

Mainland China plan unveiled

together with a group of domestic companies in mainland China, has submitted an application to China Insurance Regulatory Commission for a life insurance license in the mainland. A formal reply is expected within six months.

If the license is granted, initial capital RMB500 million will be required, of which PCI will invest RMB100 million for a 20% equity interest. In addition, PCI

investments in knowledge will be of considerable value to its partners.

has been maintaining consistent growth since 2003. While we continue to flourish in Hong Kong, we have

High ratings from Fitch and Moody's

Pacific Century Insurance Company Limited (PCI) has obtained Moody's Investors Service, re-

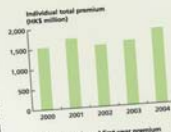
its high-quality management, strong operating performance, low-risk liability portfolio and improved performance management reforms implemented in 2002 and 2003.

cautious mainland China entry strategy was in line with recognizing the potential to enhance long-term growth prospects.

HK\$467.4m – a first-year premium record

achieved first year premium on inland life insurance business achieved a record high of HK\$467.4 million in 2004, an increase of 48.0% compared with 2003.

Life and first year premium increased 51.9% to HK\$444.0 million, compared with 2003.



Management expenses decreased by 14.8% to HK\$284.7 million and total operating expenses for the year were HK\$1,226.1 million, or 4.7% below 2003. These reductions were mainly attributable to continued stringent cost control and lower staff costs. Expense Ratio reduced from 120.2% to 105.1%, as a result of effective cost control and generation of more new

Managing Director Chan said: "This is the strongest record PCI has received since inception of the new team early last year, particularly pleased with the story being applauded by the

TEN YEARS OF ACHIEVEMENT

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