



**China Insurance
International Holdings
Company Limited**

中保國際控股有限公司

Stock Code 股份代號 : 966

Interim Report 2006
二零零六年中期報告

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DEFINITIONS

In the Interim Financial Report, the following expressions shall have the following meanings unless the context requires otherwise:

“CIGAML”	China Insurance Group Assets Management Limited
“CIHC”	China Insurance (Holdings) Company, Limited
“CIHK”	China Insurance H.K. (Holdings) Company Limited
“CIRC”	China Insurance Regulatory Commission
“CIRe”	China International Reinsurance Company Limited
“Code”	Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules
“Directors”	the directors of the Company, including the independent non-executive directors
“Grantee”	A person who has been granted the right to accept the Company’s offer of share options
“HKAS”	Hong Kong Accounting Standard
“HK GAAP”	Accounting principles generally accepted in Hong Kong
“HKICPA”	Hong Kong Institute of Certified Public Accountants
“ICBC”	The Industrial and Commercial Bank of China
“ICBC (Asia)”	Industrial and Commercial Bank of China (Asia) Limited
“Last Period”	The six months ended 30 June 2005
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“PRC GAAP”	Accounting principles generally accepted in the PRC
“SFO”	Securities and Futures Ordinance
“Share(s)”	Share(s) of HK\$0.05 each in the capital of the Company
“SINO-RE”	SINO-RE Reinsurance Brokers Limited
“the Stock Exchange”	The Stock Exchange of Hong Kong Limited
“the Company” or “CIIH”	China Insurance International Holdings Company Limited
“the Group”	CIIH and its subsidiaries

釋義

於本中期財務報告中，除文義另有所指外，下列詞彙具有以下涵義：

「中保資產管理」	指	中保集團資產管理有限公司
「中保控股」	指	中國保險(控股)有限公司
「香港中保」	指	香港中國保險(集團)有限公司
「中國保監委」	指	中國保險監督管理委員會
「中再國際」	指	中國國際再保險有限公司
「守則」	指	上市規則附錄十四所列之企業管治守則
「董事」	指	本公司董事，包括獨立非執行董事
「承授人」	指	被授予權利可以接納本公司所賦予之認股權之人仕
「香港公認會計準則」	指	香港普遍採納之會計準則
「中國工銀」	指	中國工商銀行
「工銀(亞洲)」	指	中國工商銀行(亞洲)有限公司
「去年同期」	指	截至二零零五年六月三十日止六個月
「上市規則」	指	香港聯合交易所有限公司證券上市規則
「中國公認會計準則」	指	中國普遍採納之會計準則
「股份」	指	本公司股本中每股面值0.05港元之股份
「華夏」	指	華夏再保險顧問有限公司
「聯交所」	指	香港聯合交易所有限公司
「本公司」或「中保國際」	指	中保國際控股有限公司
「本集團」	指	中保國際及其附屬公司

DEFINITIONS

“the Period”	The six months ended 30 June 2006
“the PRC”	The People’s Republic of China
“TPAM”	Taiping Asset Management Company, Limited
“TPI”	The Tai Ping Insurance Company, Limited
“TPL”	Tai Ping Life Insurance Company, Limited
“TPP”	Tai Ping Pension Company Limited
“the Old Scheme”	Share option scheme of the Company adopted on 24 May 2000 and terminated on 7 January 2003
“the New Scheme”	Share option scheme of the Company adopted on 7 January 2003

釋義

「本財務期」	指	截至二零零六年六月三十日止六個月
「中國」	指	中華人民共和國
「太平資產管理」	指	太平資產管理有限公司
「太平保險」	指	太平保險有限公司
「太平人壽」	指	太平人壽保險有限公司
「太平養老」	指	太平養老保險股份有限公司
「舊計劃」	指	本公司於二零零零年五月二十四日所採納之認股權計劃，於二零零三年一月七日已終止
「新計劃」	指	本公司於二零零三年一月七日所採納之認股權計劃

The Board of Directors of China Insurance International Holdings Company Limited is pleased to announce the unaudited financial results of the Company and its subsidiaries for the six months ended 30 June 2006 as follows, which should be read in conjunction with the Management Discussion and Analysis set out below:

中保國際控股有限公司董事會欣然公佈本公司及其附屬公司截至二零零六年六月三十日止六個月未經審核的財務業績如下，請一併閱覽下文管理層討論及分析：

CONSOLIDATED INCOME STATEMENT 綜合損益表

for the six months ended 30 June 2006 — unaudited

截至二零零六年六月三十日止六個月 — 未經審核

(Expressed in Hong Kong dollars)

(以港幣列示)

		Six months ended 30 June 截至六月三十日止六個月	
		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
	Note 附註		
Revenue	收入		
Gross premiums written and policy fees	毛承保費及保單費收入	7,061,496	3,743,170
Less: Premiums ceded to reinsurers	減：保費之再保份額	(157,528)	(180,399)
Net premiums written and policy fees	淨承保費及保單費收入	6,903,968	3,562,771
Change in unearned premium provisions, net of reinsurance	未到期責任準備金變化， 減再保險	(449,971)	(413,926)
Net earned premiums and policy fees	已賺取保費及保單費收入淨額	6,453,997	3,148,845
Net investment income and net gain	投資收入及收益淨額	948,209	315,799
Net exchange gain/(loss)	匯兌收益/(虧損)淨額	24,947	(46,870)
Other income	其他收入	10,463	11,835
Total revenue	收入總額	7,437,616	3,429,609
Benefits, losses and expenses	給付、賠款及費用		
Policyholders' benefits	保單持有人利益	(1,005,835)	(510,043)
Net commission expenses	佣金支出淨額	(659,757)	(480,659)
Administrative and other expenses	行政及其他費用	(608,174)	(429,183)
Change in life insurance funds, net of reinsurance	壽險責任準備金變化， 減再保險	(4,539,116)	(2,154,956)
Total benefits, losses and expenses	給付、賠款及費用總額	(6,812,882)	(3,574,841)
Profit/(loss) from operations	經營溢利/(虧損)	624,734	(145,232)
Share of profits/(losses) of associates	應佔聯營公司溢利/(虧損)	3,896	(12,013)
Finance costs	財務費用	(72,103)	(42,833)
Profit/(loss) before taxation	除稅前溢利/(虧損)	556,527	(200,078)
Income tax (charge)/credit	稅項(支出)/抵免	(98,923)	71,106
Profit/(loss) after taxation	除稅後溢利/(虧損)	457,604	(128,972)
Attributable to:	應佔：		
Equity holders of the Company	股東權益	328,285	(43,768)
Minority interests	少數股東權益	129,319	(85,204)
		457,604	(128,972)
		cents 仙	cents 仙
Earnings/(loss) per share attributable to the equity holders of the Company	股東應佔每股盈利/(虧損)		
Basic	基本	24.5	(3.3)
Diluted	攤薄	24.3	(3.3)

The notes on pages 12 to 47 form part of this interim financial report.

第12至47頁的賬項附註屬本中期財務報告的一部份。

CONSOLIDATED BALANCE SHEET

綜合資產負債表

as at 30 June 2006 – unaudited

於二零零六年六月三十日 — 未經審核

(Expressed in Hong Kong dollars)

(以港幣列示)

			At 30 June 2006	At 31 December 2005
			於二零零六年 六月三十日	於二零零五年 十二月三十一日
		Note	\$'000	\$'000
		附註	千元	千元
Assets	資產			
Fixed assets	固定資產	11		
– Investment properties	– 投資物業		110,665	105,480
– Other property, plant and equipment	– 其他物業、機械裝置 及設備		630,934	554,027
			741,599	659,507
Goodwill	商譽		228,185	228,185
Interest in associates	於聯營公司的權益		350,203	315,298
Deferred tax assets	遞延稅項資產		3,113	3,298
Investments in debt and equity securities	債務及股本證券投資	12	22,283,851	19,587,561
Amounts due from group companies	應收集團內公司款項		5,431	314
Insurance debtors	保險客戶應收賬款	13	720,485	342,060
Reinsurers' share of insurance contract provisions	分保公司應佔保險 合約準備		548,494	472,176
Other debtors	其他應收賬款		964,012	608,778
Tax recoverable	可收回稅項		3,634	5,585
Pledged deposits at banks	已抵押銀行存款		95,579	97,980
Deposits at banks with original maturity more than three months	原到期日超過三個月的 銀行存款	14	3,751,666	2,261,734
Cash and cash equivalents	現金及現金等價物	15	2,926,627	2,751,305
			32,622,879	27,333,781
Liabilities	負債			
Life insurance funds	壽險責任準備金		20,171,759	15,453,533
Unearned premium provisions	未到期責任準備金		1,114,550	591,267
Provision for outstanding claims	未決賠款準備		2,179,056	2,149,978
Investment contract liabilities	投資合約負債		108,747	75,857
Deferred tax liabilities	遞延稅項負債		122,188	80,554
Interest-bearing notes	需付息票據		2,807,406	2,789,471
Securities sold under repurchase agreements	賣出回購證券		1,729,147	1,923,499
Amounts due to group companies	應付集團內公司款項		6	–
Insurance creditors	保險客戶應付賬款	16	211,182	380,171
Accrued charges and other creditors	應計費用及其他應付賬款		319,172	421,507
Current taxation	當期稅項		37,268	37,470
Insurance protection fund	保險保障基金		8,017	7,229
			28,808,498	23,910,536
Net assets	資產淨值		3,814,381	3,423,245

CONSOLIDATED BALANCE SHEET (Continued)

綜合資產負債表 (續)

as at 30 June 2006 – unaudited

於二零零六年六月三十日 — 未經審核

(Expressed in Hong Kong dollars)

(以港幣列示)

			At 30 June 2006	At 31 December 2005
			於二零零六年 六月三十日	於二零零五年 十二月三十一日
		Note 附註	\$'000 千元	\$'000 千元
Capital and reserves attributable to the Company's equity holders	股東應佔資本及儲備			
Share capital	股本	17	66,945	66,824
Reserves	儲備	19	2,740,540	2,440,334
			2,807,485	2,507,158
Minority interests	少數股東權益		1,006,896	916,087
Total equity	總權益		3,814,381	3,423,245

The notes on pages 12 to 47 form part of this interim financial report.

第12至47頁的賬項附註屬本中期財務報告的一部份。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

for the six months ended 30 June 2006 — unaudited

截至二零零六年六月三十日止六個月 — 未經審核

(Expressed in Hong Kong dollars)

(以港幣列示)

			Total equity attributable to:		
			Equity holders of the Company	Minority interests	Total
	Note		股東權益	少數股東權益	總額
	附註		\$'000	\$'000	\$'000
			千元	千元	千元
Balance at 1 January 2006	於二零零六年一月一日之結餘		2,507,158	916,087	3,423,245
Exchange differences on translation of the financial statements of subsidiaries outside of Hong Kong	換算香港以外地區附屬公司財務報告的匯兌差額	19	13,056	9,353	22,409
Deficit on revaluation of available-for-sale securities, net of deferred tax	可供出售證券投資重估虧絀，減遞延稅項	19	(45,556)	(47,863)	(93,419)
Net loss recognised directly in equity	直接確認於權益之淨虧損		(32,500)	(38,510)	(71,010)
Profit for the Period	本財務期溢利	19	328,285	129,319	457,604
Total recognised income for the Period	本財務期確認之總收入		295,785	90,809	386,594
Movements in equity holders' equity arising from capital transactions with equity holders:	與股東進行股本交易而產生之股東權益變動：				
— Shares issued under share option scheme	— 根據認股權計劃已發行之股份		121	—	121
— Net share premium received	— 已收取之股份溢價淨值		3,947	—	3,947
Equity settled share-based transactions, net of tax	股本償付之股份為本交易，減稅項	19	474	—	474
Balance at 30 June 2006	於二零零六年六月三十日之結餘		2,807,485	1,006,896	3,814,381

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

綜合權益變動表 (續)

for the six months ended 30 June 2006 — unaudited

截至二零零六年六月三十日止六個月 — 未經審核

(Expressed in Hong Kong dollars)

(以港幣列示)

	Note 附註	Equity holders of the Company 股東權益 \$'000 千元	Total equity attributable to: 應佔總權益： Minority interests 少數股東權益 \$'000 千元	Total 總額 \$'000 千元
Balance at 1 January 2005	於二零零五年一月一日之結餘	2,506,170	644,830	3,151,000
Exchange differences on translation of the financial statements of subsidiaries outside of Hong Kong	換算香港以外地區附屬公司財務報告的匯兌差額	264	493	757
Surplus on revaluation of available-for-sale securities, net of deferred tax	可供出售證券投資重估盈餘，減遞延稅項	242,086	235,774	477,860
Net income recognised directly in equity	直接確認於權益之淨收入	242,350	236,267	478,617
Loss for the Period	本財務期虧損	(43,768)	(85,204)	(128,972)
Total recognised income for the Period	本財務期確認之總收入	198,582	151,063	349,645
Capital contribution made to a subsidiary	向一間附屬公司注入資本	—	48,692	48,692
Movements in equity holders' equity arising from capital transactions with equity holders:	與股東進行股本交易而產生之股東權益變動：			
— Shares issued under share option scheme	— 根據認股權計劃已發行之股份	5	—	5
— Net share premium received	— 已收取之股份溢價淨值	106	—	106
Equity settled share-based transactions, net of tax	股本償付之股份為本交易，減稅項	284	—	284
Balance at 30 June 2005	於二零零五年六月三十日之結餘	2,705,147	844,585	3,549,732

The notes on pages 12 to 47 form part of this interim financial report.

第12至47頁的賬項附註屬本中期財務報告的一部份。

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

簡明綜合現金流量表

for the six months ended 30 June 2006 — unaudited

截至二零零六年六月三十日止六個月 — 未經審核

(Expressed in Hong Kong dollars)

(以港幣列示)

		Six months ended 30 June	
		截至六月三十日止六個月	
		2006	2005
		二零零六年	二零零五年
		\$'000	\$'000
		千元	千元
	Note		
	附註		
Net cash from operating activities	經營業務現金流入淨額	4,127,912	2,448,830
Net cash used in investing activities	投資業務現金流出淨額	(3,886,522)	(1,775,210)
Net cash (used in)/from financing activities	融資現金(流出)/流入淨額	(66,068)	1,207
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	175,322	674,827
Cash and cash equivalents at 1 January	於1月1日的現金及現金等價物	2,751,305	2,221,857
Cash and cash equivalents at 30 June	於6月30日的現金及現金等價物	2,926,627	2,896,684
	15		

The notes on pages 12 to 47 form part of this interim financial report.

第12至47頁的賬項附註屬本中期財務報告的一部份。

NOTES TO THE INTERIM FINANCIAL REPORT

中期財務報告附註

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

1 BASIS OF PREPARATION

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with the Statement of Auditing Standards 700 “Engagements to review interim financial reports”, issued by the HKICPA. KPMG’s independent review report to the board of directors is set out on page 48.

The interim financial report has been prepared in accordance with the applicable requirements of the Listing Rules, including compliance with HKAS 34 “Interim financial reporting” issued by the HKICPA. It was authorised for issuance on 17 August 2006.

The financial information relating to the financial year ended 31 December 2005 included in the interim financial report does not constitute the Company’s statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2005 are available from the Company’s registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 7 April 2006.

The accounting policies and methods of computation adopted in the 2005 annual financial statements have been applied consistently to this interim financial report.

2 SEGMENT REPORTING

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

(a) By business activity:

The Group comprises the following main business segments:

- Reinsurance business;
- Life insurance business; and
- Corporate and other businesses which comprise asset management business, insurance intermediary business, financial and corporate assets.

Consistent with the audited financial statements for the year ended 31 December 2005, the asset management business and the insurance intermediary businesses are included in the corporate and other businesses segment in this interim financial report. The directors believe that the new classification provides a better presentation of the Group’s segmental assets, liabilities, income and expenses.

1 編製基準

此為未經審核的中期財務報告，但已由畢馬威會計師事務所按照香港會計師公會所頒佈的《核數準則》第700號「中期財務報告的審閱」的準則審閱。畢馬威會計師事務所給予董事會的獨立審閱報告刊於第49頁。

本中期財務報告已根據聯交所上市規則的規定，並遵照香港會計師公會所頒佈的《香港會計準則》第34號「中期財務報告」的準則編製。並於二零零六年八月十七日核准發放。

本中期財務報告包含截至二零零五年十二月三十一日止財政年度的財務資料，這些財務資料均取自本公司該財政年度的法定賬項，惟並不構成本公司該財政年度的法定賬項。截至二零零五年十二月三十一日止年度的法定賬項可於本公司的註冊辦事處索取。核數師已於二零零六年四月七日所發佈的核數師報告中，表示對這些賬項提出無保留意見。

編製本中期財務報告所採納的會計政策及計算方法，均與截至二零零五年年度全年財務報告所採納的一致。

2 分類匯報

分類資料的匯報是按本集團的業務及地區區分，其中業務類別被選擇作為首要的匯報格式。

(a) 按業務分類：

本集團設有下列的主要業務分類：

- 再保險業務；
- 人壽保險業務；及
- 企業及其他業務，包括資產管理業務、保險中介業務、財務及企業資產。

為與二零零五年十二月三十一日止年度的已審核財務報表一致，本中期財務報告內的資產管理業務收入及保險中介業務收入將計入企業及其他業務內。董事相信新的分類對本集團的分部資產、負債、收入及支出提供最佳的呈報。

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

中期財務報告附註 (續)

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

2 SEGMENT REPORTING (Continued)

2 分類匯報 (續)

(a) By business activity: (Continued)

(a) 按業務分類：(續)

For the six months ended 30 June 2006

截至二零零六年六月三十日止六個月

		Reinsurance 再保險 \$'000 千元	Life insurance 人壽保險 \$'000 千元	Corporate and other businesses 企業及 其他業務 \$'000 千元	Total 總額 \$'000 千元
Revenue	收入				
Gross premiums written	毛承保保費	1,216,230	5,841,633	—	7,057,863
Policy fees	保單費收入	—	3,633	—	3,633
		1,216,230	5,845,266	—	7,061,496
Less: Premiums ceded to reinsurers	減：保費之再保份額	(136,918)	(20,610)	—	(157,528)
Net premiums written and policy fees	淨承保保費及保單費收入	1,079,312	5,824,656	—	6,903,968
Change in unearned premium provisions, net of reinsurance	未到期責任準備金變化，減再保險	(380,773)	(69,198)	—	(449,971)
Net earned premiums and policy fees	已賺取保費及保單費收入淨額	698,539	5,755,458	—	6,453,997
Net investment income and net gain	投資收入及收益淨額	154,855	754,905	38,449	948,209
Net exchange gain/(loss)	匯兌收益／(虧損)淨額	37,149	(11,891)	(311)	24,947
Other income	其他收入	439	521	17,562	18,522
Inter-segment transactions	分類之間交易	(150)	—	(7,909)	(8,059)
		890,832	6,498,993	47,791	7,437,616
Benefits, losses and expenses	給付、賠款及費用				
Policyholders' benefits	保單持有人利益	(413,478)	(592,357)	—	(1,005,835)
Net commission expenses	佣金支出淨額	(250,788)	(408,969)	—	(659,757)
Administrative and other expenses	行政及其他費用	(21,932)	(580,012)	(14,289)	(616,233)
Change in life insurance funds, net of reinsurance	壽險責任準備金變化，減再保險	—	(4,539,116)	—	(4,539,116)
Inter-segment transactions	分類之間交易	7,909	—	150	8,059
		(678,289)	(6,120,454)	(14,139)	(6,812,882)
Profit from operations	經營溢利	212,543	378,539	33,652	624,734
Share of (losses)/profits of associates	應佔聯營公司(虧損)／溢利	—	(136)	4,032	3,896
Finance costs	財務費用	—	(32,273)	(39,830)	(72,103)
Profit/(loss) before taxation	除稅前溢利／(虧損)	212,543	346,130	(2,146)	556,527
Income tax charge	稅項支出	(7,273)	(88,344)	(3,306)	(98,923)
Profit/(loss) after taxation	除稅後溢利／(虧損)	205,270	257,786	(5,452)	457,604
Minority interests	少數股東權益	—	(129,319)	—	(129,319)
Profit/(loss) attributable to equity holders	股東應佔溢利／(虧損)	205,270	128,467	(5,452)	328,285

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

中期財務報告附註 (續)

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

2 SEGMENT REPORTING (Continued)

2 分類匯報 (續)

(a) By business activity: (Continued)

(a) 按業務分類：(續)

