

NOTES ON THE FINANCIAL STATEMENTS

財務報告附註

(Expressed in Hong Kong dollars)
(以港幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (which include all applicable SSAP and Interpretations) issued by the HKICPA, accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Listing Rules. A summary of the significant accounting policies adopted by the Group is set out below.

(b) Basis of preparation of the financial statements

The measurement basis used in the preparation of the financial statements is historical cost modified by the revaluation of investment properties and the marking to market of certain investments in securities and derivative financial instruments as explained in the accounting policies set out below.

(c) Use of estimates in the preparation of financial statements

The preparation of financial statements requires management to make significant estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses as well as the related disclosure. The Group's insurance liabilities comprising insurance funds, provision for outstanding claims and life insurance funds and estimates for premiums and claims data not received from ceding companies at the date of the financial statements. The Group determines these estimates on the basis of historical information, actuarial analyses, financing modelling and other analytical techniques. The directors continually review the estimates and make adjustments as necessary, but actual results could differ significantly from what is envisioned when these estimates are made. During the year, the Group changed its basis of estimate in respect of its life insurance funds, details of which are set out in note 26 on the financial statements.

(d) Subsidiaries

A subsidiary, in accordance with the Hong Kong Companies Ordinance, is a company in which the Group, directly or indirectly, holds more than half of the issued share capital, or controls more than half of the voting power, or controls the composition of the board of directors. Subsidiaries are considered to be controlled if the Company has the power, directly or indirectly, to govern the financial and operating policies, so as to obtain benefits from their activities. Investments in controlled subsidiaries are consolidated into the consolidated financial statements.

1 主要會計政策

(a) 遵例聲明

本財務報告已按照香港會計師公會頒佈的所有適用的財務報告準則(包括所有適用的會計實務準則及詮釋)、香港公認會計原則及香港《公司條例》的規定編製。本財務報告亦符合適用的《上市規則》披露規定。以下是本集團及本公司採用的主要會計政策概要。

(b) 財務報告的編製基準

除投資物業按重估值計算，以及部分證券及衍生金融工具投資按市值入賬(見下文所載的會計政策)外，本財務報告是以歷史成本作為編製基準。

(c) 編製財務報告使用估計

財務報告的編製，需要管理層作重要估計及假設，因而影響到所列報的資產、負債、收入及支出，以至相關披露的金額。本集團的保險負債包括責任準備金、未決賠償準備、壽險責任準備金及保費與賠償金額在本財務報告結算日仍未收到分保公司提供數據而作出的估計。本集團根據歷史性資料、精算分析、財務模式及其他分析技巧而確定此等估計。董事會會不斷檢討有關的估計，並在有需要時作出調整，但實際結果可能與作出估計時預計的結果差別很大。於本年度中，本集團改變了有關壽險責任準備金會計估計方法。詳情參見賬項附註第二十六項。

(d) 附屬公司

根據香港《公司條例》，附屬公司是指本集團直接或間接持有其過半數已發行股本，或控制其過半數投票權，或控制其董事會組成的公司。倘本公司有權直接或間接支配附屬公司的財務及經營政策，並藉此在其業務中得益，則應視為受本公司控制。投資在受控制附屬公司已記入綜合財務報告。

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1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Subsidiaries (Continued)

Intra-group balances and transactions, and any unrealised profits arising from intra-group transactions, are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Minority interests at the balance sheet date, being the portion of the net assets of subsidiaries attributable to equity interests that are not owned by the Company, whether directly or indirectly through subsidiaries, are presented in the consolidated balance sheet separately from liabilities and the shareholders' equity. Minority interests in the results of the Group for the year are also separately presented in the income statement.

In the Company's balance sheet, an investment in a subsidiary is stated at cost less any impairment losses (see note 1(l)), unless it is acquired and held exclusively with a view to subsequent disposal in the near future or operates under severe long-term restrictions which significantly impair its ability to transfer funds to the Company, in which case, it is stated at fair value with changes in fair value recognised in the income statement as they arise.

(e) Associates

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

An investment in an associate is accounted for in the consolidated financial statements under the equity method and is initially recorded at cost and adjusted thereafter for the post acquisition change in the Group's share of the associate's net assets, unless it is acquired and held exclusively with a view to subsequent disposal in the near future or operates under severe long-term restrictions that significantly impair its ability to transfer funds to the investor, in which case it is stated at fair value with changes in fair value recognised in the consolidated income statement as they arise. The consolidated income statement reflects the Group's share of the post-acquisition results of the associates for the year, including any amortisation of positive or negative goodwill charged or credited during the year in accordance with note 1(f).

Unrealised profits and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associate, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in the income statement.

1 主要會計政策 (續)

(d) 附屬公司 (續)

集團內部往來的餘額及交易，以及由集團內交易引致的未變現溢利，於編製綜合財務報告時全部抵銷。由集團內交易引致的未變現虧損，以適用於未變現收益的相同方式作抵銷，但對銷時必須確保不存在減值跡象。

少數股東權益是指在結算日該部份淨資產，不論是直接或間接地通過附屬公司，並不屬於公司在附屬公司所擁有的權益；少數股東權益在綜合資產負債表上有別於負債及股東權益而列示。少數股東權益在集團全年業績所佔部份亦在損益表上分別列表。

本公司資產負債表所列示於附屬公司的投資，是按成本減去任何減值虧損入賬(參看附註1(l))。然而，如購入及持有這些投資的唯一目的是在短期內出售，或其營運長期面對嚴格的限制，以致嚴重影響資金轉入本集團的能力，則該等投資會按公平價值入賬，當公平價值出現變動時在損益表確認。

(e) 聯營公司

聯營公司是本集團或本公司可以對其管理層發揮重大影響力的公司，包括參與制定其財務及經營政策，但不能控制或共同控制其管理層。

於聯營公司的投資在最初產生時按權益法以成本記入綜合財務報告，然後就收購後本集團所佔聯營公司資產淨值的變動作出調整。然而，如收購及持有這些投資的唯一目的是在短期內出售，或其營運長期面對嚴格的限制，以致嚴重影響資金轉入本集團的能力，則該等投資會按公平價值入賬，當公平價值出現變動時在綜合損益表確認。綜合損益表反映本集團於收購後所佔聯營公司的年度業績，包括按附註1(f)所述於年內扣除或入賬的正負商譽攤銷。

本集團與聯營公司之間的交易產生的未變現盈虧，按本集團於該聯營公司所佔的權益抵銷，但若未變現虧損顯示所轉讓的資產出現減值，則未變現虧損會即時在綜合損益表內確認。

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1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Associates (Continued)

In the Company's balance sheet, its investments in associates are stated at cost less impairment losses (note 1(l)), unless it is acquired and held exclusively with a view to subsequent disposal in the near future or operates under severe long-term restrictions that significantly impair its ability to transfer funds to the investor, in which case, it is stated at fair value with changes in fair value recognised in the income statement as they arise.

(f) Goodwill

Positive goodwill arising on consolidation represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable assets and liabilities acquired.

Positive goodwill is amortised to the consolidated income statement on a straight-line basis over its estimated useful life. Positive goodwill is stated in the consolidated balance sheet at cost less any accumulated amortisation and any impairment losses (see note 1(l)).

In respect of acquisitions of associates, positive goodwill is amortised to the consolidated income statement on a straight-line basis over its estimated useful life. The cost of positive goodwill less any accumulated amortisation and any impairment losses (see note 1(l)) is included in the carrying amount of the interest in associates.

(g) Other investments in securities

The Group's and the Company's policies for investments in securities other than investments in subsidiaries and associates are as follows:

- (i) Dated debt securities that the Group and/or the Company have the ability and intention to hold to maturity are classified as held-to-maturity securities. Held-to-maturity securities are stated in the balance sheet at amortised cost less any provisions for diminution in value. Provisions are made when carrying amounts are not expected to be fully recovered and are recognised as an expense in the income statement, such provisions being determined for each investment individually.
- (ii) Provisions against the carrying value of held-to-maturity securities are written back when the circumstances and events that led to the write-down or write-off cease to exist and there is persuasive evidence that the new circumstances and events will persist for the foreseeable future.
- (iii) All other securities (whether held for trading or otherwise) are stated in the balance sheet at fair value. Changes in fair value are recognised in the income statement as they arise.

1 主要會計政策 (續)

(e) 聯營公司 (續)

本公司資產負債表所示於聯營公司的投資，是按成本減去減值虧損入賬(附註1(l))。然而，如購入及持有這些投資的唯一目的是在短期內出售，或其營運長期面對嚴格的限制，以致嚴重影響資金轉入本集團的能力，則該等投資會按公平價值入賬，當公平價值出現變動時在損益表確認。

(f) 商譽

編製綜合財務報告時產生的正商譽是指收購成本超出本集團佔所收購可分資產與負債公平價值的數額。

正商譽以直線法按預計可使用年期在綜合損益表攤銷，並按成本減去任何累計攤銷與減值虧損記入綜合資產負債表(參看附註1(l))。

因收購聯營公司而產生的正商譽以直線法按其預計可使用年期在綜合損益表攤銷。正商譽的成本減去任何累計攤銷及減值虧損後(參看附註1(l))，計入聯營公司權益的賬面值。

(g) 其他證券投資

本集團及本公司有關證券投資(於附屬公司及聯營公司的投資除外)的政策如下：

- (i) 本集團及／或本公司有能力並計劃持有至到期的有期債務證券，歸類為「持有至到期證券」。這些證券是以攤銷成本減去任何減值準備後記入資產負債表。倘若預期不會全數收回賬面金額，則會提撥減值準備，並在損益表內確認為支出。這些準備是就各項投資個別釐定。
- (ii) 在引致撇減或沖銷的情況及事項不再存在，並有令人信服的憑證顯示新的情況及事項將會在可見將來持續下去之時，便會撥回就持有至到期證券及投資證券的賬面金額提撥的減值準備。
- (iii) 所有其他證券(不論持有作買賣或其他用途)均以公平價值記入資產負債表。公平價值的變動於產生時在損益表內確認。

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1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Other investments in securities (Continued)

- (iv) Profits or losses on disposal of investments in securities are determined as the difference between the estimated net disposal proceeds and the carrying amount of the investments and are accounted for in the income statement as they arise.

(h) Sales and repurchase agreements

Securities sold under repurchase agreements represent short-term finance arrangements secured by the securities sold. The securities remain on the balance sheet and a liability is recorded in respect of the consideration received. Interest is calculated based upon the amount at which the securities are contracted for repurchase less the original selling price, and is taken to the income statement over the term of the agreement on a straight-line basis.

Conversely, securities purchased under resale agreements represent short-term investment arrangements secured by the securities purchased. The securities are not recognised on the balance sheet and the consideration paid is recorded as an asset. Interest is calculated based upon the amount at which the securities are contracted for resale less the original purchase cost, and is taken to the income statement over the term of the agreement on a straight-line basis.

(i) Fixed assets

- (i) Fixed assets are carried in the balance sheets on the following bases:
- investment properties with an unexpired lease term of more than 20 years are stated in the balance sheet at their open market value which is assessed annually by external qualified valuers;
 - land and buildings, plant, machinery and other fixed assets are stated in the balance sheet at cost less accumulated depreciation (note 1(k)) and impairment losses (note 1(l)).
- (ii) Changes arising on the revaluation of investment properties are generally dealt with in reserves. The only exceptions are as follows:
- when a deficit arises on revaluation, it will be charged to the income statement, if and to the extent that it exceeds the amount held in the reserve in respect of the portfolio of investment properties, immediately prior to the revaluation; and

1 主要會計政策 (續)

(g) 其他證券投資 (續)

- (iv) 出售證券投資的溢利或虧損是按估計出售所得收入淨額與投資賬面金額之間的差額釐定，並在產生時記入損益表。

(h) 賣出回購及買入返售合約

賣出回購證券指以所出售的證券作抵押之短期財務安排。該等證券仍留在資產負債表，並就所收取之代價記錄為負債。利息乃按證券所訂定作回購的金額減原售價計算，並以直線法按各自之協議年期在損益表中扣除。

相反，買入返售證券指以所購買的證券作抵押之短期投資安排。該等證券不會於資產負債表確認，而已支付的代價會記入流動資產。利息乃按證券所訂定作轉售的金額減原購買成本計算，並以直線法按各自之協議年期在損益表中扣除。

(i) 固定資產

- (i) 固定資產是按下列基準記入資產負債表：
- 尚餘租賃期超過二十年的投資物業按公開市值記入資產負債表，並每年由外界合資格估值師作評估。
 - 土地及樓宇、廠房、機器及其他固定資產以成本減去累計折舊(附註1(k))及減值虧損(附註1(l))後記入資產負債表。
- (ii) 因重估投資物業所產生的變動一般會撥入儲備處理。但以下情況例外：
- 如果出現重估虧損，而當有關虧損額超過投資物業組合在截至重估前計入儲備的數額，便會在損益表列支；及

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1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Fixed assets (Continued)

(ii) (Continued)

- when a surplus arises on revaluation, it will be credited to the income statement, if and to the extent that a deficit on revaluation in respect of the portfolio of investment properties, had previously been charged to the income statement.

(iii) Subsequent expenditure relating to a fixed asset that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group or the Company. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

(iv) Gains or losses arising from the retirement or disposal of a fixed asset are determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and are recognised in the income statement on the date of retirement or disposal. On disposal of an investment property, the related portion of surpluses or deficits previously taken to the investment properties revaluation reserve is also transferred to the income statement for the year.

(j) Leased assets

Leases of assets under which the lessee assumes substantially all the risks and benefits of ownership are classified as finance leases. Leases of assets under which the lessor has not transferred all the risks and benefits of ownership are classified as operating leases.

(i) Assets held for use in operating leases

Where the Group leases out assets under operating leases, the assets are included in the balance sheet according to their nature and, where applicable, are depreciated in accordance with the Group's depreciation policies, as set out in note 1(k). Impairment losses are accounted for in accordance with the accounting policy as set out in note 1(l). Revenue arising from operating leases is recognised in accordance with the Group's revenue recognition policies, as set out in note 1(s)(ii).

1 主要會計政策 (續)

(i) 固定資產 (續)

(ii) (續)

- 如果在以往曾將投資物業的組合的重估虧損在損益表列支，則在出現重估盈餘時，便會撥入損益表計算。

(iii) 在超過現有資產原先評估的表現水平的未來經濟效益很可能流入本集團或本公司時，與固定資產有關而且已獲確認的其後支出會加進該資產的賬面金額。而所有其他其後支出則在產生的期間確認為支出。

(iv) 報廢或出售固定資產所產生的損益以估計出售所得淨額與資產的賬面金額之間的差額釐定，並於報廢或出售當日在損益表確認。出售投資物業時，先前已記入投資物業重估儲備的有關盈餘或虧損部分亦會轉入該年度的損益表內。

(j) 租賃資產

由承租人承擔所有權的絕大部分相關風險及報酬的資產租賃，歸類為「融資租賃」。出租人並未轉讓所有權的全部相關風險及報酬的資產租賃，則歸類為「經營租賃」。

(i) 根據經營租賃購入的資產

若本集團或本公司根據經營租賃出租資產，則資產按其性質記入資產負債表，並於適用的情況下按附註1(k)所述本集團或本公司的折舊政策計提折舊。減值虧損按附註1(l)所述的會計政策入賬。源自經營租賃的收益，則按附註1(s)(ii)所述本集團或本公司的收益確認政策加以確認。

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1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Leased assets (Continued)

(ii) Operating lease charges

Where the Group has the use of assets under operating leases, payments made under the leases are charged to the income statement in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in the income statement as an integral part of the aggregate net lease payments made. Contingent rentals are charged to the income statement in the accounting period in which they are incurred.

(k) Depreciation

- (i) No depreciation is provided on investment properties with an unexpired lease term of over 20 years.
- (ii) Depreciation is calculated to write off the cost of other fixed assets over their estimated useful lives using the straight-line method as follows:

| | |
|--------------------|----------------------------------|
| Leasehold land | over the unexpired term of lease |
| Buildings | 30 – 50 years |
| Computer equipment | 3 – 5 years |
| Other fixed assets | 5 years |

(l) Impairment of assets

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment (other than properties carried at revalued amounts);
- investments in subsidiaries and associates (except for those accounted for at fair value under notes 1(d) and (e)); and
- positive goodwill.

If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised in the income statement whenever the carrying amount of such an asset exceeds its recoverable amount.

1 主要會計政策 (續)

(j) 租賃資產 (續)

(ii) 經營租賃費用

若本集團或本公司根據經營租賃使用資產，則根據租賃支付的金額按租賃期涉及的會計期間，以等額在損益表扣除，除非另有基準能更清楚地反映源自租賃資產的利益模式。經營租賃協議所涉及的激勵措施收入均在損益表列作租賃淨付款總額的一部份。或有租金則於產生的會計期內在損益表列支。

(k) 折舊

- (i) 尚餘租賃期超過二十年的投資物業不計提任何折舊。
- (ii) 固定資產的折舊是按預計可用年限以直線法沖銷其成本計算示如下：

| | |
|--------|----------|
| 租賃土地 | 尚餘租賃期 |
| 建築物 | 30 – 50年 |
| 電腦設備 | 3 – 5年 |
| 其他固定資產 | 5年 |

(l) 資產減值

董事於每個結算日均會審閱內部及外部資料，以衡量下列資產有否出現減值，或先前確認的減值虧損是否已不復存在或已經減少：

- 物業、廠房及設備(按重估金額入賬的物業除外)；
- 於附屬公司及聯營公司的投資(按附註1(d)及(e)所述公平價值入賬者除外)；及
- 正商譽。

如果出現減值跡象，則會估計資產的可收回金額。當資產的賬面值超出其可收回金額時，即確認為減值虧損。

NOTES ON THE FINANCIAL STATEMENTS

財務報告附註

(Expressed in Hong Kong dollars)
(以港幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Impairment of assets (Continued)

(i) Calculation of recoverable amount

The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

(ii) Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is reversed only if the loss was caused by a specific external event of an exceptional nature that is not expected to recur, and the increase in recoverable amount relates clearly to the reversal of the effect of that specific event.

