



中国太平
CHINA TAIPING



中國太平保險控股有限公司

China Taiping Insurance Holdings Company Limited

(前稱中保國際控股有限公司)

(formerly known as China Insurance International Holdings Company Limited)

股份代號 Stock Code : 966

二零零九年中期報告
Interim Report 2009

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CONSOLIDATED INCOME STATEMENT

綜合損益表

for the six months ended 30 June 2009 – unaudited
截至二零零九年六月三十日止六個月 — 未經審核
(Expressed in Hong Kong dollars)
(以港幣列示)

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|---|-------------------|---|-------------------------------|
| | | 2009 二零零九年 \$'000 千元 | 2008 二零零八年 \$'000 千元 |
| | Note 附註 | | |
| Revenue | 收入 | | |
| Gross premiums written and policy fees | 毛承保保費及保單費收入 | | |
| Less: Premiums ceded to reinsurers and retrocessionaires | 減：保費之再保份額及轉分份額 | 3 | |
| | | 16,245,963 | 13,299,679 |
| | | (568,526) | (293,200) |
| Net premiums written and policy fees | 淨承保保費及保單費收入 | | |
| Change in unearned premium provisions, net of reinsurance | 未到期責任準備金變化，減再保險 | | |
| | | 15,677,437 | 13,006,479 |
| | | (375,587) | (553,910) |
| Net earned premiums and policy fees | 已賺取保費及保單費收入淨額 | | |
| Net investment income | 投資收入淨額 | 4(a) | |
| Net realized investment gains | 已實現投資收益淨額 | 4(b) | |
| Net unrealized investment gains/ (losses) and impairment | 未實現投資收益／(虧損)及減值淨額 | 4(c) | |
| Net exchange gain/(loss) | 匯兌收益／(虧損)淨額 | | |
| Other income | 其他收入 | 5 | |
| | | 15,301,850 | 12,452,569 |
| | | 1,465,559 | 2,050,731 |
| | | 628,152 | 926,040 |
| | | 745,770 | (2,765,884) |
| | | 25,881 | (43,656) |
| | | 46,127 | 47,426 |
| Total revenue | 收入總額 | 18,213,339 | 12,667,226 |
| Benefits, losses and expenses | 給付、賠款及費用 | | |
| Net policyholders' benefits | 保單持有人利益淨額 | 6(a) | |
| Net commission expenses | 佣金支出淨額 | 6(b) | |
| Administrative and other expenses | 行政及其他費用 | | |
| Change in life insurance funds, net of reinsurance | 壽險責任準備金變化，減再保險 | | |
| | | (3,947,775) | (2,500,829) |
| | | (1,742,702) | (1,386,329) |
| | | (2,646,623) | (1,341,518) |
| | | (8,653,162) | (6,678,753) |
| Total benefits, losses and expenses | 給付、賠款及費用總額 | (16,990,262) | (11,907,429) |
| Profit from operations | 經營溢利 | 1,223,077 | 759,797 |
| Share of losses of associates | 應佔聯營公司虧損 | (912) | (46,941) |
| Finance costs | 財務費用 | 7(a) | |
| | | (156,776) | (76,953) |
| Profit before taxation | 除稅前溢利 | 7 | |
| Income tax (charge)/credit | 稅項(支出)／抵免 | 8 | |
| | | 1,065,389 | 635,903 |
| | | (283,416) | 139,350 |
| Profit after taxation | 除稅後溢利 | 781,973 | 775,253 |
| Attributable to: | 應佔： | | |
| Owners of the Company | 本公司股東權益 | 520,873 | 381,336 |
| Minority interests | 少數股東權益 | 261,100 | 393,917 |
| | | 781,973 | 775,253 |
| Earnings per share attributable to the owners of the Company | 本公司股東應佔每股盈利 | 10 | |
| Basic | 基本 | 36.8 | 27.0 |
| Diluted | 攤薄 | 36.4 | 26.6 |

The accompanying notes on pages 7 to 59 form an integral part of this interim financial report.

第7至59頁所附附註為本中期財務報告的組成部份。

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

for the six months ended 30 June 2009 – unaudited
 截至二零零九年六月三十日止六個月 — 未經審核
 (Expressed in Hong Kong dollars)
 (以港幣列示)

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|---|-----------------------|---|-------------------------------|
| | | 2009 二零零九年 \$'000 千元 | 2008 二零零八年 \$'000 千元 |
| | Note 附註 | | |
| Profit after taxation | 除稅後溢利 | 781,973 | 775,253 |
| Other comprehensive income: | 其他全面收益： | | |
| 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 | 19 | 352,941 |
| 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 | 19 | (2,160,670) |
| Total comprehensive income for the period | 本財務期全面收益總額 | 1,664,508 | (1,032,476) |
| Attributable to: | 應佔： | | |
| Owners of the Company | 本公司股東權益 | 1,078,659 | (746,866) |
| Minority interest | 少數股東權益 | 585,849 | (285,610) |
| | | 1,664,508 | (1,032,476) |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

at 30 June 2009 – unaudited

於二零零九年六月三十日 — 未經審核

(Expressed in Hong Kong dollars)

(以港幣列示)

| | | | At 30 June 2009 二零零九年 六月三十日 \$'000 千元 | At 31 December 2008 二零零八年 十二月三十一日 \$'000 千元 |
|---|---------------------|------------|--|--|
| | | Note 附註 | | |
| Assets | 資產 | | | |
| Statutory deposits | 法定存款 | 14 | 1,066,889 | 995,330 |
| Fixed assets | 固定資產 | 11 | | |
| — Investment properties | — 投資物業 | | 83,140 | 76,719 |
| — Property and equipment | — 物業及設備 | | 2,656,910 | 2,664,533 |
| — Prepaid lease payments | — 預付租賃付款 | | 576,563 | 535,213 |
| | | | 3,316,613 | 3,276,465 |
| Goodwill | 商譽 | | 364,845 | 364,845 |
| Interest in associates | 於聯營公司的權益 | | 122,378 | 134,382 |
| Deferred tax assets | 遞延稅項資產 | | 11,609 | 22,353 |
| Investments in debt and equity securities | 債務及股本證券投資 | 12 | 67,767,137 | 56,863,866 |
| Amounts due from group companies | 應收集團內公司款項 | | 18,997 | 11,455 |
| Insurance debtors | 保險客戶應收賬款 | 13 | 1,266,918 | 1,026,222 |
| Reinsurers' share of insurance contract provisions | 分保公司應佔保險合約準備 | | 1,278,308 | 1,421,962 |
| Other debtors | 其他應收賬款 | | 2,465,391 | 2,071,499 |
| Tax recoverable | 可收回稅項 | | 520 | 1,640 |
| Pledged deposits at banks | 已抵押銀行存款 | | 109,284 | 102,453 |
| Deposits at banks with original maturity more than three months | 原到期日超過三個月 的銀行存款 | | 7,083,957 | 6,691,122 |
| Cash and cash equivalents | 現金及現金等價物 | 15 | 21,799,528 | 7,831,795 |
| | | | 106,672,374 | 80,815,389 |
| Liabilities | 負債 | | | |
| Life insurance funds | 壽險責任準備金 | | 61,461,024 | 52,787,213 |
| Unearned premium provisions | 未到期責任準備金 | | 3,868,653 | 3,456,749 |
| Provision for outstanding claims | 未決賠款準備 | | 4,460,043 | 4,468,829 |
| Investment contract liabilities | 投資合約負債 | | 254,494 | 235,891 |
| Deferred tax liabilities | 遞延稅項負債 | | 1,075,495 | 641,860 |
| Interest-bearing notes | 需付息票據 | | 5,718,515 | 5,376,028 |
| Securities sold under repurchase agreements | 賣出回購證券 | | 18,348,758 | 4,206,880 |
| Amounts due to group companies | 應付集團內公司款項 | | 17 | 492 |
| Insurance creditors | 保險客戶應付賬款 | 16 | 658,198 | 740,139 |
| Other creditors | 其他應付賬款 | | 1,816,228 | 1,572,505 |
| Current taxation | 當期稅項 | | 69,354 | 59,246 |
| Insurance protection fund | 保險保障基金 | | 24,198 | 30,310 |
| | | | 97,754,977 | 73,576,142 |
| Net assets | 資產淨值 | | 8,917,397 | 7,239,247 |
| Capital and reserves attributable to the owners of the Company | 本公司股東應佔資本及儲備 | | | |
| Share capital | 股本 | 17 | 71,086 | 71,086 |
| Reserves | 儲備 | 19 | 5,617,834 | 4,525,533 |
| | | | 5,688,920 | 4,596,619 |
| Minority interests | 少數股東權益 | | 3,228,477 | 2,642,628 |
| Total equity | 總權益 | | 8,917,397 | 7,239,247 |

The accompanying notes on pages 7 to 59 form an integral part of this interim financial report.

第7至59頁所附附註為本中期財務報告的組成部份。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

for the six months ended 30 June 2009 – unaudited
截至二零零九年六月三十日止六個月 – 未經審核
(Expressed in Hong Kong Dollars)
(以港幣列示)

| | | Note 附註 | Total equity attributable to: 應佔總權益： | | |
|--|----------------------|------------|--|---|-----------------------------|
| | | | Owners of the Company 本公司 股東權益 \$'000 千元 | Minority interests 少數 股東權益 \$'000 千元 | Total 總額 \$'000 千元 |
| Balance at 1 January 2009 | 於二零零九年一月一日之結餘 | | 4,596,619 | 2,642,628 | 7,239,247 |
| Total comprehensive income | 全面收益總額 | | 1,078,659 | 585,849 | 1,664,508 |
| Equity settled share-based transactions | 股本償付之股份為本交易 | 19 | 13,642 | — | 13,642 |
| Balance at 30 June 2009 | 於二零零九年六月三十日之結餘 | | 5,688,920 | 3,228,477 | 8,917,397 |
| | | | Total equity attributable to: 應佔總權益： | | |
| | | | Owners of the Company 本公司 股東權益 \$'000 千元 | Minority interests 少數股東 權益 \$'000 千元 | Total 總額 \$'000 千元 |
| 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 |
| Total comprehensive income | 全面收益總額 | | (746,866) | (285,610) | (1,032,476) |
| Dividend paid | 已付股息 | | (141,445) | — | (141,445) |
| Movements in equity arising from capital transactions with owners: | 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 | | 194 | — | 194 |
| — Net share premium received | — 已收取之股份溢價淨值 | | 13,725 | — | 13,725 |
| Change in shares held for Share Award Scheme | 為股份獎勵計劃而持有之股份變化 | | 15,750 | — | 15,750 |
| Equity settled share-based transactions | 股本償付之股份為本交易 | 19 | 15,606 | — | 15,606 |
| Balance at 30 June 2008 | 於二零零八年六月三十日之結餘 | | 4,842,590 | 2,124,446 | 6,967,036 |

The accompanying notes on pages 7 to 59 form an integral part of this interim financial report.

第7至59頁所附附註為本中期財務報告的組成部份。

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

簡明綜合現金流量表

for the six months ended 30 June 2009 – unaudited
截至二零零九年六月三十日止六個月 — 未經審核
(Expressed in Hong Kong Dollars)
(以港幣列示)

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|--|-------------------|---|-------------------------------|
| | | 2009 二零零九年 \$'000 千元 | 2008 二零零八年 \$'000 千元 |
| | Note 附註 | | |
| Net cash generated from operating activities | 經營業務現金流入淨額 | 7,262,088 | 9,347,257 |
| Net cash generated from/(used in) investing activities | 投資業務現金流入／(流出)淨額 | 6,422,134 | (9,610,946) |
| Net cash generated from/(used in) financing activities | 融資活動現金流入／(流出)淨額 | 283,511 | (13,619) |
| Net increase/(decrease) in cash and cash equivalents | 現金及現金等價物增加／(減少)淨額 | 13,967,733 | (277,308) |
| Cash and cash equivalents at 1 January | 於一月一日的現金及現金等價物 | 7,831,795 | 5,137,635 |
| Cash and cash equivalents at 30 June | 於六月三十日的現金及現金等價物 | 21,799,528 | 4,860,327 |

The accompanying notes on pages 7 to 59 form an integral part of this interim financial report.

第7至59頁所附附註為本中期財務報告的組成部份。

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

未經審核中期財務報告附註

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

1 BASIS OF PREPARATION

The unaudited interim financial report has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), and with HKAS 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants. It was authorized for issuance on 17 August 2009.

The financial information relating to the financial year ended 31 December 2008 included in the interim financial report does not constitute the Company's statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2008 are available from the Company's registered office. The auditor has expressed an unqualified opinion on those financial statements in their report dated 18 March 2009.

The accounting policies and methods of computation adopted in the 2008 annual financial statements have been applied consistently to this interim financial report except for the following:

There are some new or revised standards, amendments and interpretations ("new or revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are effective for the Group's financial year beginning on 1 January 2009. The adoption of these new or revised HKFRSs had no material effect on the results and financial position of the Group for the current and/or prior accounting periods. Accordingly, no prior period adjustment has been made.

HKFRS 8 Operating Segments

(effective for annual periods beginning on or after 1 January 2009)

The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments (see note 2).

HKAS 1 (revised 2007) Presentation of Financial Statements

(effective for annual periods beginning on or after 1 January 2009)

HKAS 1 (Revised 2007) has introduced a number of terminology changes, including revised titles for the consolidated financial statements, and has resulted in a number of changes in presentation and disclosure.

However the adoption of these new or revised HKFRSs has had no material effect on the reported results and financial position of the Group.

1 編製基準

本未經審核中期財務報告已根據香港聯合交易所有限公司證券上市規則(「上市規則」)附錄16的適用披露規定及遵照香港會計師公會所頒佈的《香港會計準則》第34號「中期財務報告」的準則編製，並於二零零九年八月十七日核准發放。

本綜合財務報表包含截至二零零八年十二月三十一日止財政年度的財務資料，這些財務資料均取自本公司該財政年度的法定賬項，惟並不構成本公司該財政年度的法定賬項。截至二零零八年十二月三十一日止年度的法定賬項可於本公司的註冊辦事處索取。核數師已於二零零九年三月十八日所發佈的核數師報告中，表示對這些賬項提出無保留意見。

編製本中期財務報告所採納的會計政策及計算方法，均與截至二零零八年年度全年財務報告所採納的一致，惟以下除外：

香港會計師公會頒佈了一些新增或經修訂之準則、修訂及詮釋(《新增或經修訂香港財務報告準則》)於本集團二零零九年一月一日之財務年度起生效。採納這些新增或經修訂之香港財務報告準則對本集團於現在及／或往前之會計期的業績及財務狀況沒有重大影響。因此，毋須作出往年年度調整。

香港財務報告準則第8號營運分部

(於二零零九年一月一日或以後開始之年度期間期生效)

香港財務報告準則第8號之應用，並沒有重新指定本集團之可報告分部(參看附註2)。

香港會計準則第1號(二零零七年修訂)財務報表呈報

(由二零零九年一月一日或以後開始之年度期間期生效)

香港會計準則第1號(二零零七年修訂)修訂多個專門用語(包括綜合財務報表的經修訂標題)及導致在呈列及披露方面須作出多項修訂。

然而，採納這些新增或經修訂香港財務報告準則並無對本集團之呈報業績及財務狀況構成重大影響。

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告附註 (續)

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

1 BASIS OF PREPARATION (Continued)

The Group has not early applied new or revised standards, amendments or interpretations that have been issued but are not yet effective. The adoption of HKFRS 3 (Revised 2008) may affect the Group's accounting for business combinations for which the acquisition dates are on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised 2008) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary that do not result in loss of control of the subsidiary. Changes in the Group's ownership interest that do not result in loss of control of the subsidiary will be accounted for as equity transactions. The directors of the Company anticipate that the application of other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

In the current period, there is a change in the method of computation of premiums and related commission expenses of insurance policies falling under proportional treaties of the reinsurance business. In prior periods, the gross premiums and commission expenses were being estimated for the entire period of the relevant treaties at the inception date of the treaties, irrespective of the financial reporting period while, under the methodology currently adopted, the pipeline gross premiums and the related commission expenses are estimated upto the end of the relevant financial period. The change in the method of computation has resulted in the decrease in gross premiums written and related commission expenses by approximately HK\$467 million and HK\$149 million respectively. The insurance debtors and insurance creditors will also be decreased by the same amount accordingly.

The directors considered it is impracticable to restate the comparatives using the new methodology due to the lack of available quarterly information in respect of the prior period. Accordingly, there is no restatement of the comparatives.

1 編製基準 (續)

本集團沒有提早採納已頒布但尚未實施的新增或及經修訂之準則、修訂或詮釋。採用香港財務報告準則第3號(二零零八年修訂)或會影響收購日期為二零零九年七月一日或之後開始之首個年報期開始日期或之後業務合併之會計處理。香港財務報告準則第27號(二零零八年修訂)將會影響有關本集團所持有附屬公司權益的變動而不會導致失去控制權時之會計處理。有關不會導致失去控制權之本集團所持有附屬公司權益的變動將按股本交易處理。本公司董事預計，應用其他新增及經修訂準則、修訂或詮釋對本集團業績及財務狀況不會有重大影響。

於本財務期，有關再保險業務屬於比例合約保單之保費及有關佣金支出之計算方法有所改變。於過往財務期，毛承保保費及佣金支出按合約生效日期起計整個合約之有效期估算，當中並不考慮到財務報告期的因素。而根據現採納之方法，在途毛承保保費及有關佣金支出將按應收估計直至有關之財務期末。計算方法之改變令毛承保保費及有關之佣金支出分別減少約4.67億港元及1.49億港元。保險客戶應收賬款及保險客戶應付賬款亦將相應以同額減少。

董事認為，由於缺乏往前財務期之季度資料，所以以新方法重列比較資料不切實可行。因此，比較資料沒有重列。

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告附註 (續)

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

2 OPERATING SEGMENTS

The Group has adopted HKFRS 8 Operating Segments with effect from 1 January 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker being the Board in order to allocate resources to segments and to assess their performance. In contrast, the predecessor Standard (HKAS 14, Segment Reporting) required an entity to identify two sets of segments (business and geographical) using a risks and returns approach, with the entity's "system of internal financial reporting to key management personnel" serving only as the starting point for the identification of such segments. In the past, the Group's primary reporting format was business segments while the secondary reporting format was geographical segments by location of assets. The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14. Nor has the adoption of HKFRS 8 changed the basis of measurement of segment profit or loss. Information reported to the Board for the purposes of resource allocation and assessment of performance focuses on types of insurance business and which are the same as the Group's reportable segments in prior year.

The Group organises its businesses based on four operating segments as follows:

- Reinsurance business;
- Life insurance business;
- Property and casualty insurance business (resulting from the acquisition of TPI during second half of 2008); and
- Other businesses which are comprised of the asset management business, insurance intermediary business and pension business.

2 營運分部

本集團已自二零零九年一月一日起採納香港財務報告準則第8號營運分部。香港財務報告準則第8號要求以集團主要營運決策者，即董事會，在決定資源分配及表現評估上所定期審閱之有關集團不同部門之內部呈報作為分辨營運分部之基準。相反，其過往之準則（香港會計準則第14號分部報告）則要求實體以實體之內部財務呈報機制向主要管理層人員呈報，採用風險及獎賞方法以分辨兩組分部（業務分部及地區分部），僅作為分辨該等分部之起點。以往，本集團之主要報表形式為業務分類而按資產所在地之地區分類則為次要之報表形式。香港財務報告準則第8號之應用，與根據香港會計準則第14號所釐定的主要可報告分類相比，並沒有重新指定本集團之可報告分部。採納香港財務報告準則第8號亦沒有改變分類計量損益之基準。向董事會報告以進行資源分配及評估表現之資料集中於保險業務類型及與本集團於往年年度之可報告分部相同。

本集團按以下四個營運分部組成其業務：

- 再保險業務；
- 人壽保險業務；
- 財產保險業務（因於二零零八年下半年購入太平財險）；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。

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告附註 (續)

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

2 OPERATING SEGMENTS (Continued)

2 營運分部 (續)

(a) Segmental income statement for the six months ended 30 June 2009

(a) 截至二零零九年六月三十日止六個月分類損益表

| | | Reinsurance 再保險 \$'000 千元 | Life insurance 人壽保險 \$'000 千元 | Property and casualty insurance 財產保險 \$'000 千元 | Other businesses 其他業務 \$'000 千元 | Total 總額 \$'000 千元 |
|---|---|------------------------------------|---|---|---|-----------------------------|
| Revenue | 收入 | | | | | |
| Gross premiums written | 毛承保保費 | 1,060,446 | 12,700,751 | 2,479,765 | — | 16,240,962 |
| Policy fees | 保單費收入 | — | 5,001 | — | — | 5,001 |
| | | 1,060,446 | 12,705,752 | 2,479,765 | — | 16,245,963 |
| Less: Premiums ceded to reinsurers and retrocessionaires | 減：保費之再保份額 及轉分份額 | (140,432) | (71,762) | (356,332) | — | (568,526) |
| Net premiums written and policy fees | 淨承保保費及 保單費收入 | 920,014 | 12,633,990 | 2,123,433 | — | 15,677,437 |
| Change in unearned premium provisions, net of reinsurance | 未到期責任準備金 變化，減再保險 | (168,369) | (111,993) | (95,225) | — | (375,587) |
| Net earned premiums and policy fees | 已賺取保費及 保單費收入淨額 | 751,645 | 12,521,997 | 2,028,208 | — | 15,301,850 |
| Net investment income (note (i)) | 投資收入淨額 (註(i)) | 82,245 | 1,291,845 | 64,744 | 26,725 | 1,465,559 |
| Net realized investment gains (note (ii)) | 已實現投資收益淨額 (註(ii)) | 57,606 | 538,560 | 20,139 | 11,847 | 628,152 |
| Net unrealized investment (losses)/ gains and impairment (note (iii)) | 未實現投資(虧損)/ 收益及減值淨額 (註(iii)) | (6,210) | 749,697 | — | 2,283 | 745,770 |
| Net exchange gain/(loss) | 匯兌收益/ (虧損)淨額 | 26,569 | (516) | (674) | 502 | 25,881 |
| Other income | 其他收入 | (2,378) | 15,707 | (15,141) | 111,887 | 110,075 |
| Inter-segment transactions | 分類之間交易 | — | (1,571) | — | (62,377) | (63,948) |
| Segment revenue | 分部收入 | 909,477 | 15,115,719 | 2,097,276 | 90,867 | 18,213,339 |
| Benefits, losses and expenses | 給付、賠款及費用 | | | | | |
| Net policyholders' benefits | 保單持有人利益淨額 | (404,016) | (2,255,301) | (1,288,458) | — | (3,947,775) |
| Net commission expenses | 佣金支出淨額 | (184,425) | (1,428,863) | (129,414) | — | (1,742,702) |
| Administrative and other expenses | 行政及其他費用 | (32,891) | (1,737,623) | (748,104) | (191,953) | (2,710,571) |
| Change in life insurance funds, net of reinsurance | 壽險責任準備金變化 減再保險 | — | (8,653,162) | — | — | (8,653,162) |
| Inter-segment transactions | 分類之間交易 | 4,450 | 57,768 | 1,198 | 532 | 63,948 |
| | | (616,882) | (14,017,181) | (2,164,778) | (191,421) | (16,990,262) |
| Profit/(loss) from operations | 經營溢利/(虧損) | 292,595 | 1,098,538 | (67,502) | (100,554) | 1,223,077 |
| Share of losses of associates | 應佔聯營公司虧損 | — | (39) | — | (873) | (912) |
| Finance costs | 財務費用 | — | (91,943) | (24,983) | (39,850) | (156,776) |
| Profit/(loss) before taxation | 除稅前溢利/(虧損) | 292,595 | 1,006,556 | (92,485) | (141,277) | 1,065,389 |
| Income tax credit/(charge) | 稅項抵免/(支出) | (18,787) | (277,337) | 16,279 | (3,571) | (283,416) |
| Profit/(loss) after taxation | 除稅後溢利/(虧損) | 273,808 | 729,219 | (76,206) | (144,848) | 781,973 |
| Minority interests | 少數股東權益 | — | (364,246) | 38,058 | 65,088 | (261,100) |
| Segment profit/(loss), representing profit/(loss) attributable to owners | 分部溢利/(虧損) 代表股東應佔 溢利/(虧損) | 273,808 | 364,973 | (38,148) | (79,760) | 520,873 |

Segment revenue and segment profit/(loss) represents the revenue and profit/(loss) earned by each segment which is the measure reported to the Board for the purpose of resource allocation and assessment of segment performance.

分部收入及分部溢利/(虧損)指各分部之收入及溢利/(虧損)。此乃向董事會呈報之方法，以進行資源分配及評估分部表現。

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告附註 (續)

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

2 OPERATING SEGMENTS (Continued)

2 營運分部 (續)

(a) Segmental income statement for the six months ended 30 June 2009 (Continued)

(a) 截至二零零九年六月三十日止六個月分類損益表 (續)

| | | Reinsurance 再保險 \$'000 千元 | Life insurance 人壽保險 \$'000 千元 | Property and casualty insurance 財產保險 \$'000 千元 | Other businesses 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 | — 持有至到期日 | 41,333 | 454,973 | 11,764 | 409 | 508,479 |
| — Available-for-sale | — 可供出售 | 17,122 | 462,110 | 32,348 | 15,104 | 526,684 |
| — Designated at fair value through profit or loss | — 指定為通過損益以反映公允價值 | 7,327 | 11,069 | — | 1,787 | 20,183 |
| — Loans and receivables | — 貸款及應收款項 | — | 62,121 | 3,129 | — | 65,250 |
| Dividend income from direct equity securities | 直接股本證券股息收入 | | | | | |
| — Available-for-sale | — 可供出售 | 4,279 | 35,629 | 530 | 3,135 | 43,573 |
| — Designated at fair value through profit or loss | — 指定為通過損益以反映公允價值 | 1,562 | 5,034 | — | 211 | 6,807 |
| Dividend income from investment funds | 投資基金股息收入 | | | | | |
| — Available-for-sale | — 可供出售 | 372 | 31,611 | 7,286 | — | 39,269 |
| — Designated at fair value through profit or loss | — 指定為通過損益以反映公允價值 | 1,358 | 46,157 | 242 | 87 | 47,844 |
| Bank deposits and other interest income | 銀行存款及其他利息收入 | 7,710 | 243,883 | 11,368 | 5,992 | 268,953 |
| Rentals income from investment properties | 投資物業租金收入 | 1,182 | — | — | — | 1,182 |
| Interest expenses on securities sold under repurchase agreements | 賣出回購證券利息費用 | — | (60,742) | (1,923) | — | (62,665) |
| | | 82,245 | 1,291,845 | 64,744 | 26,725 | 1,465,559 |
| Note (ii): Net realized investment gains/(losses) | 註(ii): 已實現投資收益/(虧損)淨額 | | | | | |
| Debt securities | 債務證券 | | | | | |
| — Available-for-sale | — 可供出售 | — | 97,373 | 2,877 | 10,819 | 111,069 |
| — Designated at fair value through profit or loss | — 指定為通過損益以反映公允價值 | 7,856 | 7,581 | — | 1,423 | 16,860 |
| Direct equity securities | 直接股本證券 | | | | | |
| — Available-for-sale | — 可供出售 | 50,778 | 151,355 | 7,393 | (4,270) | 205,256 |
| — Designated at fair value through profit or loss | — 指定為通過損益以反映公允價值 | (1,028) | 45,071 | — | 3,380 | 47,423 |
| Investment funds | 投資基金 | | | | | |
| — Available-for-sale | — 可供出售 | — | 157,063 | 9,869 | — | 166,932 |
| — Designated at fair value through profit or loss | — 指定為通過損益以反映公允價值 | — | 80,117 | — | 495 | 80,612 |
| | | 57,606 | 538,560 | 20,139 | 11,847 | 628,152 |

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告附註 (續)

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

2 OPERATING SEGMENTS (Continued)

2 營運分部 (續)

(a) Segmental income statement for the six months ended 30 June 2009 (Continued)

(a) 截至二零零九年六月三十日止六個月分類損益表 (續)

| | | Reinsurance 再保險 \$'000 千元 | Life insurance 人壽保險 \$'000 千元 | Property and casualty insurance 財產保險 \$'000 千元 | Other businesses 其他業務 \$'000 千元 | Total 總額 \$'000 千元 |
|--|----------------------------------|------------------------------------|---|---|---|-----------------------------|
| Note (iii): Net unrealized investment gains/(losses) and impairment | 註(iii): 未實現投資收益/(虧損)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 | 624 | (9,059) | – | (5,025) | (13,460) |
| 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 | – | 57,384 | – | 3,724 | 61,108 |
| Investment funds | 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 | 1,741 | 701,372 | – | 3,584 | 706,697 |
| Surplus on revaluation of investment properties | 投資物業重估盈餘 | 6,420 | – | – | – | 6,420 |
| Impairment on held-to-maturity debt securities | 持有至到期日債務證券減值 | (14,995) | – | – | – | (14,995) |
| | | (6,210) | 749,697 | – | 2,283 | 745,770 |

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告附註 (續)

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

2 OPERATING SEGMENTS (Continued)

2 營運分部 (續)

(b) Segmental statement of financial position as at 30 June 2009

(b) 於二零零九年六月三十日分類財務狀況表

| | | Reinsurance | Life insurance | Property and casualty insurance | Other businesses | Total |
|---|--------------------|------------------|-------------------|---------------------------------|------------------|--------------------|
| | | 再保險 | 人壽保險 | 財務保險 | 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 | 23,250 | 567,195 | 294,941 | 181,503 | 1,066,889 |
| Investment properties | 投資物業 | 83,140 | — | — | — | 83,140 |
| Property and equipment | 物業及設備 | 53,670 | 2,090,351 | 477,178 | 35,711 | 2,656,910 |
| Prepaid lease payments | 預付租賃付款 | — | 478,679 | 97,884 | — | 576,563 |
| Debt securities (note (i)) | 債務證券 (註(i)) | 1,986,895 | 49,578,777 | 2,327,197 | 723,247 | 54,616,116 |
| Direct equity securities (note (ii)) | 直接股本證券 (註(ii)) | 218,293 | 4,333,744 | 96,821 | 212,298 | 4,861,156 |
| Investment funds (note (iii)) | 投資基金 (註(iii)) | 71,664 | 7,673,411 | 505,176 | 39,614 | 8,289,865 |
| Cash and bank deposits | 現金及銀行存款 | 2,186,826 | 25,268,650 | 1,058,099 | 479,194 | 28,992,769 |
| Goodwill | 商譽 | — | 154,909 | 209,936 | — | 364,845 |
| Interest in associates | 於聯營公司的權益 | — | 4,489 | — | 117,889 | 122,378 |
| Reinsurers' share of insurance contract provisions | 分保公司應佔保險合約準備 | 416,606 | 78,007 | 783,695 | — | 1,278,308 |
| Other segment assets | 其他分類資產 | 708,557 | 2,505,925 | 477,498 | 71,455 | 3,763,435 |
| Total assets | 總資產 | 5,748,901 | 92,734,137 | 6,328,425 | 1,860,911 | 106,672,374 |
| Life insurance funds | 壽險責任準備金 | — | 61,461,024 | — | — | 61,461,024 |
| Unearned premium provisions | 未到期責任準備金 | 813,790 | 518,711 | 2,536,152 | — | 3,868,653 |
| Provision for outstanding claims | 未決賠款準備 | 2,478,551 | 264,855 | 1,716,637 | — | 4,460,043 |
| Investment contract liabilities | 投資合約負債 | — | 254,494 | — | — | 254,494 |
| Interest-bearing notes | 需付息票據 | — | 3,573,329 | 794,073 | 1,351,113 | 5,718,515 |
| Securities sold under repurchase agreements | 賣出回購證券 | — | 18,348,758 | — | — | 18,348,758 |
| Deferred tax liabilities | 遞延稅項負債 | 2,407 | 1,058,617 | 13,870 | 601 | 1,075,495 |
| Other segment liabilities | 其他分類負債 | 201,258 | 1,499,395 | 735,251 | 132,091 | 2,567,995 |
| Total liabilities | 總負債 | 3,496,006 | 86,979,183 | 5,795,983 | 1,483,805 | 97,754,977 |
| Minority interests | 少數股東權益 | | | | | 3,228,477 |
| Net assets attributable to the owners of the Company | 本公司股東應佔資產淨值 | | | | | 5,688,920 |

