

The background of the slide is a vibrant blue with a wavy, water-like texture. A large, semi-transparent blue number '1' is positioned on the right side of the slide, partially overlapping the text.

INTERIM RESULTS 2001 PRESENTATION

4 September 2001

China Insurance International Holdings Company Limited

Agenda

- **Financial Summary**
- **Business Review**
- **Major Events**
- **Future Plans and Prospects**
- **The Reorganization and Share Transfer - Tai Ping Life**
- **Investment Highlights**
- **Open Forum**
- **Forward-looking Statements**



Financial Summary

2001 Interim Results

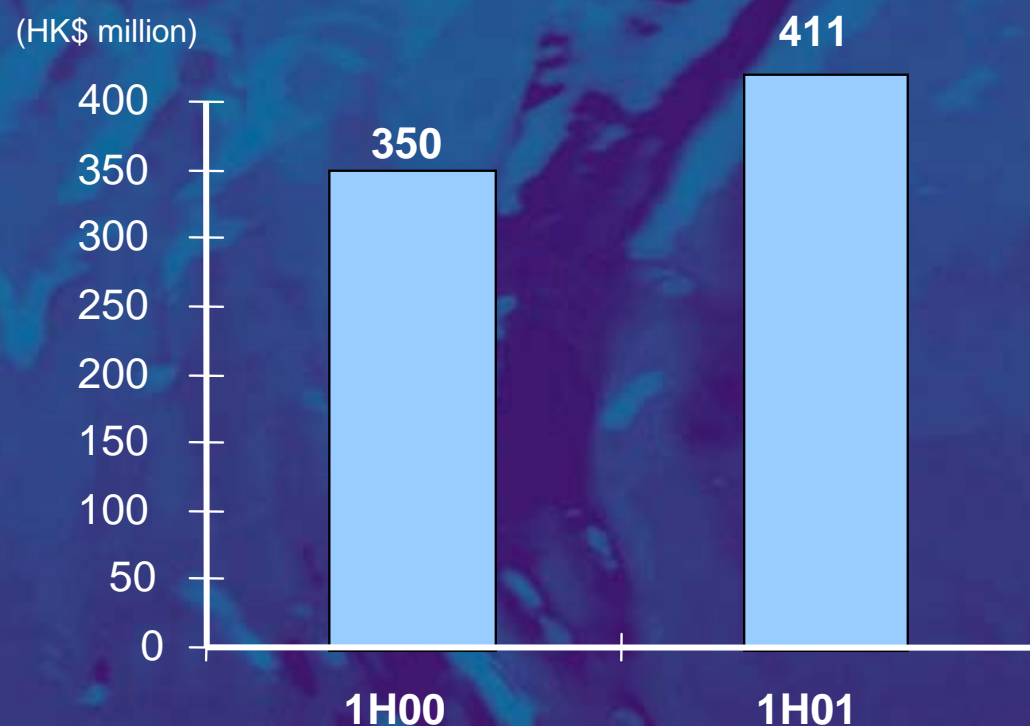
	Six months ended 30 June,		Changes %
	2000 HK\$'000	2001 HK\$'000	
Turnover	350,007	410,608	17.3
<i>Reinsurance</i>	343,145	402,748	17.4
<i>Brokerage</i>	6,862	7,860	14.5
Operating profit before taxation	49,252	60,560	23.0
Taxation	(2,593)	(3,118)	20.2
Profit attributable to shareholders	46,659	57,442	23.1
Basic EPS	6.93 cents	6.32 cents	(8.8)
Diluted EPS	N/A	6.27 cents	
Interim dividend*	0 cents	1.5 cents	

* Payable on 10 Oct. 2001

Financial Highlight for Six Months Ended on 30 June, 2001

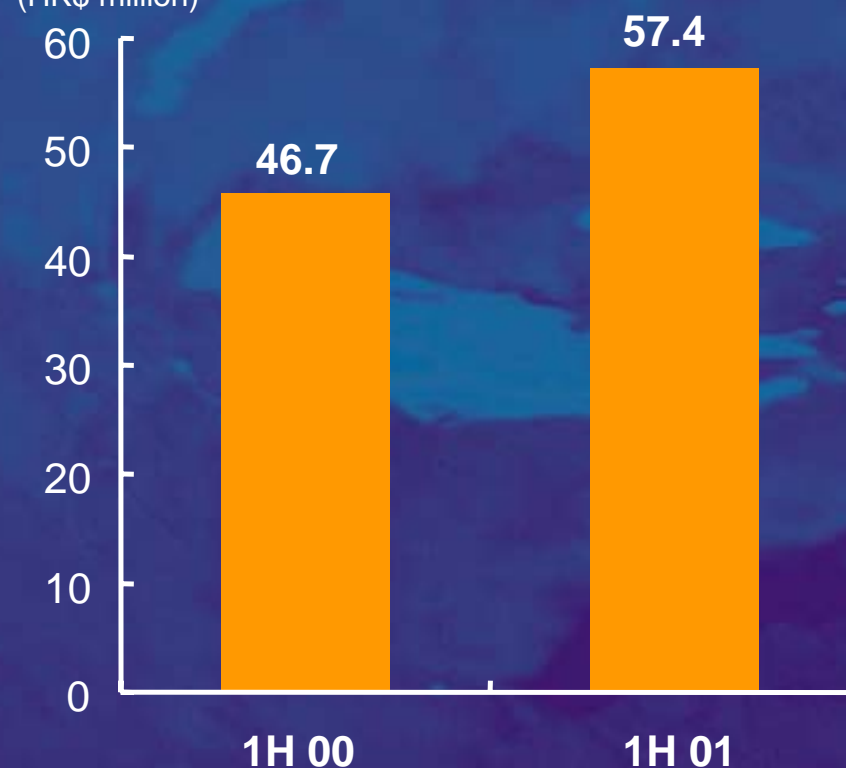
Turnover

(HK\$ million)



Profit from Ordinary Activities
after Taxation

(HK\$ million)



The background of the slide features a close-up, high-contrast photograph of a tree trunk. The wood grain is prominent, showing various shades of brown and tan. A significant portion of the tree trunk is hollowed out, revealing a dark, cavernous interior. The lighting is dramatic, highlighting the textures of the wood and the depth of the hollow. The overall mood is one of natural complexity and organic structure.

