

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2003

(Expressed in Hong Kong dollars)

| | Note | 2003 \$'000 | 2002 restated \$'000 |
|---|------|-------------------|----------------------------|
| Turnover | 2 | <u>4,329,955</u> | <u>2,769,766</u> |
| Amount transferred from/(to) revenue account: | | | |
| — Reinsurance business | | 43,635 | 151,311 |
| — Life insurance business | | (121,711) | (33,284) |
| | | <u>(78,076)</u> | <u>118,027</u> |
| Income from asset management business | 2 | 56,169 | 27,316 |
| Income from insurance intermediaries business | 2 | 14,661 | 15,324 |
| Other revenue | 3 | 244,276 | 149,474 |
| Other net income/(loss) | 3 | 151,282 | (55,087) |
| | | <u>388,312</u> | <u>255,054</u> |
| Expenditure relating to non-underwriting activities: | | | |
| — Administrative expenses | | (253,609) | (128,383) |
| — Net exchange gains | | 27,789 | 9,017 |
| | | <u>(225,820)</u> | <u>(119,366)</u> |
| Profit from operations | | 162,492 | 135,688 |
| Share of losses less profits of associates | | (60,374) | (29,260) |
| Finance costs | 4 | (19,838) | (3,161) |
| Profit from ordinary activities before taxation | 4 | <u>82,280</u> | <u>103,267</u> |
| Income tax | 5(a) | (23,319) | 31,970 |
| Profit from ordinary activities after taxation | | <u>58,961</u> | <u>135,237</u> |
| Minority interests | | 81,792 | 45,153 |
| Profit attributable to shareholders | 8 | <u>140,753</u> | <u>180,390</u> |
| Dividends attributable to the year: | | | |
| | 9 | | |
| Interim dividend declared during the year | | 15,935 | 19,876 |
| Final dividend proposed after the balance sheet date | | 15,977 | 19,881 |
| | | <u>31,912</u> | <u>39,757</u> |
| Earnings per share | | | |
| | 10 | | |
| Basic | | <u>10.6 cents</u> | <u>14.0 cents</u> |
| Diluted | | <u>10.5 cents</u> | <u>13.9 cents</u> |

The notes on pages 48 to 111 form part of these financial statements.