

Annual Results 2000

二零零零年度全年業績

The Insured Path to China
通往中國的保險大道

CIIH 中保國際控股有限公司
CHINA INSURANCE INTERNATIONAL
HOLDINGS COMPANY LIMITED

Agenda

- **Financial Summary**
- **Operations Review**
- **CI G and CI H Corporate Structure**
- **Plans and Strategies**
- **Open Forum**

Financial Summary

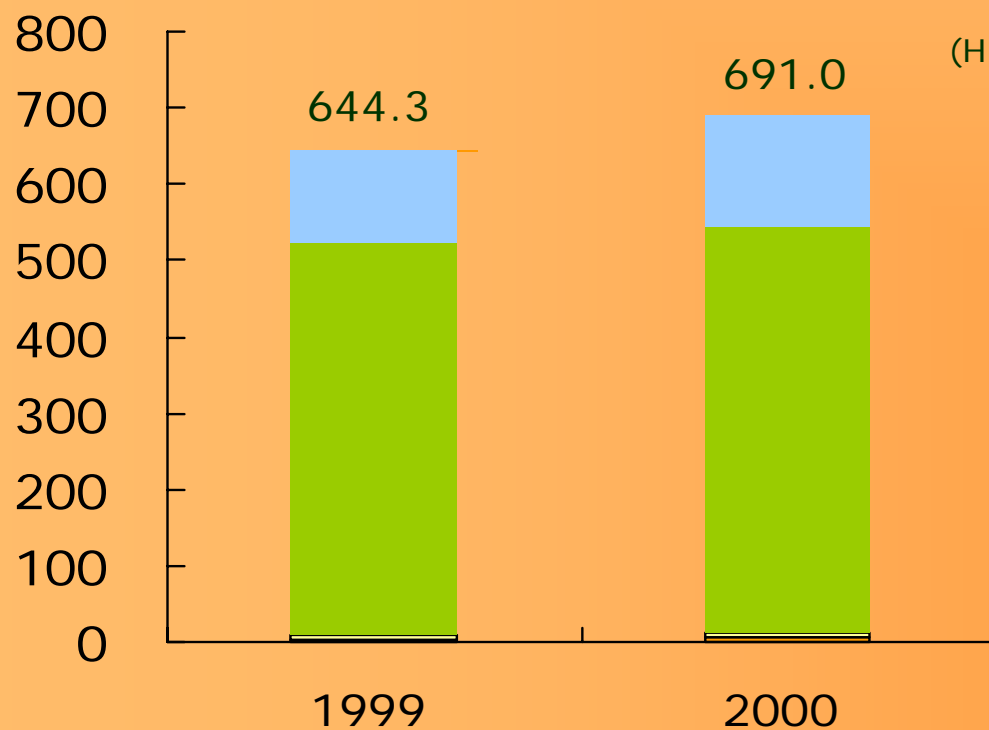
Year ended 31 December

(HK \$'000)	2000	1999	Change
Turnover	691,044	644,314	+ 7.3%
Profit attributable to shareholders	117,730	101,893	+15.5%
Earnings per share (HK\$)	0.15	0.15	nil
Dividend per share (HK\$)	0.04	nil	n/a

Financial Highlights

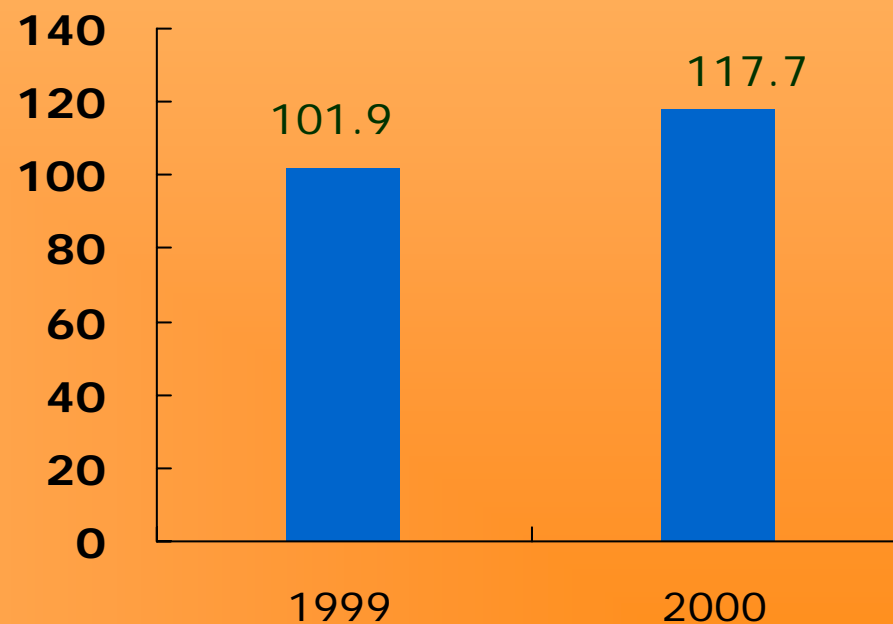
Turnover

(HK\$ million)



