



中国太平
CHINA TAIPING



中國太平保險控股有限公司
China Taiping Insurance Holdings Company Limited

二零零九年年報
2009 Annual Report

股份代號 Stock Code : 966



中国太平
CHINA TAIPING

“太平”為公司名稱，同時又像形了植根大地、擁抱藍天、枝繁葉茂的參天大樹，
寓意中國太平充滿活力，永續經營。

藍色象徵天空的廣闊與博大，詮釋了中國太平通過誠信優質的理財服務和保險保障，
為客戶營造了一片安寧祥和的生活空間。

綠色象徵大地的生機與活力，寓意中國太平熱愛自然、關愛生命的美好願望以及積極進取、
持續創新的企業風貌。

白色象徵心靈的高潔、純正，這是中國太平用心專業，昂揚向上的精神表現。標誌中藍、綠、白
三色交融，寓意中國太平的全體員工熱愛生活、熱愛自然，以及追求卓越、充滿理想的精神境界。

整體造型為圓形，強化了“中國太平是中國保險行業第一家跨國綜合保險金融集團”的特點，
是中國太平全球化發展走勢的形象詮釋。

“Taiping” is the name of our Company, and also symbolizes a towering, grand tree extending into and embracing the blue skies, with strong roots deeply and firmly embedded in the earth, conveying the message that China Taiping is full of strength and vitality, and is here to stay.

The color blue represents the boundless expanse of the sky, exemplifying the peace and harmony created in the lives of our clients by the sincerity and quality of our financial services and insurance protection.

The color green represents the vitality and energy of the earth, embodying China Taiping’s love for nature and care for life, as well as our dynamic and innovative corporate culture and image.

The color white represents the purity and nobility of the human soul, signifying the dedication and noble-minded spirit of China Taiping. The combination of blue, green and white in our logo symbolizes the passion for life and for nature of all of our people, and their pursuit of excellence and reaching for ideals.

The overall design of our logo is spherical, emphasizing China Taiping’s special, pioneering distinction of being “the first international, cross-border, multi-line insurance company within China’s insurance industry”, and clearly portrays our future direction of global development.

Content 目錄

		<i>Pages</i> 頁
Corporate Information	公司資料	2
Simplified Legal Structure	簡明公司架構	4
Chairman's Statement	董事長報告	6
Management Review and Analysis	管理層回顧和分析	16
Independent Actuaries Report on Review of Embedded Value Information	關於內涵價值信息的獨立精算師審閱報告	126
Embedded Value of TPL	太平人壽之內涵價值	130
Biographical Details of Directors, Company Secretary and Chief Financial Officer	董事、公司秘書及財務總監之履歷	138
Report of the Directors	董事會報告書	146
Corporate Governance Report	企業管治報告書	176
Consolidated Income Statement	綜合損益表	184
Consolidated Statement of Comprehensive Income	綜合全面收益表	185
Consolidated Statement of Financial Position	綜合財務狀況表	186
Statement of Financial Position	財務狀況表	188
Consolidated Statement of Changes In Equity	綜合權益變動表	189
Consolidated Statement of Cash Flows	綜合現金流量表	191
Notes to the Consolidated Financial Statements	綜合財務報表附註	195
Independent Auditor's Report	獨立核數師報告書	376
Five Year Financial Summary	五年財務概要	380
Definitions	釋義	382

Corporate Information

DIRECTORS

Executive directors

Lin Fan *Chairman*
Song Shuguang *Vice Chairman*
Xie Yiqun
Peng Wei
Ng Yu Lam Kenneth *Chief Executive Officer*
Shen Koping Michael *Deputy Chief Executive Officer*
Lau Siu Mun Sammy

Non-executive directors

Li Tao
Wu Jiesi*
Che Shujian*
Lee Kong Wai Conway*

* *Independent*

COMPANY SECRETARY

Chan Man Ko *Chief Financial Officer*

AUTHORIZED REPRESENTATIVES

Ng Yu Lam Kenneth
Shen Koping Michael

REGISTERED OFFICE

22nd Floor, Ming An Plaza Phase I
8 Sunning Road
Causeway Bay
Hong Kong

ADMINISTRATIVE OFFICE

12th Floor, Ming An Plaza Phase II
8 Sunning Road
Causeway Bay
Hong Kong
Telephone : (852) 3602 9800
Facsimile : (852) 2866 2262
E-mail : mail@ctih.cntaiping.com

REGISTRAR AND TRANSFER OFFICE

Hong Kong Registrars Limited
46th Floor, Hopewell Centre
183 Queen's Road East
Hong Kong

INDEPENDENT AUDITORS

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

PRINCIPAL BANKERS

Hang Seng Bank Limited
China Construction Bank Corporation
CITIC Ka Wah Bank Limited

WEBSITE

www.ctih.cntaiping.com

STOCK MARKET LISTING

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

公司資料

董事

執行董事

林帆	董事長
宋曙光	副董事長
謝一群	
彭偉	
吳俞霖	總裁
沈可平	副總裁
劉少文	

非執行董事

李濤
武捷思*
車書劍*
李港衛*

* 獨立

公司秘書

陳文告 財務總監

法定代表

吳俞霖
沈可平

註冊辦事處

香港銅鑼灣
新寧道八號
民安廣場第一期二十二樓

行政辦事處

香港銅鑼灣
新寧道八號
民安廣場第二期十二樓
電話：(852) 3602 9800
傳真：(852) 2866 2262
電郵：mail@ctih.cntaiping.com

股份過戶登記處

香港證券登記有限公司
香港皇后大道東一八三號
合和中心四十六樓

獨立核數師

德勤•關黃陳方會計師行
執業會計師
香港金鐘道八八號
太古廣場一座三十五樓

主要往來銀行

恒生銀行有限公司
中國建設銀行股份有限公司
中信嘉華銀行有限公司

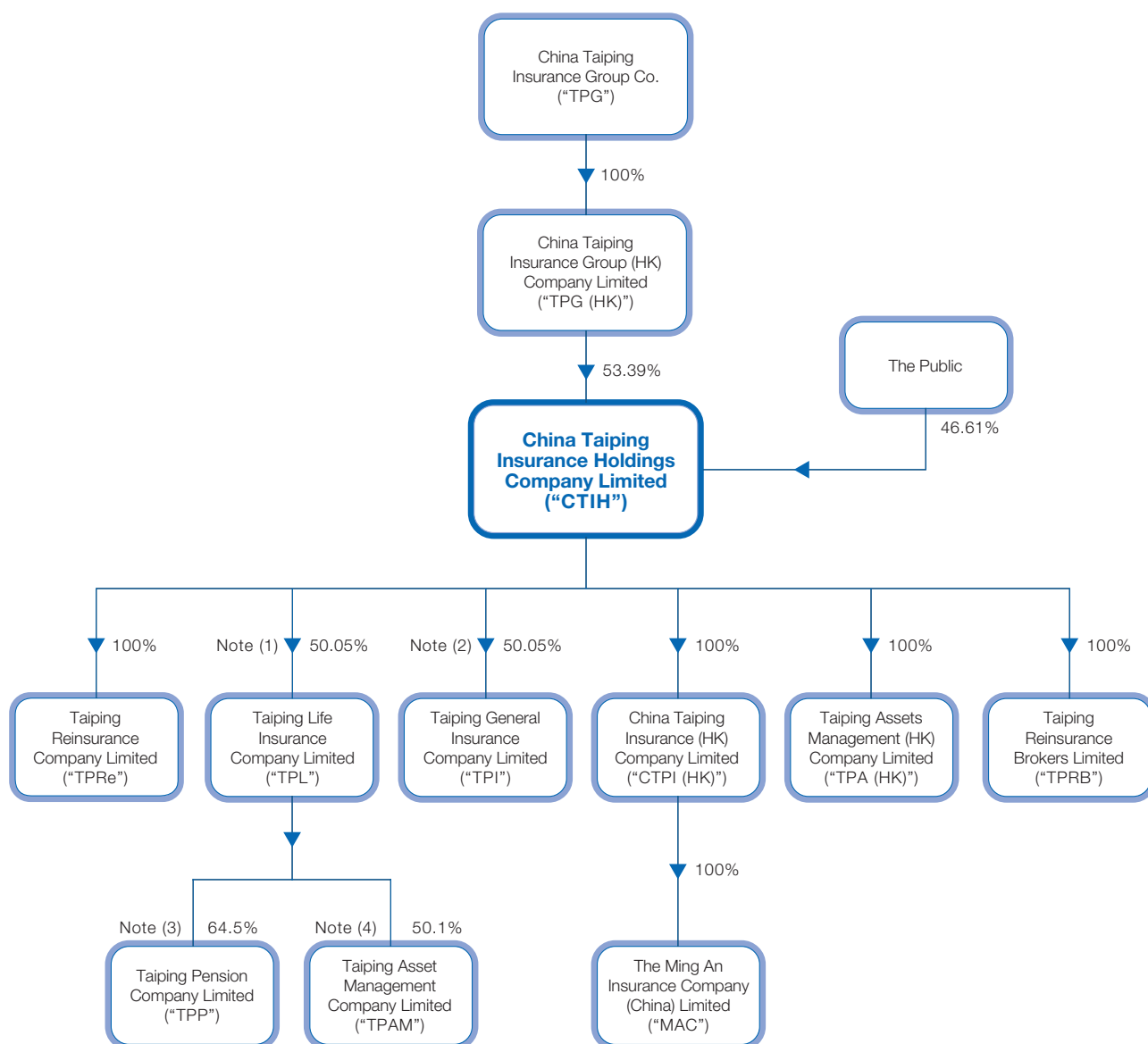
網址

www.ctih.cntaiping.com

上市證券交易所

香港聯合交易所有限公司主板
(股份代號：966)

Simplified Legal Structure



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

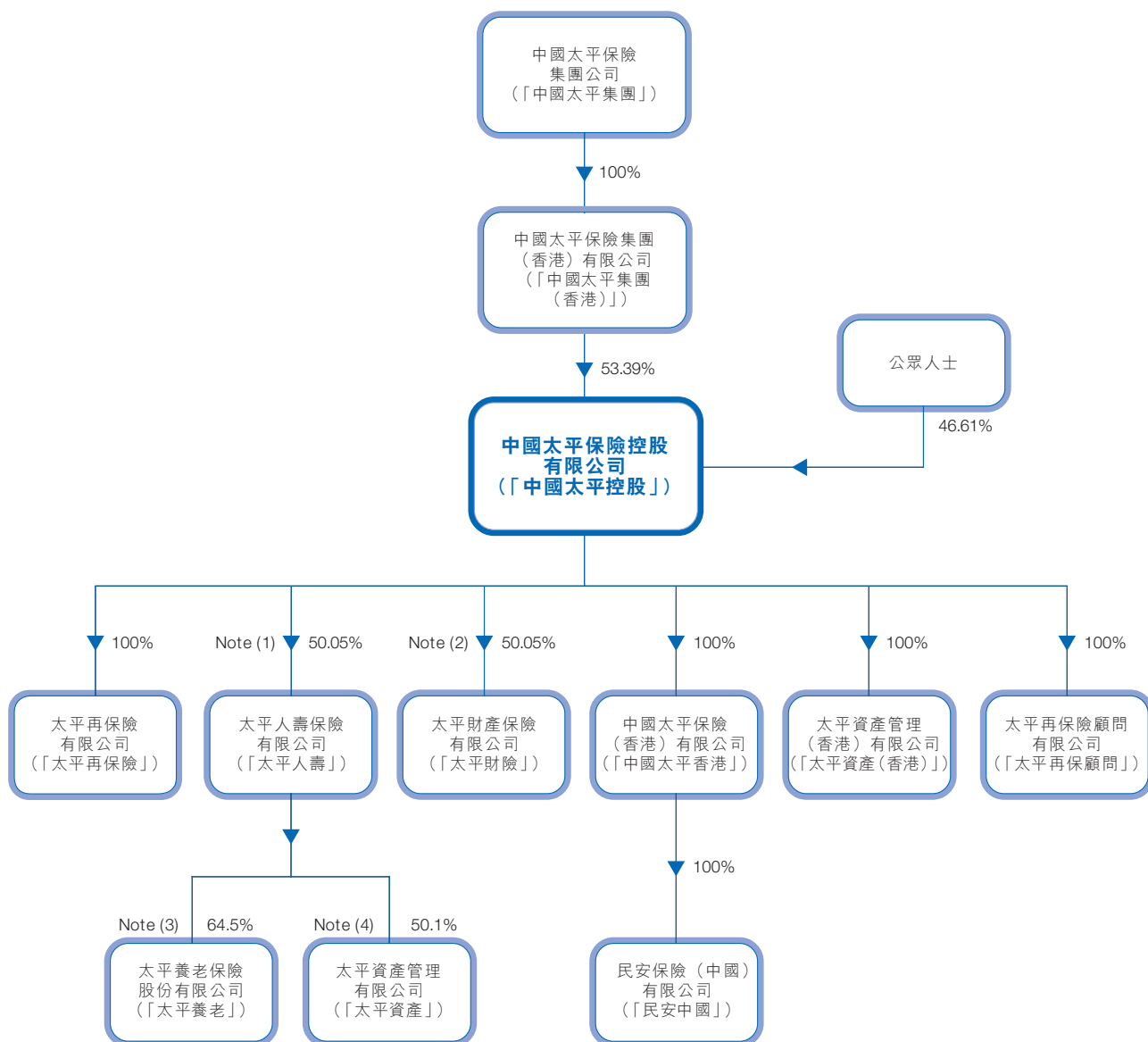
Note (2): TPG and ICBC (Asia) own the remaining 37.5% and 12.45% equity interests in TPI, respectively.

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

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

(As at 31 December 2009)

簡明公司架構



註(1)：中國太平集團及富通分別持有太平人壽其餘之25.05%及24.90%權益。

註(2)：中國太平集團及工銀(亞洲)分別持有太平財險其餘之37.5%及12.45%權益。

註(3)：連同太平資產(香港)及太平財險分別持有之14%及7.5%權益，本集團在太平養老之有效權益為50.03%。中國太平集團及富通分別持有太平養老其餘之4%及10%權益。

註(4)：連同太平資產(香港)及太平財險分別持有之12%及9.9%權益，本集團在太平資產之有效權益為42.03%。中國太平集團及富通分別持有太平資產其餘之20%及8%權益。

(於二零零九年十二月三十一日)

Chairman's Statement

Dear Shareholders,

Following a very difficult and challenging year in 2008, many of our investors and shareholders rightfully asked us whether we would be able to successfully operate and achieve the ambitious goals which we have set for ourselves. Many asked us whether we needed to lower our expectations and objectives, given the new status of world financial and economic affairs. Many of those making such inquiries were also questioning whether the global financial and economic systems as we knew them at that time would be fundamentally altered by the tremendous events of the financial crisis. Throughout these difficult days, all of the directors and senior managers of China Taiping Insurance Holdings Company Limited ("CTIH" or "the Company") have continued to be strongly united behind our primary goal of creating and producing long-term shareholder value for all of our investors and partners. This principle of ours has never wavered, and indeed held firm before, during and after the financial crisis. I am honored and happy to report to you that in 2009, not only did CTIH's core operations return to profitability, but we also took significant and strategic steps in furthering the Company's long-term plans for building our operations in Mainland China for the decades to come. We are very excited about what we accomplished over the past year, and are looking ahead with great enthusiasm and optimism to the years to come!

The past four years have been volatile investment years. In 2006 and 2007, extraordinary investment gains in equity markets helped insurance companies in China, as well as financial institutions from around the world, achieve substantial, and sometimes record profits. In 2008, unprecedented financial turbulence and turmoil, alongside recessions in many major economies, caused equity indices and the market values of debt securities all over the world to fall sharply lower. Insurance companies in China and financial institutions from all over the world produced far lower profits and even losses in such an unprecedented, challenging environment. In 2009, equities in the A-share markets in Shanghai and Shenzhen, as well as the equity indices in Hong Kong and the rest of the world, recorded significant share price appreciation, recovering a large portion of their respective losses from the previous year. Similarly, the market value of most debt securities also gradually recovered. In such a better investment climate, all of our operations at CTIH have produced better financial results and profitability. However, the very low interest rate environment caused by the coordinated, expansionary fiscal and monetary policies of central governments and banks from around the world present great challenges to us on our investment yield for the cash flows generated by our underlying businesses. In 2009, the Company's gross premiums written and policy fees increased significantly to HK\$31,022.72 million from HK\$15,232.33 million in the Last Year, representing a strong increase of 103.7%. The net profit attributable to the equity holders for the Year was HK\$825.74 million, a tremendous improvement over the loss in the Last Year of HK\$486.09 million.

In 2009, our reinsurance operation, TPR_e, produced net profit attributable to shareholders of HK\$404.15 million compared to the profit of HK\$51.85 million achieved Last Year, representing a significant increase of 679.5%. The increase in profits was mainly due to significant improvements in investment returns during the Year. The reinsurance business also benefited from a benign year in the global reinsurance industry in which major catastrophes were absent, which was in sharp contrast to that of the Last Year. As a result, TPR_e generated its second highest levels of net profit ever in its entire thirty years' history. TPR_e's gross premiums written for the Year decreased by 3.5% to HK\$1,774.95 million from HK\$1,839.00 million in the Last Year. The decrease in premium was due to a revised accounting treatment for accrued premium. Operationally, the reinsurance business had a solid year, with TPR_e maintaining its existing market positions in all of its core geographies.

董事長報告

各位尊敬的股東：

經過既艱難又充滿挑戰的二零零八年，有很多投資者及股東對我們能否實現進取的經營目標表示懷疑，其中有些投資者建議我們是否需要因應全球金融及經濟狀況的新形勢，把預期和目標調低。他們有此疑慮的同時，也在懷疑全球金融及經濟體系是否會因為金融危機而發生根本的改變。在這樣一段艱難的日子裡，中國太平保險控股有限公司（「中國太平控股」或「本公司」）全體董事及高級管理人員，以為投資者及合作夥伴創造長期股東價值的基本目標為己任，繼續團結一致、盡職敬業。不論在金融危機之前、期間及其後都一直堅持這一基本目標從未動搖。本人榮幸並欣然向閣下呈報，在二零零九年，不單中國

太平控股的核心業務回復盈利，我們亦已採取重要的策略，深化本公司在未來十年於中國大陸業務的長遠規劃。我們對過去一年的成績感到非常興奮，並熱切及樂觀地期望來年更進一步。



過去四年，投資市場極為波動。二零零六年及二零零七年，中國保險業和全球各地的金融機構一樣，都受惠於來自股票市場的豐厚投資收益，從而錄得龐大利潤，甚至創出新高。但至二零零八年，金融市場的風暴及動盪突如其來，同時多個主要經濟體系出現衰退，全球股票指數及債券市值紛紛急跌。在此史無前例而充滿挑戰的環境下，中國保險業和全球各地金融機構的利潤劇減，甚至錄得虧損。於二零零九年，上海及深圳A股市場以及香港及全球各地的股票指數大幅上升，收復二零零八年大部份失地。同樣地，大部份債券市值亦逐漸回復，投資氣氛轉佳。我們在中國太平控股的所有業務均錄得較佳財務業績及盈利。然而，由於各國中央政府及銀行共同採取擴張性財政及貨幣政策而創造的超低利率環境，也給我們基本業務之投資回報率帶來挑戰。於二零零九年，本公司的毛承保保費及保單費收入由去年152.3233億港元大幅上升103.7%至310.2272億港元。本年度的股東應佔溢利淨額達8.2574億港元，與去年虧損4.8609億港元相比明顯改善。

二零零九年，由太平再保險營運之再保險業務錄得股東應佔溢利額為4.0415億港元，較去年的溢利5,185萬港元大幅增加679.5%。盈利增加，主要是由於本年度投資收益率得到明顯改善，而且本年度全球並無發生巨大災難，這與去年形成強烈對比，我們的再保險業務亦因而受惠。因此，太平再保險錄得成立三十年以來第二高的淨溢利。太平再保險的毛承保保費由去年18.3900億港元減少3.5%至本年度17.7495億港元，保費下降主要是由於優化累計保費的會計處理而造成的。在經營上，本年度再保險業務穩健發展，太平再保險在全部核心地區保持既有的市場地位。

Chairman's Statement

In 2009, TPL's profit attributable to equity holders was HK\$579.31 million, versus the HK\$486.68 million in earnings Last Year, representing an increase of 19.0%. The increase in profits was mainly due to significant improvements in investment returns during the Year, primarily because of equity investment gains from shares traded in the PRC. The life insurance business also benefited from strong increases in premium and improvements in the scale of operations. TPL recorded premiums of HK\$21,636.23 million, representing an increase of 145.0% from the HK\$8,830.29 million produced Last Year. TPL's strong increase in premium income was driven by a higher number of individual agents, productivity improvements among the overall agency force, and stronger production from the bancassurance channel. During the Year, traditional products constituted most of TPL's sales.

