



CIIH

中保國際控股有限公司

China Insurance International Holdings Company Limited

Stock Code 股份代號: 966

Annual Report 2008
二 零 零 八 年 年 報

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CORPORATE INFORMATION

DIRECTORS

Executive directors

Lin Fan	<i>Chairman</i>
Song Shuguang	<i>Vice Chairman</i>
Xie Yiqun	
He Zhiguang	
Ng Yu Lam Kenneth	<i>Chief Executive Officer</i>
Shen Koping Michael	<i>Deputy Chief Executive Officer</i>
Lau Siu Mun Sammy	

Non-executive directors

Li Tao
Wu Jiesi*
Che Shujian*
Lau Wai Kit*

* *Independent*

COMPANY SECRETARY

Chan Man Ko *Chief Financial Officer*

AUTHORIZED REPRESENTATIVES

Ng Yu Lam Kenneth
Shen Koping Michael

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INDEPENDENT AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
35th Floor, One Pacific Place
88 Queensway
Hong Kong

PRINCIPAL BANKERS

Hang Seng Bank Limited
CITIC Ka Wah Bank Limited

WEBSITE

www.ciih.com

STOCK MARKET LISTING

The Main Board of The Stock Exchange
of Hong Kong Limited
(Stock Code: 966)

董事

執行董事

林帆
宋曙光
謝一群
何志光
吳俞霖
沈可平
劉少文

董事長
副董事長

總裁
副總裁

非執行董事

李濤
武捷思*
車書劍*
劉偉傑*

* 獨立

公司秘書

陳文告

財務總監

法定代表

吳俞霖
沈可平

註冊辦事處

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股份過戶登記處

香港證券登記有限公司
香港皇后大道東一八三號
合和中心四十六樓

獨立核數師

德勤•關黃陳方會計師行
執業會計師
香港金鐘道八八號
太古廣場一座三十五樓

主要往來銀行

恒生銀行有限公司
中信嘉華銀行有限公司

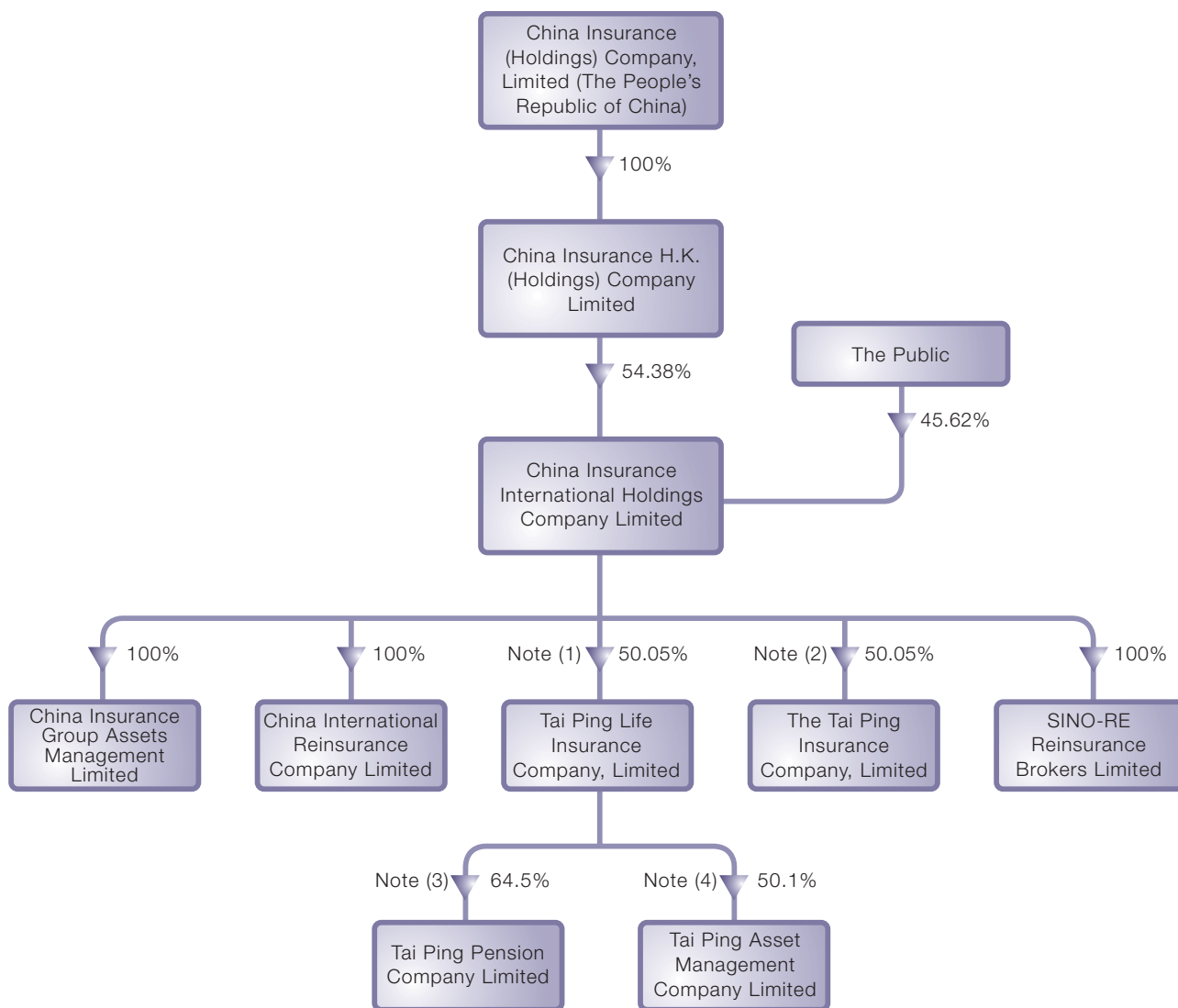
網址

www.ciih.com

上市證券交易所

於香港聯合交易所有限公司主板上市
(股份代號：966)

CORPORATE STRUCTURE



Note (1): CIHC and Fortis own the remaining 25.05% and 24.90% equity interests in TPL, respectively.

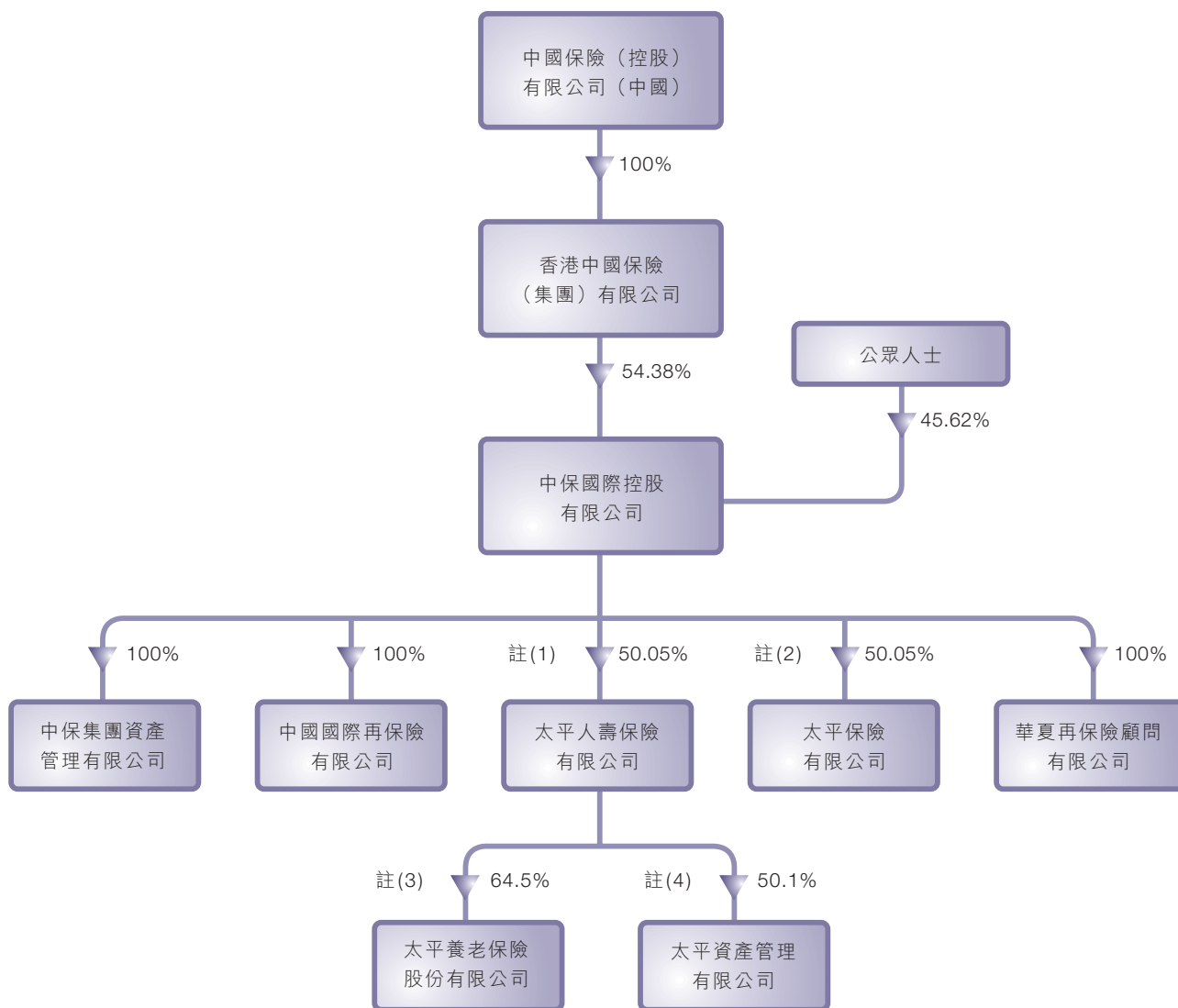
Note (2): CIHC and ICBC (Asia) own the remaining 42.02% and 7.93% equity interests in TPI, respectively.

Note (3): Together with the 14% and 7.5% equity interests held by CIGAML and TPI, respectively, the Group's effective interest in TPP is 50.03%. CIHC and Fortis own the remaining 4% and 10% equity interests in TPP, respectively.

Note (4): Together with the 12% and 9.9% equity interests held by CIGAML and TPI, respectively, the Group's effective interest in TPAM is 42.03%. CIHC and Fortis own the remaining 20% and 8% equity interests in TPAM, respectively.

(As at 31 December 2008)

公司架構



註(1)：中保控股及富通分別持有太平人壽其餘之25.05%及24.90%權益。

註(2)：中保控股及工銀(亞洲)分別持有太平保險其餘之42.02%及7.93%權益。

註(3)：連同中保資產管理及太平保險分別持有之14%及7.5%權益，本集團在太平養老之有效權益為50.03%。中保控股及富通分別持有太平養老其餘之4%及10%權益。

註(4)：連同中保資產管理及太平保險分別持有之12%及9.9%權益，本集團在太平資產管理之有效權益為42.03%。中保控股及富通分別持有太平資產管理其餘之20%及8%權益。

(於二零零八年十二月三十一日)

CHAIRMAN'S STATEMENT

Dear Shareholders,

It has always been a great honor for me to be a part of the directors and senior management of China Insurance International Holdings Company Limited ("CIIH" or "the Company"). Now, it is an even greater honor for me to be able to report to you, our shareholders and partners, for the first time as Chairman of our Company. Throughout the years, we have always stated very clearly to you that our primary objective and goal is to create and produce long-term shareholder value to all of our investors and partners. This principle, I guarantee you, will not change now or in the future. Everything that we try to do and pursue, whether strategically for the long term or in managing our various operations on a day-to-day basis, is done so with this basic tenet in mind. We believe that our efforts have been successful in building up our operations to where they are today, and we fully intend to continue developing our businesses along such lines now and into the future.

In 2006 and 2007, the insurance industry in China, along with financial institutions from around the world, benefited from extraordinary investment gains, particularly in equity investments. In China, the A-share markets in Shanghai and Shenzhen, as well as the equity indices in Hong Kong, recorded significant share price appreciation during this time, and the financial results of CIIH and other insurance companies in China benefited substantially as a result. CIIH was able to record consecutive record setting years in profitability in 2006 and 2007, primarily because of the extraordinary investment gains from the equity markets.

In 2008, the financial conditions of global financial institutions and that of the global financial system itself witnessed sharp reversals. After experiencing one of the strongest bull markets in history in 2006 and 2007, the world suddenly found itself in 2008 in one of the most difficult and sharpest bear markets in history, financially and economically. With major financial institutions disappearing overnight or requiring emergency government bailouts, the financial turmoil and volatility of the markets reached unprecedented levels. In such a market environment, almost everyone — entities, institutions, funds, individuals — with investments in the capital markets were negatively affected. In such an extraordinarily adverse trading environment, CIIH was not immune, and was not able to avoid a significant decline in investment income, primarily from its equity investments in shares traded in the A-share markets and in Hong Kong. Simultaneously, our property and casualty insurance operations at TPI incurred significant operating losses due to rapid business expansion and higher claims expenses from natural disasters, our pension operations at TPP incurred more-than-expected operating losses due to its early stage of development, and we recognized impairment on the remaining goodwill associated with the acquisition of CIGAML. This combination of factors caused CIIH to record a consolidated loss of HK\$299.72 million in 2008.

We are not pleased with this result. We feel that we could have, and should have, done better. Unfortunately, no one could have predicted the grave negative impacts and implications the global financial crisis has had, nor its depth and reach. As such, we are more determined than ever to produce strong results for our shareholders in the future. Despite our consolidated financial loss, our fundamental businesses at our reinsurance and life insurance operations remain strong and well-positioned, and continue to develop according to plan. CIRe and TPL are both now laying the foundations for further growth, greater scale and sustainable profitability into the future. In 2008, the economy and insurance industries of the PRC continued to expand at an attractive level, despite the global economic and financial turmoil, and CIIH was able to produce solid growth at all of its business lines. In 2008, CIIH's gross premiums written and policy fees increased significantly to HK\$25,003.80 million from HK\$17,934.00 million in the Last Year, representing a strong increase of 39.4%.

In 2008, our reinsurance operation, CIRe, produced a small net profit attributable to shareholders of HK\$51.85 million versus the record profit of HK\$579.69 million achieved Last Year. The decline in profit was primarily due to equity investment losses on shares traded in Hong Kong. Despite the decline in the bottom line, CIRe's result is satisfactory given the very challenging reinsurance market and investment conditions prevalent during this time.



各位尊敬的股東：

本人能夠成為中保國際控股有限公司（「中保國際」或「本公司」）董事及高級管理人員之一感到非常榮幸。現在，本人欣然向閣下、各股東及合作夥伴呈報本人出任本公司董事長之後的首份報告。多年來，我們一直明確提出，我們的首要任務，就是為所有投資者及合作夥伴創造及帶來長期股東價值。本人向閣下保證，無論現在或將來，我們都會堅守這一原則。我們所努力及追求的，不論是長遠的策略，或者是管理我們的日常業務，亦以此為出發點。我們相信，我們的努力造就了今天的發展成果，而我們將繼續秉承這一貫宗旨全力發展業務。

二零零六年及二零零七年，中國保險業和全球各地的金融機構一樣，都受惠於是豐厚的投資收益，尤其是股票投資。在中國，當時上海及深圳的A股市場以及香港的股票指數都大幅上升，而中保國際及中國其他保險公司的財務業績亦因此大大得益。二零零六年及二零零七年，中保國際盈利水平之所以能夠屢創新高，主要是受惠於來自股票市場的豐厚投資收益。

二零零八年，全球金融機構的財務狀況以至全球金融體系經歷重大的逆轉。在經歷二零零六年及二零零七年這個史上最強的牛市之後，二零零八年，不論金融或者經濟方面，全球迅速陷入史上最嚴峻的熊市。各大金融機構紛紛倒閉或尋求政府緊急援助，金融海嘯一觸即發，市場劇烈波動達到史無前例的水平。在如此的市場環境下，只要在資本市場上持有投資，差不多每個人，不論企業、機構、基金或者個人，都受到不利影響，無一倖免。在這非常不利的市況下，中保國際亦不能獨善其身，投資收益大幅下降，特別是在A股市場及香港股票市場掛牌買賣的股票投資錄得虧損。同時，我們屬下太平保險的財產保險業務亦因為業務急速擴張及因天災導致賠款支出增加而錄得大額的經營虧損，而我們屬下太平養老的養老保險業務亦因為仍在發展初期而錄得超出預期水平的經營虧損。另外，我們對收購中保資產管理所產生的商譽餘額全部減值。多種因素結合下，導致中保國際二零零八年錄得綜合虧損2.9972億港元。

我們並不滿意這結果。我們覺得我們可以及應該可以做得更好。不過，沒有人能夠預測全球金融危機所帶來重大的不利影響及後果，以致其深度和覆蓋面。因此，我們有信心為我們的股東日後創造更加良好的業績。儘管我們錄得綜合財務虧損，但我們的再保險及壽險等基礎業務仍然強勁並處於有利位置，繼續按計劃發展。目前，中再國際及太平人壽正在強化基礎，以爭取日後更高的增長、更大的規模及可持續的盈利能力。二零零八年，儘管全球經濟不景及金融市場動盪，中國的經濟及保險業仍發展理想，而中保國際能夠在各業務領域均錄得穩健的增長。二零零八年，中保國際毛承保保費及保單費收入由去年179.3400億港元大幅增至250.0380億港元，增長39.4%。

二零零八年，由中再國際營運之再保險業務錄得小額的股東應佔淨溢利5,185萬港元，有別於去年錄得創紀錄溢利5.7969億港元。溢利減少的主要原因是來自香港股票投資虧損。儘管溢利下降，中再國際在如此艱難的再保險市場及投資環境下仍取得令人滿意業績。此外，本年內，中再國際在各核心市場繼續保持強勢地位。中再國際成功開設北京分公司並投入運作，標

CHAIRMAN'S STATEMENT

Moreover, during the Year, CIRe maintained its strong position in all of its core markets. CIRe successfully opened and began operations at its Beijing branch, which is an important milestone for our future reinsurance initiatives in Mainland China. The reinsurance market of the PRC has vast long-term potential, and CIRe is now very well-positioned to participate in this highly attractive market, which is already its single largest geographic market. CIRe continued to maintain its leading position in its traditional core markets of Hong Kong & Macau, as well as other countries in the Asian region at reasonable terms and conditions. As such, CIRe's reinsurance gross premiums written increased to HK\$1,839.00 million from HK\$1,681.21 million in the Last Year, representing a solid increase of 9.4%.

In 2008, TPL's profit attributable to equity holders was HK\$440.68 million, versus the HK\$1,018.06 million in earnings Last Year. The decrease in profitability at our life insurance operations was primarily due to the lower overall investment yield of the investment portfolio, primarily caused by equity investment losses in the A-share markets. TPL's core operations, however, remain very strong and very promising. The life insurance operations recorded premiums of HK\$21,207.79 million, representing an increase of 30.6% from the HK\$16,245.25 million produced in the Last Year. TPL's strong increase in premium income was driven by a higher number of individual agents, productivity improvements among the overall agency force, and resurgence in demand from our clients in the bancassurance channel.

Other highlights and important events of 2008 included the following:

- During the Year, there was a significant increase in catastrophes in China and worldwide relative to 2006 and 2007, during which time there were almost no major catastrophes. As such, CIRe experienced higher catastrophe-related claims in 2008. However, the financial impact of these higher claims levels has been ameliorated by CIRe's retrocession protections. Part of these retrocession arrangements were put into place by CIRe in the Last Year, during which time there were no major catastrophes. The underwriting result was further improved by the release of redundant loss provisions conservatively set against the claims liabilities of earlier years. Thus, despite a higher incidence of catastrophe claims, CIRe was able to produce a strong underwriting profit of HK\$222.43 million for the Year compared to HK\$108.64 million in the Last Year.
- During the Year, at TPL, with the outlook of the A-share equity markets uncertain, TPL curtailed the sales of its unit linked products, which fell significantly to HK\$2,053.06 million from HK\$4,274.36 million in the Last Year, representing a decrease of 52.0%. This decline in premium, however, was more than made up for by the strong increase in demand for non unit-linked products, which sharply increased to HK\$19,154.73 million from HK\$11,970.89 million in the Last Year, representing an increase of 60.0%. The strength of the non unit-linked product sales was apparent in both the individual agency distribution channel and the bank distribution channel. Non unit-linked premiums distributed through the individual agency force increased to HK\$4,403.09 million from HK\$2,501.32 million in the Last Year, representing an increase of 76.0%. In the bank distribution channel, non unit-linked premiums increased to HK\$13,604.75 million from HK\$8,208.53 million in the Last Year, representing an increase of 65.7%.
- TPL's strategy over the past few years has been to gradually increase, within its sales of non unit-linked products, the proportion of those products with regular premium. This key parameter is one of the most important priorities of the senior management and professionals of the life insurance operations. During the Year, regular premium products accounted for 99.0% (2007: 98.5%) and 22.9% (2007: 17.6%) of the total non unit-linked product sales produced by TPL's individual agents and bancassurance channels, respectively. Such higher proportion of regular premium product sales is very encouraging, and will continue to be the focus of TPL in the years to come. Regular premium products have higher profit margins from an actuarial perspective and as such constitute much higher quality business for the life insurance operations.

誌著我們日後在中國內地再保險活動的重要里程碑。中國的再保險市場擁有巨大的發展潛力，並已成為中再國際單一最大地區市場，而中再國際具備充足的條件躋身這極為誘人的市場。中再國際繼續以合理的條款及條件，在香港及澳門等傳統核心市場以及亞洲地區其他國家保持優越地位。因此，中再國際的再保險毛承保保費保持穩健增長，由去年16.8121億港元增加至18.3900億港元，增長9.4%。

二零零八年，太平人壽的股東應佔溢利為4.4068億港元，而去年則為溢利10.1806億港元。我們人壽保險業務的盈利減少，主要是由於A股市場股票投資失利，導致投資組合的整體投資收益率下降所致。不過，太平人壽的核心業務仍然非常強勁，業績相當理想。人壽保險業務的保費收入由去年162.4525億港元上升30.6%至212.0779億港元。太平人壽的保費收入大幅增加，是因為我們個人銷售代理人數增加、整體代理隊伍的生產力提升以及我們客戶對銀行保險渠道的需求復蘇所致。

二零零八年的其他主要及重大事項包括以下各項：

- 本年度內，中國及全球各地發生的災難較二零零六年及二零零七年大幅上升，於二零零六年及二零零七年期間幾乎沒有任何重大災難賠款。因此，中再國際於二零零八年錄得較高的災難相關賠款。不過，賠款增加對財務影響被中再國際的轉分保障所彌補。部分轉分是去年中再國際趁當時並沒有重大災難適度增加的。此外，承保業績更由過往按照審慎原則而提取的賠款準備得以回撥；故此，雖然本年度災難事故較多，中再國際能錄得強勁的承保溢利，由去年之1.0864億港元上升至2.2243億港元。
- 本年內，在A股股票市場的前景不明朗，太平人壽減少其投資連結產品的銷售至20.5306億港元，相比去年42.7436億港元，減幅52.0%。不過，此保費減少的幅度被非投資連結產品需求的強勁增長所彌補。非投資連結產品的保費，由去年119.7089億港元急升60.0%至191.5473億港元。非投資連結產品的銷售在個人代理分銷渠道及銀行分銷渠道均有上升。透過個人代理隊伍的非投資連結產品保費由去年25.0132億港元增至44.0309億港元，增長76.0%。銀行分銷渠道方面，非投資連結產品保費則由去年82.0853億港元增至136.0475億港元，增長65.7%。
- 過去幾年，太平人壽的策略是在其非投資連結產品銷售中提高期繳保費產品之比重，並將其作為人壽保險業務高級管理人員及專業人員的最重要的工作指標之一。於是本年內，期繳保費產品分別佔太平人壽個人代理及銀行保險渠道錄得的非投資連結產品銷售總額的99.0%（二零零七年：98.5%）及22.9%（二零零七年：17.6%）。期繳保費產品銷售佔比上升相當令人鼓舞，這在未來數年將繼續是太平人壽的重點。從精算角度分析，期繳保費產品的利潤率較高，因此是人壽保險業務中較優質的業務。

CHAIRMAN'S STATEMENT

- The higher proportion of regular premium products and their higher profitability is reflected in the significantly higher embedded value and new business value figures of TPL for 2008. We have again disclosed to you in our Annual Results our latest actuarial figures. Despite adopting more conservative assumptions, in particular for the long-term investment yield to take into account, the uncertain investment outlook in the near term, the actuarial valuation of TPL has increased significantly over that of Last Year. Although increasing in absolute size, the expense overrun, relative to the value of business in force and new business value, has also improved over the past twelve months. We are greatly encouraged by this continued positive development of the profitability of our business, and we strongly believe that this is the true and best measure of our efforts to bring value to our shareholders.

2009 will be a critically important operational year for CIH. With financial turbulence and volatility continuing in global capital markets, and deepening concerns of possibly significant and long recessions in many of the world's economies, difficult challenges face the economy and financial institutions of the PRC. Despite the uncertainties and adversities likely to come in the next twelve months, we continue to be cautiously optimistic about all of our core operations, and believe that many opportunities for attractive growth and expansion are now emerging. With the turmoil of the financial markets negatively impacting the financial strength of many global reinsurers, reinsurance capacity has decreased at a time when natural disasters and catastrophes have increased in frequency. As a result, CIRe believes that the reinsurance pricing cycle is beginning to turn more favorably to reinsurers. CIRe therefore believes that now is a prime opportunity to acquire premium at attractive pricing, terms and conditions. Within its core markets in Asia, CIRe is optimistic about business growth and development prospects in the short-to medium-term. With the opening of the Beijing branch, CIRe's prospects and capabilities for serving the vast potential of the reinsurance markets of Mainland China have improved substantially. In pursuing such opportunities, however, CIRe will continue to focus on its risk management principles and strictly adhere to its long established conservative underwriting policies in controlling its risks and exposures.

In 2009, TPL has launched a major initiative to further reinforce and strengthen its prioritization of regular premium sales. TPL intends to grow its regular premium sales at both its individual agency and bancassurance distribution channels at rates which are much higher than industry averages. Sales and management professionals at all levels of management will be evaluated and assessed based on regular premium sales production, which will be heavily weighted in the overall evaluation. Overall, TPL is highly confident that its strategic prioritization of regular premium sales in the years to come is the best next step for the life insurance operations, and is the most optimal and prudent strategy to take under any macroeconomic condition or scenario in the PRC now and in the future.

Following the incredibly volatile investment years of 2006, 2007 and 2008, we are now very cautious with our expectations on investments, given the tremendous volatility and unpredictability the past years have seen. For 2009, we will continue to assume and target conservative and stable investment yields over the long term for our investment portfolios in both Hong Kong and the PRC. If we are able to achieve this conservative objective, then the overall profitability of our operations should be one of the best in the PRC and the world. Overall, long-term, I feel as strongly and confidently as ever that the future is bright for all of our operations and businesses at CIH. Our Company is continuing to make steady and gradual process in building itself up to becoming one of the best, strongest and most profitable financial institutions in the PRC.

- 更高的期繳保費產品比例及其更高的盈利能力使太平人壽二零零八年之內涵價值及新業務價值顯著提高。我們一併於是年度業績內披露我們最新之精算數據。雖然採納了更保守之假設，尤其是考慮到當前投資前景的不明朗對長期投資收益率的影響，太平人壽之精算估值仍然較去年大幅上升。儘管費用超支總額增加，但費用超支相對有效業務價值及新業務價值的比例亦在過去十二個月得到改善。我們對業務盈利能力的持續發展大受鼓舞，我們確信這是衡量我們為股東創造價值的最佳指標。

二零零九年是中保國際營運一個相當關鍵的年頭。在金融市場動盪及全球資本市場持續波動下，加上對全球不少經濟體系可能經歷重大蕭條的憂慮，中國經濟及金融機構將面臨嚴峻的考驗。儘管未來十二個月很可能出現種種不明朗因素及不利消息，我們將繼續對我們所有核心業務抱審慎樂觀態度，並深信不少增長可觀及具擴展潛力的商機正在湧現。在金融市場動盪下，全球不少再保險商的財政實力都受到衝擊，隨著自然災害及災難發生頻率增加，再保險行業的承保能力減退。因此，中再國際相信，再保險定價週期開始有利再保險商，而中再國際相信，現在正是以具吸引力的定價、條款及條件展業的黃金時候。至於亞洲核心市場方面，中再國際對中短期的業務發展及發展前景仍然樂觀。北京分公司開業後，中再國際進入中國內地具龐大潛力的再保險市場的前景更加明朗，承保能力業已顯著增強。在抓緊這些商機的同時，中再國際將繼續秉承其風險管理原則，堅守長久以來已制定的穩健承保政策來控制其風險。

二零零九年，太平人壽推行重點措施，進一步加強及鞏固期繳保費的銷售。太平人壽希望其個人代理渠道及銀行保險渠道的期繳保費銷售能夠取得遠高於行業平均水平的增長。各級管理層的專業銷售及管理人員將會以期繳保費銷售產品來評價他們的表現，而期繳保費銷售產品將佔整個評估相當高的比重。整體上，太平人壽很有信心，在未來數年將策略重點投放在期繳保費產品銷售是目前及日後中國任何宏觀經濟狀況或情況下採取的最適當及審慎的策略。

經歷二零零六年、二零零七年及二零零八年令人難以置信的投資動盪時期，大幅上落難以預測，我們現在對投資預測相當審慎。展望二零零九年，我們對於香港及中國的投資組合，將繼續追求穩健投資及穩定長期投資收益的策略。如果我們能夠達致這一目標，我們業務的整體盈利能力應名列中國甚至全球最高之一。整體上，長遠而言，本人信心十足，中保國際全線營運及業務的前景將會一片光明。本公司正逐漸穩步發展，將自己打造成為中國最好、最強及最高利潤的金融機構之一。

CHAIRMAN'S STATEMENT

It is truly an honor for me to lead CIH. I sincerely believe that the global financial and economic crisis, from which we will undoubtedly survive and grow stronger, represents a test for our resolve and persistence in following our principles and standards. We can and we will recover from the current economic difficulties, and we will then be well-positioned to rise even higher. It is our utmost objective at CIH to become one of the best and most respected financial institutions in China and the world. This goal is shared by all of the senior managers and directors of the Company. When economic and financial times and environments are good, our work and lives are more predictable and straightforward. It is times such as these, with economic and financial conditions at their worst in history, when our senior managers, directors and all of our employees must rise to the occasion and perform. It is when times are bad and at their most difficult that all of us at CIH must maintain our strict discipline and highest levels of commitment to world-class standards in operations, corporate governance, investor relations and transparency. Only with such discipline and dedication can we best serve the interests of our shareholders over the long term, and become one of the best companies in the world.

On behalf of all of us at CIH, I would like to wholeheartedly and sincerely thank you for being so trusting and supportive of us over the past years! Thank you also very much for continuing to believe in us during this most difficult time! One special characteristic of our culture is that we have a very long-term outlook and view of business and the world. With a view to the long term, it is possible to see 2008 as being not too unusual and a year which may happen again in the future. We have had good economic/financial cycles in the past, and we have had bad economic/financial cycles in the past. These cycles will be repeated in the future. And, there is no question that, every now and then, we will have years in which economic/financial conditions are as bad, if not worse, than what we just experienced in 2008. The key is for our Company to build up our operations to be able to withstand such unforeseen and unexpected negative events, such that we can emerge stronger and better when conditions inevitably improve. We need to be prepared, as professionals and as a Company, for such unforeseen, but inevitable, events. We believe that we have made strong progress in building upon such a philosophy, and that we will emerge stronger than ever one day soon. As such, given our long-term outlook, we are very confident in saying to our shareholders and investors that the best is yet to come for us and for you, and that we look forward to continuing our communications and work with you in 2009 and beyond!

Finally, I would like to give thanks to all of CIH's employees in 2008. Despite the exceedingly difficult conditions that we all faced during the Year, the staff and professionals of the Company have been unwavering in their tremendous dedication and hard work. We believe strongly that our continued adherence to our principles and unyielding focus and willingness to sacrifice to reach our objectives will allow CIH to emerge from the current difficult conditions stronger than ever. Our professionals and employees are the best in China and the world, and are our greatest asset. They are the bedrock of CIH and are the platform from which we will continue to advance forward in the future! Although 2009 will be an uncertain and challenging year, there is no doubt in any of our minds that our people will be able to find solutions for any and all obstacles or challenges that we might face.

Thank you again! We all look forward to working with you, our shareholders, as partners now and into the future!

Lin Fan
Chairman

Hong Kong, 18 March 2009

董事長報告

本人相當榮幸能夠帶領中保國際。這次全球金融及經濟危機，正是要考驗我們能否依據一貫原則及標準並以堅毅的意志去解決難題。本人深信，我們定可安然渡過這場危機並會變得更大更強。我們能夠並將會從目前的經濟困境中恢復過來，更有能力向更高水準邁進。中保國際的最終目標是要成為中國及全球最強及最備受尊崇的金融機構之一。這一直是本公司全體高級管理人員及董事的共同目標。當經濟、金融時勢及市況暢旺時，我們的工作及生活會比較得心應手。但是在當前情況下，面對史上最嚴峻的經濟及金融危機，我們的高級管理人員、董事及全體員工必須團結一致，共渡難關；亦就是在這嚴峻及艱苦的情況下，中保國際上下必須在業務營運、企業管治、投資者關係及透明度方面堅守我們國際級的嚴謹標準及最高水準的承諾。只有堅持此等紀律及決心，我們才可為各股東爭取長期利益，並成為全球最強企業之一。

本人謹此代表中保國際全人，對多年來給予我們信任及支援的各位致以衷心和誠摯的謝意，感謝各位在如此艱巨的時刻仍繼續支持我們！對業務及全球境況的前瞻性是我們的文化特點之一。放眼長遠，展望未來，可能不會覺得二零零八年是過於異常的一年，日後亦有可能出現這樣的一年。過往，我們曾經歷過經濟／金融暢旺，亦經歷過蕭條。這些週期將會在日後不斷重演。而有一點是不容置疑的，就是我們有時會經歷經濟／金融狀況欠佳的日子，即使未必有剛剛過去的二零零八年那麼嚴峻。關鍵是本公司所建立的業務能夠抵禦該等不可預見及不可預期的不利事件，使我們能夠在市況逆轉時變得更強更大。作為專業人員及作為一家公司，我們需要為發生這些不可預見及不能避免的事件做好準備。我們相信，我們在建立這理念上已取得很大進展，在不久將來我們將會以更強更大的企業捲土重來。因此，鑒於我們有著長遠的目光，我們十分有信心向各股東及投資者指出，更美好時光將會來臨，我們期盼二零零九年及以後與各位繼續溝通及合作！

最後，本人亦對二零零八年全體中保國際員工致謝。儘管本年內我們面臨相當嚴峻的困境，本公司各員工及專業人員均作出無私奉獻及辛勤勞動。我們深信，只要我們謹守一貫的原則及堅定不移的重點以及不惜犧牲的精神來達致目標，將能夠令中保國際從目前惡劣的市況中茁壯成長。我們的專業人員及廣大員工是我們最大的財富，亦是中國乃至全球最高質素的人才。他們是中保國際的中流砥柱，亦是我們日後繼續向前邁進的根本！儘管二零零九年有著種種不明朗因素，將會是頗具挑戰的一年，但我們絕無疑慮，因為我們的員工將能夠為任何及所有我們可能面對的障礙或挑戰尋找解決方法。

再次感謝閣下，我們期望未來能再以合作夥伴的身份，與閣下(即各股東)一同合作。

林帆
董事長

香港，二零零九年三月十八日

MANAGEMENT REVIEW AND ANALYSIS

CONSOLIDATED FINANCIAL RESULTS

The performance highlights of the Group for the Year were as follows:

For the year ended 31 December, HK\$ million

	2008	2007	Change
Gross premiums written and policy fees	25,003.80	17,934.00	39.4%
Net investment income	3,394.34	1,888.40	79.8%
Net realized investment (losses)/gains	(1,048.78)	4,277.79	—
Net unrealized investment (losses)/gains	(1,755.63)	505.58	—
Impairment on AFS equities	(309.44)	—	—
Goodwill impairment	(73.28)	—	—
Net exchange loss	(119.20)	(31.12)	3.8 times
(Loss)/profit before taxation	(269.00)	3,010.91	—
(Loss)/profit after taxation	(205.76)	2,457.20	—
Net (loss)/profit attributable to the equity holders	(299.72)	1,549.07	—
Basic (loss)/earnings per share (HK cent)	(21.2)	110.2	—
No final dividend proposed (2007: HK10 cents per share)	—	141.53	—

The net (loss)/profit attributable to the equity holders by each business line is summarized below:

For the year ended 31 December, HK\$ million

	2008	2007	Change
Reinsurance	51.85	579.69	(91.1%)
Life insurance	440.68	1,018.06	(56.7%)
Property and casualty insurance	(280.50)	(58.31)	4.8 times
Corporate and other businesses	(511.75)	9.63	—
— Holding company and other businesses	(237.54)	42.83	—
— Pension company operated by TPP	(164.53)	(59.63)	2.8 times
— Assets management companies operated by TPAM and CIGAML	(36.40)	26.43	—
— Goodwill impairment	(73.28)	—	—
Net (loss)/profit attributable to the equity holders	(299.72)	1,549.07	—

管理層回顧和分析

綜合財務表現

本集團年內重點表現如下：

截至十二月三十一日止年度，百萬港元

	二零零八年	二零零七年	變化
毛承保保費及保單費收入	25,003.80	17,934.00	39.4%
投資收入淨額	3,394.34	1,888.40	79.8%
已實現投資(虧損)/收益淨額	(1,048.78)	4,277.79	—
未實現投資(虧損)/收益淨額	(1,755.63)	505.58	—
可供出售股本投資減值	(309.44)	—	—
商譽減值	(73.28)	—	—
匯兌虧損	(119.20)	(31.12)	3.8倍
除稅前(虧損)/溢利	(269.00)	3,010.91	—
除稅後(虧損)/溢利	(205.76)	2,457.20	—
股東應佔(虧損)/溢利淨額	(299.72)	1,549.07	—
每股基本(虧損)/盈利(港仙)	(21.2)	110.2	—
不建議派發末期息(二零零七年：每股10港仙)	—	141.53	—

按各業務分類之股東應佔(虧損)/溢利淨額概述如下：

截至十二月三十一日止年度，百萬港元

	二零零八年	二零零七年	變化
再保險	51.85	579.69	(91.1%)
人壽保險	440.68	1,018.06	(56.7%)
財產保險	(280.50)	(58.31)	4.8倍
企業及其他業務	(511.75)	9.63	—
— 控股公司及其他業務	(237.54)	42.83	—
— 由太平養老營運之養老保險公司	(164.53)	(59.63)	2.8倍
— 由太平資產管理及中保資產管理營運之資產管理公司	(36.40)	26.43	—
— 商譽減值	(73.28)	—	—
股東應佔(虧損)/溢利淨額	(299.72)	1,549.07	—

MANAGEMENT REVIEW AND ANALYSIS

The following analysis shows the movement of the net assets value attributable to the equity holders of the Company ("NAV") from 1 January 2008 to 31 December 2008.

HK\$ million

NAV as at 1 January 2008	5,685.63
Loss recognized in income statement	(299.72)
Net changes in AFS investment reserve	(866.54)
Exchange gain arising from translation of the financial statements of subsidiaries outside Hong Kong	147.70
Dividend paid	(141.45)
Others ¹	71.00
NAV as at 31 December 2008	4,596.62

¹ Others mainly include the net proceeds received for Shares issued under the Share Option Scheme and the amortization of the costs of the Shares acquired under the Share Award Scheme.

The **gross premiums written and policy fees** for the Year increased significantly by 39.4% to HK\$25,003.80 million from HK\$17,934.00 million in the Last Year. The increase was mainly due to the strong premium growth at each of our business segments, in particular the life insurance business in which premiums increased by 30.6% to HK\$21,207.79 million from HK\$16,245.25 million in the Last Year.

The **net loss attributable to the equity holders** for the Year was HK\$299.72 million (2007: profit of HK\$1,549.07 million). The Group's net loss was primarily due to investment losses from equity securities traded in Hong Kong and the PRC, and operating losses at our property and casualty insurance operations at TPI, pension operations at TPP and impairment on goodwill associated with acquisition of CIGAML. Because of our relative lack of scale and early stage of development, changes in investment performance in particular will have a relatively larger impact on our consolidated figures.

The **reinsurance business** contributed net profit to the equity holders of HK\$51.85 million (2007: HK\$579.69 million). The decline in profits was mainly due to significant declines in investment returns during the Year, primarily because of equity investment losses from shares traded in Hong Kong, which offset higher underwriting profits.

The **life insurance business** contributed net profit to the equity holders of HK\$440.68 million (2007: HK\$1,018.06 million). The decrease in profits was mainly due to significant declines in investment returns during the Year, primarily because of equity investment losses from shares traded in the PRC, which offset strong increases in premium and improvements in the scale of operations.

The **property and casualty insurance business** incurred a net loss to the equity holders of HK\$280.50 million (2007: HK\$58.31 million). The increase in losses was mainly due to significant increase in premiums, which resulted in higher acquisition costs booked in the Year, the current lack of scale of operations, higher claims expenses from natural disasters, and a significant decline in investment returns, during the Year. The continuing severe and irrational competition in the PRC property and casualty insurance market has made profitable underwriting extremely difficult.

The **holding company and other businesses** incurred a net loss to the equity holders of HK\$237.54 million (2007: profit of HK\$42.83 million). The losses were primarily due to investment losses of HK\$129.03 million (2007: gains of HK\$161.53 million), which were primarily related to equity losses on shares traded in Hong Kong and interest expenses of HK\$80.17 million (2007: HK\$80.02 million) related to the outstanding senior debt.

管理層回顧和分析

以下為由二零零八年一月一日至二零零八年十二月三十一日本公司股東應佔資產淨值變化分析。

百萬港元

於二零零八年一月一日之資產淨值	5,685.63
確認於損益表之虧損	(299.72)
可供出售投資儲備淨變化	(866.54)
因換算香港以外地區附屬公司 財務報表的匯兌收益	147.70
已付股息	(141.45)
其他 ¹	71.00
於二零零八年十二月三十一日之資產淨值	4,596.62

¹ 其他主要包括根據認股權計劃發行新股所收取之款項淨額及根據股份獎勵計劃而購入之股份的成本攤銷。

於本年度，毛承保保費及保單費收入由去年179.3400億港元大幅增加39.4%至250.0380億港元。增加主要是因為各業務分類的保費收入有強勁的增長，特別是人壽保險業務之保費收入由去年162.4525億港元增加30.6%至212.0779億港元。

於本年度，股東應佔虧損淨額為2.9972億港元(二零零七年：溢利15.4907億港元)。本集團錄得虧損淨額的主因是在香港及中國買賣的股本證券錄得投資虧損；太平保險營運的財產保險業務及太平養老營運的養老保險業務錄得經營虧損；以及購入中保資產管理有關之商譽減值。由於我們規模比較小，加上仍在發展初期，特別是當投資表現的轉變對我們的綜合數字有相對較大的影響。

再保險業務對股東淨溢利的貢獻為5,185萬港元(二零零七年：5.7969億港元)。溢利下降主要是由於本年度內在香購買的股份錄得股本投資虧損，導致投資回報大幅減少所致，並與承保溢利上升相抵銷。

人壽保險業務對股東淨溢利的貢獻為4.4068億港元(二零零七年：10.1806億港元)。溢利下降主要是由於本年內在中國買賣的股份錄得股本投資虧損，導致投資回報大幅減少所致，並抵銷了保費強勁上升及經營規模改善的效果。

財產保險業務使股東遭受淨虧損2.8050億港元(二零零七年：5,831萬港元)。虧損增加的主因是本年度內保費大幅上漲，令本年度入賬之展業成本提高及目前仍缺乏經營規模、自然災害賠付費用增加；以及投資回報大幅減少。中國財產保險市場持續的嚴峻和非理性競爭局面，令從承保中獲取溢利變得非常困難。

控股公司及其他業務使股東遭受淨虧損2.3754億港元(二零零七年：溢利4,283萬港元)。虧損主要來自投資虧損1.2903億港元(二零零七年：收益1.6153億港元)，其中主要涉及香港股票買賣的股票虧損及有關未到期的優先債之利息支出8,017萬港元(二零零七年：8,002萬港元)。

MANAGEMENT REVIEW AND ANALYSIS

The **pension business** incurred a net loss to the equity holders of HK\$164.53 million (2007: HK\$59.63 million). The losses were mainly due to the current lack of economies of scale at the pension operations and investment losses (primarily related to equity shares traded in the A-share markets) incurred during the Year. The Group's pension business is operated by TPP, which is a PRC-incorporated company and a non-direct controlled subsidiary effectively owned 50.03% by the Group. TPP is principally engaged in planning and administrating enterprise annuity products, providing trustee and investment services for enterprise annuity schemes in Mainland China. Such supplemental pension systems are voluntarily built by enterprises and their employees and represent a vast potential market. TPP also provides marketing services to TPL on group life insurance products.

At the end of the Year, the annuity and investment funds managed by TPP amounted to RMB15.6 billion, which constituted the funds and schemes of 6,833 enterprises. As the qualified enterprise annuity industry is still in its nascent stage of development in China, and because TPP is one of the very first approved pension operators in the country, TPP is still in its initial set-up period and is building up its marketing network and exploring potential business models for the future.

The **asset management business** incurred a net loss to the equity holders of HK\$36.40 million (2007: profit of HK\$26.43 million). The Group's asset management business is operated by TPAM and CIGAML, which are mainly engaged in the provision of investment consultancy services to the Group in managing its RMB and non-RMB investment portfolios, respectively. TPAM and CIGAML currently represent cost centres of the Group, as the asset management fee income received from the Group companies are eliminated at the consolidated level, while the corresponding expenses, such as salary, incentive compensation paid to fund managers and other operating expenses, are absorbed in full at the consolidated level.

During the Year, the impairment of HK\$73.28 million (2007: nil) was recognized on the goodwill associated with the acquisition of CIGAML in 2002. In 2005, an impairment amount of HK\$250.00 million was made on this goodwill. After the further impairment amount of HK\$73.28 million in 2008, there is no remaining goodwill asset associated with the acquisition of CIGAML recognized in the consolidated financial statements of the Company.

CONSOLIDATED INVESTMENT PERFORMANCE

Consolidated investment assets

The total investments of the Group are summarized as follows:

At 31 December, HK\$ million

	2008	% of Total	2007	% of Total
Debt securities	50,028.09	69.0%	27,746.83	54.3%
Direct equity securities	1,621.71	2.2%	7,000.45	13.7%
Equity investment funds	5,123.70	7.1%	5,614.96	11.0%
Composite investment funds	90.36	0.1%	139.95	0.3%
Cash and bank deposits	15,620.70	21.5%	10,520.27	20.6%
Investment properties	76.72	0.1%	78.56	0.1%
Total investments	72,561.28	100.0%	51,101.02	100.0%

管理層回顧和分析

養老保險業務使股東遭受淨虧損1.6453億港元(二零零七年：5,963萬港元)。虧損主要是由於養老保險營運目前缺乏足夠的規模經濟及本年度內蒙受的投資虧損(主要與A股市場掛牌買賣之股票有關)所致。本集團之養老保險業務由本集團擁有50.03%有效權益；非直接控制之中國註冊公司太平養老營運。太平養老主要於中國大陸從事策劃及管理企業年金產品、為企業年金計劃提供受託及投資服務。該等補充養老制度由企業及其僱員自願建立及代表巨大的潛在市場。太平養老亦為太平人壽的團體人壽保險產品提供市場推廣服務。

於本年末，由太平養老管理之年金及投資基金總計為人民幣156億元，包括6,833間企業之養老年金計劃。由於合資格企業年金業於中國仍在發展初期，雖然太平養老是國內養老保險率先獲准經營者之一，太平養老仍處於建立初期，正建立其市場推廣網絡及探索未來的潛在業務模式。

資產管理業務使股東遭受淨虧損3,640萬港元(二零零七年：溢利2,643萬港元)。本集團之資產管理業務由太平資產管理及中保資產管理營運，分別主要就本集團人民幣及非人民幣投資組合提供投資諮詢服務。太平資產管理及中保資產管理現皆為本集團之成本中心，它們收取本集團旗下各公司之資產管理費乃在綜合賬上對銷，而相應開支，例如工資及給予基金經理之獎金及其他開支等則在綜合賬上全額並納。

有關於二零零二年購入中保資產管理之商譽減值本年度為7,328萬港元(二零零七年：無)。於二零零五年，此商譽已作出2.5000億港元減值。包括於二零零八年度為數7,328萬港元之進一步減值後，本公司之綜合財務報表內再沒有與購入中保資產管理有關餘下的商譽資產。

綜合投資表現

綜合投資資產

本集團的投資總值概述如下：

於十二月三十一日，百萬港元

	二零零八年	佔總額百分比	二零零七年	佔總額百分比
債務證券	50,028.09	69.0%	27,746.83	54.3%
直接股本證券	1,621.71	2.2%	7,000.45	13.7%
股本投資基金	5,123.70	7.1%	5,614.96	11.0%
綜合投資基金	90.36	0.1%	139.95	0.3%
現金及銀行存款	15,620.70	21.5%	10,520.27	20.6%
投資物業	76.72	0.1%	78.56	0.1%
投資總額	72,561.28	100.0%	51,101.02	100.0%

MANAGEMENT REVIEW AND ANALYSIS

The investments in securities are classified as Held-to-Maturity (“HTM”), Available-for-Sale (“AFS”), Designated at Fair Value through Profit or Loss (“DTPL”) and Loans and Receivables (“LR”). The detailed breakdown by such classifications for the total investment portfolio of the Group was as follows:

At 31 December 2008, HK\$ million

	HTM	AFS	DTPL	LR	Total
Debt securities	21,004.15	26,003.95	854.18	2,165.81	50,028.09
Direct equity securities	—	1,510.72	110.99	—	1,621.71
Equity investment funds	—	2,711.89	2,411.81	—	5,123.70
Composite investment funds	—	38.18	52.18	—	90.36
	21,004.15	30,264.74	3,429.16	2,165.81	56,863.86

At 31 December 2007, HK\$ million

	HTM	AFS	DTPL	LR	Total
Debt securities	1,019.07	25,947.54	523.91	256.31	27,746.83
Direct equity securities	—	5,243.17	1,757.28	—	7,000.45
Equity investment funds	—	2,220.71	3,394.25	—	5,614.96
Composite investment funds	—	51.38	88.57	—	139.95
	1,019.07	33,462.80	5,764.01	256.31	40,502.19

The percentages of the Group’s total investments held by each business segment in terms of carrying values at the balance sheet date were as follows:

	2008	2007
Reinsurance	5.6%	8.5%
Life insurance	86.3%	87.1%
Property and casualty insurance	5.6%	—
Corporate and other businesses	2.5%	4.4%
	100.0%	100.0%

管理層回顧和分析

證券投資被歸類為持有至到期日、可供出售、指定為通過損益以反映公允價值及貸款及應收款項。本集團總投資組合按此歸類的分佈概述如下：

於二零零八年十二月三十一日，百萬港元

	持有至到期日	可供出售	指定為通過 損益以反映 公允價值	貸款及 應收款項	總額
債務證券	21,004.15	26,003.95	854.18	2,165.81	50,028.09
直接股本證券	—	1,510.72	110.99	—	1,621.71
股本投資基金	—	2,711.89	2,411.81	—	5,123.70
綜合投資基金	—	38.18	52.18	—	90.36
	21,004.15	30,264.74	3,429.16	2,165.81	56,863.86

於二零零七年十二月三十一日，百萬港元

	持有至到期日	可供出售	指定為通過 損益以反映 公允價值	貸款及 應收款項	總額
債務證券	1,019.07	25,947.54	523.91	256.31	27,746.83
直接股本證券	—	5,243.17	1,757.28	—	7,000.45
股本投資基金	—	2,220.71	3,394.25	—	5,614.96
綜合投資基金	—	51.38	88.57	—	139.95
	1,019.07	33,462.80	5,764.01	256.31	40,502.19

於結算日各業務分類佔本集團投資總額賬面值之百分比如下：

	二零零八年	二零零七年
再保險	5.6%	8.5%
人壽保險	86.3%	87.1%
財產保險	5.6%	—
企業及其他業務	2.5%	4.4%
	100.0%	100.0%

MANAGEMENT REVIEW AND ANALYSIS

Consolidated investment income

The total investment income of the Group on a pre-tax basis recognized in the consolidated income statement was as follows:

For the year ended 31 December, HK\$ million

	2008	2007	Change
Net investment income	3,394.34	1,888.40	79.8%
Net realized investment (losses)/gains	(1,048.78)	4,277.79	—
Net unrealized investment (losses)/gains	(1,755.63)	505.58	—
Impairment on AFS equities	(309.44)	—	—
Total investment income	280.49	6,671.77	(95.8%)
Less: Investment (losses)/gains attributable to unit-linked products ¹	(2,146.67)	553.12	—
Total investment income excluding income of unit-linked products	2,427.16	6,118.65	(60.3%)

¹ *Unit-linked products are the funds managed by the Group for its clients and policyholders. The investment returns attributable to such products are completely borne by the clients and policyholders, and do not directly impact the financial results of the Group.*

The total investment income (excluding the income of unit-linked products) of the Group recognized in the consolidated income statement decreased by 60.3% to HK\$2,427.16 million in the Year from HK\$6,118.65 million in the Last Year. The decrease was primarily attributable to equity investment losses from shares traded in Hong Kong and the PRC. Following extraordinarily strong and positive performances in 2006 and 2007, equity markets in Hong Kong and the PRC experienced sharp declines during the Year.

According to the Group's impairment policy, available-for-sale investments in debt and equity securities are reviewed periodically to determine whether there is objective evidence of impairment. Objective evidence of impairment for available-for-sale equity securities may include specific information about the issuer, but may also include information on material changes that have taken place in the technological, market, economic or legal environments, which taken together or taken alone may provide evidence that the cost of the equity securities may not be recovered. Under such criterion, significant or prolonged declines in the fair value of an asset below its cost is also objective evidence of impairment. In 2008, the impairment loss on available-for-sale equity securities recognized in the income statement was HK\$309.44 million.

管理層回顧和分析

綜合投資收入

本集團確認在綜合損益表內之稅前投資收入總額概述如下：

截至十二月三十一日止年度，百萬港元

	二零零八年	二零零七年	變化
投資收入淨額	3,394.34	1,888.40	79.8%
已實現投資(虧損)/收益淨額	(1,048.78)	4,277.79	—
未實現投資(虧損)/收益淨額	(1,755.63)	505.58	—
可供出售股本投資減值	(309.44)	—	—
投資收入總額	280.49	6,671.77	(95.8%)
減：屬於投資連結產品之投資(虧損)/收益 ¹	(2,146.67)	553.12	—
不含投資連結產品之投資收入	2,427.16	6,118.65	(60.3%)

¹ 投資連結產品是本集團為其客戶及保單持有人管理。該等產品所產生之投資回報全數由客戶及保單持有人承擔，不會直接影響本集團的財務業績。

本集團確認於綜合損益表內的投資收入(不含投資連結產品收入)總額由去年的61.1865億港元下跌60.3%至本年度的24.2716億港元。下跌主要由於來自香港及中國買賣證券的股本投資虧損所致。香港及中國股票市場未能延續二零零六年及二零零七年卓越的表現，於本年度內股價經歷急劇下調。

按本集團減值政策，會定期檢討可供出售債務及股本證券投資，以釐訂有否客觀證據顯示減值的需要。可供出售股本證券減值的客觀證據可包括有關發行人的具體個別資料，但亦包括有關科技、市場、經濟或法律環境已發生重大變化的資料，而這些資料可提供證據顯示股本證券的成本可能無法收回。在這前提下，資產的公允價值如大幅或長期下跌至低於其成本，亦被視為減值的客觀證據。於二零零八年，確認在損益表內可供出售股本證券的減值虧損為3.0944億港元。

MANAGEMENT REVIEW AND ANALYSIS

The details of the Group's investment (loss)/income on a pre-tax basis are summarized as follows:

For the year ended 31 December 2008, HK\$ million

	Recognized in the consolidated income statement						Sub total	Unrealized gains/ (losses) recognized in the fair value reserve	Grand total
	Interest income/ (expense)	Dividend income	Rental income	Realized (losses)/ gains	Unrealized losses	Impairment			
Debt securities									
HTM	502.23	—	—	—	—	—	502.23	—	502.23
AFS	1,190.97	—	—	(16.85)	—	—	1,174.12	1,333.54	2,507.66
DTPL	19.94	—	—	284.74	(33.43)	—	271.25	—	271.25
LR	44.13	—	—	—	—	—	44.13	—	44.13
Direct equity securities									
AFS	—	44.61	—	679.31	—	(230.36)	493.56	(1,604.73)	(1,111.17)
DTPL	—	8.88	—	(715.39)	(350.52)	—	(1,057.03)	—	(1,057.03)
Equity investment funds									
AFS	—	343.84	—	(435.85)	—	(79.08)	(171.09)	(1,182.71)	(1,353.80)
DTPL	—	818.68	—	(836.20)	(1,277.90)	—	(1,295.42)	—	(1,295.42)
Composite investment funds									
AFS	—	0.19	—	—	—	—	0.19	(12.94)	(12.75)
DTPL	—	38.16	—	(8.54)	(91.94)	—	(62.32)	—	(62.32)
Cash and bank deposits	434.77	—	—	—	—	—	434.77	—	434.77
Investment properties	—	—	2.81	—	(1.84)	—	0.97	—	0.97
Securities sold under repurchase agreements	(79.59)	—	—	—	—	—	(79.59)	—	(79.59)
Others	24.72	—	—	—	—	—	24.72	—	24.72
	2,137.17	1,254.36	2.81	(1,048.78)	(1,755.63)	(309.44)	280.49	(1,466.84)	(1,186.35)

管理層回顧和分析

本集團稅前投資(虧損)/收入之詳細分析如下：

截至二零零八年十二月三十一日止年度，百萬港元

	於綜合損益表內確認						於公允價值 儲備內確認		總額
	利息 收入/ (支出)	股息收入	租金收入	已實現 (虧損)/ 收益	未實現 虧損	減值	小計	之未實現 收益/ (虧損)	
債務證券									
持有至到期日	502.23	—	—	—	—	—	502.23	—	502.23
可供出售	1,190.97	—	—	(16.85)	—	—	1,174.12	1,333.54	2,507.66
指定為通過損益以反映公允價值	19.94	—	—	284.74	(33.43)	—	271.25	—	271.25
貸款及應收款項	44.13	—	—	—	—	—	44.13	—	44.13
直接股本證券									
可供出售	—	44.61	—	679.31	—	(230.36)	493.56	(1,604.73)	(1,111.17)
指定為通過損益以反映公允價值	—	8.88	—	(715.39)	(350.52)	—	(1,057.03)	—	(1,057.03)
股本投資基金									
可供出售	—	343.84	—	(435.85)	—	(79.08)	(171.09)	(1,182.71)	(1,353.80)
指定為通過損益以反映公允價值	—	818.68	—	(836.20)	(1,277.90)	—	(1,295.42)	—	(1,295.42)
綜合投資基金									
可供出售	—	0.19	—	—	—	—	0.19	(12.94)	(12.75)
指定為通過損益以反映公允價值	—	38.16	—	(8.54)	(91.94)	—	(62.32)	—	(62.32)
現金及銀行存款	434.77	—	—	—	—	—	434.77	—	434.77
投資物業	—	—	2.81	—	(1.84)	—	0.97	—	0.97
賣出回購證券	(79.59)	—	—	—	—	—	(79.59)	—	(79.59)
其他	24.72	—	—	—	—	—	24.72	—	24.72
	2,137.17	1,254.36	2.81	(1,048.78)	(1,755.63)	(309.44)	280.49	(1,466.84)	(1,186.35)

MANAGEMENT REVIEW AND ANALYSIS

For the year ended 31 December 2007, HK\$ million

	Recognized in the consolidated income statement						Sub total	Unrealized (losses)/ gains recognized in the fair value reserve	Grand total
	Interest income/(expense)	Dividend income	Rental income	Realized (losses)/ gains	Unrealized gains	Impairment			
Debt securities									
HTM	65.17	—	—	—	—	—	65.17	65.17	
AFS	978.16	—	—	(0.54)	—	—	977.62	(1,395.73)	
DTPL	21.75	—	—	100.36	41.26	—	163.37	163.37	
LR	5.65	—	—	—	—	—	5.65	5.65	
Direct equity securities									
AFS	—	25.55	—	2,375.46	—	—	2,401.01	3,722.76	
DTPL	—	6.48	—	492.99	56.35	—	555.82	555.82	
Equity investment funds									
AFS	—	256.30	—	710.94	—	—	967.24	1,418.41	
DTPL	—	382.32	—	592.78	379.10	—	1,354.20	1,354.20	
Composite investment funds									
AFS	—	—	—	—	—	—	—	4.27	
DTPL	—	22.67	—	4.73	23.34	—	50.74	50.74	
Cash and bank deposits	388.07	—	—	—	—	—	388.07	388.07	
Investment properties	—	—	2.43	(0.18)	5.53	—	7.78	7.78	
Securities sold under repurchase agreements	(285.33)	—	—	—	—	—	(285.33)	(285.33)	
Others	19.18	—	—	1.25	—	—	20.43	20.43	
	1,192.65	693.32	2.43	4,277.79	505.58	—	6,671.77	6,075.61	

管理層回顧和分析

截至二零零七年十二月三十一日止年度，百萬港元

	於綜合損益表內確認						小計	於公允價值	總額
	利息 收入／ (支出)	股息收入	租金收入	已實現 (虧損)／ 收益	未實現 收益	減值		儲備內確認 之未實現 (虧損)／ 收益	
債務證券									
持有至到期日	65.17	—	—	—	—	—	65.17	—	65.17
可供出售	978.16	—	—	(0.54)	—	—	977.62	(2,373.35)	(1,395.73)
指定為通過損益以反映公允價值	21.75	—	—	100.36	41.26	—	163.37	—	163.37
貸款及應收款項	5.65	—	—	—	—	—	5.65	—	5.65
直接股本證券									
可供出售	—	25.55	—	2,375.46	—	—	2,401.01	1,321.75	3,722.76
指定為通過損益以反映公允價值	—	6.48	—	492.99	56.35	—	555.82	—	555.82
股本投資基金									
可供出售	—	256.30	—	710.94	—	—	967.24	451.17	1,418.41
指定為通過損益以反映公允價值	—	382.32	—	592.78	379.10	—	1,354.20	—	1,354.20
綜合投資基金									
可供出售	—	—	—	—	—	—	—	4.27	4.27
指定為通過損益以反映公允價值	—	22.67	—	4.73	23.34	—	50.74	—	50.74
現金及銀行存款	388.07	—	—	—	—	—	388.07	—	388.07
投資物業	—	—	2.43	(0.18)	5.53	—	7.78	—	7.78
賣出回購證券	(285.33)	—	—	—	—	—	(285.33)	—	(285.33)
其他	19.18	—	—	1.25	—	—	20.43	—	20.43
	1,192.65	693.32	2.43	4,277.79	505.58	—	6,671.77	(596.16)	6,075.61

MANAGEMENT REVIEW AND ANALYSIS

REINSURANCE BUSINESS

The Group's reinsurance business is operated by CIRe, which is a Hong Kong-incorporated company and wholly-owned by the Group. CIRe is mainly engaged in the underwriting of all classes of reinsurance business around the globe, except long-tail, liability reinsurance business from outside of Asia, such as the United States and Europe. CIRe's key markets are Hong Kong and Macau, Mainland China, Japan, the rest of Asia, Europe and other parts of the world.

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

For the year ended 31 December, HK\$ million

	2008	2007	Change
Gross premiums written	1,839.00	1,681.21	9.4%
Net premiums written	1,568.66	1,470.06	6.7%
Net earned premiums	1,534.90	1,441.95	6.5%
Net claims incurred	(887.76)	(944.99)*	(6.1%)
Net commission expenses	(396.01)	(351.66)	12.6%
Underwriting profit	222.43	108.64*	2.1 times
Total investment (loss)/income	(97.90)	530.13	—
Net exchange (loss)/gain	(38.09)	10.96*	—
Profit before taxation	59.59	616.93	(90.3%)
Profit attributable to the equity holders	51.85	579.69	(91.1%)
Regulatory solvency margin ratio	630.6%	747.5%	(116.9 pts)
Technical reserves ratio	179.1%	179.8%	(0.7 pt)
Retained ratio	85.3%	87.4%	(2.1 pts)
Earned premiums ratio	83.5%	85.8%	(2.3 pts)
Loss ratio ¹	57.8%	65.5%*	(7.7 pts)
Expense ratio ²	27.1%	26.4%	0.7 pt
Combined ratio ³	84.9	91.9*	(7.0 pts)

¹ The loss ratio is based on net earned premiums.

² The expense ratio is based on net premiums written. The management believes that calculating the expense ratio based on net premiums written is a fairer indicator and better reflects the underwriting performance of CIRe. If the net earned premiums basis is applied, then the expense ratio would be 27.7% for the Year (2007: 26.9%).

³ The combined ratio is the sum of the loss ratio and the expense ratio. If the expense ratio is based on net earned premiums, then the combined ratio would be 85.5 for the Year (2007: 92.4).

* Prior to 2008, the exchange difference arising from the claim reserve was recognized in the underwriting results. In order to better reflect the underwriting performance of CIRe, from 2008 onwards, such exchange difference will be reclassified into a separate account in the income statement, namely as the net exchange loss. The exchange difference for 2008 and 2007 are an exchange gain of HK\$57.15 million and an exchange loss of HK\$50.23 million, respectively. For consistency and comparability purposes, the corresponding figures and ratios of 2007 are restated accordingly, however, they are not restated in the consolidated financial statements because the amounts involved are not material from the perspective of the consolidated level.

The original amount of net claims incurred, underwriting profit and net exchange gain for 2007 are HK\$995.22 million, HK\$58.41 million and HK\$61.19 million, respectively. The original loss ratio and combined ratio for 2007 are 69.0% and 95.4, respectively.

管理層回顧和分析

再保險業務

本集團之再保險業務由本集團全資擁有之香港註冊公司中再國際營運。中再國際主要從事承保全球各類再保險業務，但亞洲以外如美國及歐洲的長尾巴責任險業務則除外。中再國際之主要市場為香港及澳門、中國大陸、日本、亞洲其他地區、歐洲及世界其他地方。

再保險業務之主要財務數據及主要表現指標概述如下：

截至十二月三十一日止年度，百萬港元

	二零零八年	二零零七年	變化
毛承保保費	1,839.00	1,681.21	9.4%
淨承保保費	1,568.66	1,470.06	6.7%
已賺取保費淨額	1,534.90	1,441.95	6.5%
賠款淨額	(887.76)	(944.99)*	(6.1%)
佣金支出淨額	(396.01)	(351.66)	12.6%
承保溢利	222.43	108.64*	2.1倍
投資(虧損)/收入總額	(97.90)	530.13	—
匯兌(虧損)/收益淨額	(38.09)	10.96*	—
除稅前溢利	59.59	616.93	(90.3%)
股東應佔溢利	51.85	579.69	(91.1%)
監管償付能力充足比率	630.6%	747.5%	(116.9點)
技術性儲備比率	179.1%	179.8%	(0.7點)
自留比率	85.3%	87.4%	(2.1點)
已賺取保費率	83.5%	85.8%	(2.3點)
賠付率 ¹	57.8%	65.5%*	(7.7點)
費用率 ²	27.1%	26.4%	0.7點
綜合成本率 ³	84.9	91.9*	(7.0點)

¹ 賠付率按已賺取保費淨額為基準計算。

² 費用率按淨承保保費為基準計算。管理層相信，按淨承保保費為基準計算費用率為更公平的指標，並可更好地反映中再國際的承保表現。倘使用已賺取保費淨額基準，則本年度之費用率將為27.7% (二零零七年：26.9%)。

³ 綜合成本率為賠付率與費用率的總和。倘費用率按已賺取保費淨額為基準計算，則本年度之綜合成本率將為85.5 (二零零七年：92.4)。

* 二零零八年之前，賠款儲備之匯兌差異在承保業績內確認。為能夠更合理反映中再國際的承保表現，從二零零八年起，該等匯兌差異於損益表內將被重新分類為匯兌虧損淨額。於二零零八年及二零零七年，該等匯兌差異分別為匯兌收益5,715萬港元及匯兌虧損5,023萬港元。為使數據一致及容易比較，二零零七年相關的金額及比率已作出相應重列，但由於有關金額從綜合層面上不重大，所以沒有在綜合財務報表中重列。

二零零七年之賠款淨額、承保溢利及匯兌收益淨額之原額分別為9.9522億港元、5,841萬港元及6,119萬港元。二零零七年之原賠付率及綜合成本率分別為69.0%及95.4。

MANAGEMENT REVIEW AND ANALYSIS

Profit Attributable to the Equity Holders

The reinsurance business contributed net profit to the equity holders of HK\$51.85 million during the Year (2007: HK\$579.69 million), representing a decline of 91.1% compared to Last Year. Although much lower than Last Year, this level of profitability is considered to be satisfactory, as the reinsurance market and investment conditions in 2008 were one of the most difficult in history. The underwriting profit, together with the release of redundant previous years' loss provisions, were able to offset CIRe's losses in investments (primarily related to equity securities traded in Hong Kong) and foreign exchange (related to its foreign currency holdings).