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告附註 (續)

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

2 OPERATING SEGMENTS (Continued)

2 營運分部 (續)

(b) Segmental statement of financial position as at 30 June 2009 (Continued)

(b) 於二零零九年六月三十日分類財務狀況表 (續)

| | | Reinsurance 再保險 \$'000 千元 | Life insurance 人壽保險 \$'000 千元 | Property and casualty insurance 財產保險 \$'000 千元 | Other businesses 其他業務 \$'000 千元 | Total 總額 \$'000 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 | 1,458,039 | 22,925,088 | 647,737 | 13,237 | 25,044,101 |
| — Available-for-sale | — 可供出售 | 395,799 | 24,452,952 | 1,577,365 | 535,442 | 26,961,558 |
| — Designated at fair value through profit or loss | — 指定為通過損益 以反映公允價值 | 133,057 | 136,147 | — | 174,568 | 443,772 |
| — Loans and receivables | — 貸款及應收款項 | — | 2,064,590 | 102,095 | — | 2,166,685 |
| | | 1,986,895 | 49,578,777 | 2,327,197 | 723,247 | 54,616,116 |
| By class: | 按類別: | | | | | |
| — Central governments and central banks | — 中央政府及 中央銀行 | 180,367 | 18,310,743 | 991,963 | 73,264 | 19,556,337 |
| — Public sector entities | — 公共機構 | 50,869 | — | — | — | 50,869 |
| — Banks and other financial institutions | — 銀行及其他 金融機構 | 1,095,079 | 10,136,331 | 753,262 | 544,538 | 12,529,210 |
| — Corporate entities | — 企業實體 | 637,588 | 21,131,703 | 581,972 | 105,445 | 22,456,708 |
| — Others | — 其他 | 22,992 | — | — | — | 22,992 |
| | | 1,986,895 | 49,578,777 | 2,327,197 | 723,247 | 54,616,116 |
| 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 | 218,293 | 3,491,943 | 96,821 | 198,383 | 4,005,440 |
| — Designated at fair value through profit or loss | — 指定為通過損益 以反映公允價值 | — | 841,801 | — | 13,915 | 855,716 |
| | | 218,293 | 4,333,744 | 96,821 | 212,298 | 4,861,156 |
| By class: | 按類別: | | | | | |
| — Banks and other financial institutions | — 銀行及其他 金融機構 | 63,377 | — | — | 160,294 | 223,671 |
| — Corporate entities | — 企業實體 | 154,916 | 4,333,744 | 96,821 | 52,004 | 4,637,485 |
| | | 218,293 | 4,333,744 | 96,821 | 212,298 | 4,861,156 |

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告附註 (續)

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

2 OPERATING SEGMENTS (Continued)

2 營運分部 (續)

(b) Segmental statement of financial position as at 30 June 2009 (Continued)

(b) 於二零零九年六月三十日分類財務狀況表 (續)

| | | Reinsurance 再保險 \$'000 千元 | Life insurance 人壽保險 \$'000 千元 | Property and casualty insurance 財產保險 \$'000 千元 | Other businesses 其他業務 \$'000 千元 | Total 總額 \$'000 千元 |
|--|----------------------|------------------------------------|---|---|---|-----------------------------|
| Note (iii): Investment funds | 註(iii): 投資基金 | | | | | |
| By category: | 按種類: | | | | | |
| — Available-for-sale | — 可供出售 | 41,064 | 4,113,407 | 505,176 | — | 4,659,647 |
| — Designated at fair value through profit or loss | — 指定為通過損益 以反映公允價值 | 30,600 | 3,560,004 | — | 39,614 | 3,630,218 |
| | | 71,664 | 7,673,411 | 505,176 | 39,614 | 8,289,865 |
| By class: | 按類別: | | | | | |
| — Corporate entities | — 企業實體 | 71,664 | 7,673,411 | 505,176 | 39,614 | 8,289,865 |

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告附註 (續)

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

2 OPERATING SEGMENTS (Continued)

2 營運分部 (續)

(c) Segmental income statement for the six months ended 30 June 2008

(c) 截至二零零八年六月三十日止六個月分類損益表

| | | Reinsurance 再保險 \$'000 千元 | Life insurance 人壽保險 \$'000 千元 | Other businesses 其他業務 \$'000 千元 | Total 總額 \$'000 千元 |
|---|------------------------------------|------------------------------------|---|---|-----------------------------|
| Revenue | 收入 | | | | |
| Gross premiums written | 毛承保保費 | 1,493,698 | 11,802,807 | — | 13,296,505 |
| Policy fees | 保單費收入 | — | 3,174 | — | 3,174 |
| | | 1,493,698 | 11,805,981 | — | 13,299,679 |
| Less: Premiums ceded to reinsurers and retrocessionaires | 減：保費之再保份額 及轉分份額 | (240,493) | (52,707) | — | (293,200) |
| Net premiums written and policy fees | 淨承保保費及保單費收入 | 1,253,205 | 11,753,274 | — | 13,006,479 |
| Change in unearned premium provisions, net of reinsurance | 未到期責任準備金 變化，減再保險 | (516,557) | (37,353) | — | (553,910) |
| Net earned premiums and policy fees | 已賺取保費及 保單費收入淨額 | 736,648 | 11,715,921 | — | 12,452,569 |
| Net investment income (note (i)) | 投資收入淨額 (註(i)) | 91,513 | 1,889,077 | 70,141 | 2,050,731 |
| Net realized investment (losses)/gains (note(ii)) | 已實現投資(虧損)/收益 淨額 (註(ii)) | (37,500) | 1,006,740 | (43,200) | 926,040 |
| Net unrealized investment losses and impairment (note (iii)) | 未實現投資虧損 及減值淨額 (註(iii)) | (34,145) | (2,651,655) | (80,084) | (2,765,884) |
| Net exchange gain/(loss) | 匯兌收益/(虧損)淨額 | 34,916 | (78,822) | 250 | (43,656) |
| Other income | 其他收入 | 618 | 12,161 | 89,344 | 102,123 |
| Inter-segment transactions | 分類之間交易 | — | — | (54,697) | (54,697) |
| Segment revenue | 分部收入 | 792,050 | 11,893,422 | (18,246) | 12,667,226 |
| Benefits, losses and expenses | 給付、賠款及費用 | | | | |
| Net Policyholders' benefits | 保單持有人利益淨額 | (360,541) | (2,140,288) | — | (2,500,829) |
| Net commission expenses | 佣金支出淨額 | (319,040) | (1,088,420) | — | (1,407,460) |
| Administrative and other expenses | 行政及其他費用 | (33,192) | (1,163,325) | (178,567) | (1,375,084) |
| Change in life insurance funds, net of reinsurance | 壽險責任準備金 變化，減再保險 | — | (6,678,753) | — | (6,678,753) |
| Inter-segment transactions | 分類之間交易 | 3,526 | 51,171 | — | 54,697 |
| | | (709,247) | (11,019,615) | (178,567) | (11,907,429) |
| Profit/(loss) from operations | 經營溢利/(虧損) | 82,803 | 873,807 | (196,813) | 759,797 |
| Share of losses of associates | 應佔聯營公司虧損 | — | (105) | (46,836) | (46,941) |
| Finance costs | 財務費用 | — | (36,870) | (40,083) | (76,953) |
| Profit/(loss) before taxation | 除稅前溢利/(虧損) | 82,803 | 836,832 | (283,732) | 635,903 |
| Income tax credit/(charge) | 稅項抵免/(支出) | 985 | 144,205 | (5,840) | 139,350 |
| Profit/(loss) after taxation | 除稅後溢利/(虧損) | 83,788 | 981,037 | (289,572) | 775,253 |
| Minority interests | 少數股東權益 | — | (490,027) | 96,110 | (393,917) |
| Segment profit/(loss), representing profit/(loss) attributable to owners | 分部溢利/(虧損)代表 股東應佔溢利/(虧損) | 83,788 | 491,010 | (193,462) | 381,336 |

Segment revenue and segment profit/(loss) represents the revenue and profit/(loss) earned by each segment which is the measure reported to the Board for the purpose of resource allocation and assessment of segment performance.

分部收入及分部溢利/(虧損)指各分部之收入及溢利/(虧損)，此乃向董事會呈報之方法，以進行資源分配及評估分部表現。

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告附註 (續)

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

2 OPERATING SEGMENTS (Continued)

2 營運分部 (續)

(c) Segmental income statement for the six months ended 30 June 2008 (Continued)

(c) 截至二零零八年六月三十日止六個月分類損益表 (續)

| | | Reinsurance 再保險 \$'000 千元 | Life insurance 人壽保險 \$'000 千元 | Other businesses 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 | — 持有至到期日 | 32,806 | 119,614 | 345 | 152,765 |
| — Available-for-sale | — 可供出售 | 17,730 | 569,465 | 12,625 | 599,820 |
| — Designated at fair value through profit or loss | — 指定為通過損益以反映公允價值 | 4,077 | 4,055 | 840 | 8,972 |
| Dividend income from direct equity securities | 直接股本證券股息收入 | | | | |
| — Available-for-sale | — 可供出售 | 10,133 | 20,074 | 5,384 | 35,591 |
| — Designated at fair value through profit or loss | — 指定為通過損益以反映公允價值 | 1,923 | 5,260 | 272 | 7,455 |
| Dividend income from investment funds | 投資基金股息收入 | | | | |
| — Available-for-sale | — 可供出售 | — | 296,943 | — | 296,943 |
| — Designated at fair value through profit or loss | — 指定為通過損益以反映公允價值 | 1,595 | 761,185 | 35,047 | 797,827 |
| Bank deposits and other interest income | 銀行存款及其他利息收入 | 21,813 | 179,522 | 15,775 | 217,110 |
| Rentals income from investment properties | 投資物業租金收入 | 1,436 | — | — | 1,436 |
| Interest expenses on securities sold under repurchase agreements | 賣出回購證券利息費用 | — | (67,041) | (147) | (67,188) |
| | | 91,513 | 1,889,077 | 70,141 | 2,050,731 |
| 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 | — | 33,293 | 241 | 33,534 |
| — Designated at fair value through profit or loss | — 指定為通過損益以反映公允價值 | 16 | (31,427) | 543 | (30,868) |
| Direct equity securities | 直接股本證券 | | | | |
| — Available-for-sale | — 可供出售 | (38,261) | 863,327 | (31,996) | 793,070 |
| — Designated at fair value through profit or loss | — 指定為通過損益以反映公允價值 | 745 | 24,352 | (2,174) | 22,923 |
| Investment funds | 投資基金 | | | | |
| — Available-for-sale | — 可供出售 | — | 116,200 | — | 116,200 |
| — Designated at fair value through profit or loss | — 指定為通過損益以反映公允價值 | — | 995 | (9,814) | (8,819) |
| | | (37,500) | 1,006,740 | (43,200) | 926,040 |

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告附註 (續)

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

2 OPERATING SEGMENTS (Continued)

2 營運分部 (續)

(c) Segmental income statement for the six months ended 30 June 2008 (Continued)

(c) 截至二零零八年六月三十日止六個月分類損益表 (續)

| | Reinsurance 再保險 \$'000 千元 | Life insurance 人壽保險 \$'000 千元 | Other businesses 其他業務 \$'000 千元 | Total 總額 \$'000 千元 |
|--|------------------------------------|---|---|-----------------------------|
| Note (iii): Net unrealized investment losses and impairment | | | | |
| 註(iii)：未實現投資虧損及減值淨額 | | | | |
| Debt securities | | | | |
| — Designated at fair value through profit or loss | (15,676) | (15,040) | 662 | (30,054) |
| Direct equity securities | | | | |
| — Designated at fair value through profit or loss | (14,236) | (801,062) | (5,431) | (820,729) |
| Investment funds | | | | |
| — Designated at fair value through profit or loss | (2,046) | (1,743,453) | (72,315) | (1,817,814) |
| Surplus on revaluation of investment properties | 10,813 | — | — | 10,813 |
| Impairment on available-for-sale equities | (13,000) | (92,100) | (3,000) | (108,100) |
| | (34,145) | (2,651,655) | (80,084) | (2,765,884) |

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告附註 (續)

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

2 OPERATING SEGMENTS (Continued)

2 營運分部 (續)

(d) Segmental statement of financial position as at 31 December 2008

(d) 於二零零八年十二月三十一日分類財務狀況表

| | | Reinsurance 再保險 \$'000 千元 | Life insurance 人壽保險 \$'000 千元 | Property and casualty insurance 財產保險 \$'000 千元 | Other businesses 其他業務 \$'000 千元 | Total 總額 \$'000 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 |
| Investment funds (note (iii)) | 投資基金 (註(iii)) | 67,041 | 4,772,477 | 351,170 | 23,375 | 5,214,063 |
| 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 協議 | — | 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 owners of the Company | 本公司股東應佔資產淨值 | | | | | 4,596,619 |

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告附註 (續)

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

2 OPERATING SEGMENTS (Continued)

2 營運分部 (續)

(d) Segmental statement of financial position as at 31 December 2008 (Continued)

(d) 於二零零八年十二月三十一日分類財務狀況表 (續)

| | Reinsurance 再保險 \$'000 千元 | Life insurance 人壽保險 \$'000 千元 | Property and casualty insurance 財產保險 \$'000 千元 | Other businesses 其他業務 \$'000 千元 | Total 總額 \$'000 千元 |
|---|------------------------------------|---|---|---|-----------------------------|
| Note (i): Debt securities | 註(i): 債務證券 | | | | |
| By category: | 按種類: | | | | |
| — Held-to-maturity | 1,338,632 | 19,222,471 | 426,476 | 16,568 | 21,004,147 |
| — Available-for-sale | 390,078 | 23,634,693 | 1,576,537 | 402,643 | 26,003,951 |
| — Designated at fair value through profit or loss | 176,201 | 617,424 | — | 60,562 | 854,187 |
| — Loans and receivables | — | 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 | 131,344 | 19,204,888 | 1,128,548 | 58,601 | 20,523,381 |
| — Public sector entities | 50,973 | — | — | — | 50,973 |
| — Banks and other financial institutions | 1,425,131 | 8,465,891 | 616,477 | 327,800 | 10,835,299 |
| — Corporate entities | 286,468 | 17,867,562 | 360,041 | 93,372 | 18,607,443 |
| — Others | 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 | 194,664 | 1,034,857 | 10,290 | 270,911 | 1,510,722 |
| — Designated at fair value through profit or loss | 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 | 140,054 | — | — | 96,979 | 237,033 |
| — Corporate entities | 87,566 | 1,102,040 | 10,290 | 180,603 | 1,380,499 |
| — Others | 4,180 | — | — | — | 4,180 |
| | 231,800 | 1,102,040 | 10,290 | 277,582 | 1,621,712 |

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告附註 (續)

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

2 OPERATING SEGMENTS (Continued)

2 營運分部 (續)

(d) Segmental statement of financial position as at 31 December 2008 (Continued)

(d) 於二零零八年十二月三十一日分類財務狀況表 (續)

| | Reinsurance 再保險 \$'000 千元 | Life insurance 人壽保險 \$'000 千元 | Property and casualty insurance 財產保險 \$'000 千元 | Other businesses 其他業務 \$'000 千元 | Total 總額 \$'000 千元 |
|---|------------------------------------|---|---|---|-----------------------------|
| Note (iii): Investment funds | | | | | |
| By category: | | | | | |
| – Available-for-sale | 38,182 | 2,360,722 | 351,170 | – | 2,750,074 |
| – Designated at fair value through profit or loss | 28,859 | 2,411,755 | – | 23,375 | 2,463,989 |
| | 67,041 | 4,772,477 | 351,170 | 23,375 | 5,214,063 |
| By class: | | | | | |
| – Banks and other financial institutions | – | – | – | 23,322 | 23,322 |
| – Corporate entities | 67,041 | 4,772,477 | 351,170 | 53 | 5,190,741 |
| | 67,041 | 4,772,477 | 351,170 | 23,375 | 5,214,063 |

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告附註 (續)

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

2 OPERATING SEGMENTS (Continued)

Geographical distribution:

For the six months ended 30 June 2009

| | | Hong Kong and Macau 香港及澳門 \$'000 千元 | PRC (other than Hong Kong and Macau) 中國 (香港及 澳門除外) \$'000 千元 | Japan 日本 \$'000 千元 | Rest of Asia 亞洲 其他地區 \$'000 千元 | Europe 歐洲 \$'000 千元 | Rest of the world 其他地區 \$'000 千元 | Total 總額 \$'000 千元 |
|---|---------------------------------|---|--|-----------------------------|---|------------------------------|---|-----------------------------|
| Gross premiums written and policy fees | 毛承保保費及保單費收入 | 188,283 | 15,460,868 | 79,313 | 275,665 | 167,799 | 74,035 | 16,245,963 |
| Non-current assets (other than financial instruments, deferred tax assets and rights arising under insurance contracts) | 非流動資產 (金融工具、遞延稅項資產及有關保險合約之權利除外) | 137,846 | 3,178,767 | — | — | — | — | 3,316,613 |

As at 31 December 2008

| | | Hong Kong and Macau 香港及澳門 \$'000 千元 | PRC (other than Hong Kong and Macau) 中國 (香港及 澳門除外) \$'000 千元 | Japan 日本 \$'000 千元 | Rest of Asia 亞洲 其他地區 \$'000 千元 | Europe 歐洲 \$'000 千元 | Rest of the world 其他地區 \$'000 千元 | Total 總額 \$'000 千元 |
|---|---------------------------------|---|--|-----------------------------|---|------------------------------|---|-----------------------------|
| Non-current assets (other than financial instruments, deferred tax assets and rights arising under insurance contracts) | 非流動資產 (金融工具、遞延稅項資產及有關保險合約之權利除外) | 132,065 | 3,144,400 | — | — | — | — | 3,276,465 |

For the six months ended 30 June 2008

| | | Hong Kong and Macau 香港及澳門 \$'000 千元 | PRC (other than Hong Kong and Macau) 中國 (香港及 澳門除外) \$'000 千元 | Japan 日本 \$'000 千元 | Rest of Asia 亞洲 其他地區 \$'000 千元 | Europe 歐洲 \$'000 千元 | Rest of the world 其他地區 \$'000 千元 | Total 總額 \$'000 千元 |
|--|-------------|---|--|-----------------------------|---|------------------------------|---|-----------------------------|
| Gross premiums written and policy fees | 毛承保保費及保單費收入 | 232,529 | 12,273,159 | 96,124 | 395,563 | 226,248 | 76,056 | 13,299,679 |

地區分佈：

截至二零零九年六月三十日止六個月

於二零零八年十二月三十一日

截至二零零八年六月三十日止六個月

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告附註 (續)

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

3 GROSS PREMIUMS WRITTEN AND POLICY FEES

Principal activities

The principal activity of the Company is investment holding. The principal activities of the Company'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.

3 毛承保保費及保單費收入

主要業務

本公司的主要業務是投資控股。本公司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。

| | | Six months ended 30 June 2009 截至二零零九年六月三十日止六個月 | | | | |
|------------------------|---------|---|--|---|--|-----------------------------|
| | | Reinsurance contracts 再保險合約 \$'000 千元 | Life insurance contracts 人壽保險合約 \$'000 千元 | Property and casualty insurance contracts 財產保險合約 \$'000 千元 | Investment contracts 投資合約 \$'000 千元 | Total 總額 \$'000 千元 |
| Gross premiums written | 毛承保保費收入 | 1,060,446 | 12,700,751 | 2,479,765 | — | 16,240,962 |
| Policy fees | 保單費收入 | — | — | — | 5,001 | 5,001 |
| | | 1,060,446 | 12,700,751 | 2,479,765 | 5,001 | 16,245,963 |
| | | Six months ended 30 June 2008 截至二零零八年六月三十日止六個月 | | | | |
| | | Reinsurance contracts 再保險合約 \$'000 千元 | Life insurance contracts 人壽保險合約 \$'000 千元 | Investment contracts 投資合約 \$'000 千元 | Total 總額 \$'000 千元 | |
| Gross premiums written | 毛承保保費收入 | 1,493,698 | 11,802,807 | — | — | 13,296,505 |
| Policy fees | 保單費收入 | — | — | 3,174 | — | 3,174 |
| | | 1,493,698 | 11,802,807 | 3,174 | — | 13,299,679 |

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告附註 (續)

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(以港幣列示)

4 INVESTMENT INCOME

4 投資收入

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|---|---------------------------------|---|-------------------------------|
| | | 2009 二零零九年 \$'000 千元 | 2008 二零零八年 \$'000 千元 |
| Net investment income (note (a)) | 投資收入淨額 (註(a)) | 1,465,559 | 2,050,731 |
| Net realized investment gains (note (b)) | 已實現投資收益淨額 (註(b)) | 628,152 | 926,040 |
| Net unrealized investment gains/(losses) and impairment (note (c)) | 未實現投資收益/(虧損)及減值淨額 (註(c)) | 745,770 | (2,765,884) |
| | | 2,839,481 | 210,887 |
| (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 | 508,479 | 152,765 |
| — Available-for-sale | — 可供出售 | 526,684 | 599,820 |
| — Designated at fair value through profit or loss | — 指定為通過損益以反映公允價值 | 20,183 | 8,972 |
| — Loans and receivables | — 貸款及應收款 | 65,250 | — |
| 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 | 43,573 | 35,591 |
| — Designated at fair value through profit or loss | — 指定為通過損益以反映公允價值 | 6,807 | 7,455 |
| Dividend income from investment funds (note (iii)): | 投資基金股息收入 (註(iii)): | | |
| — Available-for-sale | — 可供出售 | 39,269 | 296,943 |
| — Designated at fair value through profit or loss | — 指定為通過損益以反映公允價值 | 47,844 | 797,827 |
| Bank deposits and other interest income | 銀行存款及其他利息收入 | 268,953 | 217,110 |
| Rentals income from investment properties | 投資物業租金收入 | 1,182 | 1,436 |
| Interest expenses on securities sold under repurchase agreements | 賣出回購證券利息費用 | (62,665) | (67,188) |
| | | 1,465,559 | 2,050,731 |

Notes:

註:

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|---|------------------|---|-------------------------------|
| | | 2009 二零零九年 \$'000 千元 | 2008 二零零八年 \$'000 千元 |
| (i) Interest income from debt securities: | (i) 債務證券利息收入: | | |
| — Listed | — 上市 | 665,362 | 729,281 |
| — Unlisted | — 非上市 | 455,234 | 32,276 |
| (ii) Dividend income from direct equity securities: | (ii) 直接股本證券股息收入: | | |
| — Listed | — 上市 | 49,329 | 42,862 |
| — Unlisted | — 非上市 | 1,051 | 184 |
| (iii) Dividend income from investment funds: | (iii) 投資基金股息收入: | | |
| — Listed | — 上市 | 35,178 | 935,423 |
| — Unlisted | — 非上市 | 51,935 | 159,347 |

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

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4 INVESTMENT INCOME (Continued)

4 投資收入 (續)

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|---|---------------------------|---|-------------------------------|
| | | 2009 二零零九年 \$'000 千元 | 2008 二零零八年 \$'000 千元 |
| (b) Net realized investment gains/(losses) | (b) 已實現投資收益／(虧損)淨額 | | |
| Debt securities (note (i)): | 債務證券 (註(i)): | | |
| — Available-for-sale | — 可供出售 | 111,069 | 33,534 |
| — Designated at fair value through profit or loss | — 指定為通過損益以反映公允價值 | 16,860 | (30,868) |
| Direct equity securities (note (ii)): | 直接股本證券 (註(ii)): | | |
| — Available-for-sale | — 可供出售 | 205,258 | 793,070 |
| — Designated at fair value through profit or loss | — 指定為通過損益以反映公允價值 | 47,423 | 22,923 |
| Investment funds (notes (iii)): | 投資基金 (註(iii)): | | |
| — Available-for-sale | — 可供出售 | 166,932 | 116,200 |
| — Designated at fair value through profit or loss | — 指定為通過損益以反映公允價值 | 80,610 | (8,819) |
| | | 628,152 | 926,040 |

Notes:

註:

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|---|---------------------------|---|-------------------------------|
| | | 2009 二零零九年 \$'000 千元 | 2008 二零零八年 \$'000 千元 |
| (i) Net realized investment gains on debt securities: | (i) 債務證券已實現投資收益淨額: | | |
| Listed | 上市 | 83,008 | 2,050 |
| Unlisted | 非上市 | 44,921 | 616 |
| (ii) Net realized investment gains on direct equity securities: | (ii) 直接股本證券已實現投資收益淨額: | | |
| Listed | 上市 | 252,166 | 815,993 |
| Unlisted | 非上市 | 515 | — |
| (iii) Net realized investment gains/(losses) on investment funds: | (iii) 投資基金已實現投資收益／(虧損)淨額: | | |
| Listed | 上市 | (5,210) | (50,947) |
| Unlisted | 非上市 | 252,752 | 158,328 |

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告附註 (續)

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

4 INVESTMENT INCOME (Continued)

4 投資收入 (續)

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|--|------------------------------|---|-------------------------------|
| | | 2009 二零零九年 \$'000 千元 | 2008 二零零八年 \$'000 千元 |
| (c) Net unrealized investment gains/(losses) and impairment | (c) 未實現投資收益／(虧損)及減值淨額 | | |
| Debt securities (note (i)): | 債務證券 (註(i)): | | |
| — Designated at fair value through profit or loss | — 指定為通過損益以反映公允價值 | (13,460) | (30,054) |
| Direct equity securities (note (ii)): | 直接股本證券 (註(ii)): | | |
| — Designated at fair value through profit or loss | — 指定為通過損益以反映公允價值 | 61,108 | (820,729) |
| Investment funds (note(iii)): | 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 | 706,697 | (1,817,814) |
| Surplus on revaluation of investment properties | 投資物業重估盈餘 | 6,420 | 10,813 |
| Impairment on debt and equity securities | 可供出售股本投資減值 | (14,995) | (108,100) |
| | | 745,770 | (2,765,884) |

Notes:

註:

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|--|----------------------------|---|-------------------------------|
| | | 2009 二零零九年 \$'000 千元 | 2008 二零零八年 \$'000 千元 |
| (i) Net unrealized investment gains/(losses) on debt securities: | (i) 債務證券未實現投資收益／(虧損)淨額: | | |
| Listed | 上市 | 10,503 | (24,905) |
| Unlisted | 非上市 | (23,963) | (5,149) |
| (ii) Net unrealized investment gains/(losses) on direct equity securities: | (ii) 直接股本證券未實現投資收益／(虧損)淨額: | | |
| Listed | 上市 | 60,082 | (957,157) |
| Unlisted | 非上市 | 1,026 | 136,428 |
| (iii) Net unrealized investment gains/(losses) on investment funds: | (iii) 投資基金未實現投資收益／(虧損)淨額: | | |
| Listed | 上市 | 96,228 | (1,289,319) |
| Unlisted | 非上市 | 610,469 | (528,495) |

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告附註 (續)

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

5 OTHER INCOME

5 其他收入

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|--|--------------|---|-------------------------------|
| | | 2009 二零零九年 \$'000 千元 | 2008 二零零八年 \$'000 千元 |
| Income from provision of asset management services | 提供資產管理服務收入 | 7,616 | 6,088 |
| Income from provision of insurance intermediary services | 提供保險中介服務收入 | 12,961 | 11,053 |
| Income from provision of pension administration services | 提供養老保險管理服務收入 | 25,114 | 13,827 |
| Net loss on sale of property and equipment | 出售物業及設備虧損淨額 | (510) | (55) |
| Others | 其他 | 946 | 16,513 |
| | | 46,127 | 47,426 |

6 NET POLICYHOLDERS' BENEFITS AND NET COMMISSION EXPENSES

6 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

| | | Six months ended 30 June 2009 截至二零零九年六月三十日止六個月 | | | |
|--|-----------|---|--|---|-----------------------------|
| | | Reinsurance contracts 再保險合約 \$'000 千元 | Life insurance contracts 人壽保險合約 \$'000 千元 | 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 | 451,838 | 299,384 | 1,429,871 | 2,181,093 |
| Less: Reinsurers' and retrocessionaires' share | 減：再保及轉分份額 | (47,822) | (28,040) | (141,413) | (217,275) |
| | | 404,016 | 271,344 | 1,288,458 | 1,963,818 |
| Surrenders | 退保 | — | 1,761,625 | — | 1,761,625 |
| Annuity and maturity payments | 年金及到期付款 | — | 182,291 | — | 182,291 |
| Policy dividends | 保單分紅 | — | 40,041 | — | 40,041 |
| | | 404,016 | 2,255,301 | 1,288,458 | 3,947,775 |

| | | Six months ended 30 June 2008 截至二零零八年六月三十日止六個月 | | |
|--|-----------|---|--|-----------------------------|
| | | Reinsurance contracts 再保險合約 \$'000 千元 | Life insurance contracts 人壽保險合約 \$'000 千元 | Total 總額 \$'000 千元 |
| Claims and claim adjustment expenses | 賠款及賠款調整支出 | 589,155 | 302,575 | 891,730 |
| Less: Reinsurers' and retrocessionaires' share | 減：再保及轉分份額 | (228,614) | (26,011) | (254,625) |
| | | 360,541 | 276,564 | 637,105 |
| Surrenders | 退保 | — | 1,777,123 | 1,777,123 |
| Annuity and maturity payments | 年金及到期付款 | — | 49,984 | 49,984 |
| Policy dividends | 保單分紅 | — | 36,617 | 36,617 |
| | | 360,541 | 2,140,288 | 2,500,829 |

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告附註 (續)

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

6 NET POLICYHOLDERS' BENEFITS AND NET COMMISSION EXPENSES (Continued)

6 保單持有人利益淨額及佣金支出淨額 (續)

(b) Net commission expenses

(b) 佣金支出淨額

| | | Six months ended 30 June 2009 截至二零零九年六月三十日止六個月 | | | |
|-------------------------------|---------|---|--|------------------------|-----------------------------|
| | | Property and casualty insurance contracts | | | Total 總額 \$'000 千元 |
| | | Reinsurance contracts 再保險合約 \$'000 千元 | Life insurance contracts 人壽保險合約 \$'000 千元 | 財產保險合約 \$'000 千元 | |
| Gross commission expenses | 毛佣金支出 | 216,825 | 1,435,987 | 241,050 | 1,893,862 |
| Reinsurance commission income | 再保險佣金收入 | (32,400) | (7,124) | (111,636) | (151,160) |
| Net commission expenses | 佣金支出淨額 | 184,425 | 1,428,863 | 129,414 | 1,742,702 |

| | | Six months ended 30 June 2008 截至二零零八年六月三十日止六個月 | | | |
|-------------------------------|---------|---|--|-----------------------------|--|
| | | Reinsurance contracts 再保險合約 \$'000 千元 | Life insurance contracts 人壽保險合約 \$'000 千元 | Total 總額 \$'000 千元 | |
| Gross commission expenses | 毛佣金支出 | 374,643 | 1,078,185 | 1,452,828 | |
| Reinsurance commission income | 再保險佣金收入 | (55,603) | (10,896) | (66,499) | |
| Net commission expenses | 佣金支出淨額 | 319,040 | 1,067,289 | 1,386,329 | |

7 PROFIT BEFORE TAXATION

7 除稅前溢利

Profit before taxation is arrived at after charging:

除稅前溢利已扣除：

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|--|--------------|---|-------------------------------|
| | | 2009 二零零九年 \$'000 千元 | 2008 二零零八年 \$'000 千元 |
| (a) Finance costs: | (a) 財務費用： | | |
| Interest on interest-bearing notes | 需付息票據利息 | 156,776 | 36,870 |
| — payable within 5 years | — 於五年內支付 | — | 40,083 |
| — not payable within 5 years | — 不須於五年內支付 | 156,776 | 76,953 |
| (b) Staff costs: | (b) 員工成本： | 1,358,255 | 656,324 |
| Salaries, wages and other benefits | 薪金、工資及其他利益 | 13,642 | 23,802 |
| Employee share-based compensation benefits | 以股份為本之僱員補償利益 | 88,798 | 64,808 |
| Contributions to defined contribution retirement plans | 已訂定供款退休計劃供款 | 1,460,695 | 744,934 |

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

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(以港幣列示)

7 PROFIT BEFORE TAXATION (Continued)

7 除稅前溢利 (續)

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|-----|--|---|-------------------------------|
| | | 2009 二零零九年 \$'000 千元 | 2008 二零零八年 \$'000 千元 |
| (c) | Other items: | | |
| | Auditor's remuneration | 2,304 | 902 |
| | Depreciation of property and equipment | 79,633 | 43,549 |
| | Operating lease charges in respect of properties | 141,661 | 78,237 |
| | Share of associates' taxation charge | 238 | 13,089 |
| (c) | 其他項目： | | |
| | 核數師酬金 | | |
| | 物業及設備折舊 | | |
| | 有關物業的經營租賃費用 | | |
| | 佔聯營公司稅項支出 | | |

8 INCOME TAX CHARGE/(CREDIT)

8 稅項支出 / (抵免)

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

綜合損益表所示的稅項(抵免)/支出為：

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|---|-------------------|---|-------------------------------|
| | | 2009 二零零九年 \$'000 千元 | 2008 二零零八年 \$'000 千元 |
| Current tax - Hong Kong Profits Tax | 當期稅項 — 香港利得稅 | 18,535 | 1,088 |
| Provision for the period | 本財務期稅項準備 | 1,684 | — |
| Under-provision in respect of prior years | 少提以往年度稅項準備 | 20,219 | 1,088 |
| Current tax - Outside Hong Kong | 當期稅項 — 香港以外地區 | 177 | 443,545 |
| Provision for the period | 本財務期稅項準備 | 75,768 | — |
| Under-provision in respect of prior years | 少提以往年度稅項準備 | 75,945 | 443,545 |
| Deferred tax charge/(credit) (note) | 遞延稅項支出 / (抵免) (註) | 187,252 | (583,983) |
| Origination and reversal of temporary differences | 暫時性差異之起源及轉回 | | |
| Income tax charge/(credit) | 稅項支出 / (抵免) | 283,416 | (139,350) |

Note: Deferred tax charge/(credit) mainly represents deferred tax assets and liabilities recognized in respect of unrealized investment gains/(losses) and life insurance funds recognized in a subsidiary of the Group outside of Hong Kong.