Other highlights and important events of 2009 included the following:

- During the Year, TPRE benefited from improved terms and conditions in reinsurance contracts in favor of reinsurers, especially in its single largest market of Mainland China, where proportional reinsurance contracts showed significant improvements with lower commission terms and tighter conditions for reinsurers. In the rest of Asia, TPRE maximized its franchise and deep-rooted position by offering to its clients a wide variety of products and services. Such a wide spectrum of offerings is not only attractive and more convenient to clients, but also allows TPRE to gain the benefits of wider diversification across not only different clients, but also different geographies and different lines of insurance.
- TPL's strategy over the past few years has been to gradually increase, within its sales of traditional products, the proportion of those products with regular premium features. This prioritization has been strongly reemphasized by the directors and senior management, and is now the top performance benchmark for TPL for the next three to five years. TPL intends to build a solid platform of high profit margin, regular premium products, upon which the life insurance operations may use as a long-term base for further expansion in the years to come. Every single TPL professional, in every distribution channel, is expected to focus on this objective on a day-to-day basis.
- During the Year, CTIH acquired and in the process privatized the formerly publicly-listed The Ming An (Holdings) Company Limited ("MAH"), which is now a wholly-owned subsidiary of the Company. Following this strategic transaction, CTIH's existing property and casualty insurance operations at TPI were immediately bolstered by MAH's Hong Kong business at CTPI (HK). CTPI (HK)'s world-class capabilities and experience in general insurance in Hong Kong and its depth of management will be invaluable to our emerging operations at TPI. CTIH continues to believe that the long-term potential of the PRC property and casualty insurance industry is vast and offers substantial, attractive opportunities.

董事長報告

二零零九年，太平人壽的股東應佔溢利為5.7931億港元，較去年溢利4.8668億港元增長19.0%。盈利增加主要是由於在中國買賣的股票投資錄得投資收益，使本年度的投資收益率得到明顯改善。人壽保險業務亦因為保費升幅強勁及經營規模改善而得益。太平人壽所錄得的保費收入由去年88.3029億港元上升145.0%至216.3623億港元。太平人壽的保費收入大幅增加，主要得益於個人銷售代理人數增加、整體代理隊伍及銀行保險渠道產能提升。本年內，傳統產品仍佔太平人壽銷售額的大多數。

二零零九年本公司的其他主要及重大事項包括：

- 本年內，太平再保險受惠於再保險合約條款及條件改善，尤其在其單一最大的中國大陸市場，比例再保險合約出現明顯改善，再保險商的佣金條款降低及條件亦較嚴謹。在亞洲其他市場，太平再保險通過向客戶提供多方面的產品及服務而進一步擴大其穩固的地位。提供多元化的產品及服務，不但吸引及方便客戶，亦令太平再保險獲得更廣泛的客戶群、地區及業務種類。
- 過去幾年，太平人壽的策略是在其傳統產品銷售中提高期繳保費產品比重。董事及高級管理層重申強調此重點項目，並將其作為太平人壽未來三至五年最重要的工作指標之一。太平人壽打算建立一個穩固及具高利潤率的期繳保費產品平台，籍此作為人壽保險業務進一步發展之基礎。管理層通過向太平人壽各分銷渠道每位專業人員的不斷宣導，希望他們在工作中不斷為此目標而努力。
- 於本年度，中國太平控股收購原為香港上市公司的民安(控股)有限公司(「民安控股」)並將其全面收購，該公司現已成為本公司的全資附屬公司。經此策略性交易後，中國太平控股獲民安控股在香港的財產保險業務(中國太平香港)，鞏固了現有的財產保險業務(太平財險)。中國太平香港於香港財產保險業務的國際級能力及經驗，以及其資深管理層對太平財險成長中的業務非常寶貴。中國太平控股一直相信，中國財產保險業長遠潛力龐大，蘊含着巨大的商機。

Chairman's Statement

- During the Year, CTIH embarked on a major strategic initiative to unify and connect our various insurance operations through the single, core name of “Taiping”. Many of our companies implemented procedures to change their respective names to include “Taiping”, such as our listed company China Insurance International Holdings Company Limited (“CIH”), which became China Taiping Insurance Holdings Company Limited (“CTIH”); our reinsurance operation China International Reinsurance Company Limited (“CIR”), which became Taiping Reinsurance Company Limited (“TPRe”); and The Ming An Insurance Company (Hong Kong) Limited, which became China Taiping Insurance (HK) Company Limited (“CTPI (HK)”). Over recent years, our Mainland China operations at TPL and TPI have rapidly gained prominence and prestige throughout the country. Already highly recognizable as the name of the Company's largest and fastest growing subsidiaries, “Taiping” not only more appropriately describes the key business segments of CTIH, but also conveys a coherent, unified brand name and market image. We believe that as our various operations have now been able to obtain more scale, we are now ready for a combined, unified strategy in designating what will identify all of us. Especially in the modern age where credibility, recognition and prestige are instantaneously associated with recognizable and famous brand names, our embrace of the “Taiping” name will certainly better allow all of our respective operations to continue making headway and gains in their respective markets during the many years to come. Already resonating very well with our people, customers, partners and friends in both the PRC and the rest of the world, our new name of “Taiping” will help to drive and sustain us over the long term and decades to come.
- Our operations are more than ever ready for further expansion and growth in Mainland China, the world's most exciting, and potentially largest, insurance market. Our strategy will continue to be multi-line. Our life insurance operations are already very well-established in the PRC, and in the years to come we hope to continue building on the foundation that we have already established. At our property and casualty insurance operations, we are in the process of reshaping our marketing strategy and re-underwriting the entire portfolio. With the ongoing, gradual improvements in market discipline in the property and casualty insurance industry of Mainland China, we believe that we have a very bright future in this market. At our reinsurance operations, Mainland China is already the single largest market, and we intend to continue building on our operations and professional base in Beijing and Shanghai over the near term. To further support our growing scale in the PRC, in late 2009 our respective PRC operations entered into an agreement with our affiliate Taiping Financial Service Centre (Shanghai) Company Limited (“TPFSC (Shanghai)”), in which TPFSC (Shanghai) agreed to consolidate the back office and information technology functions of our PRC operations into one central location in Pudong, Shanghai. By consolidating the currently separate back offices of the Company's various subsidiaries in the PRC, the new, integrated back office platform will be able to obtain economies of scale and greater efficiency, and as a combined entity offer to our customers and clients even higher levels of professionalism, dedication and quality in customer service. The consolidated platform will also be able to make higher levels of investment into state-of-the-art technologies, systems and expertise, which are becoming increasingly important in maintaining and strengthening CTIH's competitiveness in the PRC insurance markets. With this new initiative providing strong support, we believe that our multi-line efforts into Mainland China's insurance industries will develop the Company long-term into one of the strongest and most profitable financial institutions in the country and the world. We are very ambitious in this regard, and we are very happy that in 2009 we were able to set down more of the foundation which will allow us to accomplish this mission in the decades to come.

董事長報告

- 於本年度，中國太平控股實施重大策略舉措，通過「中國太平」名稱的統一以連貫我們多個保險業務之形象。我們多家公司已採取措施更改名稱以加入「中國太平」，如上市公司中保國際控股有限公司（「中保國際」）更名為中國太平保險控股有限公司（「中國太平控股」）；再保險業務中國國際再保險有限公司（「中再國際」）更名為太平再保險有限公司（「太平再保險」）；而香港民安保險有限公司則更名為中國太平保險（香港）有限公司（「中國太平香港」）。近年來，我們的太平人壽及太平財險在中國大陸的業務贏得良好聲譽。由於本公司規模最大、增長最快的附屬公司的名稱均已廣為人識，「太平」不單恰當地描述中國太平控股的重要業務分部，同時又傳達了清晰而統一的品牌名稱及市場形象。我們相信，由於我們多項業務均已具有相當規模，我們現時可實行整合及統一策略，明確集團旗下全部公司的身份。尤其在今時今日，信譽、認同及聲望均與廣受認同的知名品牌掛鈎，故我們採納「中國太平」一名，將使各項業務在各自的市場取得發展及盈利。我們的新名稱「中國太平」已廣受我們國內外的員工、客戶、夥伴及友人認同，長遠而言在未來十年將有助推動和支持我們在中國大陸及海外的發展。
- 我們早已準備就緒，在全世界最令人振奮、潛力最大的保險市場－中國大陸進一步擴充及增長。我們的策略會繼續在總體戰略目標下保持多元化發展。我們的壽險業務在中國大陸已經獲得較好的發展，我們希望以後可在現有基礎上更進一步。財產保險業務方面，我們正在重塑我們的市場策略及重新檢視整個承保組合。中國大陸財產保險業的市場秩序正逐漸改善，我們相信財產保險市場的前途一片光明。再保險業務方面，中國大陸已成為單一最大市場，我們亦繼續加強在北京及上海的營運及專業人員團隊。為進一步支援我們在中國日漸成長的各項業務，建立以客戶為中心的綜合金融服務運營模式，在中國經營的各公司在二零零九年底與聯屬公司太平共享金融服務（上海）有限公司（「太平共享服務中心（上海）」）訂立協議，把現時分散在本公司各個中國附屬公司的後援運營職能整合至全新的綜合性後援運營平台。這樣除可提高規模經濟效益及提升效率外，經整合的實體亦可提升客戶服務水平、向顧客及客戶提供更專業及高質素的服務。此綜合平台亦可集中資金投放在先進技術、系統及專才方面，綜合後援職能對於保持及加強中國太平控股在中國保險市場的競爭力具有重要意義。通過這一新舉措以及我們在中國大陸保險行業的多方面努力，我們相信長遠而言將會把本公司發展成全國以至於全球其中一家最強大、利潤最高的金融機構。我們堅守此信念，而我們亦對於能在二零零九年奠定的基礎，讓我們能在未來十年達成此使命極為欣慰。

Chairman's Statement

2010 will be a critically important operational year for CTIH. With financial turbulence and volatility subsiding in the aftermath of the financial crisis of 2008, all of our operations have recovered well and have laid the framework and foundation for stronger expansion in the years to come. Now, it is imperative that we take the momentum from this solid recovery and continue to build and grow our core businesses. With uncertainties still present throughout the global financial markets and economies, it is more important than ever that we remain dedicated and persist in our efforts to build value. Despite the challenges that remain before us, we continue to be very optimistic about all of our core operations, and believe that our potential for long-term, profitable growth remains highly attractive and promising.

TPRe believes that the pricing fundamentals for the reinsurance industry will be stable, and will experience only small, modest adjustments. Currently in its 30th year of operations, TPRe is highly excited about continuing its market presence and client relationships in all of its core markets. We believe strongly that TPRe's broad experience in many different lines of reinsurance across many different geographies, its cultural affinities with and understanding of PRC clients, and its expanding domestic professional staff in Beijing and Shanghai will give the reinsurance operations strong competitive advantages in entering and expanding in the PRC. We are very optimistic over TPRe's long-term prospects and potential in the PRC reinsurance industry.

Last year, TPL began a major initiative to further reinforce and strengthen its prioritization of regular premium sales. In 2010, we will continue our focus and drive in selling more regular premium products, through both our individual agency force and bancassurance distribution channels. Our professionals at all levels of management will be evaluated and assessed based on the new business value creation which their new business levels are bringing to our Company, and life insurance products with regular premium features have higher new business values. Already in 2009, TPL established a promising beachhead for our regular premium product sales, from which our entire organization will be able to advance further in the years to come. Such focus on higher quality, higher profit margin products is in line with our major goals on profitability, and with our overall objectives for enhancing shareholder value.

Following the past four incredibly volatile investment years, we prefer to be cautious and conservative with our expectations on investments. For 2010, we will continue the prudent and conservative policies of 2009 in targeting our investment yields and setting our asset allocations over the long term for our investment portfolios in both Hong Kong and the PRC.

It has always been a great honor for me to be a part of CTIH, and it is also a great honor for me to lead our Company. Last year, our resolve and discipline allowed us to persevere and grow stronger during the global financial and economic crisis. By strictly adhering to our values and principles, we have recovered from the previous year's economic difficulties, and are well-positioned to rise even higher. It is our utmost objective at CTIH to become one of the best and most respected financial institutions in China and the world. This goal is shared by all of our people. Although it now appears that the worst is behind us, all of us at the Company continue to be vigilant and alert to possible further near-term downturns and volatility. We are not, and will not be, complacent. We recognize that economic and financial models of the world have now been fundamentally altered, and that a higher level of uncertainty and unpredictability will be a key characteristic of economic and financial life going forward. In such an atmosphere, our operations will face heightened challenges. And, in order to meet such challenges, it is now even more imperative that all of us at CTIH maintain our strict discipline and highest levels of commitment to world-class standards in operations, corporate governance, investor relations and transparency. Only with such focus and dedication we will be able to best serve the interests of our shareholders over the long term, and become one of the best companies in the world.

董事長報告

二零一零年對中國太平控股而言是一個相當關鍵的年頭。雖然在二零零八年金融危機的陰影下，金融市場仍然動盪不穩，但我們所有業務均已恢復元氣，並為日後的擴張奠定基礎。現在，我們必須把握穩步復甦的勢頭，繼續穩固核心業務並使之成長。全球金融市場及經濟仍然不明朗，此時我們更要專心致志，堅持全力創造價值。縱使挑戰仍在眼前，我們對核心經營業務仍然非常樂觀，並相信我們長遠而巨大的增長潛力仍然引人注目。

太平再保險相信，再保險業的定價基本因素將會穩定，並只會出現少量而溫和的調整。太平再保險踏入開業三十周年，對能夠在其各個核心市場上保持市場知名度及客戶關係深感鼓舞。我們深信，太平再保險憑着不同地區各項再保險種類的豐富經驗、與中國客戶的文化雷同和對中國客戶的了解，以及在北京及上海的本地專業團隊，都為再保險業務在中國發展帶來強大競爭優勢。我們對太平再保險在中國再保險行業的長遠發展前景和潛力非常樂觀。

去年，太平人壽推行重點措施，進一步加強及鞏固期繳保費銷售。二零一零年，我們將通過個人代理渠道及銀行保險渠道，集中推動銷售更多期繳保費產品。對管理層及各級專業人員的考核以創造新業務價值及銷售期繳保費壽險產品為標準。其實早在二零零九年，太平人壽已為期繳保費產品銷售建立穩固的渠道，我們整個集團將可藉此在以後更進一步。集中銷售質量較好、利潤較高的產品，貫徹我們以盈利為目標及提升股東價值的整體宗旨。

投資市場經歷過去四個驚心動魄的動盪年頭，我們對投資預測偏向審慎及保守。展望二零一零年，我們對於香港及中國的投資組合，在設定投資長遠收益目標及資產配置時，將延續審慎穩健政策。

本人相當榮幸成為中國太平控股的一份子，更慶幸能夠帶領本公司實現我們的宗旨和目標。去年，憑着我們的決心和信念，使我們得以堅毅地在全球金融及經濟危機中壯大。我們堅守價值原則，使我們從前幾年的經濟困境中恢復過來，並有能力向更高水平邁進。中國太平控股的最終目標是要成為中國及全球最強及最備受尊崇的金融機構之一，這一直是本公司全體上下的共同目標。雖然最壞情況看似已過去，公司上下仍然要保持警惕，留意近期可能出現的二次衰退及波動。我們沒有自滿，亦不會自滿。我們認同全球的經濟及金融模式已出現根本變化，日後的經濟及金融業務將更不明朗、更難預測。在此情況下，我們的業務將面對更大的挑戰。為應對上述挑戰，中國太平控股上下必須在業務營運、企業管治、投資者關係及透明度方面更加堅守國際級的嚴謹標準及最高水準。只有堅持此等信念及決心，我們才可為各股東爭取長期利益，並成為全球最優秀企業之一。

Chairman's Statement

On behalf of all of us at CTIH, I would like to wholeheartedly and sincerely thank you, our shareholders and partners, for being so trusting and supportive of us over the past years! Your support to us during the difficult times of 2008, as well as for our various projects and initiatives in 2009, have clearly demonstrated to all of our directors and senior managers how valuable our relationship is with our shareholders. Many of our shareholders have been with us since the time of our own IPO back in 2000. This year will mark our tenth year anniversary for our listing on the Hong Kong Stock Exchange, and we hope to celebrate this occasion with you later this year. Over the past ten years, CTIH and our various operations have grown rapidly in size and shape, and have changed substantially since the times when we were just beginning to embark on our operations in Mainland China. Thank you for your confidence and support over the years! We continue to strongly believe that the best is yet to come for us and for you, and we all look forward to continuing our ongoing dialogue and work with you in 2010 and beyond!

Finally, it is of utmost importance that we show our appreciation and gratefulness to all of CTIH's employees in 2009. During an exceedingly difficult year in 2008, our staff and professionals continued in their belief of our Company, and our values, goals and objectives. Our employees stayed with us, remained loyal to us, and their dedication and hard work have formed the foundation of our solid recovery in 2009. These men and women represent our future and our aspirations. Although 2010 will likely be an uncertain and difficult year, given the many economic and financial challenges still remaining globally, we are all highly confident that our people will be able to rise to the challenge and solve any problem or issue that we might face. No obstacle is insurmountable, and no challenge is unsolvable, so long as all of us continue to be united and strong in our determination to succeed.

Thank you again for all of your support over the years! We are all very excited to be working with you, our shareholders, now and into the future!

Lin Fan
Chairman

Hong Kong, 30 March 2010

董事長報告

本人謹此代表中國太平控股同仁，對多年來給予我們信任及支持的各位（即我們的股東及夥伴）致以衷心和誠摯的謝意！閣下在二零零八年市道艱困時對我們的支持，以及對我們在二零零九年多個項目及措施的支持，讓全體董事及管理層清楚知道，我們與股東的關係有多寶貴。你們之中有不少人自我們於二零零零年首次公開招股時就已成爲我們的股東。今年是我們在香港聯交所上市第十個年頭，我們希望在今年稍後與閣下一同慶祝。過去十年來，中國太平控股以及我們的不同業務線，不論在規模及素質上均實現快速成長，與我們剛開始在中國大陸經營業務之時相比，更是不可同日而語。感謝各位多年來的信任和支持！我們仍然深信，更美好的時光將會來臨，我們亦期待在二零一零年及以後，繼續得到閣下的關心與支持，繼續與閣下進行充分的交流與合作！

最後也最重要的，是我們對二零零九年中國太平控股全體員工表示由衷的感謝。二零零八年是極度艱難的一年，但我們的員工仍然對本公司以及我們的價值及目標投以信任一票。我們的員工緊守崗位、克盡己責、全情投入、辛勤工作，是我們在二零零九年穩步復甦的基礎。他們承載著我們的使命，代表著我們的未來。雖然由於全球經濟及金融方面仍有不少挑戰，二零一零年還很可能荊棘滿途，但我們深信，我們的員工可在挑戰中成長，並將眼前的問題一一化解。只要我們上下一心，堅守信念，世上不會有無法克服的難題，挑戰亦終可戰勝。

再次感謝閣下多年來對我們的支持。我們熱切期望未來能再與閣下（即各股東）繼續攜手合作。

林帆
董事長

香港，二零一零年三月三十日

Management Review and Analysis

Readers and investors are advised to pay attention to the following details when reading the Management Review and Analysis and the consolidated financial results, and in particular the prior year consolidated figures which have been restated.

