

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

1 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the HKICPA, accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. A summary of the significant accounting policies adopted by the group is set out below.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2006 comprise the company and its subsidiaries (together referred to as the “group”) and the group’s interest in associates.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets are stated at their fair value as explained in the accounting policies set out below:

- (i) investment properties;
- (ii) investments in debt and equity securities classified as available-for-sale; and
- (iii) investments in debt and equity securities designated at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRSs requires management to make significant judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

1 主要會計政策

(a) 遵例聲明

本財務報表已按照香港會計師公會頒布的所有適用的《香港財務報告準則》(其統稱已包括個別適用的《香港財務報告準則》、《香港會計準則》及詮釋)編製，並符合《香港公認會計準則》及香港《公司條例》之規定。此外，本財務報表亦符合《香港聯合交易所有限公司證券上市規則》有關的披露規定。以下是本集團及本公司採用的主要會計政策概要。

(b) 財務報表的編製基準

截至二零零六年十二月三十一日止年度的綜合財務報表包括本公司及其附屬公司(合稱為「本集團」)及本集團應佔聯營公司之權益。

除以下資產是以公平價值列賬外，本財務報表是以歷史成本作為編製基準。有關詳情載列於下列會計政策：

- (i) 投資物業；
- (ii) 歸類為可供出售的債務及股本證券投資；及
- (iii) 歸類為通過損益以反映公平價值的債務及股本證券投資。

按《香港財務報告準則》之要求，在編製財務報表時，管理層須作重大判斷、估計及假設從而影響政策實施及資產、負債、收入及支出之呈報金額。有關估計及假設乃按在既定情況下可合理地相信，根據過往之經驗及其他因素，作出判斷那些未能從其他來源確定的資產及負債的賬面值。實際結果可能與此等估計不盡相同。

有關估計及假設須不斷檢討。若修訂只影響該修訂期，會計估計的修訂於該修訂期內確認；或如該修訂影響本期及未來會計期，則於修訂期及未來會計期確認。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Basis of preparation of the financial statements (Continued)

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 47.

(c) Classification of contracts

Contracts under which the group accepts significant insurance risk from another party (“the policyholder”) by agreeing to compensate the policyholder if a specified uncertain future event (“the insured event”) adversely affects the policyholder are classified as insurance contracts. Insurance risk is the risk other than financial risk. Financial risk is the risk of a possible future change in one or more of a specified interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party of the contract. Insurance contracts may also transfer some financial risk.

Insurance risk is significant if, and only if, an insured event could cause the group to pay significant additional benefits. Once a contract is classified as an insurance contract it remains classified as an insurance contract until all rights and obligations are extinguished or expired.

Contracts under which the transfer of insurance risk to the group from the policyholder is not significant are classified as investment contracts.

Contracts with discretionary participation features (“DPF”)

Certain insurance contracts issued by the group contain a DPF. A DPF is a contractual right held by a policyholder to receive, as a supplement to guaranteed minimum payments, additional payments that are likely to be a significant portion of the total contractual benefits, whose amount or timing is contractually at the group’s discretion and are contractually based on:

- (i) the performance of a specified pool of contracts or a specified type of contract;
- (ii) realised and/or unrealised investment returns on a specified pool of assets; or
- (iii) the profit or loss of the company that issues the contracts.

1 主要會計政策 (續)

(b) 財務報表的編製基準 (續)

在附註47內，已載有管理層估計《香港財務報告準則》對下年度的財務報表及估計有重大影響引致可能產生重大的調整風險。

(c) 合約分類

倘將來特定的不確定事件(「承保事件」)對另一方(「保單持有人」)有不利影響，而本集團透過合約接受來自該保單持有人的重大保險風險並同意賠償該保單持有人，該等合約歸類為保險合約。保險風險為財務風險以外的風險。財務風險指特定利率、證券價格、商品價格、匯率、價格或利率指數、信貸評級或信貸指數或其他變量等等的其中一項或多項將來可能出現變動的風險，惟倘為非財務變量，則並非專門針對合約的某一訂約方。保險合約亦可轉移財務風險。

當承保事件可能引致本集團賠付重大額外利益時，保險風險乃屬重大。一旦合約歸類為保險合約，在全部權利及義務獲解除或屆滿前，其將一直歸類為保險合約。

保單持有人轉嫁予本集團的保險風險並不重大的合約分類為投資合約。

酌情分紅型合約

本集團訂立的部份保險合約包括酌情分紅型。酌情分紅型乃保單持有人持有可收取額外款項的一項合約權利，該額外款項作為最低擔保付款的增補款項，可能構成合約利益總額的大部份，合約利益總額的數額或時間安排乃由本集團按合約並根據以下各項酌情釐定：

- (i) 一組特定合約或特定類別合約的表現；
- (ii) 一組特定資產的已變現及／或未變現投資回報；或
- (iii) 訂立合約的公司的損益情況。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Recognition and measurement of contracts

(i) Reinsurance business

Revenue

Gross premiums written reflect business written during the year, and exclude any taxes or duties based on premiums. Premiums written include estimates for “pipeline” premiums and adjustments to estimates of premiums written in previous years.

The earned proportion of premiums is recognised as revenue. Premiums are earned from the date of attachment of risk, over the indemnity period, based on the pattern of risks underwritten.

Unearned premium provisions

The unearned premium provisions comprise the proportion of gross premiums written which is estimated to be earned in the following or subsequent financial years, computed separately for each insurance contract using the daily pro rata method, adjusted if necessary to reflect any variation in the incidence of risk during the period covered by the contract.

Policyholders' benefits

Policyholders' benefits incurred comprise the settlement and handling costs of paid and outstanding claims arising from events occurring during the financial year together with adjustments to prior year claims provisions.

Provision for outstanding claims comprises provision for the group's estimate of the ultimate cost of settling all claims incurred but unpaid at the balance sheet date whether reported or not, and related internal and external claims handling expenses and an appropriate prudential margin. Provision for outstanding claims is assessed by reviewing individual claims and making allowance for claims incurred but not yet reported, the effect of both internal and external foreseeable events, such as changes in claims handling procedures, inflation, judicial trends, legislative changes and past experience and trends. Provision for outstanding claims is not discounted. Adjustments to claims provisions established in prior years are reflected in the financial statements in the period in which the adjustments are made and disclosed separately if material. The methods used, and the estimates made, are reviewed regularly.

1 主要會計政策 (續)

(d) 合約確認及計量

(i) 再保險業務

收益

毛承保保費總額可反映年內已承保的保險業務，並經扣除任何保費稅項或稅務。毛承保保費包括「在途」保費估計及對過往年度承保保費估計作出的調整。

已賺取保費部份確認為收益。已賺保費乃於賠償期內按已承保的風險類別自風險受保之日起計算。

未到期責任準備金

未到期責任準備金包括毛承保保費總額中估計將於下個或其後財政年度賺取的部份，各保險合約均按日數比例法分別計算，如有必要，可予以調整，以反映合約承保期內風險產生的任何變動。

保單持有人利益

所產生的保單持有人利益包括因財政年度內發生的事件而引致的已付及未付賠款的結算及處理成本以及對上個年度的賠款準備作出的調整。

未決賠款準備包括就本集團於結算日已產生但尚未支付（不論是否已申報）的全部賠款最終結算成本所估計作出的準備，及相關內部及外部賠款處理費用以及合適的保守利潤。評估未決賠款準備時，需對個別賠款進行審核，並對已發生但尚未申報的賠款、內部及外部可預見事件（如賠款處理程序變動、通脹、司法趨勢、立法變動及過往經驗及趨勢等）的影響提撥準備。未決賠款準備不予貼現。對於過往年度賠款準備作出的調整載於作出該等調整期間的財務報表，如屬重大，須分開披露。所採用的方法及所作估計會定期檢討。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

(Expressed in Hong Kong dollars)
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1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Recognition and measurement of contracts (Continued)

(i) Reinsurance business (Continued)

Unexpired risk provision

Provision is made for unexpired risks arising from general reinsurance contracts where the expected value of claims and expenses attributable to the unexpired periods of policies in force at the balance sheet date exceeds the unearned premium provisions in relation to such policies. The unexpired risk provision is calculated by reference to classes of business which are managed together, after taking into account the future investment return on investments held to back the unearned premium provisions and the unexpired risk provision.

(ii) Life insurance business

Revenue

Gross premiums written in respect of life insurance contracts other than linked life insurance contracts, are recognised as revenue when due. Gross premiums written in respect of unit-linked life insurance contracts are recognised when the corresponding units are allocated to policyholders.

Policyholders' benefits

Policyholders' benefits include maturities, annuities, surrenders and death claims, and policyholder bonuses allocated in anticipation of a bonus declaration. Maturity and annuity claims are recognised as an expense when due for payment. Surrender claims are recognised when paid. Death claims are recognised when notified.

Life insurance funds

Provisions for life insurance contracts other than linked life insurance contracts are determined using the net level premium approach, in which the assumptions used in assessing the actuarial valuation of life insurance funds reflect management's assessment of the most likely outcome of future policy cash flows subject to reasonable and prudent allowances, and a deferral approach on the acquisition costs related to the acquisition of new business, including but not limited to commissions, underwriting, marketing and policy issue expenses, in so far as there are sufficient margins in the future premiums of the new policies to fund the amortisation of the acquisition costs over the life time of the policies. Profits are expected to emerge on a level basis over the life of the insurance contracts.

1 主要會計政策 (續)

(d) 合約確認及計量 (續)

(i) 再保險業務 (續)

未到期風險準備金

倘於結算日未到期的有效保單應佔賠款及開支的估計價值超過就相關保單作出的未到期責任準備金，則會就一般再保險合約的未到期風險撥提準備。未到期風險準備金乃參照與其一併管理的業務種類，並經計及為進行未到期責任準備金及未到期風險準備金而持有投資的未來投資回報計算。

(ii) 壽險業務

收益

除投資相連壽險合約以外的壽險合約毛承保保費總額於到期時確認為收益。投資相連壽險合約的毛承保保費總額於相應投資撥歸保單持有人時確認。

保單持有人利益

保單持有人利益包括到期、年金、退保及死亡賠款，以及按預期將宣派的花紅配發予保單持有人的花紅。到期及年金賠款於到期付款時確認為開支。退保賠款於支付時予以確認。死亡賠款於獲得通知時予以確認。

壽險責任準備金

除投資相連壽險合約以外的壽險合約準備金乃以淨平均保費計算法釐定，即用作計算將來壽險責任準備金的精算估值之假設是管理層作出合理及謹慎的預算後，對未來保單現金流量最可能出現情況的評估；以及採用遞延方法處理取得新業務的相關成本，包括但不限於佣金、包銷、市場推廣及簽發保單之費用；只要新保單的未來保費收入所得利潤足以支付收購成本在保單期內的分攤。溢利預計將會在保險合約期內平均計入。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Recognition and measurement of contracts (Continued)

(ii) Life insurance business (Continued)

Investment contracts

Investment contracts without DPF are recognised as financial liabilities in the balance sheet when the group becomes a party to their contractual provisions. Contributions received from policyholders are not recognised in the income statement but are accounted for as deposits.

All investment contracts issued by the group are designated by the group on initial recognition as fair value through profit or loss. This designation eliminates or significantly reduces a measurement inconsistency that would otherwise arise if these financial liabilities were not measured at fair value.

Changes in the fair value of investment contracts are included in the income statement in the period in which they arise.

Liability adequacy test

At each balance sheet date, liability adequacy tests are performed to determine if the life insurance funds are adequate. Current best estimates of all future contractual cash flows and related expenses, such as claims handling expenses, and investment income from assets backing the life insurance funds are used in performing these tests. Any deficiency is recognised in the income statement for the current year.

Derivatives embedded in contracts with DPF

The group does not separately measure embedded derivatives that meet the definition of an insurance or investment contract or options to surrender the insurance contracts for a fixed amount (or for an amount based on a fixed amount and an interest rate).

(iii) Reinsurance

The group cedes reinsurance in the normal course of business for the purpose of limiting its net loss potential through the diversification of its risks. Assets, liabilities, income and expense arising from ceded reinsurance contracts are presented separately from the related assets, liabilities, income and expense from the related insurance contracts because the reinsurance arrangements do not relieve the group from its direct obligations to policyholders.

Only contracts that give rise to a significant transfer of insurance risk are accounted for as reinsurance contracts. Rights under contracts that do not transfer significant insurance risk are accounted for as financial instruments.

1 主要會計政策 (續)

(d) 合約確認及計量 (續)

(ii) 壽險業務 (續)

投資合約

倘本集團成為非酌情分紅型投資合約合約條款內的一方，則該等合約將於資產負債表中須確認為財務負債。自保單持有人收取的供款不在收益表中確認，惟以按金列賬。

本集團簽發的所有投資合約，本集團將指定於初始確認時按公平價值在收益表列賬。指定以此方式列賬後可消除或大幅減少當該等財務負債不以公平價值計量時而產生的不一致。

投資合約的公平價值變動乃於其產生期間的收益表列賬。

負債充足性測試

於各結算日，本集團均會進行負債充足性測試，以確定壽險責任準備金是否充足。在進行該等測試時，將採用目前對例如賠款處理費用等所有將來的合約現金流及相關費用的當期最佳估計以及就壽險責任準備金所持資產的投資收入。任何虧絀會於當年的收益表內確認。

嵌入在酌情分紅型合約的衍生工具

本集團並無單獨計量可界定為保險或投資合約的嵌入式衍生工具，或保險合約的定額退保選擇權（或基於定額及利率的數額）。

(iii) 再保險

本集團在日常業務過程中會分出再保險以分散風險，限制其潛在賠款淨額。已分出的再保險合約所產生的資產、負債、收入及開支與有關保險合約的相關資產、負債、收入及開支分開呈列，原因為再保險安排並無解除本集團對保單持有人的直接責任。

只有引致保險風險大部份轉移的合約，方可列作再保險合約。合約下並無轉移大部份保險風險的權利列作財務工具。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Hong Kong dollars)
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1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Recognition and measurement of contracts (Continued)

(iii) Reinsurance (Continued)

Premiums ceded to reinsurers are recognised as an expense on a basis that is consistent with the recognition basis for the gross premiums written on the related insurance contracts. For the reinsurance business, premiums ceded to reinsurers are expensed over the period that the reinsurance cover is provided based on the expected pattern of the reinsured risks. The unexpensed portion of premiums ceded to reinsurers is included in the reinsurers' share of unearned premium provisions.

The net amounts of premiums ceded to reinsurers paid to a life reinsurer at the inception of a contract may be less than the reinsurers' share of life insurance funds recognised by the group in respect of its rights under such contracts. Any difference between the premiums ceded to reinsurers and the reinsurers' share of life insurance funds recognised is included in the income statement in the period in which the premiums ceded to reinsurers are due.

The amounts recognised as the reinsurers' share of life insurance funds are measured on a basis that is consistent with the measurement of the provisions held in respect of the related insurance contracts.

Recoveries due from reinsurance companies in respect of claims paid are classified as receivables and are included within the insurance debtors in the balance sheet.

Recoveries due from reinsurance companies are assessed for impairment at each balance sheet date. An asset is deemed impaired if there is an objective evidence, as a result of an event that occurred after its initial recognition, that the group may not recover all amounts due, and that the event has a reliably measurable impact on the amounts that the group will receive from the reinsurer.

(e) Subsidiaries and minority interests

Subsidiaries are entities controlled by the group. Control exists when the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

1 主要會計政策(續)

(d) 合約確認及計量(續)

(iii) 再保險(續)

已分出予再保險公司的保費乃根據有關保險合約的毛承保保費總額的確認基準確認為開支。就再保險業務而言，已分出予再保險公司的保費根據預期再保險風險種類於相關再保險承保期間予以支銷。已分出予再保險公司的保費中未支銷部份計入再保險公司應佔未到期責任準備金。

於履行合約時，付予壽險再保險公司的保費之再保份額可能低於其應佔本集團就相關合約的權利確認的壽險責任準備金。保費之再保份額與再保險公司應佔已確認壽險責任準備金之間的任何差額，於保費之再保份額到期時所在期間的收益表列賬。

確認為再保險公司應佔壽險責任準備金的數額乃按就有關保險合約所作準備的計量方法計量。

就已付索賠應收再保險公司的回撥款項歸類為應收賬款，並在資產負債表內列為保險客戶應收賬款。

於各結算日，應收再保險公司的回撥款項均會進行減值評估。倘有客觀證據顯示，於該資產初次被確認後發生了一些事項，令本集團不可收回全部到期款項，以及該事項可對本集團自再保險公司所收取金額造成能可靠地計量的影響，則相關資產會被視為出現減值。

(e) 附屬公司及少數股東權益

附屬公司為集團所控制之實體。當集團有權決定該實體的財務及經營業務從而獲取利益，控制權被確認。在評估控制權時，現存並可行使的潛在投票權已計算在內。

由控制開始至控制終止期間，附屬公司投資是綜合於綜合財務報表內。集團內部往來的餘額及交易，以及由集團內交易引致的未變現溢利，於編製綜合財務報表時全部抵銷。由集團內交易引致的未變現虧損，以適用於未變現收益的相同方式作抵銷，但抵銷時必須確保不存在減值跡象。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

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

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Subsidiaries and minority interests (Continued)

Minority interests represent the portion of the net assets of subsidiaries attributable to interests that are not owned by the company, whether directly or indirectly through subsidiaries, and in respect of which the group has not agreed any additional terms with the holders of those interests which would result in the group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. Minority interests are presented in the consolidated balance sheet within equity, separately from equity attributable to the equity shareholders of the company. Minority interests in the results of the group are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the year between the minority interests and the equity shareholders of the company.

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the group's interest is allocated all such profits until the minority's share of losses previously absorbed by the group has been recovered.

In the company's balance sheet, an investment in a subsidiary is stated at cost less impairment losses (see note 1(o)).

(f) Associates

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

An investment in an associate is accounted for in the consolidated financial statements under the equity method and is initially recorded at cost and adjusted thereafter for the post acquisition change in the group's share of the associate's net assets, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). The consolidated income statement includes the group's share of the post-acquisition, post-tax results of the associates for the year, including any impairment loss on goodwill relating to the investment in associates recognised for the year (see note 1(o)).

When the group's share of losses exceeds its interest in the associates, the group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the group has incurred legal or constructive obligations or made payments on behalf of the associate. For this purpose, the group's interest in the associate is the carrying amount of the investment under the equity method together with the group's long-term interests that in substance form part of the group's net investment in the associate.

1 主要會計政策(續)

(e) 附屬公司及少數股東權益(續)

少數股東權益是指，不論是直接或間接地通過附屬公司，並不屬於公司在附屬公司所擁有的權益而集團未與該權益持有者達成任何附加協議，致令集團整體上對該等權益產生符合財務負債定義的法定義務。少數股東權益在綜合資產負債表及綜合股東權益變動表內的股東權益列示，但與集團股東應佔權益分開。少數股東權益在集團全年業績所佔部份亦在損益表上。少數股東權益佔集團年度內溢利或虧損在綜合損益表表面以分配為少數股東權益及股東應佔權益形式呈報。

倘少數股東於附屬公司應佔之虧損超出少數股東於該附屬公司應佔之權益，超出之數額及任何少數股東應佔之進一步虧損，將計入本集團之權益，除非少數股東受責任約束並有能力作出額外投資以彌補虧損。倘該附屬公司日後錄得溢利，本集團之權益將獲分配所有該等溢利，直至本集團以往承受之少數股東應佔虧損已被彌補。

在本公司的資產負債表中，附屬公司投資是以以成本減去減值虧損(附註1(o))列賬。

(f) 聯營公司

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

於聯營公司的投資在最初產生時按權益會計法以成本記入綜合財務報表，然後就收購後本集團所佔聯營公司資產淨值的變動作出調整，除非此投資被歸類為持有作出售(或包括在出售組別內被歸類為持有作出售)。綜合損益表包括本集團應佔購入聯營公司權益後年度除稅後之業績，及減除有關年度內聯營公司投資的商譽減值虧損(附註1(o))。

除不超出本集團對該聯營公司所作出法律或推定義務或替該公司償付的承擔外，當本集團應佔該聯營公司的虧損超出本集團應佔該聯營公司之權益時，超出的虧損將不被確認，而本集團應佔該聯營公司之權益將被減值至零。為此，按權益會計法計算本集團應佔該聯營公司權益即按權益會計法計算投資賬面值及實質構成本集團應佔該聯營公司淨資產的長期權益。

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(f) Associates *(Continued)*

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

In the company's balance sheet, its investments in associates are stated at cost less impairment losses (see note 1(o)).

(g) Goodwill

Goodwill represents the excess of the cost of a business combination or an investment in an associate over the group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment (see note 1(o)). In respect of associates, the carrying amount of goodwill is included in the carrying amount of the interest in the associate.

Any excess of the group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of a business combination or an investment in an associate is recognised immediately in the income statement.

On disposal of a cash generating unit or an associate during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

(h) Investments in debt and equity securities

The group's and the company's policies for investments in debt and equity securities, other than investments in subsidiaries, associates and jointly controlled entities, are as follows:

Investments in debt and equity securities are initially stated at cost, which is their transaction price unless fair value can be more reliably estimated using valuation techniques whose variables include only data from observable markets. Cost includes attributable transaction costs, except where indicated otherwise below. These investments are subsequently accounted for as follows, depending on their classification:

1 主要會計政策 (續)

(f) 聯營公司 (續)

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

本公司資產負債表所示於聯營公司的投資，是按成本減去減值虧損入賬(附註1(o))。

(g) 商譽

商譽即商業合併或投資聯營公司的成本超過本集團應佔被收購者的可辨別資產、負債及或然負債的公平淨值。

商譽按成本減累計減值虧損列賬。商譽被分配至現金生產單位，並須每年作減值測試(附註1(o))。就聯營公司而言，商譽的賬面值已包括於聯營公司權益之賬面值內。

若本集團應佔被收購者的可辨別資產、負債及或然負債的公平淨值高於商業合併或投資聯營公司時的成本價，超出的金額立即在損益表確認。

在年度內出售單一現金生產單位或聯營公司，計算出售溢利或虧損時計入任何可歸屬購入商譽的金額。

(h) 債務及股本證券投資

有關本集團及本公司的債務及股本證券(不包括於附屬公司、聯營公司及共同控制實體之投資)投資之政策如下：

於債務及股本證券之投資初步按成本列賬。成本即其交易價，除非可以用估值技巧(其變數僅包括可觀察市場之數據)更可靠地估計其公平值。成本包括應計交易成本，惟下文所指定者除外。該等投資其後按下列方式列賬，惟需視乎其類別而定：

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Investments in debt and equity securities (Continued)

(i) Securities designated at fair value through profit or loss

Securities designated at fair value through profit or loss are financial instruments which on initial recognition are designated by the group as being at fair value through profit or loss.

A security is classified in this category if it meets the criteria set out below, and is so designated by management. The group designates securities at fair value through profit or loss because the designation:

- (1) eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; or
- (2) applies to a group of financial assets, financial liabilities or both that is managed and its performance evaluated on a fair value basis, in accordance with the group's documented risk management or investment strategy, and where information about these instruments are provided internally on that basis to the group's key management personnel; or
- (3) relates to securities containing one or more embedded derivatives which significantly modify the cash flows resulting from the securities, and which would otherwise require separate accounting.

Financial assets and financial liabilities so designated are recognised initially at fair value with transaction costs taken directly to the income statement. Gains and losses from changes in the fair value of such assets and liabilities are recognised in the income statement as they arise.

(ii) Held-to-maturity securities

Dated debt securities that the group and/or the company have the positive ability and intention to hold to maturity are classified as held-to-maturity securities. Held-to-maturity securities are stated in the balance sheet at amortised cost less impairment losses (see note 1(o)).

1 主要會計政策 (續)

(h) 債務及股本證券投資 (續)

(i) 指定為通過損益以反映公平價值的證券

指定為通過損益以反映公平價值的證券是被本集團初始確認為通過損益以反映公平價值的金融工具。

符合下列準則的證券均會撥歸這個類別，管理層亦按此定值。本集團可通過損益按公平價值對金融工具訂值，乃基於下列原因：

- (1) 若按不同基準計算金融資產或金融負債的價值，或確認其收益及虧損，便會出現前後不一致的金額或確認數值，按公平訂值可以消除或大幅減少這種不一致的情況；或
- (2) 若根據明文規定的風險管理或投資策略，有一組金融資產、金融負債或一組金融資產及負債需按公平價值基準管理及評估表現，而內部亦根據該基準向主要管理人員呈報該組金融工具的資訊，則公平訂值適用；或
- (3) 牽涉的證券內含一種或多種隱含嵌入式衍生工具，會大幅改變證券產生的現金流及或需獨立會計處理。

金融資產和金融負債最初按公平價值列賬加上交易費用直接記入損益表。因該資產和負債的公平價值變動而產生的收益及虧損在損益表內確認。

(ii) 持有至到期證券

本集團及本公司有肯定能力及意向持有至到期的有期債務證券，歸類為「持有至到期證券」。持有至到期證券按已攤銷成本減任何減值虧損後記入資產負債表(附註1(o))。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

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

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Investments in debt and equity securities (Continued)

(iii) Available-for-sale securities

Investments in securities which do not fall into any of the above categories are classified as available-for-sale securities. At each balance sheet date the fair value is remeasured, with any resultant gain or loss being recognised directly in equity, except for foreign exchange gains and losses in respect of monetary items such as debt securities which are recognised directly in the income statement. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in the income statement. When these investments are derecognised or impaired (see note 1(o)), the cumulative gain or loss previously recognised directly in equity is recognised in the income statement.