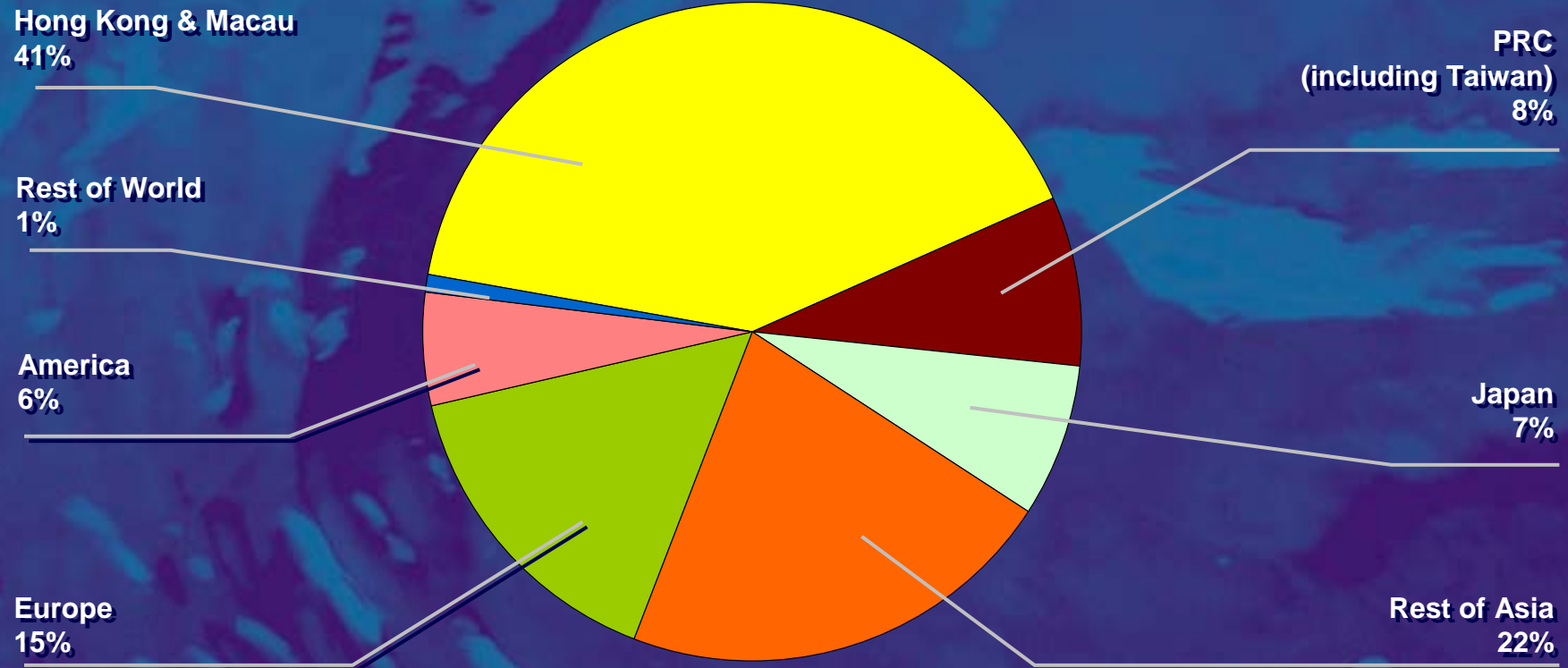
Business Review

Reinsurance Underwriting

- **Encouraging increase on premium income**
 - **HK\$ 402.7 million (1H00:HK\$343.1 million)**
 - **Increases 17.4% comparing 1H00**
- **Favourable market conditions:**
 - **increased demand,**
 - **tightened supply of reinsurance,**
 - **lower loss incidents**
- **Significant increase on premium pricing in general**
- **Growth of premium from Asian and all other markets**
- **Strict underwriting disciplines observed**