At 30 June 2006

於二零零六年六月三十日

		Reinsurance 再保險 \$'000 千元	Life insurance 人壽保險 \$'000 千元	Corporate and other businesses 企業及 其他業務 \$'000 千元	Total 總額 \$'000 千元
Debt securities	債務證券	1,441,285	17,673,639	405,153	19,520,077
Equity securities	股本證券	332,800	442,963	126,249	902,012
Equity investment funds	股本投資基金	—	1,829,175	—	1,829,175
Money market investment funds	貨幣市場投資基金	6,398	2,731	—	9,129
Composite investment funds	綜合投資基金	23,458	—	—	23,458
Cash and bank deposits	現金及銀行存款	1,404,450	4,984,881	384,541	6,773,872
Goodwill	商譽	—	154,909	73,276	228,185
Interest in associates	於聯營公司之權益	—	4,052	346,151	350,203
Other segment assets	其他分類資產	1,449,343	1,425,653	111,772	2,986,768
Total assets	總資產	4,657,734	26,518,003	1,447,142	32,622,879
Life insurance funds	壽險責任準備金	—	20,171,759	—	20,171,759
Unearned premium provisions	未到期責任準備金	819,046	295,504	—	1,114,550
Provision for outstanding claims	未決賠款準備	2,135,909	43,147	—	2,179,056
Investment contract liabilities	投資合約負債	—	108,747	—	108,747
Interest-bearing notes	需付息票據	—	1,456,500	1,350,906	2,807,406
Securities sold under repurchase agreements	賣出回購證券	—	1,729,147	—	1,729,147
Other segment liabilities	其他分類負債	110,344	564,518	22,971	697,833
Total liabilities	總負債	3,065,299	24,369,322	1,373,877	28,808,498

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

中期財務報告附註 (續)

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

2 SEGMENT REPORTING (Continued)

2 分類匯報 (續)

(a) By business activity: (Continued)

(a) 按業務分類：(續)

For the six months ended 30 June 2005

截至二零零五年六月三十日止六個月

		Reinsurance 再保險 \$'000 千元	Life insurance 人壽保險 \$'000 千元	Corporate and other businesses 企業及 其他業務 \$'000 千元	Total 總額 \$'000 千元
Revenue	收入				
Gross premiums written	毛承保保費	999,608	2,742,040	—	3,741,648
Policy fees	保單費收入	—	1,522	—	1,522
		999,608	2,743,562	—	3,743,170
Less: Premiums ceded to reinsurers	減：保費之再保份額	(154,894)	(25,505)	—	(180,399)
Net premiums written and policy fees	淨承保保費及保單費收入	844,714	2,718,057	—	3,562,771
Change in unearned premium provisions, net of reinsurance	未到期責任準備金變化，減再保險	(293,530)	(120,396)	—	(413,926)
Net earned premiums and policy fees	已賺取保費及保單費收入淨額	551,184	2,597,661	—	3,148,845
Net investment income and net gain	投資收入及收益淨額	84,190	205,118	26,491	315,799
Net exchange loss	匯兌虧損淨額	(45,640)	(393)	(837)	(46,870)
Other income	其他收入	3,426	71	14,208	17,705
Inter-segment transactions	分類之間交易	(150)	—	(5,720)	(5,870)
		593,010	2,802,457	34,142	3,429,609
Benefits, losses and expenses	給付、賠款及費用				
Policyholders' benefits	保單持有人利益	(284,464)	(225,579)	—	(510,043)
Net commission expenses	佣金支出淨額	(213,035)	(267,624)	—	(480,659)
Administrative and other expenses	行政及其他費用	(19,214)	(401,843)	(13,996)	(435,053)
Change in life insurance funds, net of reinsurance	壽險責任準備金變化，減再保險	—	(2,154,956)	—	(2,154,956)
Inter-segment transactions	分類之間交易	5,720	—	150	5,870
		(510,993)	(3,050,002)	(13,846)	(3,574,841)
Profit/(loss) from operations	經營溢利/(虧損)	82,017	(247,545)	20,296	(145,232)
Share of losses of associates	應佔聯營公司虧損	—	—	(12,013)	(12,013)
Finance costs	財務費用	—	—	(42,833)	(42,833)
Profit/(loss) before taxation	除稅前溢利/(虧損)	82,017	(247,545)	(34,550)	(200,078)
Income tax (charge)/credit	稅項(支出)/抵免	(5,262)	78,467	(2,099)	71,106
Profit/(loss) after taxation	除稅後溢利/(虧損)	76,755	(169,078)	(36,649)	(128,972)
Minority interests	少數股東權益	—	85,204	—	85,204
Profit/(loss) attributable to equity holders	股東應佔溢利/(虧損)	76,755	(83,874)	(36,649)	(43,768)

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

中期財務報告附註 (續)

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

2 SEGMENT REPORTING (Continued)

2 分類匯報 (續)

(a) By business activity: (Continued)

(a) 按業務分類：(續)

At 31 December 2005

於二零零五年十二月三十一日

		Reinsurance 再保險 \$'000 千元	Life insurance 人壽保險 \$'000 千元	Corporate and other businesses 企業及 其他業務 \$'000 千元	Total 總額 \$'000 千元
Debt securities	債務證券	1,473,640	14,841,992	403,891	16,719,523
Equity securities	股本證券	325,721	183,486	140,291	649,498
Equity investment funds	股本投資基金	—	745,105	—	745,105
Money market investment funds	貨幣市場投資基金	4,691	1,460,364	—	1,465,055
Composite investment funds	綜合投資基金	8,380	—	—	8,380
Cash and bank deposits	現金及銀行存款	1,187,083	3,503,219	420,717	5,111,019
Goodwill	商譽	—	154,909	73,276	228,185
Interest in associates	於聯營公司之權益	—	4,188	311,110	315,298
Other segment assets	其他分類資產	991,021	1,012,374	88,323	2,091,718
Total assets	總資產	3,990,536	21,905,637	1,437,608	27,333,781
Life insurance funds	壽險責任準備金	—	15,453,533	—	15,453,533
Unearned premium provisions	未到期責任準備金	369,327	221,940	—	591,267
Provision for outstanding claims	未決賠款準備	2,106,450	43,528	—	2,149,978
Investment contract liabilities	投資合約負債	—	75,857	—	75,857
Interest-bearing notes	需付息票據	—	1,441,500	1,347,971	2,789,471
Securities sold under repurchase agreements	賣出回購證券	—	1,923,499	—	1,923,499
Other segment liabilities	其他分類負債	126,326	779,160	21,445	926,931
Total liabilities	總負債	2,602,103	19,939,017	1,369,416	23,910,536

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

中期財務報告附註 (續)

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

2 SEGMENT REPORTING (Continued)

(b) By geographical area:

For the six months ended 30 June 2006

	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
Gross premiums written and policy fees	239,553	6,139,046	82,243	326,267	219,170	55,217	7,061,496

For the six months ended 30 June 2005

	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
Gross premiums written and policy fees	261,814	2,916,383	74,822	281,985	165,988	42,178	3,743,170

2 分類匯報 (續)

(b) 按地區分類：

截至二零零六年六月三十日止六個月

截至二零零五年六月三十日止六個月

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

中期財務報告附註 (續)

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

3 GROSS PREMIUMS WRITTEN AND POLICY FEES

Principal activities

The principal activity of the Company is investment holding. The principal activities of the Company and its subsidiaries are the underwriting of all classes of global reinsurance business and direct life insurance business in the PRC. The Company also engages in the underwriting of property and casualty business in the PRC through an associated company.

Apart from these, the Group also carries on asset management and insurance intermediary businesses and, to support its insurance activities, holds money market, fixed income, equity and property investments.

Turnover represents gross premiums written and policy fees from reinsurance business and life insurance business. Turnover constitutes a portion of the total revenue. Consistent with the audited financial statements for the year ended 31 December 2005, income from the asset management business and income from the insurance intermediary business are excluded from the Group's turnover. The directors believe that the new definition of turnover provides a better presentation. The amount of each significant category of revenue recognised in turnover during the Period is as follows:

		Six months ended 30 June 2006 截至二零零六年六月三十日止六個月			
		Reinsurance contracts 再保險合約 \$'000 千元	Life insurance contracts 人壽保險合約 \$'000 千元	Investment contracts 投資合約 \$'000 千元	Total 總額 \$'000 千元
Gross premiums written	毛承保保費	1,216,230	5,841,633	—	7,057,863
Policy fees	保單費收入	—	—	3,633	3,633
		1,216,230	5,841,633	3,633	7,061,496
		Six months ended 30 June 2005 截至二零零五年六月三十日止六個月			
		Reinsurance contracts 再保險合約 \$'000 千元	Life insurance contracts 人壽保險合約 \$'000 千元	Investment contracts 投資合約 \$'000 千元	Total 總額 \$'000 千元
Gross premiums written	毛承保保費	999,608	2,742,040	—	3,741,648
Policy fees	保單費收入	—	—	1,522	1,522
		999,608	2,742,040	1,522	3,743,170

In respect of the reinsurance business, a substantial proportion of reinsurance premium income is written in the first half of each year because of the special nature of its operations.

3 毛承保保費及保單費收入

主要業務

本公司的主要業務是投資控股。本公司及其附屬公司的主要業務是承接全球各類再保險業務及中國人壽保險業務。本公司亦透過其聯營公司承接中國財產保險業務。

此外，本集團也從事資產管理業務及保險中介業務，並為配合保險業務而持有各類貨幣、固定收入證券、股票及物業投資。

營業額是指再保險業務及人壽保險業務毛承保保費及保單費收入。營業額構成收入總額的一部份。為與二零零五年十二月三十一日止年度的已審核財務報表一致，資產管理業務收入及保險中介業務收入將不計入本集團營業額內。董事相信新的營業額釋義提供更佳的呈報。期內在營業額中確認的各項主要收益類別的金額載列如下：

關於再保險業務，因其特別的經營性質，大部份的再保險保費收入已於每年的上半年承保。

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

中期財務報告附註 (續)

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

4 NET INVESTMENT INCOME AND NET GAIN

4 投資收入及收益淨額

		Six months ended 30 June 截至六月三十日止六個月	
		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Net investment income	投資收入淨額		
Dividend income from listed securities	上市證券的股息收入	26,796	9,574
Dividend income from unlisted securities	非上市證券的股息收入	68,364	18,360
Interest income from listed securities	上市證券的利息收入	367,851	212,408
Interest income from unlisted securities	非上市證券的利息收入	22,781	32,594
Other interest income	其他利息收入	100,842	47,802
Rental receivable from investment properties	應收投資物業的租金	1,059	1,153
Interest expenses on securities sold under repurchase agreements	賣出回購證券利息費用	(35,903)	(4,763)
		551,790	317,128
Net gain	收益淨額		
Net realised and unrealised gains on listed securities	上市證券的已變現及未變現收益淨額	370,926	9,000
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	20,308	(24,138)
Surplus on revaluation of investment properties	投資物業重估盈餘	5,185	13,365
Write back of impairment loss on listed and unlisted debt and equity securities	撥回上市及非上市債務及股本證券減值虧損	—	444
		396,419	(1,329)
Total	總額	948,209	315,799

5 OTHER INCOME

5 其他收入

		Six months ended 30 June 截至六月三十日止六個月	
		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Income from asset management business	資產管理業務收入	1,886	2,146
Income from insurance intermediary business	保險中介業務收入	6,803	5,490
Net loss on sale of fixed assets	出售固定資產虧損淨額	(6)	(36)
Write back of/(provision for) impairment loss on insurance debtors	保險客戶應收賬款減值虧損回撥/(準備)	147	(342)
Others	其他	1,633	4,577
		10,463	11,835

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

中期財務報告附註 (續)

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

6 POLICYHOLDERS' BENEFITS AND NET COMMISSION EXPENSES

6 保單持有人利益及佣金支出淨額

(a) Policyholders' benefits

(a) 保單持有人利益

Six months ended 30 June 2006
截至二零零六年六月三十日止六個月

		Reinsurance contracts 再保險合約 \$'000 千元	Life insurance contracts 人壽保險合約 \$'000 千元	Total 總額 \$'000 千元
Claims and claim adjustment expenses	賠款及賠款處理支出	475,920	139,940	615,860
Less: Reinsurers' share	減：再保份額	(62,442)	(11,684)	(74,126)
		413,478	128,256	541,734
Surrenders	退保總額	—	427,404	427,404
Annuity and maturity payments	年金及到期付款	—	32,292	32,292
Policy dividends	保單分紅	—	4,405	4,405
		413,478	592,357	1,005,835

Six months ended 30 June 2005
截至二零零五年六月三十日止六個月

		Reinsurance contracts 再保險合約 \$'000 千元	Life insurance contracts 人壽保險合約 \$'000 千元	Total 總額 \$'000 千元
Claims and claim adjustment expenses	賠款及賠款處理支出	384,164	61,003	445,167
Less: Reinsurers' share	減：再保份額	(99,700)	(10,412)	(110,112)
		284,464	50,591	335,055
Surrenders	退保總額	—	160,046	160,046
Annuity and maturity payments	年金及到期付款	—	12,878	12,878
Policy dividends	保單分紅	—	2,064	2,064
		284,464	225,579	510,043

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

中期財務報告附註 (續)

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

6 POLICYHOLDERS' BENEFITS AND NET COMMISSION EXPENSES (Continued)

6 保單持有人利益及佣金支出淨額 (續)

(b) Net commission expenses

(b) 佣金支出淨額

		Six months ended 30 June 2006 截至二零零六年六月三十日止六個月		
		Reinsurance contracts 再保險合約	Life insurance contracts 人壽保險合約	Total 總額
		\$'000 千元	\$'000 千元	\$'000 千元
Gross commission expenses	佣金支出總額	292,310	413,847	706,157
Reinsurance commission income	再保險佣金收入	(41,522)	(4,878)	(46,400)
Net commission expenses	佣金支出淨額	250,788	408,969	659,757
		Six months ended 30 June 2005 截至二零零五年六月三十日止六個月		
		Reinsurance contracts 再保險合約	Life insurance contracts 人壽保險合約	Total 總額
		\$'000 千元	\$'000 千元	\$'000 千元
Gross commission expenses	佣金支出總額	243,860	274,479	518,339
Reinsurance commission income	再保險佣金收入	(30,825)	(6,855)	(37,680)
Net commission expenses	佣金支出淨額	213,035	267,624	480,659

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

中期財務報告附註 (續)

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

7 PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging:

7 除稅前溢利／(虧損)

除稅前溢利／(虧損)已扣除：

		Six months ended 30 June 截至六月三十日止六個月	
		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
(a) Finance costs:	(a) 財務費用：		
Interest on interest-bearing notes	需付息票據利息	72,103	39,948
Interest on other loans	其他貸款利息	—	2,885
		72,103	42,833
(b) Staff costs:	(b) 員工成本：		
Salaries, wages and other benefits	薪金、工資及 其他利益	259,142	197,522
Contributions to defined contribution retirement plan	已訂定供款退休 計劃供款	29,552	27,581
		288,694	225,103
(c) Other items:	(c) 其他項目：		
Auditors' remuneration	核數師酬金	669	441
Depreciation	折舊	23,458	17,514
Operating lease charges in respect of properties	有關物業的經營 租賃費用	50,840	38,077
Share of associates' taxation	佔聯營公司稅項	443	245

8 INCOME TAX CHARGE/(CREDIT)

Income tax charge/(credit) in the consolidated income statement represents:

8 稅項支出／(抵免)

綜合損益表所示的稅項支出／(抵免)為：

		Six months ended 30 June 截至六月三十日止六個月	
		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Current tax — Provision for Hong Kong Profits Tax	當期稅項 — 香港 利得稅準備	10,401	7,091
Deferred taxation (note)	遞延稅項 (附註)	88,522	(78,197)
Total income tax charge/(credit)	所得稅總支出／(抵免)	98,923	(71,106)

Note: Deferred taxation for the Period mainly represents deferred tax liabilities recognised in respect of unrealised investment gains and life insurance funds recognised in a subsidiary of the Group outside of Hong Kong while those for the Last Period mainly represents deferred tax assets recognised in respect of tax losses incurred by this subsidiary.

附註：本財務期的遞延稅項主要代表本集團一家香港以外地區的附屬公司確認的未變現投資收益及壽險責任準備金而確認的遞延稅項負債，而去年同期主要代表此附屬公司產生的稅項虧損而確認的遞延稅項資產。

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

中期財務報告附註 (續)

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

8 INCOME TAX CHARGE/(CREDIT) (Continued)

The provision for Hong Kong Profits Tax represents the Group's estimated Profits Tax liability calculated at the standard tax rate of 17.5% (2005: 17.5%) on its assessable profits from reinsurance, asset management and insurance intermediary businesses, except for its assessable profits from the business of reinsurance of offshore risks, which is calculated at the applicable rate of 8.75% (2005: 8.75%), being one-half of the standard tax rate.

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

The Group also has not recognised deferred tax assets in respect of tax losses of approximately \$23,610,000 (31 December 2005: \$Nil) as it is not probable that sufficient taxable profit will be available to allow the related tax benefit to be utilised in the foreseeable future.

9 DIVIDENDS

No interim dividend in respect of the interim period was declared and paid after 30 June 2006 (2005: \$Nil).

No final dividend in respect of the previous financial year was declared and paid during the interim period (2005: \$Nil).

10 EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE COMPANY

(a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the profit attributable to equity holders of the Company of \$328,285,000 (2005: loss of \$43,768,000) and the weighted average number of ordinary shares of 1,338,144,592 shares (2005: 1,331,776,925 shares) in issue during the Period.

(b) Diluted earnings/(loss) per share

The calculation of diluted earnings/(loss) per share is based on the profit attributable to equity holders of the Company of \$328,285,000 (2005: loss of \$43,768,000) and the weighted average number of ordinary shares of 1,348,306,116 shares (2005: 1,339,769,387 shares) after adjusting for the effects of all dilutive potential ordinary shares under the Company's share option scheme.

8 稅項支出／(抵免) (續)

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%（二零零五年：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應評稅溢利則按適用稅率8.75%（二零零五年：8.75%），即標準稅率的一半計算。

香港以外地區的稅項以相關司法管轄區的現行稅率計算。

本集團另有未確認關於稅項虧損之遞延稅項資產約為23,610,000元（二零零五年十二月三十一日：無）。上述遞延稅項資產並未有被確認，乃由於未能確定在可見將來有足夠的應課稅利潤可以使用相關之稅項效益。

9 股息

於二零零六年六月三十日後沒有屬於本財務期宣派及支付的中期股息（二零零五年：無）。

沒有屬於上一個財政年度，並於中期財務期宣派及支付的末期股息（二零零五年：無）。

10 股東應佔每股盈利／(虧損)

(a) 每股基本盈利／(虧損)

每股基本盈利／(虧損)是按照股東應佔溢利328,285,000元（二零零五年：虧損43,768,000元），及期內已發行普通股的加權平均數1,338,144,592股（二零零五年：1,331,776,925股）計算。

(b) 每股攤薄盈利／(虧損)

每股攤薄盈利／(虧損)是按照股東應佔溢利328,285,000元（二零零五年：虧損43,768,000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1,348,306,116股（二零零五年：1,339,769,387股）計算。

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

中期財務報告附註 (續)

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

10 EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE COMPANY (Continued)

10 股東應佔每股盈利/(虧損) (續)

(c) Reconciliations

(c) 對賬

		At 30 June 於六月三十日	
		2006 二零零六年	2005 二零零五年
		No. of shares 股份數目	No. of shares 股份數目
Weighted average number of ordinary shares used in calculating basic earnings/(loss) per share	用作計算每股基本盈利/(虧損)的普通股加權平均股數	1,338,144,592	1,331,776,925
Deemed issue of ordinary shares for no consideration	視為無償發行的普通股股數	10,161,524	7,992,462
Weighted average number of ordinary shares used in calculating diluted earnings/(loss) per share	用作計算每股攤薄盈利/(虧損)的普通股加權平均股數	1,348,306,116	1,339,769,387

11 FIXED ASSETS

11 固定資產

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 include contingent rentals. The gross carrying amount of investment properties of the Group held for use in operating leases was \$70,565,000 (31 December 2005: \$65,230,000).