Investments are recognised/derecognised on the date the group commits to purchase/sell the investments or they expire.

(i) Sales and repurchase agreements

Securities sold under repurchase agreements represent short-term finance arrangements secured by the securities sold. The securities remain on the balance sheet and a liability is recorded in respect of the consideration received. Interest is calculated based upon the effective interest method.

Conversely, securities purchased under resale agreements represent short-term investment arrangements secured by the securities purchased. The securities are not recognised on the balance sheet and the consideration paid is recorded as an asset. Interest is calculated based upon the effective interest method.

Both securities sold under repurchase agreements and securities purchased under resale agreements are carried in the balance sheet at amortised cost.

(j) Investment property

Investment properties are land and/or buildings which are owned or held under a leasehold interest to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use.

Investment properties are stated in the balance sheet at fair value. Any gain or loss arising from a change in fair value or from the retirement or disposal of an investment property is recognised in the income statement. Rental income from investment properties is accounted for as described in note 1(v)(iii).

1 主要會計政策(續)

(h) 債務及股本證券投資(續)

(iii) 可供出售證券

未有分類為以上類別的證券投資，歸類為可供出售證券。於每個結算日再計算其公平值，任何收益或虧損，直接於權益內確認，但貨幣項目如債務證券的外匯收益或虧損則直接在損益表內確認。如是帶息投資，利息按有效利率方法計算並確認在損益表內。當投資被終止確認或減值時(附註1(o))，過往直接確認於權益的累計收益或虧損，在損益表內確認。

確認/終止確認投資的日期為本集團承諾買入/出售該投資或該投資屆滿之時。

(i) 賣出回購及買入返售合約

賣出回購證券指以所出售的證券作抵押之短期財務安排。該等證券仍留在資產負債表，並就所收取之代價記錄為負債。利息乃按有效利率方法計算。

相反，買入返售證券指以所購買的證券作抵押之短期投資安排。該等證券不會於資產負債表確認，而已支付的代價會記入流動資產。利息乃按有效利率方法計算。

賣出回購證券及買入返售證券是按已攤銷成本記入資產負債表。

(j) 投資物業

土地及/或房屋若持有或以租約業權擁有，目的為賺取租金或實現資本增值為目的，列為投資物業。投資物業包括未明確日後用途之土地。

投資物業是以公平價值於資產負債表列示。因公平值變更或報廢或出售而產生的損益在損益表內確認。投資物業租金收入按附註1(v)(iii)所述計算。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Investment property (Continued)

When the group holds a property interest under an operating lease to earn rental income and/or for capital appreciation, the interest is classified and accounted for as an investment property on a property-by-property basis. Any such property interest which has been classified as an investment property is accounted for as if it was held under a finance lease, and the same accounting policies are applied to that interest as are applied to other investment properties leased under finance leases.

Property that is being constructed or developed for future use as investment property is classified as property, plant and equipment and stated at cost until construction or development is complete, at which time it is reclassified as investment property at fair value. Any difference between the fair value of the property at that date and its previous carrying amount is recognised in the income statement.

(k) Other property, plant and equipment

The following items of property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation and impairment losses (see note 1(o)):

- land and buildings under which the fair values of the leasehold interest in the land and buildings cannot be measured separately at the inception of the lease; and
- other items of plant and equipment.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in the income statement on the date of retirement or disposal.

Depreciation is calculated to write off the cost or valuation of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

- Land and buildings are depreciated over the shorter of the unexpired term of lease and their estimated useful lives, being no more than 50 years after the date of completion.
- Plant and machinery 10 years
- Other fixed assets 3 - 5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

1 主要會計政策 (續)

(j) 投資物業 (續)

集團是根據個別情況，把以經營租賃方式持有用作租金收入或資本增值(或二者皆是)的物業權益分類為投資物業。任何已歸類為投資物業的物業權益，當作持有融資租賃入賬。其他根據融資租賃租出的投資物業，採用同一會計政策入賬。

修建或發展作日後用途的投資物業歸類為物業、機械裝置及設備，並按成本入賬直至完成建築或發展，然後按公平計轉分類為投資物業。任何物業的公平值與賬面值之差額，在損益表內確認。

(k) 其他物業、機械裝置及設備

下列之物業、機械裝置及設備以成本減去累計折舊及減值虧損(附註1(o))後記入資產負債表：

- 其土地及樓宇租賃利益的公平價值不能夠在租賃初始時分開計量的土地及樓宇；及
- 其他機械裝置及設備。

由報廢或出售物業、機械裝置及設備項目收益或虧損是按出售所得淨額與項目賬面金額之間的差額釐定，並於報廢或出售日在損益表內確認。

固定資產的折舊是根據下列分類，按預計可使用年期以直線法沖銷其成本或其項目估值減去其估計剩餘價值，如有：

- 土地及樓宇按尚餘租賃期及其估計可使用年期(以較短者為準)計提折舊，即於完成日期後不多於五十年
- 廠房及機器 十年
- 其他固定資產 三至五年

倘某物業、廠房及設備項目之部份有不同可使用年期，該項目之成本或估值須在各部份間按合理基準釐定，而各部份須分別計提折舊。資產及其剩餘價值之可使用年限(如有)，須每年檢討。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Operating lease charges

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

(m) Insurance debtors, other debtors and amounts due from group companies

Insurance debtors, other debtors and amounts due from group companies are initially recognised at fair value and thereafter stated at amortised cost less impairment losses for bad and doubtful debts, except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts (see note 1(o)).

(n) Insurance creditors, accrued charges and other creditors and amounts due to group companies

Insurance creditors, accrued charges and other creditors and amounts due to group companies are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(o) Impairment of assets

(i) Impairment of investments in debt and equity securities and other receivables

Investments in debt and equity securities and other current and non-current receivables that are stated at cost or amortised cost or are classified as available-for-sale securities are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such evidence exists, any impairment loss is determined and recognised as follows:

- For unquoted equity securities that are carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for equity securities are not reversed.

1 主要會計政策 (續)

(l) 經營租賃費用

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

(m) 保險客戶應收賬款、其他應收賬款及應收集團內公司款項

保險客戶應收賬款、其他應收賬款及應收集團內公司款項在最初產生時以公平值確認，其後按已攤銷成本減去呆壞賬減值虧損入賬。然而，如應收賬款是對關連人士的無固定還款期無息貸款或折算現值後的影響不大，則按成本減去呆壞賬減值虧損入賬(參看附註1(o))。

(n) 保險客戶應付賬款、應計費用及其他應付賬款及應付集團內公司款項

保險客戶應付賬款、應計費用及其他應付賬款及應付集團內公司款項在最初產生時以公平值確認，其後按已攤銷成本入賬。然而，如折算現值後的影響不大，則按成本入賬。

(o) 資產減值

(i) 債務及股本證券投資及其他應收款減值

債務及股本證券投資，當期及非當期應收款是以成本或已攤銷成本列賬或歸類為可供出售證券，並於每年結算日檢討，以釐定有否客觀證據可以證明需要減值。如任何此等證據存在，任何減值虧損根據下列方法釐定及確認：

- 就按成本入賬的無報價股本證券而言，如果折算現值後的影響重大，減值損失將按金融資產的賬面值及估計未來現金流按相同金融資產的現時市場回報率折算後，以二者之差額計算。股本證券的減值損失並不會被撥回。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Impairment of assets (Continued)

(i) Impairment of investments in debt and equity securities and other receivables (Continued)

- For trade and other current receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through the income statement. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

- For available-for-sale securities, the cumulative loss that has been recognised directly in equity is removed from equity and is recognised in the income statement. The amount of the cumulative loss that is recognised in the income statement is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in the income statement.

Impairment losses recognised in the income statement in respect of available-for-sale equity securities are not reversed through the income statement. Any subsequent increase in the fair value of such assets is recognised directly in equity.

Impairment losses in respect of available-for-sale debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversals of impairment losses in such circumstances are recognised in the income statement.

1 主要會計政策 (續)

(o) 資產減值 (續)

(i) 債務及股本證券投資及其他應收款減值 (續)

- 交易及其他當期應收款及其他金融資產的減值損失按金融資產的賬面值及估計未來現金流按相同金融資產的現時市場回報率折算為現值，如折算後的影響重大，以二者之差額計算（即該資產在初始確認以有效利率計算）。

若在較後期間，減值損失的金額減少而該減少是可客觀地與撇銷後發生的事件有關連，減值損失沖回損益表內。減值損失沖回損益表的金額不能超過假設該資產於往年從來未有確認減值損失的賬面值。

- 就可供出售證券而言，已直接確認在股東權益內的累積虧損將被剔除，並於損益表內確認。須於損益表內確認累積虧損之金額，是購入價（減去任何本金償還及攤銷）與現時公平值二者之差額，再減去往年已於損益表內確認的減值損失。

有關已確認可供出售股份證券的減值損失是不能沖回損益表的。其後該資產之公平價值增加須直接在股東權益內確認。

就可供出售債務證券而言，如其後該資產之公平價值增加，而該增加是可客觀地與確認減值損失後發生的事件有關連，減值損失可沖回。在此情況下，沖回減值損失於損益表內確認。

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(o) Impairment of assets *(Continued)*

(ii) Impairment of other assets

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

- property, plant and equipment;
- investments in subsidiaries and associates; and
- goodwill.

If any such indication exists, the asset's recoverable amount is estimated.

(i) Calculation of recoverable amount

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

(ii) Recognition of impairment losses

An impairment loss is recognised in the income statement whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

1 主要會計政策 (續)

(o) 資產減值 (續)

(ii) 其他資產減值 (續)

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

- 物業、廠房及設備；
- 附屬及聯營公司投資；及
- 商譽。

如任何此等徵兆存在，須估計該資產的可收回金額。

(i) 計算可收回金額

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

(ii) 減值損失之確認

當資產的賬面值或其所屬的現金生產單位超過可收回金額時，須於損益表內確認減值損失。有關確認現金生產單位減值損失時，首先減低分配予現金生產單位（或其單位組別）之賬面值，其後再按比例減低在該單位（或其單位組別）其他資產的賬面值，但該資產的賬面值不可低過其個別公平值減出售成本或使用值（如可確定的話）。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Impairment of assets (Continued)

(ii) Impairment of other assets (Continued)

(iii) Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

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

(p) Cash and cash equivalents

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

(q) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in the income statement over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

(r) Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

1 主要會計政策 (續)

(o) 資產減值 (續)

(ii) 其他資產減值 (續)

(iii) 減值虧損沖回

除商譽外的有關資產，如在用來釐定可收回金額的估計發生有利的變化，則減值損失會被沖回。商譽的減值虧損不可沖回。

減值虧損沖回只局限於該資產的賬面值，猶如該等減值虧損從未在往年被確認。減值虧損沖回在該被確認的年度計入損益表內。

(p) 現金及現金等價物

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

(q) 需付息借款

需付息借款在最初確認時按公平價值減去應佔交易費用。最初確認後，須付息借款按攤銷成本列賬，而最初確認數額與贖回價值之差額，加上任何利息及應付費用，按有效利率方法計算於借款期內在損益表中確認。

(r) 僱員福利

(i) 短期僱員福利及已訂定供款計劃供款

僱員所提供的服務有關的薪金、年度花紅、有薪假期、已訂定退休供款計劃供款及非金錢利益的成本均累計在年度內。倘有任何遞延付款或還款而帶有重大影響，則該等金額乃以其現值列賬。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Employee benefits (Continued)

(ii) Share based payments

The fair value of share options granted to employees is recognised as an employment cost with a corresponding increase in the employee share-based compensation reserve within equity. The fair value is measured at grant date using the Black Scholes pricing model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged/credited to the income statement for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the employee share-based compensation reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the employee share-based compensation reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the company's shares. The equity amount is recognised in the employee share-based compensation reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits).

(s) Income tax

- (i) Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in the income statement except to the extent that they relate to items recognised directly in equity, in which case they are recognised in equity.
- (ii) Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

1 主要會計政策 (續)

(r) 僱員福利 (續)

(ii) 股份為本支付

賦予員工的認股權之公平值被確認為員工成本，並在股東權益內的以股份為本之僱員補償儲備作相應的增加。公平價值乃採用Black Scholes認股權定價模式，按認股權授予日計算，並顧及授予認股權的條款。當僱員須符合歸屬期條件才可無條件享有該等認股權，預計公平價值總額在歸屬期內攤分入賬，並已考慮認股權歸屬的或然率。

估計可歸屬認股權的數目須在歸屬期內作出檢討。除非原本支出符合資產確認之要求，任何已在往年確認的累積公平價值之調整須在檢討期內的損益表支銷或回撥，並在以股份為本之僱員補償儲備作相應調整。在歸屬日，除非因未能符合歸屬條件引致權利喪失純粹與本公司股份的市價有關，確認為支出之金額按歸屬認股權的實際數目作調整（並在以股份為本之僱員補償儲備作相應調整）。屬股東權益的金額在以股份為本之僱員補償儲備確認，直至當認股權被行使時（轉入股本溢價），或當認股權之有效期屆滿時（轉入保留溢利）。

(s) 利得稅

- (i) 年度的利得稅包括當期稅項及遞延稅項資產及負債的變動。除該項目應在股東權益內入賬的數額外，當期稅項及遞延稅項資產及負債的變動確認為在損益表內。
- (ii) 當期稅項是本年度應課稅收入所預計的應付稅款，並包括前年度應付稅款的任何調整數，所用的稅率已在結算日有規定或已有頒令實施。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Income tax (Continued)

- (iii) Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

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

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

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

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

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

1 主要會計政策 (續)

(s) 利得稅 (續)

- (iii) 遞延稅項資產及負債是指由於財務報表與稅項基準的資產及負債的賬面值有差異，而差異的產生是由於可扣減及應課稅額出現暫時性差異。遞延稅項資產的產生亦由於有尚未使用的稅項虧損及稅項抵免。

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

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

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

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

由派發股息引起的額外所得稅在有關股息的支付責任獲確立時確認。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Income tax (Continued)

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

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

(t) Provisions and contingent liabilities

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

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

(u) Trust account

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

1 主要會計政策 (續)

(s) 利得稅 (續)

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

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

(t) 準備及或然負債

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

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

(u) 信託賬項

本賬項並不包括本集團或本公司以受託人方式持有的資產或承擔的負債。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Revenue recognition

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

(i) Earned premiums from insurance contracts

The accounting policies for the recognition of revenue from insurance contracts are disclosed in note 1(d).

(ii) Policy fee income from investment contracts

Fees are recognised as revenue based on the stage of completion of the contracts.

(iii) Rental income from operating leases

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

(iv) Income from asset management and insurance intermediary businesses

Income from asset management and insurance intermediary businesses is recognised when the service is rendered.

(v) Dividends

— Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.

— Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

(vi) Interest income

Interest income is recognised as it accrues using the effective interest method.

1 主要會計政策 (續)

(v) 收入確認

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

(i) 保險合約已賺取保費

有關確認保險合約收益的會計政策，詳情載於附註1(d)。

(ii) 投資合約的保單費收入

費用根據合約的完成階段確認。

(iii) 經營租賃的租金收入

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

(iv) 資產管理及保險中介業務的收入

資產管理及保險中介業務的收入在提供服務時確認。

(v) 股息

— 非上市投資的股息收入在股東收取款項的權利確立時確認。

— 上市投資的股息收入在投資項目的股價除息時確認。

(vi) 利息收入

利息收入乃按有效利率方法不斷累計確認。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) Translation of foreign currencies

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

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

(x) Derivative financial instruments

Derivative financial instruments are recognised initially at fair value. At each balance sheet date the fair value is remeasured. The gain or loss on remeasurement to fair value is charged immediately to the income statement.

An embedded derivative is a component of a hybrid (combined) instrument that includes both the derivative and a host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. The embedded derivatives are separated from the host contract and accounted for as a derivative when (a) the economic characteristics and risks of the embedded derivative are not closely related to the host contract; and (b) the hybrid (combined) instrument is not measured at fair value with changes in fair value recognised in the income statement. When the embedded derivative is separated, the host contract is accounted for in accordance with note (h) above.

(y) Borrowing costs

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

(z) Related parties

For the purposes of these financial statements, a party is considered to be related to the group if:

- (i) the party has the ability, directly or indirectly through one or more intermediaries, to control the group or exercise significant influence over the group in making financial and operating policy decisions, or has joint control over the group;
- (ii) the group and the party are subject to common control;

1 主要會計政策 (續)

(w) 外幣換算

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

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

(x) 衍生金融工具

衍生金融工具初始按公平值確認，並於結算日重算，重算公平值的收益或虧損立即記入損益表內。

嵌入式衍生工具屬於一種混合(結合)式工具的組成部分，該工具包括衍生工具及一主合約，並可改變該結合式工具的現金流，其作用類似一張獨立的衍生工具。當(a)該嵌入式衍生工具的經濟特性及風險與主合約並非緊密關連的；及(b)混合(結合)式工具並非按公平價值計量及將公平價值變動於損益表內確認，嵌入式衍生工具將與主合約分開並按衍生工具入賬。當嵌入式衍生工具被分開處理，主合約根據上述附註(h)入賬。

(y) 借款費用

借款費用在實際產生費用之時在損益表上列支。

(z) 關連人士

就編製本財務報表而言，有關人士即被視為本集團的關連人士，如：

- (i) 該人士有能力直接或間接透過一個或多個中介人控制，或可發揮重大影響本集團的財務及經營決策，或共同控制本集團；
- (ii) 本集團及該人士均受共同控制；

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(z) Related parties (Continued)

- (iii) the party is an associate of the group or a joint venture in which the group is a venturer;
- (iv) the party is a member of key management personnel of the group or the group's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
- (v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or
- (vi) the party is a post-employment benefit plan which is for the benefit of employees of the group or of an entity that is a related party of the group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

(aa) Segment reporting

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

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

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

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

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

1 主要會計政策 (續)

(z) 關連人士 (續)

- (iii) 該人士屬本集團的聯營公司；
- (iv) 該人士屬本集團主要管理人員的成員、或屬個人的近親家庭成員、或受該等個人人士控制、或共同控制或重大影響的實體。
- (v) 該人士如屬(i)所指的近親家庭成員或受該等個人人士控制、或共同控制或重大影響的實體。
- (vi) 屬提供福利予本集團或與本集團關聯的實體的僱員離職後福利計劃。

個人的近親家庭成員指可影響，或受該個人影響，他們與該實體交易的家庭成員。

(aa) 分類匯報

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

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

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

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

未能分配至分類的項目主要包括財務及企業資產、帶息借款、借款、稅項結餘、企業和融資支出。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

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

2 INSURANCE AND FINANCIAL RISK MANAGEMENT

2 保險及財務風險管理

(a) Risk management objectives and policies for mitigating insurance risk

The group is principally engaged in the underwriting of reinsurance business around the world and life insurance business in the PRC. The group's management of insurance and financial risk is a critical aspect of the business. Insurance risks are managed through the application of various policies and procedures relating to underwriting, pricing, claims and reinsurance as well as experience monitoring.

The group uses several methods to assess and monitor insurance risk exposures both for individual types of risks insured and overall risks. These methods include internal risk measurement models, sensitivity analyses and scenario analyses.

The theory of probability is applied to the pricing and provisioning for a portfolio of insurance contracts. The principal risk is that the frequency and severity of claims is greater than expected. Insurance events are, by their nature, random, and the actual number and size of events during any year may vary from those estimated using established statistical techniques.

(b) Underwriting strategy

Reinsurance

The group's reinsurance portfolio is made up of a mix of business spreading across different geographic regions and classes, with emphasis towards Asian countries covering property damage, marine cargo and hull and miscellaneous non-marine classes. In addition to diversifying its underwriting portfolio, the group does not actively seek acceptance of any liability reinsurance business from customers operating outside the Asia Pacific region, in particular, the United States of America. In the Asia Pacific region, where these are 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 towards the PRC's 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 on insurance underwriting.

(a) 風險管理目標及降低保險風險政策

本集團的主要業務為在全球各地承保再保險業務及在中國從事人壽保險業務。本集團的保險及財務風險管理乃主要業務領域。本集團藉應用各種與承保、定價、賠款及再保險以及經驗監測有關的政策及程序管理保險風險。

本集團採用多種方法評估及監測保險風險，包括個別類型的承保風險及整體風險。該等方法包括內部風險計量模式、敏感性分析及方案分析。

保險合約組合的定價及準備應用概率理論。主要風險為賠款次數及嚴重性超過預期。保險事件在性質上具有任意性，任何年度內事件的實際數目及結果可能與使用現行統計技術所估計者不同。

(b) 承保策略

再保險

本集團的一般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，包括財產損毀、貨運及船隻保險以及其他非海事保險。除多元化承保組合外，本集團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再保險服務。

人壽保險

本集團人壽保險業務的核心在於中國人壽保險市場，提供各種各樣的保險產品，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，以控制保險承保的風險。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

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

2 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(c) Reinsurance strategy

Reinsurance

The group purchases reinsurance protections in order to increase its underwriting capacity, to diversify its risk exposure and to harmonise its net retention exposure to avoid any significant adverse impact on its financial performance which may be caused by single or multiple catastrophic losses. The reinsurance protections are chosen after careful consideration of reinsurers' reputation and credit worthiness.

Life insurance

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, among other factors, ratings and evaluation performed by recognised credit rating agencies, their claims-paying and underwriting track record, as well as the group's past experience with them.

(d) Asset and liability matching

Reinsurance

A key aspect in the management of the group's risk is through matching the 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, whilst ensuring that the assets and liabilities are managed on a cash flow and duration basis.

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 the assets and liabilities closely and prepares cash flow projection from assets and liabilities on a regular basis. Currently, the group intends to reduce the level of the asset-liability mismatch by:

2 保險及財務風險管理(續)

(c) 再保險策略

再保險

本集團購買再保險保障以提高承保能力、分散風險及平抑自留風險，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。選擇再保險保障時會審慎考慮再保險公司的聲譽及信用水平。

人壽保險

本集團於日常業務過程中向其他再保險公司購買再保險保障，以限制因較長期及集中風險而產生的潛在損失。在評估再保險公司的信用水平時，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的交易經驗等因素。

(d) 資產與負債配比

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比時間。

本集團通過平衡質素、多元組合、資產與負債配比、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。

人壽保險

本集團的資產與負債管理目標為按期限基準配比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，本集團未能投資於長期足以配比其壽險負債的資產。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。本集團密切監督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：

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

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

2 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(d) Asset and liability matching (Continued)

Life insurance (Continued)

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

(e) Terms and conditions of insurance contracts

The terms and conditions of insurance contracts that have a material effect on the amount, timing and uncertainty of future cash flows arising from insurance contracts are set out below:

(i) Reinsurance

Product features

The group writes proportional and non-proportional reinsurance treaties and facultative reinsurance contracts primarily in Hong Kong and other Asian countries.

Reinsurance may take a relatively long period of time to finalise and settle claims for a given incurred year. The speed of claims reporting and claims settlement is a function of the specific coverage provided, the jurisdiction and the specific policy provisions. There are numerous components underlying the reinsurance business.

Management of risks

The key risk associated with reinsurance contracts are those relating to underwriting.

The group maintains at present certain underwriting teams, each comprising of certain members. The underwriting teams are responsible for the underwriting and sales of the group's reinsurance products. The team promoting a certain product to a customer has the requisite expertise to determine whether the group can meet the specific requirement of the customer. All inward business is screened and analysed by the underwriting staff. The decision to underwrite and the level of risk exposure accepted are determined by reference to the underwriting guideline setting out the types of business desired, and the maximum capacity per risk and per zone. Such criteria are determined by considering factors including the risk exposure, the pricing, the profit potential, the class of business, the marketing strategy, the retrocession facilities available and the market trends.

2 保險及財務風險管理(續)

(d) 資產與負債配比(續)

人壽保險(續)

- 積極尋求取得收益水平可接受的較長期定息債務投資；
- 於定息債務投資到期後，將所得款項滾存入長期定息債務投資；
- 出售部份短期定息債務投資，尤其是收益率較低者，將收益滾存入長期定息債務投資；及
- 長期投資股份。

(e) 保險合約的條款及條件

對保險合約產生的未來現金流動的數額、時間及不明朗性有重大影響的保險合約條款及條件載列如下：

(i) 再保險

產品特點

本集團主要在香港及其他亞洲國家承保按比例或非按比例再保險條約以及臨時再保險合約。

再保險於既定發生年度可能需要相對較長的時間完成理賠。賠款申報及理賠的速度取決於相關的保險特定範圍、司法權區及特定的保單規定。再保險業務有多個組成部份。

風險管理

再保險合約的主要風險為與承保相關的風險。

目前本集團設有若干承保團隊，每個團隊由若干成員組成。承保團隊負責承保及銷售本集團的再保險產品。向客戶推銷一種特定產品的團隊擁有專門技術，從而釐定本集團能否滿足客戶的特定要求。承保人員會篩選及分析所有承接的業務。承保的決定及風險水平參照以下各項釐定：承保指引設定所需業務的類型、每種風險及每區的最大能力。該等標準經考慮多種因素後釐定，包括風險因素、定價、盈利潛力、業務類別、市場推廣策略、可用轉分保險及市場趨勢等。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

2 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

2 保險及財務風險管理 (續)

(e) Terms and conditions of insurance contracts (Continued)

(e) 保險合約的條款及條件 (續)

(i) Reinsurance (Continued)

(i) 再保險 (續)

Management of risks (Continued)

風險管理 (續)

The group also arranges retrocession facilities to manage the risk. The group purchases mainly proportional retrocession treaties in respect of fire and marine cargo businesses. In addition, the group's catastrophic risks are currently protected by means of a single whole-account catastrophe excess of loss retrocession facility.