註：遞延稅項支出 / (抵免) 主要代表本集團一家香港以外地區的附屬公司確認的未實現投資收益 / (虧損) 及壽險責任準備金而確認的遞延稅項資產及負債。

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% (2008: 16.5%) 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% (2008: 8.25%), one-half of the standard tax rate.

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% (二零零八年：16.5%) 的標準稅率計算的估計應繳利得稅，但來自海外風險的再保險業務應評稅溢利則按適用稅率8.25% (二零零八年：8.25%)，即標準稅率的一半計算。

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8 INCOME TAX CHARGE/(CREDIT) (Continued)

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

At 30 June 2009, the Group did not recognize deferred tax assets in respect of tax losses of approximately \$1,046,906,000 (31 December 2008: \$1,015,878,000). Of this amount, \$868,399,000 will be expired after 5 years under current tax legislation of PRC, while the remaining tax losses do not expire under current tax legislation.

8 稅項支出／(抵免) (續)

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。

於二零零九年六月三十日，本集團有未確認就某些稅項虧損而產生的遞延稅項資產約為1,046,906,000元(二零零八年十二月三十一日：1,015,878,000元)。此金額中，868,399,000元在目前的中國稅務條例下將於五年後到期，尚餘的稅項虧損額在目前的稅務條例則並無期限。

9 DIVIDENDS

- (a) No interim dividend in respect of the interim period was declared during the interim period ended 30 June 2009 (2008: \$Nil).
- (b) Dividends attributable to the previous financial year, approved and paid during the interim period.

9 股息

- (a) 於二零零九年六月三十日止之中期財務期沒有宣派屬於本財務期的中期股息(二零零八年：無)。
- (b) 屬於上一個財政年度，並於中期財務期核准及支付的股息。

| Six months ended 30 June | |
|--------------------------|--------|
| 截至六月三十日止六個月 | |
| 2009 | 2008 |
| 二零零九年 | 二零零八年 |
| \$'000 | \$'000 |
| 千元 | 千元 |

Final dividend in respect of the previous financial year, approved and paid during the interim period of nil (2008: 10 cents per share)

並無屬於上一個財政年度，及於中期財務期核准及支付的末期股息(二零零八年：每股10仙)

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

| | |
|---|---------|
| — | 141,915 |
| — | 470 |
| — | 141,445 |

10 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to owners of the Company of \$520,873,000 (2008: \$381,336,000) and the weighted average of ordinary shares in issue during the period less shares held for the Share Award Scheme of 1,417,001,592 (2008: 1,412,626,425).

10 每股盈利

(a) 每股基本盈利

每股基本盈利是按照本公司股東應佔溢利520,873,000元(二零零八年：381,336,000元)，及扣除為股份獎勵計劃而持有之股份後的期內已發行普通股的加權平均數1,417,001,592股(二零零八年：1,412,626,425)計算。

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告附註 (續)

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

10 EARNINGS PER SHARE (Continued)

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to owners of the Company of \$520,873,000 (2008: \$381,336,000) and the weighted average of 1,431,939,624 ordinary shares (2008: 1,432,776,896 ordinary shares) after adjusting for the effects of the potential dilution from ordinary shares issuable under the Company's Share Option Scheme and Share Award Scheme.

(c) Reconciliations

| | | | |
|---|--------------------------------------|---------------|---------------|
| Weighted average number of ordinary shares less shares held for Share Award Scheme used in calculating basic earnings per share | 用作計算每股基本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 | 1,417,001,592 | 1,412,626,425 |
| Effect of Share Option Scheme | 認股權計劃的影響 | 10,218,032 | 15,430,471 |
| Effect of Share Award Scheme | 股份獎勵計劃的影響 | 4,720,000 | 4,720,000 |
| Weighted average number of ordinary shares used in calculating diluted earnings per share | 用作計算每股攤薄盈利的普通股加權平均股數 | 1,431,939,624 | 1,432,776,896 |

11 FIXED ASSETS

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 include contingent rentals. The carrying amount of investment properties of the Group that have been rented out was \$47,360,000 (31 December 2008: \$70,070,000).

10 每股盈利 (續)

(b) 每股攤薄盈利

每股攤薄盈利是按照股東應佔溢利520,873,000元(二零零八年: 381,336,000元)及已就本公司認股權計劃及股份獎勵計劃具備潛在攤薄影響的普通股作出調整得出的普通股加權平均數1,431,939,624股(二零零八年: 1,432,776,896股)計算。

(c) 對賬

| At 30 June 於六月三十日 | |
|-----------------------|-----------------------|
| 2009 二零零九年 | 2008 二零零八年 |
| No. of shares 股份數目 | No. of shares 股份數目 |
| 1,417,001,592 | 1,412,626,425 |
| 10,218,032 | 15,430,471 |
| 4,720,000 | 4,720,000 |
| 1,431,939,624 | 1,432,776,896 |

11 固定資產

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。本集團已出租的投資物業之賬面額為47,360,000元(二零零八年十二月三十一日: 70,070,000元)。

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告附註 (續)

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

11 FIXED ASSETS (Continued)

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

11 固定資產 (續)

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：

| | | At 30 June 2009 於二零零九年 六月三十日 \$'000 千元 | At 31 December 2008 於二零零八年 十二月三十一日 \$'000 千元 |
|---------------------------------------|------------------|---|---|
| Within 1 year | 一年內 | 1,672 | 1,840 |
| In the second to fifth year inclusive | 第二年至第五年 (包括首尾兩年) | 1,095 | 157 |
| | | 2,767 | 1,997 |

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

| | | At 30 June 2009 於二零零九年 六月三十日 \$'000 千元 | At 31 December 2008 於二零零八年 十二月三十一日 \$'000 千元 |
|---|---------------------------|---|---|
| Held-to-maturity (Note (i)): | 持有至到期日 (註(i)) : | | |
| – Debt securities | – 債務證券 | 25,044,101 | 21,004,147 |
| Available-for-sale (Note (ii)): | 可供出售 (註(ii)) : | | |
| – Debt securities | – 債務證券 | 26,961,558 | 26,003,951 |
| – Direct equity securities | – 直接股本證券 | 4,005,440 | 1,510,722 |
| – Investment funds | – 投資基金 | 4,659,647 | 2,750,074 |
| | | 35,626,645 | 30,264,747 |
| 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 | 443,772 | 854,187 |
| – Direct equity securities | – 直接股本證券 | 855,716 | 110,990 |
| – Investment funds | – 投資基金 | 3,630,218 | 2,463,989 |
| | | 4,929,706 | 3,429,166 |
| Loans and receivables (Note (iv)): | 貸款及應收款項 (註(iv)) : | | |
| – Debt securities | – 債務證券 | 2,166,685 | 2,165,806 |
| Total | 總額 | 67,767,137 | 56,863,866 |

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告附註 (續)

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(以港幣列示)

12 INVESTMENTS IN DEBT AND EQUITY SECURITIES (Continued)

12 債務及股本證券投資 (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 30 June 2009 | 於二零零九年六月三十日 | | | | | | |
| Listed in Hong Kong | 上市 — 香港 | — | — | 46,010 | 100,855 | — | 146,865 |
| Listed outside Hong Kong | 上市 — 香港以外地區 | 93,387 | 43,193 | 497,533 | 1,364,743 | 13,571 | 2,012,427 |
| Unlisted | 非上市 | 10,009,268 | 7,676 | 6,911,602 | 5,946,842 | 9,421 | 22,884,809 |
| | | 10,102,655 | 50,869 | 7,455,145 | 7,412,440 | 22,992 | 25,044,101 |
| Fair value of securities | 證券公允價值 | 10,128,500 | 53,782 | 7,449,323 | 7,443,219 | 24,329 | 25,099,153 |
| Market value of listed securities | 上市證券市值 | 96,455 | 45,438 | 524,668 | 1,494,013 | 15,003 | 2,175,577 |
| 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 |

The held-to-maturity debt securities include an amount of \$799,383,000 (31 December 2008: \$1,330,641,000) 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799,383,000元(二零零八年十二月三十一日: 1,330,641,000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 UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告附註 (續)

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(以港幣列示)

12 INVESTMENTS IN DEBT AND EQUITY SECURITIES (Continued)

12 債務及股本證券投資 (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 30 June 2009 | 於二零零九年六月三十日 | | | | | | |
| Listed debt securities | 上市債務證券 | | | | | | |
| – in Hong Kong | – 香港 | 41,470 | – | 89,749 | 38,113 | – | 169,332 |
| – outside Hong Kong | – 香港以外地區 | 3,965,034 | – | 528,293 | 3,810,368 | – | 8,303,695 |
| Listed direct equity securities | 上市直接股本證券 | | | | | | |
| – in Hong Kong | – 香港 | – | – | 220,086 | 275,494 | – | 495,580 |
| – outside Hong Kong | – 香港以外地區 | – | – | – | 3,491,381 | – | 3,491,381 |
| Listed investment funds outside Hong Kong | 上市投資基金香港以外地區 | – | – | – | 1,068,404 | – | 1,068,404 |
| Unlisted debt securities | 非上市債務證券 | 5,254,651 | – | 4,328,597 | 8,905,283 | – | 18,488,531 |
| Unlisted direct equity securities | 非上市直接股本證券 | – | – | – | 18,479 | – | 18,479 |
| Unlisted investment funds | 非上市股本投資基金 | – | – | – | 3,591,243 | – | 3,591,243 |
| | | 9,261,155 | – | 5,166,725 | 21,198,765 | – | 35,626,645 |
| Fair value of securities | 證券公允價值 | 9,261,155 | – | 5,166,725 | 21,198,765 | – | 35,626,645 |
| Market value of listed securities | 上市證券市值 | 4,006,504 | – | 838,128 | 8,683,760 | – | 13,528,392 |
| Current | 當期 | 9,261,155 | – | 5,166,725 | 21,198,765 | – | 35,626,645 |
| Non-current | 非當期 | – | – | – | – | – | – |
| | | 9,261,155 | – | 5,166,725 | 21,198,765 | – | 35,626,645 |

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告附註 (續)

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(以港幣列示)

12 INVESTMENTS IN DEBT AND EQUITY SECURITIES (Continued)

12 債務及股本證券投資 (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 (Continued) | (ii) 可供出售 (續) | | | | | | |
| 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 investment funds | 上市投資基金 | | | | | | |
| outside Hong Kong | 香港以外地區 | – | – | – | 494,680 | – | 494,680 |
| 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 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 |

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告附註 (續)

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(以港幣列示)

12 INVESTMENTS IN DEBT AND EQUITY SECURITIES (Continued)

12 債務及股本證券投資 (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 30 June 2009 | 於二零零九年六月三十日 | | | | | | |
| Listed debt securities | 上市債務證券 | | | | | | |
| – in Hong Kong | – 香港 | – | – | – | 42,025 | – | 42,025 |
| – outside Hong Kong | – 香港以外地區 | 54,725 | – | 27,861 | 62,896 | – | 145,482 |
| Listed direct equity securities | 上市直接股本證券 | | | | | | |
| – in Hong Kong | – 香港 | – | – | 3,585 | 8,996 | – | 12,581 |
| – outside Hong Kong | – 香港以外地區 | – | – | – | 843,135 | – | 843,135 |
| Listed investment funds | 上市投資基金 | | | | | | |
| outside Hong Kong | 香港以外地區 | – | – | – | 658,848 | – | 658,848 |
| Unlisted debt securities | 非上市債務證券 | 137,802 | – | 99,565 | 18,898 | – | 256,265 |
| Unlisted investment funds | 非上市投資基金 | – | – | – | 2,971,370 | – | 2,971,370 |
| | | 192,527 | – | 131,011 | 4,606,168 | – | 4,929,706 |
| Fair value of securities | 證券公允價值 | 192,527 | – | 131,011 | 4,606,168 | – | 4,929,706 |
| Market value of listed securities | 上市證券市值 | 54,725 | – | 31,446 | 1,615,900 | – | 1,702,071 |
| Current | 當期 | 192,527 | – | 131,011 | 4,606,168 | – | 4,929,706 |
| Non-current | 非當期 | – | – | – | – | – | – |
| | | 192,527 | – | 131,011 | 4,606,168 | – | 4,929,706 |

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12 INVESTMENTS IN DEBT AND EQUITY SECURITIES (Continued)

12 債務及股本證券投資 (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 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 investment funds outside Hong Kong | 上市投資基金 香港以外地區 | – | – | – | 273,561 | – | 273,561 |
| Unlisted debt securities | 非上市債務證券 | 549,478 | – | 49,707 | – | – | 599,185 |
| Unlisted investment funds | 非上市投資基金 | – | – | 23,322 | 2,167,106 | – | 2,190,428 |
| | | 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 UNAUDITED INTERIM FINANCIAL REPORT (Continued)

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12 INVESTMENTS IN DEBT AND EQUITY SECURITIES (Continued)

12 債務及股本證券投資 (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 30 June 2009 | 於二零零九年六月三十日 | | | | | | |
| Unlisted debt securities | 非上市債務證券 | — | — | — | 2,166,685 | — | 2,166,685 |
| Fair value of securities | 證券公允價值 | — | — | — | 2,078,317 | — | 2,078,317 |
| Current | 當期 | — | — | — | — | — | — |
| Non-current | 非當期 | — | — | — | 2,166,685 | — | 2,166,685 |
| | | — | — | — | 2,166,685 | — | 2,166,685 |
| 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 |

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告附註 (續)

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

13 INSURANCE DEBTORS

13 保險客戶應收賬款

| | | At 30 June 2009 於二零零九年 六月三十日 \$'000 千元 | At 31 December 2008 於二零零八年 十二月三十一日 \$'000 千元 |
|--|------------------|---|---|
| Amounts due from insurance customers and suppliers | 應收保險客戶及 供應商款項 | 1,175,134 | 932,345 |
| Deposits retained by cedants | 分保人保留的按金 | 91,784 | 93,877 |
| | | 1,266,918 | 1,026,222 |

Certain insurance debtors are expected to be recovered within one year.

若干保險客戶應收賬款預期在一年內可以收回。

Amounts due from insurance customers and suppliers include amounts due from fellow subsidiaries of \$14,330,000 (31 December 2008: \$18,499,000) which are insurance related in nature.

應收保險客戶及供應商款項包括應收同系附屬公司款項14,330,000元(二零零八年十二月三十一日: 18,499,000元)，有關款項屬保險性質。

The following is an ageing analysis of the amounts due from insurance customers and suppliers that are not individually considered to be impaired:

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：

| | | At 30 June 2009 於二零零九年 六月三十日 \$'000 千元 | At 31 December 2008 於二零零八年 十二月三十一日 \$'000 千元 |
|--|--------------|---|---|
| Not yet due | 未到期 | 467,739 | 365,262 |
| Current | 現已到期 | 560,420 | 430,839 |
| More than 3 months but less than 12 months | 超過三個月但少於十二個月 | 130,840 | 97,594 |
| More than 12 months | 超過十二個月 | 16,135 | 38,650 |
| | | 1,175,134 | 932,345 |

14 STATUTORY DEPOSITS

14 法定存款

Certain subsidiaries of the Group have placed \$1,043,639,000 (31 December 2008: \$975,180,000) 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.

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1,043,639,000元(二零零八年十二月三十一日: 975,180,000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。

In addition, a subsidiary of the Group has pledged a deposit of \$23,250,000 (31 December 2008: \$20,150,000) registered in favour of the Monetary Authority of Singapore pursuant to section 14A of the Singapore Insurance Act.

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23,250,000元(二零零八年十二月三十一日: 20,150,000元)的抵押存款，登記人為新加坡金融管理局。

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15 CASH AND CASH EQUIVALENTS

15 現金及現金等價物

| | | At 30 June 2009 於二零零九年 六月三十日 \$'000 千元 | At 31 December 2008 於二零零八年 十二月三十一日 \$'000 千元 |
|--|-----------------------|---|---|
| Deposits with banks and other financial institutions with original maturity less than three months | 原到期日少於三個月的銀行及其他財務機構存款 | 4,708,433 | 2,840,969 |
| Money market funds | 貨幣市場基金 | 192,652 | 1,462,825 |
| Cash at bank and in hand | 銀行及庫存現金 | 16,898,443 | 3,528,001 |
| | | 21,799,528 | 7,831,795 |

16 INSURANCE CREDITORS

16 保險客戶應付賬款

| | | At 30 June 2009 於二零零九年 六月三十日 \$'000 千元 | At 31 December 2008 於二零零八年 十二月三十一日 \$'000 千元 |
|--|--------------|---|---|
| Amounts due to insurance customers and suppliers | 應付保險客戶及供應商款項 | 216,070 | 185,198 |
| Amounts due to insurance intermediaries | 應付保險中介款項 | 75,952 | 57,834 |
| Deposits retained from retrocessionaires | 轉分保險人保留的按金 | 22,626 | 22,584 |
| Prepaid premiums received | 預收保費 | 343,550 | 474,523 |
| | | 658,198 | 740,139 |

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

The amounts due to insurance customers and suppliers include amounts due to fellow subsidiaries of \$2,585,000 (31 December 2008: \$2,953,000) which are insurance related in nature.

所有保險客戶應付賬款預期將於一年內清償。

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2,585,000元(二零零八年十二月三十一日：2,953,000元)，有關款項屬保險性質。

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16 INSURANCE CREDITORS (Continued)

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

16 保險客戶應付賬款 (續)

應付保險客戶及供應商款項之賬齡分析如下：

| | | At 30 June 2009 於二零零九年 六月三十日 \$'000 千元 | At 31 December 2008 於二零零八年 十二月三十一日 \$'000 千元 |
|---|--------------|---|---|
| Not yet due | 未到期 | 33,827 | — |
| Current | 現已到期 | 147,315 | 164,441 |
| More than 3 months but less than 12 months | 超過三個月但少於十二個月 | 28,236 | 12,494 |
| More than 12 months | 超過十二個月 | 6,692 | 8,263 |
| | | 216,070 | 185,198 |

17 SHARE CAPITAL

17 股本

| | | At 30 June 2009 於二零零九年 六月三十日 | | At 31 December 2008 於二零零八年 十二月三十一日 | | At 30 June 2008 於二零零八年 六月三十日 | |
|--|-------------------------|------------------------------------|---------------|--|--------------|------------------------------------|--------------|
| | | Number of shares 股份數目 | \$'000 千元 | Number of shares 股份數目 | \$'000 千元 | Number 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 | 2,000,000,000 | 100,000 |
| Issued and fully paid: | 已發行及繳足股本： | | | | | | |
| At the beginning of the period/year | 於期初/年初 | 1,421,721,592 | 71,086 | 1,415,272,592 | 70,764 | 1,415,272,592 | 70,764 |
| Shares issued under Share Option Scheme (note 18) | 根據認股權計劃 發行的股份 (附註18) | — | — | 6,449,000 | 322 | 3,881,000 | 194 |
| At the end of the period/year | 於期末/年末 | 1,421,721,592 | 71,086 | 1,421,721,592 | 71,086 | 1,419,153,592 | 70,958 |

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18 EQUITY COMPENSATION BENEFITS

18 股本補償福利

(a) Share Options Scheme

(a) 認股權計劃

(i) Movements in share options

(i) 認股權的變動

| | | At 30 June 2009 於二零零九年 六月三十日 Number 數目 | At 31 December 2008 於二零零八年 十二月三十一日 Number 數目 |
|--|-------------------|---|---|
| At the beginning of the period/year | 於期初/年初 | 14,602,000 | 20,701,000 |
| Granted | 已授出 | — | 350,000 |
| Exercised (note 17) | 已行使 (附註17) | — | (6,449,000) |
| At the end of the period/year | 於期末/年末 | 14,602,000 | 14,602,000 |
| Options vested at the end of the period/year | 於期末/年末已歸屬的 認股權 | 14,602,000 | 14,334,000 |

(ii) Terms of unexpired and unexercised share options at the end of the reporting period

(ii) 於報告期末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 | At 30 June 2009 於二零零九年 六月三十日 Number 數目 | At 31 December 2008 於二零零八年 十二月三十一日 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 | 150,000 |
| 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 | 500,000 |
| 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 | 1,200,000 |
| 2 November 2005 2005年11月2日 | 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 | 11,077,000 |
| 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 2007年2月26日 | 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 UNAUDITED INTERIM FINANCIAL REPORT (Continued)

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18 EQUITY COMPENSATION BENEFITS (Continued)

18 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 end of the reporting period (Continued)

(ii) 於報告期末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 | At 30 June 2009 於二零零九年 六月三十日 Number 數目 | At 31 December 2008 於二零零八年 十二月三十一日 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 | 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 | 175,000 |
| | | | 14,602,000 | 14,602,000 |

(iii) Details of share options granted/(lapsed), all of which were granted for \$1 in consideration

(iii) 已授出/(失效)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 | Six months ended 30 June 2009 截至二零零九年 六月三十日止六個月 Number 數目 | Year ended 31 December 2008 截至二零零八年 十二月三十一日止年度 Number 數目 |
|---|----------------------------------|--|---|
| 30 June 2008 to 29 June 2018 | 2008年6月30日至 2018年6月29日 | 19.316 | — |
| 31 December 2008 to 30 December 2018 | 2008年12月31日至 2018年12月30日 | 11.920 | — |
| | | — | 350,000 |

(iv) Details of share options exercised

(iv) 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 |
|--|----------------------------------|---|--|--------------|
| Six months ended 30 June 2009 截至二零零九年 六月三十日止六個月 | | | — | — |
| Year ended 31 December 2008 截至二零零八年 十二月三十一日止年度 | | | 15,413 | 6,449,000 |

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18 EQUITY COMPENSATION BENEFITS (Continued)

(a) Share Options Scheme (Continued)

(v) Fair value of share options and assumptions

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

| Fair value at measurement date (\$) | 於計量日的公允價值(元) |
|-------------------------------------|--------------|
| Share price (\$) | 股價(元) |
| Exercise price (\$) | 行使價(元) |
| Expected volatility (note i) | 預期波動率(註i) |
| Option life (Year) | 認股權年期(年) |
| Expected dividends (note ii) | 預期股息(註ii) |
| Risk-free interest rate (note iii) | 無風險利率(註iii) |

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.

(b) Share Award Scheme

(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 the end of the period/year (note c) | 於期末/年末(註c) |

Notes:

- (a) Included in the total number of awarded shares, no shares are purchased from the market during the period (31 December 2008: 366,000 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 period the average fair value per share of \$21.58 (31 December 2008: \$21.59).

18 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

授出認股權之估計公允價值按Black-Scholes認股權定價模式。

| Date of grant 授出日 | Date of grant 授出日 |
|--------------------------------------|--------------------------------|
| 31 December 2008 二零零八年 十二月三十一日 | 30 June 2008 二零零八年 六月三十日 |
| 8.267513 | 12.47972 |
| 11.920 | 18.600 |
| 11.920 | 19.316 |
| 72.76% | 61.32% |
| 10 | 10 |
| 0.84% | 0.54% |
| 1.191% | 3.469% |

註:

- (i) 預計波幅是根據授出日過往一年股價的波幅。
- (ii) 預期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。

(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:

| At 30 June 2009 於二零零九年 六月三十日 | At 31 December 2008 於二零零八年 十二月三十一日 |
|---------------------------------------|---|
| Number 數目 | Number 數目 |

| | | | |
|--|------------|-----------|-----------|
| At 1 January | 於一月一日 | 3,323,500 | 3,286,000 |
| Awarded (note a) | 已獎授(註a) | — | 594,000 |
| Revoked (note b) | 取消(註b) | (6,000) | (556,500) |
| At the end of the period/year (note c) | 於期末/年末(註c) | 3,317,500 | 3,323,500 |

註:

- (a) 包括在已獎授股份數目中，沒有獎授股份於期內從市場購入(二零零八年十二月三十一日: 366,000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21.58元(二零零八年十二月三十一日: 21.59元)。

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18 EQUITY COMPENSATION BENEFITS (Continued)

18 股本補償福利 (續)

(b) Share Award Scheme (Continued)

(b) 股份獎勵計劃 (續)

(i) *Movements in the number of awarded shares and their related average fair value were as follows: (Continued)*

(i) 獎授股份數目變化及其有關平均公允價值如下：(續)

Apart from the awarded shares, as at 30 June 2009, 1,402,500 shares (31 December 2008: 1,396,500 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.