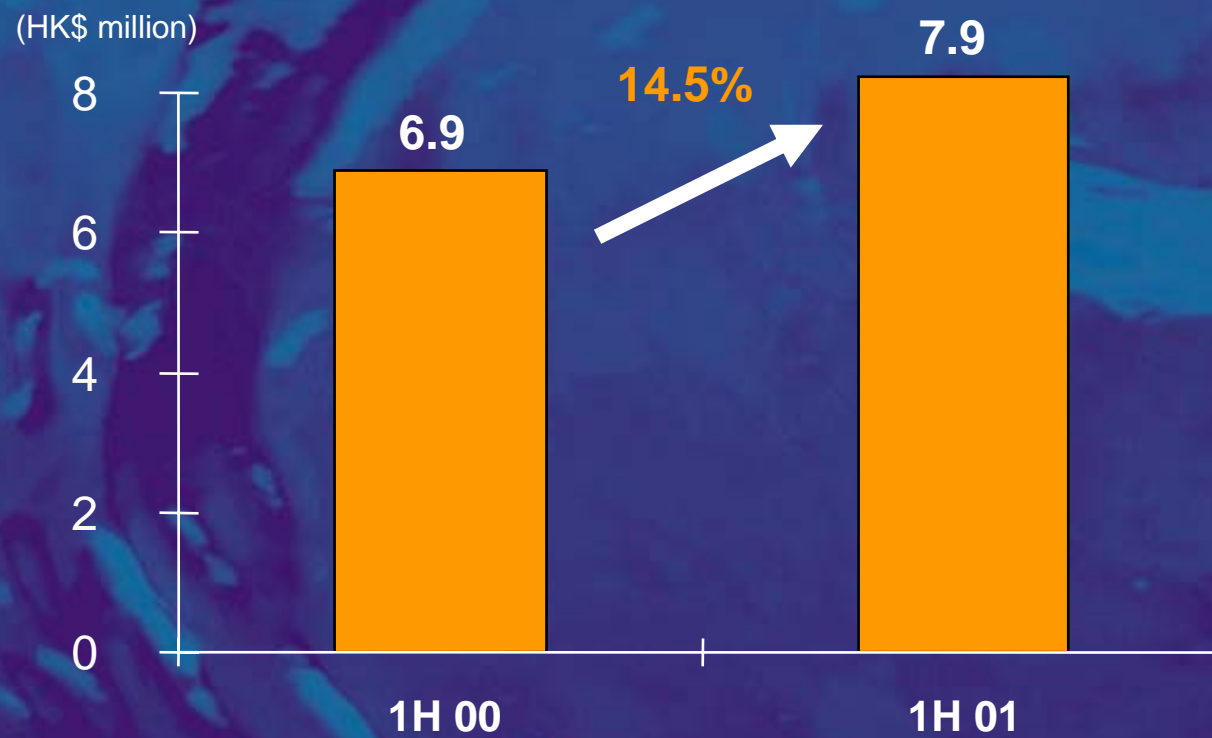
Gross Premium Income by Geographical Region

Six months ended 30 June, 2001



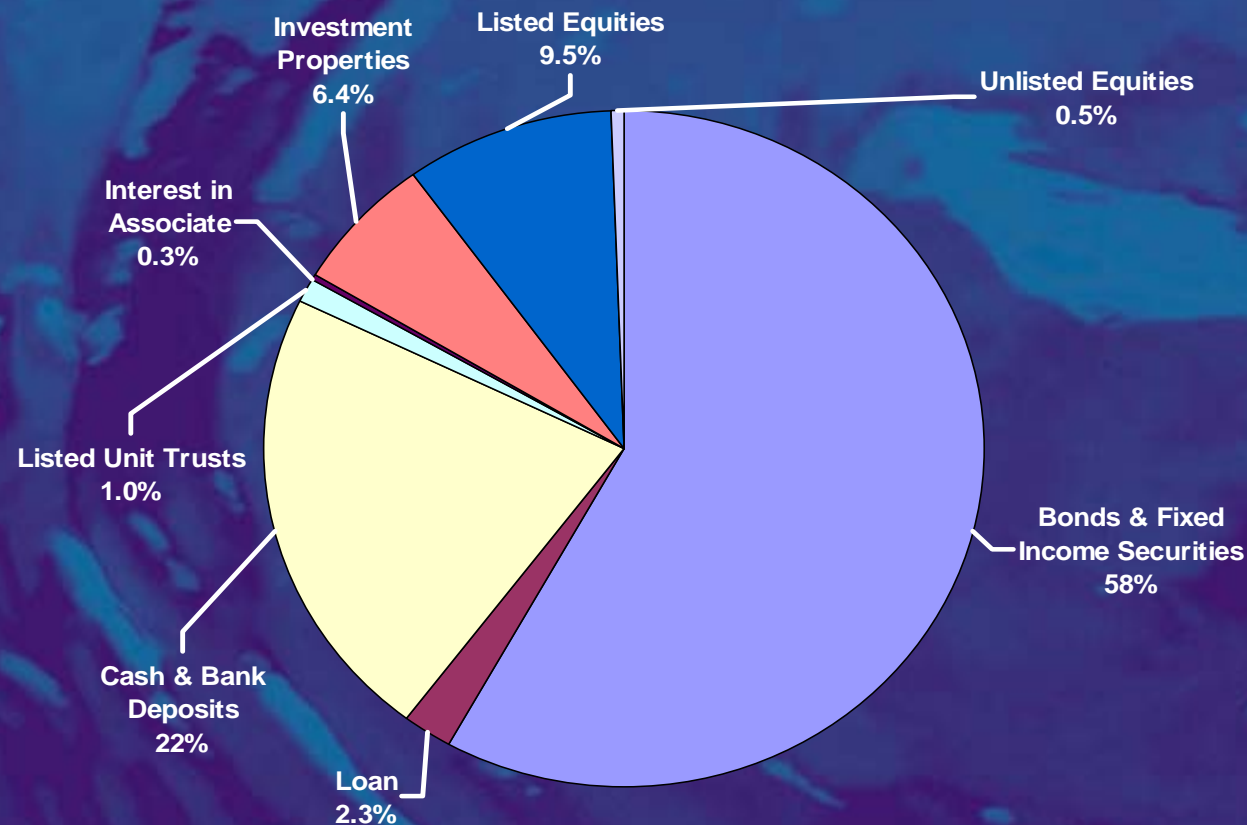
Reinsurance Broking

- Impressive growth of brokering business



Investment Portfolio & Income

- Total investment portfolio held as at 30 June, 2001 amounted to HK\$1,908 million
- Remarkable increase on investment income



An aerial photograph of a wide, winding river with a dam visible in the distance. The river is surrounded by lush green vegetation and fields. The text "Major Events" is overlaid on the left side of the image.