Profit from Ordinary Activities after Taxation

(HK\$ million)



Financial Position

as at December 31, 2000

Cash and bank deposit	HK\$458 million
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Return on equity	17%
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Return on total assets	6.1%
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Debt-to-equity ratio	0
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Operations Review

Reinsurance Underwriting

- Encouraging **6.8 % increase** on premium income to HK\$ 683.4 million

	2000	1999	
<u>Premium income</u>	HK\$'million	HK\$'million	(+/-)%
Non-Life			
• Non-proportional	146.2	120.9	+20.9%
• Proportional	531.9	515.3	+3.2%
Life insurance	5.3	3.9	+37.7%
	<hr/> 683.4	<hr/> 640.1	<hr/> +6.8%

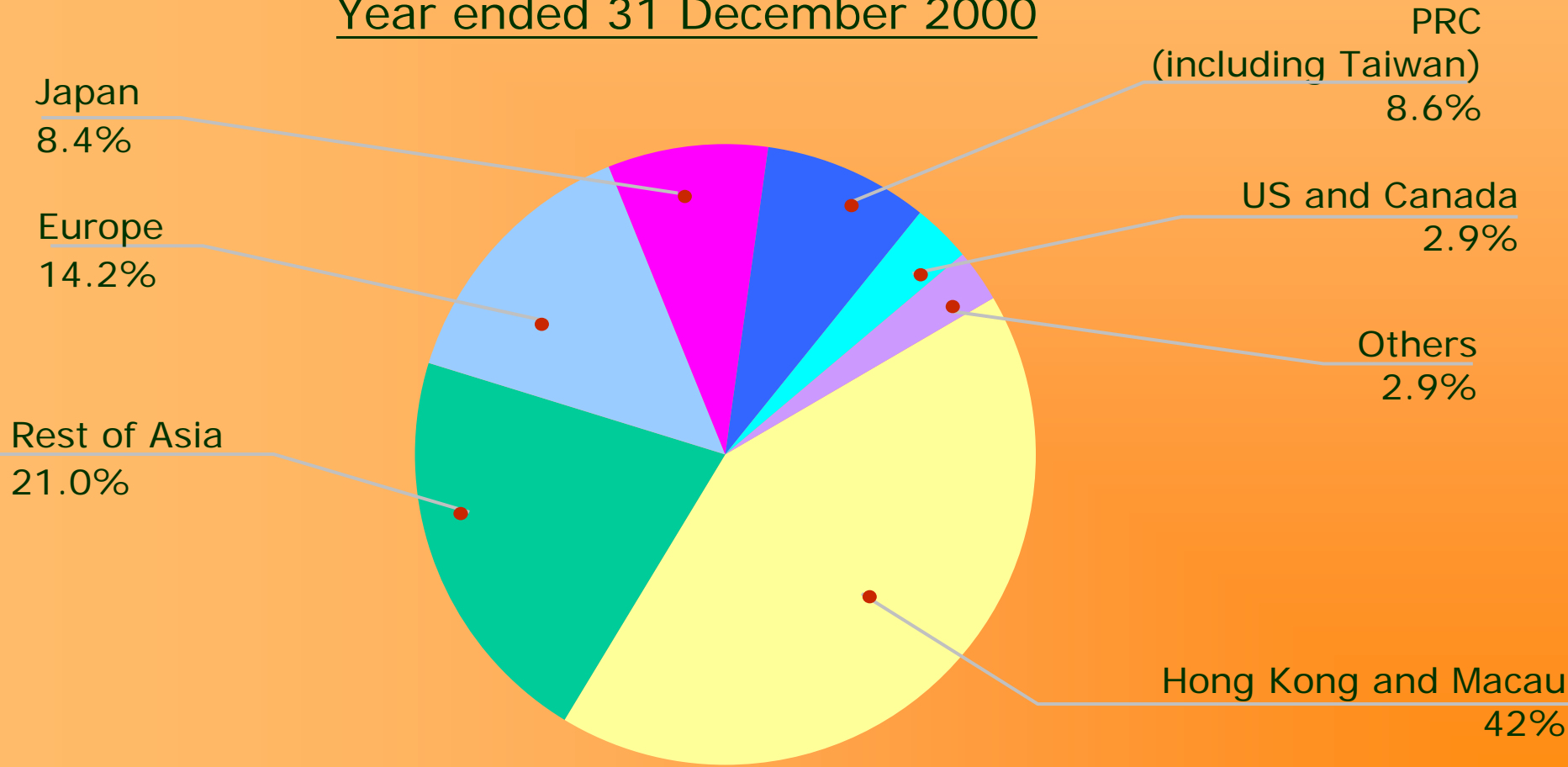
**Hardening of market conditions -
a better trading environment for professional reinsurers**