除已獎授股份外，於二零零九年六月三十日，1,402,500股(二零零八年十二月三十一日：1,396,500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勵計劃獎勵及/或出售。

(ii) *The remaining vesting periods of the awarded shares outstanding as follows:*

(ii) 獎授股份的餘下歸屬期如下：

| Remaining vesting period 餘下歸屬期 | At 30 June 2009 於二零零九年 六月三十日 Number of awarded shares 獎授股份數目 | 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 |
|------------------------------------|---|-----------------------------------|---|
| 0.5 year to 1.5 years 0.5年至1.5年 | 3,317,500 | 1 year to 2 years 1年至2年 | 3,323,500 |

19 RESERVES

19 儲備

| | Capital reserve 資本儲備 | Share premium 股份溢價 | Exchange reserve 匯兌儲備 | Fair value reserve 公允價值儲備 | Employee share-based compensation reserve 以股份為本之僱員補償儲備 | Shares held for Share Award Scheme 為股份獎勵計劃而持有之股份 | Revaluation reserve 重估儲備 | Retained profits 保留溢利 | Sub-total 小計 | Minority interests 少數股東權益 | 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 | \$'000 千元 |
| At 1 January 2009 於二零零九年一月一日 | 567,458 | 2,218,248 | 348,061 | (139,642) | 50,869 | (96,788) | 16,655 | 1,560,672 | 4,525,533 | 2,642,628 | 7,168,161 |
| Exchange differences on translation of the financial statements of subsidiaries 換算附屬公司賬項的匯兌差異 | - | - | 807 | - | - | - | - | - | 807 | 978 | 1,785 |
| Available-for-sale securities (note(i)): (註(i)): | - | - | - | 556,979 | - | - | - | - | 556,979 | 323,771 | 880,750 |
| - changes in fair value - 公允價值變化 | - | - | - | 672,441 | - | - | - | - | 672,441 | 459,544 | 1,131,985 |
| - deferred tax recognized - 確認遞延稅項 | - | - | - | (121,695) | - | - | - | - | (121,695) | (115,517) | (237,212) |
| - transferred to profit or loss - 轉至損益表 | - | - | - | 6,233 | - | - | - | - | 6,233 | (20,256) | (14,023) |
| Profit for the period 本財務期溢利 | - | - | - | - | - | - | - | 520,873 | 520,873 | 261,100 | 781,973 |
| Equity settled share-based transactions 股本償付之股份為本交易 | - | - | - | - | 13,642 | - | - | - | 13,642 | - | 13,642 |
| At 30 June 2009 於二零零九年六月三十日 | 567,458 | 2,218,248 | 348,868 | 417,337 | 64,511 | (96,788) | 16,655 | 2,081,545 | 5,617,834 | 3,228,477 | 8,846,311 |

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19 RESERVES (Continued)

19 儲備 (續)

| | | Capital reserve | Share premium | Exchange reserve | Fair value reserve | Employee share-based compensation reserve | Shares held for Share Award Scheme | Revaluation reserve | Retained profits | Sub- total | Minority interests | Total |
|---|---------------------|--------------------|------------------|---------------------|--------------------------|--|--|------------------------|---------------------|---------------|-----------------------|-------------|
| | | \$'000 | \$'000 | \$'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 | 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 | 2,410,056 | 8,024,918 |
| Shares issued and share option exercised | 已發行股份及 已行使認股權 | — | 13,725 | — | — | — | — | — | — | 13,725 | — | 13,725 |
| Exchange differences on translation of the financial statements of subsidiaries | 換算附屬公司賬項的 匯兌差異 | — | — | 171,559 | — | — | — | — | — | 171,559 | 181,382 | 352,941 |
| Available-for-sale securities (note(i)): | 可供出售證券 (註(i)): | — | — | — | (1,299,761) | — | — | — | — | (1,299,761) | (860,909) | (2,160,670) |
| — changes in fair value | — 公允價值變化 | — | — | — | (1,047,673) | — | — | — | — | (1,047,673) | (619,560) | (1,667,233) |
| — deferred tax recognized | — 確認遞延稅項 | — | — | — | 294,076 | — | — | — | — | 294,076 | 287,009 | 581,085 |
| — transferred to profit or loss | — 轉至損益表 | — | — | — | (546,164) | — | — | — | — | (546,164) | (528,358) | (1,074,522) |
| Profit for the period | 本財務期溢利 | — | — | — | — | — | — | 381,336 | 381,336 | 381,336 | 393,917 | 775,253 |
| Dividend approved in respect of the previous year | 屬於上一個年度 之已核准股息 | — | — | — | — | — | — | (141,445) | (141,445) | (141,445) | — | (141,445) |
| Change in shares held for Share Award Scheme | 為股份獎勵計劃而持有 之股份變化 | — | — | — | — | — | 15,750 | — | — | 15,750 | — | 15,750 |
| Equity settled share-based transactions | 股本償付之股份 為本交易 | — | — | — | — | 15,606 | — | — | — | 15,606 | — | 15,606 |
| At 30 June 2008 | 於二零零八年六月三十日 | 567,458 | 2,214,789 | 371,916 | (572,860) | 38,942 | (95,397) | — | 2,246,784 | 4,771,632 | 2,124,446 | 6,896,078 |

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告附註 (續)

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

19 RESERVES (Continued)

19 儲備 (續)

| | | Capital reserve | Share premium | Exchange reserve | Fair value reserve | Employee share-based compensation reserve | Shares held for Share Award Scheme | Revaluation reserve | Retained profits | Sub- total | Minority interests | Total |
|--|-----------------------------|--------------------|------------------|---------------------|--------------------------|--|--|------------------------|---------------------|---------------|-----------------------|-------------|
| | | \$'000 | \$'000 | \$'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 | 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 | 2,410,056 | 8,024,918 |
| Shares issued and share option exercised | 已發行股份及 已行使認股權 | — | 17,184 | — | — | — | — | — | — | 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 | 163,464 | 311,168 |
| Available-for-sale securities (note(i)): | 可供出售證券 (註(i)): | — | — | — | (866,543) | — | — | — | — | (866,543) | (351,117) | (1,217,660) |
| — changes in fair value | — 公允價值變化 | — | — | — | (921,241) | — | — | — | — | (921,241) | (176,277) | (1,097,518) |
| — deferred tax recognized | — 確認遞延稅項 | — | — | — | 158,783 | — | — | — | — | 158,783 | 144,418 | 303,201 |
| — transferred to profit or loss | — 轉至損益表 | — | — | — | (104,085) | — | — | — | — | (104,085) | (319,258) | (423,343) |
| Loss for the year | 本年度虧損 | — | — | — | — | — | — | (299,715) | (299,715) | (299,715) | 93,954 | (205,761) |
| Dividend paid | 已支付股息 | — | — | — | — | — | — | (141,454) | (141,454) | (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) | — | (5,052) |
| Shares purchased for Share Award Scheme | 為股份獎勵計劃 購入之股份 | — | — | — | — | — | 14,359 | — | — | 14,359 | — | 14,359 |
| Equity settled share-based transactions | 股本償付之股份 為本交易 | — | — | — | — | 27,533 | — | — | — | 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 | — | 16,655 |
| Capital contributions made to a subsidiary | 向一間附屬公司 注入資本 | — | — | — | — | — | — | — | — | — | 48,114 | 48,114 |
| Arising an acquisition of a subsidiary | 因購入附屬公司 而產生 | — | — | — | — | — | — | — | — | — | 278,157 | 278,157 |
| 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 | 2,642,628 | 7,168,161 |

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告附註 (續)

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

19 RESERVES (Continued)

19 儲備 (續)

Notes:

註：

| | | 30 June 2009 二零零九年六月三十日 | | | | |
|----------|--|---------------------------------------|---|---|----------------------|--------------------|
| | | Property and casualty insurance | | | Other businesses | Total |
| Note (i) | 註(i) | Reinsurance 再保險 \$'000 千元 | Life insurance 人壽保險 \$'000 千元 | and casualty insurance 財產保險 \$'000 千元 | 其他業務 \$'000 千元 | 總額 \$'000 千元 |
| | | 31,652 | (491,617) | (33,350) | 65,392 | (427,923) |
| | 債務證券 | 44,015 | 599,171 | 8,561 | 100,365 | 752,112 |
| | 直接股本證券 | 2,882 | 696,524 | 100,517 | — | 799,923 |
| | 投資基金 | | | | | |
| | | 78,549 | 804,078 | 75,728 | 165,757 | 1,124,112 |
| | 於儲備入賬之遞延稅項 | (5,950) | (216,192) | (15,076) | 6 | (237,212) |
| | Share of associates 聯營公司份額 | — | — | — | (6,150) | (6,150) |
| | Shared by minority interests 少數股東應佔權益 | — | (293,649) | (30,122) | — | (323,771) |
| | | 72,599 | 294,237 | 30,530 | 159,613 | 556,979 |

| | | 30 June 2008 二零零八年六月三十日 | | | | |
|----------|--|------------------------------------|---|---|----------------------|--------------------|
| | | | | | Other businesses | Total |
| Note (i) | 註(i) | Reinsurance 再保險 \$'000 千元 | Life insurance 人壽保險 \$'000 千元 | and casualty insurance 財產保險 \$'000 千元 | 其他業務 \$'000 千元 | 總額 \$'000 千元 |
| | | (21,905) | 995,380 | (2,664) | 970,811 | |
| | 債務證券 | (125,272) | (2,146,451) | (188,544) | (2,460,267) | |
| | 直接股本證券 | 1,087 | (1,147,201) | — | (1,146,114) | |
| | 投資基金 | | | | | |
| | | (146,090) | (2,298,272) | (191,208) | (2,635,570) | |
| | 於儲備入賬之遞延稅項 | 5,287 | 574,593 | 1,205 | 581,085 | |
| | Share of associates 聯營公司份額 | — | — | (106,185) | (106,185) | |
| | Shared by minority interests 少數股東應佔權益 | — | 860,978 | (69) | 860,909 | |
| | | (140,803) | (862,701) | (296,257) | (1,299,761) | |

| | | 31 December 2008 二零零八年十二月三十一日 | | | | |
|----------|--|---------------------------------------|---|---|----------------------|--------------------|
| | | Property and casualty insurance | | | Other businesses | Total |
| Note (i) | 註(i) | Reinsurance 再保險 \$'000 千元 | Life insurance 人壽保險 \$'000 千元 | and casualty insurance 財產保險 \$'000 千元 | 其他業務 \$'000 千元 | 總額 \$'000 千元 |
| | | (65,043) | 1,380,585 | 64,848 | (46,846) | 1,333,544 |
| | 債務證券 | (93,428) | (1,254,277) | (353) | (256,671) | (1,604,729) |
| | 直接股本證券 | (12,945) | (1,154,854) | (27,853) | — | (1,195,652) |
| | 投資基金 | | | | | |
| | | (171,416) | (1,028,546) | 36,642 | (303,517) | (1,466,837) |
| | 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) |

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告附註 (續)

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

20 MATURITY PROFILE

20 到期情況

The following analyses are prepared based on the contractual maturity:

以下分析根據合約到期日編制：

| | | 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 一年或以下 但超過 三個月 \$'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 | Undated 未有期限 \$'000 千元 | Total 總額 \$'000 千元 |
|---|------------------------------|---|---|--|--|---|---------------------------------|-----------------------------|
| At 30 June 2009 | 於二零零九年六月三十日 | | | | | | | |
| 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) | 1,187,279 | 4,858,107 | 856,295 | 5,944,204 | — | — | 12,845,885 |
| Money market funds | 貨幣市場基金 | 192,650 | — | — | — | — | 2 | 192,652 |
| Pledged deposits at bank | 已抵押予銀行的存款 | — | 109,284 | — | — | — | — | 109,284 |
| Certificates of deposit (under held-to-maturity) | 存款證 (持有至到期日) | — | — | 77,500 | 126,250 | — | — | 203,750 |
| Certificates of deposit (under available-for-sale) | 存款證 (可供出售) | — | — | 39,137 | — | — | — | 39,137 |
| Certificates of deposit (under designated at fair value through profit or loss) | 存款證 (指定為通過損益 以反映公允價值) | — | — | — | 68,912 | 29,463 | 34,682 | 133,057 |
| Debt securities (under held-to-maturity) | 債務證券 (持有至到期日) | — | 645,288 | 1,309,477 | 22,087,970 | 797,616 | — | 24,840,351 |
| Debt securities (under available-for-sale) | 債務證券 (可供出售) | — | 153,938 | 979,489 | 22,765,592 | 697,231 | 2,326,171 | 26,922,421 |
| Debt securities (under designated at fair value through profit or loss) | 債務證券 (指定為通過損益 以反映公允價值) | 11,884 | 52,692 | 69,614 | 161,700 | 14,825 | — | 310,715 |
| Debt securities (under loans and receivables) | 債務證券 (貸款及應收款項) | — | — | — | — | 2,166,685 | — | 2,166,685 |
| Loans and advances | 貸款及墊款 | — | 459,131 | — | — | — | — | 459,131 |
| | | 1,391,813 | 6,278,440 | 3,331,512 | 51,154,628 | 3,705,820 | 2,360,855 | 68,223,068 |
| Liabilities | 負債 | | | | | | | |
| Interest-bearing notes | 需付息票據 | — | — | — | 3,052,698 | 2,665,817 | — | 5,718,515 |

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告附註 (續)

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

20 MATURITY PROFILE (Continued)

20 到期情況 (續)

| | Repayable on demand | 3 months or less | 1 year or less but over 3 months | 5 years or less but over 1 year | After 5 years | Undated | Total |
|---|------------------------------|---------------------|---|--|------------------|------------|--------------------|
| | 接獲 要求時償還 | 三個月 或以下 | 一年或以下 但超過 三個月 | 五年或以下 但超過 一年 | 五年後 | 未有期限 | 總額 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| | 千元 | 千元 | 千元 | 千元 | 千元 | 千元 | 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 (指定為通過損益 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 |
| Liabilities | 負債 | | | | | | |
| Interest-bearing notes | 需付息票據 | — | — | — | 1,350,576 | 4,025,452 | — 5,376,028 |

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告附註 (續)

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

21 COMMITMENTS

- (a) Capital commitments outstanding as of 30 June 2009 were as follows:

| | | At 30 June 2009 於二零零九年 六月三十日 \$'000 千元 | At 31 December 2008 於二零零八年 十二月三十一日 \$'000 千元 |
|---------------------------------|---------|---|---|
| Contracted for but not provided | 已訂約但未反映 | 64,730 | 36,044 |

- (b) As of 30 June 2009, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

| | | At 30 June 2009 於二零零九年 六月三十日 \$'000 千元 | At 31 December 2008 於二零零八年 十二月三十一日 \$'000 千元 |
|---------------------------------|---------|---|---|
| Within 1 year | 一年內 | 230,138 | 241,062 |
| After 1 year but within 5 years | 一年後但五年內 | 273,247 | 331,466 |
| After 5 years | 五年後 | 5,647 | 8,766 |
| | | 509,032 | 581,294 |

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.

- (a) 於二零零九年六月三十日的資本性承諾如下：

| | At 30 June 2009 於二零零九年 六月三十日 \$'000 千元 | At 31 December 2008 於二零零八年 十二月三十一日 \$'000 千元 |
|---------------------------------|---|---|
| Contracted for but not provided | 64,730 | 36,044 |

- (b) 於二零零九年六月三十日，根據不可解除的經營租賃在日後應付的最低租賃付款額如下：

| | At 30 June 2009 於二零零九年 六月三十日 \$'000 千元 | At 31 December 2008 於二零零八年 十二月三十一日 \$'000 千元 |
|---------------------------------|---|---|
| Within 1 year | 230,138 | 241,062 |
| After 1 year but within 5 years | 273,247 | 331,466 |
| After 5 years | 5,647 | 8,766 |
| | 509,032 | 581,294 |

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

22 MATERIAL RELATED PARTY TRANSACTIONS

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

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|--------------------------------------|------------|---|-------------------------------|
| | | 2009 二零零九年 \$'000 千元 | 2008 二零零八年 \$'000 千元 |
| Business ceded by related companies: | 關連公司分出的業務： | | |
| — Gross premiums written | — 毛承保保費 | 49,628 | 191,941 |
| — Commission expenses paid | — 佣金支出 | 12,459 | 66,853 |

Note:

- (i) Certain fellow subsidiaries of the Group ceded business to and received commission from a subsidiary of the Company.

22 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：

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|--------------------------------------|------------|---|-------------------------------|
| | | 2009 二零零九年 \$'000 千元 | 2008 二零零八年 \$'000 千元 |
| Business ceded by related companies: | 關連公司分出的業務： | | |
| — Gross premiums written | — 毛承保保費 | 49,628 | 191,941 |
| — Commission expenses paid | — 佣金支出 | 12,459 | 66,853 |

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。

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(以港幣列示)

22 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

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

- (a) On 22 May 2009, TPG (HK) and Manhold as vendors and CTIH as purchaser entered into the conditional Sale and Purchase Agreement in relation to the acquisition of an aggregate of 1,389,247,000 ordinary shares of MAH, representing approximately 47.80% of the existing issued share capital of MAH. The consideration for the stake acquisition shall be payable by CTIH by the issue and allotment of an aggregate of 138,924,700 new ordinary shares of CTIH to TPG (HK) upon completion of the Sale and Purchase Agreement on the basis of 1 CTIH share for every 10 MAH shares. Subject to the satisfaction of the Pre-Conditions, CTIH has requested the board of MAH to put forward a proposal to privatise MAH by way of a scheme of arrangement under Section 86 of the Companies Law. Please refer to the circular of the Company dated 19 June 2009.
- (b) On 20 March 2008, TPL entered into a Joint Bidding Agreement with TPI, TPG 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 and TPI were agreed to be RMB289,000,000 each.
- (c) On 30 June 2008, CTIH entered into the conditional capital contribution agreement with TPG, ICBC (Asia) and TPI pursuant to which TPG 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 TPG and RMB265,460,000 was to be contributed by CTIH. ICBC (Asia) decided to not participate in the capital contribution. TPI is an associated company of the Company, in which CTIH holds a 40.025% equity interest prior to the capital contribution. Upon completion on 15 July 2008, each of TPG, 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, TPG, CTIH and ICBC (Asia) also entered into the conditional option deed pursuant to which TPG agreed to grant the right to ICBC (Asia) at nil consideration to, conditional upon completion, acquire from TPG 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 CTIH at an extraordinary general meeting of the Company held on 15 July 2008.

22 重大關連人士交易 (續)

除此之外，本集團與關連人士進行以下非經常交易：

- (a) 於二零零九年五月二十二日，中國太平集團(香港)及汶豪作為賣方與中國太平控股作為買方訂立有條件買賣協議，內容有關收購合共1,389,247,000股民安控股股份，相當於民安控股現有已發行股本約47.80%。中國太平控股須於完成買賣協議時按每10股民安控股股份可換1股中國太平控股股份之基準向中國太平集團(香港)發行及配發合共138,924,700股新中國太平控股股份，藉以支付股權收購之代價。中國太平控股已要求民安控股董事會，待達成先決條件後，提出根據公司法第86條，建議以協議安排的方式全面收購民安控股。請參閱本公司於二零零九年六月十九日之通函。
- (b) 於二零零八年三月二十日，太平人壽與太平財險、中國太平集團及民安保險(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。太平人壽及太平財險將各自投資人民幣289,000,000元。
- (c) 於二零零八年六月三十日，中國太平控股與中國太平集團、工銀(亞洲)及太平財險已訂立有條件增資協議，據此，中國太平集團及本公司將向太平財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，中國太平集團將增資人民幣4,540,000元，中國太平控股則將增資人民幣265,460,000元。工銀(亞洲)已決定不參與增資。太平財險為本公司聯繫公司，中國太平控股於增資前持有其40.025%股權。於完成時，中國太平集團、中國太平控股及工銀(亞洲)各自將分別直接擁有太平財險之42.020%、50.050%及7.930%股權之權益。二零零八年六月三十日，中國太平集團、中國太平控股與工銀(亞洲)亦已訂立有條件期權契據，據此，中國太平集團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，向中國太平集團收購太平財險經增資擴大後約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本公司股東特別大會上，獲得中國太平控股獨立股東批准。

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告附註 (續)

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(以港幣列示)

22 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

- (d) 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 TPG 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, TPG, 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, TPG, 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 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 CTIH at an extraordinary general meeting of the Company held on 9 December 2008.

The Group operates in an economic environment in which enterprises directly or indirectly owned or controlled by the PRC government through its numerous authorities, affiliates or other organisations (collectively "State-Owned Entities") are highly active and influential. During the period, 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.

22 重大關連人士交易 (續)

- (d) 於二零零八年十一月五日，太平財險及太平人壽與中國太平集團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，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，太平財險、中國太平集團、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，修改後的太平財險、中國太平集團、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，太平財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本公司股東特別大會上，獲得中國太平控股獨立股東批准。

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」）。本集團於期內與國有實體進行包括但不限於保單銷售及銀行相關服務之交易。該些交易所執行的條款跟本集團日常保險業務過程中與非國有實體進行交易所執行的條款相似。本集團亦已制定就其主要保險產品的定價策略及審批程序。該等定價策略及審批程序與客戶是否國有實體無關。經考慮其關係的性質後，董事相信該等交易並非重大關連人士交易，故毋須獨立披露。

本集團認為本集團的主要管理人員只包括本公司的董事。

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

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23 INSURANCE AND FINANCIAL RISK MANAGEMENT

23 保險及財務風險管理

(a) 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.

(b) 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.

(a) 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、僱員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，以控制保險承保風險。

(b) 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 UNAUDITED INTERIM FINANCIAL REPORT (Continued)

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23 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(c) 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.

(d) 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.

23 保險及財務風險管理 (續)

(c) 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準，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比其壽險負債的資產。在監管及市場環境允許的情況下，本集團有意逐步延長其資產的期限。本集團密切監督資產與負債的期限差距，定期進行資產與負債的現金流動預測。目前，本集團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。

(d) 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。

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

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23 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

23 保險及財務風險管理 (續)

(d) Financial risk (Continued)

(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.

(b) Equity price risk

The Group has a portfolio of marketable equity securities, which is carried at fair value and is exposed to price risk. This risk is defined as the potential loss in market value resulting from an adverse change in prices.

The Group manages the equity price risk by investing in a diverse portfolio of high quality and liquid securities.

The equity securities other than those held for unit-linked insurance contracts were carried at a fair value of \$4,116.41 million (31 December 2008: \$1,554.53 million), representing 4.4% (31 December 2008: 2.3%) of total investments held by the Group excluding those held for unit-linked insurance contracts.

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.

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.

(d) 財務風險 (續)

(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。

(b) 股本價格風險

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。

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。

股本證券(因投資連結保險合約而持有除外)以公允價值41.1641億元(二零零八年十二月三十一日: 15.5453億元)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)4.4%(二零零八年十二月三十一日: 2.3%)。

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。

本集團大部份被指定為通過損益以反映公允價值的股本證券皆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。

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

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23 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(d) Financial risk (Continued)

(i) Market risk (Continued)

(c) Foreign exchange risk

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

In respect of the life insurance and property and casualty insurance business, premiums are received in RMB and the insurance regulation in the PRC requires insurers to hold RMB assets.

(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.

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.

The carrying amount of the financial assets set out in the consolidated statement of financial position after deducting any impairment allowance represent the maximum exposure to credit risk at the end of the reporting period.

23 保險及財務風險管理 (續)

(d) 財務風險 (續)

(i) 市場風險 (續)

(c) 外匯風險

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

就人壽保險業務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。

(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等有關。

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之最低可接受本地信貸評級。任何不合規或違反手冊者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。

列於綜合財務狀況表的金融資產的賬面值減去任何減值準備，代表在本報告期末的最高信貸風險。

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告附註 (續)

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

23 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(d) Financial risk (Continued)

(iii) Liquidity risk

The Group has to meet daily calls on its cash resources, notably from claims arising from its reinsurance contracts, 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.

(e) Reserve adequacy

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

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

(f) 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.

23 保險及財務風險管理 (續)

(d) 財務風險 (續)

(iii) 流動性風險

本集團須滿足其現金資源的每日調用，尤其是其再保險合約、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。

(e) 充足儲備

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

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

(f) 與不具酌情分紅特色的投資合約的有關風險

人壽保險合約與不具酌情分紅特色的投資合約的風險並無重大差異，惟投資合約的死亡率風險一般而言微不足道。

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告附註 (續)

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

24 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 (31 December 2008: \$31,600,000) was made as of 30 June 2009.

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 30 June 2009.

25 EVENT AFTER THE REPORTING PERIOD

Reference is made to the note 22(a) of the interim financial report.

On 16 July 2009, the resolutions proposed to approve, ratify and confirm the stake acquisition and the privatisation connected transaction were duly passed by the CTIH shareholders by way of poll at the extraordinary general meeting of CTIH.

On 30 July 2009, the stake acquisition has been completed. CTIH became the controlling shareholder of MAH.

24 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，於二零零九年六月三十日本集團毋需就約31,600,000元(二零零八年十二月三十一日：31,600,000元)的潛在稅務風險計提準備。

除本報告所披露者及在本集團日常保險業務中產生的訴訟外，於二零零九年六月三十日，本集團概無任何未決訴訟或或然負債。

25 報告期末後事件

茲提述載於本中期財務報告附註22(a)。

於二零零九年七月十六日，有關批准、追認及確認股權收購及全面收購關連交易之決議案已獲中國太平控股股東於中國太平控股股東特別大會以投票表決方式正式通過。

於二零零九年七月三十日，已完成股權收購。中國太平控股已成為民安控股之控股股東。

MANAGEMENT DISCUSSION AND ANALYSIS

CONSOLIDATED FINANCIAL RESULTS

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

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

| | 2009 | 2008 | Change |
|--|------------------|------------|-----------|
| Gross premiums written and policy fees | 16,245.96 | 13,299.68 | 22.2% |
| Net investment income | 1,465.56 | 2,050.73 | (28.5%) |
| Net realized investment gains | 628.15 | 926.04 | (32.2%) |
| Net unrealized investment gains/(losses) | 760.77 | (2,657.78) | — |
| Impairment on debt and equity securities | (15.00) | (108.10) | (86.1%) |
| Net exchange gain/(loss) | 25.88 | (43.66) | — |
| Profit before taxation | 1,065.39 | 635.90 | 67.5% |
| Profit after taxation | 781.97 | 775.25 | 0.9% |
| Net profit attributable to the owners | 520.87 | 381.34 | 36.6% |
| Basic earnings per share (HK cent) | 36.8 | 27.0 | 9.8 cents |

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

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

| | 2009 | 2008 | Change |
|---|----------------|----------|-----------|
| Reinsurance | 273.81 | 83.79 | 3.3 times |
| Life insurance | 364.97 | 491.01 | (25.7%) |
| Property and casualty insurance | (38.15) | (41.85) | (8.8%) |
| Other businesses | (79.76) | (151.61) | (47.4%) |
| — Holding company and other businesses | (18.41) | (68.03) | (72.9%) |
| — Pension company operated by TPP | (43.74) | (65.32) | (33.0%) |
| — Assets management companies operated by TPAM and TPA (HK) | (17.61) | (18.26) | (3.6%) |
| Net profit attributable to the owners | 520.87 | 381.34 | 36.6% |

管理層討論和分析

綜合財務表現

本集團期內重點表現如下：

截至六月三十日止六個月，百萬港元

| | 二零零九年 | 二零零八年 | 變化 |
|----------------|------------------|------------|---------|
| 毛承保保費及保單費收入 | 16,245.96 | 13,299.68 | 22.2% |
| 投資收入淨額 | 1,465.56 | 2,050.73 | (28.5%) |
| 已實現投資收益淨額 | 628.15 | 926.04 | (32.2%) |
| 未實現投資收益／(虧損)淨額 | 760.77 | (2,657.78) | — |
| 債務及股本證券減值 | (15.00) | (108.10) | (86.1%) |
| 匯兌收益／(虧損) | 25.88 | (43.66) | — |
| 除稅前溢利 | 1,065.39 | 635.90 | 67.5% |
| 除稅後溢利 | 781.97 | 775.25 | 0.9% |
| 股東應佔溢利淨額 | 520.87 | 381.34 | 36.6% |
| 每股基本盈利(港仙) | 36.8 | 27.0 | 9.8仙 |

按各業務分類之股東應佔溢利／(虧損)淨額概述如下：

截至六月三十日止六個月，百萬港元

| | 二零零九年 | 二零零八年 | 變化 |
|---------------------------|----------------|----------|---------|
| 再保險 | 273.81 | 83.79 | 3.3倍 |
| 人壽保險 | 364.97 | 491.01 | (25.7%) |
| 財產保險 | (38.15) | (41.85) | (8.8%) |
| 其他業務 | (79.76) | (151.61) | (47.4%) |
| — 控股公司及其他業務 | (18.41) | (68.03) | (72.9%) |
| — 由太平養老營運之養老保險公司 | (43.74) | (65.32) | (33.0%) |
| — 由太平資產及太平資產(香港)營運之資產管理公司 | (17.61) | (18.26) | (3.6%) |
| 股東應佔溢利淨額 | 520.87 | 381.34 | 36.6% |

MANAGEMENT DISCUSSION AND ANALYSIS

The following analysis shows the movement of the net assets value attributable to the Owners of the Company (“NAV”) from 1 January 2009 to 30 June 2009.

HK\$ million

| | |
|---|----------|
| NAV as at 1 January 2009 | 4,596.62 |
| Profit recognized in income statement | 520.87 |
| Net changes in AFS investment reserve | 556.98 |
| Exchange gain arising from translation of the financial statements of subsidiaries outside Hong Kong | 0.81 |
| Others ¹ | 13.64 |
| | 5,688.92 |
| NAV as at 30 June 2009 | 5,688.92 |

¹ Others mainly include the amortization of the costs of Shares acquired under the Share Award Scheme.

The **gross premiums written and policy fees** for the Period increased significantly by 22.2% to HK\$16,245.96 million from HK\$13,299.68 million in the Last Period. The increase was mainly due to the change of status of TPI, which became a subsidiary of CTIH in the second half of 2008. Before then, TPI was an associate of CTIH. As such, the premium of TPI is now consolidated into the financial statements of CTIH. During the Period, the gross premiums written contributed by TPI was HK\$2,479.77 million. In addition, the gross premiums written of TPL increased by 7.6% to HK\$12,700.75 million from HK\$11,802.81 million in the Last Period.

The **net profit attributable to the owners** for the Period was HK\$520.87 million (2008: HK\$381.34 million). This increase in net profit was primarily due to the strong performance of the reinsurance business and the better investment performance of equity securities traded in Hong Kong and the PRC within the respective investment portfolios of CTIH's various businesses. CTIH's net earnings have also improved because of reduced operating losses at the property and casualty insurance operations at TPI and the pension operations at TPP.

The **reinsurance business** contributed net profit to the owners of HK\$273.81 million (2008: HK\$83.79 million). The strong increase in profits was mainly due to significant improvements in investment returns during the Period, primarily from investment gains in equity shares traded in Hong Kong. The reinsurance operations at TPre also produced higher underwriting profits during the Period.

The **life insurance business** contributed net profit to the owners of HK\$364.97 million (2008: HK\$491.01 million). The decrease in profits was mainly due to lower total investment income (excluding unit-linked product income) during the Period.

The **property and casualty insurance business** incurred a net loss to the owners of HK\$38.15 million (2008: HK\$41.85 million). The decrease in losses was mainly due to a more modest level of premium growth and the implementation of effective cost controls.

The **holding company and other businesses** incurred a net loss to the owners of HK\$18.41 million (2008: HK\$68.03 million). The losses were primarily due to interest expenses of HK\$39.85 million (2008: HK\$40.08 million) related to the outstanding senior debt.

管理層討論和分析

以下為由二零零九年一月一日至二零零九年六月三十日本公司股東應佔資產淨值變化分析。

百萬港元

| | |
|------------------------|----------|
| 於二零零九年一月一日之資產淨值 | 4,596.62 |
| 確認於損益表之溢利 | 520.87 |
| 可供出售投資儲備淨變化 | 556.98 |
| 因換算香港以外地區附屬公司財務報表的匯兌收益 | 0.81 |
| 其他 ¹ | 13.64 |
| 於二零零九年六月三十日之資產淨值 | 5,688.92 |

¹ 其他主要包括根據股份獎勵計劃而購入之股份的成本攤銷。

於本財務期，毛承保保費及保單費收入由去年同期132.9968億港元大幅增加22.2%至162.4596億港元。增加主要是由於太平財險之地位改變，以往，太平財險為中國太平控股的聯營公司，於二零零八年下半年成為中國太平控股之附屬公司，因此，太平財險之保費收入現綜合於中國太平控股之財務報表內。於本財務期內，由太平財險貢獻之毛承保保費收入為24.7977億港元。此外，太平人壽之毛承保保費收入由去年同期118.0281億港元增加7.6%至127.0075億港元。

於本財務期，股東應佔溢利淨額為5.2087億港元(二零零八年：3.8134億港元)。溢利淨額上升的主因是再保險業績出色，中國太平控股各業務綫之股本證券投資有更佳表現。中國太平控股之淨盈利得到改善也因太平財險營運之財產保險業務及太平養老營運之養老保險業務經營虧損減少所致。

再保險業務對股東淨溢利的貢獻為2.7381億港元(二零零八年：8,379萬港元)。溢利大幅上升主要是由於本財務期內投資回報明顯改善，主要來自香港買賣股票之投資收益。於本財務期內，太平再保險營運之再保險業務亦錄得較佳的承保溢利。

人壽保險業務對股東淨溢利的貢獻為3.6497億港元(二零零八年：4.9101億港元)。溢利下降主要是由於本財務期內較低的投資收入總額(不含投資連結產品收入)。

財產保險業務使股東錄得淨虧損3,815萬港元(二零零八年：4,185萬港元)。虧損減少的主因是適度的保費增長及有效的費用控制。

控股公司及其他業務使股東錄得淨虧損1,841萬港元(二零零八年：6,803萬港元)。虧損主要涉及有關未到期的優先債之利息支出3,985萬港元(二零零八年：4,008萬港元)。

MANAGEMENT DISCUSSION AND ANALYSIS

The **pension business** incurred a net loss to the owners of HK\$43.74 million (2008: HK\$65.32 million). The losses were mainly due to the current lack of economies of scale at the pension operations. 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 CTIH. TPP is principally engaged in planning and administrating enterprise annuity products, and 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 Period, the annuity and investment funds managed by TPP amounted to RMB21.12 billion, which constituted the funds and schemes of 7,221 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 pension operators to be approved in the country, TPP is still in its initial stages of development and operations.