Application of Merger Accounting for the Acquisition of MAH (holding company of CTPI (HK) and MAC)

On 30 July 2009, CTIH completed an acquisition of a 47.8% equity interest in MAH from TPG (HK). On 4 November 2009, the Company completed an acquisition of another 48.66% equity interest in MAH, representing shares held by the investing public. Together with the 3.54% equity interest in MAH originally held by CTIH, the total equity interest in MAH now held by the Company after both acquisitions was 100%. As such, MAH is now a wholly-owned subsidiary of CTIH. Because MAH and the Company were both under the common control of TPG (HK) before and after the acquisitions, the Group has applied Accounting Guideline No. 5 on “Merger Accounting for Common Control Combinations”. Under these principles of merger accounting, the acquisition of MAH is accounted for as though the business of MAH has always been carried out by the Group. Accordingly, the following prior year consolidated figures have been restated as if MAH had been consolidated with the Group throughout the prior year presented. For the period before 4 November 2009, MAH was 51.34% owned by CTIH, and therefore the results of MAH have been 51.34% consolidated with the Group. Immediately after the remaining 48.66% equity interest of MAH was acquired by the Company on 4 November 2009, the results of MAH have been fully consolidated with the Group.

Changes in Accounting Policies

The Company has changed the following accounting policies in preparing its consolidated financial statements for the year ended 31 December 2009:

1. Measurement of insurance contract liabilities for the life insurance segment and property and casualty insurance segment;
2. Recognition of premium income of mixed insurance contracts containing insurance and other risks.

The above changes in accounting policies have been applied retrospectively and the comparative figures of 2008 have been restated accordingly.

管理層回顧和分析

務請讀者及投資者於閱覽管理層回顧和分析及綜合財務表現時注意下列細節，尤其是往年綜合數字已作相應重列。

應用合併會計法處理購入民安控股(中國太平香港及民安中國之控股公司)

於二零零九年七月三十日，中國太平控股完成從中國太平集團(香港)購入民安控股47.8%股本權益。於二零零九年十一月四日，本公司完成購入公眾投資者持有之民安控股48.66%股本權益。連同中國太平控股原已持有之3.54%民安控股權益，於兩次購入後本公司現合共持有100%民安控股權益。因此，民安控股現為中國太平控股的全資附屬公司。由於在此合併前及合併後，民安控股及本公司均共同受到中國太平集團(香港)之控制，本集團應用會計指引第5號「共同控制合併之合併會計處理」。按該等合併會計原則對購入民安控股進行會計處理，猶如民安控股之業務一直由本集團經營。因此，往年年度之合併數字已作重列，猶如民安控股於所列示之往年年度一直合併於本集團內。於二零零九年十一月四日前之期間，中國太平控股擁有民安控股51.34%，因此民安控股業績之51.34%併入本集團內。緊接本公司於二零零九年十一月四日購入餘下48.66%民安控股股本權益後，民安控股之業績全數併入本集團內。

會計政策變更

編製截至二零零九年十二月三十一日止年度綜合財務報表時，本公司已變更下列會計政策：

1. 人壽保險業務及財產保險業務之保險合約負債的計量方法；
2. 混合保險合約(包含保險及其他風險)的保費確認。

上述之會計政策已追溯執行，二零零八年之比較數據亦已相應重列。

Management Review and Analysis

CONSOLIDATED FINANCIAL RESULTS

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

For the year ended 31 December, HK\$ million

	2009	2008 (Restated)	Change
Gross premiums written, policy fees and premium deposits	35,016.10	27,609.83	26.8%
Less: Premium deposits of universal life products	3,281.34	9,748.21	(66.3%)
Premium deposits of unit-linked products	248.76	2,053.06	(87.9%)
Premium deposits of other products	463.28	576.23	(19.6%)
Gross premiums written and policy fees recognized in consolidated income statement	31,022.72	15,232.33	2.0 times
Net investment income	3,151.73	2,865.61	10.0%
Net realized investment gains	1,314.62	75.95	17.3 times
Net unrealized investment gains/(losses)	16.51	(98.71)	—
Impairment on AFS debt and equity securities	—	(434.14)	—
Goodwill impairment	—	(73.28)	—
Net exchange gain/(loss)	7.87	(180.64)	—
Profit/(loss) before taxation	1,480.40	(594.86)	—
Profit/(loss) after taxation	1,187.64	(562.38)	—
Net profit/(loss) attributable to the owners	825.74	(486.09)	—
Basic earnings/(loss) per share (HK cent)	52.7	(31.3)	—
No final dividend proposed (2008: Nil)	—	—	—

管理層回顧和分析

綜合財務表現

本集團年內重點表現如下：

截至十二月三十一日止年度，百萬港元

	二零零九年	二零零八年 (重列)	變化
毛承保保費、保單費收入及保費存款	35,016.10	27,609.83	26.8%
減：萬能壽險產品之保費存款	3,281.34	9,748.21	(66.3%)
投資連結產品之保費存款	248.76	2,053.06	(87.9%)
其他產品之保費存款	463.28	576.23	(19.6%)
確認於綜合損益表之毛承保保費及保單費收入	31,022.72	15,232.33	2.0倍
投資收入淨額	3,151.73	2,865.61	10.0%
已實現投資收益淨額	1,314.62	75.95	17.3倍
未實現投資收益／(虧損)淨額	16.51	(98.71)	—
可供出售債務及股本證券減值	—	(434.14)	—
商譽減值	—	(73.28)	—
匯兌收益／(虧損)	7.87	(180.64)	—
除稅前溢利／(虧損)	1,480.40	(594.86)	—
除稅後溢利／(虧損)	1,187.64	(562.38)	—
股東應佔溢利／(虧損)淨額	825.74	(486.09)	—
每股基本盈利／(虧損) (港仙)	52.7	(31.3)	—
不建議派發末期息 (二零零八年：無)	—	—	—

Management Review and Analysis

CONSOLIDATED FINANCIAL RESULTS (Continued)

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

For the year ended 31 December, HK\$ million

	2009	2008 (Restated)	Change
Reinsurance	404.15	51.85	7.8 times
Life insurance	579.31	486.68	19.0%
Property and casualty insurance	(15.53)	(506.07)	(96.9%)
PRC operations carried out by:			
– TPI	(136.05)	(327.38)	(58.4%)
– MAC	(69.28)	(156.27)	(55.7%)
Hong Kong operations carried out by:			
– CTPI (HK) ¹	189.80	(22.42)	–
Other businesses	(142.19)	(518.55)	(72.6%)
– Holding company and other businesses	7.14	(239.02)	–
– Pension company operated by TPP	(122.13)	(164.53)	(25.8%)
– Assets management companies operated by TPAM and TPA (HK)	(27.20)	(41.72)	(34.8%)
– Goodwill impairment	–	(73.28)	–
Net profit/(loss) attributable to the owners	825.74	(486.09)	–

The reconciliation of the net profit attributable to the owners for the year ended 31 December 2009 before and after the change in accounting policies by each business line is as follows:

HK\$ million

	Net profit/ (loss) attributable to the owners before adjustment	Effect of changes in accounting policies	Net profit/ (loss) attributable to the owners after adjustment
Reinsurance	404.15	–	404.15
Life insurance	632.39	(53.08)	579.31
Property and casualty insurance	(87.26)	71.73	(15.53)
PRC operations carried out by:			
– TPI	(181.87)	45.82	(136.05)
– MAC	(99.55)	30.27	(69.28)
Hong Kong operations carried out by:			
– CTPI (HK) ¹	194.16	(4.36)	189.80
Other businesses	(142.19)	–	(142.19)
Total	807.09	18.65	825.74

管理層回顧和分析

綜合財務表現 (續)

按各業務分類之股東應佔溢利／(虧損)淨額概述如下：

截至十二月三十一日止年度，百萬港元

	二零零九年	二零零八年 (重列)	變化
再保險	404.15	51.85	7.8倍
人壽保險	579.31	486.68	19.0%
財產保險	(15.53)	(506.07)	(96.9%)
中國業務			
— 由太平財險經營	(136.05)	(327.38)	(58.4%)
— 由民安中國經營	(69.28)	(156.27)	(55.7%)
香港業務			
— 由中國太平香港經營 ¹	189.80	(22.42)	—
其他業務	(142.19)	(518.55)	(72.6%)
— 控股公司及其他業務	7.14	(239.02)	—
— 由太平養老營運之養老保險公司	(122.13)	(164.53)	(25.8%)
— 由太平資產及太平資產(香港)營運之資產管理公司	(27.20)	(41.72)	(34.8%)
— 商譽減值	—	(73.28)	—
股東應佔溢利／(虧損)淨額	825.74	(486.09)	—

截至二零零九年十二月三十一日止年度於會計政策變更前後按各業務分類的股東應佔溢利淨額對賬如下：

百萬港元

	調整前股東 應佔溢利／ (虧損)淨額	會計政策 變更之影響	調整後股東 應佔溢利／ (虧損)淨額
再保險	404.15	—	404.15
人壽保險	632.39	(53.08)	579.31
財產保險	(87.26)	71.73	(15.53)
中國業務			
— 由太平財險經營	(181.87)	45.82	(136.05)
— 由民安中國經營	(99.55)	30.27	(69.28)
香港業務			
— 由中國太平香港經營 ¹	194.16	(4.36)	189.80
其他業務	(142.19)	—	(142.19)
總額	807.09	18.65	825.74

Management Review and Analysis

CONSOLIDATED FINANCIAL RESULTS (Continued)

The reconciliation of the previously reported and restated net loss attributable to the owners for the year ended 31 December 2008 by each business line is as follows:

HK\$ million

	Net profit/ (loss) attributable to the owners as previously reported	Adjustments		Net profit/ (loss) attributable to the owners as restated
		Effect of application of merger accounting for acquisition of MAH	Effect of changes in accounting policies	
Reinsurance	51.85	—	—	51.85
Life insurance	440.68	—	46.00	486.68
Property and casualty insurance	(280.50)	(190.49)	(35.08)	(506.07)
PRC operations carried out by:				
— TPI	(280.50)	—	(46.88)	(327.38)
— MAC	—	(178.12)	21.85	(156.27)
Hong Kong operations carried out by:				
— CTPI (HK) ¹	—	(12.37)	(10.05)	(22.42)
Other businesses	(511.75)	(6.80)	—	(518.55)
Total	(299.72)	(197.29)	10.92	(486.09)

¹ The figures include the financial results of MAH itself and the subsidiaries (other than MAC) of CTPI (HK).

管理層回顧和分析

綜合財務表現 (續)

截至二零零八年十二月三十一日止年度如前呈報及重列按各業務分類的股東應佔虧損淨額對賬如下：

百萬港元

	股東 應佔溢利／ (虧損)淨額， 如前呈報	調整		股東 應佔溢利／ (虧損) 淨額，重列
		應用合併 會計法處理 收購民安控股 之影響	會計政策 變更之影響	
再保險	51.85	—	—	51.85
人壽保險	440.68	—	46.00	486.68
財產保險	(280.50)	(190.49)	(35.08)	(506.07)
中國業務				
— 由太平財險經營	(280.50)	—	(46.88)	(327.38)
— 由民安中國經營	—	(178.12)	21.85	(156.27)
香港業務				
— 由中國太平香港經營 ¹	—	(12.37)	(10.05)	(22.42)
其他業務	(511.75)	(6.80)	—	(518.55)
總額	(299.72)	(197.29)	10.92	(486.09)

¹ 數額包括民安控股本部及中國太平香港之附屬公司(民安中國除外)之財務業績。

Management Review and Analysis

CONSOLIDATED FINANCIAL RESULTS (Continued)

The following analysis shows the movement of the net assets value attributable to the owners of the Company ("NAV").

HK\$ million

	2009	2008
NAV as at 1 January, as previously reported	4,596.62	5,685.63
Effect of changes in accounting policies	707.91	697.27
Effect of application of merger accounting for acquisition of MAH	1,642.77	1,710.34
Revaluation of intangible asset of TPI	80.00	—
NAV as at 1 January, as restated	7,027.30	8,093.24
Profit/(loss) recognized in income statement	825.74	(486.09)
Net changes in AFS investment reserve	606.31	(725.20)
Revaluation of intangible asset of TPI	—	80.00
Exchange gain arising from translation of financial statements of subsidiaries outside Hong Kong	7.43	177.50
Acquisition of 48.66% equity interest of MAH	1,799.17	—
Dividend paid	—	(183.15)
Other movements ²	30.76	71.00
NAV as at 31 December	10,296.71	7,027.30

² In 2009, other movements mainly include the amortization of the costs of Shares acquired under the Share Award Scheme. In 2008, it also includes the net proceeds received for Shares issued under the Share Option Scheme.

The **gross premiums written and policy fees** for the Year increased by 103.7% to HK\$31,022.72 million from HK\$15,232.33 million (*restated*) in the Last Year. The increase was mainly due to strong premium growth at the life insurance business in which premiums increased by 145.0% to HK\$21,636.23 million from HK\$8,830.29 million in the Last Year.

The **net profit attributable to the owners** for the Year was HK\$825.74 million (2008 (*restated*): loss of HK\$486.09 million). The Group's strong rebound in profitability was primarily due to investment gains from equity and debt securities. As a result, the reinsurance business, life insurance business and property and casualty insurance business in Hong Kong all produced solid profits during the Year, while the operating losses at the property and casualty insurance operations in the PRC lessened significantly.

The **reinsurance business** contributed net profit to the owners of HK\$404.15 million (2008: HK\$51.85 million). The increase in profits was mainly due to significant improvements in investment returns during the Year. The reinsurance business also benefited from a benign year in the global reinsurance industry in which major catastrophes were absent.

管理層回顧和分析

綜合財務表現 (續)

以下為本公司股東應佔資產淨值變化分析。

百萬港元

	二零零九年	二零零八年
於一月一日之資產淨值，如前呈報	4,596.62	5,685.63
會計政策變更之影響	707.91	697.27
應用合併會計法處理購入民安控股之影響	1,642.77	1,710.34
太平財險無形資產重估	80.00	—
於一月一日，重列後的資產淨值	7,027.30	8,093.24
確認於損益表之溢利／(虧損)	825.74	(486.09)
可供出售投資儲備變化淨額	606.31	(725.20)
太平財險無形資產重估	—	80.00
因換算香港以外地區附屬公司財務報表的匯兌收益	7.43	177.50
購入民安控股48.66%股權權益	1,799.17	—
已付股息	—	(183.15)
其他變動 ²	30.76	71.00
於十二月三十一日之資產淨值	10,296.71	7,027.30

² 於二零零九年，其他變動主要包括根據股份獎勵計劃而購入之股份的成本攤銷。於二零零八年，亦包括根據認股權計劃發行新股所收取之款項淨額。

於本年度，毛承保保費及保單費收入由去年152.3233億港元(重列)大幅增加103.7%至310.2272億港元。增加主要是因為人壽保險業務之保費收入增長強勁，由去年88.3029億港元增加145.0%至216.3623億港元。

於本年度，股東應佔溢利淨額為8.2574億港元(二零零八年(重列)：虧損4.8609億港元)。本集團溢利強勁反彈的主因是股本及債務證券錄得投資收益。因此，再保險業務、人壽保險業務及於香港的財產保險業務全錄得穩健的溢利，而於中國之財產保險業務錄得的經營虧損亦顯著減少。

再保險業務對股東淨溢利的貢獻為4.0415億港元(二零零八年：5,185萬港元)。溢利上升主要是由於本年度投資回報大幅改善。再保險業務亦受惠於沒有重大災難、對全球再保險業來說是有利的一年。

Management Review and Analysis

CONSOLIDATED FINANCIAL RESULTS *(Continued)*

The **life insurance business** contributed net profit to the owners of HK\$579.31 million (2008 *(restated)*: HK\$486.68 million). The increase in profits was mainly due to significant improvements in investment returns during the Year. The life insurance business also benefited from strong increases in premium and improvements in the scale of operations.

The **property and casualty insurance business** incurred a net loss to the owners of HK\$15.53 million (2008 *(restated)*: HK\$506.07 million). The decrease in losses was mainly due to significant improvements in investment returns during the Year. In addition, the restructuring of the business production channel and the re-underwriting of the entire portfolio also contributed to a reduction of the loss and expense ratios.

The **holding company and other businesses** incurred a net profit to the owners of HK\$7.14 million (2008 *(restated)*: loss of HK\$239.02 million). The net profit was primarily due to significant improvements in investment returns during the Year.

The **pension business** incurred a net loss to the owners of HK\$122.13 million (2008: HK\$164.53 million). The loss was mainly due to the continued 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 the Group. TPP is principally engaged in planning and administering enterprise annuity products, and providing trustee and investment services for enterprise annuity schemes in Mainland China. Such supplemental pension systems are voluntarily developed by enterprises and their employees, and represent a vast potential market for the future. TPP also provides marketing services to TPL on group life insurance products.

At the end of the Year, the annuity and investment funds managed by TPP amounted to RMB24.1 billion, which constituted the funds and schemes of 7,433 enterprises. As the qualified enterprise annuity industry is still in its nascent stage of development in China, TPP is still in its initial set-up period. TPP is thus currently focused on building up its marketing network and exploring potential business models for the future.

The **asset management business** incurred a net loss to the owners of HK\$27.20 million (2008 *(restated)*: HK\$41.72 million). The lower loss level was primarily due to equity investment gains from shares traded in the PRC and Hong Kong. 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 represent cost centers of the Group, as the asset management fee income received from the Group companies are eliminated at the consolidated level, while the corresponding expenses, such as salary and incentive compensation paid to fund managers and other operating expenses, are absorbed in full at the consolidated level.