本集團亦安排轉分保險以控制風險。本集團主要購買有關火災及貨運的比例轉分保險。此外，本集團的巨災風險現時通過一攬子超賠轉分保險的方式保障。

Concentration of insurance risks

保險風險集中

Concentration of risk arises from the accumulation of risks within a particular business line and geographic area. The group's key methods in managing these risks are diversification of the business line and areas where the gross premiums are written. The tables below indicate the gross premiums written by business line and geographical distribution for the year ended 31 December 2006.

風險集中因特定業務種類與地理區域的風險累積而產生。本集團管理該等風險的主要方法為分散產生保費總額的業務種類及地區。下表顯示截至二零零六年十二月三十一日止年度按業務種類及地理分佈產生的保費總額。

By business line:

按業務種類：

		% to total gross premiums written 佔毛承保保費總額百分比	
		2006	2005
Proportional treaty	比例合約	56.2%	53.8%
Non-proportional treaty	非比例合約	30.2%	34.7%
Facultative	臨時	13.6%	11.5%
		100.0%	100.0%

By geographical territory:

按地理區域：

		% to total gross premiums written 佔毛承保保費總額百分比	
		2006	2005
Hong Kong & Macau	香港及澳門	19.9%	26.7%
Mainland China (& Taiwan)	中國大陸 (及台灣)	23.0%	17.8%
Japan	日本	6.3%	6.9%
Rest of Asia	亞洲其他地區	27.1%	27.7%
Europe	歐洲	17.1%	14.7%
Others	其他地區	6.6%	6.2%
		100.0%	100.0%

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

2 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(e) Terms and conditions of insurance contracts (Continued)

(ii) Life insurance

The features of major life insurance products are summarised below:

Product features

Term insurance

The group writes term policies which pay out guaranteed benefits on death that are fixed in amounts and not at the discretion of the group. The benefits are determined by the contract terms and are not directly affected by the performance of the underlying asset performance. The contracts include both individual and group schemes. The individual policies are long-term policies with guaranteed surrender value. Under the group schemes, the rates are annually renewable and are not guaranteed.

Whole life insurance

The group writes whole life policies which pay out guaranteed benefits on death. One individual whole life product also pays survival benefits every three years. All contracts have guaranteed surrender value.

Endowment insurance

The group writes endowment policies which pay out guaranteed benefits on death or maturity at the end of the policy term. All contracts have guaranteed surrender value.

Annuity

The group writes immediate and deferred annuity policies which pay out guaranteed survival benefits, some with a minimum guaranteed fixed period. All contracts have guaranteed surrender value before the pay out period starts.

Product with DPF

The group writes with-profits whole life and endowment policies, where discretionary annual bonus and sometimes discretionary terminal bonus are offered. All contracts have guaranteed surrender value. Provisions are invested in a fund, the strategy of which is to invest mostly in fixed interest securities. The bonus payments are designed to distribute to policyholders the profits from investment, expense and mortality gains. The contracts provide more capital security to the policyholders than unit-linked contracts. The shareholders of the group receive up to 30% of the profits.

2 保險及財務風險管理 (續)

(e) 保險合約的條款及條件 (續)

(ii) 人壽保險

主要人壽保險產品的特點概述如下：

產品特點

定期保險

本集團承保期限保單，該險種就身故者支付保證的利益，數額固定，並非由本集團酌情釐定。利益根據合約釐定，不會直接受到相關資產表現的影響。該等合約既包括個人計劃亦包括團體計劃。個人保單是有保證退保價值的長期保單。而根據團體計劃，費率每年更新及並無擔保。

終身人壽保險

本集團承保終身人壽保險保單，該保單就身故者給付保證的利益。其一種個人終身產品亦每三年一次支付生存利益。所有該等合約均有保證退保價值。

養老保險

本集團承保養老保險保單，該保單就身故者或於合約期限屆滿時給付保證的利益。所有該等合約均有保證退保價值。

年金

本集團承保即時及遞延付年金保單，該保單給付保證的生存利益，部份設有最低保證既定期限。所有該等合約於給付期開始前均有保證退保價值。

具酌情分紅特色的產品

本集團承保終生及兩全分紅業務。該保單設有酌情年度分紅利益及部份設有酌情末期分紅規定。所有該等合約均有保證退保價值。其準備金投資於主要投資定息證券的基金。分紅保險的設計目的在於向保單持有人支付投資、開支及死亡率收益的盈利。該等合約為保單持有人提供比單位連結合約高的本金保障。本集團股東收取盈利的最高達30%。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

2 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

2 保險及財務風險管理 (續)

(e) Terms and conditions of insurance contracts (Continued)

(e) 保險合約的條款及條件 (續)

(ii) Life insurance (Continued)

(ii) 人壽保險 (續)

Unit linked insurance contracts

單位連結保險合約

The group writes unit-linked contracts that operate by investing the policyholders' premiums into pooled investment funds of the group. The policyholders' share of the fund is represented by units. Individual policies are contracts with a fixed term where the policyholders are paid the sums assured upon death or total and permanent disability in addition to the account value. The account value depends on the investment performance of the underlying fund and the level of charges levied by the group for policy administration fees, mortality and other charges.

本集團承保單位連結保險合約，透過將保單持有人的保費投資於本集團匯集投資基金的方式運作。保單持有人分佔的基金份額以基金單位計算。個人保單為有固定期限的合約，除賬目價值外，保單持有人可獲死亡及完全及終身殘疾賠償。賬目價值取決於相關基金的投資表現及本集團就保單管理費、死亡率及其他收費徵收的費用。

Universal life insurance contracts

萬能壽險合約

The group writes fixed term single premium endowment contracts. Universal life contracts operate by investing the policyholders' premiums into a pooled investment fund of the group. The group at its discretion declares a monthly crediting rate to the policyholder accounts subject to the guaranteed minimum rate of the policy and the statutory minimum rate of 2% below the actual investment performance of the underlying fund. The account values accrue interest at the crediting rate and monthly charges levied by the group for policy administration.

本集團承接固定期限單一保費兩全合約。萬能壽險合約乃透過將保單持有人的保費投資於本集團的綜合投資基金而運作。本集團按保單的最低保證比率及法定最低比率(有關基金的實際投資表現低2%)酌情宣派月度信貸率予保單持有人。賬戶金額按信貸率計入利息及本集團保單管理徵收的每月費用。

Guaranteed features

保證回報特點

The main guaranteed features of life insurance products include:

壽險產品的保證回報特點包括：

Guaranteed interest rate

保證利率

The guaranteed minimum interest rate in most products is not higher than the statutory maximum rate in the PRC. The rate is lower than the current market interest rate.

多數保險產品的最低保證利率不超過法定最高利率。該利率低於現行市場利率。

Guaranteed credited rate

保證信貸率

There is a guaranteed minimum credited rate in the universal life product and an adjustable non-negative guaranteed rate for the group's unit-linked deposit administration policy.

萬能壽險產品附帶最低保證信貸率，而團體單位連結存款管理保單附帶可調整的保本比率。

Guaranteed premium

保證保費

There is a guarantee of premium in all of the long-term products. There is guarantee of premium for short-term products.

所有長期保險產品均有保證保費。而短期保險產品則沒有保證保費。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

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

2 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(e) Terms and conditions of insurance contracts (Continued)

(ii) Life insurance (Continued)

Guaranteed cash surrender values ("CSVs")

There are statutory minimum guaranteed CSVs in most of the long-term products.

Management of risks

The key risk associated with life insurance contracts is the risk of potential loss arising with respect to a particular insurance product as a result of actual market conditions and loss experience being different from the assumed market conditions and loss experience used when designing and pricing the product.

The group manages the risks by centralising the product design function at the head office level, headed by chief appointed actuary and senior management in other key functional departments. Standards and guidelines are established to ensure that the risks associated with particular products are within the acceptable level. The pricing method, the assumption, the solvency requirement, the profit margin, the loss experience, etc., are key considerations in designing a product.

In addition, the underwriting and claim processing departments strictly follow the established standards and procedures.

Concentration of insurance risks

Concentration risk is the risk of incurring a major loss as a result of having a significant mortality or other insurance coverage on a particular person or a group of persons due to the same event. The group manages the concentration of insurance risks by way of reinsurance arrangements with a maximum retention risk of RMB 500,000 per person in life and personal accident policies and RMB 200,000 on critical illness insurance. In addition, the group purchases catastrophe protection for losses arising from claims involving multiple lives from the same event. The maximum retention risk is RMB 1 million for each and every loss occurrence, and the total coverage is RMB 50 million for each and every loss occurrence. The group purchases surplus treaties and proportional treaties to cover life, accident and long term health risks. In addition, excess of loss reinsurance contract is applied for any insurance contract with significant sum insured.

2 保險及財務風險管理(續)

(e) 保險合約的條款及條件(續)

(ii) 人壽保險(續)

保證現金退保價值

大多數長期保險產品有法定最低保證現金退保價值。

風險管理

壽險合約的主要風險為實際市場狀況導致特定保險產品產生潛在虧損，以及虧損經驗與假設的市場狀況及設計及定價產品所使用的虧損經驗不同而引致的潛在虧損風險。

本集團透過總部將產品設計功能中央化以管理風險，由委任的首席精算師及其他職能部門的高級管理層領導，設立標準及指引以確保特定保險產品的相關風險介於可接受範圍內。定價方法、假設、清償規定、利潤率及虧損經驗等均是設計保險產品時考慮的關鍵因素。

此外，承保及賠款處理部門嚴格遵守既定的標準及程序。

保險風險集中

集中風險指本集團因相同事件造成特定人士或一群人士發生重大死亡或屬於其他承保範圍而蒙受重大損失的風險。本集團透過再保險安排(壽險及個人意外保單的最高自留金限額風險為每人人民幣500,000元，重大疾病保險的最高自留金限額風險為每人人民幣200,000元)管理集中風險。此外，本集團就同一事造成涉及人數眾多的保險賠款而產生的巨額賠償購買巨災保障保險。每宗事故的最高自留限額風險為人民幣100萬，而再保險保障上限為人民幣5,000萬元。本集團購買溢額合約保險及比例合約保險以保障壽險、意外風險保險及長期健康保險。此外，任何受保的重大金額保險合約均安排了超額賠款再保險合約。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

2 INSURANCE AND FINANCIAL RISK MANAGEMENT 2 保險及財務風險管理 (續)

(Continued)

(e) Terms and conditions of insurance contracts (Continued)

(ii) Life insurance (Continued)

Concentration of insurance risks (Continued)

The distribution of sum insured is summarised as follows:

RMB'000 人民幣千元	Before reinsurance 再保險前		After reinsurance 再保險後	
	2006	2005	2006	2005
0-200	96.74%	97.50%	96.76%	97.51%
201-500	2.81%	2.17%	3.24%	2.49%
501-750	0.23%	0.13%	—	—
751-1,000	0.12%	0.09%	—	—
1,001-1,500	0.03%	0.03%	—	—
1,501-2,000	0.02%	0.02%	—	—
2,001-2,500	0.01%	0.01%	—	—
>2,500	0.04%	0.05%	—	—
	100.00%	100.00%	100.00%	100.00%

(e) 保險合約的條款及條件 (續)

(ii) 人壽保險 (續)

保險風險集中 (續)

受保金額的分佈概述如下：

(f) 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 settled 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.

(f) 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險風險。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

再保險保費及虧損儲備並無折扣，惟具固定支付期限的固定賠款者除外。此外，定息債券被歸類為持有至到期類，並按攤銷成本列賬。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 FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

2 INSURANCE AND FINANCIAL RISK MANAGEMENT 2 保險及財務風險管理 (續)

(Continued)

(f) Financial risk (Continued)

(i) Market risk (Continued)

— Interest rate risk (Continued)

Life insurance

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 relating to the investment portfolio and insurance liabilities, are modelled and reviewed periodically.

— Effective interest rate

The following table indicates the weighted average effective interest rates in respect of selected key income-earning financial assets and interest-bearing financial liabilities for the year ended 31 December 2005 and 2006.

(f) 財務風險 (續)

(i) 市場風險 (續)

— 利率風險 (續)

壽險

本集團就壽險合約及其定息債務投資組合的儲備須承擔利率風險。本集團透過定期審核其資產及負債情況監控該風險。就本集團投資組合而言，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核。

— 有效利率

下表載列截至二零零五年及二零零六年十二月三十一日止年度可產生收入的個別主要財務資產及帶息財務負債的加權平均有效利率。

		2006	2005
Assets	資產		
Debt securities	債務證券	4.32%	4.31%
Deposits with banks and other financial institutions (including statutory deposits)	於銀行及其他金融機構存款 (包括法定存款)	2.73%	2.58%
Liabilities	負債		
Securities sold under repurchase agreements	賣出回購證券	2.90%	1.58%
Interest bearing notes	需付息票據	5.24%	5.24%

— Equity price risk

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 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 securities.

In respect of the reinsurance business, the equity securities are limited to less than 20% of total investments. The equity security portfolio is diversified among different countries and different industries. At 31 December 2006, the equity securities were carried at a fair value of \$710.97 million (2005: \$322.35 million), representing 18.5% (2005: 10.4%) of total investments held by the reinsurance business.

— 股本價格風險

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的市值的潛在損失。本集團的目標是透過投資於高質素的多元化流動證券組合以賺取具競爭力的相對回報。

就再保險業務而言，股本證券須低於總投資額的20%。股本證券組合分散投資於不同國家及不同行業。於二零零六年十二月三十一日，股本證券以公平價值7.1097億港元(二零零五年：3.2235億港元)列賬，佔一般再保險業務總投資額的18.5%(二零零五年：10.4%)。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

2 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(f) Financial risk (Continued)

(i) Market risk (Continued)

— Equity price risk (Continued)

In respect of the life insurance business, the current PRC regulation does not allow an insurance company to hold listed equities and mutual funds more than 5% and 15% respectively of total assets. An insurance company is only allowed to invest equities listed in the PRC. At 31 December 2006, the equity securities and mutual funds were carried at a fair value of \$4,441.42 million (2005: \$1,736.34 million), representing 14.2% (2005: 8.4%) of total investments held by the life insurance business.

— Foreign exchange risk

In respect of the reinsurance business, premiums are received mainly in HKD and USD and also in a number of Asian currencies which follow closely the USD currency rate movement. The group aims to hold assets in these currencies in broadly similar proportion to its insurance liabilities.

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

2 保險及財務風險管理 (續)

(f) 財務風險 (續)

(i) 市場風險 (續)

— 股本價格風險 (續)

就人壽保險業務而言，根據當前中國法例的規定，保險公司持有上市股本及互惠基金的比例不得超過總資產的5%及15%。保險公司限於在中國上市的股本證券。於二零零六年十二月三十一日，有價股本證券及有關有價股本證券的互惠基金以公平價值44.4142億港元(二零零五年：17.3634億港元)列賬，佔人壽保險業務總投資額的14.2%。(二零零五年：8.4%)

— 外匯風險

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。

就人壽保險業務而言，保費以人民幣計值，而中國保險法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 FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

2 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

2 保險及財務風險管理 (續)

(f) Financial risk (Continued)

(f) 財務風險 (續)

The following table indicates the concentration of foreign exchange risk on the group's level at the balance sheet date:

下表載列本集團於結算日承受外匯風險的集中程度：

		2006				
		RMB	USD	HKD	Other foreign	Total
		人民幣	美元	港幣	其他外幣	總額
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元
Assets	資產					
Statutory deposits	法定存款	547,443	—	—	—	547,443
Fixed assets	固定資產					
— Investment properties	— 投資物業	6,000	—	100,077	—	106,077
— Other property, plant and equipment	— 其他物業、機械及設備	977,832	140	56,448	270	1,034,690
Goodwill	商譽	154,909	—	73,276	—	228,185
Interest in associates	於聯營公司的權益	297,596	—	53,082	—	350,678
Deferred tax assets	遞延稅項資產	2,697	—	—	—	2,697
Investments in debt and equity securities	債務及股本證券投資	22,749,717	1,503,821	1,149,328	150,464	25,553,330
Amounts due from group companies	應收集團內公司款項	1,554	—	5,482	—	7,036
Insurance debtors	保險客戶應收賬款	8,542	40,267	273,753	130,605	453,167
Reinsurers' share of insurance contract provisions	分保公司應佔保險合約準備	49,451	11,520	313,464	17,472	391,907
Other debtors	其他應收賬款	522,857	27,125	8,073	4,285	562,340
Tax recoverable	可收回稅項	—	—	3,581	—	3,581
Pledged deposits at bank	已抵押銀行存款	—	89,406	—	4,270	93,676
Deposits at bank with original maturity more than three months	原到期日超過三個月的銀行存款	3,344,376	971,455	306,677	15,342	4,637,850
Cash and cash equivalents	現金及現金等價物	3,592,374	1,131,980	771,540	585,116	6,081,010
Total assets	總資產	32,255,348	3,775,714	3,114,781	907,824	40,053,667
		2006				
		RMB	USD	HKD	Other foreign	Total
		人民幣	美元	港幣	其他外幣	總額
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元
Liabilities	負債					
Life insurance funds	壽險責任準備金	24,406,372	—	—	—	24,406,372
Unearned premium provisions	未到期責任準備金	325,034	—	527,934	—	852,968
Provision for outstanding claims	未決賠款準備	111,241	362,362	1,250,063	462,500	2,186,166
Investment contract liabilities	投資合約負債	115,681	—	—	—	115,681
Deferred tax liabilities	遞延稅項負債	648,775	—	17,780	—	666,555
Interest-bearing notes	需付息票據	1,493,025	1,351,794	—	—	2,844,819
Securities sold under repurchase agreements	賣出回購證券	2,490,366	—	—	—	2,490,366
Amounts due to group companies	應付集團內公司款項	2	—	411	—	413
Insurance creditors	保險客戶應付賬款	184,597	12,258	32,086	11,089	240,030
Accrued charges and other creditors	應計費用及其他應付賬款	538,499	18,526	44,080	25	601,130
Current taxation	當期稅項	2,304	—	53,793	44	56,141
Insurance protection fund	保險保障基金	10,385	—	—	—	10,385
Total liabilities	總負債	30,326,281	1,744,940	1,926,147	473,658	34,471,026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

2 INSURANCE AND FINANCIAL RISK MANAGEMENT 2 保險及財務風險管理 (續)

(Continued)

(f) Financial risk (Continued)

(f) 財務風險 (續)

		2005				
		RMB	USD	HKD	Other foreign currencies	Total
		人民幣	美元	港幣	其他外幣	總額
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元
Assets	資產					
Statutory deposits	法定存款	487,806	—	—	—	487,806
Fixed assets	固定資產					
— Investment properties	— 投資物業	—	—	105,480	—	105,480
— Other property, plant and equipment	— 其他物業、機械裝置及設備	494,777	263	58,690	297	554,027
Goodwill	商譽	154,909	—	73,276	—	228,185
Interest in associates	於聯營公司的權益	293,581	—	21,717	—	315,298
Deferred tax assets	遞延稅項資產	—	—	3,298	—	3,298
Investments in debt and equity securities	債務及股本證券投資	15,770,583	1,760,149	413,345	178,429	18,122,506
Amounts due from group companies	應收集團內公司款項	—	—	298	16	314
Insurance debtors	保險客戶應收賬款	20,139	107,940	123,626	90,355	342,060
Reinsurers' share of insurance contract provisions	分保公司應佔保險合約準備	37,289	108,608	219,183	107,096	472,176
Other debtors	其他應收賬款	483,533	13,636	105,505	6,104	608,778
Tax recoverable	可收回稅項	—	—	5,585	—	5,585
Pledged deposits at bank	已抵押銀行存款	—	95,353	—	2,627	97,980
Deposits at bank with original maturity more than three months	原到期日超過三個月的銀行存款	575,823	883,858	314,247	—	1,773,928
Cash and cash equivalents	現金及現金等價物	2,694,577	498,219	459,721	563,843	4,216,360
Total assets	總資產	21,013,017	3,468,026	1,903,971	948,767	27,333,781
		2005				
		RMB	USD	HKD	Other foreign currencies	Total
		人民幣	美元	港幣	其他外幣	總額
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元
Liabilities	負債					
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	221,940	—	369,327	—	591,267
Provision for outstanding claims	未決賠款準備	80,545	553,173	957,573	558,687	2,149,978
Investment contract liabilities	投資合約負債	75,857	—	—	—	75,857
Deferred tax liabilities	遞延稅項負債	80,049	—	505	—	80,554
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
Insurance creditors	保險客戶應付賬款	301,402	27,669	37,749	13,351	380,171
Accrued charges and other creditors	應計費用及其他應付賬款	393,088	11,137	17,282	—	421,507
Current taxation	當期稅項	—	—	37,470	—	37,470
Insurance protection fund	保險保障基金	7,229	—	—	—	7,229
Total liabilities	總負債	19,978,642	1,939,950	1,419,906	572,038	23,910,536

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

2 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(f) 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 or in the case of an equity investment, the loss in value is resulting from a corporate failure.

Reinsurance

The group is exposed to credit risks primarily associated with the reinsurance debtors and the debt securities. To reduce the credit risk with reinsurance debtors, the group takes into account, among other factors, ratings and evaluation by recognised credit rating agencies, their claims payment and underwriting track record, as well as the group's past transaction experience with them. The group also spreads out the 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 restricts investments in fixed income debt securities with credit ratings generally not below the 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 the PRC enterprises. To reduce the credit risk, the group established a detailed credit control policies, by undertaking a credit analysis. In addition, the risk level 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 the individual impaired item cannot be identified. In assessing the need for collective impairment allowances, management considers factors such as credit quality, portfolio size, concentrations, and economic factors.

2 保險及財務風險管理 (續)

(f) 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再保險債務人及債務證券有關。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估值、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，本集團限制對信貸評級一般低於投資等級(即BBB或更高)的固定利息債券的投資，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對中國企業發行債務證券的投資有關。為降低信用風險，本集團透過信用分析制定一套詳盡的信用控制政策。此外，不同投資行業的風險水平透過調整投資組合而獲得持續監控。

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價值予以估值。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、集中程度及經濟因素。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

2 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(f) 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 contain the possibility of a 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, the reinsurer agrees 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.

(g) Risks associated with investment contracts without DPF

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

(h) Claims development

Claims development information for the reinsurance business is disclosed below in order to illustrate the insurance risk inherent in the group. The tables provide a review of current estimates of cumulative claims and demonstrates how the estimated claims have changed at subsequent reporting or underwriting year-ends. The estimates increased or decreased as losses are paid and more information becomes known about the frequency and severity of unpaid claims.

2 保險及財務風險管理 (續)

(f) 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，以確保本集團滿足正常財務需求及備存充裕的高質素流動資產，以應對可能產生的流動資金危機。

除流動資金管理及監管遵從外，本集團通常會留存適度的流動資金緩衝額作為應對意外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

本公司透過分散保險風險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，並將損失的影響降至最低。各種風險的保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基於承保範圍特徵的最高限額。根據再保險協議條款的規定，再保險公司同意在支付賠款後償還分出的金額。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。

(g) 與不具酌情分紅特色的投資合約有關的風險

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。

(h) 賠款發展

披露再保險業務的賠款發展資料的目的旨在說明本集團內在的保險風險。下列表格乃是對累積賠款當前估計的回顧，並說明估計賠款額於其後報告或承保年度年結日的變動情況。估計賠款額隨著損失的支付而增加或減少，並會揭示出更多有關未支付賠款額的頻次及嚴重性的信息。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

2 INSURANCE AND FINANCIAL RISK MANAGEMENT 2 保險及財務風險管理 (續)

(Continued)

(h) Claims development (Continued)

Analysis of claims development — gross of reinsurance

(h) 賠款發展 (續)

賠款發展分析 — 未扣除再保險毛額

		Underwriting year 承保年度					Total 總額 \$'000 千元
		2002 \$'000 千元	2003 \$'000 千元	2004 \$'000 千元	2005 \$'000 千元	2006 \$'000 千元	
Unearned premium provisions at the end of underwriting year (note)	於承保年度末之未到期 責任準備金 (註)	400,877	352,003	348,831	366,916	523,080	
<i>Estimate of cumulative claims</i>							
At the end of underwriting year	於承保年度年結時	416,497	545,205	601,563	903,974	617,028	
One year later	一年後	678,075	674,007	838,792	1,251,632	—	
Two years later	兩年後	682,144	629,880	838,594	—	—	
Three years later	三年後	654,413	612,981	—	—	—	
Four years later	四年後	647,675	—	—	—	—	
At 31 December 2006	於二零零六年十二月三十一日						
Estimate of cumulative claims	估計累計賠款	647,675	612,981	838,594	1,251,632	617,028	3,967,910
Cumulative payments to date	迄今累計付款	(460,952)	(420,158)	(590,568)	(666,633)	(15,223)	(2,153,534)
Liabilities recognised in the balance sheet	確認於資產負債表的負債	186,723	192,823	248,026	584,999	601,805	1,814,376
Liabilities in respect of underwriting years 2001 and before	於二零零一承保年度及 以前的負債						318,896
Total liabilities included in the balance sheet	確認於資產負債表 的總負債	186,723	192,823	248,026	584,999	601,805	2,133,272
At 31 December 2005	於二零零五年十二月三十一日						
Estimate of cumulative claims	估計累計賠款	654,413	629,880	838,792	903,974	—	3,027,059
Cumulative payments to date	迄今累計付款	(420,835)	(378,731)	(435,751)	(98,946)	—	(1,334,263)
Liabilities recognised in the balance sheet	確認於資產負債表的負債	233,578	251,149	403,041	805,028	—	1,692,796
Liabilities in respect of underwriting years 2001 and before	於二零零一承保年度及 以前的負債						413,654
Total liabilities included in the balance sheet	確認於資產負債表 的總負債	233,578	251,149	403,041	805,028	—	2,106,450

Note: Exclude the unearned premium provisions for the life reinsurance business.