A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to the income statement in the year in which the reversals are recognised.

(m) Insurance liabilities

(i) Insurance funds mainly represent provision for unearned premiums for non-life reinsurance business.

Provision for unearned premiums is recognised to cover the proportion of retained premiums written in a year which relate to the period of risk from 1 January in the following year to the subsequent date of expiry of policies. Provision for unearned premiums is calculated on a time-apportioned basis.

(ii) Provision for outstanding claims represents estimated liabilities relating to the non-life reinsurance and life insurance business in respect of outstanding claims and claims incurred but not reported after deducting amounts recoverable from reinsurers. Provision is also made for the estimated cost of servicing claims notified but not settled at the balance sheet date and to meet expenses on claims incurred but not reported at the balance sheet date.

1 主要會計政策 (續)

(l) 資產減值 (續)

(i) 計算可收回金額

資產的可收回金額以其銷售淨價和使用價值兩者中的較高數額為準。在評估使用價值時，會使用除稅前折讓率將估計未來現金流量折讓至現值。該折讓率應是反映市場當時所評估的貨幣時間價值和該資產的獨有風險。如果資產所產生的現金流入基本上不獨立於其他資產所產生的現金流入，則以能獨立產生現金流入的最小資產類別(即現金產生單位)來釐定可收回金額。

(ii) 減值虧損沖回

倘若用以釐定可收回金額的估計發生變化，便可將資產減值虧損沖回；惟商譽除外。至於商譽的減值虧損，倘若是由性質獨特及預計不會再出現的特殊外界因素所造成，而且可收回金額的增加明顯是與該特殊因素沖回有關，才會將減值虧損沖回。

所沖回的減值虧損以假設沒有在往年確認減值虧損而應已釐定的資產賬面值為限。所沖回的減值虧損在確認沖回的年度內計入損益表。

(m) 保險負債

(i) 責任準備金主要是指非人壽再保險業務的未到期保費準備金。

未到期保費準備金是指本年已作承保但承保期是屬於來年一月一日至保單到期日所相關的風險的自留保費。未到期保費準備金是以時間作分配基準。

(ii) 未決賠償準備是指人壽保險業務及一般再保險業務於已完結承保年度內，有關已申報之未決賠償及已發生但尚未申報賠償的估計負債，並已扣除可向分保公司收回的數額。另外，就結算日已申報但尚未償付的估計賠償費用及已發生但尚未申報的賠償開支，本公司亦有提撥準備。

NOTES ON THE FINANCIAL STATEMENTS

財務報告附註

(Expressed in Hong Kong dollars)
(以港幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Insurance liabilities (Continued)

- (iii) Life insurance funds represent reserves to cover mortality fluctuations and future liabilities. It is determined by reference to an actuarial valuation model which was prepared by an actuary appointed by the Group.

(n) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the cash flow statement.

(o) Trust account

No account of assets held or liabilities incurred by the Group or the Company as trustee has been included.

(p) Employee benefits

- (i) Salaries, annual bonuses, paid annual leave, leave passage and the cost to the Group of non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.
- (ii) Contributions to Mandatory Provident Funds as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance and retirement plans organised by municipal and provincial governments in the PRC are recognised as an expense in the income statement as incurred.
- (iii) When the Group grants employees options to acquire shares of the Company, no employee benefit cost or obligation is recognised at the date of grant. When the options are exercised, equity is increased by the amount of the proceeds received.

(q) Income tax

- (i) Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in the income statement.

1 主要會計政策 (續)

(m) 保險負債 (續)

- (iii) 壽險責任準備金是指為死亡率波動及未來的責任而作出儲備。該儲備是參考本集團委任精算師編製的精算估值模式而釐定的。

(n) 現金等值物

現金及現金等值物包括銀行現金及手頭現金、及存置於銀行及其他金融機構之即時存款、可隨時兌換作已知現金金額的短期且有高度流動性的投資，該等投資的到期日為其收購日期起三個月內，且受輕微價值變動的風險所影響。於要求時償還的銀行透支組成本集團的現金管理的一部份，亦就現金流量表而計入現金及現金等值物一部份。

(o) 信託賬項

本賬項並不包括本集團或本公司以受託人方式持有的資產或承擔的負債。

(p) 僱員福利

- (i) 本集團僱員所提供的服務有關的薪金、年度花紅、有薪假期及計入本集團非金錢利益的成本均累計在年度內。倘有任何遞延付款或還款而帶有重大影響，則該等金額乃以其現值列賬。
- (ii) 根據香港強制性公積金計劃條例規定須作出的強制性公積金供款及根據中國市及省政府組織的退休計劃，在產生時在損益表中確認為一項開支。
- (iii) 當本集團向僱員授出認股權，在授出日期不會確認任何僱員福利成本或責任。當行使認股權時，股本會以所收取的所得款項金額而增加。

(q) 稅項

- (i) 年度的利得稅包括當期稅項及遞延稅項資產及負債的變動。當期稅項及遞延稅項資產及負債的變動計算在損益表內。

NOTES ON THE FINANCIAL STATEMENTS

財務報告附註

(Expressed in Hong Kong dollars)
(以港幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Income tax (Continued)

- (ii) Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.
- (iii) Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination).

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

1 主要會計政策 (續)

(q) 稅項 (續)

- (ii) 當期稅項是本年度應稅收入所預計的應付稅款，並包括前年度應付稅款的任何調整數，所用的稅率已在結算日有規定或已有頒令實施。
- (iii) 遞延稅項資產及負債是指由於財務報告與稅項基準的資產及負債的賬面值有差異，而差異的產生是由於可扣減及應課稅額出現暫時性差異。遞延稅項資產的產生亦由於有尚未使用的稅項虧損及稅項抵免。

除了某此有限度的例外情況外，所有遞延稅項負債，及未來會出現應課稅利潤並可以將該資產使用的所有遞延稅項資產，均會被確認。用以支持確認遞延稅項資產的未來應課稅利潤是由可扣減暫時性差異所產生，並包括將現有的應課稅額暫時性差異轉回，惟該等差異須來自同一稅務機構及同一應課稅實體，並預計與現有課稅額暫時性差異所預期轉回發生在同一時期，或在遞延稅項資產所產生的稅項虧損是在可以向前或往後撥轉的期限之內。同樣的準則將應用於確定現有應課稅暫時性差異是否支持確認由尚未使用的稅項虧損及減免所產生的遞延稅項資產，即會考慮該等差異是否來自同一稅務機構及同一應課稅實體，並是否預期該等差異的轉回與稅項虧損及減免發生在同一時期或期限之內。

對確認遞延資產及負債所指的例外情況，是指由於不能用作減稅的商譽而引致的暫時性差異，在首次確認資產或負債時，不論會計上或應課稅的利潤均未受其影響(但不可屬業務合併部份)。

遞延稅項所確認的金額是以資產及負債的賬面值按預期可以變現或清理值計算。所用的稅率已在結算日有規定或已有頒令實施。遞延稅項資產及負債均未有貼現計算。

遞延稅項資產的賬面值會於每年結算日檢討。當出現並不可能產生足夠應課稅利潤使用相關的稅項益處時，則會將該稅項資產調低。而當再出現有足夠應課稅利潤可供使用時，已調低的金額會被撥回。

NOTES ON THE FINANCIAL STATEMENTS

財務報告附註

(Expressed in Hong Kong dollars)
(以港幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Income tax (Continued)

(iv) Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities if, and only if, the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(r) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Company or Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

1 主要會計政策 (續)

(q) 稅項 (續)

(iv) 當期稅項及遞延稅項結餘，及當中的變動，均會分別列示而不會對沖。如果及祇有，當本公司或本集團，在法律上有可行使的權利將當期稅項資產抵銷當期負債，則當期稅項資產會對沖當期負債，而遞延稅項資產會對沖遞延負債。然而仍需符合下列額外的條件：

- 有關當期稅項資產及負債，本公司或本集團有意採用淨額基準來結算，或會將資產變現及同時用以支付負債；或
- 有關遞延稅項資產及負債，若由相同的稅務機構征收的利得稅是向：
 - 同一應稅實體，或
 - 不同應稅實體，而在將來每個期間，預期會有重大遞延稅項負債或資產金額結付或收回，並有意採用淨額基準來結算，或會採用變現後即時支付方式進行。

(r) 準備及或然負債

倘若本公司或本集團須就已發生的事件承擔法律或推定義務，而履行該義務預期會導致含有經濟效益的資源外流，並可作出可靠的估計，便會就該時間或數額不定的負債計提準備。如果貨幣時間價值重大，則按預計履行義務所需資源的現值計列準備。

倘若含有經濟效益的資源外流的可能性不大，或是無法對有關數額作出可靠的估計，便會將該義務披露為或然負債；但假如這類資源外流的可能性極低則除外。須視乎某宗或多宗未來事件是否發生才能確定存在與否的潛在義務，亦會披露為或然負債；但假如這類資源外流的可能性極低則除外。

NOTES ON THE FINANCIAL STATEMENTS

財務報告附註

(Expressed in Hong Kong dollars)
(以港幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Revenue recognition

Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the income statement as follows:

(i) Premiums income

Reinsurance premiums are recognised when written and include an estimate for written premiums receivable at the period end. Such premiums are generally recognised as earned over the contract period in proportion to the amount of reinsurance provided.

Life insurance premiums are recognised on an accrual basis when insurance policies are issued and related insurance risk is transferred to the Group.

(ii) Rental income from operating leases

Rental income receivable under operating leases is recognised in the income statement in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives granted are recognised in the income statement as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

(iii) Income from asset management and insurance intermediaries business

Income from asset management and insurance intermediaries business is recognised when the service is rendered.

(iv) Dividends

- Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.
- Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

1 主要會計政策 (續)

(s) 收入確認

收入是在經濟效益預期會流入本集團，以及能夠可靠地計算收入和成本(如適用)時，根據下列方法在損益表中確認：

(i) 保費收入

再保險的保費確認是當承保完成，並會包含估算的期末應收承保保費在內。此等保費一般會以整個合約期按再保險的金額來分配確認已賺取的保費。

人壽保險保費於發出保單及有關的保險風險轉移至本集團時，按應計基準確認。

(ii) 經營租賃的租金收入

經營租賃的應收租金收入於相關租賃期的會計期間內，以等額在損益表內確認，除非另有基準能更清楚地反映源自租賃資產的利益模式。經營租賃協議涉及的激勵機制在損益表內列作應收租賃淨付款總額的一部分。或然租金在產生的會計期間內確認為收入。

(iii) 資產管理及保險中介業務的收入

資產管理及保險中介業務的收入在提供服務時確認。

(iv) 股息

- 非上市投資的股息收入在股東收取款項的權利確立時確認。
- 上市投資的股息收入在投資項目的股價除息時確認。

NOTES ON THE FINANCIAL STATEMENTS

財務報告附註

(Expressed in Hong Kong dollars)
(以港幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Revenue recognition (Continued)

(v) Interest income

- Interest income from dated debt securities intended to be held to maturity is recognised as it accrues, as adjusted by the amortisation of the premium or discount on acquisition, so as to achieve a constant rate of return over the period from the date of purchase to the date of maturity.
- Interest income from bank deposits is accrued on a time-apportioned basis by reference to the principal outstanding and the rate applicable.

(t) Translation of foreign currencies

Foreign currency transactions during the year are translated into Hong Kong dollars at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at the exchange rates ruling at the balance sheet date. Exchange gains and losses are dealt with in the income statement.

The results of enterprises outside Hong Kong are translated into Hong Kong dollars at the average exchange rates for the year; balance sheet items are translated into Hong Kong dollars at the rates of exchange ruling at the balance sheet date. The resulting exchange differences are dealt with as a movement in reserves.

(u) Off-balance sheet financial instruments

Off-balance sheet financial instruments include derivatives arising from foreign exchange transactions undertaken by the Group in the foreign exchange markets.

Such transactions are marked to market and the gain or loss arising is recognised in the income statement.

Unrealised gains on transactions are included in “Other debtors” in the consolidated balance sheet. Unrealised losses on transactions are included in “Accrued charges and other creditors” in the consolidated balance sheet.

(v) Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

1 主要會計政策 (續)

(s) 收入確認 (續)

(v) 利息收入

- 計劃持有至到期的有期債務證券的利息收入不斷累計確認，並且就購入時的溢價或折讓作出攤銷調整，使回報率自購入日至到期日期間維持不變。
- 來自銀行存款的利息收入乃參考尚餘本金及適用利率，按時間比例為基準計算。

(t) 外幣換算

年內的外幣交易按交易日的匯率換算為港幣。以外幣為單位的貨幣性資產及負債則按結算日的匯率換算為港幣。匯兌收益及虧損均已記錄在損益表內。

香港以外地區的企業的業績按年內的平均匯率換算為港幣；資產負債表項目按結算日的匯率換算。所得出的匯兌差額作為儲備變動處理。

(u) 資產負債表以外的金融工具

資產負債表以外的金融工具包括本集團在外匯交易市場進行的外匯交易衍生工具。

此等交易按市值入賬，而所產生的收益或虧損均計算在損益表內。

未實現的交易收益在綜合資產負債表上列入應收賬款及其他應收款內，而未實現的交易虧損在綜合資產負債表上列入應付賬款及其他應付款內。

(v) 關連人士

就編製本財務報告而言，如果本集團能夠直接或間接監控另一方人士或對另一方人士的財務及經營決策發揮重大的影響力，或另一方人士能夠直接或間接監控本集團或對本集團的財務及經營決策發揮重大的影響力，或本集團與另一方人士均受制於共同的監控或共同的重大的影響下，有關人士即被視為本集團的關連人士。關連人士可以是個別人士或其他實體。

NOTES ON THE FINANCIAL STATEMENTS

財務報告附註

(Expressed in Hong Kong dollars)
(以港幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) Borrowing costs

Borrowing costs are expensed in the income statement in the period in which they are incurred.

(x) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

In accordance with the Group's internal financial reporting system, the Group has chosen business segment information as the primary reporting format and geographical segment information as the secondary reporting format for the purposes of these financial statements.

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. Segment revenue, expenses, assets, and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group enterprises within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

Revenue and expenses are recorded to corresponding segments based on the actual amounts of revenue and expenses recognised and incurred in the respective group companies included in the respective segments.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets (both tangible and intangible) that are expected to be used for more than one period.

Unallocated items mainly comprise financial and corporate assets, interest-bearing loans, borrowings, corporate and financing expenses and minority interests.

1 主要會計政策 (續)

(w) 借款費用

借款費用在實際產生費用之時在損益表上列支。

(x) 分類匯報

分類是指本集團內可明顯區分的組成部分，並且負債提供單項產品或服務(業務分類)，或在一個特定的經濟環境中提供產品或服務(地區分類)。每個分類所承擔的風險和所獲享的回報，均與其他分類有別。

就本財務報告而言，按照本集團的內部財務報告模式，本集團選擇以業務分類為報告分類信息的主要形式，而地區分類則是次要的分類報告形式。

分類收入、支出、經營成果、資產及負債包含直接歸屬某一分類，以及可按合理的基準分配至該分類的項目的數額。分類收入、支出、資產及負債包含須在編製綜合賬項時抵銷的集團內部往來的餘額和集團內部交易；但同屬一個分類的集團企業之間的集團內部往來的餘額和交易則除外。分類之間的轉移事項定價按與其他外界人士相若的條款計算。

分類收入及支出是以各集團公司分別確認及產生之收入及支出記錄在相應的分類匯報中。

分類資本開支是指在期內購入預計可於超過一個會計期間使用的分類資產(包括有形和無形資產)所產生的成本總額。

未能分配至分類的項目主要包括財務及企業資產、帶息借款、借款、企業和融資支出及少數股東權益。

NOTES ON THE FINANCIAL STATEMENTS

財務報告附註

(Expressed in Hong Kong dollars)
(以港幣列示)

2 SEGMENT REPORTING

Segment information is presented in respect of the Group's business and geographical segments. Business segment information is chosen as the primary reporting format.

(a) Business segments

The Group comprises the following main business segments:

- Reinsurance business comprises non-life and life reinsurance businesses.
- Life insurance business comprises direct life insurance business.
- Asset management business comprises investment consultancy business.
- Insurance intermediaries business comprises reinsurance brokerage and agency and consultancy businesses.