管理層回顧和分析

綜合財務表現 (續)

人壽保險業務對股東淨溢利的貢獻為5.7931億港元(二零零八年(重列)：4.8668億港元)。溢利上升主要是由於投資回報大幅改善。人壽保險業務亦受惠於保費升幅強勁及經營規模改善。

財產保險業務使股東遭受淨虧損1,553萬港元(二零零八年(重列)：5.0607億港元)。虧損減少的主因是投資回報大幅改善。另外，重組業務生產渠道及重新承保整個組合亦帶來賠付及費用率降低。

控股公司及其他業務對股東淨溢利的貢獻為714萬港元(二零零八年(重列)：虧損2.3902億港元)。淨溢利主要是由於投資回報大幅改善。

養老保險業務使股東遭受淨虧損1.2213億港元(二零零八年：1.6453億港元)。虧損主要是由於養老保險營運持續缺乏足夠的規模經濟。本集團之養老保險業務由本集團擁有50.03%有效權益、非直接控制之中國註冊公司太平養老營運。太平養老主要於中國大陸從事策劃及管理企業年金產品及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未來巨大的市場潛力。太平養老亦為太平人壽的團體人壽保險產品提供市場推廣服務。

於本年末，由太平養老管理之年金及投資基金總計為人民幣241億元，包括7,433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，太平養老仍處於建立初期。因此，太平養老現正專注於建立其市場推廣網絡及探索未來的潛在業務模式。

資產管理業務使股東遭受淨虧損2,720萬港元(二零零八年(重列)：4,172萬港元)。虧損程度下降主要是由於在香港及中國買賣的股本證券錄得投資收益。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。

Management Review and Analysis

CONSOLIDATED INVESTMENT PERFORMANCE

Consolidated investment assets

The total investments of the Group are summarized as follows:

At 31 December, HK\$ million

	2009	% of Total	2008 (Restated)	% of Total
Debt securities	59,940.21	62.6%	51,587.99	70.3%
Direct equity securities	8,433.55	8.8%	1,607.60	2.2%
Investment funds	5,716.14	6.0%	3,082.94	4.2%
Cash and bank deposits	20,474.76	21.4%	15,956.51	21.7%
Investment properties	1,193.23	1.2%	1,164.43	1.6%
Total investments	95,757.89	100.0%	73,399.47	100.0%

The investments in securities are classified as Held-to-Maturity (“HTM”), Available-for-Sale (“AFS”), Held for Trading (“HFT”) and Loans and Receivables (“LR”). The detailed breakdown by such classifications for the total investment portfolio of the Group was as follows:

At 31 December 2009, HK\$ million

	HTM	AFS	HFT	LR	Total
Debt securities	39,333.10	18,111.62	286.48	2,209.01	59,940.21
Direct equity securities	—	8,320.25	113.30	—	8,433.55
Investment funds	—	5,669.99	46.15	—	5,716.14
	39,333.10	32,101.86	445.93	2,209.01	74,089.90

At 31 December 2008, HK\$ million (Restated)

	HTM	AFS	HFT	LR	Total
Debt securities	21,845.17	27,050.23	492.77	2,199.82	51,587.99
Direct equity securities	—	1,550.47	57.13	—	1,607.60
Investment funds	—	2,973.19	109.75	—	3,082.94
	21,845.17	31,573.89	659.65	2,199.82	56,278.53

管理層回顧和分析

綜合投資表現

綜合投資資產

本集團的投資總值概述如下：

於十二月三十一日，百萬港元

	二零零九年	佔總額百分比	二零零八年 (重列)	佔總額百分比
債務證券	59,940.21	62.6%	51,587.99	70.3%
直接股本證券	8,433.55	8.8%	1,607.60	2.2%
投資基金	5,716.14	6.0%	3,082.94	4.2%
現金及銀行存款	20,474.76	21.4%	15,956.51	21.7%
投資物業	1,193.23	1.2%	1,164.43	1.6%
投資總額	95,757.89	100.0%	73,399.47	100.0%

證券投資被歸類為持有至到期日、可供出售、持有作交易用途及貸款及應收款項。本集團總投資組合按此歸類的分佈概述如下：

於二零零九年十二月三十一日，百萬港元

	持有 至到期日	可供出售	持有作 交易用途	貸款 及應收款項	總額
債務證券	39,333.10	18,111.62	286.48	2,209.01	59,940.21
直接股本證券	—	8,320.25	113.30	—	8,433.55
投資基金	—	5,669.99	46.15	—	5,716.14
	39,333.10	32,101.86	445.93	2,209.01	74,089.90

於二零零八年十二月三十一日，百萬港元(重列)

	持有 至到期日	可供出售	持有作 交易用途	貸款 及應收款項	總額
債務證券	21,845.17	27,050.23	492.77	2,199.82	51,587.99
直接股本證券	—	1,550.47	57.13	—	1,607.60
投資基金	—	2,973.19	109.75	—	3,082.94
	21,845.17	31,573.89	659.65	2,199.82	56,278.53

Management Review and Analysis

CONSOLIDATED INVESTMENT PERFORMANCE *(Continued)*

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:

	2009	2008 <i>(Restated)</i>
Reinsurance	5.2%	5.5%
Life insurance	83.1%	79.5%
Property and casualty insurance	10.5%	12.6%
Other businesses	1.2%	2.4%
	100.0%	100.0%

Consolidated investment income

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

For the year ended 31 December, HK\$ million

	2009	2008 <i>(Restated)</i>	Change
Net investment income	3,151.73	2,865.61	10.0%
Net realized investment gains	1,314.62	75.95	17.3 times
Net unrealized investment gains/(losses)	16.51	(98.71)	—
Impairment on AFS debt and equity securities	—	(434.14)	—
Total investment income	4,482.86	2,408.71	86.1%

The total investment income of the Group recognized in the consolidated income statement increased significantly by 86.1% to HK\$4,482.86 million in the Year from HK\$2,408.71 million *(restated)* in the Last Year. The increase was primarily attributable to more equity investment gains from shares traded in Hong Kong and the PRC. Following an extraordinarily difficult and tumultuous year in 2008 due to the unprecedented and challenging global financial crisis, equity markets in Hong Kong and the PRC experienced a significant positive rebound and recovery during the Year.

According to the Group's impairment policy, investments in debt and equity securities other than those held for trading 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 about material changes that have taken place in areas such as technology, markets, economic or legal, 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 2009, no impairment loss on debt and equity securities were recognized in the consolidated income statement (2008 *(restated)*: HK\$434.14 million).

管理層回顧和分析

綜合投資表現 (續)

於報告期末各業務分類佔本集團投資總額賬面值之百分比如下：

	二零零九年	二零零八年 (重列)
再保險	5.2%	5.5%
人壽保險	83.1%	79.5%
財產保險	10.5%	12.6%
企業及其他業務	1.2%	2.4%
	100.0%	100.0%

綜合投資收入

本集團確認在綜合損益表內之稅前投資收入總額概述如下：

截至十二月三十一日止年度，百萬港元

	二零零九年	二零零八年 (重列)	變化
投資收入淨額	3,151.73	2,865.61	10.0%
已實現投資收益淨額	1,314.62	75.95	17.3倍
未實現投資收益／(虧損)淨額	16.51	(98.71)	—
可供出售債務及股本證券減值	—	(434.14)	—
投資收入總額	4,482.86	2,408.71	86.1%

本集團確認於綜合損益表內的投資收入總額由去年的24.0871億港元(重列)大幅上升86.1%至本年度的44.8286億港元。上升主要由於來自香港及中國買賣證券的股本投資收益增加所致。經過百年一遇及嚴峻的金融危機；非常艱苦及混亂的二零零八年，本年內香港及中國股票市場均大幅反彈及復甦。

按本集團減值政策，將會定期檢討除持有作交易用途以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，但亦包括例如有關科技、市場、經濟或法律方面已發生重大變化的資料，而這些資料可提供證據顯示債務及股本證券的成本可能無法收回。在此前提下，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，綜合損益表內並無確認債務及股本證券減值虧損(二零零八年(重列)：4.3414億港元)。

Management Review and Analysis

CONSOLIDATED INVESTMENT PERFORMANCE *(Continued)*

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

For the year ended 31 December 2009, 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 gains/(losses)	Impairment			
Debt securities									
HTM	1,186.60	—	—	20.26	(7.08)	—	1,199.78	—	1,199.78
AFS	1,126.86	—	—	(189.91)	—	—	936.95	(611.74)	325.21
HFT	21.00	—	—	21.77	10.61	—	53.38	—	53.38
LR	131.93	—	—	—	—	—	131.93	—	131.93
Direct equity securities									
AFS	—	66.12	—	1,016.96	—	—	1,083.08	652.52	1,735.60
HFT	—	3.89	—	5.94	(20.50)	—	(10.67)	—	(10.67)
Investment funds									
AFS	—	202.53	—	304.40	—	—	506.93	1,036.90	1,543.83
HFT	—	3.55	—	135.20	4.68	—	143.43	—	143.43
Cash and bank deposits	470.25	—	—	—	—	—	470.25	—	470.25
Investment properties	—	—	48.74	—	28.80	—	77.54	—	77.54
Securities sold under repurchase agreements	(110.14)	—	—	—	—	—	(110.14)	—	(110.14)
Others	0.40	—	—	—	—	—	0.40	—	0.40
	2,826.90	276.09	48.74	1,314.62	16.51	—	4,482.86	1,077.68	5,560.54

管理層回顧和分析

綜合投資表現 (續)

本集團稅前投資收入／(虧損)之詳細分析如下：

截至二零零九年十二月三十一日止年度，百萬港元

	於綜合損益表內確認						小計	於公允價值	總額
	利息 收入／ (支出)	股息收入	租金收入	已實現 收益／ (虧損)	未實現 收益／ (虧損)	減值		儲備內確認 之未實現 收益／ (虧損)	
債務證券									
持有至到期日	1,186.60	—	—	20.26	(7.08)	—	1,199.78	—	1,199.78
可供出售	1,126.86	—	—	(189.91)	—	—	936.95	(611.74)	325.21
持有作交易用途	21.00	—	—	21.77	10.61	—	53.38	—	53.38
貸款及應收款項	131.93	—	—	—	—	—	131.93	—	131.93
直接股本證券									
可供出售	—	66.12	—	1,016.96	—	—	1,083.08	652.52	1,735.60
持有作交易用途	—	3.89	—	5.94	(20.50)	—	(10.67)	—	(10.67)
投資基金									
可供出售	—	202.53	—	304.40	—	—	506.93	1,036.90	1,543.83
持有作交易用途	—	3.55	—	135.20	4.68	—	143.43	—	143.43
現金及銀行存款	470.25	—	—	—	—	—	470.25	—	470.25
投資物業	—	—	48.74	—	28.80	—	77.54	—	77.54
賣出回購證券	(110.14)	—	—	—	—	—	(110.14)	—	(110.14)
其他	0.40	—	—	—	—	—	0.40	—	0.40
	2,826.90	276.09	48.74	1,314.62	16.51	—	4,482.86	1,077.68	5,560.54

Management Review and Analysis

CONSOLIDATED INVESTMENT PERFORMANCE (Continued)

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

	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 gains/ (losses)	Impairment			
Debt securities									
HTM	544.80	—	—	—	—	—	544.80	—	544.80
AFS	1,232.08	—	—	(17.67)	—	(11.55)	1,202.86	1,316.50	2,519.36
HFT	25.71	—	—	266.08	(55.84)	—	235.95	—	235.95
LR	44.69	—	—	—	—	—	44.69	—	44.69
Direct equity securities									
AFS	—	53.87	—	498.33	—	(308.78)	243.42	(1,483.41)	(1,239.99)
HFT	—	2.40	—	(65.48)	(43.75)	—	(106.83)	—	(106.83)
Investment funds									
AFS	—	372.44	—	(448.13)	—	(113.81)	(189.50)	(1,203.19)	(1,392.69)
HFT	—	159.26	—	(157.18)	(91.04)	—	(88.96)	—	(88.96)
Cash and bank deposits	461.94	—	—	—	—	—	461.94	—	461.94
Investment properties	—	—	47.25	—	91.92	—	139.17	—	139.17
Securities sold under repurchase agreements	(80.80)	—	—	—	—	—	(80.80)	—	(80.80)
Others	1.97	—	—	—	—	—	1.97	—	1.97
	2,230.39	587.97	47.25	75.95	(98.71)	(434.14)	2,408.71	(1,370.10)	1,038.61

管理層回顧和分析

綜合投資表現 (續)

截至二零零八年十二月三十一日止年度，百萬港元(重列)

	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 收益/ (虧損)	減值		儲備內確認 之未實現 收益/ (虧損)	
債務證券									
持有至到期日	544.80	—	—	—	—	—	544.80	—	544.80
可供出售	1,232.08	—	—	(17.67)	—	(11.55)	1,202.86	1,316.50	2,519.36
持有作交易用途	25.71	—	—	266.08	(55.84)	—	235.95	—	235.95
貸款及應收款項	44.69	—	—	—	—	—	44.69	—	44.69
直接股本證券									
可供出售	—	53.87	—	498.33	—	(308.78)	243.42	(1,483.41)	(1,239.99)
持有作交易用途	—	2.40	—	(65.48)	(43.75)	—	(106.83)	—	(106.83)
投資基金									
可供出售	—	372.44	—	(448.13)	—	(113.81)	(189.50)	(1,203.19)	(1,392.69)
持有作交易用途	—	159.26	—	(157.18)	(91.04)	—	(88.96)	—	(88.96)
現金及銀行存款	461.94	—	—	—	—	—	461.94	—	461.94
投資物業	—	—	47.25	—	91.92	—	139.17	—	139.17
賣出回購證券	(80.80)	—	—	—	—	—	(80.80)	—	(80.80)
其他	1.97	—	—	—	—	—	1.97	—	1.97
	2,230.39	587.97	47.25	75.95	(98.71)	(434.14)	2,408.71	(1,370.10)	1,038.61

Management Review and Analysis

REINSURANCE BUSINESS

The Group's reinsurance business is operated by Taiping Reinsurance Company Ltd. ("TPRe") formerly known as China International Reinsurance Company Limited ("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, consisting mainly of short-tail, property reinsurance business in the Asia Pacific region. TPRe has chosen not to engage in long-tail, liability reinsurance business from outside of Asia, such as from 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 year ended 31 December, HK\$ million

	2009	2008	Change
Gross premiums written	1,774.95	1,839.00	(3.5%)
Net premiums written	1,508.76	1,568.66	(3.8%)
Net earned premiums	1,568.98	1,534.90	2.2%
Net claims incurred	(1,024.38)	(887.76)	15.4%
Net commission expenses	(333.07)	(396.01)	(15.9%)
Underwriting profit	134.11	222.43	(39.7%)
Total investment income/(loss)	307.91	(97.90)	—
Net exchange gain/(loss)	9.91	(38.09)	—
Profit before taxation	423.40	59.59	7.1 times
Profit attributable to the owners	404.15	51.85	7.8 times
Regulatory solvency margin ratio	656.8%	630.6%	26.2pts
Technical reserves ratio	183.2%	179.1%	4.1pts
Retained ratio	85.0%	85.3%	(0.3pt)
Earned premiums ratio	88.4%	83.5%	4.9pts
Loss ratio ¹	65.3%	57.8%	7.5pts
Expense ratio ²	27.2%	27.1%	0.1pt
Combined ratio ³	92.5	84.9	7.6pts

¹ The loss ratio is based on net earned premiums.

² The expense ratio is based on net premiums written. If the net earned premiums basis is applied, then the expense ratio would be 26.2% for the Year (2008: 27.7%).

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 91.5 for the Year (2008: 85.5).

管理層回顧和分析

再保險業務

本集團之再保險業務由本集團全資擁有之香港註冊公司太平再保險有限公司(「太平再保險」)(前稱中國國際再保險有限公司(「中再國際」))營運。太平再保險主要從事承保全球各類再保險業務，主要包括亞太地區的短尾巴，財產再保險業務。太平再保險選擇不從事亞洲以外如來自美國及歐洲的長尾巴責任險業務。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：

截至十二月三十一日止年度，百萬港元

	二零零九年	二零零八年	變化
毛承保保費	1,774.95	1,839.00	(3.5%)
淨承保保費	1,508.76	1,568.66	(3.8%)
已賺取保費淨額	1,568.98	1,534.90	2.2%
賠款淨額	(1,024.38)	(887.76)	15.4%
佣金支出淨額	(333.07)	(396.01)	(15.9%)
承保溢利	134.11	222.43	(39.7%)
投資收入／(虧損)總額	307.91	(97.90)	—
匯兌收益／(虧損)淨額	9.91	(38.09)	—
除稅前溢利	423.40	59.59	7.1倍
股東應佔溢利	404.15	51.85	7.8倍
監管償付能力充足比率	656.8%	630.6%	26.2點
技術性儲備比率	183.2%	179.1%	4.1點
自留比率	85.0%	85.3%	(0.3點)
已賺取保費率	88.4%	83.5%	4.9點
賠付率 ¹	65.3%	57.8%	7.5點
費用率 ²	27.2%	27.1%	0.1點
綜合成本率 ³	92.5	84.9	7.6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。倘使用已賺取保費淨額基準，則本年度之費用率將為26.2%(二零零八年：27.7%)。

3 綜合成本率為賠付率與費用率的總和。倘費用率按已賺取保費淨額為基準計算，則本年度之綜合成本率將為91.5(二零零八年：85.5)。

Management Review and Analysis

REINSURANCE BUSINESS *(Continued)*

Profit Attributable to the Owners

The reinsurance business contributed net profit to the owners of HK\$404.15 million during the Year (2008: HK\$51.85 million), representing a significant increase of 679.5% compared to Last Year. The increase in profits was mainly due to significant improvements in investment returns during the Year, primarily because of equity investment gains from shares traded in Hong Kong. The reinsurance business also benefited from a benign year in the global reinsurance industry during which major catastrophes were absent, which was in sharp contrast to that of Last Year. As a result, TPRe produced one of its highest levels of net income ever in its entire thirty years' history.

Gross Premiums Written

TPRe's gross premiums written for the Year decreased by 3.5% to HK\$1,774.95 million from HK\$1,839.00 million in the Last Year. The decrease in premium was due to a revised accounting treatment for accrued premium. As a result, the related unearned premium provisions and acquisition costs were reduced accordingly. TPRe believes that the revised basis of recognizing accrued premium and the related provisions and expenses is more in line with internationally accepted practices, and is also more accurate in reflecting underwriting performance.

During the Year, TPRe benefited from improved terms and conditions in reinsurance contracts in favor of reinsurers, especially in its single largest market of Mainland China, where proportional reinsurance contracts showed significant improvements with lower commission terms and tighter conditions in favor of reinsurers. In the rest of Asia, TPRe maximized its franchise and deep-rooted position by offering to its clients a wide variety of products and services. Such a wide spectrum of offerings is not only attractive and more convenient to clients, but also allows TPRe to gain the benefits of wider diversification across not only different clients, but also different geographies and different lines of insurance.

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

For the year ended 31 December, HK\$ million

	2009	% of Total	2008	% of Total
Hong Kong & Macau	280.93	15.8%	304.00	16.5%
Mainland China (& Taiwan)	535.93	30.2%	530.03	28.8%
Japan	117.45	6.6%	143.42	7.8%
Rest of Asia	450.11	25.4%	453.70	24.7%
Europe	244.43	13.8%	226.92	12.3%
Others	146.10	8.2%	180.93	9.9%
	1,774.95	100.0%	1,839.00	100.0%

管理層回顧和分析

再保險業務 (續)

股東應佔溢利

再保險業務對股東淨溢利的貢獻為4.0415億港元(二零零八年：5,185萬港元)，較去年大幅上升679.5%。溢利上升主要是由於在香港買賣的股本證券錄得投資收益令投資回報大幅改善所致。再保險業務亦受惠於本年度沒有重大災難、對全球再保險業來說是有利的一年，這與去年形成強烈對比。因此，太平再保險取得其過去三十年歷史以來最高淨收入水平之一。

毛承保保費

太平再保險之毛承保保費由去年18.3900億港元下跌3.5%至17.7495億港元。保費下跌是由於優化累計保費的會計處理所致。因此，有關之未到期責任準備金及展業成本亦相應減少。太平再保險相信，經修訂之計提保費及相關準備及費用的確認基準更接近國際慣例，亦能更準確地反映承保表現。

本年度內，太平再保險受惠於再保險合約條款及條件改善，尤其於其單一最大的中國大陸市場，比例財產再保險合約出現重大改善，較低的佣金條款及較嚴謹的條件對再保險商有利。在亞洲其他市場，太平再保險於各類保險提供一系列的產品及服務而進一步擴大其穩固的地位。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客戶群、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：

截至十二月三十一日止年度，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	280.93	15.8%	304.00	16.5%
中國大陸(及台灣)	535.93	30.2%	530.03	28.8%
日本	117.45	6.6%	143.42	7.8%
亞洲其他地區	450.11	25.4%	453.70	24.7%
歐洲	244.43	13.8%	226.92	12.3%
其他	146.10	8.2%	180.93	9.9%
	1,774.95	100.0%	1,839.00	100.0%

Management Review and Analysis

REINSURANCE BUSINESS *(Continued)*

Net Claims Incurred

Although there were no major catastrophes in the global reinsurance industry during the Year, within the Asia Pacific region there were a number of large-scale natural disasters which occurred during the second half of the Year, such as Typhoon Ketsana and the ensuing flooding of Manila in the Philippines, and the Padang Earthquake in Indonesia, both taking place in September 2009. During the Year, there was also a higher frequency of medium-sized fire losses in some Asian countries. Thus, the net claims incurred for the Year increased by 15.4% to HK\$1,024.38 million from HK\$887.76 million in the Last Year. The loss ratio of the reinsurance operations increased to 65.3% from 57.8% in the Last Year.