Major Events

Major Events

- **A representative office in Shanghai was opened in February, 2001**
- **Acquired 25% interest in Huatai Insurance Agency & Consultant Service Ltd. on 25 April, 2001 for a total consideration of RMB1.25 million; and further injected RMB5.25 million capital**
- **Placing of 47 million new shares to Guangdong Development Bank in FY 2001; net proceeds was approx. HK\$78 million**
- **Subsequent event: placing of 80 million shares to institutional and independent investors on 30 July, 2001; net proceeds was approx. HK\$214 million**



Future Plans and Prospects

Future Plans and Prospects

- **Management is confident that reinsurance underwriting and reinsurance broking business will continue to perform well in the 2nd half of 2001**
- **Prudent investment philosophy with a focus on asset quality and stable ROI will continue to be applied under the prevailing uncertain equity market conditions and low interest rate environment**
- **Top priority: Expansion in the Chinese domestic insurance market**
- **Continue discussion on the acquisition of Tai Ping Insurance**
- **Substantial progress - Tai Ping Life**



The Reorganisation and Share Transfer - Tai Ping Life

An aerial photograph of a large river system, likely the Yangtze River, showing a prominent meander loop. The river is a dark, winding line against a lighter, textured background of land and water. The meander is a large, rounded loop that dominates the center of the image. The surrounding area shows a complex network of smaller channels and floodplains, with varying shades of brown and tan. The overall scene is a vast, natural landscape.

A. Tai Ping Life

Tai Ping Life

- Established in Shanghai in the 1930s, Tai Ping had operated both life and general insurance businesses prior to the founding of the PRC
- Domestic operation nationalized under People's Insurance Company of China ("PICC") after 1949
- In May 2001, Tai Ping Life Insurance received the approval of China Insurance Regulatory Commission ("CIRC"), with the consent of the State Council, to resume its life insurance business in the PRC
- At present, there are only five nationwide life insurance companies in the PRC carrying on life insurance business throughout the PRC
- CIRC has already approved Tai Ping Life to open Shanghai headquarters and 3 branches initially: Guangzhou, Beijing and Chengdu



B. Reorganisation and Share Transfer

Summary of Reorganisation and Share Transfer

- 62.5% interest in Tai Ping Life is proposed to be transferred to CIH from China Insurance Company, Limited (“CICL”)
- Tai Ping Life asset restructuring
 - Transferred non-PRC life insurance assets to China Life, subsidiary of CICL
 - Keep only the approval to carry on personal insurance (including life insurance) business throughout the PRC
- Shareholdings of Tai Ping Life after the share transfer
 - CICL: 37.5%; CIH: 62.5%
- CICL plans to sell 24.9% in Tai Ping Life (12.45% each from CICL and CIH) to a foreign strategic investor(s) at a price not less than consideration given under the share transfer. Further announcement will be made in due course