In 2006 and 2007, CIRe's operations and earnings benefited substantially from extraordinary investment gains related to the strong global equity markets, particularly equities traded in Hong Kong. In 2008, global equity markets and those in Hong Kong experienced significant investment losses, as deteriorating economic fundamentals worldwide combined with crises of confidence in the global financial system to produce sudden and severe equity market declines. The resulting credit crunch has severely dampened economic activity around the world, and resulted in previously-not-seen-before market volatility. Whereas CIRe produced back-to-back record earnings in 2006 and 2007 on the strength of investment gains in the equity markets, in 2008 the sudden and drastic reversals in the equity markets have likewise significantly dampened results for the reinsurance operations.

2008 also saw a significant increase in catastrophes in China and worldwide relative to 2006 and 2007, during which time there were almost no major catastrophes. As such, CIRe experienced higher catastrophe-related claims in 2008, albeit the financial impact of these higher claims levels has been ameliorated by CIRe's retrocession protections. Part of these retrocession arrangements were put into place by CIRe in the Last Year, during which time there were no major catastrophes. The underwriting result was further improved by the release of redundant loss provisions conservatively set against the claims liabilities of earlier years. Thus, despite a higher incidence of catastrophe claims, CIRe was able to produce a strong underwriting profit of HK\$222.43 million for the Year compared to HK\$108.64 million in the Last Year.

Gross Premiums Written

CIRe's gross premiums written increased by 9.4% to HK\$1,839.00 million from HK\$1,681.21 million in the Last Year. During the Year, CIRe made further inroads into the Mainland China market, which has now become the single largest geographic market of CIRe and which drove the overall premium growth of the reinsurance operations. CIRe's Beijing branch was successfully launched and became operational before the end of 2008, just in time to allow the branch and its professionals to participate in the 2009 business renewals with clients in Mainland China. In CIRe's traditional core markets of Hong Kong and Macau, intense competition from the over one hundred registered primary insurers has caused general concerns over original premium pricing. In such a competitive environment, CIRe decided to take a more cautious approach with renewals, while simultaneously seeking to maintain and strengthen our existing client relationships. CIRe has been involved in Hong Kong and Macau for a very long time, and as such its professionals in Hong Kong have tremendous and unique experience, know-how and in-depth knowledge of these two markets, which represents a key competitive advantage. In 2008, CIRe made an effort to utilize these combined skills and experience to better serve and respond to the various needs and demands of its clients. As a result, CIRe was able to maintain its position with most of its key clients and contracts in Hong Kong and Macau, even though the overall premium levels are slightly lower.

In other Asian markets, CIRe was able to keep its market position and grow its premiums in-line with the respective market. Outside of Asia, to maintain CIRe's position and reputation as one of the few Asian-based reinsurers to be long-term committed and involved with reinsurance clients and intermediaries from around the world, the premium income from outside of Asia has increased in line with the growth of the core Asian portfolio, and continues to represent approximately 20.0% of gross premiums written.

管理層回顧和分析

股東應佔溢利

再保險業務對股東淨溢利的貢獻為5,185萬港元(二零零七年：5.7969億港元)，股東應佔溢利較去年下降91.1%。儘管較去年大幅減少，但這盈利水平仍屬滿意，原因是二零零八年再保險市場及投資環境經歷了史上其中一次最嚴峻之景況。承保溢利(包含了早年的賠款準備冗餘回撥)抵銷了中再國際的投資(主要與香港買賣的股本證券有關)及外匯(與其持有的外幣有關)的虧損。

二零零六年及二零零七年，中再國際的業務及盈利大大受惠於全球股市暢旺(特別是香港買賣的股票)相關的豐厚投資收益。二零零八年，隨著全球經濟基本因素惡化，加上全球金融體系的信心危機，導致股本市場急劇走下，全球及香港股票市場均錄得大幅投資虧損。所引發的信貸危機更加嚴重打擊全球經濟活動，導致史無前例的市場波動。雖然中再國際在二零零六年及二零零七年在股票市場的投資收益支持下，盈利連續兩年創新高，但二零零八年股票市場突然急轉直下，使再保險業務的業績大受打擊。

二零零八年，中國及全球各地發生災難的數目較二零零六年及二零零七年大幅上升，於二零零六年及二零零七年期間幾乎沒有任何重大災難賠款。中再國際於二零零八年錄得較高的災害相關賠款，不過，賠款增加對財務影響被中再國際的轉分保障所抵銷。部份轉分安排是去年由中再國際趁當時並沒有重大災難適度增加的。此外，承保業績更由於過往按照審慎原則而提取的賠款準備出現冗餘得以回撥獲得改善；故此，雖然本年度災難事故較多，中再國際仍能錄得強勁的承保溢利，由去年之1.0864億港元上升至本年度2.2243億港元。

毛承保保費

中再國際之毛承保保費由去年16.8121億港元上升9.4%至18.3900億港元。本年度內，中再國際進一步打入中國大陸市場，現已成為中再國際的單一最大地區市場，帶動再保險業務的整體保費增長。中再國際於二零零八年底前成功開設北京分公司，並投入營運，恰巧讓分公司及其專業人士參與二零零九年中國大陸的客戶續保。在中再國際的傳統核心市場，香港及澳門，過百家註冊保險商的激烈競爭，引發起對原保單保費定價的關注。在如此熾熱的競爭環境下，中再國際決定採取更審慎的續保策略，同時亦致力維持並鞏固與現有客戶的關係。中再國際長久以來一直立足香港及澳門，因此其駐香港的專業人員對這兩個市場擁有豐富及獨特的經驗、技術能力及深入的認識，也是其一項主要的競爭優勢。二零零八年，中再國際致力利用這些技能及經驗，滿足客戶不同的需要。因此，儘管整體保費水平稍為下跌，但中再國際能夠保持與香港及澳門大部分主要客戶的關係及合約。

其他亞洲市場方面，中再國際能夠保持其市場地位，並按相關市場的增長速度提升保費量。至於亞洲以外市場，中再國際作為少數的亞洲再保險商，一直堅持以良好信譽服務覆蓋全球的再保險客戶及中介公司，亞洲以外市場的保費收入與亞洲核心組合同步增長，並繼續佔毛承保保費約20.0%。

MANAGEMENT REVIEW AND ANALYSIS

CIRe's geographical distribution of gross premiums written is summarized as follows:

For the year ended 31 December, HK\$ million

	2008	% of Total	2007	% of Total
Hong Kong & Macau	304.00	16.5%	316.65	18.8%
Mainland China (& Taiwan)	530.03	28.8%	399.65	23.8%
Japan	143.42	7.8%	113.97	6.8%
Rest of Asia	453.70	24.7%	455.99	27.1%
Europe	226.92	12.3%	249.97	14.9%
Others	180.93	9.9%	144.98	8.6%
	1,839.00	100.0%	1,681.21	100.0%

Net Claims Incurred

Despite an increase in frequency of catastrophes during the Year, CIRe's net claims incurred decreased by 6.1% to HK\$887.76 million from HK\$944.99 million in the Last Year. The loss ratio decreased to 57.8% from 65.5% in 2007. During the Year, the southern provinces of Mainland China experienced a rare snowstorm in the months of January and February, which became the single largest loss for CIRe for the year. The net retained loss from the snowstorm, however, was only half of the gross incurred loss due to CIRe's retrocession protections. The devastating earthquake which struck Sichuan Province in Mainland China on 12 May did not result in serious losses to CIRe, mainly because of the region's low insurance penetration. However, the rainstorm in Guangdong Province and Hong Kong during the middle of June 2008 and Hurricane Ike, which hit areas in the Caribbean Sea and Texas of the United States in September 2008, did result in some losses for the reinsurance operations. Overall, because of proper and effective risk management and retrocession protections in place, CIRe was not overly affected by the catastrophes which occurred during 2008.

CIRe's top three major claims in terms of gross losses during the Year were as follows:

For the year ended 31 December 2008, HK\$ million

	Date of loss	Gross loss incurred	Net retained loss incurred	% retention
Snowstorm in Southern China	Jan 2008	187.62	94.72	50.5%
Rainstorm in Guangdong & Hong Kong, China	Jun 2008	65.61	48.31	73.6%
Hurricane Ike in United States	Sep 2008	36.05	35.46	98.4%

The loss provisions originally set aside for the claims liabilities of earlier years were reviewed during the Year. Due to positive developments of the run-off liabilities for the earlier underwriting years, redundant loss provisions amounting to approximately HK\$160.90 million were released (approximately 10.5% of net earned premium of the Year), which helped to bolster the underwriting results and profitability in 2008. The combined ratio during the Year was 84.9 (2007: 91.9).

管理層回顧和分析

中再國際按地區分佈劃分之毛承保保費簡報如下：

截至十二月三十一日止年度，百萬港元

	二零零八年	佔總額百分比	二零零七年	佔總額百分比
香港及澳門	304.00	16.5%	316.65	18.8%
中國大陸(及台灣)	530.03	28.8%	399.65	23.8%
日本	143.42	7.8%	113.97	6.8%
亞洲其他地區	453.70	24.7%	455.99	27.1%
歐洲	226.92	12.3%	249.97	14.9%
其他	180.93	9.9%	144.98	8.6%
	1,839.00	100.0%	1,681.21	100.0%

淨賠款總額

本年度內，即使災難較往年頻繁，中再國際的淨賠款由去年9.4499億港元減少6.1%至8.8776億港元。賠付率亦由二零零七年的65.5%下降至57.8%。於本年度內，中國大陸華南省份一、二月份發生罕見的雪災，成為了中再國際本年度的單一最大賠付。不過，由於中再國際的轉分保障，雪災的自留賠付淨額僅為毛賠付的一半。二零零八年五月十二日中國大陸四川省發生大地震沒有導致中再國際嚴重賠付，主要原因是該區的保險滲透度低。不過，二零零八年六月中廣東省及香港的暴雨以及二零零八年九月吹襲美國加勒比海及德州的颶風艾克，則令到再保險業務錄得若干賠付。整體上，由於實行了適當有效的風險管理及轉分保障，中再國際並無受二零零八年發生的災難嚴重影響。

中再國際於年內以毛賠付總額計之三大賠案如下：

截至二零零八年十二月三十一日止年度，百萬港元

	出險日期	毛賠付總額	自留賠付淨額	自留百分比
中國南方雪暴	2008年1月	187.62	94.72	50.5%
中國廣東省及香港暴雨	2008年6月	65.61	48.31	73.6%
美國颶風艾克	2008年9月	36.05	35.46	98.4%

本年內就早年賠款責任預留的賠付準備進行了檢討。由於過往承保年度的賠付發展有節餘，故撥回為數約1.6090億港元的賠付準備(約佔本年度之已賺取保費淨額10.5%)，進一步改善了二零零八年承保業績及盈利能力。本年度內之綜合成本率為84.9(二零零七年：91.9)。

MANAGEMENT REVIEW AND ANALYSIS

Investment Performance

The composition of investments held by CIRe was as follows:

At 31 December, HK\$ million

	2008	% of Total	2007	% of Total
Debt securities	1,904.91	46.8%	1,734.13	39.9%
Direct equity securities	231.80	5.7%	638.93	14.7%
Composite investment funds	67.04	1.7%	90.84	2.1%
Cash and bank deposits	1,786.45	43.9%	1,807.81	41.5%
Investment properties	76.72	1.9%	78.56	1.8%
Total invested assets	4,066.92	100.0%	4,350.27	100.0%

During the Year, because of the extraordinarily challenging investment market conditions globally, CIRe was very cautious in its asset allocation for its investment portfolio. Equity investments were significantly reduced, while debt securities and cash and bank deposits were increased to a combined total of approximately 90.7% of the total invested assets as at 31 December 2008 (2007: 81.4%). Almost all of the debt securities had investment grade ratings from international credit rating agencies.

The classification of CIRe's investments in securities under HTM, AFS and DTPL was as follows:

At 31 December 2008, HK\$ million

	HTM	AFS	DTPL	Total
Debt securities	1,338.63	390.08	176.20	1,904.91
Direct equity securities	—	194.66	37.14	231.80
Composite investment funds	—	38.18	28.86	67.04
	1,338.63	622.92	242.20	2,203.75

At 31 December 2007, HK\$ million

	HTM	AFS	DTPL	Total
Debt securities	1,013.62	572.33	148.18	1,734.13
Direct equity securities	—	569.55	69.38	638.93
Composite investment funds	—	51.38	39.46	90.84
	1,013.62	1,193.26	257.02	2,463.90

管理層回顧和分析

投資表現

中再國際持有之投資組合情況如下：

於十二月三十一日，百萬港元

	二零零八年	佔總額百分比	二零零七年	佔總額百分比
債務證券	1,904.91	46.8%	1,734.13	39.9%
直接股本證券	231.80	5.7%	638.93	14.7%
綜合投資基金	67.04	1.7%	90.84	2.1%
現金及銀行存款	1,786.45	43.9%	1,807.81	41.5%
投資物業	76.72	1.9%	78.56	1.8%
投資總額	4,066.92	100.0%	4,350.27	100.0%

於本年度內，由於全球投資市況陷入困境，中再國際對於其投資組合的資產配置十分審慎。除大幅減少股票投資外，亦同時增加債務證券、現金及銀行存款。於二零零八年十二月三十一日，債務證券、現金及銀行存款合共佔投資資產總額約90.7%（二零零七年：81.4%）。幾乎全部債務證券均達到國際信貸評級機構認可的投資評級。

中再國際歸類為持有至到期日、可供出售及指定為通過損益以反映公允價值的證券投資如下：

於二零零八年十二月三十一日，百萬港元

	持有至到期日	可供出售	指定為通過 損益以反映 公允價值	總額
債務證券	1,338.63	390.08	176.20	1,904.91
直接股本證券	—	194.66	37.14	231.80
綜合投資基金	—	38.18	28.86	67.04
	1,338.63	622.92	242.20	2,203.75

於二零零七年十二月三十一日，百萬港元

	持有至到期日	可供出售	指定為通過 損益以反映 公允價值	總額
債務證券	1,013.62	572.33	148.18	1,734.13
直接股本證券	—	569.55	69.38	638.93
綜合投資基金	—	51.38	39.46	90.84
	1,013.62	1,193.26	257.02	2,463.90

MANAGEMENT REVIEW AND ANALYSIS

The debt securities classified by type and class were as follows:

At 31 December, HK\$ million

	2008	2007
Central governments and central banks	131.34	181.61
Public sector entities	50.97	100.72
Banks and other financial institutions	1,425.13	980.45
Corporate entities	286.47	441.37
Others	11.00	29.98
	1,904.91	1,734.13

The debt securities classified by original currencies in their respective HKD equivalents were as follows:

At 31 December, HK\$ million

	2008	2007
USD	1,677.80	1,667.75
EUR	85.08	11.36
HKD	68.98	19.97
GBP	40.43	—
Others	32.62	35.05
	1,904.91	1,734.13

The total investment income and the investment yield of CIRe's investments on a pre-tax basis recognized in the consolidated income statement were as follows:

For the year ended 31 December, HK\$ million

	2008	2007	Change
Net investment income	178.67	184.62	(3.2%)
Net realized investment (losses)/gains	(96.96)	357.38	—
Net unrealized investment losses	(73.79)	(11.87)	6.2 times
Impairment on AFS equities	(105.82)	—	—
Total investment (loss)/income	(97.90)	530.13	—
Total investment yield	(2.2%)	13.0%	—

CIRe's total investment income was a loss of HK\$97.90 million for the Year, a significant decline from the profit of HK\$530.13 million in the Last Year. Sharp declines in prices for equities traded in Hong Kong were the primary factors behind CIRe's large investment losses, both realized and unrealized, as well as the impairment on AFS equities. Although the recurrent income from bank deposits and fixed income securities was stable, it could not offset the significant losses in equities, which resulted in the overall negative total investment yield for 2008. The above-described investment income and investment yield figures do not include a net exchange loss of HK\$38.09 million (2007: gain of HK\$10.96 million).

管理層回顧和分析

債務證券按類別分類如下：

於十二月三十一日，百萬港元

	二零零八年	二零零七年
中央政府及中央銀行	131.34	181.61
公共機構	50.97	100.72
銀行及其他金融機構	1,425.13	980.45
企業實體	286.47	441.37
其他	11.00	29.98
	1,904.91	1,734.13

債務證券按原貨幣分類之折合港元值如下：

於十二月三十一日，百萬港元

	二零零八年	二零零七年
美元	1,677.80	1,667.75
歐羅	85.08	11.36
港元	68.98	19.97
英鎊	40.43	—
其他	32.62	35.05
	1,904.91	1,734.13

中再國際確認在綜合損益表內之稅前投資收入總額及稅前投資收益率概述如下：

截至十二月三十一日止年度，百萬港元

	二零零八年	二零零七年	變化
投資收入淨額	178.67	184.62	(3.2%)
已實現投資(虧損)／收益淨額	(96.96)	357.38	—
未實現投資虧損淨額	(73.79)	(11.87)	6.2倍
可供出售股本投資減值	(105.82)	—	—
投資(虧損)／收入總額	(97.90)	530.13	—
總投資收益率	(2.2%)	13.0%	—

本年度內，中再國際錄得投資收入總額虧損9,790萬港元，較去年溢利5.3013億港元大幅減少。香港買賣的股票價格急瀉是中再國際錄得龐大投資虧損(已實現及未實現)及可供出售股本投資減值的主因。儘管來自銀行存款及固定收入證券的經常收入保持穩定，但不能抵銷股票的巨大虧損，導致二零零八年整體的總投資收益率出現負數。上述投資收入及投資收益率並不包括3,809萬港元匯兌虧損淨額(二零零七年：收益1,096萬港元)。

MANAGEMENT REVIEW AND ANALYSIS

The details of CIRe's investment (loss)/income on a pre-tax basis were as follows:

For the year ended 31 December 2008, HK\$ million

	Recognized in the consolidated income statement						Sub total	Unrealized losses recognized in the fair value reserve	Grand total
	Interest income	Dividend income	Rental income	Realized losses	Unrealized losses	Impairment			
Debt securities									
HTM	76.21	—	—	—	—	—	76.21	—	76.21
AFS	35.89	—	—	—	—	—	35.89	(65.04)	(29.15)
DTPL	9.26	—	—	(1.28)	(36.23)	—	(28.25)	—	(28.25)
Direct equity securities									
AFS	—	12.64	—	(95.31)	—	(105.82)	(188.49)	(93.43)	(281.92)
DTPL	—	1.60	—	(0.37)	(25.35)	—	(24.12)	—	(24.12)
Composite investment funds									
AFS	—	0.19	—	—	—	—	0.19	(12.95)	(12.76)
DTPL	—	2.94	—	—	(10.37)	—	(7.43)	—	(7.43)
Cash and bank deposits	36.17	—	—	—	—	—	36.17	—	36.17
Investment properties	—	—	2.81	—	(1.84)	—	0.97	—	0.97
Others	0.96	—	—	—	—	—	0.96	—	0.96
	158.49	17.37	2.81	(96.96)	(73.79)	(105.82)	(97.90)	(171.42)	(269.32)

管理層回顧和分析

中再國際的稅前投資(虧損)/收入之詳細分析如下：

截至二零零八年十二月三十一日止年度，百萬港元

	於綜合損益表內確認						於公允價值		總額
	利息收入	股息收入	租金收入	已實現 虧損	未實現虧損	減值	小計	儲備內 確認之 未實現虧損	
債務證券									
持有至到期日	76.21	—	—	—	—	—	76.21	—	76.21
可供出售	35.89	—	—	—	—	—	35.89	(65.04)	(29.15)
指定為通過損益以反映公允價值	9.26	—	—	(1.28)	(36.23)	—	(28.25)	—	(28.25)
直接股本證券									
可供出售	—	12.64	—	(95.31)	—	(105.82)	(188.49)	(93.43)	(281.92)
指定為通過損益以反映公允價值	—	1.60	—	(0.37)	(25.35)	—	(24.12)	—	(24.12)
綜合投資基金									
可供出售	—	0.19	—	—	—	—	0.19	(12.95)	(12.76)
指定為通過損益以反映公允價值	—	2.94	—	—	(10.37)	—	(7.43)	—	(7.43)
現金及銀行存款	36.17	—	—	—	—	—	36.17	—	36.17
投資物業	—	—	2.81	—	(1.84)	—	0.97	—	0.97
其他	0.96	—	—	—	—	—	0.96	—	0.96
	158.49	17.37	2.81	(96.96)	(73.79)	(105.82)	(97.90)	(171.42)	(269.32)

MANAGEMENT REVIEW AND ANALYSIS

For the year ended 31 December 2007, HK\$ million

	Recognized in the consolidated income statement						Sub total	Unrealized gains/(losses) recognized in the fair value reserve	Grand total
	Interest income	Dividend income	Rental income	Realized (losses)/gains	Unrealized (losses)/gains	Impairment			
Debt securities									
HTM	64.85	—	—	—	—	—	64.85	—	64.85
AFS	24.47	—	—	—	—	—	24.47	9.49	33.96
DTPL	11.38	—	—	(0.34)	(15.06)	—	(4.02)	—	(4.02)
Direct equity securities									
AFS	—	8.20	—	356.75	—	—	364.95	(99.92)	265.03
DTPL	—	1.91	—	(0.10)	(1.73)	—	0.08	—	0.08
Composite investment funds									
AFS	—	—	—	—	—	—	—	4.27	4.27
DTPL	—	3.18	—	—	(0.61)	—	2.57	—	2.57
Cash and bank deposits	67.82	—	—	—	—	—	67.82	—	67.82
Investment properties	—	—	2.43	(0.18)	5.53	—	7.78	—	7.78
Others	0.38	—	—	1.25	—	—	1.63	—	1.63
	168.90	13.29	2.43	357.38	(11.87)	—	530.13	(86.16)	443.97

Reserving

CIRe continues to focus on writing property damage, marine and short tail liability reinsurance, involving portfolio of risks or for individual policies or risks. CIRe does not get involved in long tail, liability reinsurance in markets outside of Asia as a matter of policy. Based on the review of prior years' loss reserve provisions against the positive development of the run-off liabilities, redundant loss reserve provisions were released during the Year. CIRe continues to adopt prudent reserving standards, resulting in technical reserve provisions at the higher end of the prudent and conservative range. CIRe is therefore able to meet and satisfy the high expectations of its business counterparties and rating agencies in maintaining adequate reserve provisions to ensure that it can safely meet its insurance liabilities.

管理層回顧和分析

截至二零零七年十二月三十一日止年度，百萬港元

	於綜合損益表內確認						於公允價值 儲備內確認		總額
	利息收入	股息收入	租金收入	已實現 (虧損)/ 收益	未實現 (虧損)/ 收益	減值	小計	之未實現 收益/ (虧損)	
債務證券									
持有至到期日	64.85	—	—	—	—	—	64.85	—	64.85
可供出售	24.47	—	—	—	—	—	24.47	9.49	33.96
指定為通過損益以反映公允價值	11.38	—	—	(0.34)	(15.06)	—	(4.02)	—	(4.02)
直接股本證券									
可供出售	—	8.20	—	356.75	—	—	364.95	(99.92)	265.03
指定為通過損益以反映公允價值	—	1.91	—	(0.10)	(1.73)	—	0.08	—	0.08
綜合投資基金									
可供出售	—	—	—	—	—	—	—	4.27	4.27
指定為通過損益以反映公允價值	—	3.18	—	—	(0.61)	—	2.57	—	2.57
現金及銀行存款	67.82	—	—	—	—	—	67.82	—	67.82
投資物業	—	—	2.43	(0.18)	5.53	—	7.78	—	7.78
其他	0.38	—	—	1.25	—	—	1.63	—	1.63
	168.90	13.29	2.43	357.38	(11.87)	—	530.13	(86.16)	443.97

儲備

中再國際一直集中於財產損壞、水險及短期責任之再保險承保業務牽涉一攬子風險或單一保單／風險。中再國際選擇不參與亞洲以外市場之長尾巴責任再保險業務是公司的堅定政策。基於對過往年度賠付準備進行了檢討，賠付發展節餘，故本年內撥回賠付準備。中再國際繼續採取審慎的儲備標準，使技術性儲備比率偏向較審慎及穩健。因此，中再國際能完全滿足業務夥伴及評級機構對其維持充足儲備以確保能安全地履行其保險債務的高度期望。

MANAGEMENT REVIEW AND ANALYSIS

LIFE INSURANCE BUSINESS

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

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

For the year ended 31 December, HK\$ million

	2008	2007	Change
Gross premiums written	21,207.79	16,245.25	30.6%
Net premiums written and policy fees	21,104.67	16,186.53	30.4%
Net earned premiums and policy fees	21,061.26	16,206.73	30.0%
Total investment income	530.38	5,802.71	(90.9%)
Net exchange loss	(81.66)	(86.61)	(5.7%)
Net policyholders' benefits	(4,288.57)	(4,066.93)	5.5%
Net commission expenses	(2,026.97)	(1,645.50)	23.2%
Change in life insurance funds, net of reinsurance	(11,742.51)	(11,849.47)	(0.9%)
Administrative and other expenses	(2,671.61)	(1,901.47)	40.5%
Finance costs	(98.18)	(68.45)	43.4%
Profit before taxation	794.05	2,522.88	(68.5%)
Profit after taxation	880.43	2,034.08	(56.7%)
Profit attributable to the equity holders	440.68	1,018.06	(56.7%)

管理層回顧和分析

人壽保險業務

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

人壽保險業務之主要財務數據概述如下：

截至十二月三十一日止年度，百萬港元

	二零零八年	二零零七年	變化
毛承保保費	21,207.79	16,245.25	30.6%
淨承保保費及保單費收入	21,104.67	16,186.53	30.4%
已賺取保費及保單費收入淨額	21,061.26	16,206.73	30.0%
投資收入總額	530.38	5,802.71	(90.9%)
匯兌虧損淨額	(81.66)	(86.61)	(5.7%)
保單持有人利益淨額	(4,288.57)	(4,066.93)	5.5%
佣金支出淨額	(2,026.97)	(1,645.50)	23.2%
壽險責任準備金變化，減再保險	(11,742.51)	(11,849.47)	(0.9%)
行政及其他費用	(2,671.61)	(1,901.47)	40.5%
財務費用	(98.18)	(68.45)	43.4%
除稅前溢利	794.05	2,522.88	(68.5%)
除稅後溢利	880.43	2,034.08	(56.7%)
股東應佔溢利	440.68	1,018.06	(56.7%)

MANAGEMENT REVIEW AND ANALYSIS

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

	2008	2007	Change
Market share ¹	2.6%	3.2%	(0.6 pt)
Number of provincial branches	33	29	4
Number of sub-branches and marketing centres	506	317	189
Number of in-force policies	6,944,279	5,016,857	1,927,422
Number of individual agents	46,781	41,140	5,641
Persistency ratio — 13th month ²	82.6%	83.0%	(0.4 pt)
Persistency ratio — 25th month ²	91.1%	92.1%	(1.0 pt)

¹ Based on gross premiums written in accordance with PRC GAAP and published by the CIRC.

² Based on the amount of premiums.

Profit Attributable to the Equity Holders

The life insurance business contributed net profit to the equity holders of HK\$440.68 million during the Year (2007: HK\$1,018.06 million), representing a decline of 56.7% compared to Last Year. Although much lower than Last Year, this level of profitability is considered to be satisfactory, as the global financial and economic turmoil in 2008 also significantly impacted the financial markets of the PRC, in particular the A-share equity markets which fell substantially. Despite this turbulence and volatility, TPL still managed to achieve profitability, as higher gross premiums written, effective cost controls and greater scale economies overcame large investment losses (primarily related to equity securities traded in the PRC).

In 2006 and 2007, TPL's operations and earnings benefited substantially from extraordinary investment gains related to the strong domestic A-share equity markets in the PRC, which produced one of the highest levels of returns of stock indices in the world. In 2008, A-share equity markets produced one of the highest levels of losses of stock indices in the world, as the financial markets of the PRC could not avoid the impact of deteriorating economic fundamentals worldwide and the crises of confidence brought forth by the credit crunch. Whereas TPL produced back-to-back record earnings in 2006 and 2007 on the strength of investment gains in the equity markets, in 2008 the sudden and drastic reversals in the equity markets have likewise significantly lowered results for the life insurance operations.

管理層回顧和分析

人壽保險業務之主要經營數據概述如下：

	二零零八年	二零零七年	變化
市場份額 ¹	2.6%	3.2%	(0.6點)
省級分公司數目	33	29	4
支公司及市場推廣中心數目	506	317	189
有效之保單數目	6,944,279	5,016,857	1,927,422
個人銷售代理數目	46,781	41,140	5,641
第13個月之保費繼續率 ²	82.6%	83.0%	(0.4點)
第25個月之保費繼續率 ²	91.1%	92.1%	(1.0點)

1 據中國公認會計準則按毛承保保費計算並由中國保監會刊發。

2 按保費金額。

股東應佔溢利

本年度內，股東來自人壽保險業務之溢利淨額為4.4068億港元(二零零七年：10.1806億港元)，較去年下降56.7%。儘管較去年大幅減少，但這盈利水平亦屬滿意，原因是二零零八年全球金融及經濟危機嚴重打擊中國的金融市場，尤其是顯著下滑的A股股票市場。即使處身於如此動盪反覆的環境，太平人壽仍然取得盈利，實因為由於毛承保保費上升、成本控制奏效及規模經濟效益增加抵銷了龐大的投資虧損(主要與中國買賣的股本證券有關)。

二零零六年及二零零七年，太平人壽的業務及盈利受惠於中國本地強勁的A股股本市場相關的豐厚投資收益，而A股股本市場亦成為了全球最高回報之一的股票指數。二零零八年，A股股票市場成為了全球損失最為慘重的股票指數之一，這是由於中國未能逃避全球經濟基本因素惡化以及信貸市場崩潰後引發信心危機所致。雖然太平人壽在二零零六年及二零零七年在股票市場的投資收益支持下，盈利連續兩年創新高，但二零零八年股票市場突然急轉直下，使到人壽保險業務的業績大受打擊。

MANAGEMENT REVIEW AND ANALYSIS

Gross Premiums Written

TPL's gross premiums written increased by 30.6% to HK\$21,207.79 million from HK\$16,245.25 million in the Last Year. Due to uncertainties in the investment outlook, TPL curtailed the sales of unit-linked products and has been successful in shifting its marketing focus and strategy to more traditional life insurance products with regular premium features. With penetration rates still at relatively low levels, the PRC life insurance industry continues to have vast potential for rapid expansion. With a large presence in every single major province and city in the country (except for Tibet, Qinghai, Ningxia and Hainan Island), TPL's nationwide presence and infrastructure have allowed the life insurance operations to continue to produce strong premium growth and to gain scale in the marketplace. TPL's gross premiums written, by line of business, were as follows:

For the year ended 31 December 2008, HK\$ million

	Non unit-linked products	Unit-linked products	Total	% of Total
Individual	4,403.09	270.61	4,673.70	22.0%
Bancassurance	13,604.75	1,782.35	15,387.10	72.6%
Group	1,146.89	0.10	1,146.99	5.4%
	19,154.73	2,053.06	21,207.79	100.0%

For the year ended 31 December 2007, HK\$ million

	Non unit-linked products	Unit-linked products	Total	% of Total
Individual	2,501.32	2,757.25	5,258.57	32.4%
Bancassurance	8,208.53	1,506.80	9,715.33	59.8%
Group	1,261.04	10.31	1,271.35	7.8%
	11,970.89	4,274.36	16,245.25	100.0%

During the Year, the sale of unit linked products fell significantly to HK\$2,053.06 million from HK\$4,274.36 million in the Last Year, representing a decrease of 52.0%. This decline in premium, however, was more than made up for by the strong increase in demand for non unit-linked products, which sharply increased to HK\$19,154.73 million from HK\$11,970.89 million in the Last Year, representing an increase of 60.0%.

The strength of the non unit-linked product sales was apparent in both the individual agency distribution channel and the bank distribution channel. Non unit-linked premiums distributed through the individual agency force increased to HK\$4,403.09 million from HK\$2,501.32 million in the Last Year, representing an increase of 76.0%. This strong growth was due to improvements in productivity among the existing agency force, as well as the increase in number of individual agents to 46,781 as of 31 December 2008 (2007: 41,140). In the bank distribution channel, non unit-linked premiums increased to HK\$13,604.75 million from HK\$8,208.53 million in the Last Year, representing an increase of 65.7%. TPL's bank channel of distribution benefited from the resurgence of interest in bancassurance products among policyholders amidst the poor equity markets sentiment, as well as TPL's continued leadership and cutting-edge expertise in this line of the business.

管理層回顧和分析

毛承保保費

太平人壽之毛承保保費由去年之162.4525億港元上升30.6%至212.0779億港元。由於投資前景不明朗，太平人壽減少投資連結產品的銷售及成功轉移其市場焦點及策略至更多有期繳特色的傳統人壽保險產品。由於滲透率仍處於低水平，中國人壽保險業的發展空間仍相當龐大。憑藉在國內各大主要省市建立龐大網絡(除西藏、青海、寧夏及海南島外)，太平人壽的全國覆蓋面及穩健基礎使人壽保險業務繼續錄得強勁的保費增長及壯大其市場規模。太平人壽按業務劃分之毛承保保費如下：

截至二零零八年十二月三十一日止年度，百萬港元

	非投資連結產品	投資連結產品	總額	佔總額百分比
個人	4,403.09	270.61	4,673.70	22.0%
銀行保險	13,604.75	1,782.35	15,387.10	72.6%
團體	1,146.89	0.10	1,146.99	5.4%
	19,154.73	2,053.06	21,207.79	100.0%

截至二零零七年十二月三十一日止年度，百萬港元

	非投資連結產品	投資連結產品	總額	佔總額百分比
個人	2,501.32	2,757.25	5,258.57	32.4%
銀行保險	8,208.53	1,506.80	9,715.33	59.8%
團體	1,261.04	10.31	1,271.35	7.8%
	11,970.89	4,274.36	16,245.25	100.0%

本年內，投資連結產品的銷售大幅下降至20.5306億港元，相比去年42.7436億港元，減幅52.0%。不過，此保費減少的幅度被非投資連結產品需求的強勁增長所抵銷。非投資連結產品的保費由去年119.7089億港元急升60.0%至191.5473億港元。

非投資連結產品的銷售在個人代理分銷渠道及銀行分銷渠道均有上升。透過個人代理隊伍的非投資連結產品保費由去年25.0132億港元增至44.0309億港元，增長76.0%。如此強勁的增長是因為現有代理隊伍產能提升以及於二零零八年十二月三十一日個人代理隊伍增至46,781人(二零零七年：41,140人)所致。銀行分銷渠道方面，非投資連結產品保費則由去年82.0853億港元增至136.0475億港元，增長65.7%。太平人壽的銀行分銷渠道受惠於客戶在股票市場氣氛欠佳時重新對銀行保險產品的需求，以及太平人壽在業界中的持續領先地位及先進的專業知識。

MANAGEMENT REVIEW AND ANALYSIS

During the Year, TPL continued to increase, within its non unit-linked product sales, the proportion of its products with regular premium. The detailed breakdown of TPL's single premium products and regular premium products by line of business is summarized as follows:

For the year ended 31 December, HK\$ million

Individual

	2008	% of Total	2007	% of Total
Single Premium	42.51	1.0%	36.35	1.5%
Regular Premium — First Year	2,115.40	48.0%	1,062.51	42.5%
Regular Premium — Renewal Year	2,245.18	51.0%	1,402.46	56.0%
	4,403.09	100.0%	2,501.32	100.0%

Bancassurance

	2008	% of Total	2007	% of Total
Single Premium	10,492.55	77.1%	6,763.54	82.4%
Regular Premium — First Year	1,685.17	12.4%	586.95	7.2%
Regular Premium — Renewal Year	1,427.03	10.5%	858.04	10.4%
	13,604.75	100.0%	8,208.53	100.0%

Group

	2008	% of Total	2007	% of Total
Employee Benefit ("EB")	692.59	60.4%	633.47	50.2%
Annuity	454.30	39.6%	627.57	49.8%
	1,146.89	100.0%	1,261.04	100.0%

TPL's strategy over the past few years has been to gradually increase, within its sales of non unit-linked products, the proportion of those products with regular premium. This key parameter is one of the most important priorities of the senior management and professionals of the life insurance operations. During the Year, regular premium products accounted for 99.0% (2007: 98.5%) and 22.9% (2007: 17.6%) of the total non unit-linked product sales produced by TPL's individual agents and bancassurance channels, respectively. Such higher proportion of regular premium product sales is very encouraging, and will continue to be the focus of TPL in the years to come. Regular premium products have higher profit margins from an actuarial perspective and as such constitute much higher quality business for the life insurance operations.

管理層回顧和分析

於本年度內，太平人壽持續在其非投資連結產品銷售中提高期繳保費產品之佔比。以下概述太平人壽按業務劃分的躉繳保費產品及期繳保費產品的詳細分析：

截至十二月三十一日止年度，百萬港元

個人

	二零零八年	佔總額百分比	二零零七年	佔總額百分比
躉繳保費	42.51	1.0%	36.35	1.5%
期繳保費 — 首年	2,115.40	48.0%	1,062.51	42.5%
期繳保費 — 續年	2,245.18	51.0%	1,402.46	56.0%
	4,403.09	100.0%	2,501.32	100.0%

銀行保險

	二零零八年	佔總額百分比	二零零七年	佔總額百分比
躉繳保費	10,492.55	77.1%	6,763.54	82.4%
期繳保費 — 首年	1,685.17	12.4%	586.95	7.2%
期繳保費 — 續年	1,427.03	10.5%	858.04	10.4%
	13,604.75	100.0%	8,208.53	100.0%

團體

	二零零八年	佔總額百分比	二零零七年	佔總額百分比
僱員福利	692.59	60.4%	633.47	50.2%
年金	454.30	39.6%	627.57	49.8%
	1,146.89	100.0%	1,261.04	100.0%

過去幾年，太平人壽的策略是在其非投資連結產品銷售中提高期繳保費產品之比重，這是人壽保險業務高級管理人員及專業人員最為重要的工作指標之一。於本年內，期繳保費產品分別佔太平人壽個人代理及銀行保險渠道錄得的非投資連結產品銷售總額的99.0%（二零零七年：98.5%）及22.9%（二零零七年：17.6%）。期繳保費產品銷售佔比上升相當令人鼓舞，這在未來數年將繼續是太平人壽的重點。從精算角度分析，期繳保費產品的利潤率較高，因此是人壽保險業務中較優質的業務。

MANAGEMENT REVIEW AND ANALYSIS

The higher proportion of regular premium products and their higher profitability is reflected in the significantly higher embedded value and new business value figures of TPL for 2008, despite the adoption of more conservative assumptions (in particular, for the investment yield to take into account the ongoing financial crisis). It is encouraging to note that the embedded value of TPL (expressed in terms of HKD) has increased 24.3% to HK\$8,548 million from HK\$6,879 million at the end of Last Year despite a lower adjusted net worth. Likewise, the new business value after cost of capital and expense overrun for the Year increased to HK\$865 million from HK\$603 million at the end of Last Year, representing a remarkable growth of 43.5%. These latest actuarial figures of TPL are disclosed below in the section titled "Embedded Value of TPL".

Investment Performance

The composition of investments held by TPL was as follows:

At 31 December 2008, HK\$ million

	Investment assets (excluding Unit-linked product assets)		Unit-linked product assets		Total
	HK\$ million	% of Total	HK\$ million	% of Total	
Debt securities	44,945.96	77.0%	592.38	13.9%	45,538.34
Direct equity securities	1,034.86	1.8%	67.18	1.6%	1,102.04
Equity investment funds	2,418.22	4.1%	2,354.26	55.3%	4,772.48
Cash and bank deposits	9,946.20	17.1%	1,244.09	29.2%	11,190.29
Total invested assets	58,345.24	100.0%	4,257.91	100.0%	62,603.15

At 31 December 2007, HK\$ million

	Investment assets (excluding Unit-linked product assets)		Unit-linked product assets		Total
	HK\$ million	% of Total	HK\$ million	% of Total	
Debt securities	25,461.94	63.7%	228.59	5.0%	25,690.53
Direct equity securities	4,280.21	10.7%	1,553.37	34.3%	5,833.58
Equity investment funds	2,926.16	7.3%	2,567.05	56.7%	5,493.21
Cash and bank deposits	7,294.99	18.3%	181.16	4.0%	7,476.15
Total invested assets	39,963.30	100.0%	4,530.17	100.0%	44,493.47

During the Year, because of the extraordinarily challenging investment market conditions in the PRC, TPL was very cautious in its asset allocation for its investment portfolio. Equity investments were significantly reduced, while debt securities and cash and bank deposits were increased to a combined total of approximately 94.1% of TPL's total invested assets (excluding unit-linked product assets) as at 31 December 2008 (2007: 82.0%).

管理層回顧和分析

儘管我們採納了更保守之假設(尤其是考慮到當前的金融風暴對長期投資收益率的影響)，更高的期繳保費產品比例及其更高的盈利能力使太平人壽二零零八年之內涵價值及新業務價值顯著提高。令人注目的是儘管經調整的資產淨值下降，太平人壽的內涵價值(以港幣折算)由去年底之68.79億港元增加24.3%至85.48億港元。同樣地，本年度之新業務扣除資本成本及費用超支後之價值為8.65億港元，較去年之6.03億港元，顯著增長43.5%。這些太平人壽的最新精算數據於「太平人壽之內涵價值」一文內披露。

投資表現

太平人壽所持之投資組合如下：

於二零零八年十二月三十一日，百萬港元

	投資資產 (不含投資連結產品資產)		投資連結產品資產		總額
	百萬港元	佔總額百分比	百萬港元	佔總額百分比	
債務證券	44,945.96	77.0%	592.38	13.9%	45,538.34
直接股本證券	1,034.86	1.8%	67.18	1.6%	1,102.04
股本投資基金	2,418.22	4.1%	2,354.26	55.3%	4,772.48
現金及銀行存款	9,946.20	17.1%	1,244.09	29.2%	11,190.29
投資總額	58,345.24	100.0%	4,257.91	100.0%	62,603.15

於二零零七年十二月三十一日，百萬港元

	投資資產 (不含投資連結產品資產)		投資連結產品資產		總額
	百萬港元	佔總額百分比	百萬港元	佔總額百分比	
債務證券	25,461.94	63.7%	228.59	5.0%	25,690.53
直接股本證券	4,280.21	10.7%	1,553.37	34.3%	5,833.58
股本投資基金	2,926.16	7.3%	2,567.05	56.7%	5,493.21
現金及銀行存款	7,294.99	18.3%	181.16	4.0%	7,476.15
投資總額	39,963.30	100.0%	4,530.17	100.0%	44,493.47

於本年度內，由於中國投資市況陷入低迷，太平人壽對於其投資組合的資產分配十分審慎。在大幅減少股票投資的同時，亦增加債務證券及現金及銀行存款。於二零零八年十二月三十一日，債務證券、現金及銀行存款合共佔太平人壽的投資資產總額(不含投資連結產品資產)約94.1%(二零零七年：82.0%)。

MANAGEMENT REVIEW AND ANALYSIS

The classification of TPL's investments in securities under HTM, AFS, DTPL and LR was as follows:

At 31 December 2008, HK\$ million

	HTM	AFS	DTPL	LR	Total
Debt securities	19,222.47	23,634.69	617.43	2,063.75	45,538.34
Direct equity securities	—	1,034.86	67.18	—	1,102.04
Equity investment funds	—	2,360.72	2,411.76	—	4,772.48
	19,222.47	27,030.27	3,096.37	2,063.75	51,412.86

At 31 December 2007, HK\$ million

	HTM	AFS	DTPL	LR	Total
Debt securities	—	25,094.06	340.16	256.31	25,690.53
Direct equity securities	—	4,168.80	1,664.78	—	5,833.58
Equity investment funds	—	2,220.71	3,272.50	—	5,493.21
	—	31,483.57	5,277.44	256.31	37,017.32

The debt securities classified by type and class were as follows:

At 31 December, HK\$ million

	2008	2007
Central governments and central banks	19,204.89	13,529.67
Banks and other financial institutions	8,465.89	2,911.76
Corporate entities	17,867.56	9,249.10
	45,538.34	25,690.53

管理層回顧和分析

太平人壽歸類為持有至到期日、可供出售、指定為通過損益以反映公允價值及貸款及應收款項的證券投資如下：

於二零零八年十二月三十一日，百萬港元

	持有至到期日	可供出售	指定為通過 損益以反映 公允價值	貸款及 應收款項	總額
債務證券	19,222.47	23,634.69	617.43	2,063.75	45,538.34
直接股本證券	—	1,034.86	67.18	—	1,102.04
股本投資基金	—	2,360.72	2,411.76	—	4,772.48
	19,222.47	27,030.27	3,096.37	2,063.75	51,412.86

於二零零七年十二月三十一日，百萬港元

	持有至到期日	可供出售	指定為通過 損益以反映 公允價值	貸款及 應收款項	總額
債務證券	—	25,094.06	340.16	256.31	25,690.53
直接股本證券	—	4,168.80	1,664.78	—	5,833.58
股本投資基金	—	2,220.71	3,272.50	—	5,493.21
	—	31,483.57	5,277.44	256.31	37,017.32

債務證券按類別分類如下：

於十二月三十一日，百萬港元

	二零零八年	二零零七年
中央政府及中央銀行	19,204.89	13,529.67
銀行及其他金融機構	8,465.89	2,911.76
企業實體	17,867.56	9,249.10
	45,538.34	25,690.53

MANAGEMENT REVIEW AND ANALYSIS

The total investment income and the investment yield of TPL on a pre-tax basis recognized in the consolidated income statement were as follows:

For the year ended 31 December, HK\$ million

	2008	2007	Change
Net investment income	3,051.63	1,591.93	91.7%
Net realized investment (losses)/gains	(834.45)	3,758.60	—
Net unrealized investment (losses)/gains	(1,592.69)	452.18	—
Impairment on AFS equities	(94.11)	—	—
Total investment income	530.38	5,802.71	(90.9%)
Less: Investment (losses)/gains attributable to unit-linked products	(2,146.67)	553.12	—
Total investment income excluding unit-linked products income	2,677.05	5,249.59	(49.0%)
Total investment yield excluding unit-linked products income	5.3%	15.6%	(10.3 pts)

TPL's total investment income was a gain of HK\$2,677.05 million for the Year, a significant decline from the profit of HK\$5,249.59 million in the Last Year. Sharp declines in equities traded in the PRC was the primary factor behind TPL's large investment losses, both realized and unrealized, as well as the impairment on AFS equities. Although the recurrent income from bank deposits and fixed income securities increased significantly, it could not overcome the significant losses in equities, which resulted in the lower total investment yield for 2008. The above-mentioned investment income and investment yield figures do not include a net exchange loss of HK\$81.66 million (2007: HK\$86.61 million).

管理層回顧和分析

太平人壽確認在綜合損益表內之稅前投資收入總額及稅前投資收益率概述如下：

截至十二月三十一日止年度，百萬港元

	二零零八年	二零零七年	變化
投資收入淨額	3,051.63	1,591.93	91.7%
已實現投資(虧損)/收益淨額	(834.45)	3,758.60	—
未實現投資(虧損)/收益淨額	(1,592.69)	452.18	—
可供出售股本投資減值	(94.11)	—	—
投資收入總額	530.38	5,802.71	(90.9%)
減：屬於投資連結產品之 投資(虧損)/收益	(2,146.67)	553.12	—
不含投資連結產品之投資收益	2,677.05	5,249.59	(49.0%)
不含投資連結產品之總投資收益率	5.3%	15.6%	(10.3點)

本年度內，太平人壽錄得投資收入總額收益26.7705億港元，較去年溢利52.4959億港元大幅減少。中國買賣的股票價格急瀉是太平人壽錄得龐大投資虧損(已實現及未實現)及可供出售股本投資減值的主因。儘管來自銀行存款及固定收入證券的經常收入顯著增加，但仍未能抵銷股本投資的巨大虧損，導致二零零八年的總投資收益率下降。上述投資收入及投資收益率並不包括8,166萬港元匯兌虧損淨額(二零零七年：8,661萬港元)。

MANAGEMENT REVIEW AND ANALYSIS

The details of TPL's investment (loss)/income on a pre-tax basis was as follows:

For the year ended 31 December 2008, HK\$ million

	Recognized in the consolidated income statement					Sub total	Unrealized gains/(losses) recognized in the fair value reserve	Grand total
	Interest income/(expense)	Dividend income	Realized (losses)/gains	Unrealized gains/(losses)	Impairment			
Debt securities								
HTM	421.65	—	—	—	—	421.65	—	421.65
AFS	1,103.07	—	(29.08)	—	—	1,073.99	1,380.58	2,454.57
DTPL	8.49	—	277.10	0.49	—	286.08	—	286.08
LR	42.52	—	—	—	—	42.52	—	42.52
Direct equity securities								
AFS	—	23.51	815.69	—	(60.00)	779.20	(1,254.28)	(475.08)
DTPL	—	6.83	(709.34)	(317.02)	—	(1,019.53)	—	(1,019.53)
Equity investment funds								
AFS	—	339.75	(358.96)	—	(34.11)	(53.32)	(1,154.85)	(1,208.17)
DTPL	—	816.87	(829.86)	(1,276.16)	—	(1,289.15)	—	(1,289.15)
Cash and bank deposits	345.47	—	—	—	—	345.47	—	345.47
Securities sold under repurchase agreements	(79.28)	—	—	—	—	(79.28)	—	(79.28)
Others	22.75	—	—	—	—	22.75	—	22.75
	1,864.67	1,186.96	(834.45)	(1,592.69)	(94.11)	530.38	(1,028.55)	(498.17)

For the year ended 31 December 2007, HK\$ million

	Recognized in the consolidated income statement					Sub total	Unrealized (losses)/gains recognized in the fair value reserve	Grand total
	Interest income/(expense)	Dividend income	Realized (losses)/gains	Unrealized gains	Impairment			
Debt securities								
AFS	943.88	—	(0.54)	—	—	943.34	(2,386.70)	(1,443.36)
DTPL	3.40	—	97.84	55.66	—	156.90	—	156.90
LR	5.65	—	—	—	—	5.65	—	5.65
Direct equity securities								
AFS	—	11.93	1,879.75	—	—	1,891.68	1,414.31	3,305.99
DTPL	—	4.14	485.66	56.88	—	546.68	—	546.68
Equity investment funds								
AFS	—	256.30	710.94	—	—	967.24	451.17	1,418.41
DTPL	—	366.13	584.95	339.64	—	1,290.72	—	1,290.72
Cash and bank deposits	270.31	—	—	—	—	270.31	—	270.31
Securities sold under repurchase agreements	(285.33)	—	—	—	—	(285.33)	—	(285.33)
Others	15.52	—	—	—	—	15.52	—	15.52
	953.43	638.50	3,758.60	452.18	—	5,802.71	(521.22)	5,281.49

管理層回顧和分析

太平人壽稅前投資(虧損)/收入之詳細分析如下：

截至二零零八年十二月三十一日止年度，百萬港元

	利息收入/ (支出)	股息收入	於綜合損益表內確認			小計	於公允價值	總額
			已實現 (虧損)/ 收益	未實現 收益/ (虧損)	減值		儲備內確認 之未實現 收益/ (虧損)	
債務證券								
持有至到期日	421.65	—	—	—	—	421.65	—	421.65
可供出售	1,103.07	—	(29.08)	—	—	1,073.99	1,380.58	2,454.57
指定為通過損益以反映公允價值	8.49	—	277.10	0.49	—	286.08	—	286.08
貸款及應收款項	42.52	—	—	—	—	42.52	—	42.52
直接股本證券								
可供出售	—	23.51	815.69	—	(60.00)	779.20	(1,254.28)	(475.08)
指定為通過損益以反映公允價值	—	6.83	(709.34)	(317.02)	—	(1,019.53)	—	(1,019.53)
股本投資基金								
可供出售	—	339.75	(358.96)	—	(34.11)	(53.32)	(1,154.85)	(1,208.17)
指定為通過損益以反映公允價值	—	816.87	(829.86)	(1,276.16)	—	(1,289.15)	—	(1,289.15)
現金及銀行存款	345.47	—	—	—	—	345.47	—	345.47
賣出回購證券	(79.28)	—	—	—	—	(79.28)	—	(79.28)
其他	22.75	—	—	—	—	22.75	—	22.75
	1,864.67	1,186.96	(834.45)	(1,592.69)	(94.11)	530.38	(1,028.55)	(498.17)

截至二零零七年十二月三十一日止年度，百萬港元

	利息收入/ (支出)	股息收入	於綜合損益表內確認			小計	於公允價值	總額
			已實現 (虧損)/ 收益	未實現 收益	減值		儲備內確認 之未實現 (虧損)/ 收益	
債務證券								
可供出售	943.88	—	(0.54)	—	—	943.34	(2,386.70)	(1,443.36)
指定為通過損益以反映公允價值	3.40	—	97.84	55.66	—	156.90	—	156.90
貸款及應收款項	5.65	—	—	—	—	5.65	—	5.65
直接股本證券								
可供出售	—	11.93	1,879.75	—	—	1,891.68	1,414.31	3,305.99
指定為通過損益以反映公允價值	—	4.14	485.66	56.88	—	546.68	—	546.68
股本投資基金								
可供出售	—	256.30	710.94	—	—	967.24	451.17	1,418.41
指定為通過損益以反映公允價值	—	366.13	584.95	339.64	—	1,290.72	—	1,290.72
現金及銀行存款	270.31	—	—	—	—	270.31	—	270.31
賣出回購證券	(285.33)	—	—	—	—	(285.33)	—	(285.33)
其他	15.52	—	—	—	—	15.52	—	15.52
	953.43	638.50	3,758.60	452.18	—	5,802.71	(521.22)	5,281.49

MANAGEMENT REVIEW AND ANALYSIS

Net Policyholders' Benefits

The net policyholders' benefits of TPL are summarized as follows:

For the year ended 31 December, HK\$ million

	2008	2007	Change
Net claims	592.49	459.94	28.8%
Surrenders	3,472.70	3,452.95	0.6%
Annuity and maturity payments	102.87	83.00	23.9%
Policy dividends	120.51	71.04	69.6%
	4,288.57	4,066.93	5.5%

Net Commission Expenses

The net commission expenses of TPL were as follows:

For the year ended 31 December, HK\$ million

	2008	2007	Change
Net commission expenses	2,026.97	1,645.50	23.2%
Ratio of net commission expenses to gross premiums written	9.6%	10.1%	(0.5 pt)

Administrative and Other Expenses

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

For the year ended 31 December, HK\$ million

	2008	2007	Change
Staff costs	1,214.43	866.82	40.1%
Rental expenses	153.96	95.73	60.8%
Others	1,303.22	938.92	38.8%
	2,671.61	1,901.47	40.5%

Financial Strength and Solvency Margin

The solvency margin ratios of TPL under the CIRC regulations were as follows:

At 31 December, RMB million

	2008	2007
Actual Solvency Margin	4,740	3,501
Minimum Statutory Solvency Margin	2,175	1,625
Solvency Margin Ratio	218%	215%

管理層回顧和分析

保單持有人利益淨額

太平人壽之保單持有人利益淨額概述如下：

截至十二月三十一日止年度，百萬港元

	二零零八年	二零零七年	變化
賠償淨額	592.49	459.94	28.8%
退保額	3,472.70	3,452.95	0.6%
年金及到期付款	102.87	83.00	23.9%
保單分紅	120.51	71.04	69.6%
	4,288.57	4,066.93	5.5%

佣金支出淨額

太平人壽之佣金支出淨額如下：

截至十二月三十一日止年度，百萬港元

	二零零八年	二零零七年	變化
佣金支出淨額	2,026.97	1,645.50	23.2%
佣金支出淨額佔毛承保保費	9.6%	10.1%	(0.5點)

行政及其他費用

太平人壽之行政及其他費用概述如下：

截至十二月三十一日止年度，百萬港元

	二零零八年	二零零七年	變化
員工成本	1,214.43	866.82	40.1%
租賃開支	153.96	95.73	60.8%
其他	1,303.22	938.92	38.8%
	2,671.61	1,901.47	40.5%

財務實力及償付能力

太平人壽按中國保監會規定之償付能力充足率如下：

於十二月三十一日，百萬人民幣

	二零零八年	二零零七年
實際償付能力	4,740	3,501
最低法定償付能力	2,175	1,625
償付能力充足率	218%	215%

MANAGEMENT REVIEW AND ANALYSIS

PROPERTY AND CASUALTY INSURANCE BUSINESS

The Group's property and casualty insurance segment is operated by TPI, which is a PRC-incorporated company and is 50.05%-owned by the Group. (Previously, before 15 July 2008, TPI was an associate of CIH and was consolidated under the equity accounting method). It is principally engaged in the underwriting of motor, marine and non-marine insurance policies in Mainland China.

On 15 July 2008, the Company contributed additional capital of RMB265,460,000 into TPI. With this capital contribution, CIH's stake in TPI increased from 40.025% to 50.05%, allowing the Company to become the controlling shareholder of TPI. The financial results of TPI for the period from the date of acquisition to 31 December 2008 have been consolidated into the Group financial statements on a line-by-line basis for the year ended 31 December 2008. However, the following key financial data and ratios of TPI cover the full year of 2008. Readers and investors are advised to pay attention to these details when reading the consolidated financial statements.

For the year ended 31 December, HK\$ million

	2008	2007	Change
Gross premiums written	4,778.54	3,500.44	36.5%
Net premiums written	3,979.05	2,983.12	33.4%
Net earned premiums	3,660.00	2,361.69	55.0%
Net claims incurred	(2,276.66)	(1,381.79)	64.8%
Net commission expenses	(303.45)	(178.33)	70.2%
Total investment income	34.04	333.88	(89.8%)
Net exchange loss	(10.78)	(16.22)	(33.5%)
Administrative and other expenses	(1,663.43)	(1,201.65)	38.4%
Finance costs	(5.03)	—	—
Underwriting loss	(593.14)	(400.08)	48.3%
Loss before taxation	(574.89)	(92.19)	6.2 times
Loss after taxation	(622.99)	(145.68)	4.3 times
Loss attributable to the equity holders	(280.50)	(58.31)	4.8 times
— in form of associate	(113.25)	(58.31)	—
— in form of subsidiary	(167.25)	—	—
Technical reserves ratio	114.0%	100.9%	13.1 pts
Retained ratio	83.3%	85.2%	(1.9 pts)
Earned premiums ratio	76.6%	67.5%	9.1 pts
Loss ratio ¹	62.2%	58.5%	3.7 pts
Expense ratio ²	49.7%	46.2%	3.5 pts
Combined ratio ³	111.9	104.7	7.2 pts

¹ The loss ratio is based on net earned premiums.

² The expense ratio is based on net premiums written. The management believes that calculating the expense ratio based on net premiums written is a fairer indicator and better reflects the underwriting performance of TPI. If the net earned premiums basis is applied, then the expense ratio would be 54.0% for the Year (2007: 58.4%).

³ The combined ratio is the sum of the loss ratio and the expense ratio. If the expense ratio is based on net earned premiums, then the combined ratio would be 116.2 for the Year (2007: 116.9).

管理層回顧和分析

財產保險業務

本集團之財產保險業務由本集團擁有50.05%權益之中國註冊公司太平保險營運(過往於二零零八年七月十五日前，太平保險為中保國際的聯營公司，並以權益會計法綜合入賬)。其主要從事承保中國大陸之車險、水險及非水險業務。

於二零零八年七月十五日，本公司向太平保險注入額外資本人民幣2.6546億元。於是次注資後，中保國際於太平保險所持的股權由40.025%增加至50.05%，令本公司成為太平保險的控股股東。太平保險於收購日至二零零八年十二月三十一日期間的財務業績，已按分項總計方法綜合於本集團截至二零零八年十二月三十一日止年度的財務報表內。然而，以下為涵蓋二零零八年全年的太平保險重要財務數據及比率。務請讀者及投資者於閱覽綜合財務報表時注意此等細節。

截至十二月三十一日止年度，百萬港元

	二零零八年	二零零七年	變化
毛承保保費	4,778.54	3,500.44	36.5%
淨承保保費	3,979.05	2,983.12	33.4%
已賺取保費淨額	3,660.00	2,361.69	55.0%
賠款淨額	(2,276.66)	(1,381.79)	64.8%
佣金支出淨額	(303.45)	(178.33)	70.2%
投資收入總額	34.04	333.88	(89.8%)
匯兌虧損淨額	(10.78)	(16.22)	(33.5%)
行政及其他費用	(1,663.43)	(1,201.65)	38.4%
財務費用	(5.03)	—	—
承保虧損	(593.14)	(400.08)	48.3%
除稅前虧損	(574.89)	(92.19)	6.2倍
除稅後虧損	(622.99)	(145.68)	4.3倍
股東應佔虧損	(280.50)	(58.31)	4.8倍
— 以聯營公司形式	(113.25)	(58.31)	—
— 以附屬公司形式	(167.25)	—	—
技術性儲備比率	114.0%	100.9%	13.1點
自留比率	83.3%	85.2%	(1.9點)
已賺取保費率	76.6%	67.5%	9.1點
賠付率 ¹	62.2%	58.5%	3.7點
費用率 ²	49.7%	46.2%	3.5點
綜合成本率 ³	111.9	104.7	7.2點

¹ 賠付率按已賺取保費淨額為基準計算。

² 費用率按淨承保保費為基準計算。管理層相信，按淨承保保費為基準計算費用率為更公平的指標，並可更好地反映太平保險的承保表現。倘使用已賺取保費淨額基準，則本年度之費用率將為54.0% (二零零七年：58.4%)。

³ 綜合成本率為賠付率與費用率的總和。倘費用率按已賺取保費淨額為基準計算，則本年度之綜合成本率將為116.2 (二零零七年：116.9)。

MANAGEMENT REVIEW AND ANALYSIS

The key operational data of the property and casualty insurance business is summarized below:

	2008	2007	Change
Market share ¹	1.7%	1.6%	0.1 pt
Number of provincial branches	27	22	5
Number of sub-branches and marketing centres	455	280	175
Number of in-force policies	4,417,198	3,539,279	877,919
Number of individual agents	1,338	545	793
Number of direct sales representatives	3,661	2,459	1,202
Total investment yield ²	1.1%	16.8%	(15.7 pts)

¹ Based on gross premiums written in accordance with PRC GAAP and published by the CIRC.

² Excluding exchange gain/(loss) incurred from foreign currency capital assets.

Loss Attributable to the Equity Holders

The property and casualty insurance business incurred a net loss to the equity holders of HK\$280.50 million during the Year (2007: HK\$58.31 million). The increase in losses was mainly due to the significant increase in premiums, which resulted in higher acquisition costs accounted for in the Year, the current lack of scale of operations, higher claims expenses from natural disasters, and a significant decline in investment returns, primarily because of equity investment losses from shares traded in the PRC, during the Year.

Gross Premiums Written

TPI's gross premiums written increased by 36.5% to HK\$4,778.54 million from HK\$3,500.44 million in the Last Year. The detailed breakdown of TPI's gross premiums written was as follows:

For the year ended 31 December, HK\$ million

Business Line	2008	% of Total	2007	% of Total
Motor	3,761.13	78.7%	2,754.99	78.7%
Marine	199.80	4.2%	160.37	4.6%
Non-marine	817.61	17.1%	585.08	16.7%
	4,778.54	100.0%	3,500.44	100.0%

管理層回顧和分析

財產保險業務之主要經營數據概述如下：

	二零零八年	二零零七年	變化
市場份額 ¹	1.7%	1.6%	0.1點
省級分公司數目	27	22	5
支公司及市場推廣中心數目	455	280	175
有效之保單數目	4,417,198	3,539,279	877,919
個人銷售代理數目	1,338	545	793
直接銷售代表數目	3,661	2,459	1,202
總投資收益率 ²	1.1%	16.8%	(15.7點)

¹ 據中國公認會計準則按毛承保保費計算並由中國保監會刊發。

² 不包括外匯資本資產產生之匯兌收益／(虧損)。

股東應佔虧損

本年度內，財產保險業務使股東遭受淨虧損2.8050億港元(二零零七年：5,831萬港元)。虧損增加的主因是年度內保費大幅增加，令本年度計入之展業成本提高及目前仍缺乏經營規模、天災賠付增加，以及主要由於中國買賣的股票投資蒙受虧損大幅減少投資回報。

毛承保保費

太平保險之毛承保保費由去年之35.0044億港元上升36.5%至47.7854億港元。太平保險毛承保保費詳細分析如下：

截至十二月三十一日止年度，百萬港元

業務種類	二零零八年	佔總額百分比	二零零七年	佔總額百分比
車險	3,761.13	78.7%	2,754.99	78.7%
水險	199.80	4.2%	160.37	4.6%
非水險	817.61	17.1%	585.08	16.7%
	4,778.54	100.0%	3,500.44	100.0%

MANAGEMENT REVIEW AND ANALYSIS

Net Claims Incurred

TPI's net claims incurred increased by 64.8% to HK\$2,276.66 million from HK\$1,381.79 million in the Last Year. During the Year, the net retained losses arising from the snowstorm in the southern provinces of Mainland China during January and February and the earthquake in Sichuan Province of Mainland China on 12 May were HK\$68.60 million and HK\$26.34 million, respectively, adding approximately 2.6 points to the incurred loss and combined ratios. TPI's loss ratio increased slightly by approximately 1.1 percentage points in the Last Year if the snowstorm and earthquake claims are excluded.

Combined Ratio

TPI's expense ratio, calculated based on net premiums written, increased to 49.7% from 46.2% in the Last Year. The increase in expense ratio was due to TPI's continued lack of economies of scale which has resulted in relatively high operational expenses, as well as the increasing pressures on acquisition costs due to the continued severe and irrational competition in the PRC property and casualty insurance market. TPI's combined ratio of 111.9 during the Year is higher than the 104.7 in the Last Year and is not optimal. TPI's loss ratios, expense ratios and combined ratios over the past few years were as follows:

For the year ended 31 December

	2008	2007	2006
Loss ratio	62.2%	58.5%	56.6%
Expense ratio	49.7%	46.2%	44.6%
Combined ratio	111.9	104.7	101.2

Investment Performance

The composition of investments held by TPI was as follows:

At 31 December, HK\$ million

	2008	% of Total	2007	% of Total
Debt securities	2,105.07	51.6%	158.05	5.5%
Direct equity securities	10.29	0.3%	193.76	6.8%
Equity investment funds	351.17	8.6%	491.82	17.2%
Cash and bank deposits	1,612.70	39.5%	2,020.46	70.5%
Total invested assets	4,079.23	100.0%	2,864.09	100.0%

During the Year, because of the extraordinarily challenging investment market conditions in the PRC, TPI was very cautious in its asset allocation for its investment portfolio. Equity investments were significantly reduced, while debt securities and cash and bank deposits were increased to a combined total of approximately 91.1% of total invested assets as at 31 December 2008 (2007: 76.0%).