2 分類匯報

分類資料的匯報是按本集團的業務及地區來區分，選擇將業務類別作為首要匯報項目乃因為格式與本集團內部財務匯報方式較為吻合。

(a) 業務分類

本集團設有下列的主要業務分類：

- 再保險業務包括非人壽及人壽的再保險業務。
- 人壽保險業務包括直接人壽保險業務。
- 資產管理業務包括投資顧問業務。
- 保險中介業務包括再保險經紀、代理人及顧問業務。

NOTES ON THE FINANCIAL STATEMENTS

財務報告附註

(Expressed in Hong Kong dollars)
(以港幣列示)

2 SEGMENT REPORTING (Continued)

2 分類匯報 (續)

(a) Business segments

(a) 業務分類 (續)

| | | 2004 | | | | | |
|---|-----------------------|--------------------|--------------------|------------------|-----------------------------------|-----------------|--------------------|
| | | Reinsurance | Life insurance | Asset management | Insurance intermediaries business | Unallocated | Total |
| | | 再保險 | 人壽保險 | 資產管理 | 保險中介業務 | 未經分配 | 總額 |
| | | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| | | 千元 | 千元 | 千元 | 千元 | 千元 | 千元 |
| Turnover | 營業額 | 1,092,462 | 6,217,608 | 31,431 | 13,638 | – | 7,355,139 |
| Inter-segment revenue | 分類之間收益 | – | – | (7,612) | (2,346) | – | (9,958) |
| | | 1,092,462 | 6,217,608 | 23,819 | 11,292 | – | 7,345,181 |
| Other revenue | 其他收益 | | | | | | |
| Investment income and net gain | 投資收入及盈餘淨額 | 197,710 | 199,340 | 19,795 | 1,694 | 76,239 | 494,778 |
| Other net (loss)/income | 其他(虧損)/收入淨額 | (2,002) | 1,948 | – | – | 2,423 | 2,369 |
| Inter-segment transactions | 分類之間交易 | (300) | – | – | – | (2,798) | (3,098) |
| | | 195,408 | 201,288 | 19,795 | 1,694 | 75,864 | 494,049 |
| Operating expenses | 經營費用 | | | | | | |
| Reinsurance premiums | 再保險保費 | (180,398) | (37,821) | – | – | – | (218,219) |
| Policyholders' benefits | 保單持有人利益 | (652,595) | (354,334) | – | – | – | (1,006,929) |
| Claims | 賠償 | (479,158) | (58,293) | – | – | – | (537,451) |
| Surrenders | 退保總額 | – | (272,388) | – | – | – | (272,388) |
| Annuity and maturity payments | 年金及到期付款 | – | (7,289) | – | – | – | (7,289) |
| Policy dividends | 保單分紅 | – | (2,575) | – | – | – | (2,575) |
| Change in provision for outstanding claims | 未決賠款準備變化 | (173,437) | (13,789) | – | – | – | (187,226) |
| Net commission expenses | 佣金支出淨額 | (210,169) | (441,645) | – | – | – | (651,814) |
| Administrative and other expenses | 行政及其他費用 | (38,760) | (617,883) | (8,541) | (5,011) | (22,485) | (692,680) |
| Goodwill amortisation | 商譽攤銷 | – | (9,295) | (18,472) | – | – | (27,767) |
| Inter-segment transactions | 分類之間交易 | 6,662 | – | – | 430 | 5,964 | 13,056 |
| | | (1,075,260) | (1,460,978) | (27,013) | (4,581) | (16,521) | (2,584,353) |
| Change in insurance reserves | 保險責任準備金變化 | (7,383) | (5,369,039) | – | – | – | (5,376,422) |
| Profit/(loss) from operations | 經營溢利/(虧損) | 205,227 | (411,121) | 16,601 | 8,405 | 59,343 | (121,545) |
| Share of profits/(losses) of associates | 應佔聯營公司溢利/(虧損) | – | – | – | 825 | (35,931) | (35,106) |
| Finance costs | 財務成本 | – | (1,204) | (4,225) | – | (78,985) | (84,414) |
| Profit/(loss) from ordinary activities before taxation | 除稅前日常業務溢利/(虧損) | 205,227 | (412,325) | 12,376 | 9,230 | (55,573) | (241,065) |
| Income tax (charge)/credit | 稅項(支出)/抵免 | (7,224) | 69,220 | (5,374) | (1,498) | (3,313) | 51,811 |
| Profit/(loss) from ordinary activities after taxation | 除稅後日常業務溢利/(虧損) | 198,003 | (343,105) | 7,002 | 7,732 | (58,886) | (189,254) |
| Minority interests | 少數股東權益 | – | 166,319 | – | – | – | 166,319 |
| Profit/(loss) attributable to shareholders | 股東應佔溢利/(虧損) | 198,003 | (176,786) | 7,002 | 7,732 | (58,886) | (22,935) |

NOTES ON THE FINANCIAL STATEMENTS

財務報告附註

(Expressed in Hong Kong dollars)
(以港幣列示)

2 SEGMENT REPORTING (Continued)

(a) Business segments (Continued)

2 分類匯報 (續)

(a) 業務分類 (續)

| | | 2004 | | | | | |
|--|--------------------|-------------|----------------|------------------|-----------------------------------|-------------|------------|
| | | Reinsurance | Life insurance | Asset management | Insurance intermediaries business | Unallocated | Total |
| | | 再保險 | 人壽保險 | 資產管理 | 保險中介業務 | 未經分配 | 總額 |
| | | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| | | 千元 | 千元 | 千元 | 千元 | 千元 | 千元 |
| Net premium earned | 已賺保費淨額 | 904,681 | 6,137,138 | — | — | — | 7,041,819 |
| Underwriting profit/(loss) | 承保溢利/(虧損) | 25,829 | (291,247) | — | — | — | (265,418) |
| Depreciation and amortisation | 折舊及攤銷 | 1,081 | 32,250 | 19,046 | 168 | 5,483 | 58,028 |
| Significant non-cash expenses (other than depreciation and amortisation) | 重大非現金開支 (不包括折舊及攤銷) | 58,003 | (65,533) | (4,993) | 124 | 24,132 | 11,733 |
| Equity investments, unit trusts and mutual funds | 股本投資、單位信託基金及互惠基金 | 296,673 | 894,173 | 48,426 | 9,059 | 218,493 | 1,466,824 |
| Debt investments | 債券投資 | 1,497,872 | 7,647,223 | 257,338 | 9,634 | 370,790 | 9,782,857 |
| Other segment assets | 其他分類資產 | 1,544,365 | 3,133,582 | 408,915 | 24,337 | 141,385 | 5,252,584 |
| Interest in associates | 於聯營公司之權益 | — | — | — | 8,014 | 343,581 | 351,595 |
| Total assets | 總資產 | 3,338,910 | 11,674,978 | 714,679 | 51,044 | 1,074,249 | 16,853,860 |
| Total liabilities | 總負債 | 1,964,250 | 9,958,203 | 130,856 | 1,628 | 1,375,616 | 13,430,553 |
| Capital expenditure | 資本開支 | 571 | 206,080 | 93 | 29 | 76 | 206,849 |

NOTES ON THE FINANCIAL STATEMENTS

財務報告附註

(Expressed in Hong Kong dollars)
(以港幣列示)

2 SEGMENT REPORTING (Continued)

2 分類匯報 (續)

(a) Business segments (Continued)

(a) 業務分類 (續)

| | | 2003 (Restated) (重列) | | | | | |
|---|-----------------------|----------------------------|-------------|----------|-----------|-------------|-------------|
| | | Insurance | | | | | |
| | | Reinsurance | Life | Asset | Insurance | Unallocated | Total |
| | | 再保險 | 人壽保險 | 資產管理 | 保險中介業務 | 未經分配 | 總額 |
| | | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| | | 千元 | 千元 | 千元 | 千元 | 千元 | 千元 |
| Turnover | 營業額 | 1,179,622 | 3,079,503 | 57,684 | 16,638 | — | 4,333,447 |
| Inter-segment revenue | 分類之間收益 | — | — | (1,515) | (1,977) | — | (3,492) |
| | | 1,179,622 | 3,079,503 | 56,169 | 14,661 | — | 4,329,955 |
| Other revenue | 其他收益 | | | | | | |
| Investment income and net gain | 投資收入及盈餘淨額 | 214,624 | 136,734 | 31,061 | 3,757 | 32,190 | 418,366 |
| Other net income | 其他收入淨額 | 2,611 | — | — | — | 2,558 | 5,169 |
| Inter-segment transactions | 分類之間交易 | (300) | — | — | — | 1,070 | 770 |
| | | 216,935 | 136,734 | 31,061 | 3,757 | 35,818 | 424,305 |
| Operating expenses | 經營費用 | | | | | | |
| Reinsurance premiums | 再保險保費 | (206,783) | (8,964) | — | — | — | (215,747) |
| Policyholders' benefits | 保單持有人利益 | (723,309) | (90,146) | — | — | — | (813,455) |
| Claims | 賠償 | (501,873) | (15,796) | — | — | — | (517,669) |
| Surrenders | 退保總額 | — | (68,461) | — | — | — | (68,461) |
| Annuity and maturity payments | 年金及到期付款 | — | (1,921) | — | — | — | (1,921) |
| Policy dividends | 保單分紅 | — | (474) | — | — | — | (474) |
| Change in provision for outstanding claims | 未決賠款準備變化 | (221,436) | (3,494) | — | — | — | (224,930) |
| Net commission expenses | 佣金支出淨額 | (228,972) | (219,768) | — | — | — | (448,740) |
| Administrative and other expenses | 行政及其他費用 | (34,717) | (345,734) | (7,410) | (4,754) | (26,722) | (419,337) |
| Goodwill amortisation | 商譽攤銷 | — | (9,295) | (18,472) | — | — | (27,767) |
| Inter-segment transactions | 分類之間交易 | 907 | — | — | 300 | 1,515 | 2,722 |
| | | (1,192,874) | (673,907) | (25,882) | (4,454) | (25,207) | (1,922,324) |
| Change in insurance reserves | 保險責任準備金變化 | 41,235 | (2,710,679) | — | — | — | (2,669,444) |
| Profit/(loss) from operations | 經營溢利/(虧損) | 244,918 | (168,349) | 61,348 | 13,964 | 10,611 | 162,492 |
| Share of profits/(losses) of associates | 應佔聯營公司溢利/(虧損) | — | — | — | 345 | (60,719) | (60,374) |
| Finance costs | 財務成本 | (3) | (4,693) | (3,926) | — | (11,216) | (19,838) |
| Profit/(loss) from ordinary activities before taxation | 除稅前日常業務溢利/(虧損) | 244,915 | (173,042) | 57,422 | 14,309 | (61,324) | 82,280 |
| Income tax charge | 稅項支出 | (10,888) | — | (10,069) | (2,362) | — | (23,319) |
| Profit/(loss) from ordinary activities after taxation | 除稅後日常業務溢利/(虧損) | 234,027 | (173,042) | 47,353 | 11,947 | (61,324) | 58,961 |
| Minority interests | 少數股東權益 | — | 81,792 | — | — | — | 81,792 |
| Profit/(loss) attributable to shareholders | 股東應佔溢利/(虧損) | 234,027 | (91,250) | 47,353 | 11,947 | (61,324) | 140,753 |

NOTES ON THE FINANCIAL STATEMENTS

財務報告附註

(Expressed in Hong Kong dollars)
(以港幣列示)

2 SEGMENT REPORTING (Continued)

(a) Business segments (Continued)

2 分類匯報 (續)

(a) 業務分類 (續)

| | | 2003 (Restated) (重列) | | | | | |
|--|-----------------------|----------------------------|------------------|------------------|-----------------------------------|------------------|-------------------|
| | | Reinsurance | Life insurance | Asset management | Insurance intermediaries business | Unallocated | Total |
| | | 再保險 | 人壽保險 | 資產管理 | 保險中介業務 | 未經分配 | 總額 |
| | | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| | | 千元 | 千元 | 千元 | 千元 | 千元 | 千元 |
| Net premium earned | 已賺保費淨額 | 1,014,074 | 3,030,772 | — | — | — | 4,044,846 |
| Underwriting profit/(loss) | 承保溢利/(虧損) | 43,635 | (121,711) | — | — | — | (78,076) |
| Depreciation and amortisation | 折舊及攤銷 | 2,499 | (27,100) | (20,059) | (158) | (5,641) | (50,459) |
| Significant non-cash expenses (other than depreciation and amortisation) | 重大非現金開支 (不包括折舊及攤銷) | 53,147 | 19,478 | 15,951 | 1,704 | 4,770 | 95,050 |
| Equity investments, unit trusts and mutual funds | 股本投資、單位信託基金 及互惠基金 | 210,080 | 330,460 | 195,681 | 2,515 | 141,747 | 880,483 |
| Debt investments | 債券投資 | 1,500,634 | 2,862,600 | 1,378,424 | — | 16,534 | 5,758,192 |
| Other segment assets | 其他分類資產 | 1,339,608 | 1,936,176 | 369,929 | 38,590 | 233,529 | 3,917,832 |
| Interest in associates | 於聯營公司之權益 | — | — | — | 6,684 | 121,052 | 127,736 |
| Total assets | 總資產 | 3,050,322 | 5,129,236 | 1,944,034 | 47,789 | 512,862 | 10,684,243 |
| Total liabilities | 總負債 | 1,799,132 | 4,318,827 | 132,719 | 1,620 | 1,430,572 | 7,682,870 |
| Capital expenditure | 資本開支 | 1,185 | 48,307 | 82 | 248 | 111 | 49,933 |

NOTES ON THE FINANCIAL STATEMENTS

財務報告附註

(Expressed in Hong Kong dollars)
(以港幣列示)

2 SEGMENT REPORTING (Continued)

(b) Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segments assets and capital expenditure are based on the geographical location of the operations.

| | | 2004 | | | | | | |
|--|---------------|---|--|-----------------------------|---|------------------------------|---|-----------------------------|
| | | Hong Kong and Macau 香港及澳門 \$'000 千元 | PRC (other than Hong Kong and Macau) 中國(香港 及澳門除外) \$'000 千元 | Japan 日本 \$'000 千元 | Rest of Asia 亞洲 其他地區 \$'000 千元 | Europe 歐洲 \$'000 千元 | Rest of the world 其他地區 \$'000 千元 | Total 總額 \$'000 千元 |
| Revenue from external customers | 來自外來客戶的 收益 | 364,175 | 6,393,888 | 72,338 | 289,211 | 156,595 | 68,974 | 7,345,181 |
| Segment assets | 分類資產 | 4,849,248 | 12,004,612 | — | — | — | — | 16,853,860 |
| Capital expenditure incurred during the year | 年內動用的 資本開支 | 769 | 206,080 | — | — | — | — | 206,849 |

| | | 2003 | | | | | | |
|--|---------------|---|--|-----------------------------|---|------------------------------|---|-----------------------------|
| | | Hong Kong and Macau 香港及澳門 \$'000 千元 | PRC (other than Hong Kong and Macau) 中國(香港 及澳門除外) \$'000 千元 | Japan 日本 \$'000 千元 | Rest of Asia 亞洲 其他地區 \$'000 千元 | Europe 歐洲 \$'000 千元 | Rest of the world 其他地區 \$'000 千元 | Total 總額 \$'000 千元 |
| Revenue from external customers | 來自外來客戶的 收益 | 478,133 | 3,214,998 | 83,153 | 288,999 | 191,954 | 72,718 | 4,329,955 |
| Segment assets | 分類資產 | 5,427,329 | 5,256,914 | — | — | — | — | 10,684,243 |
| Capital expenditure incurred during the year | 年內動用的 資本開支 | 1,626 | 48,307 | — | — | — | — | 49,933 |

2 分類匯報 (續)

(b) 地區分類

按主要地區分類呈報資料時，分類收益是按客戶所在地作區分呈列。資產及資本開支分類則按經營所在地區呈列。

3 TURNOVER

The principal activities of the Group are the underwriting of non-life reinsurance and life insurance businesses. The Group also carries on asset management business, insurance intermediaries business and, to support its reinsurance and life insurance activities, holds securities, money market investments and property investments.

3 營業額

本集團的主要業務是承接非人壽再保險及人壽保險業務。本集團也從事資產管理及保險中介業務，並為配合保險業務，持有各類貨幣、固定收入證券、股票及物業投資。

NOTES ON THE FINANCIAL STATEMENTS

財務報告附註

(Expressed in Hong Kong dollars)
(以港幣列示)

3 TURNOVER (Continued)

Turnover represents gross premiums written and income from asset management and insurance intermediaries businesses. The amount of each significant category of revenue recognised in turnover during the year is as follows:

| | | 2004 \$'000 千元 | 2003 \$'000 千元 |
|--|-----------------|----------------------|----------------------|
| Gross premiums written | 已承保的保費總額 | | |
| Reinsurance business | 再保險業務 | 1,092,462 | 1,179,622 |
| Life insurance business | 人壽保險業務 | 6,217,608 | 3,079,503 |
| | | 7,310,070 | 4,259,125 |
| Income from asset management business | 資產管理業務收入 | 23,819 | 56,169 |
| Income from insurance intermediaries business | 保險中介業務收入 | 11,292 | 14,661 |
| | | 7,345,181 | 4,329,955 |

3 營業額 (續)

營業額是指已承保的保費總額、資產管理及保險中介業務收入。年內在營業額中確認的各項主要收益類別的金額載列如下：

4 OTHER REVENUE

(a) Investment income and net gain

| | | 2004 \$'000 千元 | 2003 (Restated) (重列) \$'000 千元 |
|---|------------------------|----------------------|--|
| Investment income | 投資收入 | | |
| Dividend income from listed securities | 上市證券的股息收入 | 44,687 | 10,790 |
| Dividend income from unlisted securities | 非上市證券的股息收入 | 1,137 | 1,369 |
| Interest income from listed securities | 上市證券的利息收入 | 263,160 | 151,602 |
| Interest income from unlisted securities | 非上市證券的利息收入 | 46,490 | 21,636 |
| Other interest income | 其他利息收入 | 59,246 | 54,780 |
| Rentals receivable from operating leases | 應收經營租賃的租金 | 4,428 | 4,099 |
| | | 419,148 | 244,276 |
| Net gain | 盈餘淨額 | | |
| Net realised and unrealised (losses)/gains on listed securities | 上市證券的已變現及未變現(虧損)/收益淨額 | (39,854) | 164,627 |
| Net realised and unrealised gains/(losses) on unlisted securities | 非上市證券的已變現及未變現收益/(虧損)淨額 | 22,019 | (2,072) |
| Net exchange gains | 匯兌收益淨額 | 32,917 | 27,789 |
| Amortisation of discounts/(premiums) of dated debt securities | 有期債務證券折讓/(溢價)攤銷 | 22,312 | (1,756) |
| Surplus/(deficit) on revaluation of investment properties | 投資物業重估盈餘/(虧絀) | 14,060 | (5,523) |
| Provision for diminution in value of listed securities | 上市證券減值準備 | (4,437) | (10,526) |
| Write back of provision for diminution in value of: | 撥回減值撥備： | | |
| — listed securities | — 上市證券 | 26,400 | — |
| — unlisted securities | — 非上市證券 | — | 2,321 |
| | | 73,417 | 174,860 |
| Total | 總額 | 492,565 | 419,136 |

4 其他收益

(a) 投資收入及盈餘淨額

NOTES ON THE FINANCIAL STATEMENTS

財務報告附註

(Expressed in Hong Kong dollars)
(以港幣列示)

4 OTHER REVENUE (Continued)

(b) Other net income

| | | 2004 | 2003 |
|---|------------|--------------|----------------------|
| | | \$'000 | (Restated) \$'000 |
| | | 千元 | (重列) 千元 |
| Net loss on sale of fixed assets | 出售固定資產虧損淨額 | (35) | (21) |
| Amortisation of discounts of interest-bearing notes | 須付息票據折價攤銷 | (1,020) | (170) |
| Others | 其他 | 2,539 | 5,360 |
| | | 1,484 | 5,169 |