The **asset management business** incurred a net loss to the owners of HK\$17.61 million (2008: HK\$18.26 million). The Group's asset management business is operated by TPAM and TPA (HK), 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 TPA (HK) currently are 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 salaries, incentive compensation paid to portfolio managers and other operating expenses, are absorbed in full at the consolidated level.

CONSOLIDATED INVESTMENT PERFORMANCE

Consolidated investment assets

The total investments of the Group are summarized as follows:

| | At 30 June 2009 | | At 31 December 2008 | |
|--------------------------|------------------|---------------|---------------------|---------------|
| | HK\$ million | % of Total | HK\$ million | % of Total |
| Debt securities | 54,616.12 | 55.8% | 50,028.09 | 69.0% |
| Direct equity securities | 4,861.16 | 4.9% | 1,621.71 | 2.2% |
| Investment funds | 8,289.86 | 8.5% | 5,214.06 | 7.2% |
| Cash and bank deposits | 30,059.66 | 30.7% | 15,620.70 | 21.5% |
| Investment properties | 83.14 | 0.1% | 76.72 | 0.1% |
| Total investments | 97,909.94 | 100.0% | 72,561.28 | 100.0% |

管理層討論和分析

養老保險業務使股東錄得淨虧損4,374萬港元(二零零八年：6,532萬港元)。虧損主要是由於養老保險營運目前缺乏足夠的規模經濟所致。本集團之養老保險業務由中國太平控股擁有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。

於期末，由太平養老管理之年金及投資基金總計為人民幣211.2億元，包括7,221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，太平養老仍處於發展及營運初期。

資產管理業務使股東錄得淨虧損1,761萬港元(二零零八年：1,826萬港元)。本集團之資產管理業務由太平資產及太平資產(香港)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。太平資產及太平資產(香港)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。

綜合投資表現

綜合投資資產

本集團的投資總值概述如下：

| | 於二零零九年六月三十日 | | 於二零零八年十二月三十一日 | |
|---------|-------------|--------|---------------|--------|
| | 百萬港元 | 佔總額百分比 | 百萬港元 | 佔總額百分比 |
| 債務證券 | 54,616.12 | 55.8% | 50,028.09 | 69.0% |
| 直接股本證券 | 4,861.16 | 4.9% | 1,621.71 | 2.2% |
| 投資基金 | 8,289.86 | 8.5% | 5,214.06 | 7.2% |
| 現金及銀行存款 | 30,059.66 | 30.7% | 15,620.70 | 21.5% |
| 投資物業 | 83.14 | 0.1% | 76.72 | 0.1% |
| 投資總額 | 97,909.94 | 100.0% | 72,561.28 | 100.0% |

MANAGEMENT DISCUSSION 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 30 June 2009, HK\$ million

| | HTM | AFS | DTPL | LR | Total |
|--------------------------|-----------|-----------|----------|----------|-----------|
| Debt securities | 25,044.10 | 26,961.56 | 443.77 | 2,166.69 | 54,616.12 |
| Direct equity securities | — | 4,005.44 | 855.72 | — | 4,861.16 |
| Investment funds | — | 4,659.65 | 3,630.21 | — | 8,289.86 |
| | 25,044.10 | 35,626.65 | 4,929.70 | 2,166.69 | 67,767.14 |

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 |
| Investment funds | — | 2,750.07 | 2,463.99 | — | 5,214.06 |
| | 21,004.15 | 30,264.74 | 3,429.16 | 2,165.81 | 56,863.86 |

The percentages of the Group’s total investments held by each business segment in terms of carrying values at the end of the reporting period were as follows:

| | At 30 June 2009 | At 31 December 2008 |
|---------------------------------|-----------------|---------------------|
| Reinsurance | 4.7% | 5.6% |
| Life insurance | 89.3% | 86.3% |
| Property and casualty insurance | 4.4% | 5.6% |
| Other businesses | 1.6% | 2.5% |
| | 100.0% | 100.0% |

管理層討論和分析

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：

於二零零九年六月三十日，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 | 25,044.10 | 26,961.56 | 443.77 | 2,166.69 | 54,616.12 |
| 直接股本證券 | — | 4,005.44 | 855.72 | — | 4,861.16 |
| 投資基金 | — | 4,659.65 | 3,630.21 | — | 8,289.86 |
| | 25,044.10 | 35,626.65 | 4,929.70 | 2,166.69 | 67,767.14 |

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 |
| 投資基金 | — | 2,750.07 | 2,463.99 | — | 5,214.06 |
| | 21,004.15 | 30,264.74 | 3,429.16 | 2,165.81 | 56,863.86 |

於財務期末各業務分類佔本集團投資總額賬面值之百分比如下：

| | 於二零零九年 六月三十日 | 於二零零八年 十二月三十一日 |
|------|-----------------|-------------------|
| 再保險 | 4.7% | 5.6% |
| 人壽保險 | 89.3% | 86.3% |
| 財產保險 | 4.4% | 5.6% |
| 其他業務 | 1.6% | 2.5% |
| | 100.0% | 100.0% |

MANAGEMENT DISCUSSION 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 six months ended 30 June, HK\$ million

| | 2009 | 2008 | Change |
|---|-----------------|------------|------------|
| Net investment income | 1,465.56 | 2,050.73 | (28.5%) |
| Net realized investment gains | 628.15 | 926.04 | (32.2%) |
| Net unrealized investment gains/(losses) | 760.77 | (2,657.78) | — |
| Impairment on debt and equity securities | (15.00) | (108.10) | (86.1%) |
| Total investment income | 2,839.48 | 210.89 | 13.5 times |
| Less: Investment gains/(losses) attributable to unit-linked products ¹ | 887.24 | (1,755.91) | — |
| Total investment income excluding income of unit-linked products | 1,952.24 | 1,966.80 | (0.7%) |

¹ *Unit-linked products consist of 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 affect 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 0.7% to HK\$1,952.24 million in the Period from HK\$1,966.80 million in the Last Period. The decrease was primarily attributable to lower net investment income, which was due to sharply lower dividends from Investment Funds in the PRC during the Period, reflecting the poor PRC equity market conditions in 2008.

According to the Group's impairment policy, investments in debt and equity securities other than those at fair value through profit or loss are reviewed periodically to determine whether there is objective evidence of impairment. Objective evidence of impairment 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 those debt and 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 the first half of 2009, the impairment loss on debt and equity securities recognized in the consolidated income statement was HK\$15.00 million (2008: HK\$108.10 million).

管理層討論和分析

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：

截至六月三十日止六個月，百萬港元

| | 二零零九年 | 二零零八年 | 變化 |
|-----------------------------------|-----------------|------------|---------|
| 投資收入淨額 | 1,465.56 | 2,050.73 | (28.5%) |
| 已實現投資收益淨額 | 628.15 | 926.04 | (32.2%) |
| 未實現投資收益／(虧損)淨額 | 760.77 | (2,657.78) | — |
| 債務及股本證券減值 | (15.00) | (108.10) | (86.1%) |
| 投資收入總額 | 2,839.48 | 210.89 | 13.5倍 |
| 減：屬於投資連結產品之投資收益／(虧損) ¹ | 887.24 | (1,755.91) | — |
| 不含投資連結產品之投資收入 | 1,952.24 | 1,966.80 | (0.7%) |

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)總額由去年同期的19.6680億港元下跌0.7%至本財務期的19.5224億港元。下跌主要由於較低之投資收入淨額所致，其主要由於來自中國之投資基金股息收入大幅減少，反映了二零零八年中國股本市場之欠佳氣氛。

按本集團減值政策，會定期檢討除通過損益以反映公允價值外之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。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該等債務及股本證券投資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。於二零零九年上半年，確認在綜合損益表內債務及股本證券的減值為1,500萬港元(二零零八年：1.0810億港元)。

MANAGEMENT DISCUSSION AND ANALYSIS

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

For the six months ended 30 June 2009, 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 gains | Unrealized (losses)/ gains | Impairment | | | |
| Debt securities | | | | | | | | | |
| HTM | 508.48 | – | – | – | – | (15.00) | 493.48 | – | 493.48 |
| AFS | 526.68 | – | – | 111.07 | – | – | 637.75 | (427.92) | 209.83 |
| DTPL | 20.18 | – | – | 16.86 | (13.46) | – | 23.58 | – | 23.58 |
| LR | 65.25 | – | – | – | – | – | 65.25 | – | 65.25 |
| Direct equity securities | | | | | | | | | |
| AFS | – | 43.57 | – | 205.26 | – | – | 248.83 | 752.11 | 1,000.94 |
| DTPL | – | 6.81 | – | 47.42 | 61.11 | – | 115.34 | – | 115.34 |
| Investment funds | | | | | | | | | |
| AFS | – | 39.27 | – | 166.93 | – | – | 206.20 | 799.92 | 1,006.12 |
| DTPL | – | 47.84 | – | 80.61 | 706.70 | – | 835.15 | – | 835.15 |
| Cash and bank deposits | 268.96 | – | – | – | – | – | 268.96 | – | 268.96 |
| Investment properties | – | – | 1.18 | – | 6.42 | – | 7.60 | – | 7.60 |
| Securities sold under repurchase agreements | (62.66) | – | – | – | – | – | (62.66) | – | (62.66) |
| | 1,326.89 | 137.49 | 1.18 | 628.15 | 760.77 | (15.00) | 2,839.48 | 1,124.11 | 3,963.59 |

管理層討論和分析

本集團稅前投資收入／(虧損)之詳細分析如下：

截至二零零九年六月三十日止六個月，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 收益 | 未實現 (虧損)/ 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 | 508.48 | — | — | — | — | (15.00) | 493.48 | — | 493.48 |
| 可供出售 | 526.68 | — | — | 111.07 | — | — | 637.75 | (427.92) | 209.83 |
| 指定為通過損益以反映公允價值 | 20.18 | — | — | 16.86 | (13.46) | — | 23.58 | — | 23.58 |
| 貸款及應收款項 | 65.25 | — | — | — | — | — | 65.25 | — | 65.25 |
| 直接股本證券 | | | | | | | | | |
| 可供出售 | — | 43.57 | — | 205.26 | — | — | 248.83 | 752.11 | 1,000.94 |
| 指定為通過損益以反映公允價值 | — | 6.81 | — | 47.42 | 61.11 | — | 115.34 | — | 115.34 |
| 投資基金 | | | | | | | | | |
| 可供出售 | — | 39.27 | — | 166.93 | — | — | 206.20 | 799.92 | 1,006.12 |
| 指定為通過損益以反映公允價值 | — | 47.84 | — | 80.61 | 706.70 | — | 835.15 | — | 835.15 |
| 現金及銀行存款 | 268.96 | — | — | — | — | — | 268.96 | — | 268.96 |
| 投資物業 | — | — | 1.18 | — | 6.42 | — | 7.60 | — | 7.60 |
| 賣出回購證券 | (62.66) | — | — | — | — | — | (62.66) | — | (62.66) |
| | 1,326.89 | 137.49 | 1.18 | 628.15 | 760.77 | (15.00) | 2,839.48 | 1,124.11 | 3,963.59 |

MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30 June 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 gains/ (losses) | Unrealized (losses)/ gains | Impairment | | | |
| Debt securities | | | | | | | | | |
| HTM | 152.77 | – | – | – | – | – | 152.77 | – | 152.77 |
| AFS | 599.82 | – | – | 33.53 | – | – | 633.35 | 970.81 | 1,604.16 |
| DTPL | 8.97 | – | – | (30.86) | (30.05) | – | (51.94) | – | (51.94) |
| Direct equity securities | | | | | | | | | |
| AFS | – | 35.59 | – | 793.07 | – | (16.00) | 812.66 | (2,460.27) | (1,647.61) |
| DTPL | – | 7.45 | – | 22.92 | (820.73) | – | (790.36) | – | (790.36) |
| Investment funds | | | | | | | | | |
| AFS | – | 296.94 | – | 116.20 | – | (92.10) | 321.04 | (1,146.11) | (825.07) |
| DTPL | – | 797.83 | – | (8.82) | (1,817.81) | – | (1,028.80) | – | (1,028.80) |
| Cash and bank deposits | 217.11 | – | – | – | – | – | 217.11 | – | 217.11 |
| Investment properties | – | – | 1.44 | – | 10.81 | – | 12.25 | – | 12.25 |
| Securities sold under repurchase agreements | (67.19) | – | – | – | – | – | (67.19) | – | (67.19) |
| | 911.48 | 1,137.81 | 1.44 | 926.04 | (2,657.78) | (108.10) | 210.89 | (2,635.57) | (2,424.68) |

管理層討論和分析

截至二零零八年六月三十日止六個月，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 收益/ (虧損) | 未實現 (虧損)/ 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 | 152.77 | — | — | — | — | — | 152.77 | — | 152.77 |
| 可供出售 | 599.82 | — | — | 33.53 | — | — | 633.35 | 970.81 | 1,604.16 |
| 指定為通過損益以反映公允價值 | 8.97 | — | — | (30.86) | (30.05) | — | (51.94) | — | (51.94) |
| 直接股本證券 | | | | | | | | | |
| 可供出售 | — | 35.59 | — | 793.07 | — | (16.00) | 812.66 | (2,460.27) | (1,647.61) |
| 指定為通過損益以反映公允價值 | — | 7.45 | — | 22.92 | (820.73) | — | (790.36) | — | (790.36) |
| 投資基金 | | | | | | | | | |
| 可供出售 | — | 296.94 | — | 116.20 | — | (92.10) | 321.04 | (1,146.11) | (825.07) |
| 指定為通過損益以反映公允價值 | — | 797.83 | — | (8.82) | (1,817.81) | — | (1,028.80) | — | (1,028.80) |
| 現金及銀行存款 | 217.11 | — | — | — | — | — | 217.11 | — | 217.11 |
| 投資物業 | — | — | 1.44 | — | 10.81 | — | 12.25 | — | 12.25 |
| 賣出回購證券 | (67.19) | — | — | — | — | — | (67.19) | — | (67.19) |
| | 911.48 | 1,137.81 | 1.44 | 926.04 | (2,657.78) | (108.10) | 210.89 | (2,635.57) | (2,424.68) |

MANAGEMENT DISCUSSION AND ANALYSIS

REINSURANCE BUSINESS

The Group's reinsurance business is operated by Taiping Reinsurance Company Ltd. (TPRe) formerly known as CIRe. TPRe is a Hong Kong-incorporated company and wholly-owned by the Group, and 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. TPRe's key markets are Mainland China, Hong Kong and Macau, 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 six months ended 30 June, HK\$ million

| | 2009 | 2008 | Change |
|-----------------------------------|-----------------|-----------|------------|
| Gross premiums written | 1,060.45 | 1,493.70 | (29.0%) |
| Net premiums written | 920.01 | 1,253.21 | (26.6%) |
| Net earned premiums | 751.65 | 736.65 | 2.0% |
| Net claims incurred | (404.02) | (336.76)* | 20.0% |
| Net commission expenses | (184.43) | (319.04) | (42.2%) |
| Underwriting profit | 146.89 | 65.79* | 2.2 times |
| Total investment income | 133.64 | 19.87 | 6.7 times |
| Net exchange gain | 26.57 | 11.14* | 2.4 times |
| Profit before taxation | 292.60 | 82.80 | 3.5 times |
| Profit attributable to the owners | 273.81 | 83.79 | 3.3 times |
| Regulatory solvency margin ratio | 730.4% | 618.0% | 112.4 pts |
| Technical reserves ratio | 382.6% | 425.7% | (43.1 pts) |
| Retained ratio | 86.8% | 83.9% | 2.9 pts |
| Earned premiums ratio | 70.9% | 49.3% | 21.6 pts |
| Loss ratio ¹ | 53.8% | 45.7%* | 8.1 pts |
| Expense ratio ² | 21.8% | 26.7% | (4.9 pts) |
| Combined ratio ³ | 75.6 | 72.4* | 3.2 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 TPRe. If the net earned premiums basis is applied, then the expense ratio would be 26.7% for the Period (2008: 45.4%).

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 80.5 for the Period (2008: 91.1).

* Prior to 2008, the exchange difference arising from the claims reserve was recognized in the underwriting results. In order to better reflect the underwriting performance of TPRe, from December 2008 onwards, such exchange difference has been reclassified into a separate account in the income statement, namely as the net exchange loss. The exchange difference for the Period and the Last Period is an exchange loss of HK\$3.41 million and HK\$23.78 million, respectively. For consistency and comparability purposes, the corresponding figures and ratios of June 2008 are restated accordingly. However, they are not restated in the interim financial report because the amounts involved are not material at the consolidated level.

The original amounts of net claims incurred, underwriting profit and net exchange gain for June 2008 were HK\$360.54 million, HK\$42.01 million and HK\$34.92 million, respectively. The original loss ratio and combined ratio for June 2008 were 48.9% and 75.6, respectively.

管理層討論和分析

再保險業務

本集團之再保險業務由之太平再保險有限公司「太平再保險」[前簡稱為中再國際]營運。太平再保險為本集團全資擁有之香港註冊公司，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。太平再保險之主要市場為中國大陸、香港及澳門、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：

截至六月三十日止六個月，百萬港元

| | 二零零九年 | 二零零八年 | 變化 |
|--------------------|-----------------|-----------|---------|
| 毛承保保費 | 1,060.45 | 1,493.70 | (29.0%) |
| 淨承保保費 | 920.01 | 1,253.21 | (26.6%) |
| 已賺取保費淨額 | 751.65 | 736.65 | 2.0% |
| 賠款淨額 | (404.02) | (336.76)* | 20.0% |
| 佣金支出淨額 | (184.43) | (319.04) | (42.2%) |
| 承保溢利 | 146.89 | 65.79* | 2.2倍 |
| 投資收入總額 | 133.64 | 19.87 | 6.7倍 |
| 匯兌收益淨額 | 26.57 | 11.14* | 2.4倍 |
| 除稅前溢利 | 292.60 | 82.80 | 3.5倍 |
| 股東應佔溢利 | 273.81 | 83.79 | 3.3倍 |
| 監管償付能力充足比率 | 730.4% | 618.0% | 112.4點 |
| 技術性儲備比率 | 382.6% | 425.7% | (43.1點) |
| 自留比率 | 86.8% | 83.9% | 2.9點 |
| 已賺取保費率 | 70.9% | 49.3% | 21.6點 |
| 賠付率 ¹ | 53.8% | 45.7%* | 8.1點 |
| 費用率 ² | 21.8% | 26.7% | (4.9點) |
| 綜合成本率 ³ | 75.6 | 72.4* | 3.2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再保險的承保表現。倘使用已賺取保費淨額基準，則本財務期之費用率將為26.7% (二零零八年：45.4%)。

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，則本財務期之綜合成本率將為80.5 (二零零八年：91.1)。

* 二零零八年之前，賠款儲備之匯兌差異在承保業績內確認。為能夠更合理反映太平再保險的承保表現，從二零零八年十二月起，該等匯兌差異於損益表內將被重新分類為匯兌虧損淨額。於本財務期及去年同期，該等匯兌差異分別為匯兌虧損341萬港元及2,378萬港元。為使數據一致及容易比較，二零零八年六月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，所以沒有在中期財務報告中重列。

二零零八年六月之賠款淨額、承保溢利及匯兌收益淨額之原額分別為3.6054億港元、4,201萬港元及3,492萬港元。二零零八年六月之原賠付率及綜合成本率分別為48.9%及75.6。

MANAGEMENT DISCUSSION AND ANALYSIS

Profit Attributable to the Owners

The reinsurance business contributed net profit to the owners of HK\$273.81 million during the Period (2008: HK\$83.79 million), representing a significant increase of 226.8% compared to that of Last Period. The increase in profit is mainly attributable to lower levels of losses and claims during the Period. Last Period, the Mainland China portfolio of TPRE incurred sharp losses from the snowstorms in Southern China, earthquake in Sichuan Province and flooding in various provinces of the PRC. In the absence of major catastrophic losses during the Period, TPRE was able to produce a strong underwriting profit of HK\$146.89 million for the Period, representing an increase of 2.2 times from the HK\$65.79 million in the Last Period. During the Period, the equity indices of Hong Kong also rebounded and appreciated positively, which led to significantly higher investment income for TPRE.

Gross Premiums Written

TPRE's gross premiums written decreased by 29.0% to HK\$1,060.45 million from HK\$1,493.70 million in the Last Period. This decrease was due to a revised accounting treatment of the accrued premium for the Period versus the Last Period. As a result, the related unearned premium provisions and acquisition costs were also reduced. TPRE believes that the revised basis of recognizing accrued premiums and related provisions and expenses are more in line with internationally accepted practices, and are also more accurate in reflecting underwriting performance.

During the Period, TPRE benefited from improved terms and conditions in reinsurance contracts in favor of reinsurers, especially in its largest market of Mainland China, where property proportional reinsurance contracts have shown sharp improvements with lower commission terms and tighter conditions for reinsurers. In the rest of Asia, which constitute the bulk of its premiums written, TPRE has maximized its franchise and deep rooted position by offering a wide variety of products and services — proportional treaties, excess of loss treaties and facultative reinsurance services across different classes of insurance. Such a wide spectrum of offerings is not only attractive and more convenient for clients, but also allows TPRE to gain the benefits of wider business diversification across its clients, geographies and lines of insurance.

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

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

| | 2009 | % of Total | 2008 | % of Total |
|---------------------------|-----------------|---------------|----------|------------|
| Hong Kong & Macau | 188.28 | 17.7% | 232.53 | 15.6% |
| Mainland China (& Taiwan) | 275.35 | 26.0% | 467.18 | 31.3% |
| Japan | 79.31 | 7.5% | 96.12 | 6.4% |
| Rest of Asia | 275.67 | 26.0% | 395.56 | 26.5% |
| Europe | 167.80 | 15.8% | 226.25 | 15.1% |
| Others | 74.04 | 7.0% | 76.06 | 5.1% |
| | 1,060.45 | 100.0% | 1,493.70 | 100.0% |

管理層討論和分析

股東應佔溢利

於本財務期內，再保險業務對股東淨溢利的貢獻為2.7381億港元(二零零八年：8,379萬港元)，較去年同期大幅上升226.8%。溢利上升主要由於期內較低的賠款。去年同期，太平再保險遭受來自中國南部雪災、四川省地震及中國各省份水災之重大賠付。由於期內沒有重大賠付，太平再保險錄得強勁的承保溢利1.4689億港元，較去年同期之6,579萬港元上升2.2倍。期內，香港股票指數反彈及升值，令太平再保險的投資收入大幅提高。

毛承保保費

太平再保險之毛承保保費由去年同期14.9370億港元下跌29.0%至10.6045億港元。下跌是由於本財務期毛承保保費的會計處理較去年同期有所修訂。因此，有關的未到期責任準備金及展業成本亦有所下降。太平再保險相信修訂後的毛承保保費及有關準備及費用的確認基準，與國際慣例一致，及更準確地反映承保表現。

於本財務期內，太平再保險受惠於有利再保險商之再保險合約條款及條件改善，尤其於其最大的中國大陸市場，比例財產再保險合約出現重大改善，再保險商的的佣金條款較低及條件較嚴謹。在其構成巨大承保保費之其他亞洲市場方面，太平再保險於各類保險提供一系列的產品及服務，如比例合約、超額賠款合約及臨時合約，使其專營權及根深蒂固的地位最大化。提供各種不同的產品及服務，不但為吸引及方便客戶，亦令太平再保險獲得更廣泛的保險客戶、地區及業務種類。

太平再保險按地區分佈劃分之毛承保保費簡報如下：

截至六月三十日止六個月，百萬港元

| | 二零零九年 | 佔總額百分比 | 二零零八年 | 佔總額百分比 |
|-----------|----------|--------|----------|--------|
| 香港及澳門 | 188.28 | 17.7% | 232.53 | 15.6% |
| 中國大陸(及台灣) | 275.35 | 26.0% | 467.18 | 31.3% |
| 日本 | 79.31 | 7.5% | 96.12 | 6.4% |
| 亞洲其他地區 | 275.67 | 26.0% | 395.56 | 26.5% |
| 歐洲 | 167.80 | 15.8% | 226.25 | 15.1% |
| 其他 | 74.04 | 7.0% | 76.06 | 5.1% |
| | 1,060.45 | 100.0% | 1,493.70 | 100.0% |

MANAGEMENT DISCUSSION AND ANALYSIS

Net Claims Incurred

Despite the absence of catastrophes in TPRé's reinsurance portfolio during the Period, the incidence of small- to medium-sized fire loss events increased in some of its Asian markets, which led to TPRé's net claims incurred increasing by 20.0% to HK\$404.02 million from HK\$336.76 million in the Last Period. In addition, during the Last Period, TPRé released certain redundant loss provisions. As a result, the loss ratio increased to 53.8% from 45.7% in the Last Period. The combined ratio during the Period was 75.6 (2008: 72.4).

Investment Performance

The composition of investments held by TPRé was as follows:

| | At 30 June 2009 | | At 31 December 2008 | |
|------------------------------|-----------------|---------------|---------------------|---------------|
| | HK\$ million | % of Total | HK\$ million | % of Total |
| Debt securities | 1,986.90 | 43.5% | 1,904.91 | 46.8% |
| Direct equity securities | 218.29 | 4.8% | 231.80 | 5.7% |
| Investment funds | 71.66 | 1.5% | 67.04 | 1.7% |
| Cash and bank deposits | 2,210.08 | 48.4% | 1,786.45 | 43.9% |
| Investment properties | 83.14 | 1.8% | 76.72 | 1.9% |
| Total invested assets | 4,570.07 | 100.0% | 4,066.92 | 100.0% |

During the Period, TPRé adopted a very cautious and conservative stance on its asset allocation for its investment portfolio, after the unprecedented turmoil in the investment markets worldwide in 2008. Although the equity indices in Hong Kong have rebounded and appreciated positively during the Period, TPRé's equity investments were maintained at a relatively low percentage of the total investment portfolio, and debt securities and cash and bank deposits still constituted 91.9% of the total invested assets as at 30 June 2009 (31 December 2008: 90.7%). Almost all of the debt securities had investment grade ratings from international credit rating agencies.

管理層討論和分析

淨賠款總額

儘管於本財務期內，太平再保險之再保險組合內未有發生災難，其一些亞洲市場發生中、小規模火災索賠事件，令太平再保險的淨賠款由去年同期3.3676億港元增加20.0%至4.0402億港元。此外於去年同期，太平再保險回撥若干賠款準備冗餘。因此，賠付率由去年同期的45.7%上升至53.8%。於本財務期之綜合成本率為75.6(二零零八年：72.4)。

投資表現

太平再保險持有之投資組合情況如下：

| | 於二零零九年六月三十日 | | 於二零零八年十二月三十一日 | |
|---------|-----------------|---------------|---------------|--------|
| | 百萬港元 | 佔總額百分比 | 百萬港元 | 佔總額百分比 |
| 債務證券 | 1,986.90 | 43.5% | 1,904.91 | 46.8% |
| 直接股本證券 | 218.29 | 4.8% | 231.80 | 5.7% |
| 投資基金 | 71.66 | 1.5% | 67.04 | 1.7% |
| 現金及銀行存款 | 2,210.08 | 48.4% | 1,786.45 | 43.9% |
| 投資物業 | 83.14 | 1.8% | 76.72 | 1.9% |
| 投資總額 | 4,570.07 | 100.0% | 4,066.92 | 100.0% |

於本財務期內，經過二零零八年全球投資市場史無前例的動盪，太平再保險對於其投資組合的資產配置十分審慎。儘管期內香港的股票指數已反彈及增值，太平再保險之股本投資維持佔總投資組合一個較低的百分比，及債務證券、現金及銀行存款於二零零九年六月三十日仍佔投資資產總額約91.9%(二零零八年十二月三十一日：90.7%)。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。

MANAGEMENT DISCUSSION AND ANALYSIS

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

At 30 June 2009, HK\$ million

| | HTM | AFS | DTPL | Total |
|--------------------------|-----------------|---------------|---------------|-----------------|
| Debt securities | 1,458.04 | 395.80 | 133.06 | 1,986.90 |
| Direct equity securities | — | 218.29 | — | 218.29 |
| Investment funds | — | 41.06 | 30.60 | 71.66 |
| | 1,458.04 | 655.15 | 163.66 | 2,276.85 |

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 |
| Investment funds | — | 38.18 | 28.86 | 67.04 |
| | 1,338.63 | 622.92 | 242.20 | 2,203.75 |

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

HK\$ million

| | At 30 June 2009 | At 31 December 2008 |
|--|-----------------|---------------------|
| Central governments and central banks | 180.37 | 131.34 |
| Public sector entities | 50.87 | 50.97 |
| Banks and other financial institutions | 1,095.08 | 1,425.13 |
| Corporate entities | 637.59 | 286.47 |
| Others | 22.99 | 11.00 |
| | 1,986.90 | 1,904.91 |

管理層討論和分析

太平再保險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：

於二零零九年六月三十日，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 | 1,458.04 | 395.80 | 133.06 | 1,986.90 |
| 直接股本證券 | — | 218.29 | — | 218.29 |
| 投資基金 | — | 41.06 | 30.60 | 71.66 |
| | 1,458.04 | 655.15 | 163.66 | 2,276.85 |

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 |
| 投資基金 | — | 38.18 | 28.86 | 67.04 |
| | 1,338.63 | 622.92 | 242.20 | 2,203.75 |

債務證券按類別分類如下：

百萬港元

| | 於二零零九年六月三十日 | 於二零零八年十二月三十一日 |
|-----------|-------------|---------------|
| 中央政府及中央銀行 | 180.37 | 131.34 |
| 公共機構 | 50.87 | 50.97 |
| 銀行及其他金融機構 | 1,095.08 | 1,425.13 |
| 企業實體 | 637.59 | 286.47 |
| 其他 | 22.99 | 11.00 |
| | 1,986.90 | 1,904.91 |

MANAGEMENT DISCUSSION AND ANALYSIS

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

HK\$ million

| | At 30 June 2009 | At 31 December 2008 |
|--------|-----------------|---------------------|
| USD | 1,720.75 | 1,677.80 |
| EUR | 96.21 | 85.08 |
| HKD | 81.53 | 68.98 |
| GBP | 46.61 | 40.43 |
| Others | 41.80 | 32.62 |
| | 1,986.90 | 1,904.91 |

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

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

| | 2009 | 2008 | Change |
|--|---------------|---------|-----------|
| Net investment income | 82.24 | 91.52 | (10.1%) |
| Net realized investment gains/(losses) | 57.61 | (37.50) | — |
| Net unrealized investment gains/(losses) | 8.79 | (21.15) | — |
| Impairment on debt and equity securities | (15.00) | (13.00) | 15.4% |
| Total investment income | 133.64 | 19.87 | 6.7 times |
| Total investment yield (year-to-date) | 3.0% | 0.4% | 2.6 pts |

TPR's total investment income was a profit of HK\$133.64 million for the Period, a significant increase from the profit of HK\$19.87 million in the Last Period. The strong performance was primarily due to higher realized and unrealized investment gains during the Period, which represented the positive rebound and appreciation of equity securities traded in Hong Kong within TPR's investment portfolio. During the Period, TPR took advantage of the strong equity market conditions and divested a portion of its equity investments, which in turn sharply increased its realized investment gains and total investment income relative to Last Period. The above-described investment income and investment yield figures do not include a net exchange gain of HK\$26.57 million (2008: HK\$11.14 million).

