit Attributable to the Group by Each Segment

HK\$ million	1H06	1H05	Change
Reinsurance	205.27	76.76	167.4%
Life insurance	128.47	(83.87)	nm
Property and casualty insurance ¹	4.35	(11.46)	nm
Corporate and other businesses	(9.80)	(25.20)	(61.1%)
	328.29	(43.77)	nm

¹ The P&C insurance business is operated by TPI which is an associated company of the Group under the Hong Kong accounting standards and is not consolidated into the Group on a line-by-line basis. Therefore, the P&C insurance business does not constitute a separate segment of the Group as defined in the financial statements.

Group Highlights

Reinsurance Operations

- ★ Net profit for 1H06 represents one of CIRe's best interim results in recent years
- ★ Positive performance was mainly due to higher equity investment income, positive exchange rate movements, and higher interest rates on cash deposit
- ★ Underwriting profit decreased to HK\$26.54 million from HK\$47.18 million in the Last Period. The lower underwriting profit was due to strong premium growth, which resulted in a large increase in the unearned premium provisions and the immediate expensing of underwriting commissions and policy acquisition costs for the Period

Life Insurance Operations

- ★ TPL's profit for 1H06 represents an important milestone in the Group's and TPL's strategic objective to achieve profitability for the full year in 2006
- ★ Strong performance was mainly attributable to strong premium growth, strict controls on costs and expenses, as well as improved returns on investment assets.
- ★ Premium growth was mainly driven by bancassurance channel, although premium growth from the individual agency force continued to rapidly increase
- ★ Regular premium products accounted for 96.1% (Last Period: 90.1%) of the total premium from individual agents. Regular premium products in the bancassurance channel also recorded an impressive increase of 132.1% to HK\$361.44 million from HK\$155.70 million in the Last Period.

Property and Casualty Insurance Operations

- ★ TPI's profit for 1H06 represents a very positive trend at the property and casualty business, whose strategic objective is to breakeven for the full year in 2006
- ★ Strong performance was mainly due to strong premium growth, an improving combined ratio, and better investment performance
- ★ The competitive environment in the PRC property and casualty industry is gradually improving, as the CIRC is focused on eliminating illegal practices

Reinsurance Business – CIRe Review

Reinsurance – Financial Highlights

HK\$ million

	1H06	1H05	Change
Gross premiums written	1,216.23	999.61	21.7%
Underwriting profit	26.54	47.18	(43.7%)
Net investment income and net gain	154.86	84.19	83.9%
Net exchange gain/(loss)	37.15	(45.64)	nm
Profit attributable to the Group	205.27	76.76	167.4%

Reinsurance – KPI Highlights

HK\$ million

	1H06	1H05	Change
Solvency margin ratio	67.8%	60.5%	7.3 pts
Technical reserves ratio	348.3%	398.4%	(50.1 pts)
Retained ratio	88.7%	84.5%	4.2 pts
Earned premiums ratio	57.4%	55.1%	2.3 pts
Loss ratio	59.2%	51.5%	7.7 pts
Expense ratio	37.0%	39.9%	(2.9 pts)
Combined ratio	96.2%	91.4%	4.8 pts

Reinsurance – Investment Income and Yield

HK\$ million

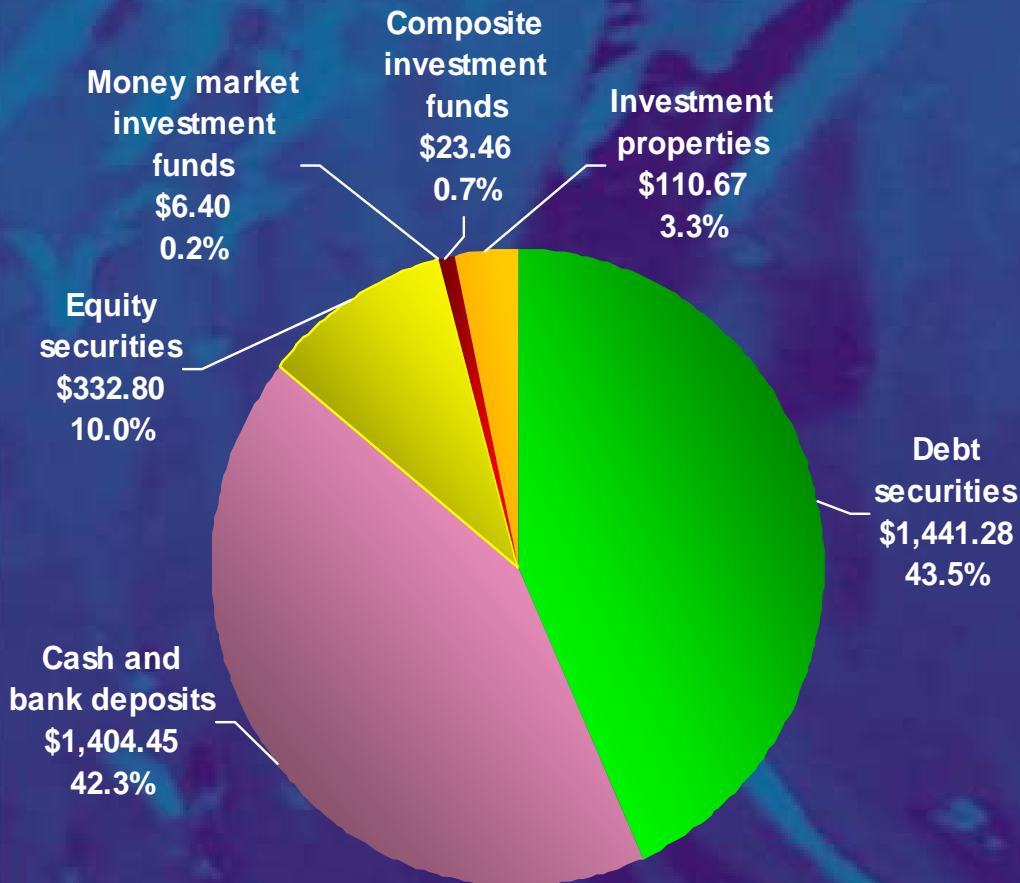
	1H06	1H05	Change
Net investment income	78.97	63.62	24.1%
Net gain (Net realised and unrealised investment gain)	75.89	20.57	268.9%
Total investment income	154.86	84.19	83.9%
Net investment yield excluding capital gains (Annualised)	4.9%	4.2%	0.7pt
Total investment yield including capital gains (Annualised)	9.6%	5.7%	3.9pts

Remark: The above investment income and investment yield do not include the net exchange gain of HK\$37.15 million (1H05: net loss of HK\$45.64 million).