管理層回顧和分析

淨賠款總額

太平保險之淨賠款總額由去年之13.8179億港元上升64.8%至22.7666億港元。於本年度內，來自一、二月份中國大陸華南省份雪災及五月十二日中國大陸四川省地震之自留賠付淨額分別為6,860萬港元及2,634萬港元，令賠付及綜合成本率增加約2.6點。如不包含雪災及地震索賠，太平保險之賠付率則較去年輕微增加約1.1%。

綜合成本率

太平保險按淨承保保費為基準計算之費用率由去年的46.2%上升至49.7%。費用率上升，原因是太平保險的規模不足令營運費用相對較高，及中國財產保險市場持續的嚴峻和非理性競爭對展業成本構成壓力。本年度內，太平保險之綜合成本率為111.9，高於去年之104.7，表現未如人意。過去幾年，太平保險之賠付率、費用率及綜合成本率情況如下：

截至十二月三十一日止年度

	二零零八年	二零零七年	二零零六年
賠付率	62.2%	58.5%	56.6%
費用率	49.7%	46.2%	44.6%
綜合成本率	111.9	104.7	101.2

投資表現

太平保險所持之投資組合如下：

於十二月三十一日，百萬港元

	二零零八年	佔總額百分比	二零零七年	佔總額百分比
債務證券	2,105.07	51.6%	158.05	5.5%
直接股本證券	10.29	0.3%	193.76	6.8%
股本投資基金	351.17	8.6%	491.82	17.2%
現金及銀行存款	1,612.70	39.5%	2,020.46	70.5%
投資總額	4,079.23	100.0%	2,864.09	100.0%

於本年度內，由於全球投資市場陷入困境，太平保險對於其投資組合的資產分配十分審慎。除大幅減少股票投資外，亦增加債務證券及現金及銀行存款。於二零零八年十二月三十一日，債務證券、現金及銀行存款合共佔投資資產總額約91.1%（二零零七年：76.0%）。

MANAGEMENT REVIEW AND ANALYSIS

The classification of TPI's investments in securities under HTM, AFS, DTPL and LR was as follows:

At 31 December 2008, HK\$ million

	HTM	AFS	DTPL	LR	Total
Debt securities	426.48	1,576.53	—	102.06	2,105.07
Direct equity securities	—	10.29	—	—	10.29
Equity investment funds	—	351.17	—	—	351.17
	426.48	1,937.99	—	102.06	2,466.53

At 31 December 2007, HK\$ million

	HTM	AFS	DTPL	LR	Total
Debt securities	—	158.05	—	—	158.05
Direct equity securities	—	193.76	—	—	193.76
Equity investment funds	—	426.08	65.74	—	491.82
	—	777.89	65.74	—	843.63

The debt securities classified by type and class were as follows:

At 31 December, HK\$ million

	2008	2007
Central governments and central banks	1,128.55	—
Banks and other financial institutions	616.48	116.82
Corporate entities	360.04	41.23
	2,105.07	158.05

The total investment income and the investment yield of TPI's investments on a pre-tax basis recognized in the consolidated income statement were as follows:

For the year ended 31 December, HK\$ million

	2008	2007	Change
Net investment income	235.30	113.63	2.1 times
Net realized investment (losses)/gains	(156.29)	245.53	—
Net unrealized investment losses	—	(25.28)	—
Impairment on AFS equities	(44.97)	—	—
Total investment income	34.04	333.88	(89.8%)
Total investment yield	1.1%	16.8%	(15.7pts)

管理層回顧和分析

太平保險歸類為持有至到期日、可供出售、指定為通過損益以反映公允價值及貸款及應收款項的證券投資如下：

於二零零八年十二月三十一日，百萬港元

	持有至到期日	可供出售	指定為通過 損益以反映 公允價值	貸款及 應收款項	總額
債務證券	426.48	1,576.53	—	102.06	2,105.07
直接股本證券	—	10.29	—	—	10.29
股本投資基金	—	351.17	—	—	351.17
	426.48	1,937.99	—	102.06	2,466.53

於二零零七年十二月三十一日，百萬港元

	持有至到期日	可供出售	指定為通過 損益以反映 公允價值	貸款及 應收款項	總額
債務證券	—	158.05	—	—	158.05
直接股本證券	—	193.76	—	—	193.76
股本投資基金	—	426.08	65.74	—	491.82
	—	777.89	65.74	—	843.63

債務證券按類別分類如下：

於十二月三十一日，百萬港元

	二零零八年	二零零七年
中央政府及中央銀行	1,128.55	—
銀行及其他金融機構	616.48	116.82
企業實體	360.04	41.23
	2,105.07	158.05

太平保險確認在綜合損益表內之稅前投資收入總額及稅前投資收益率概述如下：

截至十二月三十一日止年度，百萬港元

	二零零八年	二零零七年	變化
投資收入淨額	235.30	113.63	2.1倍
已實現投資(虧損)/收益淨額	(156.29)	245.53	—
未實現投資虧損淨額	—	(25.28)	—
可供出售股本投資減值	(44.97)	—	—
投資收入總額	34.04	333.88	(89.8%)
總投資收益率	1.1%	16.8%	(15.7點)

MANAGEMENT REVIEW AND ANALYSIS

TPI's total investment income was HK\$34.04 million for the Year, a large decline from the profit of HK\$333.88 million in the Last Year. Sharp declines in equities traded in the PRC was the primary factor behind TPI's large investment losses, both realized and unrealized, as well as the impairment on AFS equities. Although the recurrent income from bank deposits and fixed income securities increased substantially, it could not offset the significant losses in equities, which resulted in the much lower total investment yield for 2008. The above-mentioned investment income and investment yield figures do not include a net exchange loss of HK\$10.78 million (2007: HK\$16.22 million).

The details of TPI's investment (loss)/income on a pre-tax basis were as follows:

For the year ended 31 December 2008, HK\$ million

	Recognized in the consolidated income statement					Sub total	Unrealized gains/(losses) recognized in the fair value reserve	Grand total
	Interest income/(expense)	Dividend income	Realized gains/(losses)	Unrealized (losses)/gains	Impairment			
Debt securities								
HTM	5.30	—	—	—	—	5.30	—	5.30
AFS	43.74	—	0.63	—	—	44.37	26.56	70.93
DTPL	—	—	—	—	—	—	—	—
LR	1.61	—	—	—	—	1.61	—	1.61
Direct equity securities								
AFS	—	0.70	10.89	—	—	11.59	(61.52)	(49.93)
Equity investment funds								
AFS	—	134.97	(168.18)	—	(44.97)	(78.18)	(129.59)	(207.77)
DTPL	—	0.02	0.37	—	—	0.39	—	0.39
Cash and bank deposits	49.04	—	—	—	—	49.04	—	49.04
Securities sold under repurchase agreements	(0.08)	—	—	—	—	(0.08)	—	(0.08)
	99.61	135.69	(156.29)	—	(44.97)	34.04	(164.55)	(130.51)

For the year ended 31 December 2007, HK\$ million

	Recognized in the consolidated income statement					Sub total	Unrealized (losses)/gains recognized in the fair value reserve	Grand total
	Interest income/(expense)	Dividend income	Realized (losses)/gains	Unrealized losses	Impairment			
Debt securities								
AFS	13.25	—	(18.42)	—	—	(5.17)	(19.64)	(24.81)
Direct equity securities								
AFS	—	0.09	64.37	—	—	64.46	96.92	161.38
DTPL	—	0.10	45.46	—	—	45.56	—	45.56
Equity investment funds								
AFS	—	42.88	35.34	—	—	78.22	58.04	136.26
DTPL	—	31.57	118.78	(25.28)	—	125.07	—	125.07
Cash and bank deposits	27.06	—	—	—	—	27.06	—	27.06
Securities sold under repurchase agreements	(1.32)	—	—	—	—	(1.32)	—	(1.32)
	38.99	74.64	245.53	(25.28)	—	333.88	135.32	469.20

管理層回顧和分析

本年內，太平保險錄得投資收入總額3,404萬港元，較去年溢利3.3388億港元大幅減少。中國買賣的股票價格急瀉是太平保險錄得龐大投資虧損(已實現及未實現)及可供出售股本投資減值的主因。儘管來自銀行存款及固定收入證券的經常收入顯著增加，但仍未能抵銷股票的巨大虧損，導致二零零八年的總投資收益率下降。上述投資收入及投資收益率並不包括1,078萬港元匯兌虧損淨額(二零零七年：1,622萬港元)。

太平保險稅前投資(虧損)／收入之詳細分析如下：

截至二零零八年十二月三十一日止年度，百萬港元

	於綜合損益表內確認					小計	於公允價值	總額
	利息收入／ (支出)	股息收入	已實現 收益／ (虧損)	未實現 收益	減值		儲備內確認 之未實現 收益／ (虧損)	
債務證券								
持有至到期日	5.30	—	—	—	—	5.30	—	5.30
可供出售	43.74	—	0.63	—	—	44.37	26.56	70.93
指定為通過損益以反映公允價值	—	—	—	—	—	—	—	—
貸款及應收款項	1.61	—	—	—	—	1.61	—	1.61
直接股本證券								
可供出售	—	0.70	10.89	—	—	11.59	(61.52)	(49.93)
股本投資基金								
可供出售	—	134.97	(168.18)	—	(44.97)	(78.18)	(129.59)	(207.77)
指定為通過損益以反映公允價值	—	0.02	0.37	—	—	0.39	—	0.39
現金及銀行存款	49.04	—	—	—	—	49.04	—	49.04
賣出回購證券	(0.08)	—	—	—	—	(0.08)	—	(0.08)
	99.61	135.69	(156.29)	—	(44.97)	34.04	(164.55)	(130.51)

截至二零零七年十二月三十一日止年度，百萬港元

	於綜合損益表內確認					小計	於公允價值	總額
	利息收入／ (支出)	股息收入	已實現 (虧損)／ 收益	未實現虧損	減值		儲備內確認 之未實現 (虧損)／ 收益	
債務證券								
可供出售	13.25	—	(18.42)	—	—	(5.17)	(19.64)	(24.81)
直接股本證券								
可供出售	—	0.09	64.37	—	—	64.46	96.92	161.38
指定為通過損益以反映公允價值	—	0.10	45.46	—	—	45.56	—	45.56
股本投資基金								
可供出售	—	42.88	35.34	—	—	78.22	58.04	136.26
指定為通過損益以反映公允價值	—	31.57	118.78	(25.28)	—	125.07	—	125.07
現金及銀行存款	27.06	—	—	—	—	27.06	—	27.06
賣出回購證券	(1.32)	—	—	—	—	(1.32)	—	(1.32)
	38.99	74.64	245.53	(25.28)	—	333.88	135.32	469.20

MANAGEMENT REVIEW AND ANALYSIS

Net Commission Expenses

The net commission expenses of TPI were as follows:

For the year ended 31 December, HK\$ million

	2008	2007	Change
Net commission expenses	303.45	178.33	70.2%
Ratio of net commission expenses to gross premiums written	6.4%	5.1%	1.3 pts

Administrative and Other Expenses

The administrative and other expenses of TPI are summarized as follows:

For the year ended 31 December, HK\$ million

	2008	2007	Change
Staff costs	658.03	265.68	2.5 times
Rental expenses	62.13	45.69	36.0%
Business tax and additional charges	265.55	205.45	29.3%
Others	677.72	684.83	(1.0%)
	1,663.43	1,201.65	38.4%

Financial Strength and Solvency Margin

The solvency margin ratios of TPI under the CIRC regulations were as follows:

At 31 December, RMB million

	2008	2007
Actual Solvency Margin	919	564
Minimum Statutory Solvency Margin	532	435
Solvency Margin Ratio	173%	130%

管理層回顧和分析

佣金支出淨額

太平保險之佣金支出淨額如下：

截至十二月三十一日止年度，百萬港元

	二零零八年	二零零七年	變化
佣金支出淨額	303.45	178.33	70.2%
佣金支出淨額佔毛承保保費	6.4%	5.1%	1.3點

行政及其他費用

太平保險之行政及其他費用概述如下：

截至十二月三十一日止年度，百萬港元

	二零零八年	二零零七年	變化
員工成本	658.03	265.68	2.5倍
租賃開支	62.13	45.69	36.0%
營業稅金及附加費用	265.55	205.45	29.3%
其他	677.72	684.83	(1.0%)
	1,663.43	1,201.65	38.4%

財務實力及償付能力

太平保險按中國保監會規定之償付能力充足率如下：

於十二月三十一日，百萬人民幣

	二零零八年	二零零七年
實際償付能力	919	564
最低法定償付能力	532	435
償付能力充足率	173%	130%

MANAGEMENT REVIEW AND ANALYSIS

OUTLOOK

Reinsurance Business – CIRE

The turmoil in the financial markets since the end of 2007 and continuing throughout 2008 to today has negatively impacted the financial strength of almost all financial institutions worldwide, including reinsurers. As a result, reinsurance capacity has decreased at a time when clients are becoming more cautious in choosing their reinsurance counterparties. Such an environment gives an advantage to more established reinsurers, such as CIRE, over the many start-up reinsurers which have begun operations in recent years. Clients are also now looking to spread their reinsurance placements over several reinsurers in order to reduce their concentration risks and dependence on specific reinsurers, having seen the rapid demise of previously well-established and prestigious international financial institutions. Such diversification needs among clients is also an advantage for CIRE, especially in markets in which it is not a large player.

Although CIRE has been affected by the financial turbulence (primarily equity investment losses), the reinsurance operations have emerged from the difficult times of 2008 in relatively healthy condition. CIRE produced an operating profit in 2008, continues to have a sound and liquid asset base, and has retained a deeply loyal and experienced management and professional team, all of whom have seen and gone through the peaks and troughs of various reinsurance market cycles. CIRE is thus well-positioned to take advantage of the opportunities that are now arising amidst the ongoing financial crisis.

For the January 2009 renewals of reinsurance contracts in many Asian countries, which traditionally account for more than half of the gross premiums written of CIRE, the pricing of the various markets have hardened by varying degrees, with property reinsurance contracts in Mainland China having the steepest corrections in terms and conditions, in favor of the reinsurers. In addition, thus far in 2009, the world has seen very unusual and extreme weather patterns in many countries, which have further reaffirmed concerns over global weather changes. Such ongoing and substantial changes in global weather will undoubtedly generate higher demand and higher pricing for catastrophe-related reinsurance.

In pursuing such opportunities, CIRE will continue focusing on its risk management policies and seek to further enhance its catastrophe and financial modeling capabilities. CIRE will also maintain its long established conservative underwriting policy in controlling its risks and exposures. Within its core markets in Asia, CIRE is optimistic about business growth and development prospects in the short-to medium-term. With the opening of the Beijing branch, CIRE's prospects and capabilities for serving the vast potential of the reinsurance market of Mainland China have improved substantially. With the economy likely to continue growing at relatively fast rates over the long term and with insurance still very much under-penetrated in the country, CIRE believes that Mainland China will be a key driver of its growth in the years to come.

The difficult year of 2008 has further concentrated the minds of CIRE's senior management and professionals on the importance of basic principles and the necessity for strict discipline in carefully and constantly evaluating reinsurance risks, insisting on risks commensurate with terms and conditions, and striving to provide the most efficient and world-class customer services to its clients. Given the continued uncertainty and volatility of global capital markets, the investment policies and investment portfolio will continue to be managed in a conservative and prudent fashion, with a special emphasis placed upon risk management and conservative asset allocation. With such old fashioned, but durable, values and principles, CIRE is highly confident of being able to continue delivering its promises to its clients and shareholders, and remains an admired Chinese reinsurer in the global markets.

展望

再保險業務 — 中再國際

金融市場風暴自二零零七年底掀起，席捲二零零八年至今，已令世界各地近乎所有金融機構(包括再保險公司)的財政實力遭受到嚴重影響。因此，客戶挑選再保險交易對手越趨審慎，再保險承保能力收縮。這環境為中再國際等歷史較悠久的分保公司締造較許多近年才開業的分保公司的優勢。見證多家以往聲譽顯赫且歷史悠久的國際金融機構突然倒閉，客戶現在亦傾向將其保額分散於多家分保公司，以降低集中的風險及對個別分保公司的倚賴程度。客戶分散投保的需求，亦為中再國際造成優勢，尤其在一些中再國際份額不大的市場。

縱使中再國際因金融市場動盪而受到影響(主要蒙受股本投資虧損)，但再保險業務自二零零八年的逆境中卻穩健發展。中再國際於二零零八年錄得經營溢利，資產素質良好，流動性高，並擁有一支忠心耿耿及資深的管理層及專業團隊，他們曾多次見證及經歷過再保險市場的高潮跌宕。因此，中再國際大有條件把握當前的金融風暴中所締造的機遇。

亞洲國家一向佔中再國際逾半毛承保保費。二零零九年一月份，當中不少國家的再保險合約續保，多個市場的定價有不同程度的上升，而中國大陸的財產再保險合約的條款與條件大幅修改，均有利分保公司。此外，二零零九年至今，世界各地出現非常罕見的極端氣候狀況，進一步重新肯定全球氣候變化的問題。全球氣候持續出現劇變，無疑會提高與天災相關的再保險需求與定價。

為了把握該等機遇，中再國際將繼續致力實施其風險管理政策，以及務求進一步提升其承保巨災風險及財務數據分析的能力。中再國際亦會維持其行之有效的穩健承保政策，藉以控制其風險。中再國際對亞洲區核心市場的中短期業務增長及發展前景抱樂觀態度。自開設北京分公司後，中再國際在潛力龐大的中國大陸再保險市場的發展前景及承保能力已顯著增強。由於中國經濟很可能保持較快速的長期增長，而且保險業務在國內的滲透率仍偏低，故中再國際相信，中國大陸將成為其未來幾年的主要增長動力。

二零零八年的逆境已令中再國際的高級管理層及專業人員深諳堅守基本原則及定期謹慎評估再保險風險的必要性、維持風險與條款及條件相稱，以及向客戶提供最高效及國際級客戶服務的重要性。鑒於環球資本市場走勢持續不明朗及波動，我們將繼續以審慎穩健的態度制定投資政策及管理投資組合，更特別重視風險管理及採取穩健的資產配置措施。秉承著傳統而恆久的價值觀及原則，中再國際相當有信心能夠持續為其客戶及股東兌現承諾，並保持其於環球市場備受尊崇的中資再保險公司的地位。

MANAGEMENT REVIEW AND ANALYSIS

Life Insurance Business – TPL

The senior management and professionals of TPL are cautiously optimistic for the prospects of the PRC life insurance industry in 2009. Although the current global economic slowdown has also impacted the PRC, it is expected that China's economy will be resilient and still manage to produce relatively attractive economic expansion during the coming year. With life insurance penetration still at very low levels, the prospects for the PRC life insurance market remain very bright over the long term.

In 2009, TPL has launched a major initiative to further reinforce and strengthen its prioritization of regular premium sales. TPL intends to grow its regular premium sales at both its individual agency and bancassurance distribution channels at rates which are much higher than industry averages. Sales and management professionals at all levels of management will be evaluated and assessed based on regular premium sales production, which will be heavily weighted in the overall evaluation. Overall, TPL is highly confident that its strategic prioritization of regular premium sales in the years to come is the best next step for the life insurance operations, and is the most optimal and prudent strategy to take under any macroeconomic condition or scenario in the PRC now and in the future.

TPL will also continue to focus heavily on maintaining effective cost controls throughout its organization. While building scale and further expanding its network infrastructure throughout China will be pursued (25 new sub-branches and 100 marketing centres are planned to be opened in 2009), effective expense management will continue to be focused upon. Given the continued uncertainty and volatility of global capital markets, the investment policies and investment portfolio will continue to be managed in a conservative and prudent fashion, with a special emphasis placed upon risk management and conservative asset allocation.

Property and Casualty Insurance Business – TPI

In the near term, the fundamentals and competitive conditions of the PRC property and casualty insurance industry remain challenging. Following a disappointing year of operational performance, the senior management and professionals of TPI have placed the utmost priority on loss and expense controls. Although TPI will likely again produce operational losses in 2009, its rigid and strict focus on reigning in losses and expenses, in combination with a carefully planned and coordinated expansion of premium growth, should allow TPI to eventually achieve the economies of scale necessary for sustainable profitability. TPI hopes to be able to consistently achieve combined ratios of below 100 sometime within the next 3 to 5 years.

In 2009, TPI will launch a new initiative for centralized underwriting for all of its retail, motor insurance business and will also introduce a more sophisticated and refined control system on fixed and variable costs. Previously, underwriting for motor insurance was conducted at the branch level. Now, such underwriting must take place at TPI's central headquarters in Shenzhen, with policy issuance conducted at the branch level. Although such a structure and change of cost controls may result in lower premiums being written in the short term, TPI firmly believes that the benefits from centralized underwriting are significant, particularly in further professionalising TPI's underwriting capabilities and best allowing the property and casualty insurance business to achieve higher risk quality, more efficient loss control, and better branch utilization.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's cash and bank deposits as at 31 December 2008 amounted to HK\$15,620.70 million (2007: HK\$10,520.27 million). There was no bank borrowing during the Year except for certain temporary bank overdrafts for insignificant amounts. The interest-bearing notes as at 31 December 2008 amounted to HK\$5,376.03 million (2007: HK\$2,960.38 million). The gearing ratio, which represents interest-bearing notes issued divided by the total assets of the Group, was 6.7% as at 31 December 2008 (2007: 5.3%).

CAPITAL STRUCTURE

During the Year, the Company issued 6,449,000 new shares (2007: 9,021,000 shares) for cash under the Company's employee share option scheme. Net proceeds received for the shares issued for cash in aggregate amounted to HK\$15.41 million (2007: HK\$22.35 million).

管理層回顧和分析

人壽保險業務 - 太平人壽

太平人壽的高級管理層及專業人員對中國人壽保險業於二零零九年的前景持審慎樂觀態度。雖然全球經濟倒退現狀已對中國造成影響，但預期來年中國經濟將會持續發展，仍能締造較具吸引力之經濟擴張局面。鑒於人壽保險滲透率依然偏低，故長遠來說，中國人壽保險市場的前景仍然一片光明。

二零零九年，太平人壽推行重點措施，進一步加強及鞏固期繳保費的銷售。太平人壽希望其個人代理渠道及銀行保險渠道的期繳保費銷售能夠取得遠高於行業平均水平的增長。對各級管理層的專業銷售及管理人員將會以期繳保費銷售產品為其表現評價，而期繳保費銷售產品將佔整個評估相當高的比重。整體上，太平人壽很有信心，在未來數年將策略重點投放在期繳保費產品銷售，是目前及日後中國任何宏觀經濟狀況或情況下採取的最適當及審慎的策略。

太平人壽亦將繼續專注整個機構的成本控制。在全中國擴展規模及加強發展其銷售網絡（計劃於二零零九年開設25家新的支公司及100家市場推廣中心）的同時，還會繼續集中執行有效的費用管控。鑒於環球資本市場走勢持續不明朗及波動，我們將繼續以穩健審慎的態度制定投資政策及管理投資組合，更特別重視風險管理及採取穩健的資產配置措施。

財產保險業務 - 太平保險

中國財產保險業短期內的基本面及競爭環境仍充滿挑戰。回顧去年經營業績強差人意，太平保險的高級管理層及專業人員已經把控制賠付及費用列為優先處理事項。雖然太平保險於二零零九年將可能再度錄得經營虧損，但憑藉嚴格及嚴緊的賠付及費用控制措施，配合謹慎籌劃和周密安排的保費增長策略，應可令太平保險達至具備可持續盈利能力所必需的規模經濟。太平保險期望於未來三至五年達至綜合成本率可持續低於100的必要規模。

於二零零九年，太平保險將就其所有零售及汽車保險業務推行全新的中央承保制度及引進更精密及精確的固定及可變成本控制系統。汽車保險以往由分公司負責承保，現在則須在太平保險的深圳總部監控承保，由分公司負責發出保單。雖然此架構及成本控制變化或會導致承保保費於短期內減少，但太平保險深信，中央承保制度效益顯著，尤其能將太平保險的承保能力進一步專業化，為財產保險業務達致提高業務風險質量，更高效率的賠付管理及提高分公司的效率。

流動資金及財務資源

於二零零八年十二月三十一日，本集團的現金及銀行存款為156.2070億港元（二零零七年：105.2027億港元）。除若干小額臨時銀行透支外，本年度內並無任何銀行借貸。二零零八年十二月三十一日須付息票據總額為53.7603億港元（二零零七年：29.6038億港元）。二零零八年十二月三十一日已發行須付息票據除以本集團總資產所得出的槓桿比率為6.7%（二零零七年：5.3%）。

資本結構

本年度根據本公司僱員認股權計劃，本公司以現金為代價發行6,449,000股新股（二零零七年：9,021,000股）。發行新股換取現金的總代價淨額為1,541萬港元（二零零七年：2,235萬港元）。

MANAGEMENT REVIEW AND ANALYSIS

STAFF AND STAFF REMUNERATION

As at 31 December 2008, the Group had a total of 24,048 employees (2007: 9,925 employees), an increase of 14,123 employees. Total remuneration for the Year amounted to HK\$1,799.14 million (2007: HK\$1,130.63 million), an increase of 59.1%. Bonuses are linked to both the performance of the Group and the performance of the individual.

MAJOR EVENT DURING THE YEAR

On 20 March 2008, TPL entered into a Joint Bidding Agreement with TPI, CIHC and The Ming An Insurance Company (China) Limited (“Ming An China”) in relation to the purchase of a piece of land in Shenzhen and development of a commercial office building. The amount to be invested by TPL was agreed to be RMB289,000,000.

On 30 June 2008, CIIH entered into the conditional capital contribution agreement with CIHC, ICBC (Asia) and TPI pursuant to which CIHC and the Company agreed to contribute, in cash, in aggregate an amount of RMB270,000,000 as additional registered capital into TPI. Of the aggregate amount, RMB4,540,000 was to be contributed by CIHC and RMB265,460,000 was to be contributed by CIIH. ICBC (Asia) decided to not participate in the capital contribution. TPI is an associated company of the Company, in which CIIH holds a 40.025% equity interest prior to the capital contribution. Upon completion, each of CIHC, the Company and ICBC (Asia) was directly interested in 42.020%, 50.050% and 7.930%, respectively, of the equity interests in TPI. On 30 June 2008, CIHC, CIIH and ICBC (Asia) also entered into the conditional option deed pursuant to which CIHC agreed to grant the right to ICBC (Asia) at nil consideration to, conditional upon completion, acquire from CIHC the equity interest of approximately 1.647% in TPI as enlarged by the capital contribution for a consideration of RMB25,858,900 within six months from the date of the option deed, or such later date as the parties may extend pursuant to the terms of the option deed. The option will be exercisable at the option of ICBC (Asia), and if exercised by ICBC (Asia), will have to be exercised in full. The Company has waived its right to purchase the option interest if the option is exercised by ICBC (Asia). The capital contribution agreement and the option deed were approved by the Independent Shareholders of CIIH at an extraordinary general meeting of the Company held on 15 July 2008.

On 5 November 2008, TPI and TPL entered into a supplemental agreement in relation to the purchase of land and the development of the property in Shenzhen with CIHC and Ming An China to amend the total investment amount from the parties as set out in the joint bidding agreement dated 20 March 2008. According to the joint bidding agreement, the percentages of the total investment amount for the transaction required from each of TPI, CIHC, TPL and Ming An China were 15%, 55%, 15% and 15%, respectively. Under the supplemental agreement, the percentages of the total investment amount for the transaction required from each of TPI, CIHC, TPL and Ming An China was amended to be 15%, 5%, 65% and 15%, respectively. TPI and TPL are expected to invest a total of approximately RMB289,000,000 and RMB1,251,000,000, respectively, for the transaction under the supplemental agreement. The purchase of the land was completed in April 2008 and the construction of the property is expected to commence in early 2009 and will last for a period of three years with a tentative completion date set to be in the second half of 2011. The joint bidding agreement and supplemental agreement were approved by the independent shareholders of CIIH at an extraordinary general meeting of the Company held on 9 December 2008.

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 2006. The directors consider that the Group has a strong legal base to support its tax position. As such, no provision for a potential tax exposure of approximately HK\$31,600,000 (2007: HK\$31,600,000) was made at 31 December 2008.

Save as herein disclosed and other than those incurred in the normal course of the Group's insurance businesses, there were no outstanding litigation nor any other contingent liabilities as at 31 December 2008.

管理層回顧和分析

員工及員工酬金

於二零零八年十二月三十一日，本集團的僱員總人數達24,048人(二零零七年：9,925人)，增加14,123人。本年度總酬金為17.9914億港元(二零零七年：11.3063億港元)，增加59.1%。花紅與本集團的業績及員工的個人表現掛鉤。

本年度重要事項

於二零零八年三月二十日，太平人壽與太平保險、中保控股及民安保險(中國)有限公司就購買一幅位於深圳之土地及興建商業樓宇而訂立聯合競投協議。太平人壽將合共投資人民幣289,000,000元。

於二零零八年六月三十日，本公司與中保控股、工銀(亞洲)及太平保險已訂立有條件增資協議，據此，中保控股及本公司將向太平保險增資現金合共人民幣270,000,000元，作為額外註冊資本。在該筆總額中，中保控股將增資人民幣4,540,000元，本公司則將增資人民幣265,460,000元。工銀(亞洲)已決定不參與增資。太平保險為本公司聯繫公司，本公司於增資前持有其40.025%股權。於完成時，中保控股、本公司及工銀(亞洲)各自將分別直接擁有太平保險之42.020%、50.050%及7.930%股權之權益。二零零八年六月三十日，中保控股、本公司與工銀(亞洲)亦已訂立有條件期權契據，據此，中保控股同意按無償代價授權予工銀(亞洲)，藉以待完成後，於期權契據日期起計六個月內或各訂約方根據期權契據條款可能延後之較後日期，向中保控股收購太平保險經增資擴大後約1.647%之股權，代價為人民幣25,858,900元。期權將可由工銀(亞洲)選擇行使，而一經工銀(亞洲)行使，則須全數行使。本公司已放棄其於工銀(亞洲)行使期權時購買期權權益之權利。增資協議及期權契據已於二零零八年七月十五日舉行之股東特別大會上，獲得獨立股東批准。

於二零零八年十一月五日，太平保險及太平人壽與中保控股及民安保險(中國)有限公司(「民安中國」)訂定有關於深圳購買土地及興建物業聯合競投協議之補充協議，籍以修改於二零零八年三月二十日訂定的聯合競投協議各訂約方之投資金額。根據聯合競投協議，太平保險、中保控股、太平人壽及民安中國訂約各方各自須就交易事項支付之投資總額百分比分別為15%，55%，15%及15%。根據補充協議，修改後的太平保險、中保控股、太平人壽及民安中國訂約各方各自須就交易事項支付之投資總額百分比分別為15%，5%，65%及15%。根據補充協議，太平保險及太平人壽預期將就交易事項分別投資人民幣289,000,000元及人民幣1,251,000,000元。於二零零八年四月完成了土地購買，而該物業預期在二零零九年初開始施工，須時三年並預期於二零一一年下半年完成。聯合競投協議及補充協議已於二零零八年十二月九日舉行之股東特別大會上，獲得獨立股東批准。

或然負債

本集團收到香港稅務局的詢問，質疑個別離岸投資收入於一九九九年至二零零六年評稅年度內的應課稅務責任。董事認為本集團稅務觀點擁有堅實的法律基礎支持，因此，於二零零八年十二月三十一日本集團毋需就約31,600,000港元(二零零七年：31,600,000港元)的潛在稅務責任計提準備。

除本報告所披露及在本集團日常保險業務中產生的訴訟外，於二零零八年十二月三十一日，本集團概無任何未決訴訟或或然負債。

EMBEDDED VALUE OF TPL

1. BACKGROUND

The Group consists of three major business segments, which are the reinsurance business, life insurance business and property and casualty business. In particular, the life insurance segment operated by TPL, a 50.05%-owned subsidiary, has become an increasingly significant part of the Group in terms of gross premiums written, total assets and profitability. In order to provide investors with additional parameters to evaluate the profitability and valuation of TPL, the Group has decided to disclose the Embedded Value and New Business Value of TPL. The Embedded Value consists of the shareholders' adjusted net worth plus the present value of future expected cash flows to shareholders from the in-force business, less the cost of holding regulatory solvency capital to support the in-force business. The New Business Value represents an actuarially determined estimate of the economic value arising from the new life insurance business issued during the past one year.

2. BASIS OF PREPARATION

The Group has appointed PricewaterhouseCoopers ("PwC"), an international firm of consulting actuaries, to examine whether the methodology and assumptions used by TPL in the preparation of the embedded value and the new business value as at 31 December 2008 are consistent with standards generally adopted by insurance companies in the PRC. In the opinion of the management, PwC has not identified material inconsistencies between the methodology and assumptions used by TPL and those under the standards generally adopted by insurance companies in the PRC.

3. CAUTIONARY STATEMENT

The calculations of embedded value and the new business value are based on certain assumptions with respect to future experience and thus the actual results could differ significantly from what is envisioned when these calculations are made. From an investor's perspective, the valuation of the Company is measured by the stock market price of the Company's shares on any particular day. In valuing the Company's shares, investors should take into account not only the embedded value and the new business value, but also various other considerations. In addition, TPL is 50.05%-owned by the Company. The embedded value and the new business value as at 31 December 2008 as disclosed below should therefore not be applied 100% in valuing the Company. Investors are advised to pay particular attention to this factor, as well as the other assumptions underlying the calculations of the embedded value and new business value of TPL, if they believe such calculations are important and material to the valuation of the Company.

太平人壽之內涵價值

1. 背景

本集團由三項主要業務分部組成：再保險業務、人壽保險業務及財產保險業務。具體而言，太平人壽(本公司持有50.05%股權之附屬公司)運作之人壽保險分部就其毛承保保費額、總資產及盈利能力而言已成為本集團日益重要之部份。為向投資者提供額外指標以評估太平人壽之盈利能力及估值，本集團已議決披露太平人壽之內涵價值及新業務價值。內涵價值包括經調整股東資產淨值及未來有效業務可為股東創造之預期現金流之現值，扣減為支持有效業務而按照監管要求持有償付資本之成本。新業務價值乃指以精算方法評估的在過去一年售出的人壽保險新業務所產生的經濟價值。

2. 編製基準

本集團已委聘國際諮詢精算師普華永道(「普華永道」)，審查太平人壽編製於二零零八年十二月三十一日內涵價值及新業務價值時所採用之方法及假設與中國的保險公司一般採納的準則是否一致。按管理層的意見，普華永道並無發現太平人壽運用的方法及假設與中國的保險公司一般採納的準則有重大的差異。

3. 提示聲明

計算內涵價值及新業務價值乃基於有關未來經驗之若干假設，故此實際結果可能與作出該等計算時之預測有重大差異。從投資者角度看，本公司之估值乃按照本公司股份於某個別日子之股市價格計量。於評估本公司股份時，投資者不僅要慮及內涵價值及新業務價值，而且亦應考慮到其他多項因素。此外，本公司擁有太平人壽之50.05%股權。因此，不應把下列所披露之於二零零八年十二月三十一日之內涵價值及新業務價值全數作為本公司的估值。倘若彼等認為該等因素重要，及對本公司之估值關係重大。投資者務須特別留意該因素，及其他支持計算太平人壽內涵價值及新業務價值計算之因素。

EMBEDDED VALUE OF TPL

4. EMBEDDED VALUE

At 31 December, HK\$ million

		2008	2007
Adjusted net worth	a	3,083	3,368
Value of inforce business before cost of capital and expense overrun	b	7,069	4,593
Cost of capital	c	1,201	640
Expense overrun	d	403	442
Value of inforce business after cost of capital and expense overrun	e=b-c-d	5,465	3,511
Embedded Value	f=a+e	8,548	6,879

Adjusted net worth is the audited shareholders' net assets of TPL as measured on a PRC statutory basis.

5. NEW BUSINESS VALUE

At 31 December, HK\$ million

		2008	2007
New business value before cost of capital and expense overrun	a	2,099	1,445
Cost of capital	b	398	225
Expense overrun	c	836	617
New business value after cost of capital and expense overrun	d=a-b-c	865	603

TPL's expense overrun is due to its significant investments in establishing a branch network infrastructure, initiating relationships with business partners, establishing computer systems and hiring a highly professional management team. As such expense overrun is due to the start-up costs of beginning and expanding upon TPL's business operations, the management of the Group and TPL believe that the expense overrun will diminish over time as TPL's scale of operations increases in the future.

太平人壽之內涵價值

4. 內涵價值

於十二月三十一日，百萬港元

		二零零八年	二零零七年
經調整資產淨值	a	3,083	3,368
有效業務扣除資本成本及 費用超支前之價值	b	7,069	4,593
資本成本	c	1,201	640
費用超支	d	403	442
有效業務扣除資本成本及 費用超支後之價值	e=b-c-d	5,465	3,511
內涵價值	f=a+e	8,548	6,879

經調整資產淨值是太平人壽按中國法定基準計量之審計後股東資產淨值。

5. 新業務之價值

於十二月三十一日，百萬港元

		二零零八年	二零零七年
新業務扣除資本成本及 費用超支前之價值	a	2,099	1,445
資本成本	b	398	225
費用超支	c	836	617
新業務扣除資本成本及 費用超支後之價值	d=a-b-c	865	603

太平人壽之費用超支乃由於對建設分支網絡基礎設施、與業務夥伴建立關係、添置電腦系統及聘請高度專業之管理團隊作出重大投資所致。鑒於該等費用超支乃由於太平人壽業務運作起初之開辦費用及擴張所致，本集團及太平人壽之管理層認為，有關費用超支將隨著太平人壽經營規模於日後逐步擴大而下降。

EMBEDDED VALUE OF TPL

6. MOVEMENT ANALYSIS OF EMBEDDED VALUE

The following analysis shows the movement of the Embedded Value (after expense overrun) from 1 January 2008 to 31 December 2008.

HK\$ million

	<i>Notes</i>	
Embedded Value as at 1 January 2008		6,879
New business value	<i>a</i>	865
Expected return on Embedded Value	<i>b</i>	635
Assumption and modeling changes	<i>c</i>	(200)
Investment return variance	<i>d</i>	(442)
Expense variance	<i>e</i>	(59)
Income tax variance	<i>f</i>	318
Other experience variance	<i>g</i>	123
Exchange gain	<i>h</i>	429
		<hr/>
Embedded Value as at 31 December 2008		<u>8,548</u>

Notes:

- (a) New business contribution from sales of new business in 2008.*
- (b) Return on value of in-force business plus expected interest on adjusted net assets.*
- (c) Changes from model improvements and assumption changes having impact on the future distributable earnings of the in-force business.*
- (d) Difference between the actual investment return and expected investment return in 2008.*
- (e) Difference between the actual and expected expense in 2008.*
- (f) Difference between the actual and expected income tax in 2008.*
- (g) Difference between actual experience and expected experience mainly including mortality, morbidity, lapse, business tax and policyholder dividends.*
- (h) Exchange gain arising from appreciation of RMB.*

7. KEY ASSUMPTIONS

TPL has adopted the best estimate approach in setting the assumptions used in the calculation of its embedded value and new business value. The assumptions have been based on the actual experience of TPL and certain benchmarks set by referencing general PRC economic conditions and the experience of other life insurance companies.

太平人壽之內涵價值

6. 內涵價值之動態分析

以下分析反映自二零零八年一月一日至二零零八年十二月三十一日期間內涵價值(費用超支後)之動態變化。

百萬港元

	附註	
於二零零八年一月一日之內涵價值		6,879
新業務之價值	a	865
內涵價值預期回報	b	635
假設及模型變化	c	(200)
投資回報差異	d	(442)
費用差異	e	(59)
稅項差異	f	318
其他經驗差異	g	123
匯率收益	h	429
		<hr/>
於二零零八年十二月三十一日之內涵價值		8,548

附註：

- (a) 二零零八年新業務銷售之貢獻。
- (b) 有效業務回報加調整後淨資產預期利益。
- (c) 此項包括模型改進及假設改變所引起的變化，對未來有效業務之可分配收入將有所影響。
- (d) 此乃二零零八年實際投資回報與預期投資回報之間的差額。
- (e) 此乃二零零八年實際費用與預期費用之間的差額。
- (f) 此乃二零零八年實際稅項與預期稅項之間的差額。
- (g) 此乃二零零八年實際經驗與預期經驗之間的差額，主要包括死亡率、發病率、退保、營業稅及保單分紅。
- (h) 人民幣升值所產生的匯率收益。

7. 主要假設

太平人壽在設定計算內涵價值及新業務價值之假設時乃採納最佳估計方法。有關假設乃基於太平人壽之實際經驗，及參照中國之整體經濟狀況及其他壽險公司之經驗而設定之若干基準。

EMBEDDED VALUE OF TPL

7.1 Risk discount rate

The risk discount rate represents the long-term, post-tax cost of capital of the investor for whom the valuation is made, together with an allowance for risk, taking into account factors such as the political and economic environment in the PRC.

As calculated, the discount rate is equal to the risk-free rate plus a risk premium. The risk free rate is based on the PRC ten-year government bond and the risk premium reflects the risk associated with future cash flows, including all of the risks which have not been considered in the valuation.

The risk discount rate currently applied by TPL is 11.5% for all in force and new business.

7.2 Investment return

Future investment returns have been calculated as the weighted average of the investment returns on existing assets and new assets assuming an investment return of 4.2% (2007: 5.0%) on new assets from fixed income securities. The investment returns on existing assets have been determined by the projected investment income in future years divided by the projected value of the assets. The calculation of projected investment income and the value of assets are based on yield to maturity, term to maturity and the book value of the assets.

The investment returns have been assumed to be 4.0% in 2009 (2007: assumed to be 4.57% in 2008), increasing to 4.5% in 2020 and thereafter (2007: 5.0% in 2026 and thereafter).

7.3 Expenses

Expenses have been projected based on benchmark assumptions. The expense overrun is derived from TPL's recent experience studies, and is applied to both the value of inforce business and new business value.

7.4 Tax

The tax rate is assumed to be 25% according to the tax regulations in the PRC.

7.5 Mortality

The experience mortality rates have been based on 70% of the China Life (2000-2003) table for non-annuities, with a three-year selection period. For annuitants, 80% and 70% of the China Life Annuity (2000-2003) table for males and females, respectively, have been assumed.

7.6 Morbidity

The experience morbidity assumptions have been based on the Group's own pricing tables. The loss ratios for short term accident and health insurance business have been assumed to be in the range of 21% to 75%.

太平人壽之內涵價值

7.1 風險貼現率

風險貼現率乃指接受估值之投資者之稅後長期資本成本，同時慮及中國有關政治經濟環境等因素對風險作出調整。

計算時，貼現率乃按無風險利率加風險溢價計算。無風險利率乃基於中國十年政府債券，而風險溢價反映與未來現金流有關之風險，包括所有在估值時未有慮及之風險。

太平人壽現時就其所有有效業務及新業務所採納之風險貼現率均為11.5%。

7.2 投資回報

未來投資回報乃按現有資產及新貨幣之加權平均投資回報計算，假設新固定收入證券資產之投資回報為4.2%（二零零七年：5.0%）。現有資產之投資回報乃按未來年度之預期投資收益除以有關資產之預期價值計算。預期投資收益及資產價值乃基於滿期收益率、發行期限及資產之賬面值計算。

投資回報假設於二零零九年為4.0%（二零零七年：假設於二零零八年為4.57%），於二零二零年及以後年度提高至4.5%（二零零七年：於二零二六年及以後年度為5.0%）。

7.3 費用

費用乃根據基準假設而預計。費用超支乃根據太平人壽近期之經驗考察得出，並應用於有效業務價值及新業務價值。

7.4 稅項

根據中國訂定之稅務規例，稅率為25%。

7.5 死亡率

經驗死亡率乃按中國人壽非年金表（2000-2003），加三年選擇期之70%比率為基準計算。就一年年金產品而言，按中國人壽非年金表（2000-2003）的男性及女性的比率分別為80%及70%為基準計算。

7.6 發病率

發病率根據本集團本身的定價表假設計算。短期意外及健康險業務的賠付率乃假設以21%到75%之間的比率計算。

EMBEDDED VALUE OF TPL

7.7 Lapses

The lapse assumptions have been based on TPL's actuarial pricing assumptions and adjusted to reflect the results of its recent experience studies.

7.8 Required capital

The required capital has been based on 120% of minimum solvency margin (2007: 100%).

8. SENSITIVITY TESTING

The sensitivity testing in respect of the following key assumptions are summarized below:

At 31 December 2008, HK\$ million

Assumptions	Value of inforce business after cost of capital and expense overrun	New business value after cost of capital and expense overrun
Base scenario	5,465	865
Risk discount rate of 10.5%	5,964	1,050
Risk discount rate of 12.5%	5,032	705
Investment return increased by 25bp every year	6,037	1,034
Investment return decreased by 25bp every year	4,978	697
10% increase in maintenance expenses	5,265	794
10% decrease in maintenance expenses	5,664	938
10% increase in mortality and morbidity rates and claims ratio	5,388	846
10% decrease in mortality and morbidity rates and claims ratio	5,542	887
10% increase in lapse rates	5,426	843
10% decrease in lapse rates	5,502	889
Policyholder dividend increased to 80%	5,136	736
Lapse rates for Universal Life increased to 50% at the end of the 10th policy year	5,335	866
Required capital at 100% of solvency margin	5,716	948
Required capital at 150% of solvency margin	5,036	730

太平人壽之內涵價值

7.7 退保

退保假設乃基於太平人壽之實際定價假設，並作出調整，以反映其最近之經驗考察結果。

7.8 資本要求

資本要求是按最低償付能力的120%計算(二零零七年：100%)。

8. 敏感性測試

有關如下主要假設之敏感性測試概述如下：

於二零零八年十二月三十一日，百萬港元

假設	有效業務於扣除 資本成本及費用 超支後之價值	新業務於扣除 資本成本及費用 超支後之價值
基準假設	5,465	865
風險貼現率為10.5%	5,964	1,050
風險貼現率為12.5%	5,032	705
投資回報每年提高25點子	6,037	1,034
投資回報每年下跌25點子	4,978	697
維持費用提高10%	5,265	794
維持費用下跌10%	5,664	938
死亡率及發病率及賠付率提高10%	5,388	846
死亡率及發病率及賠付率下跌10%	5,542	887
退保率提高10%	5,426	843
退保率下跌10%	5,502	889
保單持有人股息提高至80%	5,136	736
萬能壽險於第十個保單年度之退保率提高至50%	5,335	866
資本要求按100%的償付能力	5,716	948
資本要求按150%的償付能力	5,036	730

BIOGRAPHICAL DETAILS OF DIRECTORS, COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER

EXECUTIVE DIRECTORS

Mr. Lin Fan, aged 50, is the chairman and an executive director of the Company. Mr. Lin was appointed as the vice president of CIHC and CIHK in July 1999, a managing director of CIHC and CIHK in July 2000, and the vice chairman of CIHC and CIHK in August 2004. He was appointed as the general manager of CIHC and CIHK in May 2005, and the chairman of CIHC and CIHK in August 2008. Mr. Lin was a director of TPI from December 2001 to December 2006. He is currently the chairman and a non-executive director of The Ming An (Holdings) Company Limited. Mr. Lin is an insurance specialist with more than 29 years of experience in the insurance industry. Mr. Lin was the deputy general manager of the People's Insurance Company of China ("PICC"), Guangzhou Branch from September 1990 to September 1996 and the general manager of PICC, Shenzhen Branch from September 1996 to July 1999.

Mr. Song Shuguang, aged 47, is the vice chairman and an executive director of the Company, and is responsible for the life insurance operations of TPL. Mr. Song holds a Bachelor degree in Economics from Jilin University and a Master degree in Economics from the Postgraduate School of Jilin University. Mr. Song has been a managing director of CIHC since June 2002 and a managing director of CIHK since August 2002. He was appointed as the general manager of CIHC and CIHK in August 2008. He has been the chairman of TPL from November 2004 to November 2008. He was appointed as a director of TPP since December 2004 and a director of TPAM since February 2007. Mr. Song was the deputy director of the General Affairs Department and Policy & Legal and Policy Research of the State Planning Commission of the PRC from August 1985 to September 1993; the division chief and departmental deputy general manager of PICC from October 1993 to October 1998; and the chief head of the Finance & Accounting Department of the CIRC from November 1998 to April 2000.

Mr. Xie Yiqun, aged 48, is an executive director of the Company. Mr. Xie graduated from the Insurance, Finance Department of Nankai University, Tianjin, China. He holds a Master degree in Administration from Middlesex University Business School in the United Kingdom, and has over 25 years of experience in the insurance and finance industries. Mr. Xie has been the general manager of the Foreign Business Department of PICC of China, Zhejiang Branch and the deputy general manager of the Wenzhou Branch respectively. He has been the director and general manager of China Insurance Co. (UK) Ltd. and China Insurance Co., (Singapore) Pte. Ltd. Mr. Xie was the chairman of TPL from December 2001 to November 2004. Mr. Xie has been a managing director and deputy general manager of CIHC and CIHK since June 2004 and is responsible for the asset management and overseas operations. He has been the chief executive officer of CIGAML since November 2004 and was appointed as chairman of CIGAML since November 2008. Mr. Xie was appointed as chairman of TPAM since February 2007 and the chairman of China Insurance Group Securities Holdings Limited since November 2008.

Mr. He Zhiguang, aged 49, was appointed as an executive director of the Company on 12 March 2009. Mr. He holds a Master degree in Business Administration jointly awarded by the East China University of Science and Technology, China and the University of Canberra, Australia. Mr. He previously served as Deputy Head of life insurance division of the Guangxi Branch of PICC, Deputy General Manager of the Wuzhou Branch of PICC, General Manager (life insurance) of Shanghai Branch of Ping An Insurance (Group) Company of China, Limited. Mr. He was the General Manager of TPL from April 2001 to December 2008 and Chairman of TPP from December 2004 to December 2008. He has been appointed as Deputy General Manager of CIHC and Chairman of TPL since November 2008 and January 2009, respectively. Mr. He is a director of TPL, TPP and TPAM.

董事、公司秘書及財務總監之履歷

執行董事

林帆先生，50歲，本公司董事長及執行董事。林先生於一九九九年七月獲委任為中保控股及香港中保副總經理、於二零零零年七月獲委任為中保控股及香港中保常務董事，以及於二零零四年八月獲委任為中保控股及香港中保副董事長。彼自二零零五年五月起擔任中保控股及香港中保總經理，以及於二零零八年八月獲委任為中保控股及香港中保董事長。林先生自二零零一年十二月至二零零六年十二月為太平保險之董事。彼現時為民安(控股)有限公司董事長兼非執行董事。林先生為保險專家，於保險業擁有逾29年經驗。林先生於一九九零年九月至一九九六年九月期間擔任中國人民保險公司(「人保」)廣州分公司副總經理，以及一九九六年九月至一九九九年七月期間擔任人保深圳分公司總經理。

宋曙光先生，47歲，本公司副董事長及執行董事，負責太平人壽之人壽保險業務。宋先生持有吉林大學經濟學士學位及吉林大學研究生院經濟碩士學位。由二零零二年六月起宋先生任中保控股之常務董事及由二零零二年八月起出任香港中保之常務董事，並於二零零八年八月獲委任為中保控股及香港中保總經理。彼於二零零四年十一月至二零零八年十一月為太平人壽之董事長。宋先生分別於二零零四年十二月起及二零零七年二月起獲委任為太平養老及太平資產之董事。宋先生由一九八五年八月至一九九三年九月為中國國家計劃委員會一般事務、政策、法律及政策研究等部門之副處長；由一九九三年十月至一九九八年十月為人保處長及部門副總經理；及由一九九八年十一月至二零零零年四月為中國保監會財務會計部主管。

謝一群先生，48歲，本公司執行董事，謝先生畢業於天津南開大學金融系保險專業，獲英國米德賽克斯大學管理碩士學位，謝先生擁有超過25年從事保險及金融的工作經驗，曾先後任人保浙江省分公司國際部總經理、溫州分公司副總經理、中國保險(英國)有限公司及中國保險(新加坡)有限公司董事總經理等職。彼由二零零一年十二月至二零零四年十一月為太平人壽之董事長。謝先生由二零零四年六月起獲任中保控股及香港中保之常務董事及副總經理，分管資產管理與海外地區一般保險業務。彼於二零零四年十一月起兼任中保資產管理之總裁，並於二零零八年十一月獲委任為中保資產管理之董事長。謝先生於二零零七年二月兼任太平資產管理之董事長及於二零零八年十一月起兼任中保集團證券控股有限公司之董事長。

何志光先生，49歲，於二零零九年三月十二日被委任為本公司執行董事，何先生持有華東理工大學及澳洲坎培拉大學聯合頒授之工商管理碩士學位。何先生曾任人保廣西分公司人身保險處副處長、人保梧州分公司副總經理、中國平安保險(集團)股份有限公司上海分公司壽險總經理。何先生於二零零一年四月至二零零八年十二月期間擔任太平人壽之總經理，以及於二零零四年十二月至二零零八年十二月期間擔任太平養老之董事長。彼分別於二零零八年十一月及二零零九年一月起擔任中保控股之副總經理及太平人壽之董事長。何先生亦為太平人壽、太平養老及太平資產管理之董事。

BIOGRAPHICAL DETAILS OF DIRECTORS, COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER

Mr. Ng Yu Lam Kenneth, aged 60, is the chief executive officer and an executive director of the Company. Mr. Ng is a fellow of the Chartered Insurance Institute of the United Kingdom. He has more than 30 years of experience in the insurance industry. Mr. Ng is a managing director and assistant president of CIHK, the chairman and chief executive officer of CIRE and a director of TPL and TPI. In December 1980, Mr. Ng joined CIRE and was appointed as the chief executive officer and chairman of CIRE in 2004 and 2008 respectively.

Mr. Shen Koping Michael, aged 40, is the deputy chief executive officer and an executive director of the Company. He was previously the chief financial officer of the Company. Mr. Shen is also the deputy managing director and a director of CIGAML, and is a member of the board of supervisors of TPL. Prior to joining the Company, he was an executive director in the Financial Institutions Group of the Investment Banking Division at Goldman Sachs (Asia) L.L.C. ("Goldman Sachs"). Mr. Shen was responsible for marketing and executing corporate finance and mergers/acquisitions transactions for financial institutions in the Asia ex-Japan region. During his seven years at Goldman Sachs, Mr. Shen developed in-depth knowledge in advising insurance and asset management companies on strategic and operational matters. Mr. Shen received a Juris Doctorate degree with honors in 1994 from Harvard Law School, where he was an executive editor of the *Harvard Law Review*. Mr. Shen graduated as the valedictorian of his class and received a Bachelor of Science in Foreign Service with highest honors in 1991 from Georgetown University, where he majored in International Politics/Relations.

Mr. Lau Siu Mun Sammy, aged 50, is an executive director of the Company, and is responsible for the reinsurance operations of CIRE. Mr. Lau is also a director of TPI, CIRE and SINO-RE. Mr. Lau holds a Bachelor of Business Administration degree from the Chinese University of Hong Kong. He is a fellow of the Chartered Insurance Institute of the United Kingdom. Mr. Lau joined CIRE in July 1981. He has been the general manager of CIRE since March 2004.

NON-EXECUTIVE DIRECTORS

Mr. Li Tao, aged 36, was appointed as a non-executive director of the Company on 12 March 2009. Mr. Li holds a Bachelor of Arts degree from Wuhan University, China. He is a fellow member of the Association of Chartered Certified Accountants of the United Kingdom. Mr. Li previously served at the Business Assurance Division of Coopers & Lybrand in London and the Life Insurance Division of CIRC. He subsequently served as the manager in the Internal Audit Department and Accounts Department of American International Assurance Company Limited, Shanghai Branch. Mr. Li was the chief financial officer of TPL from October 2001 to October 2008. He has been appointed as the chief financial officer of CIHC and CIHK since November 2008.

Dr. Wu Jiesi, aged 57, is an independent non-executive director of the Company. He is also the chairman of the audit committee and a member of the remuneration committee of the Company. Dr. Wu holds a Doctorate degree in Economics. Dr. Wu has extensive experience in finance and management. He conducted post-doctorate research work in theoretical economics at the Nankai University in the PRC and was conferred a professorship qualification by the University in 2001. Dr. Wu served in various capacities with ICBC from 1984 to 1995 and was the president of ICBC Shenzhen Branch. He subsequently served as the deputy mayor of the Shenzhen Municipal Government between 1995 and 1998. Dr. Wu was an assistant to the governor of Guangdong Province from 1998 to 2000. From 2000 to 2005, he acted as a chairman of Guangdong Yue Gang Investment Holdings Company Limited and GDH Limited. He also has been the honorary president of Guangdong Investment Limited and Guangdong Tannery Limited. Dr. Wu was the managing director and chief executive officer of Hopson Development Holdings Limited from April 2005 to January 2008. He also has been the independent non-executive director of Yingli Green Energy Holding Company Limited (listed on the New York Stock Exchange) from May 2007 to August 2008. Dr. Wu is an executive director and vice chairman of China Aoyuan Property Group Limited. He is also the chairman of Zhonghui Mining Industry Africa Limited, an independent non-executive director of Beijing Enterprises Holdings Limited and China Merchants Bank Co., Ltd., non-executive director of China Water Affairs Group Limited, Shenzhen Investment Limited and Silver Base Group Holdings Limited and director of China Life Franklin Asset Management Co., Limited.

董事、公司秘書及財務總監之履歷

吳俞霖先生，60歲，本公司總裁及執行董事。吳先生是英國特許保險學會 (Chartered Insurance Institute) 資深會員，擁有逾30年保險業經驗。吳先生為香港中保常務董事兼總經理助理。彼亦為中再國際之董事長兼總裁；太平人壽及太平保險之董事。一九八零年十二月起吳先生加入中再國際並於二零零四年及二零零八年分別起任中再國際總裁及董事長。

沈可平先生，40歲，本公司副總裁及執行董事。彼曾任本公司的首席財務總監。沈先生亦為中保資產管理之董事及董事副總經理和太平人壽之監事會成員。加入本公司前，沈先生為高盛(亞洲)有限責任公司(「高盛亞洲」)投資銀行部金融企業集團之執行董事。沈先生負責市場推廣及為亞洲區(日本除外)之金融機構執行企業融資及合併／收購交易。沈先生於高盛亞洲工作七年期間，就向保險及資產管理公司提供策略及營運事宜之意見，發展了深厚之知識。沈先生於一九九四年於哈佛法律學院獲得法學榮譽博士學位，並為哈佛法律學報之執行編輯之一。沈先生於一九九一年於喬治城大學畢業，為畢業典禮致告別辭時的班代表學生，並獲得外務事務理學士最高榮譽學位，主修科目為國際政治／關係。

劉少文先生，50歲，本公司執行董事，負責中再國際之再保險業務。劉先生亦為太平保險、中再國際及華夏之董事。劉先生持有香港中文大學頒發之工商管理學士學位，亦為英國特許保險學會資深會員。劉先生於一九八一年七月加入中再國際。彼於二零零四年三月起任中再國際總經理。

非執行董事

李濤先生，36歲，於二零零九年三月十二日被委任為本公司非執行董事。李先生持有武漢大學文學學士學位，他是英國特許會計師公會資深會員。李先生曾先後任職於倫敦之永道會計師事務所的保險業務審計部及中國保監會的人身保險監管部。其後於美國友邦保險有限公司上海分公司的稽核部及會計部出任部門經理。李先生於二零零一年十月至二零零八年十月期間出任太平人壽之財務總監。於二零零八年十一月起，彼被委任為中保控股及香港中保之財務總監。

武捷思博士，57歲，為本公司獨立非執行董事。彼亦是本公司的審核委員會主席及薪酬委員會成員。武博士擁有經濟學博士學位，武博士擁有豐富的金融和管理經驗。彼於中國南開大學完成理論經濟學博士後研究，於二零零一年獲南開大學授予教授資格。武博士於一九八四年至一九九五年期間任職於中國工商銀行，曾任該行的深圳分行行長；其後於一九九五年至一九九八年期間出任深圳市政府副市長，並在一九九八年至二零零零年期間擔任廣東省省長助理。由二零零零年至二零零五年期間擔任廣東省粵港投資控股有限公司及廣東控股有限公司董事長，亦曾任粵海投資有限公司及粵海制革有限公司名譽董事長。武博士由二零零五年四月至二零零八年一月期間擔任合生創展集團有限公司董事總經理兼行政總裁。彼亦由二零零七年五月至二零零八年八月期間擔任英利綠色能源有限公司(美國紐約證券交易所上市)獨立非執行董事。武博士現為中國奧園地產集團股份有限公司執行董事及副董事長。彼亦是中輝礦業非洲有限公司董事長、北京控股有限公司及招商銀行股份有限公司獨立非執行董事、中國水務集團有限公司和深圳控股有限公司及銀基集團控股有限公司非執行董事以及中國人壽富蘭克林資產管理有限公司董事。

BIOGRAPHICAL DETAILS OF DIRECTORS, COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER

Mr. Che Shujian, aged 65, is an independent non-executive director of the Company. Mr. Che is a qualified senior engineer of economic management. He graduated from the School of Economics of Jilin University in China and has extensive experience in economic development and corporate management. Mr. Che was the dean of the designing laboratory, the deputy director and subsequently the director of the Northeast Academy of the China Civil Engineering Institute from 1968 to 1991. He was the director of the Administrative Affairs Office of the Ministry of Construction and Development of the State Council of China from 1991 to 1998. Mr. Che subsequently acted as a specially appointed investigator of the State Council of China from 1998 to 2000. He was an independent non-executive director of China Overseas Land & Investment Ltd. from 2002 to 2003 and a director of China Overseas Holdings Limited, the holding company of China Overseas Land & Investment Ltd., from 2002 to 2003. Mr. Che was the chairman of China Travel International Investment Hong Kong Limited and China Travel Service (Holdings) Hong Kong Limited, the holding company of China Travel International Investment Hong Kong Limited from 2000 to 2006.

Mr. Lau Wai Kit, aged 46, is an independent non-executive director of the Company. Mr. Lau holds a Bachelor of Law degree and a Postgraduate Certificate in Law from the University of Hong Kong. Mr. Lau has over 13 years of experience in practicing law and is a solicitor of the High Court of Hong Kong, an attorney and counselor at law of the Supreme Court of the State of California, a solicitor of the Supreme Court of England and Wales, and an advocate and solicitor of the Supreme Court of Singapore. He is currently a partner of Gobi Partners, Inc., a China-based venture capital firm that focuses on digital media investments. Mr. Lau is also the chairman of the Diamondlite Group, a jewelry manufacturer headquartered in Hong Kong. He is also an independent non-executive director of Tianjin Development Holdings Limited and Shandong Weigao Group Medical Polymer Company Limited and an independent director of WSP Holdings Limited.

COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER

Mr. Chan Man Ko, aged 34, is the chief financial officer of the Company. He is also the Company's company secretary. Mr. Chan holds a Bachelor of Arts degree in Accountancy. He is a member of the Hong Kong Institute of Certified Public Accountants ("HKICPA") and holds a practicing certificate. He is also an associate of the Institute of Chartered Accountants in England and Wales ("ICAEW"). Prior to joining the Company, Mr. Chan was an audit manager in the Financial Institutions Group of an international auditing and accounting company.

董事、公司秘書及財務總監之履歷

車書劍先生，65歲，為本公司獨立非執行董事。車先生是一位高級(經濟管理)工程師。彼畢業於中國吉林大學經濟學院，具有豐富的經濟發展和企業管理經驗。車先生於一九六八年至一九九一年期間歷任中國市政工程東北設計院設計室主任、副院長及院長；一九九一年至一九九八年期間任國家建設部辦公廳主任；一九九八年至二零零零年期間車先生任國務院稽查特派員。彼曾於二零零二年至二零零三年期間出任中國海外發展有限公司之獨立非執行董事及曾於二零零二年至二零零三年期間出任中國海外發展有限公司之控股公司—中國海外集團有限公司董事。車先生於二零零零年至二零零六年期間出任香港中旅國際投資有限公司及香港中旅國際投資有限公司之控股公司—香港中旅(集團)有限公司之董事長。

劉偉傑先生，46歲，為本公司獨立非執行董事。劉先生持有香港大學法律學士學位及法律進修文憑，劉先生從事法律工作已超過13年。劉先生為香港高等法院律師、加州最高法院律師、英格蘭及威爾斯最高法院律師及新加坡最高法院律師。彼現時為戈壁合夥人有限公司，一家以中國為基地之創投公司的合夥人(該公司專注於數碼媒體的投資)。劉先生現時亦為元藝珠寶集團(總部設於香港的一家珠寶製造商)之主席，以及天津發展控股有限公司和山東威高集團醫用高分子製品股份有限公司之獨立非執行董事及WSP Holdings Limited之獨立董事。

公司秘書及財務總監

陳文告先生，34歲，為本公司財務總監。彼亦為本公司公司秘書。陳先生持有會計學文學學士學位。他是香港會計師公會會員並持有執業證書。彼亦是特許會計師協會—英格蘭及威爾斯會員。加入本公司之前，陳先生曾在一所國際會計師事務所之金融機構類出任審計經理。

REPORT OF THE DIRECTORS

The directors respectfully submit their annual report together with the audited financial statements for the year ended 31 December 2008.

PRINCIPAL ACTIVITIES

The principal activity of Company is investment holding. The principal activities of the Company's subsidiaries are the underwriting of all classes of global reinsurance business, direct life insurance business in the PRC and direct property and casualty insurance business in the PRC. Apart from these core businesses, the Group also carries on operations in assets management, insurance intermediaries and pensions, and to support its insurance activities, holds money market, fixed income, equity and property investments. The principal activities and other particulars of the subsidiaries are set out in note 17 of the consolidated financial statements.

The analysis of the principal activities and geographical locations of the operations of the Company and its subsidiaries during the financial year are set out in note 3 of the consolidated financial statements.

The only information which the Company has maintained relating to its operating results by geographical area is the geographical analysis of its turnover. The directors believe that an analysis of the profit contributions from each geographical area is not required for a proper appraisal of its businesses.

MAJOR INSURANCE CUSTOMERS

The information in respect of the Group's gross premiums written and policy fees attributable to major insurance customers during the financial year is as follows:

	Percentage of the Group's total gross premiums written and policy fees
The largest insurance customer	0.4%
Five largest insurance customers in aggregate	1.2%

Included in the five largest insurance customers in aggregate, representing approximately 0.2% of the total gross premiums written and policy fees, were connected parties of which the shareholder of the Company (which to the knowledge of the directors own more than 5.0% of the Company's share capital) had an interest.

Other than as disclosed above, at no time during the Year have the directors, their associates or any shareholder of the Company (which to the knowledge of the directors own more than 5.0% of the Company's share capital) had any interest in these major insurance customers.

董事會報告書

董事會全人謹將截至二零零八年十二月三十一日止年度的年報及經審核財務報表呈覽。

主要業務

本公司的主要業務是投資控股。本公司之附屬公司的主要業務是承接各類全球再保險業務、於中國的直接人壽保險業務及於中國的直接財產保險業務。除了此等核心業務外，本集團也從事資產管理業務、保險中介業務及養老保險業務，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。附屬公司的主要業務及其他資料載於綜合財務報表附註17。

本公司及其附屬公司於本財政年度的主要業務及經營地區分析載於綜合財務報表附註3。

本公司唯一有關按地區劃分的經營業績資料為營業額地區分析。董事相信毋須分析各地區之溢利貢獻亦可對其業務作合理評估。

主要保險客戶

主要保險客戶於本財政年度佔本集團的毛承保保費及保單費收入的資料臚列如下：

	佔本集團毛承保 保費及保單費收入 總額的百分比
最大保險客戶	0.4%
五大保險客戶合計	1.2%

包括在五大保險客戶的總額內相等於毛承保保費及保單費收入的0.2%是從本公司的聯繫人士收取。本公司聯繫人士是本公司股東(據董事所知持有本公司股本5.0%以上)擁有權益。

除此之外，本公司的董事，其聯繫人士或任何股東(據董事所知持有本公司股本5.0%以上)均沒有於年內任何時間擁有這些主要保險客戶的任何權益。

REPORT OF THE DIRECTORS

CONSOLIDATED FINANCIAL STATEMENTS

The loss of the Group for the year ended 31 December 2008 and the state of the Company's and the Group's affairs at that date are set out in the consolidated financial statements on pages 136 to 274.