管理層討論和分析

債務證券按原貨幣分類之折合港元值如下：

百萬港元

| | 於二零零九年六月三十日 | 於二零零八年十二月三十一日 |
|----|-----------------|-----------------|
| 美元 | 1,720.75 | 1,677.80 |
| 歐羅 | 96.21 | 85.08 |
| 港元 | 81.53 | 68.98 |
| 英鎊 | 46.61 | 40.43 |
| 其他 | 41.80 | 32.62 |
| | 1,986.90 | 1,904.91 |

太平再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：

截至六月三十日止六個月，百萬港元

| | 二零零九年 | 二零零八年 | 變化 |
|----------------|---------------|---------|---------|
| 投資收入淨額 | 82.24 | 91.52 | (10.1%) |
| 已實現投資收益／(虧損)淨額 | 57.61 | (37.50) | — |
| 未實現投資收益／(虧損)淨額 | 8.79 | (21.15) | — |
| 債務及股本證券減值 | (15.00) | (13.00) | 15.4% |
| 投資收入總額 | 133.64 | 19.87 | 6.7倍 |
| 總投資收益率(本期) | 3.0% | 0.4% | 2.6點 |

本財務期，太平再保險錄得投資收入總額溢利1.3364億港元，較去年同期溢利1,987萬港元大幅增加。強勁的表現主要由於期內更高的已實現及未實現投資收益，其代表太平再保險於香港買賣的股本證券正面反彈及升值。於本財務期，太平再保險把握強勁的股本市場狀況及賣出其一部份之股本投資，令其已實現投資收益及投資收入總額較去年同期大幅上升。上述投資收入及投資收益率並不包括2,657萬港元匯兌收益淨額(二零零八年：1,114萬港元)。

MANAGEMENT DISCUSSION AND ANALYSIS

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

For the six months ended 30 June 2009, HK\$ million

| | Recognized in the consolidated income statement | | | | | | Sub total | Unrealized gains recognized in the fair value reserve | Grand total |
|---------------------------------|---|-----------------|---------------|-------------------------|------------------|------------|-----------|---|-------------|
| | Interest income | Dividend income | Rental income | Realized gains/(losses) | Unrealized gains | Impairment | | | |
| Debt securities | | | | | | | | | |
| HTM | 41.33 | – | – | – | – | (15.00) | 26.33 | – | 26.33 |
| AFS | 17.12 | – | – | – | – | – | 17.12 | 31.65 | 48.77 |
| DTPL | 7.33 | – | – | 7.86 | 0.62 | – | 15.81 | – | 15.81 |
| Direct equity securities | | | | | | | | | |
| AFS | – | 4.28 | – | 50.78 | – | – | 55.06 | 44.02 | 99.08 |
| DTPL | – | 1.56 | – | (1.03) | – | – | 0.53 | – | 0.53 |
| Investment funds | | | | | | | | | |
| AFS | – | 0.37 | – | – | – | – | 0.37 | 2.88 | 3.25 |
| DTPL | – | 1.36 | – | – | 1.74 | – | 3.10 | – | 3.10 |
| Cash and bank deposits | 7.71 | – | – | – | – | – | 7.71 | – | 7.71 |
| Investment properties | – | – | 1.18 | – | 6.43 | – | 7.61 | – | 7.61 |
| | 73.49 | 7.57 | 1.18 | 57.61 | 8.79 | (15.00) | 133.64 | 78.55 | 212.19 |

管理層討論和分析

太平再保險的稅前投資收入／(虧損)之詳細分析如下：

截至二零零九年六月三十日止六個月，百萬港元

| | 於綜合損益表內確認 | | | | | | 小計 | 於公允價值 儲備內確認之 未實現收益 | 總額 |
|----------------|-----------|------|------|--------------------|-------|---------|--------|--------------------------|--------|
| | 利息收入 | 股息收入 | 租金收入 | 已實現 收益/ (虧損) | 未實現收益 | 減值 | | | |
| 債務證券 | | | | | | | | | |
| 持有至到期日 | 41.33 | — | — | — | — | (15.00) | 26.33 | — | 26.33 |
| 可供出售 | 17.12 | — | — | — | — | — | 17.12 | 31.65 | 48.77 |
| 指定為通過損益以反映公允價值 | 7.33 | — | — | 7.86 | 0.62 | — | 15.81 | — | 15.81 |
| 直接股本證券 | | | | | | | | | |
| 可供出售 | — | 4.28 | — | 50.78 | — | — | 55.06 | 44.02 | 99.08 |
| 指定為通過損益以反映公允價值 | — | 1.56 | — | (1.03) | — | — | 0.53 | — | 0.53 |
| 投資基金 | | | | | | | | | |
| 可供出售 | — | 0.37 | — | — | — | — | 0.37 | 2.88 | 3.25 |
| 指定為通過損益以反映公允價值 | — | 1.36 | — | — | 1.74 | — | 3.10 | — | 3.10 |
| 現金及銀行存款 | 7.71 | — | — | — | — | — | 7.71 | — | 7.71 |
| 投資物業 | — | — | 1.18 | — | 6.43 | — | 7.61 | — | 7.61 |
| | 73.49 | 7.57 | 1.18 | 57.61 | 8.79 | (15.00) | 133.64 | 78.55 | 212.19 |

MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30 June 2008, HK\$ million

| | Recognized in the consolidated income statement | | | | | | Sub total | Unrealized (losses)/ gains recognized in the fair value reserve | Grand total |
|---------------------------------|---|-----------------|---------------|--------------------------|----------------------------|------------|-----------|---|-------------|
| | Interest income | Dividend income | Rental income | Realized gains/ (losses) | Unrealized (losses)/ gains | Impairment | | | |
| Debt securities | | | | | | | | | |
| HTM | 32.81 | — | — | — | — | — | 32.81 | — | 32.81 |
| AFS | 17.73 | — | — | — | — | — | 17.73 | (21.91) | (4.18) |
| DTPL | 4.08 | — | — | 0.02 | (15.67) | — | (11.57) | — | (11.57) |
| Direct equity securities | | | | | | | | | |
| AFS | — | 10.13 | — | (38.26) | — | (13.00) | (41.13) | (125.27) | (166.40) |
| DTPL | — | 1.92 | — | 0.74 | (14.24) | — | (11.58) | — | (11.58) |
| Investment funds | | | | | | | | | |
| AFS | — | — | — | — | — | — | — | 1.09 | 1.09 |
| DTPL | — | 1.60 | — | — | (2.05) | — | (0.45) | — | (0.45) |
| Cash and bank deposits | 21.81 | — | — | — | — | — | 21.81 | — | 21.81 |
| Investment properties | — | — | 1.44 | — | 10.81 | — | 12.25 | — | 12.25 |
| | 76.43 | 13.65 | 1.44 | (37.50) | (21.15) | (13.00) | 19.87 | (146.09) | (126.22) |

管理層討論和分析

截至二零零八年六月三十日止六個月，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 | 股息收入 | 租金收入 | 已實現 收益/ (虧損) | 未實現 (虧損)/ 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 | 32.81 | — | — | — | — | — | 32.81 | — | 32.81 |
| 可供出售 | 17.73 | — | — | — | — | — | 17.73 | (21.91) | (4.18) |
| 指定為通過損益以反映公允價值 | 4.08 | — | — | 0.02 | (15.67) | — | (11.57) | — | (11.57) |
| 直接股本證券 | | | | | | | | | |
| 可供出售 | — | 10.13 | — | (38.26) | — | (13.00) | (41.13) | (125.27) | (166.40) |
| 指定為通過損益以反映公允價值 | — | 1.92 | — | 0.74 | (14.24) | — | (11.58) | — | (11.58) |
| 投資基金 | | | | | | | | | |
| 可供出售 | — | — | — | — | — | — | — | 1.09 | 1.09 |
| 指定為通過損益以反映公允價值 | — | 1.60 | — | — | (2.05) | — | (0.45) | — | (0.45) |
| 現金及銀行存款 | 21.81 | — | — | — | — | — | 21.81 | — | 21.81 |
| 投資物業 | — | — | 1.44 | — | 10.81 | — | 12.25 | — | 12.25 |
| | 76.43 | 13.65 | 1.44 | (37.50) | (21.15) | (13.00) | 19.87 | (146.09) | (126.22) |

MANAGEMENT DISCUSSION 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 six months ended 30 June, HK\$ million

| | 2009 | 2008 | Change |
|--|------------|------------|------------|
| Gross premiums written | 12,700.75 | 11,802.81 | 7.6% |
| Net premiums written and policy fees | 12,633.99 | 11,753.27 | 7.5% |
| Net earned premiums and policy fees | 12,522.00 | 11,715.92 | 6.9% |
| Total investment income | 2,580.10 | 244.16 | 10.6 times |
| Net exchange loss | (0.52) | (78.82) | (99.3%) |
| Net policyholders' benefits | (2,255.30) | (2,140.29) | 5.4% |
| Net commission expenses | (1,428.86) | (1,088.42) | 31.3% |
| Change in life insurance funds, net of reinsurance | (8,653.16) | (6,678.75) | 29.6% |
| Administrative and other expenses | (1,737.62) | (1,163.33) | 49.4% |
| Finance costs | (91.94) | (36.87) | 2.5 times |
| Profit before taxation | 1,006.56 | 836.83 | 20.3% |
| Profit after taxation | 729.22 | 981.04 | (25.7%) |
| Profit attributable to the owners | 364.97 | 491.01 | (25.7%) |

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

| | At 30 June 2009 | At 31 December 2008 | Change |
|--|--------------------|------------------------|-----------|
| Market share ¹ | 2.5% | 2.6% | (0.1 pt) |
| Number of provincial branches | 33 | 33 | — |
| Number of sub-branches and marketing centres | 539 | 506 | 33 |
| Number of in-force policies | 8,018,327 | 6,944,279 | 1,074,048 |
| Number of individual agents | 55,657 | 46,781 | 8,876 |
| Persistency ratio — 13th month ² | | | |
| — Individual | 83.8% | 82.6% | 1.2 pts |
| — Bancassurance | 91.1% | 90.7% | 0.4 pt |
| Persistency ratio — 25th month ² | | | |
| — Individual | 91.0% | 91.1% | (0.1 pt) |
| — Bancassurance | 96.7% | 94.0% | 2.7 pts |

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

² Based on the amount of premiums.

管理層討論和分析

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：

截至六月三十日止六個月，百萬港元

| | 二零零九年 | 二零零八年 | 變化 |
|----------------|------------|------------|---------|
| 毛承保保費 | 12,700.75 | 11,802.81 | 7.6% |
| 淨承保保費及保單費收入 | 12,633.99 | 11,753.27 | 7.5% |
| 已賺取保費及保單費收入淨額 | 12,522.00 | 11,715.92 | 6.9% |
| 投資收入總額 | 2,580.10 | 244.16 | 10.6倍 |
| 匯兌虧損淨額 | (0.52) | (78.82) | (99.3%) |
| 保單持有人利益淨額 | (2,255.30) | (2,140.29) | 5.4% |
| 佣金支出淨額 | (1,428.86) | (1,088.42) | 31.3% |
| 壽險責任準備金變化，減再保險 | (8,653.16) | (6,678.75) | 29.6% |
| 行政及其他費用 | (1,737.62) | (1,163.33) | 49.4% |
| 財務費用 | (91.94) | (36.87) | 2.5倍 |
| 除稅前溢利 | 1,006.56 | 836.83 | 20.3% |
| 除稅後溢利 | 729.22 | 981.04 | (25.7%) |
| 股東應佔溢利 | 364.97 | 491.01 | (25.7%) |

人壽保險業務之主要經營數據概述如下：

| | 於二零零九年 六月三十日 | 於二零零八年 十二月三十一日 | 變化 |
|--------------------------|-----------------|-------------------|-----------|
| 市場份額 ¹ | 2.5% | 2.6% | (0.1點) |
| 省級分公司數目 | 33 | 33 | — |
| 支公司及市場推廣中心數目 | 539 | 506 | 33 |
| 有效之保單數目 | 8,018,327 | 6,944,279 | 1,074,048 |
| 個人銷售代理數目 | 55,657 | 46,781 | 8,876 |
| 第13個月之保費繼續率 ² | | | |
| — 個人 | 83.8% | 82.6% | 1.2點 |
| — 銀行保險 | 91.1% | 90.7% | 0.4點 |
| 第25個月之保費繼續率 ² | | | |
| — 個人 | 91.0% | 91.1% | (0.1點) |
| — 銀行保險 | 96.7% | 94.0% | 2.7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 按保費金額。

MANAGEMENT DISCUSSION AND ANALYSIS

Profit Attributable to the Owners

The life insurance business contributed net profit to the owners of HK\$364.97 million during the Period (2008: HK\$491.01 million), representing a decline of 25.7% compared to that of the Last Period. The decrease in profits was mainly due to lower total investment income (excluding unit-linked product income) during the Period.

Gross Premiums Written

TPL's gross premiums written increased by 7.6% to HK\$12,700.75 million from HK\$11,802.81 million in the Last Period. This rate of premium growth is not as fast as that recorded in recent years by the life insurance operations at TPL. However, because of TPL's major strategic initiative of focusing and increasing its efforts on selling products with regular premium features, such a slower rate of growth is not only not unexpected, but acceptable, given the Group's prioritization of long term value over top line premiums. TPL's gross premiums written, by line of business, were as follows:

For the six months ended 30 June 2009, HK\$ million

| | Non unit-linked products | Unit-linked products | Total | % of Total |
|---------------|--------------------------|----------------------|------------------|---------------|
| Individual | 3,408.13 | 30.56 | 3,438.69 | 27.1% |
| Bancassurance | 8,605.58 | 77.99 | 8,683.57 | 68.4% |
| Group | 578.49 | — | 578.49 | 4.5% |
| | 12,592.20 | 108.55 | 12,700.75 | 100.0% |

For the six months ended 30 June 2008, HK\$ million

| | Non unit-linked products | Unit-linked products | Total | % of Total |
|---------------|--------------------------|----------------------|------------------|---------------|
| Individual | 2,130.44 | 285.59 | 2,416.03 | 20.5% |
| Bancassurance | 7,126.92 | 1,656.10 | 8,783.02 | 74.4% |
| Group | 603.76 | — | 603.76 | 5.1% |
| | 9,861.12 | 1,941.69 | 11,802.81 | 100.0% |

During the Period, the sale of unit linked products fell significantly to HK\$108.55 million from HK\$1,941.69 million in the Last Period, representing a decrease of 94.4%. With economic and market conditions still unclear, in addition to the Group's strong preference for higher profit margin products, TPL lowered its efforts for selling unit-linked products during the Period. This decline in premium was more than made up for by the strong increase in demand for non unit-linked products, which sharply increased to HK\$12,592.20 million from HK\$9,861.12 million in the Last Period, representing an increase of 27.7%.

管理層討論和分析

股東應佔溢利

於本財務期內，人壽保險業務對股東淨溢利的貢獻為3.6497億港元(二零零八年：4.9101億港元)，較去年同期下降25.7%。溢利下跌的原因是本財務期內較低的投資收入總額(不含投資連結產品收入)。

毛承保保費

太平人壽之毛承保保費由去年同期之118.0281億港元上升7.6%至127.0075億港元。此保費增長率沒有如近年太平人壽之人壽保險業務般快速。然而，由於太平人壽主要的策略舉措為重點致力提高其銷售期繳保費特色的產品，本集團以長遠價值增長為首要目標，而非保費收入。這樣的保費增長速度令人滿意，也是意料之中，還可以接受的。太平人壽按業務劃分之毛承保保費如下：

截至二零零九年六月三十日止六個月，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 | 3,408.13 | 30.56 | 3,438.69 | 27.1% |
| 銀行保險 | 8,605.58 | 77.99 | 8,683.57 | 68.4% |
| 團體 | 578.49 | — | 578.49 | 4.5% |
| | 12,592.20 | 108.55 | 12,700.75 | 100.0% |

截至二零零八年六月三十日止六個月，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 | 2,130.44 | 285.59 | 2,416.03 | 20.5% |
| 銀行保險 | 7,126.92 | 1,656.10 | 8,783.02 | 74.4% |
| 團體 | 603.76 | — | 603.76 | 5.1% |
| | 9,861.12 | 1,941.69 | 11,802.81 | 100.0% |

於本財務期內，投資連結產品的銷售大幅下降至1.0855億港元，相比去年同期19.4169億港元，減幅94.4%。由於經濟及市場條件仍然不明朗，加上本集團傾向銷售利潤率較高的產品，太平人壽減慢銷售投資連結產品。但其影響被非投資連結產品的強勁增長所抵銷。非投資連結產品的保費由去年同期98.6112億港元上升27.7%至125.9220億港元。

MANAGEMENT DISCUSSION AND ANALYSIS

The strength of the non unit-linked product sales was apparent in both the individual agency distribution channel and the bank distribution channel. Traditional premiums distributed through the individual agency force was especially strong, increasing to HK\$3,408.13 million from HK\$2,130.44 million in the Last Period, representing an increase of 60.0%. This strong growth was due to continued improvements in productivity among the existing agency force, as well as the increase in number of individual agents to 55,657 as of 30 June 2009 (30 June 2008: 44,284). In the bank distribution channel, non unit-linked premiums increased to HK\$8,605.58 million from HK\$7,126.92 million in the Last Period, representing an increase of 20.7%. TPL's bank channel of distribution continued to produce strong growth, as policyholders sought safe and conservative investment alternatives for their funds following the difficult economic and investment conditions of 2008.

During the Period, TPL continued to increase, within its traditional product sales, the proportion of products with regular premium features. Such a positive indicator is highly encouraging and is regarded by the senior managers and directors of TPL as the most important performance statistic for assessing its operational and management performance. Given its strategy of renewed and heightened focus on selling more regular premium products now and into the future, TPL is striving for further increases and improvements in its regular premium sales in the years to come. The detailed breakdown of TPL's single premium products and regular premium products by line of business is summarized as follows:

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

Individual

| | 2009 | % of Total | 2008 | % of Total |
|--------------------------------|-----------------|---------------|----------|------------|
| Single Premium | 60.58 | 1.8% | 15.26 | 0.7% |
| Regular Premium — First Year | 1,443.31 | 42.3% | 1,156.22 | 54.3% |
| Regular Premium — Renewal Year | 1,904.24 | 55.9% | 958.96 | 45.0% |
| | 3,408.13 | 100.0% | 2,130.44 | 100.0% |

Bancassurance

| | 2009 | % of Total | 2008 | % of Total |
|--------------------------------|-----------------|---------------|----------|------------|
| Single Premium | 5,485.00 | 63.7% | 5,864.41 | 82.3% |
| Regular Premium — First Year | 1,906.64 | 22.2% | 567.76 | 8.0% |
| Regular Premium — Renewal Year | 1,213.94 | 14.1% | 694.75 | 9.7% |
| | 8,605.58 | 100.0% | 7,126.92 | 100.0% |

Group

| | 2009 | % of Total | 2008 | % of Total |
|-------------------------|---------------|---------------|--------|------------|
| Employee Benefit ("EB") | 357.86 | 61.9% | 353.00 | 58.5% |
| Annuity | 220.63 | 38.1% | 250.76 | 41.5% |
| | 578.49 | 100.0% | 603.76 | 100.0% |

管理層討論和分析

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傳統保費尤其強勁，由去年同期21.3044億港元增長60.0%至34.0813億港元。如此強勁的增長是因為現有代理隊伍產能提升以及於二零零九年六月三十日個人代理隊伍增至55,657人(二零零八年六月三十日：44,284人)所致。銀行分銷渠道方面，非投資連結產品保費則由去年同期71.2692億港元增長20.7%至86.0558億港元。太平人壽的銀行分銷渠道錄得強勁增長是由於客戶經過二零零八年的嚴峻經濟及投資環境後，為其資金尋求安全和保守的投資替代品。

於本財務期內，太平人壽持續在其傳統產品銷售中提高期繳保費產品之佔比。這個正面的指標令人非常鼓舞，太平人壽高級管理人員和董事認為這是最重要的業績統計數據，以評估其業務和管理表現。鑑於其策略重新及更加專注於現在和將來銷售更多期繳保費產品，太平人壽在未來數年爭取進一步提高和改善其期繳保費銷售。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：

截至六月三十日止六個月，百萬港元

個人

| | 二零零九年 | 佔總額百分比 | 二零零八年 | 佔總額百分比 |
|-----------|-----------------|---------------|----------|--------|
| 躉繳保費 | 60.58 | 1.8% | 15.26 | 0.7% |
| 期繳保費 — 首年 | 1,443.31 | 42.3% | 1,156.22 | 54.3% |
| 期繳保費 — 續年 | 1,904.24 | 55.9% | 958.96 | 45.0% |
| | 3,408.13 | 100.0% | 2,130.44 | 100.0% |

銀行保險

| | 二零零九年 | 佔總額百分比 | 二零零八年 | 佔總額百分比 |
|-----------|-----------------|---------------|----------|--------|
| 躉繳保費 | 5,485.00 | 63.7% | 5,864.41 | 82.3% |
| 期繳保費 — 首年 | 1,906.64 | 22.2% | 567.76 | 8.0% |
| 期繳保費 — 續年 | 1,213.94 | 14.1% | 694.75 | 9.7% |
| | 8,605.58 | 100.0% | 7,126.92 | 100.0% |

團體

| | 二零零九年 | 佔總額百分比 | 二零零八年 | 佔總額百分比 |
|------|---------------|---------------|--------|--------|
| 僱員福利 | 357.86 | 61.9% | 353.00 | 58.5% |
| 年金 | 220.63 | 38.1% | 250.76 | 41.5% |
| | 578.49 | 100.0% | 603.76 | 100.0% |

MANAGEMENT DISCUSSION AND ANALYSIS

TPL's focus on regular premium sales does not represent a new or changed strategy. Over the past few years, TPL's consistent strategy has been to focus on increasing sales of products with regular premium features. Recently, the senior management and directors of TPL have re-dedicated and re-focused the entire operations of the life insurance business on this key objective into the foreseeable future. During the Period, regular premium products accounted for 98.2% (Last Period: 99.3%/full year of 2008: 99.0%) and 36.3% (Last Period: 17.7%/full year of 2008: 22.9%) of the total non unit-linked product sales produced by TPL's individual agents and bancassurance channels, respectively. The senior management and directors view the continued predominance of regular premium products in the individual agency channel and the strong growth of regular premium products within the bancassurance channel as being very positive and promising, and hope to build upon this success to sell even more regular premium products in the future. Regular premium products have higher profit margins from an actuarial perspective and as such constitute much higher quality business for the life insurance operations.

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 the Period, despite the adoption of more conservative assumptions. The embedded value of TPL (expressed in terms of HKD) has increased by 49.6% to HK\$10,849 million from HK\$7,250 million at the end of the Last Period, with a higher adjusted net worth. Likewise, the new business value after cost of capital and expense overrun for the Period increased strongly to HK\$798 million from HK\$443 million at the end of Last Period, representing a significant increase of 80.1%. 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 30 June 2009, HK\$ million

| | Investment assets (excluding Unit-linked product assets) | | Unit-linked product assets | | Total |
|------------------------------|--|---------------|-------------------------------|---------------|------------------|
| | HK\$ million | % of Total | HK\$ million | % of Total | |
| Debt securities | 49,442.63 | 59.9% | 136.15 | 2.8% | 49,578.78 |
| Direct equity securities | 3,589.00 | 4.4% | 744.75 | 15.1% | 4,333.75 |
| Investment funds | 4,113.41 | 5.0% | 3,560.00 | 72.4% | 7,673.41 |
| Cash and bank deposits | 25,357.92 | 30.7% | 477.92 | 9.7% | 25,835.84 |
| Total invested assets | 82,502.96 | 100.0% | 4,918.82 | 100.0% | 87,421.78 |

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 |
| 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 |

管理層討論和分析

太平人壽專注期繳保費銷售未有代表新或改變策略。過往數年，太平人壽的策略一直是提高期繳保費產品之銷售。近期，太平人壽高級管理人員及董事重申，在可預見的將來，人壽保險業務會繼續專注和集中於這一重要目標。於本財務期內，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98.2% (去年同期：99.3%/二零零八年全年：99.0%) 及36.3% (去年同期：17.7%/二零零八年全年：22.9%)。高級管理人員及董事認為期繳保費產品於個人代理渠道佔主導地位及期繳保費產品於銀行保險渠道強勁增長非常正面和理想，並期望借鑒這成功，於未來銷售更多期繳保費產品。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。

儘管我們採納了更保守之假設，但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期內之內涵價值及新業務價值顯著提高。太平人壽的內涵價值(以港幣折算)由去年同期末之72.50億港元增加49.6%至108.49億港元，資產淨值亦同樣提高。同樣地，本財務期之新業務扣除資本成本及費用超支後之價值為7.98億港元，較去年同期末之4.43億港元，顯著增長80.1%。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：

於二零零九年六月三十日，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 | 49,442.63 | 59.9% | 136.15 | 2.8% | 49,578.78 |
| 直接股本證券 | 3,589.00 | 4.4% | 744.75 | 15.1% | 4,333.75 |
| 投資基金 | 4,113.41 | 5.0% | 3,560.00 | 72.4% | 7,673.41 |
| 現金及銀行存款 | 25,357.92 | 30.7% | 477.92 | 9.7% | 25,835.84 |
| 投資總額 | 82,502.96 | 100.0% | 4,918.82 | 100.0% | 87,421.78 |

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 |
| 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 |

MANAGEMENT DISCUSSION AND ANALYSIS

During the Period, following the very extraordinary and challenging investment markets in the PRC in 2008, TPL was very cautious in the asset allocation for its investment portfolio. Equity investments remained relatively low, despite the strong rebound and appreciation of the equity indices in the PRC, while debt securities and cash and bank deposits constituted 90.6% of TPL's total invested assets (excluding unit-linked product assets) as at 30 June 2009 (31 December 2008: 94.1%).

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

At 30 June 2009, HK\$ million

| | HTM | AFS | DTPL | LR | Total |
|--------------------------|------------------|------------------|-----------------|-----------------|------------------|
| Debt securities | 22,925.09 | 24,452.95 | 136.15 | 2,064.59 | 49,578.78 |
| Direct equity securities | — | 3,491.94 | 841.81 | — | 4,333.75 |
| Investment funds | — | 4,113.41 | 3,560.00 | — | 7,673.41 |
| | 22,925.09 | 32,058.30 | 4,537.96 | 2,064.59 | 61,585.94 |

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 |
| 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 |

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

HK\$ million

| | At 30 June 2009 | At 31 December 2008 |
|--|------------------|---------------------|
| Central governments and central banks | 18,310.75 | 19,204.89 |
| Banks and other financial institutions | 10,136.33 | 8,465.89 |
| Corporate entities | 21,131.70 | 17,867.56 |
| | 49,578.78 | 45,538.34 |

管理層討論和分析

於本財務期，經過二零零八年中國投資市場陷入困境，太平人壽對於其投資組合的資產分配十分審慎。儘管期內中國的股票指數已顯著反彈及增值，股本投資仍維持較低水平，於二零零九年六月三十日，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90.6%(二零零八年十二月三十一日：94.1%)。

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：

於二零零九年六月三十日，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 | 22,925.09 | 24,452.95 | 136.15 | 2,064.59 | 49,578.78 |
| 直接股本證券 | — | 3,491.94 | 841.81 | — | 4,333.75 |
| 投資基金 | — | 4,113.41 | 3,560.00 | — | 7,673.41 |
| | 22,925.09 | 32,058.30 | 4,537.96 | 2,064.59 | 61,585.94 |

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 |
| 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 |

債務證券按類別分類如下：

百萬港元

| | 於二零零九年六月三十日 | 於二零零八年十二月三十一日 |
|-----------|-------------|---------------|
| 中央政府及中央銀行 | 18,310.75 | 19,204.89 |
| 銀行及其他金融機構 | 10,136.33 | 8,465.89 |
| 企業實體 | 21,131.70 | 17,867.56 |
| | 49,578.78 | 45,538.34 |

MANAGEMENT DISCUSSION 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 six months ended 30 June, HK\$ million

| | 2009 | 2008 | Change |
|---|-----------------|------------|------------|
| Net investment income | 1,291.84 | 1,889.08 | (31.6%) |
| Net realized investment gains | 538.56 | 1,006.74 | (46.5%) |
| Net unrealized investment gains/(losses) | 749.70 | (2,559.56) | — |
| Impairment on debt and equity securities | — | (92.10) | — |
| Total investment income | 2,580.10 | 244.16 | 10.6 times |
| Less: Investment gains/(losses) attributable to unit-linked products | 887.24 | (1,755.91) | — |
| Total investment income excluding unit-linked products income | 1,692.86 | 2,000.07 | (15.4%) |
| Total investment yield (year-to-date) excluding unit-linked products income | 2.8% | 4.5% | (1.7 pts) |

TPL's total investment income was a gain of HK\$1,692.86 million for the Period, representing a decline of 15.4% from the profit of HK\$2,000.07 million in the Last Period. Although net realized and unrealized investment gains were much higher during the Period due to the strong performance of the A-share markets in the PRC, net investment income fell by 31.6% to HK\$1,291.84 million for the Period from HK\$1,889.08 million in the Last Period. The fall in net investment income was due to sharply lower dividends from Investment Funds during the Period, which reflects the poor equity market conditions in 2008. During the Last Period, dividends from Investment Funds were very strong because of the sharply appreciating A-share markets at that time. The above-mentioned investment income and investment yield figures do not include a net exchange loss of HK\$0.52 million (2008: HK\$78.82 million).

