

[For immediate release]



CTIH Announces 2011 Interim Results

(26 August 2011, Hong Kong) China Taiping Insurance Holdings Company Limited (“CTIH” or the “Company”; stock code: HK 00966) today announced its results for the six months ended 30 June 2011 (the “Period”).

Key Financial Highlights

- **Strong, Steady Results Despite Challenging Financial, Operating Conditions within the PRC and Globally.** Gross premiums written and policy fees decreased slightly by 0.4% to HK\$27,158.76 million. Net profit attributable to the owners increased by 20.4% to HK\$725.78 million.
- **Core Business Units Stable and Sound in Difficult Operating Environment.** During the Period, despite high economic, financial and investment volatility due to China’s determined efforts to tighten money supply and lower inflation, and with uncertain financial conditions in the United States and Europe creating global economic and financial difficulties, the Company was still able to achieve satisfactory operating and financial results, and has continued its long-term objective of focusing on high value, profitable growth for the future.

The net profit/(loss) attributable to the owners by each business line for the Period is summarized as follows:

HK\$ million	1H2011	1H2010
Life insurance	322.87	356.68
Property and casualty insurance	323.49	234.13
Reinsurance	159.92	173.58
Other businesses	(80.50)	(161.39)
Net profit attributable to the owners	725.78	603.00

Key Operating Highlights

Life Insurance Business – Taiping Life Insurance Company Limited (“TPL”). Regulatory changes on the sales of bancassurance created an environment of adjustment during the first half of 2011. Although overall gross premium sales declined slightly by 1.1% to HK\$21,002.23 million during the Period, most of the decrease in premium was from the fall in single premium product sales through banks. Nevertheless, the overall proportion of regular premium products in the overall sales for the Period increased to 67.6% from 48.8% in the Last Period. Mr. Lin Fan, the Chairman of CTIH, said: “The higher percentage of sales of regular premium products and the higher profitability of the policies sold are reflected in the higher embedded value and new business value figures of TPL for the first half of 2011. It is encouraging to note that the embedded value of TPL has increased 34.7% to HK\$19,110 million from HK\$14,187 million at the end of the Last Period. Likewise, the new business value after cost of capital for the Period increased to HK\$1,253 million from HK\$1,055 million at the end of the Last Period, representing a fairly acceptable growth of 18.8% given the slight contraction in top line premium.”

Property and Casualty Insurance Business

– ***PRC Operations: Taiping General Insurance Company Limited (“TPI”)***. TPI’s premium increased by 13.7% and its combined ratio of 98.4 during the Period was lower than the 99.9 in the Last Period, while its loss ratio was maintained at an acceptable level of 54.8%.

– ***Hong Kong Operations: China Taiping Insurance (HK) Company Limited (“CTPI (HK)”)***. The premium for the Period increased by a modest 8.4%, and the combined ratio improved to 95.8 from 98.3. The sizable increase in net income was due to solid underwriting and investment incomes, in addition to net foreign exchange gains during the Period.

Reinsurance Business – Taiping Reinsurance Company Limited (“TPRe”). TPRe’s premium increased by 18.9% over the Last Period. The Japanese earthquake and tsunami and the New Zealand earthquake have brought huge losses to the global reinsurance industry, as well as to TPRe. Although the financial results at TPRe have thereby declined during the Period, the overall results were still satisfactory. In addition, the global reinsurance markets have experienced tightened terms and conditions, and a hard reinsurance pricing environment is beneficial to business development over the long term.

Prospects

Chairman Lin said: “Taking into account the difficulties and challenges that we encountered within China and around the globe during the Period, I consider the overall interim results to be very satisfactory. Even more importantly, we have not deviated from our strategy of focusing on core profitability and in selling products of the highest quality”. Chairman Lin reiterated: “In essence, we were willing to lower our top-line premium growth, but continued to focus on the bottom line and top quality services to our policyholders, and we believe such a strategy will best enhance stakeholders’ value over the long term”.

Chairman Lin is optimistic about the medium and long term for CTIH and all of its operating subsidiaries and said: “While we recognize that this year has not been easy for high premium growth, I can say that I am confident that the full year results will be satisfactory”.

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Company Background:

CTIH is a member of the group of companies under China Taiping Insurance Group Co., which is a large scale, Chinese insurance enterprise incorporated in the People's Republic of China ("PRC"). Through its subsidiaries, CTIH is principally engaged in the business of underwriting direct life insurance business in the PRC, property and casualty insurance businesses in the PRC and Hong Kong, and also all classes of global reinsurance business. CTIH also carries on asset management, insurance intermediary and pension businesses and, to support its insurance activities, holds money market, fixed income, equity and property investments.

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