Reinsurance – Investment Composition

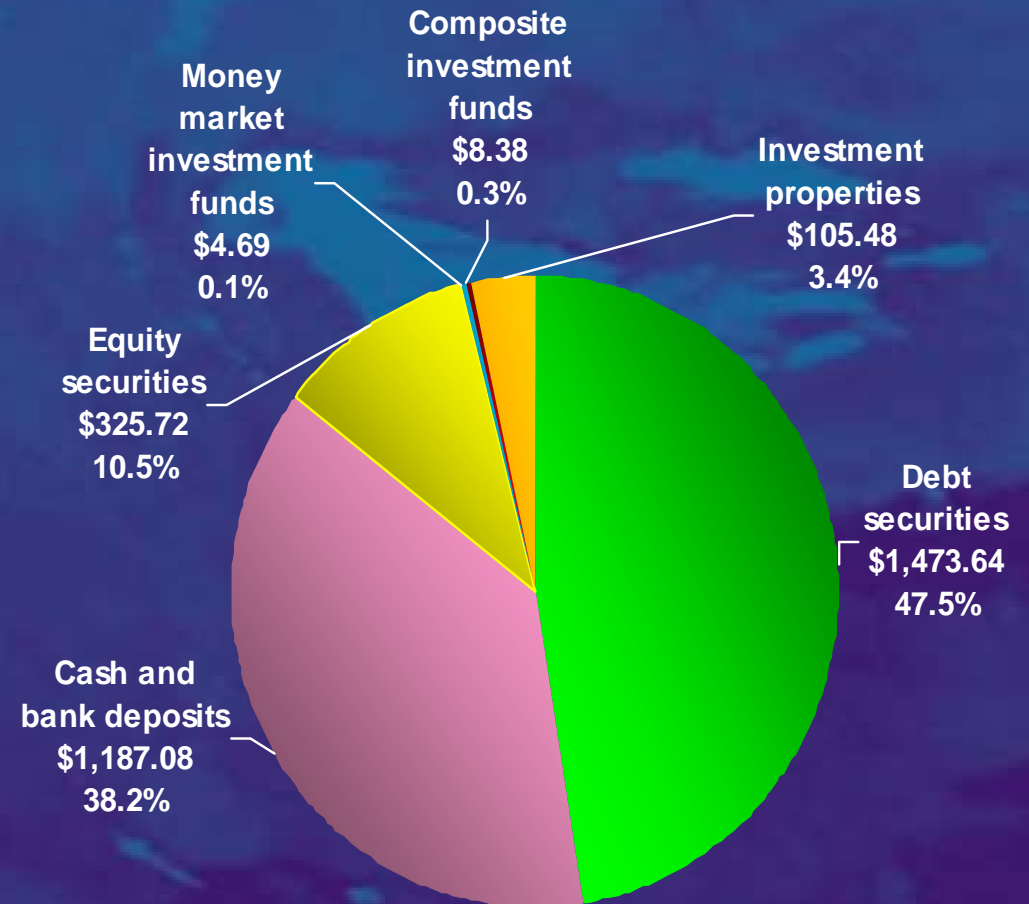
At 30 Jun 06

**Total Invested Assets:
HK\$3,319.06 million**



At 31 Dec 05

**Total Invested Assets:
HK\$3,104.99 million**



Life Insurance Business – TPL Review

Life Insurance – Financial Highlights

HK\$ million	1H06	1H05	Change
Gross premiums written under PRCGAAP	5,904.58	2,787.28	111.8%
Less: investment contract premiums	(62.95)	(45.24)	39.1%
Gross premiums written under HKGAAP	5,841.63	2,742.04	113.0%
Insurance benefits and losses ¹	(5,540.45)	(2,648.16)	109.2%
Administrative and other expenses	(580.01)	(401.84)	44.3%
Net investment income and net gain	754.91	205.12	268.0%
Net profit/(loss)	257.79	(169.08)	nm
Profit/(loss) attributable to the Group	128.47	(83.87)	nm