管理層討論和分析

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：

截至六月三十日止六個月，百萬港元

| | 二零零九年 | 二零零八年 | 變化 |
|--------------------------|-----------------|------------|---------|
| 投資收入淨額 | 1,291.84 | 1,889.08 | (31.6%) |
| 已實現投資收益淨額 | 538.56 | 1,006.74 | (46.5%) |
| 未實現投資收益／(虧損)淨額 | 749.70 | (2,559.56) | — |
| 債務及股本證券減值 | — | (92.10) | — |
| 投資收入總額 | 2,580.10 | 244.16 | 10.6倍 |
| 減：屬於投資連結產品之 投資收益／(虧損) | 887.24 | (1,755.91) | — |
| 不含投資連結產品之投資收益 | 1,692.86 | 2,000.07 | (15.4%) |
| 不含投資連結產品之總投資收益率(本期) | 2.8% | 4.5% | (1.7點) |

於本財務期，太平人壽錄得投資收入總額收益16.9286億港元，較去年同期溢利20.0007億港元減少15.4%。儘管本財務期內已實現及未實現投資收益因中國A股市場表現強勁而大幅提高，投資收入淨額較去年同期之18.8908億港元，下跌31.6%至本財務期之12.9184億港元。投資收入淨額下跌主要由於期內來自中國之投資基金股息收入大幅減少，反映了二零零八年中國股本市場之欠佳氣氛。去年同期，來自投資基金的股息收入因為當時A股市場大幅升值而非常強勁。上述投資收入及投資收益率並不包括52萬港元匯兌虧損淨額(二零零八年：7,882萬港元)。

MANAGEMENT DISCUSSION AND ANALYSIS

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

For the six months ended 30 June 2009, 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 gains | Unrealized (losses)/ gains | Impairment | | | |
| Debt securities | | | | | | | | |
| HTM | 454.97 | — | — | — | — | 454.97 | — | 454.97 |
| AFS | 462.11 | — | 97.37 | — | — | 559.48 | (491.61) | 67.87 |
| DTPL | 11.07 | — | 7.58 | (9.05) | — | 9.60 | — | 9.60 |
| LR | 62.12 | — | — | — | — | 62.12 | — | 62.12 |
| Direct equity securities | | | | | | | | |
| AFS | — | 35.63 | 151.36 | — | — | 186.99 | 599.17 | 786.16 |
| DTPL | — | 5.03 | 45.07 | 57.38 | — | 107.48 | — | 107.48 |
| Investment funds | | | | | | | | |
| AFS | — | 31.61 | 157.06 | — | — | 188.67 | 696.52 | 885.19 |
| DTPL | — | 46.16 | 80.12 | 701.37 | — | 827.65 | — | 827.65 |
| Cash and bank deposits | 243.88 | — | — | — | — | 243.88 | — | 243.88 |
| Securities sold under repurchase agreements | (60.74) | — | — | — | — | (60.74) | — | (60.74) |
| | 1,173.41 | 118.43 | 538.56 | 749.70 | — | 2,580.10 | 804.08 | 3,384.18 |

管理層討論和分析

太平人壽稅前投資收入／(虧損)之詳細分析如下：

截至二零零九年六月三十日止六個月，百萬港元

| | 於綜合損益表內確認 | | | | | 於公允價值 | | 總額 |
|----------------|-------------------|--------|-----------|--------------------|----|----------|--------------------------|----------|
| | 利息 收入／ (支出) | 股息收入 | 已實現 收益 | 未實現 (虧損)／ 收益 | 減值 | 小計 | 儲備內確認之 未實現(虧損)／ 收益 | |
| 債務證券 | | | | | | | | |
| 持有至到期日 | 454.97 | — | — | — | — | 454.97 | — | 454.97 |
| 可供出售 | 462.11 | — | 97.37 | — | — | 559.48 | (491.61) | 67.87 |
| 指定為通過損益以反映公允價值 | 11.07 | — | 7.58 | (9.05) | — | 9.60 | — | 9.60 |
| 貸款及應收款項 | 62.12 | — | — | — | — | 62.12 | — | 62.12 |
| 直接股本證券 | | | | | | | | |
| 可供出售 | — | 35.63 | 151.36 | — | — | 186.99 | 599.17 | 786.16 |
| 指定為通過損益以反映公允價值 | — | 5.03 | 45.07 | 57.38 | — | 107.48 | — | 107.48 |
| 投資基金 | | | | | | | | |
| 可供出售 | — | 31.61 | 157.06 | — | — | 188.67 | 696.52 | 885.19 |
| 指定為通過損益以反映公允價值 | — | 46.16 | 80.12 | 701.37 | — | 827.65 | — | 827.65 |
| 現金及銀行存款 | 243.88 | — | — | — | — | 243.88 | — | 243.88 |
| 賣出回購證券 | (60.74) | — | — | — | — | (60.74) | — | (60.74) |
| | 1,173.41 | 118.43 | 538.56 | 749.70 | — | 2,580.10 | 804.08 | 3,384.18 |

MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30 June 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 | Impairment | | | |
| Debt securities | | | | | | | | |
| HTM | 119.61 | — | — | — | — | 119.61 | — | 119.61 |
| AFS | 569.47 | — | 33.29 | — | — | 602.76 | 995.38 | 1,598.14 |
| DTPL | 4.06 | — | (31.43) | (15.04) | — | (42.41) | — | (42.41) |
| Direct equity securities | | | | | | | | |
| AFS | — | 20.07 | 863.33 | — | — | 883.40 | (2,146.45) | (1,263.05) |
| DTPL | — | 5.26 | 24.35 | (801.06) | — | (771.45) | — | (771.45) |
| Investment funds | | | | | | | | |
| AFS | — | 296.94 | 116.20 | — | (92.10) | 321.04 | (1,147.20) | (826.16) |
| DTPL | — | 761.19 | 1.00 | (1,743.46) | — | (981.27) | — | (981.27) |
| Cash and bank deposits | 179.52 | — | — | — | — | 179.52 | — | 179.52 |
| Securities sold under repurchase agreements | (67.04) | — | — | — | — | (67.04) | — | (67.04) |
| | 805.62 | 1,083.46 | 1,006.74 | (2,559.56) | (92.10) | 244.16 | (2,298.27) | (2,054.11) |

Net Policyholders' Benefits

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

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

| | 2009 | 2008 | Change |
|-------------------------------|----------|----------|-----------|
| Net claims | 271.34 | 276.57 | (1.9%) |
| Surrenders | 1,761.63 | 1,777.12 | (0.9%) |
| Annuity and maturity payments | 182.29 | 49.98 | 3.7 times |
| Policy dividends | 40.04 | 36.62 | 9.3% |
| | 2,255.30 | 2,140.29 | 5.4% |

管理層討論和分析

截至二零零八年六月三十日止六個月，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 | 119.61 | — | — | — | — | 119.61 | — | 119.61 |
| 可供出售 | 569.47 | — | 33.29 | — | — | 602.76 | 995.38 | 1,598.14 |
| 指定為通過損益以反映公允價值 | 4.06 | — | (31.43) | (15.04) | — | (42.41) | — | (42.41) |
| 直接股本證券 | | | | | | | | |
| 可供出售 | — | 20.07 | 863.33 | — | — | 883.40 | (2,146.45) | (1,263.05) |
| 指定為通過損益以反映公允價值 | — | 5.26 | 24.35 | (801.06) | — | (771.45) | — | (771.45) |
| 投資基金 | | | | | | | | |
| 可供出售 | — | 296.94 | 116.20 | — | (92.10) | 321.04 | (1,147.20) | (826.16) |
| 指定為通過損益以反映公允價值 | — | 761.19 | 1.00 | (1,743.46) | — | (981.27) | — | (981.27) |
| 現金及銀行存款 | 179.52 | — | — | — | — | 179.52 | — | 179.52 |
| 賣出回購證券 | (67.04) | — | — | — | — | (67.04) | — | (67.04) |
| | 805.62 | 1,083.46 | 1,006.74 | (2,559.56) | (92.10) | 244.16 | (2,298.27) | (2,054.11) |

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：

截至六月三十日止六個月，百萬港元

| | 二零零九年 | 二零零八年 | 變化 |
|---------|-----------------|----------|--------|
| 賠償淨額 | 271.34 | 276.57 | (1.9%) |
| 退保額 | 1,761.63 | 1,777.12 | (0.9%) |
| 年金及到期付款 | 182.29 | 49.98 | 3.7倍 |
| 保單分紅 | 40.04 | 36.62 | 9.3% |
| | 2,255.30 | 2,140.29 | 5.4% |

MANAGEMENT DISCUSSION AND ANALYSIS

Net Commission Expenses

The net commission expenses of TPL were as follows:

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

| | 2009 | 2008 | Change |
|--|----------|----------|---------|
| Net commission expenses | 1,428.86 | 1,088.42 | 31.3% |
| Ratio of net commission expenses to gross premiums written | 11.3% | 9.2% | 2.1 pts |

Administrative and Other Expenses

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

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

| | 2009 | 2008 | Change |
|-----------------|----------|----------|--------|
| Staff costs | 901.92 | 626.17 | 44.0% |
| Rental expenses | 94.86 | 66.66 | 42.3% |
| Others | 740.84 | 470.50 | 57.5% |
| | 1,737.62 | 1,163.33 | 49.4% |

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 CTIH 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.

Because TPI did not become a consolidated subsidiary of CTIH until July 2008, its financial results for the Last Period were not consolidated into the Group on a line-by-line basis for the six month period ending on 30 June 2008. However, the following key financial data and ratios of TPI cover the Last Period. Readers and investors are advised to pay attention to these details when reading the consolidated financial statements.

管理層討論和分析

佣金支出淨額

太平人壽之佣金支出淨額如下：

截至六月三十日止六個月，百萬港元

| | 二零零九年 | 二零零八年 | 變化 |
|--------------|-----------------|----------|-------|
| 佣金支出淨額 | 1,428.86 | 1,088.42 | 31.3% |
| 佣金支出淨額佔毛承保保費 | 11.3% | 9.2% | 2.1點 |

行政及其他費用

太平人壽之行政及其他費用概述如下：

截至六月三十日止六個月，百萬港元

| | 二零零九年 | 二零零八年 | 變化 |
|------|-----------------|----------|-------|
| 員工成本 | 901.92 | 626.17 | 44.0% |
| 租賃開支 | 94.86 | 66.66 | 42.3% |
| 其他 | 740.84 | 470.50 | 57.5% |
| | 1,737.62 | 1,163.33 | 49.4% |

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財險營運(過往於二零零八年七月十五日前，太平財險為中國太平控股的聯營公司，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。

由於太平財險到二零零八年七月才成為中國太平控股之綜合附屬公司，其去年同期之業績並沒有按分項總計方法綜合於本集團截至二零零八年六月三十日止六個月之業績內。然而，以下為涵蓋去年同期太平財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。

MANAGEMENT DISCUSSION AND ANALYSIS

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

| | 2009 | 2008 | Change |
|-----------------------------------|------------|----------|-------------|
| Gross premiums written | 2,479.77 | 2,456.11 | 1.0% |
| Net premiums written | 2,123.43 | 2,075.79 | 2.3% |
| Net earned premiums | 2,028.21 | 1,731.33 | 17.2% |
| Net claims incurred | (1,288.46) | (991.38) | 30.0% |
| Net commission expenses | (129.41) | (144.96) | (10.7%) |
| Total investment income | 84.88 | 131.75 | (35.6%) |
| Net exchange loss | (0.67) | (9.11) | (92.6%) |
| Administrative and other expenses | (748.10) | (783.78) | (4.6%) |
| Finance costs | (24.98) | (0.05) | 499.6 times |
| Underwriting loss | (142.10) | (188.79) | (24.7%) |
| Loss before taxation | (92.49) | (72.80) | 27.1% |
| Loss after taxation | (76.21) | (104.56) | (27.1%) |
| Loss attributable to the owners | (38.15) | (41.85) | (8.8%) |
| Technical reserves ratio | 171.0% | 173.1% | (2.1 pts) |
| Retained ratio | 85.6% | 84.5% | 1.1 pts |
| Earned premiums ratio | 81.8% | 70.5% | 11.3 pts |
| Loss ratio ¹ | 63.5% | 57.3% | 6.2 pts |
| Expense ratio ² | 41.3% | 44.7% | (3.4 pts) |
| Combined ratio ³ | 104.8 | 102.0 | 2.8 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 43.3% for the Period (2008: 53.6%).

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 106.8 for the Period (2008: 110.9).

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

| | At 30 June 2009 | At 31 December 2008 | Change |
|--|--------------------|------------------------|-----------|
| Market share ¹ | 1.4% | 1.7% | (0.3 pt) |
| Number of provincial branches | 29 | 27 | 2 |
| Number of sub-branches and marketing centres | 426 | 455 | (29) |
| Number of in-force policies | 3,988,529 | 4,417,198 | (428,669) |
| Number of direct sales representatives | 4,484 | 3,661 | 823 |
| Total investment yield (year-to-date) ² | 2.1% | 1.1% | 1.0 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.

管理層討論和分析

截至六月三十日止六個月，百萬港元

| | 二零零九年 | 二零零八年 | 變化 |
|--------------------|------------|----------|---------|
| 毛承保保費 | 2,479.77 | 2,456.11 | 1.0% |
| 淨承保保費 | 2,123.43 | 2,075.79 | 2.3% |
| 已賺取保費淨額 | 2,028.21 | 1,731.33 | 17.2% |
| 賠款淨額 | (1,288.46) | (991.38) | 30.0% |
| 佣金支出淨額 | (129.41) | (144.96) | (10.7%) |
| 投資收入總額 | 84.88 | 131.75 | (35.6%) |
| 匯兌虧損淨額 | (0.67) | (9.11) | (92.6%) |
| 行政及其他費用 | (748.10) | (783.78) | (4.6%) |
| 財務費用 | (24.98) | (0.05) | 499.6倍 |
| 承保虧損 | (142.10) | (188.79) | (24.7%) |
| 除稅前虧損 | (92.49) | (72.80) | 27.1% |
| 除稅後虧損 | (76.21) | (104.56) | (27.1%) |
| 股東應佔虧損 | (38.15) | (41.85) | (8.8%) |
| 技術性儲備比率 | 171.0% | 173.1% | (2.1點) |
| 自留比率 | 85.6% | 84.5% | 1.1點 |
| 已賺取保費率 | 81.8% | 70.5% | 11.3點 |
| 賠付率 ¹ | 63.5% | 57.3% | 6.2點 |
| 費用率 ² | 41.3% | 44.7% | (3.4點) |
| 綜合成本率 ³ | 104.8 | 102.0 | 2.8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財險的承保表現。倘使用已賺取保費淨額基準，則本財務期之費用率將為43.3% (二零零八年：53.6%)。

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，則本財務期之綜合成本率將為106.8 (二零零八年：110.9)。

財產保險業務之主要經營數據概述如下：

| | 於二零零九年 六月三十日 | 於二零零八年 十二月三十一日 | 變化 |
|-------------------------|-----------------|-------------------|-----------|
| 市場份額 ¹ | 1.4% | 1.7% | (0.3點) |
| 省級分公司數目 | 29 | 27 | 2 |
| 支公司及市場推廣中心數目 | 426 | 455 | (29) |
| 有效之保單數目 | 3,988,529 | 4,417,198 | (428,669) |
| 直接銷售代表數目 | 4,484 | 3,661 | 823 |
| 總投資收益率(本期) ² | 2.1% | 1.1% | 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 不包括外匯資本資產產生之匯兌收益/(虧損)。

MANAGEMENT DISCUSSION AND ANALYSIS

Loss Attributable to the Owners

The property and casualty insurance business incurred a net loss to the owners of HK\$38.15 million during the Period (2008: HK\$41.85 million). The decrease in losses was mainly due to a more modest level of premium growth and the implementation of effective cost controls.

Gross Premiums Written

TPI's gross premiums written increased by 1.0% to HK\$2,479.77 million from HK\$2,456.11 million in the Last Period. During the Period, the senior management and directors of TPI focused on higher quality business, as well as the centralizing of the underwriting of retail, motor insurance business at the head office in Shenzhen. The lower premium growth of TPI during the Period is thus expected and considered satisfactory. The detailed breakdown of TPI's gross premiums written was as follows:

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

| Business Line | 2009 | % of Total | 2008 | % of Total |
|---------------|-----------------|---------------|----------|------------|
| Motor | 1,985.32 | 80.1% | 1,879.53 | 76.5% |
| Marine | 86.01 | 3.5% | 95.96 | 3.9% |
| Non-marine | 408.44 | 16.4% | 480.62 | 19.6% |
| | 2,479.77 | 100.0% | 2,456.11 | 100.0% |

Net Claims Incurred

TPI's net claims incurred increased by 30.0% to HK\$1,288.46 million from HK\$991.38 million in the Last Period.

Combined Ratio

TPI's expense ratio, calculated based on net premiums written, decreased to 41.3% from 44.7% in the Last Period. The decrease in expense ratio was due to TPI's continued focus on reigning in costs and in establishing a sophisticated cost control system. TPI's relatively slower premium growth also resulted in lower acquisition costs accounted for in the Period. TPI's combined ratio of 104.8 during the Period is higher than the 102.0 in the Last Period and is not optimal. TPI's loss ratios, expense ratios and combined ratios over the past few years were as follows:

For the six months ended 30 June

| | 2009 | 2008 | 2007 |
|----------------|--------------|-------|-------|
| Loss ratio | 63.5% | 57.3% | 52.7% |
| Expense ratio | 41.3% | 44.7% | 41.9% |
| Combined ratio | 104.8 | 102.0 | 94.6 |

管理層討論和分析

股東應佔虧損

於本財務期內，財產保險業務使股東錄得淨虧損3,815萬港元(二零零八年：4,185萬港元)。虧損減少的主因是適度的保費增長及有效的費用控制。

毛承保保費

太平財險之毛承保保費由去年同期之24.5611億港元上升1.0%至24.7977億港元。於本財務期，太平財險之高級管理人員及董事專注於高質素業務，及集中零售及汽車保險業務於深圳總部。期內太平財險較低的保費增長是合符預期及屬滿意。太平財險毛承保保費詳細分析如下：

截至六月三十日止六個月，百萬港元

| 業務種類 | 二零零九年 | 佔總額百分比 | 二零零八年 | 佔總額百分比 |
|------|-----------------|---------------|----------|--------|
| 車險 | 1,985.32 | 80.1% | 1,879.53 | 76.5% |
| 水險 | 86.01 | 3.5% | 95.96 | 3.9% |
| 非水險 | 408.44 | 16.4% | 480.62 | 19.6% |
| | 2,479.77 | 100.0% | 2,456.11 | 100.0% |

淨賠款總額

太平財險之淨賠款總額由去年同期之9.9138億港元上升30.0%至12.8846億港元。

綜合成本率

太平財險按淨承保保費為基準計算之費用率由去年同期的44.7%下降至41.3%。費用率下降，原因是太平財險繼續把重點放在費用控制和建立完善的成本控制系統。太平財險相對較低的保費增長亦令期內之展業成本減少。期內，太平財險之綜合成本率為104.8，高於去年同期之102.0，表現未如人意。過去幾年，太平財險之賠付率、費用率及綜合成本率情況如下：

截至六月三十日止六個月

| | 二零零九年 | 二零零八年 | 二零零七年 |
|-------|-------|-------|-------|
| 賠付率 | 63.5% | 57.3% | 52.7% |
| 費用率 | 41.3% | 44.7% | 41.9% |
| 綜合成本率 | 104.8 | 102.0 | 94.6 |

MANAGEMENT DISCUSSION AND ANALYSIS

Investment Performance

The composition of investments held by TPI was as follows:

| | At 30 June 2009 | | At 31 December 2008 | |
|------------------------------|-----------------|---------------|---------------------|---------------|
| | HK\$ million | % of Total | HK\$ million | % of Total |
| Debt securities | 2,327.20 | 54.3% | 2,105.07 | 51.6% |
| Direct equity securities | 96.82 | 2.3% | 10.29 | 0.3% |
| Investment funds | 505.18 | 11.8% | 351.17 | 8.6% |
| Cash and bank deposits | 1,353.04 | 31.6% | 1,612.70 | 39.5% |
| Total invested assets | 4,282.24 | 100.0% | 4,079.23 | 100.0% |

During the Period, following the very extraordinary and challenging investment markets in the PRC in 2008, TPI was very cautious in the asset allocation for its investment portfolio. Equity investments remained relatively low, despite the strong rebound and appreciation of the equity indices in the PRC, while debt securities and cash and bank deposits constituted 85.9% of TPI's total invested assets as at 30 June 2009 (31 December 2008: 91.1%).

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

At 30 June 2009, HK\$ million

| | HTM | AFS | LR | Total |
|--------------------------|---------------|-----------------|---------------|-----------------|
| Debt securities | 647.74 | 1,577.36 | 102.10 | 2,327.20 |
| Direct equity securities | — | 96.82 | — | 96.82 |
| Investment funds | — | 505.18 | — | 505.18 |
| | 647.74 | 2,179.36 | 102.10 | 2,929.20 |

At 31 December 2008, HK\$ million

| | HTM | AFS | LR | Total |
|--------------------------|---------------|-----------------|---------------|-----------------|
| Debt securities | 426.48 | 1,576.53 | 102.06 | 2,105.07 |
| Direct equity securities | — | 10.29 | — | 10.29 |
| Investment funds | — | 351.17 | — | 351.17 |
| | 426.48 | 1,937.99 | 102.06 | 2,466.53 |

管理層討論和分析

投資表現

太平財險所持之投資組合如下：

| | 於二零零九年六月三十日 | | 於二零零八年十二月三十一日 | |
|---------|-------------|--------|---------------|--------|
| | 百萬港元 | 佔總額百分比 | 百萬港元 | 佔總額百分比 |
| 債務證券 | 2,327.20 | 54.3% | 2,105.07 | 51.6% |
| 直接股本證券 | 96.82 | 2.3% | 10.29 | 0.3% |
| 投資基金 | 505.18 | 11.8% | 351.17 | 8.6% |
| 現金及銀行存款 | 1,353.04 | 31.6% | 1,612.70 | 39.5% |
| 投資總額 | 4,282.24 | 100.0% | 4,079.23 | 100.0% |

於本財務期內，經過二零零八年中國投資市場陷入困境，太平財險對於其投資組合的資產分配十分審慎。儘管期內中國的股票指數已顯著反彈及增值，股本投資仍維持較低水平，於二零零九年六月三十日，債務證券、現金及銀行存款合共佔太平財險的投資資產總額約85.9%（二零零八年十二月三十一日：91.1%）。

太平財險歸類為持有至到期日、可供出售及貸款及應收款項的證券投資如下：

於二零零九年六月三十日，百萬港元

| | 持有至到期日 | 可供出售 | 貸款及 應收款項 | 總額 |
|--------|--------|----------|-------------|----------|
| 債務證券 | 647.74 | 1,577.36 | 102.10 | 2,327.20 |
| 直接股本證券 | — | 96.82 | — | 96.82 |
| 投資基金 | — | 505.18 | — | 505.18 |
| | 647.74 | 2,179.36 | 102.10 | 2,929.20 |

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 | 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 |
| 投資基金 | — | 351.17 | — | 351.17 |
| | 426.48 | 1,937.99 | 102.06 | 2,466.53 |

MANAGEMENT DISCUSSION AND ANALYSIS

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

HK\$ million

| | At 30 June 2009 | At 31 December 2008 |
|--|-----------------|---------------------|
| Central governments and central banks | 991.96 | 1,128.55 |
| Banks and other financial institutions | 753.26 | 616.48 |
| Corporate entities | 581.98 | 360.04 |
| | 2,327.20 | 2,105.07 |

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 six months ended 30 June, HK\$ million

| | 2009 | 2008 | Change |
|--|--------------|--------|----------|
| Net investment income | 64.74 | 133.51 | (51.5%) |
| Net realized investment gains/(losses) | 20.14 | (0.05) | — |
| Net unrealized investment losses | — | (1.71) | — |
| Total investment income | 84.88 | 131.75 | (35.6%) |
| Total investment yield (year-to-date) | 2.1% | 4.5% | (2.4pts) |

TPI's total investment income was a gain of HK\$84.88 million for the Period, representing a decline of 35.6% from the profit of HK\$131.75 million in the Last Period. The fall in net investment income was due to sharply lower dividends from Investment Funds during the Period, which reflects the poor equity market conditions in 2008. During the Last Period, dividends from Investment Funds were very strong because of the sharply appreciating A-share markets at that time. The above-mentioned investment income and investment yield figures do not include a net exchange loss of HK\$0.67 million (2008: HK\$9.11 million).

管理層討論和分析

債務證券按類別分類如下：

百萬港元

| | 於二零零九年六月三十日 | 於二零零八年十二月三十一日 |
|-----------|-----------------|-----------------|
| 中央政府及中央銀行 | 991.96 | 1,128.55 |
| 銀行及其他金融機構 | 753.26 | 616.48 |
| 企業實體 | 581.98 | 360.04 |
| | 2,327.20 | 2,105.07 |

太平財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：

截至六月三十日止六個月，百萬港元

| | 二零零九年 | 二零零八年 | 變化 |
|----------------|--------------|---------------|----------------|
| 投資收入淨額 | 64.74 | 133.51 | (51.5%) |
| 已實現投資收益／(虧損)淨額 | 20.14 | (0.05) | — |
| 未實現投資虧損淨額 | — | (1.71) | — |
| 投資收入總額 | 84.88 | 131.75 | (35.6%) |
| 總投資收益率(本期) | 2.1% | 4.5% | (2.4點) |

於本財務期，太平財險錄得投資收入總額8,488萬港元，較去年同期溢利1.3175億港元大幅減少35.6%。投資收入淨額下跌主要由於期內來自投資基金股息收入大幅減少，反映了二零零八年中國股本市場之欠佳氣氛。去年同期，來自投資基金的股息收入因為當時A股市場大幅升值而非常強勁。上述投資收入及投資收益率並不包括67萬港元匯兌虧損淨額(二零零八年：911萬港元)。

MANAGEMENT DISCUSSION AND ANALYSIS

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

For the six months ended 30 June 2009, 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 gains | Unrealized gains/(losses) | Impairment | | | |
| Debt securities | | | | | | | | |
| HTM | 11.76 | — | — | — | — | 11.76 | — | 11.76 |
| AFS | 32.35 | — | 2.88 | — | — | 35.23 | (33.35) | 1.88 |
| LR | 3.13 | — | — | — | — | 3.13 | — | 3.13 |
| Direct equity securities | | | | | | | | |
| AFS | — | 0.53 | 7.39 | — | — | 7.92 | 8.56 | 16.48 |
| Investment funds | | | | | | | | |
| AFS | — | 7.29 | 9.87 | — | — | 17.16 | 100.52 | 117.68 |
| DTPL | — | 0.24 | — | — | — | 0.24 | — | 0.24 |
| Cash and bank deposits | 11.36 | — | — | — | — | 11.36 | — | 11.36 |
| Securities sold under repurchase agreements | (1.92) | — | — | — | — | (1.92) | — | (1.92) |
| | 56.68 | 8.06 | 20.14 | — | — | 84.88 | 75.73 | 160.61 |

管理層討論和分析

太平財險稅前投資收入／(虧損)之詳細分析如下：

截至二零零九年六月三十日止六個月，百萬港元

| | 於綜合損益表內確認 | | | | | 於公允價值 | | 總額 |
|----------------|-------------------|------|-------|--------------------|----|--------------------------|---------|--------|
| | 利息 收入／ (支出) | 股息收入 | 已實現收益 | 未實現 收益／ (虧損) | 減值 | 儲備內確認之 未實現(虧損)／ 收益 | 小計 | |
| 債務證券 | | | | | | | | |
| 持有至到期日 | 11.76 | — | — | — | — | 11.76 | — | 11.76 |
| 可供出售 | 32.35 | — | 2.88 | — | — | 35.23 | (33.35) | 1.88 |
| 貸款及應收款項 | 3.13 | — | — | — | — | 3.13 | — | 3.13 |
| 直接股本證券 | | | | | | | | |
| 可供出售 | — | 0.53 | 7.39 | — | — | 7.92 | 8.56 | 16.48 |
| 投資基金 | | | | | | | | |
| 可供出售 | — | 7.29 | 9.87 | — | — | 17.16 | 100.52 | 117.68 |
| 指定為通過損益以反映公允價值 | — | 0.24 | — | — | — | 0.24 | — | 0.24 |
| 現金及銀行存款 | 11.36 | — | — | — | — | 11.36 | — | 11.36 |
| 賣出回購證券 | (1.92) | — | — | — | — | (1.92) | — | (1.92) |
| | 56.68 | 8.06 | 20.14 | — | — | 84.88 | 75.73 | 160.61 |

MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30 June 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 | Unrealized losses | Impairment | | | |
| Debt securities | | | | | | | | |
| AFS | 2.63 | — | — | — | — | 2.63 | 4.73 | 7.36 |
| Direct equity securities | | | | | | | | |
| AFS | — | 21.97 | (0.05) | — | — | 21.92 | (94.16) | (72.24) |
| Investment funds | | | | | | | | |
| AFS | — | 75.22 | — | — | — | 75.22 | (203.70) | (128.48) |
| DTPL | — | 16.35 | — | (1.71) | — | 14.64 | — | 14.64 |
| Cash and bank deposits | 17.39 | — | — | — | — | 17.39 | — | 17.39 |
| Securities sold under repurchase agreements | (0.05) | — | — | — | — | (0.05) | — | (0.05) |
| | 19.97 | 113.54 | (0.05) | (1.71) | — | 131.75 | (293.13) | (161.38) |

管理層討論和分析

截至二零零八年六月三十日止六個月，百萬港元

| | 於綜合損益表內確認 | | | | | 小計 | 於公允價值 儲備內確認之 未實現收益/ (虧損) | 總額 |
|----------------|-------------------|--------|--------|--------|----|--------|-----------------------------------|----------|
| | 利息 收入/ (支出) | 股息收入 | 已實現虧損 | 未實現虧損 | 減值 | | | |
| 債務證券 | | | | | | | | |
| 可供出售 | 2.63 | — | — | — | — | 2.63 | 4.73 | 7.36 |
| 直接股本證券 | | | | | | | | |
| 可供出售 | — | 21.97 | (0.05) | — | — | 21.92 | (94.16) | (72.24) |
| 投資基金 | | | | | | | | |
| 可供出售 | — | 75.22 | — | — | — | 75.22 | (203.70) | (128.48) |
| 指定為通過損益以反映公允價值 | — | 16.35 | — | (1.71) | — | 14.64 | — | 14.64 |
| 現金及銀行存款 | 17.39 | — | — | — | — | 17.39 | — | 17.39 |
| 賣出回購證券 | (0.05) | — | — | — | — | (0.05) | — | (0.05) |
| | 19.97 | 113.54 | (0.05) | (1.71) | — | 131.75 | (293.13) | (161.38) |

MANAGEMENT DISCUSSION AND ANALYSIS

Net Commission Expenses

The net commission expenses of TPI were as follows:

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

| | 2009 | 2008 | Change |
|--|--------|--------|----------|
| Net commission expenses | 129.41 | 144.96 | (10.7%) |
| Ratio of net commission expenses to gross premiums written | 5.2% | 5.9% | (0.7 pt) |

Administrative and Other Expenses

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

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

| | 2009 | 2008 | Change |
|-------------------------------------|--------|--------|---------|
| Staff costs | 407.15 | 276.54 | 47.2% |
| Rental expenses | 32.76 | 28.32 | 15.7% |
| Business tax and additional charges | 138.72 | 137.71 | 0.7% |
| Others | 169.47 | 341.21 | (50.3%) |
| | 748.10 | 783.78 | (4.6%) |

OUTLOOK

Reinsurance Business – TPRé

The financial and economic turbulence of 2008 has had significant impact to almost all professional reinsurers. With reduced net asset values, reinsurers worldwide now need to focus on underwriting profitability and risk management, tighter and more positive pricing conditions for reinsurers has persisted during the Period. TPRé has benefited from such tighter and positive pricing conditions during the January and April renewals in the Asia insurance markets. The July renewals have also been stable, and TPRé has successfully maintained its clients and levels of business at similar terms and conditions as before.

For the remainder of 2009, given the continued uncertainties in global macroeconomic and financial conditions, TPRé remains cautious. With the summer windstorms and flooding season now beginning, TPRé has put into place retrocession protections to cushion TPRé from the impact of any unusual or unexpected catastrophe events. TPRé will also continue its conservative and prudent approach to investing for its investment portfolio.