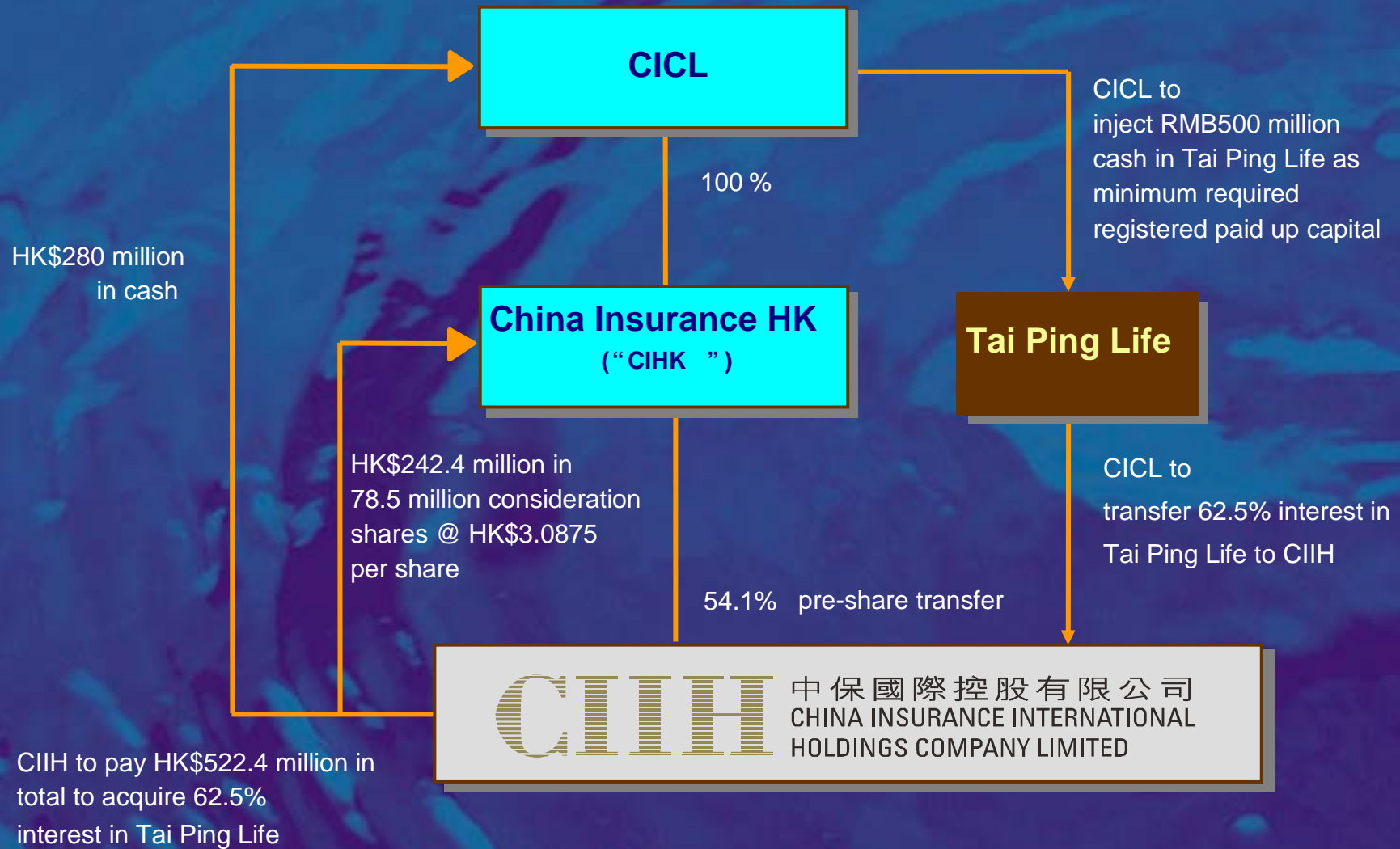
Valuation of Tai Ping Life

- Valuation of Tai Ping Life has been determined after arm's length negotiations between the Company and CICL
- Valuation of 100% of Tai Ping Life is RMB 886 million (HK\$ 836 million at the rate of HK\$ 1 = RMB 1.06)
- This represents RMB 386 million premium over the RMB 500 million minimum registered paid up capital to be injected by CICL into Tai Ping Life
- This premium reflects the right to carry on life insurance business throughout the PRC

Terms of The Share Transfer

- Total consideration of 62.5% interest in Tai Ping Life = RMB 553.8 million (HK\$522.4 million), which will be settled by:
 - Cash: HK\$280 million
 - CIH Shares: 78.5 million new consideration shares at HK\$3.0875 per share
- Consideration price of HK\$3.0875 per share represents:
 - A discount of 5.0% to the closing price of HK\$3.25 on 3 September, 2001, being the last trading day prior to the announcement
 - A discount of 5.3% to average closing price of HK\$3.26 for the last 10 trading days prior to the announcement
- Consideration Shares represent 7.1% of enlarged share capital of CIH