1. Amount includes policyholders' benefits, net commission expenses and change in life insurance funds

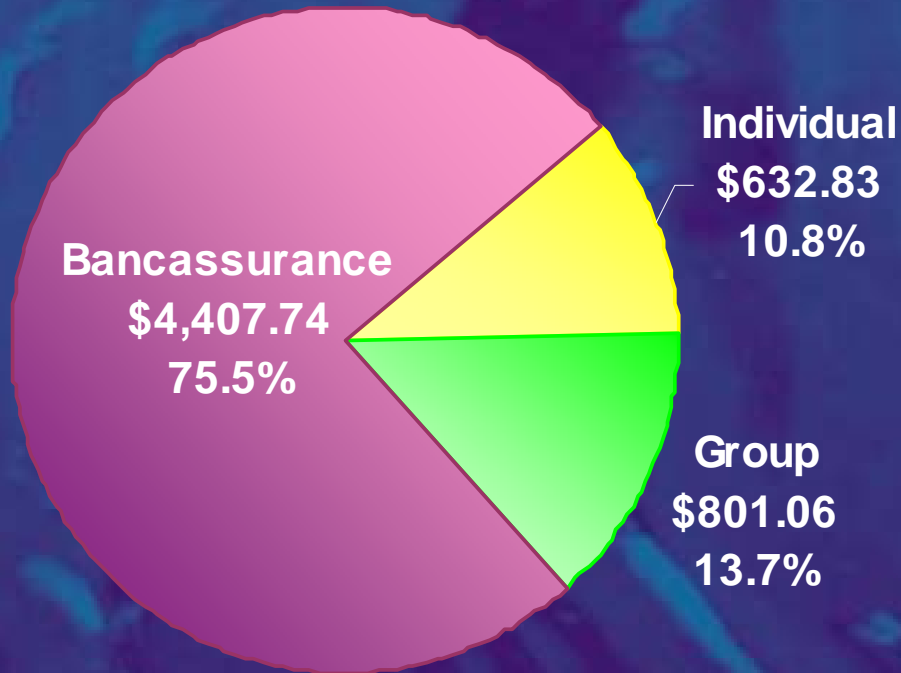
Life Insurance – Gross Premiums Written

By Distribution Channels

HK\$ million

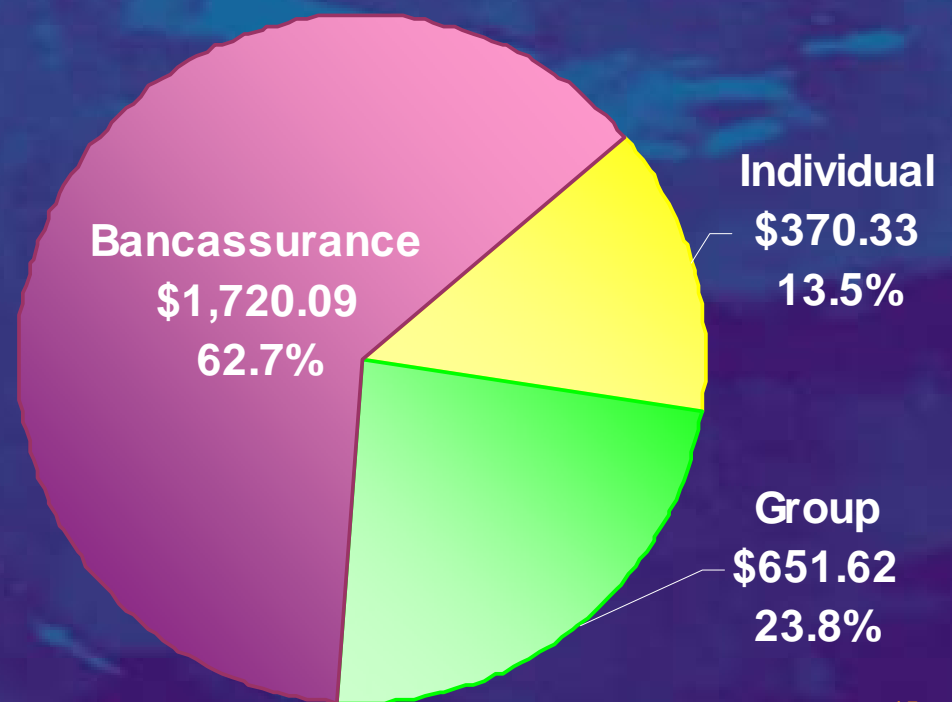
1H06

Total: HK\$5,841.63 million



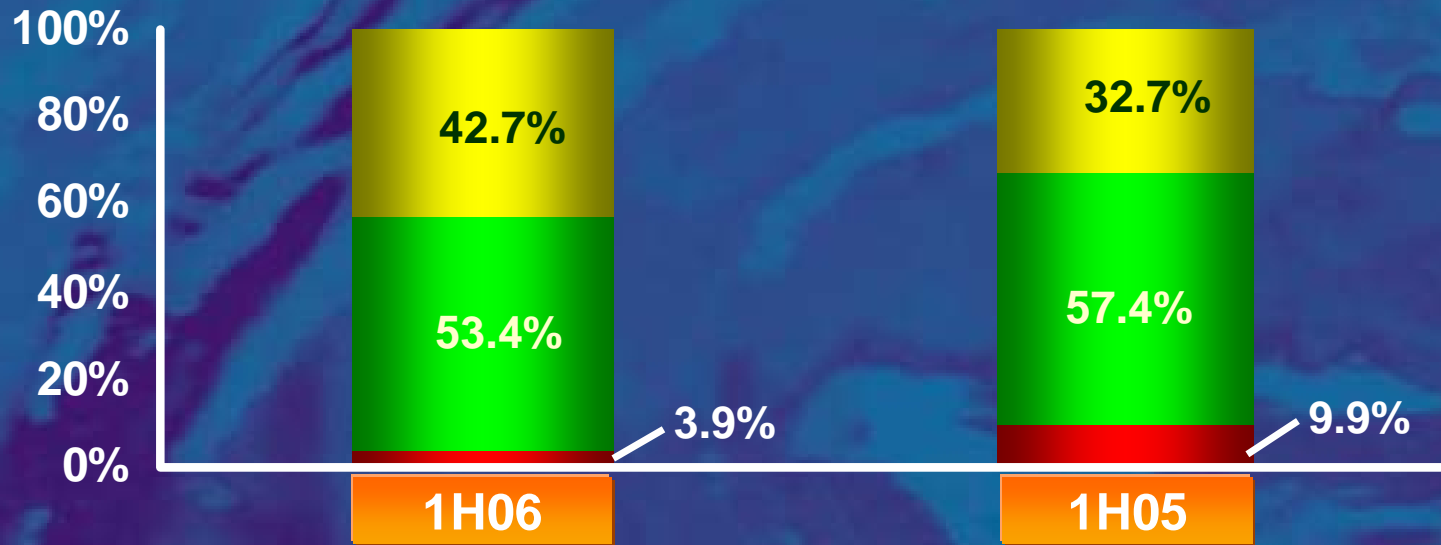
1H05

Total: HK\$2,742.04 million



Individual Gross Premium Income

HK\$ million



- Regular Premium - Renewal Year
- Regular Premium - First Year
- Single Premium

\$269.95

\$121.25

\$338.19

\$212.45

\$24.69

\$36.63

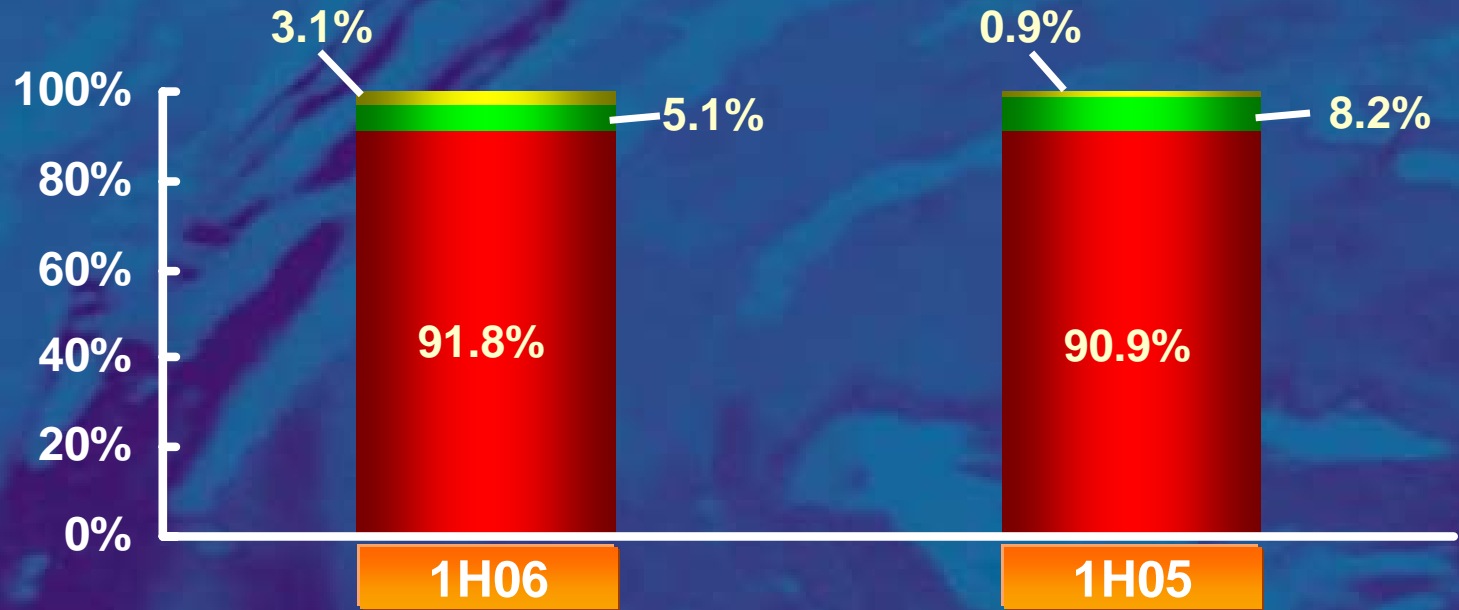
\$632.83

+70.9%

\$370.33

Bancassurance Gross Premium Income

HK\$ million