註： 不包括人壽再保險業務之未到期責任準備金。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

2 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

2 保險及財務風險管理 (續)

(h) Claims development (Continued)

(h) 賠款發展 (續)

Analysis of claims development — net of reinsurance

賠款發展分析 — 減去再保險淨額

		Underwriting year 承保年度					Total 總額
		2002 \$'000 千元	2003 \$'000 千元	2004 \$'000 千元	2005 \$'000 千元	2006 \$'000 千元	\$'000 千元
Unearned premium provisions at the end of underwriting year (note)	於承保年度末之未到期 責任準備金 (註)	344,233	302,131	308,983	335,296	470,207	
<i>Estimate of cumulative claims</i>							
<i>At the end of underwriting year</i>		354,115	447,317	478,807	763,448	568,075	
One year later	一年後	575,370	571,361	651,938	1,056,084	—	
Two years later	兩年後	583,408	534,180	664,027	—	—	
Three years later	三年後	559,326	520,703	—	—	—	
Four years later	四年後	540,407	—	—	—	—	
At 31 December 2006	於二零零六年十二月三十一日	540,407	520,703	664,027	1,056,084	568,075	3,349,296
Estimate of cumulative claims	估計累計賠款	(409,432)	(356,783)	(460,623)	(529,463)	(13,532)	(1,769,833)
Cumulative payments to date	迄今累計付款						
Liabilities recognised in the balance sheet	確認於資產負債表的負債	130,975	163,920	203,404	526,621	554,543	1,579,463
Liabilities in respect of underwriting years 2001 and before	於二零零一承保年度及 以前的負債						253,220
Total liabilities included in the balance sheet	確認於資產負債表 的總負債	130,975	163,920	203,404	526,621	554,543	1,832,683
At 31 December 2005	於二零零五年十二月三十一日	559,326	534,180	651,938	763,448	—	2,508,892
Estimate of cumulative claims	估計累計賠款	(378,450)	(320,900)	(328,738)	(95,858)	—	(1,123,946)
Cumulative payments to date	迄今累計付款						
Liabilities recognised in the balance sheet	確認於資產負債表的負債	180,876	213,280	323,200	667,590	—	1,384,946
Liabilities in respect of underwriting years 2001 and before	於二零零一承保年度及 以前的負債						307,929
Total liabilities included in the balance sheet	確認於資產負債表 的總負債	180,876	213,280	323,200	667,590	—	1,692,875

Note: Exclude the unearned premium provisions for the life reinsurance business.

註： 不包括人壽再保險業務之未到期責任準備金。

3 SEGMENT REPORTING

3 分類匯報

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

分類資料的匯報是按本集團的業務及地區來區分，本集團採用業務類別作為基本匯報形式。

By business segments

按業務分類

The group comprises the following main business segments:

本集團設有下列的主要業務分類：

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

- 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。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

3 SEGMENT REPORTING (Continued)

3 分類匯報 (續)

a. Segmental income statement for 2006

a. 2006分類損益表

		2006			
		Reinsurance	Life insurance	Corporate and other businesses	Total
		再保險	人壽保險	企業及其他業務	總額
		\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元
Revenue	收入				
Gross premiums written	毛承保保費	1,541,568	10,823,201	—	12,364,769
Policy fees	保單費收入	—	8,685	—	8,685
		1,541,568	10,831,886	—	12,373,454
Less: Premiums ceded to reinsurers	減：保費之再保份額	(164,565)	(58,355)	—	(222,920)
Net premiums written and policy fees	淨承保保費及保單費收入	1,377,003	10,773,531	—	12,150,534
Change in unearned premium provisions, net of reinsurance	未到期責任準備金變化，減再保險	(136,910)	(80,051)	—	(216,961)
Net earned premiums and policy fees	已賺取保費及保單費收入淨額	1,240,093	10,693,480	—	11,933,573
Net investment income (note (i))	投資收入淨額 (註(i))	160,608	987,901	41,202	1,189,711
Net realised investment gains (note (ii))	已變現投資收益淨額 (註(ii))	133,572	371,170	54,768	559,510
Net unrealised investment gains (note (iii))	未變現投資收益淨額 (註(iii))	9,254	611,685	13,934	634,873
Net exchange gain/(loss)	匯兌收益/(虧損)淨額	66,971	(42,036)	(2,099)	22,836
Other income	其他收入	5,614	19,264	68,977	93,855
Inter-segment transactions	分類之間交易	—	(12,219)	(41,855)	(54,074)
		1,616,112	12,629,245	134,927	14,380,284
Benefits, losses and expenses	給付、賠款及費用				
Policyholders' benefits	保單持有人利益	(820,867)	(1,544,225)	—	(2,365,092)
Net commission expenses	佣金支出淨額	(326,213)	(868,604)	—	(1,194,817)
Administrative and other expenses	行政及其他費用	(87,992)	(1,321,052)	(111,561)	(1,520,605)
Change in life insurance funds, net of reinsurance	壽險責任準備金變化，減再保險	—	(8,229,133)	—	(8,229,133)
Inter-segment transactions	分類之間交易	30,521	11,334	12,219	54,074
		(1,204,551)	(11,951,680)	(99,342)	(13,255,573)
Profit from operations	經營溢利	411,561	677,565	35,585	1,124,711
Share of (losses)/profits of associates	應佔聯營公司(虧損)/溢利	—	(362)	4,432	4,070
Finance costs	財務費用	—	(65,081)	(79,103)	(144,184)
Profit/(loss) before taxation	除稅前溢利/(虧損)	411,561	612,122	(39,086)	984,597
Income tax charge	稅項支出	(15,905)	(298,836)	(11,515)	(326,256)
Profit/(loss) after taxation	除稅後溢利/(虧損)	395,656	313,286	(50,601)	658,341
Minority interests	少數股東權益	—	(156,685)	9,109	(147,576)
Profit/(loss) attributable to equity holders	股東應佔溢利/(虧損)	395,656	156,601	(41,492)	510,765

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

3 SEGMENT REPORTING (Continued)

3 分類匯報 (續)

a. Segmental income statement for 2006 (Continued)

a. 2006分類損益表 (續)

		2006			
		Reinsurance	Life insurance	Corporate and other businesses	Total
		再保險	人壽保險	企業及其他業務	總額
		\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元
Note(i): Net investment income	註(i): 投資收入淨額				
Interest income from debt securities	債務證券利息收入:				
— Held-to-maturity	— 持有至到期日	64,422	—	380	64,802
— Available-for-sale	— 可供出售	15,085	691,267	—	706,352
— Designated at fair value through profit or loss	— 指定為通過損益以反映公平價值	14,210	2,564	15,911	32,685
Dividend income from direct equity securities	直接股本證券的股息收入:				
— Available-for-sale	— 可供出售	5,300	—	1,959	7,259
— Designated at fair value through profit or loss	— 指定為通過損益以反映公平價值	2,300	12,881	1,297	16,478
Dividend income from equity investment funds	股本投資基金的股息收入:				
— Available-for-sale	— 可供出售	—	148,685	—	148,685
— Designated at fair value through profit or loss	— 指定為通過損益以反映公平價值	—	41,444	—	41,444
Dividend income from composite investment funds	綜合投資基金的股息收入:				
— Designated at fair value through profit or loss	— 指定為通過損益以反映公平價值	1,561	—	—	1,561
Bank deposits and other interest income	銀行存款及其他利息收入	55,636	150,344	21,671	227,651
Rentals receivable from investment properties	應收投資物業的租金	2,094	—	—	2,094
Interest expenses on securities sold under repurchase agreements	賣出回購證券利息費用	—	(59,284)	(16)	(59,300)
		160,608	987,901	41,202	1,189,711
Note(ii): Net realised investment gains	註(ii): 已變現投資收益淨額				
Debt securities	債務證券				
— Available-for-sale	— 可供出售	—	1,233	—	1,233
— Designated at fair value through profit or loss	— 指定為通過損益以反映公平價值	(1,693)	2,769	5,080	6,156
Direct equity securities	直接股本證券				
— Available-for-sale	— 可供出售	125,885	—	20,284	146,169
— Designated at fair value through profit or loss	— 指定為通過損益以反映公平價值	7,918	171,456	15,452	194,826
Equity investment funds	股本投資基金				
— Designated at fair value through profit or loss	— 指定為通過損益以反映公平價值	—	195,712	13,952	209,664
Investment properties	投資物業	1,462	—	—	1,462
		133,572	371,170	54,768	559,510

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

3 SEGMENT REPORTING (Continued)

3 分類匯報 (續)

a. Segmental income statement for 2006 (Continued)

a. 2006分類損益表 (續)

		2006			
		Reinsurance	Life insurance	Corporate and other businesses	Total
		再保險	人壽保險	企業及其他業務	總額
		\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元
Note(iii): Net unrealised investment gains	註(iii): 未變現投資收益淨額				
Debt securities	債務證券				
— Designated at fair value through profit or loss	— 指定為通過損益以反映公平價值	(558)	(7,439)	1,687	(6,310)
Direct equity securities	直接股本證券				
— Designated at fair value through profit or loss	— 指定為通過損益以反映公平價值	7,066	196,404	1,197	204,667
Equity investment funds	股本投資基金				
— Designated at fair value through profit or loss	— 指定為通過損益以反映公平價值	—	422,720	11,050	433,770
Composite investment funds	綜合投資基金				
— Designated at fair value through profit or loss	— 指定為通過損益以反映公平價值	393	—	—	393
Derivative financial instruments	衍生金融工具	(1,244)	—	—	(1,244)
Surplus on revaluation of investment properties	投資物業重估盈餘	3,597	—	—	3,597
		9,254	611,685	13,934	634,873

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

3 SEGMENT REPORTING (Continued)

3 分類匯報 (續)

b. Segmental balance sheet for 2006

b. 2006分類資產負債表

		2006			
		Reinsurance	Life insurance	Corporate and other businesses	Total
		再保險	人壽保險	企業及其他業務	總額
		\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元
Statutory deposits	法定存款	—	497,675	49,768	547,443
Investment properties	投資物業	106,077	—	—	106,077
Other property, plant and equipment	其他物業、機械裝置及設備	2,785	970,025	61,880	1,034,690
Debt securities (note (i))	債務證券 (註(i))	1,383,586	18,257,752	186,717	19,828,055
Direct equity securities (note (ii))	直接股本證券 (註(ii))	710,972	1,956,041	492,080	3,159,093
Equity investment funds (note (iii))	股本投資基金 (註(iii))	—	2,485,383	40,589	2,525,972
Composite investment funds (note (iv))	綜合投資基金 (註(iv))	40,210	—	—	40,210
Cash and bank deposits	現金及銀行存款	1,603,704	8,000,884	1,207,948	10,812,536
Goodwill	商譽	—	154,909	73,276	228,185
Interest in associates	於聯營公司的權益	—	3,968	346,710	350,678
Reinsurers' share of insurance contract provisions	分保公司應佔保險合約準備	353,462	38,445	—	391,907
Other segment assets	其他分類資產	486,701	520,343	21,777	1,028,821
Total assets	總資產	4,687,497	32,885,425	2,480,745	40,053,667
Life insurance funds	壽險責任準備金	—	24,406,372	—	24,406,372
Unearned premium provisions	未到期責任準備金	527,934	325,034	—	852,968
Provision for outstanding claims	未決賠款準備	2,133,272	52,894	—	2,186,166
Investment contract liabilities	投資合約負債	—	115,681	—	115,681
Interest-bearing notes	需付息票據	—	1,493,025	1,351,794	2,844,819
Securities sold under repurchase agreements	賣出回購證券	—	2,490,366	—	2,490,366
Deferred tax liabilities	遞延稅項負債	11,050	648,775	6,730	666,555
Other segment liabilities	其他分類負債	128,056	713,791	66,252	908,099
Total liabilities	總負債	2,800,312	30,245,938	1,424,776	34,471,026
Minority interests	少數股東權益	—	1,326,727	77,595	1,404,322
Net assets attributable to the equity holders of the company	股東應佔資產淨值	1,887,185	1,312,760	978,374	4,178,319

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

3 SEGMENT REPORTING (Continued)

3 分類匯報 (續)

b. Segmental balance sheet for 2006 (Continued)

b. 2006分類資產負債表 (續)

		2006			
		Reinsurance	Life insurance	Corporate and other businesses	Total
		再保險	人壽保險	企業及其他業務	總額
		\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元
Note (i): Debt securities	註(i): 債務證券				
— Held-to-maturity	— 持有至到期日	834,083	—	9,386	843,469
— Available-for-sale	— 可供出售	414,051	18,160,800	—	18,574,851
— Designated at fair value through profit or loss	— 指定為通過損益以反映公平價值	135,452	96,952	177,331	409,735
		1,383,586	18,257,752	186,717	19,828,055
Note (ii): Direct equity securities	註(ii): 直接股本證券				
— Available-for-sale	— 可供出售	623,057	1,441,683	451,938	2,516,678
— Designated at fair value through profit or loss	— 指定為通過損益以反映公平價值	87,915	514,358	40,142	642,415
		710,972	1,956,041	492,080	3,159,093
Note (iii): Equity investment funds	註(iii): 股本投資基金				
— Available-for-sale	— 可供出售	—	1,563,495	—	1,563,495
— Designated at fair value through profit or loss	— 指定為通過損益以反映公平價值	—	921,888	40,589	962,477
		—	2,485,383	40,589	2,525,972
Note (iv): Composite investment funds	註(iv): 綜合投資基金				
— Available-for-sale	— 可供出售	15,826	—	—	15,826
— Designated at fair value through profit or loss	— 指定為通過損益以反映公平價值	24,384	—	—	24,384
		40,210	—	—	40,210

c. Other segmental information for 2006

c. 2006其他分類資料

		2006			
		Reinsurance	Life insurance	Corporate and other businesses	Total
		再保險	人壽保險	企業及其他業務	總額
		\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元
Capital expenditure	資本開支	425	504,753	8,273	513,451
Depreciation	折舊	938	41,773	4,955	47,666
Significant non-cash income (other than depreciation and amortisation)	重大非現金收入 (不包括折舊及攤銷)	76,225	569,649	11,835	657,709

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

3 SEGMENT REPORTING (Continued)

3 分類匯報 (續)

d. Segmental income statement for 2005

d. 2005分類損益表

		2005			
		Reinsurance	Life insurance	Corporate and other businesses	Total
		再保險	人壽保險	企業及其他業務	總額
		\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元
Revenue	收入				
Gross premiums written	毛承保保費	1,256,403	7,351,092	—	8,607,495
Policy fees	保單費收入	—	4,178	—	4,178
		1,256,403	7,355,270	—	8,611,673
Less: Premiums ceded to reinsurers	減：保費之再保份額	(218,557)	(49,169)	—	(267,726)
Net premiums written and policy fees	淨承保保費及保單費收入	1,037,846	7,306,101	—	8,343,947
Change in unearned premium provisions, net of reinsurance	未到期責任準備金變化，減再保險	(26,029)	(99,884)	—	(125,913)
Net earned premiums and policy fees	已賺取保費及保單費收入淨額	1,011,817	7,206,217	—	8,218,034
Net investment income (note (i))	投資收入淨額 (註(i))	131,244	556,233	34,806	722,283
Net realised investment gains/(losses) (note (ii))	已變現投資收益/(虧損)淨額 (註(ii))	47,763	(4,914)	28,362	71,211
Net unrealised investment gains (note (iii))	未變現投資收益淨額 (註(iii))	12,673	6,377	2,029	21,079
Net exchange (loss)/gain	匯兌(虧損)/收益淨額	(65,930)	(30,147)	1,185	(94,892)
Other income/(loss)	其他收入/(虧損)	469	(1,862)	31,382	29,989
Inter-segment transactions	分類之間交易	(300)	—	(14,633)	(14,933)
		1,137,736	7,731,904	83,131	8,952,771
Benefits, losses and expenses	給付、賠款及費用				
Policyholders' benefits	保單持有人利益	(750,623)	(672,318)	—	(1,422,941)
Net commission expenses	佣金支出淨額	(235,554)	(573,603)	—	(809,157)
Administrative and other expenses	行政及其他費用	(47,729)	(1,091,112)	(55,949)	(1,194,790)
Change in life insurance funds, net of reinsurance	壽險責任準備金變化，減再保險	—	(5,785,225)	—	(5,785,225)
Goodwill impairment	商譽減值	—	—	(250,000)	(250,000)
Inter-segment transactions	分類之間交易	11,453	—	3,480	14,933
		(1,022,453)	(8,122,258)	(302,469)	(9,447,180)
Profit/(loss) from operations	經營溢利/(虧損)	115,283	(390,354)	(219,338)	(494,409)
Share of losses of associates	應佔聯營公司虧損	—	(616)	(48,112)	(48,728)
Finance costs	財務費用	—	(5,290)	(83,009)	(88,299)
Profit/(loss) before taxation	除稅前溢利/(虧損)	115,283	(396,260)	(350,459)	(631,436)
Income tax (charge)/credit	稅項(支出)/抵免	(41,674)	75,382	2,375	36,083
Profit/(loss) after taxation	除稅後溢利/(虧損)	73,609	(320,878)	(348,084)	(595,353)
Minority interests	少數股東權益	—	161,590	—	161,590
Profit/(loss) attributable to equity holders	股東應佔溢利/(虧損)	73,609	(159,288)	(348,084)	(433,763)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

3 SEGMENT REPORTING (Continued)

3 分類匯報 (續)

d. Segmental income statement for 2005 (Continued)

d. 2005分類損益表 (續)

		2005			Total 總額 \$'000 千元
		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	
Note(i): Net investment income	註(i): 投資收入淨額				
Interest income from debt securities	債務證券利息收入:				
— Held-to-maturity	— 持有至到期日	71,297	—	356	71,653
— Available-for-sale	— 可供出售	10,022	439,696	—	449,718
— Designated at fair value through profit or loss	— 指定為通過損益以反映公平價值	10,546	916	19,070	30,532
Dividend income from direct equity securities	直接股本證券股息收入:				
— Available-for-sale	— 可供出售	2,447	—	—	2,447
— Designated at fair value through profit or loss	— 指定為通過損益以反映公平價值	5,919	—	7,764	13,683
Dividend income from equity investment funds	股本投資基金股息收入				
— Designated at fair value through profit or loss	— 指定為通過損益以反映公平價值	—	78,792	—	78,792
Dividend income from composite investment funds	綜合投資基金股息收入				
— Designated at fair value through profit or loss	— 指定為通過損益以反映公平價值	144	—	—	144
Bank deposits and other interest income	銀行存款及其他利息收入	28,662	77,039	7,616	113,317
Rentals receivable from investment properties	應收投資物業的租金	2,207	—	—	2,207
Interest expenses on securities sold under repurchase agreements	賣出回購證券利息費用	—	(40,210)	—	(40,210)
		131,244	556,233	34,806	722,283
Note(ii): Net realised investment gains/(losses)	註(ii): 已變現投資收益/(虧損)淨額				
Debt securities	債務證券				
— Available-for-sale	— 可供出售	3,442	9,972	—	13,414
— Designated at fair value through profit or loss	— 指定為通過損益以反映公平價值	5,211	—	5,424	10,635
Direct equity securities	直接股本證券				
— Available-for-sale	— 可供出售	16,210	—	—	16,210
— Designated at fair value through profit or loss	— 指定為通過損益以反映公平價值	20,475	1,069	22,591	44,135
Equity investment funds	股本投資基金				
— Designated at fair value through profit or loss	— 指定為通過損益以反映公平價值	—	(16,023)	—	(16,023)
Derivative financial instruments	衍生金融工具	2,425	68	347	2,840
		47,763	(4,914)	28,362	71,211

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

3 SEGMENT REPORTING (Continued)

3 分類匯報 (續)

d. Segmental income statement for 2005 (Continued)

d. 2005分類損益表 (續)

		2005			
	Reinsurance 再保險	Life insurance 人壽保險	Corporate and other businesses 企業及其他業務	Total 總額	
	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	
Note(iii): Net unrealised investment gains	註(iii) : 未變現投資收益淨額				
Debt securities		債務證券			
— Designated at fair value through profit or loss		— 指定為通過損益以反映公平價值			
	(3,994)	20,538	(6,042)	10,502	
Direct equity securities		直接股本證券			
— Designated at fair value through profit or loss		— 指定為通過損益以反映公平價值			
	6,455	(2,684)	8,071	11,842	
Equity investment funds		股本投資基金			
— Designated at fair value through profit or loss		— 指定為通過損益以反映公平價值			
	—	(11,477)	—	(11,477)	
Composite investment funds		綜合投資基金			
— Designated at fair value through profit or loss		— 指定為通過損益以反映公平價值			
	627	—	—	627	
Surplus on revaluation of investment properties	9,585	—	—	9,585	
	12,673	6,377	2,029	21,079	

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

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

3 SEGMENT REPORTING (Continued)

3 分類匯報(續)

e. Segmental balance sheet for 2005

e. 2005分類資產負債表

		2005			
		Reinsurance	Life	Corporate	Total
		再保險	人壽保險	企業及其他業務	總額
		\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元
Statutory deposits	法定存款	—	439,756	48,050	487,806
Investment properties	投資物業	105,480	—	—	105,480
Other property, plant and equipment	其他物業、機械裝置及設備	3,266	494,682	56,079	554,027
Debt securities (note (i))	債務證券(註(i))	1,473,640	14,841,992	403,891	16,719,523
Direct equity securities (note (ii))	直接股本證券(註(ii))	325,721	183,486	140,291	649,498
Equity investment funds (note (iii))	股本投資基金(註(iii))	—	745,105	—	745,105
Composite investment funds (note (iv))	綜合投資基金(註(iv))	8,380	—	—	8,380
Cash and bank deposits	現金及銀行存款	1,191,774	4,523,827	372,667	6,088,268
Goodwill	商譽	—	154,909	73,276	228,185
Interest in associates	於聯營公司的權益	—	4,188	311,110	315,298
Reinsurers' share of insurance contract provisions	分保公司應佔保險合約準備	444,751	27,425	—	472,176
Other segment assets	其他分類資產	437,524	490,267	32,244	960,035
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
Deferred tax liabilities	遞延稅項負債	405	80,049	100	80,554
Other segment liabilities	其他分類負債	125,921	699,111	21,345	846,377
Total liabilities	總負債	2,602,103	19,939,017	1,369,416	23,910,536
Minority interests	少數股東權益	—	916,087	—	916,087
Net assets attributable to equity holders of the company	股東應佔資產淨值	1,388,433	1,050,533	68,192	2,507,158

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

3 SEGMENT REPORTING (Continued)

3 分類匯報 (續)

e. Segmental balance sheet for 2005 (Continued)

e. 2005分類資產負債表 (續)

		2005			Total
		Reinsurance	Life	Corporate	
		再保險	人壽保險	企業及其他業務	總額
		\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元
Note(i): Debt securities	註(i): 債務證券				
— Held-to-maturity	— 持有至到期日	1,036,564	—	9,473	1,046,037
— Available-for-sale	— 可供出售	261,605	14,607,805	—	14,869,410
— Designated at fair value through profit or loss	— 指定為通過損益以反映公平價值	175,471	234,187	394,418	804,076
		1,473,640	14,841,992	403,891	16,719,523
Note(ii): Direct equity securities	註(ii): 直接股本證券				
— Available-for-sale	— 可供出售	211,268	—	—	211,268
— Designated at fair value through profit or loss	— 指定為通過損益以反映公平價值	114,453	183,486	140,291	438,230
		325,721	183,486	140,291	649,498
Note(iii): Equity investment funds	註(iii): 股本投資基金				
— Designated at fair value through profit or loss	— 指定為通過損益以反映公平價值	—	745,105	—	745,105
		—	745,105	—	745,105
Note(iv): Composite investment funds	註(iv): 綜合投資基金				
— Designated at fair value through profit or loss	— 指定為通過損益以反映公平價值	8,380	—	—	8,380
		8,380	—	—	8,380

f. Other segmental information for 2005

f. 2005其他分類資料

		2005			Total
		Reinsurance	Life	Corporate	
		再保險	人壽保險	企業及其他業務	總額
		\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元
Capital expenditure	資本開支	828	206,930	1,335	209,093
Depreciation	折舊	984	36,529	2,840	40,353
Significant non-cash income/ (expenses) (other than depreciation and amortisation)	重大非現金收入/(開支) (不包括折舊及攤銷)	21,729	23,769	(846)	44,652

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

3 SEGMENT REPORTING (Continued)

By geographical segments

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

3 分類匯報 (續)

按地區分類

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

		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	毛承保保費及保單費收入	307,420	11,186,815	96,916	417,063	264,014	101,226	12,373,454
Segment assets	分類資產	6,572,488	33,481,179	—	—	—	—	40,053,667
Capital expenditure incurred during the year	年內動用的資本開支	667	512,784	—	—	—	—	513,451

		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	毛承保保費及保單費收入	335,826	7,579,127	86,723	347,225	184,792	77,980	8,611,673
Segment assets	分類資產	5,138,751	22,195,030	—	—	—	—	27,333,781
Capital expenditure incurred during the year	年內動用的資本開支	2,163	206,930	—	—	—	—	209,093

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

4 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 reinsurance business and direct life insurance business.