4 其他收益 (續)

(b) 其他收入淨額

| | | 2004 | 2003 |
|---|------------|--------------|----------------------|
| | | \$'000 | (Restated) \$'000 |
| | | 千元 | (重列) 千元 |
| Net loss on sale of fixed assets | 出售固定資產虧損淨額 | (35) | (21) |
| Amortisation of discounts of interest-bearing notes | 須付息票據折價攤銷 | (1,020) | (170) |
| Others | 其他 | 2,539 | 5,360 |
| | | 1,484 | 5,169 |

5 POLICYHOLDERS' BENEFITS

| | | 2004 | 2003 |
|--|----------|------------------|----------------|
| | | \$'000 | \$'000 |
| | | 千元 | 千元 |
| Claims | 賠償 | 537,451 | 517,669 |
| Surrenders | 退保總額 | 272,388 | 68,461 |
| Annuity and maturity payments | 年金及到期付款 | 7,289 | 1,921 |
| Policy dividends | 保單分紅 | 2,575 | 474 |
| Change in provision for outstanding claims | 未決賠款準備變化 | 187,226 | 224,930 |
| | | 1,006,929 | 813,455 |

5 保單持有人利益

| | | 2004 | 2003 |
|--|----------|------------------|----------------|
| | | \$'000 | \$'000 |
| | | 千元 | 千元 |
| Claims | 賠償 | 537,451 | 517,669 |
| Surrenders | 退保總額 | 272,388 | 68,461 |
| Annuity and maturity payments | 年金及到期付款 | 7,289 | 1,921 |
| Policy dividends | 保單分紅 | 2,575 | 474 |
| Change in provision for outstanding claims | 未決賠款準備變化 | 187,226 | 224,930 |
| | | 1,006,929 | 813,455 |

NOTES ON THE FINANCIAL STATEMENTS

財務報告附註

(Expressed in Hong Kong dollars)
(以港幣列示)

6 (LOSS)/PROFIT FROM ORDINARY ACTIVITIES BEFORE TAXATION 6 除稅前日常業務(虧損)/溢利

(Loss)/profit from ordinary activities before taxation is arrived at after charging:

除稅前日常業務(虧損)/溢利已扣除：

| | | 2004 \$'000 千元 | 2003 \$'000 千元 |
|--|------------------|----------------------|----------------------|
| (a) Finance costs: | (a) 財務費用： | | |
| Interest on interest-bearing notes | 須付息票據利息 | 78,985 | 11,218 |
| Interest on other loans | 其他貸款利息 | 5,429 | 8,620 |
| | | 84,414 | 19,838 |
| (b) Staff costs: | (b) 員工成本： | | |
| Salaries, wages and other benefits | 薪金、工資及 其他利益 | 320,525 | 163,664 |
| Contributions to defined contribution plan | 已訂定供款 計劃供款 | 30,687 | 15,629 |
| | | 351,212 | 179,293 |
| (c) Other items: | (c) 其他項目： | | |
| Amortisation of goodwill | 商譽攤銷 | | |
| — subsidiaries | — 附屬公司 | 27,767 | 27,767 |
| — associate | — 聯營公司 | 3,745 | 3,745 |
| Auditors' remuneration | 核數師酬金 | | |
| — audit services | — 核數服務 | 2,336 | 1,931 |
| — tax services | — 稅務服務 | 227 | 258 |
| — other services | — 其他服務 | — | 203 |
| Depreciation | 折舊 | 26,516 | 17,021 |
| Operating lease charges in respect of properties | 有關物業的 經營租賃費用 | 57,984 | 40,091 |
| Issue costs in respect of interest-bearing notes issued | 發行須付息票據 發行費用 | — | 10,424 |

7 DIRECTORS' REMUNERATION

7 董事酬金

Directors' remuneration disclosed pursuant to section 161 of the Hong Kong Companies Ordinance is as follows:

根據香港《公司條例》第161條列報的董事酬金如下：

| | | 2004 \$'000 千元 | 2003 \$'000 千元 |
|---------------------------------|---------|----------------------|----------------------|
| Fees | 袍金 | 665 | 400 |
| Salaries and other emoluments | 薪金及其他酬金 | 6,689 | 6,502 |
| Discretionary bonuses | 酌定花紅 | 2,087 | 1,764 |
| Retirement scheme contributions | 退休計劃供款 | 492 | 478 |
| | | 9,933 | 9,144 |

NOTES ON THE FINANCIAL STATEMENTS

財務報告附註

(Expressed in Hong Kong dollars)
(以港幣列示)

7 DIRECTORS' REMUNERATION (Continued)

Included in the directors' remuneration were fees of \$665,000 (2003: \$400,000) paid to the independent non-executive directors during the year.

In addition to the above remuneration, certain directors were granted share options under the Company's share option scheme. Details of these benefits in kind are disclosed under the paragraph "Share option scheme" in the directors' report and note 36.

The remuneration of the directors is within the following bands:

| | | 2004 Number of directors 董事人數 | 2003 Number of directors 董事人數 |
|-----------|-------------|--|--|
| \$ | 元 | | |
| Nil | — 1,000,000 | 10 | 6 |
| 1,000,001 | — 1,500,000 | 1 | 1 |
| 1,500,001 | — 2,000,000 | 1 | 1 |
| 2,000,001 | — 2,500,000 | 1 | 1 |
| 2,500,001 | — 3,000,000 | 1 | 1 |

8 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, four (2003: four) are directors whose emoluments are disclosed in note 7. The emoluments in respect of the other individual are as follows:

| | | 2004 \$'000 千元 | 2003 \$'000 千元 |
|---------------------------------|---------|----------------------|----------------------|
| Salaries and other emoluments | 薪金及其他酬金 | 641 | 660 |
| Discretionary bonuses | 酌定花紅 | 230 | 227 |
| Retirement scheme contributions | 退休計劃供款 | 91 | 96 |
| | | 962 | 983 |

The emoluments of the individual with the highest emoluments are within the following bands:

| | | 2004 Number of individuals 人數 | 2003 Number of individuals 人數 |
|-----|-------------|--|--|
| \$ | 元 | | |
| Nil | — 1,000,000 | 1 | 1 |

7 董事酬金 (續)

董事酬金包括於年內支付獨立非執行董事之袍金 665,000元 (二零零三年: 400,000元)。

除上述酬金外，部分董事根據本公司的認股權計劃獲賦予認股權。這些實物利益的詳情載於董事會報告書中「認股權計劃」一節及附註36。

酬金在以下範圍內的董事人數如下：

8 最高酬金人士

在五位酬金最高的人士中，四位 (二零零三年: 四位) 為董事，有關的酬金詳情載於附註7。另一位人士的酬金總額如下：

該位酬金最高人士的酬金在以下範圍內：

NOTES ON THE FINANCIAL STATEMENTS

財務報告附註

(Expressed in Hong Kong dollars)
(以港幣列示)

9 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

9 稅項在綜合損益表

(a) Taxation in the consolidated income statement represents:

(a) 綜合損益表所示的稅項為：

| | | 2004 \$'000 千元 | 2003 \$'000 千元 |
|--|-----------------------|----------------------|----------------------|
| Current tax — Provision for Hong Kong Profits Tax | 當期稅項 — 香港利得稅準備 | | |
| Tax for the year | 年度稅款 | 16,510 | 24,052 |
| Over-provision in respect of prior years | 以往年度準備多提 | (307) | (823) |
| | | 16,203 | 23,229 |
| Current tax — Outside Hong Kong | 當期稅項 — 香港以外 | | |
| Tax for the year | 年度稅款 | 397 | — |
| Under-provision in respect of prior years | 以往年度準備少提 | 328 | — |
| | | 725 | — |
| Deferred tax | 遞延稅項 | | |
| Origination and reversal of temporary differences | 暫時性差異之起源及轉回 | (69,179) | 200 |
| Effect of increase in tax rate on deferred tax balances at 1 January | 因增加稅率對一月一日遞延稅項結餘的影響 | — | (311) |
| | | (69,179) | (111) |
| Share of associates' taxation | 佔聯營公司稅項 | 440 | 201 |
| | | (51,811) | 23,319 |

The provision for Hong Kong Profits Tax represents the Group's estimated Profits Tax liability calculated at the standard tax rate of 17.5% (2003: 17.5%) on its assessable profits from reinsurance, asset management and insurance intermediaries businesses except for its assessable profits from the business of reinsurance of offshore risks, which is calculated at 8.75% (2003: 8.75%), one-half of the standard tax rate.

Taxation outside Hong Kong is calculated at the rates prevailing in the respective jurisdictions.

香港利得稅準備是指本集團根據來自再保險、資產管理及保險中介業務的應評稅溢利，按 17.5% (二零零三年：17.5%) 的標準稅率計算的估計應繳利得稅，但來自海外風險的再保險業務的應評稅溢利則按標準稅率的一半，即 8.75% (二零零三年：8.75%) 計算。

香港以外地區的稅項以相關司法管轄區的現行稅率計算。

NOTES ON THE FINANCIAL STATEMENTS

財務報告附註

(Expressed in Hong Kong dollars)
(以港幣列示)

9 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (Continued)

9 稅項在綜合損益表 (續)

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

(b) 稅項費用及會計利潤以適用稅率的調節：

| | | 2004 \$'000 千元 | 2003 \$'000 千元 |
|---|--------------------------------------|----------------------|----------------------|
| (Loss)/profit before tax | 稅前(虧損)/利潤 | (241,065) | 82,280 |
| Notional tax on (loss)/profit before tax, calculated at the rates applicable to (losses)/profits in the jurisdictions concerned | 稅前(虧損)/利潤的名義稅款以(虧損)/利潤在相關管轄地區適用的稅率計算 | (105,386) | (10,982) |
| Tax effect of non-deductible expenses | 不可減免費用的稅項影響 | 116,952 | 65,024 |
| Tax effect of non-taxable revenue | 不須徵稅收入的稅項影響 | (59,973) | (46,562) |
| Tax effect of unused tax losses not recognised | 未有確認而尚未使用的稅項虧損的稅項影響 | — | 16,944 |
| Tax effect of prior years' tax losses utilised this year | 以往年度稅項虧損在本年使用的稅項影響 | (3,865) | (172) |
| Effect on opening deferred tax balances resulting from an increase in tax rate during the year | 由於本年度增加稅率對期初遞延稅項結餘的影響 | — | (311) |
| Under/(over)-provision in prior years | 以往年度少提/(多提)準備 | 21 | (823) |
| | | (52,251) | 23,118 |
| Share of associates' taxation | 佔聯營公司稅項 | 440 | 201 |
| Actual tax (credit)/charge | 實際稅項(抵免)/支出 | (51,811) | 23,319 |

10 (LOSS)/PROFIT ATTRIBUTABLE TO SHAREHOLDERS

10 股東應佔(虧損)/溢利

The consolidated (loss)/profit attributable to shareholders includes a profit of \$72,222,000 (2003: \$39,825,000) which has been dealt with in the financial statements of the Company.

股東應佔(虧損)/溢利包括一筆已列入本公司財務報告的溢利72,222,000元(二零零三年: 39,825,000元)。

NOTES ON THE FINANCIAL STATEMENTS

財務報告附註

(Expressed in Hong Kong dollars)
(以港幣列示)

11 DIVIDENDS

(a) Dividends attributable to the year

| | | 2004 \$'000 千元 | 2003 \$'000 千元 |
|---|--|----------------------|----------------------|
| Interim dividend declared and paid of \$nil (2003: 1.2 cents) per share | 已宣派中期股息 每股0.0仙 (二零零三年： 每股1.2仙) | — | 15,935 |
| Final dividend proposed after the balance sheet date of \$nil (2003: 1.2 cents) per share | 結算日後擬派末期股息 每股0.0仙 (二零零三年： 每股1.2仙) | — | 15,977 |
| | | — | 31,912 |

The final dividend proposed after the balance sheet date has not been recognised as a liability at the balance sheet date.

年結後的擬派末期股息並未在結算日確認為負債。

(b) Dividends attributable to the previous financial year, approved and paid during the year

| | | 2004 \$'000 千元 | 2003 \$'000 千元 |
|--|---|----------------------|----------------------|
| Final dividend in respect of the previous financial year, approved and paid during the year, of 1.2 cents (2003: 1.5 cents) per share | 屬於上一個財政年度， 並於本年度核准及 支付的末期股息 每股1.2仙 (二零零三年： 每股1.5仙) | 15,980 | 19,889 |

(b) 屬於上一個財政年度，並於本年度核准及支付的股息

12 (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the loss attributable to shareholders of \$22,935,000 (2003: profit of \$140,753,000) and the weighted average of 1,331,311,925 ordinary shares (2003: 1,326,609,342 shares) in issue during the year.

12 每股(虧損)/盈利

(a) 每股基本(虧損)/盈利

每股基本(虧損)/盈利是按照股東應佔虧損22,935,000元(二零零三年：溢利140,753,000元)，及年內已發行普通股的加權平均數1,331,311,925股(二零零三年：1,326,609,342股)計算。

(b) Diluted (loss)/earnings per share

The calculation of diluted (loss)/earnings per share is based on the loss attributable to ordinary shareholders of \$22,935,000 (2003: profit of \$140,753,000) and the weighted average number of 1,341,031,979 ordinary shares (2003: 1,340,613,873 shares) after adjusting for the effects of all dilutive potential ordinary shares under the Company's share option scheme.

(b) 每股攤薄(虧損)/盈利

每股攤薄(虧損)/盈利是按照股東應佔虧損22,935,000元(二零零三年：溢利140,753,000元)及已就本公司認股權計劃所有具備潛在攤薄影響的普通股作出調整得出的普通股加權平均數1,341,031,979股(二零零三年：1,340,613,873股)計算。

NOTES ON THE FINANCIAL STATEMENTS

財務報告附註

(Expressed in Hong Kong dollars)
(以港幣列示)

12 (LOSS)/EARNINGS PER SHARE (Continued)

(c) Reconciliations

Weighted average number of ordinary shares used in calculating basic (loss)/earnings per share

Deemed issue of ordinary shares for no consideration

Weighted average number of ordinary shares used in calculating diluted (loss)/earnings per share

用作計算每股基本(虧損)/盈利的普通股加權平均股數

視為無償發行的普通股股數

用作計算每股攤薄(虧損)/盈利的普通股加權平均股數

12 每股(虧損)/盈利(續)

(c) 對賬

2004
Number of
shares
股份數目

2003
Number of
shares
股份數目

1,331,311,925

1,326,609,342

9,720,054

14,004,531

1,341,031,979

1,340,613,873

13 FIXED ASSETS

(a) The Group

Land and buildings
土地及建築物
\$'000
千元

Furniture and fixtures
傢具及固定裝置
\$'000
千元

Computer equipment
電腦設備
\$'000
千元

Motor vehicles
汽車
\$'000
千元

Sub-total
小計
\$'000
千元

Investment properties
投資物業
\$'000
千元

Total
總額
\$'000
千元

Cost or valuation:

成本或估值:

At 1 January 2004
Exchange adjustments
Additions
Disposals
Surplus on revaluation
Reclassification
At 31 December 2004

於2004年1月1日
匯率調整
增置
出售
重估盈餘
分類調整
於2004年12月31日

| | | | | | | |
|---------|---------|---------|--------|---------|---------|---------|
| 230,431 | 35,109 | 43,213 | 14,993 | 323,746 | 104,835 | 428,581 |
| (287) | (67) | (102) | (42) | (498) | — | (498) |
| 169,591 | 5,834 | 20,339 | 11,085 | 206,849 | — | 206,849 |
| — | (146) | (1,826) | — | (1,972) | — | (1,972) |
| — | — | — | — | — | 14,060 | 14,060 |
| — | (5,171) | 5,171 | — | — | — | — |
| 399,735 | 35,559 | 66,795 | 26,036 | 528,125 | 118,895 | 647,020 |

Representing:

代表:

Cost
Valuation – 2004

成本
估值 – 2004

| | | | | | | |
|---------|--------|--------|--------|---------|---------|---------|
| 399,735 | 35,559 | 66,795 | 26,036 | 528,125 | — | 528,125 |
| — | — | — | — | — | 118,895 | 118,895 |
| 399,735 | 35,559 | 66,795 | 26,036 | 528,125 | 118,895 | 647,020 |

Accumulated depreciation:

累計折舊:

At 1 January 2004
Exchange adjustments
Charge for the year
Written back on disposal
Reclassification
At 31 December 2004

於2004年1月1日
匯率調整
本年度折舊
出售時撥回
分類調整
於2004年12月31日

| | | | | | | |
|--------|---------|---------|-------|---------|---|---------|
| 86,033 | 14,422 | 16,770 | 4,484 | 121,709 | — | 121,709 |
| (20) | (18) | (51) | (17) | (106) | — | (106) |
| 6,114 | 4,991 | 12,015 | 3,396 | 26,516 | — | 26,516 |
| — | (71) | (1,627) | — | (1,698) | — | (1,698) |
| — | (1,105) | 1,105 | — | — | — | — |
| 92,127 | 18,219 | 28,212 | 7,863 | 146,421 | — | 146,421 |

Net book value:

賬面淨值:

At 31 December 2004
At 31 December 2003

於2004年12月31日
於2003年12月31日

| | | | | | | |
|---------|--------|--------|--------|---------|---------|---------|
| 307,608 | 17,340 | 38,583 | 18,173 | 381,704 | 118,895 | 500,599 |
| 144,398 | 20,687 | 26,443 | 10,509 | 202,037 | 104,835 | 306,872 |

NOTES ON THE FINANCIAL STATEMENTS

財務報告附註

(Expressed in Hong Kong dollars)
(以港幣列示)

13 FIXED ASSETS (Continued)

(b) The Company

| | | Furniture and fixtures 傢具及 固定裝置 \$'000 千元 | Motor vehicles 汽車 \$'000 千元 | Total 總額 \$'000 千元 |
|----------------------------------|--------------|--|---|-----------------------------|
| Cost: | 成本： | | | |
| At 1 January 2004 | 於2004年1月1日 | 2,889 | 1,671 | 4,560 |
| Additions | 增置 | 75 | — | 75 |
| Disposals | 出售 | (11) | — | (11) |
| At 31 December 2004 | 於2004年12月31日 | 2,953 | 1,671 | 4,624 |
| Accumulated depreciation: | 累計折舊： | | | |
| At 1 January 2004 | 於2004年1月1日 | 1,662 | 782 | 2,444 |
| Charge for the year | 本年度折舊 | 576 | 340 | 916 |
| Written back on disposal | 出售時撥回 | (4) | — | (4) |
| At 31 December 2004 | 於2004年12月31日 | 2,234 | 1,122 | 3,356 |
| Net book value: | 賬面淨值： | | | |
| At 31 December 2004 | 於2004年12月31日 | 719 | 549 | 1,268 |
| At 31 December 2003 | 於2003年12月31日 | 1,227 | 889 | 2,116 |

(c) The analysis of net book value of properties is as follows:

(c) 物業賬面淨值的分析如下：

| | | The Group 本集團 | |
|----------------------|--------|----------------------|----------------------|
| | | 2004 \$'000 千元 | 2003 \$'000 千元 |
| In Hong Kong | 香港 | | |
| — Long leases | — 長期租賃 | 131,843 | 111,605 |
| — Medium-term leases | — 中期租賃 | 13,901 | 10,234 |
| Outside Hong Kong | 香港以外地區 | | |
| — Long leases | — 長期租賃 | 23,000 | 33,730 |
| — Medium-term leases | — 中期租賃 | 257,759 | 93,664 |
| | | 426,503 | 249,233 |

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(Expressed in Hong Kong dollars)
(以港幣列示)

13 FIXED ASSETS (Continued)

- (d) Investment properties of the Group were revalued at 31 December 2004 by an independent firm of surveyors, RHL Appraisal Limited, who have among their staff Associates of the Hong Kong Institute of Surveyors, on an open market value basis calculated by reference to net rental income allowing for reversionary income potential. The revaluation surplus of \$14,060,000 (2003: deficit of \$5,523,000) has been recognised in the income statement (note 4).
- (e) The Group leases out investment properties under operating leases. The leases typically run for an initial period of two years, with an option to renew the lease after that date at which time all terms are renegotiated. Lease payments are usually reviewed annually to reflect market rentals. None of the leases includes contingent rentals.

