

Statements on the Premiums Income for the First Half Year of 2004

We are pleased to report that the unaudited first year gross premiums written by Tai Ping Life Insurance (TPL) amounted RMB2,466 million for the first half year of 2004 (“the period”). The total premiums including the premiums renewed amounted RMB2,528 million during the period, representing an increase of 81.23%, although the national wide life business slowed down significantly during the period.

General insurance premiums written by Tai Ping Insurance (TPI) also continued to grow impressively during the period and its unaudited gross premiums written reached RMB457 million, representing an increase of 101.29%.

For the detailed breakdown of the business lines of TPL and TPI, please see the separate tables.

Our reinsurance business experienced a steady growth. CIRE’s unaudited total premiums grew by 3.30% to HK\$961.6 million during the period (2003 unaudited: HK\$930.61 million) with the unaudited combined ratio of 88.00% on net (retained) earned premium (2003 unaudited: 95.00%) [Revised].

However, due to further expansion and a greater breadth of operations in Mainland China at TPL and TPI, the net operating losses from both TPL and TPI were higher than that of the same period last year. In addition, the global equity markets experienced certain volatility during the period and our investment performance was not as good as last year. Thus, it is expected that our operating profits may face heavier pressure. We will report the actual financial figures in the interim result announcement which is scheduled to be held on 9th September.

22nd July, 2004