Apart from these, the group also carries on asset management, 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.

4 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各類再保險業務及直接人壽保險業務。

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。

		2006			Total
		Reinsurance contracts	Life insurance contracts	Investment contracts	Total
		再保險合約	人壽保險合約	投資合約	總額
		\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元
Gross premiums written	毛承保保費收入	1,541,568	10,823,201	—	12,364,769
Policy fees	保單費收入	—	—	8,685	8,685
		1,541,568	10,823,201	8,685	12,373,454
		2005			Total
		Reinsurance contracts	Life insurance contracts	Investment contracts	Total
		再保險合約	人壽保險合約	投資合約	總額
		\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元
Gross premiums written	毛承保保費收入	1,256,403	7,351,092	—	8,607,495
Policy fees	保單費收入	—	—	4,178	4,178
		1,256,403	7,351,092	4,178	8,611,673

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

5 INVESTMENT INCOME

5 投資收入

		2006 \$'000 千元	2005 \$'000 千元
Net investment income (note (a))	投資收入淨額 (註(a))	1,189,711	722,283
Net realised investment gains (note (b))	已變現投資收益淨額 (註(b))	559,510	71,211
Net unrealised investment gains (note (c))	未變現投資收益淨額 (註(c))	634,873	21,079
		2,384,094	814,573
(a) Net investment income	(a) 投資收入淨額		
Interest income from debt securities (note (i)):	債務證券利息收入 (註(i)):		
— Held-to-maturity	— 持有至到期日	64,802	71,653
— Available-for-sale	— 可供出售	706,352	449,718
— Designated at fair value through profit or loss	— 指定為通過損益以反映公平價值	32,685	30,532
Dividend income from direct equity securities (note (ii)):	直接股本證券股息收入 (註(ii)):		
— Available-for-sale	— 可供出售	7,259	2,447
— Designated at fair value through profit or loss	— 指定為通過損益以反映公平價值	16,478	13,683
Dividend income from equity investment funds (note (iii)):	股本投資基金股息收入 (註(iii)):		
— Available-for-sale	— 可供出售	148,685	—
— Designated at fair value through profit or loss	— 指定為通過損益以反映公平價值	41,444	78,792
Dividend income from composite investment funds (note (iii)):	綜合投資基金股息收入 (註(iii)):		
— Designated at fair value through profit or loss	— 指定為通過損益以反映公平價值	1,561	144
Bank deposits and other interest income	銀行存款及其他利息收入	227,651	113,317
Rentals receivable from investment properties	應收投資物業的租金	2,094	2,207
Interest expenses on securities sold under repurchase agreements	賣出回購證券利息費用	(59,300)	(40,210)
		1,189,711	722,283

Notes:

註:

		2006 \$'000 千元	2005 \$'000 千元
(i) Interest income from debt securities:	(i) 債務證券利息收入:		
— Listed	— 上市	750,345	440,088
— Unlisted	— 非上市	53,494	111,815
(ii) Dividend income from direct equity securities and equity investment funds:	(ii) 直接股本證券及股本投資基金股息收入:		
— Listed	— 上市	176,831	94,155
— Unlisted	— 非上市	37,035	767
(iii) Dividend income from composite investment funds:	(iii) 綜合投資基金股息收入:		
— Listed	— 上市	1,561	144

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

5 INVESTMENT INCOME (Continued)

5 投資收入 (續)

		2006 \$'000 千元	2005 \$'000 千元
(b) Net realised investment gains	(b) 已變現投資收益淨額		
Debt securities (note (i)):	債務證券 (註(i)) :		
— Available-for-sale	— 可供出售	1,233	13,414
— Designated at fair value through profit or loss	— 指定為通過損益以反映公平價值	6,156	10,635
Direct equity securities (note (ii)):	直接股本證券 (註(ii)) :		
— Available-for-sale	— 可供出售	146,169	16,210
— Designated at fair value through profit or loss	— 指定為通過損益以反映公平價值	194,826	44,135
Equity investment funds (note(ii)):	股本投資基金 (註(ii)) :		
— Designated at fair value through profit or loss	— 指定為通過損益以反映公平價值	209,664	(16,023)
Investment properties	投資物業	1,462	—
Derivative financial instruments	衍生金融工具	—	2,840
		559,510	71,211

Notes:

註 :

		2006 \$'000 千元	2005 \$'000 千元
(i) Net realised investment gains/(losses) on debt securities:	(i) 債務證券已變現投資收益/(虧損)淨額 :		
Listed	上市	7,485	19,121
Unlisted	非上市	(96)	4,928
(ii) Net realised investment gains on direct equity securities and equity investment funds:	(ii) 直接股本證券及股本投資基金已變現投資收益淨額 :		
Listed	上市	201,629	40,207
Unlisted	非上市	349,030	4,115

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

5 INVESTMENT INCOME (Continued)

5 投資收入 (續)

		2006 \$'000 千元	2005 \$'000 千元
(c) Net unrealised investment gains	(c) 未變現投資收益淨額		
Debt securities (note (i)):	債務證券投資 (註(i)):		
– Designated at fair value through profit or loss	– 指定為通過損益以反映公平價值	(6,310)	10,502
Direct equity securities (note (ii)):	直接股本證券 (註(ii)):		
– Designated at fair value through profit or loss	– 指定為通過損益以反映公平價值	204,667	11,842
Equity investment funds (note (ii)):	股本投資基金 (註(ii)):		
– Designated at fair value through profit or loss	– 指定為通過損益以反映公平價值	433,770	(11,477)
Composite investment funds (note(iii)):	綜合投資基金 (註(iii)):		
– Designated at fair value through profit or loss	– 指定為通過損益以反映公平價值	393	627
Derivative financial instruments	衍生金融工具	(1,244)	–
Surplus on revaluation of investment properties	投資物業重估盈餘	3,597	9,585
		634,873	21,079

Notes:

註:

		2006 \$'000 千元	2005 \$'000 千元
(i) Net unrealised investment gains/(losses) on debt securities:	(i) 債務證券未變現投資收益/(虧損)淨額:		
Listed	上市	(7,499)	14,168
Unlisted	非上市	1,189	(3,666)
(ii) Net unrealised investment gains on direct equity securities and equity investment funds:	(ii) 直接股本證券及股本投資基金未變現投資收益淨額:		
Listed	上市	610,782	365
Unlisted	非上市	27,655	–
(iii) Net unrealised investment gains on composite investment funds:	(iii) 綜合投資基金未變現投資收益淨額:		
Listed	上市	393	627

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

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

6 OTHER INCOME

6 其他收入

		2006 \$'000 千元	2005 \$'000 千元
Income from asset management business	資產管理業務收入	8,371	4,379
Income from insurance intermediary business	保險中介業務收入	14,335	10,964
Income from pension business	養老金業務收入	376	—
Net loss on sale of fixed assets	出售固定資產虧損淨額	(213)	(295)
Others	其他	16,912	8
		39,781	15,056

7 POLICYHOLDERS' BENEFITS AND NET COMMISSION EXPENSES

7 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

		2006		Total 總額 \$'000 千元
		Reinsurance contracts 再保險合約 \$'000 千元	Life insurance contracts 人壽保險合約 \$'000 千元	
Claims and claim adjustment expenses	賠款及賠款調整支出	917,945	309,564	1,227,509
Less: Reinsurers' share	減：再保份額	(97,078)	(37,476)	(134,554)
		820,867	272,088	1,092,955
Surrenders	退保總額	—	1,159,625	1,159,625
Annuity and maturity payments	年金及到期付款	—	72,959	72,959
Policy dividends	保單分紅	—	39,553	39,553
		820,867	1,544,225	2,365,092
		2005		
		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	賠款及賠款調整支出	923,169	188,158	1,111,327
Less: Reinsurers' share	減：再保份額	(172,546)	(27,853)	(200,399)
		750,623	160,305	910,928
Surrenders	退保總額	—	483,210	483,210
Annuity and maturity payments	年金及到期付款	—	22,523	22,523
Policy dividends	保單分紅	—	6,280	6,280
		750,623	672,318	1,422,941

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

7 POLICYHOLDERS' BENEFITS AND NET COMMISSION EXPENSES (Continued)

7 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

		2006		
		Reinsurance contracts	Life insurance contracts	Total
		再保險合約	人壽保險合約	總額
		\$'000	\$'000	\$'000
		千元	千元	千元
Gross commission expenses	佣金支出總額	377,718	881,362	1,259,080
Reinsurance commission income	再保險佣金收入	(51,505)	(12,758)	(64,263)
Net commission expenses	佣金支出淨額	326,213	868,604	1,194,817
		2005		
		Reinsurance contracts	Life insurance contracts	Total
		再保險合約	人壽保險合約	總額
		\$'000	\$'000	\$'000
		千元	千元	千元
Gross commission expenses	佣金支出總額	276,249	585,897	862,146
Reinsurance commission income	再保險佣金收入	(40,695)	(12,294)	(52,989)
Net commission expenses	佣金支出淨額	235,554	573,603	809,157

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

8 PROFIT/(LOSS) BEFORE TAXATION

8 除稅前溢利／(虧損)

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

除稅前溢利／(虧損)已扣除／(抵免)：

		2006 \$'000 千元	2005 \$'000 千元
(a) Finance costs: Interest on interest-bearing notes Interest on other loans	(a) 財務費用： 需付息票據利息 其他貸款利息	144,184 — 144,184	85,169 3,130 88,299
(b) Staff costs: Salaries, wages and other benefits Share option costs Contributions to defined contribution retirement plan	(b) 員工成本： 薪金、工資及其他利益 認股權成本 已訂定供款退休計劃供款	614,195 3,178 66,003 683,376	452,214 20,629 50,299 523,142
(c) Other items: Impairment of goodwill on a subsidiary Auditors' remuneration — audit services — tax services Depreciation of fixed assets Operating lease charges in respect of properties Share of associates' taxation (credit)/charge	(c) 其他項目： 附屬公司商譽減值 核數師酬金 — 核數服務 — 稅務服務 固定資產折舊 有關物業的經營租賃費用 佔聯營公司稅項(抵免)／支出	— 3,261 374 47,666 88,908 (7,016)	250,000 2,504 293 40,353 78,591 530

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

9 DIRECTORS' REMUNERATION

9 董事酬金

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

根據香港《公司條例》第161條列報的董事酬金如下：

		2006					
		Salaries and other emoluments	Discretionary bonuses	Share based payments	Retirement scheme contributions	Total	
		薪金及其他酬金	酌定花紅	股份為本支付	退休計劃供款	總額	
		Directors' fees					
		董事袍金					
		\$'000	\$'000	\$'000	\$'000	\$'000	
		千元	千元	千元	千元	千元	
Executive directors:	執行董事：						
Feng Xiaozeng	馮曉增	—	1,260	180	—	1,446	
Lin Fan	林帆	—	—	340	—	340	
Miao Jianmin (resigned on 4 January 2006)	繆建民 (於二零零六年一月四日請辭)	—	195	300	—	505	
Song Shuguang	宋曙光	—	832	320	—	1,200	
Xie Yiqun	謝一群	—	1,510	320	—	1,842	
Ng Yu Lam, Kenneth	吳俞霖	—	1,507	400	428	2,515	
Shen Koping, Michael	沈可平	—	650	898	1,660	3,220	
Lau Siu Mun, Sammy	劉少文	—	1,137	320	257	1,866	
Non-executive directors:	非執行董事：						
Zheng Changyong	鄭常勇	—	—	—	—	—	
Wu Jiesi	武捷思	300	—	—	—	300	
Che Shujian	車書劍	300	—	—	—	300	
Lau Wai Kit	劉偉傑	300	—	—	—	300	
		900	7,091	3,078	2,345	13,834	

		2005					
		Salaries and other emoluments	Discretionary bonuses	Share based payments	Retirement scheme contributions	Total	
		薪金及其他酬金	酌定花紅	股份為本支付	退休計劃供款	總額	
		Directors' fees					
		董事袍金					
		\$'000	\$'000	\$'000	\$'000	\$'000	
		千元	千元	千元	千元	千元	
Executive directors:	執行董事：						
Feng Xiaozeng	馮曉增	—	—	—	4,876	4,876	
Yang Chao (resigned on 15 June 2005)	楊超 (於二零零五年六月十五日請辭)	—	—	320	—	320	
Lin Fan	林帆	—	—	—	3,208	3,208	
Miao Jianmin	繆建民	—	2,340	280	2,310	5,127	
Song Shuguang	宋曙光	—	—	—	1,925	1,925	
Xie Yiqun	謝一群	—	999	—	1,925	2,936	
Ng Yu Lam, Kenneth	吳俞霖	—	1,258	438	428	2,295	
Dong Ming (resigned on 15 December 2005)	董明 (於二零零五年十二月十五日請辭)	—	2,238	280	—	2,530	
Shen Koping, Michael	沈可平	—	445	784	763	2,004	
Lau Siu Mun, Sammy	劉少文	—	907	350	257	1,634	
Non-executive directors:	非執行董事：						
Zheng Changyong	鄭常勇	—	—	—	1,026	1,026	
Wu Jiesi	武捷思	300	—	—	—	300	
Che Shujian	車書劍	300	—	—	—	300	
Lau Wai Kit	劉偉傑	300	—	—	—	300	
		900	8,187	2,452	16,718	28,781	

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

9 DIRECTORS' REMUNERATION (Continued)

The above emoluments include the value of share options granted to certain directors under the company's share option scheme as estimated at the date of grant. The details of these benefits in kind are disclosed under the paragraph "share option scheme" in the directors' report and note 40.

10 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, all of them (2005: all) are directors whose emoluments are disclosed in note 9.

11 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

(a) Taxation in the consolidated income statement represents:

9 董事酬金 (續)

上述酬金包括根據本公司的認股權計劃授予部份董事的認股權於授予日的預計價值。有關此等實物收益的詳情載於董事會報告書的「認股權計劃」及附註40內。

10 最高酬金人士

在五位酬金最高的人士中，全部(二零零五年：全部)為董事，有關的酬金詳情載於附註9。

11 綜合損益表內的稅項

(a) 綜合損益表所示的稅項為：

		2006 \$'000 千元	2005 \$'000 千元
Current tax — Provision for Hong Kong Profits Tax	當期稅項 — 香港利得稅準備		
Tax for the year	年度稅款	29,655	8,861
(Over)/under-provision in respect of prior years	以往年度準備(多提)/少提	(1,330)	30,168
		28,325	39,029
Current tax — Outside Hong Kong	當期稅項 — 香港以外		
Tax for the year	年度稅款	1,699	41
		1,699	41
Deferred tax	遞延稅項		
Origination and reversal of temporary differences	暫時性差異之起源及轉回	296,232	(75,153)
		296,232	(75,153)
		326,256	(36,083)

The provision for Hong Kong Profits Tax represents the group's estimated Hong Kong 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 8.75% (2005: 8.75%), one-half of the standard tax rate.

Taxation outside Hong Kong for overseas subsidiaries is calculated at the rates prevailing in the relevant jurisdictions.

香港利得稅準備是指本集團根據來自再保險、資產管理及保險中介業務的應評稅溢利，按17.5% (二零零五年：17.5%) 的標準稅率計算的估計應繳香港利得稅，但來自海外風險的再保險業務的應評稅溢利則按標準稅率的一半，即8.75% (二零零五年：8.75%) 計算。

海外附屬公司於香港以外地區的稅項以相關司法管轄區的現行稅率計算。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

11 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (Continued)

11 綜合損益表內的稅項 (續)

(b) Reconciliation between tax charge/(credit) and accounting profit/(loss) at applicable tax rates: (b) 稅項支出／(抵免)與會計溢利／(虧損)按適用稅率的稅項之對賬：

		2006 \$'000 千元	2005 \$'000 千元
Profit/(loss) before tax	稅前溢利／(虧損)	984,597	(631,436)
Notional tax on profit/(loss) before tax, calculated at the rates applicable to profits/(losses) in the jurisdictions concerned	按相關管轄地區適用的溢利／(虧損)稅率計算稅前溢利／(虧損)的名義稅項	251,082	(171,921)
Tax effect of non-deductible expenses	不可扣減費用的稅項影響	179,316	251,732
Tax effect of non-taxable revenue	毋須課稅收入的稅項影響	(58,750)	(122,364)
Tax effect of unused tax losses not recognised	未確認而尚未使用的稅項虧損的稅項影響	1,052	772
Tax effect of prior years' tax losses utilised this year	往年度稅項虧損在本年度使用的稅項影響	(45,114)	(24,470)
(Over)/under-provision in prior years	往年度(多提)／少提準備	(1,330)	30,168
Actual tax charge/(credit)	實際稅項支出／(抵免)	326,256	(36,083)

12 PROFIT/(LOSS) ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

12 股東應佔溢利／(虧損)

The consolidated profit attributable to equity holders of the company includes a loss of \$52,262,000 (2005: loss of \$150,223,000) which has been dealt with in the financial statements of the company.

股東應佔綜合溢利包括一筆已列入本公司財務報表的虧損52,262,000元(二零零五年：虧損150,223,000元)。

13 DIVIDENDS

13 股息

No interim nor final dividend was declared and paid for 2006 (2005: \$Nil).

於二零零六年並無宣派及支付中期及末期股息(二零零五年：無)。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

14 EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the profit attributable to ordinary shareholders of \$510,765,000 (2005: loss of \$433,763,000) and the weighted average of 1,339,621,259 ordinary shares (2005: 1,332,716,925 shares) in issue during the year.

(b) Diluted earnings/(loss) per share

The calculation of diluted earnings/(loss) per share is based on the profit attributable to ordinary shareholders of \$510,765,000 (2005: loss of \$433,763,000) and the weighted average of 1,354,881,012 ordinary shares (2005: 1,339,790,581 shares) after adjusting for the effects of all dilutive potential ordinary shares under the company's share option scheme.

(c) Reconciliations

14 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510,765,000元(二零零五年：虧損433,763,000元)及年內已發行普通股的加權平均數1,339,621,259股(二零零五年：1,332,716,925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510,765,000元(二零零五年：虧損433,763,000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1,354,881,012股(二零零五年：1,339,790,581股)計算。

(c) 對賬

		2006 Number of shares 股份數目	2005 Number 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	1,339,621,259	1,332,716,925
Deemed issue of ordinary shares for no consideration	視為無償發行的普通股股數	15,259,753	7,073,656
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	1,354,881,012	1,339,790,581

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

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

15 FIXED ASSETS

15 固定資產

(a) The group

(a) 本集團

		Land and buildings 土地及 建築物 \$'000 千元	Furniture and fixtures 傢具及 固定裝置 \$'000 千元	Computer equipment 電腦設備 \$'000 千元	Motor vehicles 汽車 \$'000 千元	Sub-total 小計 \$'000 千元	Investment properties 投資物業 \$'000 千元	Total 總額 \$'000 千元
Cost or valuation:	成本或估值：							
At 1 January 2005	於二零零五年一月一日	399,735	35,559	66,795	26,036	528,125	118,895	647,020
Exchange adjustments	匯率調整	6,078	501	1,334	553	8,466	—	8,466
Additions	增置	157,561	7,733	33,390	10,409	209,093	—	209,093
Disposals	出售	—	(883)	(4,204)	(3,159)	(8,246)	(23,000)	(31,246)
Surplus on revaluation	重估盈餘	—	—	—	—	—	9,585	9,585
At 1 January 2006	於二零零六年一月一日	563,374	42,910	97,315	33,839	737,438	105,480	842,918
Exchange adjustments	匯率調整	15,122	994	3,193	1,125	20,434	—	20,434
Additions	增置	470,055	10,160	27,522	5,714	513,451	—	513,451
Disposals	出售	(339)	(252)	(2,234)	(1,256)	(4,081)	(3,000)	(7,081)
Surplus on revaluation	重估盈餘	—	—	—	—	—	3,597	3,597
At 31 December 2006	於二零零六年十二月三十一日	1,048,212	53,812	125,796	39,422	1,267,242	106,077	1,373,319
Representing:	代表：							
Cost	成本	1,048,212	53,812	125,796	39,422	1,267,242	—	1,267,242
Valuation – 2006	估值 – 二零零六年	—	—	—	—	—	106,077	106,077
		1,048,212	53,812	125,796	39,422	1,267,242	106,077	1,373,319
Accumulated depreciation:	累計折舊：							
At 1 January 2005	於二零零五年一月一日	92,127	18,219	28,212	7,863	146,421	—	146,421
Exchange adjustments	匯率調整	260	180	695	203	1,338	—	1,338
Charge for the year	本年度折舊	7,930	5,602	20,924	5,897	40,353	—	40,353
Written back on disposal	出售時撥回	—	(615)	(3,090)	(996)	(4,701)	—	(4,701)
At 1 January 2006	於二零零六年一月一日	100,317	23,386	46,741	12,967	183,411	—	183,411
Exchange adjustments	匯率調整	663	497	1,946	534	3,640	—	3,640
Charge for the year	本年度折舊	10,305	7,360	23,132	6,869	47,666	—	47,666
Written back on disposal	出售時撥回	(14)	(169)	(1,815)	(167)	(2,165)	—	(2,165)
At 31 December 2006	於二零零六年十二月三十一日	111,271	31,074	70,004	20,203	232,552	—	232,552
Net book value:	賬面淨值：							
At 31 December 2006	於二零零六年十二月三十一日	936,941	22,738	55,792	19,219	1,034,690	106,077	1,140,767
At 31 December 2005	於二零零五年十二月三十一日	463,057	19,524	50,574	20,872	554,027	105,480	659,507

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

15 FIXED ASSETS (Continued)

15 固定資產 (續)

(b) The company

(b) 本公司

		Furniture and fixtures 傢具及 固定裝置 \$'000 千元	Motor vehicles 汽車 \$'000 千元	Total 總額 \$'000 千元
Cost:	成本：			
At 1 January 2005	於二零零五年一月一日	2,953	1,671	4,624
Additions	增置	32	—	32
Disposals	出售	(14)	—	(14)
At 1 January 2006	於二零零六年一月一日	2,971	1,671	4,642
Additions	增置	16	—	16
Disposals	出售	(29)	—	(29)
At 31 December 2006	於二零零六年十二月三十一日	2,958	1,671	4,629
Accumulated depreciation:	累計折舊：			
At 1 January 2005	於二零零五年一月一日	2,234	1,122	3,356
Charge for the year	本年度折舊	504	341	845
Written back on disposal	出售時撥回	(12)	—	(12)
At 1 January 2006	於二零零六年一月一日	2,726	1,463	4,189
Charge for the year	本年度折舊	130	208	338
Written back on disposal	出售時撥回	(24)	—	(24)
At 31 December 2006	於二零零六年十二月三十一日	2,832	1,671	4,503
Net book value:	賬面淨值：			
At 31 December 2006	於二零零六年十二月三十一日	126	—	126
At 31 December 2005	於二零零五年十二月三十一日	245	208	453

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

15 FIXED ASSETS (Continued)

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

		The group 本集團	
		2006 \$'000 千元	2005 \$'000 千元
In Hong Kong	香港		
– Long leases	– 長期租賃	138,773	138,311
– Medium-term leases	– 中期租賃	15,189	15,443
Outside Hong Kong	香港以外地區		
– Medium-term leases	– 中期租賃	889,056	414,783
		1,043,018	568,537

(d) Investment properties of the group were revalued at 31 December 2006 by an independent firm of surveyors, Greater China Appraisal Limited, who has among its staff Associates of the Hong Kong Institute of Surveyors, on an open market value basis calculated by reference to net rental income allowing for reversionary income potential. The revaluation surplus of \$3,597,000 (2005: \$9,585,000) has been recognised in the consolidated income statement (note 5).

(e) The group leases out investment properties under operating leases. The leases typically run for an initial period of two to three years, with an option to renew the lease after that date at which time all terms are renegotiated. Lease payments are usually reviewed annually to reflect market rentals. None of the leases includes contingent rentals.

The gross carrying amounts of investment properties of the group held for use in operating leases were \$65,819,000 (2005: \$65,230,000).

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

		The group 本集團	
		2006 \$'000 千元	2005 \$'000 千元
Within 1 year	1年內	2,086	2,697
After 1 but within 5 years	1年後但5年內	977	1,259
		3,063	3,956

15 固定資產 (續)

(c) 物業賬面淨值的分析如下：

		The group 本集團	
		2006 \$'000 千元	2005 \$'000 千元
In Hong Kong	香港		
– Long leases	– 長期租賃	138,773	138,311
– Medium-term leases	– 中期租賃	15,189	15,443
Outside Hong Kong	香港以外地區		
– Medium-term leases	– 中期租賃	889,056	414,783
		1,043,018	568,537

(d) 本集團的投資物業已於二零零六年十二月三十一日經由獨立測量師行—漢華評值有限公司(該行僱員包括若干香港測量師學會會員)，以參考有未來收入潛力的淨租金收入公開市值計算基準重新估值。為數3,597,000元(二零零五年：9,585,000元)的重估盈餘已記入綜合損益表內(附註5)。

(e) 本集團以經營租賃租出投資物業。這些租賃一般初步為期二至三年，並且有權選擇在到期日後續期，屆時所有條款均可重新商定。租賃付款額通常會逐年檢討，以反映市場租金。各項租賃均不包括或然租金。

本集團持作經營租賃的投資物業的賬面總額為65,819,000元(二零零五年：65,230,000元)。

本集團根據不可解除的經營租賃在日後應收的最低租賃付款總額如下：

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

16 GOODWILL

16 商譽

The group
本集團
\$'000
千元

Cost:	成本：	
At 1 January 2005	於二零零五年一月一日	555,358
Opening balance adjustment to eliminate accumulated amortisation in 2005	年初結餘調整以抵銷累計攤銷	(77,173)
At 31 December 2005 and 2006	於二零零五年及二零零六年十二月三十一日	478,185
Accumulated amortisation and impairment loss:	累計攤銷及減值虧損：	
At 1 January 2005	於二零零五年一月一日	77,173
Eliminated against cost at 1 January 2005	於二零零五年一月一日與成本相互抵銷	(77,173)
Impairment loss recognised in 2005	於二零零五年確認之減值虧損	250,000
At 31 December 2005 and 2006	於二零零五年及二零零六年十二月三十一日	250,000
Carrying amount:	賬面淨值：	
At 31 December 2006	於二零零六年十二月三十一日	228,185
At 31 December 2005	於二零零五年十二月三十一日	228,185

Impairment tests for cash-generating units containing goodwill

An impairment loss of \$250,000,000 was recognised in 2005 in respect of goodwill associated with the acquisition of CIGAML in September 2002. The recoverable amount of cash-generating units was determined based on the value-in-use calculation. This calculation uses cash flow projection which represents what management believe is the best estimate of CIGAML is able to achieve in its business life.