Reinsurance Underwriting

- Reinsurance underwriting loss of HK\$46 million in 1999 turned around to underwriting profit HK\$73.2 million in 2000
- The improved results were mainly attributed to savings in claim settlement for 1997 and prior years

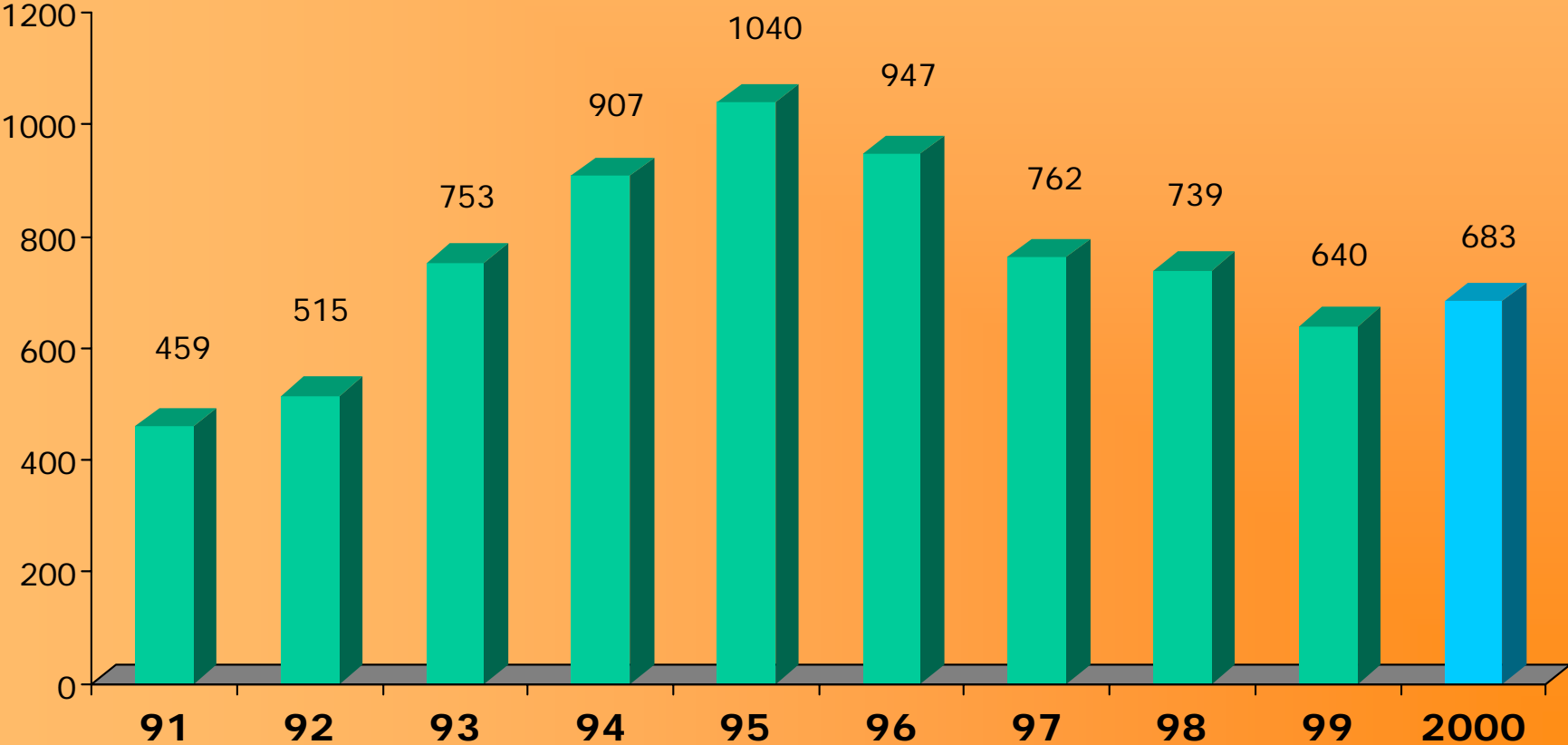
Gross Premium Income - Geographical Breakdown