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

For the year ended 31 December 2009, HK\$ million

	Date of loss	Gross loss incurred	Net retained loss incurred
Typhoon Ketsana in the Philippines	Sep 2009	72.15	70.97
Earthquake in Padang, Indonesia	Sep 2009	25.36	25.34
Earthquake in Central Italy	Apr 2009	13.36	13.36

Investment Performance

The composition of investments held by TPre was as follows:

At 31 December, HK\$ million

	2009	% of Total	2008	% of Total
Debt securities	2,852.02	57.6%	1,904.91	46.8%
Direct equity securities	302.41	6.1%	231.80	5.7%
Investment funds	77.16	1.6%	67.04	1.7%
Cash and bank deposits	1,620.59	32.7%	1,786.45	43.9%
Investment properties	98.13	2.0%	76.72	1.9%
Total invested assets	4,950.31	100.0%	4,066.92	100.0%

During the Year, although investment markets sentiment improved significantly in Hong Kong, TPre continued to be very cautious in its asset allocation for its investment portfolio. Equity investments were maintained at a relatively low percentage of the asset allocation, while debt securities and cash and bank deposits constituted a combined total of approximately 90.3% of the total invested assets as at 31 December 2009 (2008: 90.7%). Almost all of the debt securities had investment grade ratings from international credit rating agencies.

管理層回顧和分析

再保險業務 (續)

淨賠款總額

儘管於本年度內全球再保險市場未有發生巨大災難，但亞太地區在本年度下半年有若干大規模自然災害，如颱風凱薩娜及菲律賓馬尼拉水災，印尼巴東地震皆於二零零九年九月發生。本年度內於一些亞洲國家亦頻繁地發生中等規模火災索賠事件。因此，本年度的淨賠款由去年8.8776億港元增加15.4%至10.2438億港元。再保險業務的賠付率由去年的57.8%上升至65.3%。

太平再保險於年內以毛賠付總額計之三大賠案如下：

截至二零零九年十二月三十一日止年度，百萬港元

	出險日期	毛賠付總額	自留賠付淨額
菲律賓颱風凱薩娜	2009年9月	72.15	70.97
印尼巴東地震	2009年9月	25.36	25.34
意大利中部地震	2009年4月	13.36	13.36

投資表現

太平再保險持有之投資組合情況如下：

於十二月三十一日，百萬港元

	二零零九年	佔總額百分比	二零零八年	佔總額百分比
債務證券	2,852.02	57.6%	1,904.91	46.8%
直接股本證券	302.41	6.1%	231.80	5.7%
投資基金	77.16	1.6%	67.04	1.7%
現金及銀行存款	1,620.59	32.7%	1,786.45	43.9%
投資物業	98.13	2.0%	76.72	1.9%
投資總額	4,950.31	100.0%	4,066.92	100.0%

於本年度內，儘管香港的投資氣氛大幅改善，太平再保險對於其投資組合的資產配置仍然十分審慎。股本投資維持在資產配置的一個較低百分比，而債務證券、現金及銀行存款於二零零九年十二月三十一日合共佔投資資產總額約90.3%（二零零八年：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 Review and Analysis

REINSURANCE BUSINESS *(Continued)*

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

At 31 December 2009, HK\$ million

	HTM	AFS	HFT	LR	Total
Debt securities	2,000.86	706.56	144.60	—	2,852.02
Direct equity securities	—	302.41	—	—	302.41
Investment funds	—	43.76	33.40	—	77.16
	2,000.86	1,052.73	178.00	—	3,231.59

At 31 December 2008, HK\$ million

	HTM	AFS	HFT	LR	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:

At 31 December, HK\$ million

	2009	2008
Central governments and central banks	234.93	131.34
Public sector entities	50.76	50.97
Banks and other financial institutions	1,377.77	1,425.13
Corporate entities	1,188.56	286.47
Others	—	11.00
	2,852.02	1,904.91

管理層回顧和分析

再保險業務 (續)

太平再保險歸類為持有至到期日、可供出售、持有作交易用途及貸款及應收款項的證券投資如下：

於二零零九年十二月三十一日，百萬港元

	持有至到期日	可供出售	持有作 交易用途	貸款及 應收款項	總額
債務證券	2,000.86	706.56	144.60	—	2,852.02
直接股本證券	—	302.41	—	—	302.41
投資基金	—	43.76	33.40	—	77.16
	2,000.86	1,052.73	178.00	—	3,231.59

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	持有作 交易用途	貸款及 應收款項	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：

於十二月三十一日，百萬港元

	二零零九年	二零零八年
中央政府及中央銀行	234.93	131.34
公共機構	50.76	50.97
銀行及其他金融機構	1,377.77	1,425.13
企業實體	1,188.56	286.47
其他	—	11.00
	2,852.02	1,904.91

Management Review and Analysis

REINSURANCE BUSINESS *(Continued)*

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

At 31 December, HK\$ million

	2009	2008
USD	2,369.27	1,677.80
EUR	187.71	85.08
HKD	86.98	68.98
GBP	144.12	40.43
Others	63.94	32.62
	2,852.02	1,904.91

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

For the year ended 31 December, HK\$ million

	2009	2008	Change
Net investment income	179.31	178.67	0.4%
Net realized investment gains/(losses)	96.01	(96.96)	—
Net unrealized investment gains/(losses)	32.59	(73.79)	—
Impairment on AFS equities	—	(105.82)	—
Total investment income/(loss)	307.91	(97.90)	—
Total investment yield	6.8%	(2.2%)	—

TPRe's total investment income was a gain of HK\$307.91 million for the Year, a significant increase from the loss of HK\$97.90 million in the Last Year. A strong rebound in equities traded in Hong Kong was the primary factor behind TPRE's large investment gains. Despite higher levels of debt securities and cash and bank deposits, TPRE's net investment income was largely the same as that of the Last Year, primarily because of lower interest rates for debt securities and bank deposits. The above-described investment income and investment yield figures do not include a net exchange gain of HK\$9.91 million (2008: loss of HK\$38.09 million).

管理層回顧和分析

再保險業務 (續)

債務證券按原貨幣分類之折合港元值如下：

於十二月三十一日，百萬港元

	二零零九年	二零零八年
美元	2,369.27	1,677.80
歐羅	187.71	85.08
港元	86.98	68.98
英鎊	144.12	40.43
其他	63.94	32.62
	2,852.02	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：

截至十二月三十一日止年度，百萬港元

	二零零九年	二零零八年	變化
投資收入淨額	179.31	178.67	0.4%
已實現投資收益／(虧損)淨額	96.01	(96.96)	—
未實現投資收益／(虧損)淨額	32.59	(73.79)	—
可供出售股本投資減值	—	(105.82)	—
投資收入／(虧損)總額	307.91	(97.90)	—
總投資收益率	6.8%	(2.2%)	—

本年度內，太平再保險錄得投資收入總額3.0791億港元，較去年虧損9,790萬港元大幅增加。香港買賣的股票價格強勁反彈是太平再保險錄得龐大投資收益的主因。儘管持有更多的銀行存款及固定收入證券，但太平再保險之投資收入大致與去年相若，主要是由於債務證券及銀行存款的利率下跌。上述投資收入及投資收益率並不包括991萬港元匯兌收益淨額(二零零八年：虧損3,809萬港元)。

Management Review and Analysis

REINSURANCE BUSINESS *(Continued)*

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

For the year ended 31 December 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/(losses)	Impairment			
Debt securities									
HTM	97.78	–	–	3.44	(7.08)	–	94.14	–	94.14
AFS	41.18	–	–	–	–	–	41.18	92.55	133.73
HFT	13.18	–	–	8.22	13.72	–	35.12	–	35.12
Direct equity securities									
AFS	–	6.57	–	85.40	–	–	91.97	56.20	148.17
HFT	–	1.57	–	(1.05)	–	–	0.52	–	0.52
Investment funds									
AFS	–	0.93	–	–	–	–	0.93	5.58	6.51
HFT	–	2.72	–	–	4.54	–	7.26	–	7.26
Cash and bank deposits	13.42	–	–	–	–	–	13.42	–	13.42
Investment properties	–	–	1.95	–	21.41	–	23.36	–	23.36
Others	0.01	–	–	–	–	–	0.01	–	0.01
	165.57	11.79	1.95	96.01	32.59	–	307.91	154.33	462.24

管理層回顧和分析

再保險業務 (續)

太平再保險的稅前投資收入／(虧損)之詳細分析如下：

截至二零零九年十二月三十一日止年度，百萬港元

	於綜合損益表內確認						小計	於公允價值 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/ (虧損)	減值			
債務證券									
持有至到期日	97.78	—	—	3.44	(7.08)	—	94.14	—	94.14
可供出售	41.18	—	—	—	—	—	41.18	92.55	133.73
持有作交易用途	13.18	—	—	8.22	13.72	—	35.12	—	35.12
直接股本證券									
可供出售	—	6.57	—	85.40	—	—	91.97	56.20	148.17
持有作交易用途	—	1.57	—	(1.05)	—	—	0.52	—	0.52
投資基金									
可供出售	—	0.93	—	—	—	—	0.93	5.58	6.51
持有作交易用途	—	2.72	—	—	4.54	—	7.26	—	7.26
現金及銀行存款	13.42	—	—	—	—	—	13.42	—	13.42
投資物業	—	—	1.95	—	21.41	—	23.36	—	23.36
其他	0.01	—	—	—	—	—	0.01	—	0.01
	165.57	11.79	1.95	96.01	32.59	—	307.91	154.33	462.24

Management Review and Analysis

REINSURANCE BUSINESS (Continued)

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

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

管理層回顧和分析

再保險業務 (續)

截至二零零八年十二月三十一日止年度，百萬港元

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

Management Review and Analysis

LIFE INSURANCE BUSINESS

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

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

For the year ended 31 December, HK\$ million

	2009	2008 <i>(Restated)</i>	Change
Gross premiums written and premium deposits	25,629.61	21,207.79	20.9%
Less: Premium deposits of universal life products	3,281.34	9,748.21	(66.3%)
Premium deposits of unit-linked products	248.76	2,053.06	(87.9%)
Premium deposits of other products	463.28	576.23	(19.6%)
Gross premiums written recognized in income statement	21,636.23	8,830.29	2.5 times
Policy fees	277.78	647.37	(57.1%)
Net premiums written and policy fees	21,707.51	9,367.45	2.3 times
Net earned premiums and policy fees	21,662.21	9,324.03	2.3 times
Total investment income	3,482.90	2,677.05	30.1%
Net exchange loss	(1.59)	(81.66)	(98.1%)
Net policyholders' benefits	(4,926.99)	(3,609.91)	36.5%
Net commission expenses	(2,706.78)	(2,026.97)	33.5%
Change in life insurance contract liabilities, net of reinsurance	(12,252.39)	(2,708.08)	4.5 times
Administrative and other expenses	(3,829.55)	(2,671.61)	43.3%
Finance costs	(188.04)	(98.18)	91.5%
Profit before taxation	1,404.88	916.59	53.3%
Profit after taxation	1,157.46	972.33	19.0%
Profit attributable to the owners	579.31	486.68	19.0%

管理層回顧和分析

人壽保險業務

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

人壽保險業務之主要財務數據概述如下：

截至十二月三十一日止年度，百萬港元

	二零零九年	二零零八年 (重列)	變化
毛承保保費及保費存款	25,629.61	21,207.79	20.9%
減：萬能壽險產品之保費存款	3,281.34	9,748.21	(66.3%)
投資連結產品之保費存款	248.76	2,053.06	(87.9%)
其他產品之保費存款	463.28	576.23	(19.6%)
確認於損益表之毛承保保費	21,636.23	8,830.29	2.5倍
保單費收入	277.78	647.37	(57.1%)
淨承保保費及保單費收入	21,707.51	9,367.45	2.3倍
已賺取保費及保單費收入淨額	21,662.21	9,324.03	2.3倍
投資收入總額	3,482.90	2,677.05	30.1%
匯兌虧損淨額	(1.59)	(81.66)	(98.1%)
保單持有人利益淨額	(4,926.99)	(3,609.91)	36.5%
佣金支出淨額	(2,706.78)	(2,026.97)	33.5%
壽險合約負債變化，減再保險	(12,252.39)	(2,708.08)	4.5倍
行政及其他費用	(3,829.55)	(2,671.61)	43.3%
財務費用	(188.04)	(98.18)	91.5%
除稅前溢利	1,404.88	916.59	53.3%
除稅後溢利	1,157.46	972.33	19.0%
股東應佔溢利	579.31	486.68	19.0%

Management Review and Analysis

LIFE INSURANCE BUSINESS *(Continued)*

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

	2009	2008	Change
Market share ¹	2.8%	2.6%	0.2pts
Number of provincial branches	33	33	—
Number of sub-branches and marketing centers	611	506	105
Number of in-force policies	5,183,756	3,803,553	1,380,203
Number of individual agents	60,781	46,781	14,000
Persistency ratio — 13th month ²			
— Individual	85.0%	82.6%	2.4pts
— Bancassurance	92.0%	90.7%	1.3pts
Compound persistency ratio — 25th month ²			
— Individual	76.4%	75.6%	0.8pts
— Bancassurance	87.9%	84.5%	3.4pts

¹ Based on premiums published by the CIRC.

² Based on the amount of premiums.

Profit Attributable to the Owners

The life insurance business contributed net profit to the owners of HK\$579.31 million during the Year (2008 *(restated)*: HK\$486.68 million), representing an increase of 19.0% compared to Last Year. The increase in profits was mainly due to significant improvements in investment returns during the Year. The life insurance business also benefited from strong increases in premium and improvements in the scale of operations.

During the Year, the economy of the PRC was resilient following the difficulties of the global economic and financial crisis, and again posted one of the fastest GDP growth rates in the world. The life insurance industry in Mainland China benefited substantially from the positive recovery in the financial markets and the continued expansion of the underlying PRC economy.

Gross Premiums Written and Premium Deposits

TPL's gross premiums written recognized in consolidated income statement increased by 145.0% to HK\$21,636.23 million from HK\$8,830.29 million in the Last Year, while the premium deposits decreased by 67.7% to HK\$3,993.38 million from HK\$12,377.50 million in the Last Year. Although far lower amounts of unit-linked and universal life products were sold during the Year, TPL more than made up for this lower level with a substantial increase in sales of more traditional life insurance products, many of which have regular premium features. Such a change of focus was brought about by the continued emphasis by TPL's directors and senior management on selling more products with higher profit margins and new actuarial business values.

管理層回顧和分析

人壽保險業務(續)

人壽保險業務之主要經營數據概述如下：

	二零零九年	二零零八年	變化
市場份額 ¹	2.8%	2.6%	0.2點
省級分公司數目	33	33	—
支公司及市場推廣中心數目	611	506	105
有效之保單數目	5,183,756	3,803,553	1,380,203
個人銷售代理數目	60,781	46,781	14,000
第13個月之保費繼續率 ²			
— 個人	85.0%	82.6%	2.4點
— 銀行保險	92.0%	90.7%	1.3點
第25個月之保費複合繼續率 ²			
— 個人	76.4%	75.6%	0.8點
— 銀行保險	87.9%	84.5%	3.4點

¹ 據中國保監會刊發之毛承保保費計算。

² 按保費金額。

股東應佔溢利

本年度內，股東來自人壽保險業務之溢利淨額為5.7931億港元(二零零八年(重列)：4.8668億港元)，較去年上升19.0%。溢利上升主要是由於投資回報大幅改善。人壽保險業務亦受惠於保費強勁上升及經營規模改善。

本年度內，中國經濟隨著全球經濟及金融危機的困境過去迅速恢復，再次為國內生產總值全球增長最快的國家之一。中國大陸人壽保險業受惠於金融市場復甦及中國經濟持續發展。

毛承保保費及保費存款

太平人壽確認在綜合損益表內毛承保保費由去年之88.3029億港元上升145.0%至216.3623億港元，而保費存款則由去年之123.7750億港元下降67.7%至39.9338億港元。儘管投資連結及萬能壽險產品的銷售金額遠低於去年，但由於太平人壽大幅增加銷售更傳統的人壽保險產品，其中很多具期繳特色，因而抵銷了其影響。轉移重點乃由於太平人壽董事及高級管理層一直着重銷售更高利潤率及具業務價值的產品。

Management Review and Analysis

LIFE INSURANCE BUSINESS (Continued)

TPL's gross premiums written and premium deposits by line of business were as follows:

For the year ended 31 December 2009, HK\$ million

	Gross premiums written recognized in the consolidated income statement	Premium deposits of universal life products	Premium deposits of unit-linked products	Premium deposits of other products	Total	% of Total
Individual	6,652.02	—	95.52	117.00	6,864.54	26.8%
Bancassurance	14,264.99	3,281.34	153.24	0.74	17,700.31	69.1%
Group	719.22	—	—	345.54	1,064.76	4.1%
	21,636.23	3,281.34	248.76	463.28	25,629.61	100.0%

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

	Gross premiums written recognized in the consolidated income statement	Premium deposits of universal life products	Premium deposits of unit-linked products	Premium deposits of other products	Total	% of Total
Individual	4,302.84	—	270.61	100.25	4,673.70	22.0%
Bancassurance	3,855.91	9,748.21	1,782.35	0.63	15,387.10	72.6%
Group	671.54	—	0.10	475.35	1,146.99	5.4%
	8,830.29	9,748.21	2,053.06	576.23	21,207.79	100.0%

During the Year, the sale of unit linked products fell significantly to HK\$248.76 million from HK\$2,053.06 million in the Last Year, representing a decrease of 87.9%. The sale of universal life products fell to HK\$3,281.34 million from HK\$9,748.21 million in the Last Year, representing a decrease of 66.3%. This decline in premium, however, was more than made up for by the strong increase in demand for traditional products, which sharply increased to HK\$21,636.23 million from HK\$8,830.29 million in the Last Year, representing an increase of 145.0%.