管理層討論和分析

佣金支出淨額

太平財險之佣金支出淨額如下：

截至六月三十日止六個月，百萬港元

| | 二零零九年 | 二零零八年 | 變化 |
|--------------|--------|--------|---------|
| 佣金支出淨額 | 129.41 | 144.96 | (10.7%) |
| 佣金支出淨額佔毛承保保費 | 5.2% | 5.9% | (0.7點) |

行政及其他費用

太平財險之行政及其他費用概述如下：

截至六月三十日止六個月，百萬港元

| | 二零零九年 | 二零零八年 | 變化 |
|-----------|--------|--------|---------|
| 員工成本 | 407.15 | 276.54 | 47.2% |
| 租賃開支 | 32.76 | 28.32 | 15.7% |
| 營業税金及附加費用 | 138.72 | 137.71 | 0.7% |
| 其他 | 169.47 | 341.21 | (50.3%) |
| | 748.10 | 783.78 | (4.6%) |

展望

再保險業務 — 太平再保險

二零零八年金融及經濟方面的動盪對所有專業再保險商構成重大影響。資產淨值下跌逼使全球再保險商需著眼於承保盈利能力及風險管理，再保險商收緊及上調價格條款的狀況於本財務期間內持續。一月份及四月份亞洲市場的續保中，太平再保險受惠於上述收緊及上調價格的狀況。七月份的續保同樣穩定，太平再保險成功按與以往相若的條款及條件，維持其客戶及業務水平。

在二零零九年下半年，鑑於全球宏觀經濟及財務狀況持續不明朗，故太平再保險仍然保持審慎。太平再保險已安排充足轉分保障，更好地舒緩異常的風災和洪水等巨災可能帶來的影響。太平再保險在投資組合上亦繼續其審慎穩健方針。

MANAGEMENT DISCUSSION 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 for the rest of 2009. Although the financial crisis and global economic slowdown beginning in 2008 continued during the Period, China's economy thus far has been resilient overall and is expected to produce relatively attractive economic expansion for the remainder of the year.

With a major strategic initiative of further prioritizing and increasing regular premium sales, TPL intends to build upon the success achieved in the first half of this year, and to continue growing its regular premium sales at both its individual agency and bancassurance distribution channels at rates which are much higher than industry averages. This prioritization of regular premium sales will be the most important, core strategy of TPL for the rest of 2009 and beyond. Quality, on top of quantity, will be the emphasis, and top-line growth will be de-emphasized in favor of higher profit margins and actuarial value.

Following a difficult year in 2008, TPL will continue to implement effective cost controls throughout its organization, while also continuing with its expansion plan. During the Period, 13 new sub-branches and 20 marketing centres were opened, while another approximate 12 new sub-branches and 67 marketing centres are expected to be opened during the remainder of this year. Although PRC equity indices have rebounded and appreciated positively during the Period, continued uncertainty and volatility, not only in the PRC markets but also in global capital markets, are expected to continue. As such, 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

TPI intends to continue its strategy of pursuing more modest premium growth, especially during a time when the fundamentals and competitive conditions of the PRC property and casualty insurance industry remain challenging. The senior management and directors of TPI continue to believe that the long term potential of the PRC property and casualty insurance industry is vast and highly promising, and intend to properly position TPI for this future potential.

With the loss ratio of TPI trending higher during the Period and remaining at sub-optimal levels, TPI has begun a major new initiative for centralizing the underwriting of all of its retail, motor insurance business. Whereas previously, underwriting for motor insurance was conducted at the branch level, now and in the future, such underwriting will take place at TPI's central headquarters. Although such a change of operational structure and business selection may result in lower premium levels being produced in the short term, over the long run TPI is highly confident that centralized underwriting will lead to more professionalism and effective underwriting, and eventually better loss ratios.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's cash and bank deposits as at 30 June 2009 amounted to HK\$30,059.66 million (31 December 2008: HK\$15,620.70 million). There was no bank borrowing during the Period except for certain temporary bank overdrafts for insignificant amounts. The interest-bearing notes as at 30 June 2009 amounted to HK\$5,718.52 million (31 December 2008: HK\$5,376.03 million). The gearing ratio, which represents interest-bearing notes issued divided by the total assets of the Group, was 5.4% as at 30 June 2009 (31 December 2008: 6.7%).

管理層討論和分析

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下半年的前景審慎樂觀。雖然於二零零八年開始的金融危機及全球經濟放緩，在本財務期仍然持續，惟中國經濟在整體上已見反彈，並預期會在下半年的經濟擴張會更具吸引力。

在進一步著重及加強期繳保費銷售的重大策略措施下，太平人壽打算藉著在本年度上半年所建立的成果，期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。著重期繳保費的銷售，將為太平人壽於二零零九年下半年及往後的最重要核心策略。重質高於重量將成為重點，高利潤率及高精算價值將取代保費增長成為太平人壽的重點。

經過二零零八年困難的一年，太平人壽持續全面實施有效成本控制措施之餘，繼續其擴張計劃。於本財務期內新開設了13家支公司及20家市場推廣中心，另有約12家支公司及67家市場推廣中心預期將於本年度下半年開始營業。雖然中國股票指數反彈，並於本財務期內上揚，但中國以至於全球資本市場的不明朗及波動性仍然繼續。故此，會繼續以審慎穩健的態度制定投資政策及管理投資組合，並特別著重風險管理及穩健資產調配。

財產保險業務 — 太平財險

太平財險打算繼續其追求更適度保費增長的政策，尤其在現時中國財產保險業的基本及競爭情況仍然具挑戰性的年頭。太平財險的高級管理層及董事仍然相信，中國財產保險業的長遠潛力龐大而可觀，並打算就太平財險的日後潛力作出適當定位。

有見太平財險的賠付率於本財務期內趨升，並一直未達滿意水平，太平財險已開始一項新措施，將零售、汽車保險業務的承保集中。以往汽車保險的承保於支行級別進行，現時，上述承保管控將由太平財險總部進行。即使操作架構及業務選擇上的變動，或會導致短期內的保費水平降低，惟長遠而言，太平財險深信中央管控可促使承保作業更專業及具效率，從而改善賠付率。

流動資金及財務資源

於二零零九年六月三十日，本集團的現金及銀行存款為300.5966億港元(二零零八年十二月三十一日：156.2070億港元)。除若干小額臨時銀行透支外，本財務期內並無任何銀行借貸。二零零九年六月三十日須付息票據總額為57.1852億港元(二零零八年十二月三十一日：53.7603億港元)。二零零九年六月三十日已發行須付息票據除以本集團總資產所得出的槓桿比率為5.4%(二零零八年十二月三十一日：6.7%)。

MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL STRUCTURE

During the Period, the Company did not issue any new shares (31 December 2008: 6,449,000 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 as at 31 December 2008.

STAFF AND STAFF REMUNERATION

As at 30 June 2009, the Group had a total of 26,157 employees (2008: 12,715 employees), an increase of 13,442 employees. Total remuneration for the Period amounted to HK\$1,460.70 million (2008: HK\$744.93 million), an increase of 96.1%. Bonuses are linked to both the performance of the Group and the performance of the individual.

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

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

管理層討論和分析

資本結構

於本財務期內，本公司沒有根據本公司僱員認股權計劃，以現金為代價發行新股(二零零八年十二月三十一日：6,449,000股)。於二零零八年十二月三十一日，發行新股換取現金的總代價淨額為1,541萬港元。

員工及員工酬金

於二零零九年六月三十日，本集團的僱員總人數達26,157人(二零零八年：12,715人)，增加13,442人。本財務期總酬金為14.6070億港元(二零零八年：7.4493億港元)，增加96.1%。花紅與本集團的業績及員工的個人表現掛鉤。

購買、出售或贖回本公司的上市證券

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

EMBEDDED VALUE OF TPL

1. CAUTIONARY STATEMENT

The calculations of embedded value and the new business value of TPL 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 30 June 2009 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.

2. EMBEDDED VALUE

HK\$ million

| | | At 30 June 2009 | At 30 June 2008 | At 31 December 2008 |
|--|---------|--------------------|--------------------|------------------------|
| Adjusted net worth | a | 3,687 | 2,433 | 3,083 |
| Value of inforce business before cost of capital and expense overrun | b | 9,183 | 6,220 | 7,069 |
| Cost of capital | c | 1,653 | 947 | 1,201 |
| Expense overrun | d | 368 | 456 | 403 |
| Value of inforce business after cost of capital and expense overrun | e=b-c-d | 7,162 | 4,817 | 5,465 |
| Embedded Value | f=a+e | 10,849 | 7,250 | 8,548 |

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

太平人壽之內涵價值

1. 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二零零九年六月三十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，及其他支援計算太平人壽內涵價值及新業務價值計算之因素。

2. 內涵價值

百萬港元

| | | 於二零零九年 六月三十日 | 於二零零八年 六月三十日 | 於二零零八年 十二月三十一日 |
|-------------------------|---------|-----------------|-----------------|-------------------|
| 經調整資產淨值 | a | 3,687 | 2,433 | 3,083 |
| 有效業務扣除資本成本及 費用超支前之價值 | b | 9,183 | 6,220 | 7,069 |
| 資本成本 | c | 1,653 | 947 | 1,201 |
| 費用超支 | d | 368 | 456 | 403 |
| 有效業務扣除資本成本及 費用超支後之價值 | e=b-c-d | 7,162 | 4,817 | 5,465 |
| 內涵價值 | f=a+e | 10,849 | 7,250 | 8,548 |

經調整資產淨值是太平人壽按中國法定基準計量之股東資產淨值。

EMBEDDED VALUE OF TPL

3. NEW BUSINESS VALUE

HK\$ million

| | | At 30 June 2009 | At 30 June 2008 | At 31 December 2008 |
|---|---------|--------------------|--------------------|------------------------|
| New business value before cost of capital and expense overrun | a | 1,786 | 1,098 | 2,099 |
| Cost of capital | b | 329 | 181 | 398 |
| Expense overrun | c | 659 | 474 | 836 |
| New business value after cost of capital and expense overrun | d=a-b-c | 798 | 443 | 865 |

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 and agency force. 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

3. 新業務價值

百萬港元

| | | 於二零零九年 六月三十日 | 於二零零八年 六月三十日 | 於二零零八年 十二月三十一日 |
|------------------------|---------|-----------------|-----------------|-------------------|
| 新業務扣除資本成本及 費用超支前之價值 | a | 1,786 | 1,098 | 2,099 |
| 資本成本 | b | 329 | 181 | 398 |
| 費用超支 | c | 659 | 474 | 836 |
| 新業務扣除資本成本及 費用超支後之價值 | d=a-b-c | 798 | 443 | 865 |

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及代理隊伍作出重大投資所致。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。

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

As at 30 June 2009, 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:

(a) 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 |

Note:

- 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".

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

於二零零九年六月三十日，按證券及期貨條例第352條規定存置登記冊的記錄所載，或按上市公司董事進行證券交易的標準守則要求，已經知會本公司及聯交所，董事及最高行政人員在本公司及其相聯法團（根據證券及期貨條例第XV段的釋義）的股份、相關股份或債權證中擁有的權益及淡倉如下：

股份及相關股份的好倉情況：

(a) 本公司

| 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 |

附註：

- 1 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。

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

(b) Associated Corporation — The Ming An (Holdings) Company Limited

| Name of directors | Shares | | Total interests | Percentage of issued share capital % |
|-------------------|--------------------|------------------|-----------------|--------------------------------------|
| | Personal interests | Family interests | | |
| Song Shuguang | 100,000 | — | 100,000 | 0.003 |
| Xie Yiqun | — | 240,000 | 240,000 | 0.008 |

Save as disclosed above:

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

董事及最高行政人員的股份、相關股份及債權證的權益及淡倉

(b) 相聯法團 — 民安(控股)有限公司

| 董事名稱 | 股份 | | 總權益 | 佔已發行 股份 % |
|------|---------|---------|---------|-----------------|
| | 個人權益 | 家族權益 | | |
| 宋曙光 | 100,000 | — | 100,000 | 0.003 |
| 謝一群 | — | 240,000 | 240,000 | 0.008 |

除上述者外：

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

SHARE OPTION AND SHARE AWARD SCHEME

SHARE OPTION SCHEME

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

As of 30 June 2009, the Directors and employees of the Company had the following interests in options to subscribe for shares of the Company (market value per share at 30 June 2009 was HK\$16.40) 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 Period | No. of options outstanding at the end of the Period | Date granted | Period during which options exercisable | No. of options granted during the Period | No. of shares acquired in exercise of options during the Period | No of options cancelled during the Period | Price per share to be paid on exercise of options | ¹ Market value per share at date of grant of options during the Period | ² Market value per share on exercise of options during the Period |
|---|---|---|--|---|--|---|---|---|---|--|
| 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 | 800,000 | 26 February 2007 | 26 February 2007 to 25 February 2017 | — | — | — | HK\$9.490 | — | — |
| Ng Yu Lam, Kenneth | 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 | 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 | 175,000 | 30 June 2008 | 30 June 2008 to 29 June 2018 | — | — | — | HK\$19.316 | — | — |
| | 175,000 | 175,000 | 31 December 2008 | 31 December 2008 to 30 December 2018 | — | — | — | HK\$11.920 | — | — |
| Lau Siu Mun, Sammy | 150,000 | 150,000 | 27 September 2000 | 27 September 2000 to 26 September 2010 | — | — | — | HK\$1.110 | — | — |
| | 400,000 | 400,000 | 12 February 2001 | 12 February 2001 to 11 February 2011 | — | — | — | HK\$0.950 | — | — |
| | 600,000 | 600,000 | 2 November 2005 | 23 November 2005 to 22 November 2015 | — | — | — | HK\$2.875 | — | — |
| Employees | 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 | — | — |
| | 5,677,000 | 5,677,000 | 2 November 2005 | 23 November 2005 to 27 November 2015 | — | — | — | HK\$2.875 | — | — |

Note:

- ¹ Being the closing price quoted on the Stock Exchange immediately before the dates on which the options were granted during the Period.
- ² Being the weighted average closing price quoted on the Stock Exchange immediately before the dates on which the options were exercised during the Period.

認股權及股份獎勵計劃

認股權計劃

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

於二零零九年六月三十日，本公司的董事及僱員分別根據舊計劃及新計劃以名義價款獲賦予可認購本公司股份（於二零零九年六月三十日每股市價為16.40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 | 於期初 未行使的 認股權數目 | 於期末 未行使的 認股權數目 | 賦予日期 | 可行使認股權期間 | 期內 已授出的 認股權數目 | 期內行使 認股權 購入的 股份數目 | 期內取消 認股權數目 | 行使 認股權時 應付的 每股股價 | ¹ 於期內 認股權 授出日期的 每股股價 | ² 於期內 行使認股權 日期的 每股股價 |
|------------------------|----------------------|----------------------|---------------------------|-----------------------------|---------------------|----------------------------|---------------|---------------------------|--|--|
| 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 | 800,000 | 2007年2月26日 | 2007年2月26日 至2017年2月25日 | — | — | — | 9.490港元 | — | — |
| 吳俞霖 | 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 | 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 | 175,000 | 2008年6月30日 | 2008年6月30日 至2018年6月29日 | — | — | — | 19.316港元 | — | — |
| | 175,000 | 175,000 | 2008年12月31日 | 2008年12月31日 至2018年12月30日 | — | — | — | 11.920港元 | — | — |
| 劉少文 | 150,000 | 150,000 | 2000年9月27日 | 2000年9月27日 至2010年9月26日 | — | — | — | 1.110港元 | — | — |
| | 400,000 | 400,000 | 2001年2月12日 | 2001年2月12日 至2011年2月11日 | — | — | — | 0.950港元 | — | — |
| | 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 | — | — |
| 僱員 | 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 | — | — |
| | 5,677,000 | 5,677,000 | 2005年11月2日 | 2005年11月23日 至2015年11月22日 | — | — | — | 2.875港元 | — | — |

附註：

- 1 期內緊接認股權授出日期前於聯交所報的收市價。
- 2 期內緊接認股權行使日期前於聯交所報的加權平均收市價。

SHARE OPTION AND SHARE AWARD SCHEME

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

Apart from the foregoing, at no time during the Period was the Company, any of its holding companies, subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors or chief 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.

SHARE AWARD SCHEME

The Share Award Scheme of the Company was adopted by 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.

As at 30 June 2009, the net total number of shares acquired under Share Award Scheme is 4,720,000 shares (31 December 2008: 4,720,000 shares). As at 30 June 2009, 3,317,500 Shares were awarded to selected employees (31 December 2008: 3,323,500 shares) subject to the terms of the Share Award Scheme, but have not yet vested in such selected employees.

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 Period | As at 30 June 2009 | |
| He Zhiguang | 31 December 2007 | 240,000 | HK\$20.68 | HK\$21.60 | — | 240,000 | 31 December 2010 |
| Ng Yu Lam, | 16 November 2007 | 27,000 | HK\$18.75 | HK\$22.00 | — | 27,000 | 31 December 2009 |
| Kenneth | 20 May 2008 | 55,000 | HK\$18.01 | HK\$22.40 | — | 55,000 | 31 December 2010 |
| Shen Koping, | 16 November 2007 | 10,000 | HK\$18.75 | HK\$22.00 | — | 10,000 | 31 December 2009 |
| Michael | 20 May 2008 | 12,000 | HK\$18.75 | HK\$22.40 | — | 12,000 | 31 December 2010 |
| Lau Siu Mun, | 16 November 2007 | 22,000 | HK\$18.75 | HK\$22.00 | — | 22,000 | 31 December 2009 |
| Sammy | 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 are based on the closing price at the date of award and any directly attributable incremental costs.

認股權及股份獎勵計劃

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財務其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。

股份獎勵計劃

董事會已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。

於二零零九年六月三十日，根據股份獎勵計劃購入之股份淨額為4,720,000股（二零零八年十二月三十一日：4,720,000股）。於二零零九年六月三十日，當中3,317,500股已根據股份獎勵計劃的條款獎授但未歸屬予選定僱員（二零零八年十二月三十一日：3,323,500股）。

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 |
|------|--------------|------------|------------|----------------------|------|-----------------|-------------|
| | | | | | 期內失效 | 於二零零九年 六月三十日 | |
| 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 |

附註：

- 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。

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

As of 30 June 2009, 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:

| Substantial shareholders | Capacity | Number of ordinary shares (corporate interests) | Long position/ short position | Percentage of issued share capital % |
|--------------------------|---|---|-------------------------------|--------------------------------------|
| TPG | Interest of controlled corporation | 912,040,405 (Note 1) | Long position | 64.15 (Note 3) |
| TPG (HK) | 782,350,405 shares as beneficial owner and 129,690,000 shares (Note 2) as interest of controlled corporation | 912,040,405 | Long position | 64.15 |
| ICBC | Interest of controlled corporation | 97,464,887 (Note 4) | Long position | 6.86 |
| ICBC (Asia) | Beneficial owner | 97,464,887 | Long position | 6.86 |
| JP Morgan Chase & Co. | 1,844,134 shares as beneficial owner, 8,854,000 shares as investment manager and 116,994,660 shares as custodian corporation/approved lending agent | 127,692,794 | Long position | 8.98 |
| | Beneficial owner | 1,095,134 | Short position | 0.08 |

Notes:

- (1) TPG's interest in the Company is held by TPG (HK), Golden Win Development Limited ("Golden Win"), Ming Lee Investment Limited ("Ming Lee"), 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 TPG.
- (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. Of the 782,350,405 shares beneficially held by TPG (HK), 138,924,700 shares have been issued and allotted to TPG (HK) on 30 July 2009 as consideration upon completion of the sale and purchase agreement dated 22 May 2009 regarding the stake acquisition of The Ming An (Holdings) Company Limited.
- (3) As at 30 June 2009, the number of issued shares of the Company held by TPG (HK) and its controlled corporations were 773,115,705, representing approximately 54.38% of the issued share capital of the Company. However, pursuant to the SFO, the 138,924,700 shares to be issued and allotted to TPG (HK) as consideration upon completion of the sale and purchase agreement were treated as a long position in the shares but not included in the denominator as at 30 June 2009, which did not include shares to be issued. Therefore, the percentage shareholding of TPG (HK) as shown in the above table is exaggerated. As at 30 July 2009, the completion date of the sale and purchase agreement, the shareholding of TPG (HK) in the Company was approximately 58.44%, based on the enlarged share capital after the issuance and allotment of the 138,924,700 shares to TPG (HK).
- (4) ICBC's interest in the Company is held by ICBC (Asia), a subsidiary of ICBC.

Save as disclosed above, the register required to be kept under section 336 of the SFO showed that the Company had not been notified of any interests or short positions in the Shares and underlying Shares of the Company as at 30 June 2009.

主要股東及其他人士的股份及相關股份的權益及淡倉

於二零零九年六月三十日，按證券及期貨條例第336條規定存置之登記冊的記錄所載不屬於本公司董事或最高行政人員的股東在本公司的股份及相關股份中擁有的權益及淡倉如下：

| 主要股東 | 身份 | 普通股股數 (公司權益) | 好倉／淡倉 | 佔已發行股份 % |
|------------|---|---------------------|-------|---------------|
| 中國太平集團 | 控股公司權益 | 912,040,405 (註1) | 好倉 | 64.15 (註3) |
| 中國太平集團(香港) | 782,350,405股 為實益擁有人及 129,690,000股(註2) 為控股公司權益 | 912,040,405 | 好倉 | 64.15 |
| 中國工銀 | 控股公司權益 | 97,464,887 (註4) | 好倉 | 6.86 |
| 工銀(亞洲) | 實益擁有人 | 97,464,887 | 好倉 | 6.86 |
| 摩根大通 | 1,844,134股 為實益擁有人， 8,854,000股 為投資經理及 116,994,660股 為保管人 — 法團 核准借出代理人 | 127,692,794 | 好倉 | 8.98 |
| | 實益擁有人 | 1,095,134 | 淡倉 | 0.08 |

附註：

- 中國太平集團於本公司之權益由中國太平集團(香港)、金和發展有限公司(「金和」)、民利投資有限公司(「民利」)、汶豪、中國保險集團財務有限公司(「中保財務」)、德茂財務有限公司(「德茂」)及中國保險集團投資有限公司(「中保投資」)持有，各公司均為中國太平集團之全資附屬公司。
- 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股股份由中保財務持有，14,597,000股股份由德茂持有，而965,000股股份由中保投資持有。中國太平集團(香港)實益持有之782,350,405股股份中，138,924,700股股份已於二零零九年七月三十日向中國太平集團(香港)發行及配發作為完成於二零零九年五月二十二日簽訂有關收購民安(控股)有限公司股權買賣協議之代價。
- 於二零零九年六月三十日，中國太平集團(香港)及其控制之法團所持有之本公司已發行股份數目為773,115,705股。代表本公司已發行股份約54.38%。然而，根據證券及期貨條例，將會在完成買賣協議時向中國太平集團(香港)發行及配發作為完成買賣協議之代價之138,924,700股股份被視為於股份之好倉但並沒有包括在於二零零九年六月三十日之分母中(其並不包括將會發行之股份)。因此，所列之中國太平集團(香港)持股百分比被誇大。於二零零九年七月三十日(買賣協議之完成日期)，根據向中國太平集團(香港)發行及配發138,924,700股後之已擴大股本，中國太平集團(香港)於本公司之持股量約為58.44%。
- 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二零零九年六月三十日在本公司的股份及相關股份中擁有的權益及淡倉。

CORPORATE GOVERNANCE REPORT

企業管治報告書

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

本財務期的中期財務報告已經本公司審核委員會審閱。

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

本公司於本財務期內一直遵守守則條文，惟以下除外：

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

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。

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

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

As at the date of this report, the audit committee of the Company comprises two independent non-executive directors. Following the resignation of Mr. Lau Wai Kit on 20 July 2009, the number of independent non-executive directors and members of the audit committee of the Company fell below the minimum number required under Rule 3.10(1) and Rule 3.21 of the Listing Rules. The Company is looking for a suitable candidate to fill the vacancy of an independent non-executive director to meet the minimum required number of independent non-executive directors and audit committee members under Rule 3.10(1) and Rule 3.21 of the Listing Rules as soon as possible within three months from the date of failing to meet these requirements.

於本報告日，本公司審核委員會包括兩位獨立非執行董事。繼劉偉傑先生於二零零九年七月二十日辭任後，本公司獨立非執行董事及審核委員會成員人數少於上市規則第3.10(1)條及第3.21條所規定之最低人數。本公司正物色合適人選填補獨立非執行董事之空缺，以於可行情況下儘早及自違反該等規定起計三個月內，符合上市規則第3.10(1)條及第3.21條之最低獨立非執行董事及審核委員會成員人數規定。

By order of the Board
Lin Fan
Chairman

承董事會命
董事長
林帆

Hong Kong, 17 August 2009

香港，二零零九年八月十七日

Deloitte.

德勤

TO THE BOARD OF DIRECTORS OF
CHINA TAIPING INSURANCE HOLDINGS COMPANY LIMITED
(FORMERLY KNOWN AS “CHINA INSURANCE INTERNATIONAL HOLDINGS COMPANY LIMITED”)
(Incorporated in Hong Kong with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 2 to 59, which comprises the condensed consolidated statement of financial position of China Taiping Insurance Holdings Company Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) as of 30 June 2009 and the related condensed consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Main Board Listing Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The directors are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We draw to your attention that the comparative condensed consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period ended 30 June 2008 disclosed in the interim financial report have not been reviewed in accordance with Hong Kong Standard on Review Engagements 2410.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

17 August 2009

Deloitte.

德勤

致中國太平保險控股有限公司 (前稱「中保國際控股有限公司」) 董事會
(於香港註冊成立之有限公司)

引言

我們已審閱列載於第2頁至第59頁的中期財務資料，此中期財務資料包括中國太平保險控股有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)於二零零九年六月三十日的簡明綜合財務狀況表及有關截至該日止六個月之簡明綜合損益表、全面收益表、權益變動表和現金流量表以及主要會計政策概要及其他附註解釋。根據《香港聯合交易所有限公司主板證券上市規則》(「上市規則」)，上市公司必須符合上市規則中的相關規定和香港會計師公會頒佈的《香港會計準則》第34號「中期財務報告」的規定編製中期財務資料。董事須負責根據《香港會計準則》第34號編製及列報中期財務資料。我們的責任是根據我們的審閱對這中期財務資料作出結論，並按照我們雙方所協定的應聘條款，僅向全體董事會報告。除此以外，我們的報告書不可用作其他用途。我們概不就本報告書的內容，對任何其他人士負責或承擔法律責任。

審閱範圍

我們已根據香港會計師公會頒佈的《香港審閱工作準則》第2410號「獨立核數師對中期財務資訊的審閱」進行審閱。中期財務報告審閱工作包括主要向負責財務會計事項的人員詢問，並實施分析和其他審閱程式。由於審閱的範圍遠較按照香港審計準則進行審核的範圍為小，所以不能保證我們會注意到在審核中可能會被發現的所有重大事項。因此我們不會發表任何審核意見。

敬希閣下垂注，本中期財務報告內所披露截至二零零八年六月三十日止六個月之簡明綜合損益表、全面收益表、權益變動表和現金流量表並沒有根據《香港審閱工作準則》第2410號作出審閱。

結論

根據我們的審閱工作，我們並沒有注意到任何事項，使我們相信中期財務資料在所有重大方面沒有按照《香港會計準則》第34號的規定編製。

德勤•關黃陳方會計師行
執業會計師
香港

二零零九年八月十七日

DEFINITIONS

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

| | |
|-------------------------|--|
| “Board” | the board of Directors |
| “CIRC” | China Insurance Regulatory Commission |
| “Code” | Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules |
| “Directors” | the directors of the Company, including the independent non-executive directors |
| “HKAS” | Hong Kong Accounting Standard |
| “HKFRS” | Hong Kong Financial Reporting Standard |
| “HKICPA” | Hong Kong Institute of Certified Public Accountants |
| “ICBC” | The Industrial and Commercial Bank of China |
| “ICBC (Asia)” | Industrial and Commercial Bank of China (Asia) Limited |
| “Last Period” | The six months ended 30 June 2008 |
| “Listing Rules” | The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited |
| “MAH” | The Ming An (Holdings) Company Limited |
| “Manhold” | Manhold Limited |
| “PRC GAAP” | Accounting principles generally accepted in the PRC |
| “SFO” | Securities and Futures Ordinance |
| “Share(s)” | Share(s) of HK\$0.05 each in the capital of the Company |
| “Share Award Scheme” | CTIH Employees’ Share Award Scheme adopted on 10 September 2007 |
| “the Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “the Company” or “CTIH” | China Taiping Insurance Holdings Company Limited formerly known as China Insurance International Holdings Company Limited (“CIIH”) |

釋義

於本中期財務報告中，除文義另有所指外，下列詞彙具有以下涵義：

| | | |
|----------------|---|---------------------------------|
| 「中國保監會」 | 指 | 中國保險監督管理委員會 |
| 「守則」 | 指 | 上市規則附錄十四所列之企業管治守則 |
| 「董事」 | 指 | 本公司董事，包括獨立非執行董事 |
| 「中國工銀」 | 指 | 中國工商銀行 |
| 「工銀(亞洲)」 | 指 | 中國工商銀行(亞洲)有限公司 |
| 「去年同期」 | 指 | 截至二零零八年六月三十日止六個月 |
| 「上市規則」 | 指 | 香港聯合交易所有限公司證券上市規則 |
| 「民安控股」 | 指 | 民安(控股)有限公司 |
| 「汶豪」 | 指 | 汶豪有限公司 |
| 「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 |
| 「股份獎勵計劃」 | 指 | 於二零零七年九月十日所採納之中國太平控股僱員股份獎勵計劃 |
| 「聯交所」 | 指 | 香港聯合交易所有限公司 |
| 「本公司」或「中國太平控股」 | 指 | 中國太平保險控股有限公司，前稱中保國際控股有限公司「中保國際」 |

DEFINITIONS

| | |
|------------------|--|
| “the Group” | CTIH and its subsidiaries |
| “the Period” | The six months ended 30 June 2009 |
| “the PRC” | The People’s Republic of China |
| “TPA(HK)” | Taiping Assets Management (HK) Company Limited, formerly known as China Insurance Group Assets Management Limited(“CIGAML”) |
| “TPAM” | Taiping Asset Management Limited |
| “TPG” | China Taiping Insurance Group Co., formerly known as China Insurance (Holdings) Company Limited (“CIHC”) |
| “TPG (HK)” | China Taiping Insurance Group (HK) Company Limited, formerly known as China Insurance H.K. (Holdings) Company Limited (“CIHK”) |
| “TPI” | Taiping General Insurance Company Limited, formerly know as The Taiping Insurance Company Limited (“TPI”) |
| “TPL” | Taiping Life Insurance Company Limited |
| “TPP” | Taiping Pension Company Limited |
| “TPRe” | Taiping Reinsurance Company Limited, formerly known as China International Reinsurance Company Limited (“CIRe”) |
| “the Old Scheme” | Share option scheme of the Company adopted on 24 May 2000 and terminated on 7 January 2003 |
| “the New Scheme” | Share option scheme of the Company adopted on 7 January 2003 |

釋義

| | | |
|--------------|---|--|
| 「本集團」 | 指 | 中國太平控股及其附屬公司 |
| 「本財務期」 | 指 | 截至二零零九年六月三十日止六個月 |
| 「中國」 | 指 | 中華人民共和國 |
| 「太平資產(香港)」 | 指 | 太平資產管理(香港)有限公司，前稱中保集團資產管理有限公司 「中保資產管理」 |
| 「太平資產」 | 指 | 太平資產管理有限公司 |
| 「中國太平集團」 | 指 | 中國太平保險集團公司，前稱中國保險(控股)有限公司「中保控股」 |
| 「中國太平集團(香港)」 | 指 | 中國太平保險集團(香港)有限公司，前稱香港中國保險(集團)有限公司「香港中保」 |
| 「太平財險」 | 指 | 太平財產保險有限公司，前稱太平保險有限公司「太平保險」 |
| 「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 |
| 「太平再保險」 | 指 | 太平再保險有限公司，前稱中國國際再保險有限公司「中再國際」 |
| 「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 |



中国太平
CHINA TAIPING

中國太平保險控股有限公司

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