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毛額為70,565,000元（二零零五年十二月三十一日：65,230,000元）。

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

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：

		At 30 June 2006 於二零零六年 六月三十日 \$'000 千元	At 31 December 2005 於二零零五年 十二月三十一日 \$'000 千元
Within 1 year	1年內	2,561	2,697
After 1 but within 5 years	1年後但在5年內	673	1,259
		3,234	3,956

NOTES TO THE INTERIM FINANCIAL REPORT *(Continued)*

中期財務報告附註 (續)

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

12 INVESTMENTS IN DEBT AND EQUITY SECURITIES 12 債務及股本證券投資

		At 30 June 2006 於二零零六年 六月三十日 \$'000 千元	At 31 December 2005 於二零零五年 十二月三十一日 \$'000 千元
Held-to-maturity <i>(Note (i))</i> :	持有至到期日 <i>(附註(i))</i> :		
– Debt securities	– 債務證券	960,915	1,046,037
Available-for-sale <i>(Note (ii))</i> :	可供出售 <i>(附註(ii))</i> :		
– Debt securities	– 債務證券	17,844,302	14,869,410
– Equity securities	– 股本證券	240,824	211,268
– Equity investment funds	– 股本投資基金	1,086,641	–
		19,171,767	15,080,678
Designated at fair value through profit or loss <i>(Note (iii))</i> :	指定為通過損益以反映公平價值 <i>(附註(iii))</i> :		
– Debt securities	– 債務證券	714,860	804,076
– Equity securities	– 股本證券	661,188	438,230
– Equity investment funds	– 股本投資基金	742,534	745,105
– Money market investment funds	– 貨幣市場投資基金	9,129	1,465,055
– Composite investment funds	– 綜合投資基金	23,458	8,380
		2,151,169	3,460,846
Total	總額	22,283,851	19,587,561

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

中期財務報告附註 (續)

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

12 INVESTMENTS IN DEBT AND EQUITY SECURITIES 12 債務及股本證券投資 (續)

(Continued)

		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 企業實體 \$'000 千元	Others 其他 \$'000 千元	Total 總額 \$'000 千元
(i) Held-to-maturity	(i) 持有至到期日						
At 30 June 2006	於二零零六年六月三十日						
Listed outside Hong Kong	上市 — 香港以外地區	52,168	118,868	158,980	394,536	8,621	733,173
Unlisted	非上市	69,002	7,585	95,668	55,487	—	227,742
		121,170	126,453	254,648	450,023	8,621	960,915
Fair value of securities	證券公平值	133,862	127,440	257,312	462,704	11,214	992,532
Market value of listed securities	上市證券市值	54,159	119,169	160,954	406,156	11,214	751,652
At 31 December 2005	於二零零五年十二月三十一日						
Listed outside Hong Kong	上市 — 香港以外地區	52,107	118,664	222,001	393,275	8,041	794,088
Unlisted	非上市	68,316	7,559	85,445	90,629	—	251,949
		120,423	126,223	307,446	483,904	8,041	1,046,037
Fair value of securities	證券公平值	142,745	130,883	314,019	507,470	11,080	1,106,197
Market value of listed securities	上市證券市值	56,206	122,261	294,252	413,700	11,080	897,499

The held-to-maturity debt securities include an amount of \$133,953,000 (31 December 2005: \$125,415,000) which is maturing within one year.

持有至到期日債務證券包括於一年內到期價值 133,953,000 元 (二零零五年十二月三十一日 : 125,415,000 元) 的債務證券。

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

中期財務報告附註 (續)

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

12 INVESTMENTS IN DEBT AND EQUITY SECURITIES 12 債務及股本證券投資 (續)

(Continued)

		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 企業實體 \$'000 千元	Others 其他 \$'000 千元	Total 總額 \$'000 千元
(i) Available-for-sale	(ii) 可供出售						
At 30 June 2006	於二零零六年六月三十日						
Listed debt securities	上市債務證券						
– in Hong Kong	– 香港	–	–	14,761	–	–	14,761
– outside Hong Kong	– 香港以外地區	8,404,098	7,478	2,778,785	6,212,972	15,641	17,418,974
Listed equity securities	上市股本證券						
– in Hong Kong	– 香港	–	5,593	97,063	106,261	–	208,917
– outside Hong Kong	– 香港以外地區	–	–	28,587	–	–	28,587
Unlisted debt securities	非上市債務證券	–	–	128,960	281,607	–	410,567
Unlisted equity securities	非上市股本證券	–	–	–	3,320	–	3,320
Unlisted equity investment funds	非上市股本投資基金	–	–	–	–	1,086,641	1,086,641
		8,404,098	13,071	3,048,156	6,604,160	1,102,282	19,171,767
Fair value of securities	證券公平值	8,404,098	13,071	3,048,156	6,604,160	1,102,282	19,171,767
Market value of listed securities	上市證券市值	8,404,098	13,071	2,919,196	6,319,233	15,641	17,671,239
Current	當期	8,404,098	13,071	3,048,156	6,604,160	1,102,282	19,171,767
Non-current	非當期	–	–	–	–	–	–
		8,404,098	13,071	3,048,156	6,604,160	1,102,282	19,171,767
At 31 December 2005	於二零零五年十二月三十一日						
Listed debt securities	上市債務證券						
– in Hong Kong	– 香港	–	–	15,581	–	–	15,581
– outside Hong Kong	– 香港以外地區	7,549,786	7,500	1,977,586	4,343,424	15,094	13,893,390
Listed equity securities	上市股本證券						
– in Hong Kong	– 香港	–	10,148	124,958	56,546	–	191,652
– outside Hong Kong	– 香港以外地區	–	–	7,471	8,780	–	16,251
Unlisted debt securities	非上市債務證券	–	–	53,742	906,697	–	960,439
Unlisted equity securities	非上市股本證券	–	–	–	3,365	–	3,365
		7,549,786	17,648	2,179,338	5,318,812	15,094	15,080,678
Fair value of securities	證券公平值	7,549,786	17,648	2,179,338	5,318,812	15,094	15,080,678
Market value of listed securities	上市證券市值	7,549,786	17,648	2,125,596	4,408,750	15,094	14,116,874
Current	當期	7,549,786	17,648	2,179,338	5,318,812	15,094	15,080,678
Non-current	非當期	–	–	–	–	–	–
		7,549,786	17,648	2,179,338	5,318,812	15,094	15,080,678

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

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12 INVESTMENTS IN DEBT AND EQUITY SECURITIES 12 債務及股本證券投資 (續)

(Continued)

		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 企業實體 \$'000 千元	Others 其他 \$'000 千元	Total 總額 \$'000 千元
(iii) Designated at fair value through profit or loss	(iii) 指定為通過損益以反映公平價值						
At 30 June 2006	於二零零六年六月三十日						
Listed debt securities outside Hong Kong	上市債務證券 香港以外地區	16,501	—	71,936	188,159	—	276,596
Listed equity securities	上市股本證券						
— in Hong Kong	— 香港	—	6,953	39,974	105,651	173	152,751
— outside Hong Kong	— 香港以外地區	—	—	60,434	5,040	442,963	508,437
Listed equity investment funds outside Hong Kong	上市股本投資基金 香港以外地區	—	—	—	—	544,811	544,811
Listed money market investment funds in Hong Kong	上市貨幣市場投資基金 香港	—	—	—	6,398	—	6,398
Listed composite investment funds in Hong Kong	上市綜合投資基金 香港	—	—	—	23,458	—	23,458
Unlisted debt securities	非上市債務證券	—	—	366,538	71,726	—	438,264
Unlisted equity investment funds	非上市股本投資基金	—	—	—	—	197,723	197,723
Unlisted money market investment funds	非上市貨幣市場投資基金	—	—	—	—	2,731	2,731
		16,501	6,953	538,882	400,432	1,188,401	2,151,169
Fair value of securities	證券公平值	16,501	6,953	538,882	400,432	1,188,401	2,151,169
Market value of listed securities	上市證券市值	16,501	6,953	172,344	328,706	987,947	1,512,451
Current	當期	16,501	6,953	538,882	400,432	1,188,401	2,151,169
Non-current	非當期	—	—	—	—	—	—
		16,501	6,953	538,882	400,432	1,188,401	2,151,169

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

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(以港幣列示)

12 INVESTMENTS IN DEBT AND EQUITY SECURITIES 12 債務及股本證券投資 (續)

(Continued)

		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 企業實體 \$'000 千元	Others 其他 \$'000 千元	Total 總額 \$'000 千元
(iii) Designated at fair value through profit or loss (continued)	(iii) 指定為通過損益以反映公平價值 (續)						
At 31 December 2005	於二零零五年十二月三十一日						
Listed debt securities outside Hong Kong	上市債務證券 香港以外地區	165,552	—	73,677	120,837	9,649	369,715
Listed equity securities	上市股本證券						
— in Hong Kong	— 香港	—	8,415	23,185	114,554	350	146,504
— outside Hong Kong	— 香港以外地區	—	—	60,454	47,132	184,140	291,726
Listed equity investment funds outside Hong Kong	上市股本投資基金 香港以外地區	—	—	—	—	118,618	118,618
Listed money market investment funds in Hong Kong	上市貨幣市場投資基金 香港	—	—	—	4,692	—	4,692
Listed composite investment funds in Hong Kong	上市綜合投資基金 香港	—	—	—	8,380	—	8,380
Unlisted debt securities	非上市債務證券	—	—	365,224	69,137	—	434,361
Unlisted equity investment funds	非上市股本投資基金	—	—	—	—	626,487	626,487
Unlisted money market investment funds	非上市貨幣市場投資基金	—	—	—	—	1,460,363	1,460,363
		165,552	8,415	522,540	364,732	2,399,607	3,460,846
Fair value of securities	證券公平值	165,552	8,415	522,540	364,732	2,399,607	3,460,846
Market value of listed securities	上市證券市值	165,552	8,415	157,316	295,595	312,757	939,635
Current	當期	165,552	8,415	522,540	364,732	2,399,607	3,460,846
Non-current	非當期	—	—	—	—	—	—
		165,552	8,415	522,540	364,732	2,399,607	3,460,846

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

中期財務報告附註 (續)

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(以港幣列示)

13 INSURANCE DEBTORS

13 保險客戶應收賬款

		At 30 June 2006 於二零零六年 六月三十日 \$'000 千元	At 31 December 2005 於二零零五年 十二月三十一日 \$'000 千元
Amounts due from insurance customers and suppliers	應收保險客戶及供應商款項	601,506	225,408
Deposits retained by cedants	分保人保留的按金	118,979	116,652
		720,485	342,060

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 \$8,347,000 (31 December 2005: \$5,572,000) 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8,347,000元(二零零五年十二月三十一日: 5,572,000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 impairment):

應收保險客戶及供應商款項(已扣除減值後淨額)，其賬齡分析如下：

		At 30 June 2006 於二零零六年 六月三十日 \$'000 千元	At 31 December 2005 於二零零五年 十二月三十一日 \$'000 千元
Not yet due	未到期	511,289	138,013
Current	現已到期	77,191	72,030
More than 3 months but less than 12 months	超過3個月但少於12個月	10,610	9,776
More than 12 months	超過12個月	2,416	5,589
		601,506	225,408

14 DEPOSITS AT BANKS WITH ORIGINAL MATURITY MORE THAN THREE MONTHS

14 原到期日超過三個月的銀行存款

The subsidiaries of the Group have placed \$536,698,000 (31 December 2005: \$487,806,000) with banks as a capital guarantee fund, pursuant to 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.

本集團的附屬公司根據中國有關保險法規的規定將一筆為數536,698,000元(二零零五年十二月三十一日: 487,806,000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。

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

中期財務報告附註 (續)

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

15 CASH AND CASH EQUIVALENTS

15 現金及現金等價物

		At 30 June 2006 於二零零六年 六月三十日 \$'000 千元	At 31 December 2005 於二零零五年 十二月三十一日 \$'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	1,386,488	1,514,501
Cash at bank and in hand	銀行及手頭現金	1,540,139	1,236,804
		2,926,627	2,751,305

16 INSURANCE CREDITORS

16 保險客戶應付賬款

		At 30 June 2006 於二零零六年 六月三十日 \$'000 千元	At 31 December 2005 於二零零五年 十二月三十一日 \$'000 千元
Amounts due to insurance customers and suppliers	應付保險客戶及供應商款項	109,793	89,339
Amounts due to insurance intermediaries	應付保險中介款項	20,256	20,778
Deposits retained from retrocessionaires	轉分保險人保留的按金	26,344	25,382
Prepaid premiums received	預收保費	54,789	244,672
		211,182	380,171

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 \$2,108,000 (31 December 2005: \$418,000) 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2,108,000元(二零零五年十二月三十一日: 418,000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款項之賬齡分析如下:

		At 30 June 2006 於二零零六年 六月三十日 \$'000 千元	At 31 December 2005 於二零零五年 十二月三十一日 \$'000 千元
Current	現時	79,515	67,760
More than 3 months but less than 12 months	超過3個月但少於12個月	16,694	17,940
More than 12 months	超過12個月	13,584	3,639
		109,793	89,339

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

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17 SHARE CAPITAL

17 股本

		At 30 June 2006 於二零零六年六月三十日		At 31 December 2005 於二零零五年十二月三十一日	
		No. of shares 股份數目	\$'000 千元	No. of shares 股份數目	\$'000 千元
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 the beginning of the period/year	於期初／年初	1,336,463,592	66,824	1,331,693,592	66,585
Shares issued under share option scheme	根據認股權計劃 發行的股份	2,418,000	121	4,770,000	239
At the end of the period/year	於期末／年末	1,338,881,592	66,945	1,336,463,592	66,824

18 EQUITY COMPENSATION BENEFITS

18 股本補償福利

(a) Movements in share options

(a) 認股權的變動

		At 30 June 2006 於二零零六年 六月三十日	At 31 December 2005 於二零零五年 十二月三十一日
		Number 數目	Number 數目
At the beginning of the period/year	於期初／年初	34,678,000	20,648,000
Granted	已授出	175,000	18,800,000
Exercised (note 17)	已行使 (附註17)	(2,418,000)	(4,770,000)
Lapsed	到期失效	(400,000)	—
At the end of the period/year	於期末／年末	32,035,000	34,678,000
Options vested at the end of the period/year	於期末／年末授予的 認股權	29,268,332	31,911,332

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

中期財務報告附註 (續)

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

18 EQUITY COMPENSATION BENEFITS (Continued)

18 股本補償福利 (續)

(b) Terms of unexpired and unexercised share options at 30 June 2006

(b) 於二零零六年六月三十日尚未屆滿及尚未行使的認股權的年期

Date granted 授出日期	Exercise period 行使期	Exercise price 行使價 \$ 元	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	1.1100	4,660,000
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 2001年2月9日至 2011年2月16日	0.9500	1,213,000
12 September 2002 to 23 September 2002 2002年9月12日至 2002年9月23日	12 September 2002 to 22 September 2012 2002年9月12日至 2012年9月22日	3.2250	6,363,000
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	3.9750	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	3.9800	350,000
31 December 2004 2004年12月31日	27 January 2005 to 26 January 2015 2005年1月27日至 2015年1月26日	3.2000	350,000
2 November 2005 (Note(i)) 2005年11月2日 (附註(i))	23 November 2005 to 27 November 2015 2005年11月23日至 2015年11月27日	2.8750	18,418,000
30 December 2005 2005年12月30日	3 January 2006 to 2 January 2016 2006年1月3日至 2016年1月2日	3.3000	350,000
30 June 2006 2006年6月30日	30 June 2006 to 29 June 2016 2006年6月30日至 2016年6月29日	5.0000	175,000
			32,035,000

Note:

(i) 4,118,000 of the unexpired and unexercised options have vesting periods up to 23 November 2007.

附註：

(i) 其中4,118,000屬於尚未歸屬及未行使的認股權，其有效期至二零零七年十一月二十三日。

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

中期財務報告附註 (續)

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

18 EQUITY COMPENSATION BENEFITS (Continued)

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

Exercised period 授出日期		Exercise price 行使價 \$ 元	Six months ended	Year ended
			30 June 2006 截至 二零零六年 六月三十日 止六個月 Number 數目	31 December 2005 截至 二零零五年 十二月三十一日 止年度 Number 數目
23 November 2005 to 27 November 2015	2005年11月23日至 2015年11月27日	2.8750	—	18,450,000
3 January 2006 to 2 January 2016	2006年1月3日至 2016年1月2日	3.3000	—	350,000
30 June 2006 to 29 June 2016	2006年6月30日至 2016年6月29日	5.0000	175,000	—
			175,000	18,800,000

18 股本補償福利 (續)

(c) 期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

(d) Details of share options exercised during the Period

Exercise date 授出日期		Exercise price 行使價 \$ 元	Weighted average market value	Proceeds received 所得款項 \$'000 千元	Number 數目
			per share at exercise date 行使日加權 平均每股市價 \$ 元		
3 January	1月3日	1.110	3.2934	1,931	1,740,000
4 January	1月4日	2.875	3.3769	92	32,000
24 April	4月24日	3.225	4.2827	1,935	600,000
2 May	5月2日	0.950	4.2326	16	17,000
26 May	5月26日	3.225	4.4750	29	9,000
6 June	6月6日	3.225	4.4485	65	20,000
				4,068	2,418,000

(d) 期內已行使的認股權詳情

NOTES TO THE INTERIM FINANCIAL REPORT *(Continued)*

中期財務報告附註 (續)

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

18 EQUITY COMPENSATION BENEFITS *(Continued)*

18 股本補償福利 (續)

(e) Fair value of share options and assumptions:

The estimate of the fair value of the share options granted is measured based on the Black-Scholes pricing model.

(e) 認股權的公平價值及假設：

授出認股權之估計公平價值按Black-Scholes 認股權定價模式。

Date of grant

授出日

30 June 2006

二零零六年六月三十日

Fair value at measurement date (\$)	於計量日的公平值(元)	2.706453
Share price (\$)	股價(元)	5
Exercise price (\$)	行使價(元)	5
Expected volatility <i>(note (i))</i>	預期波動率 <i>(附註 (i))</i>	37.11%
Option life (Year)	認股權年期(年)	10
Expected dividends <i>(note (ii))</i>	預期股息 <i>(附註 (ii))</i>	0.38%
Risk-free interest rate <i>(note (iii))</i>	無風險利率 <i>(附註 (iii))</i>	4.826%

Note:

- (i) The expected volatility is based on the historical volatility of the share price one year immediately preceding the grant date.
- (ii) Expected dividends are based on historical dividends since the listing of the Company.
- (iii) Risk-free interest rate is based on the yield of the 10-year Hong Kong Exchange Fund Note.

附註：

- (i) 預計波幅是根據授出日過往一年股價的波幅。
- (ii) 估計股息按本公司上市以來過往的股息。
- (iii) 無風險利率按十年期的香港外匯基金票據的孳息率。

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

中期財務報告附註 (續)

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

19 RESERVES

19 儲備

		Capital reserve	Share premium	Exchange reserve	Fair value reserve	Employee share-based compensation reserve	Retained profits/ (accumulated losses)	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元	千元
At 1 January 2006	於二零零六年一月一日	567,458	1,644,418	6,125	254,648	20,629	(52,944)	2,440,334
Shares issued	已發行股份	—	3,947	—	—	—	—	3,947
Exchange differences on translation of the financial statements of subsidiaries outside of Hong Kong	換算香港以外地區附屬公司賬項的匯兌差異	—	—	13,056	—	—	—	13,056
Deficit on revaluation of available-for-sale securities, net of deferred tax	可供出售證券重估虧絀，減遞延稅項	—	—	—	(45,556)	—	—	(45,556)
Profit for the Period	本財務期溢利	—	—	—	—	—	328,285	328,285
Exercise of share options	行使認股權	—	41	—	—	(41)	—	—
Equity settled share-based transactions	股本償付之股份為本交易	—	—	—	—	474	—	474
At 30 June 2006	於二零零六年六月三十日	567,458	1,648,406	19,181	209,092	21,062	275,341	2,740,540
At 1 January 2005	於二零零五年一月一日	567,458	1,639,426	(11,828)	(136,290)	—	380,819	2,439,585
Shares issued	已發行股份	—	4,992	—	—	—	—	4,992
Exchange differences on translation of the financial statements of subsidiaries outside of Hong Kong	換算香港以外地區附屬公司賬項的匯兌差異	—	—	17,953	—	—	—	17,953
Surplus on revaluation of available-for-sale securities, net of deferred tax	可供出售證券重估盈餘，減遞延稅項	—	—	—	390,938	—	—	390,938
Loss for the year	本年度虧損	—	—	—	—	—	(433,763)	(433,763)
Equity settled share-based transactions	股本償付之股份為本交易	—	—	—	—	20,629	—	20,629
At 31 December 2005	於二零零五年十二月三十一日	567,458	1,644,418	6,125	254,648	20,629	(52,944)	2,440,334

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

中期財務報告附註 (續)

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

20 MATURITY PROFILE

20 到期情況

		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 永久 \$'000 千元	Total 總額 \$'000 千元
At 30 June 2006	於二零零六年六月三十日							
Assets	資產							
Deposits at banks and other financial institutions	銀行及其他財務 機構存款	84,717	1,307,888	15,881	3,729,668	—	—	5,138,154
Pledged deposits at banks	已抵押予銀行的存款	—	—	95,579	—	—	—	95,579
Certificates of deposit (under held-to-maturity)	存款證(持有至到期)	—	—	56,848	10,000	—	—	66,848
Debt securities (under held-to-maturity)	債務證券(持有至到期)	—	14,089	63,016	494,753	322,209	—	894,067
Debt securities (under available-for-sale)	債務證券(可供出售)	—	—	28,394	2,892,897	14,923,011	—	17,844,302
Debt securities (under designated at fair value)	債務證券(通過損益以 反映公平價值)	142,776	—	230,482	144,182	109,145	88,275	714,860
Loans and advances	貸款及墊款	—	14,340	64,173	19,878	—	—	98,391
		227,493	1,336,317	554,373	7,291,378	15,354,365	88,275	24,852,201
Liabilities	負債							
Interest-bearing notes	需付息票據	—	—	—	—	2,807,406	—	2,807,406
Securities sold under repurchase agreements	賣出回購證券	—	1,729,147	—	—	—	—	1,729,147
Investment contract liabilities	投資合約負債	108,747	—	—	—	—	—	108,747
Insurance protection fund	保險保障基金	—	3,758	4,259	—	—	—	8,017
		108,747	1,732,905	4,259	—	2,807,406	—	4,653,317