管理層回顧和分析

人壽保險業務 (續)

太平人壽按業務劃分之毛承保保費及保費存款如下：

截至二零零九年十二月三十一日止年度，百萬港元

	確認在 綜合損益表內 之毛承保保費	萬能壽險產品	投資連結產品	其他產品	總額	佔總額百分比
		之保費存款	之保費存款	之保費存款		
個人	6,652.02	—	95.52	117.00	6,864.54	26.8%
銀行保險	14,264.99	3,281.34	153.24	0.74	17,700.31	69.1%
團體	719.22	—	—	345.54	1,064.76	4.1%
	21,636.23	3,281.34	248.76	463.28	25,629.61	100.0%

截至二零零八年十二月三十一日止年度，百萬港元

	確認在 綜合損益表內 之毛承保保費	萬能壽險產品	投資連結產品	其他產品	總額	佔總額百分比
		之保費存款	之保費存款	之保費存款		
個人	4,302.84	—	270.61	100.25	4,673.70	22.0%
銀行保險	3,855.91	9,748.21	1,782.35	0.63	15,387.10	72.6%
團體	671.54	—	0.10	475.35	1,146.99	5.4%
	8,830.29	9,748.21	2,053.06	576.23	21,207.79	100.0%

本年內，投資連結產品的銷售大幅下降至2.4876億港元，相比去年20.5306億港元，減幅87.9%。萬能壽險產品的銷售由去年97.4821億港元下降至32.8134億港元，減幅66.3%。不過，此保費減少的幅度被傳統產品需求的強勁增長所抵銷。傳統產品的保費由去年88.3029億港元急升145.0%至216.3623億港元。

Management Review and Analysis

LIFE INSURANCE BUSINESS *(Continued)*

The strength of the traditional product sales was apparent in both the individual agency distribution channel and the bank distribution channel. Traditional premiums distributed through the individual agency force increased to HK\$6,652.02 million from HK\$4,302.84 million in the Last Year, representing a significant increase of 54.6%. This strong growth was due to improvements in productivity in the existing agency force, as well as the increase in number of individual agents to 60,781 as of 31 December 2009 (2008: 46,781). In the bank distribution channel, traditional product sales increased to HK\$14,264.99 million from HK\$3,855.91 million in the Last Year, representing a substantial increase of 270.0%. TPL's bank channel of distribution benefited from the resurgence of interest in bancassurance products among policyholders during a time of equity markets uncertainty, as well as TPL's continued position as a leader and premier service provider in this line of business.

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

For the year ended 31 December, HK\$ million

Individual

	2009	% of Total	2008	% of Total
Single Premium	112.59	1.7%	42.51	1.0%
Regular Premium — First Year	2,737.52	41.1%	2,091.95	48.6%
Regular Premium — Renewal Year	3,801.91	57.2%	2,168.38	50.4%
	6,652.02	100.0%	4,302.84	100.0%

Bancassurance

	2009	% of Total	2008	% of Total
Single Premium	7,980.98	56.0%	744.34	19.3%
Regular Premium — First Year	3,328.77	23.3%	1,684.99	43.7%
Regular Premium — Renewal Year	2,955.24	20.7%	1,426.58	37.0%
	14,264.99	100.0%	3,855.91	100.0%

Group

	2009	% of Total	2008	% of Total
Employee Benefit ("EB")	714.67	99.4%	662.41	98.6%
Annuity	4.55	0.6%	9.13	1.4%
	719.22	100.0%	671.54	100.0%

管理層回顧和分析

人壽保險業務 (續)

傳統產品的銷售在個人代理分銷渠道及銀行分銷渠道均明顯上升，保費由去年43.0284億港元增至66.5202億港元，顯著增長54.6%。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十二月三十一日個人代理隊伍增至60,781人(二零零八年：46,781人)所致。銀行分銷渠道方面，傳統產品保費則由去年38.5591億港元增至142.6499億港元，大幅增長270.0%。太平人壽的銀行分銷渠道受惠於客戶在股票市場不明朗時重新對銀行保險產品的需求，以及太平人壽在業界中的領先地位及提供優越的服務。

於本年度內，太平人壽持續在其傳統產品銷售中提高具期繳保費特色之產品佔比。以下概述太平人壽按業務劃分的躉繳保費產品及期繳保費產品的詳細分析：

截至十二月三十一日止年度，百萬港元

個人

	二零零九年	佔總額百分比	二零零八年	佔總額百分比
躉繳保費	112.59	1.7%	42.51	1.0%
期繳保費 — 首年	2,737.52	41.1%	2,091.95	48.6%
期繳保費 — 續年	3,801.91	57.2%	2,168.38	50.4%
	6,652.02	100.0%	4,302.84	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	7,980.98	56.0%	744.34	19.3%
期繳保費 — 首年	3,328.77	23.3%	1,684.99	43.7%
期繳保費 — 續年	2,955.24	20.7%	1,426.58	37.0%
	14,264.99	100.0%	3,855.91	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	714.67	99.4%	662.41	98.6%
年金	4.55	0.6%	9.13	1.4%
	719.22	100.0%	671.54	100.0%

Management Review and Analysis

LIFE INSURANCE BUSINESS *(Continued)*

TPL's strategy over the past few years has been to gradually increase, within its sales of traditional products, the proportion of those products with regular premium features. This prioritization has been strongly reemphasized by the directors and senior management and is now the top performance benchmark for the life insurance operations for the next three to five years. TPL intends to build a solid platform of high profit margin, regular premium products, upon which the life insurance operations may use as a long-term base for further expansion in the years to come.

The higher proportion of regular premium products and their higher profitability are reflected in the significantly higher embedded value and new business value figures of TPL for 2009. It is encouraging to note that the embedded value of TPL (expressed in terms of HKD) has increased 59.4% to HK\$13,626 million from HK\$8,548 million at the end of Last Year. Likewise, the new business value after cost of capital for the Year increased to HK\$1,353 million from HK\$865 million at the end of Last Year, representing a strong growth of 56.4%. These latest actuarial figures of TPL are disclosed below in the section titled "Embedded Value of TPL".

Investment Performance

The composition of investments held by TPL was as follows:

At 31 December, HK\$ million

	2009	% of Total	2008	% of Total
Debt securities	52,282.77	65.7%	44,945.96	77.0%
Direct equity securities	7,614.25	9.6%	1,034.86	1.8%
Investment funds	5,162.44	6.5%	2,418.22	4.1%
Cash and bank deposits	14,473.74	18.2%	9,941.26	17.1%
Total investments	79,533.20	100.0%	58,340.30	100.0%

During the Year, although investment markets sentiment improved significantly in the PRC, TPL continued to be very cautious in its asset allocation for its investment portfolio. Equity investments were maintained at a relatively low percentage of the asset allocation, while debt securities and cash and bank deposits constituted a combined total of approximately 83.9% of the total invested assets as at 31 December 2009 (2008: 94.1%).

管理層回顧和分析

人壽保險業務(續)

過去幾年，太平人壽的策略是在其傳統產品銷售中提高期繳保費產品比重。董事及高級管理層重申，期繳保費產品是人壽保險業務未來三至五年最為重要的表現指標。太平人壽打算建立一個穩固及具高利潤率的期繳保費產品平台，作為人壽保險業務進一步發展的穩固基礎。

更高的期繳保費產品比例及其更高的盈利能力使太平人壽二零零九年之內涵價值及新業務價值顯著提高。令人注目的是太平人壽的內涵價值(以港幣折算)由去年底之85.48億港元增加59.4%至136.26億港元。同樣地，本年度之新業務扣除資本成本後之價值為13.53億港元，較去年之8.65億港元，顯著增長56.4%。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：

於十二月三十一日，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
債務證券	52,282.77	65.7%	44,945.96	77.0%
直接股本證券	7,614.25	9.6%	1,034.86	1.8%
投資基金	5,162.44	6.5%	2,418.22	4.1%
現金及銀行存款	14,473.74	18.2%	9,941.26	17.1%
投資總額	79,533.20	100.0%	58,340.30	100.0%

於本年度內，儘管中國的投資氣氛大幅改善，太平人壽對於其投資組合的資產配置仍然十分審慎。股本投資維持在資產配置的一個較低百分比，而債務證券、現金及銀行存款於二零零九年十二月三十一日合共佔投資資產總額約83.9% (二零零八年：94.1%)。

Management Review and Analysis

LIFE INSURANCE BUSINESS (Continued)

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

At 31 December 2009, HK\$ million

	HTM	AFS	HFT	LR	Total
Debt securities	35,961.15	14,254.57	—	2,067.05	52,282.77
Direct equity securities	—	7,522.91	91.34	—	7,614.25
Investment funds	—	5,162.44	—	—	5,162.44
	35,961.15	26,939.92	91.34	2,067.05	65,059.46

At 31 December 2008, HK\$ million

	HTM	AFS	HFT	LR	Total
Debt securities	19,222.47	23,634.69	25.05	2,063.75	44,945.96
Direct equity securities	—	1,034.86	—	—	1,034.86
Investment funds	—	2,360.72	57.50	—	2,418.22
	19,222.47	27,030.27	82.55	2,063.75	48,399.04

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

At 31 December, HK\$ million

	2009	2008
Central governments and central banks	18,706.59	18,649.54
Banks and other financial institutions	10,816.69	8,465.89
Corporate entities	22,759.49	17,830.53
	52,282.77	44,945.96

管理層回顧和分析

人壽保險業務 (續)

太平人壽歸類為持有至到期日、可供出售、持有作交易用途及貸款及應收款項的證券投資如下：

於二零零九年十二月三十一日，百萬港元

	持有 至到期日	可供出售	持有作 交易用途	貸款 及應收款項	總額
債務證券	35,961.15	14,254.57	—	2,067.05	52,282.77
直接股本證券	—	7,522.91	91.34	—	7,614.25
投資基金	—	5,162.44	—	—	5,162.44
	35,961.15	26,939.92	91.34	2,067.05	65,059.46

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	持有作 交易用途	貸款 及應收款項	總額
債務證券	19,222.47	23,634.69	25.05	2,063.75	44,945.96
直接股本證券	—	1,034.86	—	—	1,034.86
投資基金	—	2,360.72	57.50	—	2,418.22
	19,222.47	27,030.27	82.55	2,063.75	48,399.04

債務證券按類別分類如下：

於十二月三十一日，百萬港元

	二零零九年	二零零八年
中央政府及中央銀行	18,706.59	18,649.54
銀行及其他金融機構	10,816.69	8,465.89
企業實體	22,759.49	17,830.53
	52,282.77	44,945.96

Management Review and Analysis

LIFE INSURANCE BUSINESS *(Continued)*

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

For the year ended 31 December, HK\$ million

	2009	2008	Change
Net investment income	2,576.91	2,286.08	12.7%
Net realized investment gains	928.24	483.53	92.0%
Net unrealized investment (losses)/gains	(22.25)	1.55	—
Impairment on AFS equities	—	(94.11)	—
Total investment income	3,482.90	2,677.05	30.1%
Total investment yield	5.5%	5.3%	0.2pt

TPL's total investment income was a gain of HK\$3,482.90 million during the Year, representing a significant increase from the gain of HK\$2,677.05 million in the Last Year. A strong rebound in equities traded in the PRC was one of the factors for the increase in investment income. Higher levels of cash inflows from increased premium also resulted in more investments in debt securities, which led to higher net investment income. The above-mentioned investment income and investment yield figures do not include a net exchange loss of HK\$1.59 million (2008: HK\$81.66 million).

管理層回顧和分析

人壽保險業務(續)

太平人壽確認在綜合損益表內之稅前投資收入總額及稅前投資收益率概述如下：

截至十二月三十一日止年度，百萬港元

	二零零九年	二零零八年	變化
投資收入淨額	2,576.91	2,286.08	12.7%
已實現投資收益淨額	928.24	483.53	92.0%
未實現投資(虧損)/收益淨額	(22.25)	1.55	—
可供出售股本投資減值	—	(94.11)	—
投資收入總額	3,482.90	2,677.05	30.1%
總投資收益率	5.5%	5.3%	0.2點

本年度內，太平人壽錄得投資收入總額收益34.8290億港元，較去年溢利26.7705億港元大幅增加。在中國買賣的股票強勁反彈是令投資收入增加的原因之一。保費增長所帶來的現金流水平增加了對債務證券的投資，令投資收入淨額提高。上述投資收入及投資收益率並不包括159萬港元匯兌虧損淨額(二零零八年：8,166萬港元)。

Management Review and Analysis

LIFE INSURANCE BUSINESS (Continued)

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

For the year ended 31 December 2009, 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 gains/(losses)	Impairment			
Debt securities								
HTM	1,016.75	—	—	—	—	1,016.75	—	1,016.75
AFS	929.85	—	(309.94)	—	—	619.91	(809.70)	(189.79)
HFT	0.15	—	7.00	—	—	7.15	—	7.15
LR	123.58	—	—	—	—	123.58	—	123.58
Direct equity securities								
AFS	—	50.40	867.04	—	—	917.44	530.80	1,448.24
HFT	—	1.43	(6.10)	(22.25)	—	(26.92)	—	(26.92)
Investment funds								
AFS	—	167.78	249.21	—	—	416.99	932.13	1,349.12
HFT	—	0.45	121.03	—	—	121.48	—	121.48
Cash and bank deposits	393.33	—	—	—	—	393.33	—	393.33
Securities sold under repurchase agreements	(106.81)	—	—	—	—	(106.81)	—	(106.81)
	2,356.85	220.06	928.24	(22.25)	—	3,482.90	653.23	4,136.13

管理層回顧和分析

人壽保險業務 (續)

太平人壽稅前投資收入／(虧損)之詳細分析如下：

截至二零零九年十二月三十一日止年度，百萬港元

	於綜合損益表內確認					小計	於公允價值	總額
	利息 收入／ (支出)	股息收入	已實現 收益／ (虧損)	未實現 收益／ (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	1,016.75	—	—	—	—	1,016.75	—	1,016.75
可供出售	929.85	—	(309.94)	—	—	619.91	(809.70)	(189.79)
持有作交易用途	0.15	—	7.00	—	—	7.15	—	7.15
貸款及應收款項	123.58	—	—	—	—	123.58	—	123.58
直接股本證券								
可供出售	—	50.40	867.04	—	—	917.44	530.80	1,448.24
持有作交易用途	—	1.43	(6.10)	(22.25)	—	(26.92)	—	(26.92)
投資基金								
可供出售	—	167.78	249.21	—	—	416.99	932.13	1,349.12
持有作交易用途	—	0.45	121.03	—	—	121.48	—	121.48
現金及銀行存款	393.33	—	—	—	—	393.33	—	393.33
賣出回購證券	(106.81)	—	—	—	—	(106.81)	—	(106.81)
	2,356.85	220.06	928.24	(22.25)	—	3,482.90	653.23	4,136.13

Management Review and Analysis

LIFE INSURANCE BUSINESS (Continued)

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

	Recognized in the consolidated income statement					Sub total	Unrealized gains/ (losses) recognized in the fair value reserve	Grand total
	Interest income/ (expense)	Dividend income	Realized gains/ (losses)	Unrealized gains/ (losses)	Impairment			
Debt securities								
HTM	421.66	—	—	—	—	421.66	—	421.66
AFS	1,103.07	—	(29.08)	—	—	1,073.99	1,380.58	2,454.57
HFT	0.03	—	258.32	(1.09)	—	257.26	—	257.26
LR	42.52	—	—	—	—	42.52	—	42.52
Direct equity securities								
AFS	—	23.51	815.69	—	(60.00)	779.20	(1,254.28)	(475.08)
HFT	—	—	(60.13)	—	—	(60.13)	—	(60.13)
Investment funds								
AFS	—	339.75	(358.96)	—	(34.11)	(53.32)	(1,154.85)	(1,208.17)
HFT	—	119.29	(142.31)	2.64	—	(20.38)	—	(20.38)
Cash and bank deposits	315.53	—	—	—	—	315.53	—	315.53
Securities sold under repurchase agreements	(79.28)	—	—	—	—	(79.28)	—	(79.28)
	1,803.53	482.55	483.53	1.55	(94.11)	2,677.05	(1,028.55)	1,648.50

管理層回顧和分析

人壽保險業務 (續)

截至二零零八年十二月三十一日止年度 · 百萬港元

	於綜合損益表內確認					於公允價值		總額
	利息 收入/ (支出)	股息收入	已實現 收益/ (虧損)	未實現 收益/ (虧損)	減值	小計	儲備內確認之 未實現收益/ (虧損)	
債務證券								
持有至到期日	421.66	—	—	—	—	421.66	—	421.66
可供出售	1,103.07	—	(29.08)	—	—	1,073.99	1,380.58	2,454.57
持有作交易用途	0.03	—	258.32	(1.09)	—	257.26	—	257.26
貸款及應收款項	42.52	—	—	—	—	42.52	—	42.52
直接股本證券								
可供出售	—	23.51	815.69	—	(60.00)	779.20	(1,254.28)	(475.08)
持有作交易用途	—	—	(60.13)	—	—	(60.13)	—	(60.13)
投資基金								
可供出售	—	339.75	(358.96)	—	(34.11)	(53.32)	(1,154.85)	(1,208.17)
持有作交易用途	—	119.29	(142.31)	2.64	—	(20.38)	—	(20.38)
現金及銀行存款	315.53	—	—	—	—	315.53	—	315.53
賣出回購證券	(79.28)	—	—	—	—	(79.28)	—	(79.28)
	1,803.53	482.55	483.53	1.55	(94.11)	2,677.05	(1,028.55)	1,648.50

Management Review and Analysis

LIFE INSURANCE BUSINESS *(Continued)*

Net Policyholders' Benefits

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

For the year ended 31 December, HK\$ million

	2009	2008 <i>(Restated)</i>	Change
Net claims	436.30	551.60	(20.9%)
Surrenders	1,036.33	1,697.82	(39.0%)
Annuity, dividends and maturity payments	2,284.03	185.60	12.3 times
Interest allocated to investment contract	1,170.33	1,174.89	(0.4%)
	4,926.99	3,609.91	36.5%

Net Commission Expenses

The net commission expenses of TPL were as follows:

For the year ended 31 December, HK\$ million

	2009	2008	Change
Net commission expenses	2,706.78	2,026.97	33.5%
Ratio of net commission expenses to gross premiums written	12.5%	23.0%	(10.5pts)

Administrative and Other Expenses

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

For the year ended 31 December, HK\$ million

	2009	2008 <i>(Restated)</i>	Change
Staff costs	1,564.06	1,214.43	28.8%
Rental expenses	200.85	153.96	30.5%
Others	2,064.64	1,303.22	58.4%
	3,829.55	2,671.61	43.3%

管理層回顧和分析

人壽保險業務 (續)

保單持有人利益淨額

太平人壽之保單持有人利益淨額概述如下：

截至十二月三十一日止年度，百萬港元

	二零零九年	二零零八年 (重列)	變化
賠償淨額	436.30	551.60	(20.9%)
退保額	1,036.33	1,697.82	(39.0%)
年金、分紅及到期付款	2,284.03	185.60	12.3倍
分配至投資合約之利益	1,170.33	1,174.89	(0.4%)
	4,926.99	3,609.91	36.5%

佣金支出淨額

太平人壽之佣金支出淨額如下：

截至十二月三十一日止年度，百萬港元

	二零零九年	二零零八年	變化
佣金支出淨額	2,706.78	2,026.97	33.5%
佣金支出淨額佔毛承保保費	12.5%	23.0%	(10.5點)

行政及其他費用

太平人壽之行政及其他費用概述如下：

截至十二月三十一日止年度，百萬港元

	二零零九年	二零零八年 (重列)	變化
員工成本	1,564.06	1,214.43	28.8%
租賃開支	200.85	153.96	30.5%
其他	2,064.64	1,303.22	58.4%
	3,829.55	2,671.61	43.3%

Management Review and Analysis

LIFE INSURANCE BUSINESS *(Continued)*

Financial Strength and Solvency Margin

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

At 31 December, RMB million

	2009	2008
Actual Solvency Margin	6,409	4,740
Minimum Statutory Solvency Margin	2,882	2,175
Solvency Margin Ratio	222%	218%

PROPERTY AND CASUALTY INSURANCE BUSINESS

The Group's property and casualty insurance segment is operated by TPI, MAC and CTPI (HK) and its subsidiaries. TPI is a PRC-incorporated company and is 50.05%-owned by the Group. MAC and CTPI (HK) are a PRC-incorporated company and a Hong Kong-incorporated company, respectively, and they are wholly-owned by the Group. TPI, MAC and CTPI (HK) are principally engaged in the underwriting of motor, marine and non-marine policies.