The directors determined the cash flow projection based on past performance and its expectation for market development. As the cash generating unit has been reduced to its recoverable amount, any adverse change in the assumptions used in the calculation of recoverable amount would cause the carrying value to be less than the recoverable amount.

The directors reperformed the impairment review at 31 December 2006 and no further impairment loss on the goodwill associated with the acquisition of CIGAML was noted.

包含商譽的現金產生單位的減值測試

於二零零二年九月收購中保資產管理所產生的商譽於二零零五年確認了250,000,000元的減值。現金生產單位的可收回金額根據使用價值計算。計算方法按照管理層關於中保資產管理在商業生命能達到的現金流最佳估計。

董事根據過往及預計市場發展以決定現金流估計。由於現金生產單位已減至其可收回金額，如用於計算可收回金額的假設有任何不利變化，賬面值將低於可收回金額。

董事於二零零六年十二月三十一日再次進行減值審閱，未有發現收購中保資產管理所產生的商譽須要進一步減值。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

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

17 INVESTMENTS IN SUBSIDIARIES

17 於附屬公司的投資

		The company 本公司	
		2006 \$'000 千元	2005 \$'000 千元
Unlisted shares, at cost	非上市股份，成本	1,844,859	1,844,859
Less: Impairment loss	減：減值虧損	(191,500)	(191,500)
		1,653,359	1,653,359

The following list contains details of the company's principal subsidiaries at the balance sheet date. The class of shares held is ordinary unless otherwise stated.

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

The nature of the impairment loss is described in note 16.

下表載列本公司的主要附屬公司於結算日的詳情。除非另有說明，否則所持的股份類別指普通股。

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

減值虧損的性質於附註16內詳述。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

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

17 INVESTMENTS IN SUBSIDIARIES (Continued)

17 於附屬公司的投資(續)

Name of company 公司名稱	Place of incorporation and operation 註冊成立及經營地點	Particulars of issued and paid up capital 已發行及繳足股本的詳情	Proportion of ownership interest 應佔權益百分比			Principal activity 主要業務
			Group's effective interest 本集團的實際權益	Held by the company 本公司所持權益	Held by subsidiaries 由附屬公司持有	
China International Reinsurance Company Limited (Note (i)) 中國國際再保險有限公司 (註(i))	Hong Kong 香港	Ordinary \$180,000,000 Deferred \$600,000,000 普通 180,000,000元 遞延 600,000,000元	100%	—	100%	Reinsurance business 再保險業務
Tai Ping Life Insurance Company, Limited (Note (ii)) 太平人壽保險有限公司 (註(ii))	PRC 中國	RMB 2,330,000,000 人民幣 2,330,000,000	50.05%	50.05%	—	Life insurance business 人壽保險業務
Taiping Pension Company Limited (Note (iii)) 太平養老保險股份有限公司 (註(iii))	PRC 中國	RMB 200,000,000 人民幣 200,000,000	44.03%	—	74%	Pension business 養老保險業務
Taiping Assets Management Company Limited (Note (iii)) 太平資產管理有限公司(註(iii))	PRC 中國	RMB 100,000,000 人民幣 100,000,000	37.08%	—	62.1%	Asset management business in the PRC 於中國之資產管理業務
China Insurance Group Assets Management Limited 中保集團資產管理有限公司	Hong Kong 香港	\$130,000,000 130,000,000元	100%	100%	—	Asset management business in Hong Kong 於香港之資產管理業務
SINO-RE Reinsurance Brokers Limited (Note (i)) 華夏再保險顧問有限公司(註(i))	Hong Kong 香港	Ordinary \$4,000,000 Deferred \$1,000,000 普通 4,000,000元 遞延 1,000,000元	100%	—	100%	Insurance broking 保險經紀
Quicken Assets Limited	BVI/ Hong Kong 英屬維爾京群島/香港	US\$1 1美元	100%	100%	—	Property holding 持有物業
CIH (BVI) Limited	BVI/ Hong Kong 英屬維爾京群島/香港	US\$1 1美元	100%	100%	—	Financing 融資
Share China Assets Limited 舍亞中國資產有限公司	BVI/ Hong Kong 英屬維爾京群島/香港	US\$1 1美元	100%	100%	—	Investment holding 投資控股

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

17 INVESTMENTS IN SUBSIDIARIES (Continued)

Notes:

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

17 於附屬公司的投資 (續)

註：

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

18 INTEREST IN ASSOCIATES

18 於聯營公司的權益

		The group 本集團		The company 本公司	
		2006 \$'000 千元	2005 \$'000 千元	2006 \$'000 千元	2005 \$'000 千元
Unlisted shares, at cost	非上市股份，成本	—	—	456,812	456,812
Share of net assets	所佔資產淨值	248,470	213,080	—	—
Goodwill	商譽	102,192	102,192	—	—
Amounts due from associates (Note)	應收聯營公司款項 (註)	16	26	—	—
		350,678	315,298	456,812	456,812

Note: The amounts due from associates are unsecured, interest free and repayable on demand.

註：應收聯營公司款項均無抵押、免息，並須於要求時償還。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

18 INTEREST IN ASSOCIATES (Continued)

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

18 於聯營公司的權益 (續)

下表載列本公司的主要聯營公司詳情，該等聯營公司全部均為非上市企業實體：

Name of associates 公司名稱	Form of business structure 業務結構形式	Place of incorporation and operation 註冊成立及經營地點	Particulars of issued and paid up capital 已發行及繳足股本的詳情	Proportion of ownership interest 應佔權益百分比			Principal activity 主要業務
				Group's effective interest 本集團的實際權益	Held by the company 本公司所持權益	Held by subsidiaries 由附屬公司持有	
The Tai Ping Insurance Company, Limited * 太平保險有限公司*	Incorporated 註冊成立	PRC 中國	RMB 1,000,000,000 人民幣 1,000,000,000元	40.025%	40.025%	—	Non-life insurance 非人壽保險
CMT ChinaValue Capital Partners, L.P.	Limited partnership 有限合夥企業	Cayman Islands/ Hong Kong 凱曼群島/香港	US\$9,586,738 9,586,738美元	20.78%	—	20.78%	Investment holding 投資控股
CMT ChinaValue Capital Advisors Limited	Incorporated 註冊成立	Hong Kong 香港	\$1,000 1,000港元	46%	—	46%	Advisory services 顧問服務
Huatai Insurance Agency & Consultant Service Limited * 華泰保險經紀有限公司*	Incorporated 註冊成立	PRC 中國	RMB 30,000,000 人民幣 30,000,000元	25%	25%	—	Insurance agency and consultancy 保險代理及顧問

* These companies are PRC limited companies.

* 上述公司均為中國有限公司。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

18 INTEREST IN ASSOCIATES (Continued)

Summary of financial information on associates

		Assets	Liabilities	Equity	Revenues	Profit/ (loss)
		資產	負債	股東權益	收益	溢利/ (虧損)
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元
2006						
100 per cent	百分之一百	2,499,198	1,743,824	755,374	2,057,253	12,596
Group's effective interest	本集團的有效權益	935,757	687,287	248,470	814,876	4,070
2005						
100 per cent	百分之一百	1,961,433	1,381,791	579,642	1,385,317	(117,891)
Group's effective interest	本集團的有效權益	755,095	542,015	213,080	548,985	(48,728)

18 於聯營公司的權益 (續)

聯營公司的財務資料概要

19 INVESTMENTS IN DEBT AND EQUITY SECURITIES

19 債務及股本證券投資

(a) The group

(a) 本集團

		2006 \$'000 千元	2005 \$'000 千元
Held-to-maturity (Note (i)):	持有至到期日 (註(i)) :		
– Debt securities	– 債務證券	843,469	1,046,037
Available-for-sale (Note (ii)):	可供出售 (註(ii)) :		
– Debt securities	– 債務證券	18,574,851	14,869,410
– Direct equity securities	– 直接股本證券	2,516,678	211,268
– Equity investment funds	– 股本投資基金	1,563,495	–
– Composite investment funds	– 綜合投資基金	15,826	–
		22,670,850	15,080,678
Designated at fair value through profit or loss (Note (iii)):	指定為通過損益以反映公平價值 (註(iii)) :		
– Debt securities	– 債務證券	409,735	804,076
– Direct equity securities	– 直接股本證券	642,415	438,230
– Equity investment funds	– 股本投資基金	962,477	745,105
– Composite investment funds	– 綜合投資基金	24,384	8,380
		2,039,011	1,995,791
Total	總額	25,553,330	18,122,506

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

19 INVESTMENTS IN DEBT AND EQUITY SECURITIES 19 債務及股本證券投資 (續)

(Continued)

(a) The group (Continued)

(a) 本集團 (續)

		Central governments and central banks 中央政府及中央銀行 \$'000 千元	Public sector entities 公共機構 \$'000 千元	Banks and other financial institutions 銀行及其他金融機構 \$'000 千元	Corporate entities 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 31 December 2006	於二零零六年十二月三十一日						
Listed outside Hong Kong	上市 — 香港以外地區	52,250	119,112	108,769	395,724	9,784	685,639
Unlisted	非上市	69,717	7,613	33,932	46,568	—	157,830
		121,967	126,725	142,701	442,292	9,784	843,469
Fair value of securities	證券公平值	139,825	129,576	147,005	459,188	12,205	887,799
Market value of listed securities	上市證券市值	55,285	121,129	112,004	411,019	12,205	711,642
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 \$91,843,000 (2005: \$125,415,000) which is maturing within one year.

持有至到期的債務證券包括於一年內到期價值 91,843,000元 (二零零五年：125,415,000元) 的債務證券。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

19 INVESTMENTS IN DEBT AND EQUITY SECURITIES 19 債務及股本證券投資 (續)

(Continued)

(a) The group (Continued)

(a) 本集團 (續)

		Central governments and central banks 中央政府及中央銀行 \$'000 千元	Public sector entities 公共機構 \$'000 千元	Banks and other financial institutions 銀行及其他金融機構 \$'000 千元	Corporate entities 企業實體 \$'000 千元	Others 其他 \$'000 千元	Total 總額 \$'000 千元
(ii) Available-for-sale	(ii) 可供出售						
At 31 December 2006	於二零零六年十二月三十一日						
Listed debt securities	上市債務證券						
– in Hong Kong	– 香港	–	–	15,356	–	–	15,356
– outside Hong Kong	– 香港以外地區	8,867,426	7,632	2,254,178	6,908,382	15,554	18,053,172
Listed direct equity securities	上市直接股本證券						
– in Hong Kong	– 香港	–	12,225	698,612	345,290	–	1,056,127
– outside Hong Kong	– 香港以外地區	–	–	1,457,224	–	–	1,457,224
Listed equity investment funds	上市股本投資基金						
outside Hong Kong	香港以外地區	–	–	1,157	–	–	1,157
Listed composite investment funds	上市綜合投資基金						
outside Hong Kong	香港以外地區	–	–	–	15,826	–	15,826
Unlisted debt securities	非上市債務證券	–	–	247,808	258,515	–	506,323
Unlisted direct equity securities	非上市直接股本證券	–	–	–	3,327	–	3,327
Unlisted equity investment funds	非上市股本投資基金	–	–	1,562,338	–	–	1,562,338
		8,867,426	19,857	6,236,673	7,531,340	15,554	22,670,850
Fair value of securities	證券公平值	8,867,426	19,857	6,236,673	7,531,340	15,554	22,670,850
Market value of listed securities	上市證券市值	8,867,426	19,857	4,426,527	7,269,498	15,554	20,598,862
Current	當期	8,867,426	19,857	6,236,673	7,531,340	15,554	22,670,850
Non-current	非當期	–	–	–	–	–	–
		8,867,426	19,857	6,236,673	7,531,340	15,554	22,670,850
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 direct equity securities	上市直接股本證券						
– 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 direct equity securities	非上市直接股本證券	–	–	–	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 FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

19 INVESTMENTS IN DEBT AND EQUITY SECURITIES 19 債務及股本證券投資 (續)

(Continued)

(a) The group (Continued)

(a) 本集團 (續)

		Central governments and central banks 中央政府及中央銀行 \$'000 千元	Public sector entities 公共機構 \$'000 千元	Banks and other financial institutions 銀行及其他金融機構 \$'000 千元	Corporate entities 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 31 December 2006	於二零零六年十二月三十一日						
Listed debt securities outside Hong Kong	上市債務證券 香港以外地區	38,133	—	64,476	83,792	—	186,401
Listed direct equity securities	上市直接股本證券						
— in Hong Kong	— 香港	—	471	21,082	38,249	193	59,995
— outside Hong Kong	— 香港以外地區	—	—	577,212	5,208	—	582,420
Listed equity investment funds outside Hong Kong	上市股本投資基金 香港以外地區	—	—	942,836	—	—	942,836
Listed composite investment funds outside Hong Kong	上市綜合投資基金 香港以外地區	—	—	—	24,384	—	24,384
Unlisted debt securities	非上市債務證券	—	—	223,334	—	—	223,334
Unlisted equity investment funds	非上市股本投資基金	—	—	19,641	—	—	19,641
		38,133	471	1,848,581	151,633	193	2,039,011
Fair value of securities	證券公平值	38,133	471	1,848,581	151,633	193	2,039,011
Market value of listed securities	上市證券市值	38,133	471	1,605,606	151,633	193	1,796,036
Current	當期	38,133	471	1,848,581	151,633	193	2,039,011
Non-current	非當期	—	—	—	—	—	—
		38,133	471	1,848,581	151,633	193	2,039,011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

19 INVESTMENTS IN DEBT AND EQUITY SECURITIES 19 債務及股本證券投資 (續)

(Continued)

(a) The group (Continued)

(a) 本集團 (續)

	Central governments and central banks 中央政府及中央銀行 \$'000 千元	Public sector entities 公共機構 \$'000 千元	Banks and other financial institutions 銀行及其他金融機構 \$'000 千元	Corporate entities 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	165,552	—	73,677	120,837	9,649	369,715
Listed direct equity securities						
— in Hong Kong	—	8,415	23,185	114,554	350	146,504
— outside Hong Kong	—	—	60,454	47,132	184,140	291,726
Listed equity investment funds outside Hong Kong	—	—	—	—	118,618	118,618
Listed composite investment funds in Hong Kong	—	—	—	8,380	—	8,380
Unlisted debt securities	—	—	365,224	69,137	—	434,361
Unlisted equity investment funds	—	—	—	—	626,487	626,487
	165,552	8,415	522,540	360,040	939,244	1,995,791
Fair value of securities	165,552	8,415	522,540	360,040	939,244	1,995,791
Market value of listed securities	165,552	8,415	157,316	290,903	312,757	934,943
Current	165,552	8,415	522,540	360,040	939,244	1,995,791
Non-current	—	—	—	—	—	—
	165,552	8,415	522,540	360,040	939,244	1,995,791

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

19 INVESTMENTS IN DEBT AND EQUITY SECURITIES 19 債務及股本證券投資 (續)

(Continued)

(b) The company

(b) 本公司

		2006 \$'000 千元	2005 \$'000 千元
Available-for-sale (note(i)):	可供出售 (註(i)) :		
– Direct equity securities	– 直接股本證券	126,796	–
Designated at fair value through profit or loss (note (ii)):	指定為通過損益以反映公平價值 (註(ii)) :		
– Debt securities	– 債務證券	138,650	251,083
– Direct equity securities	– 直接股本證券	18,463	96,371
		157,113	347,454
		283,909	347,454
(i) Available-for-sale	(i) 可供出售		
Listed direct equity securities in Hong Kong	上市直接股本證券 香港	126,796	–
Fair value of securities	證券公平值	126,796	–
Market value of listed securities	上市證券市值	126,796	–
Current	當期	126,796	–
Non-current	非當期	–	–
		126,796	–
(ii) Designated at fair value through profit or loss	(ii) 指定為通過損益以反映公平價值		
Listed debt securities outside Hong Kong	上市債務證券 香港以外地區	8,716	7,980
Listed direct equity securities	上市直接股本證券		
– in Hong Kong	– 香港	–	45,842
– outside Hong Kong	– 香港以外地區	18,463	50,529
Unlisted debt securities	非上市債務證券	129,934	243,103
		157,113	347,454
Fair value of securities	證券公平值	157,113	347,454
Market value of listed securities	上市證券市值	27,179	104,351
Current	當期	157,113	347,454
Non-current	非當期	–	–
		157,113	347,454

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

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

20 AMOUNTS DUE FROM/(TO) GROUP COMPANIES

20 應收／(應付)集團內公司款項

(a) Due from group companies

(a) 應收集團內公司款項

		The group 本集團		The company 本公司	
		2006 \$'000 千元	2005 \$'000 千元	2006 \$'000 千元	2005 \$'000 千元
Amount due from the ultimate holding company	應收最終控股公司款項	1,537	110	—	9
Amount due from the immediate holding company	應收直接控股公司款項	20	—	—	—
Amounts due from fellow subsidiaries	應收同系附屬公司款項	5,479	204	—	—
Amounts due from subsidiaries	應收附屬公司款項	—	—	416,498	282,685
		7,036	314	416,498	282,694

(b) Due to group companies

(b) 應付集團內公司款項

		The group 本集團		The company 本公司	
		2006 \$'000 千元	2005 \$'000 千元	2006 \$'000 千元	2005 \$'000 千元
Amount due to the ultimate holding company	應付最終控股公司款項	362	—	176	—
Amount due to the immediate holding company	應收直接控股公司款項	47	—	23	—
Amounts due to fellow subsidiaries	應付同系附屬公司款項	4	—	—	—
Amount due to a subsidiary	應付附屬公司款項	—	—	1,355,939	1,351,065
		413	—	1,356,138	1,351,065

The amount due to a subsidiary is unsecured, repayable after more than one year and bears interest at a fixed rate of 6.03%.

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

應付附屬公司款項為無抵押、於超過一年後償還，並以固定利率6.03%計息。

其他應收／(應付)集團內公司款項均無抵押、免息，並須於要求時償還。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

21 INSURANCE DEBTORS

21 保險客戶應收賬款

		The group 本集團	
		2006 \$'000 千元	2005 \$'000 千元
Amounts due from insurance customers and suppliers	應收保險客戶及供應商款項	352,953	225,408
Deposits retained by cedants	分保人保留的按金	100,214	116,652
		453,167	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 \$8,219,000 (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8,219,000元(二零零五年: 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 loss):

應收保險客戶及供應商款項(減去減值虧損後的淨額)，其賬齡分析如下：

		The group 本集團	
		2006 \$'000 千元	2005 \$'000 千元
Not yet due	未到期	275,942	138,013
Current	現已到期	60,186	72,030
More than 3 months but less than 12 months	超過三個月 但少於十二個月	14,612	9,776
More than 12 months	超過十二個月	2,213	5,589
		352,953	225,408

22 REINSURERS' SHARE OF INSURANCE CONTRACT PROVISIONS

22 分保公司應佔保險合約準備

The reinsurers' share of insurance contract provisions represents the reinsurers' share of life insurance funds, unearned premium provisions and provision for outstanding claims arising from the life insurance and reinsurance businesses.

分保公司應佔保險合約準備份額，代表再保險公司於壽險責任準備金的份額、未到期責任準備金及由人壽保險及再保險業務產生的未決賠款準備。

		The group 本集團	
		2006 \$'000 千元	2005 \$'000 千元
Life insurance funds (Note 27)	壽險責任準備金(附註27)	462	853
Unearned premium provisions (Note 28)	未到期責任準備金(附註28)	88,571	52,667
Provision for outstanding claims (Note 29)	未決賠款準備(附註29)	302,874	418,656
		391,907	472,176

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

23 OTHER DEBTORS

23 其他應收賬款

		The group 本集團		The company 本公司	
		2006 \$'000 千元	2005 \$'000 千元	2006 \$'000 千元	2005 \$'000 千元
Advanced payment for acquisition of TPAM (Note (a))	購入太平資產管理預付款 (註(a))	—	61,437	—	—
Other debtors, deposits and prepayments	其他應收賬款按金及預付款	446,367	475,075	3,049	6,945
Loans and advances (Note (b))	貸款及墊款 (註(b))	115,973	72,266	—	—
		562,340	608,778	3,049	6,945

Notes:

(a) On 7 December 2005, TPL and CIGAML, both are subsidiaries of the group, entered into a conditional shareholders' agreement with TPI, Fortis and CIHC (all of them are connected persons of the group) to form a new joint stock limited company, namely TPAM (the "TPAM Shareholders' Agreement"). The registered capital of TPAM is RMB100,000,000 divided into 100,000,000 shares of RMB1.00 each. As at 31 December 2005, TPAM had not yet established. Therefore, the total investment into TPAM by the group was included as advanced payment at 31 December 2005. TPAM commenced business operations in 2006.

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

註:

(a) 於二零零五年十二月七日，本集團之附屬公司，太平人壽和中保資產管理與太平保險、富通和中保控股（每一個皆為本集團的關連人士）簽訂一份有條件的股東協議，成立一間名為太平資產管理的新股份有限公司（「太平資產管理股東協議」）。太平資產管理之註冊資本為人民幣100,000,000元，劃分為100,000,000股，每股為人民幣1元。於二零零五年十二月三十一日太平資產管理仍未正式成立。因此，本集團投放到太平資產管理的總投資金額，於二零零五年十二月三十一日已包括為預付款。太平資產管理已於二零零六年開業。

(b) 貸款及墊款的還款期如下：

		2006 \$'000 千元	2005 \$'000 千元	Interest rate 利率	Repayment term 還款期
Secured loans: — to policyholders	有抵押按揭貸款： — 給予保單持有人	115,973	47,558	4.5 — 4.7%	Less than 6 months 六個月以內
Unsecured loans: — to a fellow subsidiary	無抵押貸款： — 給予同系附屬公司	—	4,830	Free 免息	On demand 於要求時償還
— to third parties	— 給予第三方	—	19,878	8%	10 years 十年
		115,973	72,266		

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

24 PLEDGED DEPOSITS AT BANK

Included in pledged deposits at bank is an amount of \$83,536,000 (2005: \$88,660,000) which is pledged to banks to secure letters of credit issued on behalf of the group.

All of the pledged deposits at bank are expected to be settled within one year.

25 STATUTORY DEPOSITS

Certain subsidiaries of the group have placed \$547,443,000 (2005: \$487,806,000) with banks as capital guarantee funds, pursuant to the relevant PRC insurance rules and regulations. The funds can only be used with the prior approval of the relevant authorities in the event that the PRC subsidiaries cannot meet the statutory solvency requirements or go into liquidation.

26 CASH AND CASH EQUIVALENTS

24 已抵押銀行存款

包括在已抵押銀行存款中一筆為數83,536,000元(二零零五年: 88,660,000元)的銀行存款已抵押予銀行, 作為本集團發出信用狀。

所有已抵押銀行存款預計在一年內支付。

25 法定存款

本集團若干附屬公司根據中國有關保險法規的規定將為數547,443,000元(二零零五年: 487,806,000元)的款項存於銀行, 作為資本保證基金。該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。

26 現金及現金等價物

		The group 本集團		The company 本公司	
		2006 \$'000 千元	2005 \$'000 千元	2006 \$'000 千元	2005 \$'000 千元
Deposits with banks and other financial institutions with original maturity less than three months	原到期日少於三個月的銀行及其他財務機構存款	5,031,088	1,514,501	852,058	299,447
Money market funds	貨幣市場基金	7,184	1,465,055	—	—
Cash at bank and in hand	銀行及手頭現金	1,042,738	1,236,804	1,641	64,873
Cash and cash equivalents in the balance sheet and the cash flow statement	在資產負債表及現金流量表的現金及現金等價物	6,081,010	4,216,360	853,699	364,320

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

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

27 LIFE INSURANCE FUNDS

27 壽險責任準備金

		2006			2005		
		Gross	2006 Reinsurers' share	Net	Gross	2005 Reinsurers' share	Net
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元
Balance as at 1 January	於一月一日結餘	15,453,533	(853)	15,452,680	9,389,501	(87)	9,389,414
Premiums written during the year	年內承保保費	10,823,201	(58,355)	10,764,846	7,351,092	(49,169)	7,301,923
Surrenders	退保總額	(1,159,625)	—	(1,159,625)	(483,210)	—	(483,210)
Annuity and maturity payments	年金及到期付款	(72,959)	—	(72,959)	(22,523)	—	(22,523)
Policy dividends	保單分紅	(39,553)	—	(39,553)	(6,280)	—	(6,280)
Other movements	其他變動	(1,322,344)	58,768	(1,263,576)	(1,053,097)	48,412	(1,004,685)
Exchange alignment	匯兌調整	724,119	(22)	724,097	278,050	(9)	278,041
Balance as at 31 December	於十二月三十一日結餘	24,406,372	(462)	24,405,910	15,453,533	(853)	15,452,680

At 31 December 2005 and 2006, there was no significant current portion of life insurance funds.