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

中期財務報告附註 (續)

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(以港幣列示)

20 MATURITY PROFILE (Continued)

20 到期情況 (續)

		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 永久 \$'000 千元	Total 總額 \$'000 千元
At 31 December 2005	於二零零五年十二月三十一日							
Assets	資產							
Deposits at banks and other financial institutions	銀行及其他財務 機構存款	271,919	1,269,252	16,268	1,023,552	1,195,244	—	3,776,235
Pledged deposits at banks	已抵押予銀行的存款	—	—	97,980	—	—	—	97,980
Certificates of deposit (under held-to-maturity)	存款證(持有至到期)	—	—	55,956	—	10,000	—	65,956
Certificates of deposit (under designated at fair value)	存款證(通過損益以 反映公平價值)	—	—	—	—	7,754	—	7,754
Debt securities (under held-to-maturity)	債務證券(持有至到期)	—	6,700	62,759	477,390	433,232	—	980,081
Debt securities (under available-for-sale)	債務證券(可供出售)	—	—	32,129	2,611,825	12,225,456	—	14,869,410
Debt securities (under designated at fair value)	債務證券(通過損益以 反映公平價值)	97,139	—	228,725	225,314	155,334	89,810	796,322
Loans and advances	貸款及墊款	4,830	—	47,558	19,878	—	—	72,266
		373,888	1,275,952	541,375	4,357,959	14,027,020	89,810	20,666,004
Liabilities	負債							
Interest-bearing notes	需付息票據	—	—	—	—	2,789,471	—	2,789,471
Securities sold under repurchase agreements	賣出回購證券	—	1,923,499	—	—	—	—	1,923,499
Investment contract liabilities	投資合約負債	75,857	—	—	—	—	—	75,857
Insurance protection fund	保險保障基金	—	—	7,229	—	—	—	7,229
		75,857	1,923,499	7,229	—	2,789,471	—	4,796,056

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

中期財務報告附註 (續)

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21 COMMITMENTS

- (a) Capital commitments outstanding at 30 June 2006 not provided for in the interim financial report were as follows:

	At 30 June 2006 於二零零六年 六月三十日 \$'000 千元	At 31 December 2005 於二零零五年 十二月三十一日 \$'000 千元
Contracted for 已訂約	73,624	86,024

- (b) At 30 June 2006, the total future minimum lease payments under non-cancellable operating leases were payable as follows:

	At 30 June 2006 於二零零六年 六月三十日 \$'000 千元	At 31 December 2005 於二零零五年 十二月三十一日 \$'000 千元
Within 1 year 1年內	107,228	72,914
After 1 year but within 5 years 1年後但5年內	70,152	66,318
	177,380	139,232

The Group leases a number of properties under operating leases which 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.

- (a) 於二零零六年六月三十日，尚未在中期財務報告反映的資本性承諾如下：

	At 30 June 2006 於二零零六年 六月三十日 \$'000 千元	At 31 December 2005 於二零零五年 十二月三十一日 \$'000 千元
Contracted for 已訂約	73,624	86,024

- (b) 於二零零六年六月三十日，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：

	At 30 June 2006 於二零零六年 六月三十日 \$'000 千元	At 31 December 2005 於二零零五年 十二月三十一日 \$'000 千元
Within 1 year 1年內	107,228	72,914
After 1 year but within 5 years 1年後但5年內	70,152	66,318
	177,380	139,232

本集團以經營租賃租入部份物業。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。

22 MATERIAL RELATED PARTY TRANSACTIONS

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

	Note 附註	Six months ended 30 June 截至六月三十日止六個月 2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Business ceded by related companies: — Gross premiums written — Commission expenses paid	(i)	119,968 42,625	94,599 28,665
Business retroceded to related companies: — Outward retroceded premiums — Commission income received	(ii)	3,044 84	3 33
Investment management fee	(iii)	1,274	1,125
Securities brokerage fee paid	(iv)	1,232	542
Insurance expenses covering business risk	(v)	158	138
Finance costs paid	(vi)	—	2,885
Rental and management fee paid	(vii)	905	905

以下是本集團與關連人士於期內進行的重大交易概要：

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

中期財務報告附註 (續)

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

22 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

22 重大關連人士交易 (續)

Notes:

- (i) Certain fellow subsidiaries of the Group ceded business to and received commission from a subsidiary of the Company.
- (ii) A subsidiary of the Group retroceded business to and received commission from certain fellow subsidiaries of the Company.
- (iii) A subsidiary of the Company provided investment consultancy services to and received investment management fee from certain fellow subsidiaries of the Group.
- (iv) The Company and certain subsidiaries of the Group entered into agreements with a fellow subsidiary of the Group, in relation to securities broking services provided. Securities broking fees were charged at a fixed rate of 0.2% of the value of the securities.
- (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's compensation, electronic equipment and professional indemnity.
- (vi) A subsidiary of the Group borrowed funds from a fellow subsidiary of the Group. This loan bears interest at LIBOR plus 1.8%. The loan was fully repaid during 2005.
- (vii) During the Period, the Company and a subsidiary of the Group leased office premises and car parking spaces, and paid rent and building management fees to, a fellow subsidiary of the Group.

Apart from the above, the Group entered into the following non-recurring transactions with related parties:

- (a) On 30 June 2006, the Company entered into an agreement with CIHK to acquire a 4.9% equity interest in a wholly-owned subsidiary of CIHK for a consideration of \$102,578,339. The Company also entered into certain letters of confirmation with CIHC, CIHK and other various parties in regard to the waiver of certain rights and the relaxation of certain non-competition restrictions. Completion of the above transaction is conditional upon the fulfillment of predetermined conditions agreed to amongst the parties. The details of this transaction are set out in the Circular dated 1 August 2006.
- (b) On 10 May 2005, a subsidiary of the Group entered into an agreement with a fellow subsidiary to sell certain properties located in the PRC for \$23,000,000, which was the net book value as at 31 December 2004. The Group intended to make use of the proceeds received for its general working capital and expected to invest the proceeds in appropriate assets to optimise its returns on the investments held. The transaction did not result in any gain or loss to the Group. The consideration was determined by reference to a valuation as at 31 December 2004 performed by an independent firm of surveyors, RHL Appraisal Limited. Under the agreement, the properties were sold on an "as is" basis. The fellow subsidiary agreed to handle and complete all of the relevant legal procedures and to bear all costs and expenses in relation to the transfer of ownership.

附註:

- (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) 本集團一間附屬公司向本集團若干同系附屬公司轉介業務及向其收取佣金。
- (iii) 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收入。
- (iv) 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。
- (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、電子設備及專業賠償責任等業務風險。
- (vi) 本集團一間附屬公司向本集團一間同系附屬公司借入一筆資金。此貸款按倫敦銀行間最優惠利率加1.8厘利息。該筆貸款已於二零零五年全數償還。
- (vii) 本公司及本公司一間附屬公司向本集團一間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。

除此之外，本集團與關連人士進行以下非經常交易：

- (a) 於二零零六年六月三十日，本公司與香港中保達成協議。以代價102,578,339元收購香港中保之一間全資附屬公司的4.9%股權。此外，本公司亦與中保控股、香港中保及其他人士訂立一些關於放棄若干權利和放寬若干不競爭限制的確認函。上述交易有待達成與上述人士同意之先決條件後方可完成。此交易之詳情載於二零零六年八月一日發行的通函內。
- (b) 於二零零五年五月十日，本集團之附屬公司與本集團之同系附屬公司達成協議。以於二零零四年十二月三十一日的賬面淨值23,000,000元出售位於中國的某些物業。本集團擬將出售所得款項用作一般營運資金，並預期將所得款項投資於合適的資產以增加投資回報。此交易沒有為本集團產生任何盈利或虧損。代價是參考經由獨立測量師行，永利行評估顧問有限公司，於二零零四年十二月三十一日的物業估值而釐定。根據協議，物業將按「現況」基準出售。同系附屬公司同意辦理及完成一切有關轉讓物業擁有權的法律手續，並承擔一切有關轉讓物業擁有權的費用及開支。

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

中期財務報告附註 (續)

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

22 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

The Group operates in an economic environment predominated by enterprises directly or indirectly owned or controlled by the PRC government through its numerous authorities, affiliates or other organisations (collectively “State-owned Entities”). During the Period, the Group had transactions with State-owned Entities including but not limited to sales of insurance policies and banking related services. These transactions are conducted in the ordinary course of the Group’s insurance business on terms similar to those that would have been entered into with non-state-owned entities. The Group has also established its pricing strategy and approval processes for its major insurance products. Such pricing strategy and approval processes do not depend on whether the customers are State-owned Entities or not. Having due regard to the substance of the relationships, the directors believe that none of these transactions are material related party transactions that require separate disclosure.

The Group considers that the key management personnel of the Group includes only the directors of the Company.

22 重大關連人士交易 (續)

本集團正處於一個以國家控制實體佔主導地位的經濟制度下營運，那些國家控制實體是由中國政府通過其政府機構、代理機構、附屬機構或其它機構直接或間接擁有的(統稱「國有實體」)，本集團於期內與國有實體進行包括但不限於保單銷售及銀行相關服務之交易，該些交易所執行的條款跟本集團日常保險業務過程中與非國有實體進行交易所執行的條款相似。本集團亦已制定就其主要保險產品的定價策略及審批程序。該等定價策略及審批程序與客戶是否國有實體無關。經考慮其關係的性質後，董事相信該等交易並非重大關連人士交易，故毋須獨立披露。

本集團認為本集團的主要管理人員只包括本公司的董事。

23 INSURANCE AND FINANCIAL RISK MANAGEMENT

(a) Underwriting strategy

Reinsurance

The Group’s reinsurance portfolio constitutes a mix of business spread across different geographic regions and classes, with an emphasis towards Asian countries, covering property damage, marine cargo and hull and miscellaneous non-marine classes. In addition to striving for diversification of its underwriting portfolio, the Group as a policy does not actively seek acceptance of any liability reinsurance business from customers operating outside of the Asia Pacific region, in particular, the United States of America. In the Asia Pacific region, which forms the core markets of the Group, liability reinsurance for motor, workers’ compensation and general third party liability businesses are written on a limited scale in order to provide customers in the region with comprehensive reinsurance services.

Life insurance

The Group focuses its life insurance business on the PRC life insurance market, offering a wide range of insurance products covering different types of individual and group life insurance, health insurance, accident insurance and annuity. With regard to the control of quality of the insurance policies underwritten, the Group has formulated strict operational procedures on underwriting and claims settlement to control risks.

23 保險及財務風險管理

(a) 承保策略

再保險

本集團的再保險組合由涵蓋不同地區及類別的一系列業務類別組成，重點在於亞洲國家，包括財物損毀、貨運及船隻保險以及各類非海事保險。雖然力爭其承保組合多元化，但本集團按既定政策，並無積極從亞太地區以外(尤其是美國)營運的客戶尋求任何責任再保險業務。在亞太地區，即本集團的核心市場，本集團會有限度承保汽車責任再保險、工傷賠償及一般第三者責任險，為區內客戶提供全面的再保險服務。

人壽保險

本集團人壽保險業務專注於中國人壽保險市場，提供多種保險產品，包括不同類型的個人及團體人壽保險、健康險、意外險及年金。在承保的保單質量控制方面，本集團已設立嚴格的承保及理賠操作程序，以控制風險。

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

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

23 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(b) Reinsurance strategy

Reinsurance

The Group purchases reinsurance protection from other reinsurers in order to increase its underwriting capacity, to diversify its risk exposure and to optimise its net retention exposure to avoid any significant adverse impact to its financial performance which may be caused by single or multiple catastrophic losses. The reinsurance arrangements are chosen after careful consideration, taking into account factors such as the reinsurer's reputation and credit worthiness.

Life insurance

Previously, the Group was required to cede 5% of insurance premiums and risks from short duration accident and health contracts to China Reinsurance (Group) Company under the statutory reinsurance regulations of the PRC. Such statutory reinsurance ceased on 1 January 2006. In addition, the Group purchases reinsurance protection from other reinsurers in the normal course of business in order to limit the potential for losses arising from longer and concentrated exposures. In assessing the credit worthiness of reinsurers, the Group takes into account, amongst other factors, ratings and evaluations performed by recognised credit rating agencies, claims-paying and underwriting track records, as well as the Group's past experience in working with the reinsurers.

(c) Asset and liability matching

Reinsurance

A key aspect in the management of the Group's risks is through the matching and timing of cash flows from assets and liabilities.

The Group actively manages its assets using an approach that balances quality, diversification, asset and liability matching, liquidity and investment return. The goal of the investment process is to maximise investment returns at a tolerable risk level, while ensuring that the assets and liabilities are managed on a cash flow and duration basis.

23 保險及財務風險管理 (續)

(b) 再保險策略

再保險

本集團從其他再保險商購買再保險保障以提高承保能力、分散風險及優化自留風險，避免個別或多次災難性損失可能嚴重打擊本集團的財務表現。選擇再保險安排時均經過審慎考慮，考慮因素如再保險商的聲譽及信用水平。

人壽保險

以往，根據中國的法定再保險規例，本集團須從短期意外及健康保險合約中分出5%保費及風險予中國再保險(集團)公司。自二零零六年一月一日起終止實施該法定再保險規例。此外，本集團於日常業務過程中向其他再保險商購買再保險保障，以限制因較長期及集中風險而產生的潛在損失。在評估再保險商的信用水平時，本集團會考慮認可信用評級機構的評級及評估、以往賠款及承保記錄及與本集團以往與再保險商的交易經驗等因素。

(c) 資產與負債配對

再保險

本集團管理風險的主要範疇在於資產與負債的現金流動配對及其時間配對。

本集團通過平衡質素、多元組合、資產與負債配對、流動性與投資回報等方面的手段來積極管理資產。投資過程的目標是在可容忍的風險程度內將投資回報提升至最高水平，同時確保資產與負債按現金流動及期限基準管理。

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

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23 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(c) Asset and liability matching (Continued)

Life insurance

The objective of the Group's asset and liability management is to match the Group's assets with liabilities on the basis of duration. However, under the current regulatory and market environment in the PRC, the Group is unable to invest in assets with a duration of sufficient length to match the duration of its life insurance liabilities. When the regulatory and market environment permits, the Group intends to gradually lengthen the duration of its assets. The Group monitors the duration gap between its assets and liabilities closely and prepares cash flow projections from assets and liabilities on a regular basis. Currently, the Group intends to reduce the level of the asset-liability mismatch by:

- actively seeking to acquire longer dated fixed rate debt securities with an acceptable level of yield;
- upon the maturity dates of fixed rate debt securities, rolling over the proceeds to longer dated fixed rate debt securities;
- disposing of some of the shorter dated fixed rate debt securities, particularly those with lower yields, and rolling over the proceeds to longer dated fixed rate debt securities; and
- investing in equities for the long term.

(d) Financial risk

Transactions in financial instruments may result in the Group assuming financial risks. These include market risk, credit risk, liquidity risk and reinsurance risk. Each of these financial risks is described below, together with a summary of the ways in which the Group manages these risks.

(i) Market risk

Market risk can be described as the risk of change in fair value of a financial instrument due to changes in interest rates, equity prices or foreign currency exchange rates.

— Interest rate risk

Reinsurance

Reinsurance premium and loss reserves are not discounted other than by agreed claims with fixed payment terms. In addition, most of the fixed rate debt securities are classified under the held-to-maturity category and stated at amortised cost. Therefore, interest rate risks to the Group on these reserves for reinsurance contracts and investments are not significant.

23 保險及財務風險管理 (續)

(c) 資產與負債配對 (續)

人壽保險

本集團的資產與負債管理目標為按期限基準配對本集團的資產與負債。然而，有鑒於中國現行監管及市場環境，本集團未能投資於期限足以配對其壽險負債的資產。在監管及市場環境允許的情況下，本集團有意逐步延長其資產的期限。本集團密切監察其資產與負債的期限差距，定期進行資產與負債的現金流動預測。目前，本集團有意透過以下方法降低資產與負債不配的程度：

- 積極尋求取得收益水平可接受的較長期定息債務證券；
- 於定息債務證券到期後，將所得款項滾存入更長期的定息債務證券；
- 出售部份短期定息債務證券，尤其是收益率較低者，將所得款項滾存入更長期的定息債務證券；及
- 長期股本投資。

(d) 財務風險

財務工具交易可引致本集團須承擔若干財務風險。該等風險包括市場風險、信用風險、流動資金風險及再保風險。各有關財務風險連同本集團管理該等風險的方法闡述如下。

(i) 市場風險

市場風險乃指因利率、股本價值或外幣匯率變動造成財務工具的公平價值變動而引致的風險。

— 利率風險

再保險

再保險保費及賠付準備並無折扣，惟具已達成固定支付條件的賠款則除外。此外，大部份定息債務證券被歸類為持有至到期類，並按已攤銷成本列賬。因此，本集團就再保險合約及投資的該等儲備方面並無重大利率風險。

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

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23 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

23 保險及財務風險管理 (續)

(d) Financial risk (Continued)

(d) 財務風險 (續)

(i) Market risk (Continued)

(i) 市場風險 (續)

— Interest rate risk (Continued)

— 利率風險 (續)

Life insurance

人壽保險

The Group is exposed to interest rate risk on its reserves for life insurance contracts and its fixed rate debt investment portfolio. The Group monitors this exposure through periodic reviews of its asset and liability positions. Estimates of cash flows, as well as the impact of interest rate fluctuations on the investment portfolio and insurance liabilities, are modelled and reviewed periodically.

本集團就人壽保險合約及其定息債券投資組合的儲備須承擔利率風險。本集團透過定期審閱其資產及負債情況監控該風險。就本集團投資組合及保險負債而言，吾等會對現金流量估值以及因利率變動所帶來的影響均進行定期模擬及審閱。

— Equity price risk

— 股本價格風險

The Group has a portfolio of marketable equity securities, which is carried at fair value and is exposed to price risk. This risk is defined as the risk of potential loss in market value resulting from an adverse change in prices. The Group's objective is to earn competitive relative returns by investing in a diverse portfolio of high quality and liquid equity securities.

本集團的有價股本證券組合以公平價值列賬及須承擔價格風險。該風險指因價格的不利變動而造成市值的潛在損失的風險。本集團的目標是透過投資於高質素的多元化流動股本證券組合以賺取具競爭力的相對回報。

In respect of the reinsurance business, investments in equity securities are limited to less than 20% of total investments. The equity security portfolio is diversified across different geographies and different industries.

就再保險業務而言，股本證券投資須低於總投資額的20%。股本證券組合分散投資於不同地區及不同行業。

In respect of the life insurance business, the current PRC regulations limit an insurance company's investments in listed equities and equity investment funds to no more than 5% and 15%, respectively, of total assets. An insurance company is only allowed to invest in equities listed in the PRC.

就人壽保險業務而言，根據當前中國法規例的規定，限制保險公司投資於上市股本及股本投資基金的比例分別不得超過總資產的5%及15%。保險公司只限於投資在中國上市的股本證券。

— Foreign exchange risk

— 外匯風險

In respect of the reinsurance business, premiums are received mainly in HKD and USD and also in a number of Asian currencies which tend to move closely in line with USD currency rate movements. The Group aims to hold assets in these currencies in broadly the similar proportion as its insurance liabilities.

就再保險業務而言，保費主要以港幣及美元計值，同時亦以多種傾向緊隨美元匯率變動的亞洲貨幣計值。本集團致力維持以該等貨幣持有資產的比例與其保險負債大致相同。

In respect of the life insurance business, premiums are received in RMB and the insurance regulations in the PRC requires that insurers hold RMB assets. The capital injections from shareholders outside of the PRC were in HKD and USD.

就人壽保險業務而言，保費以人民幣計值，而中國保險法規例規定保險公司持有人民幣資產。中國境外股東以港幣及美元注資。

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

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23 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(d) Financial risk (Continued)

(ii) Credit risk

Credit risk is the risk of economic loss resulting from the failure of one of the obligors to make any payment of principal or interest when due, in the case of fixed income investments and receivables. In the case of an equity investment, the loss in value would be from a corporate failure or bankruptcy.