CTIH completed the acquisition of 47.80% and 48.66% of the equity interests of MAH (the holding company of CTPI (HK) and MAC) on 30 July 2009 and 4 November 2009, respectively. Together with the 3.54% ownership interest originally held by the Company, the total equity interest in MAH now held by CTIH after both acquisitions was 100%. As such, MAH (together with CTPI (HK) and MAC) is now a wholly-owned subsidiary of the Company.

Because MAH and the Company were both under the common control of TPG (HK) before and after the acquisitions, the Group has applied Accounting Guideline No. 5 on "Merger Accounting for Common Control Combinations". Under these principles of merger accounting, the acquisition of MAH is accounted for as though the business of MAH has always been carried out by the Group. As such, the consolidated financial statements have been prepared as if the current Group structure has always been in existence throughout the periods presented.

Readers and investors are advised to pay attention to these details when reading the Management Review and Analysis and the consolidated financial statements.

管理層回顧和分析

人壽保險業務(續)

財務實力及償付能力

太平人壽按中國保監會規定之償付能力充足率如下：

於十二月三十一日，百萬人民幣

	二零零九年	二零零八年
實際償付能力	6,409	4,740
最低法定償付能力	2,882	2,175
償付能力充足率	222%	218%

財產保險業務

本集團之財產保險業務由太平財險、民安中國及中國太平香港及其附屬公司營運。太平財險為中國註冊公司並由本集團擁有50.05%權益。民安中國及中國太平香港分別為中國註冊公司及香港註冊公司，並由本集團全資擁有。太平財險、民安中國及中國太平香港主要從事承保車險、水險及非水險業務。

中國太平控股已分別於二零零九年七月三十日及二零零九年十一月四日完成購入民安控股(中國太平香港及民安中國之控股公司)47.8%及48.66%股權權益。連同本公司原已持有之3.54%民安控股權益，經過兩次購入後，中國太平控股現合共持有100%民安控股股權權益。因此，民安控股(連同中國太平香港及民安中國)成為本公司全資附屬公司。

由於在此購入前及購入後，民安控股及本公司均共同受到中國太平集團(香港)之控制，本集團應用會計指引第5號「共同控制合併之合併會計處理」。按該等合併會計原則對購入民安控股進行會計處理，猶如民安控股之業務一直由本集團經營。因此，綜合財務報表乃按現行之集團架構一直存在於呈列之往前期間而編製。

務請讀者及投資者於閱覽以下管理層回顧及分析及綜合財務報表時注意此等細節。

Management Review and Analysis

PROPERTY AND CASUALTY INSURANCE BUSINESS – PRC OPERATIONS CARRIED OUT BY TPI

On 15 July 2008, the Company contributed additional capital of RMB265,460,000 into TPI. With this capital contribution, CTIH's stake in TPI was increased from 40.025% to 50.05%, and the Company became the controlling shareholder of TPI. The financial results of TPI for the period from the date of the acquisition to 31 December 2008 have been consolidated into the Group financial statements on a line-by-line basis for the year ended 31 December 2008. However, the following key financial data and ratios of TPI cover the full year of 2008.

The key financial data of the property and casualty insurance business operated by TPI is summarized below:

For the year ended 31 December, HK\$ million

	2009	2008 (Restated)	Change
Gross premiums written	5,106.40	4,778.54	6.9%
Net premiums written	4,372.93	3,979.05	9.9%
Net earned premiums	4,215.40	3,707.56	13.7%
Net claims incurred	(2,621.22)	(2,399.14)	9.3%
Net commission expenses	(238.80)	(303.45)	(21.3%)
Total investment income	191.05	34.04	5.6 times
Net exchange loss	(2.42)	(10.78)	(77.6%)
Administrative and other expenses	(1,700.44)	(1,663.43)	2.2%
Finance costs	(50.21)	(5.03)	10.0 times
Underwriting loss	(345.35)	(667.06)	(48.2%)
Loss before taxation	(262.31)	(649.81)	(59.6%)
Loss after taxation	(271.81)	(697.91)	(61.1%)
Loss attributable to the owners	(136.05)	(327.38)	(58.4%)
– in form of associate	–	(132.00)	–
– in form of subsidiary	(136.05)	(195.38)	(30.4%)
Technical reserves ratio	78.7%	75.3%	3.4pts
Retained ratio	85.6%	83.3%	2.3pts
Earned premiums ratio	82.6%	77.6%	5.0pts
Loss ratio ¹	62.2%	64.7%	(2.5pts)
Expense ratio ²	44.4%	52.2%	(7.8pts)
Combined ratio ³	106.6	116.9	(10.3pts)

¹ The loss ratio is based on net earned premiums.

² The expense ratio is based on net premiums written. If the net earned premiums basis is applied, then the expense ratio would be 46.0% for the Year (2008: 48.6%).

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 108.2 for the Year (2008: 113.3).

管理層回顧和分析

財產保險業務 — 由太平財險營運之中國業務

於二零零八年七月十五日，本公司向太平財險注入額外資本人民幣2.6546億元。於是次注資後，中國太平控股於太平財險所持的股權由40.025%增加至50.05%，令本公司成為太平財險的控股股東。太平財險於收購日至二零零八年十二月三十一日期間的財務業績，已按分項總計方法綜合於本集團截至二零零八年十二月三十一日止年度的財務報表內。然而，以下為涵蓋二零零八年全年的太平財險重要財務數據及比率。

由太平財險經營之財產保險業務之主要財務數據概述如下：

截至十二月三十一日止年度，百萬港元

	二零零九年	二零零八年 (重列)	變化
毛承保保費	5,106.40	4,778.54	6.9%
淨承保保費	4,372.93	3,979.05	9.9%
已賺取保費淨額	4,215.40	3,707.56	13.7%
賠款淨額	(2,621.22)	(2,399.14)	9.3%
佣金支出淨額	(238.80)	(303.45)	(21.3%)
投資收入總額	191.05	34.04	5.6倍
匯兌虧損淨額	(2.42)	(10.78)	(77.6%)
行政及其他費用	(1,700.44)	(1,663.43)	2.2%
財務費用	(50.21)	(5.03)	10.0倍
承保虧損	(345.35)	(667.06)	(48.2%)
除稅前虧損	(262.31)	(649.81)	(59.6%)
除稅後虧損	(271.81)	(697.91)	(61.1%)
股東應佔虧損	(136.05)	(327.38)	(58.4%)
— 以聯營公司形式	—	(132.00)	—
— 以附屬公司形式	(136.05)	(195.38)	(30.4%)
技術性儲備比率	78.7%	75.3%	3.4點
自留比率	85.6%	83.3%	2.3點
已賺取保費率	82.6%	77.6%	5.0點
賠付率 ¹	62.2%	64.7%	(2.5點)
費用率 ²	44.4%	52.2%	(7.8點)
綜合成本率 ³	106.6	116.9	(10.3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。倘使用已賺取保費淨額基準，則本年度之費用率將為46.0% (二零零八年：48.6%)。

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，則本年度之綜合成本率將為108.2 (二零零八年：113.3)。

Management Review and Analysis

PROPERTY AND CASUALTY INSURANCE BUSINESS — PRC OPERATIONS CARRIED OUT BY TPI (Continued)

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

	2009	2008	Change
Market share ¹	1.5%	1.7%	(0.2pt)
Number of provincial branches	27	27	—
Number of sub-branches and marketing centers	378	455	(77)
Number of direct sales representatives	2,487	3,661	(1,174)
Total investment yield ²	4.6%	1.1%	3.5pts

¹ Based on premiums published by the CIRC.

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

Loss Attributable to the Owners

The property and casualty insurance business operated by TPI incurred a net loss to the owners of HK\$136.05 million during the Year (2008 (restated): HK\$327.38 million). During the Year, TPI adopted stringent measures to restructure its product-line management and re-underwrite its entire portfolio. Certain sales units with low productivity and poor performance were consolidated. As a result, there were substantial savings on the expense ratio as well as gradual reversals of unsatisfactory trends in claims experience during the latter part of the Year. The decrease in losses was also due to significant improvements in investment returns during the Year, primarily because of equity investment gains from shares traded in the PRC.

Gross Premiums Written

Despite the tightening of underwriting selections and the reduction of allowable acquisition costs, TPI's gross premiums written increased by 6.9% to HK\$5,106.40 million from HK\$4,778.54 million in the Last Year. The detailed breakdown of TPI's gross premiums written was as follows:

For the year ended 31 December, HK\$ million

Business Line	2009	% of Total	2008	% of Total
Motor	4,149.77	81.3%	3,761.13	78.7%
Marine	165.56	3.2%	199.80	4.2%
Non-marine	791.07	15.5%	817.61	17.1%
	5,106.40	100.0%	4,778.54	100.0%

Net Claims Incurred

TPI's net claims incurred increased by 9.3% to HK\$2,621.22 million from HK\$2,399.14 million (restated) in the Last Year.

管理層回顧和分析

財產保險業務 — 由太平財險營運之中國業務 (續)

由太平財險經營之財產保險業務之主要經營數據概述如下：

	二零零九年	二零零八年	變化
市場份額 ¹	1.5%	1.7%	(0.2點)
省級分公司數目	27	27	—
支公司及市場推廣中心數目	378	455	(77)
直接銷售代表數目	2,487	3,661	(1,174)
總投資收益率 ²	4.6%	1.1%	3.5點

¹ 據中國保監會刊發之毛承保保費計算。

² 不包括外匯資本資產產生之匯兌收益/(虧損)。

股東應佔虧損

本年度內，由太平財險經營之財產保險業務使股東遭受淨虧損1.3605億港元(二零零八年(重列)：3.2738億港元)。本年度內，太平財險採取嚴謹的措施重組其業務種類及重新檢視其整個承保組合，整合若干產能低下及表現欠佳的銷售單位。因此，不但費用率明顯下降，賠款欠佳的狀況亦於本年下半年續漸改善。年度內在中國買賣的股本證券錄得投資收益令投資回報大幅改善亦令虧損減少。

毛承保保費

儘管收緊承保及展業開支，但太平財險之毛承保保費仍由去年之47.7854億港元上升6.9%至51.0640億港元。太平財險毛承保保費詳細分析如下：

截至十二月三十一日止年度，百萬港元

業務種類	二零零九年	佔總額百分比	二零零八年	佔總額百分比
車險	4,149.77	81.3%	3,761.13	78.7%
水險	165.56	3.2%	199.80	4.2%
非水險	791.07	15.5%	817.61	17.1%
	5,106.40	100.0%	4,778.54	100.0%

淨賠款總額

太平財險之淨賠款總額由去年之23.9914億港元上升9.3%至26.2122億港元。

Management Review and Analysis

PROPERTY AND CASUALTY INSURANCE BUSINESS — PRC OPERATIONS CARRIED OUT BY TPI *(Continued)*

Combined Ratio

As a result of stringent controls on its own expenses and the tightening of acquisition costs, TPI's expense ratio, calculated based on net premiums written, decreased to 44.4% from 52.2% *(restated)* in the Last Year. The loss ratio also decreased by 2.5 percentage points (from 64.7%). Although there were less catastrophes during year, TPI suffered two typhoon claims in the province of Guangdong in August and September causing net retained claims of RMB12.38 million and RMB10.00 million, respectively. TPI's combined ratio of 106.6 during the Year was lower than the 116.9 *(restated)* in the Last Year, an encouraging trend in underwriting improvement at the property and casualty operations. TPI's loss ratios, expense ratios and combined ratios were as follows:

For the year ended 31 December

	2009	2008 <i>(restated)</i>
Loss ratio	62.2%	64.7%
Expense ratio	44.4%	52.2%
Combined ratio	106.6	116.9

Investment Performance

The composition of investments held by TPI was as follows:

At 31 December, HK\$ million

	2009	% of Total	2008	% of Total
Debt securities	2,450.87	47.5%	2,105.07	51.6%
Direct equity securities	156.65	3.0%	10.29	0.3%
Investment funds	336.55	6.5%	351.17	8.6%
Cash and bank deposits	2,218.03	43.0%	1,612.70	39.5%
Total invested assets	5,162.10	100.0%	4,079.23	100.0%

During the Year, although investment markets sentiment improved significantly in the PRC, TPI continued to be very cautious in its asset allocation for its investment portfolio. Equity investments were maintained at a relatively low percentage of the asset allocation, while debt securities and cash and bank deposits constituted a combined total of approximately 90.5% of the total invested assets as at 31 December 2009 (2008: 91.1%).

管理層回顧和分析

財產保險業務 — 由太平財險營運之中國業務 (續)

綜合成本率

由於嚴謹的費用控制及收緊展業開支，太平財險按淨承保保費為基準計算之費用率由去年的52.2% (重列) 下降至44.4%。賠付率亦減少2.5個百分點 (由64.7%)。儘管年度內災難較少，但太平財險遭受了由於廣東省於8月及9月份颱風帶來的索償，其自留賠付分別為人民幣1,230萬元及人民幣1,000萬元。本年度內太平財險之綜合成本率為106.6，低於去年之116.9，財產保險業務承保改善趨勢令人鼓舞。太平財險之賠付率、費用率及綜合成本率情況如下：

截至十二月三十一日止年度

	二零零九年	二零零八年 (重列)
賠付率	62.2%	64.7%
費用率	44.4%	52.2%
綜合成本率	106.6	116.9

投資表現

太平財險所持之投資組合如下：

於十二月三十一日，百萬港元

	二零零九年	佔總額百分比	二零零八年	佔總額百分比
債務證券	2,450.87	47.5%	2,105.07	51.6%
直接股本證券	156.65	3.0%	10.29	0.3%
投資基金	336.55	6.5%	351.17	8.6%
現金及銀行存款	2,218.03	43.0%	1,612.70	39.5%
投資總額	5,162.10	100.0%	4,079.23	100.0%

於本年度內，儘管中國的投資氣氛大幅改善，太平財險對於其投資組合的資產配置仍然十分審慎。股本投資維持在資產配置的一個較低百分比，而債務證券、現金及銀行存款於二零零九年十二月三十一日合共佔投資資產總額約90.5% (二零零八年：91.1%)。

Management Review and Analysis

PROPERTY AND CASUALTY INSURANCE BUSINESS – PRC OPERATIONS CARRIED OUT BY TPI (Continued)

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

At 31 December 2009, HK\$ million

	HTM	AFS	HFT	LR	Total
Debt securities	880.68	1,467.97	—	102.22	2,450.87
Direct equity securities	—	156.65	—	—	156.65
Investment funds	—	336.55	—	—	336.55
	880.68	1,961.17	—	102.22	2,944.07

At 31 December 2008, HK\$ million

	HTM	AFS	HFT	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

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

At 31 December, HK\$ million

	2009	2008
Central governments and central banks	1,118.98	1,128.55
Banks and other financial institutions	575.14	616.48
Corporate entities	756.75	360.04
	2,450.87	2,105.07

管理層回顧和分析

財產保險業務 — 由太平財險營運之中國業務 (續)

太平財險歸類為持有至到期日、可供出售、持有作交易用途及貸款及應收款項的證券投資如下：

於二零零九年十二月三十一日，百萬港元

	持有 至到期日	可供出售	持有作 交易用途	貸款 及應收款項	總額
債務證券	880.68	1,467.97	—	102.22	2,450.87
直接股本證券	—	156.65	—	—	156.65
投資基金	—	336.55	—	—	336.55
	880.68	1,961.17	—	102.22	2,944.07

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	持有作 交易用途	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

債務證券按類別分類如下：

於十二月三十一日，百萬港元

	二零零九年	二零零八年
中央政府及中央銀行	1,118.98	1,128.55
銀行及其他金融機構	575.14	616.48
企業實體	756.75	360.04
	2,450.87	2,105.07

Management Review and Analysis

PROPERTY AND CASUALTY INSURANCE BUSINESS – PRC OPERATIONS CARRIED OUT BY TPI *(Continued)*

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

For the year ended 31 December, HK\$ million

	2009	2008	Change
Net investment income	136.12	235.30	(42.2%)
Net realized investment gains/(losses)	54.93	(156.29)	—
Impairment on AFS equities	—	(44.97)	—
Total investment income	191.05	34.04	5.6 times
Total investment yield	4.6%	1.1%	3.5pts

TPI's total investment income was HK\$191.05 million during the Year, representing a large increase from HK\$34.04 million in the Last Year. A strong rebound in equities traded in the PRC was the primary factor behind TPI's investment gains. TPI's net investment income decreased from that of the Last Year, primarily because of lower dividend income from investment funds (caused by poor equity market performance in the Last Year). The above-mentioned investment income and investment yield figures do not include a net exchange loss of HK\$2.42 million (2008: HK\$10.78 million).