Key assumptions used in estimating the life insurance funds

The insurance contract provisions have been established based upon the following key assumptions:

- Interest rates which vary by the life of contract;
- Mortality/morbidity rates based on China Life table (2000-2003); and
- Lapse rate based on pricing assumptions.

Sensitivities of changes in key assumptions:

於二零零五年及二零零六年十二月三十一日，壽險責任準備金沒有重大當期部份。

評估壽險責任準備金採納的主要假設

壽險合約的儲備乃基於以下主要假設而作出：

- 利率隨合約期限而變動；
- 死亡率／發病率根據中國人壽保險業經驗生命表計算(二零零零年至二零零三年)；及
- 作廢率根據定價假設計算。

主要假設變動的敏感度：

		Impact on gross life insurance funds	
		HK\$' million 百萬港元	% 百分比
2006			
1% increase in interest rate	利率增加1%	(109.65)	(0.449%)
10% decrease in mortality/morbidity rate	死亡率／發病率減少10%	(8.50)	(0.035%)
2005			
1% increase in interest rate	利率增加1%	(26.23)	(0.168%)
10% decrease in mortality/morbidity rate	死亡率／發病率減少10%	(5.10)	(0.033%)

During the year, there are no significant changes in the key assumptions used in estimating the life insurance funds.

於本年內，評估壽險責任準備金採納的主要假設，並無重大變動。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

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

28 UNEARNED PREMIUM PROVISIONS

28 未到期責任準備金

		2006			2005		
		Gross 總額 \$'000 千元	Reinsurers' share 再保險 公司份額 \$'000 千元	Net 淨額 \$'000 千元	Gross 總額 \$'000 千元	Reinsurers' share 再保險 公司份額 \$'000 千元	Net 淨額 \$'000 千元
Reinsurance (Note (i))	再保險(註(i))	527,934	(52,873)	475,061	369,327	(31,176)	338,151
Life insurance (Note (ii))	人壽保險(註(ii))	325,034	(35,698)	289,336	221,940	(21,491)	200,449
Balance as at 31 December	於十二月三十一日結餘	852,968	(88,571)	764,397	591,267	(52,667)	538,600

Notes:

註:

(i) Analysis of movement in the unearned premium provisions for the reinsurance business:

(i) 再保險業務的未到期責任準備金變化分析:

		2006			2005		
		Gross 總額 \$'000 千元	Reinsurers' share 再保險 公司份額 \$'000 千元	Net 淨額 \$'000 千元	Gross 總額 \$'000 千元	Reinsurers' share 再保險 公司份額 \$'000 千元	Net 淨額 \$'000 千元
Balance as at 1 January	於一月一日結餘	369,327	(31,176)	338,151	352,225	(40,103)	312,122
Premiums written during the year	年內承保保費	1,541,568	(164,565)	1,377,003	1,256,403	(218,557)	1,037,846
Premiums earned during the year	年內已賺取保費	(1,382,961)	142,868	(1,240,093)	(1,239,301)	227,484	(1,011,817)
Balance as at 31 December	於十二月三十一日結餘	527,934	(52,873)	475,061	369,327	(31,176)	338,151

(ii) Analysis of movement in the unearned premium provisions for the life insurance business:

(ii) 人壽保險業務的未到期責任準備金變化分析:

		2006			2005		
		Gross 總額 \$'000 千元	Reinsurers' share 再保險 公司份額 \$'000 千元	Net 淨額 \$'000 千元	Gross 總額 \$'000 千元	Reinsurers' share 再保險 公司份額 \$'000 千元	Net 淨額 \$'000 千元
Balance as at 1 January	於一月一日結餘	221,940	(21,491)	200,449	114,522	(17,286)	97,236
Premiums written during the year	年內承保保費	10,823,201	(58,355)	10,764,846	7,351,092	(49,169)	7,301,923
Premiums earned during the year	年內已賺取保費	(10,729,986)	45,191	(10,684,795)	(7,247,447)	45,408	(7,202,039)
Exchange alignment	匯兌調整	9,879	(1,043)	8,836	3,773	(444)	3,329
Balance as at 31 December	於十二月三十一日結餘	325,034	(35,698)	289,336	221,940	(21,491)	200,449

At 31 December 2005 and 2006, there was no non-current portion of unearned premium provisions.

於二零零五年及二零零六年十二月三十一日，未到期責任準備金沒有非當期部份。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

29 PROVISION FOR OUTSTANDING CLAIMS

29 未決賠款準備

		2006			2005		
		Gross 總額 \$'000 千元	Reinsurers' share 再保險 公司份額 \$'000 千元	Net 淨額 \$'000 千元	Gross 總額 \$'000 千元	Reinsurers' share 再保險 公司份額 \$'000 千元	Net 淨額 \$'000 千元
Reinsurance (Note (i))	再保險 (註(i))	2,133,272	(300,589)	1,832,683	2,106,450	(413,575)	1,692,875
Life insurance (Note (ii))	人壽保險 (註(ii))	52,894	(2,285)	50,609	43,528	(5,081)	38,447
Balance as at 31 December	於十二月三十一日結餘	2,186,166	(302,874)	1,883,292	2,149,978	(418,656)	1,731,322

Notes:

註:

(i) Analysis of movement in the provision for outstanding claims for the reinsurance business:

(i) 再保險業務的未決賠款準備變化分析:

		2006			2005		
		Gross 總額 \$'000 千元	Reinsurers' share 再保險 公司份額 \$'000 千元	Net 淨額 \$'000 千元	Gross 總額 \$'000 千元	Reinsurers' share 再保險 公司份額 \$'000 千元	Net 淨額 \$'000 千元
Balance as at 1 January	於一月一日結餘	2,106,450	(413,575)	1,692,875	1,988,403	(424,484)	1,563,919
Claims paid during the year	年內已付賠款	(891,123)	210,064	(681,059)	(805,122)	183,455	(621,667)
Claims incurred during the year	年內索賠	917,945	(97,078)	820,867	923,169	(172,546)	750,623
Balance as at 31 December	於十二月三十一日結餘	2,133,272	(300,589)	1,832,683	2,106,450	(413,575)	1,692,875

(ii) Analysis of movement in the provision for outstanding claims for the life insurance business:

(ii) 人壽保險業務的未決賠款準備變化分析:

		2006			2005		
		Gross 總額 \$'000 千元	Reinsurers' share 再保險 公司份額 \$'000 千元	Net 淨額 \$'000 千元	Gross 總額 \$'000 千元	Reinsurers' share 再保險 公司份額 \$'000 千元	Net 淨額 \$'000 千元
Balance as at 1 January	於一月一日結餘	43,528	(5,081)	38,447	21,604	(3,557)	18,047
Claims paid during the year	年內已付賠款	(301,914)	40,393	(261,521)	(166,963)	26,427	(140,536)
Claims incurred during the year	年內索賠	309,564	(37,476)	272,088	188,158	(27,853)	160,305
Exchange alignment	匯兌調整	1,716	(121)	1,595	729	(98)	631
Balance as at 31 December	於十二月三十一日結餘	52,894	(2,285)	50,609	43,528	(5,081)	38,447

At 31 December 2006, the current portion of provision for outstanding claims was \$491,603,000 (2005: \$502,324,000).

於二零零六年十二月三十一日，未決賠款準備的當期部份為491,603,000元(二零零五年：502,324,000元)。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

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

30 INVESTMENT CONTRACT LIABILITIES

30 投資合約負債

		The group 本集團	
		2006 \$'000 千元	2005 \$'000 千元
Balance as at 1 January	於一月一日結餘	75,857	774
Premiums written during the year	年內承保保費	106,807	98,184
Surrenders and withdrawals	退保及提取總額	(66,983)	(23,101)
Balance as at 31 December	於十二月三十一日結餘	115,681	75,857

At 31 December 2005 and 2006, there was no non-current portion of investment contract liabilities.

於二零零五年及二零零六年十二月三十一日，投資合約負債沒有非當期部份。

31 INCOME TAX IN THE BALANCE SHEET

31 資產負債表的利得稅

(a) Current taxation in the balance sheet represents:

(a) 在資產負債表所示的當期稅項為：

		The group 本集團		The company 本公司	
		2006 \$'000 千元	2005 \$'000 千元	2006 \$'000 千元	2005 \$'000 千元
Provision for Hong Kong Profits Tax for the year	本年度香港利得稅準備	29,655	8,861	—	—
Provisional Profits Tax paid	已暫繳的利得稅	(14,357)	(13,198)	—	(3,581)
		15,298	(4,337)	—	(3,581)
Balance of Profits Tax provision relating to prior years	屬於往年度利得稅準備的結餘	34,321	35,000	(3,581)	—
Taxation outside Hong Kong	香港以外的稅項	2,941	1,222	—	—
		52,560	31,885	(3,581)	(3,581)
Amount of taxation payable expected to be settled after more than 1 year	預期在一年以後才須支付的應付稅金	—	—	—	—
Net tax recoverable recognised in the balance sheet	已確認於資產負債表的可收回稅項淨額	(3,581)	(5,585)	(3,581)	(3,581)
Net current taxation recognised in the balance sheet	已確認於資產負債表的當期稅項淨額	56,141	37,470	—	—
		52,560	31,885	(3,581)	(3,581)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

31 INCOME TAX IN THE BALANCE SHEET (Continued)

(b) Deferred tax assets and liabilities recognised (Continued)

The company

The components of deferred tax liabilities recognised in the balance sheet and the movements during the year are as follows:

Deferred tax arising from: 遞延稅項來自：		Fair value adjustment of available- for-sale securities 可供出售證券 公平值調整 \$'000 千元	Total 總額 \$'000 千元
At 1 January 2006	於二零零六年一月一日	—	—
Charged to reserves	於儲備入賬	4,406	4,406
At 31 December 2006	於二零零六年十二月三十一日	4,406	4,406
At 1 January 2005	於二零零五年一月一日	—	—
Charged to reserves	於儲備入賬	—	—
At 31 December 2005	於二零零五年十二月三十一日	—	—

(c) Deferred tax assets not recognised

At 31 December 2006, the group did not recognise deferred tax assets in respect of certain tax losses of \$270,416,000 (2005: \$Nil). Included in the total amount of these tax losses of \$247,068,000 (2005: \$Nil) can be carried forward up to five years after the year in which the loss was originated to offset future taxable profits. The remaining tax losses do not expire under current tax legislation.

31 資產負債表的利得稅 (續)

(b) 已確認遞延稅項資產及負債 (續)

本公司

於資產負債表確認的遞延稅項負債的組合及本年度的變動情況如下：

	Fair value adjustment of available- for-sale securities 可供出售證券 公平值調整 \$'000 千元	Total 總額 \$'000 千元
At 1 January 2006	—	—
Charged to reserves	4,406	4,406
At 31 December 2006	4,406	4,406
At 1 January 2005	—	—
Charged to reserves	—	—
At 31 December 2005	—	—

(c) 未確認的遞延稅項資產

於二零零六年十二月三十一日，本集團未有確認就某些稅項虧損而產生的遞延稅項資產為270,416,000元（二零零五年：無）。包括在稅項虧損總額中247,068,000元（二零零五年：無）可以在發生虧損年起計，最多不多於五年，用作抵銷未來之應評稅利潤。尚餘的稅項虧損額在目前的稅務條例則並無期限。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

32 INTEREST-BEARING NOTES

32 需付息票據

		The group 本集團	
		2006 \$'000 千元	2005 \$'000 千元
USD notes due 2013 (Note (a))	於二零一三年到期的 美元票據 (註(a))	1,351,794	1,347,971
RMB subordinated notes due 2013 (Note (b))	於二零一三年到期的 人民幣次級票據 (註(b))	1,493,025	1,441,500
		2,844,819	2,789,471

Notes:

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

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

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

- (b) On 23 October 2005, a subsidiary of the group issued RMB1,500,000,000 in principal amount of 4.45% subordinated notes at par. The notes are fully subscribed by the Agricultural Bank of China. The notes will be redeemed on 30 November 2013 and cannot be repaid on demand during the term. Interest on notes is payable annually in arrears.

The notes issued are free of any collateral and guarantee.

註:

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

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

票據由本公司提供無條件及不可撤銷的擔保。

- (b) 於二零零五年十月二十三日，本集團其中一家附屬公司以票面值發行了本金價值1,500,000,000人民幣4.45%的次級票據。票據由中國農業銀行悉數認購。票據將於二零一三年十一月三十日贖回及在債務期內不可被即時償還。票據利息每年於年末支付。

票據並無任何抵押品及擔保。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

33 INSURANCE CREDITORS

33 保險客戶應付賬款

		The group 本集團	
		2006 \$'000 千元	2005 \$'000 千元
Amounts due to insurance customers and suppliers	應付保險客戶及 供應商款項	33,706	89,339
Amounts due to insurance intermediaries	應付保險中介	24,157	20,778
Deposits retained from retrocessionaires	轉分保險人保留的按金	23,855	25,382
Prepaid premiums received	預收保費	158,312	244,672
		240,030	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 \$752,000 (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752,000元(二零零五年: 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之賬齡分析如下：

		The group 本集團	
		2006 \$'000 千元	2005 \$'000 千元
Current	現時	13,528	67,760
More than 3 months but less than 12 months	超過三個月 但少於十二個月	12,681	17,940
More than 12 months	超過十二個月	7,497	3,639
		33,706	89,339

34 ACCRUED CHARGES AND OTHER CREDITORS

34 應計費用及其他應付賬款

All of the accrued charges and other creditors are expected to be settled within one year. Included in the balance of the group is an amount of \$1,244,000 (2005: \$Nil) which represents unrealised losses on dealing in off-balance sheet financial instruments at the balance sheet date.

所有應計費用及其他應付賬款預期將於一年內清償。於本集團結餘當中包括價值1,244,000元(二零零五年: 無)在結算日資產負債表以外金融工具的未實現虧損。

35 INSURANCE PROTECTION FUND

35 保險保障基金

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

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

The insurance protection fund is expected to be settled within one year.

保險保障基金預計在一年內支付。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

36 SECURITIES SOLD UNDER REPURCHASE AGREEMENTS 36 賣出回購證券

All of the securities sold under repurchase agreements are denominated in RMB and expected to be settled within one year. The effective interest rate is 2.90% (2005: 1.58%).

所有賣出回購證券以人民幣為單位及預期在一年內支付。其有效利率為2.90% (二零零五年：1.58%)。

37 SHARE CAPITAL 37 股本

		2006		2005	
		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 1 January	於一月一日	1,336,463,592	66,824	1,331,693,592	66,585
Shares issued (note (a))	已發行股份 (註(a))	63,750,000	3,187	—	—
Shares issued under share option scheme (note (b))	根據認股權計劃發行的股份 (註(b))	6,038,000	302	4,770,000	239
At 31 December	於十二月三十一日	1,406,251,592	70,313	1,336,463,592	66,824

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

本公司所發行的所有股份均享有同等權益，並沒有附帶任何優先權。

(a) 63,750,000 ordinary shares of \$0.05 each at the price of \$8.25 per share were issued on 15 December 2006 to Golden Win, a wholly owned subsidiary of CIHC after completion of the subscription for the shares of the company pursuant to the Placing and Subscription Agreement entered into on 4 December 2006 between Golden Win, CIHC, the company and Cazenove Asia Limited, the sole bookrunner and lead manager of the placing of 75,000,000 shares owned by Golden Win. The net proceeds of \$515 million received by the company were intended for further expansion of insurance businesses in the PRC.

(a) 根據金和(中保控股之全資附屬公司)、中保控股、本公司及嘉誠亞洲有限公司(配售金和所擁有之75,000,000股股份之唯一配售經辦人及牽頭經辦人)於二零零六年十二月四日訂立之配售及認購協議完成配售本公司股份後，63,750,000股每股面值港幣0.05元之普通股已於二零零六年十二月十五日按每股8.25元之價格發行予金和。本公司所收取之所得款項淨額為5.15億元，擬用作進一步在中國拓展其保險業務。

(b) During the year ended 31 December 2006, options were exercised to subscribe for 6,038,000 (note 40(a)) ordinary shares in the company at a consideration of \$14,860,000 of which \$302,000 was credited to share capital and the balance of \$14,558,000 was credited to the share premium account.

(b) 截至二零零六年十二月三十一日止年度，曾行使認股權認購本公司普通股股份6,038,000股(附註40(a))，總價款為14,860,000元。其中302,000元已計入股本，餘數14,558,000元已計入股份溢價賬。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

38 RESERVES

38 儲備

(a) The group

(a) 本集團

		Capital reserve 資本儲備 \$'000 千元	Share premium 股份溢價 \$'000 千元	Exchange reserve 匯兌儲備 \$'000 千元	Fair value reserve 公平值 儲備 \$'000 千元	Employee share-based compensation reserve 以股份 為本之權員 補償儲備 \$'000 千元	(Accumulated losses)/ retained profits 保留溢利/ (累計虧損) \$'000 千元	Total 總額 \$'000 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	–	529,705	–	–	–	–	529,705
Exchange differences on translation of the financial statements of subsidiaries outside Hong Kong	換算香港以外地區附屬公司賬項的匯兌差異	–	–	40,861	–	–	–	40,861
Available-for-sale securities:	可供出售證券：	–	–	–	586,440	–	–	586,440
– changes in fair value (note(f))	– 公平值變化 (註(f))	–	–	–	750,368	–	–	750,368
– deferred tax recognised	– 確認遞延稅項	–	–	–	(151,392)	–	–	(151,392)
– transferred to profit or loss on disposal	– 於出售時轉至損益表	–	–	–	(12,536)	–	–	(12,536)
Profit for the year	本年度溢利	–	–	–	–	–	510,765	510,765
Equity settled share-based transactions	股本償付之股份為本交易	–	–	–	–	(99)	–	(99)
At 31 December 2006	於二零零六年十二月三十一日	567,458	2,174,123	46,986	841,088	20,530	457,821	4,108,006

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

38 RESERVES (Continued)

38 儲備 (續)

(a) The group (Continued)

(a) 本集團 (續)

		Capital reserve 資本儲備 \$'000 千元	Share premium 股份溢價 \$'000 千元	Exchange reserve 匯兌儲備 \$'000 千元	Fair value reserve 公平價值 儲備 \$'000 千元	Employee share-based compensation reserve 以股份 為本之僱員 補償儲備 \$'000 千元	Retained profits/ (accumulated losses) 保留溢利/ (累計虧損) \$'000 千元	Total 總額 \$'000 千元
At 1 January 2005	於二零零五年一月一日							
As originally stated	原本列示	567,458	1,639,426	(11,828)	—	—	380,819	2,575,875
Opening adjustment for the adoption of HKAS 39	採用香港會計準則39的 期初調整	—	—	—	(136,290)	—	—	(136,290)
As restated	重列	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 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
Available-for-sale securities:	可供出售證券：	—	—	—	390,938	—	—	390,938
— changes in fair value (note(f))	— 公平值變化 (註(f))	—	—	—	508,359	—	—	508,359
— deferred tax recognised	— 確認遞延稅項	—	—	—	(113,785)	—	—	(113,785)
— transfer to profit or loss on disposal	— 於出售時轉至損益表	—	—	—	(3,636)	—	—	(3,636)
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 FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

38 RESERVES (Continued)

38 儲備 (續)

(a) The group (Continued)

(a) 本集團 (續)

Notes:

註：

		2006			
		Reinsurance	Life	Corporate	Total
		再保險	人壽保險	企業及	總額
		\$'000	\$'000	其他業務	\$'000
		千元	千元	千元	千元
Note(i): Changes in fair value	註(i)：公平值變化				
Debt securities	債務證券	(142)	(322,246)	—	(322,388)
Direct equity securities	直接股本證券	162,125	682,581	199,056	1,043,762
Equity investment funds	股本投資基金	(226)	431,921	—	431,695
		161,757	792,256	199,056	1,153,069
Share of associates	聯營公司份額	—	—	(6,970)	(6,970)
Shared by minority interests	少數股東應佔權益	—	(395,731)	—	(395,731)
		161,757	396,525	192,086	750,368
		2005			
		Reinsurance	Life	Corporate	Total
		再保險	人壽保險	企業及	總額
		\$'000	\$'000	其他業務	\$'000
		千元	千元	千元	千元
Note(i): Changes in fair value	註(i)：公平值變化				
Debt securities	債務證券	(728)	967,605	—	966,877
Direct equity securities	直接股本證券	12,639	—	—	12,639
Equity investment funds	股本投資基金	—	—	—	—
		11,911	967,605	—	979,516
Share of associates	聯營公司份額	—	—	12,162	12,162
Shared by minority interests	少數股東應佔權益	—	(483,319)	—	(483,319)
		11,911	484,286	12,162	508,359

Included in the retained profits is an amount of \$160,993,000 (2005: \$165,063,000), being the retained losses attributable to associates.

保留溢利當中包括投資聯營公司的累計虧損，為數160,993,000元(二零零五年：165,063,000元)。

Included in the fair value reserve is an amount of \$5,191,000 (2005: \$12,161,000), being the fair value reserves attributable to associates.

公平值儲備當中包括投資聯營公司的正公平值儲備，為數5,191,000元(二零零五年：12,161,000元)。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

38 RESERVES (Continued)

38 儲備 (續)

(b) The company

(b) 本公司

		Share premium 股份溢價 \$'000 千元	Employee share-based compensation reserve 為本之僱員補償儲備 \$'000 千元	Fair value reserve 公平值儲備 \$'000 千元	Retained profits 保留溢利 \$'000 千元	Total 總額 \$'000 千元
At 1 January 2006	於二零零六年一月一日	1,644,418	20,629	—	22,709	1,687,756
Shares issued	已發行股份	526,428	—	—	—	526,428
Available-for-sale securities:	可供出售證券					
— Changes in fair value (note (i))	— 公平值變化 (註(i))	—	—	25,178	—	25,178
— Deferred tax recognised	— 確認遞延稅項	—	—	(4,406)	—	(4,406)
Loss for the year	本年度虧損	—	—	—	(13,117)	(13,117)
Share options exercised	已行使認股權	3,277	(3,277)	—	—	—
Share options granted and vested	已授出及已歸屬認股權	—	3,178	—	—	3,178
At 31 December 2006	於二零零六年十二月三十一日	2,174,123	20,530	20,772	9,592	2,225,017
At 1 January 2005	於二零零五年一月一日	1,639,426	—	—	172,932	1,812,358
Shares issued	已發行股份	4,992	—	—	—	4,992
Loss for the year	本年度虧損	—	—	—	(150,223)	(150,223)
Share options granted	已授出認股權	—	20,629	—	—	20,629
At 31 December 2005	於二零零五年十二月三十一日	1,644,418	20,629	—	22,709	1,687,756
					2006 \$'000 千元	2005 \$'000 千元
Note(i): Changes in fair value	註(i): 公平值變化					
Direct equity securities	直接股本證券				25,178	—

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

38 RESERVES (Continued)

(c) Nature or purpose of reserves

(i) *Capital reserve*

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

(ii) *Share premium*

The application of the share premium account is governed by Sections 48B and 49H respectively of the Hong Kong Companies Ordinance.

(iii) *Exchange reserve*

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy set out in note 1(w).

(iv) *Fair value reserve*

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale securities held at the balance sheet date and is dealt with in accordance with the accounting policy in note 1(h)(iii).

(v) *Employee share-based compensation reserve*

The employee share-based compensation reserve comprises the fair value of the actual or estimated number of unexercised share options granted to employees of the group recognised in accordance with the accounting policy adopted for share based payments in note 1(r)(ii).

38 儲備 (續)

(c) 儲備目的或性質

(i) 資本儲備

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

(ii) 股份溢價

股份溢價賬目的運用，受香港《公司條例》第48B及第49H條所管控。

(iii) 匯兌儲備

匯兌儲備包括換算所有海外業務賬項所產生的匯兌差異。此儲備根據有關附註1(w)所載的會計政策處理。

(iv) 公平值儲備

公平值儲備包括根據有關附註1(h)(iii)所載的會計政策處理於結算日可供出售證券的累計公平價值變動淨額。

(v) 以股份為本之僱員補償儲備

以股份為本之僱員補償儲備包括根據已採納有關附註1(r)(ii)所載的股權支付會計政策確認授予本集團僱員之實際或估計未能行使認股權數目的公平價值。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

39 EMPLOYEE RETIREMENT BENEFITS

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

As stipulated by the labour regulations of the PRC, certain subsidiaries of the group participate in various defined contribution retirement plans authorised by municipal and provincial governments for its staff. These subsidiaries are required to make contributions to the retirement plans at 21.2% (2005: 22.5%) of the salaries, bonuses and certain allowances of its staff. A member of the plans is entitled to a pension equal to a fixed proportion of the salary prevailing at his or her retirement date.

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

40 EQUITY COMPENSATION BENEFITS

Historically, the Old Scheme whereby the directors of the company were authorised, at their discretion, to invite employees of the group, including directors of any company in the group, to take up options to subscribe for shares of the company. Options granted between 24 May 2000 and 31 December 2002 were granted under the Old Scheme and in accordance with the requirements of Chapter 17 of the Listing Rules which came with effect from 1 September 2001.

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

All of the share options are settled in equity.