- Regular Premium - Renewal Year
- Regular Premium - First Year
- Single Premium

1H06

1H05

\$135.71

\$15.19

\$225.73

\$140.51

\$4,046.30

\$1,564.39

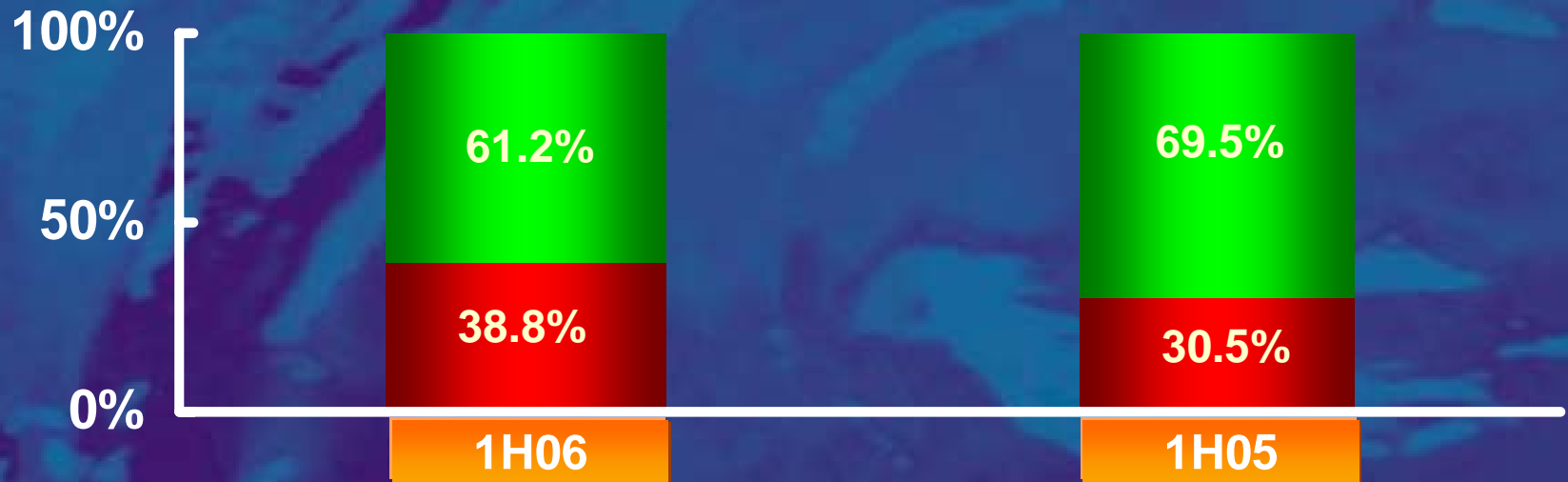
\$4,407.74

\$1,720.09

+156.3%

Group Gross Premium Income

HK\$ million



■ Annuity

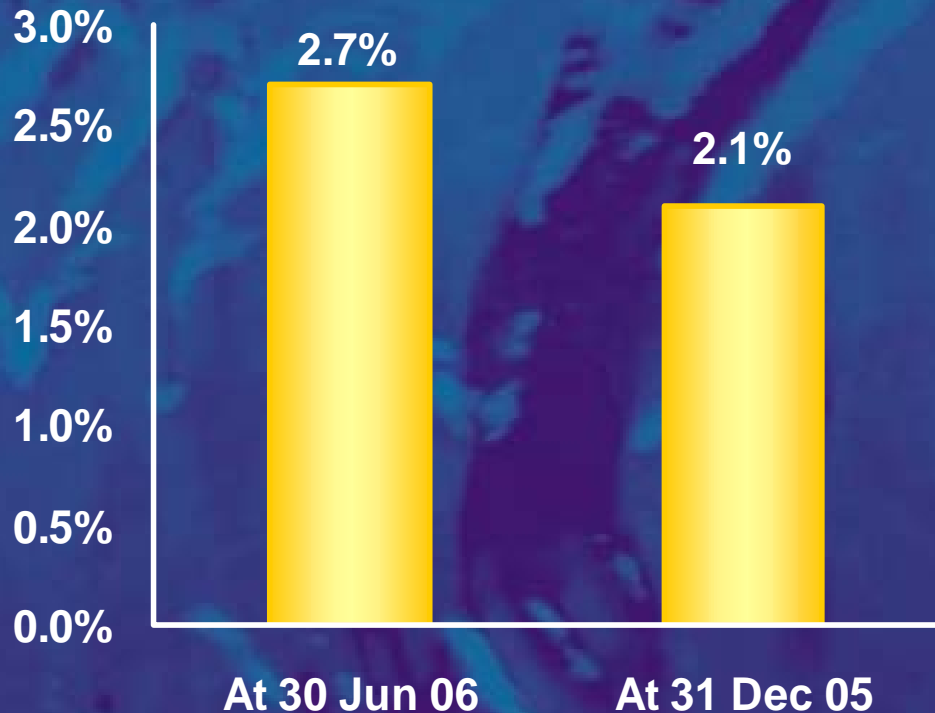
■ Employee Benefit ("EB")

	1H06	1H05
	\$490.05	\$452.61
	\$311.01	\$199.01
	<hr/>	<hr/>
	\$801.06	\$651.62

← +22.9%

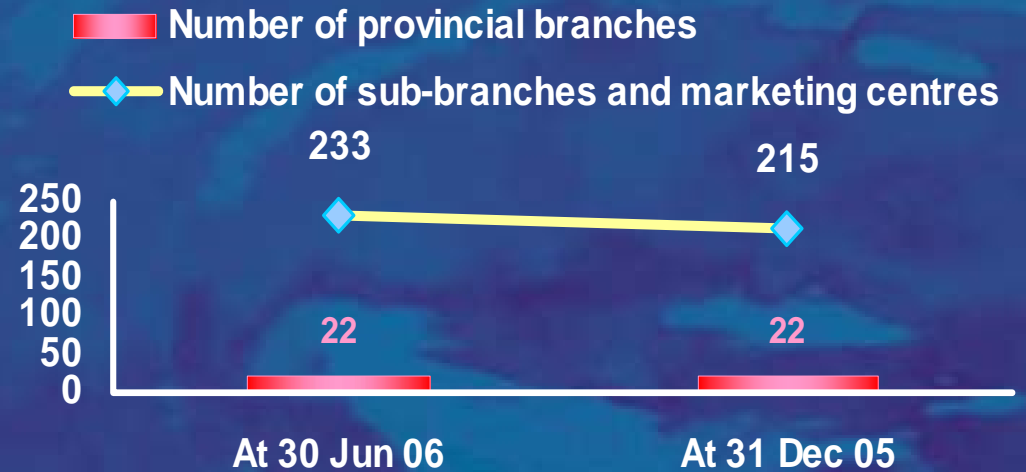
Life Insurance – Key Operational Data (1/2)

Market Share

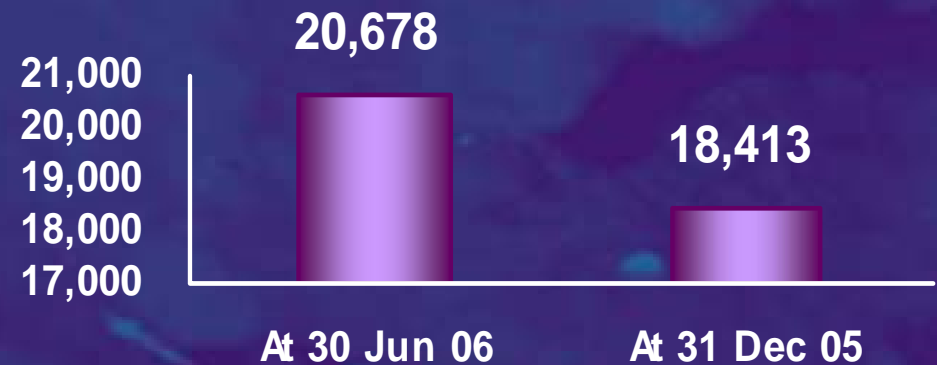


Based on the gross premium written (including investment contract premium) in accordance with PRCGAAP and published by the CIRC.