Year ended 31 December 2000



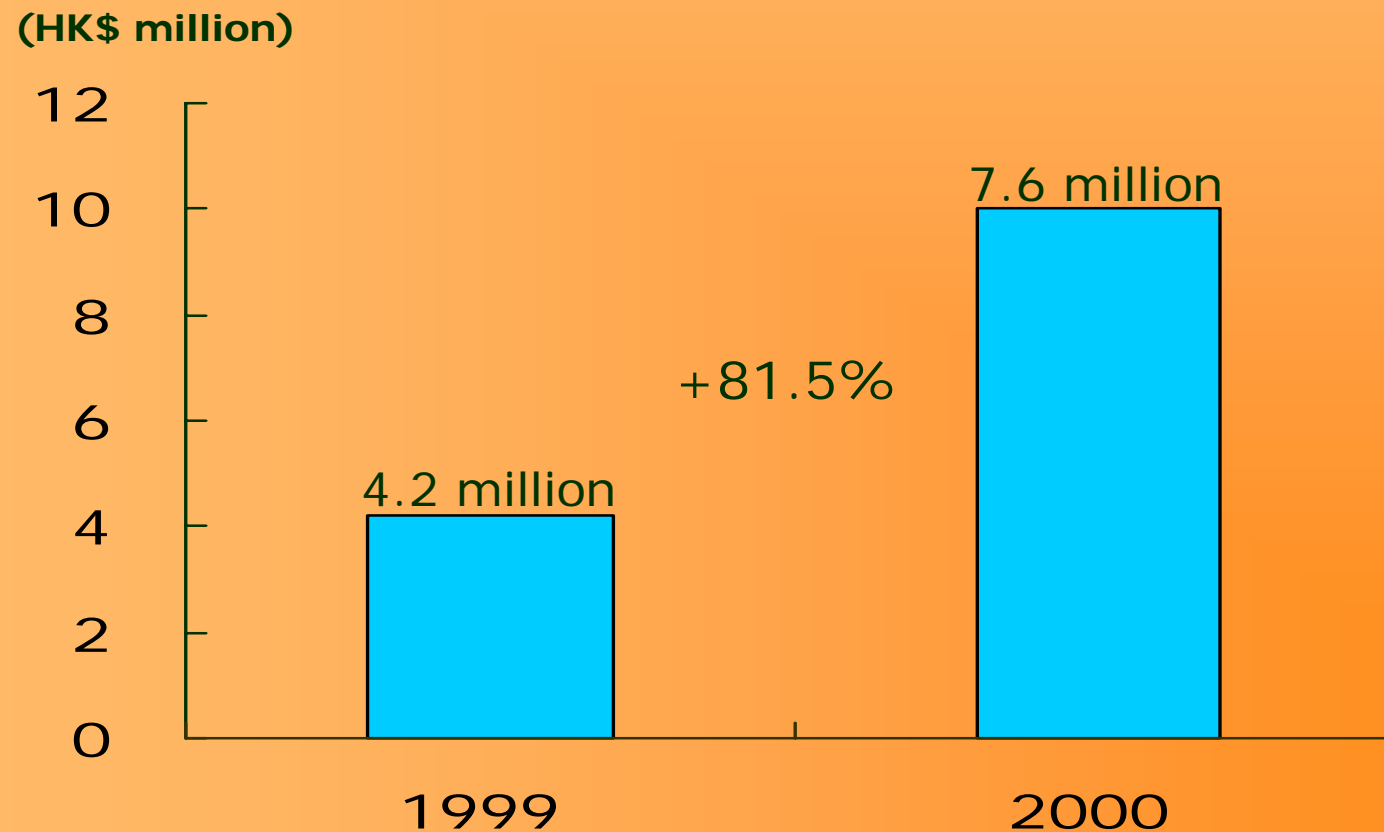
Premium Growth Resumed

Premium Income
(HK\$ million)