Reinsurance

The Group is exposed to credit risks primarily associated with its reinsurance debtors and the debt securities in its investment portfolio. To reduce the credit risk with reinsurance debtors, the Group takes into account, among other factors, ratings and evaluations by recognised credit rating agencies, their claims payment and underwriting track records, as well as the Group's past transaction experience with them. The Group also diversifies its credit risk by reinsuring with a number of reinsurers who are domiciled in many different countries. To reduce the credit risk associated with fixed income investments, the Group generally restricts its investments to only fixed income debt securities with credit ratings above investment grade, i.e. BBB or higher, except for certain sovereign rated securities.

Life insurance

The Group is exposed to credit risks primarily associated with its investments in debt securities issued by enterprises in the PRC. To reduce its credit risk, the Group has established detailed credit control policies and by undertaking careful credit analysis of each investment made. In addition, the risk levels of the various investment sectors is continuously monitored with investment mix adjusted accordingly.

The total allowance and provision for receivable losses consists of two components: individual impairment allowances and collective impairment allowances. The individual impairment allowance component applies to receivables evaluated individually for impairment and is based upon management's best estimate of the present value of the cash flows which are expected to be received. Each impaired asset is assessed on its merits. Collective impairment allowances cover credit losses inherent in portfolios of receivables with similar economic characteristics where there is objective evidence to suggest that they contain impaired receivables, but which the individual impaired item cannot be identified. In assessing the need for collective impairment allowances, management considers factors such as credit quality, portfolio size, concentration, and economic conditions.

23 保險及財務風險管理 (續)

(d) 財務風險 (續)

(ii) 信用風險

信用風險是指，對固定利息投資及應收賬款而言，債務人到期未能支付任何本金或利息而引起經濟損失的風險，或對股本投資而言，因被投資企業經營失敗或破產而引起損失的風險。

再保險

本集團主要會承受的信用風險與其再保險債務人及於其投資組合內的債務證券有關。為降低與再保險債務人有關的信用風險，本集團將(其中包括)認可信用評級機構的評級及評估、債務人賠款支付及承保的紀錄以及本集團與債務人的過往交易經驗等因素考慮在內。此外，本集團亦透過與不同國家的再保險公司分保，予以分散信用風險。為降低與固定利息投資有關的信用風險，本集團普遍限制其投資於對信貸評級高於投資等級(即BBB或更高)的固定利息債務證券的投資，但部份主權評級證券除外。

人壽保險

本集團主要會遭受的信用風險與其投資於中國的企業所發行的債務證券有關。為降低其信用風險，本集團已制定詳盡的信用控制政策及對每項投資進行審慎的信用分析。此外，亦透過持續監控不同投資行業的風險水平並相應調整投資組合。

應收虧損的準備總額由兩部份組成：個別減值準備及集體減值準備。個別減值準備適用於為減值而個別作出估值的應收賬款，乃基於管理人員對擬收取現金流量現值的最佳估計。各項減值資產均按其素質予以估值。集體減值準備指具有相似經濟特徵的應收賬款組合的內在信用虧損，且有客觀事實證明其包含減值應收賬款但個別減值項目卻無法確認。在評定集體減值準備的需要時，管理人員考慮的因素包括信用質素、組合規模、集中程度及經濟情況。

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

中期財務報告附註 (續)

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

23 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(d) Financial risk (Continued)

(iii) Liquidity risk

The Group has to meet daily calls on its cash resources, notably from claims arising from its reinsurance contracts and life insurance contracts. There is therefore a risk that cash will not be available to settle liabilities when due.

The Group manages this risk by formulating policies and general strategies of liquidity management to ensure that the Group can meet its financial obligations in normal circumstances and that an adequate stock of high-quality liquid assets is maintained in order to meet any liquidity crisis.

Apart from liquidity management and regulatory compliance, the Group always strives to maintain a comfortable liquidity cushion as a safety net for coping with unexpected large funding requirements and to maintain a contingency plan to be enacted should there be a company specific crisis.

(iv) Reinsurance risk

The Group cedes insurance risk to limit exposure to underwriting losses under various agreements that cover certain reinsurance and life insurance policies. These reinsurance agreements spread the risk and minimise the effect of losses. The amount of each risk retained depends on the Group's evaluation of the specific risk, subject to certain circumstances, to maximum limits based on characteristics of coverage. Under the terms of the reinsurance agreements, reinsurers agree to reimburse the ceded amount in the event the claim is paid. However, the Group remains liable to its policyholders with respect to ceded insurance if any reinsurer fails to meet the obligations it assumes.

(e) Reserve adequacy

The Group exercises great care and effort in setting up the reserves for its reinsurance business. The reserves are estimated by the Group, using actuarial methods such as loss development methods and/or the Bornhuetter-Ferguson methods. The adequacy of reserves is regularly reviewed.

The computation of the Group's reserves for its life insurance business is in accordance with accounting principles generally accepted in Hong Kong. The determination of annual reserves to be made are based on realistic assumptions on mortality and morbidity rates, returns on investment, persistency rates and policy maintenance expenses after reasonable and prudent adjustments for adverse deviation to ensure adequacy of reserves on a going concern basis.

23 保險及財務風險管理 (續)

(d) 財務風險 (續)

(iii) 流動性風險

本集團須滿足其現金資源的每日調用，尤其是其再保險合約及人壽保險合約產生的賠款費用，因此存在現金不足以償還到期負債的風險。

本集團透過制定流動資金管理的政策及一般策略管理該風險，以確保本集團能滿足正常財務需求及備有充裕的高質素流動資產，以應對任何流動資金危機。

除流動資金管理及法規監察外，本集團通常會留存適度的流動資金緩衝額作為應對預料之外的大筆資金需求的安全措施，以及制定應急計劃以應付公司的特定危機。

(iv) 再保險風險

本集團透過分散保險風險以限制所承受包含若干再保險及人壽保險保單的不同協議下的承保損失的風險。該等再保險協議令風險得以分散，並將賠償的影響降至最低。各種風險的自留金額取決於本集團對特定風險的估值，在某些情況下取決於承保範圍特徵的最高限額。根據再保險協議條款的規定，再保險公司同意在賠款支付後攤還分出的金額。然而，倘任何再保險公司未能履行其相應的責任，本集團仍將就分出的保險對保單持有人負責。

(e) 充足儲備

本集團為再保險業務建立儲備時極為審慎。本集團採用精算法如損失發展法，及／或「BORNHUETTER-FERGUSON」法估算儲備。並定期檢討儲備金是否充足。

本集團根據香港公認會計準則來計算本集團人壽保險業務之儲備。每年的準備金是以務實的死亡率、傷病率、投資回報率、續保率和維護費用假設而釐定，並為可能出現的不利偏差在假設做了合理和審慎的調整，以確保在持續經營的基礎上準備金的充足性。

NOTES TO THE INTERIM FINANCIAL REPORT *(Continued)*

中期財務報告附註 (續)

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

23 INSURANCE AND FINANCIAL RISK MANAGEMENT *(Continued)*

(f) Risks associated with investment contracts without discretionary participation features

There is no material difference in risk exposure between life insurance contracts and investment contracts without discretionary participation features, except that the mortality risk of investment contracts is generally much smaller.

23 保險及財務風險管理 (續)

(f) 與不具酌情分紅特色的投資合約的有關風險

人壽保險合約與不具酌情分紅特色的投資合約的風險並無重大差異，惟投資合約的死亡率風險通常較小。

24 CONTINGENT LIABILITIES

In respect of the insurance claim against CIRe made by an individual in the United States (the "U.S."), the U.S. District Court dismissed the action on 7 July 2006. Apart from the foregoing, there is no significant development in respect of the contingent liabilities as disclosed in the audited financial statements for the year ended 31 December 2005. The details of these contingent liabilities are set out in Note 45 of the audited financial statements for the year ended 31 December 2005.

24 或然負債

關於一名人士在美國與訟向中再國際索取保險賠償，美國區域法院於二零零六年七月七日駁回此起訴。除此之外，披露於截至二零零五年十二月三十一日止年度的已審核財務報表內的或然負債沒有重大進展。該等或然負債之詳情載於截至二零零五年十二月三十一日止年度的已審計財務報表附註45內。

25 COMPARATIVE FIGURES

Consistent with the audited financial statements for the year ended 31 December 2005, all premiums received from certain investment contracts with discretionary participation features are reported as gross premiums written in this interim financial report. Certain income and expenses associated with these investment contracts are reclassified accordingly. In addition, certain comparative figures have been reclassified to conform with the current period's presentation. The directors consider that these changes provide a better presentation of the financial results of the Group.

25 比較數字

為與截至二零零五年十二月三十一日止年度的已審計財務報表一致，所有酌情分紅型投資合約的保費在本中期財務報告均呈報為毛承保保費，與此投資合約相連之收入及開支均相應重新分類。此外，若干比較數字已作重新分類以符合本財務期的列示。董事相信新的分類對本中期報告提供更佳的呈報。

INDEPENDENT REVIEW REPORT



INDEPENDENT REVIEW REPORT TO THE BOARD OF DIRECTORS OF CHINA INSURANCE INTERNATIONAL HOLDINGS COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

Introduction

We have been instructed by the Company to review the interim financial report set out on pages 6 to 47.

Respective responsibilities of directors and auditors

The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standards 34 “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountants. The interim financial report is the responsibility of, and has been approved by, the directors.

It is our responsibility to form an independent conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Review work performed

We conducted our review in accordance with Statement of Auditing Standards 700 “Engagements to review interim financial reports” issued by the Hong Kong Institute of Certified Public Accountants. A review consists principally of making enquiries of group management and applying analytical procedures to the interim financial report and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the interim financial report.

Review conclusion

On the basis of our review which does not constitute an audit, we are not aware of any material modifications that should be made to the interim financial report for the six months ended 30 June 2006.

KPMG

Certified Public Accountants

Hong Kong, 17 August 2006

獨立審閱報告



致中保國際控股有限公司董事會
(於香港註冊成立的有限公司)

引言

我們已審閱貴公司刊於第6頁至第47頁的中期財務報表。

董事及核數師的責任

根據《香港聯合交易所有限公司證券上市規則》(「上市規則」)，上市公司必須以符合上市規則中相關的規定及香港會計師公會頒布的《香港會計準則》第34號 — 「中期財務報告」的規定編製中期財務報表。中期財務報表由董事負責，並由董事核准通過。

我們的責任是根據我們審閱工作的結果，對財務報告提出獨立意見，並按照我們雙方所協定的應聘條款，只向作為法人團體的股東報告。除此以外，我們的報告書不可用作其他用途。我們概不就本報告書的內容，對任何其他人士負責或承擔法律責任。

審閱工作的範圍

我們是按照香港會計師公會所頒布的《核數準則》第700號 — 「中期財務報表的審閱」進行審閱。審閱工作主要包括向集團管理層作出查詢及分析中期財務報表，評估財務報表中會計政策是否貫徹運用，賬項編列是否一致；賬項中另有說明的特別情況除外。審閱不包括控制測試資產、負債和交易驗證等審核程序。由於審閱的範圍遠較審核小，所給予的保證程度也較審核低，因此，我們不會對中期財務報表發表審核意見。

審閱結論

根據這項不構成審核的審閱工作，我們並沒有察覺截至二零零六年六月三十日止六個月的中期財務報表需要作出任何重大的修訂。

畢馬威會計師事務所
執業會計師

香港，二零零六年八月十七日

MANAGEMENT DISCUSSION AND ANALYSIS

CONSOLIDATED FINANCIAL RESULTS

The performance highlights of the Group for the Period are summarised as follows:

For the six months ended 30 June, HK\$ million

	2006	2005	Change
Gross premiums written and policy fees	7,061.50	3,743.17	88.7%
Net investment income and net gain	948.21	315.80	200.3%
Net exchange gain/(loss)	24.95	(46.87)	nm
Net profit/(loss) attributable to the Group	328.29	(43.77)	nm
Basic earnings/(loss) per share (HK cent)	24.5	(3.3)	nm

The net profit/(loss) attributable to the Group by each business line is summarised below:

The business segment data (Note 2 to the interim financial report) should be read in conjunction with this analysis.

For the six months ended 30 June, HK\$ million

	2006	2005	Change
Reinsurance	205.27	76.76	167.4%
Life insurance	128.47	(83.87)	nm
Property and casualty insurance ¹	4.35	(11.46)	nm
Corporate and other businesses	(9.80)	(25.20)	(61.1%)
Net profit/(loss) attributable to the Group	328.29	(43.77)	nm

¹ *The property and casualty insurance business is operated by TPI which is an associated company of the Group under the Hong Kong accounting standards and is not consolidated into the Group on a line-by-line basis. Therefore, the property and casualty insurance business does not constitute a separate segment of the Group as defined in Note 2 of the interim financial report. Instead, the share of results of TPI for the financial period is recognised and reported as "Share of profits/(losses) of associates" in the consolidated income statement. The equity interest of TPI held by the Group at the balance sheet date is recognised and reported as "Interest in associates" in the consolidated balance sheet. They are grouped under the "Corporate and other businesses" segment in Note 2 of the interim financial report. Readers are advised to pay attention to this when reading Note 2 of the consolidated financial statements.*

The **gross premiums written and policy fees** for the Period increased significantly to HK\$7,061.50 million from HK\$3,743.17 million in the Last Period. The increase was mainly due to the strong premium growth in the life insurance business in which premiums increased by 113.0% to HK\$5,841.63 million from HK\$2,742.04 million in the Last Period.

The **net profit attributable to the Group** for the Period was HK\$328.29 million (2005: loss of HK\$43.77 million). The Group's results improved over that of the Last Period primarily because of improvements in profitability at each of our business segments.

The **reinsurance business** contributed net profit to the Group of HK\$205.27 million (2005: HK\$76.76 million). The improvement in net profit was mainly due to stable underwriting profits and a strong investment performance during the Period.

管理層討論和分析

綜合財務表現

本集團期內重點表現概述如下：

截至六月三十日止六個月，百萬港元

	二零零六年	二零零五年	變化
毛承保保費及保單費收入	7,061.50	3,743.17	88.7%
投資收入及收益淨額	948.21	315.80	200.3%
匯兌收益／(虧損)淨額	24.95	(46.87)	不詳述
本集團應佔溢利／(虧損)淨額	328.29	(43.77)	不詳述
每股基本盈利／(虧損) (港仙)	24.5	(3.3)	不詳述

按各業務線分類之本集團應佔溢利／(虧損)淨額概述如下：

下文分析應與業務分類資料(本中期財務報告附註2)一併閱覽。

截至六月三十日止六個月，百萬港元

	二零零六年	二零零五年	變化
再保險	205.27	76.76	167.4%
人壽保險	128.47	(83.87)	不詳述
財產保險業務 ¹	4.35	(11.46)	不詳述
企業及其他業務	(9.80)	(25.20)	(61.1%)
本集團應佔溢利／(虧損)淨額	328.29	(43.77)	不詳述

¹ 本集團之財產保險業務由太平保險營運。根據香港會計準則，太平保險屬於本集團之聯營公司，故並無以分項方法綜合於本集團之財務報表內。因此，誠如本中期財務報告附註2之定義，財產保險業務並不構成本集團之分項分類，而財務期分佔太平保險之業績於綜合損益表被確認及列報為「應佔聯營公司溢利／(虧損)」。本集團於結算日持有之太平保險權益，於綜合資產負債表被確認及列報為「於聯營公司之權益」。上述賬項於中期財務報告附註2被歸類為「企業及其他業務」。閣下閱覽本中期財務報告附註2時，務請加倍留意。

於本財務期，毛承保保費及保單費收入由去年同期37.4317億港元大幅增加至70.6150億港元。增加主要是因為人壽保險業務的保費收入有強勁的增長，期內人壽保險保費收入由去年同期27.4204億港元增加113.0%至58.4163億港元。

於本財務期，本集團應佔溢利淨額為3.2829億港元(二零零五年：虧損4,377萬港元)。本集團業績得到改善主因是每個業務分類的盈利均有改善。

再保險業務對本集團淨溢利的貢獻為2.0527億港元(二零零五年：7,676萬港元)。淨溢利改善的主因是本財務期內承保溢利保持穩定及投資表現強勁。

MANAGEMENT DISCUSSION AND ANALYSIS

The **life insurance business** contributed net profit to the Group of HK\$128.47 million (2005: loss of HK\$83.87 million). This profit during the Period represents an important milestone in the Group's and TPL's strategic objective to achieve profitability for the full year in 2006.

The **property and casualty business** contributed a net profit to the Group of HK\$4.35 million (2005: loss of HK\$11.46 million). This profit during the Period represents a very positive trend at the property and casualty business, which strategically aims to achieve a break-even result for the full year in 2006.

CONSOLIDATED INVESTMENT PERFORMANCE

The total investments of the Group are summarised as follows:

	At 30 June 2006		At 31 December 2005	
	HK\$ million	% of Total	HK\$ million	% of Total
Debt securities	19,520.08	66.9%	16,719.52	67.5%
Cash and bank deposits	6,773.87	23.2%	5,111.02	20.6%
Equity securities	902.01	3.1%	649.50	2.6%
Equity investment funds	1,829.17	6.3%	745.11	3.0%
Money market investment funds	9.13	—	1,465.05	5.9%
Composite investment funds	23.46	0.1%	8.38	—
Investment properties	110.67	0.4%	105.48	0.4%
Total investments	29,168.39	100.0%	24,804.06	100.0%

The percentage of total investments held by each business segment was as follows:

	At 30 June 2006	At 31 December 2005
Reinsurance	11.4%	12.5%
Life insurance	85.5%	83.6%
Corporate and other businesses	3.1%	3.9%
	100.0%	100.0%

The total investment income excluding the exchange gain/loss of the Group significantly increased by 200.3% to HK\$948.21 million from HK\$315.80 million in the Last Period. The increase was primarily due to the significant increase in investment assets at the Group which resulted from the strong premium growth in the reinsurance and life insurance businesses, as well as strong investment returns from equities markets, particularly in the PRC and in Hong Kong.

REINSURANCE BUSINESS

The Group's reinsurance business is operated by CIRe, which is a Hong Kong incorporated company and wholly-owned by the Group. It is mainly engaged in the underwriting of all classes of reinsurance business except for casualty reinsurance business outside of Asia. CIRe's key markets are Hong Kong and Macau, China, Japan, the rest of Asia, Europe and other parts of the world.

管理層討論和分析

人壽保險業務對本集團淨溢利的貢獻為1.2847億港元(二零零五年：虧損8,387萬港元)。本財務期的溢利，對本集團及太平人壽於二零零六年達至全年有溢利的策略目標，是一個重要的里程碑。

財產保險業務為本集團帶來435萬港元的淨溢利貢獻(二零零五年：虧損1,146萬港元)。財產保險業務在本財務期的溢利對於二零零六年可以達至全年收支平衡的策略目標，顯示了非常正面的趨勢。

綜合投資表現

本集團的投資總值概述如下：

	於二零零六年六月三十日		於二零零五年十二月三十一日	
	百萬港元	佔總數百分比	百萬港元	佔總數百分比
債務證券	19,520.08	66.9%	16,719.52	67.5%
現金及銀行存款	6,773.87	23.2%	5,111.02	20.6%
股本證券	902.01	3.1%	649.50	2.6%
股本投資基金	1,829.17	6.3%	745.11	3.0%
貨幣市場投資基金	9.13	—	1,465.05	5.9%
綜合投資基金	23.46	0.1%	8.38	—
投資物業	110.67	0.4%	105.48	0.4%
投資總額	29,168.39	100.0%	24,804.06	100.0%

各業務分類佔投資總值之百分比如下：

	於二零零六年 六月三十日	於二零零五年 十二月三十一日
再保險	11.4%	12.5%
人壽保險	85.5%	83.6%
企業及其他業務	3.1%	3.9%
	100.0%	100.0%

本集團不含匯兌收益／(虧損)的投資收入總額由去年同期之3.1580億港元大幅上升200.3%至9.4821億港元。升幅主要由於本集團的投資資產受再保險及人壽保險業務的強勁保費收入帶動而大幅增加，以及在股本市場投資有強勁的回報，當中以中國及香港的股本市場尤其顯著。

再保險業務

本集團之再保險業務由本集團全資擁有之香港註冊公司中再國際營運。其主要從事承保全球各類再保險業務，但亞洲以外的責任險業務則除外。中再國際之主要市場為香港及澳門、中國、日本、其他亞洲國家或地區、歐洲及世界其他地方。

MANAGEMENT DISCUSSION AND ANALYSIS

The key financial data and key performance indicators of the reinsurance business are summarised below:

For the six months ended 30 June, HK\$ million

	2006	2005	Change
Gross premiums written	1,216.23	999.61	21.7%
Net premiums written	1,079.31	844.71	27.8%
Net earned premiums	698.54	551.18	26.7%
Net claims incurred	(413.48)	(284.46)	45.4%
Net commission expenses	(250.79)	(213.04)	17.7%
Underwriting profit	26.54	47.18	(43.7%)
Net investment income and net gain	154.86	84.19	83.9%
Net exchange gain/(loss)	37.15	(45.64)	nm
Profit attributable to the Group	205.27	76.76	167.4%
Solvency margin ratio	67.8%	60.5%	7.3 pts
Technical reserves ratio	348.3%	398.4%	(50.1 pts)
Retained ratio	88.7%	84.5%	4.2 pts
Earned premiums ratio	57.4%	55.1%	2.3 pts
Loss ratio	59.2%	51.5%	7.7 pts
Expense ratio	37.0%	39.9%	(2.9 pts)
Combined ratio	96.2%	91.4%	4.8 pts

Profit Attributable to the Group

CIRe contributed net profit to the Group of HK\$205.27 million (2005: HK\$76.76 million). The net profit attributable to the Group for the Period is one of CIRe's best interim results in recent years. The positive performance during the Period was mainly due to higher equity investment income, positive exchange rate movements, and higher interest rates on cash deposits. The underwriting profit, however, decreased to HK\$26.54 million from HK\$47.18 million in the Last Period. The lower underwriting profit was due to the strong premium growth during the Period, which resulted in a large increase in the unearned premium provisions and the immediate expensing of underwriting commissions and policy acquisition costs for the Period, which increased along with the larger premium income written.