The gross carrying amounts of investment properties of the Group held for use in operating leases were \$85,737,000 (2003: \$67,520,000).

The Group's total future minimum lease payments under non-cancellable operating leases are receivable as follows:

13 固定資產 (續)

- (d) 本集團的投資物業已於二零零四年十二月三十一日經由獨立測量師行－永利行評估顧問有限公司(該行僱員包括若干香港測量師學會會員)，以參考有未來收入潛力的淨租金收入公開市值計算基準重新估值。為數14,060,000元(二零零三年：虧絀5,523,000元)的重估盈餘已記入損益表內(附註4)。
- (e) 本集團以經營租賃租出投資物業。這些租賃一般初步為期二年，並且有權選擇在到期日後續期，屆時所有條款均可重新商定。租賃付款額通常會逐年檢討，以反映市場租金。各項租賃均不包括或然租金。

本集團持作經營租賃的投資物業的賬面總額為85,737,000元(二零零三年：67,520,000元)。

本集團根據不可解除的經營租賃在日後應收的最低租賃付款總額如下：

| | | The Group 本集團 | |
|----------------------------|---------|----------------------|----------------------|
| | | 2004 \$'000 千元 | 2003 \$'000 千元 |
| Within 1 year | 1年內 | 3,135 | 4,013 |
| After 1 but within 5 years | 1年後但5年內 | 1,630 | 3,558 |
| | | 4,765 | 7,571 |

14 GOODWILL

14 商譽

| | | The Group 本集團 \$'000 千元 |
|-----------------------------------|------------------------|----------------------------------|
| Costs: | 成本： | |
| At 1 January and 31 December 2004 | 於2004年1月1日及2004年12月31日 | 555,358 |
| Accumulated amortisation: | 累計攤銷： | |
| At 1 January 2004 | 於2004年1月1日 | 49,406 |
| Amortisation for the year | 年內攤銷 | 27,767 |
| At 31 December 2004 | 於2004年12月31日 | 77,173 |
| Carrying amount: | 賬面淨值： | |
| At 31 December 2004 | 於2004年12月31日 | 478,185 |
| At 31 December 2003 | 於2003年12月31日 | 505,952 |

Goodwill is amortised on a straight-line basis over twenty years.

商譽以直線法在二十年內攤銷。

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(以港幣列示)

15 INVESTMENTS IN SUBSIDIARIES

15 於附屬公司的投資

The Company
本公司

| | |
|--------|--------|
| 2004 | 2003 |
| \$'000 | \$'000 |
| 千元 | 千元 |

| | | | |
|--------------------------|------------|------------------|-----------|
| Unlisted shares, at cost | 非上市股份 (成本) | 1,844,859 | 1,096,583 |
|--------------------------|------------|------------------|-----------|

The following list contains details of the Company's principal subsidiaries at the date of this report. The class of shares held is ordinary unless otherwise stated.

下表載列本公司的主要附屬公司於本報告刊發日期的詳情。除非另有說明，否則所持的股份類別指普通股。

All of these are controlled subsidiaries as defined under note 1(d) and have been consolidated into the Group's financial statements.

該等附屬公司均為附註1(d)所界定的受控制附屬公司，並已綜合於本集團的財務報告內。

| Name of company 公司名稱 | Place of incorporation and operation 註冊成立及經營地點 | Particulars of issued and paid up capital 已發行及繳足股本的詳情 | Proportion of ownership interest 應佔權益百分比 | | | Principal activity 主要業務 |
|--|---|--|---|--------------------------------|-------------------------------|-------------------------------------|
| | | | Group's effective interest 本集團的實際權益 | held by the Company 本公司所持權益 | held by subsidiary 該附屬公司持有 | |
| China International Reinsurance Company Limited (Note (i)) 中國國際再保險有限公司 (註(i)) | Hong Kong 香港 | Ordinary \$180,000,000 Deferred \$600,000,000 普通 180,000,000元 遞延 600,000,000元 | 100% | — | 100% | Reinsurance business 再保險業務 |
| China Insurance Group Assets Management Limited 中保集團資產管理有限公司 | Hong Kong 香港 | \$130,000,000 130,000,000元 | 100% | 100% | — | Asset management business 資產管理業務 |
| SINO-RE Reinsurance Brokers Limited (Note (i)) 華夏再保險顧問有限公司 (註(i)) | Hong Kong 香港 | Ordinary \$4,000,000 Deferred \$1,000,000 普通 4,000,000元 遞延 1,000,000元 | 100% | — | 100% | Insurance broking 保險經紀 |
| Tai Ping Life Insurance Company, Limited (Note (iii)) 太平人壽保險有限公司 (註(iii)) | PRC 中國 | RMB 2,330,000,000 人民幣 2,330,000,000元 | 50.05% | 50.05% | — | Life insurance business 人壽保險業務 |

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(以港幣列示)

15 INVESTMENTS IN SUBSIDIARIES (Continued)

15 於附屬公司的投資 (續)

| Name of company 公司名稱 | Place of incorporation and operation 註冊成立及經營地點 | Particulars of issued and paid up capital 已發行及繳足股本的詳情 | Proportion of ownership interest 應佔權益百分比 | | | Principal activity 主要業務 |
|-------------------------|---|--|---|--------------------------------|-------------------------------|----------------------------|
| | | | Group's effective interest 本集團的實際權益 | held by the Company 本公司所持權益 | held by subsidiary 該附屬公司持有 | |
| Quicken Assets Limited | BVI/ Hong Kong 英屬維爾京群島/香港 | US\$1 1美元 | 100% | 100% | — | Property holding 持有物業 |
| CIIH (BVI) Limited | BVI/ Hong Kong 英屬維爾京群島/香港 | US\$1 1美元 | 100% | 100% | — | Financing 融資 |

Notes:

- (i) Holders of the non-voting deferred shares in CIRe or SINO-RE are not entitled to share profits, receive notice of or attend or vote at any general meeting of these companies. On the winding-up of these companies, the holders of the non-voting deferred shares are not entitled to the distribution of the net assets of these companies for the first \$100 billion; the balance of net assets, if any, over the first \$100 billion shall be distributed among the holders of the ordinary shares and non-voting distributed shares pari passu among themselves in proportion to their respective shareholdings.
- (ii) The company is a PRC limited company.

附註：

- (i) 於中再國際及華夏的無投票權遞延股份的持有人無權獲得這些公司的溢利、收取這些公司的任何股東周年大會的通知、出席股東周年大會或在會上投票。在這些公司清盤時，無投票權遞延股份的持有人無權獲分這些公司首100,000,000,000元的資產淨值；超過首100,000,000,000元的資產淨值餘額(如有)則根據普通股及無投票權遞延股份持有人各自的持股量按比例進行分配。
- (ii) 該公司是一間中國有限公司。

16 INTEREST IN ASSOCIATES

16 於聯營公司的權益

| | | The Group 本集團 | | The Company 本公司 | |
|-----------------------------|-----------|----------------------|------------------------------------|----------------------|------------------------------------|
| | | 2004 \$'000 千元 | 2003 (Restated) \$'000 千元 | 2004 \$'000 千元 | 2003 (Restated) \$'000 千元 |
| Unlisted shares, at cost | 非上市股份(成本) | — | — | 455,930 | 220,323 |
| Share of net assets | 所佔資產淨值 | 248,500 | 61,062 | — | — |
| Goodwill | 商譽 | 102,192 | 66,616 | — | — |
| Amounts due from associates | 應收聯營公司款項 | 903 | 58 | 882 | 58 |
| | | 351,595 | 127,736 | 456,812 | 220,381 |

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(以港幣列示)

16 INTEREST IN ASSOCIATES (Continued)

16 於聯營公司的權益 (續)

The following list contains details of the Company's principal associates, all of which are unlisted corporate entities:

下表載列本公司的主要聯營公司詳情，該等聯營公司全部均為非上市企業實體：

| Name of associate 公司名稱 | Form of business structure 業務結構形式 | Place of incorporation and operation 註冊成立及經營地點 | Particulars of issued and paid up capital 已發行及已繳股本細節 | Proportion of ownership interest 應佔權益比例 | | Principal activity 主要業務 |
|---|--------------------------------------|---|---|--|--------------------------------|---|
| | | | | Group's effective interest 本集團的實際權益 | held by the Company 本公司所持權益 | |
| The Tai Ping Insurance Company, Limited * (Note (a)) 太平保險有限公司 * (註(a)) | Incorporated 註冊成立 | PRC 中國 | RMB 1,000,000,000 人民幣 1,000,000,000元 | 40.025% | 40.025% | Non-life insurance 非人壽保險 |
| Huatai Insurance Agency & Consultant Service Ltd * 華泰保險經紀有限公司 * | Incorporated 註冊成立 | PRC 中國 | RMB 23,281,000 人民幣 23,281,000元 | 25% | 25% | Insurance agency and consultancy 保險代理及顧問 |
| CMT ChinaValue Capital Advisors Limited | Incorporated 註冊成立 | Hong Kong 香港 | \$1,000 1,000港元 | 46% | 46% | Advisory services 顧問服務 |
| CMT ChinaValue Capital Partners, L.P. | Limited partnership 有限合夥企業 | Cayman Islands/ Hong Kong 凱曼群島/香港 | US\$10,500,001 10,500,001美元 | 28.58% | 28.58% | Investment holding 投資控股 |

Notes:

(a) On 26 November 2004, the Group has entered into a conditional option deed with ICBC (Asia) pursuant to which each of CIHC and the Group has agreed to grant the right to ICBC (Asia) at nil consideration to acquire from CIHC and the Group 2.475% and 9.975% respectively of the equity interest in TPI at an aggregate consideration of RMB0.125 billion within six months from the date of the option deed, or such later date as the parties may extend pursuant to the terms of the option deed. Each of the CIHC option and the Group option will be exercisable at the option of ICBC (Asia), and if exercised by ICBC (Asia), has to be exercised in full and simultaneously.

* The above companies are PRC limited companies.

附註：

a) 於二零零四年十一月二十六日，本集團與工銀亞洲簽訂了有條件期權契據，據此，中國保險(控股)及本集團同意以無代價方式向工銀亞洲授出一項權利，使到於完成之後，工銀亞洲可於期權契據日期起計六個月內或參與方根據期權契據的條款所延長的較後日期前分別向中國保險(控股)及本集團以人民幣125,000,000元收購太平保險的2.475%及9.975%股本權益。行使中國保險(控股)期權與本集團期權與否由工銀亞洲決定，惟該兩項期權均須由工銀亞洲同時全面行使。

* 上述公司均為中國有限公司。

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(以港幣列示)

17 INVESTMENTS IN SECURITIES

17 證券投資

(a) The Group

(a) 本集團

| | | Central governments and central banks 中央政府及中央銀行 \$'000 千元 | Public sector entities 公共機構 \$'000 千元 | Banks and other financial institutions 銀行及其他金融機構 \$'000 千元 | Corporate entities 公司實體 \$'000 千元 | Others 其他 \$'000 千元 | Total 總額 \$'000 千元 |
|---|---------------------------------|--|--|---|--|------------------------------|-----------------------------|
| At 31 December 2004 | 於2004年12月31日 | | | | | | |
| Held-to-maturity debt securities | 持有至到期的債務證券 | | | | | | |
| Listed outside Hong Kong | 香港以外地區上市 | 4,844,946 | 134,294 | 1,658,761 | 1,816,293 | 26,830 | 8,481,124 |
| Unlisted | 非上市 | 74,941 | 7,576 | 79,059 | 347,835 | — | 509,411 |
| | | 4,919,887 | 141,870 | 1,737,820 | 2,164,128 | 26,830 | 8,990,535 |
| Other investments | 其他投資 | | | | | | |
| Listed debt securities | 上市債務證券 | | | | | | |
| — outside Hong Kong | — 香港以外地區 | 3,236 | — | 107,310 | 146,389 | 23,728 | 280,663 |
| Listed equity securities | 上市股本證券 | | | | | | |
| — in Hong Kong | — 香港 | 6,840 | 1,701 | 42,697 | 315,518 | 4,296 | 371,052 |
| — outside Hong Kong | — 香港以外地區 | — | — | 39,972 | 138,111 | — | 178,083 |
| Listed unit trusts and mutual funds | 上市單位信託基金及互惠基金 | | | | | | |
| — outside Hong Kong | — 香港以外地區 | — | — | — | 12,273 | 894,173 | 906,446 |
| Unlisted debt securities | 非上市債務證券 | — | — | 434,544 | 77,115 | — | 511,659 |
| Unlisted equity securities | 非上市股本證券 | — | — | — | 11,243 | — | 11,243 |
| | | 10,076 | 1,701 | 624,523 | 700,649 | 922,197 | 2,259,146 |
| | | 4,929,963 | 143,571 | 2,362,343 | 2,864,777 | 949,027 | 11,249,681 |
| Market value of listed securities (including listed held-to-maturity securities maturing within one year of the balance sheet date) | 上市證券市值(包括於結算日起計一年內到期持有至到期的上市證券) | 4,685,803 | 144,735 | 1,853,300 | 2,238,009 | 948,928 | 9,870,775 |

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17 INVESTMENTS IN SECURITIES (Continued)

17 證券投資 (續)

(a) The Group (Continued)

(a) 本集團 (續)

| | | Central governments and central banks 中央政府及中央銀行 \$'000 千元 | Public sector entities 公共機構 \$'000 千元 | Banks and other financial institutions 銀行及其他金融機構 \$'000 千元 | Corporate entities 公司實體 \$'000 千元 | Others 其他 \$'000 千元 | Total 總額 \$'000 千元 |
|---|----------------------------------|--|--|---|--|------------------------------|-----------------------------|
| At 31 December 2003 | 於2003年12月31日 | | | | | | |
| Held-to-maturity debt securities | 持有至到期的債務證券 | | | | | | |
| Listed outside Hong Kong | 香港以外地區上市 | 802,587 | 97,123 | 1,831,658 | 1,236,094 | 10,172 | 3,977,634 |
| Unlisted | 非上市 | 113,184 | 7,535 | 674,468 | 344,463 | — | 1,139,650 |
| | | 915,771 | 104,658 | 2,506,126 | 1,580,557 | 10,172 | 5,117,284 |
| Other investments | 其他投資 | | | | | | |
| Listed debt securities | 上市債務證券 | | | | | | |
| — outside Hong Kong | — 香港以外地區 | — | — | 216,367 | 175,691 | — | 392,058 |
| Listed equity securities | 上市股本證券 | | | | | | |
| — in Hong Kong | — 香港 | — | 23,053 | 45,715 | 317,418 | 3,239 | 389,425 |
| — outside Hong Kong | — 香港以外地區 | — | — | 26,043 | 105,372 | — | 131,415 |
| Listed unit trusts and mutual funds | 上市單位信託基金及互惠基金 | | | | | | |
| — outside Hong Kong | — 香港以外地區 | — | — | — | 17,951 | 330,460 | 348,411 |
| Unlisted debt securities | 非上市債務證券 | — | — | 31,052 | 217,798 | — | 248,850 |
| Unlisted equity securities | 非上市股本證券 | — | — | — | 11,232 | — | 11,232 |
| | | — | 23,053 | 319,177 | 845,462 | 333,699 | 1,521,391 |
| | | 915,771 | 127,711 | 2,825,303 | 2,426,019 | 343,871 | 6,638,675 |
| Market value of listed securities (including listed held-to-maturity securities maturing within one year of the balance sheet date) | 上市證券市值 (包括於結算日起計一年內到期持有至到期的上市證券) | 804,604 | 130,586 | 2,138,121 | 1,851,398 | 343,567 | 5,268,276 |

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17 INVESTMENTS IN SECURITIES (Continued)

(a) The Group (Continued)

During the year ended 31 December 2004, held-to-maturity securities with an amortised cost of \$553,724,000 (2003: \$73,748,000) and \$364,889,000 (2003: \$nil) were disposed of and reclassified as other investments respectively as a result of the Group's assets and liabilities matching review.