No interim dividend was declared during the Year (2007: Nil). The directors did not recommend the payment of a final dividend in respect of the year ended 31 December 2008 (2007: HK 10 cents per share).

FIXED ASSETS

Details of the movements in fixed assets are set out in note 15 of the consolidated financial statements.

SHARE CAPITAL

During the Year, shares were issued upon the exercise of options under the Company's share option scheme. Details of the movements in share capital of the Company during the Year are set out in note 37 of the consolidated financial statements.

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

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

RESERVES

Details of the movements in reserves of the Company and the Group during the Year are set out in note 38 of the consolidated financial statements.

DISTRIBUTABLE RESERVES

As at 31 December 2008, the Company did not have any distributable reserves available for distribution (2007: HK\$220.32 million). In addition, the Company's share premium account of HK\$2,218.25 million (2007: HK\$2,201.06 million) as at 31 December 2008 may be distributed in the form of fully paid bonus shares.

DONATIONS

During the Year, the Group made charitable donations of HK\$6.51 million (2007: HK0.46 million), most of which were donated to the relief aid efforts for the snowstorm in Southern China and the earthquake in Sichuan Province. In addition, during the Year, the staff of the Group made charitable donations of HK\$5.34 million to the relief aid efforts of the earthquake in Sichuan Province.

綜合財務報表

本集團截至二零零八年十二月三十一日止年度的虧損和本公司及本集團於該日的財政狀況載於第136至274頁的綜合財務報表內。

本年度內並無宣派中期股息(二零零七年：無)。董事會不建議派發截至二零零八年十二月三十一日止年度末期股息(二零零七年：每股10港仙)。

固定資產

固定資產的變動詳情載於綜合財務報表附註15。

股本

於年內本公司根據本公司認股權計劃所行使之認股權發行股份。有關本公司於年內股本變動的詳情載於綜合財務報表附註37。

購買、出售或贖回本公司的上市證券

本公司或任何其附屬公司於年內概無購入、出售或贖回任何本公司的上市證券。

儲備

本公司及本集團於年內儲備變動的詳情載於綜合財務報表附註38。

可分配儲備

於二零零八年十二月三十一日，本公司沒有可供分配的儲備(二零零七年：2.2032億港元)。此外，本公司於二零零八年十二月三十一日有為數22.1825億港元(二零零七年：22.0106億港元)的股本溢價賬可以繳足紅股的形式作出分配。

捐款

於本年度內，本集團作出651萬港元(二零零七年：46萬港元)的慈善捐款，其中大部份為賑災中國南方雪暴及四川省地震災民之捐款。此外，於本年度內，本集團員工為賑濟四川省地震災民捐出534萬港元。

REPORT OF THE DIRECTORS

DIRECTORS

The directors during the Year and up to the date of this annual report were:

Executive directors

Feng Xiaozeng (*resigned on 7 November 2008*)

Lin Fan

Song Shuguang

Xie Yiqun

He Zhiguang (*appointed on 12 March 2009*)

Ng Yu Lam Kenneth

Shen Koping Michael

Lau Siu Mun Sammy

Non-executive directors

Zheng Changyong (*resigned on 12 March 2009*)

Li Tao (*appointed on 12 March 2009*)

Wu Jiesi*

Che Shujian*

Lau Wai Kit *

* *Independent*

In accordance with Article 93 and 97 of the Company's articles of association, Messrs. Xie Yiqun, He Zhiguang, Ng Yu Lam Kenneth, Li Tao, Wu Jiesi and Lau Wai Kit, shall retire and, being eligible, offer themselves for re-election at the forthcoming Annual General Meeting.

The proposed appointments will not have any specific term, but will be subject to retirement by rotation and re-election at the Company's Annual General Meeting in accordance with the Company's articles of association.

Subject to the approval of the shareholders at the Company's Annual General Meeting, the emoluments of the directors will be determined by the Remuneration Committee and the Board of Directors of the Company.

CONFIRMATION OF INDEPENDENCE

The Company has received annual confirmation from each of the independent non-executive directors in regards to their independence from the Company and considers that each of the independent non-executive directors is independent from the Company.

DIRECTORS' SERVICE CONTRACTS

Messrs. Ng Yu Lam Kenneth and Lau Siu Mun Sammy have entered into service contracts with the Company on 29 May 2000 for an initial period of three years commencing from 1 April 2000. Mr. Shen Koping Michael has entered into a service contract with the Company on 23 July 2002 for an initial period of two years commencing from 15 July 2002. The respective contracts shall continue after their respective initial periods unless and until terminated by either party to such contracts by giving three months' written notice to the other party.

No director proposed for re-election at the forthcoming Annual General Meeting has an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than normal statutory obligations.

董事會報告書

董事會

於本年度及截至本年報之日的董事如下：

執行董事

馮曉增 (已於二零零八年十一月七日請辭)

林帆

宋曙光

謝一群

何志光 (於二零零九年三月十二日委任)

吳俞霖

沈可平

劉少文

非執行董事

鄭常勇 (已於二零零九年三月十二日請辭)

李濤 (於二零零九年三月十二日委任)

武捷思*

車書劍*

劉偉傑*

*獨立

根據本公司的組織章程細則條文第93及97條，謝一群先生、何志光先生、吳俞霖先生、李濤先生、武捷思先生及劉偉傑先生將於即將召開的股東周年大會退任，他們均願膺選連任。

以上所建議的委任均無指定期限，但須按本公司的組織章程細則，在本公司股東周年大會輪值告退及膺選連任。

董事酬金將由本公司的薪酬委員會及董事會訂定，惟仍需股東在本公司股東周年大會上批准。

獨立性的確認

本公司已取得各獨立非執行董事每年確認其獨立性的確認函。本公司亦認為每位獨立非執行董事，確屬獨立於本公司的人士。

董事的服務合約

吳俞霖先生及劉少文先生已於二零零零年五月二十九日跟本公司簽訂服務合約，任期由二零零零年四月一日開始，初步為期三年。沈可平先生於二零零二年七月二十三日與本公司訂立服務合約，任期由二零零二年七月十五日開始，初步為期二年。除非及直至上述合約的任何一方透過向其他方發出三個月的書面通知而終止合約，否則，相關服務合約會在其各自的初步任期結束後獲得續期。

擬於即將召開的股東周年大會中候選連任的董事概無與本公司或任何其附屬公司訂立於一年內不可在不予賠款(一般法定賠款除外)的情況下終止尚未屆滿的服務合約。

REPORT OF THE DIRECTORS

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

As at 31 December 2008, the interests or short positions of the directors and chief executive in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

Long Positions in shares and underlying shares of the Company:

Name of directors	Shares		Underlying shares pursuant to share options (Note 1)	Awarded shares (Note 2)	Total interests	Percentage of issued share capital %
	Personal interests	Family interests				
Lin Fan	770,000	—	3,200,000	—	3,970,000	0.28
Song Shuguang	—	—	800,000	—	800,000	0.06
Xie Yiqun	—	—	500,000	—	500,000	0.04
He Zhiguang	—	—	800,000	240,000	1,040,000	0.07
Ng Yu Lam, Kenneth	2,166,000	693,000	1,400,000	82,000	4,341,000	0.31
Shen Koping, Michael	4,279,000	—	875,000	22,000	5,176,000	0.36
Lau Siu Mun, Sammy	1,006,000	—	1,150,000	67,000	2,223,000	0.16
Li Tao	—	—	—	130,000	130,000	0.01

Notes:

- (1) These figures represent interests of options granted to the directors under the Share Option Scheme of the Company adopted on 23 January 2003 to acquire shares of the Company, further details of which are set out in the section "Share Option Scheme".
- (2) These figures represent interests of awarded shares granted, but not yet vested, to the directors under the Employees' Share Award Scheme of the Company adopted on 10 September 2007, details of which are set out in the section "Share Award Scheme".

Save as disclosed above:

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

董事及最高行政人員的股份、相關股份及債權證的權益及淡倉

於二零零八年十二月三十一日，按證券及期貨條例第352條規定存置登記冊的記錄所載，或按上市公司董事進行證券交易的標準守則要求，已經知會本公司及聯交所，董事及最高行政人員在本公司及其相聯法團（根據證券及期貨條例第XV段的釋義）的股份、相關股份或債權證中擁有的權益及淡倉如下：

本公司的股份及相關股份的好倉情況：

董事名稱	股份		根據認股權的		總權益	佔已發行 股份 %
	個人權益	家族權益	相關股份 (註1)	獎授股份 (註2)		
林帆	770,000	—	3,200,000	—	3,970,000	0.28
宋曙光	—	—	800,000	—	800,000	0.06
謝一群	—	—	500,000	—	500,000	0.04
何志光	—	—	800,000	240,000	1,040,000	0.07
吳俞霖	2,166,000	693,000	1,400,000	82,000	4,341,000	0.31
沈可平	4,279,000	—	875,000	22,000	5,176,000	0.36
劉少文	1,006,000	—	1,150,000	67,000	2,223,000	0.16
李濤	—	—	—	130,000	130,000	0.01

註：

(1) 此乃根據於本公司二零零三年一月二十三日採納之認股權計劃授予董事的認股權可認購本公司的股份份數，詳情載於「認股權計劃」文內。

(2) 此乃根據於本公司二零零七年九月十日採納之僱員股份獎勵計劃授予但未歸屬董事的獎授股份，詳情載於「股份獎勵計劃」文內。

除上述者外：

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

REPORT OF THE DIRECTORS

SHARE OPTION SCHEME

The Company adopted the Old Scheme on 24 May 2000 whereby the directors of the Company were authorized, 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. The exercise price of options was determined by the board of directors and would not be less than the nominal value of the shares or 80.0% of the average of the closing prices of the shares on the Stock Exchange for the five business days immediately preceding the date on which an option is offered. The options are exercisable for a period of ten years commencing from the date on which an option is accepted.

No employee shall be granted an option, which, if exercised in full, would result in such employee becoming entitled to subscribe for such number of shares as, when aggregated with the total number of shares already issued to him under all options previously granted to him which have been exercised and issuable to him under all the options previously granted to him which are for the time being subsisting and unexercised, would exceed 25.0% of the aggregate number of shares for the time being issued and issuable under the Old Scheme.

The maximum number of shares in respect of which options may be granted under the Old Scheme may not (when aggregated with shares subject to any other employee share option scheme) exceed in nominal 10.0% of the issued share capital of the Company from time to time, excluding for this purpose any shares which have been duly allotted and issued pursuant to the Old Scheme.

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

The purpose of the New Scheme is for the Company to attract, retain and motivate participants to strive for the future development and expansion of the Group and to provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the eligible participants and for such other purposes as may be approved from time to time.

Eligible participants of the New Scheme include any executive or non-executive directors of the Group or any employees (whether full-time or part-time) of the Group; any discretionary objects of a discretionary trust established by any employees, executive or non-executive directors of the Group; any consultants and professional advisers to the Group; any chief executives or substantial shareholders of the Company; any associates of director, chief executive or substantial shareholder of the Company; and any employees of substantial shareholders of the Company, as absolutely determined by the Board of Directors.

The New Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date, after which period no further options will be granted but in respect of all options which remain exercisable at the end of the period, the provisions of the New Scheme shall remain in full force and effect. The remaining life of the New Scheme as at 31 December 2008 was 4 years.

認股權計劃

本公司於二零零零年五月二十四日採納舊計劃。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。認股權行使價由董事會釐定，惟不會低於股份面值或授出認股權日期前五個交易日股份在聯交所的平均收市價80.0%。認股權可於接納當日起計十年內行使。

倘賦予僱員認股權，而其全數行使該等認股權後可認購的股份數量，連同已行使其先前獲賦予的所有認股權而已向其發行的股份，以及根據先前授出而當時仍有效及未行使的認股權可向其發行的股份合計，超過當時根據舊計劃已發行及可發行的股份總數25.0%，則不得再賦予該僱員認股權。

根據舊計劃授出的認股權所涉及股份面值，連同根據任何其他僱員認股權計劃所涉及股份合計，不得超過本公司不時的已發行股本10.0%（就此而言，不包括根據舊計劃正式配發及發行的任何股份）。

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

新計劃旨在吸引、挽留及激勵合資格的參與者，致力推動本集團日後的發展及擴充，並為本公司提供靈活的方法，以鼓勵、獎賞、酬謝、補償合資格的參與者及／或為合資格的參與者提供利益，以及為不時批准的其他目的而設。

新計劃之合資格參與者包括董事會可全權決定之本集團之任何執行或非執行董事或任何僱員（不論全職或兼職）；為本集團任何僱員、執行或非執行董事所設立之全權信託之全權受益人；本集團之任何顧問及專業顧問；本公司任何行政總裁或主要股東；本公司董事、行政總裁或主要股東之任何聯繫人士；及本公司主要股東之僱員。

新計劃的有效期限從採納日期起計為期十年，在該期間後，將不會再授出任何認股權，惟就於期限結束之時所有仍可行使的認股權而言，新計劃的條文將繼續全面有效。於二零零八年十二月三十一日，新計劃的餘下年期為四年。

REPORT OF THE DIRECTORS

The total number of shares which may be issued upon exercise of all options to be granted under the New Scheme and any other share option schemes of the Company shall not in aggregate exceed 10.0% of the total number of Shares in issue as at the Adoption Date, which was 132,533,159 Shares. As at the date of this annual report, a total of 76,494,159 Shares (representing approximately 5.4% of the issued share capital of the Company as at the date of this annual report) are available for grant under the New Scheme. Together with the outstanding share options granted under the New Scheme of 14,602,000 Shares as at the date of this annual report, a total of 91,096,159 Shares (representing approximately 6.4% of the issued share capital of the Company as at the date of this annual report) are available for issue.

The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Scheme and any other share option schemes of the Company must not exceed 30.0% of the total number of Shares in issue from time to time (or such higher percentage as may be allowed under the Listing Rules).

The total number of shares issued and to be issued upon exercise of the options granted to each participant in any 12-month period up to and including the Grant Date shall not exceed 1.0% of the total number of Shares in issue. Where any further grant of options to a participant would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such participant in the 12-month period up to and including the date of such further grant to be in aggregate over 1.0% of the Shares in issue, such further grant must be separately approved by the shareholders of the Company in a general meeting with such participant and his associates abstaining from voting.

The period under which an option may be exercised will be determined by the board of directors at its discretion, save that the period shall commence on the date of acceptance by the Grantee and expire not later than 10 years after the date of acceptance. The amount payable on acceptance of an option is HK\$1.00. The full amount of the Subscription Price shall be paid on exercise of an option.

The Subscription Price in respect of each Share issued pursuant to the exercise of options granted under the New Scheme shall be determined by the board of directors with a price at least the highest of:

- (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Offer Date, which must be a Business Day;
- (b) a price being the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 Business Days immediately preceding the Offer Date; and
- (c) the nominal value of a Share.

董事會報告書

根據新計劃及本公司任何其他認股權計劃授出的所有認股權在行使時可予發行的股份總數，合共不得超過於採納日期已發行股份總數的10.0%，即132,533,159股股份。於本年報日期，合共76,494,159股股份（於本年報日期佔本公司已發行股本約5.4%）可按新計劃授出。連同於本年報日期根據新計劃仍未行使已授出認股權之14,602,000股股份，合共91,096,159股股份（於本年報日期佔本公司已發行股本約6.4%）可供發行。

根據新計劃及本公司任何其他認股權計劃已授出但仍未行使的所有認股權於行使時可予發行的股份最高數目，不得超逾不時已發行股份總數的30%（或上市規則可能允許的較高百分率）。

在任何十二個月期間（直至及包括授出日期）所授予每位參與者的認股權在行使時已發行及將發行的股份總數，不得超逾已發行股份總數的1%。倘進一步授出認股權予一名參與者將導致任何十二個月期間（直至及包括進一步授出該等認股權的日期），已授予及將授予該參與者的所有的認股權在行使時，已發行及將發行的股份超逾已發行股份總數1%，則進一步授出的認股權必須獲本公司股東於股東大會上另行批准，而該參與者及其聯繫人士須放棄投票。

可行使認股權的期限將由董事會酌情決定，惟該期限應於承授人接納日期開始，而到期日不得多於從接納日期起計之十年期。接納一份認股權應付的款項為1.00港元。行使價的全數款項需於行使認股權時支付。

根據新計劃授出的認股權在行使時發行的每股股份的行使價由董事會釐定，而該價格最少應為（以最高者為準）：

- (a) 於提呈日期（必須為營業日）股份在聯交所每日報表所報的收市價；
- (b) 緊接提呈日期前五個營業日股份在聯交所每日報表所報的平均收市價；及
- (c) 股份的面值。

REPORT OF THE DIRECTORS

As of 31 December 2008, the directors and employees of the Company had the following interests in options to subscribe for shares of the Company (market value per share at 31 December 2008 was HK\$11.92) granted at nominal consideration under the Old Scheme and the New Scheme, respectively. Each unit of option gives the holder the right to subscribe for one share.

Directors	No. of options outstanding at the beginning of the Year	No. of options outstanding at the end of the Year	Date granted	Period during which options exercisable	No. of options granted during the Year	No. of shares acquired in exercise of options during the Year	No. of options cancelled/reclassified during the Year	Price per share to be paid on exercise of options	¹ Market value per share at date of grant of options during the Year	² Market value per share on exercise of options during the Year
Feng Xiaozeng (resigned on 7 November 2008)	2,350,000	—	2 November 2005	23 November 2005 to 22 November 2015	—	—	³ -2,350,000	HK\$2.875	—	—
Lin Fan	700,000	700,000	12 September 2002	12 September 2002 to 11 September 2012	—	—	—	HK\$3.225	—	—
	2,500,000	2,500,000	2 November 2005	23 November 2005 to 22 November 2015	—	—	—	HK\$2.875	—	—
Song Shuguang	800,000	800,000	2 November 2005	23 November 2005 to 22 November 2015	—	—	—	HK\$2.875	—	—
Xie Yiqun	500,000	500,000	2 November 2005	23 November 2005 to 22 November 2015	—	—	—	HK\$2.875	—	—
He Zhiguang (appointed on 12 March 2009)	—	800,000	26 February 2007	26 February 2007 to 25 February 2017	—	—	⁴ +800,000	HK\$9.490	—	—
Ng Yu Lam, Kenneth	1,300,000	—	28 September 2000	28 September 2000 to 27 September 2010	—	1,300,000	—	HK\$1.110	—	HK\$16.700
	500,000	—	12 February 2001	12 February 2001 to 11 February 2011	—	500,000	—	HK\$0.950	—	HK\$16.700
	400,000	400,000	12 September 2002	12 September 2002 to 11 September 2012	—	—	—	HK\$3.225	—	—
	1,000,000	1,000,000	2 November 2005	23 November 2005 to 22 November 2015	—	—	—	HK\$2.875	—	—
Shen Koping, Michael	1,500,000	—	12 September 2002	12 September 2002 to 11 September 2012	—	1,500,000	—	HK\$3.225	—	HK\$18.460
	156,000	—	7 January 2003	7 January 2003 to 6 January 2013	—	156,000	—	HK\$3.975	—	HK\$18.460
	350,000	—	5 January 2004	5 January 2004 to 4 January 2014	—	350,000	—	HK\$3.980	—	HK\$18.460
	350,000	—	31 December 2004	27 January 2005 to 26 January 2015	—	350,000	—	HK\$3.200	—	HK\$18.460
	600,000	—	2 November 2005	23 November 2005 to 22 November 2015	—	600,000	—	HK\$2.875	—	HK\$18.460
	350,000	—	30 December 2005	3 January 2006 to 2 January 2016	—	350,000	—	HK\$3.300	—	HK\$18.460
	175,000	—	30 June 2006	30 June 2006 to 29 June 2016	—	175,000	—	HK\$5.000	—	HK\$18.460
	175,000	175,000	29 December 2006	29 December 2006 to 28 December 2016	—	—	—	HK\$9.800	—	—
	175,000	175,000	29 June 2007	29 June 2007 to 28 June 2017	—	—	—	HK\$14.220	—	—
	175,000	175,000	31 December 2007	31 December 2007 to 30 December 2017	—	—	—	HK\$21.400	—	—
	—	175,000	30 June 2008	30 June 2008 to 29 June 2018	175,000	—	—	HK\$19.316	HK\$18.600	—
	—	175,000	31 December 2008	31 December 2008 to 30 December 2018	175,000	—	—	HK\$11.920	HK\$11.920	—

董事會報告書

於二零零八年十二月三十一日，本公司的董事及僱員分別根據舊計劃及新計劃以名義價款獲賦予可認購本公司股份(於二零零八年十二月三十一日每股市值為11.92港元)的認股權中擁有以下權益。每份認股權賦予持有人認購一股股份的權利。

董事	於年初未行使的認股權數目	於年末未行使的認股權數目	賦予日期	可行使認股權期間	年內已授出的認股權數目	年內行使認股權購入的股份數目	年內取消／重新分類認股權數目	行使認股權時應付的每股股價	¹ 於年內認股權授出日期的每股價格	² 於年內行使認股權日期的每股價格
馮曉培 (已於2008年11月7日請辭)	2,350,000	—	2005年11月2日	2005年11月23日至2015年11月22日	—	—	³ -2,350,000	2.875港元	—	—
林帆	700,000	700,000	2002年9月12日	2002年9月12日至2012年9月11日	—	—	—	3.225港元	—	—
	2,500,000	2,500,000	2005年11月2日	2005年11月23日至2015年11月22日	—	—	—	2.875港元	—	—
宋曙光	800,000	800,000	2005年11月2日	2005年11月23日至2015年11月22日	—	—	—	2.875港元	—	—
謝一群	500,000	500,000	2005年11月2日	2005年11月23日至2015年11月22日	—	—	—	2.875港元	—	—
何志光 (於2009年3月12日委任)	—	800,000	2007年2月26日	2007年2月26日至2017年2月25日	—	—	⁴ +800,000	9.490港元	—	—
吳俞霖	1,300,000	—	2000年9月28日	2000年9月28日至2010年9月27日	—	1,300,000	—	1.110港元	—	16.700港元
	500,000	—	2001年2月12日	2001年2月12日至2011年2月11日	—	500,000	—	0.950港元	—	16.700港元
	400,000	400,000	2002年9月12日	2002年9月12日至2012年9月11日	—	—	—	3.225港元	—	—
	1,000,000	1,000,000	2005年11月2日	2005年11月23日至2015年11月22日	—	—	—	2.875港元	—	—
沈可平	1,500,000	—	2002年9月12日	2002年9月12日至2012年9月11日	—	1,500,000	—	3.225港元	—	18.460港元
	156,000	—	2003年1月7日	2003年1月7日至2013年1月6日	—	156,000	—	3.975港元	—	18.460港元
	350,000	—	2004年1月5日	2004年1月5日至2014年1月4日	—	350,000	—	3.980港元	—	18.460港元
	350,000	—	2004年12月31日	2005年1月27日至2015年1月26日	—	350,000	—	3.200港元	—	18.460港元
	600,000	—	2005年11月2日	2005年11月23日至2015年11月22日	—	600,000	—	2.875港元	—	18.460港元
	350,000	—	2005年12月30日	2006年1月3日至2016年1月2日	—	350,000	—	3.300港元	—	18.460港元
	175,000	—	2006年6月30日	2006年6月30日至2016年6月29日	—	175,000	—	5.000港元	—	18.460港元
	175,000	175,000	2006年12月29日	2006年12月29日至2016年12月28日	—	—	—	9.800港元	—	—
	175,000	175,000	2007年6月29日	2007年6月29日至2017年6月28日	—	—	—	14.220港元	—	—
	175,000	175,000	2007年12月31日	2007年12月31日至2017年12月30日	—	—	—	21.400港元	—	—
	—	175,000	2008年6月30日	2008年6月30日至2018年6月29日	175,000	—	—	19.316港元	18.600港元	—
	—	175,000	2008年12月31日	2008年12月31日至2018年12月30日	175,000	—	—	11.920港元	11.920港元	—

REPORT OF THE DIRECTORS

Directors	No. of options outstanding at the beginning of the Year	No. of options outstanding at the end of the Year	Date granted	Period during which options exercisable	No. of options granted during the Year	No. of shares acquired in exercise of options during the Year	No. of options cancelled/reclassified during the Year	Price per share to be paid on date of exercise of options	¹ Market value per share at date of grant of options during the Year	² Market value per share on exercise of options during the Year
Lau Siu Mun, Sammy	750,000	150,000	27 September 2000	27 September 2000 to 26 September 2010	—	600,000	—	HK\$1.110	—	HK\$15.460
	400,000	400,000	12 February 2001	12 February 2001 to 11 February 2011	—	—	—	HK\$0.950	—	—
	600,000	600,000	2 November 2005	23 November 2005 to 22 November 2015	—	—	—	HK\$2.875	—	—
Zheng Changyong (resigned on 12 March 2009)	800,000	—	2 November 2005	23 November 2005 to 22 November 2015	—	—	³ -800,000	HK\$2.875	—	—
Employees	300,000	—	25 September 2000 to 9 October 2000	25 September 2000 to 8 October 2010	—	300,000	—	HK\$1.110	—	HK\$18.987
	100,000	100,000	9 February 2001 to 17 February 2001	9 February 2001 to 16 February 2011	—	—	—	HK\$0.950	—	—
	100,000	100,000	12 September 2002 to 23 September 2002	12 September 2002 to 22 September 2012	—	—	—	HK\$3.225	—	—
	2,795,000	5,677,000	2 November 2005	23 November 2005 to 27 November 2015	—	268,000	³ +3,150,000	HK\$2.875	—	HK\$15.518
	800,000	—	26 February 2007	26 February 2007 to 25 February 2017	—	—	⁴ -800,000	HK\$9.490	—	—

Notes:

- (1) Being the closing price quoted on the Stock Exchange immediately before the dates on which the options were granted during the Year.
- (2) Being the weighted average closing price quoted on the Stock Exchange immediately before the dates on which the options were exercised during the Year.
- (3) Mr. Feng Xiaozeng and Mr. Zheng Changyong resigned as a Director of the Company on 7 November 2008 and 12 March 2009, respectively. As they were still a director of the subsidiaries of the Group after their resignation, the share options that they were entitled to, but had not yet been exercised after their resignation, were reclassified and grouped under the employee category.
- (4) Mr. He Zhiguang had been appointed as a Director of the Company on 12 March 2009. The share options that he was entitled to was reclassified from the employee category.

The assumptions used in estimating the fair value of the Company's share options granted during the Year are provided in note 40(a)(v) to the consolidated financial statements.

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

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

董事會報告書

董事	於年初未行使的認股權數目	於年末未行使的認股權數目	賦予日期	可行使認股權期間	年內已授出的認股權數目	年內行使認股權購入的股份數目	年內取消／重新分類認股權數目	行使認股權時應付的每股股價	¹ 於年內認股權授出日期的每股價格	² 於年內行使認股權日期的每股價格
劉少文	750,000	150,000	2000年9月27日	2000年9月27日至2010年9月26日	—	600,000	—	1.110港元	—	15.460港元
	400,000	400,000	2001年2月12日	2001年2月12日至2011年2月11日	—	—	—	0.950港元	—	—
	600,000	600,000	2005年11月2日	2005年11月23日至2015年11月22日	—	—	—	2.875港元	—	—
鄭常勇 (已於2009年3月12日請辭)	800,000	—	2005年11月2日	2005年11月23日至2015年11月22日	—	—	³ -800,000	2.875港元	—	—
僱員	300,000	—	2000年9月25日至2000年10月9日	2000年9月25日至2010年10月8日	—	300,000	—	1.110港元	—	18.987港元
	100,000	100,000	2001年2月9日至2001年2月17日	2001年2月9日至2011年2月16日	—	—	—	0.950港元	—	—
	100,000	100,000	2002年9月12日至2002年9月23日	2002年9月12日至2012年9月22日	—	—	—	3.225港元	—	—
	2,795,000	5,677,000	2005年11月2日	2005年11月23日至2015年11月27日	—	268,000	³ +3,150,000	2.875港元	—	15.518港元
	800,000	—	2007年2月26日	2007年2月26日至2017年2月25日	—	—	⁴ -800,000	9.490港元	—	—

註：

- (1) 緊接認股權授出日期前於聯交所所報的收市價。
- (2) 年內緊接認股權行使日期前於聯交所所報的加權平均收市價。
- (3) 馮曉增先生及鄭常勇先生已分別於二零零八年十一月七日及二零零九年三月十二日辭去本公司董事職務。他們仍為本集團之附屬公司的董事，其未行使的認股權已重新分類為僱員類別。
- (4) 何志光先生於二零零九年三月十二日被委任為本公司董事。其未行使的認股權已由僱員類別重新分類。

有關於年度內授出本公司認股權的公允價值及假設載於綜合財務報表附註40(a)(v)。

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

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

REPORT OF THE DIRECTORS

SHARE AWARD SCHEME

- (A) The Share Award Scheme of the Company was adopted by the board of directors (the “Board”) on 10 September 2007 (“Adoption Date”). Unless terminated earlier by the Board, the Share Award Scheme shall be valid and effective for a term of 10 years commencing from the Adoption Date, and after such period no new award of Shares shall be granted. A summary of some of the principal terms of the Share Award Scheme is set out in section (B) below.
- (B) The purpose of the Share Award Scheme is to recognize and reward certain employees (including without limitation an employee who is also a director) of the Group and CIHC and its subsidiaries for their contributions to the Group and to give long-term incentives for retaining them for the continued operations and development of the Group. The Share Award Scheme intends to provide long-term compensation and incentives such that current employees are incentivized to remain in the Group and CIHC and its subsidiaries, and suitable professional recruits are attracted to join the Group and CIHC and its subsidiaries, to further assist in the development of the Group.

Under the Share Award Scheme, the Board or a committee (which consists of at least the chief executive officer and a director of the Company) delegated with the power of the Board may, from time to time, at its absolute discretion and subject to such terms and conditions as it may think fit select an employee for participation in the Share Award Scheme and determine the number of shares to be awarded. The Board shall not grant any award of shares which would result in the total number of shares which are the subject of awards of shares granted by the Board under the Share Award Scheme (but not counting any which have lapsed or have been forfeited) to represent in aggregate over 10% of the issued share capital of the Company as at the date of such grant. No award shall be granted to any selected employee which would result in the maximum number of awarded shares which are the subject of the awards of shares granted to such selected employee (including any which have lapsed or have been forfeited) under the Share Award Scheme in the 12-month period up to and including the date of such grant to represent in aggregate over 1% of the issued share capital of the Company as at the date of such grant.

- (C) As at 31 December 2008, the net total number of shares acquired under Share Award Scheme is 4,720,000 shares (2007: 5,254,000 shares). As at 31 December 2008, 3,323,500 shares were awarded to selected employees (2007: 3,286,000 shares) subject to the terms of the Share Award Scheme, but have not yet vested in such selected employees.

股份獎勵計劃

(A) 董事會已於於二零零七年九月十日（「採納日」）採納本公司的股份獎勵計劃。除非董事會提早終止該計劃，否則，該計劃由採納日期起十年內有效，於該期間後不得獎授新股份。以下(B)點總結股份獎勵計劃的主要條款。

(B) 該計劃旨在肯定及表揚本集團及中保控股及其附屬公司若干僱員（包括身為董事的僱員）的貢獻，並給予長期鼓勵，讓他們繼續為本集團的持續營運及發展效力。現擬根據該計劃提供長期薪酬及鼓勵，藉此吸引現有僱員留效本集團及中保控股及其附屬公司，並招徠合適的專業人才加盟本集團及中保控股及其附屬公司，進一步協助本集團的發展。

根據該計劃條款，董事會或獲授予董事會權力的委員會（最少包含行政總裁及本公司一名董事）可不時全權酌情按照其認為合適的該等條款及條件，揀選僱員參與該計劃作為入選僱員，並釐定將予獎授的股份數目。倘獎授將導致董事會根據該計劃授出的股份（但不計任何已失效或已沒收的股份）合計超過本公司在有關授出日期當日已發行股本的10%，董事會將不會進行有關獎授。倘向任何入選僱員獎授股份，將導致該入選僱員於截至及包括有關授出日期止十二個月內根據該計劃獲授出的獎授股份（包括任何已失效或已沒收的股份）數目上限超過授出日期本公司已發行股本的1%，則不得進行有關獎授。

(C) 於二零零八年十二月三十一日，根據股份獎勵計劃購入之股份淨額為4,720,000股（二零零七年：5,254,000股）。於二零零八年十二月三十一日，當中3,323,500股已根據股份獎勵計劃的條款獎授但未歸屬予選定僱員（二零零七年：3,286,000股）。

REPORT OF THE DIRECTORS

Details of the Shares awarded to the Directors are set out below:

Name of Directors	Date of award (Note 1)	Number of awarded shares	Historical acquisition cost	Average fair value per share (Note 2)	Number of shares		Vesting date
					Lapsed during the Year	As at 31 December 2008	
He Zhiguang	31 December 2007	240,000	HK\$20.68	HK\$21.60	—	240,000	31 December 2010
Ng Yu Lam, Kenneth	16 November 2007	27,000	HK\$18.75	HK\$22.00	—	27,000	31 December 2009
	20 May 2008	55,000	HK\$18.01	HK\$22.40	—	55,000	31 December 2010
Shen Koping, Michael	16 November 2007	10,000	HK\$18.75	HK\$22.00	—	10,000	31 December 2009
	20 May 2008	12,000	HK\$18.75	HK\$22.40	—	12,000	31 December 2010
Lau Siu Mun, Sammy	16 November 2007	22,000	HK\$18.75	HK\$22.00	—	22,000	31 December 2009
	20 May 2008	45,000	HK\$18.01	HK\$22.40	—	45,000	31 December 2010
Li Tao	31 December 2007	130,000	HK\$20.68	HK\$21.60	—	130,000	31 December 2010

Notes:

- (1) The date of award refers to the date on which the selected employees agree to undertake to hold the awarded shares on the terms on which they are granted and agree to be bound by the rules of the Share Award Scheme.
- (2) The average fair value of the awarded shares is based on the closing price at the date of award and any directly attributable incremental costs.

董事會報告書

董事獲獎授股份的資料臚列如下：

董事名稱	獎授日期 (註1)	獎授股份 數目	歷史購入 成本	每股平均 公允價值 (註2)	股份數目		歸屬日期
					於本年度 內失效	於二零零八年 十二月三十一日	
何志光	2007年12月31日	240,000	20.68港元	21.60港元	—	240,000	2010年12月31日
吳俞霖	2007年11月16日	27,000	18.75港元	22.00港元	—	27,000	2009年12月31日
	2008年5月20日	55,000	18.01港元	22.40港元	—	55,000	2010年12月31日
沈可平	2007年11月16日	10,000	18.75港元	22.00港元	—	10,000	2009年12月31日
	2008年5月20日	12,000	18.75港元	22.40港元	—	12,000	2010年12月31日
劉少文	2007年11月16日	22,000	18.75港元	22.00港元	—	22,000	2009年12月31日
	2008年5月20日	45,000	18.01港元	22.40港元	—	45,000	2010年12月31日
李濤	2007年12月31日	130,000	20.68港元	21.60港元	—	130,000	2010年12月31日

註：

- (1) 獎授日是指選定僱員同意承擔持有根據股份獎勵計劃獎授的股份，並受到該等條款約束當日。
- (2) 獎授股份每股平均公允價值是根據授出日的收市價及所有直接有關增量成本。

REPORT OF THE DIRECTORS

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

As of 31 December 2008, the interests and short positions of the shareholders, other than a director or chief executive of the Company, in the Shares and underlying Shares of the Company as recorded in the register required to be kept by the Company under Section 336 of SFO were as follows:

Long Positions in Shares of the Company:

Substantial shareholders	Capacity	Number of ordinary shares (corporate interests)	Percentage of issued share capital
CIHC	Interest of controlled corporation	773,115,705 (Note 1)	54.38
CIHK	643,425,705 shares as beneficial owner and 129,690,000 shares (Note 2) as interest of controlled corporation	773,115,705	54.38
JP Morgan Chase & Co.	651,000 shares as beneficial owner, 8,272,000 shares as Investment manager and 105,247,660 shares as custodian corporation/ approved lending agent	114,170,660	8.03
ICBC	Interest of controlled corporation	97,464,887 (Note 3)	6.86
ICBC (Asia)	Beneficial owner	97,464,887	6.86

Notes:

- (1) CIHC's interest in the Company is held by CIHK, Golden Win Development Limited ("Golden Win"), Ming Lee Investment Limited ("Ming Lee"), Manhold Limited ("Manhold"), China Insurance Group Finance Company Limited ("CIGFCL"), Panbillion Finance Company Limited ("Panbillion") and China Insurance Group Investment Company Limited ("CIGICL"), all of which are wholly-owned subsidiaries of CIHC.
- (2) 71,544,000 shares are held by Golden Win, 18,672,000 shares are held by Ming Lee, 10,768,000 shares are held by Manhold, 13,144,000 shares are held by CIGFCL, 14,597,000 shares are held by Panbillion and 965,000 shares are held by CIGICL.
- (3) ICBC's interest in the Company is held by ICBC (Asia), a subsidiary of ICBC.

Save as disclosed above, the register required to be kept under section 336 of the SFO showed that the Company had not been notified of any interests or short positions in the Shares and underlying Shares of the Company as at 31 December 2008.

董事會報告書

主要股東及其他人事的股份及相關股份的權益及淡倉

於二零零八年十二月三十一日，按證券及期貨條例第336條規定存置之登記冊的記錄所載不屬於本公司董事或最高行政人員的股東在本公司的股份及相關股份中擁有的權益及淡倉如下：

本公司股份的好倉情況：

主要股東	身份	普通股股數 (公司權益)	佔已發行股份 百分比
中保控股	控股公司權益	773,115,705 (註1)	54.38
香港中保	643,425,705股為 實益擁有人及 129,690,000股(註2) 為控股公司權益	773,115,705	54.38
摩根大通	651,000股為實益擁有人， 8,272,000股為投資經理及 105,247,660股為 保管人—法團/ 核准借出代理人	114,170,660	8.03
中國工銀	為控股公司權益	97,464,887 (註3)	6.86
工銀(亞洲)	實益擁有人	97,464,887	6.86

註：

- (1) 中保控股於本公司之權益由香港中保、金和發展有限公司(「金和」)、民利投資有限公司(「民利」)、汶豪有限公司(「汶豪」)、中國保險集團財務有限公司(「中保財務」)、億茂財務有限公司(「億茂」)及中國保險集團投資有限公司(「中保投資」)持有，各公司均為中保控股之全資附屬公司。
- (2) 71,544,000股股份由金和持有，18,672,000股股份由民利持有，10,768,000股股份由汶豪持有，13,144,000股股份由中保投資持有，14,597,000股股份由億茂持有，而965,000股股份由中保投資持有。
- (3) 中國工銀於本公司之權益由其附屬公司工銀(亞洲)所持有。

除前述者外，按《證券及期貨條例》第336條規定存置之登記冊的記錄所示，本公司並無接獲通知任何有關於二零零八年十二月三十一日在本公司的股份及相關股份中擁有的權益及淡倉。

REPORT OF THE DIRECTORS

DIRECTORS' INTEREST IN CONTRACTS

No contract of significance to which the Company, any of its holding companies, subsidiaries or fellow subsidiaries was a party in which a director of the Company had a material interest subsisted at the end of the Year or at any time during the Year.

CONNECTED TRANSACTIONS

During the Year, the Group entered into the following connected transactions with CIHC and its subsidiaries ("CIHC Group").

Joint Bidding Agreement with TPI, CIHC and Ming An China

On 20 March 2008, TPL entered into a Joint Bidding Agreement with TPI, CIHC and The Ming An Insurance Company (China) Limited ("Ming An China") in relation to the purchase of a piece of land in Shenzhen and development of a commercial office building. The amount to be invested by TPL was agreed to be RMB289,000,000.

Capital Contribution to TPI

On 30 June 2008, CIH entered into the conditional capital contribution agreement with CIHC, ICBC (Asia) and TPI pursuant to which CIHC and the Company agreed to contribute, in cash, in aggregate an amount of RMB270,000,000 as additional registered capital into TPI. Of the aggregate amount, RMB4,540,000 was to be contributed by CIHC and RMB265,460,000 was to be contributed by CIH. ICBC (Asia) decided to not participate in the capital contribution. TPI is an associated company of the Company, in which CIH holds a 40.025% equity interest prior to the capital contribution. Upon completion, each of CIHC, the Company and ICBC (Asia) was directly interested in 42.020%, 50.050% and 7.930%, respectively, of the equity interests in TPI. On 30 June 2008, CIHC, CIH and ICBC (Asia) also entered into the conditional option deed pursuant to which CIHC agreed to grant the right to ICBC (Asia) at nil consideration to, conditional upon completion, acquire from CIHC the equity interest of approximately 1.647% in TPI as enlarged by the capital contribution for a consideration of RMB25,858,900 within six months from the date of the option deed, or such later date as the parties may extend pursuant to the terms of the option deed. The option will be exercisable at the option of ICBC (Asia), and if exercised by ICBC (Asia), will have to be exercised in full. The Company has waived its right to purchase the option interest if the option is exercised by ICBC (Asia). The capital contribution agreement and the option deed were approved by the Independent Shareholders of CIH at an extraordinary general meeting of the Company held on 15 July 2008.

Supplemental Agreement with CIHC and Ming An China

On 5 November 2008, TPI and TPL entered into a supplemental agreement in relation to the purchase of land and the development of the property in Shenzhen with CIHC and Ming An China to amend the total investment amount from the parties as set out in the joint bidding agreement dated 20 March 2008. According to the joint bidding agreement, the percentages of the total investment amount for the transaction required from each of TPI, CIHC, TPL and Ming An China were 15%, 55%, 15% and 15%, respectively. Under the supplemental agreement, the percentages of the total investment amount for the transaction required from each of TPI, CIHC, TPL and Ming An China was amended to be 15%, 5%, 65% and 15%, respectively. TPI and TPL are expected to invest a total of approximately RMB289,000,000 and RMB1,251,000,000, respectively, for the transaction under the supplemental agreement. The purchase of the land was completed in April 2008 and the construction of the property is expected to commence in early 2009 and will last for a period of three years with a tentative completion date set to be in the second half of 2011. The joint bidding agreement and supplemental agreement were approved by the independent shareholders of CIH at an extraordinary general meeting of the Company held on 9 December 2008.

董事在合約擁有的權益

本公司、任何其控股公司、附屬公司或同系附屬公司於年結時或本年度任何時間，均沒有訂立任何本公司董事擁有重大權益的重要合約。

關連交易

本集團於年內與中保控股及其附屬公司(「中保控股集團」)訂立以下關連交易。

與太平保險、中保控股及民安中國之聯合競投協議

於二零零八年三月二十日，太平人壽與太平保險、中保控股及民安保險(中國)有限公司(「民安中國」)就購買一幅位於深圳之土地及興建商業樓宇而訂立聯合競投協議。太平人壽將合共投資人民幣289,000,000元。

向太平保險增資

於二零零八年六月三十日，中保國際與中保控股、工銀(亞洲)及太平保險已訂立有條件增資協議，據此，中保控股及本公司將向太平保險增資現金合共人民幣270,000,000元，作為額外註冊資本。在該筆總額中，中保控股將增資人民幣4,540,000元，中保國際則將增資人民幣265,460,000元。工銀(亞洲)已決定不參與增資。太平保險為本公司聯繫公司，中保國際於增資前持有其40.025%股權。於完成時，中保控股、中保國際及工銀(亞洲)各自將分別直接擁有太平保險之42.020%、50.050%及7.930%股權之權益。二零零八年六月三十日，中保控股、中保國際與工銀(亞洲)亦已訂立有條件期權契據，據此，中保控股同意按無償代價授權予工銀(亞洲)，藉以待完成後，於期權契據日期起計六個月內或各訂約方根據期權契據條款可能延後之較後日期，向中保控股收購太平保險經增資擴大後約1.647%之股權，代價為人民幣25,858,900元。期權將可由工銀(亞洲)選擇行使，而一經工銀(亞洲)行使，則須全數行使。本公司已放棄其於工銀(亞洲)行使期權時購買期權權益之權利。增資協議及期權契據已於二零零八年七月十五日舉行之股東特別大會上，獲得中保國際獨立股東批准。

與中保控股及民安中國之補充協議

於二零零八年十一月五日，太平保險及太平人壽與中保控股及民安中國訂定有關於深圳購買土地及興建物業聯合競投協議之補充協議，藉以修改於二零零八年三月二十日訂定的聯合競投協議各訂約方之投資金額。根據聯合競投協議，太平保險、中保控股、太平人壽及民安中國訂約各方各自須就交易事項支付之投資總額百分比分別為15%，55%，15%及15%。根據補充協議，修改後的太平保險、中保控股、太平人壽及民安中國訂約各方各自須就交易事項支付之投資總額百分比分別為15%，5%，65%及15%。根據補充協議，太平保險及太平人壽預期將就交易事項分別投資人民幣289,000,000元及人民幣1,251,000,000元。於二零零八年四月完成了土地購買，而該物業預期在二零零九年初開始施工，須時三年並預期於二零一一年下半年完成。聯合競投協議及補充協議已於二零零八年十二月九日舉行之股東特別大會上，獲得中保國際獨立股東批准。

REPORT OF THE DIRECTORS

CONTINUING CONNECTED TRANSACTIONS

During the Year, the Group entered into the Continuing Connected Transactions Agreements with CIHC and its subsidiaries ("CIHC Group"). Details of these connected transactions are set out in the following paragraphs A to D.

A. Reinsurance Transaction

On 11 January 2006, CIRe and CIHC entered into the Reinsurance Agreement pursuant to which CIRe agrees, and CIHC agrees to procure its subsidiaries, to enter into various reinsurance contracts with members of the CIHC Group. Pursuant to the said reinsurance contracts, CIRe acts as reinsurer and accepts risks in return for agreed premium from such members of the CIHC Group. The Reinsurance Transactions consist of both treaty and facultative businesses and the range of risks covered includes all lines of general reinsurance risks and certain classes of long term reinsurance risks on both a proportional and non-proportional basis. The Reinsurance Agreement is conditional upon the obtaining of Independent Shareholders' Approval and shall be valid for a term of three years from 1 January 2006 to 31 December 2008. Pursuant to the Reinsurance Agreement, CIRe will enter into reinsurance contracts on the same basis as it accepts reinsurance business from other independent customers, and the terms and conditions of such reinsurance contracts, in which other independent third party reinsurers may also participate, will be negotiated on an arm's length basis and will be entered into on normal commercial terms.

It is expected that the amount of gross premium income ceded by CIHC Group and underwritten by CIRe and the commission expenses payable by the Group in respect of the Reinsurance Transactions for each of the financial year ended 31 December from 2006 to 2008 will not exceed HK\$504.00 million and HK\$154.37 million, respectively.

The proposed cap of the amount of gross premium income and commission expenses described above are determined by reference to the historical value of such transactions and the projected value on new business that are likely to be procured.

The Reinsurance Agreement and the proposed cap were approved by the independent shareholders of the Company by way of poll at the Company's extraordinary general meeting on 23 February 2006.

During the Year, the gross premiums written and the commission expenses paid in respect of business ceded by related companies was HK\$266.04 million (2007: HK\$241.54 million) and HK\$86.18 million (2007: HK\$72.95 million) respectively.

B. Retrocession Transaction

On 11 January 2006, CIRe and CIHC entered into the Retrocession Agreement pursuant to which CIRe agrees, and CIHC agrees to procure its subsidiaries, to enter into retrocessional reinsurance contracts. Pursuant to the retrocessional reinsurance contracts, CIRe retrocedes inward premium to the CIHC Group on both a proportional and non-proportional basis and CIRe receives commission income from the CIHC Group.

持續關連交易

本集團於年內與中保控股及其附屬公司(「中保控股集團」)訂立持續關連交易協議。此等關連交易詳情載於以下A至D段。

A. 再保險交易

中再國際於二零零六年一月十一日與中保控股簽訂再保險協議，據此協議，中再國際同意(而中國保險(控股)同意會促使其附屬公司)與中保控股集團的成員訂定各類型的再保險協議。根據此等再保險合約，通過收取協定的保費，中再國際會以再保險公司的身份承擔中保控股集團成員的風險。再保險交易包括合約及臨時性再保險業務，而承保範圍包括全線一般再保險業務按比例及非比例的風險，亦包括某類別的長期再承保風險。再保險協議須獲得獨立股東批准，並將會為期三年，由二零零六年一月一日起到二零零八年十二月三十一日止。根據再保險協議，中再國際接納此等再承保業務的合約條款及條件與其他獨立第三者的再承保業務條款相同。而此等再承保合約的條款及條件(其他獨立第三者亦可據此參與)，均經過正常基礎協商及按一般商業條款達成。

預計由二零零六年至二零零八年截至十二月三十一日止的每個財政年度由中保控股集團分入及由中再國際承保的再保險交易保費總收入將不會超過5.04億港元。而預計由二零零六年至二零零八年的每個財政年度由本集團支付有關再保險交易的佣金支出將不會超過1.5437億港元。

上述建議的保費總收入及佣金支出上限是參考過以往交易所產生的金額及計入可能獲得的新業務將會帶來的預計金額。

再保險協議及建議的上限已於二零零六年二月二十三日本公司召開之股東特別大會上，由本公司獨立股東以投票方式贊成批准。

於年內關連公司分出業務的毛承保保費總額佣金支出分別為2.6604億港元(二零零七年：2.4154億港元)及8,618萬港元(二零零七年：7,295萬港元)。

B. 轉分交易

中再國際於二零零六年一月十一日與中保控股簽訂轉分協議，據此協議，中再國際同意(而中保控股同意會促使其附屬公司)訂定轉分協議。根據轉分再保險合約，中再國際將會以比例及非比例方式，將轉入保費轉分予中保控股集團，並會從中保控股集團獲得佣金收入。

REPORT OF THE DIRECTORS

Retrocession is the transfer by a reinsurer of inward reinsurance risks accepted by it to another insurance or reinsurance company. A reinsurer may enter into retrocession agreements with a number of insurers and reinsurers, whereby such other insurers and reinsurers agree to accept given proportions of risk. The reinsurer would consider the extent of the risk it wishes to retain, and retrocede the surplus to other insurers and reinsurers under a retrocession treaty. The retrocession arrangements may be arranged on a single original risk, or for a portfolio of inward reinsurance risks, and may be arranged in a proportional or non-proportional manner.

The Retrocession Agreement is valid for a term of three years from 1 January 2006 to 31 December 2008. Pursuant to the Retrocession Agreement, the Retrocession Transactions will be effected on terms and conditions that are comparable to those offered by the Group to and accepted by independent third parties, and will be on normal commercial terms and on an arm's length basis and in accordance with the Group's risk management policy.

It is expected that the gross premium income to be retroceded to CIHC Group and the commission income to be received by the Group in respect of the Retrocession Transactions for each of the financial years ended 31 December 2006 to 2008 will not exceed HK\$47.25 million and HK\$17.96 million, respectively.

The proposed cap of the gross premium income and commission income described above are determined by reference to the historical value of such transactions and the projected values on new business that are likely to be procured.

During the Year, the outward retroceded premiums and the commission income received in respect of business retroceded to related companies was HK\$2.78 million (2007: HK\$2.68 million) and HK\$433,000 (2007: HK\$269,000), respectively.

C. Investment Management Services

On 11 January 2006, CIGAML, the wholly-owned subsidiary of the Company, and CIHC entered into the Master Investment Management Agreement pursuant to which CIGAML agrees, and CIHC agrees to procure its subsidiaries, to enter into various investment management agreements with the CIHC Group. In accordance with the investment management agreements, CIGAML provides investment advice and investment management services to the relevant members of the CIHC Group in managing the Trust Fund.

The Master Investment Management Agreement shall be valid for a term of three years from 1 January 2006 to 31 December 2008. Under the Master Investment Management Agreement, CIGAML will receive from the CIHC Group management fees, performance bonus fees and other fees for its investment management services per annum for each investment management agreement (together, the "Management Fees") and such Management Fees will be calculated on the basis of (a) a certain percentage of the net asset value of the Trust Fund; and/or (b) a performance bonus fee representing a certain percentage of the amount of net investment return at the end of the relevant calendar year in excess of an amount equivalent to a certain percentage of the daily average balance of the settlor's subscription monies or the increase in the next asset value of the relevant Trust Fund managed by CIGAML; and/or (c) such other bases as may be agreed to by the parties to the investment management agreement.

It is expected that the Management Fees to be received by the Group for each of the financial years ending 31 December from the financial years ended 31 December 2006 to 2008 will not exceed HK\$4.80 million. The proposed cap is determined by reference to the historical values of such transactions and the projected values on new business to be procured.

轉分保險是指一家再保險公司將已接受的轉入再保險風險轉給予另一家保險公司或再保險公司。一家再保險公司可以跟一家或多家保險公司或再保險公司訂立轉分保險安排，使其他保險公司或再保險公司可以承擔協定的風險比例。該再保險公司可以首先確定本身會承擔的風險，然後將超額部份按轉分合約分給其他保險公司或再保險公司。轉分安排可以是單一原有風險，或一攬子轉入再保險風險，亦可以按比例或非比例方式安排。

轉分協議將會為期三年。由二零零六年一月一日起到二零零八年十二月三十一日止。根據轉分協議，轉分交易會按照本集團給予及為獨立第三者接納的條款及條件進行，並經過按一般商業條款及正常基礎協商達成，並與本集團的風險管理政策一致。

預計由二零零六年至二零零八年截至十二月三十一日止的每個財政年度本集團向中保控股集團分出的轉分交易保費總收入及收取的轉分交易佣金收入分別將不會超過4,725萬港元及1,796萬港元。

上述所建議的保費總收入及佣金收入上限乃參考過以往交易所產生的金額及計入可能獲得的新業務將會帶來的預計金額。

於年內關連公司轉分業務的轉分再保險保費及佣金收入分別為278萬港元(二零零七年：268萬港元)及43.3萬港元(二零零七年：26.9萬港元)。

C. 投資管理服務

本公司的全資附屬公司，中保資產管理於二零零六年一月十一日與中保控股簽訂投資管理服務主協議，據此協議，中保資產管理同意(而中保控股同意會促使其附屬公司)與中保控股集團訂定各種投資管理服務協議。根據投資管理服務協議，中保資產管理向中保控股集團相關成員為其信託基金提供投資意見及投資管理服務。

投資管理主協議將會為期三年。由二零零六年一月一日起到二零零八年十二月三十一日止。根據投資管理主協議，中保資產管理為中保控股集團提供投資管理服務，每年會按每一份投資管理協議收取管理費、表現花紅及其他收費(統稱「管理費」)。管理費的收取及將會收取是(a)按每項信託基金資產淨值之若干比率來計算；及/或(b)表現花紅，即根據中保資產管理所管理的有關信託基金於每個曆年結束時之投資回報淨值之若干比率，高出相當於創立人認購款項每日平均結餘之若干比率或有關信託基金之資產淨值增加；及/或(c)經投資管理協議的合約參與方同意的其他基準。

預計由二零零六年至二零零八年截至十二月三十一日止的每個財政年度本集團將可以收到的管理費不會超過480萬港元。此建議的上限是參考過以往交易所產生的金額及計入可能獲得的新業務將會帶來的預計金額。

REPORT OF THE DIRECTORS

During the Year, the Management Fees to be received by the Group was HK\$7.89 million (2007: HK\$17.84 million). The actual amount received is more than the proposed cap of HK\$4.80 million for the relevant transaction by an amount of HK\$3.09 million. In respect of the amount of the Management Fees to be received by the Group during the Year, since each of the applicable percentage ratios calculated pursuant to the Listing Rules is on an annual basis less than 0.1%, pursuant to Listing Rule 14A.33, this transaction is exempt from reporting, announcement and shareholders' approval requirements set out in Chapter 14A of the Listing Rules.

D. Provision of Training Services

On 11 January 2006, the Company and CIHC entered into the Training Services Agreement pursuant to which the training department of the CIHC Group will provide training services to directors, employees, agents and sales representatives of members of the Group. Such training services include the provision of training to staff, training materials and information and the organization of training-related seminars and activities on basic insurance knowledge, risk management, presentation skills, and other-job-related skills training.

The Training Services Agreement shall be valid for a period of three years from 1 January 2006 to 31 December 2008 and the Group will pay training fees to CIHC in respect of the training services provided ("Training Fees"). Pursuant to the Training Services Agreement, at the commencement of each financial year, CIHC will notify the Group of the projected amount of Training Fees payable by the Group by reference to the planned training activities to be conducted in that financial year and the proportion to be shared by the Group. Prior to 31 March of each financial year, the Group shall pay to CIHC the Training Fees in advance (the "Advance Payment"). At the end of the relevant financial year, if the Advance Payment is insufficient to cover the actual Training Fees incurred during that financial year, the Group will top up the shortfall within 90 days from the end of the respective financial year. On the other hand, if the Advance Payment is more than the actual Training Fees incurred, the surplus will, at the discretion of CIHC, be refunded to the Company or be brought forward to the next financial year as part of the Advance Payment for the next financial year. The Training Fees to be charged by the CIHC Group will be based on the number of persons within the Group who have received the training services as a proportion to the total number of persons to which training services have been provided and/or other reasonable bases as may be determined by the Company and CIHC.

It is expected that the Training Fees to be paid by the Group pursuant to the Training Services Agreement for each of the financial year ending 31 December 2006 to 2008 will not exceed HK\$5.08 million. The proposed cap is determined by reference to the historical values of such transactions and the projected increase of the number of directors, employees, agents and sales representatives of the members of the Group who will receive the training services.

During the Year, the fees paid to the CIHC Group in respect of the training services was HK\$4.95 million (2007: HK\$4.78 million).

The independent non-executive directors of the Company have reviewed and confirmed that the continuing connected transactions in paragraphs A to D above were conducted in following manner:

- (i) entered into by the Group in the ordinary and usual course of its business;
- (ii) entered into on normal commercial terms or on terms no less favourable than terms available to or from independent third parties
- (iii) entered into in accordance with the terms of the relevant agreements governing such transactions and on terms that are fair and reasonable so far as the shareholders of the Company as a whole are concerned.

本集團於年內收取的管理費為789萬港元(二零零七年：1,784萬港元)。實際收取比相關交易建議的上限480萬港元多309萬港元。有關本集團於年內收取的管理費，由於按上市規則的每一個適用的百分比比例逐年計算皆少於0.1%，根據上市規則第14A.33條，此交易毋須遵守載於上市規則第14A條的申報、公告及股東批准的規定。

D. 提供培訓服務

本公司於二零零六年一月十一日與中保控股簽訂培訓服務協議，據此協議，中國保險(控股)集團的培訓部會為本集團成員的董事、僱員，代理人及營業代表等提供培訓服務。培訓服務包括提供員工培訓、培訓教材、培訓信息與及組織相關的培訓會議和活動。培訓內容將包括基本保險知識、風險管理、表達技巧及其他在職培訓等。

培訓服務協議將會為期三年。由二零零六年一月一日起到二零零八年十二月三十一日止。本集團會按獲得的培訓服務付培訓費給中保控股集團(「培訓費」)。根據培訓服務協議，中保控股集團會在每個財政年度期初，通知本集團需預付的培訓服務預付款。此筆預付款項是根據該年度計劃舉行的培訓活動及本集團將要分攤的比例。在每年三月三十一日之前，本集團需預繳培訓費(「預付款」)。如在該財政年度期末，預付款不夠支付當年實際發生數，本集團需在九十天內補足差額。若預付款多於實際發生數，中保控股可以選擇把餘額退回，或轉為下一個財政年度預付款的一部份。中保控股集團的培訓費的收取，將按本集團參與人數佔接受培訓的總人數的比例及／或其他合理的基準釐定。

預計由二零零六年至二零零八年截至十二月三十一日止的每個財政年度本集團根據培訓服務協議將要支付的培訓費不會超過508萬港元。此建議的上限是參考過以往交易所支付的金額及預計本集團成員的董事、僱員，代理人及營業代表等接受培訓服務的人數將會有所增加。

於年內支付給中保控股集團的培訓服務費用為495萬港元(二零零七年：478萬港元)。

獨立非執行董事已作出檢討，並確認載於以上A至D段的持續關連交易乃按以下方式進行：

- (i) 本集團於日常及一般業務當中訂立；
- (ii) 按一般商業條款進行，或根據不遜於給予或獲自獨立第三方的條款；
- (iii) 根據規管該等交易的協議條款訂立及訂立條款對本公司股東整體而言乃屬公平合理。

REPORT OF THE DIRECTORS

In accordance with rule 14A.38 of the Listing Rules, the Board engaged the auditor of the Company to perform certain procedures on the above continuing connected transactions on a sample basis in accordance with Hong Kong Standard on Related Services 4400 “Engagements to Perform Agreed-Upon Procedures Regarding Financial Information” issued by the HKICPA. The auditor has reported their factual findings to the Board concerning the matters stated in rule 14A.38.

Based on the work performed, the external auditor of the Company has reported that the aforesaid continuing connected transactions (a) have been approved by the Board of the Company; (b) are in accordance with the pricing policies if the transactions involve provision of goods or services; (c) have been entered into in accordance with the terms of the relevant agreements governing the transactions, and (d) have not exceeded the caps disclosed in the announcement dated 11 January 2006, except for the asset management fee.

In respect of the amount of the Management Fees to be received by the Group during the Year, since each of the applicable percentage ratios calculated pursuant to the Listing Rules is on an annual basis less than 0.1%, pursuant to Listing Rule 14A.33, this transaction is exempt from the reporting, announcement and shareholders’ approval requirements set out in Chapter 14A of the Listing Rules.

INTEREST BEARING NOTES

Particulars of the interest bearing notes of the Company and the Group as at 31 December 2008 are set out in note 32 to the consolidated financial statements.

FIVE YEAR SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on pages 275 to 276.

RETIREMENT SCHEMES

Particulars of the retirement schemes are set out in note 39 to the consolidated financial statements.

CORPORATE GOVERNANCE

Information on the Company’s corporate governance practices during the Year under review is set out in the “Corporate Governance Report” of the Company’s 2008 annual report.

AUDIT COMMITTEE

Further information on the composition of the Audit Committee and the work performed by the Audit Committee during the Year under review is set out in the Company’s 2008 annual report under the section headed “Audit Committee” in the Corporate Governance Report.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of its directors, as at the date of this report, there is sufficient public float, as not less than 25.0% of the Company’s issued shares are held by the public.

董事會報告書

按照香港聯合交易所有限公司證券上市規則第14A.38段之規定，董事會委聘本公司核數師根據香港會計師公會頒佈之香港審計相關服務準則第4400號「就財務資料執行協定程序之委聘」之基準，抽樣就上述持續關連交易進行若干程序。核數師就上市規則14A.38所述的事項，已向董事會匯報據實調查結果。

根據其進行的工作，本公司外部核數師已確認上述持續關連交易乃：(a)獲得本公司董事會批准；(b)若交易涉及提供貨品或服務乃按照定價政策而進行；(c)根據規管該等交易的有關協議的條款而訂立；(d)除資產管理費外，並無超出於二零零六年一月十一日之公告所披露的上限。

有關本集團於年內收取的管理費，由於按上市規則的每一個適用的百分比逐年計算皆少於0.1%，根據上市規則第14A.33條，此交易毋須遵守載於上市規則第14A條的申報、公告及股東批准的規定。

需付息票據

本集團及本公司於二零零八年十二月三十一日有關需付息票據的摘要載於綜合財務報表附註32。

五年概要

本集團於過去五個財務年度的業績及資產與負債概要載於第275至276頁。

退休計劃

有關該等退休計劃的摘要載於綜合財務報表附註39。

企業管治

有關本年度的本公司企業管治常規的資料載於本公司二零零八年年報「企業管治報告」之內文。

審核委員會

有關審核委員會的成員組合及本年度的工作詳載於本公司二零零八年年報企業管治報告書標題「審核委員會」一段之內文。

公眾持股量

在本報告刊發之日，根據本公司取得的公開資料及就董事所知悉，本公司的公眾持股量是足夠的，此乃因為公眾持股量並不少於本公司已發行股本的25.0%。

REPORT OF THE DIRECTORS

AUDITORS

During the Year, Messrs. KPMG, who acted as auditor of the Company for the past seven years, resigned and Messrs. Deloitte Touche Tohmatsu was appointed as auditor of the Company. A resolution will be submitted to the annual general meeting to re-appoint the auditor, Messrs. Deloitte Touche Tohmatsu.

By order of the Board

Lin Fan

Chairman

Hong Kong, 18 March 2009

核數師

本年度內，在過去七年擔任本公司核數師之畢馬威會計師事務所辭任，及德勤•關黃陳方會計師行獲委任為本公司核數師。由德勤•關黃陳方會計師行續聘為本公司核數師的決議，將於即將召開的股東周年大會上提出。

承董事會命
林帆
董事長

香港，二零零九年三月十八日

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The Company is committed to the establishment of good standards of corporate governance practices by emphasising transparency, accountability and responsibility to our shareholders. The Board reviews its corporate governance practices from time to time in order to meet the rising expectations of shareholders, to comply with increasingly stringent regulatory requirements, and to fulfill its commitment to excellence in corporate governance practices.

During the Year under review, the Company has applied the principles and complied with the Code Provisions set out in the “Code on Corporate Governance Practices” contained in Appendix 14 of the Listing Rules which came into effect on 1 January 2005 (the “Code”), with the following exceptions:

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

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules as the code of conduct regarding securities transactions by directors. Having made specific enquiry of all directors, the Company confirmed that all directors have complied with the required standard set out in the Model Code during the Year under review.

BOARD OF DIRECTORS

The Board is collectively responsible for overseeing the management of the business and affairs of the Group. The Board currently is comprised of a total of eleven directors, with seven executive directors, one non-executive director and three independent non-executive directors.

The names of the directors are set out in the Company’s 2008 annual report under the section headed “Corporate Information”.

During the period from 1 January 2008 to the date of this annual report, the Board held five meetings, the particulars of which are as follows:

Date of meeting	Attendees
8 January 2008	Mr. Feng Xiaozeng, Mr. Lin Fan, Mr. Song Shuguang, Mr. Xie Yiqun, Mr. Ng Yu Lam, Kenneth, Mr. Shen Koping, Michael, Mr. Lau Siu Mun, Sammy, Mr. Zheng Changyong and Mr. Che Shujian.
18 March 2008	Mr. Feng Xiaozeng, Mr. Lin Fan, Mr. Song Shuguang, Mr. Xie Yiqun, Mr. Ng Yu Lam, Kenneth, Mr. Shen Koping, Michael, Mr. Lau Siu Mun, Sammy and Mr. Lau Wai Kit.
29 August 2008	Mr. Feng Xiaozeng, Mr. Lin Fan, Mr. Song Shuguang, Mr. Xie Yiqun, Mr. Ng Yu Lam, Kenneth, Mr. Shen Koping, Michael, Mr. Lau Siu Mun, Sammy, Mr. Zheng Changyong, Dr. Wu Jiesi, Mr. Che Shujian and Mr. Lau Wai Kit.
14 November 2008	Mr. Lin Fan, Mr. Song Shuguang, Mr. Xie Yiqun, Mr. Ng Yu Lam, Kenneth, Mr. Shen Koping, Michael, Mr. Lau Siu Mun, Sammy, Mr. Zheng Changyong and Dr. Wu Jiesi.
18 March 2009	Mr. Lin Fan, Mr. Song Shuguang, Mr. Xie Yiqun, Mr. He Zhiguang, Mr. Ng Yu Lam, Kenneth, Mr. Shen Koping, Michael, Mr. Lau Siu Mun, Sammy, Mr. Li Tao and Dr. Wu Jusi.