Number of Branches

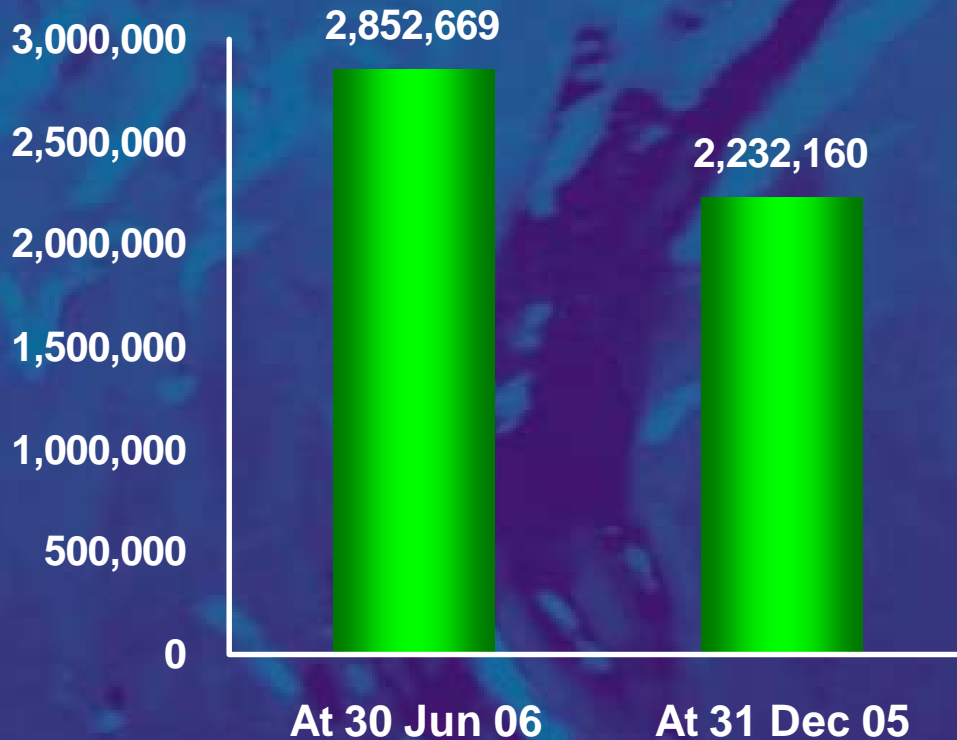


Number of Sales Agents

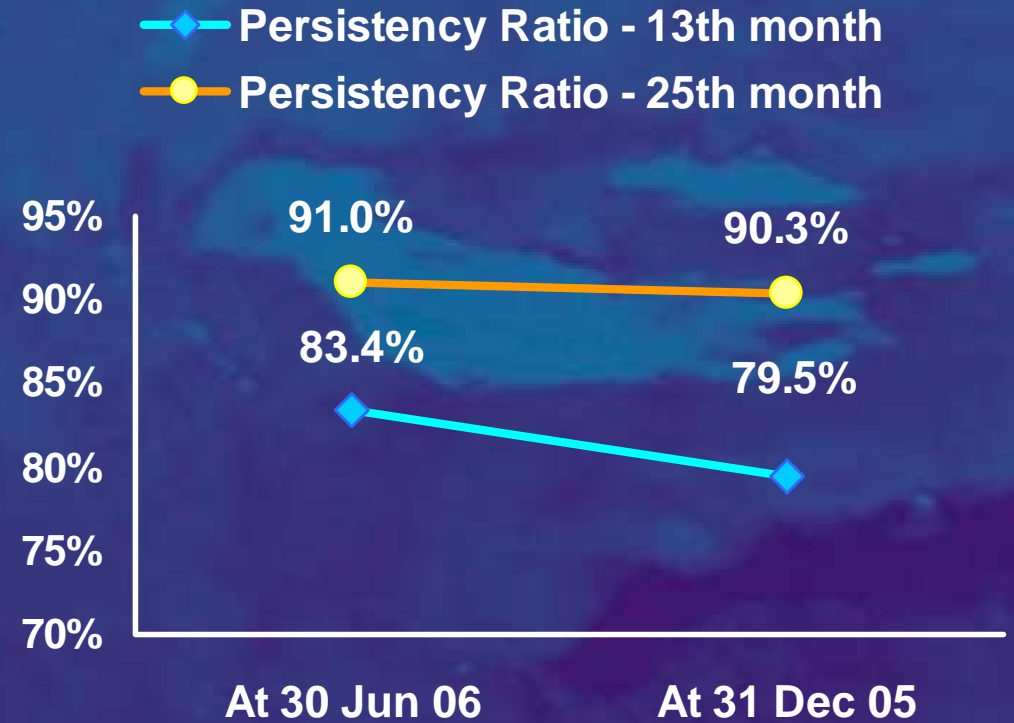


Life Insurance – Key Operational Data (2/2)

Number of In-Force Policies



Persistency Ratio



Based on the amount of premiums

Life Insurance – Investment Income and Yield

HK\$ million

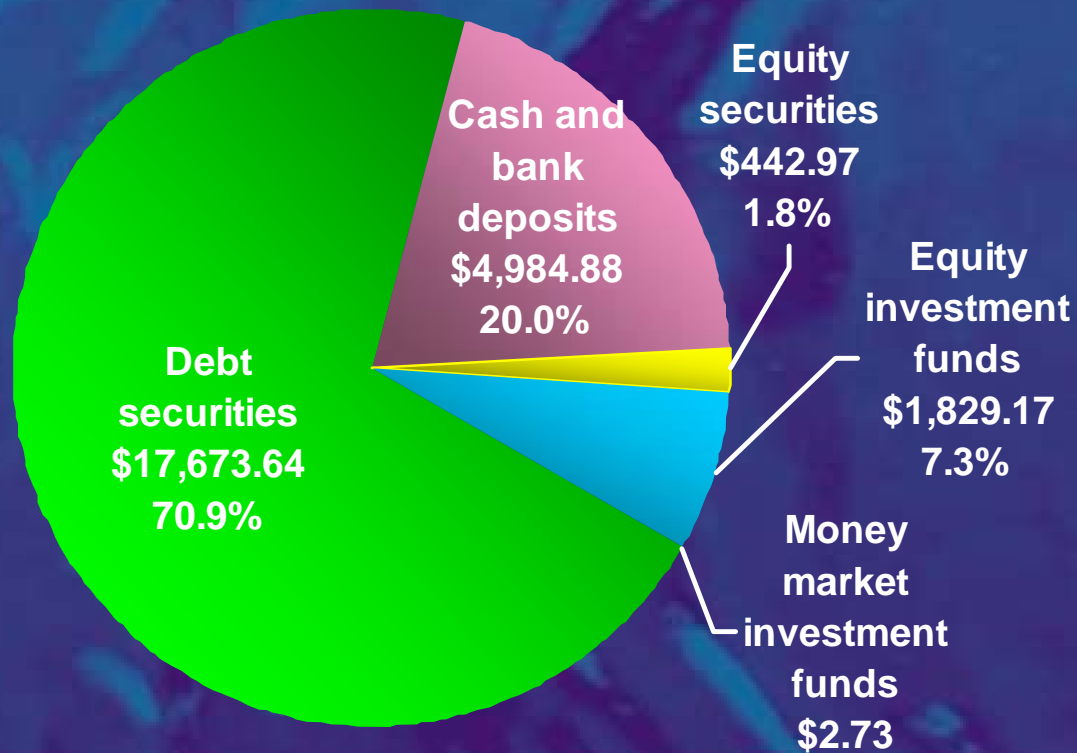
	1H06	1H05	Change
Net investment income	455.44	235.51	93.4%
Net gain/(loss) (Net realised and unrealised investment gain/(loss))	299.47	(30.39)	nm
Total investment income	754.91	205.12	268.0%
Net investment yield excluding capital gains (Annualised)	4.6%	4.1%	0.5pt
Net investment yield including capital gains (Annualised)	7.7%	3.6%	4.1 pts

Remark: The above net investment income and investment yield do not include a net exchange loss of HK\$11.89 million (1H05: HK\$0.39 million).