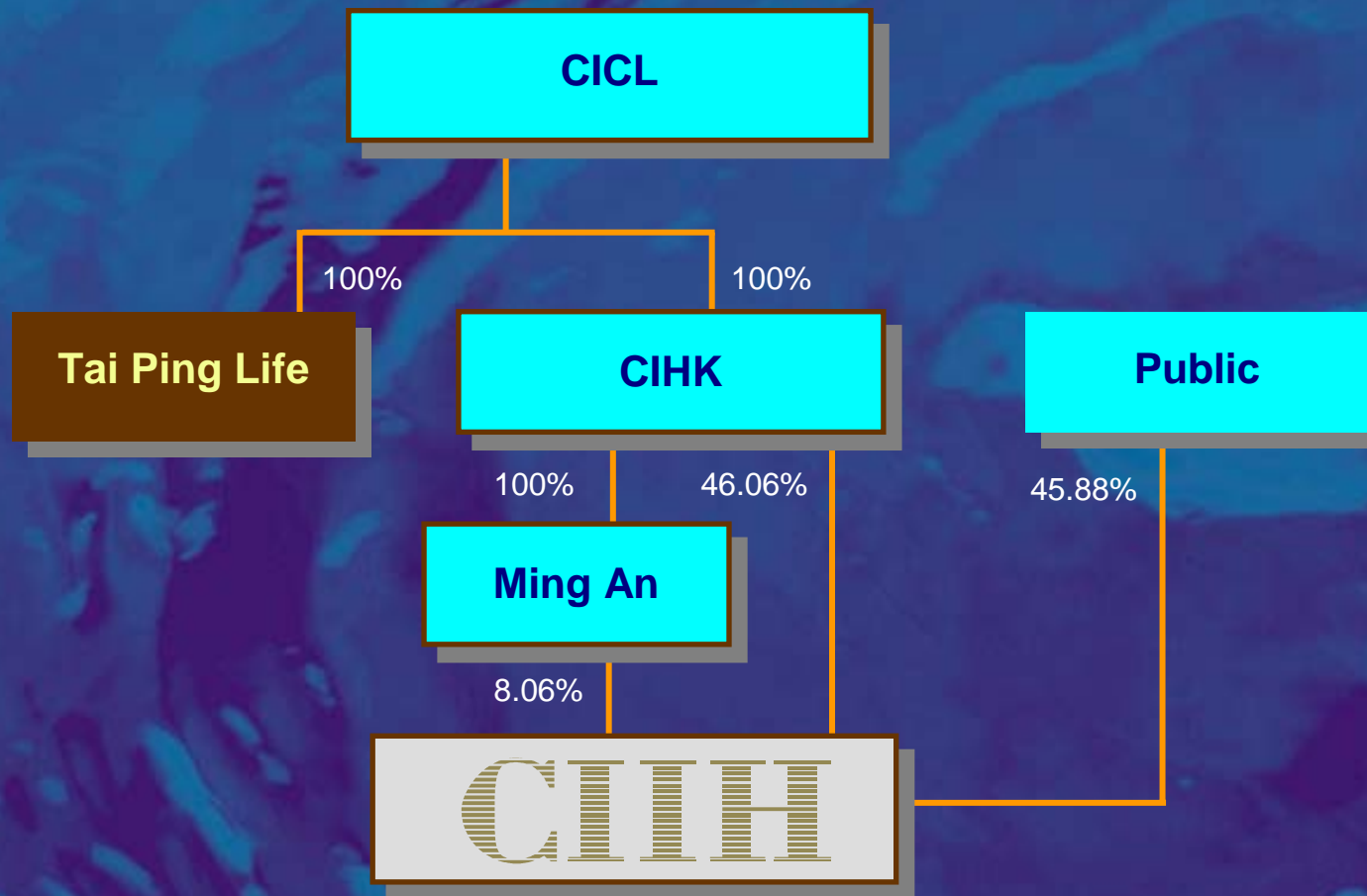
Share Transfer Structure



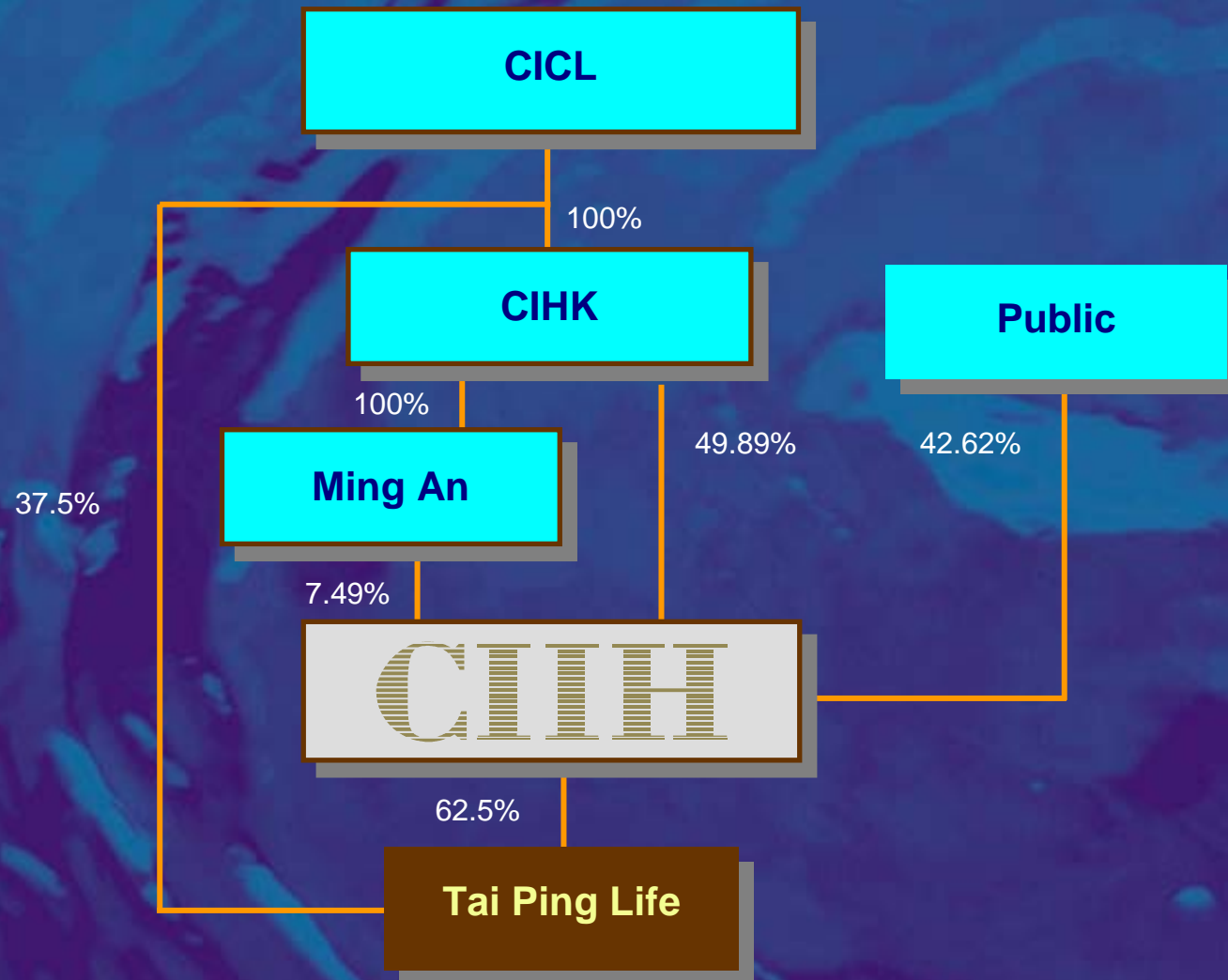
Share Transfer Structure (cont'd)

- A major and connected transaction
- Cazenove Asia Limited has been appointed as financial adviser to CIH
- Independent financial adviser will be appointed
- EGM will be held in October 2001

Corporate Structure before Share Transfer



Corporate Structure after Share Transfer



Impacts on CIH

- No immediate contribution to earnings in the short term
- Embedded value enhancement going forward
- Temporary dilution effect
- Long term strong profitability prospect