企業管治常規

本公司致力於透過著重對全體股東的透明度、問責性及負責任制訂良好的企業管治常規。董事會不時審閱其企業管治常規，以配合股東更高的期望及附合越趨嚴謹的規則要求，並履行其優質企業管治的承諾。

於本年度內，本公司已遵守從二零零五年一月一日起生效的上市規則附錄14所載之企業管治常規守則（「守則」）的守則規定及實施其原則，惟下列除外：

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

董事進行證券交易

本公司已採納上市規則附錄10所載的標準守則作為有關董事進行證券交易的守則。在向所有董事作出特定查詢後，所有董事確認於年內已遵守標準守則規定所載的要求標準。

董事會

董事會共同負責監察本集團的業務及各事務的管理工作。董事會現時由十一位董事組成，包括七位執行董事、一位非執行董事及三位獨立非執行董事。

董事名單詳載於本公司二零零八年年報「公司資料」標題下之內文。

由二零零八年一月一日起至本年報日期，董事會曾舉行以下五次會議：

會議日期	出席者
二零零八年一月八日	馮曉增先生、林帆先生、宋曙光先生、謝一群先生、吳俞霖先生、沈可平先生、劉少文先生、鄭常勇先生及車書劍先生。
二零零八年三月十八日	馮曉增先生、林帆先生、宋曙光先生、謝一群先生、吳俞霖先生、沈可平先生、劉少文先生及劉偉傑先生。
二零零八年八月二十九日	馮曉增先生、林帆先生、宋曙光先生、謝一群先生、吳俞霖先生、沈可平先生、劉少文先生、鄭常勇先生、武捷思博士、車書劍先生及劉偉傑先生。
二零零八年十一月十四日	林帆先生、宋曙光先生、謝一群先生、吳俞霖先生、沈可平先生、劉少文先生、鄭常勇先生及武捷思博士。
二零零九年三月十八日	林帆先生、宋曙光先生、謝一群先生、何志光先生、吳俞霖先生、沈可平先生、劉少文先生、李濤先生及武捷思博士。

CORPORATE GOVERNANCE REPORT

The Board formulates the overall strategy of the Group, monitors its financial performance and maintains effective supervision over the management. Daily operations and administration are delegated to the management. During the Year under review, none of the directors above has or maintained any financial, business, family or other material/relevant relationships with any of the other directors.

The non-executive director and the independent non-executive directors are not appointed for specific terms but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company's articles of association.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The chairman and chief executive officer are Mr. Lin Fan and Mr. Ng Yu Lam, Kenneth. Their roles are clearly defined and segregated and are not exercised by the same individual.

NOMINATION OF DIRECTOR

The Company has not established a nomination committee. The Board as a whole is responsible for reviewing the Board composition, developing and formulating the relevant procedures for nomination and appointment of directors and assessing the independence of the independent non-executive directors to ensure that the Board has a balance of expertise, skills and experience. The Board had appointed Mr. He Zhiguang as an executive director and Mr. Li Tao as a non-executive director of the Company by means of written resolutions passed on 12 March 2009.

REMUNERATION COMMITTEE

A Remuneration Committee with specific written terms of reference was established by the Company on 24 February 2005.

The principal duties of the Remuneration Committee include the making of recommendations to the Board on the Company's policy and structure for all remuneration of directors and senior management; the establishment of a formal and transparent procedure for developing the policy on such remuneration and to determine the specific remuneration packages of all executive directors and senior management.

The main principles of the Group's remuneration policies are:

- (a) Remuneration should be determined by taking into consideration factors such as salaries paid by comparable companies, time commitment, responsibility, employment conditions elsewhere in the Group and the desirability of performance-based remuneration;
- (b) Performance-based remuneration should be reviewed and approved by reference to the corporate goals and objectives approved by the Board from time to time; and
- (c) No director should be involved in deciding his or her own remuneration.

Mr. Lin Fan has been appointed as a chairman and a member of the Remuneration Committee to fill the casual vacancy following the resignation of Mr. Feng Xiaozeng on 7 November 2008.

The Remuneration Committee is currently comprised of the three independent non-executive directors, namely Dr. Wu Jiesi, Mr. Che Shujian and Mr. Lau Wai Kit, the chairman, Mr. Lin Fan, and the chief executive officer, Mr. Ng Yu Lam, Kenneth.

董事會擬定本集團之整體戰略，監管其財務表現及維持管理層的有效監督。日常營運及行政將委派予管理層。於回顧年度，上述之董事概無與任何其他董事有或保持任何財務、業務、家族或其他重大／相關關係。

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

董事長及總裁

董事長及總裁分別為林帆先生及吳俞霖先生。董事長及總裁的角色是清晰界定及分開的，並非由同一人士擔任。

董事的任命

本公司並未有成立提名委員會。董事會整體負責檢討董事會的組成、就董事的提名及委任制定相關的程序及評核獨立非執行董事的獨立性，以確保董事會之專業知識、技能及經驗取得平衡。董事會於二零零九年三月十二日以書面通過決議案方式任命何志光先生為本公司執行董事及李濤先生為本公司非執行董事。

薪酬委員會

本公司於二零零五年二月二十四日成立具有特定成文權責範圍的薪酬委員會。

薪酬委員會的主要職責包括向董事會就公司所有董事及高級職員薪酬的政策及架構提交建議；設立正式及富透明度的程序去制定該等薪酬的政策及訂定全體執行董事及高級職員的特定薪酬待遇。

本集團薪酬政策之主要原則包括下列各項：

- (a) 薪酬應考慮如同類公司支付的薪酬，付出時間、職責、集團內其他職位的僱用條件及應否按表現釐定薪酬等因素而釐定；
- (b) 在審閱及批准按表現而釐定的薪酬時，應參照董事會不時已核准的公司目標；及
- (c) 董事不應參與釐定其自身的薪酬。

林帆先生於二零零八年十一月七日獲委任為董事長及薪酬委員會成員以填補馮曉增先生辭任後所產生之空缺。

薪酬委員會的成員包括三位獨立非執行董事，分別為武捷思博士、車書劍先生及劉偉傑先生、董事長林帆先生及總裁吳俞霖先生。

CORPORATE GOVERNANCE REPORT

During the period from 1 January 2008 to the date of this annual report, the Remuneration Committee approved the payment of the directors' bonuses for the year 2007, the granting of share options, discretionary bonuses and share awards to the directors of the Group by means of written resolutions passed on ten occasions.

AUDITORS' REMUNERATION

KPMG were auditors of the Company up to 21 November 2008 and since that date, Deloitte Touche Tohmatsu have held the office of auditors of the Company. The services provided by them include audit and taxation. During the 2008 financial year, the fees for the Group's statutory audit and taxation services payable to the external auditors of the Group were HK\$3,409,000 and HK\$168,000, respectively.

AUDIT COMMITTEE

The Board has adopted the new written terms of reference for the Audit Committee, which are in accordance with the Code. The Audit Committee meets with the Group's senior management and external auditors regularly to review the effectiveness of the internal control system and the interim and annual results of the Group.

The Audit Committee has recommended the Board to appoint Deloitte Touche Tohmatsu as auditors of the Company to fill the casual vacancy following the resignation of KPMG on 21 November 2008.

Mr. Li Tao has been appointed as a non-executive director and member of the Audit Committee to fill the casual vacancy following the resignation of Mr. Zheng Changyong on 12 March 2009.

The Audit Committee is comprised of the three independent non-executive directors, namely Dr. Wu Jiesi, Mr. Che Shujian and Mr. Lau Wai Kit, and a non-executive director, Mr. Li Tao. Dr. Wu Jiesi is the chairman of the Audit Committee.

The interim results, annual results and the system of internal controls of the Company and its subsidiaries for the 2008 financial year have been reviewed by the Audit Committee.

During the period from 1 January 2008 to the date of this annual report, the Audit Committee held three meetings, the particulars of which are as follows:

Date of meeting	Attendees
13 March 2008	Dr. Wu Jiesi, Mr. Lau Wai Kit and Mr. Zheng Changyong
26 August 2008	Dr. Wu Jiesi, Mr. Che Shujian, Mr. Lau Wai Kit and Mr. Zheng Changyong
13 March 2009	Dr. Wu Jeisi, Mr. Che Shujian, Mr. Lau Wai Kit and Mr. Li Tao

DIRECTORS' RESPONSIBILITY FOR PREPARING THE FINANCIAL STATEMENTS

The directors acknowledge that it is their responsibility for preparing financial statements which give a true and fair view.

The statement of the auditor of the Company about their responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 134.

INTERNAL CONTROL REVIEW

The Board has conducted a review of the system of internal controls of the Group in accordance with the Code. The Board considers that all material internal controls of the Group are proper and effective.

企業管治報告書

由二零零八年一月一日起至本年報日期，薪酬委員會曾十次以書面通過決議案方式批准發放董事二零零七年度的花紅、授出認股權、酌情花紅及股份獎勵給予本集團的董事。

核數師酬金

畢馬威會計師事務所至二零零八年十一月二十一日止為本公司的核數師，及從該日起，德勤•關黃陳方會計師行為本公司之核數師。彼等所提供的服務包括審計及稅務服務。於二零零八年財務年度，有關本集團應付本集團外部核數師審計服務費及稅務服務費分別為3,409,000港元及168,000港元。

審核委員會

董事會已根據守則採納新的審核委員會書面權責範圍。審核委員會經常與本集團高級管理層及外間核數師舉行會議，檢討本集團的內部監控系統的成效及中期與年度業績。

審核委員會於二零零八年十一月二十一日建議董事會委任德勤•關黃陳方會計師行為本公司核數師，以填補畢馬威會計師事務所辭任後所產生之空缺。

李濤先生於二零零九年三月十二日獲委任為非執行董事及審核委員會成員以填補鄭常勇先生辭任後所產生之空缺。

審核委員會的成員包括三位獨立非執行董事，分別為武捷思博士、車書劍先生及劉偉傑先生，及一位非執行董事李濤先生。審核委員會的主席由武捷思博士擔任。

審核委員會曾審查本公司及其附屬公司二零零八年度的中期及年度業績，與及內部監控系統。

二零零八年一月一日起至本年報日期，審核委員會曾舉行以下三次會議：

會議日期	出席者
二零零八年三月十三日	武捷思博士、劉偉傑先生及鄭常勇先生。
二零零八年八月二十六日	武捷思博士、車書劍先生、劉偉傑先生及鄭常勇先生。
二零零九年三月十三日	武捷思博士、車書劍先生、劉偉傑先生及李濤先生。

董事負責編製財務報表

董事確認編製真實與公允的財務報表是彼等的責任。

有關本公司的核數師就財務報表應承擔的責任聲明，詳列於第135頁獨立核數師報告書內。

內部監控系統審查

董事會已根據新守則對本集團的內部監控系統進行審查。董事會認為本集團所有重要的內部監控均為適當及有效。



**Independent auditor's report to the shareholders of
China Insurance International Holdings Company Limited**
(Incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of China Insurance International Holdings Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 136 to 274, which comprise the consolidated and Company balance sheets as at 31 December 2008, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 141 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2008 and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
18 March 2009

Deloitte. 德勤

致中保國際控股有限公司股東之獨立核數師報告書
(於香港註冊成立的有限公司)

本核數師(以下簡稱「我們」)已審核列載於第136至第274頁中保國際控股有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)的綜合財務報表，此綜合財務報表包括於二零零八年十二月三十一日的綜合資產負債表及公司的資產負債表與截至該日止年度的綜合損益表、綜合權益變動表和綜合現金流量表，以及主要會計政策概要及其他附註解釋。

董事就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港《公司條例》編製及真實而公平地列報該等綜合財務報表。這責任包括設計、實施及維護與編製及真實而公平地列報綜合財務報表相關的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述；選擇和應用適當的會計政策；及按情況下作出合理的會計估計。

核數師的責任

我們的責任是根據我們的審核對該等綜合財務報表作出意見，並根據香港《公司條例》第141條的規定，將此意見僅向閣下報告而不作其他用途。我們概不就本報告書的內容，對任何其他人士負責或承擔法律責任。

我們已根據香港會計師公會頒佈的香港審計準則進行審核。這些準則要求我們遵守道德規範，並規劃及執行審核，以合理確定此等綜合財務報表是否不存有任何重大錯誤陳述。

審核涉及執行政序以獲取有關綜合財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製及真實而公平地列報綜合財務報表相關的內部控制，以設計適當的審核程序，但並非為對公司的內部控制的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價綜合財務報表的整體列報方式。

我們相信，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。

意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映貴公司及貴集團於二零零八年十二月三十一日的事務狀況及截至該日止年度的集團虧損及現金流量，並已按照香港《公司條例》妥為編製。

德勤•關黃陳方會計師行
執業會計師
香港
二零零九年三月十八日

CONSOLIDATED INCOME STATEMENT

綜合損益表

for the year ended 31 December 2008

截至二零零八年十二月三十一日止年度

(Expressed in Hong Kong dollars)

(以港幣列示)

		Note 附註	2008 \$'000 千元	2007 \$'000 千元
Revenue	收入			
Gross premiums written and policy fees	毛承保保費及保單費收入	4	25,003,796	17,933,997
Less: Premiums ceded to reinsurers and retrocessionaires	減：保費之再保份額及轉分份額		(730,318)	(277,403)
Net premiums written and policy fees	淨承保保費及保單費收入		24,273,478	17,656,594
Change in unearned premium provisions, net of reinsurance	未到期責任準備金變化，減再保險		(64,853)	(7,912)
Net earned premiums and policy fees	已賺取保費及保單費收入淨額		24,208,625	17,648,682
Net investment income	投資收入淨額	5(a)	3,394,339	1,888,401
Net realized investment (losses)/gains	已實現投資(虧損)/收益淨額	5(b)	(1,048,781)	4,277,786
Net unrealized investment (losses)/gains and impairment	未實現投資(虧損)/收益及減值淨額	5(c)	(2,065,072)	505,578
Net exchange loss	匯兌虧損淨額		(119,197)	(31,121)
Other income	其他收入	6	84,563	64,933
Total revenue	收入總額		24,454,477	24,354,259
Benefits, losses and expenses	給付、賠款及費用			
Net policyholders' benefits	保單持有人利益淨額	7(a)	(6,248,410)	(5,062,155)
Net commission expenses	佣金支出淨額	7(b)	(2,561,811)	(1,997,156)
Administrative and other expenses	行政及其他費用		(3,798,238)	(2,228,343)
Change in life insurance funds, net of reinsurance	壽險責任準備金變化，減再保險		(11,742,512)	(11,849,470)
Goodwill impairment	商譽減值	16	(73,276)	—
Total benefits, losses and expenses	給付、賠款及費用總額		(24,424,247)	(21,137,124)
Profit from operations	經營溢利		30,230	3,217,135
Share of losses of associates	應佔聯營公司虧損		(115,848)	(57,760)
Finance costs	財務費用	8(a)	(183,383)	(148,467)
(Loss)/profit before taxation	除稅前(虧損)/溢利	8	(269,001)	3,010,908
Income tax credit/(charge)	稅項抵免/(支出)	11(a)	63,240	(553,711)
(Loss)/profit after taxation	除稅後(虧損)/溢利		(205,761)	2,457,197
Attributable to:	應佔：			
Equity holders of the Company	股東權益	12	(299,715)	1,549,072
Minority interests	少數股東權益		93,954	908,125
			(205,761)	2,457,197
Dividends payable to equity holders of the Company attributable to the year:	年度應付股東的股息：			
Final dividend proposed after the balance sheet date	於結算日後擬派末期股息	13	—	141,527
			cents 仙	cents 仙
(Loss)/earnings per share attributable to the equity holders of the Company	股東應佔每股(虧損)/盈利	14		
Basic	基本		(21.2)	110.2
Diluted	攤薄		(21.2)	108.3

The accompanying notes on pages 145 to 274 form an integral part of these consolidated financial statements. 第145至274頁所附附註為本綜合財務報表的組成部份。

CONSOLIDATED BALANCE SHEET

綜合資產負債表

as at 31 December 2008
 於二零零八年十二月三十一日
 (Expressed in Hong Kong Dollars)
 (以港幣列示)

		Note 附註	2008 \$'000 千元	2007 \$'000 千元
Assets	資產			
Statutory deposits	法定存款	25	995,330	653,239
Fixed assets	固定資產			
— Investment properties	— 投資物業	15(a)	76,719	78,560
— Property and equipment	— 物業及設備	15(a)	2,664,533	1,313,147
— Prepaid lease payments	— 預付租賃付款	15(c)	535,213	—
			3,276,465	1,391,707
Goodwill	商譽	16	364,845	228,185
Interest in associates	於聯營公司的權益	18	134,382	530,436
Deferred tax assets	遞延稅項資產	31(b)	22,353	2,648
Investments in debt and equity securities	債務及股本證券投資	19(a)	56,863,866	40,502,185
Amounts due from group companies	應收集團內公司款項	20(a)	11,455	17,488
Insurance debtors	保險客戶應收賬款	21	1,026,222	616,540
Reinsurers' share of insurance contract provisions	分保公司應佔保險合約準備	22	1,421,962	376,740
Other debtors	其他應收賬款	23	2,071,499	1,431,352
Tax recoverable	可收回稅項	31(a)	1,640	—
Pledged deposits at banks	已抵押銀行存款	24	102,453	97,417
Deposits at banks with original maturity more than three months	原到期日超過三個月的銀行存款		6,691,122	4,631,977
Cash and cash equivalents	現金及現金等價物	26	7,831,795	5,137,635
			80,815,389	55,617,549
Liabilities	負債			
Life insurance funds	壽險責任準備金	27	52,787,213	38,529,656
Unearned premium provisions	未到期責任準備金	28	3,456,749	893,924
Provision for outstanding claims	未決賠款準備	29	4,468,829	2,496,932
Investment contract liabilities	投資合約負債	30	235,891	157,421
Deferred tax liabilities	遞延稅項負債	31(b)	641,860	949,031
Interest-bearing notes	需付息票據	32	5,376,028	2,960,377
Securities sold under repurchase agreements	賣出回購證券	36	4,206,880	—
Amounts due to group companies	應付集團內公司款項	20(b)	492	46
Insurance creditors	保險客戶應付賬款	33	740,139	394,116
Other creditors	其他應付賬款	34	1,572,505	1,046,389
Current taxation	當期稅項	31(a)	59,246	85,999
Insurance protection fund	保險保障基金	35	30,310	7,976
			73,576,142	47,521,867
Net assets	資產淨值		7,239,247	8,095,682

CONSOLIDATED BALANCE SHEET (Continued)

綜合資產負債表 (續)

as at 31 December 2008
 於二零零八年十二月三十一日
 (Expressed in Hong Kong Dollars)
 (以港幣列示)

	Note 附註	2008 \$'000 千元	2007 \$'000 千元
Capital and reserves attributable to the Company's equity holders			
Share capital	37	71,086	70,764
Reserves	38(a)	4,525,533	5,614,862
		4,596,619	5,685,626
Minority interests		2,642,628	2,410,056
Total equity		7,239,247	8,095,682

Approved and authorized for issue by the board of directors on 18 March 2009.

董事會於二零零九年三月十八日核准及授權發布。

Lin Fan
 林帆
 Director
 董事

Ng Yu Lam Kenneth
 吳俞霖
 Director
 董事

The accompanying notes on pages 145 to 274 form an integral part of these consolidated financial statements.

第145至274頁所附附註為本綜合財務報表的組成部份。

BALANCE SHEET

資產負債表

as at 31 December 2008
於二零零八年十二月三十一日
(Expressed in Hong Kong Dollars)
(以港幣列示)

		Note 附註	2008 \$'000 千元	2007 \$'000 千元
Assets	資產			
Fixed assets	固定資產	15(b)	206	172
Investments in subsidiaries	於附屬公司的投資	17	2,377,599	1,653,359
Interest in associates	於聯營公司的權益	18	6,937	580,474
Investments in debt and equity securities	債務及股本證券投資			
Deferred tax assets	遞延稅項資產	19(b)	571,825	290,845
Amounts due from group companies	應收集團內公司款項	31(b)	5,549	—
Other debtors	其他應收賬款	20(a)	459,651	443,651
Deposits at banks with original maturity more than three months	原到期日超過三個月的銀行存款	23	11,591	51,167
Cash and cash equivalents	現金及現金等價物	26	24,325	160,531
			251,778	622,159
			3,709,461	3,802,358
Liabilities	負債			
Deferred tax liabilities	遞延稅項負債	31(b)	—	157
Amounts due to group companies	應付集團內公司款項	20(b)	1,592,641	1,363,388
Other creditors	其他應付賬款	34	8,184	9,312
Current taxation	當期稅項	31(a)	—	10,893
			1,600,825	1,383,750
Net assets	資產淨值		2,108,636	2,418,608
Capital and reserves	資本及儲備			
Share capital	股本	37	71,086	70,764
Reserves	儲備	38(b)	2,037,550	2,347,844
Total equity	總權益		2,108,636	2,418,608

Approved and authorized for issue by the board of directors on 18 March 2009.

董事會於二零零九年三月十八日核准及授權發布。

Lin Fan
林帆
Director
董事

Ng Yu Lam Kenneth
吳俞霖
Director
董事

The accompanying notes on pages 145 to 274 form an integral part of these consolidated financial statements.

第145至274頁所附附註為本綜合財務報表的組成部份。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

for the year ended 31 December 2008
截至二零零八年十二月三十一日止年度
(Expressed in Hong Kong dollars)
(以港幣列示)

		Total equity attributable to: 應佔總權益：		
		Equity holders of the Company	Minority interests 少數 股東權益	Total 總額
		股東權益	股東權益	總額
		\$'000	\$'000	\$'000
		千元	千元	千元
	Note 附註			
Balance at 1 January 2008	於二零零八年一月一日之結餘	5,685,626	2,410,056	8,095,682
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財務報表的匯兌差額	38(a) 147,704	163,464	311,168
Revaluation increase on acquisition of additional interest in an associate	購入一間聯營公司額外權益之重估增值	43 16,655	—	16,655
Net changes in fair value of available-for-sale securities, net of deferred tax	可供出售證券公允價值變動淨額，減遞延稅項	38(a) (866,543)	(351,117)	(1,217,660)
Net loss recognized directly in equity	直接確認於權益之淨虧損	(702,184)	(187,653)	(889,837)
(Loss)/profit for the year	本年度(虧損)/溢利	38(a) (299,715)	93,954	(205,761)
Total recognized loss for the year	本年度確認之總虧損	(1,001,899)	(93,699)	(1,095,598)
Capital contributions made to a subsidiary	向一間附屬公司注入資本	—	48,114	48,114
Dividend paid	已付股息	38(a) (141,454)	—	(141,454)
Movements in equity arising from capital transactions with equity holders:	與股東進行股本交易而產生之股東權益變動：			
— Shares issued under Share Option Scheme	— 根據認股權計劃發行之股份	37 322	—	322
— Net share premium received and share option exercised	— 已收取之股份溢價淨值及已行使認股權	38(a) 17,184	—	17,184
Transfer to retained profits on disposal of revoked shares for Share Award Scheme	出售股份獎勵計劃之取消股份轉入保留溢利	38(a) (5,052)	—	(5,052)
Changes in share held for Share Award Scheme	為股份獎勵計劃而持有之股份變化	38(a) 14,359	—	14,359
Equity-settled share-based transactions	股本償付之股份為本交易	38(a) 27,533	—	27,533
Arising on acquisition of a subsidiary	因購入附屬公司而產生	43 —	278,157	278,157
Balance at 31 December 2008	於二零零八年十二月三十一日之結餘	4,596,619	2,642,628	7,239,247

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

綜合權益變動表 (續)

for the year ended 31 December 2008
截至二零零八年十二月三十一日止年度
(Expressed in Hong Kong dollars)
(以港幣列示)

		Total equity attributable to: 應佔總權益：		
		Equity holders of the Company	Minority interests 少數	Total
		股東權益	股東權益	總額
		\$'000	\$'000	\$'000
		千元	千元	千元
	Note 附註			
Balance at 1 January 2007	於二零零七年一月一日之結餘	4,178,319	1,404,322	5,582,641
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財務報表的匯兌差額	38(a) 153,371	145,015	298,386
Net changes in fair value of available-for-sale securities, net of deferred tax	可供出售證券公允價值變動淨額，減遞延稅項	38(a) (114,187)	(130,705)	(244,892)
Net income recognized directly in equity	直接確認於權益之淨收入	39,184	14,310	53,494
Profit for the year	本年度溢利	38(a) 1,549,072	908,125	2,457,197
Total recognized income for the year	本年度確認之總收入	1,588,256	922,435	2,510,691
Capital contributions made to a subsidiary	向一間附屬公司注入資本	—	83,299	83,299
Movements in equity arising from capital transactions with equity holders:	與股東進行股本交易而產生之股東權益變動：			
— Shares issued under Share Option Scheme	— 根據認股權計劃發行之股份	37 451	—	451
— Net share premium received	— 已收取之股份溢價淨值	38(a) 26,941	—	26,941
Changes in share held for Share Award Scheme	為股份獎勵計劃而持有之股份變化	38(a) (111,147)	—	(111,147)
Equity-settled share-based transactions	股本償付之股份為本交易	38(a) 2,806	—	2,806
Balance at 31 December 2007	於二零零七年十二月三十一日之結餘	5,685,626	2,410,056	8,095,682

The accompanying notes on pages 145 to 274 form an integral part of these consolidated financial statements. 第145至274頁所附附註為本綜合財務報表的組成部份。

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

for the year ended 31 December 2008

截至二零零八年十二月三十一日止年度

(Expressed in Hong Kong dollars)

(以港幣列示)

	Note 附註	2008 \$'000 千元	2007 \$'000 千元
Operating activities	經營業務		
(Loss)/profit before taxation	除稅前(虧損)/溢利	(269,001)	3,010,908
Adjustments for:	就下列各項作出調整:		
— Depreciation	— 折舊	126,021	64,301
— Deficit/(surplus) on revaluation of investment properties	— 投資物業重估虧損/(盈餘)	1,841	(5,533)
— Loss on disposal of investment properties	— 出售投資物業虧損	—	182
— Goodwill impairment	— 商譽減值	73,276	—
— Employee share-based compensation benefits	— 以股份為本之僱員補償福利	29,626	7,853
— Finance costs	— 財務費用	183,383	148,467
— Dividend income	— 股息收入	(1,254,361)	(670,654)
— Net interest income	— 利息收入淨額	(2,137,169)	(1,192,654)
— Share of losses of associates	— 應佔聯營公司虧損	115,848	57,760
— Net (gain)/loss on sale of fixed assets	— 出售固定資產(收益)/虧損淨額	(26)	136
— Net realized and unrealized losses/(gains) on listed and unlisted debt and equity securities	— 上市及非上市債務及股本證券之已實現及未實現虧損/(收益)淨額	2,802,566	(4,776,765)
— Net realized and unrealized gains on derivative financial instruments	— 衍生金融工具之已實現及未實現收益淨額	—	(1,248)
— Impairment on available-for-sale equity investments	— 可供出售股本投資減值	309,446	—
Operating loss before changes in working capital	營運資金變動前之經營虧損	(18,550)	(3,357,247)
Decrease/(increase) in insurance and other debtors	保險客戶及其他應收賬款減少/(增加)	325,871	(627,003)
Increase in insurance and other creditors	保險客戶、其他應付賬款增加	233,402	600,140
Decrease/(increase) in amounts due from group companies	應收集團內公司款項減少/(增加)	6,033	(10,452)
Increase/(decrease) in amounts due to group companies	應付集團內公司款項增加/(減少)	446	(367)
Increase in provision for outstanding claims	未決賠款準備增加	421,792	310,766
(Increase)/decrease in reinsurers' share of insurance contract provisions	分保公司應佔保險合約準備(增加)/減少	(156,874)	15,167
Increase in investment contract liabilities	投資合約負債增加	78,470	41,740
Increase in life insurance funds	壽險責任準備金增加	14,257,557	14,123,284
Increase in unearned premium provisions	未到期責任準備金增加	132,741	40,956
Increase/(decrease) in insurance protection fund	保險保障基金增加/(減少)	16,613	(2,409)
Increase in loans and advances	貸款及應收款項增加	(104,322)	(160,246)
Payment for purchase of shares for Share Award Scheme	購入股份獎勵計劃之股份付款	(6,663)	(111,147)
Proceeds from disposal of shares for Share Award Scheme	出售股份獎勵計劃之股份所得款項	15,970	—
Cash generated from operations	經營業務所產生之現金	15,202,486	10,863,182

CONSOLIDATED CASH FLOW STATEMENT (Continued)

綜合現金流量表 (續)

for the year ended 31 December 2008

截至二零零八年十二月三十一日止年度

(Expressed in Hong Kong dollars)

(以港幣列示)

	Note 附註	2008 \$'000 千元	2007 \$'000 千元
Hong Kong Profits Tax paid and payment for purchase of tax reserve certificate	已付香港利得稅及 購入儲稅券 付款	(55,261)	(41,496)
Tax paid outside Hong Kong	已付海外稅項	(10,601)	(37)
Tax paid	已付稅項	(65,862)	(41,533)
Net cash generated from operating activities	經營業務所產生之 現金淨額	15,136,624	10,821,649
Investing activities	投資業務		
Increase in pledged deposits at banks	已抵押銀行存款 增加	(5,036)	(3,741)
Increase in statutory deposits (Increase)/decrease in deposits at banks with original maturity more than three months	法定存款增加 原到期日為三個月以上 之銀行存款 (增加)/減少	(45,447)	(105,796)
Payment for purchase of debt securities classified as loans and receivables	購入被歸類貸款及 應收款項 之債務證券付款	(1,893,663)	(256,306)
Payment for purchase of held-to-maturity debt securities	購入持有至到期 債務證券付款	(19,579,016)	(432,463)
Proceeds from redemption of held-to-maturity debt securities	贖回持有至到期 債務證券所得款項	357,563	267,602
Payment for purchase of securities available-for-sale and designated at fair value through profit or loss	購入可供出售及 通過損益以反映 公允價值 證券付款	(25,552,210)	(22,733,852)
Proceeds from sale of securities available-for-sale and designated at fair value through profit or loss	出售可供出售及通過 損益以反映公允價值 證券所得款項	30,009,112	13,999,866
Proceeds received from dealing in derivative	衍生工具交易 所得款項	(4)	—
Proceeds from sale of investment properties	出售投資物業 所得款項	—	32,868
Interest income received	已收利息收入	1,279,486	1,358,221
Dividend income received	已收股息收入	1,254,361	670,653
Increase/(decrease) in securities sold under repurchase agreements	賣出回購證券 增加/(減少)	4,206,880	(2,490,366)
Payment for purchase of fixed assets	購入固定資產付款	(948,892)	(275,035)
Prepayment for lease payment	預付租賃付款	(434,862)	—
Proceeds from sale of fixed assets	出售固定資產所得款項	3,100	883
Capital injection to associates	於聯營公司注入資本	(129,191)	(143,420)
Decrease/(increase) in amounts due from associates	應收聯營公司款項 減少/(增加)	179	(163)
Acquisition of subsidiary	購入附屬公司	763,517	—
	43		
Net cash used in investing activities	投資業務所動用之現金淨額	(12,583,172)	(10,105,176)

CONSOLIDATED CASH FLOW STATEMENT (Continued)

綜合現金流量表 (續)

for the year ended 31 December 2008

截至二零零八年十二月三十一日止年度

(Expressed in Hong Kong dollars)

(以港幣列示)

		Note 附註	2008 \$'000 千元	2007 \$'000 千元
Financing activities	融資活動			
Proceeds from shares issued	已發行股份所得款項		15,413	22,346
Proceeds from interest-bearing notes issued	已發行需付息票據所得款項		2,324,556	—
Capital contributions from minority interests of a subsidiary	一間附屬公司少數股東權益注入股本		48,114	83,299
Interest paid	已付利息		(239,109)	(433,343)
Dividend paid	已付股息		(141,454)	—
Net cash generated from/(used in) financing activities	融資活動所產生/(動用)之現金淨額		2,007,520	(327,698)
Effect of changes in exchange rates	匯率轉變影響		(1,866,812)	(1,332,150)
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加/(減少)淨額		2,694,160	(943,375)
Cash and cash equivalents at 1 January	於一月一日的現金及現金等價物	26	5,137,635	6,081,010
Cash and cash equivalents at 31 December	於十二月三十一日的現金及現金等價物	26	7,831,795	5,137,635

The accompanying notes on pages 145 to 274 form an integral part of these consolidated financial statements.

第145至274頁所附附註為本綜合財務報表的組成部份。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

1 SIGNIFICANT ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING POLICIES

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 Hong Kong Institute of Certified Public Accountants (“HKICPA”), and the applicable requirements of the Hong Kong Companies Ordinance. The consolidated 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 comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interest in associates.

The functional currency of the major entities in the Group is RMB, the currency of the primary economic environment in which the respective entities in the Group operate. For the convenience of the consolidated financial statements users, the consolidated financial statements are presented in Hong Kong dollars.

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 the financial statements in conformity with HKFRSs requires management to make judgments, 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 judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

1 主要會計政策及會計政策改變

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，並符合適用的香港《公司條例》之規定。此外，本綜合財務報表亦符合《香港聯合交易所有限公司證券上市規則》有關的披露規定。以下是本集團採用的主要會計政策概要。

(b) 財務報表的編製基準

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。

本集團內主要實體公司的功能貨幣為人民幣，功能貨幣為本集團有關實體公司經營的主要經濟環境內通行的貨幣。為方便綜合財務報告使用者，本綜合財務報告以港幣呈列。

除以下資產及負債是以公允價值列賬外，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允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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING POLICIES (Continued)

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized 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.

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

(i) Insurance contracts

Contracts under which the Group accepts significant insurance risk from another party ("the policyholder") by agreeing to compensate the policyholder or other beneficiary if a specified uncertain future event ("the insured event") adversely affects the policyholder or other beneficiary are classified as insurance contracts. Insurance risk is risk other than financial risk that is transferred from the holder of a contract to the issuer. 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 have expired.

(ii) Investment contracts

Investment contracts are with or without discretionary participation features ("DPF"). A DPF is a contractual right held by a policyholder to receive, as a supplement to guaranteed minimum benefits, additional benefits 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;

1 主要會計政策及會計政策改變 (續)

(b) 財務報表的編製基準 (續)

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。

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

(i) 保險合約

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或受益人的重大保險風險並同意賠償該保單持有人或受益人，該等合約歸類為保險合約。保險風險為由合約持有人轉移至發行人的財務風險以外之風險。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。

(ii) 投資合約

投資合約為酌情分紅型或非酌情分紅型。酌情分紅型乃保單持有人持有可收取額外利益的一項合約權利，該額外利益作為最低擔保付款的增補利益，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；

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING POLICIES (Continued)

(c) Classification of contracts (Continued)

(ii) Investment contracts (Continued)

- (ii) realized and/or unrealized investment returns on a specified pool of assets held by the issuing entity; or
- (iii) the profit or loss of the issuing entity.

Deposits collected under investment contracts with DPF are classified as insurance contracts. Deposits collected under investment contracts without DPF are classified as investment contracts. For the recognition of investment contracts without DPF, please refer to note 1(d)(vi).

(d) Recognition and measurement of contracts

(i) Recognition of gross premiums written

Gross premiums written in respect of reinsurance contracts 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.

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

Gross premiums written in respect of property and casualty insurance contracts are recognized as revenue when the amount is determined, which is generally when the risk commences.

(ii) Life insurance funds

Provisions for life insurance contracts other than unit-linked insurance contracts are determined using the net 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 amortization 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 主要會計政策及會計政策改變 (續)

(c) 合約分類 (續)

(ii) 投資合約 (續)

- (ii) 一組由發行機構持有的特定資產之已實現及/或未實現投資回報；或
- (iii) 發行機構的損益情況。

根據酌情分紅型的投資合約收到之存款被歸類為保險合約。根據非酌情分紅型的投資合約收到之存款被歸類為投資合約。就確認非酌情分紅型投資合約，請見附註1(d)(vi)。

(d) 合約確認及計量

(i) 毛承保保費之確認

有關再保險合約的毛承保保費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。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。

除投資連結壽險合約以外的壽險合約毛承保保費於到期時確認為收益。投資連結壽險合約的毛承保保費於相應投資撥歸保單持有人時確認。

有關財產保險的毛承保保費於數額釐定後確認為收入，一般為風險開始時。

(ii) 壽險責任準備金

除投資連結壽險合約以外的壽險合約準備乃以淨保費計算法釐定，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 CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING POLICIES (Continued)

(d) Recognition and measurement of contracts (Continued)

(iii) 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 on a time-apportioned basis, adjusted if necessary to reflect any variation in the incidence of risk during the period covered by the contract.

(iv) Provision for outstanding claims

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 consolidated financial statements of the year in which the adjustments are made and disclosed separately if material. The methods used, and the estimates made, are reviewed regularly.

(v) 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 recognized in the income statement for the current year.

Provision is made for unexpired risks arising from reinsurance contracts and property and casualty insurance 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.

1 主要會計政策及會計政策改變 (續)

(d) 合約確認及計量 (續)

(iii) 未到期責任準備金

未到期責任準備金包括毛承保保費中估計將於下個或其後財政年度賺取的部份，按時間劃分進行計算，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。

(iv) 未決賠款準備

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年度的綜合財務報表，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。

(v) 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。任何虧蝕會於當年的損益表內確認。

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及財產保險合約的未到期風險提撥準備。未到期風險準備金乃參照與其一并管理的業務種類，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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING POLICIES (Continued)

(d) Recognition and measurement of contracts (Continued)

(vi) Investment contracts liabilities

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

All investment contracts issued by the Group are initially recognized at fair value and thereafter stated at amortized cost using effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

(vii) Policyholders' benefits

Policyholders' benefits include maturities, annuities, surrenders, claims and claims handling expenses, and policyholder bonuses allocated in anticipation of a bonus declaration. Maturity and annuity claims are recognized as an expense when due for payment. Surrender claims are recognized when paid. Claims are recognized when notified but not settled and claims incurred but not reported at the reporting date.

(viii) Embedded derivatives in insurance contracts

The Group has taken advantage of the exemptions available in HKFRS 4, Insurance Contracts, not to separate and fair value a policyholder's option to surrender an insurance contract (or investment contracts with DPF) for a fixed amount (or for an amount based on a fixed amount and an interest rate) even if the exercise price differs from the carrying amount of the host insurance liability.

(ix) Reinsurance

The Group cedes insurance/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 insurance/reinsurance contracts are presented separately from the assets, liabilities, income and expense from the related insurance contracts because the reinsurance arrangements do not relieve the Group from its direct obligations to its 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 主要會計政策及會計政策改變 (續)

(d) 合約確認及計量 (續)

(vi) 投資合約負債

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綜合損益表中確認，惟以按金列賬。

本集團簽發的所有投資合約，於初始確認時以公允價值列賬及後按有效利率方法計算之已攤銷成本。然而，如折算現值後的影響不大，則按成本入賬。

(vii) 保單持有人利益

保單持有人利益包括到期、年金、退保、賠款及賠款處理費用，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。賠款於獲通知但未支付時及已發生但於結算日尚未報告時予以確認。

(viii) 嵌入在保險合約的衍生工具

本集團利用香港財務報告準則第4號「保險合約」的豁免，即使保單持有人之保險合約（或酌情分紅型投資合約）定額退保選擇權（或基於定額及利率的數額）的行使價與主保險合約負債的賬面值有所差異，此退保選擇權無需與主保險合約負債分離及按公允價值調整。

(ix) 再保險

本集團在日常業務過程中會分出保險／再保險以分散風險，限制其潛在賠款淨額。已分出的保險／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，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金融工具。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING POLICIES (Continued)

(d) Recognition and measurement of contracts (Continued)

(ix) Reinsurance (Continued)

The benefits to which the Group is entitled under its reinsurance contracts held are recognized as reinsurance assets. These assets consist of balances due from reinsurers, as well as other receivables (classified as reinsurance assets) that are dependent on the expected claims and benefits arising under related reinsured insurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognized as an expense when due.

Premiums ceded and reinsurers' share of claims paid and the related payables and receivables are separately accounted for in the consolidated income statements and the consolidated balance sheets and not net off against the related gross balances.

Amounts due/recoverable under reinsurance and the reinsurers' share of insurance contract provisions are assessed for impairment at each balance sheet date. Such assets are deemed impaired if there is 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 reinsurers. The impairment loss is calculated following the same method used for financial assets held at amortized cost and the carrying amount is reduced through the use of an allowance account similar to insurance receivables.

(e) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

1 主要會計政策及會計政策改變 (續)

(d) 合約確認及計量 (續)

(ix) 再保險 (續)

本集團依據持有的再保險合同而擁有的保險利益為再保險資產。這些資產包括取決於有關再保險合約之預期賠款及利益而引致的再保險公司應收款及其他應收款(列為再保險資產)。與再保險公司的應收應付金額與有關再保險合同的約定金額一致並滿足再保險合同條款的規定。再保險負債主要是再保險合同的應付分保費，在到期時確認為費用。

保費及已付賠款之再保份額及有關之應付款和應收款是於綜合損益表及綜合資產負債表分開入賬，並非從有關之毛額抵銷。

再保險應收／可收回款項及分保公司應估保險合約準備均會進行減值評估。尚有客觀證據顯示，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可靠地計量的影響。減值虧損是按以攤銷成本持有金融資產採用之同樣方法計算，其賬面值透過準備賬沖減，與保險應收賬款相似。

(e) 綜合基準

綜合財務報表包括本公司及本公司所控制之實體(其附屬公司)之財務報表。控制是指本公司有權掌管該實體之財務及營運政策，從而受惠於其經營活動。

綜合損益表包括於本年度所購入或出售之附屬公司之業績，由有效收購日期起及計至有效出售日期(倘適用)。

如有需要，會對附屬公司之財務報表作出調整，以使其會計政策與本集團其他成員公司採用之會計政策一致。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING POLICIES (Continued)

(e) Basis of consolidation (Continued)

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Minority interests in the net assets of consolidated subsidiaries are presented separately from the Group's equity therein. Minority interests in the net assets consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

In the Company's balance sheet, an investment in a subsidiary is stated at cost less impairment losses (see note 1(o)). The results of subsidiaries are accounted for by the Company on the basis of dividends received or receivable.

(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, less any identified impairment loss. 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 recognized 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 主要會計政策及會計政策改變 (續)

(e) 綜合基準 (續)

所有集團內部交易、結餘、收益及開支已於編製綜合賬目時抵銷。

於綜合附屬公司之淨資產內之少數股東權益與本集團之權益分開呈列。淨資產內少數股東權益包括於初始業務合併日期之該等權益及自合併日期以來少數股東應佔權益變動。超出於附屬公司權益之少數股東權益之少數股東應佔虧損計入本集團之權益內，除非少數股東受具約束力之責任所規限並且有能力作出額外投資彌補虧損則除外。

在本公司的資產負債表中，附屬公司投資是以成本減去減值虧損(參看附註1(o))列賬。本公司將附屬公司之業績按已收及應收股息入賬。

(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，減去任何已確定的減值虧損。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(參看附註1(o))。

除不超出本集團對該聯營公司所作具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 CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING POLICIES (Continued)

(f) Associates (Continued)

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of the associate recognized at the date of acquisition is recognized as goodwill. From 1 January 2005 onwards, the Group has discontinued amortization of goodwill and such goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment.

Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

Unrealized 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 unrealized losses provide evidence of an impairment of the asset transferred, in which case they are recognized 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)). The results of associates are accounted for by the Company on the basis of dividends received or receivable.

(g) Business combinations and goodwill

(i) Business combinations

The acquisition of business is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under HKFRS 3 "Business Combinations" are recognized at their fair values at the acquisition date.

Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognized immediately in profit or loss.

1 主要會計政策及會計政策改變 (續)

(f) 聯營公司 (續)

於購買日，若購入成本比本集團應佔附屬公司的可識別淨資產的公平值為多，差異將以商譽入帳。自二零零五年一月一日起，本集團已停止攤銷該等商譽，並包括於該投資之賬面值內及於減值評估時為該投資的一部份。

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允淨值高於業務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。

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(參看附註1(o))。本公司將聯營公司之業績按已收及應收股息入賬。

(g) 業務合併及商譽

(i) 業務合併

收購業務乃採用收購法入賬。收購成本按交換當日所給予之資產、所產生或需承擔之負債以及本集團為控制被收購公司而所發行股本工具之總公允價值，加上業務合併直接應佔之任何成本計量。符合香港財務報告準則第3號「業務合併」的確認條件之被收購公司之可識別資產、負債及或然負債，均按收購當日之公允價值確認。

收購所產生之商譽被確認為資產及最初按成本計算，確認以業務合併成本超出本集團應佔之可識別資產、負債及或然負債之公允價值之數額。再作出重估後，如本集團所攤佔之可識別資產、負債及或然負債之公允價值淨額超出業務合併成本之數額，超初部分即時於損益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING POLICIES (Continued)

(g) Business combinations and goodwill (Continued)

(i) Business combinations (Continued)

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognized.

(ii) Goodwill

Goodwill arising on acquisitions prior to 1 January 2005

Goodwill arising on an acquisition of net assets and operations of another entity for which the agreement date is before 1 January 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the relevant acquiree at the date of acquisition.

For previously capitalized goodwill arising on acquisitions of net assets and operations of another entity after 1 January 2001, the Group has discontinued amortization from 1 January 2005 onwards, and such goodwill is tested for impairment annually, and whenever there is an indication that the cash-generating unit to which the goodwill relates may be impaired (see note 1(o)).

Goodwill arising on acquisitions on or after 1 January 2005

Goodwill arising on an acquisition of a business for which the agreement date is on or after 1 January 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the relevant business at the date of acquisition. Such goodwill is carried at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment (see note 1(o)).

On subsequent disposal of the relevant cash-generating unit, the attributable amount of goodwill capitalized is included in the determination of the amount of profit or loss on disposal.

1 主要會計政策及會計政策改變 (續)

(g) 業務合併及商譽 (續)

(i) 業務合併 (續)

被收購者之少數股東權益最初按少數股東所佔已確認資產、負債及或然負債之公允價值淨額之比例計量。

(ii) 商譽

於二零零五年一月一日前由收購所產生之商譽

收購另一個實體之淨資產及業務所產生之商譽(收購之協議日為二零零五年一月一日前)，指收購成本超出收購日期本集團應佔有關被收購者之可識別資產及負債公允價值權益之差額。

就於二零零一年一月一日或之後進行的收購另一個實體之淨資產及業務所產生的資本化商譽，本集團已由二零零五年一月一日起停止攤銷，而該項商譽乃於每年及在有迹象顯示該項商譽涉及之現金產生單位可能出現減值時進行減值測試(參看附註1(o))。

於二零零五年一月一日後由收購所產生之商譽

收購業務所產生之商譽(收購之協議日為二零零五年一月一日或之後)，指收購成本超出於收購日期本集團應佔有關業務之可識別資產、負債或或然負債公允價值之權益差額。有關商譽按成本減任何累計減值虧損列賬。商譽被分配至現金產生單位及每年進行減值測試(參看附註1(o))。

於往後出售有關現金產生單位時，釐定之出售所得損益會包括已撥充資本化商譽應佔金額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING POLICIES (Continued)

(h) Investments in debt and equity securities

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

(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 if:

- (1) such designation 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) the securities form 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) the securities form part of a contract containing one or more embedded derivatives and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets so designated are recognized initially at fair value with transaction costs taken directly to the income statement. At each balance sheet date subsequent to initial recognition, financial assets designated at fair value through profit or loss are measured at fair value, with gains and losses from changes in the fair value of such assets are recognized in the income statement as they arise.

1 主要會計政策及會計政策改變 (續)

(h) 債務及股本證券投資

於債務及股本證券之投資初步按公允價值列賬。公允價值即其交易價，除非可以用估值技巧(其變數僅包括可觀察市場之數據)更可靠地估計其公允價值。應計交易成本包括在公允價值內，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：

(i) 指定為通過損益以反映公允價值的證券

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

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。本集團把證券訂值為可通過損益按公允價值，如：

- (1) 按該訂值可以消除或大幅減少以不同基礎上計算金融資產或金融負債的價值或確認其收益及虧損原應出現的不一致的情況；或
- (2) 證券構成一組金融資產、金融負債或一組金融資產及負債，根據明文規定的風險管理或投資策略，按公允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；或
- (3) 證券組成為內含一種或多種隱含嵌入式衍生工具之合約的其中部分，而香港會計準則第39號允許整份合併合約(資產或負債)將劃分為通過損益以反映公允價值。

金融資產最初按公允價值列賬加上交易費用直接記入損益表。初始確認後於各結算日，通過損益按公允價值的金融資產按公允價值列賬，因該資產的公允價值變動而產生的收益及虧損在損益表內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING POLICIES (Continued)

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

(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 amortized cost using effective interest method less impairment losses (see note 1(o)).

(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 recognized directly in equity, except foreign exchange gains and losses resulting from changes in the amortized cost of monetary items such as debt securities which are recognized directly in the income statement. Where these investments are interest-bearing, interest calculated using the effective interest method is recognized in the income statement and included in "net investment income". When these investments are derecognized or impaired (see note 1(o)), the cumulative gain or loss previously recognized directly in equity is recognized in the income statement.

(iv) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables are carried at amortized cost using the effective interest method, less any identified impairment losses (see note 1(o)).

Investments in equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are recognized in the balance sheet at cost less impairment losses (see note 1(o)).

All regular way purchases or sales of investments in debt and equity securities are recognized and derecognized on a trade date basis.

1 主要會計政策及會計政策改變 (續)

(h) 債務及股本證券投資 (續)

(ii) 持有至到期證券

本集團及／或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」。持有至到期證券按有效利率計算的已攤銷成本減任何減值虧損後記入資產負債表(參看附註1(o))。

(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允價值，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攤銷成本變化之外匯收益及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及包括於「投資收入淨額」內。當投資被終止確認或減值時(參看附註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。

(iv) 貸款及應收款項

貸款及應收款項為附帶固定或可確定金額付款之非衍生金融資產(並非在交投活躍之市場掛牌)。於首次確認後之每個結算日，貸款及應收款項乃採用有效利息法按攤銷成本減任何已確定之減值虧損後列賬(參看附註1(o))。

沒有活躍市場報價及其公允價值不能可靠地計量的股本證券投資，按成本減去減值虧損後確認在資產負債表內(參看附註1(o))。

所有一般買賣之股本及債務證券投資皆以交易日基準確認及終止確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING POLICIES (Continued)

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

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount of the financial asset on initial recognition.

(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. The securities sold under repurchase agreements are carried in the balance sheet at amortized cost.

(j) Investment properties

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 recognized in the income statement. Rental income from investment properties is accounted for as described in note 1(v)(iv).

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.

1 主要會計政策及會計政策改變 (續)

(h) 債務及股本證券投資 (續)

有效利率法乃計算金融資產之已攤銷成本及於相關期間攤分利息收入之方法。有效利率指按金融資產之預期可使用年期或較短期間內(如適用)實際折現估計未來現金收入(包括組成有效利率、交易成本及其他溢價或折價主要部份之已付或收到之全部費用)至金融資產初始確認時的賬面淨值之利率。

(i) 賣出回購合約

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。賣出回購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，目的為賺取租金及／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。

投資物業是以公允價值於資產負債表列示。因公允價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)(iv)所述計算。

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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING POLICIES (Continued)

(k) Property and equipment

Property and equipment including land and buildings held for use in the production or supply of goods or services, or for administrative purposes are stated at cost less subsequent accumulated depreciation and impairment losses (see note 1(o)).

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

Depreciation is calculated to write off the cost of items of property 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.
- Other fixed assets 3 – 6 years

Where parts of an item of property 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.

(l) Prepaid lease payments and buildings under construction

When the leasehold land is in the course of development for production or for administrative purposes, the leasehold land component is classified as a prepaid lease payment and amortized over a straight-line basis over the lease term. The amortization is charged to income statement before the commencement of the construction. During the construction period, the amortization charge provided for the leasehold land is included as part of costs of buildings under construction. Buildings under construction are carried at cost, less any identified impairment losses. Depreciation of buildings commences when they are available for use (i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by management).

1 主要會計政策及會計政策改變 (續)

(k) 物業及設備

物業及設備包括持有用於生產或提供貨物或服務，或用於行政用途之土地及樓宇，乃按成本值減後續累計折舊及累計減值虧損列賬（參看附註1(o)）。

由報廢或出售物業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。

物業及設備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，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
- 其他固定資產 三至六年

倘某物業及設備項目之部份有不同可使用年期，該項目之成本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。

(l) 預付租賃付款及發展中的樓宇

在發展中用以生產或行政用途的有契約土地，其契約土地部份已分類為預付租賃付款並以其租賃年期以直線法攤銷。於開始建築前，攤銷計入損益表。於建築期內，契約土地的攤銷則構成為在建中樓宇成本的一部份。在發展中的樓宇按成本減任何已識別減值虧損後列賬。當樓宇可供使用始計算其折舊（即管理層認為其已具備有能力運作的狀態及所需條件）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING POLICIES (Continued)

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

Insurance debtors, other debtors and amounts due from group companies are initially recognized at fair value and thereafter stated at amortized cost using effective interest method less allowance for impairment of bad and doubtful debts (see note 1(o)), except where the receivables are interest-free or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of bad and doubtful debts.

(n) Insurance creditors and amounts due to group companies

Insurance creditors and amounts due to group companies are initially recognized at fair value and thereafter stated at amortized cost using effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

The effective interest method is a method of calculating the amortized cost of a financial liabilities and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liabilities, or, where appropriate, a shorter period to the net carrying amount of the liability on initial recognition.

(o) Impairment of assets

(i) Impairment of financial assets other than those at fair value through profit or loss

Financial assets other than those at fair value through profit or loss are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganization;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and
- a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

1 主要會計政策及會計政策改變 (續)

(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允價值確認，其後按有效利率計算的已攤銷成本減去呆壞賬減值虧損入賬(參看附註1(o))。然而，如應收賬款是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。

(n) 保險客戶應付賬款及應付集團內公司款項

保險客戶應付賬款及應付集團內公司款項在最初產生時以公允價值確認，其後按有效利率計算的已攤銷成本入賬。然而，如折算現值後的影響不大，則按成本入賬。

有效利率法乃計算金融負債之已攤銷成本及於相關期間分攤利息成本之方法。有效利率指按金融負債之預期可使用年期或較短期間內(如適用)實際折現估計未來現金付款至負債初始確認時的賬面淨值之利率。

(o) 資產減值

(i) 除通過損益以反映公允價值外之金融資產減值

除通過損益以反映公允價值外之金融資產於每年結算日檢討，以釐定有否客觀證據可以證明需要減值。減值之客觀證據包括集團注意到以下一項或多項虧損事項之顯著數據：

- 債務人有重大財務困難；
- 違反合約，如拖欠償還利息或本金；
- 債務人可能破產或進行其他財務重組；
- 科技、市場、經濟或法律環境有重大改變而對債務人有不利影響；及
- 股本工具投資之公允價值大幅或長期下跌至低於其成本值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING POLICIES (Continued)

(o) Impairment of assets (Continued)

(i) Impairment of financial assets other than those at fair value through profit or loss (Continued)

If any such evidence exists, any impairment loss is determined and recognized as follows:

- For unquoted equity securities 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.
- For trade and other receivables and other financial assets carried at amortized 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 recognized, 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 recognized in prior years.

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

Impairment losses recognized 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 recognized directly in equity.

1 主要會計政策及會計政策改變 (續)

(o) 資產減值 (續)

(i) 除通過損益以反映公允價值外之金融資產減值 (續)

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，減值虧損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。股本證券的減值虧損並不會被撥回。
- 交易及其他當期應收款及其他金融資產的減值虧損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，減值虧損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，減值虧損沖回損益表內。減值虧損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虧損的賬面值。

- 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）與現時公允價值二者之差額，再減去往年已於損益表內確認的減值虧損。

有關已確認可供出售股本證券的減值虧損是不能沖回損益表的。其後該資產之公允價值增加須直接在股東權益內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING POLICIES (Continued)

(o) Impairment of assets (Continued)

(i) Impairment of financial assets other than those at fair value through profit or loss (Continued)

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 recognized. Reversals of impairment losses in such circumstances are recognized in the income statement.

- For certain categories of financial asset, such as trade and other receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, observable changes in national or local economic conditions that correlate with default on receivables.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of insurance and other receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss. When an insurance or other debtor is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

(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 recognized no longer exists or may have decreased:

- property and equipment;
- reinsurers' share of insurance contract provisions;
- investments in subsidiaries and associates; and
- goodwill.

1 主要會計政策及會計政策改變 (續)

(o) 資產減值 (續)

(i) 除通過損益以反映公允價值外之金融資產減值 (續)

就可供出售債務證券而言，如其後該資產之公允價值增加，而該增加是可客觀地與確認減值虧損後發生的事件有關連，減值虧損可沖回。在此情況下，沖回減值虧損於損益表內確認。

- 就若干類別之金融資產（如交易及其他應收款）而言，並無個別被評估為已減值之資產隨後將按組合基準評估減值。應收款組合減值之客觀證據可包括本集團之過往收款經驗、組合內延遲還款至超逾平均信貸期之次數增加，以及與應收款逾期有關之國家或地方經濟狀況明顯改變。

除應收款之賬面值通過計提撥備削減外，所有金融資產之賬面值均直接按減值虧損予以削減。撥備賬面值之變動於損益內確認。當一項保險客戶及其他應收款被認為不可收回，其將從撥備撇銷。隨後追回以前撇銷之款項計入損益。

(ii) 其他資產減值

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：

- 物業及設備；
- 分保公司應佔保險合約準備；
- 附屬及聯營公司投資；及
- 商譽。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING POLICIES (Continued)

(o) Impairment of assets (Continued)

(ii) Impairment of other assets (Continued)

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, the recoverable amount is estimated annually whether or not there is any indication of impairment.

(i) Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less cost to sell 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 recognized 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 recognized 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.

(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 recognized in prior years. Reversals of impairment losses are credited to the income statement in the year in which the reversals are recognized.

1 主要會計政策及會計政策改變 (續)

(o) 資產減值 (續)

(ii) 其他資產減值 (續)

如任何此等徵兆存在，須估計該資產的可收回額。此外，不論是否有任何減值迹象，每年亦會估計商譽的可收回額。

(i) 計算可收回金額

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

(ii) 減值虧損之確認

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虧損。有關確認現金生產單位減值虧損時，首先減低分配予現金生產單位（或其單位組別）之商譽賬面值，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允價值減出售成本或使用值（如可確定的話）。

(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，則減值虧損會被沖回。商譽的減值虧損不可沖回。

減值虧損沖回只局限至該資產的賬面值，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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING POLICIES (Continued)

(p) Cash and cash equivalents

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

(q) Interest-bearing borrowings

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

(r) 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.

(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 recognized in the income statement except to the extent that they relate to items recognized directly in equity, in which case they are recognized 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 主要會計政策及會計政策改變 (續)

(p) 現金及現金等價物

現金及現金等價物包括銀行及庫存現金、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允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) 短期僱員福利及已訂定退休供款計劃供款

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。

(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 CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES AND CHANGES IN 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 utilized, are recognized. 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 utilized.

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 recognized is measured based on the expected manner of realization 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 utilized. 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 recognized when the liability to pay the related dividends is recognized.

1 主要會計政策及會計政策改變 (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 CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES AND CHANGES IN 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 realize 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 realize the current tax assets and settle the current tax liabilities on a net basis or realize and settle simultaneously.

(t) Provisions and contingent liabilities

Provisions are recognized 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) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

1 主要會計政策及會計政策改變 (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) 股本工具

本公司發行之股本工具按已收所得款項扣除直接發行成本入賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES AND CHANGES IN 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 recognized in the income statement as follows:

(i) Gross premiums written 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 recognized in the period in which the services are provided.

(iii) Commission income

Commission income is recognized as revenue on the effective commencement or renewal dates of the related reinsurance contracts.

(iv) Rental income from operating leases

Rental income receivable under operating leases is recognized 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 recognized in the income statement as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognized as income in the accounting period in which they are earned.

(v) Income from asset management, insurance intermediary and pension businesses

Income from asset management, insurance intermediary and pension businesses are recognized when the service is rendered.

(vi) Dividends

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

(vii) Interest income

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

1 主要會計政策及會計政策改變 (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) 保險合約毛承保保費

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

費用在提供服務期間確認。

(iii) 佣金收入

佣金收入在有關再保險合約生效或續期時確認為收入。

(iv) 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份。或然租金在產生的會計期間內確認為收入。

(v) 資產管理、保險中介及養老保險業務的收入

資產管理、保險中介及養老保險業務的收入在提供服務時確認。

(vi) 股息

投資的股息收入在股東收取款項的權利確立時確認。

(vii) 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 CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING POLICIES (Continued)

(w) Translation of foreign currencies

Foreign currency transactions during the year are translated into the functional currency of respective entities in the Group at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency of respective entities in the Group at the exchange rates ruling at the balance sheet date. Exchange gains and losses are recognized in the income statement.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into the functional currency of respective entities in the Group using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated into the functional currency of respective entities in the Group using the foreign exchange rates ruling at the dates the fair value was determined.

The results of foreign operations are translated into the Group's presentation currency (i.e. Hong Kong dollars) at the exchange rates approximately the foreign exchange rates ruling at the dates of the transactions. Balance sheet items are translated into Hong Kong dollars at the foreign exchange rates ruling at the balance sheet date. The resulting exchange differences are recognized directly in a separate component of equity. Goodwill arising on acquisition of a foreign operation is translated into Hong Kong dollars at the foreign exchange rate prevailing at the balance sheet date.

On disposal of a foreign operation, the cumulative amount of the exchange differences recognized in equity which relate to that foreign operation is included in the calculation of the profit or loss on disposal.

(x) Derivative financial instruments

Derivative financial instruments are recognized 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 recognized in the income statement.

1 主要會計政策及會計政策改變 (續)

(w) 外幣換算

年內的外幣交易按交易日的匯率換算為本集團內有關實體公司的功能貨幣。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本集團內有關實體公司的功能貨幣。匯兌收益及虧損均已記錄在損益表內。

按歷史成本以外幣計值之非貨幣資產及負債按交易日之匯率換算為本集團內有關實體公司的功能貨幣。以外幣計值並以公允價值列賬之非貨幣資產與負債按釐定公允價值當日之外幣匯率換算為本集團內有關實體公司的功能貨幣。

海外業務之業績按交易日之匯率折算為本集團之呈報貨幣(即港元)。資產負債表項目按結算日之匯率折算為港元。產生之匯兌差額直接在股東權益內以一獨立組成部份確認。收購海外業務所產生之商譽按結算日之匯率折算為港元。

出售海外業務時，在權益內確認並與該海外業務相關之匯兌差額累計金額在計算出售損益時包括在內。

(x) 衍生金融工具

衍生金融工具初始按公允價值確認，並於結算日重算，重算公允價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)式工具的組成部份，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)式工具並非按公允價值計量及將公允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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING POLICIES (Continued)

(y) Borrowing costs

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

(z) 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 recognized 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.

(aa) Related parties

For the purposes of these consolidated 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;
- (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.

1 主要會計政策及會計政策改變 (續)

(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) 經營租賃費用

若本集團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。

(aa) 關連人士

就編製本綜合財務報表而言，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；
- (iii) 該人士屬本集團的聯營公司或共同控制主體；
- (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；或
- (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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING POLICIES (Continued)

(ab) Share based payment transactions

(i) Share Options Scheme and Share Award Scheme

The fair value of share options and awarded shares granted to employees in an equity-settled share based payment transaction is recognized as an employment cost with a corresponding increase in the employee share-based compensation reserve within equity. In respect of share options, 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. In respect of awarded shares, the fair value is based on the closing price at the grant date and any directly attributable incremental costs. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the share options and awarded shares, the total estimated fair value of the share options and awarded shares is spread over the vesting period, taking into account the probability that the share options and awarded shares will vest.

During the vesting period, the number of share options and awarded shares that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognized in prior years is charged/credited to the income statement for the year of the review, with a corresponding adjustment to the employee share-based compensation reserve. On vesting date, the amount recognized as an expense is adjusted to reflect the actual number of share options and awarded shares that vest (with a corresponding adjustment to the employee share-based compensation reserve).

The equity amount for the share options is recognized 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).

(ii) Shares held for Share Award Scheme

Where the shares of the Company are acquired under the Share Award Scheme, the consideration paid, including any directly attributable incremental costs, is presented as "Shares held for Share Award Scheme" and deducted from total equity.

When the award shares are transferred to the awardees upon vesting, the related weighted average cost of the awarded shares vested are credited to "Shares held for Share Award Scheme", and the related employment costs of the award shares vested are debited to the employee share-based compensation reserve. The difference between the related weighted average cost and the related employment costs of the award shares is transferred to retained profits.

1 主要會計政策及會計政策改變 (續)

(ab) 以股份為本支付之交易

(i) 認股權計劃及股份獎勵計劃

於股本償本之股份為本交易賦予員工的認股權及獎授股份之公允價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。有關認股權之公允價值乃採用Black Scholes認股權定價模式，按認股權授予日及授予認股權的條款而計算。至於獎授股份方面，其公允價值是已支付之代價，包括所有直接有關增量成本。當僱員須符合歸屬期條件才可無條件享有該等認股權及獎授股份，認股權及獎授股份的預計公允價值總額在歸屬期內攤分入賬，並已考慮認股權及獎授股份歸屬的或然率。

估計可歸屬認股權及獎授股份的數目須在歸屬期內作出檢討。任何已在往年確認的累積公允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，確認為支出之金額按歸屬認股權及獎授股份的實際數目作調整（並在以股份為本之僱員補償儲備作相應調整）。

屬認股權的權益之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）。

(ii) 為股份獎勵計劃而持有之股份

倘根據股份獎勵計劃下購入的公司股份，已支付之代價，包括所有直接有關的增量成本，被提出作為「為股份獎勵計劃而持有之股份」並從總權益中扣除。

當獎授股份於歸屬時轉至獲獎授人時，有關已歸屬獎授股份的加權平均成本計入「為股份獎勵計劃而持有之股份」的貸方及有關的員工成本計入以股份為本之僱員補償儲備借方。有關加權平均成本及有關獎勵計劃的員工成本之差額轉入保留溢利。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING POLICIES (Continued)

(ab) Share based payment transactions (Continued)

(ii) Shares held for Share Award Scheme (Continued)

Where the shares held for Share Award Scheme are revoked and the revoked shares are disposed of the related gain or loss is transferred to retained profits, and no gain or loss is recognized in the income statement.

Where the cash or non-cash dividend distribution declared in respect of the shares held for Share Award Scheme, the cash or fair value of the non-cash dividend is transferred to retained profits, and no gain or loss is recognized in the income statement.

(ac) 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 consolidated 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 主要會計政策及會計政策改變 (續)

(ab) 以股份為本支付之交易 (續)

(ii) 為股份獎勵計劃而持有之股份 (續)

當取消為股份獎勵計劃而持有之股份時，取消之股份將出售有關損益轉入保留溢利，損益表不確認任何損益。

當為股份獎勵計劃而持有之股份宣派現金或非現金股息，分派之現金或非現金股息之公允價值轉入保留溢利，損益表不確認任何損益。

(ac) 分類匯報

分類是指本集團內可明顯區分的組成部份，並且負責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。

就本綜合財務報表而言，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 CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING POLICIES (Continued)

(ad) Jointly controlled assets

When a group entity undertakes its activities with other parties, constituted as jointly controlled assets, the Group's share of the jointly controlled assets are recognized in the consolidated financial statements and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis.

Income from the sale or use of the Group's share of the output of the jointly controlled assets, together with its share of any expenses incurred, are recognized when it is probable that the economic benefits associated with the transaction will flow to/ from the Group.

CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of new and revised HKFRSs and Interpretations that are first effective or available for early adoption for the current accounting period of the Group and the Company.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period (see note 49).

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT

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

The Group is principally engaged in the underwriting of reinsurance business around the world, and life insurance business and property and casualty 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 analyzes and scenario analyzes.

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.

1 主要會計政策及會計政策改變 (續)

(ad) 共同控制資產

當集團內的公司與其他方進行活動時，構成共同控制資產，本集團在共同控制資產所佔的權益在綜合財務報表中予以確認，並按照他們的性質作出分類。為共同控制資產權益而直接產生的負債及費用均會以應計基準計入。

而從銷售或使用本集團在共同控制資產的產生所佔部份而得的收入及費用中所佔的部份，會在有關交易的經濟利益能可靠地計量，並很可能流入／流出本集團時才予以確認。

會計政策改變

香港會計師公會頒布了若干自本會計年度起生效或可供本集團和本公司提前採納的新增及經修訂之香港財務報告準則及詮釋。

本集團沒有採納任何在本會計年度尚未實施的新準則或詮釋(參看附註49)。

2 保險、財務及資本風險管理

(a) 風險管理目標及降低保險風險政策和步驟

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及財產保險業務。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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

(b) Underwriting strategy

Reinsurance business

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 business

The Group operates its life insurance business in 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.