Life Insurance – Investment Composition

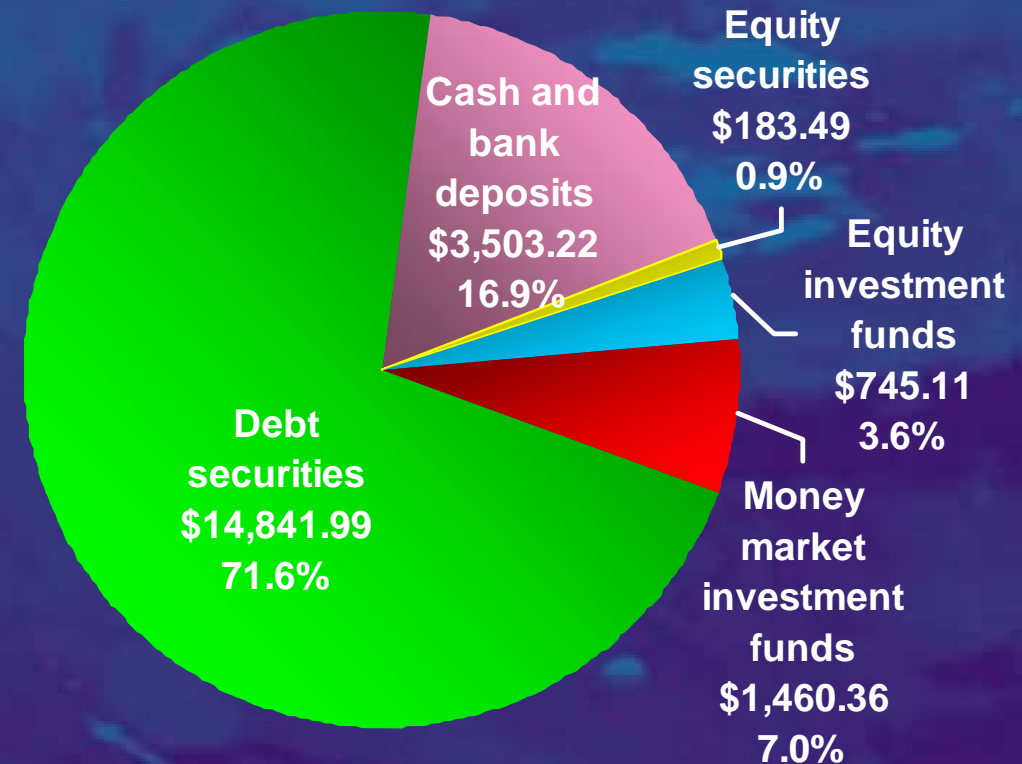
At 30 Jun 06

Total Invested Assets:
HK\$24,933.39 million



At 31 Dec 05

Total Invested Assets:
HK\$20,734.17 million



Property and Casualty Insurance Business – TPI Review

Note: The P&C insurance business is operated by TPI which is an associated company of the Group under the Hong Kong accounting standards and is not consolidated into the Group on a line-by-line basis. Therefore, the P&C insurance business does not constitute a separate segment of the Group as defined in the financial statements.

P&C Insurance – Financial Highlights

HK\$ million

	1H06	1H05	Change
Gross premiums written	959.15	656.72	46.1%
Net premiums written	775.40	536.38	44.6%
Net earned premiums	608.21	390.55	55.7%
Net profit/(loss)	10.87	(28.64)	nm
Profit/(loss) attributable to the Group	4.35	(11.46)	nm

P&C Insurance – KPI Highlights

HK\$ million

	1H06	1H05	Change
Retained ratio	80.8%	81.7%	(0.9 pt)
Technical reserves ratio	200.5%	214.3%	(13.8 pts)
Earned premiums ratio	63.4%	59.5%	3.9 pts
Loss ratio	57.5%	59.6%	(2.1 pts)
Expense ratio	46.5%	51.6%	(5.1 pts)
Combined ratio	104.0%	111.2%	(7.2 pts)