Gross Premiums Written

CIRe's gross premiums written increased strongly by 21.7% to HK\$1,216.23 million from HK\$999.61 million in the Last Period. The increase was primarily due to the continued growth of the underlying insurance markets within Asia. CIRe has been able to maintain its core clients and core reinsurance contracts with reasonable terms and conditions. In certain markets, such as in Mainland China and Singapore, CIRe was able to acquire additional new business and increase its market share.

Net Claims Incurred

CIRe's net claims incurred increased by 45.4 % to HK\$413.48 million from HK\$284.46 million in the Last Period. The loss ratio also increased to 59.2% from 51.5% in the Last Period. Although no major catastrophes or fire risk losses occurred which affected CIRe during the Period, there were a number of marine losses, involving hull or cargo interests.

管理層討論和分析

再保險業務之主要財務數據及主要表現指標概述如下：

截至六月三十日止六個月，百萬港元

	二零零六年	二零零五年	變化
毛承保保費	1,216.23	999.61	21.7%
淨承保保費	1,079.31	844.71	27.8%
已賺取保費淨額	698.54	551.18	26.7%
賠款淨額	(413.48)	(284.46)	45.4%
佣金支出淨額	(250.79)	(213.04)	17.7%
承保溢利	26.54	47.18	(43.7%)
投資收入及收益淨額	154.86	84.19	83.9%
匯兌收益／(虧損)淨額	37.15	(45.64)	不詳述
本集團應佔溢利	205.27	76.76	167.4%
償付能力充足比率	67.8%	60.5%	7.3 點
技術性儲備比率	348.3%	398.4%	(50.1 點)
自留比率	88.7%	84.5%	4.2 點
滿期保費率	57.4%	55.1%	2.3 點
賠付率	59.2%	51.5%	7.7 點
費用率	37.0%	39.9%	(2.9 點)
滿期保費綜合成本率	96.2%	91.4%	4.8 點

本集團應佔溢利

中再國際對本集團淨溢利的貢獻為2.0527億港元(二零零五年：7,676萬港元)。中再國際在本財務期對本集團的淨溢利貢獻是近年最佳的中期業績之一，主因是較高的股本投資收入、正面的匯率變動及較高的現金存款利率。然而，承保溢利由去年同期之4,718萬港元下跌至2,654萬港元。較遜色的承保溢利是由於強勁的保費增長，引致未到期責任準備金增加，而期內的承保佣金支出及保單獲得成本均是即時報銷，它們會隨著本財務期保費收入增加而上升。

毛承保保費

中再國際之毛承保保費由去年之9.9961億港元顯著上升21.7%至12.1623億港元。升幅主要由於亞洲市場中之相關保險市場持續增長。中再國際能以合理的條件維持其核心客戶及核心再保險合約。在某些市場如中國大陸及新加坡，中再國際能取得新業務及增加市場份額。

賠款淨額

中再國際之賠款淨額由去年同期之2.8446億港元上升45.4%至4.1348億港元。賠付率亦由去年同期之51.5%上升至59.2%。雖然期內沒有巨大災難或火災賠付影響中再國際，但期內發生好幾宗涉及船隻或貨運的水險賠款。

MANAGEMENT DISCUSSION AND ANALYSIS

Investment Performance

The composition of investments held by CIRe was as follows:

	At 30 June 2006		At 31 December 2005	
	HK\$ million	% to Total	HK\$ million	% to Total
Debt securities	1,441.28	43.5%	1,473.64	47.5%
Cash and bank deposits	1,404.45	42.3%	1,187.08	38.2%
Equity securities	332.80	10.0%	325.72	10.5%
Money market investment funds	6.40	0.2%	4.69	0.1%
Composite investment funds	23.46	0.7%	8.38	0.3%
Investment properties	110.67	3.3%	105.48	3.4%
Total invested assets	3,319.06	100.0%	3,104.99	100.0%

Investment in debt securities and cash and bank deposits represented approximately 85.8% of total invested assets as at 30 June 2006 (31 December 2005: 85.7%). During the Period, CIRe continued to adopt a prudent and conservative investment philosophy aimed at generating stable cash inflows.

The net investment income and the investment yield of CIRe are summarised as follows:

For the six months ended 30 June, HK\$ million

	2006	2005	Change
Net investment income	78.97	63.62	24.1%
Net gain (Net realised and unrealised gain from investments)	75.89	20.57	268.9%
Total investment income	154.86	84.19	83.9%
Net investment yield (annualised)	4.9%	4.2%	0.7pt
Total investment yield (annualised)	9.6%	5.7%	3.9pts

The higher total investment income for the Period was a significant contributor to the performance of the reinsurance business. The net investment income significantly increased by 83.9% due to improved net investment yields and a larger investment asset base which resulted from the premium growth. The above investment income and investment yield did not include a net exchange gain of HK\$37.15 million (2005: loss of HK\$45.64 million).

LIFE INSURANCE BUSINESS

The Group's life insurance segment is operated by TPL, which is a PRC-incorporated company and is 50.05%-owned by the Group. TPL is principally engaged in the underwriting of life insurance policies in Mainland China.

管理層討論和分析

投資表現

中再國際持有之投資組合情況如下：

	於二零零六年六月三十日		於二零零五年十二月三十一日	
	百萬港元	佔總數百分比	百萬港元	佔總數百分比
債務證券	1,441.28	43.5%	1,473.64	47.5%
現金及銀行存款	1,404.45	42.3%	1,187.08	38.2%
股本證券	332.80	10.0%	325.72	10.5%
貨幣市場投資基金	6.40	0.2%	4.69	0.1%
綜合投資基金	23.46	0.7%	8.38	0.3%
投資物業	110.67	3.3%	105.48	3.4%
投資資產總額	3,319.06	100.0%	3,104.99	100.0%

於二零零六年六月三十日，投資債務證券及現金及銀行存款佔投資資產總額約 85.8% (二零零五年十二月三十一日：85.7%)。於本財務期內，中再國際繼續採取審慎穩健之投資理念，旨在產生穩定之現金流入。

中再國際之投資收入淨額及投資收益率概述如下：

截至六月三十日止六個月，百萬港元

	二零零六年	二零零五年	變化
投資收入淨額	78.97	63.62	24.1%
收益淨額(投資的已變現及未變現收益淨額)	75.89	20.57	268.9%
投資收入總額	154.86	84.19	83.9%
淨投資收益率(已年化)	4.9%	4.2%	0.7 點
總投資收益率(已年化)	9.6%	5.7%	3.9 點

投資收入總額為本財務期再保險業務表現的主要貢獻者。由於淨投資收益率改善及投資資產受到保費增長帶動而增加，令投資收入淨額顯著上升83.9%。上述投資收入及投資收益率並不包括3,715萬港元的匯兌收益淨額(二零零五年：虧損4,564萬港元)。

人壽保險業務

本集團之人壽保險業務由太平人壽經營，太平人壽是在中國註冊成立之公司，由本集團擁有50.05%權益。太平人壽主要在中國大陸從事人壽保險保單之承保。

MANAGEMENT DISCUSSION AND ANALYSIS

The key financial data of the life insurance business is summarised below:

For the six months ended 30 June, HK\$ million

	2006	2005	Change
Gross premiums written (including investment contract premiums) under PRC GAAP	5,904.58	2,787.28	111.8%
Less: investment contract premiums	(62.95)	(45.24)	39.1%
Gross premiums written under HK GAAP	5,841.63	2,742.04	113.0%
Net premiums written and policy fees	5,824.66	2,718.06	114.3%
Net earned premiums and policy fees	5,755.46	2,597.66	121.6%
Net investment income and net gain	754.91	205.12	268.0%
Net exchange loss	(11.89)	(0.39)	nm
Policyholders' benefits	(592.36)	(225.58)	162.6%
Net commission expenses	(408.97)	(267.62)	52.8%
Change in life insurance funds, net of reinsurance	(4,539.12)	(2,154.96)	110.6%
Administrative and other expenses	(580.01)	(401.84)	44.3%
Finance costs	(32.27)	—	nm
Profit/(loss) after taxation	257.79	(169.08)	nm
Profit/(loss) attributable to the Group	128.47	(83.87)	nm

The key operational data of the life insurance business is summarised below:

	At 30 June 2006	At 31 December 2005	Change
Market share ¹	2.7%	2.1%	0.6 pt
Number of provincial branches	22	22	—
Number of sub-branches and marketing centres	233	215	18
Number of in-force policies	2,852,669	2,232,160	620,509
Number of sales agents	20,678	18,413	2,265
Persistency ratio-13th month ²	83.4%	79.5%	3.9 pts
Persistency ratio-25th month ²	91.0%	90.3%	0.7 pt

管理層討論和分析

人壽保險業務之主要財務數據概述如下：

截至六月三十日止六個月，百萬港元

	二零零六年	二零零五年	變化
根據中國公認會計準則之毛承保保費 (包括投資合約保費)	5,904.58	2,787.28	111.8%
減：投資合約保費	(62.95)	(45.24)	39.1%
根據香港公認會計準則之毛承保保費	5,841.63	2,742.04	113.0%
淨承保保費及保單費收入	5,824.66	2,718.06	114.3%
已賺取保費及保單費收入淨額	5,755.46	2,597.66	121.6%
投資收入及收益淨額	754.91	205.12	268.0%
匯兌虧損淨額	(11.89)	(0.39)	不詳述
保單持有人利益	(592.36)	(225.58)	162.6%
佣金支出淨額	(408.97)	(267.62)	52.8%
壽險責任準備金變化，減再保險	(4,539.12)	(2,154.96)	110.6%
行政及其他費用	(580.01)	(401.84)	44.3%
財務費用	(32.27)	—	不詳述
除稅後溢利／(虧損)	257.79	(169.08)	不詳述
本集團應佔溢利／(虧損)	128.47	(83.87)	不詳述

人壽保險業務之主要經營數據概述如下：

	於二零零六年 六月三十日	於二零零五年 十二月三十一日	變化
市場份額 ¹	2.7%	2.1%	0.6 點
省級分公司數目	22	22	—
支公司及市場推廣中心數目	233	215	18
有效之保單數目	2,852,669	2,232,160	620,509
銷售代理數目	20,678	18,413	2,265
第13個月之保費繼續率 ²	83.4%	79.5%	3.9 點
第25個月之保費繼續率 ²	91.0%	90.3%	0.7 點

MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30 June, HK\$ million

	2006	2005	Change
Total investment yield (annualised) ³	7.7%	3.6%	4.1 pts
Ratio of net commission expenses to gross premiums written and investment contract premiums	6.9%	9.6%	(2.7 pts)
Ratio of administrative and other expenses to gross premiums written and investment contract premiums	9.8%	14.4%	(4.6 pts)

¹ Based on the gross premiums written (including investment contract premiums) in accordance with the PRC GAAP and published by the CIRC. The market shares at 30 June 2006 and at 31 December 2005 were based on the gross premiums written under the PRC GAAP for the six months ended 30 June 2006 and the year ended 31 December 2005, respectively.

² Based on the amount of premiums.

³ Excluded exchange loss incurred from foreign currency capital assets.

Profit Attributable to the Group

The **life insurance business** contributed net profit to the Group of HK\$128.47 million (2005: loss of HK\$83.87 million). The life insurance business's profit during the Period is in line with our business plan and strategic goal for the year of 2006, which is the fifth full year of operation for TPL. The strong performance for the Period was mainly attributable to strong premium growth, strict controls on costs and expenses, as well as improved returns on investment assets.

Gross Premiums Written

TPL's gross premiums written increased by 113.0% to HK\$5,841.63 million from HK\$2,742.04 million in the Last Period. TPL's gross premiums written, by line of business, was as follows:

For the six months ended 30 June, HK\$ million

Distribution Channel	2006	% of Total	2005	% of Total
Individual	632.83	10.8%	370.33	13.5%
Group	801.06	13.7%	651.62	23.8%
Bancassurance	4,407.74	75.5%	1,720.09	62.7%
	5,841.63	100.0%	2,742.04	100.0%

Premium growth was mainly driven by the strong performance of the bancassurance channel, in which premiums increased by 156.3% to HK\$4,407.74 million from HK\$1,720.09 million in the Last Period. The premium distributed through individual agents increased by 70.9% to HK\$632.83 million from HK\$370.33 million in the Last Period, while the premium on group life also increased by 22.9% to HK\$801.06 million from HK\$651.62 million in the Last Period.

管理層討論和分析

截至六月三十日止六個月，百萬港元

	二零零六年	二零零五年	變化
總投資收益率(已年化) ³	7.7%	3.6%	4.1 點
佣金支出淨額佔毛承保保費及投資合約保費比率	6.9%	9.6%	(2.7 點)
行政及其他費用佔毛承保保費及投資合約保費比率	9.8%	14.4%	(4.6 點)

¹ 據中國公認會計準則按毛承保保費(包括投資合約保費)計算並由中國保監委刊發。於二零零六年六月三十日及二零零五年十二月三十一日之市場份額分別根據截至二零零六年六月三十日止六個月及截至二零零五年十二月三十一日止全年，按中國公認會計準則之毛承保保費計算。

² 按保費金額。

³ 不包括外匯資本資產產生之匯兌虧損。

本集團應佔溢利

本集團來自人壽保險業務之溢利淨額為1.2847億港元(二零零五年：虧損8,387萬港元)。人壽保險業務於本財務期的溢利，是符合太平人壽開始營運後的第五整年，即二零零六年的業務計劃及策略目標。期內良好的表現主要來自強勁的保費增長，嚴謹的成本和費用控制及投資資產回報改善。

毛承保保費

太平人壽之毛承保保費由去年同期之27.4204億港元上升113.0%至58.4163億港元。太平人壽按業務劃分之毛承保保費如下：

截至六月三十日止六個月，百萬港元

分銷渠道	二零零六年	佔總數百分比	二零零五年	佔總數百分比
個人	632.83	10.8%	370.33	13.5%
團體	801.06	13.7%	651.62	23.8%
銀行保險	4,407.74	75.5%	1,720.09	62.7%
	5,841.63	100.0%	2,742.04	100.0%

保費增長主要由銀行保險分銷渠道的強勁表現所帶動，該分銷渠道的保費由去年同期的17.2009億港元上升156.3%至44.0774億港元。由個人代理分銷的保費由去年同期的3.7033億港元上升70.9%至6.3283億港元，而團體壽險保費亦由去年同期的6.5162億港元上升22.9%至8.0106億港元。

MANAGEMENT DISCUSSION AND ANALYSIS

An analysis of each distribution channel is as follows:

Individual

	2006	% of Total	2005	% of Total
Single Premium	24.69	3.9%	36.63	9.9%
Regular Premium — First Year	338.19	53.4%	212.45	57.4%
Regular Premium — Renewal Year	269.95	42.7%	121.25	32.7%
	632.83	100.0%	370.33	100.0%

Group

	2006	% of Total	2005	% of Total
Employee Benefit (“EB”)	311.01	38.8%	199.01	30.5%
Annuity	490.05	61.2%	452.61	69.5%
	801.06	100.0%	651.62	100.0%

Bancassurance

	2006	% of Total	2005	% of Total
Single Premium	4,046.30	91.8%	1,564.39	90.9%
Regular Premium — First Year	225.73	5.1%	140.51	8.2%
Regular Premium — Renewal Year	135.71	3.1%	15.19	0.9%
	4,407.74	100.0%	1,720.09	100.0%

Regular premium products accounted for 96.1% (Last Period: 90.1%) of the total premium produced by individual agents. Regular premium products in the bancassurance channel also recorded an impressive increase of 132.1% to HK\$361.44 million from HK\$155.70 million in the Last Period. The higher proportion of regular premium products was the result of TPL's successful marketing strategy of promoting long-term life policies with recurring premium through its agency force and the bancassurance channel. In the group life segment, employee benefit products increased by 56.3% to HK\$311.01 million from HK\$199.01 million in the Last Period. Overall, the significant increase of regular premium and employee benefit products demonstrates that TPL has been successful in its efforts to sell more higher profit margin products and to improve the value of its premiums booked during the Period.

管理層討論和分析

各分銷渠道之分析如下：

個人

	二零零六年	佔總數百分比	二零零五年	佔總數百分比
躉繳保費	24.69	3.9%	36.63	9.9%
期繳保費 — 首年	338.19	53.4%	212.45	57.4%
期繳保費 — 續年	269.95	42.7%	121.25	32.7%
	632.83	100.0%	370.33	100.0%

團體

	二零零六年	佔總數百分比	二零零五年	佔總數百分比
僱員福利	311.01	38.8%	199.01	30.5%
年金	490.05	61.2%	452.61	69.5%
	801.06	100.0%	651.62	100.0%

銀行保險

	二零零六年	佔總數百分比	二零零五年	佔總數百分比
躉繳保費	4,046.30	91.8%	1,564.39	90.9%
期繳保費 — 首年	225.73	5.1%	140.51	8.2%
期繳保費 — 續年	135.71	3.1%	15.19	0.9%
	4,407.74	100.0%	1,720.09	100.0%

個人保險業務之期繳保費佔其總保費96.1%(去年同期：90.1%)。銀行保險業務之期繳保費亦錄得可觀上升，由去年同期的1.5570億港元上升132.1%至3.6144億港元。期繳保金產品所佔比例較高，乃太平人壽通過代理及銀行保險網絡推廣長期人壽期繳保單的市場策略成果。在團體人壽分類，僱員福利業務保費由去年的1.9901億港元上升56.3%至3.1101億港元。總括而言，期繳保費及僱員福利產品的保費大幅上升，顯示太平人壽已成功銷售較高邊際利潤的產品及改善了在本財務期內保費的價值。

MANAGEMENT DISCUSSION AND ANALYSIS

Investment Performance

The composition of investments held by TPL was as follows:

	30 June 2006		31 December 2005	
	HK\$ million	% to Total	HK\$ million	% to Total
Debt securities	17,673.64	70.9%	14,841.99	71.6%
Cash and bank deposits	4,984.88	20.0%	3,503.22	16.9%
Equity securities	442.97	1.8%	183.49	0.9%
Equity investment funds	1,829.17	7.3%	745.11	3.6%
Money market investment funds	2.73	—	1,460.36	7.0%
Total invested assets	24,933.39	100.0%	20,734.17	100.0%

The investments in debt securities and cash and bank deposits represented approximately 90.9% of total invested assets as at 30 June 2006 (31 December 2005: 88.5%).

The net investment income and the investment yield of TPL are summarised as follows:

For the six months ended 30 June, HK\$ million

	2006	2005	Change
Net investment income	455.44	235.51	93.4%
Net gain/(loss) (Net realised and unrealised gain/(loss) from investments)	299.47	(30.39)	nm
Total investment income	754.91	205.12	268.0%
Net investment yield (annualised)	4.6%	4.1%	0.5pt
Total investment yield (annualised)	7.7%	3.6%	4.1pts

The higher total investment income was attributable to a larger investment asset base resulting from the significant growth in premium income, and also from the strong performance of the equities market in the PRC. The above investment income and investment yield does not include a net exchange loss of HK\$11.89 million (2005: HK\$0.39 million).