Property and casualty insurance business

The Group is engaged in the underwriting of property and casualty insurance business in the PRC. The Group focuses its property and casualty insurance business towards the PRC's property and casualty insurance market by offering a wide range of insurance products covering different types of property insurance (including compulsory motor insurance), liability insurance, credit insurance, guarantee insurance business and short-term accident and health insurance and the related reinsurance business. The Group has formulated strict operational procedures on underwriting and claims settlement to control risks on insurance underwriting.

(c) Reinsurance strategy

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 recognized credit rating agencies, their claims-paying and underwriting track record, as well as the Group's past experience with them.

2 保險、財務及資本風險管理 (續)

(b) 承保策略

再保險業務

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。

人壽保險業務

本集團人壽保險業務營運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。

財產保險業務

本集團從事承保中國財產保險業務。本集團集中其財產保險業務於中國財產保險市場，提供各種各樣的保險產品，包括不同類型的財產保險（包括機動車交通事故責任強制保險）、責任險、信用保險、保證保險及短期意外及健康險及有關之再保險業務。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。

(c) 再保險策略

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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

(d) Asset and liability matching

The objective of the Group's asset and liability management is to match the Group's assets with liabilities on the basis of duration. 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 maximize investment returns at a tolerable risk level, whilst ensuring that the assets and liabilities are managed on a cash flow and duration basis.

However, in respect of life insurance business, 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 reduces the level of the asset-liability mismatch by:

- 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) Insurance risk

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Group faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random and the actual number and amount of claims and benefits will vary from year to year from the estimate established using statistical techniques.

2 保險、財務及資本風險管理 (續)

(d) 資產與負債配比

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。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。

然而，有關人壽保險業務，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，本集團透過以下方法降低資產與負債不配的程度：

- 積極尋求取得收益水平可接受的較長期定息債務投資；
- 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) 保險風險

每份保險合約的風險在於承保事件發生的可能性和由此引起的賠款金額的不確定性。從每份保險合約的根本性質來看，上述風險是隨機發生的，從而無法預計。

對於按照概率理論進行定價和計提準備的保險合約組合，本集團面臨的主要風險是實際賠付超出保險負債的賬面值。這種情況發生在賠付頻率或嚴重程度超出估計時。保險事件的發生具隨機性，實際賠付的數量和金額每年都會與通過統計方法建立的估計有所不同。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

(e) Insurance risk (Continued)

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The Group has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

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 business

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 finalize and settle claims for a given underwriting year. The speed of claims reporting and claims settlement is a function of the specific coverage provided, the jurisdiction, the specific policy provisions and the nature of underlying risks. There are numerous components underlying the general reinsurance business.

Management of risks

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

The Group maintains underwriting teams who 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 within the Group's risk appetite. All inward business is screened and analyzed 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、財務及資本風險管理 (續)

(e) 保險風險 (續)

經驗顯示具相同性質的保險合約組合越大，預計結果的相關可變性就越小。另外，一個更加分散化的組合受組合中的任何子組合變化影響的可能性較小。本集團已經建立起了分散承保風險類型的保險承保策略，並在每個類型的保險風險中保持足夠數量的保險合約總量，從而減少預期結果的不確定性。

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) 再保險業務

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。

再保險於既定承保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、特定的保單規定及相關風險的性質。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在本集團既定的風險承擔範圍內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 CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

2 保險、財務及資本風險管理 (續)

(e) Insurance risk (Continued)

(e) 保險風險 (續)

(i) Reinsurance business (Continued)

(i) 再保險業務 (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 is protected against catastrophic risk 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船舶貨運的比例轉分保險。此外，本集團通過一攬子超賠轉分保險的方式以防受巨災風險所影響。

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 2008.

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。下表顯示截至二零零八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

	2008	2007
--	------	------

Proportional treaty	比例合約	59.6%	55.9%
Non-proportional treaty	非比例合約	27.9%	32.1%
Facultative	臨時合約	12.5%	12.0%
		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

	2008	2007
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Hong Kong & Macau	香港及澳門	16.5%	18.8%
Mainland China (& Taiwan)	中國大陸 (及台灣)	28.8%	23.8%
Japan	日本	7.8%	6.8%
Rest of Asia	亞洲其他地區	24.7%	27.1%
Europe	歐洲	12.3%	14.9%
Others	其他地區	9.9%	8.6%
		100.0%	100.0%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

(e) Insurance risk (Continued)

(ii) Life insurance business

The features of major life insurance products are summarized 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.

Products 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.

2 保險、財務及資本風險管理 (續)

(e) 保險風險 (續)

(ii) 人壽保險業務

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。其中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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

(e) Insurance risk (Continued)

(ii) Life insurance business (Continued)

Product features (Continued)

Unit linked insurance contracts

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.

Universal life insurance contracts

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. The account values accrue interest at the crediting rate and monthly charges levied by the Group for policy administration. The Group at its discretion allocates excess investment gains generated from the pooled investment fund for future declaration to the policyholder accounts.

Guaranteed features

The main guaranteed features of life insurance products include:

Guaranteed interest rate

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.

Guaranteed crediting rate

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

Guaranteed premium

There is a guarantee of premium in all of the long-term products. There is no guarantee of premium for short-term products.

2 保險、財務及資本風險管理 (續)

(e) 保險風險 (續)

(ii) 人壽保險業務 (續)

產品特點 (續)

投資連結保險合約

本集團承保投資連結保險合約，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。

萬能壽險合約

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利率酌情宣派月度結算利率予保單持有人。賬戶金額按結算利率計入利息及本集團保單管理徵收的每月費用。本集團從匯集投資基金產生出來的超額投資收益將會酌情於未來分配予保單保戶。

保證回報特點

壽險產品的保證回報特點包括：

保證利率

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。

保證結算利率

萬能壽險產品附帶最低保證結算利率，而團體單位連結存款管理保單附帶可調整的保證利率。

保證保費

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 CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

2 保險、財務及資本風險管理 (續)

(e) Insurance risk (Continued)

(ii) Life insurance business (Continued)

Guaranteed features (Continued)

Guaranteed cash surrender values ("CSVs")

There are statutory minimum guaranteed CSVs for most of the Group's long-term products.

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 RMB500,000 per person in life and personal accident policies and RMB200,000 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 RMB1 million for each and every loss occurrence, and the total coverage is RMB50 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, an excess of loss reinsurance contract is applied for any insurance contract with significant sum insured.

The distribution of sum insured is summarized as follows:

RMB'000 人民幣千元	Before reinsurance 再保險前		After reinsurance 再保險後	
	2008	2007	2008	2007
0-200	95.30%	95.61%	95.65%	95.96%
201-500	3.78%	3.47%	4.35%	4.04%
501-750	0.63%	0.71%	—	—
751-1,000	0.14%	0.05%	—	—
1,001-1,500	0.04%	0.06%	—	—
1,501-2,000	0.02%	0.02%	—	—
2,001-2,500	0.01%	0.01%	—	—
>2,500	0.08%	0.07%	—	—
	100.00%	100.00%	100.00%	100.00%

(e) 保險風險 (續)

(ii) 人壽保險業務 (續)

保證回報特點 (續)

保證現金退保價值

本集團大多數長期保險產品均有法定最低保證現金退保價值。

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,本集團就同一事故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100萬元,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。

受保金額的分佈概述如下:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

(e) Insurance risk (Continued)

(ii) Life insurance business (Continued)

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 the 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 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.

(iii) Property and casualty insurance business

The features of major property and casualty insurance products are summarized below:

Product features

Motor

It is the Group's strategy not to underwrite business related to high risk types of motor such as vehicles for public transportation, vehicles carrying dangerous products and vehicles not owned by local citizens. The maximum insured sum of underwriting motor and third party liability business at the branches is RMB3,000,000.

Non-marine

The insurance risk is controlled by the branches' compliance with the procedure manual which was launched and approved by TPI's senior management annually. To limit the net exposure, the Group arranged an excess of loss reinsurance protection for non-marine business.

2 保險、財務及資本風險管理 (續)

(e) 保險風險 (續)

(ii) 人壽保險業務 (續)

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、清償規定、利潤率及賠付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。

(iii) 財產保險業務

主要財產保險產品的特點概述如下：

產品特點

車險

不從事如公共運輸車輛、危險產品運輸及非本地市民擁有之車輛等高風險汽車承保業務是本集團的策略。分公司承保車險及第三者責任業務保額最大為人民幣3,000,000元。

非水險

各分公司按每年由太平保險高級管理層核准及發出的程序手冊監控保險風險。為限制風險，本集團為非水險業務安排超額賠付再保險保障。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

2 保險、財務及資本風險管理 (續)

(e) Insurance risk (Continued)

(iii) Property and casualty insurance business (Continued)

Product features (Continued)

Marine

The risk accumulation generally arises from underwriting risks in any one vessel or shipment. It is the Group's strategy not to underwrite business related to high risk types of marine such as cross-boarder marine or cargo and cargo business for North-East Asia. Net exposure of risk per vessel is limited by arranging surplus treaty and monitored by TPI's senior management regularly.

Concentration of insurance risks

Within the insurance process, concentration of risk may arise where a particular event or series of events could impact heavily upon the Group's liabilities. Such concentrations may arise from a single insurance contract or through a small number of related contracts, and relate to circumstances where significant liabilities could arise.

The concentration of insurance risk before and after reinsurance by classes of business is summarized below, with reference to premiums written in 2008. The premiums written as shown in the table below include both the pre-acquisition and post-acquisition results of TPI.

(e) 保險風險 (續)

(iii) 財產保險業務 (續)

產品特點 (續)

水險

風險積聚一般由承保單一船隻或裝運產生。不從事承保有關高風險類水險如跨境船舶或貨運及於亞洲東北部的貨運業務是本集團的策略。每艘船通過安排溢額合約及太平保險高級管理層定期監察以限制淨風險。

保險風險集中

在保險程序中，集中的風險可能令當特定事件或一連串事件出現時嚴重影響本集團的負債。該等集中可能因單一保險合約或透過少量有關連合約引起，和涉及引起重大負債的情況。

關於二零零八年承保保費，按業務種類劃分再保險前及再保險後之保險風險集中情況概述如下。下表載列之承保保費包括太平保險於購入前及購入後的業績。

		2008			
		Gross written premiums	Premiums ceded to reinsurers	Net written premiums	Ceding ratio
		毛承保保費	保費之再保份額	淨承保保費	分出比率
		\$'000	\$'000	\$'000	%
		千元	千元	千元	
Motor	車險	3,761,126	262,932	3,498,194	7.0%
Marine	水險	199,795	85,813	113,982	43.0%
Non-marine	非水險	817,618	450,744	366,874	55.1%
Total	總額	4,778,539	799,489	3,979,050	16.7%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

2 保險、財務及資本風險管理 (續)

(f) Management of risks

The Group delegates underwriting authority to experienced underwriters. Each underwriting department has an underwriting manual for each class of business. The underwriting manual is approved by the Underwriting Committee and specifies the authority of underwriters at each level. Each underwriting manual states clearly the minimum gross premium per policy, the maximum sum insured per policy and the aggregate exposure per zone as well as the probable maximum loss which underwriters at each level can underwrite. Risks that exceed the underwriting authority of the head of the underwriting department have to be reviewed and approved by the Underwriting Committee. For claims handling, there is a procedures manual that lays down the operational procedures and controls required to mitigate the insurance risk.

The Group also arranges both treaty reinsurance and facultative reinsurance in accordance with international practice. Treaty reinsurance provides automatic reinsurance cover under specific reinsurance contract terms and conditions. Facultative reinsurance is reinsurance of individual risk. Each contract is arranged separately. The choice of reinsurance contract depends on market conditions, market practice and the nature of business. Facultative reinsurance is arranged when an individual risk is not covered by treaty reinsurance or exceeds treaty reinsurance capacity.

(g) Financial risk

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

There is no significant change in the Group's exposures to risk and how they arise, nor the Group's objectives, policies and processes for managing each of 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.

(a) Interest rate risk

Interest rate risk is risk to the earnings or market value of a fixed-rate financial instrument due to uncertain future market interest rates.

The Group monitors this exposure through periodic reviews of its financial instrument. Estimates of cash flows, as well as the impact of interest rate fluctuations relating to the investment portfolio are modelled and reviewed periodically.

(f) 風險管理

本集團把承保權委託給有經驗之核保人。每個承保部門在每個業務種類均有承保手冊。承保手冊經承保委員會核准及明確說明各個級別的核保人之權力。每本承保手冊清楚載列每份保單之最低毛承保保費、每份保單及每個地區合計之最大承保額、以及各級別核保人可承保之最大可能賠付。超越承保部門主管承保權之風險需由承保委員會審閱及核准。在賠款處理方面，程序手冊載列有需要之營運程序及控制以減輕保險風險。

本集團亦根據國際慣例安排合約分保及臨時分保。合約分保於特定再保險合約條款下提供自動再保險保障。臨時分保為個別風險之分保。每份合約皆個別洽商。再保險合約按市場狀況、市場慣例及業務性質選擇。當個別風險沒有在合約分保涵蓋或超出合約分保的容量時，將安排臨時分保。

(g) 財務風險

金融工具及保險資產／負債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、信用風險及流動資金風險。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。

不論本集團承受的風險及該些風險如何產生或本集團就管理上述每一項風險的目標、政策及過程，皆沒有重大改變。

(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金融工具的公允價值變動而引致的風險。

(a) 利率風險

利率風險乃指因不確定的未來市場利率造成的金融工具盈利或市值風險。

本集團透過定期審核其金融工具監控該風險。投資組合的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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

2 保險、財務及資本風險管理 (續)

(g) Financial risk (Continued)

(g) 財務風險 (續)

(i) Market risk (Continued)

(i) 市場風險 (續)

(a) Interest rate risk (Continued)

(a) 利率風險 (續)

A decrease of 50 basis points in interest rates of the debt investments classified as available-for-sale and designated at fair value through profit or loss (excluding the balance for unit-linked insurance contracts), with all other variables held constant, would increase the Group's total equity by approximately 1.5% of the total investments held by the Group as at 31 December 2008 (2007: 2.2%). Most of the Group's fixed rate debt investments that are designated at fair value through profit or loss are held for unit-linked insurance contracts; consequently the Group's profit is not significantly sensitive to any change in value of these debt investments arising from interest rate change.

假設可供出售及被歸類為以損益反映公允價值的債務投資(不包括投資連結保險合約的餘額)利率下跌50點子,其他參數不變,總權益將上升相等於本集團截止二零零八年十二月三十一日的總投資額1.5%(二零零七年:2.2%)。本集團大部份的定息債務投資被歸類為以損益反映公允價值皆為持作單位連結保險合約,因而這些債務投資因利率變化的價格變動對本集團的溢利沒有重大影響。

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the balance sheet date and had been applied to the exposure to interest rate risk for both derivative and non-derivative financial instruments in existence at that date. The analysis is performed on the same basis for 2007. The Group does not have significant amount of floating-rate financial instruments.

上述的敏感性分析是假設利率變動於資產負債表日發生及被應用於該日存在的衍生及非衍生金融工具的利率風險上。分析乃按二零零七年之相同基準而作出。本集團沒有重大金額的浮息金融工具。

(b) Equity price risk

(b) 股本價格風險

The Group has a portfolio of marketable equity securities, which is carried at fair value and is exposed to price risk. This risk is defined as the potential loss in market value resulting from an adverse change in prices.

本集團的有價股本證券組合以公允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。

The Group manages the equity price risk by investing in a diverse portfolio of high quality and liquid securities.

本集團透過投資於高質素的多元化流動證券組合管理其股本價格風險。

The equity securities (including direct equity securities and equity investment funds), other than those held for unit-linked insurance contracts were carried at a fair value of \$4,323.97 million (2007: \$8,494.99 million), representing 6.3% (2007: 18.2%) of total investments held by the Group excluding those held for unit-linked insurance contracts.

股本證券(包括直接股本證券及股本投資基金),因投資連結保險合約而持有除外,以公允價值43.2397億元(二零零七年:84.9499億元)列賬,佔本集團持有之總投資額(因投資連結保險合約而持有除外)6.3%(二零零七年:18.2%)。

Since most of the equity securities, other than those held for unit-linked insurance contracts, are classified as available-for-sale financial assets, the Group's profit is not significantly sensitive to any change in value of the equities securities.

由於大部分股本證券,因投資連結保險合約而持有除外,歸類為可供出售金融資產,因此這些股本證券的價值變動對本集團的溢利沒有重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

2 保險、財務及資本風險管理 (續)

(g) Financial risk (Continued)

(g) 財務風險 (續)

(i) Market risk (Continued)

(i) 市場風險 (續)

(b) Equity price risk (Continued)

(b) 股本價格風險 (續)

A 10% increase/decrease in market value of the equities securities classified as available-for-sale and designated at fair value through profit or loss (excluding the balance for unit-linked insurance contracts) and held by the Group as at 31 December 2008, with all other variables held constant, would increase the Group's total equity/decrease the Group's total equity and the profit after tax by approximately \$432.40 million (2007: total equity of \$849.50 million). Most of the Group's equities securities that are designated at fair value through profit or loss are held for unit-linked insurance contracts; consequently the Group's profit is not significantly sensitive to any change in value of these equities securities arising from market value change.

假設於二零零八年十二月三十一日本集團持有之可供出售及被歸類為以損益反映公允價值的股本證券(不含投資連結保險合約的數額)市值上升/下跌10%，其他參數不變，將令本集團總權益及稅後溢利上升/下跌約4.3240億元(二零零七年：總權益8.4950億元)。本集團大部份的股本證券皆被指定為通過損益以反映公允價值及為投資連結合約持有，因此，該等股本證券因市值變動之任何價值變動對本集團溢利沒有重大影響。

(c) Foreign exchange risk

(c) 外匯風險

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

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

In respect of the life insurance and property and casualty insurance business, premiums are received in RMB and the insurance regulation in the PRC requires insurers to hold RMB assets.

就人壽保險業務及財產保險業務而言，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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

2 保險、財務及資本風險管理 (續)

(g) Financial risk (Continued)

(g) 財務風險 (續)

(i) Market risk (Continued)

(i) 市場風險 (續)

(c) Foreign exchange risk (Continued)

(c) 外匯風險 (續)

The following table presents the Group's carrying values of financial and insurance assets and liabilities in the consolidated balance sheet in HKD equivalent by major currencies:

下表呈現本集團於綜合資產負債表內按主要貨幣分類的金融及保險資產及負債之港幣賬面等值：

		2008				Total
		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
Financial assets:	金融資產：					
Statutory deposits	法定存款	975,180	—	20,150	—	995,330
Investments in debt and equity securities	債務及股本證券投資	53,963,322	2,207,361	507,007	186,176	56,863,866
— debt securities	— 債務證券	47,703,969	2,097,011	68,981	158,130	50,028,091
— equity securities	— 股本證券	6,259,353	110,350	438,026	28,046	6,835,775
Amounts due from group companies	應收集團內公司款項	4,546	—	6,896	13	11,455
Other debtors	其他應收賬款	1,983,041	52,381	27,992	8,085	2,071,499
Pledged deposits at bank	已抵押銀行存款	—	102,453	—	—	102,453
Deposits at bank with original maturity more than three months	原到期日超過三個月之銀行存款	5,513,275	700,354	471,040	6,453	6,691,122
Cash and cash equivalents	現金及現金等價物	5,413,848	1,306,739	604,991	506,217	7,831,795
		67,853,212	4,369,288	1,638,076	706,944	74,567,520
Insurance assets:	保險資產：					
Insurance debtors	保險客戶應收賬款	559,694	64,433	278,078	124,017	1,026,222
Reinsurers' share of insurance contract provisions	分保公司應佔保險合約準備	1,078,185	38,150	275,922	29,705	1,421,962
		1,637,879	102,583	554,000	153,722	2,448,184

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

2 保險、財務及資本風險管理 (續)

(g) Financial risk (Continued)

(g) 財務風險 (續)

(i) Market risk (Continued)

(i) 市場風險 (續)

(c) Foreign exchange risk (Continued)

(c) 外匯風險 (續)

		2008				Total
		RMB	USD	HKD	Other	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
Financial liabilities:	金融負債：					
Investment contract liabilities	投資合約負債	235,891	—	—	—	235,891
Interest-bearing notes	需付息票據	4,025,452	1,350,576	—	—	5,376,028
Securities sold under repurchase agreements	賣出回購證券	4,206,880	—	—	—	4,206,880
Amounts due to group companies	應付集團內公司款項	488	—	4	—	492
Insurance protection fund	保險保障基金	30,310	—	—	—	30,310
		8,499,021	1,350,576	4	—	9,849,601
Insurance liabilities:	保險負債：					
Life insurance funds	壽險責任準備金	52,787,213	—	—	—	52,787,213
Unearned premium provisions	未到期責任準備金	2,826,441	14,046	614,233	2,029	3,456,749
Provision for outstanding claims	未決賠款準備	2,541,340	432,306	755,647	739,536	4,468,829
Insurance creditors	保險客戶應付賬款	684,663	2,947	42,017	10,512	740,139
		58,839,657	449,299	1,411,897	752,077	61,452,930

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

2 保險、財務及資本風險管理 (續)

(g) Financial risk (Continued)

(g) 財務風險 (續)

(i) Market risk (Continued)

(i) 市場風險 (續)

(c) Foreign exchange risk (Continued)

(c) 外匯風險 (續)

		2007				Total
		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
Financial assets:	金融資產：					
Statutory deposits	法定存款	640,764	12,475	—	—	653,239
Investments in debt and equity securities	債務及股本證券投資	37,194,292	2,197,537	1,027,764	82,592	40,502,185
— debt securities	— 債務證券	25,696,654	1,983,789	19,971	46,415	27,746,829
— equity securities	— 股本證券	11,497,638	213,748	1,007,793	36,177	12,755,356
Amounts due from group companies	應收集團內公司款項	1,060	—	16,320	108	17,488
Other debtors	其他應收賬款	1,200,085	47,083	180,896	3,288	1,431,352
Pledged deposits at bank	已抵押銀行存款	—	97,417	—	—	97,417
Deposits at bank with original maturity more than three months	原到期日超過三個月的銀行存款	3,633,756	910,711	74,873	12,637	4,631,977
Cash and cash equivalents	現金及現金等價物	2,530,670	780,249	1,148,350	678,366	5,137,635
		45,200,627	4,045,472	2,448,203	776,991	52,471,293
Insurance assets:	保險資產：					
Insurance debtors	保險客戶應收賬款	201,585	49,351	299,596	66,008	616,540
Reinsurers' share of insurance contract provisions	分保公司應佔保險合約準備	80,265	9,569	260,309	26,597	376,740
		281,850	58,920	559,905	92,605	993,280

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

2 保險、財務及資本風險管理 (續)

(g) Financial risk (Continued)

(g) 財務風險 (續)

(i) Market risk (Continued)

(i) 市場風險 (續)

(c) Foreign exchange risk (Continued)

(c) 外匯風險 (續)

		2007				Total
		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
Financial liabilities:	金融負債：					
Investment contract liabilities	投資合約負債	157,421	—	—	—	157,421
Interest-bearing notes	需付息票據	1,601,910	1,358,467	—	—	2,960,377
Amounts due to group companies	應付集團內公司款項	19	—	27	—	46
Insurance protection fund	保險保障基金	7,976	—	—	—	7,976
		<u>1,767,326</u>	<u>1,358,467</u>	<u>27</u>	<u>—</u>	<u>3,125,820</u>
Insurance liabilities:	保險負債：					
Life insurance funds	壽險責任準備金	38,529,656	—	—	—	38,529,656
Unearned premium provisions	未到期責任準備金	327,860	—	566,064	—	893,924
Provision for outstanding claims	未決賠款準備	266,993	228,819	1,495,031	506,089	2,496,932
Insurance creditors	保險客戶應付賬款	320,956	11,829	49,080	12,251	394,116
		<u>39,445,465</u>	<u>240,648</u>	<u>2,110,175</u>	<u>518,340</u>	<u>42,314,628</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

2 保險、財務及資本風險管理 (續)

(g) 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.

The Group is exposed to credit risks primarily associated with bank deposits, insurance debtors, investments in debt securities, reinsurance arrangements with reinsurers and other debtors etc.

The maximum exposure of the Group to credit risk in the event of the counterparties' failure to perform their obligations as at the balance sheet date is the carrying amount of the assets as shown in the table below:

(g) 財務風險 (續)

(ii) 信用風險

信用風險是指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。

本集團主要會承受的信用風險與銀行存款、保險客戶應收賬款、債務證券投資、再保險債務人及其他應收賬款有關。

因交易對手未能履行責任而使本集團於結算日需承受的最高信用風險為下表載列之資產賬面值：

		2008		2007	
		\$'000	% of Total	\$'000	% of Total
		千元	佔總額百分比	千元	佔總額百分比
Statutory deposits and deposits with banks	法定存款及銀行存款	15,620,700	22.3%	10,520,268	25.9%
Investments in debt securities	債務證券投資	50,028,091	71.3%	27,746,829	68.2%
Reinsurers' share of insurance contract provisions	分保公司應佔保險合約準備	1,421,962	2.0%	376,740	0.9%
Insurance debtors	保險客戶應收賬款	1,026,222	1.5%	616,540	1.5%
Other debtors	其他應收賬款	2,071,499	2.9%	1,431,352	3.5%
		70,168,474	100.0%	40,691,729	100.0%

To reduce the credit risk associated with the investment in debt securities, the Group has established detailed credit control policy. In addition, the risk level of the various investment sectors is continuously monitored with the investment mix adjusted accordingly. In respect of the debt securities invested by reinsurance business, the Group restricts investments in debt securities with international credit ratings generally not below the investment grade, i.e. BBB or higher, except for certain sovereign rated securities. In respect of the debt securities invested by life insurance and property and casualty insurance business, the investment procedures manual, which is managed by an investment committee, includes the minimum acceptable domestic credit rating of the issuers as required by the CIRC. Any non-compliance or violation of the manual will be followed up and rectification action will be taken immediately.

In assessing the need for impairment allowances, management considers factors such as credit quality, portfolio size, concentrations, and economic factors.

為降低與債務證券投資有關的信用風險，本集團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。有關再保險業務的債務證券投資，本集團限制對信貸評級一般低於投資等級（即低於BBB）的債務證券的投資，但部份主權評級證券除外。有關人壽保險及財產保險業務的債務證券投資，投資程序手冊，由投資委員會管理，列出包括按中國保監會要求的發行人的最低可接受本地信貸評級。任何不合規或違反手冊將立即被跟進及改正。

在評定減值準備的需要時，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 CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

(g) Financial risk (Continued)

(ii) Credit risk (Continued)

The carrying amount of the financial assets set out in the consolidated balance sheet after deducting any impairment allowance represent the maximum exposure to credit risk at the balance sheet date.

(iii) Liquidity risk

The Group has to meet daily calls on its cash resources, notably from claims arising from its reinsurance contracts, life insurance contracts and property and casualty 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.

The following table presents amounts the contractual undiscounted cash flows of the Group's financial liabilities and the estimated timing of undiscounted cash flows arising from liabilities under insurance and investment contracts. A maturity analysis prepared on the basis of the earliest possible contractual repayment date (assuming that all surrender and transfer options are exercised) would result in all insurance and investment contracts being presented as falling due with one year or less.

2 保險、財務及資本風險管理 (續)

(g) 財務風險 (續)

(ii) 信用風險 (續)

列於綜合資產負債表的金融資產的賬面值減去任何減值準備，代表在資產負債表日的最高信貸風險。

(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、人壽保險合約及財產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。

下表呈現本集團金融負債的未折現合約現金流及屬於保險及投資合約的負債產生之預計未折現現金流時間。根據最早合約還款期基準（假設已行使所有退保及轉讓期權）的到期分析會導致所有保險及投資合約被列為一年或以下到期。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

2 保險、財務及資本風險管理 (續)

(g) Financial risk (Continued)

(g) 財務風險 (續)

(iii) Liquidity risk (Continued)

(iii) 流動性風險 (續)

		1 year or less or less 一年 或以下 \$'000 千元	5 years or less but over 1 year 五年或 以下但 超過一年 \$'000 千元	After 5 years 五年後 \$'000 千元	Total un- discounted cashflows 未折現 現金流 總額 \$'000 千元	Carrying value at 31 December 於十二月 三十一日 之賬面值 \$'000 千元
At 31 December 2008	於二零零八年 十二月三十一日					
Interest-bearing notes	需付息票據	300,799	4,260,332	3,365,787	7,926,918	5,376,028
Life insurance funds	壽險責任準備金	41,062	(3,590,549)	120,251,626	116,702,139	52,787,213
Unearned premium provisions	未到期責任準備金	3,219,418	237,331	—	3,456,749	3,456,749
Provision for outstanding claims	未決賠款準備	2,715,318	1,314,621	438,890	4,468,829	4,468,829
Investment contract liabilities	投資合約負債	235,891	—	—	235,891	235,891
Securities sold under repurchase agreements	賣出回購 證券	4,206,880	—	—	4,206,880	4,206,880
Insurance creditors	保險客戶應付賬款	740,139	—	—	740,139	740,139
Insurance protection fund	保險保障基金	30,310	—	—	30,310	30,310
		11,489,817	2,221,735	124,056,303	137,767,855	71,302,039
At 31 December 2007	於二零零七年 十二月三十一日					
Interest-bearing notes	需付息票據	150,464	601,856	3,117,530	3,869,850	2,960,377
Life insurance funds	壽險責任準備金	(487,430)	1,042,688	91,528,364	92,083,622	38,529,656
Unearned premium provisions	未到期責任準備金	893,924	—	—	893,924	893,924
Provision for outstanding claims	未決賠款準備	842,621	1,156,138	498,173	2,496,932	2,496,932
Investment contract liabilities	投資合約負債	157,421	—	—	157,421	157,421
Insurance creditors	保險客戶應付賬款	394,116	—	—	394,116	394,116
Insurance protection fund	保險保障基金	7,976	—	—	7,976	7,976
		1,959,092	2,800,682	95,144,067	99,903,841	45,440,402

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

2 保險、財務及資本風險管理 (續)

(h) Capital management

The Group's key business operations are its reinsurance business, the life insurance business and the property and casualty insurance business, which are conducted through its subsidiaries. The Group manages its capital to ensure that the entities conducting the reinsurance, life insurance businesses and the property and casualty insurance business will be able to meet statutory solvency requirements in the jurisdictions in which they operate. The Group's capital management initiatives also strive to maintain a surplus for future business expansion opportunities. The Group's overall capital management strategy remains unchanged from the prior year. The statutory solvency requirements for reinsurance business and life insurance business and property and casualty insurance business are set out in the Hong Kong Insurance Companies Ordinance and Solvency Reporting Standards for Insurance Companies issued by CIRC, respectively. The Group's capital includes the components of total equity and interest-bearing notes. The solvency margins ratios of the reinsurance business, life insurance business and property and casualty insurance business were as follows:

(h) 資本管理

本集團之主要業務為再保險業務、人壽保險業務及財產保險業務，其業務透過附屬公司進行。本集團之資本管理，是確保從事再保險業務、人壽保險業務及財產保險業務之公司將可符合業務經營相關司法權區之法定償付能力規定。本集團之資本管理策略亦致力為未來業務擴展機會維持充裕資金。本集團之整體資本管理策略與去年保持不變。再保險業務及人壽保險業務及財產保險業務之法定償付能力規定分別載於香港保險公司條例及由中國保監會頒佈之《保險公司償付能力報告編報規則》內。本集團之資本包括總權益組成部份及付息票據。再保險業務、人壽保險業務及財產保險業務之償付能力比率如下：

		At 31 December 2008 於二零零八年 十二月三十一日	At 31 December 2007 於二零零七年 十二月三十一日
Reinsurance business	再保險業務	631%	748%
Life insurance business	人壽保險業務	218%	215%
Property and casualty insurance business	財產保險業務	173%	129%

(i) 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 insignificant.

(i) 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一般而言微不足道。

(j) Claims development

Claims development information for the reinsurance business and property and casualty insurance business is disclosed below in order to illustrate the insurance risk inherent in the Group. The tables provide a review of current estimates of the cumulative claims and demonstrate 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.

(j) 賠款發展

披露再保險業務及財產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 CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

2 保險、財務及資本風險管理 (續)

(j) Claims development (Continued)

(j) 賠款發展 (續)

Analysis of claims development – gross of reinsurance of C/Re

賠款發展分析—中再國際之未扣除再保險毛額

For the year ended 31 December 2008

截至二零零八年十二月三十一日止年度

		Underwriting year					Total
		承保年度					總額
		2004	2005	2006	2007	2008	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元
Unearned premium provisions at the end of underwriting year (note)	於承保年度末之為到期責任準備金 (註)	348,831	366,916	523,080	560,466	604,802	
Estimate of cumulative claims (note)	估計累計賠款 (註)						
At the end of underwriting year	於承保年度年結時	601,563	903,974	617,028	813,412	1,050,587	
One year later	一年後	838,792	1,251,632	928,909	1,157,883	—	
Two years later	兩年後	838,594	1,283,002	885,898	—	—	
Three years later	三年後	823,576	1,186,049	—	—	—	
Four years later	四年後	747,259	—	—	—	—	
Estimate of cumulative claims	估計累計賠款	747,259	1,186,049	885,898	1,157,883	1,050,587	5,027,676
Cumulative payments to date	迄今累計付款	(661,700)	(991,416)	(563,910)	(471,292)	(42,784)	(2,731,102)
Liabilities recognized in the balance sheet	確認於資產負債表的負債	85,559	194,633	321,988	686,591	1,007,803	2,296,574
Liabilities in respect of underwriting years 2003 and earlier	於二零零三年承保年度及以前的負債						246,042
Total liabilities included in the balance sheet	確認於資產負債表的總負債	85,559	194,633	321,988	686,591	1,007,803	2,542,616

Note: Excluding the unearned premiums provision/claims liabilities 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/賠款負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

2 保險、財務及資本風險管理 (續)

(j) Claims development (Continued)

(j) 賠款發展 (續)

Analysis of claims development – gross of reinsurance of C/Re (Continued)

賠款發展分析—中再國際之未扣除再保險毛額 (續)

For the year ended 31 December 2007

截至二零零七年十二月三十一日止年度

		Underwriting year					Total
		承保年度					
		2003	2004	2005	2006	2007	
		\$'000	\$'000	\$'000	\$'000	\$'000	Total
		千元	千元	千元	千元	千元	千元
Unearned premium provisions at the end of underwriting year (note)	於承保年度末之為到期責任準備金 (註)	352,003	348,831	366,916	523,080	560,466	
Estimate of cumulative claims (note)	估計累計賠款 (註)						
At the end of underwriting year	於承保年度年結時	545,205	601,563	903,974	617,028	813,412	
One year later	一年後	674,007	838,792	1,251,632	928,909	—	
Two years later	兩年後	629,880	838,594	1,283,002	—	—	
Three years later	三年後	612,981	823,576	—	—	—	
Four years later	四年後	591,425	—	—	—	—	
Estimate of cumulative claims	估計累計賠款	591,425	823,576	1,283,002	928,909	813,412	4,440,324
Cumulative payments to date	迄今累計付款	(451,641)	(637,656)	(929,010)	(408,512)	(26,626)	(2,453,445)
Liabilities recognized in the balance sheet	確認於資產負債表的負債	139,784	185,920	353,992	520,397	786,786	1,986,879
Liabilities in respect of underwriting years 2002 and earlier	於二零零二年承保年度及以前的負債						362,733
Total liabilities included in the balance sheet	確認於資產負債表的總負債	139,784	185,920	353,992	520,397	786,786	2,349,612

Note: Excluding the unearned premiums provision/claims liabilities 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/賠款負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

2 保險、財務及資本風險管理 (續)

(j) Claims development (Continued)

(j) 賠款發展 (續)

Analysis of claims development – net of reinsurance of CIRE

賠款發展分析—中再國際之減去再保險淨額

For the year ended 31 December 2008

截至二零零八年十二月三十一日止年度

		Underwriting year					Total 總額
		2004	2005	2006	2007	2008	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元
Unearned premium provisions at the end of underwriting year (note)	於承保年度末之為到期責任準備金 (註)	308,983	335,296	470,207	497,576	528,539	
Estimate of cumulative claims (note)	估計累計賠款 (註)						
At the end of underwriting year	於承保年度年結時	478,807	763,448	568,075	752,167	922,454	
One year later	一年後	651,938	1,056,084	849,375	994,736	—	
Two years later	兩年後	664,027	1,081,483	807,483	—	—	
Three years later	三年後	651,331	994,160	—	—	—	
Four years later	四年後	592,374	—	—	—	—	
Estimate of cumulative claims	估計累計賠款	592,374	994,160	807,483	994,736	922,454	4,311,207
Cumulative payments to date	迄今累計付款	(519,441)	(815,403)	(509,679)	(424,430)	(36,227)	(2,305,180)
Liabilities recognized in the balance sheet	確認於資產負債表的負債	72,933	178,757	297,804	570,306	886,227	2,006,027
Liabilities in respect of underwriting years 2003 and earlier	於二零零三年承保年度及以前的負債						199,907
Total liabilities included in the balance sheet	確認於資產負債表的總負債	72,933	178,757	297,804	570,306	886,227	2,205,934

Note: Excluding the unearned premiums provision/claims liabilities 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/賠款負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

2 保險、財務及資本風險管理 (續)

(j) Claims development (Continued)

(j) 賠款發展 (續)

Analysis of claims development — net of reinsurance of CIRE (Continued)

賠款發展分析—中再國際之減去再保險淨額 (續)

For the year ended 31 December 2007

截至二零零七年十二月三十一日止年度

		Underwriting year					Total
		2003	2004	2005	2006	2007	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元
Unearned premium provisions at the end of underwriting year (note)	於承保年度末之為到期責任準備金 (註)	302,131	308,983	335,296	470,207	497,576	
Estimate of cumulative claims (note)	估計累計賠款 (註)						
At the end of underwriting year	於承保年度年結時	447,317	478,807	763,448	568,075	752,167	
One year later	一年後	571,361	651,938	1,056,084	849,375	—	
Two years later	兩年後	534,180	664,027	1,081,483	—	—	
Three years later	三年後	520,703	651,331	—	—	—	
Four years later	四年後	502,894	—	—	—	—	
Estimate of cumulative claims	估計累計賠款	502,894	651,331	1,081,483	849,375	752,167	3,837,250
Cumulative payments to date	迄今累計付款	(383,644)	(499,061)	(759,885)	(369,879)	(29,775)	(2,042,244)
Liabilities recognized in the balance sheet	確認於資產負債表的負債	119,250	152,270	321,598	479,496	722,392	1,795,006
Liabilities in respect of underwriting years 2002 and earlier	於二零零二年承保年度及以前的負債						293,998
Total liabilities included in the balance sheet	確認於資產負債表的總負債	119,250	152,270	321,598	479,496	722,392	2,089,004

Note: Excluding the unearned premiums provision/claims liabilities 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/賠款負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

2 保險、財務及資本風險管理 (續)

(j) Claims development (Continued)

(j) 賠款發展 (續)

Analysis of claims development – gross of reinsurance of TPI

賠款發展分析—太平保險之未扣除再保險毛額

For the year ended 31 December 2008

截至二零零八年十二月三十一日止年度

		Accident year 意外年度					Total 總額
		2004 \$'000 千元	2005 \$'000 千元	2006 \$'000 千元	2007 \$'000 千元	2008 \$'000 千元	
Estimate of cumulative claims	估計累計賠款						
At the end of accident year	於意外年度年結時	446,303	919,502	1,217,424	1,901,570	3,138,746	
One year later	一年後	440,697	856,037	1,105,458	1,792,027	—	
Two years later	兩年後	426,344	752,007	1,254,443	—	—	
Three years later	三年後	430,659	851,727	—	—	—	
Four years later	四年後	428,155	—	—	—	—	
Estimate of cumulative claims	估計累計賠款	428,155	851,727	1,254,443	1,792,027	3,138,746	7,465,098
Cumulative payments to date	迄今累計付款	(421,810)	(817,364)	(1,181,372)	(1,593,813)	(1,756,274)	(5,770,633)
Liabilities recognized in the balance sheet	確認於資產負債表的負債	6,345	34,363	73,071	198,214	1,382,472	1,694,465
Liabilities in respect of accident years 2003 and earlier	於二零零三年意外年度及以前的負債						(42,417)
Total liabilities included in the balance sheet	確認於資產負債表的總負債	6,345	34,363	73,071	198,214	1,382,472	1,652,048

Analysis of claims development – net of reinsurance of TPI

賠款發展分析—太平保險之減去再保險淨額

For the year ended 31 December 2008

截至二零零八年十二月三十一日止年度

		Accident year 意外年度					Total 總額
		2004 \$'000 千元	2005 \$'000 千元	2006 \$'000 千元	2007 \$'000 千元	2008 \$'000 千元	
Estimate of cumulative claims	估計累計賠款						
At the end of accident year	於意外年度年結時	354,435	704,159	921,899	1,520,294	2,381,620	
One year later	一年後	345,127	667,407	942,630	1,434,394	—	
Two years later	兩年後	333,722	629,316	959,771	—	—	
Three years later	三年後	333,616	662,356	—	—	—	
Four years later	四年後	331,471	—	—	—	—	
Estimate of cumulative claims	估計累計賠款	331,471	662,356	959,771	1,434,394	2,381,620	5,769,612
Cumulative payments to date	迄今累計付款	(326,342)	(636,343)	(913,502)	(1,288,542)	(1,469,112)	(4,633,841)
Liabilities recognized in the balance sheet	確認於資產負債表的負債	5,129	26,013	46,269	145,852	912,508	1,135,771
Liabilities in respect of accident years 2003 and earlier	於二零零三年意外年度及以前的負債						(52,070)
Total liabilities included in the balance sheet	確認於資產負債表的總負債	5,129	26,013	46,269	145,852	912,508	1,083,701

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

綜合財務報表附註 (續)

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

3 SEGMENT REPORTING

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

By business segments

The Group comprises the following main business segments:

- Reinsurance business;
- Life insurance business;
- Property and casualty insurance business (resulting from the acquisition of TPI during 2008); and
- Corporate and other businesses which comprise the asset management business, insurance intermediary business, pension business, and financial and corporate assets.

3 分類匯報

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

按業務分類

本集團設有下列的主要業務分類：

- 再保險業務；
- 人壽保險業務；
- 財產保險業務（因於二零零八年購入太平保險）；及
- 企業及其他業務，包括資產管理業務、保險中介業務、養老保險業務及財務及企業資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

3 SEGMENT REPORTING (Continued)

3 分類匯報 (續)

By business segments (Continued)

按業務分類 (續)

a. Segmental income statement for 2008

a. 2008分類損益表

		2008			
		Reinsurance	Life insurance	Property and casualty insurance	Corporate and other businesses
		再保險	人壽保險	財產保險	企業及其他業務
		\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元
					Total
					總額
					\$'000
					千元
Revenue	收入				
Gross premiums written	毛承保保費	1,838,999	21,207,791	1,949,904	—
Policy fees	保單費收入	—	7,102	—	—
		1,838,999	21,214,893	1,949,904	—
					25,003,796
Less: Premiums ceded to reinsurers and retrocessionaires	減：保費之再保份額及轉分份額	(270,337)	(110,221)	(349,760)	—
					(730,318)
Net premiums written and policy fees	淨承保保費及保單費收入	1,568,662	21,104,672	1,600,144	—
Change in unearned premium provisions, net of reinsurance	未到期責任準備金變化，減再保險	(33,760)	(43,413)	12,320	—
					(64,853)
Net earned premiums and policy fees	已賺取保費及保單費收入淨額	1,534,902	21,061,259	1,612,464	—
Net investment income (note (i))	投資收入淨額 (註(i))	178,668	3,051,633	62,797	101,241
Net realized investment losses (note (iii))	已實現投資虧損淨額 (註(iii))	(96,962)	(834,451)	(18,102)	(99,266)
Net unrealized investment losses and impairment (note (iii))	未實現投資虧損及減值淨額 (註(iii))	(179,606)	(1,686,805)	—	(198,661)
Net exchange gain/(loss)	匯兌收益/(虧損)淨額	(38,094)	(81,657)	(1,593)	2,147
Other income	其他收入	29,807	16,873	(6,384)	167,423
Inter-segment transactions	分類之間交易	(30,000)	(8,663)	—	(84,493)
		1,398,715	21,518,189	1,649,182	(111,609)
					24,454,477
Benefits, losses and expenses	給付、賠款及費用				
Net policyholders' benefits	保單持有人利益淨額	(887,761)	(4,288,569)	(1,072,080)	—
Net commission expenses	佣金支出淨額	(396,008)	(2,026,973)	(138,830)	—
Administrative and other expenses	行政及其他費用	(65,150)	(2,671,614)	(749,396)	(435,234)
Change in life insurance funds, net of reinsurance	壽險責任準備金變化，減再保險	—	(11,742,512)	—	—
Goodwill impairment	商譽減值	—	—	—	(73,276)
Inter-segment transactions	分類之間交易	9,789	103,704	1,000	8,663
		(1,339,130)	(20,625,964)	(1,959,306)	(499,847)
					(24,424,247)
(Loss)/profit from operations	經營(虧損)/溢利	59,585	892,225	(310,124)	(611,456)
Share of losses of associates	應佔聯營公司虧損	—	—	—	(115,848)
Finance costs	財務費用	—	(98,176)	(5,034)	(80,173)
					(183,383)
(Loss)/profit before taxation	除稅前(虧損)/溢利	59,585	794,049	(315,158)	(807,477)
Income tax credit/(charge)	稅項抵免/(支出)	(7,739)	86,376	(16,007)	610
					(269,001)
(Loss)/profit after taxation	除稅後(虧損)/溢利	51,846	880,425	(331,165)	(806,867)
Minority interests	少數股東權益	—	(439,742)	163,919	181,869
					(93,954)
(Loss)/profit attributable to equity holders	股東應佔(虧損)/溢利	51,846	440,683	(167,246)	(624,998)
					(299,715)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

3 SEGMENT REPORTING (Continued)

3 分類匯報 (續)

By business segments (Continued)

按業務分類 (續)

a. Segmental income statement for 2008 (Continued)

a. 2008分類損益表 (續)

		2008				Total
		Reinsurance	Life	Property and	Corporate	
		再保險	人壽保險	財產保險	企業及	總額
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	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	76,213	421,655	3,566	793	502,227
— Available-for-sale	— 可供出售	35,885	1,103,068	24,672	27,349	1,190,974
— Designated at fair value through profit or loss	— 指定為通過損益以反映公允價值	9,261	8,494	—	2,181	19,936
— Loans and receivables	— 貸款及應收款項	—	42,523	1,611	—	44,134
Dividend income from direct equity securities	直接股本證券股息收入					
— Available-for-sale	— 可供出售	12,641	23,509	7	8,448	44,605
— Designated at fair value through profit or loss	— 指定為通過損益以反映公允價值	1,600	6,826	—	458	8,884
Dividend income from equity investment funds	股本投資基金股息收入					
— Available-for-sale	— 可供出售	—	339,746	4,097	—	343,843
— Designated at fair value through profit or loss	— 指定為通過損益以反映公允價值	—	816,871	17	1,794	818,682
Dividend income from composite investment funds	綜合投資基金股息收入					
— Available-for-sale	— 可供出售	186	—	—	—	186
— Designated at fair value through profit or loss	— 指定為通過損益以反映公允價值	2,943	—	—	35,218	38,161
Bank deposits and other interest income	銀行存款及其他利息收入	37,130	368,224	28,909	25,229	459,492
Rentals receivable from investment properties	應收投資物業租金	2,809	—	—	—	2,809
Interest expenses on securities sold under repurchase agreements	賣出回購證券利息費用	—	(79,283)	(82)	(229)	(79,594)
		178,668	3,051,633	62,797	101,241	3,394,339
Note (ii): Net realized investment (losses)/gains	註(ii): 已實現投資(虧損)/收益淨額					
Debt securities	債務證券					
— Available-for-sale	— 可供出售	—	(29,077)	14,346	(2,119)	(16,850)
— Designated at fair value through profit or loss	— 指定為通過損益以反映公允價值	(1,281)	277,103	—	8,916	284,738
Direct equity securities	直接股本證券					
— Available-for-sale	— 可供出售	(95,306)	815,687	44,443	(85,517)	679,307
— Designated at fair value through profit or loss	— 指定為通過損益以反映公允價值	(375)	(709,342)	—	(5,670)	(715,387)
Equity investment funds	股本投資基金					
— Available-for-sale	— 可供出售	—	(358,958)	(76,891)	—	(435,849)
— Designated at fair value through profit or loss	— 指定為通過損益以反映公允價值	—	(829,864)	—	(6,336)	(836,200)
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允價值	—	—	—	(8,540)	(8,540)
		(96,962)	(834,451)	(18,102)	(99,266)	(1,048,781)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

3 SEGMENT REPORTING (Continued)

By business segments (Continued)

a. Segmental income statement for 2008 (Continued)

3 分類匯報 (續)

按業務分類 (續)

a. 2008 分類損益表 (續)

		2008				Total
		Reinsurance	Life insurance	Property and casualty insurance	Corporate and other businesses	Total
		再保險	人壽保險	財產保險	企業及其他業務	總額
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元
Note (iii): Net unrealized investment (losses)/ gains and impairment	註(iii)：未實現投資(虧損)/ 收益及減值淨額					
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允價值	(36,235)	487	—	2,315	(33,433)
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允價值	(25,351)	(317,017)	—	(8,147)	(350,515)
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允價值	—	(1,276,157)	—	(1,742)	(1,277,899)
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允價值	(10,366)	—	—	(81,572)	(91,938)
Deficit on revaluation of investment properties	投資物業重估虧蝕	(1,841)	—	—	—	(1,841)
Impairment on available-for-sale equities	可供出售股本投資減值	(105,813)	(94,118)	—	(109,515)	(309,446)
		(179,606)	(1,686,805)	—	(198,661)	(2,065,072)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

3 SEGMENT REPORTING (Continued)

By business segments (Continued)

b. Segmental balance sheet for 2008

3 分類匯報 (續)

按業務分類 (續)

b. 2008分類資產負債表

		2008				Total
		Reinsurance	Life insurance	Property and casualty insurance	Corporate and other businesses	
		再保險	人壽保險	財產保險	企業及其他業務	總額
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元
Statutory deposits	法定存款	20,150	566,965	294,822	113,393	995,330
Investment properties	投資物業	76,719	—	—	—	76,719
Property and equipment	物業及設備	4,286	2,076,231	494,556	89,460	2,664,533
Prepaid lease payments	預付租賃付款	—	434,862	100,351	—	535,213
Debt securities (note (i))	債務證券 (註(i))	1,904,911	45,538,341	2,105,066	479,773	50,028,091
Direct equity securities (note (ii))	直接股本證券 (註(ii))	231,800	1,102,040	10,290	277,582	1,621,712
Equity investment funds (note (iii))	股本投資基金 (註(iii))	—	4,772,477	351,170	53	5,123,700
Composite investment funds (note (iv))	綜合投資基金 (註(iv))	67,041	—	—	23,322	90,363
Cash and bank deposits	現金及銀行存款	1,766,301	10,623,323	1,317,882	917,864	14,625,370
Goodwill	商譽	—	154,909	209,936	—	364,845
Interest in associates	於聯營公司的權益	—	4,526	—	129,856	134,382
Reinsurers' share of insurance contract provisions	分保公司應佔保險合約準備	413,078	69,940	938,944	—	1,421,962
Other segment assets	其他分類資產	554,887	2,076,676	439,376	62,230	3,133,169
Total assets	總資產	5,039,173	67,420,290	6,262,393	2,093,533	80,815,389
Life insurance funds	壽險責任準備金	—	52,787,213	—	—	52,787,213
Unearned premium provisions	未到期責任準備金	613,329	397,415	2,446,005	—	3,456,749
Provision for outstanding claims	未決賠款準備	2,548,443	268,338	1,652,048	—	4,468,829
Investment contract liabilities	投資合約負債	—	235,891	—	—	235,891
Interest-bearing notes	需付息票據	—	3,231,701	793,751	1,350,576	5,376,028
Securities sold under repurchase agreements	賣出回購證券	—	4,206,880	—	—	4,206,880
Deferred tax liabilities	遞延稅項負債	403	626,179	15,248	30	641,860
Other segment liabilities	其他分類負債	173,156	1,200,672	809,193	219,671	2,402,692
Total liabilities	總負債	3,335,331	62,954,289	5,716,245	1,570,277	73,576,142
Minority interests	少數股東權益					2,642,628
Net assets attributable to the equity holders of the Company	股東應佔資產淨值					4,596,619

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

3 SEGMENT REPORTING (Continued)

By business segments (Continued)

b. Segmental balance sheet for 2008 (Continued)

3 分類匯報 (續)

按業務分類 (續)

b. 2008分類資產負債表 (續)

		2008				Total
		Reinsurance	Life insurance	Property and casualty insurance	Corporate and other businesses	Total
		再保險	人壽保險	財產保險	企業及其他業務	總額
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元
Note (i): Debt securities	註(i): 債務證券					
By category:	按種類:					
– Held-to-maturity	– 持有至到期日	1,338,632	19,222,471	426,476	16,568	21,004,147
– Available-for-sale	– 可供出售	390,078	23,634,693	1,576,537	402,643	26,003,951
– Designated at fair value through profit or loss	– 指定為通過損益以反映公允價值	176,201	617,424	–	60,562	854,187
– Loans and receivables	– 貸款及應收款項	–	2,063,753	102,053	–	2,165,806
		1,904,911	45,538,341	2,105,066	479,773	50,028,091
By class:	按類別:					
– Central governments and central banks	– 中央政府及中央銀行	131,344	19,204,888	1,128,548	58,601	20,523,381
– Public sector entities	– 公共機構	50,973	–	–	–	50,973
– Banks and other financial institutions	– 銀行及其他金融機構	1,425,131	8,465,891	616,477	327,800	10,835,299
– Corporate entities	– 企業實體	286,468	17,867,562	360,041	93,372	18,607,443
– Others	– 其他	10,995	–	–	–	10,995
		1,904,911	45,538,341	2,105,066	479,773	50,028,091
Note (ii): Direct equity securities	註(ii): 直接股本證券					
By category:	按種類:					
– Available-for-sale	– 可供出售	194,664	1,034,857	10,290	270,911	1,510,722
– Designated at fair value through profit or loss	– 指定為通過損益以反映公允價值	37,136	67,183	–	6,671	110,990
		231,800	1,102,040	10,290	277,582	1,621,712
By class:	按類別:					
– Banks and other financial institutions	– 銀行及其他金融機構	140,054	–	–	96,979	237,033
– Corporate entities	– 企業實體	87,566	1,102,040	10,290	180,603	1,380,499
– Others	– 其他	4,180	–	–	–	4,180
		231,800	1,102,040	10,290	277,582	1,621,712

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

3 SEGMENT REPORTING (Continued)

By business segments (Continued)

b. Segmental balance sheet for 2008 (Continued)

		2008				Total
		Reinsurance	Life insurance	Property and casualty insurance	Corporate and other businesses	Total
		再保險	人壽保險	財產保險	企業及其他業務	總額
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元
Note (iii): Equity investment funds	註(iii): 股本投資基金					
By category:	按種類:					
– Available-for-sale	– 可供出售	–	2,360,722	351,170	–	2,711,892
– Designated at fair value through profit or loss	– 指定為通過損益以反映公允價值	–	2,411,755	–	53	2,411,808
		–	4,772,477	351,170	53	5,123,700
By class:	按類別:					
– Corporate entities	– 企業實體	–	4,772,477	351,170	53	5,123,700
Note (iv): Composite investment funds	註(iv): 綜合投資基金					
By category:	按種類:					
– Available-for-sale	– 可供出售	38,182	–	–	–	38,182
– Designated at fair value through profit or loss	– 指定為通過損益以反映公允價值	28,859	–	–	23,322	52,181
		67,041	–	–	23,322	90,363
By class:	按類別:					
– Banks and other financial institutions	– 銀行及其他金融機構	–	–	–	23,322	23,322
– Corporate entities	– 企業實體	67,041	–	–	–	67,041
		67,041	–	–	23,322	90,363

c. Other segmental information for 2008

		2008				Total
		Reinsurance	Life insurance	Property and casualty insurance	Corporate and other businesses	Total
		再保險	人壽保險	財產保險	企業及其他業務	總額
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元
Capital expenditure	資本開支	2,058	1,287,092	167,818	27,137	1,484,105
Depreciation	折舊	833	82,606	28,695	13,887	126,021
Significant non-cash expenses (other than depreciation and amortization)	重大非現金支出 (不包括折舊及攤銷)	217,700	1,768,462	1,593	196,514	2,184,269

3 分類匯報 (續)

按業務分類 (續)

b. 2008 分類資產負債表 (續)

		2008				Total
		Reinsurance	Life insurance	Property and casualty insurance	Corporate and other businesses	Total
		再保險	人壽保險	財產保險	企業及其他業務	總額
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元
Note (iii): Equity investment funds	註(iii): 股本投資基金					
By category:	按種類:					
– Available-for-sale	– 可供出售	–	2,360,722	351,170	–	2,711,892
– Designated at fair value through profit or loss	– 指定為通過損益以反映公允價值	–	2,411,755	–	53	2,411,808
		–	4,772,477	351,170	53	5,123,700
By class:	按類別:					
– Corporate entities	– 企業實體	–	4,772,477	351,170	53	5,123,700
Note (iv): Composite investment funds	註(iv): 綜合投資基金					
By category:	按種類:					
– Available-for-sale	– 可供出售	38,182	–	–	–	38,182
– Designated at fair value through profit or loss	– 指定為通過損益以反映公允價值	28,859	–	–	23,322	52,181
		67,041	–	–	23,322	90,363
By class:	按類別:					
– Banks and other financial institutions	– 銀行及其他金融機構	–	–	–	23,322	23,322
– Corporate entities	– 企業實體	67,041	–	–	–	67,041
		67,041	–	–	23,322	90,363

c. 2008 其他分類資料

		2008				Total
		Reinsurance	Life insurance	Property and casualty insurance	Corporate and other businesses	Total
		再保險	人壽保險	財產保險	企業及其他業務	總額
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元
Capital expenditure	資本開支	2,058	1,287,092	167,818	27,137	1,484,105
Depreciation	折舊	833	82,606	28,695	13,887	126,021
Significant non-cash expenses (other than depreciation and amortization)	重大非現金支出 (不包括折舊及攤銷)	217,700	1,768,462	1,593	196,514	2,184,269

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

3 SEGMENT REPORTING (Continued)

By business segments (Continued)

d. Segmental income statement for 2007

3 分類匯報 (續)

按業務分類 (續)

d. 2007分類損益表

		2007			
		Reinsurance 再保險 \$'000 千元	Life insurance 人壽保險 \$'000 千元	Corporate and other businesses 企業及 其他業務 \$'000 千元	Total 總額 \$'000 千元
Revenue	收入				
Gross premiums written	毛承保保費	1,681,212	16,245,249	—	17,926,461
Policy fees	保單費收入	—	7,536	—	7,536
		1,681,212	16,252,785	—	17,933,997
Less: Premiums ceded to reinsurers and retrocessionaires	減：保費之再保份額及轉分份額	(211,150)	(66,253)	—	(277,403)
Net premiums written and policy fees	淨承保保費及保單費收入	1,470,062	16,186,532	—	17,656,594
Change in unearned premium provisions, net of reinsurance	未到期責任準備金變化，減再保險	(28,113)	20,201	—	(7,912)
Net earned premiums and policy fees	已賺取保費及保單費收入淨額	1,441,949	16,206,733	—	17,648,682
Net investment income (note (i))	投資收入淨額 (註(i))	184,621	1,591,925	111,855	1,888,401
Net realized investment gains (note (ii))	已實現投資收益淨額 (註(ii))	357,379	3,758,608	161,799	4,277,786
Net unrealized investment (losses)/gains (note (iii))	未實現投資 (虧損)/收益淨額 (註(iii))	(11,869)	452,178	65,269	505,578
Net exchange gain/(loss)	匯兌收益/(虧損)淨額	61,191	(86,609)	(5,703)	(31,121)
Other income	其他收入	(8,449)	31,505	188,292	211,348
Inter-segment transactions	分類之間交易	—	(7,998)	(138,417)	(146,415)
		2,024,822	21,946,342	383,095	24,354,259
Benefits, losses and expenses	給付、賠款及費用				
Net policyholders' benefits	保單持有人利益淨額	(995,224)	(4,066,931)	—	(5,062,155)
Net commission expenses	佣金支出淨額	(351,659)	(1,645,497)	—	(1,997,156)
Administrative and other expenses	行政及其他費用	(91,071)	(1,901,470)	(382,217)	(2,374,758)
Change in life insurance funds, net of reinsurance	壽險責任準備金變化，減再保險	—	(11,849,470)	—	(11,849,470)
Inter-segment transactions	分類之間交易	30,065	108,352	7,998	146,415
		(1,407,889)	(19,355,016)	(374,219)	(21,137,124)
Profit from operations	經營溢利	616,933	2,591,326	8,876	3,217,135
Share of profit/(losses) of associates	應佔聯營公司溢利/(虧損)	—	3	(57,763)	(57,760)
Finance costs	財務費用	—	(68,449)	(80,018)	(148,467)
Profit/(loss) before taxation	除稅前溢利/(虧損)	616,933	2,522,880	(128,905)	3,010,908
Income tax charge	稅項支出	(37,241)	(488,797)	(27,673)	(553,711)
Profit/(loss) after taxation	除稅後溢利/(虧損)	579,692	2,034,083	(156,578)	2,457,197
Minority interests	少數股東權益	—	(1,016,025)	107,900	(908,125)
Profit/(loss) attributable to equity holders	股東應佔溢利/(虧損)	579,692	1,018,058	(48,678)	1,549,072

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

3 SEGMENT REPORTING (Continued)

By business segments (Continued)

d. Segmental income statement for 2007 (Continued)

3 分類匯報 (續)

按業務分類 (續)

d. 2007分類損益表 (續)

	2007			
	Reinsurance 再保險 \$'000 千元	Life insurance 人壽保險 \$'000 千元	Corporate and other businesses 企業及 其他業務 \$'000 千元	Total 總額 \$'000 千元
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	64,850	—	324	65,174
— Available-for-sale	24,469	943,886	9,801	978,156
— Designated at fair value through profit or loss	11,379	3,395	6,976	21,750
— Loans and receivables	—	5,646	—	5,646
Dividend income from direct equity securities	直接股本證券股息收入			
— Available-for-sale	8,195	11,925	5,430	25,550
— Designated at fair value through profit or loss	1,906	4,135	440	6,481
Dividend income from equity investment funds	股本投資基金股息收入			
— Available-for-sale	—	256,304	—	256,304
— Designated at fair value through profit or loss	—	366,129	16,190	382,319
Dividend income from composite investment funds	綜合投資基金股息收入			
— Designated at fair value through profit or loss	3,182	—	19,485	22,667
Bank deposits and other interest income	68,214	285,832	53,209	407,255
Rentals receivable from investment properties	2,426	—	—	2,426
Interest expenses on securities sold under repurchase agreements	—	(285,327)	—	(285,327)
	184,621	1,591,925	111,855	1,888,401
Note (ii): Net realized investment (losses)/gains	註(ii): 已實現投資(虧損)/收益淨額			
Debt securities	債務證券			
— Available-for-sale	—	(537)	—	(537)
— Designated at fair value through profit or loss	(343)	97,844	2,862	100,363
Direct equity securities	直接股本證券			
— Available-for-sale	356,758	1,879,751	138,949	2,375,458
— Designated at fair value through profit or loss	(102)	485,659	7,434	492,991
Equity investment funds	股本投資基金			
— Available-for-sale	—	710,944	—	710,944
— Designated at fair value through profit or loss	—	584,947	7,828	592,775
Composite investment funds	綜合投資基金			
— Designated at fair value through profit or loss	—	—	4,726	4,726
Derivative financial instruments	1,248	—	—	1,248
Investment properties	(182)	—	—	(182)
	357,379	3,758,608	161,799	4,277,786

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

3 SEGMENT REPORTING (Continued)

By business segments (Continued)

d. Segmental income statement for 2007 (Continued)

3 分類匯報 (續)

按業務分類 (續)

d. 2007分類損益表 (續)

	2007				Total 總額
	Reinsurance 再保險	Life insurance 人壽保險	Corporate and other businesses 企業及 其他業務		
	\$'000 千元	\$'000 千元	\$'000 千元		\$'000 千元
Note (iii): Net unrealized investment (losses)/ gains	註(iii): 未實現投資(虧損)/ 收益淨額				
Debt securities					
— Designated at fair value through profit or loss	(15,060)	55,656	661		41,257
Direct equity securities					
— Designated at fair value through profit or loss	(1,733)	56,882	1,200		56,349
Equity investment funds					
— Designated at fair value through profit or loss	—	339,640	39,457		379,097
Composite investment funds					
— Designated at fair value through profit or loss	(609)	—	23,951		23,342
Surplus on revaluation of investment properties	5,533	—	—		5,533
	(11,869)	452,178	65,269		505,578

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

3 SEGMENT REPORTING (Continued)

By business segments (Continued)

e. Segmental balance sheet for 2007

3 分類匯報 (續)

按業務分類 (續)

e. 2007分類資產負債表

		2007			
		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
Statutory deposits	法定存款	12,475	533,970	106,794	653,239
Investment properties	投資物業	78,560	—	—	78,560
Property and equipment	物業及設備	3,106	1,231,432	78,609	1,313,147
Debt securities (note (i))	債務證券 (註(i))	1,734,132	25,690,527	322,170	27,746,829
Direct equity securities (note (ii))	直接股本證券 (註(ii))	638,930	5,833,575	527,947	7,000,452
Equity investment funds (note (iii))	股本投資基金 (註(iii))	—	5,493,209	121,747	5,614,956
Composite investment funds (note (iv))	綜合投資基金 (註(iv))	90,841	—	49,107	139,948
Cash and bank deposits	現金及銀行存款	1,795,332	6,942,180	1,129,517	9,867,029
Goodwill	商譽	—	154,909	73,276	228,185
Interest in associates	於聯營公司的權益	—	4,262	526,174	530,436
Reinsurers' share of insurance contract provisions	分保公司應佔保險合約準備	323,498	53,242	—	376,740
Other segment assets	其他分類資產	587,619	1,362,481	117,928	2,068,028
Total assets	總資產	5,264,493	47,299,787	3,053,269	55,617,549
Life insurance funds	壽險責任準備金	—	38,529,656	—	38,529,656
Unearned premium provisions	未到期責任準備金	566,064	327,860	—	893,924
Provision for outstanding claims	未決賠款準備	2,349,612	147,320	—	2,496,932
Investment contract liabilities	投資合約負債	—	157,421	—	157,421
Interest-bearing notes	需付息票據	—	1,601,910	1,358,467	2,960,377
Deferred tax liabilities	遞延稅項負債	2,012	945,584	1,435	949,031
Other segment liabilities	其他分類負債	175,574	1,158,751	200,201	1,534,526
Total liabilities	總負債	3,093,262	42,868,502	1,560,103	47,521,867
Minority interests	少數股東權益				2,410,056
Net assets attributable to the equity holders of the Company	股東應佔資產淨值				5,685,626

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

3 SEGMENT REPORTING (Continued)

By business segments (Continued)

e. Segmental balance sheet for 2007 (Continued)

3 分類匯報 (續)

按業務分類 (續)

e. 2007分類資產負債表 (續)

		2007			
		Reinsurance	Life	Corporate and other	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				
By category:	按種類:				
– Held-to-maturity	– 持有至到期日	1,013,616	–	5,458	1,019,074
– Available-for-sale	– 可供出售	572,333	25,094,065	281,146	25,947,544
– Designated at fair value through profit or loss	– 指定為通過損益以反映公允價值	148,183	340,156	35,566	523,905
– Loans and receivables	– 貸款及應收款項	–	256,306	–	256,306
		1,734,132	25,690,527	322,170	27,746,829
By class:	按類別:				
– Central governments and central banks	– 中央政府及中央銀行	181,608	13,529,672	5,458	13,716,738
– Public sector entities	– 公共機構	100,723	–	–	100,723
– Banks and other financial institutions	– 銀行及其他金融機構	980,447	2,911,758	282,760	4,174,965
– Corporate entities	– 企業實體	441,368	9,249,097	33,952	9,724,417
– Others	– 其他	29,986	–	–	29,986
		1,734,132	25,690,527	322,170	27,746,829
Note (ii): Direct equity securities	註(ii): 直接股本證券				
By category:	按種類:				
– Available-for-sale	– 可供出售	569,548	4,168,794	504,826	5,243,168
– Designated at fair value through profit or loss	– 指定為通過損益以反映公允價值	69,382	1,664,781	23,121	1,757,284
		638,930	5,833,575	527,947	7,000,452
By class:	按類別:				
– Central governments and central banks	– 中央政府及中央銀行	–	–	639	639
– Public sector entities	– 公共機構	–	–	5,205	5,205
– Banks and other financial institutions	– 銀行及其他金融機構	288,377	–	333,065	621,442
– Corporate entities	– 企業實體	350,553	5,833,575	189,038	6,373,166
		638,930	5,833,575	527,947	7,000,452

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

3 SEGMENT REPORTING (Continued)

By business segments (Continued)

e. Segmental balance sheet for 2007 (Continued)

3 分類匯報 (續)

按業務分類 (續)

e. 2007分類資產負債表 (續)

		2007			
		Reinsurance	Life	Corporate	Total
		再保險	人壽保險	and other	總額
		\$'000	\$'000	businesses	\$'000
		千元	千元	企業及	千元
				其他業務	
				\$'000	
				千元	
Note (iii): Equity investment funds	註(iii): 股本投資基金				
By category:	按種類:				
— Available-for-sale	— 可供出售	—	2,220,712	—	2,220,712
— Designated at fair value through profit or loss	— 指定為通過損益以反映公允價值	—	3,272,497	121,747	3,394,244
		—	5,493,209	121,747	5,614,956
By class:	按類別:				
— Banks and other financial institutions	— 銀行及其他金融機構	—	—	97,421	97,421
— Corporate entities	— 企業實體	—	5,493,209	24,326	5,517,535
		—	5,493,209	121,747	5,614,956
Note (iv): Composite investment funds	註(iv): 綜合投資基金				
By category:	按種類:				
— Available-for-sale	— 可供出售	51,378	—	—	51,378
— Designated at fair value through profit or loss	— 指定為通過損益以反映公允價值	39,463	—	49,107	88,570
		90,841	—	49,107	139,948
By class:	按類別:				
— Banks and other financial institutions	— 銀行及其他金融機構	—	—	49,107	49,107
— Corporate entities	— 企業實體	90,841	—	—	90,841
		90,841	—	49,107	139,948

f. Other segmental information for 2007

f. 2007其他分類資料

		2007			
		Reinsurance	Life	Corporate	Total
		再保險	人壽保險	and other	總額
		\$'000	\$'000	businesses	\$'000
		千元	千元	企業及	千元
				其他業務	
				\$'000	
				千元	
Capital expenditure	資本開支	1,153	252,410	21,472	275,035
Depreciation	折舊	818	57,634	5,849	64,301
Significant non-cash income (other than depreciation and amortization)	重大非現金收入 (不包括折舊及攤銷)	50,570	350,549	59,566	460,685

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (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. Segment 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。

		2008						
		Hong Kong and Macau	PRC (other than Hong Kong and Macau)	Japan	Rest of Asia	Europe	Rest of the world	Total
		香港及澳門	中國(香港及 澳門除外)	日本	亞洲 其他地區	歐洲	其他地區	總額
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元	千元
Gross premiums written and policy fees	毛承保保費及保單費收入	304,000	23,694,824	143,424	453,699	226,924	180,925	25,003,796
Segment assets	分類資產	6,314,046	74,501,343	—	—	—	—	80,815,389
Capital expenditure incurred during the year	年內動用的資本開支	2,349	1,481,756	—	—	—	—	1,484,105
		2007						
		Hong Kong and Macau	PRC (other than Hong Kong and Macau)	Japan	Rest of Asia	Europe	Rest of the world	Total
		香港及澳門	中國(香港及 澳門除外)	日本	亞洲 其他地區	歐洲	其他地區	總額
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元	千元
Gross premiums written and policy fees	毛承保保費及保單費收入	316,653	16,652,436	113,973	455,988	249,970	144,977	17,933,997
Segment assets	分類資產	7,291,563	48,325,986	—	—	—	—	55,617,549
Capital expenditure incurred during the year	年內動用的資本開支	1,003	274,032	—	—	—	—	275,035

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (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's subsidiaries are the underwriting of all classes of reinsurance business, direct life insurance business and property and casualty insurance business.