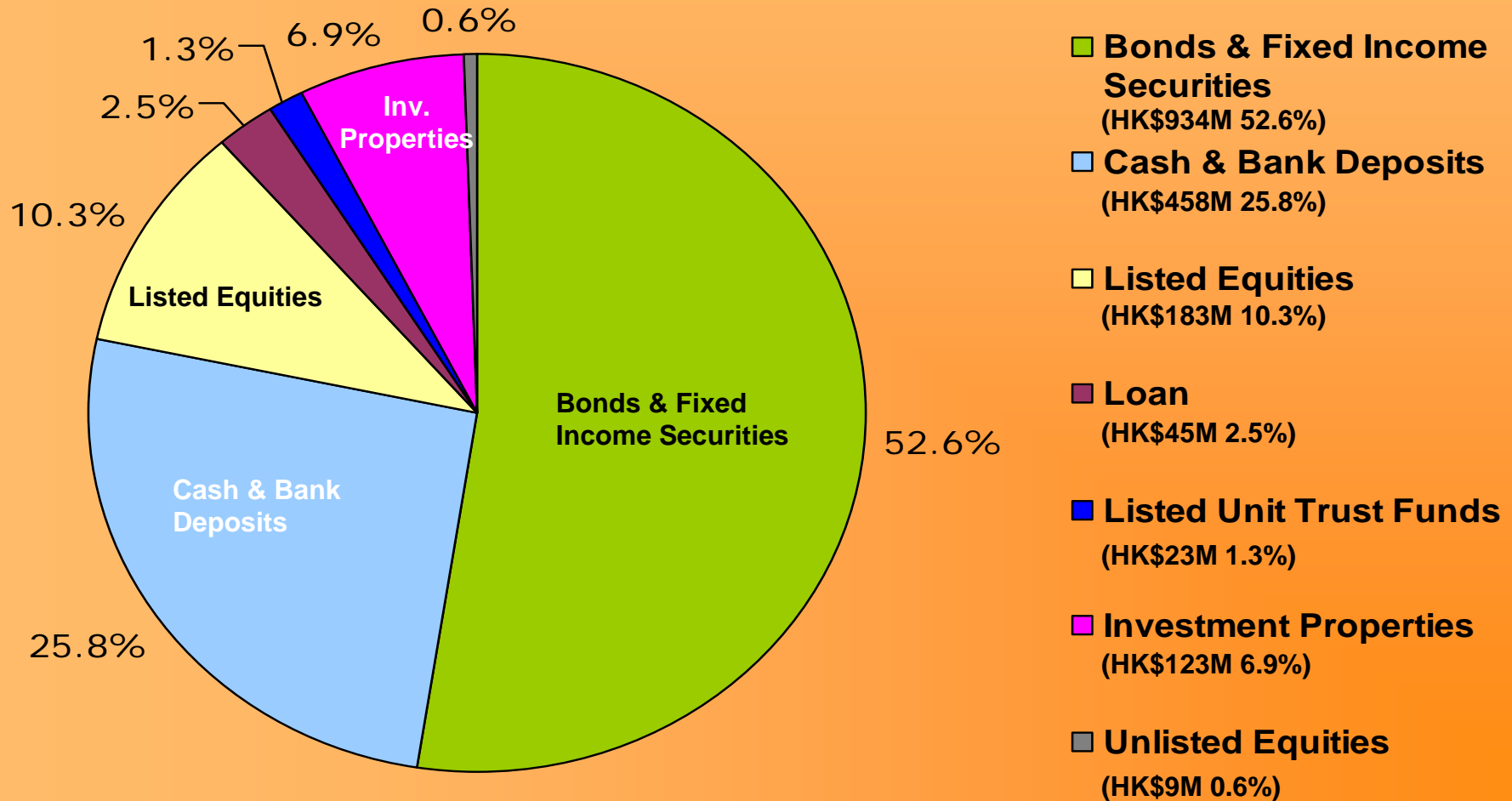
Reinsurance Brokerage

- Impressive growth of brokerage business
 - Increases in reinsurance orders and price increases



Investment Portfolio as at 31.12.2000 Represented 84.4% of Total Assets

Investment Portfolio



Investment Income

- Total investment and other income reached HK\$71.1 million, decreased from HK\$155.7 million of the previous year
- Reduction was mainly attributed to net realised and unrealised losses on listed and unlisted securities

Investment Income

- 2000 Investment Income included: (HK\$'000)

Bonds & fixed income securities	67,676
Listed equity securities	(17,793)
Trust funds	(4,927)
Bank Deposit Interest	22,290
Others	<u>3,825</u>
	<u>71,071</u>