The Group's unlisted equity securities include an investment of \$8,000,000 (2003: \$8,000,000), representing a 20.0% (2003: 20.0%) equity interest in Dragon Jade, a joint venture company established in the PRC engaged in the development and operation of an industrial property complex in Shenzhen, the PRC. In the opinion of the directors, the Group is not in a position to exercise significant influence over the financial and operating policies of that company and accordingly, the equity accounting method has not been adopted.

The held-to-maturity debt securities include an amount of \$127,620,000 (2003: \$106,222,000) which are due to mature within one year.

(b) The Company

17 證券投資 (續)

(a) 本集團 (續)

截至二零零四年十二月三十一日止，本集團在檢討資產與負債配比之後，將價值553,724,000元(二零零三年：73,480,000元)已攤銷成本的持有至到期債務證券沽出及將價值364,889,000元(二零零三年：無)已攤銷成本的持有至到期債務證券轉換分類為其他投資。

本集團的非上市股本證券包括為數8,000,000元(二零零三年：8,000,000元)的投資，相當於在中國成立的合營公司一龍璧的20.0%(二零零三年：20.0%)股權。該公司的業務是發展及經營一座位於中國深圳的工業綜合大樓。董事們認為，由於本集團不能對該公司的財務及經營決策發揮重大的影響力，故無採用權益法。

持有至到期的債務證券包括於一年內到期價值127,620,000元(二零零三年：106,222,000元)的債務證券。

(b) 本公司

| | | 2004 \$'000 千元 | 2003 \$'000 千元 |
|-----------------------------------|----------|----------------------|----------------------|
| Other investments | 其他投資 | | |
| Listed debt securities | 上市債務證券 | | |
| — outside Hong Kong | — 香港以外地區 | 86,599 | 16,535 |
| Listed equity securities | 上市股本證券 | | |
| — in Hong Kong | — 香港 | 135,115 | 96,392 |
| — outside Hong Kong | — 香港以外地區 | 83,378 | 45,354 |
| Unlisted debt securities | 非上市債務證券 | 284,191 | — |
| | | 589,283 | 158,281 |
| Market value of listed securities | 上市證券市值 | 305,092 | 158,281 |

During the year ended 31 December 2003, held-to-maturity securities with an amortised cost of \$73,480,000 were disposed of at a profit of \$8,743,000 as a result of the Group's assets and liabilities matching review. There is no such disposal during the year ended 31 December 2004.

截至二零零三年十二月三十一日止，本集團在檢討資產與負債配比之後，將價值73,480,000元已攤銷成本的持有至到期債務證券沽出，賺取8,743,000元。截至二零零四年十二月三十一日止，並無此類型沽出。

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18 SECURITIES PURCHASED UNDER RESALE AGREEMENTS

All securities purchased under resale agreements are expected to be recovered within one year.

18 買入返售證券

所有買入返售證券預期可於一年內回本。

19 AMOUNTS DUE FROM/(TO) GROUP COMPANIES

(a) Due from group companies

Amount due from the ultimate holding company
Amount due from the immediate holding company
Amounts due from subsidiaries
Amounts due from fellow subsidiaries

應收最終控股公司款項
應收直接控股公司款項
應收附屬公司款項
應收同系附屬公司款項

19 應收／(應付)集團內公司款項

(a) 應收集團內公司款項

| The Group 本集團 | | The Company 本公司 | |
|------------------|----------------------------|--------------------|----------------------------|
| 2004 | 2003 (Restated) (重列) | 2004 | 2003 (Restated) (重列) |
| \$'000 千元 | \$'000 千元 | \$'000 千元 | \$'000 千元 |
| 470 | — | — | — |
| — | 179 | — | 179 |
| — | — | 272,182 | 1,583,941 |
| 85 | 3,256 | — | — |
| 555 | 3,435 | 272,182 | 1,584,120 |

(b) Due to group companies

Amount due to the ultimate holding company
Amount due to the immediate holding company
Amounts due to subsidiaries
Amounts due to fellow subsidiaries

應付最終控股公司款項
應付直接控股公司款項
應付附屬公司款項
應付同系附屬公司款項

(b) 應付集團內公司款項

| The Group 本集團 | | The Company 本公司 | |
|------------------|----------------|--------------------|------------------|
| 2004 | 2003 | 2004 | 2003 |
| \$'000 千元 | \$'000 千元 | \$'000 千元 | \$'000 千元 |
| 145 | — | 65 | — |
| — | 184 | — | — |
| — | — | 1,353,712 | 1,351,209 |
| 129,334 | 129,336 | — | — |
| 129,479 | 129,520 | 1,353,777 | 1,351,209 |

The amounts due to fellow subsidiaries include an amount of \$129,333,000 (2003: \$129,336,000) which is unsecured, repayable on demand and bears interest at LIBOR plus 1.8%.

應付同系附屬公司款項包括為數129,333,000元(二零零三年: 129,336,000元)款項為無抵押、於要求時償還，並以倫敦最優惠利率加1.8%計息。

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(以港幣列示)

19 AMOUNTS DUE FROM/(TO) GROUP COMPANIES (Continued)

(b) Due to group companies (Continued)

The amounts due from subsidiaries include an amount of \$nil (2003: \$1,352,123,000) which is unsecured, repayable within one year, and bears interest at a fixed rate of 5.8%.

The amounts due to subsidiaries include an amount of \$1,353,712,000 (2003: \$1,351,209,000) which is unsecured, repayable after more than one year and bears interest at a fixed rate of 6.03%.

Other amounts due from/(to) group companies are unsecured, interest free and repayable on demand.

19 應收／(應付)集團內公司款項(續)

(b) 應付集團內公司款項(續)

應收附屬公司款項包括為數零元(二零零三年: 1,352,123,000元)款項為無抵押、於一年內償還,並以固定利率5.8%計息。

應付附屬公司款項包括為數1,353,712,000元(二零零三年: 1,351,209,000元)款項為無抵押、於一年後償還,並以固定利率6.03%計息。

其他應收／(應付)集團內公司款項均無抵押、免息,並須於要求時償還。

20 INSURANCE DEBTORS

20 保險客戶應收賬款

| | | The Group 本集團 | |
|--|--------------|----------------------|----------------------|
| | | 2004 \$'000 千元 | 2003 \$'000 千元 |
| Amounts due from insurance customers and suppliers | 應收保險客戶及供應商款項 | 210,281 | 291,270 |
| Deposits retained by cedants | 分保人保留的按金 | 88,530 | 95,520 |
| | | 298,811 | 386,790 |

All of the insurance debtors are expected to be recovered within one year.

所有保險客戶應收賬款預期在一年之內可以收回。

Amounts due from insurance customers and suppliers include amounts due from fellow subsidiaries of \$4,815,000 (2003: \$59,754,000) which are trade related in nature.

應收保險客戶及供應商款項包括應收同系附屬公司款項4,815,000元(二零零三年: 59,754,000元),有關款項屬營業性質。

The following is an ageing analysis of amounts due from insurance customers and suppliers (net of specific allowances for bad and doubtful debts):

應收保險客戶及供應商款項(已提呆壞賬特定準備後的淨額)之賬齡分析如下:

| | | The Group 本集團 | |
|--|--------------|----------------------|----------------------|
| | | 2004 \$'000 千元 | 2003 \$'000 千元 |
| Not yet due | 未到期 | 135,057 | 180,260 |
| Current | 現已到期 | 51,191 | 83,818 |
| More than 3 months but less than 12 months | 超過3個月但少於12個月 | 18,657 | 14,677 |
| More than 12 months | 超過12個月 | 5,376 | 12,515 |
| | | 210,281 | 291,270 |

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21 OTHER DEBTORS

21 其他應收賬款

| | | The Group 本集團 | | The Company 本公司 | |
|---|-------------------------|------------------|----------------|--------------------|--------------|
| | | 2004 | 2003 | 2004 | 2003 |
| | | \$'000 千元 | \$'000 千元 | \$'000 千元 | \$'000 千元 |
| Advanced payment for acquisition of TPP (Note (a)) | 購入太平養老保險預付款 (註(a)) | 139,108 | — | — | — |
| Other debtors, deposits and prepayments (Note (b)) | 其他應收賬款、按金及預付款 (註(b)) | 212,019 | 140,769 | 5,988 | 3,218 |
| Loans and advances (Note (c)) | 貸款及墊款 (註(c)) | 38,845 | 28,997 | — | — |
| | | 389,972 | 169,766 | 5,988 | 3,218 |

Notes:

註：

(a) On 9 July 2004, the Group entered into a conditional shareholders' agreement with TPI, Fortis and CIHC to form a new joint stock limited company, namely TPP (the "TPP Shareholders' Agreement"). Upon establishment, the Group will have an effective control of 74.0% equity interest in TPP and TPP will become a subsidiary of the Group. At the extraordinary general meeting of the Company held on 25 August 2004, the independent shareholders of the Company approved the conditional TPP Shareholders' Agreement. However, because certain conditions precedent as stated in the TPP Shareholders' Agreement have not been fulfilled, TPP had not been established and had not commenced operation as at 31 December 2004. Therefore, the total investment into TPP by the Group is included as advanced payment at 31 December 2004.

(a) 於二零零四年七月九日，本集團與太平保險、富通和中國保險(控股)簽訂一份有條件的股東協議，成立一間名為太平養老保險的新股份有限公司(「太平養老保險股東協議」)，當此公司正式成立之後，本集團將實質持有太平養老保險74.0%的權益。太平養老保險將成為本集團一家附屬公司。於二零零四年八月二十五日本公司舉行了股東特別大會，在大會上本公司的獨立股東批准了該份有條件的太平養老保險股東協議。然而，由於協議內所列明的條件仍有部份尚未達成，所以於二零零四年十二月三十一日太平養老保險仍未正式成立或開業。因此，本集團投放到太平養老保險的總投資金額，於二零零四年十二月三十一日已包括為預付款。

(b) Included in other debtors is an amount of \$nil (2003: \$2,587,000) which represents unrealised gains on dealing in off-balance sheet financial instruments at the balance sheet date.

(b) 其他應收賬款包括價值零元(二零零三年：2,587,000元)在結算日資產負債表以外金融工具的未實現利潤。

(c) Loans and advances are repayable with the following terms:

(c) 貸款及墊款的還款期如下：

| | | 2004 | 2003 | Interest rate 利率 | Repayment term 還款期 |
|--|----------------------|---------------|---------------|---------------------|--------------------------------|
| | | \$'000 千元 | \$'000 千元 | | |
| Secured loans: — to policyholders | 有抵押按揭貸款： — 保單持有人 | 14,137 | 4,289 | 4.5 — 4.7% | less than 6 months 六個月以內 |
| Unsecured loans: — to a fellow subsidiary | 無抵押貸款： — 給予同系附屬公司 | 4,830 | 4,830 | free 免息 | on demand 於要求時償還 |
| — to third parties | — 給予第三方 | 19,878 | 19,878 | 8% | 10 years 10年 |
| | | 38,845 | 28,997 | | |

22 PLEDGED DEPOSITS AT BANK

22 已抵押銀行存款

The Group has pledged bank deposits of \$76,533,000 (2003: \$70,603,000) to banks to secure letters of credit issued on behalf of the Group, including that used for the investment in a Lloyd's corporate vehicle (note 39(i)).

本集團已將一筆為數76,533,000元(二零零三年：70,603,000元)的銀行存款抵押予銀行，作為本集團發出信用狀，包括用於投資一家專為參與勞合氏市場而成立的公司而發出的信用狀(附註39(i))的擔保。

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23 DEPOSITS AT BANK WITH ORIGINAL MATURITY MORE THAN THREE MONTHS

A subsidiary of the Group has placed \$437,947,000 (2003: \$197,007,000) with banks as a capital guarantee fund, pursuant to the relevant PRC insurance rules and regulations. The fund can only be used with the prior approval of the relevant authorities in the event that the PRC subsidiary cannot meet the statutory solvency requirements or goes into liquidation.

23 原到期日超過三個月的銀行存款

本集團一間附屬公司根據中國有關保險法規的規定將一筆為數437,947,000元(二零零三年: 197,007,000元)的款項存於銀行, 作為資本保證基金。該筆款項只可在該附屬公司不能達到法定償付能力要求或清盤時, 並得到有關政府部門批准, 方可動用。

24 CASH AND CASH EQUIVALENTS

24 現金及現金等價物

| | | The Group 本集團 | | The Company 本公司 | |
|--|-----------------------|----------------------|----------------------|----------------------|----------------------|
| | | 2004 \$'000 千元 | 2003 \$'000 千元 | 2004 \$'000 千元 | 2003 \$'000 千元 |
| Deposits with banks and other financial institutions with original maturity less than three months | 原到期日少於3個月的銀行及其他財務機構存款 | 851,691 | 763,563 | 47,014 | 128,402 |
| Cash at bank and in hand | 銀行及手頭現金 | 1,372,900 | 877,902 | 31,976 | 43,682 |
| Cash and cash equivalents in the balance sheet and cash flow statement | 在資產負債表及現金流量表的現金及現金等價物 | 2,224,591 | 1,641,465 | 78,990 | 172,084 |

25 INSURANCE FUNDS

25 責任準備金

| | | The Group 本集團 | |
|-------------------------|------------|----------------------|----------------------|
| | | 2004 \$'000 千元 | 2003 \$'000 千元 |
| Gross | 毛總額 | 352,225 | 354,611 |
| Less: Reinsurers' share | 減: 分保人所佔部份 | (40,103) | (49,872) |
| | | 312,122 | 304,739 |

As at 31 December 2004, the current portion of insurance funds is \$312,122,000 (2003: \$302,131,000).

於二零零四年十二月三十一日, 責任準備金的即期部份為312,122,000元(二零零三年: 302,131,000元)。

26 LIFE INSURANCE FUNDS

26 壽險責任準備金

| | | The Group 本集團 | |
|-------------------------|------------|----------------------|----------------------|
| | | 2004 \$'000 千元 | 2003 \$'000 千元 |
| Gross | 毛總額 | 9,504,796 | 4,131,407 |
| Less: Reinsurers' share | 減: 分保人所佔部份 | (17,372) | (13,022) |
| | | 9,487,424 | 4,118,385 |

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26 LIFE INSURANCE FUNDS (Continued)

As at 31 December 2004, the current portion of life insurance funds is \$204,435,000 (2003: \$136,718,000).

During the year ended 31 December 2004, a subsidiary of the Group changed its basis of estimate in respect of its life insurance funds. Effective 1 January 2004, the Group's appointed actuary has adopted the Net Level Premium approach, in which the assumptions used in assessing the actuarial valuation of future insurance liabilities reflect management's assessment of the most likely outcome of future policy cash flows subject to reasonable and prudent allowances, and a deferral approach on the acquisition costs related to the acquisition of new business, including but not limited to commissions, underwriting, marketing and policy issue expenses, in so far as there are sufficient margins in the future premiums of the new policies to fund the amortisation of the acquisition costs over the life time of the policies. In prior years, the insurance liabilities were determined based on an insurance solvency basis prescribed by statute which allowed an implicit credit for acquisition costs subject to limits prescribed by statute. Under the new approach, profits are expected to emerge on a level basis over the life of the insurance contracts. The directors consider that the change of basis of estimate will allow the Group to conform with approaches adopted by major international and PRC insurance companies. The adoption of the revised basis of estimate is non-retroactive. The new basis of estimate will be consistently applied in future years. As a result of the changes in basis of estimate being taken up in the year, the Group's net loss for the year decreased by \$47,997,000.

26 壽險責任準備金 (續)

於二零零四年十二月三十一日，壽險責任準備金的即期部份為204,435,000元（二零零三年：136,718,000元）。

截至二零零四年十二月三十一日止，本集團一間附屬公司改變了有關壽險責任準備金會計估計方法。由二零零四年一月一日開始，本集團委任的精算師採用淨平均保費方法，即用作計算將來保險責任的精算估值之假設是管理層作出合理及謹慎的預算後，對未來保單現金流的最可能出現情況的測定；以及採用遞延方法處理取得新業務的相關成本，包括但不限於佣金、承保、行銷及簽發保單費用；只要新保單之未來保費收入的邊際收益在保單期內足以承受取得新保單的相關成本的分攤。於以往年度，保險責任是根據法定的保險償付能力基準來決定，而該基準允許於法定限額內間接減免獲取業務之成本。根據新的方法，利潤將會在保險合約期內逐步平均地體現。董事認為更改會計估計方法能使本集團與國際及中國的主要保險公司所採用的方法相若。採納新的會計估計方法並無追溯效力，新的會計估計方法在未來年度會持續採用。在本年度，由於採納此估計方法，本集團的淨虧損減少了47,997,000元。

27 PROVISION FOR OUTSTANDING CLAIMS

27 未決賠款準備

| | | The Group 本集團 | |
|-------------------------|------------|----------------------|----------------------|
| | | 2004 \$'000 千元 | 2003 \$'000 千元 |
| Gross | 賠償毛總額 | 2,010,007 | 1,801,095 |
| Less: Reinsurers' share | 減：再保險公司的份額 | (428,041) | (406,355) |
| | | 1,581,966 | 1,394,740 |

At 31 December 2004, the current portion of provision for outstanding claims is \$409,084,000 (2003: \$326,020,000).