Apart from these, the Group also carries on asset management, insurance intermediary and pension 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 the reinsurance business, life insurance business and property and casualty 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。本公司之附屬公司的主要業務是承接各類再保險業務、直接人壽保險業務及財產保險業務。

此外，本集團也從事資產管理、保險中介及養老保險業務，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、人壽保險業務及財產保險業務毛承保保費及保單費收入。

		2008				
		Reinsurance contracts	Life insurance contracts	Property and casualty insurance contracts	Investment contracts	Total
		再保險合約	人壽保險合約	財產保險合約	投資合約	總額
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元
Gross premiums written	毛承保保費收入	1,838,999	21,207,791	1,949,904	—	24,996,694
Policy fees	保單費收入	—	—	—	7,102	7,102
		1,838,999	21,207,791	1,949,904	7,102	25,003,796
		2007				
		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	1,681,212	16,245,249	—	17,926,461	
Policy fees	保單費收入	—	—	7,536	7,536	
		1,681,212	16,245,249	7,536	17,933,997	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

5 INVESTMENT INCOME

5 投資收入

		2008 \$'000 千元	2007 \$'000 千元
Net investment income (note (a))	投資收入淨額 (註(a))	3,394,339	1,888,401
Net realized investment (losses)/gains (note (b))	已實現投資(虧損)/收益淨額 (註(b))	(1,048,781)	4,277,786
Net unrealized investment (losses)/gains and impairment (note (c))	未實現投資(虧損)/收益及減值淨額 (註(c))	(2,065,072)	505,578
		280,486	6,671,765
(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	502,227	65,174
— Available-for-sale	— 可供出售	1,190,974	978,156
— Designated at fair value through profit or loss	— 指定為通過損益以反映公允價值	19,936	21,750
— Loans and receivables	— 貸款及應收款項	44,134	5,646
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	44,605	25,550
— Designated at fair value through profit or loss	— 指定為通過損益以反映公允價值公允價值	8,884	6,481
Dividend income from equity investment funds (note (ii)):	股本投資基金股息收入 (註(ii)):		
— Available-for-sale	— 可供出售	343,843	256,304
— Designated at fair value through profit or loss	— 指定為通過損益以反映公允價值	818,682	382,319
Dividend income from composite investment funds (note (iii)):	綜合投資基金股息收入 (註(iii)):		
— Available-for-sale	— 可供出售	186	—
— Designated at fair value through profit or loss	— 指定為通過損益以反映公允價值	38,161	22,667
Bank deposits and other interest income	銀行存款及其他利息收入	459,492	407,255
Rentals receivable from investment properties	應收投資物業租金	2,809	2,426
Interest expenses on securities sold under repurchase agreements	賣出回購證券利息費用	(79,594)	(285,327)
		3,394,339	1,888,401

Notes:

註:

		2008 \$'000 千元	2007 \$'000 千元
(i) Interest income from debt securities:	(i) 債務證券利息收入:		
Listed	上市	523,148	992,745
Unlisted	非上市	1,234,123	77,981
(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	979,112	438,695
Unlisted	非上市	236,902	231,959
(iii) Dividend income from composite investment funds:	(iii) 綜合投資基金股息收入:		
Listed	上市	36,512	5,336
Unlisted	非上市	1,835	17,331

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

5 INVESTMENT INCOME (Continued)

5 投資收入 (續)

		2008 \$'000 千元	2007 \$'000 千元
(b) Net realized investment (losses)/gains	(b) 已實現投資(虧損)/收益淨額		
Debt securities (note (i)):	債務證券(註(i)):		
— Available-for-sale	— 可供出售	(16,850)	(537)
— Designated at fair value through profit or loss	— 指定為通過損益以反映公允價值	284,738	100,363
Direct equity securities (note (ii)):	直接股本證券(註(ii)):		
— Available-for-sale	— 可供出售	679,307	2,375,458
— Designated at fair value through profit or loss	— 指定為通過損益以反映公允價值	(715,387)	492,991
Equity investment funds (note (ii)):	股本投資基金(註(ii)):		
— Available-for-sale	— 可供出售	(435,849)	710,944
— Designated at fair value through profit or loss	— 指定為通過損益以反映公允價值	(836,200)	592,775
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允價值	(8,540)	4,726
Derivative financial instruments	衍生金融工具	—	1,248
Loss on disposal of investment properties	出售投資物業虧損	—	(182)
		(1,048,781)	4,277,786

Notes:

註:

		2008 \$'000 千元	2007 \$'000 千元
(i) Net realized investment (losses)/gains on debt securities:	(i) 債務證券已實現投資(虧損)/收益淨額:		
Listed	上市	(12,568)	98,036
Unlisted	非上市	280,456	1,790
(ii) Net realized investment (losses)/gains on direct equity securities and equity investment funds:	(ii) 直接股本證券及股本投資基金已實現投資(虧損)/收益淨額:		
Listed	上市	(1,311,900)	3,487,495
Unlisted	非上市	3,771	684,673
(iii) Net realized investment (losses)/gains on composite investment funds:	(iii) 綜合投資基金已實現投資(虧損)/收益淨額:		
Listed	上市	(23,199)	1,118
Unlisted	非上市	14,659	3,608

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

5 INVESTMENT INCOME (Continued)

5 投資收入 (續)

	2008 \$'000 千元	2007 \$'000 千元
(c) Net unrealized investment (losses)/ gains and impairment		
Debt securities (note (i)):		
— Designated at fair value through profit or loss	(33,433)	41,257
Direct equity securities (note (ii)):		
— Designated at fair value through profit or loss	(350,515)	56,349
Equity investment funds (note (ii)):		
— Designated at fair value through profit or loss	(1,277,899)	379,097
Composite investment funds (note (iii)):		
— Designated at fair value through profit or loss	(91,938)	23,342
(Deficit)/surplus on revaluation of investment properties	(1,841)	5,533
Impairment on available-for-sale equity investments	(309,446)	—
	(2,065,072)	505,578

Notes:

註:

	2008 \$'000 千元	2007 \$'000 千元
(i) Net unrealized investment (losses)/ gains on debt securities:		
Listed	(24,265)	53,510
Unlisted	(9,168)	(12,253)
(ii) Net unrealized investment (losses)/ gains on direct equity securities and equity investment funds:		
Listed	(971,470)	379,170
Unlisted	(656,944)	56,276
(iii) Net unrealized investment (losses)/ gains on composite investment funds:		
Listed	(46,344)	4,404
Unlisted	(45,594)	18,938

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

6 OTHER INCOME

6 其他收入

		2008 \$'000 千元	2007 \$'000 千元
Income from provision of asset management services	提供資產管理服務收入	14,407	19,647
Income from provision of insurance intermediary services	提供保險中介服務收入	23,367	17,027
Income from provision of pension administration services	提供養老保險管理服務收入	31,972	11,244
Net gain/(loss) on sale of property and equipment	出售物業及設備收益／(虧損)淨額	26	(136)
Others	其他	14,791	17,151
		84,563	64,933

7 NET POLICYHOLDERS' BENEFITS AND NET COMMISSION EXPENSES

7 保單持有人利益淨額及佣金支出淨額

(a) Net policyholders' benefits

(a) 保單持有人利益淨額

		2008			
		Reinsurance contracts 再保險合約 \$'000 千元	Life insurance contracts 人壽保險合約 \$'000 千元	Property and casualty insurance contracts 財產保險合約 \$'000 千元	Total 總額 \$'000 千元
Claims and claim adjustment expenses	賠款及賠款調整支出	1,052,795	596,118	1,307,348	2,956,261
Less: Reinsurers' and retrocessionaires' share	減：再保及轉份額	(165,034)	(3,628)	(235,268)	(403,930)
Surrenders	退保	887,761	592,490	1,072,080	2,552,331
Annuity and maturity payments	年金及到期付款	—	3,472,704	—	3,472,704
Policy dividends	保單分紅	—	102,865	—	102,865
		—	120,510	—	120,510
		887,761	4,288,569	1,072,080	6,248,410

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

7 NET POLICYHOLDERS' BENEFITS AND NET COMMISSION EXPENSES (Continued)

7 保單持有人利益淨額及佣金支出淨額 (續)

(a) Net policyholders' benefits (Continued)

(a) 保單持有人利益淨額 (續)

		Reinsurance contracts 再保險合約 \$'000 千元	2007 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	1,062,525	508,046	1,570,571
Less: Reinsurers' and retrocessionaires' share	減：再保及轉分份額	(67,301)	(48,109)	(115,410)
Surrenders	退保	995,224	459,937	1,455,161
Annuity and maturity payments	年金及到期付款	—	3,452,949	3,452,949
Policy dividends	保單分紅	—	83,004	83,004
		—	71,041	71,041
		995,224	4,066,931	5,062,155

(b) Net commission expenses

(b) 佣金支出淨額

		Reinsurance contracts 再保險合約 \$'000 千元	Life insurance contracts 人壽保險合約 \$'000 千元	2008 Property and casualty insurance contracts 財產保險合約 \$'000 千元	Total 總額 \$'000 千元
Gross commission expenses	毛佣金支出	457,688	2,048,304	228,359	2,734,351
Reinsurance commission income	再保險佣金收入	(61,680)	(21,331)	(89,529)	(172,540)
Net commission expenses	佣金支出淨額	396,008	2,026,973	138,830	2,561,811

		Reinsurance contracts 再保險合約 \$'000 千元	2007 Life insurance contracts 人壽保險合約 \$'000 千元	Total 總額 \$'000 千元
Gross commission expenses	毛佣金支出	400,050	1,659,302	2,059,352
Reinsurance commission income	再保險佣金收入	(48,391)	(13,805)	(62,196)
Net commission expenses	佣金支出淨額	351,659	1,645,497	1,997,156

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

8 (LOSS)/PROFIT BEFORE TAXATION

8 除稅前(虧損)/溢利

(Loss)/profit before taxation is arrived at after charging/(crediting):

除稅前(虧損)/溢利已扣除/(抵免):

		2008 \$'000 千元	2007 \$'000 千元
(a) Finance costs:	(a) 財務費用:		
Interest on interest-bearing notes	需付息票據利息	155,031	—
— payable within 5 years	— 於五年內支付	28,352	148,467
— not payable within 5 years	— 不須於五年內支付		
		183,383	148,467
(b) Staff costs:	(b) 員工成本:		
Salaries, wages and other benefits	薪金、工資及其他利益	1,595,269	1,041,949
Employee share-based compensation benefits	以股份為本之僱員補償利益	29,626	7,852
Contributions to defined contribution retirement plans	已訂定供款退休計劃供款	174,245	80,830
		1,799,140	1,130,631
(c) Other items:	(c) 其他項目:		
Auditor's remuneration	核數師酬金		
— audit services	— 核數服務	3,409	3,804
— tax services	— 稅務服務	168	170
Depreciation of property and equipment	物業及設備折舊	126,021	64,301
Impairment losses on insurance debtors and other debtors	保險客戶應收賬款及其他應收賬款減值虧損	12,022	10,151
Operating lease charges in respect of properties	有關物業的經營租賃費用	190,497	95,036
Share of associates' taxation charge	佔聯營公司稅項支出	13,227	22,542

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (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 was as follows:

根據香港《公司條例》第161條列報的董事酬金如下：

		2008					Total 總額 \$'000 千元
		Salaries and other emoluments 薪金及 其他酬金	Discretionary bonuses 酌定花紅	Share based payments 股份為本 支付	Retirement scheme contributions 退休計劃 供款		
Directors' fees 董事袍金		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元		
Executive directors:	執行董事：						
Feng Xiaozeng (resigned on 7 November 2008)	馮曉增 (已於2008年 11月7日請辭)	—	2,387	900	—	11	3,298
Lin Fan	林帆	—	—	—	—	—	—
Song Shuguang	宋曙光	—	2,077	788	—	96	2,961
Xie Yiqun	謝一群	—	1,827	788	—	12	2,627
He Zhiguang (appointed on 12 March 2009)	何志光 (於2009年 3月12日委任)	—	—	—	—	—	—
Ng Yu Lam, Kenneth	吳俞霖	—	1,674	700	693	180	3,247
Shen Koping, Michael	沈可平	—	859	1,063	3,825	12	5,759
Lau Siu Mun, Sammy	劉少文	—	1,259	563	566	169	2,557
Non-executive directors:	非執行董事：						
Zheng Changyong (resigned on 12 March 2009)	鄭常勇 (已於2009年 3月12日請辭)	—	—	—	—	—	—
Li Tao (appointed on 12 March 2009)	李濤 (於2009年 3月12日委任)	—	—	—	—	—	—
Wu Jiesi	武捷思	300	—	—	—	—	300
Che Shujian	車書劍	300	—	—	—	—	300
Lau Wai Kit	劉偉傑	300	—	—	—	—	300
		900	10,083	4,802	5,084	480	21,349
		2007					
		Salaries and other emoluments 薪金及 其他酬金	Discretionary bonuses 酌定花紅	Share based payments 股份為本 支付	Retirement scheme contributions 退休計劃 供款	Total 總額 \$'000 千元	
Directors' fees 董事袍金		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	
Executive directors:	執行董事：						
Feng Xiaozeng	馮曉增	—	2,423	1,700	—	12	4,135
Lin Fan	林帆	—	—	—	—	—	—
Song Shuguang	宋曙光	—	1,725	1,430	—	96	3,251
Xie Yiqun	謝一群	—	1,725	1,430	—	12	3,167
Ng Yu Lam, Kenneth	吳俞霖	—	1,569	1,360	457	180	3,566
Shen Koping, Michael	沈可平	—	803	1,283	4,310	12	6,408
Lau Siu Mun, Sammy	劉少文	—	1,182	1,050	281	158	2,671
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	9,427	8,253	5,048	470	24,098

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (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 and shares awarded to certain directors under the Company's share option scheme and share award scheme, respectively, as estimated at the date of grant and award. The details of these benefits in kind are disclosed under the paragraph "share option scheme" and "share award scheme" in the directors' report and note 40.

10 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, three (2007: five) are directors whose emoluments are disclosed in note 9. The emoluments of the remaining two (2007: nil) individuals are as follows:

9 董事酬金 (續)

上述酬金包括分別根據本公司的認股權計劃及股份獎勵計劃授予部份董事的認股權及股份於授予日及獎授日的預計價值。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」、「股份獎勵計劃」及附註40內。

10 最高酬金人士

在五位最高酬金的人士中，三位(二零零七年：五位)為董事，有關的酬金詳情載於附註9。另外兩位人士(二零零七年：無)的酬金總額如下：

		2008 \$'000 千元	2007 \$'000 千元
Salaries and other emoluments	薪金及其他酬金	2,654	—
Discretionary bonuses	酌定花紅	1,137	—
Share based payments	股份為本支付	4,667	—
Retirement scheme contributions	退休計劃供款	108	—
		8,566	—

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

該等最高酬金人士的酬金在以下範圍內：

\$ 元	2008 Number of individuals 人數	2007 Number of individuals 人數
3,000,001 – 3,500,000	1	—
5,000,001 – 5,500,000	1	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

11 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

11 綜合損益表內的稅項

(a) Taxation in the consolidated income statement represents:

(a) 綜合損益表所示的稅項為：

		2008 \$'000 千元	2007 \$'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	7,576	63,815
Over-provision in respect of prior years	多提以往年度準備	(379)	—
		7,197	63,815
Current tax — Outside Hong Kong	當期稅項 — 香港以外地區		
Tax for the year	年度稅款	905	1,019
Under/(over)-provision in respect of prior years	少提/(多提)以往年度準備	23,596	(1,801)
		24,501	(782)
Deferred tax	遞延稅項		
Origination and reversal of temporary differences	暫時性差異之起源及轉回	(90,093)	549,586
Attributable to a change in tax rate	稅率變動應佔	(4,845)	(58,908)
		(94,938)	490,678
Income tax (credit)/charge	稅項(抵免)/支出	(63,240)	553,711

The provision for Hong Kong Profits Tax represents the Group's estimated Hong Kong Profits Tax liability calculated at the standard tax rate of 16.5 % (2007: 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 8.25% (2007: 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. Under the new Enterprise Income Tax Law of the PRC, the enterprise income tax rate for domestic companies in the PRC was changed from 15% — 33% to 18% — 25% effective from 1 January 2008.

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16.5% (二零零七年：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8.25% (二零零七年：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。根據新的中華人民共和國企業所得稅法，從二零零八年一月一日起，適用於中國內地企業的企業所得稅率由15% - 33%變至18% - 25%。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (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 (credit)/charge and accounting profit at applicable tax rates:

(b) 稅項(抵免)/支出與會計溢利按適用稅率的稅項之對賬:

		2008 \$'000 千元	2007 \$'000 千元
(Loss)/profit before taxation	稅前(虧損)/溢利	(269,001)	3,010,908
Notional tax on (loss)/profit before taxation, calculated at the rates applicable to profits in the jurisdictions concerned	按相關管轄地區適用的溢利稅率，計算稅前(虧損)/溢利的名義稅項	4,508	862,418
Tax effect of non-deductible expenses	不可扣減費用的稅項影響	706,081	183,975
Tax effect of non-taxable revenue	毋須課稅收入的稅項影響	(920,766)	(289,307)
Tax effect of unused tax losses not recognized	未確認而尚未使用的稅項虧損的稅項影響	179,174	79
Tax effect of prior years' tax losses utilized this year	往年度稅項虧損在本年度使用的稅項影響	(19,755)	(142,745)
Tax effect of different tax rate in branches located outside the head office	位於總公司以外之分公司的不同稅率之稅務影響	(31,233)	—
Under/(over)-provision in prior years	少提/(多提)往年度準備	23,596	(1,801)
Tax effect of change in tax rate	稅率變化的稅務影響	(4,845)	(58,908)
Actual tax (credit)/charge	實際稅項(抵免)/支出	(63,240)	553,711

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

12 股東應佔(虧損)/溢利

The consolidated profit attributable to equity holders of the Company includes a loss of \$300,488,000 (2007: gain of \$18,830,000) 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300,488,000元(二零零七年: 溢利18,830,000元)。

13 DIVIDENDS

13 股息

(a) Dividends payable to equity shareholders of the Company attributable to the year were as follows:

(a) 本年度應付本公司股東的股息如下:

		2008 \$'000 千元	2007 \$'000 千元
No final dividend proposed after the balance sheet date (2007: 10 cents per ordinary share)	於結算日後沒有擬派末期股息 (二零零七年: 每普通股10仙)	—	141,527

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

13 DIVIDENDS (Continued)

- (b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year:

		2008 \$'000 千元	2007 \$'000 千元
Final dividend in respect of the previous financial year, approved and paid during the year, of 10 cents per share (2007: nil)	屬於上一個財政年度，並於本財政年度核准及支付的末期股息每股10仙 (二零零七年：無)	141,924	—
Less: dividend for shares held for Share Award Scheme	減：為股份獎勵計劃而持有之股份股息	470	—
		141,454	—

13 股息 (續)

- (b) 屬於上一個財政年度應付本公司股東，並於本年度內核准及支付的股息：

14 (LOSS)/EARNINGS PER SHARE

- (a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the loss attributable to ordinary shareholders of \$299,715,000 (2007: profit of \$1,549,072,000) and the weighted average of ordinary shares in issue during the year less shares held for the Share Award Scheme of 1,414,521,675 (2007: weighted average of shares in issue during the year of 1,405,858,842).

- (b) Diluted (loss)/earnings per share

In 2008, the ordinary shares attributable to the Company's Share Option Scheme and Share Award Scheme are anti-dilutive as their conversion would decrease loss per share. In 2007, the calculation of diluted earnings per share is based on the profit attributable to ordinary shareholders of \$1,549,072,000 and the weighted average of 1,430,775,029 ordinary shares after adjusting for the effects of all of the potential dilution from ordinary shares issuable under the Company's Share Option Scheme and Share Award Scheme.

- (c) Reconciliations

		2008 Number of shares 股份數目	2007 Number of shares 股份數目
Weighted average number of ordinary shares less shares held for Share Award Scheme used in calculating basic (loss)/earnings per share	用作計算每股基本(虧損)/盈利的扣除股份獎勵計劃而持有之股份後之普通股加權平均股數	1,414,521,675	1,405,858,842
Effect of Share Option Scheme	認股權計劃的影響	N/A	19,662,187
Effect of Share Award Scheme	股份獎勵計劃的影響	N/A	5,254,000
Weighted average number of ordinary shares used in calculating diluted (loss)/earnings per share	用作計算每股攤薄(虧損)/盈利的普通股加權平均股數	1,414,521,675	1,430,775,029

14 每股(虧損)/盈利

- (a) 每股基本(虧損)/盈利

每股基本(虧損)/盈利是按照股東應佔虧損299,715,000元(二零零七年：溢利1,549,072,000元)，及扣除為股份獎勵計劃而持有之股份後的年內已發行普通股的加權平均數1,414,521,675股(二零零七年：年內已發行普通股的加權平均數1,405,858,842股)計算。

- (b) 每股攤薄(虧損)/盈利

於二零零八年，有關認股權計劃及股份獎勵計劃之普通股構成反攤薄影響，因為其兌換將令每股虧損減少。於二零零七年，每股攤薄盈利是按照股東應佔溢利1,549,072,000元及已就本公司認股權計劃及股份獎勵計劃所有具備潛在攤薄影響的可發行普通股作出調整得出的普通股加權平均數1,430,775,029股計算。

- (c) 對賬

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (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 2007	於二零零七年一月一日	1,048,212	53,812	125,796	39,422	1,267,242	106,077	1,373,319
Exchange adjustments	匯率調整	66,213	2,820	8,472	2,703	80,208	—	80,208
Additions	增置	154,985	31,029	73,814	15,207	275,035	—	275,035
Disposals	出售	—	(1,782)	(7,104)	(1,055)	(9,941)	(33,050)	(42,991)
Surplus on revaluation	重估盈餘	—	—	—	—	—	5,533	5,533
At 1 January 2008	於二零零八年一月一日	1,269,410	85,879	200,978	56,277	1,612,544	78,560	1,691,104
Exchange adjustments	匯率調整	68,263	4,259	11,274	3,023	86,819	—	86,819
Additions	增置	693,266	82,322	146,073	27,231	948,892	—	948,892
Disposals	出售	—	(5,975)	(5,017)	—	(10,992)	—	(10,992)
Acquired on acquisition of a subsidiary	於購入一間附屬公司時 獲取	300,758	24,432	83,088	49,156	457,434	—	457,434
Deficit on revaluation	重估虧絀	—	—	—	—	—	(1,841)	(1,841)
At 31 December 2008	於二零零八年十二月三十一日	2,331,697	190,917	436,396	135,687	3,094,697	76,719	3,171,416
Representing:	代表：							
Cost	成本	2,331,697	190,917	436,396	135,687	3,094,697	—	3,094,697
Valuation – 2008	估值 – 二零零八年	—	—	—	—	—	76,719	76,719
		2,331,697	190,917	436,396	135,687	3,094,697	76,719	3,171,416
Accumulated depreciation:	累計折舊：							
At 1 January 2007	於二零零七年一月一日	111,271	31,074	70,004	20,203	232,552	—	232,552
Exchange adjustments	匯率調整	2,453	1,619	5,797	1,597	11,466	—	11,466
Charge for the year	本年度折舊	19,921	9,572	27,993	6,815	64,301	—	64,301
Written back on disposal	出售時撥回	(1,871)	(2,253)	(4,293)	(505)	(8,922)	—	(8,922)
At 1 January 2008	於二零零八年一月一日	131,774	40,012	99,501	28,110	299,397	—	299,397
Exchange adjustments	匯率調整	3,015	1,824	6,169	1,656	12,664	—	12,664
Charge for the year	本年度折舊	31,061	22,132	57,862	14,966	126,021	—	126,021
Written back on disposal	出售時撥回	—	(2,182)	(5,736)	—	(7,918)	—	(7,918)
At 31 December 2008	於二零零八年十二月三十一日	165,850	61,786	157,796	44,732	430,164	—	430,164
Net book value:	賬面淨值：							
At 31 December 2008	於二零零八年十二月三十一日	2,165,847	129,131	278,600	90,955	2,664,533	76,719	2,741,252
At 31 December 2007	於二零零七年十二月三十一日	1,137,636	45,867	101,477	28,167	1,313,147	78,560	1,391,707

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (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 2007	於二零零七年一月一日	2,958	1,671	4,629
Additions	增置	124	—	124
Disposals	出售	(58)	—	(58)
At 1 January 2008	於二零零八年一月一日	3,024	1,671	4,695
Additions	增置	112	—	112
Disposals	出售	(129)	—	(129)
At 31 December 2008	於二零零八年 十二月三十一日	3,007	1,671	4,678
Accumulated depreciation:	累計折舊：			
At 1 January 2007	於二零零七年一月一日	2,832	1,671	4,503
Charge for the year	本年度折舊	77	—	77
Written back on disposal	出售時撥回	(57)	—	(57)
At 1 January 2008	於二零零八年一月一日	2,852	1,671	4,523
Charge for the year	本年度折舊	78	—	78
Written back on disposal	出售時撥回	(129)	—	(129)
At 31 December 2008	於二零零八年 十二月三十一日	2,801	1,671	4,472
Net book value:	賬面淨值：			
At 31 December 2008	於二零零八年 十二月三十一日	206	—	206
At 31 December 2007	於二零零七年 十二月三十一日	172	—	172

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

15 FIXED ASSETS (Continued)

15 固定資產 (續)

(c) Prepaid lease payments

(c) 預付租賃付款

		The Group 本集團	
		2008 \$'000 千元	2007 \$'000 千元
Prepaid lease payments comprises:	預付租賃付款包括：		
Leasehold land in PRC — Long lease	位於中國之租賃土地 — 長期租賃	535,213	—
Current	當期	10,704	—
Non-current	非當期	524,509	—
		535,213	—

The leasehold land was acquired during 2008 by the Group and the related companies for construction of properties primarily for own use. The construction is expected to commence in 2009. The above amount represents the share of the Group of the land for the construction project. The Group is in the process of applying for property certificate of the land-use right.

租賃土地由本集團及關連公司於二零零八年購入以興建物業主要作自用。預期在二零零九年初開始施工興建。上述金額代表本集團佔興建項目之土地分額。本集團正在申請土地使用權之物業證。

(d) The analysis of net book value of land and buildings and investment properties was as follows:

(d) 土地及樓宇及投資物業賬面淨值的分析如下：

		The Group 本集團	
		2008 \$'000 千元	2007 \$'000 千元
In Hong Kong	香港		
— Long leases	— 長期租賃	113,157	116,147
— Medium-term leases	— 中期租賃	7,657	8,469
Outside Hong Kong	香港以外地區		
— Medium-term leases	— 中期租賃	2,121,752	1,091,580
		2,242,566	1,216,196

(e) The investment properties of the Group were revalued as of 31 December 2008 by an independent firm of surveyors, Greater China Appraisal Limited, who is among its staff Associates of the Hong Kong Institute of Surveyors. The valuation was arrived at by reference to market evidence of transaction prices for similar properties. A revaluation deficit of \$1,841,000 (2007: surplus of \$5,533,000) has been recognized in the consolidated income statement (see note 5(c)).

(e) 本集團的投資物業已於二零零八年十二月三十一日經由獨立測量師行—漢華評估有限公司(該行僱員包括若干香港測量師學會會員)重新估值。此估值乃參考類市場上同類物業之成交價而釐定。為數1,841,000元(二零零七年：盈餘5,533,000元)的重估虧絀已記入綜合損益表內(參看附註5(c))。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

15 FIXED ASSETS (Continued)

- (f) 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 every two to three years to reflect market rentals. None of the leases includes contingent rentals.

The gross carrying amounts of the investment properties of the Group held for use in operating leases were \$70,070,000 (2007: \$71,160,000).

The time period in which the Group's total future minimum lease payments under non-cancellable operating leases are receivable is as follows:

15 固定資產 (續)

- (f) 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。租賃付款額通常會每二至三年檢討，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70,070,000元(二零零七年：71,160,000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的時段如下：

		The Group 本集團	
		2008 \$'000 千元	2007 \$'000 千元
Within 1 year	一年內	1,840	2,971
In the second to fifth year inclusive	第二年至第五年(包括首尾兩年)	157	1,478
		1,997	4,449

16 GOODWILL

16 商譽

		The Group 本集團	
		2008 \$'000 千元	2007 \$'000 千元
Cost:	成本：		
At 1 January	於一月一日	478,185	478,185
Acquired on acquisition of a subsidiary (note 43)	於購入附屬公司時獲取 (附註 43)	107,744	—
Transferred from an associate company (note 18)	轉移自一間聯營公司 (附註 18)	102,192	—
At 31 December	於十二月三十一日	688,121	478,185
Impairment loss:	減值虧損：		
At 1 January	於一月一日	250,000	250,000
Charge for the year	本年度減值	73,276	—
At 31 December	於十二月三十一日	323,276	250,000
Carrying amount:	賬面淨值：		
At 31 December	於十二月三十一日	364,845	228,185

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

16 GOODWILL (Continued)

Impairment tests for cash-generating units containing goodwill

An impairment loss of \$250,000,000 and \$73,276,000 were recognized in 2005 and 2008 respectively, in respect of goodwill associated with the acquisition of CIGAML in September 2002. After such further impairment amount of \$73,276,000 made in 2008, there is no goodwill associated with the acquisition of CIGAML.

The directors reached a conclusion on the cash flow projection of CIGAML based on past performance and expectations for future market development. As the cash generating unit has been reduced to below its recoverable amount, the goodwill of CIGAML is fully impaired.

The directors again performed the impairment review as at 31 December 2008 and found no further impairment loss on the goodwill associated with the acquisition of other subsidiaries.

16 商譽 (續)

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及二零零八年分別確認了250,000,000元及73,276,000元的減值。經過於二零零八年為數73,276,000元之進一步減值，再沒有與購入中保資產管理有關之商譽。

董事根據過往及預計未來市場發展以總結中保資產管理的現金流估計。由於現金產生單位已減至低於可收回金額，中保資產管理之商譽已全數減值。

董事於二零零八年十二月三十一日再次進行減值審閱，未有發現收購其他附屬公司所產生的商譽須要進一步減值。

17 INVESTMENTS IN SUBSIDIARIES

17 於附屬公司的投資

		The Company 本公司	
		2008 \$'000 千元	2007 \$'000 千元
Unlisted shares, at cost	非上市股份，成本	2,721,778	1,844,859
Less: Impairment loss	減：減值虧損	(344,179)	(191,500)
		2,377,599	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 relates to CIGAML as 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。

有關中保資產管理之減值虧損性質於附註16內詳述。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (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		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		Principal activity 主要業務
		2008	2007	2008	2007	2008	2007	2008	2007	
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 \$1,000,000,000 Deferred \$600,000,000	Ordinary \$1,000,000,000 Deferred \$600,000,000	100%	100%	—	—	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	RMB 2,330,000,000	50.05%	50.05%	50.05%	50.05%	—	—	Life insurance business 人壽保險業務
The Tai Ping Insurance Company, Limited (Notes (i & iii)) 太平保險有限公司 (註(i)及(iii))	PRC 中國	RMB 1,570,000,000	—	50.05%	—	50.05%	—	—	—	Property and casualty insurance 財產保險業務
Tai Ping Pension Company Limited (Note (ii)) 太平養老保險股份有限公司 (註(ii))	PRC 中國	RMB 800,000,000	RMB 500,000,000	50.03%	44.03%	—	—	86%	74%	Pension business 養老保險業務
Tai Ping Asset Management Company Limited (Note (ii)) 太平資產管理有限公司 (註(ii))	PRC 中國	RMB 100,000,000	RMB 100,000,000	42.03%	37.08%	—	—	72%	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	100%	100%	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	Ordinary \$4,000,000 Deferred \$1,000,000	100%	100%	—	—	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	US\$1 1美元	100%	100%	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	US\$1 1美元	100%	100%	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	US\$1 1美元	100%	100%	100%	100%	—	—	Investment holding 投資控股

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (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.
- (iii) TPI was an associate of the Company before 15 July 2008. Details are set out in note 43.

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

18 INTEREST IN ASSOCIATES

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。
- (iii) 於二零零八年七月十五日前，太平保險為本公司之聯營公司。詳見附註43。

上表所列本公司之附屬公司，乃董事會認為與本集團本年度業績有重要關係，或構成本集團主要資產之附屬公司。若盡錄其他附屬公司之資料，董事會認為將過於冗長。

18 於聯營公司的權益

		The Group 本集團		The Company 本公司	
		2008 \$'000 千元	2007 \$'000 千元	2008 \$'000 千元	2007 \$'000 千元
Unlisted shares, at cost	非上市股份，成本	—	—	6,937	580,474
Share of net assets	所佔資產淨值	134,382	428,065	—	—
Goodwill	商譽	—	102,192	—	—
Amounts due from associates	應收聯營公司款項	—	179	—	—
		134,382	530,436	6,937	580,474

On 15 July 2008, the Group contributed additional capital of RMB265,460,000 (approximately HK\$303,381,000) into TPI. Since then, the Group's equity interest in TPI has increased from 40.025% to 50.05%. Particulars of the transaction related to the acquisition of an additional interest of 10.025% of TPI are set out in note 43. The loss of TPI shared by the Group up to the date of its ceasing to be associate of the Group amounted to \$113,252,000. The goodwill associated with acquisition of TPI in previous years, amounting to \$102,192,000 was reclassified to goodwill as disclosed in note 16.

於二零零八年七月十五日，本集團向太平保險增資人民幣265,460,000元(約港幣303,381,000元)。從此，本集團於太平保險之權益由40.025%上升至50.05%。有關購入太平保險額外10.025%權益之交易詳情見附註43。直至太平保險停止為本集團之聯營公司為止，本集團應佔其虧損為113,252,000元。有關往年年度購入太平保險之商譽，為數港幣102,192,000元，如附註16中披露，被重新分類為商譽。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

18 INTEREST IN ASSOCIATES (Continued)

18 於聯營公司的權益 (續)

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

下表載列本公司的主要聯營公司詳情，該等聯營公司全部均為非上市企業實體：

Name of associates 聯營公司名稱	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		Group's effective interest 本集團的實際權益		Proportion of ownership interest 應佔權益百分比				Principal activity 主要業務
			2008	2007	2008	2007	Held by the Company 本公司所持權益 2008	2007	Held by subsidiaries 由附屬公司持有 2008	2007	
The Tai Ping Insurance Company, Limited (Notes (i) & (ii)) 太平保險有限公司 (註(i)及(ii))	Incorporated 註冊成立	PRC 中國	—	RMB 1,300,000,000	—	40.025%	—	40.025%	—	—	Property and casualty insurance 財產保險
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\$11,131,987 11,131,987美元	US\$9,586,738 9,586,738美元	22.54%	22.18%	—	—	22.18%	22.18%	Investment holding 投資控股
CMT ChinaValue Capital Advisors Limited	Incorporated 註冊成立	Hong Kong 香港	\$1,000 1,000元	\$1,000 1,000元	46%	46%	—	—	46%	46%	Advisory services 顧問服務
Huatai Insurance Agency & Consultant Service Limited (Note (ii)) 華泰保險經紀有限公司 (註(ii))	Incorporated 註冊成立	PRC 中國	RMB 30,000,000	RMB 30,000,000	25%	25%	25%	25%	—	—	Insurance agency and consultancy 保險代理及顧問

Notes:

- (i) TPI become a subsidiary of the Company since 15 July 2008. Details are set out in note 43.
- (ii) These companies are PRC limited companies.

The above table lists the associates of the Group which, in the opinion of the directors of the Company, principally affected the results of the year or form a substantial portion of the net assets of the Group. To give details of other associates would, in the opinion of the directors of the Company, result in particulars of excessive length.

註：

- (i) 於二零零八年七月十五日起，太平保險成為本公司之附屬公司。詳見附註43。
- (ii) 上述公司均為中國有限公司。

上表所列本公司之聯營公司，乃董事會認為與本集團本年度業績有重要關係，或構成本集團主要資產之聯營公司。若盡錄其他聯營公司之資料，董事會認為將過於冗長。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

18 INTEREST IN ASSOCIATES (Continued)

18 於聯營公司的權益 (續)

Summary of financial information on associates

聯營公司的財務資料概要

		Assets 資產 \$'000 千元	Liabilities 負債 \$'000 千元	Equity 股東權益 \$'000 千元	Revenues 收益 \$'000 千元	(Loss)/profit (虧損)/溢利 \$'000 千元
2008	2008					
100 per cent	百分之一百	678,142	87,596	590,546	113,529	(14,878)
Group's effective interest	本集團的有效權益	156,594	22,212	134,382	30,419	(2,596)
2007	2007					
100 per cent	百分之一百	4,797,905	3,475,629	1,322,276	3,598,419	(146,830)
Group's effective interest	本集團的有效權益	1,786,436	1,358,371	428,065	1,428,002	(57,760)

19 INVESTMENTS IN DEBT AND EQUITY SECURITIES

19 債務及股本證券投資

(a) The Group

(a) 本集團

		2008 \$'000 千元	2007 \$'000 千元
Held-to-maturity (Note (i)):	持有至到期日 (註(i)):		
– Debt securities	– 債務證券	21,004,147	1,019,074
Available-for-sale (Note (iii)):	可供出售 (註(iii)):		
– Debt securities	– 債務證券	26,003,951	25,947,544
– Direct equity securities	– 直接股本證券	1,510,722	5,243,168
– Equity investment funds	– 股本投資基金	2,711,892	2,220,712
– Composite investment funds	– 綜合投資基金	38,182	51,378
		30,264,747	33,462,802
Designated at fair value through profit or loss (Note (iii)):	指定為通過損益以反映公允價值 (註(iii)):		
– Debt securities	– 債務證券	854,187	523,905
– Direct equity securities	– 直接股本證券	110,990	1,757,284
– Equity investment funds	– 股本投資基金	2,411,808	3,394,244
– Composite investment funds	– 綜合投資基金	52,181	88,570
		3,429,166	5,764,003
Loans and receivables (Note (iv)):	貸款及應收款項 (註(iv)):		
– Debt securities	– 債務證券	2,165,806	256,306
Total	總額	56,863,866	40,502,185

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

19 INVESTMENTS IN DEBT AND EQUITY SECURITIES (Continued)

19 債務及股本證券投資 (續)

(a) The Group (Continued)

(a) 本集團 (續)

		Central governments and central banks 中央政府及中央銀行 \$'000 千元	Public sector entities 公共機構 \$'000 千元	Banks and other financial institutions 銀行及其他金融機構 \$'000 千元	Corporate entities 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 2008	於二零零八年十二月三十一日						
Listed in Hong Kong	上市—香港	—	—	111,290	—	—	111,290
Listed outside Hong Kong	上市—香港以外地區	49,119	43,317	877,097	1,251,297	10,995	2,231,825
Unlisted	非上市	9,029,771	7,656	5,758,455	3,865,150	—	18,661,032
		9,078,890	50,973	6,746,842	5,116,447	10,995	21,004,147
Fair value of securities	證券公允價值	9,126,611	53,121	6,724,229	5,121,505	12,691	21,038,157
Market value of listed securities	上市證券市值	50,155	45,176	957,395	1,255,753	12,691	2,321,170
At 31 December 2007	於二零零七年十二月三十一日						
Listed outside Hong Kong	上市—香港以外地區	52,378	85,298	120,592	394,243	12,349	664,860
Unlisted	非上市	71,180	7,666	252,022	23,346	—	354,214
		123,558	92,964	372,614	417,589	12,349	1,019,074
Fair value of securities	證券公允價值	142,385	96,312	381,134	431,633	14,195	1,065,659
Market value of listed securities	上市證券市值	54,699	87,843	123,264	408,167	14,195	688,168

The held-to-maturity debt securities include an amount of \$1,330,641,000 (2007: \$300,815,000) which is maturing within one year. None of the securities are past due or impaired.

持有至到期的債務證券包括價值1,330,641,000元(二零零七年: 300,815,000元)的債務證券, 為於一年內到期。沒有證券逾期或減值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

19 INVESTMENTS IN DEBT AND EQUITY SECURITIES (Continued)

19 債務及股本證券投資 (續)

(a) The Group (Continued)

(a) 本集團 (續)

		Central governments and central banks 中央政府及中央銀行 \$'000 千元	Public sector entities 公共機構 \$'000 千元	Banks and other financial institutions 銀行及其他金融機構 \$'000 千元	Corporate entities 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 2008	於二零零八年十二月三十一日						
Listed debt securities	上市債務證券						
– in Hong Kong	– 香港	42,145	–	46,836	15,428	–	104,409
– outside Hong Kong	– 香港以外地區	6,593,739	–	612,648	3,898,749	–	11,105,136
Listed direct equity securities	上市直接股本證券						
– in Hong Kong	– 香港	–	–	203,862	208,541	4,180	416,583
– outside Hong Kong	– 香港以外地區	–	–	3,994	1,071,666	–	1,075,660
Listed equity investment funds	上市股本投資基金						
outside Hong Kong	香港以外地區	–	–	–	456,498	–	456,498
Listed composite investment funds outside Hong Kong	上市綜合投資基金 香港以外地區	–	–	–	38,182	–	38,182
Unlisted debt securities	非上市債務證券	4,180,547	–	3,329,487	7,284,372	–	14,794,406
Unlisted direct equity securities	非上市直接股本證券	–	–	–	18,479	–	18,479
Unlisted equity investment funds	非上市股本投資基金	–	–	–	2,255,394	–	2,255,394
		10,816,431	–	4,196,827	15,247,309	4,180	30,264,747
Fair value of securities	證券公允價值	10,816,431	–	4,196,827	15,247,309	4,180	30,264,747
Market value of listed securities	上市證券市值	6,635,884	–	867,340	5,689,064	4,180	13,196,468
Current	當期	10,816,431	–	4,196,827	15,247,309	4,180	30,264,747
Non-current	非當期	–	–	–	–	–	–
		10,816,431	–	4,196,827	15,247,309	4,180	30,264,747
At 31 December 2007	於二零零七年十二月三十一日						
Listed debt securities	上市債務證券						
– in Hong Kong	– 香港	40,020	–	15,697	–	–	55,717
– outside Hong Kong	– 香港以外地區	13,345,430	7,759	3,129,686	8,662,685	17,637	25,163,197
Listed direct equity securities	上市直接股本證券						
– in Hong Kong	– 香港	639	5,205	552,682	396,537	–	955,063
– outside Hong Kong	– 香港以外地區	–	–	17,375	4,252,170	–	4,269,545
Listed equity investment funds	上市股本投資基金						
outside Hong Kong	香港以外地區	–	–	–	627,363	–	627,363
Listed composite investment funds outside Hong Kong	上市綜合投資基金 香港以外地區	–	–	–	51,378	–	51,378
Unlisted debt securities	非上市債務證券	–	–	466,522	262,108	–	728,630
Unlisted direct equity securities	非上市直接股本證券	–	–	–	18,560	–	18,560
Unlisted equity investment funds	非上市股本投資基金	–	–	–	1,593,349	–	1,593,349
		13,386,089	12,964	4,181,962	15,864,150	17,637	33,462,802
Fair value of securities	證券公允價值	13,386,089	12,964	4,181,962	15,864,150	17,637	33,462,802
Market value of listed securities	上市證券市值	13,386,089	12,964	3,715,440	13,990,133	17,637	31,122,263
Current	當期	13,386,089	12,964	4,181,962	15,864,150	17,637	33,462,802
Non-current	非當期	–	–	–	–	–	–
		13,386,089	12,964	4,181,962	15,864,150	17,637	33,462,802

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

19 INVESTMENTS IN DEBT AND EQUITY SECURITIES (Continued)

19 債務及股本證券投資 (續)

(a) The Group (Continued)

(a) 本集團 (續)

		Central governments and central banks 中央政府及中央銀行 \$'000 千元	Public sector entities 公共機構 \$'000 千元	Banks and other financial institutions 銀行及其他金融機構 \$'000 千元	Corporate entities 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允價值						
At 31 December 2008	於二零零八年十二月三十一日						
Listed debt securities	上市債務證券						
– in Hong Kong	– 香港	–	–	–	38,836	–	38,836
– outside Hong Kong	– 香港以外地區	78,582	–	49,779	87,805	–	216,166
Listed direct equity securities	上市直接股本證券						
– in Hong Kong	– 香港	–	–	6,719	11,404	–	18,123
– outside Hong Kong	– 香港以外地區	–	–	22,458	70,409	–	92,867
Listed equity investment funds outside Hong Kong	上市股本投資基金 香港以外地區	–	–	–	244,702	–	244,702
Listed composite investment funds outside Hong Kong	上市綜合投資基金 香港以外地區	–	–	–	28,859	–	28,859
Unlisted debt securities	非上市債務證券	549,478	–	49,707	–	–	599,185
Unlisted equity investment funds	非上市股本投資基金	–	–	–	2,167,106	–	2,167,106
Unlisted composite investment funds	非上市綜合投資基金	–	–	23,322	–	–	23,322
		628,060	–	151,985	2,649,121	–	3,429,166
Fair value of securities	證券公允價值	628,060	–	151,985	2,649,121	–	3,429,166
Market value of listed securities	上市證券市值	78,582	–	78,956	482,015	–	639,553
Current	當期	628,060	–	151,985	2,649,121	–	3,429,166
Non-current	非當期	–	–	–	–	–	–
		628,060	–	151,985	2,649,121	–	3,429,166

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

19 INVESTMENTS IN DEBT AND EQUITY SECURITIES (Continued)

19 債務及股本證券投資 (續)

(a) The Group (Continued)

(a) 本集團 (續)

		Central governments and central banks 中央政府及中央銀行 \$'000 千元	Public sector entities 公共機構 \$'000 千元	Banks and other financial institutions 銀行及其他金融機構 \$'000 千元	Corporate entities 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允價值 (續)						
At 31 December 2007	於二零零七年十二月三十一日						
Listed debt securities outside Hong Kong	上市債務證券 香港以外地區	207,730	—	105,958	105,148	—	418,836
Listed direct equity securities	上市直接股本證券						
— in Hong Kong	— 香港	—	—	17,862	31,547	—	49,409
— outside Hong Kong	— 香港以外地區	—	—	33,523	1,674,352	—	1,707,875
Listed equity investment funds outside Hong Kong	上市股本投資基金 香港以外地區	—	—	53,457	2,430,847	—	2,484,304
Listed composite investment funds outside Hong Kong	上市綜合投資基金 香港以外地區	—	—	14,677	39,463	—	54,140
Unlisted debt securities	非上市債務證券	—	—	84,488	20,581	—	105,069
Unlisted equity investment funds	非上市股本投資基金	—	—	43,964	865,976	—	909,940
Unlisted composite investment funds	非上市綜合投資基金	—	—	34,430	—	—	34,430
		207,730	—	388,359	5,167,914	—	5,764,003
Fair value of securities	證券公允價值	207,730	—	388,359	5,167,914	—	5,764,003
Market value of listed securities	上市證券市值	207,730	—	225,477	4,281,357	—	4,714,564
Current	當期	207,730	—	388,359	5,167,914	—	5,764,003
Non-current	非當期	—	—	—	—	—	—
		207,730	—	388,359	5,167,914	—	5,764,003

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

19 INVESTMENTS IN DEBT AND EQUITY SECURITIES (Continued)

19 債務及股本證券投資 (續)

(a) The Group (Continued)

(a) 本集團 (續)

		Central governments and central banks 中央政府及中央銀行 \$'000 千元	Public sector entities 公共機構 \$'000 千元	Banks and other financial institutions 銀行及其他金融機構 \$'000 千元	Corporate entities 企業實體 \$'000 千元	Others 其他 \$'000 千元	Total 總額 \$'000 千元
(iv) Loans and receivables	(iv) 貸款及應收款項						
At 31 December 2008	於二零零八年十二月三十一日						
Unlisted debt securities	非上市債務證券	—	—	—	2,165,806	—	2,165,806
Fair value of securities	證券公允價值	—	—	—	2,077,739	—	2,077,739
Current	當期	—	—	—	—	—	—
Non-current	非當期	—	—	—	2,165,806	—	2,165,806
		—	—	—	2,165,806	—	2,165,806
At 31 December 2007	於二零零七年十二月三十一日						
Unlisted debt securities	非上市債務證券	—	—	—	256,306	—	256,306
Fair value of securities	證券公允價值	—	—	—	218,888	—	218,888
Current	當期	—	—	—	—	—	—
Non-current	非當期	—	—	—	256,306	—	256,306
		—	—	—	256,306	—	256,306

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

19 INVESTMENTS IN DEBT AND EQUITY SECURITIES (Continued)

19 債務及股本證券投資 (續)

(b) The Company		(b) 本公司		2008 \$'000 千元	2007 \$'000 千元
Available-for-sale (note(i)):	可供出售 (註(i)):				
— Debt securities	— 債務證券			402,643	174,330
— Direct equity securities	— 直接股本證券			169,182	116,515
				571,825	290,845
(i) Available-for-sale	(i) 可供出售				
Listed debt securities	上市債務證券				
— in Hong Kong	— 香港			15,428	—
— outside Hong Kong	— 香港以外地區			157,335	39,004
Listed direct equity securities in Hong Kong	上市直接股本證券 香港			169,182	116,515
Unlisted debt securities	非上市債務證券			229,880	135,326
				571,825	290,845
Fair value of securities	證券公允價值			571,825	290,845
Market value of listed securities	上市證券市值			341,945	155,519
Current	當期			571,825	290,845
Non-current	非當期			—	—
				571,825	290,845

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	
		2008 \$'000 千元	2007 \$'000 千元	2008 \$'000 千元	2007 \$'000 千元
Amount due from the ultimate holding company	應收最終控股公司款項	3,083	993	65	11
Amount due from the immediate holding company	應收直接控股公司款項	157	9	—	—
Amounts due from fellow subsidiaries	應收同系附屬公司款項	8,215	16,486	3,216	—
Amounts due from subsidiaries	應收附屬公司款項	—	—	456,370	443,640
		11,455	17,488	459,651	443,651

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

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

20 應收／(應付)集團內公司款項 (續)

(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	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
		千元	千元	千元	千元
Amount due to the ultimate holding company	應付最終控股公司款項	341	26	—	—
Amount due to the immediate holding company	應付直接控股公司款項	151	20	4	—
Amounts due to fellow subsidiaries	應付同系附屬公司款項	—	—	—	—
Amount due to subsidiaries	應付附屬公司款項	—	—	1,592,637	1,363,388
		492	46	1,592,641	1,363,388

Included in the amount due to subsidiaries is \$1,356,813,000 (2007: \$1,363,388,000), which is unsecured, repayable after more than one year and bears interest at a rate of 6.12% (2007: 6.03%).

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

應付附屬公司款項當中包括1,356,813,000元(二零零七年: 1,363,388,000元)為無抵押、於超過一年後償還，並以固定利率6.12%計息(二零零七年: 6.03%)。

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。

21 INSURANCE DEBTORS

21 保險客戶應收賬款

		The Group 本集團	
		2008 \$'000	2007 \$'000
		千元	千元
Amounts due from insurance customers and suppliers	應收保險客戶及 供應商款項	956,282	552,844
Less: allowance for doubtful debts (Note (b))	減: 呆壞賬準備(附註(b))	(23,937)	(20,583)
		932,345	532,261
Deposits retained by cedants	分保人保留的按金	93,877	84,279
		1,026,222	616,540

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

Amounts due from insurance customers and suppliers include amounts due from fellow subsidiaries of \$12,887,000 (2007: \$15,904,000) which are insurance related in nature.

所有保險客戶應收賬款預期在一年內可以收回。

應收保險客戶及供應商款項包括應收同系附屬公司款項12,887,000元(二零零七年: 15,904,000元)，有關款項屬保險性質。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

21 INSURANCE DEBTORS (Continued)

(a) Ageing analysis

The following is an ageing analysis of the amounts due from insurance customers and suppliers that are not individually considered to be impaired:

		The Group 本集團	
		2008 \$'000 千元	2007 \$'000 千元
Not yet due	未到期	365,262	270,056
Current	現已到期	430,839	233,831
More than 3 months but less than 12 months	超過三個月但少於十二個月	97,594	25,144
More than 12 months	超過十二個月	38,650	3,230
		932,345	532,261

Amounts due from insurance customers and suppliers that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

The amount of impaired debts are \$23,937,000 (2007: \$20,583,000). We have taken various actions to recover the debts, but these debts have not been recovered.

(b) Movement in the allowance for doubtful debts

		The Group 本集團	
		2008 \$'000 千元	2007 \$'000 千元
At 1 January	於一月一日	20,583	10,432
Impairment losses recognized	已確認減值虧損	3,354	10,151
At 31 December	於十二月三十一日	23,937	20,583

21 保險客戶應收賬款 (續)

(a) 賬齡分析

未有發現個別減值的應收保險客戶及供應商款項，其賬齡分析如下：

		The Group 本集團	
		2008 \$'000 千元	2007 \$'000 千元
Not yet due	未到期	365,262	270,056
Current	現已到期	430,839	233,831
More than 3 months but less than 12 months	超過三個月但少於十二個月	97,594	25,144
More than 12 months	超過十二個月	38,650	3,230
		932,345	532,261

應收保險客戶及供應商之未逾期或未減值之款項乃與最近並無違約紀錄之一系列客戶有關。

債務減值為23,937,000元(2007: \$20,583,000元)。我們已採取各種各樣的行動收回債務，但該些債務仍未收回。

(b) 呆壞賬準備變動

		The Group 本集團	
		2008 \$'000 千元	2007 \$'000 千元
At 1 January	於一月一日	20,583	10,432
Impairment losses recognized	已確認減值虧損	3,354	10,151
At 31 December	於十二月三十一日	23,937	20,583

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

22 REINSURERS' SHARE OF INSURANCE CONTRACT PROVISIONS

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, reinsurance and property casualty insurance businesses.

22 分保公司應佔保險合約準備

分保公司應佔保險合約準備份額，代表再保險公司於由人壽保險、再保險及財產保險業務產生的壽險責任準備金、未到期責任準備金及未決賠款準備的份額。

		The Group 本集團	
		2008	2007
		\$'000	\$'000
		千元	千元
Life insurance funds (Note 27)	壽險責任準備金 (附註27)	7,780	3,386
Unearned premium provisions (Note 28)	未到期責任準備金 (附註28)	493,227	101,350
Provision for outstanding claims (Note 29)	未決賠款準備 (附註29)	920,955	272,004
		1,421,962	376,740

23 OTHER DEBTORS

23 其他應收賬款

		The Group 本集團		The Company 本公司	
		2008	2007	2008	2007
		\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元
Other debtors, deposits and prepayments	其他應收賬款、按金及預付款	1,699,626	1,155,133	11,591	51,167
Less: allowance for doubtful debts (Note (a))	減：呆壞賬準備 (註(a))	(8,668)	—	—	—
		1,690,958	1,155,133	11,591	51,167
Loans and advances (Note (b))	貸款及墊款 (註(b))	380,541	276,219	—	—
		2,071,499	1,431,352	11,591	51,167

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

23 OTHER DEBTORS (Continued)

(a) Movement in the allowance for doubtful debts:

		The Group 本集團	
		2008 \$'000 千元	2007 \$'000 千元
At 1 January	於一月一日	—	—
Impairment losses recognized	已確認減值虧損	8,668	—
At 31 December	於十二月三十一日	8,668	—

The amount of impaired debts are \$8,668,000 (2007: nil). We have taken various actions to recover the debts, but these debts have not yet been recovered.

債務減值為8,668,000元(二零零七年：無)。我們已採取各種各樣的行動收回債務，但該筆債務仍未收回。

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

		2008 \$'000 千元	2007 \$'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	380,541	276,219	4.5 — 4.7%	Less than 6 months 六個月以內

There was no amount due but unpaid, nor any provision made against the principal amount or interest on these loans as of 31 December 2007 and 2008.

於二零零七年及二零零八年十二月三十一日，沒有已到期但未支付，也沒有任何對這些貸款的本金或利息作出任何撥備。

24 PLEDGED DEPOSITS AT BANKS

The deposits at banks of \$102,453,000 (2007: \$97,417,000) are pledged to banks to secure letters of credit issued on behalf of the Group.

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

24 已抵押銀行存款

銀行存款中一筆為數102,453,000元(二零零七年：97,417,000元)已抵押予銀行作為銀行代表本集團發出信用狀提供保證。

所有已抵押銀行存款預計在一年內支付。

25 STATUTORY DEPOSITS

Certain subsidiaries of the Group have placed \$975,180,000 (2007: \$640,764,000) 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.

In addition, a subsidiary of the Group has pledged a deposit of \$20,150,000 (2007: \$12,475,000) registered in favour of the Monetary Authority of Singapore pursuant to section 14A of the Singapore Insurance Act.

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975,180,000元(二零零七年：640,764,000元)的款項存於銀行，作為資本保證基金。該筆款項只可在該附屬公司不能達到法定償付能力要求或清盤時，並得到有關政府部門批准，方可動用。

此外，本集團一間附屬公司根據新加坡保險條例第14A規定持有一筆為數20,150,000元(二零零七年：12,475,000元)的抵押存款，登記人為新加坡金融管理局。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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(以港幣列示)

26 CASH AND CASH EQUIVALENTS

26 現金及現金等價物

		The Group 本集團		The Company 本公司	
		2008 \$'000 千元	2007 \$'000 千元	2008 \$'000 千元	2007 \$'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	2,840,969	2,623,848	250,141	609,722
Money market funds	貨幣市場基金	1,462,825	393,259	—	—
Cash at bank and in hand	銀行及庫存現金	3,528,001	2,120,528	1,637	12,437
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	7,831,795	5,137,635	251,778	622,159

27 LIFE INSURANCE FUNDS

27 壽險責任準備金

		2008			2007		
		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	38,529,656	(3,386)	38,526,270	24,406,372	(462)	24,405,910
Premiums written during the year	年內承保保費	21,207,791	(110,221)	21,097,570	16,245,249	(66,253)	16,178,996
Surrenders	退保	(3,472,704)	—	(3,472,704)	(3,452,949)	—	(3,452,949)
Annuity and maturity payments	年金及到期付款	(102,865)	—	(102,865)	(83,004)	—	(83,004)
Policy dividends	保單分紅	(120,510)	—	(120,510)	(71,041)	—	(71,041)
Other movements	其他變動	(5,765,061)	106,082	(5,658,979)	(786,010)	63,478	(722,532)
Exchange alignment	匯兌調整	2,510,906	(255)	2,510,651	2,271,039	(149)	2,270,890
Balance as at 31 December	於十二月三十一日結餘	52,787,213	(7,780)	52,779,433	38,529,656	(3,386)	38,526,270

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 the China Life table (2000-2003); and
- Lapse rates based on 100% of pricing assumptions.

