

Impact from the Indonesian Earthquake and subsequent Tsunami on the group of China Insurance International Holdings Co. Ltd. is limited.

The directors of China Insurance International Holdings Co Ltd (“CIIH” or the Company, with share listing on Hong Kong Stock Exchange Main Board stock code : 966) are aware of the general concern to the serious death toll and property damage to a number of southern Asian countries, following the Richter Scale 9.0 earthquake that occurred under the sea near Sumatra, Indonesia on 26 Dec 2004 and the subsequent tsunamis which have caused some 24,000 death and also a lot of property damages to the nearby countries.

The Company wishes to inform all those concerned that based on the current information in hand, it is expected that the property damage and death toll from this tragic event will have limited impact to the operating result of the Company for the full year 2004.

CIIH engages in international reinsurance business through its wholly-owned subsidiary, China International Reinsurance Co Ltd (“CIRe”) which is exposed to mainly property damage insurance risks in Asia. However along with its usual prudent risk underwriting policy and the reinsurance protection CIRe has got in place, any losses from this or other natural catastrophic events are contained within a tolerable threshold. For year 2004, its net retained amount for each and every major natural catastrophe in Asia such as the Indonesian earthquake and the tsunamis is not more than HK\$20,000,000, which is less than 2% of its gross written premium income for year 2003, or its net worth as at 31.12.2003.

CIIH also engaged in life and general insurance underwriting business in mainland China through its subsidiary Tai Ping Life Insurance Co Ltd, and associate Tai Ping Insurance Co Ltd, and do not expect any involvement in this event through the mainland Chinese insurance operations.

28 December, 2004