管理層討論和分析

投資表現

太平人壽所持之投資組合如下：

	於二零零六年六月三十日		於二零零五年十二月三十一日	
	百萬港元	佔總數百分比	百萬港元	佔總數百分比
債務證券	17,673.64	70.9%	14,841.99	71.6%
現金及銀行存款	4,984.88	20.0%	3,503.22	16.9%
股本證券	442.97	1.8%	183.49	0.9%
股本投資基金	1,829.17	7.3%	745.11	3.6%
貨幣市場投資基金	2.73	—	1,460.36	7.0%
投資資產總額	24,933.39	100.0%	20,734.17	100.0%

於二零零六年六月三十日，於債務證券、現金及銀行存款的投資約佔投資資產總額90.9%（二零零五年十二月三十一日：88.5%）。

太平人壽之投資收入淨額及投資收益率概述如下：

截至六月三十日止六個月，百萬港元

	二零零六年	二零零五年	變化
投資收入淨額	455.44	235.51	93.4%
收益／(虧損)淨額(投資的已變現及未變現收益／(虧損)淨額)	299.47	(30.39)	不詳述
投資收入總額	754.91	205.12	268.0%
淨投資收益率(已年化)	4.6%	4.1%	0.5 點
總投資收益率(已年化)	7.7%	3.6%	4.1 點

投資收入總額上升主要是投資資產受到強勁保費收入所帶動而增加及在中國股本市場有強勁的表現。上述之投資收入及投資收益率不含1,189萬港元(二零零五年：39萬港元)的匯兌虧損淨額。

MANAGEMENT DISCUSSION AND ANALYSIS

Policyholders' Benefits

The policyholders' benefits of TPL are summarised as follows:

For the six months ended 30 June, HK\$ million

	2006	2005	Change
Net claims	128.26	50.59	153.5%
Surrenders	427.40	160.05	167.0%
Annuity and maturity payments	32.29	12.88	150.7%
Policy dividends	4.41	2.06	114.1%
	592.36	225.58	162.6%

Net Commission Expenses

For the six months ended 30 June, HK\$ million

	2006	2005	Change
Net commission expenses	408.97	267.62	52.8%
Ratio of net commission expenses to gross premiums written and investment contract premiums	6.9%	9.6%	(2.7 pts)

Administrative and Other Expenses

The administrative and other expenses of TPL are summarised as follows:

For the six months ended 30 June, HK\$ million

	2006	2005	Change
Staff costs	269.21	206.38	30.4%
Rental expenses	41.38	36.75	12.6%
Others	269.42	158.71	69.8%
	580.01	401.84	44.3%
Ratio of administrative and other expenses to gross premiums written and investment contract premiums	9.8%	14.4%	(4.6 pts)

管理層討論和分析

保單持有人利益

太平人壽之保單持有人利益概述如下：

截至六月三十日止六個月，百萬港元

	二零零六年	二零零五年	變化
賠償淨額	128.26	50.59	153.5%
退保總額	427.40	160.05	167.0%
年金及到期付款	32.29	12.88	150.7%
保單分紅	4.41	2.06	114.1%
	592.36	225.58	162.6%

佣金支出淨額

截至六月三十日止六個月，百萬港元

	二零零六年	二零零五年	變化
佣金支出淨額	408.97	267.62	52.8%
佣金支出淨額佔毛承保保費及 投資合約保費比率	6.9%	9.6%	(2.7 點)

行政及其他費用

太平人壽之行政及其他費用概述如下：

截至六月三十日止六個月，百萬港元

	二零零六年	二零零五年	變化
員工成本	269.21	206.38	30.4%
租賃開支	41.38	36.75	12.6%
其他	269.42	158.71	69.8%
	580.01	401.84	44.3%
行政及其他費用佔毛承保保費及 投資合約保費比率	9.8%	14.4%	(4.6 點)

MANAGEMENT DISCUSSION AND ANALYSIS

PROPERTY AND CASUALTY INSURANCE BUSINESS

The property and casualty insurance business is operated by TPI, which is a PRC-incorporated company and is 40.025%-owned by the Group. It is principally engaged in the underwriting of motor, marine and non-marine insurance policies in Mainland China.

As discussed in the “Consolidated Financial Results” section of the Management Discussion and Analysis, TPI is not consolidated into the Group on a line-by-line basis. Therefore, except for the profit/(loss) attributable to the Group, the following key financial data and ratios of TPI should not be read in conjunction with the consolidated financial statements.

For the six months ended 30 June, HK\$ million

	2006	2005	Change
Gross premiums written	959.15	656.72	46.1%
Net premiums written	775.40	536.38	44.6%
Net earned premiums	608.21	390.55	55.7%
Profit/(loss) after taxation	10.87	(28.64)	nm
Profit/(loss) attributable to the Group	4.35	(11.46)	nm
Technical reserves ratio	200.5%	214.3%	(13.8 pts)
Retained ratio	80.8%	81.7%	(0.9 pt)
Earned premiums ratio	63.4%	59.5%	3.9 pts
Loss ratio	57.5%	59.6%	(2.1 pts)
Expense ratio	46.5%	51.6%	(5.1 pts)
Combined ratio	104.0%	111.2%	(7.2 pts)

Profit Attributable to the Group

TPI contributed net profit to the Group of HK\$4.35 million (2005: loss of HK\$11.46 million). The performance during the Period is encouraging and is an important step towards TPI's objective of achieving a break-even result for the full year in 2006, TPI's fifth full-year of operations.

TPI's gross premiums written increased by 46.1% to HK\$959.15 million from HK\$656.72 million in the Last Period. The gross premiums written was as follows:

For the six months ended 30 June, HK\$ million

Business Line	2006	% to Total	2005	% to Total
Motor	644.68	67.2%	417.02	63.5%
Marine	63.67	6.6%	59.76	9.1%
Non-Marine	250.80	26.2%	179.94	27.4%
	959.15	100.0%	656.72	100.0%

The combined ratio is one of the key performance indicators of the property and casualty insurance business. TPI's cautious expansion plan, together with strict cost controls and risk management, have enabled TPI to significantly reduce its expense ratio to 46.5% from 51.6% in the Last Period. Together with an improvement of the loss ratio to 57.5% from 59.6%, the combined ratio of TPI has effectively been reduced to 104.0% from 111.2% in the Last Period.

管理層討論和分析

財產保險業務

財產保險業務由本集團擁有40.025%權益之中國註冊公司太平保險營運，主要從事中國大陸之車險、水險及非水險保單的承保。

誠如本管理層討論及分析內「綜合財務業績」一節所討論，太平保險並沒有按分項方法綜合於本集團之財務報表內。因此，除本集團應佔溢利／(虧損)外，下列主要財務數據及比率不應與綜合財務報表內者一併閱覽。

截至六月三十日止六個月，百萬港元

	二零零六年	二零零五年	變化
毛承保保費	959.15	656.72	46.1%
淨承保保費	775.40	536.38	44.6%
已賺取保費淨額	608.21	390.55	55.7%
除稅後溢利／(虧損)	10.87	(28.64)	不詳述
本集團應佔溢利／(虧損)	4.35	(11.46)	不詳述
技術性儲備比率	200.5%	214.3%	(13.8 點)
自留比率	80.8%	81.7%	(0.9 點)
滿期保費率	63.4%	59.5%	3.9 點
賠付率	57.5%	59.6%	(2.1 點)
費用率	46.5%	51.6%	(5.1 點)
滿期保費綜合成本率	104.0%	111.2%	(7.2 點)

本集團應佔溢利

太平保險對本集團淨溢利的貢獻為435萬港元(二零零五年：虧損1,146萬港元)。上半年的表現令人鼓舞，是太平保險在第五個整年營運，即於二零零六年邁向全年達至收支平衡的一個重要里程碑。

太平保險之毛承保保費由去年同期之6.5672億港元上升46.1%至9.5915億港元。毛承保保費概述如下：

截至六月三十日止六個月，百萬港元

業務種類	二零零六年	佔總數百分比	二零零五年	佔總數百分比
車險	644.68	67.2%	417.02	63.5%
水險	63.67	6.6%	59.76	9.1%
非水險	250.80	26.2%	179.94	27.4%
	959.15	100.0%	656.72	100.0%

滿期保費綜合成本率乃財產保險業務主要表現指標之一。謹慎的發展計劃加上嚴謹的成本控制及風險管理，使太平保險的費用率由去年同期的51.6%明顯下降至46.5%。同時間，賠付率由去年同期的59.6%下降至57.5%，滿期保費綜合成本率有效地由去年同期的111.2%下降至104.0%。

MANAGEMENT DISCUSSION AND ANALYSIS

CORPORATE AND OTHER BUSINESSES

The corporate and other businesses are mainly comprised of the corporate company, asset management business and insurance intermediary business. The corporate company is mainly responsible for overall group strategic planning, overall group capital management and deployment in support of the operating businesses, investor relations, credit rating and research analyst relations, and compliance with laws and regulations in relation to the listing in Hong Kong.

Asset management business

The Group's asset management business is operated by CIGAML which is a Hong Kong-incorporated company and is wholly-owned by the Group. CIGAML is mainly engaged in the provision of investment consultancy services.

The key financial data of CIGAML is summarised below:

For the six months ended 30 June, HK\$ million

	2006	2005	Change
Asset management fee income	1.89	2.15	(12.1%)
Total investment income	12.99	11.09	17.1%
Profit attributable to the Group	10.13	4.20	141.2%

The profit attributable to the Group increased by 141.2% to HK\$10.13 million from HK\$4.20 million in the Last Period. The increase was primarily due to higher investment income and effective controls on operating costs.

Assets under management at 30 June 2006 was HK\$4,269.29 million (31 December 2005: HK\$4,669.78 million).

Insurance intermediary business

The Group's insurance intermediary business is substantially operated by SINO-RE, which is a Hong Kong-incorporated company and is wholly-owned by the Group. SINO-RE is mainly engaged in the rendering of brokering services for reinsurance and insurance companies. SINO-RE's key markets are Hong Kong, Macau and Mainland China.

The key financial data of SINO-RE is summarised below:

For the six months ended 30 June, HK\$ million

	2006	2005	Change
Insurance intermediary income	6.80	5.49	23.9%
Profit attributable to the Group	7.58	4.34	74.7%

The profit attributable to the Group increased by 74.7% to HK\$7.58 million from HK\$4.34 million in the Last Period.

管理層討論和分析

企業及其他業務

企業及其他業務主要由本企業公司、資產管理業務及保險中介業務所組成。企業公司主要負責集團的整體策略計劃、整體的資本管理及運用，及支援各營運公司、投資者關係、信貸評級及分析員關係及依循與在香港上市有關之法律及規則。

資產管理業務

本集團之資產管理業務由本集團全資擁有之香港註冊公司中保資產管理營運。中保資產管理主要從事提供投資顧問服務。

中保資產管理之主要財務數據概述如下：

截至六月三十日止六個月，百萬港元

	二零零六年	二零零五年	變化
資產管理費收入	1.89	2.15	(12.1%)
投資收入總額	12.99	11.09	17.1%
本集團應佔溢利	10.13	4.20	141.2%

本集團應佔溢利由去年同期之420萬港元上升141.2%至1,013萬港元。升幅主要由於較高的投資收入及有效控制營運成本所致。

於二零零六年六月三十日所管理的資產為42.6929億港元(二零零五年十二月三十一日：46.6978億港元)。

保險中介公司業務

本集團之保險中介公司業務主要由本集團全資擁有之香港註冊公司華夏營運。華夏主要從事為再保險及保險公司提供經紀服務，主要市場為香港、澳門及中國大陸。

華夏之主要財務數據概述如下：

截至六月三十日止六個月，百萬港元

	二零零六年	二零零五年	變化
保險中介收入	6.80	5.49	23.9%
本集團應佔溢利	7.58	4.34	74.7%

本集團應佔溢利由去年同期之434萬港元上升74.7%至758萬港元。

MANAGEMENT DISCUSSION AND ANALYSIS

OUTLOOK

In the first half of 2006, through its subsidiaries and associated companies, CIH achieved an impressive result which represents a significant milestone for the Group's objective of achieving breakeven or profitability in its PRC businesses in 2006, the fifth full-year of operations for TPL and TPI. After several years of capital contributions and the dedication of management time and resources to TPL and TPI, these two operations are beginning to attain the economies of scale necessary to generate profits. The satisfactory result during the Period enables the Group to have confidence that TPL and TPI will be able to continue the positive operational trends and successfully accomplish their objectives of breakeven or profitability for the full year of 2006. Together with a strong operational performance from CIRe, the Group is confident that the consolidated operations for the full year will return to profitability, assuming no unexpected adverse and material events occur in the remainder of the year.

The reinsurance business written through CIRe is expected to continue to be strong. Business renewals have been very positive, and CIRe is making inroads into new businesses from both existing and new clients. CIRe plans to deploy more resources and effort on developing the Mainland China market, where we believe that CIRe will have strong competitive advantages and strong business opportunities. CIRe's business prospects for the second half of 2006 is expected to be positive. Nonetheless, any exceptional catastrophic or market event may adversely impact CIRe's operations and results.

The life insurance business written through TPL has had rapid expansion during the first half of the year. Although premium growth slowed down during the second quarter as compared with the first quarter, particularly in the bancassurance segment, TPL's performance during the Period was in line with its business plan. The Group believes that the overall ambitious goals of TPL in 2006 are still achievable. The pension business, recently launched and operated by TPP, a subsidiary of TPL, has secured several impressive pension schemes of major clients. It is anticipated that TPP will expand rapidly once the remaining legal and tax issues concerning the newly established PRC pension business are resolved.

The property and casualty insurance market in China is currently experiencing a substantial change in its market landscape and competitive environment due to strong measures recently introduced by the PRC insurance regulator, the CIRC. Such measures include eradicating illegal rebates, excessive premium discounts, and excessive commissions to insurance intermediaries. Furthermore, the introduction in July 2006 of the nationwide Motor Compulsory Third Party Liability Insurance business for the first time in the PRC will not only expand the potential market for motor car insurance, but also enhance and develop the insurance consciousness and mindset of the Chinese people, which will benefit the insurance industry as a whole.

The Group also believes that the document "Several Opinions on the Reform and Development of the Insurance Industry" recently issued by the State Council of the PRC will have far-reaching effects on the development of insurance and other supporting businesses in the PRC. Having spent the last few years in building up its business infrastructure in the PRC in the areas of life insurance, property and casualty insurance, pension and asset management through TPL, TPI, TPP and TPAM, respectively, the Group believes that CIH is well positioned to take advantage of the great opportunities and potential in China, one of the world's fastest growing insurance, asset management, and financial services markets.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's cash and bank deposits as at 30 June 2006 amounted to HK\$6,773.87 million (31 December 2005: HK\$5,111.02 million). There was no bank borrowing during the Period. The interest-bearing notes as at 30 June 2006 amounted to HK\$2,807.41 million (31 December 2005: HK\$2,789.47 million). The gearing ratio, which represents interest-bearing notes issued divided by the total assets of the Group, was 8.6% as at 30 June 2006 (31 December 2005: 10.2%).

管理層討論和分析

展望

二零零六年上半年，中保國際通過其附屬公司及聯營公司取得驕人業績，尤其是太平人壽及太平保險在開業第五個年頭的二零零六年，完成本集團對中國業務達至收支平衡或有盈利之目標，此乃重大之里程碑。經歷多年來對太平人壽及太平保險之注入資本及管理層投放的時間和資源，此兩項業務開始達致朝向收支相抵或產生盈利貢獻的目標邁進。期內令人滿意之業績令本集團對太平人壽及太平保險充滿信心，相信其必能繼續良好的勢頭，並成功於二零零六年年底完成全年收支平衡或達至有盈利之目標。再加上中再國際經營業績強勁，本集團有信心，倘於本年餘下日子並無發生預期以外之重大負面事件，全年的綜合業績將可轉虧為盈。

中再國際之再保險業務預期將繼續強勁。續轉業務展示良好勢頭，中再國際亦針對現有客戶及新客戶積極開拓新業務。中再國際計劃投放更多資源及精力開發中國內地市場，而我們相信中再國際在中國市場將擁有強勁之競爭優勢及商機。中再國際於二零零六年下半年的業務展望預期將為正面。然而，發生任何意外災難性事件或市場事件或會對中再國際之營運及業績造成不良影響。

太平人壽之人壽保險業務於今年上半年擴展迅速。儘管第二季度之保費增長相較第一季度有所放緩（銀行保險分類尤甚），太平人壽於期內之業績仍符合其業務計劃預期。本集團相信太平人壽於二零零六年之整體目標計劃仍能達到。太平人壽附屬公司太平養老最近開展並投入運作之養老金業務已成功吸納若干主要客戶之養老金計劃。中國新建立之養老金業務一俟相關法律及稅務事宜得到妥善解決後，預期太平養老將可快速擴展。

有鑑於中國保險業監管者——中國保險監督管理委員會——嚴厲措施新近出台，中國之財產保險業市場形勢及競爭環境方面正經歷重大改變。該等措施包括取締非法回佣、過度的保費折扣及過量的保險中介人佣金。此外，二零零六年七月於中國首次推出之機動車交通事故責任強制保險業務，不單可拓展機動車保險之潛在市場，亦將提升中國人民之保險意識及思維，這對保險行業整體而言亦甚為有利。

本集團亦相信，中國國務院最近所頒佈之文件《關於保險業改革發展的若干意見》將對中國之保險及其他支援業務之發展構成深遠影響。本集團於過去數年分別通過太平人壽、太平保險、太平養老及太平資產管理在中國建立了人壽保險、財產保險、養老金及資產管理範疇之業務基礎，本集團相信中保國際已作好充份準備，抓緊中國這個全球保險業務、資產管理及金融服務市場發展最為迅速國家之一的巨大機遇與潛力。

流動資金及財務資源

於二零零六年六月三十日，本集團的現金及銀行存款為67.7387億港元（二零零五年十二月三十一日：51.1102億港元）。本財務期並無任何銀行借貸。二零零六年六月三十日須付息票據總額為28.0741億港元（二零零五年十二月三十一日：27.8947億港元）。二零零六年六月三十日已發行須付息票據除以本集團總資產所得出的槓桿比率為8.6%（二零零五年十二月三十一日：10.2%）。

MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL STRUCTURE

During the Period, the Company issued 2,418,000 new shares (31 December 2005: 4,770,000 shares) for cash under the Company's staff share option scheme. Net proceeds received for shares issued for cash in aggregate amounted to HK\$4.07 million (31 December 2005: HK\$5.23 million).

STAFF AND STAFF REMUNERATION

As at 30 June 2006, the Group had a total of 6,263 employees (2005: 5,411 employees), an increase of 852 employees. Total remuneration for the Period amounted to HK\$288.69 million (2005: HK\$225.10 million), an increase of 28.2%. Bonuses are linked to both the performance of the Group as well as individual performance.

MAJOR EVENT DURING THE PERIOD

On 30 June 2006, the Company entered into a conditional agreement with CIHK to acquire a 4.9% equity interest in The Ming An Insurance Company (Hong Kong) Limited, a wholly-owned subsidiary of CIHK, for a consideration of HK\$102,578,339.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

管理層討論和分析

資本結構

本財務期內本公司根據員工認股權計劃以現金為代價發行2,418,000股新股(二零零五年十二月三十一日：4,770,000股)。發行新股換取現金的總代價為407萬港元(二零零五年十二月三十一日：523萬港元)。

員工及員工酬金

於二零零六年六月三十日，本集團的僱員總人數達6,263人(二零零五年：5,411人)，增加852人。總酬金為2.8869億港元(二零零五年：2.2510億港元)，增加28.2%。花紅與本集團的業績及員工的個人表現掛鈎。

本財務期重要事項

於二零零六年六月三十日，本公司與香港中保達成有條件協議。以代價102,578,339港元收購香港民安保險有限公司，香港中保之一間全資附屬公司的4.9%股權。

購買、出售或贖回本公司的上市證券

於本財務期內本公司或任何其附屬公司概無購入、出售或贖回任何本公司的上市證券。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2006, the interests or short positions of the directors and chief executive in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

Long Positions in shares and underlying shares of the Company:

Name of directors	Shares		Underlying shares pursuant to share options	Total interests	Percentage of issued share capital %
	Personal interests	Family interests			
Feng Xiaozeng	—	—	3,800,000 <i>(Note)</i>	3,800,000	0.3
Lin Fan	—	—	4,470,000 <i>(Note)</i>	4,470,000	0.3
Song Shuguang	—	—	2,600,000 <i>(Note)</i>	2,600,000	0.2
Xie Yiqun	—	—	1,500,000 <i>(Note)</i>	1,500,000	0.1
Ng Yu Lam, Kenneth	366,000	600,000	3,200,000 <i>(Note)</i>	4,166,000	0.3
Shen Koping, Michael	1,792,000	—	3,481,000 <i>(Note)</i>	5,273,000	0.4
Lau Siu Mun, Sammy	700,000	—	2,050,000 <i>(Note)</i>	2,750,000	0.2
Zheng Changyong	—	—	2,300,000 <i>(Note)</i>	2,300,000	0.2

Note: These figures represent interests of options granted to the directors under the Share Option Scheme to acquire shares of the Company, the further details of which are set out in the section "Share Option Scheme".