Outlook for 2001

Core Business - Reinsurance

- **Maximise market opportunities in improving reinsurance market**
 - Rate increase imposed by reinsurers
 - Coverage restricted by reinsurers
 - Benefited by premium rate increases on primary insurance market
 - Reduced reinsurance capacity due to withdrawal of some competitors
 - Revenue from reinsurance brokerage expected to grow in line with hardening reinsurance market

Outlook for 2001

Core Business - Reinsurance

- **Expansion in the PRC, well equipped and prepared for business opportunities arising from the accession of WTO**
 - Shanghai representative office opened in Feb 2001
- **Stable investment income due to prudent investment philosophy with strong emphasis on bond holdings supplemented by suitable portfolio of listed equities**
- **Optimistic with 2001 outlook on reinsurance - healthy return expected**

CIG and CIIH Corporate Structure

CIG is One of the Four Major State-owned Insurance Groups

State Council of the PRC

The People's Insurance Company of China

China Life Insurance Company ("China Life (PRC)")

China Insurance Company Limited ("China Insurance (PRC)")

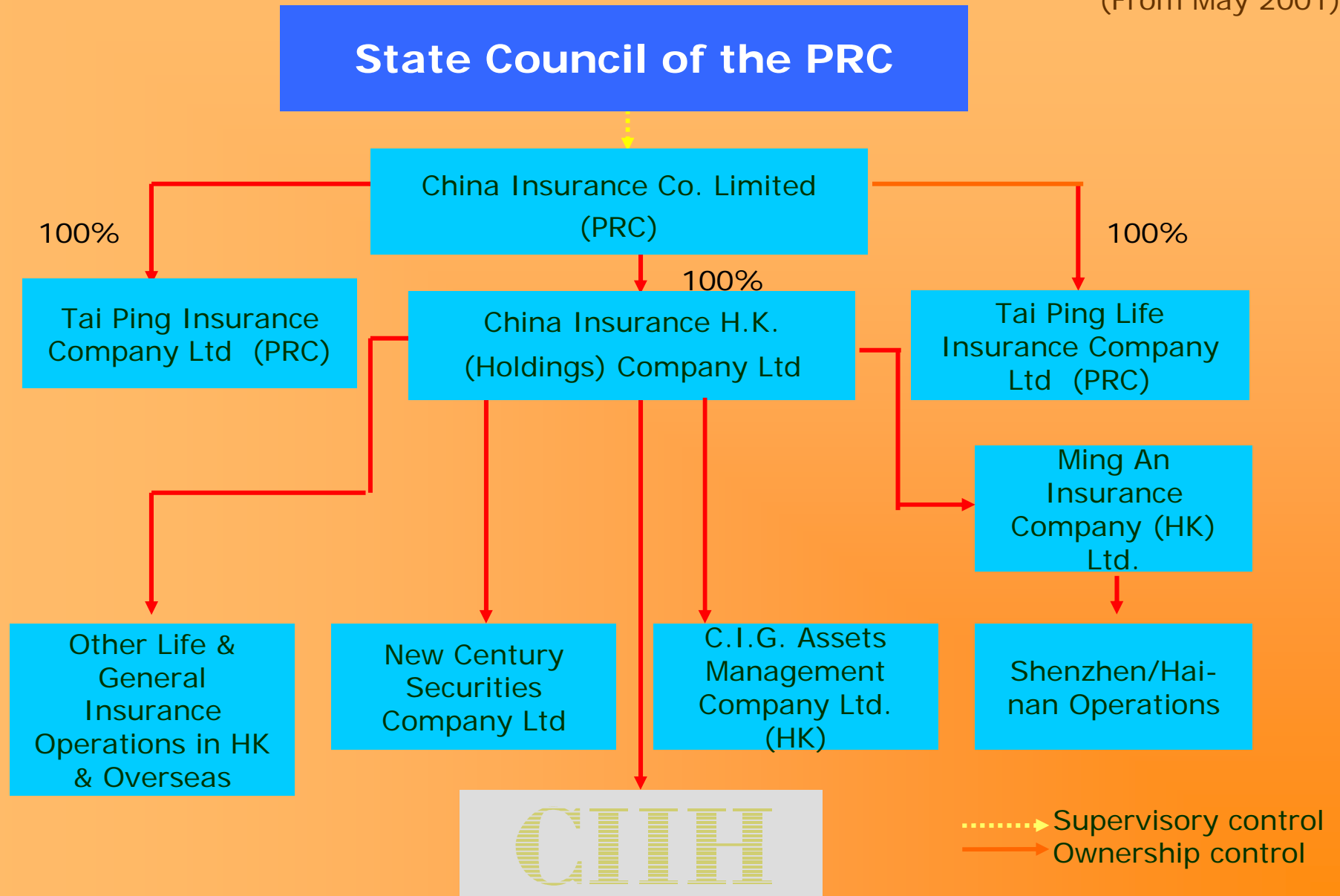
China Reinsurance Company ("China Re (PRC)")