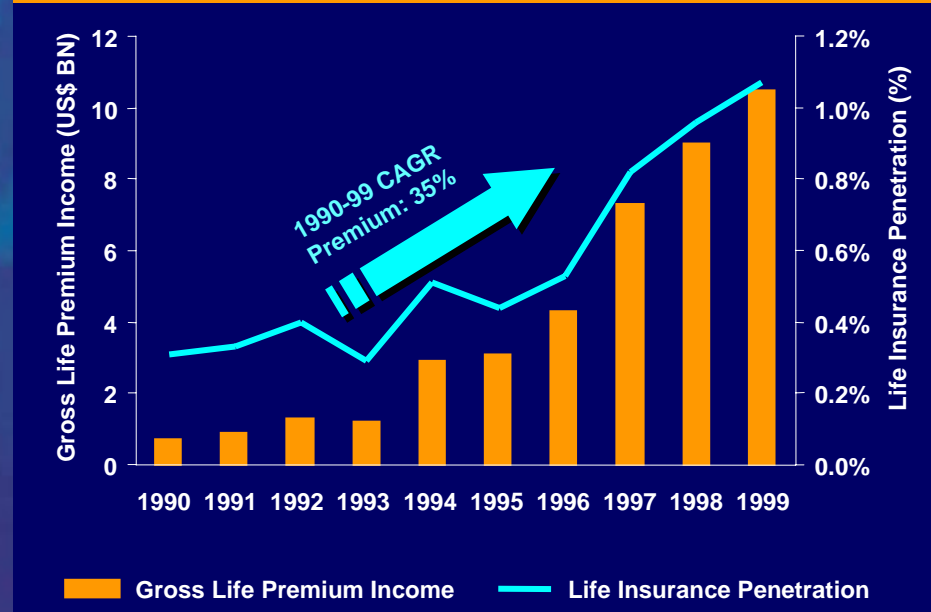
A blue-toned photograph of a large crowd of people, possibly at a public event or protest, with their arms raised in the air. The image is used as a background for the text.

C. China's Life Insurance Market

Robust Industry Growth

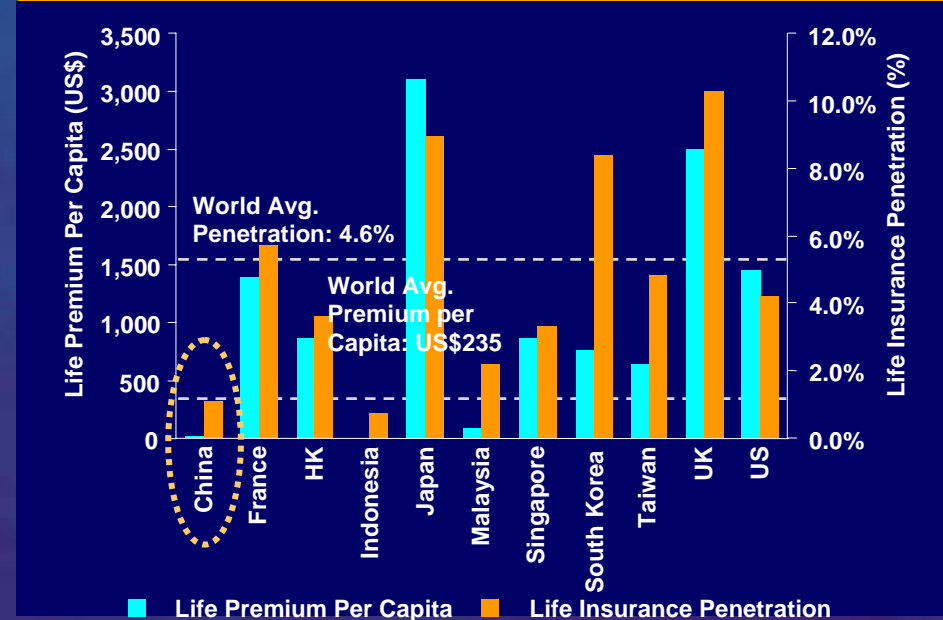
- PRC life industry exhibited remarkable growth in the last 10 years
- US\$ 10.5BN gross life premiums in 1999, grown at 35.4% CAGR since 1990
- Key future growth drivers are modest penetration at 1.07% (world average 4.6%) and low premium per capita US\$ 8.4 (world average US\$ 235) in 1999
- The official forecast projects life premiums to grow 14% p.a. over the next five years

A Fast Growing Market ...



Source: CIH, Swiss Re

... With Tremendous Market Opportunity



Source: Swiss Re, 1999

The PRC life market showed strong growth momentum and possibly offers the most substantial market potential in the world

The background of the slide features a large, textured tree trunk with a prominent hollowed-out section, set against a blue and purple gradient. The text is overlaid on this background.

D. Business Strategies & Plans

Strategy & Focus

Develop Economies of Scale Nation-wide

- Industry still in a “land grab” stage
- Unrestricted license buys significant lead time ahead of competitive entrants following WTO
- Company can leverage its developmental lead-time to achieve critical mass and enhance competitive positioning

Effectively Design and Price Products

- Attain market leadership in product innovation
- Use efficient pricing to enhance profitability and competitiveness
- Develop strong in-house actuarial capabilities and draw on the expertise of the strategic partner