於二零零四年十二月三十一日，未決賠款準備的即期部份為409,084,000元（二零零三年：326,020,000元）。

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28 INCOME TAX IN THE BALANCE SHEETS

(a) Current taxation in the balance sheets represents:

28 資產負債表的稅項

(a) 在資產負債表所示的當期稅項為：

| | | The Group 本集團 | | The Company 本公司 | |
|--|------------------|----------------------|----------------------|----------------------|----------------------|
| | | 2004 \$'000 千元 | 2003 \$'000 千元 | 2004 \$'000 千元 | 2003 \$'000 千元 |
| Provision for Hong Kong Profits Tax for the year | 本年度香港利得稅準備 | 16,510 | 24,052 | 3,220 | — |
| Provisional Profits Tax paid | 已暫繳的利得稅 | (13,753) | (9,444) | — | — |
| | | 2,757 | 14,608 | 3,220 | — |
| Balance of Profits Tax provision relating to prior years | 屬以往年度利得稅準備的結餘 | — | 1,807 | — | — |
| Taxation outside Hong Kong | 香港以外的稅項 | 1,209 | 485 | — | — |
| | | 3,966 | 16,900 | 3,220 | — |
| Amount of taxation payable expected to be settled after more than 1 year | 預期在一年以後才須支付的應付稅金 | 485 | 485 | — | — |
| Net tax recoverable recognised in the balance sheets | 在資產負債表已確認的可收回稅項 | (6,378) | — | — | — |
| Net current taxation recognised in the balance sheets | 在資產負債表已確認的當期稅項 | 10,344 | 16,900 | 3,220 | — |
| | | 3,966 | 16,900 | 3,220 | — |

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(以港幣列示)

28 INCOME TAX IN THE BALANCE SHEETS (Continued)

28 資產負債表的稅項 (續)

(b) Deferred tax assets and liabilities recognised:

(b) 已確認遞延稅項資產及負債：

The Group

本集團

The components of deferred tax assets/(liabilities) (prior to offsetting of balances within the same taxation jurisdiction) recognised in the consolidated balance sheet and the movements during the year are as follows:

在綜合資產負債表所確認的遞延稅項資產／(負債) (與同一徵稅地區之結餘抵銷前) 的組合及本年度的變動情況如下：

| Deferred tax arising from: | 遞延稅項來自： | Difference in depreciation allowances and related depreciation 折舊免稅額與相關折舊的差異 | Revaluation of properties 物業重估 | Unused tax losses 未動用稅項虧損 | Life insurance fund 壽險責任準備金 | Provision for outstanding claims 未決賠款準備 | Others 其他 | Total 總額 |
|--|-------------------|---|-----------------------------------|------------------------------|--------------------------------|--|--------------|----------------------|
| | | \$'000 千元 | \$'000 千元 | \$'000 千元 | \$'000 千元 | \$'000 千元 | \$'000 千元 | \$'000 千元 |
| At 1 January 2004 | 於二零零四年一月一日 | 3,428 | (364) | - | - | - | - | 3,064 |
| (Charged)/credited to consolidated income statement | 已在綜合損益表(支出)/抵免 | (42) | - | 112,666 | (46,161) | 2,409 | 307 | 69,179 |
| At 31 December 2004 | 於二零零四年十二月三十一日 | 3,386 | (364) | 112,666 | (46,161) | 2,409 | 307 | 72,243 |
| At 1 January 2003 | 於二零零三年一月一日 | 3,317 | (364) | - | - | - | - | 2,953 |
| Credited to consolidated income statement | 已在綜合損益表抵免 | 111 | - | - | - | - | - | 111 |
| At 31 December 2003 | 於二零零三年十二月三十一日 | 3,428 | (364) | - | - | - | - | 3,064 |
| | | | | | | 2004 \$'000 千元 | | 2003 \$'000 千元 |
| Net deferred tax asset recognised in the balance sheet | 在資產負債表已確認的淨遞延稅項資產 | | | | | 72,624 | | 3,524 |
| Net deferred tax liability recognised in the balance sheet | 在資產負債表已確認的淨遞延稅項負債 | | | | | (381) | | (460) |
| | | | | | | 72,243 | | 3,064 |

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28 INCOME TAX IN THE BALANCE SHEETS (Continued)

(c) Deferred tax assets not recognised

At 31 December 2004, the Group had not recognised deferred tax assets in respect of certain tax losses of \$73,016,000 (2003: \$107,236,000). Included in the total amount are tax losses of \$73,016,000 (2003: \$73,016,000) can be carried forward up to five years after the year in which the loss originated to offset future taxable profits. The remaining tax losses do not expire under current tax legislation.

At 31 December 2004, the Company had no tax losses. At 31 December 2003, the Company had not recognised deferred tax assets in respect of tax losses amounting to \$22,085,000 which do not expire under current tax legislation.

29 INTEREST-BEARING NOTES

US dollar notes due 2013

於二零一三年
到期的美元票據

On 12 November 2003, a subsidiary of the Group (“the Issuer”) issued US\$175,000,000 in principal amount of 5.8% notes at a discount. The notes are listed on the Singapore Exchange Securities Trading Limited and will be redeemed on 12 November 2013 at their principal amount. Interest on the notes is payable semi-annually in arrears.

The notes may be redeemed by the Issuer, at its option, at any time at par plus accrued interest, in the event of certain tax changes as described under “Conditions of the Notes – Redemption and Purchase” in the offering circular dated 3 November 2003.

The notes issued are unconditionally and irrevocably guaranteed by the Company.

28 資產負債表的稅項 (續)

(c) 未確認的遞延稅項資產

於二零零四年十二月三十一日，本集團未有確認就某些稅項虧損而產生的遞延稅項資產為73,016,000元（二零零三年：107,236,000元）。包括在稅項虧損總額中73,016,000元（二零零三年：73,016,000元）可以在發生虧損年起計，最多不多於五年，用作抵銷未來之應評稅利潤。尚餘的稅項虧損額在目前的稅務條例則並無期限。

於二零零四年十二月三十一日，本公司沒有稅項虧損。於二零零三年十二月三十一日，本公司未有確認就某些稅項虧損而產生的遞延稅項資產。稅項虧損額22,085,000元在目前的稅務條例並無期限。

29 須付息票據

The Group
本集團

| 2004 | 2003 |
|--------|--------|
| \$'000 | \$'000 |
| 千元 | 千元 |

1,350,980

1,348,577

於二零零三年十一月十二日，本集團其中一家附屬公司（「發行人」）以折讓價發行了本金價值175,000,000美元5.8%的票據。票據在星加坡證券交易所上市，本金將於二零一三年十一月十二日贖回。票據利息每半年支付拖欠金額。

如二零零三年十一月三日發行通告「票據的條件 — 購買及贖回」內文所提及有關某些稅項改變發生之時，發行人有權在任何時間以票面值加上應計利息把票據贖回。

票據由本公司提供無條件及不可撤銷的擔保。

NOTES ON THE FINANCIAL STATEMENTS

財務報告附註

(Expressed in Hong Kong dollars)
(以港幣列示)

30 INSURANCE CREDITORS

30 保險客戶應付賬款

| | | The Group 本集團 | |
|--|--------------|----------------------|----------------------|
| | | 2004 \$'000 千元 | 2003 \$'000 千元 |
| Amounts due to insurance customers and suppliers | 應付保險客戶及供應商款項 | 72,352 | 53,055 |
| Amounts due to insurance intermediaries | 應付保險中介 | 9,373 | 25,717 |
| Deposits retained from retrocessionaires | 轉分保險人保留的按金 | 25,445 | 26,962 |
| Prepaid premiums received | 預收保費 | 201,987 | 79,805 |
| | | 309,157 | 185,539 |

All of the insurance creditors are expected to be settled within one year.

所有保險客戶應付賬款預期將於一年內清償。

Amounts due to insurance customers and suppliers include amounts due to fellow subsidiaries of \$1,703,000 (2003: \$1,485,000) which are trade related in nature.

應付保險客戶及供應商款項包括應付同系附屬公司款項為1,703,000元(二零零三年: 1,485,000元) · 有關款項屬營業性質。

The following is an ageing analysis of amounts due to insurance customers and suppliers:

應付保險客戶及供應商之賬齡分析如下:

| | | The Group 本集團 | |
|--|--------------|----------------------|----------------------|
| | | 2004 \$'000 千元 | 2003 \$'000 千元 |
| Current | 現時 | 54,390 | 19,769 |
| More than 3 months but less than 12 months | 超過3個月但少於12個月 | 9,754 | 25,039 |
| More than 12 months | 超過12個月 | 8,208 | 8,247 |
| | | 72,352 | 53,055 |

31 ACCRUED CHARGES AND OTHER CREDITORS

31 應計費用及其他應付賬款

All of the accrued charges and other creditors are expected to be settled within one year. Included in the balance is an amount of \$1,614,000 (2003: \$nil) which represents unrealised losses on dealing in off-balance sheet financial instruments at the balance sheet date.

所有應計費用及其他應付賬款預期將於一年內清償。當中包括價值1,614,000元(二零零三年: 無)在結算日資產負債表以外金融工具的未實現虧損。

32 INSURANCE PROTECTION FUND

32 保險保障基金

Insurance protection fund is provided for at 1.0% of the related premium income of personal accident and short term health policies in accordance with Article 97 of the Insurance Law of the PRC and relevant regulations issued by the CIRC.

保險保障基金的提撥是按個人意外及短期健康保單之相關保費收入提取1.0% · 並根據中國保險法第97條及中國保監會發出之相關規定而提撥。

Insurance protection fund is expected to be settled after more than one year.

保險保障基金預計在一年之後才清償。

NOTES ON THE FINANCIAL STATEMENTS

財務報告附註

(Expressed in Hong Kong dollars)
(以港幣列示)

33 SHARE CAPITAL

33 股本

| | | 2004 | | 2003 | |
|--|-------------------|----------------------|----------------|---------------|---------|
| | | No. of | \$'000 | No. of | \$'000 |
| | | shares | 千元 | shares | 千元 |
| | | 股份數目 | | 股份數目 | |
| Authorised: | 法定股本： | | | | |
| Ordinary shares of \$0.05 each | 每股面值 0.05元普通股 | 2,000,000,000 | 100,000 | 2,000,000,000 | 100,000 |
| Issued and fully paid: | 已發行及繳足股本： | | | | |
| At 1 January | 於1月1日 | 1,328,133,592 | 66,407 | 1,325,331,592 | 66,267 |
| Shares issued under share option scheme* | 根據認股權計劃 發行的股份* | 3,560,000 | 178 | 2,802,000 | 140 |
| At 31 December | 於12月31日 | 1,331,693,592 | 66,585 | 1,328,133,592 | 66,407 |

All the shares issued by the Company rank pari passu and do not carry pre-emptive rights.

本公司所發行的所有股份均享有同等權益，並沒有附帶任何優先權。

* During the year ended 31 December 2004, options were exercised to subscribe for 3,560,000 (note 36(a)) ordinary shares in the Company at a consideration of \$6,299,000 of which \$178,000 was credited to share capital and the balance of \$6,121,000 was credited to the share premium account.

* 本年度曾行使認股權認購本公司普通股股份3,560,000股(附註36(a))，總價款為6,299,000元。其中178,000元已計入股本，餘數6,121,000元已計入股份溢價賬。

NOTES ON THE FINANCIAL STATEMENTS

財務報告附註

(Expressed in Hong Kong dollars)
(以港幣列示)

34 RESERVES

(a) The Group

34 儲備

(a) 本集團

| | | Capital reserve 資本儲備 \$'000 千元 | Share premium 股份溢價 \$'000 千元 | Exchange reserves 匯兌儲備 \$'000 千元 | Retained profits 保留溢利 \$'000 千元 | Total 總額 \$'000 千元 |
|---|-----------------------|--|--|--|---|-----------------------------|
| At 1 January 2004 | 於2004年1月1日 | 567,458 | 1,633,305 | (8,304) | 419,734 | 2,612,193 |
| Dividends approved in respect of the previous year (note 11(b)) | 上年度批准派發的股息 (附註11(b)) | — | — | — | (15,980) | (15,980) |
| Shares issued | 已發行股份 | — | 6,121 | — | — | 6,121 |
| Exchange differences on translation of the financial statements of a subsidiary outside Hong Kong | 換算香港以外地區附屬公司財務報告的匯兌差額 | — | — | (3,524) | — | (3,524) |
| Loss for the year | 本年度虧損 | — | — | — | (22,935) | (22,935) |
| At 31 December 2004 | 於2004年12月31日 | 567,458 | 1,639,426 | (11,828) | 380,819 | 2,575,875 |
| At 1 January 2003 | 於2003年1月1日 | | | | | |
| — as previously reported | — 以往所報 | 567,458 | 1,629,986 | 2,010 | 290,393 | 2,489,847 |
| — prior period adjustments arising from changes in accounting policies for: | — 由更改會計政策而產生的前期調整: | | | | | |
| — recognition of underwriting results | — 確認承保業績 | — | — | — | 21,459 | 21,459 |
| — income taxes | — 稅項 | — | — | — | 2,953 | 2,953 |
| — as restated | — 重列 | 567,458 | 1,629,986 | 2,010 | 314,805 | 2,514,259 |
| Dividends approved in respect of the previous year (note 11(b)) | 上年度批准派發的股息 (附註11(b)) | — | — | — | (19,889) | (19,889) |
| Shares issued | 已發行股份 | — | 3,319 | — | — | 3,319 |
| Exchange differences on translation of the financial statements of a subsidiary outside Hong Kong | 換算香港以外地區附屬公司財務報告的匯兌差額 | — | — | (10,314) | — | (10,314) |
| Profit for the year | 本年度溢利 | — | — | — | 140,753 | 140,753 |
| Dividends declared in respect of the current year (note 11(a)) | 本年度宣派的股息 (附註11(a)) | — | — | — | (15,935) | (15,935) |
| At 31 December 2003 | 於2003年12月31日 | 567,458 | 1,633,305 | (8,304) | 419,734 | 2,612,193 |

NOTES ON THE FINANCIAL STATEMENTS

財務報告附註

(Expressed in Hong Kong dollars)
(以港幣列示)

34 RESERVES (Continued)

(a) The Group (Continued)

Capital reserve represents the differences between the nominal value of the shares of the subsidiaries acquired and the nominal value of the shares issued by the Company as the consideration for acquisition.

Included in the figure for the retained profit is an amount of \$116,335,000 (2003: \$84,535,000), being the retained losses attributable to associates.

(b) The Company

34 儲備 (續)

(a) 本集團 (續)

於資本儲備是指所收購附屬公司股份面值與本公司作為收購代價所發行股份面值的差額。

保留溢利當中包括投資聯營公司的累計虧損，為數 \$116,335,000 (2003 : \$84,535,000)。

(b) 本公司

| | | Share premium 股份溢價 \$'000 千元 | Retained profits 保留溢利 \$'000 千元 | Total 總額 \$'000 千元 |
|---|----------------------|--|---|-----------------------------|
| At 1 January 2004 | 於2004年1月1日 | 1,633,305 | 116,690 | 1,749,995 |
| Dividends approved in respect of the previous year (note 11(b)) | 上年度批准派發的股息 (附註11(b)) | — | (15,980) | (15,980) |
| Shares issued | 已發行股份 | 6,121 | — | 6,121 |
| Profit for the year | 本年度溢利 | — | 72,222 | 72,222 |
| Dividends declared in respect of the current year (note 11(a)) | 本年度宣派的股息 (附註11(a)) | — | — | — |
| | | 1,639,426 | 172,932 | 1,812,358 |
| At 31 December 2004 | 於2004年12月31日 | | | |
| At 1 January 2003 | 於2003年1月1日 | 1,629,986 | 112,689 | 1,742,675 |
| Dividends approved in respect of the previous year (note 11(b)) | 上年度批准派發的股息 (附註11(b)) | — | (19,889) | (19,889) |
| Shares issued | 已發行股份 | 3,319 | — | 3,319 |
| Profit for the year | 本年度溢利 | — | 39,825 | 39,825 |
| Dividends declared in respect of the current year (note 11(a)) | 本年度宣派的股息 (附註11(a)) | — | (15,935) | (15,935) |
| | | 1,633,305 | 116,690 | 1,749,995 |
| At 31 December 2003 | 於2003年12月31日 | | | |

NOTES ON THE FINANCIAL STATEMENTS

財務報告附註

(Expressed in Hong Kong dollars)
(以港幣列示)

35 EMPLOYEE RETIREMENT BENEFITS

The Group operates a Mandatory Provident Fund Scheme (“the MPF scheme”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the scheme at 5.0% of the employees’ relevant income, subject to a cap of monthly relevant income of \$20,000. Contributions to the scheme vest immediately.

As stipulated by the labour regulations of the PRC, a subsidiary of the Group participates in various defined contribution retirement plans organised by municipal and provincial governments for its staff. The subsidiary is required to make contributions to the retirement plans at 22.5% (2003: 22.5%) of the salaries, bonuses and certain allowances of its staff. A member of the plans is entitled to a pension equal to a fixed proportion of the salary prevailing at his or her retirement date.

The Group has no other material obligation for the payment of its staff’s retirement and other post-retirement benefits other than the contributions described above.

36 EQUITY COMPENSATION BENEFITS

Historically, the Company had a share option scheme which was adopted on 24 May 2000 (“the Old Scheme”) whereby the directors of the Company were authorised, at their discretion, to invite employees of the Group, including directors of any company in the Group, to take up options to subscribe for shares of the Company. Options granted between 24 May 2000 and 31 December 2002 were granted under the Old Scheme and in accordance with the requirements of Chapter 17 of the Listing Rules which came with effect on 1 September 2001.

A new share option scheme which is in line with the prevailing requirements of Chapter 17 of the Listing Rules has been adopted on 7 January 2003.