China Insurance H.K. (Holdings) Company Ltd ("CIHK")

.....> Supervisory control
——> Ownership control

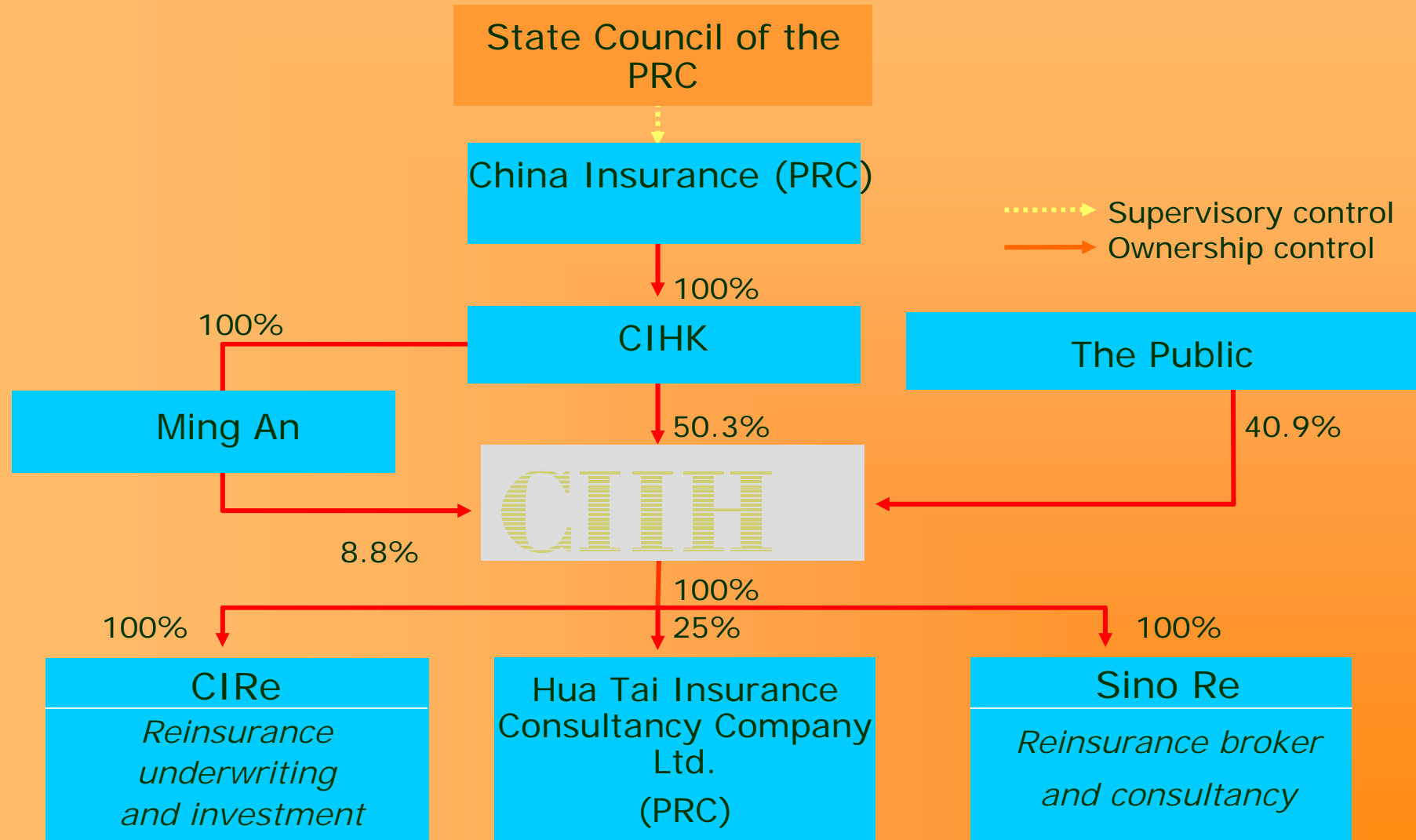
China Insurance Group Corporate Structure

(From May 2001)