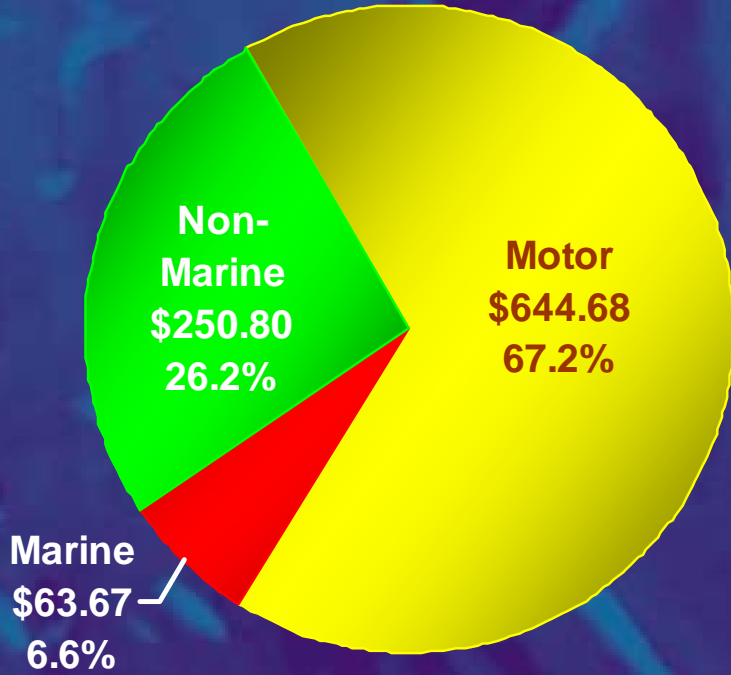
P&C Insurance – Gross Premiums Written

By Product Lines

HK\$ million

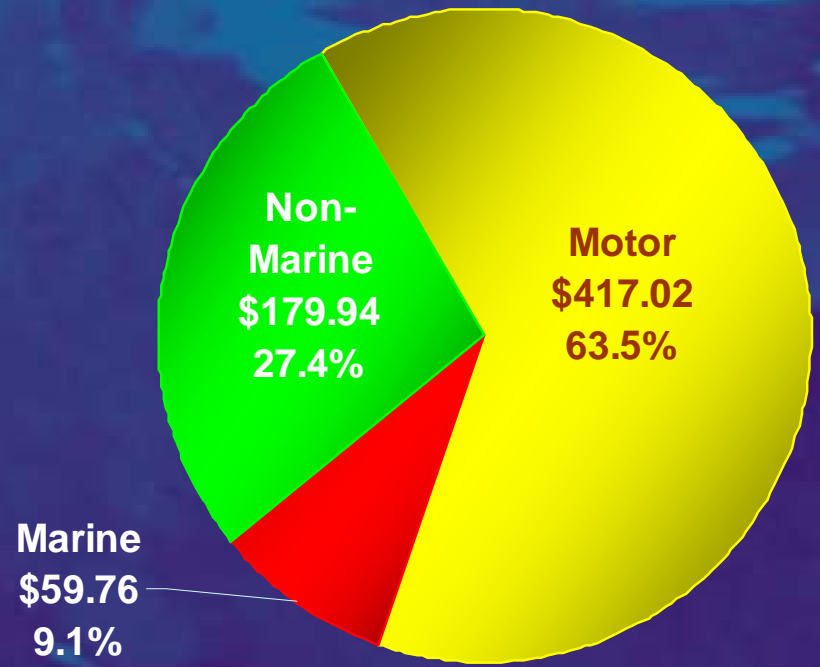
1H06

Total: HK\$959.15 million

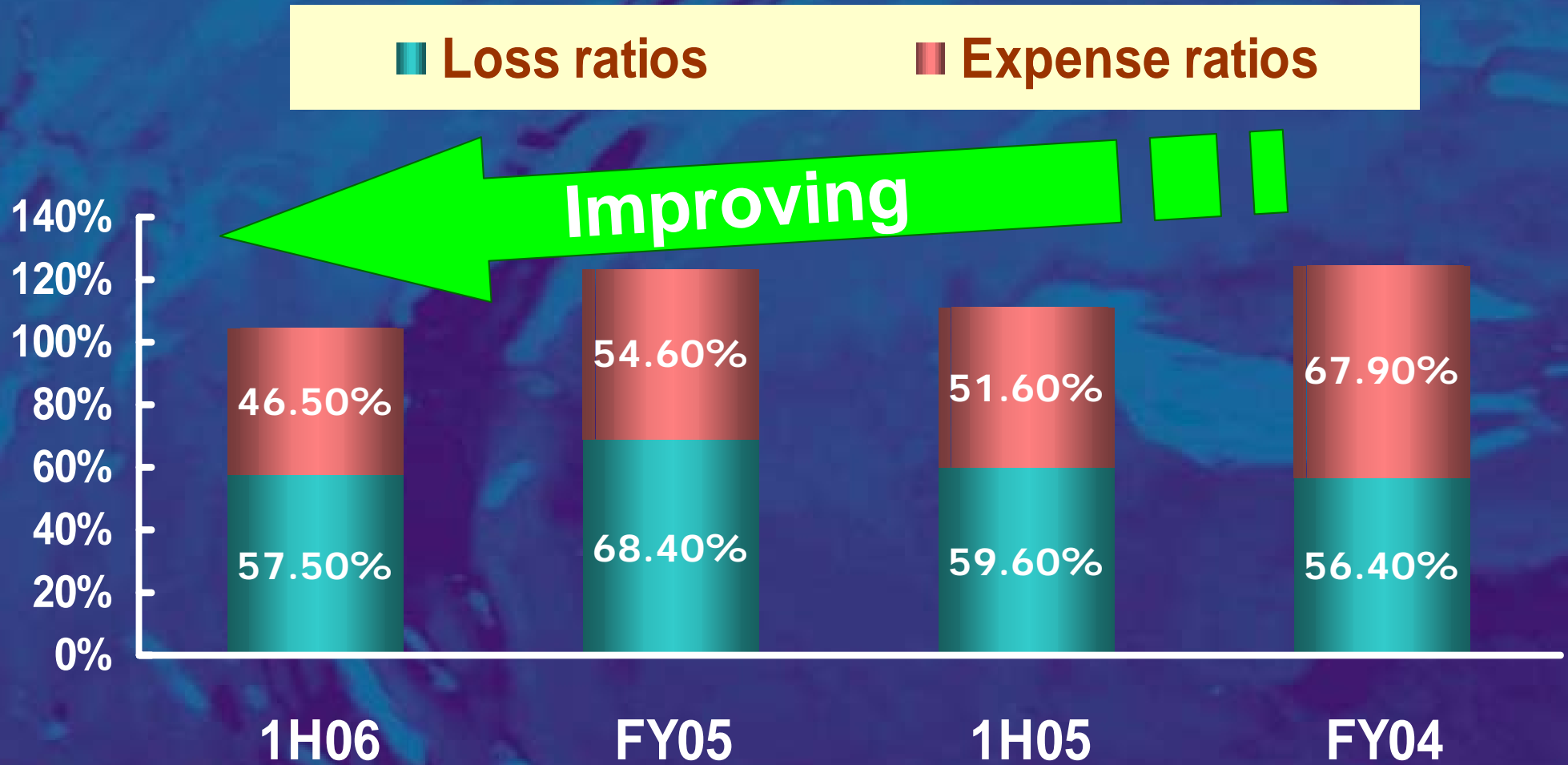


1H05

Total: HK\$656.72 million



P&C Insurance – Combined Ratios



Corporate and Other Businesses Review

Asset Management and Insurance Intermediary Business

HK\$ million

Asset Management Business

	1H06	1H05	Change
Asset management fee income	1.89	2.15	(12.1%)
Total investment income	12.99	11.09	17.1%
Profit attributable to the Group	10.13	4.20	141.2%

Insurance Intermediary Business

	1H06	1H05	Change
Insurance intermediary income	6.80	5.49	23.9%
Profit attributable to the Group	7.58	4.34	74.7%

Outlook

Outlook

- ★ PRC insurance markets are developing in healthy and positive way
- ★ Life insurance and P&C insurance businesses are expected to accomplish their objectives of breakeven or profitability for the full year of 2006
- ★ Reinsurance business is also expected to continue to be strong
- ★ However, CIIH's results are still subject to risk: volatility of equity markets, unexpected and exceptional catastrophic or other market events

Outlook

Reinsurance

- ★ Business renewals have been very positive, and CIRe is making inroads into new businesses from both existing and new clients
- ★ CIRe plans to deploy more resources and effort on developing the Mainland China market, where CIRe will have strong competitive advantages and strong business opportunities
- ★ CIRe's business prospects for the second half of 2006 is expected to be positive. Nonetheless, any exceptional catastrophic or market event may adversely impact CIRe's operations and results

Life Insurance

- ★ The life business written through TPL has had rapid expansion during the first half of the year
- ★ Although premium growth slowed down during the second quarter as compared with the first quarter, particularly in the bancassurance segment, TPL's performance during the Period was in line with its business plan
- ★ The overall ambitious goals of TPL in 2006 are still achievable
- ★ The pension business, recently launched and operated by TPP, a subsidiary of TPL, has secured several impressive pension schemes of major clients. It is anticipated that TPP will expand rapidly once the remaining legal and tax issues concerning the newly established PRC pension business are resolved

Outlook

Property and Casualty

- ✦ The property and casualty insurance market in China is currently experiencing substantial change in its market landscape and competitive environment due to strong measures recently introduced by the PRC insurance regulator, the CIRC
- ✦ Such measures include eradicating illegal rebates, excessive premium discounts, and excessive commissions to insurance intermediaries
- ✦ Furthermore, the introduction in July 2006 of the Motor Compulsory Third Party Liability Insurance business for the first time in the PRC will not only expand the potential market for motor car insurance but also enhance and develop the insurance consciousness and mindset of the Chinese people, which will benefit the insurance industry as a whole

Other Financial Information

Consolidated Income Statement

Consolidated Balance Sheet

Segmental Information

CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2006 – unaudited

(Expressed in Hong Kong dollars)

Six months ended 30 June

2006
\$'000

2005
\$'000

Revenue		
Gross premiums written and policy fees	7,061,496	3,743,170
Less: Premiums ceded to reinsurers	(157,528)	(180,399)
Net premiums written and policy fees	6,903,968	3,562,771
Change in unearned premium provisions, net of reinsurance	(449,971)	(413,926)
Net earned premiums and policy fees	6,453,997	3,148,845
Net investment income and net gain	948,209	315,799
Net exchange gain/(loss)	24,947	(46,870)
Other income	10,463	11,835
Total revenue	7,437,616	3,429,609
Benefits, losses and expenses		
Policyholders' benefits	(1,005,835)	(510,043)
Net commission expenses	(659,757)	(480,659)
Administrative and other expenses	(608,174)	(429,183)
Change in life insurance funds, net of reinsurance	(4,539,116)	(2,154,956)
Total benefits, losses and expenses	(6,812,882)	(3,574,841)
Profit/(loss) from operations	624,734	(145,232)
Share of profits/(losses) of associates	3,896	(12,013)
Finance costs	(72,103)	(42,833)
Profit/(loss) before taxation	556,527	(200,078)
Income tax (charge)/credit	(98,923)	71,106
Profit/(loss) after taxation	457,604	(128,972)
Attributable to:		
Equity holders of the Company	328,285	(43,768)
Minority interests	129,319	(85,204)
	457,604	(128,972)
	<i>cents</i>	<i>cents</i>
Earnings /(loss) per share attributable to the equity holders of the Company		
Basic	24.5	(3.3)
Diluted	24.3	(3.3)

CONSOLIDATED BALANCE SHEET

At 30 June 2006 – unaudited

(Expressed in Hong Kong Dollars)

	At 30 June 2006 \$'000	At 31 December 2005 \$'000
Assets		
Fixed assets		
- Investment properties	110,665	105,480
- Other property, plant and equipment	630,934	554,027
	741,599	659,507
Goodwill	228,185	228,185
Interest in associates	350,203	315,298
Deferred tax assets	3,113	3,298
Investments in debt and equity securities	22,283,851	19,587,561
Amounts due from group companies	5,431	314
Insurance debtors	720,485	342,060
Reinsurers' share of insurance contract provisions	548,494	472,176
Other debtors	964,012	608,778
Tax recoverable	3,634	5,585
Pledged deposits at banks	95,579	97,980
Deposits at banks with original maturity more than three months	3,751,666	2,261,734
Cash and cash equivalents	2,926,627	2,751,305
	32,622,879	27,333,781
Liabilities		
Life insurance funds	20,171,759	15,453,533
Unearned premium provisions	1,114,550	591,267
Provision for outstanding claims	2,179,056	2,149,978
Investment contract liabilities	108,747	75,857
Deferred tax liabilities	122,188	80,554
Interest-bearing notes	2,807,406	2,789,471
Securities sold under repurchase agreements	1,729,147	1,923,499
Amounts due to group companies	6	-
Insurance creditors	211,182	380,171
Accrued charges and other creditors	319,172	421,507
Current taxation	37,268	37,470
Insurance protection fund	8,017	7,229
	28,808,498	23,910,536
Net assets	3,814,381	3,423,245
Capital and reserves attributable to the Company's equity holders		
Share capital	66,945	66,824
Reserves	2,740,540	2,440,334
	2,807,485	2,507,158
Minority interests	1,006,896	916,087
Total equity	3,814,381	3,423,245