(a) Movements in share options

At 1 January	於一月一日	
Granted	已授出	
Exercised (note 37)	已行使 (附註37)	
Lapsed	失效	
At 31 December	於十二月三十一日	
Options vested at 31 December	於十二月三十一日 已歸屬的認股權	

39 僱員退休福利

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

根據中國勞工條例，本集團若干附屬公司為其僱員參加了由市及省政府組織的不同類型已訂定供款退休計劃。這些附屬公司須按僱員的薪金、花紅及某些津貼的21.2%（二零零五年：22.5%）供款給那些退休計劃。參與計劃的成員可以領取相等於在其退休之時薪金的一個固定比例的退休金。

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

40 股本補償福利

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

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

所有認股權是以股權支付。

(a) 認股權的變動

		2006 Number 數目	2005 Number 數目
At 1 January	於一月一日	34,678,000	20,648,000
Granted	已授出	350,000	18,800,000
Exercised (note 37)	已行使 (附註37)	(6,038,000)	(4,770,000)
Lapsed	失效	(400,000)	—
At 31 December	於十二月三十一日	28,590,000	34,678,000
Options vested at 31 December	於十二月三十一日 已歸屬的認股權	27,206,666	31,911,332

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

40 EQUITY COMPENSATION BENEFITS (Continued)

40 股本補償福利 (續)

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

(b) 於結算日尚未屆滿及尚未行使的認股權的年期

Date granted 授出日期	Exercise period 行使期	Exercise price 行使價 \$ 元	2006 Number 數目	2005 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	6,400,000
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	1,230,000
12 September 2002 to 23 September 2002 (note (i)) 2002年9月12日至 2002年9月23日 (註(i))	12 September 2002 to 22 September 2012 2002年9月12日至 2012年9月22日	3.2250	5,265,000	7,392,000
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	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	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	350,000
2 November 2005 (note(ii)) 2005年11月2日 (註(ii))	23 November 2005 to 27 November 2015 2005年11月23日至 2015年11月27日	2.8750	15,896,000	18,450,000
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	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	—
29 December 2006 2006年12月29日	29 December 2006 to 28 December 2016 2006年12月29日至 2016年12月28日	9.8000	175,000	—
			28,590,000	34,678,000

Note:

- (i) 400,000 options were lapsed during the year (2005: Nil).
- (ii) 3,846,000 of the unexpired and unexercised options have vesting period up to 23 November 2007 (2005: 4,150,000).

註:

- (i) 400,000認股權於年內失效(二零零五年: 無)。
- (ii) 其中3,846,000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(二零零五年: 4,150,000)。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

40 EQUITY COMPENSATION BENEFITS (Continued)

40 股本補償福利 (續)

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

(c) 年內已(失效)/授出的認股權詳情，該等認股權全部均為以代價1元授出

Exercise period 行使期		Exercise price 行使價 \$ 元	2006 Number 數目	2005 Number 數目
12 September 2002 11 September 2012	2002年9月12日至 2012年9月11日	3.2250	(400,000)	—
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	—
29 December 2006 to 28 December 2016	2006年12月29日至 2016年12月28日	9.8000	175,000	—
			(50,000)	18,800,000

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

40 EQUITY COMPENSATION BENEFITS (Continued)

40 股本補償福利 (續)

(d) Details of share options exercised during the year

(d) 年內已行使的認股權詳情

Exercise date 行使日		Exercise price 行使價 \$ 元	Weighted average market value per share at exercise date 行使日加權平均每股市價 \$ 元	Proceeds received 所得款項 \$'000 千元	Number 數目
3 January	一月三日	1.110	3.2934	1,931	1,740,000
4 January	一月四日	2.875	3.3769	92	32,000
24 April	四月二十四日	3.225	4.2827	1,935	600,000
2 May	五月二日	0.950	4.2326	16	17,000
26 May	五月二十六日	3.225	4.4750	29	9,000
6 June	六月六日	3.225	4.4485	64	20,000
13 July	七月十三日	2.875	4.9487	1,294	450,000
15 August	八月十五日	3.225	6.0326	2,903	900,000
15 August	八月十五日	2.875	6.0326	5,175	1,800,000
21 August	八月二十一日	3.225	6.0337	161	50,000
28 August	八月二十八日	3.225	6.2995	13	4,000
23 November	十一月二十三日	2.875	7.8208	92	32,000
19 December	十二月十九日	3.225	8.9705	13	4,000
20 December	十二月二十日	3.225	9.0024	452	140,000
20 December	十二月二十日	2.875	9.0024	575	200,000
28 December	十二月二十八日	2.875	9.4819	115	40,000
				14,860	6,038,000
2005	二零零五年			5,231	4,770,000

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

40 EQUITY COMPENSATION BENEFITS (Continued)

(e) Fair value of share options and assumptions

HKFRS 2 requires that when the group grants employees options to acquire shares of the company, the group recognises the fair value of the options granted as an expense in the consolidated income statement with a corresponding increase in the employee share-based compensation reserve within equity.

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on the Black-Scholes pricing model. The contractual life of the option is used as an input into this model.

Fair value of share options and assumptions:

2006		Date of grant 授出日	
		30 June 2006 2006年6月30日	29 December 2006 2006年12月29日
Fair value at measurement date (\$)	於計量日的公平值(元)	2.706453	5.310443
Share price (\$)	股價(元)	5	9.8
Exercise price (\$)	行使價(元)	5	9.8
Expected volatility (note i)	預期波動率(註i)	37.11%	40.51%
Option life (Year)	認股權年期(年)	10	10
Expected dividends (note ii)	預期股息(註ii)	0.38%	0.38%
Risk-free interest rate (note iii)	無風險利率(註iii)	4.826%	3.73%

2005		Date of grant 授出日	
		2 November 2005 2005年11月2日	30 December 2005 2005年12月30日
Fair value at measurement date (\$)	於計量日的公平值(元)	1.283082	1.445226
Share price (\$)	股價(元)	2.875	3.3
Exercise price (\$)	行使價(元)	2.875	3.3
Expected volatility (note i)	預期波動率(註i)	26.47%	26.57%
Option life (Year)	認股權年期(年)	10	10
Expected dividends (note ii)	預期股息(註ii)	0.38%	0.38%
Risk-free interest rate (note iii)	無風險利率(註iii)	4.464%	4.181%

Notes:

- (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.

Share options were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the share option grants.

40 股本補償福利 (續)

(e) 認股權的公平價值及假設

按香港財務報告準則第2號規定，當本集團向僱員授出認股權，本集團須按授出認股權的公平值於綜合損益表內確認為支出，而在股東權益內的以股份為本之僱員補償儲備作相應增加。

獲得服務以換取認股權的公平價值按授出認股權的公平價值計量。授出認股權之估計公平價值按Black-Scholes認股權定價模式。認股權的合約年期須輸入該模式。

認股權的公平價值及假設：

2006		Date of grant 授出日	
		30 June 2006 2006年6月30日	29 December 2006 2006年12月29日
Fair value at measurement date (\$)	於計量日的公平值(元)	2.706453	5.310443
Share price (\$)	股價(元)	5	9.8
Exercise price (\$)	行使價(元)	5	9.8
Expected volatility (note i)	預期波動率(註i)	37.11%	40.51%
Option life (Year)	認股權年期(年)	10	10
Expected dividends (note ii)	預期股息(註ii)	0.38%	0.38%
Risk-free interest rate (note iii)	無風險利率(註iii)	4.826%	3.73%

2005		Date of grant 授出日	
		2 November 2005 2005年11月2日	30 December 2005 2005年12月30日
Fair value at measurement date (\$)	於計量日的公平值(元)	1.283082	1.445226
Share price (\$)	股價(元)	2.875	3.3
Exercise price (\$)	行使價(元)	2.875	3.3
Expected volatility (note i)	預期波動率(註i)	26.47%	26.57%
Option life (Year)	認股權年期(年)	10	10
Expected dividends (note ii)	預期股息(註ii)	0.38%	0.38%
Risk-free interest rate (note iii)	無風險利率(註iii)	4.464%	4.181%

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。

認股權的授予須符合服務條件。該條件並未納入計算於授予日獲得服務的公平價值。並無市場條件與授予認股權有關。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

41 MATURITY PROFILE

41 到期情況

(a) The group

(a) 本集團

		Repayable on demand 接獲 要求時 償還 \$'000 千元	3 months or less 三個月 或以下 \$'000 千元	1 year or less but over 3 months 一年以下 但超過 三個月 \$'000 千元	5 years or less but over 1 year 五年以下 但超過 一年 \$'000 千元	After 5 years 五年後 \$'000 千元	Undated 永久 \$'000 千元	Total 總額 \$'000 千元
At 31 December 2006	於二零零六年十二月三十一日							
Assets	資產							
Deposits at banks and other financial institutions (including statutory deposits)	銀行及其他財務機構存款(包括法定存款)	193,810	4,927,332	670,293	4,424,946	—	—	10,216,381
Money market funds	貨幣市場基金	7,184	—	—	—	—	—	7,184
Pledged deposits at bank	已抵押予銀行的存款	—	—	93,676	—	—	—	93,676
Certificates of deposit (under held-to-maturity)	存款證(持有至到期)	—	—	—	10,000	—	—	10,000
Debt securities (under held-to-maturity)	債務證券(持有至到期)	—	31,068	60,775	523,155	218,471	—	833,469
Debt securities (under available-for-sale)	債務證券(可供出售)	—	5,117	120,793	3,823,787	14,625,154	—	18,574,851
Debt securities (under designated at fair value)	債務證券(通過損益以反映公平價值)	96,950	—	148,603	30,497	91,633	42,052	409,735
Loans and advances	貸款及墊款	—	—	115,973	—	—	—	115,973
		297,944	4,963,517	1,210,113	8,812,385	14,935,258	42,052	30,261,269
Liabilities	負債							
Interest-bearing notes	需付息票據	—	—	—	—	2,844,819	—	2,844,819
Securities sold under repurchase agreements	賣出回購證券	—	2,490,366	—	—	—	—	2,490,366
Investment contract liabilities	投資合約負債	115,681	—	—	—	—	—	115,681
Insurance protection fund	保險保障基金	—	—	10,385	—	—	—	10,385
		115,681	2,490,366	10,385	—	2,844,819	—	5,461,251

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

41 MATURITY PROFILE (Continued)

41 到期情況 (續)

(a) The group (Continued)

(a) 本集團 (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 一年以下 但超過 三個月 \$'000 千元	5 years or less but over 1 year 五年以下 但超過 一年 \$'000 千元	After 5 years 五年後 \$'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 (including statutory deposits)	銀行及其他財務機構 存款 (包括法定存款)						
	271,919	1,269,252	16,268	1,023,552	1,195,244	—	3,776,235
Money market funds	4,691	1,460,364	—	—	—	—	1,465,055
Pledged deposits at bank	—	—	97,980	—	—	—	97,980
Certificates of deposit (under held-to-maturity)	—	—	55,956	—	10,000	—	65,956
Certificates of deposit (under designated at fair value)	—	—	—	—	7,754	—	7,754
Debt securities (under held-to-maturity)	—	6,700	62,759	477,390	433,232	—	980,081
Debt securities (under available-for-sale)	—	—	32,129	2,611,825	12,225,456	—	14,869,410
Debt securities (under designated at fair value)	97,139	—	228,725	225,314	155,334	89,810	796,322
Loans and advances	4,830	—	47,558	19,878	—	—	72,266
	378,579	2,736,316	541,375	4,357,959	14,027,020	89,810	22,131,059
Liabilities	負債						
Interest-bearing notes	—	—	—	—	2,789,471	—	2,789,471
Securities sold under repurchase agreements	—	1,923,499	—	—	—	—	1,923,499
Investment contract liabilities	75,857	—	—	—	—	—	75,857
Insurance protection fund	—	—	7,229	—	—	—	7,229
	75,857	1,923,499	7,229	—	2,789,471	—	4,796,056

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

41 MATURITY PROFILE (Continued)

(b) The company

	Repayable on demand 接獲 要求時 償還 \$'000 千元	3 months or less 三個月 或以下 \$'000 千元	1 year or less but over 3 months 一年以下 但超過 三個月 \$'000 千元	5 years or less but over 1 year 五年以下 但超過 一年 \$'000 千元	After 5 years 五年後 \$'000 千元	Undated 永久 \$'000 千元	Total 總額 \$'000 千元
At 31 December 2006	於二零零六年十二月三十一日						
Assets	資產						
Deposits at banks and other financial institutions							
銀行及其他 財務機構存款	49,458	802,600	-	-	-	-	852,058
Debt securities	-	-	138,650	-	-	-	138,650
	49,458	802,600	138,650	-	-	-	990,708
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	259,935	39,512	-	-	-	-	299,447
Debt securities	-	-	114,359	136,724	-	-	251,083
	259,935	39,512	114,359	136,724	-	-	550,530

41 到期情況 (續)

(b) 本公司

42 FAIR VALUES OF FINANCIAL INSTRUMENTS

(a) Fair value

All financial instruments are stated at fair value or carried at amounts not materially different from their fair values as at 31 December 2005 and 2006, except for held-to-maturity investments as set out in note 19(a)(i), securities sold under repurchase agreements as set out in note 36 and interest-bearing notes as set out in note 32.

(b) Estimation of fair values

Fair value estimates are generally subjective in nature, and are made as of a specific point in time based on the characteristics of the financial instruments and relevant market information. Where available, the most suitable measure for fair value is the quoted market price.

42 金融工具的公平價值

(a) 公平價值

除附註19(a)(i)所載有關持有至到期投資、附註36所載有關賣出回購證券及附註32所載有關需付息票據外，所有金融工具均是以公平價值或與其於二零零五年十二月三十一日和二零零六年同日的公平價值相若的金額入賬。

(b) 公平價值估計

公平價值估計是根據金融工具的特性和相關市場資料於某一特定時間作出，因此一般是主觀的。若有市場報價，市場報價是計量公平價值最適合的方法。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

43 COMMITMENTS

- (a) Capital commitments outstanding at 31 December 2006 not provided for in the financial statements were as follows:

		The group 本集團	
		2006 \$'000 千元	2005 \$'000 千元
Contracted for	已訂約	46,717	86,024

- (b) At 31 December 2006, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

		2006 \$'000 千元		2005 \$'000 千元	
Within 1 year	一年內	61,820	72,914		
After 1 year but within 5 years	一年後但五年內	56,104	66,318		
After 5 years	五年後	1,281	—		
		119,205	139,232		

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

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

44 CONTINGENT LIABILITIES

The group has received a query issued by the Inland Revenue Department of Hong Kong in relation to the taxability of certain investment income from its offshore investments for the years of assessment from 1999 to 2004. The directors consider that the group has good prospect to support its tax position. As such, no provision for a potential tax exposure of approximately \$26,000,000 (2005: \$20,000,000) was made at 31 December 2006.

Save as herein disclosed and other than those incurred in the normal course of the group's insurance business, there was no outstanding litigation nor any contingent liabilities as at 31 December 2006.

43 承擔

- (a) 於二零零六年十二月三十一日，尚未在本財務報表反映的資本性承諾如下：

- (b) 於二零零六年十二月三十一日，根據不可解除的經營租賃在日後應付的最低租賃付款額如下：

44 或然負債

本集團收到香港稅務局的詢問，關於相當之離岸投資收入於一九九九年至二零零四年評稅年度內的應課稅事宜。董事認為本集團的稅務觀點很可能得到支持，因此，於二零零六年十二月三十一日本集團毋需就約26,000,000元(二零零五年：20,000,000元)的潛在稅務風險計提準備。

除本報表所披露者及在本集團日常保險業務中產生的訴訟外，於二零零六年十二月三十一日，本集團概無任何未決訴訟或或然負債。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

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

45 MATERIAL RELATED PARTY TRANSACTIONS

45 重大關連人士交易

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

以下是本集團與關連人士於年內進行的重大交易概要：

		Note	2006	2005
		註	\$'000	\$'000
			千元	千元
Recurring transactions	經常交易			
Business ceded by related companies:	關連公司分出的業務：			
— Gross premiums written	— 毛承保保費總額	(i)	173,647	125,713
— Commission expenses paid	— 佣金支出		61,119	31,851
Business retroceded to related companies:	關連公司轉分的業務：			
— Outward retroceded premiums	— 轉分再保險保費	(ii)	2,298	20
— Commission income received	— 佣金收入		123	31
Securities brokerage fee paid	支付的證券經紀費用	(iii)	2,354	1,126
Insurance expenses covering business risk	有關業務風險的保險支出	(iv)	183	164
Investment management fee and redemption income	投資管理費及贖回費收入	(v)	7,237	2,279
Rental and management fee paid	支付的租金及管理費	(vi)	1,726	1,929
Finance costs paid	支付的財務成本	(vii)	—	3,130
Training fee paid	支付的培訓費	(viii)	4,120	421

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 group.
- (iii) The company and certain subsidiaries of the group have entered into agreements with a fellow subsidiary of the group, in relation to securities broking services provided. Securities broking fees are charged at a fixed rate of 0.2% of the securities value.
- (iv) The company and certain subsidiaries of the group entered into a number of insurance policies with certain fellow subsidiaries of the group to cover their business risks in relation to fire, motor vehicle, personal accident, workmen compensation, group life and medical, electronic equipment and professional indemnity.
- (v) A subsidiary of the company provided investment consultancy services to and received investment management fee and redemption income from certain fellow subsidiaries of the group.
- (vi) The company and a subsidiary of the company leased office and parking spaces, and paid rent and building management fees to a fellow subsidiary of the group.
- (vii) A subsidiary of the company borrowed a loan from a fellow subsidiary of the group which bore interest at LIBOR plus 1.8%. The loan was unsecured and repayable on demand. The loan was fully repaid during 2005.
- (viii) The company and certain subsidiaries of the group have entered into agreements with CIHC in respect of the provision of training services by CIHC and its subsidiaries to the group.

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) 本公司及本集團若干附屬公司與本集團一家同系附屬公司就提供證券經紀服務訂立協議。證券經紀費用按有關證券價值的0.2%固定比率計算。
- (iv) 本公司及本集團若干附屬公司與本集團若干同系附屬公司訂立多項保單，以保障有關火災、汽車、個人意外、勞工補償、團體壽險及醫療保險、電子設備及專業賠償責任等業務風險。
- (v) 本公司一間附屬公司向本集團若干同系附屬公司提供投資顧問服務，並向其收取投資管理費及贖回費收入。
- (vi) 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。
- (vii) 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貸款，按倫敦銀行間最優惠利率加1.8厘利息。該筆貸款為無抵押及須於要求時償還。該筆貸款已於二零零五年全數償還。
- (viii) 本公司及若干附屬公司與中保控股就中保控股及其附屬公司提供培訓服務訂立協議。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

45 MATERIAL RELATED PARTY TRANSACTIONS 45 重大關連人士交易 (續)

(Continued)

Apart from the above, the group has 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 \$102,578,000. 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. The details of this transaction are set out in a 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.

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 year, 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 include the directors of the company only. Their remuneration is disclosed in note 9 to the consolidated financial statements.

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。此交易沒有產生任何盈利或虧損。代價是經附屬公司與同系附屬公司根據正常基礎商議，及參考由獨立測量師行，永利行評值顧問有限公司，於二零零四年十二月三十一日的物業估值。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。

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、附屬機構或其他機構直接或間接擁有的(統稱為「國有實體」)，本集團於年度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。其酬金詳情載於綜合財務報表附註9內。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

46 OFF-BALANCE SHEET EXPOSURES

At 31 December 2006, the notional amounts of significant derivative transactions entered into by the group were as follows:

		2006 \$'000 千元	2005 \$'000 千元
Exchange rate forward and option contracts	外匯匯率遠期及期權合約	68,490	—

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

二零零六年十二月三十一日本集團已進行的重大衍生工具交易的名義價值如下：

	2006 \$'000 千元	2005 \$'000 千元
Exchange rate forward and option contracts	68,490	—

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

47 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements under HKFRSs requires management to make significant estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses as well as the related disclosure. Changes in assumptions may have a significant impact on the financial statements in the periods where the assumptions are changed. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Impairment of goodwill

The group assesses annually if the goodwill associated with acquisition of subsidiaries and associates have suffered any impairment loss in accordance with the accounting policy stated in note 1(o). The recoverable amount of the goodwill is determined using discounted cash flows which require the use of estimated revenue from business operations, investment return and an appropriate discount rate.

(b) Held-to-maturity investments

The group classifies non-derivative financial assets with fixed or determinable payments and fixed maturity and where the group has a positive intention and ability to hold to maturity as held-to-maturity investments. In making this judgement, the group evaluates its intention and ability to hold such investments till maturity.

If the group fails to hold these investments to maturity other than for certain specific circumstances, the group will have to reclassify the entire portfolio of held-to-maturity investments as available-for-sale investments, as such class is deemed to have been tainted. This would result in held-to-maturity investments being measured at fair value instead of at amortised cost.

47 會計估計及判斷

根據香港財務報告準則編製財務報表時，管理層須作出重要估計及假設，因而影響到所列報之資產、負債、收入及開支，以至相關披露之金額。更改假設或會對更改假設之期間之財務報表造成重大影響。引致下個財政年度內之資產及負債之賬面值有重大調整主要風險之估計及假設論述如下：

(a) 商譽減值

本集團每年按照附註1(o)所述之會計政策評估與收購附屬公司及聯營公司有關之商譽是否蒙受任何減值虧損。商譽之可收回金額乃使用已折現現金流量釐定，已折現現金流量須使用經營業務估計收入、投資回報及適當之折現率進行計算。

(b) 持有至到期之投資

本集團將有固定或可確定付款金額及固定期限而本集團又有明確意向及有能力持至到期日之非衍生工具金融資產，分類為持有至到期投資。於作出此判斷時，本集團評估其持有該等投資直至到期之意向及能力。

除在若干特定情況下外，倘本集團未能持有該等投資至到期，本集團將必須將持有至到期之投資之整個投資組合，重新分類為可供出售投資，因該類投資已被視為受影響。這將導致持有至到期之投資按公平值而非按攤銷成本計算。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

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

47 ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(c) Impairment of available-for-sale financial assets

The group follows the guidance of HKAS 39 when determining whether an investment in available-for-sale financial assets is other-than-temporarily impaired. This determination requires significant judgement. In making this judgement, the group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, and the expected time span the group will hold this investment.

(d) Determination of insurance liabilities

The group's insurance liabilities mainly comprise unearned premium provisions, provision for outstanding claims and life insurance funds and estimates for premiums and claims data not received from ceding companies at the date of the financial statements. The group determines these estimates on the basis of historical information, actuarial analyses, financing modelling and other analytical techniques. The directors continually review the estimates and make adjustments as necessary, but actual results could differ significantly from what is envisioned when these estimates are made.

48 COMPARATIVE FIGURES

Certain comparative figures have been re-classified to conform with the current year's presentation.

49 PARENT AND ULTIMATE HOLDING COMPANIES

The directors consider the immediate holding company and the ultimate holding company at 31 December 2006 to be China Insurance H.K. (Holdings) Company Limited (incorporated in Hong Kong) and China Insurance (Holdings) Company, Limited (established in the PRC) respectively. Neither of them produces financial statements available for public use.

47 會計估計及判斷 (續)

(c) 可供出售金融資產減值

本集團於決定可供出售金融資產類投資是否非暫時減值時，乃按照香港會計準則第39號之指引作出決定。此決定需要重大的判斷。於作出此判斷時，本集團評估(包括其他因素)投資之公平值少於其成本之年期及程度，以及本集團將持有該投資之預計年期。

(d) 釐定保險負債

本集團之保險負債主要包括未到期保費準備金、未決賠款準備及壽險責任準備金，以及因於財務報表日期仍未收到分保公司所提供之保費及賠款金額數據而作出之估計。本集團按歷史資料、精算分析、財務模式及其他分析技巧而確定此等估計。董事不斷檢討有關之估計，並在有需要時作出調整，但實際結果可能與作出估計時預計的結果差別很大。

48 比較數字

若干比較數字經已重新分類以符合本年度的列示。

49 母公司及最終控股公司

董事們認為，於二零零六年十二月三十一日的直屬控股公司及最終控股公司分別為於香港成立的香港中國保險(集團)有限公司及於中國成立的中國保險(控股)有限公司。他們並無製作可供公眾使用之財務報表。

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

財務報表附註 (續)

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

50 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2006

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 December 2006 and which have not been adopted in these financial statements.

The group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the company's results of operations and financial position.

In addition, the following developments may result in new or amended disclosures in the financial statements.

HKFRS 7, "Financial Instruments: Disclosures", and the Amendment to HKAS 1, "Presentation of Financial Statements: Capital Disclosures" will be effective for accounting periods beginning on or after 1 January 2007.

50 已在截至二零零六年十二月三十一日止年度前公布但尚未生效的修訂、新標準及新詮釋所可能產生的影響

在此等財務報表發布日期前，香港會計師公會公布了多項修訂、新標準和新詮釋，但此等修訂、新標準和新詮釋於截至二零零六年十二月三十一日止年度尚未生效，因此亦尚未應用於此等財務報表。

本集團正在評估此等修訂、新標準、新詮釋和額外披露在首個應用期產生的影響。至今所得結論為採納該等修訂、新標準、新詮釋和額外披露對本公司的經營業績及財務狀況未有重大影響。

此外，以下的發展可能引致在財務報表中作出全新或經修訂的披露。

《香港財務報告準則》第7號「金融工具：披露」及經修訂《香港會計準則》第1號「財務報表之呈報：資本披露」將由二零零七年一月一日起計算的會計期生效。