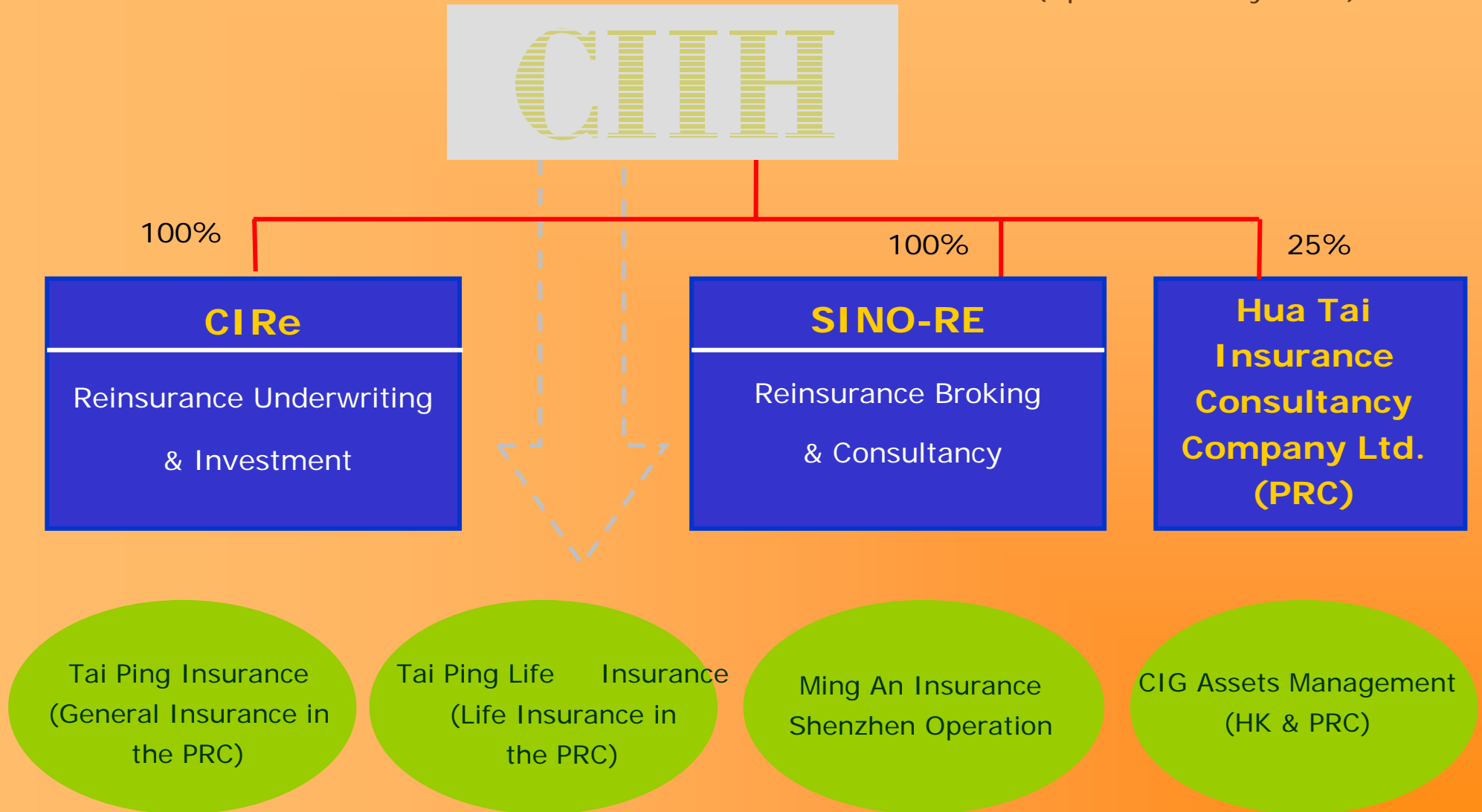
CIIH Corporate Structure

(From May 2001)



Future Corporate Structure

(Updated at May 2001)



Plans and Strategies

Plans and Strategies

- **Parental support**

- Involved in the parent company's expansion into China's primary insurance market
- Quality assets injection from parent company including insurance broker business in China and assets management business

Plans and Strategies (Cont'd)

- **Strengths for expansion in China-experienced professionals and expertise**
 - Management system and operation mechanism meet international standards
 - Operated with strong capital, industry knowledge and experienced management team

Plans and Strategies (Cont'd)

- **Well-balanced development steps combining existing business and future strategic expansions**
 - Short term goals and mid/long term objectives
 - To achieve best results and return for the shareholders

Open Forum

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