SEGMENTAL INFORMATION

(Expressed in Hong Kong dollars)

For the six months ended 30 June 2006

	Reinsurance \$'000	Life insurance \$'000	Corporate and other businesses \$'000	Total \$'000
Revenue				
Gross premiums written	1,216,230	5,841,633	-	7,057,863
Policy fees	-	3,633	-	3,633
	1,216,230	5,845,266	-	7,061,496
Less: Premiums ceded to reinsurers	(136,918)	(20,610)	-	(157,528)
Net premiums written and policy fees	1,079,312	5,824,656	-	6,903,968
Change in unearned premium provisions, net of reinsurance	(380,773)	(69,198)	-	(449,971)
Net earned premiums and policy fees	698,539	5,755,458	-	6,453,997
Net investment income and net gain	154,855	754,905	38,449	948,209
Net exchange gain/(loss)	37,149	(11,891)	(311)	24,947
Other income	439	521	17,562	18,522
Inter-segment transactions	(150)	-	(7,909)	(8,059)
	890,832	6,498,993	47,791	7,437,616
Benefits, losses and expenses				
Policyholders' benefits	(413,478)	(592,357)	-	(1,005,835)
Net commission expenses	(250,788)	(408,969)	-	(659,757)
Administrative and other expenses	(21,932)	(580,012)	(14,289)	(616,233)
Change in life insurance funds, net of reinsurance	-	(4,539,116)	-	(4,539,116)
Inter-segment transactions	7,909	-	150	8,059
	(678,289)	(6,120,454)	(14,139)	(6,812,882)
Profit/(loss) from operations	212,543	378,539	33,652	624,734
Share of (losses)/profits of associates	-	(136)	4,032	3,896
Finance costs	-	(32,273)	(39,830)	(72,103)
Profit/(loss) before taxation	212,543	346,130	(2,146)	556,527
Income tax charge	(7,273)	(88,344)	(3,306)	(98,923)
Profit/(loss) after taxation	205,270	257,786	(5,452)	457,604
Minority interests	-	(129,319)	-	(129,319)
Profit/(loss) attributable to equity holders	205,270	128,467	(5,452)	328,285

SEGMENTAL INFORMATION (Continued)
(Expressed in Hong Kong dollars)

As at 30 June 2006

	Reinsurance \$'000	Life insurance \$'000	Corporate and other businesses \$'000	Total \$'000
Debt securities	1,441,285	17,673,639	405,153	19,520,077
Equity securities	332,800	442,963	126,249	902,012
Equity investment funds	-	1,829,175	-	1,829,175
Money market investment funds	6,398	2,731	-	9,129
Composite investment funds	23,458	-	-	23,458
Cash and bank deposits	1,404,450	4,984,881	384,541	6,773,872
Goodwill	-	154,909	73,276	228,185
Other segment assets	1,449,343	1,425,653	111,772	2,986,768
Interest in associates	-	4,052	346,151	350,203
Total assets	4,657,734	26,518,003	1,447,142	32,622,879
Life insurance funds	-	20,171,759	-	20,171,759
Unearned premium provisions	819,046	295,504	-	1,114,550
Provision for outstanding claims	2,135,909	43,147	-	2,179,056
Investment contract liabilities	-	108,747	-	108,747
Securities sold under repurchase agreements	-	1,729,147	-	1,729,147
Interest-bearing notes	-	1,456,500	1,350,906	2,807,406
Other segment liabilities	110,344	564,518	22,971	697,833
Total liabilities	3,065,299	24,369,322	1,373,877	28,808,498

SEGMENTAL INFORMATION (Continued)
(Expressed in Hong Kong dollars)

For the six months ended 30 June 2005

	Reinsurance \$'000	Life insurance \$'000	Corporate and other businesses \$'000	Total \$'000
Revenue				
Gross premiums written	999,608	2,742,040	-	3,741,648
Policy fees	-	1,522	-	1,522
	999,608	2,743,562	-	3,743,170
Less: Premiums ceded to reinsurers	(154,894)	(25,505)	-	(180,399)
Net premiums written and policy fees	844,714	2,718,057	-	3,562,771
Change in unearned premium provisions, net of reinsurance	(293,530)	(120,396)	-	(413,926)
Net earned premiums and policy fees	551,184	2,597,661	-	3,148,845
Net investment income and net gain	84,190	205,118	26,491	315,799
Net exchange loss	(45,640)	(393)	(837)	(46,870)
Other income	3,426	71	14,208	17,705
Inter-segment transactions	(150)	-	(5,720)	(5,870)
	593,010	2,802,457	34,142	3,429,609
Benefits, losses and expenses				
Policyholders' benefits	(284,464)	(225,579)	-	(510,043)
Net commission expenses	(213,035)	(267,624)	-	(480,659)
Administrative and other expenses	(19,214)	(401,843)	(13,996)	(435,053)
Change in life insurance funds, net of reinsurance	-	(2,154,956)	-	(2,154,956)
Inter-segment transactions	5,720	-	150	5,870
	(510,993)	(3,050,002)	(13,846)	(3,574,841)
Profit/(loss) from operations	82,017	(247,545)	20,296	(145,232)
Share of losses of associates	-	-	(12,013)	(12,013)
Finance costs	-	-	(42,833)	(42,833)
Profit/(loss) before taxation	82,017	(247,545)	(34,550)	(200,078)
Income tax (charge)/credit	(5,262)	78,467	(2,099)	71,106
Profit/(loss) after taxation	76,755	(169,078)	(36,649)	(128,972)
Minority interests	-	85,204	-	85,204
Profit/(loss) attributable to equity holders	76,755	(83,874)	(36,649)	(43,768)

SEGMENTAL INFORMATION (Continued)
(Expressed in Hong Kong dollars)

As at 31 December 2005

	Reinsurance \$'000	Life insurance \$'000	Corporate and other businesses \$'000	Total \$'000
Debt securities	1,473,640	14,841,992	403,891	16,719,523
Equity securities	325,721	183,486	140,291	649,498
Equity investment funds	-	745,105	-	745,105
Money market investment funds	4,691	1,460,364	-	1,465,055
Composite investment funds	8,380	-	-	8,380
Cash and bank deposits	1,187,083	3,503,219	420,717	5,111,019
Goodwill	-	154,909	73,276	228,185
Other segment assets	991,021	1,012,374	88,323	2,091,718
Interest in associates	-	4,188	311,110	315,298
Total assets	3,990,536	21,905,637	1,437,608	27,333,781
Life insurance funds	-	15,453,533	-	15,453,533
Unearned premium provisions	369,327	221,940	-	591,267
Provision for outstanding claims	2,106,450	43,528	-	2,149,978
Investment contract liabilities	-	75,857	-	75,857
Securities sold under repurchase agreements	-	1,923,499	-	1,923,499
Interest-bearing notes	-	1,441,500	1,347,971	2,789,471
Other segment liabilities	126,326	779,160	21,445	926,931
Total liabilities	2,602,103	19,939,017	1,369,416	23,910,536