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100%計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

27 LIFE INSURANCE FUNDS (Continued)

27 壽險責任準備金 (續)

Sensitivities of changes in key assumptions:

主要假設變動的敏感度：

Impact on profit after
tax and total equity
對除稅後溢利及
總權益的影響
HK\$'million
百萬港元

		Impact on profit after tax and total equity 對除稅後溢利及 總權益的影響 HK\$'million 百萬港元
2008		
1% increase in interest rate	利率增加1%	245.35
10% decrease in mortality/morbidity rate	死亡率／發病率減少10%	15.79
2007		
1% increase in interest rate	利率增加1%	149.74
10% decrease in mortality/morbidity rate	死亡率／發病率減少10%	12.42

During the year, there were 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。

28 UNEARNED PREMIUM PROVISIONS

28 未到期責任準備金

		2008			2007		
		Reinsurers' share			Reinsurers' share		
		Gross	再保險	Net	Gross	再保險	Net
		總額	公司份額	淨額	總額	公司份額	淨額
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元
Reinsurance (Note (i))	再保險 (註(i))	613,329	(76,395)	536,934	566,064	(62,890)	503,174
Life insurance (Note (ii))	人壽保險 (註(ii))	397,415	(46,236)	351,179	327,860	(38,460)	289,400
Property and casualty insurance (Note (iii))	財產保險 (註(iii))	2,446,005	(370,596)	2,075,409	—	—	—
Balance as at 31 December	於十二月三十一日結餘	3,456,749	(493,227)	2,963,522	893,924	(101,350)	792,574

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

28 UNEARNED PREMIUM PROVISIONS (Continued)

28 未到期責任準備金 (續)

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：

		2008			2007		
		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	566,064	(62,890)	503,174	527,934	(62,873)	475,061
Premiums written during the year	年內承保保費	1,838,999	(270,337)	1,568,662	1,681,212	(211,150)	1,470,062
Premiums earned during the year	年內已賺取保費	(1,791,734)	256,832	(1,534,902)	(1,643,082)	201,133	(1,441,949)
Balance as at 31 December	於十二月三十一日結餘	613,329	(76,395)	536,934	566,064	(62,890)	503,174

(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：

		2008			2007		
		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	327,860	(38,460)	289,400	325,034	(35,698)	289,336
Premiums written during the year	年內承保保費	21,207,791	(110,221)	21,097,570	16,245,249	(66,253)	16,178,996
Premiums earned during the year	年內已賺取保費	(21,159,037)	104,880	(21,054,157)	(16,265,298)	66,101	(16,199,197)
Exchange alignment	匯兌調整	20,801	(2,435)	18,366	22,875	(2,610)	20,265
Balance as at 31 December	於十二月三十一日結餘	397,415	(46,236)	351,179	327,860	(38,460)	289,400

(iii) Analysis of movement in the unearned premium provisions for the property and casualty insurance business:

(iii) 財產保險業務的未到期責任準備金變化分析：

		2008			2007		
		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	—	—	—	—	—	—
Acquisition of subsidiary	於購入一間附屬公司時獲取	2,430,084	(325,845)	2,104,239	—	—	—
Premiums written during the year	年內承保保費	1,949,904	(349,760)	1,600,144	—	—	—
Premiums earned during the year	年內已賺取保費	(1,924,754)	312,290	(1,612,464)	—	—	—
Exchange alignment	匯兌調整	(9,229)	(7,281)	(16,510)	—	—	—
Balance as at 31 December	於十二月三十一日結餘	2,446,005	(370,596)	2,075,409	—	—	—

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綜合財務報表附註 (續)

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29 PROVISION FOR OUTSTANDING CLAIMS

29 未決賠款準備

		2008			2007		
		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))	2,548,443	(336,683)	2,211,760	2,349,612	(260,608)	2,089,004
Life insurance (Note (iii))	人壽保險 (註(iii))	268,338	(15,925)	252,413	147,320	(11,396)	135,924
Property and casualty insurance (Note (iii))	財產保險 (註(iii))	1,652,048	(568,347)	1,083,701	—	—	—
Balance as at 31 December	於十二月三十一日結餘	4,468,829	(920,955)	3,547,874	2,496,932	(272,004)	2,224,928

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：

		2008			2007		
		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	2,349,612	(260,608)	2,089,004	2,133,272	(300,589)	1,832,683
Claims paid during the year	年內已付賠款	(853,964)	88,959	(765,005)	(846,185)	107,282	(738,903)
Claims incurred during the year	年內索賠	1,052,795	(165,034)	887,761	1,062,525	(67,301)	995,224
Balance as at 31 December	於十二月三十一日結餘	2,548,443	(336,683)	2,211,760	2,349,612	(260,608)	2,089,004

(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：

		2008			2007		
		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	147,320	(11,396)	135,924	52,894	(2,285)	50,609
Claims paid during the year	年內已付賠款	(485,429)	(155)	(485,584)	(421,081)	39,520	(381,561)
Claims incurred during the year	年內索賠	596,118	(3,628)	592,490	508,046	(48,109)	459,937
Exchange alignment	匯兌調整	10,329	(746)	9,583	7,461	(522)	6,939
Balance as at 31 December	於十二月三十一日結餘	268,338	(15,925)	252,413	147,320	(11,396)	135,924

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

29 PROVISION FOR OUTSTANDING CLAIMS (Continued)

(iii) Analysis of movement in the provision for outstanding claims for the property and casualty insurance business:

29 未決賠款準備 (續)

(iii) 財產保險業務的未決賠款準備變化分析：

		2008			2007		
		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	—	—	—	—	—	
Acquisition of subsidiary	於購入一間附屬公司時獲取	1,550,105	(562,503)	987,602	—	—	
Claims paid during the year	年內已付賠款	(1,192,865)	223,093	(969,772)	—	—	
Claims incurred during the year	年內索賠	1,307,346	(235,268)	1,072,078	—	—	
Exchange alignment	匯兌調整	(12,538)	6,331	(6,207)	—	—	
Balance as at 31 December	於十二月三十一日結餘	1,652,048	(568,347)	1,083,701	—	—	

30 INVESTMENT CONTRACT LIABILITIES

30 投資合約負債

		The Group 本集團	
		2008 \$'000 千元	2007 \$'000 千元
Balance as at 1 January	於一月一日結餘	157,421	115,681
Premiums written during the year	年內承保保費	230,536	58,584
Surrenders and withdrawals	退保及提取	(152,066)	(16,844)
Balance as at 31 December	於十二月三十一日結餘	235,891	157,421

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

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	
		2008 \$'000 千元	2007 \$'000 千元	2008 \$'000 千元	2007 \$'000 千元
Provision for Hong Kong Profits Tax for the year	本年度香港利得稅準備	7,576	64,091	—	10,893
Provisional Hong Kong Profits Tax paid	已暫繳的利得稅	(1,640)	(33,223)	—	—
		5,936	30,868	—	10,893
Balance of Hong Kong Profits Tax provision relating to prior years	屬於往年度利得稅準備的結餘	36,551	54,069	—	—
Taxation outside Hong Kong	香港以外的稅項	15,119	1,062	—	—
		57,606	85,999	—	10,893
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 recognized in the balance sheet	已確認於資產負債表的可收回稅項淨額	(1,640)	—	—	—
Net current taxation recognized in the balance sheet	已確認於資產負債表的當期稅項淨額	59,246	85,999	—	10,893
		57,606	85,999	—	10,893

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

31 INCOME TAX IN THE BALANCE SHEET (Continued)

31 資產負債表的利得稅 (續)

(b) Deferred tax assets and liabilities recognized:

The Group

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

(b) 已確認遞延稅項資產及負債：

本集團

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

Deferred tax arising from:	遞延稅項來自：	Difference in depreciation allowances and related depreciation and the difference of properties	Revaluation of properties	Fair value adjustment arising from business combination and而引起之公允價值調整	Fair value adjustment of available-for-sale securities	Securities designated at fair value through profit or loss 指定為透過損益以反映公允價值證券	Unused tax losses	Life insurance funds 壽險責任準備金	Provision for outstanding claims 未決賠款準備	Others 其他	Total 總額
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
At 1 January 2008	於二零零八年一月一日	11,083	(384)	—	(278,108)	(270,337)	1,211	(413,120)	1,539	1,733	(946,383)
(Charged)/credited to consolidated income statement	於綜合損益表(支出)/抵免	(8,739)	(18)	—	144	283,812	8,654	(193,558)	6,464	(1,821)	94,938
Charged to reserves	於儲備入賬	—	—	—	303,201	—	—	—	—	—	303,201
Arising on acquisition of subsidiary	於購入一間附屬公司時	—	—	(13,870)	—	—	—	—	—	—	(13,870)
Exchange difference	匯兌調整	492	—	—	(16,904)	(13,562)	—	(27,671)	167	85	(57,393)
At 31 December 2008	於二零零八年十二月三十一日	2,836	(402)	(13,870)	8,333	(87)	9,865	(634,349)	8,170	(3)	(619,507)
At 1 January 2007	於二零零七年一月一日	14,983	(322)	—	(517,453)	(190,971)	268,728	(237,165)	1,305	(2,963)	(663,858)
(Charged)/credited to consolidated income statement	於綜合損益表(支出)/抵免	(4,640)	(62)	—	—	(62,835)	(275,645)	(152,344)	134	4,714	(490,678)
Charged to reserves	於儲備入賬	—	—	—	275,584	—	—	—	—	—	275,584
Exchange difference	匯兌調整	740	—	—	(36,239)	(16,531)	8,128	(23,611)	100	(18)	(67,431)
At 31 December 2007	於二零零七年十二月三十一日	11,083	(384)	—	(278,108)	(270,337)	1,211	(413,120)	1,539	1,733	(946,383)

2008
\$'000
千元

2007
\$'000
千元

Net deferred tax asset recognized in the consolidated balance sheet	已確認於綜合資產負債表的遞延稅項資產淨額	22,353	2,648
Net deferred tax liability recognized in the consolidated balance sheet	已確認於綜合資產負債表的遞延稅項負債淨額	(641,860)	(949,031)
		(619,507)	(946,383)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (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 recognized: (Continued)

The Company

The components of deferred tax (assets)/liabilities recognized in the balance sheet and the movements during the year were as follows:

Deferred tax arising from:	遞延稅項來自：	Fair value adjustment of available-for-sale securities 可供出售證券公允價值調整 \$'000 千元
At 1 January 2008	於二零零八年一月一日	157
Charged to reserves	於儲備入賬	(5,706)
At 31 December 2008	於二零零八年十二月三十一日	(5,549)
At 1 January 2007	於二零零七年一月一日	4,406
Charged to reserves	於儲備入賬	(4,249)
At 31 December 2007	於二零零七年十二月三十一日	157

(c) Deferred tax assets not recognized

At 31 December 2008, the Group did not recognize deferred tax assets in respect of certain tax losses of \$1,015,878,000 (2007: \$193,044,000). Of this amount, the total tax loss of \$832,597,000 (2007: \$183,783,000) can be carried forward up to five years after the year in which the loss was originated to offset future taxable profits, while 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(資產)/負債的組合及本年度的變動情況如下：

(c) 未確認的遞延稅項資產

於二零零八年十二月三十一日，本集團未有確認1,015,878,000元(二零零七年：193,044,000元)之稅項虧損而產生的遞延稅項資產。於該數額內，832,597,000元(二零零七年：183,783,000元)稅項虧損總額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 CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (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	
		2008 \$'000 千元	2007 \$'000 千元
USD notes due 2013 (Note (a))	於二零一三年到期的美元票據 (註(a))	1,350,576	1,358,467
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))	1,700,895	1,601,910
RMB subordinated notes due 2018 (Note (c))	於二零一八年到期的人民幣次級票據 (註(c))	2,324,557	—
		5,376,028	2,960,377
Fair value of interest-bearing notes	需付息票據公允價值	5,363,591	2,962,015

Notes:

- (a) On 12 November 2003, a subsidiary of the Group issued 5.8% notes for the principal amount of US\$175,000,000 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, TPL, a subsidiary of the Group issued 4.45% subordinated notes at par for the principal amount of RMB1,500,000,000. The notes will be redeemed on 30 November 2013 and cannot be repaid on demand before then. Interest on the notes is payable annually in arrears.

The notes issued are free of any collateral and guarantee.

- (c) During September and December 2008, TPL and TPI, subsidiaries of the Group issued 6.3% subordinated notes at par for the principal amount of RMB1,350,000,000 and RMB700,000,000, respectively. The notes will mature in September and October 2018 but the notes can be redeemed at the fifth anniversary year of the issue date. Interest on the notes is payable annually in arrears.

The notes issued by TPL are free of any collateral and guarantee. The notes issued by TPI are free of any collateral but are unconditionally and irrevocably guaranteed by CIHC.

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。票據在新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，太平人壽，本集團一家附屬公司，以票面值發行了本金價值1,500,000,000元人民幣4.45%的次級票據。票據將於二零一三年十一月三十日贖回及於該日期前不可被即時償還。票據利息每年於年末支付。

票據並無任何抵押品及擔保。

- (c) 於二零零八年九月及十二月，太平人壽及太平保險，本集團之附屬公司分別以票面值發行了本金價值1,350,000,000元人民幣及700,000,000元人民幣6.3%的次級票據。票據將分別於二零一八年九月及十月到期，但票據可以於發行日的第五週年贖回。票據利息每年於年末支付。

太平人壽發行之票據並無任何抵押品及擔保。太平保險發行之票據並無任何抵押品但由中保控股提供無條件及不可撤銷的擔保。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (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	
		2008 \$'000 千元	2007 \$'000 千元
Amounts due to insurance customers and suppliers	應付保險客戶及供應商款項	185,198	53,312
Amounts due to insurance intermediaries	應付保險中介款項	57,834	101,732
Deposits retained from retrocessionaires	轉分保險人保留的按金	22,584	22,820
Prepaid premiums received	預收保費	474,523	216,252
		740,139	394,116

All of the amounts due to 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。

The amounts due to insurance customers and suppliers include amounts due to fellow subsidiaries of \$2,953,000 (2007: \$16,620,000) which are insurance related in nature.

應付保險客戶及供應商款項包括應付同系附屬公司款項為2,953,000元(二零零七年: 16,620,000元)，有關款項屬保險性質。

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

應付保險客戶及供應商款項之賬齡分析如下：

		The Group 本集團	
		2008 \$'000 千元	2007 \$'000 千元
Current	現時	164,441	18,890
More than 3 months but less than 12 months	超過三個月但少於十二個月	12,494	27,363
More than 12 months	超過十二個月	8,263	7,059
		185,198	53,312

34 OTHER CREDITORS

34 其他應付賬款

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

所有其他應付賬款預期將於一年內清償。

35 INSURANCE PROTECTION FUND

35 保險保障基金

The amount represents the amount payable to the insurance protection fund at balance sheet date. According to the CIRC's Order (2004) No. 16 "Administration rule on insurance protection fund", the insurance protection fund is calculated on the basis of 1% of retained premium for accident and short-term health policies, 0.15% of retained premium for long-term life and long-term health policies with guaranteed interest, and 0.05% of retained premium for long-term life policies without guaranteed interest. The ceiling of the fund for a life insurance company is 1% of its total assets.

金額代表於結算日應付保險保障基金之金額。根據中國保監會令[2004]16號《保險保障基金管理辦法》，保險保障基金的提撥是按個人意外及短期健康保單自留保費的1%，含保證利息的長期人壽及長期健康險保單自留保費的0.15%及不含保證利息的長期人壽保單自留保費的0.05%。當人壽保險的保險保障基金餘額達到總資產的1%時，不再提取保險保障基金。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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(以港幣列示)

36 SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

The Group enters into transactions by which it transfers financial assets directly to third parties. These transfers will not give rise to derecognition of the financial assets concerned as all the risks and rewards of ownership are not transferred and control is retained.

All of the securities sold under repurchase agreements are denominated in RMB and expected to be settled within one year.

36 賣出回購證券

本集團進行交易把其金融資產直接轉移至第三者。這些轉移不會構成有關的金融資產被終止確認，因為所有風險及回報之擁有權沒有轉移及仍保留控制權。

所有賣出回購證券以人民幣為單位及預期在一年內支付。

37 SHARE CAPITAL

37 股本

		2008		2007	
		No. of shares 股份數目	\$'000 千元	No. of shares 股份數目	\$'000 千元
Authorized:	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	1,415,272,592	70,764	1,406,251,592	70,313
Shares issued under Share Option Scheme (note (a))	根據認股權計劃發行的股份(註(a))	6,449,000	322	9,021,000	451
At 31 December	於十二月三十一日	1,421,721,592	71,086	1,415,272,592	70,764

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

- (a) During the year ended 31 December 2008, options were exercised to subscribe for 6,449,000 ordinary shares (see note 40(a)) in the Company at a consideration of \$15,413,000 of which \$322,000 was credited to share capital and the balance of \$15,091,000 was credited to the share premium account.

During the year ended 31 December 2007, options were exercised to subscribe for 9,021,000 ordinary shares (see note 40(a)) in the Company at a consideration of \$22,346,000 of which \$451,000 was credited to the share capital and the balance of \$21,895,000 was credited to the share premium account.

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) 截至二零零八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6,449,000股(參看附註40(a))，總價款為15,413,000元。其中322,000元已計入股本，餘數15,091,000元已計入股份溢價賬。

截至二零零七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9,021,000股(參看附註40(a))，總價款為22,346,000元。其中451,000元已計入股本，餘數21,895,000元已計入股份溢價賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (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	Share premium	Exchange reserve	Fair value reserve	Employee share-based compensation reserve	Shares held for Share Award Scheme	Revaluation reserve	Retained profits	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元	千元	千元	千元
At 1 January 2008	於二零零八年 一月一日	567,458	2,201,064	200,357	726,901	23,336	(111,147)	—	2,006,893	5,614,862
Shares issued and share option exercised	已發行股份及 已行使股權	—	17,184	—	—	—	—	—	—	17,184
Exchange differences on translation of the financial statements of subsidiaries	換算附屬公司 賬項的 匯兌差異	—	—	147,704	—	—	—	—	—	147,704
Available-for-sale securities (note(i)):	可供出售證券 (註(i)):	—	—	—	(866,543)	—	—	—	—	(866,543)
— changes in fair value	— 公允價值變化	—	—	—	(921,241)	—	—	—	—	(921,241)
— deferred tax recognized	— 確認遞延稅項	—	—	—	158,783	—	—	—	—	158,783
— transferred to profit or loss	— 轉至損益表	—	—	—	(104,085)	—	—	—	—	(104,085)
Loss for the year	本年度虧損	—	—	—	—	—	—	—	(299,715)	(299,715)
Dividend paid	已支付股息	—	—	—	—	—	—	—	(141,454)	(141,454)
Transferred to retained profits on disposal of revoked shares for Share Award Scheme	出售股份獎勵 計劃之取消 股份轉入 保留溢利	—	—	—	—	—	—	—	(5,052)	(5,052)
Shares purchased for Share Award Scheme	為股份獎勵計劃 購入之股份	—	—	—	—	—	14,359	—	—	14,359
Equity settled share- based transactions	股本償付之股份 為本文交易	—	—	—	—	27,533	—	—	—	27,533
Revaluation increase on acquisition of additional interest in an associate	購入一間 聯營公司 額外權益 之重估增值	—	—	—	—	—	—	16,655	—	16,655
At 31 December 2008	於二零零八年 十二月三十一日	567,458	2,218,248	348,061	(139,642)	50,869	(96,788)	16,655	1,560,672	4,525,533

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (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	Share premium	Exchange reserve	Fair value reserve	Employee share-based compensation reserve	Shares held for Share Award Scheme	Retained profits	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元	千元	千元
At 1 January 2007	於二零零七年一月一日	567,458	2,174,123	46,986	841,088	20,530	–	457,821	4,108,006
Shares issued	已發行股份	–	26,941	–	–	–	–	–	26,941
Exchange differences on translation of the financial statements of subsidiaries	換算附屬公司 賬項的匯兌差異	–	–	153,371	–	–	–	–	153,371
Available-for-sale securities (note(i)):	可供出售證券 (註(i)):	–	–	–	(114,187)	–	–	–	(114,187)
– changes in fair value	– 公允價值變化	–	–	–	1,479,070	–	–	–	1,479,070
– deferred tax recognized	– 確認遞延稅項	–	–	–	145,934	–	–	–	145,934
– transferred to profit or loss	– 轉至損益表	–	–	–	(1,739,191)	–	–	–	(1,739,191)
Profit for the year	本年度溢利	–	–	–	–	–	–	1,549,072	1,549,072
Shares purchased for Share Award Scheme	為股份獎勵計劃 購入之股份	–	–	–	–	–	(111,147)	–	(111,147)
Equity settled share-based transactions	股本償付之股份 為本交易	–	–	–	–	2,806	–	–	2,806
At 31 December 2007	於二零零七年 十二月三十一日	567,458	2,201,064	200,357	726,901	23,336	(111,147)	2,006,893	5,614,862

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (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：

		Reinsurance 再保險 \$'000 千元	Life insurance 人壽保險 \$'000 千元	2008 Property and casualty insurance 財產保險 \$'000 千元	Corporate and other businesses 企業及 其他業務 \$'000 千元	Total 總額 \$'000 千元
Note (i)	註(i)					
Debt securities	債務證券	(65,043)	1,380,585	64,848	(46,846)	1,333,544
Direct equity securities	直接股本證券	(93,428)	(1,254,277)	(353)	(256,671)	(1,604,729)
Equity investment funds	股本投資基金	—	(1,154,854)	(27,853)	—	(1,182,707)
Composite investment funds	綜合投資基金	(12,945)	—	—	—	(12,945)
		(171,416)	(1,028,546)	36,642	(303,517)	(1,466,837)
Deferred tax charged to reserves	於儲備入賬之遞延稅項	7,165	290,503	(1,378)	6,911	303,201
Share of associates	聯營公司份額	—	—	—	(54,024)	(54,024)
Shared by minority interests	少數股東應佔權益	—	368,622	(17,505)	—	351,117
		(164,251)	(369,421)	17,759	(350,630)	(866,543)
				2007	Corporate and other businesses 企業及其他業務	Total 總額
		Reinsurance 再保險 \$'000 千元	Life insurance 人壽保險 \$'000 千元		企業及 其他業務 \$'000 千元	\$'000 千元
Note (i)	註(i)					
Debt securities	債務證券	9,489	(2,386,703)		3,861	(2,373,353)
Direct equity securities	直接股本證券	(99,922)	1,414,304		7,365	1,321,747
Equity investment funds	股本投資基金	—	451,170		—	451,170
Composite investment funds	綜合投資基金	4,271	—		—	4,271
		(86,162)	(521,229)		11,226	(596,165)
Deferred tax charged to reserves	於儲備入賬之遞延稅項	10,615	259,556		5,413	275,584
Share of associates	聯營公司份額	—	—		75,689	75,689
Shared by minority interests	少數股東應佔權益	—	130,705		—	130,705
		(75,547)	(130,968)		92,328	(114,187)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

38 RESERVES (Continued)

(a) The Group (Continued)

Included in the retained profits is an amount of \$3,928,000 (2007: loss of \$229,634,000), being the retained profits attributable to associates.

Included in the fair value reserve is an amount of \$46,505,000 (2007: \$80,880,000), being the fair value reserves attributable to associates.

(b) The Company

38 儲備 (續)

(a) 本集團 (續)

保留溢利當中包括聯營公司的保留溢利，為數3,928,000元(二零零七年：虧損229,634,000元)。

公允價值儲備當中包括聯營公司的公允價值儲備，為數46,505,000元(二零零七年：80,880,000元)。

(b) 本公司

		Share premium	Fair value reserve	Employee share-based reserve	Shares held for Share Award Scheme	Retained profits	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元
At 1 January 2008	於二零零八年一月一日	2,201,064	3,452	22,693	(99,687)	220,322	2,347,844
Shares issued	已發行股份	15,091	—	—	—	—	15,091
Available-for-sale securities:	可供出售證券：						
— Changes in fair value (note (i))	— 公允價值變化 (註(i))	—	(80,223)	—	—	—	(80,223)
— Deferred tax recognized	— 確認遞延稅項	—	5,706	—	—	—	5,706
Loss for the year	本年度虧損	—	—	—	—	(152,582)	(152,582)
Dividend paid	已付股息	—	—	—	—	(141,572)	(141,572)
Transferred to retained profits on disposal of revoked shares for Share Award Scheme	出售股份獎勵計劃之取消股份轉入保留溢利	—	—	—	—	(6,446)	(6,446)
Shares disposed for Share Award Scheme	為股份獎勵計劃出售之股份	—	—	—	26,867	—	26,867
Share options exercised	已行使認股權	2,093	—	(2,093)	—	—	—
Share options granted and vested	已授出及已歸屬認股權	—	—	4,986	—	—	4,986
Shares awarded	已獎授股份	—	—	17,879	—	—	17,879
		2,218,248	(71,065)	43,465	(72,820)	(80,278)	2,037,550
At 31 December 2008	於二零零八年十二月三十一日						
At 1 January 2007	於二零零七年一月一日	2,174,123	20,772	20,530	—	9,592	2,225,017
Shares issued	已發行股份	21,895	—	—	—	—	21,895
Available-for-sale securities:	可供出售證券：						
— Changes in fair value (note (i))	— 公允價值變化 (註(i))	—	(21,569)	—	—	—	(21,569)
— Deferred tax recognized	— 確認遞延稅項	—	4,249	—	—	—	4,249
Profit for the year	本年度溢利	—	—	—	—	210,730	210,730
Shares purchased for Share Award Scheme	為股份獎勵計劃購入之股份	—	—	—	(99,687)	—	(99,687)
Share options exercised	已行使認股權	5,046	—	(5,046)	—	—	—
Share options granted and vested	已授出及已歸屬認股權	—	—	7,149	—	—	7,149
Shares awarded	已獎授股份	—	—	60	—	—	60
		2,201,064	3,452	22,693	(99,687)	220,322	2,347,844
At 31 December 2007	於二零零七年十二月三十一日						

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

38 RESERVES (Continued)

38 儲備 (續)

(b) The Company (Continued)

(b) 本公司 (續)

		2008 \$'000 千元	2007 \$'000 千元
Note (i) Changes in fair value	註(i)：公允價值變化		
Debt securities	債務證券	(45,695)	2,710
Direct equity securities	直接股本證券	(34,528)	(24,279)
		(80,223)	(21,569)

(c) Nature or purpose of reserves

(c) 儲備目的或性質

(i) Capital reserve

The 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 consideration for the acquisition.

(i) 資本儲備

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) Share premium

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

(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) Exchange reserve

The exchange reserve is comprised of all of the foreign exchange differences arising from the translation of the financial statements of the foreign operations into the Group's presentation currency. The reserve is dealt with in accordance with the accounting policy set out in note 1(w).

(iii) 匯兌儲備

匯兌儲備包括換算所有海外業務賬項至本集團之呈報貨幣所產生的匯兌差異。此儲備根據有關附註1(w)所載的會計政策處理。

(iv) Fair value reserve

The fair value reserve is comprised of 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 set out in note 1(h)(iii).

(iv) 公允價值儲備

公允價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允價值變動淨額。

(v) Employee share-based compensation reserve

The employee share-based compensation reserve is comprised of the fair value of the actual or estimated number of unexercised share options and unvested awarded shares granted to employees of the Group recognized in accordance with the accounting policy adopted for share based payments set out in note 1(ab)(i).

(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(ab)(i)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行使認股權及未歸屬已獎授股份數目的公允價值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

38 RESERVES (Continued)

(c) Nature or purpose of reserves (Continued)

(vi) Shares held for Share Award Scheme

The Shares held for Share Award Scheme is the consideration paid, including any directly attributable incremental costs for purchase of shares under the Share Award Scheme, in accordance with the accounting policy set out in note 1(ab)(ii).

(vii) Revaluation reserve

The revaluation reserve represents the restatement of fair value of the assets and liabilities from the acquisition of TPI relating to previously held interest in TPI.

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 a 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 authorized by municipal and provincial governments for its staff. These subsidiaries are required to contribute at a rate of 10.0% to 19.0% (2007: 19.0%) of the salaries, bonuses and certain allowances of their staff to the retirement plans. 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 obligations for the payment of its staff's retirement and other post-employment benefits other than the contributions described above.

38 儲備 (續)

(c) 儲備目的或性質 (續)

(vi) 為股份獎勵計劃而持有之股份

為股份獎勵計劃而持有之股份是已支付之代價，並根據附註1(ab)(ii)內的會計政策，包括在股份獎勵計劃下購買股份的所有直接相關的增量成本。

(vii) 重估儲備

重估儲備代表購入太平保險時，有關過往持有太平保險權益的資產及負債之公允價值重估。

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托人管理，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。這些附屬公司須按其僱員的薪金，花紅及某些津貼的10.0%至19.0%（二零零七年：19.0%）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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

40 EQUITY COMPENSATION BENEFITS

40 股本補償福利

(a) Share Options Scheme

The Group has two share option schemes. Under the Old Scheme, the directors of the Company were authorized, 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 under effect on 1 September 2001.

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

All of the share options are settled in equity.

(i) Movements in share options

(a) 認股權計劃

本集團擁有兩項認股權計劃。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。

(i) 認股權的變動

		2008 Number 數目	2007 Number 數目
At 1 January	於一月一日	20,701,000	28,590,000
Granted	已授出	350,000	1,150,000
Exercised (note 37)	已行使 (附註37)	(6,449,000)	(9,021,000)
Lapsed	失效	—	(18,000)
At 31 December	於十二月三十一日	14,602,000	20,701,000
Options vested at 31 December	於十二月三十一日已歸屬的認股權	14,334,000	20,167,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

40 EQUITY COMPENSATION BENEFITS (Continued)

40 股本補償福利 (續)

(a) Share Options Scheme (Continued)

(a) 認股權計劃 (續)

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

(ii) 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	2008 Number 數目	2007 Number 數目
25 September 2000 to 9 October 2000 2000年9月25日 至2000年10月9日	25 September 2000 to 8 October 2010 2000年9月25日 至2010年10月8日	1.110	150,000	2,350,000
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	0.950	500,000	1,000,000
12 September 2002 to 23 September 2002 2002年9月12日 至2002年9月23日	12 September 2002 to 22 September 2012 2002年9月12日 至2012年9月22日	3.225	1,200,000	2,700,000
7 January 2003 2003年1月7日	7 January 2003 to 6 January 2013 2003年1月7日 至2013年1月6日	3.975	—	156,000
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	3.980	—	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	3.200	—	350,000
2 November 2005 (note(a)) 2005年11月2日 (註(a))	23 November 2005 to 27 November 2015 2005年11月23日 至2015年11月27日	2.875	11,077,000	11,945,000
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	3.300	—	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	5.000	—	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	9.800	175,000	175,000
26 February 2007 (note(b)) 2007年2月26日 (註(b))	26 February 2007 to 25 February 2017 2007年2月26日 至2017年2月25日	9.490	800,000	800,000
29 June 2007 2007年6月29日	29 June 2007 to 28 June 2017 2007年6月29日 至2017年6月28日	14.220	175,000	175,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

40 EQUITY COMPENSATION BENEFITS (Continued)

40 股本補償福利 (續)

(a) Share Options Scheme (Continued)

(a) 認股權計劃 (續)

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

(ii) 於結算日尚未屆滿及尚未行使的認股權的年期 (續)

Date granted 授出日期	Exercise period 行使期	Exercise price 行使價 \$ 元	2008 Number 數目	2007 Number 數目
31 December 2007 2007年12月31日	31 December 2007 to 30 December 2017 2007年12月31日 至2017年12月30日	21.400	175,000	175,000
30 June 2008 2008年6月30日	30 June 2008 to 29 June 2018 2008年6月30日 至2018年6月29日	19.316	175,000	—
31 December 2008 2008年12月31日	31 December 2008 to 30 December 2018 2008年12月31日 至2018年12月30日	11.920	175,000	—
			14,602,000	20,701,000

Notes:

- (a) No options lapsed during the year (2007: 18,000).
- (b) 268,000 options were unvested, and have vesting periods up to 26 February 2009.

註：

- (a) 沒有認股權於年內失效 (二零零七年：18,000)。
- (b) 其中268,000屬於尚未歸屬的認股權並於二零零九年二月二十六日前歸屬。

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

(iii) 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	2008 Number 數目	2007 Number 數目
23 November 2005 to 27 November 2015	2005年11月23日至 2015年11月27日	—	(18,000)
26 February 2007 to 25 February 2017	2007年2月26日至 2017年2月25日	—	800,000
29 June 2007 to 28 June 2017	2007年6月29日至 2017年6月28日	—	175,000
31 December 2007 to 30 December 2017	2007年12月31日至 2017年12月30日	—	175,000
30 June 2008 to 29 June 2018	2008年6月30日至 2018年6月29日	175,000	—
31 December 2008 to 30 December 2018	2008年12月31日至 2018年12月30日	175,000	—
		350,000	1,132,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

40 EQUITY COMPENSATION BENEFITS (Continued)

40 股本補償福利 (續)

(a) Share Options Scheme (Continued)

(a) 認股權計劃 (續)

(iv) Details of share options exercised during the year

(iv) 年內已行使的認股權詳情

Exercise date 行使日		Exercise price 行使價 \$ 元	Market value per share at exercise date 行使日 每股市價 \$ 元	Proceeds received 所得款項 \$'000 千元	Number 數目
11 January	一月十一日	1.110	19.98	222	200,000
23 January	一月二十三日	1.110	17.68	222	200,000
27 March	三月二十七日	3.225	18.46	4,838	1,500,000
27 March	三月二十七日	3.975	18.46	620	156,000
27 March	三月二十七日	3.980	18.46	1,393	350,000
27 March	三月二十七日	3.200	18.46	1,120	350,000
27 March	三月二十七日	2.875	18.46	1,725	600,000
27 March	三月二十七日	3.300	18.46	1,155	350,000
27 March	三月二十七日	5.000	18.46	875	175,000
2 July	七月二日	1.110	16.70	1,665	1,500,000
2 July	七月二日	0.950	16.70	475	500,000
2 July	七月二日	2.875	16.70	287	100,000
18 July	七月十八日	1.110	17.00	111	100,000
18 July	七月十八日	2.875	17.00	287	100,000
16 October	十月十六日	1.110	12.00	222	200,000
18 December	十二月十八日	2.875	11.60	196	68,000
2008	二零零八年			15,413	6,449,000
2007	二零零七年			22,346	9,021,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

40 EQUITY COMPENSATION BENEFITS (Continued)

40 股本補償福利 (續)

(a) Share Options Scheme (Continued)

(a) 認股權計劃 (續)

(v) Fair value of share options and assumptions

(v) 認股權的公允價值及假設

HKFRS 2 requires that, when the Group grants employees options to acquire shares of the Company, the Group recognizes 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.

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允價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。

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.

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

Fair value of share options and assumptions:

認股權的公允價值及假設：

2008		Date of grant 授出日	
		30 June 6月30日	31 December 12月31日
Fair value at measurement date (\$)	於計量日的公允價值(元)	12.47972	8.267513
Share price (\$)	股價(元)	18.600	11.92
Exercise price (\$)	行使價(元)	19.316	11.92
Expected volatility (note i)	預期波動率(註i)	61.32%	72.76%
Option life (Year)	認股權年期(年)	10	10
Expected dividends (note ii)	預期股息(註ii)	0.54%	0.84%
Risk-free interest rate (note iii)	無風險利率(註iii)	3.469%	1.191%

2007		Date of grant 授出日		
		26 February 2月26日	29 June 6月29日	31 December 12月31日
Fair value at measurement date (\$)	於計量日的公允價值(元)	5.095299	8.648458	14.44992
Share price (\$)	股價(元)	9.07	14.22	21.40
Exercise price (\$)	行使價(元)	9.49	14.22	21.40
Expected volatility (note i)	預期波動率(註i)	42.97%	46.23%	59.18%
Option life (Year)	認股權年期(年)	10	10	10
Expected dividends (note ii)	預期股息(註ii)	0.38%	0.38%	0.38%
Risk-free interest rate (note iii)	無風險利率(註iii)	4.206%	4.775%	3.441%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

40 EQUITY COMPENSATION BENEFITS (Continued)

(a) Share Options Scheme (Continued)

(v) Fair value of share options and assumptions (Continued)

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 fair value measurement of the services received on the grant date. There were no market conditions associated with the share option grants.

(b) Share Award Scheme

The purpose of the Share Award Scheme is to recognize and reward certain employees (including without limitation an employee who is also a director) of the Group and CIHC and its subsidiaries for their contributions to the Group and to give long-term incentives for retaining them for the continued operations and development of the Group.

The Share Award Scheme of the Company was adopted by the Board on 10 September 2007. A summary of the principal terms of the Share Award Scheme is set out in the Share Award Scheme Section of the Report of the Directors.

(i) Movements in the number of awarded shares and their related average fair value were as follows:

At 1 January	於一月一日
Awarded (note a)	已獎授 (註a)
Revoked (note b)	取消 (註b)
At 31 December (note c)	於十二月三十一日 (註c)

40 股本補償福利 (續)

(a) 認股權計劃 (續)

(v) 認股權的公允價值及假設 (續)

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允價值。並無市場條件與授予認股權有關。

(b) 股份獎勵計劃

股本獎勵計劃旨在肯定及表揚本集團及中保控股及其附屬公司的僱員(包括身為董事的僱員)對本集團作出貢獻及提供長效激勵讓他們繼續為本集團的持續營運及發展努力。

董事會於二零零七年九月十日採納本公司的股份獎勵計劃。股份獎勵計劃的主要條款概要載於董事會報告書「股份獎勵計劃」標題下的內文。

(i) 獎授股份數目變化及其有關平均公允價值如下：

		2008 Number 數目	2007 Number 數目
At 1 January	於一月一日	3,286,000	—
Awarded (note a)	已獎授 (註a)	594,000	3,286,000
Revoked (note b)	取消 (註b)	(556,500)	—
At 31 December (note c)	於十二月三十一日 (註c)	3,323,500	3,286,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (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) Share Award Scheme (Continued)

(i) Movements in the number of awarded shares and their related average fair value were as follows: (Continued)

Notes:

- (a) Included in the total number of awarded shares, 366,000 shares are purchased from the market during the year (2007: 3,286,000 shares).
- (b) The amount represents awarded shares lapsed automatically, according to the conditions under the Employees' Share Award Scheme.
- (c) At the end of the year the average fair value per share of \$21.59 (2007: \$21.44). The average fair value of the awarded shares is based on the closing price at the date of award and any directly attributable incremental costs.

Apart from the awarded shares, as at 31 December 2008, 1,396,500 shares (2007: 1,968,000 shares) are deemed as unallocated shares which are held under Share Award Scheme and are available for future award and/or disposal pursuant to the rules of Share Award Scheme.

(ii) The remaining vesting periods of the awarded shares outstanding are as follows:

Remaining vesting period 餘下歸屬期	At 31 December 2008 於二零零八年 十二月三十一日
	Number of awarded shares 獎授股份數目
1 year to 2 years 1年至2年	3,323,500

(b) 股份獎勵計劃

(i) 獎授股份數目變化及其有關平均公允價值如下：(續)

註：

- (a) 包括在已獎授股份數目中，366,000股獎授股份於期內從市場購入（二零零七年：3,286,000股）。
- (b) 數額代表根據僱員股份獎勵計劃自動失效之獎勵股份。
- (c) 於期末平均每股公允價值為21.59元（二零零七年：21.44元）。獎授股份的每股平均公允價值是根據獎授日之收市價，包括任何直接有關增量成本。

除已獎授股份外，於二零零八年十二月三十一日，1,396,500股（二零零七年：1,968,000股）被視為未分配的股份以股份獎勵計劃持有，可供日後根據股份獎授計劃獎勵及／或出售。

(ii) 獎授股份的餘下歸屬期如下：

Remaining vesting period 餘下歸屬期	At 31 December 2007 於二零零七年 十二月三十一日
	Number of Awarded shares 獎授股份數目
2 years to 3 years 2年至3年	3,286,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (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 未有期限 \$'000 千元	Total 總額 \$'000 千元
At 31 December 2008	於二零零八年 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)	1,620,479	1,139,268	2,164,441	610,639	4,992,594	—	10,527,421
Money market funds	貨幣市場基金	1,462,825	—	—	—	—	—	1,462,825
Pledged deposits at bank	已抵押予銀行的存款	—	102,453	—	—	—	—	102,453
Certificates of deposit (under held-to-maturity)	存款證 (持有至到期日)	—	38,750	—	203,750	—	—	242,500
Certificates of deposit (under available-for-sale)	存款證 (可供出售)	—	—	—	136,770	—	—	136,770
Debt securities (under held-to-maturity)	債務證券 (持有至到期日)	—	648,179	643,712	1,481,278	17,988,478	—	20,761,647
Debt securities (under available-for-sale)	債務證券 (可供出售)	943,430	70,413	311,340	4,947,851	19,462,660	131,487	25,867,181
Debt securities (under designated at fair value through profit or loss)	債務證券 (通過損益以 反映公允價值)	60,562	354,581	3,263	235,823	165,895	34,063	854,187
Debt securities (under loans and receivables)	債務證券 (貸款及應收 款項)	—	—	—	—	2,165,806	—	2,165,806
Loans and advances	貸款及墊款	—	380,541	—	—	—	—	380,541
		4,087,296	2,734,185	3,122,756	7,616,111	44,775,433	165,550	62,501,331

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

41 MATURITY PROFILE (Continued)

41 到期情況 (續)

(b) The Company

(b) 本公司

		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 未有期限 \$'000 千元	Total 總額 \$'000 千元
At 31 December 2008	於二零零八年 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	116,982	133,159	24,325	—	—	—	274,466
Debt securities	債務證券	—	—	30,281	255,555	116,807	—	402,643
		116,982	133,159	54,606	255,555	116,807	—	677,109
At 31 December 2007	於二零零七年 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	86,517	551,121	132,615	—	—	—	770,253
Debt securities	債務證券	—	—	—	135,326	39,004	—	174,330
		86,517	551,121	132,615	135,326	39,004	—	944,583

42 FAIR VALUES OF FINANCIAL INSTRUMENTS

42 金融工具的公允價值

(a) Fair value

All financial instruments are stated at fair value or carried at amounts not materially different from their fair values as of 31 December 2007 and 2008, except for held-to-maturity investments as set out in note 19(a)(i) and interest-bearing notes as set out in note 32.

(b) Estimation of fair values

The fair value of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to recent transaction price or quoted market bid prices and ask prices respectively; and
- The fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions.

(a) 公允價值

除附註19(a)(i)所載有關持有至到期投資及附註32所載有關需付息票據外，所有金融工具均是以公允價值或與其於二零零七年十二月三十一日和二零零八年同日的公允價值相若的金額入賬。

(b) 公允價值估計

金融資產及金融負債之公允價值乃按以下情況釐定：

- 具有標準條款及條件並於活躍流通市場買賣之金融資產及金融負債之公允價值乃分別參考最近交易價格或市場所報買入賣出價釐定；及
- 其他金融資產及金融負債(不包括衍生工具)之公允價值按折現現金流量分析之公認定價模式或採用從目前市場交易觀察所得之價格而釐定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

43 ACQUISITION OF SUBSIDIARY

On 15 July 2008, the Group acquired additional 10.025% equity interest of TPI by contributing additional capital of RMB157,393,000 (approximately HK\$179,878,000) into TPI. With this capital contribution, the Group's equity interest in TPI increased from 40.025% to 50.05%.

The net assets acquired in the transaction and the goodwill arising are as follows:

43 購入附屬公司

於二零零八年七月十五日，本集團以向太平保險增入額外資本人民幣157,393,000元（約179,878,000港元）購入太平保險額外10.025%權益。這資本投入，令本集團持有太平保險的權益由40.025%上升至50.05%。

交易購入之淨資產及所產生之商譽如下：

		TPI's carrying amount before combination 太平保險 合併前之 賬面值 \$'000 千元	Provisional fair value adjustment 暫定之 公允價值調整 \$'000 千元	Provisional fair value 暫定之 公允價值 \$'000 千元
Net assets acquired:	購入之淨資產：			
Statutory deposits	法定存款	296,644	—	296,644
Property and equipment	物業及設備	401,953	55,481	457,434
Prepaid lease payments	預付租賃付款	100,973	—	100,973
Investments in debt and equity securities	債務及股本證券投資	1,739,218	—	1,739,218
Insurance debtors	保險客戶應收賬款	479,756	—	479,756
Reinsurers' share of insurance contract provisions	分保公司應佔保險 合約準備	888,348	—	888,348
Other debtors	其他應收賬款	155,567	—	155,567
Deposits at banks with original maturity more than three months	原到期日超過三個月的 銀行存款	190,096	—	190,096
Cash and cash equivalents	現金及現金等價物	943,395	—	943,395
Less:	減：			
— Unearned premium provisions	— 未到期責任準備金	(2,430,084)	—	(2,430,084)
— Provision for outstanding claims	— 未決賠款準備	(1,550,105)	—	(1,550,105)
— Deferred tax liabilities	— 遞延稅項負債	—	(13,870)	(13,870)
— Other liabilities	— 其他負債	(620,590)	—	(620,590)
Net assets	淨資產	595,171	41,611	636,782
Minority interests	少數股東權益			(278,157)
Equity interest held originally as interests in associates	原已於聯營公司 的權益持有之權益			(146,333)
Cash contributed by the Group to maintain its original interests in TPI	本集團投入的現金以維持 於太平保險之權益			(123,503)
Revaluation increase in net assets attributable to interests originally held by the Group	本集團原持有權益 之應佔淨資產 重估增值			(16,655)
Goodwill (note)	商譽 (註)			107,744
				179,878
Total consideration satisfied by cash	以現金支付之總代價			179,878
Net cash inflow arising on acquisition:	因購入而產生 的淨現金流入：			
Cash consideration paid	已支付之現金代價			179,878
Less: cash and cash equivalents acquired	減：購入之現金 及現金等價物			(943,395)
				(763,517)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

43 ACQUISITION OF SUBSIDIARY (Continued)

Note:

- (a) The goodwill of \$107,744,000 were attributable to the difference between the consideration and the fair value of the underlying assets and liabilities acquired. The goodwill arose in the business combination because the consideration paid for the business combination effectively included the amounts in relation to the benefit of premium growth, future market development and the build up of economies of scale which enabled TPI to generate sustainable and consistent profitability in future. The Board is in the process of determining whether these future economic benefits can be reliably measured and recognized separately from goodwill. As such, the goodwill arising from the acquisition of above subsidiary may be subject to adjustment.

TPI contributed \$167,245,000 to the Group's loss for the period between the date of acquisition and the balance sheet date.

If the acquisition had been completed on 1 January 2008, total Group's gross premium written for the year would have been \$27,825,329,000, and loss for the year attributable to equity holders would have been \$331,525,000. The proforma information is for illustrative purposes only and is not necessarily an indication of revenue and results of the Group that actually would have been achieved had the acquisition been completed on 1 January 2008, nor, is it intended to be as projection of future results.

44 COMMITMENTS

- (a) Capital commitments outstanding as of 31 December 2008 were as follows:

Contracted for but not provided	已訂約但未反映
Authorised but not contracted for	批准但未簽約

- (b) As of 31 December 2008, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

Within 1 year	一年內
After 1 year but within 5 years	一年後但五年內
After 5 years	五年後

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.

43 購入附屬公司 (續)

註：

- (a) 107,744,000元之商譽，為有關代價及購入相關資產及負債公允價值之差額。業務合併中產生商譽乃由於支付代價實際上包括有關受惠於保費增長、未來市場發展及建立規模經濟效益，令太平保險於未來可產生持續及穩定的盈利能力。董事會正在訂定這些未來經濟效益能否可靠地計量及與商譽分開確認。因此，購入以上附屬公司所產生之商譽可能會有所調整。

從購入日至資產負債表日期間，太平保險為本集團產生虧損167,245,000元。

如於二零零八年一月一日完成購入，本年度本集團毛承保保費總額將為27,825,329,000元，及本年度虧損將為331,525,000元。預計決算表僅供說明股東應佔之用，並不代表如購入於二零零八年一月一日完成，本集團應有之溢利及業績亦不可用作未來業績之預測。

44 承擔

- (a) 於二零零八年十二月三十一日的資本性承諾如下：

	2008 \$'000 千元	2007 \$'000 千元
Contracted for but not provided	36,044	25,788
Authorised but not contracted for	188,799	—

- (b) 於二零零八年十二月三十一日，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：

	2008 \$'000 千元	2007 \$'000 千元
Within 1 year	241,062	101,101
After 1 year but within 5 years	331,466	99,059
After 5 years	8,766	111
	581,294	200,271

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

45 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 2006. The directors consider that the Group has a strong legal base to support its tax position. As such, no provision for a potential tax exposure of approximately \$31,600,000 (2007: \$31,600,000) was made as of 31 December 2008.

Save as herein disclosed and other than those incurred in the normal course of the Group's insurance businesses, there was no outstanding litigation nor any other contingent liabilities as of 31 December 2008.

46 MATERIAL RELATED PARTY TRANSACTIONS

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

Recurring transactions

Business ceded by related companies:
— Gross premiums written
— Commission expenses paid
Investment management fee and redemption income

經常交易

關連公司分出的業務：
— 毛承保保費
— 佣金支出
投資管理費
及贖回費收入

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 Company provided investment consultancy services to and received investment management fees and redemption income from certain fellow subsidiaries of the Group.

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

- (a) On 20 March 2008, TPL entered into a Joint Bidding Agreement with TPI, CIHC and The Ming An Insurance Company (China) Limited ("Ming An China") in relation to the purchase of a piece of land in Shenzhen and development of a commercial office building. The amount to be invested by TPL was agreed to be RMB289,000,000.

45 或然負債

本集團收到香港稅務局的詢問，質疑個別離岸投資收入於一九九九年至二零零六年評稅年度內的應課稅務責任。董事認為本集團稅務觀點擁有堅實的法律基礎支持，因此，於二零零八年十二月三十一日本集團毋需就約\$31,600,000元(二零零七年：\$31,600,000元)的潛在稅務責任計提準備。

除本報告所披露及在本集團日常保險業務中產生的訴訟外，於二零零八年十二月三十一日，本集團概無任何未決訴訟或或然負債。

46 重大關連人士交易

以下是本集團與關連人士於年內進行的重大交易概要：

Note 附註	2008 \$'000 千元	2007 \$'000 千元
(i)	116,549	241,541
	32,164	72,946
(ii)	8,585	18,989

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。

除此之外，本集團與關連人士進行以下非經常交易：

- (a) 於二零零八年三月二十日，太平人壽與太平保險、中保控股及民安保險(中國)有限公司(「民安中國」)就購買一幅位於深圳之土地及興建商業樓宇而訂立聯合競投協議。太平人壽將合共投資人民幣289,000,000元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

46 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

- (b) On 30 June 2008, CIH entered into the conditional capital contribution agreement with CIHC, ICBC (Asia) and TPI pursuant to which CIHC and the Company agreed to contribute, in cash, in aggregate an amount of RMB270,000,000 as additional registered capital into TPI. Of the aggregate amount, RMB4,540,000 was to be contributed by CIHC and RMB265,460,000 was to be contributed by CIH. ICBC (Asia) decided to not participate in the capital contribution. TPI is an associated company of the Company, in which CIH holds a 40.025% equity interest prior to the capital contribution. Upon completion, each of CIHC, the Company and ICBC (Asia) was directly interested in 42.020%, 50.050% and 7.930%, respectively, of the equity interests in TPI. On 30 June 2008, CIHC, CIH and ICBC (Asia) also entered into the conditional option deed pursuant to which CIHC agreed to grant the right to ICBC (Asia) at nil consideration to, conditional upon completion, acquire from CIHC the equity interest of approximately 1.647% in TPI as enlarged by the capital contribution for a consideration of RMB25,858,900 within six months from the date of the option deed, or such later date as the parties may extend pursuant to the terms of the option deed. The option will be exercisable at the option of ICBC (Asia), and if exercised by ICBC (Asia), will have to be exercised in full. The Company has waived its right to purchase the option interest if the option is exercised by ICBC (Asia). The capital contribution agreement and the option deed were approved by the Independent Shareholders of CIH at an extraordinary general meeting of the Company held on 15 July 2008.
- (c) On 5 November 2008, TPI and TPL entered into a supplemental agreement in relation to the purchase of land and the development of the property in Shenzhen with CIHC and Ming An China to amend the total investment amount from the parties as set out in the joint bidding agreement dated 20 March 2008. According to the joint bidding agreement, the percentages of the total investment amount for the transaction required from each of TPI, CIHC, TPL and Ming An China were 15%, 55%, 15% and 15%, respectively. Under the supplemental agreement, the percentages of the total investment amount for the transaction required from each of TPI, CIHC, TPL and Ming An China was amended to be 15%, 5%, 65% and 15%, respectively. TPI and TPL are expected to invest a total of approximately RMB289,000,000 and RMB1,251,000,000, respectively, for the transaction under the supplemental agreement. The purchase of the land was completed in April 2008 and the construction of the property is expected to commence in early 2009 and will last for a period of three years with a tentative completion date set to be in the second half of 2011. The joint bidding agreement and supplemental agreement were approved by the independent shareholders of CIH at an extraordinary general meeting of the Company held on 9 December 2008.

46 重大關連人士交易 (續)

- (b) 於二零零八年六月三十日，中保國際與中保控股、工銀(亞洲)及太平保險已訂立有條件增資協議，據此，中保控股及本公司將向太平保險增資現金合共人民幣270,000,000元，作為額外註冊資本。在該筆總額中，中保控股將增資人民幣4,540,000元，中保國際則將增資人民幣265,460,000元。工銀(亞洲)已決定不參與增資。太平保險為本公司聯繫公司，中保國際於增資前持有其40.025%股權。於完成時，中保控股、中保國際及工銀(亞洲)各自將分別直接擁有太平保險之42.020%、50.050%及7.930%股權之權益。二零零八年六月三十日，中保控股、中保國際與工銀(亞洲)亦已訂立有條件期權契據，據此，中保控股同意按無償代價授權予工銀(亞洲)，藉以待完成後，於期權契據日期起計六個月內或各訂約方根據期權契據條款可能延後之較後日期，向中保控股收購太平保險經增資擴大後約1.647%之股權，代價為人民幣25,858,900元。期權將可由工銀(亞洲)選擇行使，而一經工銀(亞洲)行使，則須全數行使。本公司已放棄其於工銀(亞洲)行使期權時購買期權權益之權利。增資協議及期權契據已於二零零八年七月十五日舉行之股東特別大會上，獲得中保國際獨立股東批准。
- (c) 於二零零八年十一月五日，太平保險及太平人壽與中保控股及民安中國訂定有關於深圳購買土地及興建物業聯合競投協議之補充協議，藉以修改於二零零八年三月二十日訂定的聯合競投協議各訂約方之投資金額。根據聯合競投協議，太平保險、中保控股、太平人壽及民安中國訂約各方各自須就交易事項支付之投資總額百分比分別為15%、55%、15%及15%。根據補充協議，修改後的太平保險、中保控股、太平人壽及民安中國訂約各方各自須就交易事項支付之投資總額百分比分別為15%、5%、65%及15%。根據補充協議，太平保險及太平人壽預期將就交易事項分別投資人民幣289,000,000元及人民幣1,251,000,000元。於二零零八年四月完成了土地購買，而該物業預期在二零零九年初開始施工，須時三年並預期於二零一一年下半年完成。聯合競投協議及補充協議已於二零零八年十二月九日舉行之股東特別大會上，獲得中保國際獨立股東批准。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

46 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(d) On 9 July 2007, the Company entered into a conditional capital contribution agreement with CIHC, ICBC (Asia) and TPI pursuant to which CIHC and the Company will contribute, in cash, an aggregate amount of RMB300,000,000 as additional registered capital into TPI. Of the aggregate amount, RMB179,925,000 will be contributed by CIHC and RMB120,075,000 will be contributed by the Company. ICBC (Asia) has decided to not participate in the capital contribution. Upon completion, each of CIHC, the Company and ICBC (Asia) will be directly interested in 50.398%, 40.025% and 9.577%, respectively, of the equity interests in TPI. The percentage of equity interests held by the Company in TPI will remain unchanged after completion. In addition, CIHC, the Company and ICBC (Asia) also entered into the conditional option deed pursuant to which CIHC has agreed, conditional upon completion, to grant the right to ICBC (Asia) at nil consideration to acquire from CIHC an equity interest of approximately 2.873% in TPI as enlarged by the capital contribution for a consideration of RMB37,350,000 within twelve months from the date of the option deed, or such later date as the parties may extend pursuant to the terms of the Option Deed. The Company has waived its right to purchase this Option Interest if the Option is exercised by ICBC (Asia).

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 organizations (collectively "State-Owned Entities"). During the year, the Group had transactions with State-Owned Entities including but not limited to the 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.

47 ACCOUNTING ESTIMATES AND JUDGMENTS

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 disclosures. 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:

46 重大關連人士交易 (續)

(d) 二零零七年七月九日，本公司與中保控股、工銀(亞洲)及太平保險已訂立有條件增資協議，據此，中保控股及本公司將向太平保險增資現金總額人民幣300,000,000元，作為額外註冊資本。在該筆總額中，中保控股將增資人民幣179,925,000元，本公司則將增資人民幣120,075,000元。工銀(亞洲)已決定不參與增資。於完成時，中保控股、本公司及工銀(亞洲)各自將分別直接擁有太平保險之50.398%、40.025%及9.577%股權之權益。完成後，本公司於太平保險持有之股權百分比將維持不變。此外，中保控股、本公司與工銀(亞洲)亦已訂立有條件期權契據，據此，中保控股同意按無償代價授權予工銀(亞洲)，藉以待完成後，於期權契據日期或各訂約方根據期權契據條款可能延後之較後日期起計十二個月內，向中保控股收購太平保險經增資擴大後約2.873%之股權，代價為人民幣37,350,000元。期權將可由工銀(亞洲)選擇行使。本公司已放棄其於工銀(亞洲)行使期權時購買期權權益之權利。

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。

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：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

47 ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

(a) Impairment of goodwill

The Group assesses annually if the goodwill associated with the acquisition of subsidiaries and associates have suffered any impairment losses 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 returns 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 the assets to maturity as held-to-maturity investments. In making this judgment, the Group evaluates its intention and ability to hold such investments until maturity.

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

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

The Group follows the guidance of HKAS 39 when determining whether there has been a significant or prolonged decline in the fair value of an investment in available-for-sale financial assets below its cost. This determination requires significant judgment. In making this judgment, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost.

(d) Determination of insurance liabilities

The Group's insurance liabilities are mainly comprised of 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 consolidated financial statements. The Group determines these estimates on the basis of historical information, actuarial analyzes, financing modeling 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.

47 會計估計及判斷 (續)

(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有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，本集團將必須把持有至到期投資之整個投資組合，重新分類為可供出售投資，因該投資組合已被視為受影響。這將導致持有至到期之投資按公允價值而非按攤銷成本計算。

(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之公允價值有否大幅或長期下跌至低於其成本時，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)投資之公允價值少於其成本之年期及程度。

(d) 釐定保險負債

本集團之保險負債主要包括未到期責任準備金、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 PARENT AND ULTIMATE HOLDING COMPANIES

The directors consider the immediate holding company and the ultimate holding company as of 31 December 2008 to be China Insurance H.K. (Holdings) Company Limited (incorporated in Hong Kong) and China Insurance (Holdings) Company, Limited (established in the PRC), respectively.

48 母公司及最終控股公司

董事們認為，於二零零八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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

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

49 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATION ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2008

Up to the date of issue of these financial statements, the HKICPA has issued the following amendments, new standards and interpretations which are not yet effective for the year ended 31 December 2008 and which have not been adopted in these financial statements.

49 已在截至二零零八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二零零八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。

Effective for annual periods beginning on or after:
由年期開始或以後起生效：

HKFRSs (Amendments) 香港財務報告準則 (修訂)	Improvements to HKFRSs 香港財務報告準則的改進	1 January 2009 except the amendments to HKFRS 5, effective for annual periods beginning on or after 1 July 2009 除香港財務報告準則第5號之修訂適用於二零零九年七月一日或以後開始之年期外，均為二零零九年一月一日
HKAS 1 (Revised) 香港會計準則第1號 (修訂)	Presentation of financial statements 財務報表呈報	1 January 2009 二零零九年一月一日
HKAS 23 (Revised) 香港會計準則第23號 (修訂)	Borrowing costs 借款成本	1 January 2009 二零零九年一月一日
HKAS 27 (Revised) 香港會計準則第27號 (修訂)	Consolidated and separate financial statements 綜合及獨立財務報表	1 July 2009 二零零九年七月一日
HKAS 32 & 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation 可沽售金融工具及清盤時產生之責任	1 January 2009 二零零九年一月一日
香港會計準則第32號及第1號 (修訂)	Eligible hedged items 合資格對沖項目	1 July 2009 二零零九年七月一日
HKAS 39 (Amendment) 香港會計準則第39號 (修訂)	Cost of an investment in a subsidiary, jointly controlled entity or associate 於一間附屬公司、共同控制實體及聯營公司的投資成本	1 January 2009 二零零九年一月一日
HKFRS 1 & HKAS 27 (Amendments)	Vesting conditions and cancellations 歸屬條件及註銷	1 January 2009 二零零九年一月一日
香港財務報告準則第1號及香港會計準則第27號 (修訂)	Business combinations 業務合併	1 July 2009 二零零九年七月一日
HKFRS 2 (Amendment) 香港財務報告準則第2號 (修訂)	Improving disclosures about financial instruments 改進金融工具披露	1 January 2009 二零零九年一月一日
HKFRS 3 (Revised) 香港財務報告準則第3號 (修訂)	Operating segments 營運分部	1 January 2009 二零零九年一月一日
HKFRS 7 (Amendment) 香港財務報告準則第7號 (修訂)	Customer loyalty programmes 客戶忠誠方案	1 July 2008 二零零八年七月一日
HKFRS 8 香港財務報告準則第8號	Agreements for the construction of real estate 房地產建造協議	1 January 2009 二零零九年一月一日
HK(IFRIC) – INT 13 香港 (國際財務報告準則詮釋委員會) 詮釋 – 第13條	Hedges of a net investment in a foreign operation 海外業務投資淨額對沖	1 October 2008 二零零八年十月一日
HK(IFRIC) – INT 15 香港 (國際財務報告準則詮釋委員會) 詮釋 – 第15條	Distribution of non-cash assets to owners 向擁有人分配非現金資產	1 July 2009 二零零九年七月一日
HK(IFRIC) – INT 16 香港 (國際財務報告準則詮釋委員會) 詮釋 – 第16條	Transfers of assets from customers 從客戶轉讓資產	1 July 2009 二零零九年七月一日
HK(IFRIC) – INT 17 香港 (國際財務報告準則詮釋委員會) 詮釋 – 第17條		
HK(IFRIC) – INT 18 香港 (國際財務報告準則詮釋委員會) 詮釋 – 第18條		

The Group is in the process of making an assessment of what the impact of these amendments, new standards and interpretations is expected to be in the period of initial application.

本集團正在評估此等修訂、新標準和新詮釋在首個應用期產生的影響。

FIVE YEAR FINANCIAL SUMMARY

五年財務概要

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

RESULTS

業績

		2008 \$'000 千元	2007 \$'000 千元	2006 \$'000 千元	2005 \$'000 千元	2004 \$'000 千元
Revenue	收入					
Gross premiums written and policy fees	毛承保保費及保單費收入	25,003,796	17,933,997	12,373,454	8,611,673	7,307,809
Less: Premiums ceded to reinsurers	減：保費之再保份額	(730,318)	(277,403)	(222,920)	(267,726)	(217,028)
Net premiums written and policy fees	淨承保保費及保單費收入	24,273,478	17,656,594	12,150,534	8,343,947	7,090,781
Change in unearned premium provisions, net of reinsurance	未到期責任準備金變化， 減再保險	(64,853)	(7,912)	(216,961)	(125,913)	(49,288)
Net earned premiums and policy fees	已賺取保費及保單費收入淨額	24,208,625	17,648,682	11,933,573	8,218,034	7,041,493
Investment income	投資收入	280,486	6,671,765	2,384,094	814,573	459,648
Net exchange (loss)/gain	匯兌(虧損)/收益淨額	(119,197)	(31,121)	22,836	(94,892)	32,917
Other income	其他收入	84,563	64,933	39,781	15,056	37,615
Total revenue	收入總額	24,454,477	24,354,259	14,380,284	8,952,771	7,571,673
Benefits, losses and expenses	給付、賠款及費用					
Net policyholders' benefits	保單持有人利益淨額	(6,248,410)	(5,062,155)	(2,365,092)	(1,422,941)	(1,006,929)
Net commission expenses	佣金支出淨額	(2,561,811)	(1,997,156)	(1,194,817)	(809,157)	(652,230)
Administrative and other expenses	行政及其他費用	(3,798,238)	(2,228,343)	(1,466,531)	(1,179,857)	(678,911)
Change in life insurance funds, net of reinsurance	壽險責任準備金變化， 減再保險	(11,742,512)	(11,849,470)	(8,229,133)	(5,785,225)	(5,326,361)
Goodwill impairment and amortization	商譽減值及攤銷	(73,276)	—	—	(250,000)	(27,767)
Total benefits, losses and expenses	給付、賠款及費用總額	(24,424,247)	(21,137,124)	(13,255,573)	(9,447,180)	(7,692,198)
Profit/(loss) from operations	經營溢利/(虧損)	30,230	3,217,135	1,124,711	(494,409)	(120,525)
Share of (losses)/profits of associates	應佔聯營公司 (虧損)/溢利	(115,848)	(57,760)	4,070	(48,728)	(35,546)
Finance costs	財務費用	(183,383)	(148,467)	(144,184)	(88,299)	(85,434)
(Loss)/profit before taxation	除稅前(虧損)/溢利	(269,001)	3,010,908	984,597	(631,436)	(241,505)
Income tax credit/(charge)	稅項抵免/(支出)	63,240	(553,711)	(326,256)	36,083	52,251
(Loss)/profit after taxation	除稅後(虧損)/溢利	(205,761)	2,457,197	658,341	(595,353)	(189,254)
Attributable to:	應佔：					
Equity holders of the Company	股東權益	(299,715)	1,549,072	510,765	(433,763)	(22,935)
Minority interests	少數股東權益	93,954	908,125	147,576	(161,590)	(166,319)
		(205,761)	2,457,197	658,341	(595,353)	(189,254)

FIVE YEAR FINANCIAL SUMMARY (Continued)

五年財務概要 (續)

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

RESULTS (Continued)

業績 (續)

		2008	2007	2006	2005	2004
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元
Assets and liabilities	資產及負債					
Statutory deposits	法定存款	995,330	653,239	547,443	487,806	437,947
Fixed assets	固定資產	3,276,465	1,391,707	1,140,767	659,507	500,599
Goodwill	商譽	364,845	228,185	228,185	228,185	478,185
Interest in associates	於聯營公司的權益	134,382	530,436	350,678	315,298	351,595
Deferred tax assets	遞延稅項資產	22,353	2,648	2,697	3,298	72,624
Investments in debt and equity securities	債務及股本證券投資	56,863,866	40,502,185	25,553,330	18,122,506	11,249,681
Amounts due from group companies	應收集團內公司款項	11,455	17,488	7,036	314	555
Insurance debtors	保險客戶應收賬款	1,026,222	616,540	453,167	342,060	298,811
Reinsurers' share of insurance contract provisions	分保公司應佔保險合約準備	1,421,962	376,740	391,907	472,176	485,517
Other debtors	其他應收賬款	2,071,499	1,431,352	562,340	608,778	389,972
Tax recoverable	可收回稅項	1,640	—	3,581	5,585	6,378
Pledged deposits at bank	已抵押銀行存款	102,453	97,417	93,676	97,980	76,533
Cash and cash equivalents and deposits at bank with original maturity more than three months	現金及現金等價物及原到期日超過三個月的銀行存款	14,522,917	9,769,612	10,718,860	5,990,288	2,990,980
Total assets	總資產	80,815,389	55,617,549	40,053,667	27,333,781	17,339,377
Less: Total liabilities	減：總負債	(73,576,142)	(47,521,867)	(34,471,026)	(23,910,536)	(13,916,070)
Minority interests	少數股東權益	(2,642,628)	(2,410,056)	(1,404,322)	(916,087)	(780,847)
		4,596,619	5,685,626	4,178,319	2,507,158	2,642,460
Share capital	股本	71,086	70,764	70,313	66,824	66,585
Reserves	儲備	4,525,533	5,614,862	4,108,006	2,440,334	2,575,875
		4,596,619	5,685,626	4,178,319	2,507,158	2,642,460
		cents	cents	cents	cents	cents
		仙	仙	仙	仙	仙
(Loss)/earnings per share	每股(虧損)/盈利					
Basic	基本	(21.2)	110.2	38.1	(32.5)	(1.7)
Diluted	攤薄	(21.2)	108.3	37.7	(32.4)	(1.7)

DEFINITIONS

In the annual report, the following expressions shall have the following meanings unless the context requires otherwise:

“BVI”	British Virgin Islands
“CIGAML”	China Insurance Group Assets Management Limited
“CIHC”	China Insurance (Holdings) Company, Limited
“CIHK”	China Insurance H.K. (Holdings) Company Limited
“CIRC”	China Insurance Regulatory Commission
“CIRe”	China International Reinsurance Company Limited
“Directors”	The directors of the Company, including the independent non-executive directors
“Fortis”	Fortis International N.V.
“Grantee”	A person who has been granted the right to accept the Company’s offer of share options
“HKAS”	Hong Kong Accounting Standard
“HKFRS”	Hong Kong Financial Reporting Standard
“HKICPA”	Hong Kong Institute of Certified Public Accountants
“HK(IFRIC)-Int”	Hong Kong (International Financial Reporting Interpretations Committee)- Interpretation
“ICBC”	The Industrial and Commercial Bank of China
“ICBC (Asia)”	Industrial and Commercial Bank of China (Asia) Limited
“Independent Shareholders”	Shareholder(s) other than CIHC, ICBC (Asia) and their respective associates
“Last Year”	The year ended 31 December 2007
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“MPF scheme”	Mandatory Provident Fund Scheme
“PRC GAAP”	Accounting principles generally accepted in the PRC
“SFO”	Securities and Futures Ordinance
“Share(s)”	Share(s) of HK\$0.05 each in the capital of the Company

釋義

於本年報中，除文義另有所指外，下列詞彙具有以下涵義：

「中保資產管理」	指	中保集團資產管理有限公司
「中保控股」	指	中國保險(控股)有限公司
「香港中保」	指	香港中國保險(集團)有限公司
「中國保監會」	指	中國保險監督管理委員會
「中再國際」	指	中國國際再保險有限公司
「董事」	指	本公司董事，包括獨立非執行董事
「富通」	指	富通國際
「承授人」	指	被授予權利可以接納本公司所賦予之認股權之人仕
「中國工銀」	指	中國工商銀行
「工銀(亞洲)」	指	中國工商銀行(亞洲)有限公司
「獨立股東」	指	除中保控股、工銀(亞洲)及其各自的聯繫人以外之股東
「去年」	指	截至二零零七年十二月三十一日止之年度
「上市規則」	指	聯交所證券上市規則
「中國公認會計準則」	指	中國普遍採納之會計準則
「股份」	指	本公司股本中每股面值0.05港元之股份

DEFINITIONS

“Share Award Scheme”	CIIH Employees’ Share Award Scheme adopted on 10 September 2007
“SINO-RE”	SINO-RE Reinsurance Brokers Limited
“the Stock Exchange”	The Stock Exchange of Hong Kong Limited
“the Company” or “CIIH”	China Insurance International Holdings Company Limited
“the Group”	CIIH and its subsidiaries
“the PRC”	The People’s Republic of China
“the Year”	The year ended 31 December 2008
“TPAM”	Tai Ping Asset Management Company Limited
“TPI”	The Tai Ping Insurance Company, Limited
“TPL”	Tai Ping Life Insurance Company, Limited
“TPP”	Tai Ping Pension Company Limited
“the Old Scheme”	Share option scheme of the Company adopted on 24 May 2000 and terminated on 7 January 2003
“the New Scheme”	Share option scheme of the Company adopted on 7 January 2003
“RMB”	Renminbi
“HKD”	Hong Kong dollars
“USD”	United States dollars
“EUR”	Euro
“GBP”	British Pound

釋義

「股份獎勵計劃」	指	於二零零七年九月十日所採納之中保國際僱員股份獎勵計劃
「華夏」	指	華夏再保險顧問有限公司
「聯交所」	指	香港聯合交易所有限公司
「本公司」或「中保國際」	指	中保國際控股有限公司
「本集團」	指	中保國際及其附屬公司
「中國」	指	中華人民共和國
「本年度」	指	截至二零零八年十二月三十一日止之年度
「太平資產管理」	指	太平資產管理有限公司
「太平保險」	指	太平保險有限公司
「太平人壽」	指	太平人壽保險有限公司
「太平養老」	指	太平養老保險股份有限公司
「舊計劃」	指	本公司於二零零零年五月二十四日所採納之認股權計劃，於二零零三年一月七日已終止
「新計劃」	指	本公司於二零零三年一月七日所採納之認股權計劃
「N/A」	指	不適用



中保國際控股有限公司
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