Save as disclosed above:

- (A) none of the Directors of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO); and
- (B) during the Period, no Directors of the Company nor any of their spouses or children under the age of 18 years held any rights to subscribe for equity or debt securities of the Company nor had there been any exercise of any such rights by any of them.

董事及最高行政人員的股份、相關股份及 債權證的權益及淡倉

於二零零六年六月三十日，按證券及期貨條例第352條規定存置登記冊的記錄所載，或按上市公司董事進行證券交易的標準守則要求，已經知會本公司及聯交所，董事及最高行政人員在本公司及其相聯法團（根據證券及期貨條例第XV段的釋義）的股份、相關股份或債權證中擁有的權益及淡倉如下：

本公司的股份及相關股份的好倉情況：

董事名稱	股份		根據認股權的 相關股份	總權益	佔已發行 股份 %
	個人權益	家族權益			
馮曉增	—	—	3,800,000 (附註)	3,800,000	0.3
林帆	—	—	4,470,000 (附註)	4,470,000	0.3
宋曙光	—	—	2,600,000 (附註)	2,600,000	0.2
謝一群	—	—	1,500,000 (附註)	1,500,000	0.1
吳俞霖	366,000	600,000	3,200,000 (附註)	4,166,000	0.3
沈可平	1,792,000	—	3,481,000 (附註)	5,273,000	0.4
劉少文	700,000	—	2,050,000 (附註)	2,750,000	0.2
鄭常勇	—	—	2,300,000 (附註)	2,300,000	0.2

附註：此乃根據認股權計劃賦予董事的認股權可認購本公司的股份份數，詳情載於「認股權計劃」文內。

除上述者外：

- (A) 並無任何董事擁有本公司或任何相聯法團（根據證券及期貨條例第XV段的釋義）任何股份、相關股份或債權證的權益或淡倉；與及
- (B) 在本財務期，並無任何董事或任何他們的配偶或未滿十八歲的子女擁有權利認購本公司的股本或債務證券，亦並無任何上述人士行使任何此等權利。

SHARE OPTION SCHEME

At the extraordinary general meeting of the Company held on 7 January 2003, the shareholders of the Company approved the adoption of the New Scheme and the termination of the Old Scheme. The New Scheme is in line with the prevailing requirements of Chapter 17 of the Listing Rules in relation to share option schemes. All options granted under the Old Scheme shall continue to be valid and exercisable in accordance with the terms of the Old Scheme.

As of 30 June 2006, the Directors and employees of the Company had the following interests in options to subscribe for shares of the Company (market value per share at 30 June 2006 was HK\$5.00) granted at nominal consideration under the Old Scheme and the New Scheme, respectively. Each unit of option gives the holder the right to subscribe for one share. The consideration paid for the grant is HK\$1.00.

Directors	No. of options outstanding at the beginning of the Period	No. of options outstanding at the end of the Period	Date granted	Period during which options exercisable	No. of shares acquired in exercise of options during the Period	No of options cancelled/ reclassified during the Period	³ Price per share to be paid on exercise of options	⁴ Price of shares for options exercised
Feng Xiaozeng	3,800,000	3,800,000	2 November 2005	23 November 2005 to 22 November 2015	—	—	HK\$2.875	—
Lin Fan	1,270,000	1,270,000	9 October 2000	9 October 2000 to 8 October 2010	—	—	HK\$1.110	—
	700,000	700,000	12 September 2002	12 September 2002 to 11 September 2012	—	—	HK\$3.225	—
	2,500,000	2,500,000	2 November 2005	23 November 2005 to 22 November 2015	—	—	HK\$2.875	—
Miao Jianmin (resigned on 4 January 2006)	1,740,000	—	26 September 2000	26 September 2000 to 25 September 2010	1,740,000	—	HK\$1.110	HK\$3.300
	900,000	—	12 September 2002	12 September 2002 to 11 September 2012	—	¹ -900,000	HK\$3.225	—
	1,800,000	—	2 November 2005	23 November 2005 to 22 November 2015	—	¹ -1,800,000	HK\$2.875	—
Song Shuguang	200,000	200,000	12 February 2001	12 February 2001 to 11 February 2011	—	—	HK\$0.950	—
	900,000	900,000	12 September 2002	12 September 2002 to 11 September 2012	—	—	HK\$3.225	—
	1,500,000	1,500,000	2 November 2005	23 November 2005 to 22 November 2015	—	—	HK\$2.875	—
Xie Yiqun	1,500,000	1,500,000	2 November 2005	23 November 2005 to 22 November 2015	—	—	HK\$2.875	—

認股權計劃

於本公司在二零零三年一月七日舉行的股東特別大會上，本公司股東批准採納新計劃，並終止舊計劃。新計劃符合上市規則第十七章有關認股權計劃當時的規定。根據舊計劃授出的所有認股權將繼續有效，並可根據舊計劃的條款行使。

於二零零六年六月三十日，本公司的董事及僱員分別根據舊計劃及新計劃以名義價款獲賦予可認購本公司股份（於二零零六年六月三十日每股市值為5.00港元）的認股權中擁有以下權益。每份認股權賦予持有人認購一股股份的權利。獲賦予認股權時支付的價款為1.00港元。

董事	於期初 未行使的 認股權數目	於期末 未行使的 認股權數目	賦予日期	可行使認股權期間	期內行使 認股權 購入的 股份數目	期內取消/ 重新分類 的股份數目	³ 行使 認股權時 應付的 每股股價	⁴ 於行使認 股權日期 的每股價格
馮曉增	3,800,000	3,800,000	2005年11月2日	2005年11月23日 至2015年11月22日	—	—	2.875港元	—
林帆	1,270,000	1,270,000	2000年10月9日	2000年10月9日 至2010年10月8日	—	—	1.110港元	—
	700,000	700,000	2002年9月12日	2002年9月12日 至2012年9月11日	—	—	3.225港元	—
	2,500,000	2,500,000	2005年11月2日	2005年11月23日 至2015年11月22日	—	—	2.875港元	—
繆建民(於2006年 1月4日請辭)	1,740,000	-	2000年9月26日	2000年9月26日 至2010年9月25日	1,740,000	—	1.110港元	3.300港元
	900,000	-	2002年9月12日	2002年9月12日 至2012年9月11日	—	¹ -900,000	3.225港元	—
	1,800,000	-	2005年11月2日	2005年11月23日 至2015年11月22日	—	¹ -1,800,000	2.875港元	—
宋曙光	200,000	200,000	2001年2月12日	2001年2月12日 至2011年2月11日	—	—	0.950港元	—
	900,000	900,000	2002年9月12日	2002年9月12日 至2012年9月11日	—	—	3.225港元	—
	1,500,000	1,500,000	2005年11月2日	2005年11月23日 至2015年11月22日	—	—	2.875港元	—
謝一群	1,500,000	1,500,000	2005年11月2日	2005年11月23日 至2015年11月22日	—	—	2.875港元	—

SHARE OPTION SCHEME

Directors	No. of options outstanding at the beginning of the Period	No. of options outstanding at the end of the Period	Date granted	Period during which options exercisable	No. of shares acquired in exercise of options during the Period	No of options cancelled/ reclassified during the Period	³ Price per share to be paid on exercise of options	⁴ Price of shares for options exercised
Ng Yu Lam, Kenneth	1,300,000	1,300,000	28 September 2000	28 September 2000 to 27 September 2010	—	—	HK\$1.110	—
	500,000	500,000	12 February 2001	12 February 2001 to 11 February 2011	—	—	HK\$0.950	—
	400,000	400,000	12 September 2002	12 September 2002 to 11 September 2012	—	—	HK\$3.225	—
	1,000,000	1,000,000	2 November 2005	23 November 2005 to 22 November 2015	—	—	HK\$2.875	—
Dong Ming (resigned on 15 December 2005)	400,000	—	12 September 2002	12 September 2002 to 14 January 2006	—	² -400,000	HK\$3.225	—
Shen Koping, Michael	1,500,000	1,500,000	12 September 2002	12 September 2002 to 11 September 2012	—	—	HK\$3.225	—
	156,000	156,000	7 January 2003	7 January 2003 to 6 January 2013	—	—	HK\$3.975	—
	350,000	350,000	5 January 2004	5 January 2004 to 4 January 2014	—	—	HK\$3.980	—
	350,000	350,000	31 December 2004	27 January 2005 to 26 January 2015	—	—	HK\$3.200	—
	600,000	600,000	2 November 2005	23 November 2005 to 22 November 2015	—	—	HK\$2.875	—
	350,000	350,000	30 December 2005	3 January 2006 to 2 January 2016	—	—	HK\$3.300	—
	—	175,000	30 June 2006	30 June 2006 to 29 June 2016	—	—	HK\$5.000	—
Lau Siu Mun, Sammy	750,000	750,000	27 September 2000	27 September 2000 to 26 September 2010	—	—	HK\$1.110	—
	400,000	400,000	12 February 2001	12 February 2001 to 11 February 2011	—	—	HK\$0.950	—
	300,000	300,000	12 September 2002	12 September 2002 to 11 September 2012	—	—	HK\$3.225	—
	600,000	600,000	2 November 2005	23 November 2005 to 22 November 2015	—	—	HK\$2.875	—

認股權計劃

董事	於期初 未行使的 認股權數目	於期末 未行使的 認股權數目	賦予日期	可行使認股權期間	期內行使 認股權 購入的 股份數目	期內取消/ 重新分類 的股份數目	³ 行使 認股權時 應付的 每股股價	⁴ 於行使認 股權日期 的每股價格
吳俞霖	1,300,000	1,300,000	2000年9月28日	2000年9月28日 至2010年9月27日	—	—	1.110港元	—
	500,000	500,000	2001年2月12日	2001年2月12日 至2011年2月11日	—	—	0.950港元	—
	400,000	400,000	2002年9月12日	2002年9月12日 至2012年9月11日	—	—	3.225港元	—
	1,000,000	1,000,000	2005年11月2日	2005年11月23日 至2015年11月22日	—	—	2.875港元	—
董明 (於2005年 12月15日請辭)	400,000	—	2002年9月12日	2002年9月12日 至2006年1月14日	—	² -400,000	3.225港元	—
沈可平	1,500,000	1,500,000	2002年9月12日	2002年9月12日 至2012年9月11日	—	—	3.225港元	—
	156,000	156,000	2003年1月7日	2003年1月7日 至2013年1月6日	—	—	3.975港元	—
	350,000	350,000	2004年1月5日	2004年1月5日 至2014年1月4日	—	—	3.980港元	—
	350,000	350,000	2004年12月31日	2005年1月27日 至2015年1月26日	—	—	3.200港元	—
	600,000	600,000	2005年11月2日	2005年11月23日 至2015年11月22日	—	—	2.875港元	—
	350,000	350,000	2005年12月30日	2006年1月3日 至2016年1月2日	—	—	3.300港元	—
	—	175,000	2006年6月30日	2006年6月30日 至2016年6月29日	—	—	5.000港元	—
劉少文	750,000	750,000	2000年9月27日	2000年9月27日 至2010年9月26日	—	—	1.110港元	—
	400,000	400,000	2001年2月12日	2001年2月12日 至2011年2月11日	—	—	0.950港元	—
	300,000	300,000	2002年9月12日	2002年9月12日 至2012年9月11日	—	—	3.225港元	—
	600,000	600,000	2005年11月2日	2005年11月23日 至2015年11月22日	—	—	2.875港元	—

SHARE OPTION SCHEME

Directors	No. of options outstanding at the beginning of the Period	No. of options outstanding at the end of the Period	Date granted	Period during which options exercisable	No. of shares acquired in exercise of options during the Period	No of options cancelled/reclassified during the Period	³ Price per share to be paid on exercise of options	⁴ Price of shares for options exercised
Zheng Changyong	1,000,000	1,000,000	28 September 2000	28 September 2000 to 27 September 2010	—	—	HK\$1.110	—
	500,000	500,000	12 September 2002	12 September 2002 to 11 September 2012	—	—	HK\$3.225	—
	800,000	800,000	2 November 2005	23 November 2005 to 22 November 2015	—	—	HK\$2.875	—
Employees	340,000	340,000	25 September 2000 to 9 October 2000	25 September 2000 to 8 October 2010	—	—	HK\$1.110	—
	130,000	113,000	9 February 2001 to 17 February 2001	9 February 2001 to 16 February 2011	17,000	—	HK\$0.950	HK\$4.200
	1,792,000	2,063,000	12 September 2002 to 23 September 2002	12 September 2002 to 22 September 2012	629,000	¹ +900,000	HK\$3.225	HK\$4.429
	4,350,000	6,118,000	2 November 2005	23 November 2005 to 27 November 2015	32,000	¹ +1,800,000	HK\$2.875	HK\$3.300

Note:

- ¹ Mr. Miao Jianmin resigned as a Director of the Company on 4 January 2006. As he is still a director of one of the subsidiaries of the Group, the share options that he is entitled to, but has not yet been exercised at the end of the Period, have been reclassified and grouped under the Employees category.
- ² Cancelled as the options were not exercised within the period specified in the New Scheme after the grantee ceased to be a Participant.
- ³ Being the higher of the closing price quoted on the Stock Exchange immediately before the date of the options grant or the average closing price quoted on the Stock Exchange for the five business days immediately before the date of the options grant.
- ⁴ Being the weighted average closing price quoted on the Stock Exchange immediately before the dates of the options exercised during the Period.

The assumptions used in estimating the fair value of the Company's share options granted during the Period is provided in note 18 to the interim financial report.

Share options were granted as part of a service condition. This service condition does not take into account the fair value measurement of the share options to be granted. There were no market conditions associated with the share option granted.

Apart from the foregoing, at no time during the Period was the Company, any of its holding companies, subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors or chief executive of the Company or any of their spouses or children under eighteen years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

認股權計劃

董事	於期初 未行使的 認股權數目	於期末 未行使的 認股權數目	賦予日期	可行使認股權期間	期內行使 認股權 購入的 股份數目	期內取消/ 重新分類 的股份數目	³ 行使 認股權時 應付的 每股股價	⁴ 於行使認 股權日期 的每股價格
鄭常勇	1,000,000	1,000,000	2000年9月28日	2000年9月28日 至2010年9月27日	—	—	1.110港元	—
	500,000	500,000	2002年9月12日	2002年9月12日 至2012年9月11日	—	—	3.225港元	—
	800,000	800,000	2005年11月2日	2005年11月23日 至2015年11月22日	—	—	2.875港元	—
僱員	340,000	340,000	2000年9月25日 至2000年10月9日	2000年9月25日 至2010年10月8日	—	—	1.110港元	—
	130,000	113,000	2001年2月9日 至2001年2月17日	2001年2月9日 至2011年2月16日	17,000	—	0.950港元	4.200港元
	1,792,000	2,063,000	2002年9月12日 至2002年9月23日	2002年9月12日 至2012年9月22日	629,000	¹ +900,000	3.225港元	4.429港元
	4,350,000	6,118,000	2005年11月2日	2005年11月23日 至2015年11月27日	32,000	¹ +1,800,000	2.875港元	3.300港元

附註：

- ¹ 繆建民先生已於二零零六年一月四日辭去本公司董事職務，他仍為本集團一家附屬公司的董事。其未行使的認股權於本財務期末已重新分類為僱員類別。
- ² 被取消是因承授人在終止成為參與者後並未有在新計劃規定期限內行使其尚未行使的認股權。
- ³ 緊接認股權授出日期前於聯交所所報的收市價或緊接認股權行使日期前五個工作天於聯交所所報的平均收市價，以較高者為準。
- ⁴ 緊接認股權行使日期前於聯交所所報的加權平均收市價。

在本財務期授出的認股權的公平價值所用的假設載於本中期財務報告的附註18內。

認股權的授予為服務條件之一。該服務條件並未納入計算授出認股權的公平價值。並無市場條件與授予認股權有關。

除上述者外，本公司、任何其控股公司、附屬公司或同系附屬公司均沒有在本年度任何時間參與任何安排，致使本公司董事或最高行政人員或任何他們的配偶或未滿十八歲子女，可以透過收購本公司或任何其他法團的股份或債權證而獲益。

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As of 30 June 2006, the interests and short positions of the shareholders, other than a director or chief executive of the Company, in the Shares and underlying Shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long Positions in Shares of the Company:

Substantial shareholders	Capacity	Number of ordinary shares (corporate interests)	Percentage of issued share capital
CIHC	Interest of controlled corporation	726,389,705 <i>(Note 1)</i>	54.29
CIHK	643,425,705 shares as beneficial owner and 83,414,000 shares as interest of controlled corporation	726,389,705 <i>(Note 2)</i>	54.29
ICBC	Interest of controlled corporation	125,964,887 <i>(Note 3)</i>	9.41
ICBC (Asia)	Beneficial owner	125,964,887	9.41
JP Morgan Chase & Co.	Custodian corporation	105,381,000	7.87
T Rowe Price Associates Inc. and its affiliates	Investment manager	68,334,000	5.10

Note:

- (1) CIHC's interest in the Company is held by CIHK, Golden Win Development Limited ("Golden Win"), China Insurance Group Investment Co. Ltd. ("CIGICL") and Ming Lee Investment Limited ("Ming Lee"), all of which are wholly-owned subsidiaries of CIHC.
- (2) 82,794,000 shares are held by Golden Win, 450,000 shares are held by CIGICL and 170,000 shares are held by Ming Lee.
- (3) ICBC's interest in the Company is held by ICBC (Asia), a subsidiary of ICBC.

Save as disclosed above, the register required to be kept under section 336 of the SFO showed that the Company had not been notified of any interests or short positions in the Shares and underlying Shares of the Company as at 30 June 2006.

主要股東及其他人士的股份及相關股份的權益及淡倉

於二零零六年六月三十日，按證券及期貨條例第336條規定存置之登記冊的記錄所載不屬於本公司董事或最高行政人員的股東在本公司的股份及相關股份中擁有的權益及淡倉如下：

本公司股份的好倉情況：

主要股東	身份	普通股股數 (公司權益)	已發行股份 百分比
中保控股	控股公司權益	726,389,705 (註1)	54.29
香港中保	643,425,705股為實益擁有人及 83,414,000股為控股公司權益	726,389,705 (註2)	54.29
中國工銀	控股公司權益	125,964,887 (註3)	9.41
工銀(亞洲)	實益擁有人	125,964,887	9.41
摩根大通	保管人—法團	105,381,000	7.87
T Rowe Price Associates Inc. 及其聯號公司	投資經理	68,334,000	5.10

附註：

- (1) 中保控股於本公司之權益由香港中保、金和發展有限公司(「金和」)、中國保險集團投資有限公司(「中保投資」)及民利投資有限公司(「民利」)持有，各公司均為中保控股之全資附屬公司。
- (2) 82,794,000股股份由金和持有，450,000股股份由中保投資持有，而170,000股股份由民利持有。
- (3) 中國工銀於本公司之權益由其附屬公司工銀亞洲所持有。

除前述者外，按《證券及期貨條例》第336條規定存置之登記冊的記錄所示，本公司並無接獲通知任何有關於二零零六年六月三十日在本公司的股份及相關股份中擁有的權益或淡倉。

CORPORATE GOVERNANCE REPORT

企業管治報告書

The interim financial report for the Period has been reviewed by the audit committee of the board of directors of the Company.

During the Period, the Company was in compliance with the Code provisions, with the following exceptions:

The non-executive directors were not appointed for a specific term, but are subject to retirement by rotation and re-election at the Company's Annual General Meeting in accordance with the Company's articles of association.

Having made specific enquiries of all Directors, the Company confirmed that during the Period, all Directors have complied with the required standards as set out in the "Model Code for Securities Transactions by Directors of Listed Issuers" contained in Appendix 10 to the Listing Rules.

By order of the Board

FENG Xiaozeng

Chairman

Hong Kong, 17 August 2006

本財務期的中期財務報告已經本公司董事會轄下的審核委員會審閱。

本公司於本財務期內一直遵守守則條文，惟以下除外：

非執行董事是沒有指定的任期，惟須根據本公司組織章程細則於本公司的股東周年大會上輪值告退及膺選連任。

在向所有董事作出特定查詢之後，本公司確認所有董事於本財務期均有遵守上市規則附錄十所載的「有關上市發行人之董事進行證券交易之標準守則」所訂定的標準。

承董事會命

董事長

馮曉增

香港，二零零六年八月十七日



中 保 國 際 控 股 有 限 公 司
CHINA INSURANCE INTERNATIONAL HOLDINGS COMPANY LIMITED

香港銅鑼灣新寧道八號民安廣場第二期十二樓

電話：(852) 2864 1999

傳真：(852) 2866 2262

網址：www.ciih.com

12/F, Ming An Plaza Phase II, 8 Sunning Road, Causeway Bay, H.K.

Tel: (852) 2864 1999

Fax: (852) 2866 2262

Website: www.ciih.com