(a) Movements in share options

| | |
|-------------------------------|-------------------|
| At 1 January | 於1月1日 |
| Issued | 已發行 |
| Exercised (note 33) | 已行使 (附註33) |
| At 31 December | 於12月31日 |
| Options vested at 31 December | 於12月31日授予的 認股權 |

35 僱員退休福利

根據香港強制性公積金計劃條例適用於按香港僱傭條例僱用的員工，本集團參與了一項強制性公積金計劃（「強積金計劃」）。此強積金計劃是通過獨立信託人管理，屬已訂定供款退休計劃。根據此強積金計劃，僱主及僱員雙方均須按僱員之相關收入5.0% 供款至此計劃，惟相關之收入上限為20,000元。供款須即時投入計劃。

根據中國勞工條例，本集團一家附屬公司為其僱員參加了由市及省政府組織的不同類型已訂定供款退休計劃。該附屬公司須按僱員的薪金，花紅及某些津貼的22.5%（二零零三年：22.5%）供款給那些退休計劃。參與計劃的成員可以領取相等於在其退休之時薪金的一個固定比例的退休金。

本集團除作出上述已訂定的供款外，毋須支付退休金或任何其他退休後的進一步責任。

36 股本補償福利

本公司於二零零零年五月二十四日採納一項認股權計劃（「舊計劃」）。根據舊計劃，本公司董事有權酌情邀請本集團僱員（包括本集團內任何公司的董事）接納可認購本公司股份的認股權。在二零零零年五月二十四日至二零零二年十二月三十一日所授出的認股權均是按舊計劃及於二零零一年九月一日起生效的上市條例第十七章的規定而授出。而在結算日之後，一個根據上市條例第十七章現行規定而成立的新認股權計劃被採納。

新認股權計劃是根據於二零零三年一月七日起生效的上市條例第十七章的規定而授出。

(a) 認股權的變動

| 2004 Number 數目 | 2003 Number 數目 |
|----------------------|----------------------|
| 23,508,000 | 26,154,000 |
| 350,000 | 156,000 |
| (3,560,000) | (2,802,000) |
| 20,298,000 | 23,508,000 |
| 20,298,000 | 22,411,333 |

NOTES ON THE FINANCIAL STATEMENTS

財務報告附註

(Expressed in Hong Kong dollars)
(以港幣列示)

36 EQUITY COMPENSATION BENEFITS (Continued)

36 股本補償福利 (續)

(b) Terms of unexpired and unexercised share options at balance sheet date

(b) 於結算日尚未屆滿及尚未行使的認股權的年期

| Date granted 授出日期 | Exercised period 行使期 | Exercise price 行使價 \$元 | 2004 Number 數目 | 2003 Number 數目 |
|--|--|------------------------------|----------------------|----------------------|
| 25 September 2000 to 9 October 2000 2000年9月25日至 2000年10月9日 | 25 September 2000 to 8 October 2010 2000年9月25日至 2010年10月8日 | 1.110 | 10,770,000 | 13,220,000 |
| 9 February 2001 to 17 February 2001 2001年2月9日至 2001年2月17日 | 9 February 2001 to 16 February 2011 年2月9日至 2011年2月16日 | 0.950 | 1,630,000 | 1,630,000 |
| 12 September 2002 to 11 September 2002 2002年9月12日至 2002年9月11日 | 12 September 2002 to 11 September 2012 2002年9月12日至 2012年9月11日 | 3.225 | 7,392,000 | 8,502,000 |
| 7 January 2003 2003年1月7日 | 7 January 2003 to 6 January 2013 2003年1月7日至 2013年1月6日 | 3.975 | 156,000 | 156,000 |
| 5 January 2004 2004年1月5日 | 5 January 2004 to 4 January 2014 2004年1月5日至 2014年1月4日 | 3.98 | 350,000 | — |
| | | | 20,298,000 | 23,508,000 |

(c) Details of share options granted during the year, all of which were granted for \$1 consideration

(c) 年內已授出的認股權詳情，該等認股權全部均為以代價1元授出

| Exercised period 行使期 | | Exercise price 行使價 \$元 | 2004 Number 數目 | 2003 Number 數目 |
|-------------------------------------|-------------------------|------------------------------|----------------------|----------------------|
| 7 January 2003 to 6 January 2013 | 2003年1月7日至 2013年1月6日 | 3.975 | — | 156,000 |
| 5 January 2004 to 4 January 2014 | 2004年1月5日至 2014年1月4日 | 3.98 | 350,000 | — |

NOTES ON THE FINANCIAL STATEMENTS

財務報告附註

(Expressed in Hong Kong dollars)
(以港幣列示)

36 EQUITY COMPENSATION BENEFITS (Continued)

(d) Details of share options exercised during the year

| Exercise date 行使日期 | | Exercise price 行使價 \$ 元 | Weighted average market value per share immediate before exercise dates 行使日前加權平均每股市價 \$ 元 | Proceeds received 所得款項 \$'000 千元 | Number 數目 |
|-----------------------|--|----------------------------------|--|---|------------------|
| January 一月 | | 1.110 | 3.925 | 2,442 | 2,200,000 |
| | | 3.225 | 3.900 | 3,547 | 1,100,000 |
| February 二月 | | 3.225 | 3.875 | 26 | 8,000 |
| May 五月 | | 1.110 | 3.800 | 278 | 250,000 |
| July 七月 | | 3.225 | 3.450 | 6 | 2,000 |
| | | | | <u>6,299</u> | <u>3,560,000</u> |

36 股本補償福利 (續)

(d) 年內已行使的認股權詳情

NOTES ON THE FINANCIAL STATEMENTS

財務報告附註

(Expressed in Hong Kong dollars)
(以港幣列示)

37 MATURITY PROFILE

37 到期情況

(a) The Group

(a) 本集團

| | Repayable on demand 接獲 要求時償還 \$'000 千元 | 3 months or less 三個月 或以下 \$'000 千元 | 1 year or less but over 3 months 1年以下 但超過3個月 \$'000 千元 | 5 years or less but over 1 year 5年以下 但超過1年 \$'000 千元 | After 5 years 5年後 \$'000 千元 | Undated 未註日期 \$'000 千元 | Total 總額 \$'000 千元 |
|--|---|---|---|---|---|---------------------------------|-----------------------------|
| 2004 | | | | | | | |
| Assets | 資產 | | | | | | |
| Deposits at banks and other financial institutions | 銀行及其他 財務機構存款 | 760,790 | 90,901 | 15,780 | 1,020,361 | 168,195 | 2,056,027 |
| Pledged deposits at bank | 已抵押予銀行的存款 | — | — | 45,350 | 31,183 | — | 76,533 |
| Certificates of deposit (under held-to-maturity) | 存款證 (持有至到期) | — | — | — | 9,843 | 10,000 | 19,843 |
| Debt securities (under held-to-maturity) | 債務證券 (持有至到期) | — | 607 | 127,013 | 1,474,124 | 7,368,948 | 8,970,692 |
| Debt securities (under other investments in securities) | 債務證券 (其他證券投資) | — | — | 115,760 | 511,936 | 41,583 | 792,322 |
| | 760,790 | 91,508 | 303,903 | 3,047,447 | 7,588,726 | 123,043 | 11,915,417 |
| Liabilities | 負債 | | | | | | |
| Interest-bearing notes | 須付息票據 | — | — | — | — | 1,350,980 | 1,350,980 |
| 2003 | | | | | | | |
| Assets | 資產 | | | | | | |
| Deposits at banks and other financial institutions | 銀行及其他 財務機構存款 | 297,736 | 465,827 | 48,996 | 592,636 | 39,516 | 1,444,711 |
| Pledged deposits at bank | 已抵押予銀行的存款 | — | 41,552 | — | 29,051 | — | 70,603 |
| Certificates of deposit (under held-to-maturity) | 存款證 (持有至到期) | — | — | 5,020 | 9,754 | 10,000 | 24,774 |
| Securities purchased under resale agreements | 買入返售證券 | — | 148,277 | — | — | — | 148,277 |
| Debt securities (under held-to-maturity) | 債務證券 (持有至到期) | — | 52,733 | 48,469 | 1,330,030 | 3,661,278 | 5,092,510 |
| Debt securities (under other investments in securities) | 債務證券 (其他證券投資) | — | — | 232,755 | 125,147 | 202,302 | 640,908 |
| | 297,736 | 708,389 | 335,240 | 2,086,618 | 3,913,096 | 80,704 | 7,421,783 |
| Liabilities | 負債 | | | | | | |
| Interest-bearing notes | 須付息票據 | — | — | — | — | 1,348,577 | 1,348,577 |

NOTES ON THE FINANCIAL STATEMENTS

財務報告附註

(Expressed in Hong Kong dollars)
(以港幣列示)

37 MATURITY PROFILE (Continued)

(b) The Company

| | | Repayable on demand 接獲 要求時償還 \$'000 千元 | 3 months or less 三個月 或以下 \$'000 千元 | 1 year or less but over 3 months 1年以下 但超過3個月 \$'000 千元 | 5 years or less but over 1 year 5年以下 但超過1年 \$'000 千元 | After 5 years 5年後 \$'000 千元 | Undated 未註日期 \$'000 千元 | Total 總額 \$'000 千元 |
|---|-----------------|---|---|---|---|---|---------------------------------|-----------------------------|
| 2004 | | | | | | | | |
| Assets | 資產 | | | | | | | |
| Deposits at banks and other financial institutions | 銀行及其他 財務機構存款 | - | 47,014 | - | - | - | - | 47,014 |
| Debt securities | 債務證券 | - | - | 115,760 | 255,030 | - | - | 370,790 |
| | | - | 47,014 | 115,760 | 255,030 | - | - | 417,804 |
| 2003 | | | | | | | | |
| Assets | 資產 | | | | | | | |
| Deposits at banks and other financial institutions | 銀行及其他 財務機構存款 | - | 128,402 | - | - | - | - | 128,402 |
| Debt securities | 債務證券 | - | - | - | 8,694 | 7,841 | - | 16,535 |
| | | - | 128,402 | - | 8,694 | 7,841 | - | 144,937 |

37 到期情況 (續)

(b) 本公司

38 COMMITMENTS

(a) Capital commitments outstanding at 31 December 2004 not provided for in the financial statements were as follows:

38 承擔

(a) 於二零零四年十二月三十一日，尚未在會計報表反映的資本性承諾如下：

| | | The Group 本集團 | |
|----------------|-----|----------------------|----------------------|
| | | 2004 \$'000 千元 | 2003 \$'000 千元 |
| Contracted for | 已訂約 | 48,027 | - |

(b) At 31 December 2004, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

(b) 於二零零四年十二月三十一日，根據不可解除的經營租賃在日後應付的最低租賃付款額如下：

| | | 2004 \$'000 千元 | 2003 \$'000 千元 |
|---------------------------------|---------|----------------------|----------------------|
| Within 1 year | 1年內 | 60,079 | 42,990 |
| After 1 year but within 5 years | 1年後但5年內 | 82,235 | 61,960 |
| | | 142,314 | 104,950 |

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38 COMMITMENTS (Continued)

The Group leases a number of properties under operating leases. The leases typically run for an initial period of 1 to 6 years, with an option to renew the leases when all terms are renegotiated. Lease payments are usually reviewed annually to reflect market rentals. None of the leases includes contingent rentals.

38 承擔 (續)

本集團以經營租賃租入部分物業。這些租賃一般初步為期一至六年，並有權選擇在到期日後續期，屆時所有條款均可重新商定。租賃付款通常會逐年檢討，以反映市場租金。各項租賃均不包括或然租金。

39 CONTINGENT LIABILITIES

- (i) The Group has invested in a corporate vehicle specially established to participate in the Lloyd's market through the subscription of loan stocks totalling £2,100,000. Part of the investment of £10,000 was invested in cash and is accounted for as other investments in the financial statements. The remaining £2,090,000 is by way of a letter of credit issued by a bank. The letter of credit is back up by a pledged deposit of an equivalent amount placed with the bank (note 22). The maximum loss for the holders of the loan stocks is the total investment amount.
- (ii) As at 31 December 2004, other than those in the normal course of the Group's insurance business, there was no outstanding litigation.

39 或然負債

- (i) 本集團透過認購為數2,100,000英鎊的借貸股票，投資專為參與Lloyd's市場而成立的公司。該投資其中10,000英鎊是現金支付，在財務報告中列為其他投資。其餘2,090,000英鎊的投資則由一間銀行發行信用狀的形式支付。該信用狀以存放於該銀行的同等值抵押存款作為擔保(附註22)。該等借貸股票持有人的最大虧損是總投資額。
- (ii) 於二零零四年十二月三十一日，除本集團日常保險業務的正常訴訟外，概無任何未決訴訟。

40 MATERIAL RELATED PARTY TRANSACTIONS

The following is a summary of significant transactions entered into between the Group and its related parties during the year:

40 重大關連人士交易

以下是本集團與關連人士於年內進行的重大交易概要：

| | | | 2004 \$'000 千元 | 2003 \$'000 千元 |
|--|---------------|--------|----------------------|----------------------|
| Recurring transactions | 經常交易 | | | |
| Business ceded by related companies: | 關連公司分出的業務： | | | |
| — Gross premiums written | — 已承保的保費總額 | (i) | 103,980 | 161,817 |
| — Commission expenses paid | — 佣金支出 | | 24,383 | 40,499 |
| Business retroceded to related companies: | 關連公司轉分的業務： | | | |
| — Outward retroceded premiums | — 轉分再保險保費 | (ii) | 464 | 62 |
| — Commission income received | — 佣金收入 | | 121 | 29 |
| Securities brokerage fee paid | 支付的證券經紀費用 | (iii) | 1,324 | 1,087 |
| Contributions to retirement schemes managed by a related party | 關連人士管理的退休計劃供款 | | | |
| Insurance expenses covering business risk | 有關業務風險的保險支出 | (iv) | — | 2,183 |
| Investment management fee and redemption income | 投資管理費及贖回費收入 | (v) | 156 | 370 |
| Rental and management fee paid | 支付的管理費及租金 | (vi) | 4,211 | 56,168 |
| Finance costs paid | 財務成本支出 | (vii) | 1,788 | 1,791 |
| | | (viii) | 4,225 | 3,929 |

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40 MATERIAL RELATED PARTY TRANSACTIONS 40 重大關連人士交易 (續)

(Continued)

Notes:

- (i) Certain fellow subsidiaries of the Group ceded business to and received commission from a subsidiary of the Company.
- (ii) Certain subsidiaries of the Group retroceded business to and received commission from certain fellow subsidiaries of the Company.
- (iii) The Company and certain subsidiaries of the Group have entered into agreements with a fellow subsidiary of the Group, in relation to securities broking services provided. Securities broking fees are charged at a fixed rate of 0.2% of the securities value.
- (iv) Employees of the Company and certain subsidiaries of the Group participated in a defined contribution retirement scheme and Mandatory Provident Funds scheme managed by a fellow subsidiary of the Group (the fellow subsidiary ceased to be a fellow subsidiary of the Group with effect from 23 December 2003).
- (v) The Company and certain subsidiaries of the Group entered into a number of insurance policies with certain fellow subsidiaries of the Group to cover their business risks in relation to fire, motor vehicle, personal accident, workmen compensation, group life and medical, electronic equipment and professional indemnity.
- (vi) A subsidiary of the Company provided investment consultancy services to and received investment management fee and redemption income from certain fellow subsidiaries of the Group.
- (vii) The Company and a subsidiary of the Company leased office and parking spaces, and paid rent and building management fees to certain subsidiaries of the Company.
- (viii) A subsidiary of the Company has borrowed a loan from a fellow subsidiary which bears interest at LIBOR plus 1.8%. The loan is unsecured and repayable on demand.

註：

- (i) 本集團若干同系附屬公司向本公司一間附屬公司轉介業務及向其收取佣金。
- (ii) 本集團若干附屬公司向本公司若干同系附屬公司轉介業務及向其收取佣金。
- (iii) 本公司及本集團若干附屬公司與本集團一家同系附屬公司就提供證券經紀服務訂立協議。證券經紀費用按有關證券價值的0.2%固定比率計算。
- (iv) 本公司及本集團若干附屬公司的僱員參與由本集團一家同系附屬公司管理的定額供款退休計劃及強制性公積金計劃(於二零零三年十二月二十三日後不屬於同系附屬公司)。
- (v) 本公司及本集團若干附屬公司與本集團若干同系附屬公司訂立多項保單，以保障有關火災、汽車、個人意外、勞工補償、團體壽險及醫療保險、電子設備及專業賠償責任等業務風險。
- (vi) 本公司一間附屬公司向本集團若干同系附屬公司提供投資顧問服務，並向其收取投資管理費及贖回費收入。
- (vii) 本公司及本公司一間附屬公司向本公司若干同系附屬公司租用辦公室物業及泊車位，並支付租金及大廈管理費。
- (viii) 本集團一間附屬公司向一家同系附屬公司借入一筆貸款，按倫敦銀行間最優惠利率加1.8厘利息。該筆貸款為無抵押及須於要求時償還。

41 OFF-BALANCE SHEET EXPOSURES

At 31 December 2004, the notional amounts of significant derivative transactions entered into by the Group were as follows:

41 資產負債表以外承受的風險

二零零四年十二月三十一日本集團已進行的重大衍生工具交易的名義價值如下：

| | 2004 \$'000 千元 | 2003 \$'000 千元 |
|---|----------------------|----------------------|
| Exchange rate forward and option contracts 外匯匯率遠期及期權合約 | 544,025 | 698,724 |

Off-balance sheet exposures arise from forward and option contracts transactions undertaken by the Group in foreign exchange markets. The contractual and notional amounts of these financial instruments indicate the value of transactions outstanding at the balance sheet date; they do not express amounts at risk.

資產負債表以外承受的風險是由於本集團在外匯市場進行了遠期及期權合約交易。此等金融工具的合約金額及名義金額祇反映交易在結算日尚未結清的價值，並不表達風險值。



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42 RECENTLY ISSUED ACCOUNTING STANDARDS

HKICPA issued a number of new and revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards ("new HKFRSs") which are effective for accounting periods beginning on or after 1 January 2005. The Group has not early adopted these new HKFRSs in the financial statements for the year ended 31 December 2004. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a significant impact on its results of operations and financial position.

42 最新頒布會計準則

香港會計師公會頒布多項新訂及經修訂的《香港財務報告準則》和《香港會計準則》(統稱《新香港財務報告準則》)，由二零零五年一月一日或以後的會計期生效。本集團並未於截至二零零四年十二月三十一日止年度提前採納該等《新香港財務報告準則》。本集團已開始評估其他《新香港財務報告準則》所帶來的影響，但在此階段並未能說明該等《新香港財務報告準則》對本集團的業績及財務狀況的影響是否重大。

43 ULTIMATE HOLDING COMPANY

The directors consider the ultimate holding company at 31 December 2004 to be China Insurance (Holdings) Company, Limited which is established in the PRC.

43 最終控股公司

董事們認為，於二零零四年十二月三十一日的最終控股公司為於中國成立的中國保險(控股)有限公司。