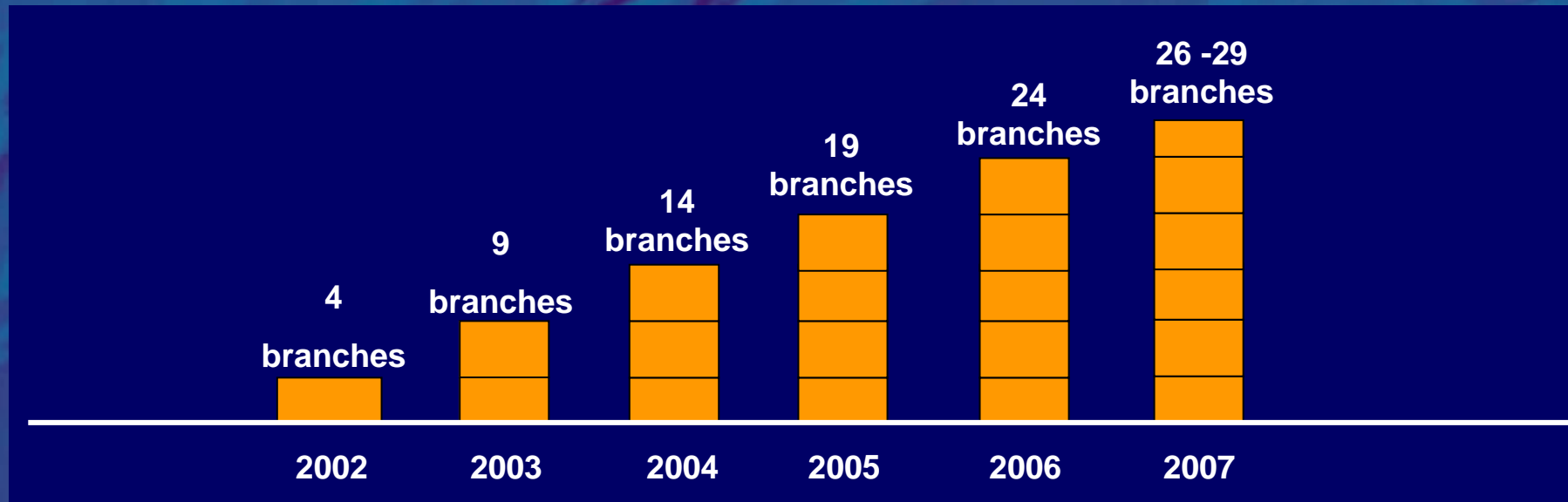
Use Technology Efficiently

- Intelligent use of technology enhances operating efficiency and customer service capability
- Develop IT platform characterized by a centralized data processing, web-based accessibility and open system architecture

Maximize Investment Portfolio Returns

- Easing of investment restrictions and increasing scale will highlight importance as an earnings driver
- Leverage off specialized services to maximize returns

Roll Out – Timing Perspective



Current Stage – Establishing Shanghai

- National headquarters, on track for 4Q 2001 launch
- The largest, most sophisticated and most competitive urban insurance market in the PRC
- Most familiar market to the management team

	IT / Facilities	Product / Marketing	Agents	Management
Done	<ul style="list-style-type: none"> ✓ Final evaluation of IT proposals ✓ Office space ✓ Appointment of IT contractor ✓ Acquisition and installation of IT ✓ Office development 	<ul style="list-style-type: none"> ✓ Identification of prelim. products suite ✓ Policy terms finalized ✓ Understanding of initial marketing initiatives ✓ Completion of design for product launch ✓ Submit to CIRC ✓ Determining media mix for launch campaign 	<ul style="list-style-type: none"> ✓ Training manual and policy ✓ Identification of suitable agents ✓ Hiring of agency force and negotiating contracts 	<ul style="list-style-type: none"> ✓ Recruitment of most key management ✓ Deepening the management with qualified hires
To Do	<ul style="list-style-type: none"> ✓ System testing 	<ul style="list-style-type: none"> ✓ Obtaining CIRC launch approval ✓ Marketing plan 	<ul style="list-style-type: none"> ✓ Training of agents ✓ Agent qualification exam. on 23 Sept. 	<ul style="list-style-type: none"> ✓ Hiring more staff

Management

- The company has made senior management hires including 4 corporate VPs and branch management, actuarial team
- Evaluating candidates for the position of Chief Actuary
- Management team has wealth of experience in the PRC insurance business and excellent track record
- Driving force behind the company's business plan
- Motivated and incentivized

An aerial photograph of a large river system, likely the Mekong River, showing a prominent meander loop. The river is surrounded by dense green vegetation. The text "E. Key Attractions of Tai Ping Life" is overlaid in the center of the image.

E. Key Attractions of Tai Ping Life

Key Attractions of Tai Ping Life

- One of the few life insurance companies which can carry out life insurance business throughout the PRC
- Simple shareholder structure, coherent strategy and strong leadership
- Substantial PRC insurance market expertise and in-depth understanding of domestic market and regulatory structure
- Management capabilities to compete in sophisticated commercial market
- Potential foreign partner will add value in the areas of distribution, agency management, product design, IT, risk control and investment capabilities

An aerial photograph of a river system, likely the Colorado River, showing a large dam structure in the middle of the river. The water is a deep blue, and the surrounding landscape is a mix of green and brown, indicating agricultural and natural areas. The text "CIH Investment Highlights" is overlaid in the center of the image.

CIH Investment Highlights

CIH Investment Highlights

- Only listed Chinese insurance company offering exposure to China's insurance sector
- Continuous strong support from parent company
- Uniquely positioned to capitalize on the rapid growth of the PRC's insurance market
- Healthy financial position
- Professional management with in-depth knowledge of China's insurance market

A close-up photograph of a person's face, showing their eyes and nose, with a blue and purple color overlay. The text "Open Forum" is written in a bold, orange font with a black shadow effect, positioned on the left side of the image.

Open Forum

Forward-looking Statements

This presentation contains certain forward-looking statements with respect to the financial condition, results of operations and business of CIH, the life insurance industry in the PRC and certain of the plans and objectives of the management of CIH. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results or performance of CIH to be materially different from any future results or performance expressed or implied by such forward-looking statements. Such forward-looking statements were based on numerous assumptions regarding CIH's present and future business strategies and the political and economic environment in which CIH and its subsidiaries will operate in the future. Reliance should not be placed on these forward-looking statements, which reflect the view of CIH's management as of the date of this presentation only.