管理層回顧和分析

財產保險業務 — 由太平財險營運之中國業務 (續)

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：

截至十二月三十一日止年度，百萬港元

	二零零九年	二零零八年	變化
投資收入淨額	136.12	235.30	(42.2%)
已實現投資收益／(虧損)淨額	54.93	(156.29)	—
可供出售股本投資減值	—	(44.97)	—
投資收入總額	191.05	34.04	5.6倍
總投資收益率	4.6%	1.1%	3.5點

本年內，太平財險錄得投資收入總額1.9105億港元，較去年3,404萬港元大幅增加。在中國買賣的股本證券強勁反彈改善了太平財險獲得的投資收益。太平財險之投資收入淨額較去年下跌，主要是源於較低的投資基金股息收入(去年疲弱的股本市場表現所致)。上述投資收入及投資收益率並不包括242萬港元匯兌虧損淨額(二零零八年：1,078萬港元)。

Management Review and Analysis

PROPERTY AND CASUALTY INSURANCE BUSINESS — PRC OPERATIONS CARRIED OUT BY TPI (Continued)

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

For the year ended 31 December 2009, 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 gains/(losses)	Impairment			
Debt securities								
HTM	30.66	—	—	—	—	30.66	—	30.66
AFS	62.67	—	(12.97)	—	—	49.70	(17.30)	32.40
HFT	—	—	—	—	—	—	—	—
LR	6.26	—	—	—	—	6.26	—	6.26
Direct equity securities								
AFS	—	0.89	20.23	—	—	21.12	19.84	40.96
HFT	—	0.24	—	—	—	0.24	—	0.24
Investment funds								
AFS	—	7.65	47.67	—	—	55.32	89.27	144.59
HFT	—	—	—	—	—	—	—	—
Cash and bank deposits	30.30	—	—	—	—	30.30	—	30.30
Securities sold under repurchase agreements	(2.55)	—	—	—	—	(2.55)	—	(2.55)
	127.34	8.78	54.93	—	—	191.05	91.81	282.86

管理層回顧和分析

財產保險業務 — 由太平財險營運之中國業務 (續)

太平財險稅前投資收入／(虧損)之詳細分析如下：

截至二零零九年十二月三十一日止年度，百萬港元

	於綜合損益表內確認					於公允價值		總額
	利息 收入／ (支出)	股息收入	已實現 收益／ (虧損)	未實現 收益／ (虧損)	減值	小計	儲備內確認之 未實現收益／ (虧損)	
債務證券								
持有至到期日	30.66	—	—	—	—	30.66	—	30.66
可供出售	62.67	—	(12.97)	—	—	49.70	(17.30)	32.40
持有作交易用途	—	—	—	—	—	—	—	—
貸款及應收款項	6.26	—	—	—	—	6.26	—	6.26
直接股本證券								
可供出售	—	0.89	20.23	—	—	21.12	19.84	40.96
持有作交易用途	—	0.24	—	—	—	0.24	—	0.24
投資基金								
可供出售	—	7.65	47.67	—	—	55.32	89.27	144.59
持有作交易用途	—	—	—	—	—	—	—	—
現金及銀行存款	30.30	—	—	—	—	30.30	—	30.30
賣出回購證券	(2.55)	—	—	—	—	(2.55)	—	(2.55)
	127.34	8.78	54.93	—	—	191.05	91.81	282.86

Management Review and Analysis

PROPERTY AND CASUALTY INSURANCE BUSINESS — PRC OPERATIONS CARRIED OUT BY TPI (Continued)

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

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

管理層回顧和分析

財產保險業務 — 由太平財險營運之中國業務 (續)

截至二零零八年十二月三十一日止年度 · 百萬港元

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

Management Review and Analysis

PROPERTY AND CASUALTY INSURANCE BUSINESS – PRC OPERATIONS CARRIED OUT BY TPI *(Continued)*

Net Commission Expenses

The net commission expenses of TPI were as follows:

For the year ended 31 December, HK\$ million

	2009	2008	Change
Net commission expenses	238.80	303.45	(21.3%)
Ratio of net commission expenses to gross premiums written	4.7%	6.4%	(1.7pts)

Administrative and Other Expenses

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

For the year ended 31 December, HK\$ million

	2009	2008	Change
Staff costs	467.02	658.03	(29.0%)
Rental expenses	64.99	62.13	4.6%
Business tax and additional charges	285.96	265.55	7.7%
Others	882.47	677.72	30.2%
	1,700.44	1,663.43	2.2%

Financial Strength and Solvency Margin

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

At 31 December, RMB million

	2009	2008
Actual Solvency Margin	1,109	919
Minimum Statutory Solvency Margin	578	532
Solvency Margin Ratio	192%	173%

管理層回顧和分析

財產保險業務 — 由太平財險營運之中國業務 (續)

佣金支出淨額

太平財險之佣金支出淨額如下：

截至十二月三十一日止年度，百萬港元

	二零零九年	二零零八年	變化
佣金支出淨額	238.80	303.45	(21.3%)
佣金支出淨額佔毛承保保費	4.7%	6.4%	(1.7點)

行政及其他費用

太平財險之行政及其他費用概述如下：

截至十二月三十一日止年度，百萬港元

	二零零九年	二零零八年	變化
員工成本	467.02	658.03	(29.0%)
租賃開支	64.99	62.13	4.6%
營業稅金及附加費用	285.96	265.55	7.7%
其他	882.47	677.72	30.2%
	1,700.44	1,663.43	2.2%

財務實力及償付能力

太平財險按中國保監會規定之償付能力充足率如下：

於十二月三十一日，百萬人民幣

	二零零九年	二零零八年
實際償付能力	1,109	919
最低法定償付能力	578	532
償付能力充足率	192%	173%

Management Review and Analysis

PROPERTY AND CASUALTY INSURANCE BUSINESS — PRC OPERATIONS CARRIED OUT BY MAC

On 14 March 2010, CTIH entered into a framework agreement with a prospective purchaser pursuant to which the Company and the prospective purchaser agreed to enter into a formal sale and purchase agreement whereby the Company agreed to sell and the prospective purchaser agreed to purchase a 100% equity interest in MAC, conditional upon the prospective purchaser being satisfied with the results of its due diligence.

The key financial data of the property and casualty insurance business operated by MAC is summarized below:

For the year ended 31 December, HK\$ million

	2009	2008	Change
Gross premiums written	1,449.15	1,054.38	37.4%
Net premiums written	1,233.03	903.21	36.5%
Net earned premiums	1,164.99	655.25	77.8%
Net claims incurred	(613.88)	(362.23)	69.5%
Net commission expenses	(146.56)	(134.21)	9.2%
Total investment income	74.16	16.47	4.5 times
Net exchange loss	(1.73)	(47.08)	(96.3%)
Administrative and other expenses	(592.66)	(434.07)	36.5%
Underwriting loss	(182.33)	(268.74)	(32.2%)
Loss before taxation	(114.29)	(304.39)	(62.5%)
Loss after taxation	(116.38)	(304.39)	(61.8%)
Loss attributable to the owners	(69.28)	(156.27)	(55.7%)
Technical reserves ratio	71.3%	94.0%	(22.7pts)
Retained ratio	85.1%	85.7%	(0.6pt)
Earned premiums ratio	80.4%	62.1%	18.3pts
Loss ratio ¹	52.7%	55.3%	(2.6pt)
Expense ratio ²	59.5%	62.2%	(2.7pts)
Combined ratio ³	112.2	117.5	(5.3pts)

¹ The loss ratio is based on net earned premiums.

² The expense ratio is based on net premiums written. If the net earned premiums basis is applied, then the expense ratio would be 63.0% for the Year (2008: 85.7%).

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 115.7 for the Year (2008:141.0).

管理層回顧和分析

財產保險業務 — 由民安中國營運之中國業務

於二零一零年三月十四日，中國太平控股與潛在買家訂立框架協議，據此，待潛在買家滿意盡職調查的結果後，本公司及潛在買家同意訂立正式買賣協議，根據正式買賣協議，本公司同意出售及潛在買家同意購買本公司間接持有之全資附屬公司 — 民安中國的全部權益。

由民安中國經營之財產保險業務之主要財務數據概述如下：

截至十二月三十一日止年度，百萬港元

	二零零九年	二零零八年	變化
毛承保保費	1,449.15	1,054.38	37.4%
淨承保保費	1,233.03	903.21	36.5%
已賺取保費淨額	1,164.99	655.25	77.8%
賠款淨額	(613.88)	(362.23)	69.5%
佣金支出淨額	(146.56)	(134.21)	9.2%
投資收入總額	74.16	16.47	4.5倍
匯兌虧損淨額	(1.73)	(47.08)	(96.3%)
行政及其他費用	(592.66)	(434.07)	36.5%
承保虧損	(182.33)	(268.74)	(32.2%)
除稅前虧損	(114.29)	(304.39)	(62.5%)
除稅後虧損	(116.38)	(304.39)	(61.8%)
股東應佔虧損	(69.28)	(156.27)	(55.7%)
技術性儲備比率	71.3%	94.0%	(22.7點)
自留比率	85.1%	85.7%	(0.6點)
已賺取保費率	80.4%	62.1%	18.3點
賠付率 ¹	52.7%	55.3%	(2.6點)
費用率 ²	59.5%	62.2%	(2.7點)
綜合成本率 ³	112.2	117.5	(5.3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。倘使用已賺取保費淨額基準，則本年度之費用率將為63.0% (二零零八年：85.7%)。

³ 綜合成本率為賠付率與費用率的總和。倘費用率按已賺取保費淨額為基準計算，則本年度之綜合成本率將為115.7 (二零零八年：141.0)。

Management Review and Analysis

PROPERTY AND CASUALTY INSURANCE BUSINESS — PRC OPERATIONS CARRIED OUT BY MAC (Continued)

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

	2009	2008	Change
Market share ¹	0.4%	0.4%	—
Number of provincial branches	19	19	—
Number of sub-branches and marketing centers	91	76	15
Total investment yield ²	4.7%	1.3%	3.4pts

¹ Based on premiums published by the CIRC.

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

Loss Attributable to the Owners

The property and casualty insurance business operated by MAC incurred a net loss to the owners of HK\$69.28 million during the Year (2008: HK\$156.27 million). The decrease in losses was mainly due to significant improvements in investment returns and better underwriting performance during the Year. MAC was also able to lower its expense ratio through the obtainment of incremental scale economies and stringent cost controls.

Gross Premiums Written

MAC's gross premiums written increased by 37.4% to HK\$1,449.15 million from HK\$1,054.38 million in the Last Year. The detailed breakdown of MAC's gross premiums written was as follows:

For the year ended 31 December, HK\$ million

Business Line	2009	% of Total	2008	% of Total
Motor	1,055.38	72.8%	738.87	70.1%
Marine	55.72	3.9%	48.41	4.6%
Non-marine	338.05	23.3%	267.10	25.3%
	1,449.15	100.0%	1,054.38	100.0%

Net Claims Incurred

MAC's net claims incurred increased by 69.5% to HK\$613.88 million from HK\$362.23 million in the Last Year.

管理層回顧和分析

財產保險業務 — 由民安中國營運之中國業務 (續)

由民安中國經營之財產保險業務之主要經營數據概述如下：

	二零零九年	二零零八年	變化
市場份額 ¹	0.4%	0.4%	—
省級分公司數目	19	19	—
支公司及市場推廣中心數目	91	76	15
總投資收益率 ²	4.7%	1.3%	3.4點

¹ 據中國保監會刊發之毛承保保費計算。

² 不包括外匯資本資產產生之匯兌收益/(虧損)。

股東應佔虧損

本年度內，由民安中國經營之財產保險業務使股東遭受淨虧損6,928萬港元(二零零八年：1.5627億港元)。虧損減少的主因是投資回報大幅改善及本年內更佳的承保表現所致。民安中國亦透過提升規模經濟及嚴謹的成本控制降低其費用率。

毛承保保費

民安中國之毛承保保費由去年之10.5438億港元上升37.4%至14.4915億港元。民安中國毛承保保費詳細分析如下：

截至十二月三十一日止年度，百萬港元

業務種類	二零零九年	佔總額百分比	二零零八年	佔總額百分比
車險	1,055.38	72.8%	738.87	70.1%
水險	55.72	3.9%	48.41	4.6%
非水險	338.05	23.3%	267.10	25.3%
	1,449.15	100.0%	1,054.38	100.0%

淨賠款總額

民安中國之淨賠款總額由去年之3.6223億港元上升69.5%至6.1388億港元。

Management Review and Analysis

PROPERTY AND CASUALTY INSURANCE BUSINESS — PRC OPERATIONS CARRIED OUT BY MAC *(Continued)*

Combined Ratio

Although the fundamentals of the PRC property and casualty insurance market remained difficult and challenging, MAC's loss ratio improved to 52.7% from 55.3% in the Last Year, while its expense ratio improved, to 59.5% from 62.2% in the Last Year. The decrease in expense ratio was due to MAC's gradual obtainment of scale and a stringent focus on cost controls. As a result, MAC's combined ratio was 112.2 during the Year, which was lower than the 117.5 in the Last Year. MAC's loss ratios, expense ratios and combined ratios were as follows:

For the year ended 31 December

	2009	2008
Loss ratio	52.7%	55.3%
Expense ratio	59.5%	62.2%
Combined ratio	112.2	117.5

Investment Performance

The composition of investments held by MAC was as follows:

At 31 December, HK\$ million

	2009	% of Total	2008	% of Total
Debt securities	500.38	28.4%	412.92	29.8%
Direct equity securities	121.38	6.9%	34.77	2.5%
Investment funds	63.46	3.6%	170.94	12.3%
Cash and bank deposits	1,075.70	61.1%	767.53	55.4%
Total invested assets	1,760.92	100.0%	1,386.16	100.0%

During the Year, although investment markets sentiment improved significantly in the PRC, MAC continued to be very cautious in its asset allocation for its investment portfolio. Equity investments were maintained at a relatively low percentage of the asset allocation, while debt securities and cash and bank deposits constituted a combined total of approximately 89.5% of the total invested assets as at 31 December 2009 (2008: 85.2%).

管理層回顧和分析

財產保險業務 — 由民安中國營運之中國業務 (續)

綜合成本率

儘管中國財產保險市場的基本因素仍然嚴峻及具挑戰性，但民安中國賠付率由去年的55.3%改善至52.7%，同時其費用率亦由去年的62.2%改善至59.5%。費用率下降，原因是民安中國續漸達至規模及嚴謹的成本控制。因此，本年度內民安中國之綜合成本率為112.2，低於去年之117.5。民安中國之賠付率、費用率及綜合成本率情況如下：

截至十二月三十一日止年度

	二零零九年	二零零八年
賠付率	52.7%	55.3%
費用率	59.5%	62.2%
綜合成本率	112.2	117.5

投資表現

民安中國所持之投資組合如下：

於十二月三十一日，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
債務證券	500.38	28.4%	412.92	29.8%
直接股本證券	121.38	6.9%	34.77	2.5%
投資基金	63.46	3.6%	170.94	12.3%
現金及銀行存款	1,075.70	61.1%	767.53	55.4%
投資總額	1,760.92	100.0%	1,386.16	100.0%

於本年度內，儘管中國的投資氣氛大幅改善，民安中國對於其投資組合的資產配置仍然十分審慎。股本投資維持在資產配置的一個較低百分比，而債務證券、現金及銀行存款於二零零九年十二月三十一日合共佔投資資產總額約89.5% (二零零八年：85.2%)。

Management Review and Analysis

PROPERTY AND CASUALTY INSURANCE BUSINESS – PRC OPERATIONS CARRIED OUT BY MAC *(Continued)*

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

At 31 December 2009, HK\$ million

	HTM	AFS	HFT	LR	Total
Debt securities	—	466.31	—	34.07	500.38
Direct equity securities	—	121.38	—	—	121.38
Investment funds	—	63.46	—	—	63.46
	—	651.15	—	34.07	685.22

At 31 December 2008, HK\$ million

	HTM	AFS	HFT	LR	Total
Debt securities	—	378.90	—	34.02	412.92
Direct equity securities	—	34.77	—	—	34.77
Investment funds	—	170.94	—	—	170.94
	—	584.61	—	34.02	618.63

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

At 31 December, HK\$ million

	2009	2008
Central governments and central banks	431.22	297.62
Banks and other financial institutions	22.84	77.87
Corporate entities	46.32	37.43
	500.38	412.92

管理層回顧和分析

財產保險業務 — 由民安中國營運之中國業務 (續)

民安中國歸類為持有至到期日、可供出售、持有作交易用途及貸款及應收款項的證券投資如下：

於二零零九年十二月三十一日，百萬港元

	持有 至到期日	可供出售	持有作 交易用途	貸款 及應收款項	總額
債務證券	—	466.31	—	34.07	500.38
直接股本證券	—	121.38	—	—	121.38
投資基金	—	63.46	—	—	63.46
	—	651.15	—	34.07	685.22

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	持有作 交易用途	貸款 及應收款項	總額
債務證券	—	378.90	—	34.02	412.92
直接股本證券	—	34.77	—	—	34.77
投資基金	—	170.94	—	—	170.94
	—	584.61	—	34.02	618.63

債務證券按類別分類如下：

於十二月三十一日，百萬港元

	二零零九年	二零零八年
中央政府及中央銀行	431.22	297.62
銀行及其他金融機構	22.84	77.87
企業實體	46.32	37.43
	500.38	412.92

Management Review and Analysis

PROPERTY AND CASUALTY INSURANCE BUSINESS — PRC OPERATIONS CARRIED OUT BY MAC *(Continued)*

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

For the year ended 31 December, HK\$ million

	2009	2008	Change
Net investment income	42.48	67.61	(37.2%)
Net realized investment gains	31.68	5.27	6.0 times
Impairment on AFS equities	—	(56.41)	—
Total investment income	74.16	16.47	4.5 times
Total investment yield	4.7%	1.3%	3.4pts

MAC's total investment income was HK\$74.16 million for the Year, representing a large increase from HK\$16.47 million in the Last Year. The above-mentioned investment income and investment yield figures do not include a net exchange loss of HK\$1.73 million (2008: HK\$47.08 million).

管理層回顧和分析

財產保險業務 — 由民安中國營運之中國業務 (續)

民安中國確認在綜合損益表內之稅前投資收入總額及稅前投資收益率概述如下：

截至十二月三十一日止年度，百萬港元

	二零零九年	二零零八年	變化
投資收入淨額	42.48	67.61	(37.2%)
已實現投資收益淨額	31.68	5.27	6.0倍
可供出售股本投資減值	—	(56.41)	—
投資收入總額	74.16	16.47	4.5倍
總投資收益率	4.7%	1.3%	3.4點

本年內，民安中國錄得投資收入總額7,416萬港元，較去年溢利1,647萬港元大幅增加。上述投資收入及投資收益率並不包括173萬港元匯兌虧損淨額（二零零八年：4,708萬港元）。

Management Review and Analysis

PROPERTY AND CASUALTY INSURANCE BUSINESS — PRC OPERATIONS CARRIED OUT BY MAC *(Continued)*

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

For the year ended 31 December 2009, 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	Unrealized gains	Impairment			
Debt securities								
HTM	—	—	—	—	—	—	—	—
AFS	10.33	—	6.98	—	—	17.31	(16.37)	0.94
HFT	—	—	0.12	—	—	0.12	—	0.12
LR	2.09	—	—	—	—	2.09	—	2.09
Direct equity securities								
AFS	—	0.51	17.06	—	—	17.57	23.10	40.67
HFT	—	—	—	—	—	—	—	—
Investment funds								
AFS	—	12.29	7.52	—	—	19.81	5.54	25.35
HFT	—	0.29	—	—	—	0.29	—	0.29
Cash and bank deposits	17.57	—	—	—	—	17.57	—	17.57
Securities sold under repurchase agreements	(0.78)	—	—	—	—	(0.78)	—	(0.78)
Other	0.18	—	—	—	—	0.18	—	0.18
	29.39	13.09	31.68	—	—	74.16	12.27	86.43

管理層回顧和分析

財產保險業務 — 由民安中國營運之中國業務 (續)

民安中國稅前投資收入／(虧損)之詳細分析如下：

截至二零零九年十二月三十一日止年度，百萬港元

	於綜合損益表內確認					小計	於公允價值 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	已實現收益	未實現收益	減值			
債務證券								
持有至到期日	—	—	—	—	—	—	—	—
可供出售	10.33	—	6.98	—	—	17.31	(16.37)	0.94
持有作交易用途	—	—	0.12	—	—	0.12	—	0.12
貸款及應收款項	2.09	—	—	—	—	2.09	—	2.09
直接股本證券								
可供出售	—	0.51	17.06	—	—	17.57	23.10	40.67
持有作交易用途	—	—	—	—	—	—	—	—
投資基金								
可供出售	—	12.29	7.52	—	—	19.81	5.54	25.35
持有作交易用途	—	0.29	—	—	—	0.29	—	0.29
現金及銀行存款	17.57	—	—	—	—	17.57	—	17.57
賣出回購證券	(0.78)	—	—	—	—	(0.78)	—	(0.78)
其他	0.18	—	—	—	—	0.18	—	0.18
	29.39	13.09	31.68	—	—	74.16	12.27	86.43

Management Review and Analysis

PROPERTY AND CASUALTY INSURANCE BUSINESS — PRC OPERATIONS CARRIED OUT BY MAC (Continued)

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

	Recognized in the consolidated income statement					Sub total	Unrealized gains/ (losses) recognized in the fair value reserve	Grand total
	Interest income/ (expense)	Dividend income	Realized gains/ (losses)	Unrealized gains	Impairment			
Debt securities								
HTM	—	—	—	—	—	—	—	—
AFS	11.22	—	(1.66)	—	—	9.56	16.26	25.82
HFT	—	—	—	—	—	—	—	—
LR	0.54	—	—	—	—	0.54	—	0.54
Direct equity securities								
AFS	—	0.48	16.41	—	(21.68)	(4.79)	(38.55)	(43.34)
HFT	—	—	—	—	—	—	—	—
Investment funds								
AFS	—	28.37	(9.48)	—	(34.73)	(15.84)	(5.19)	(21.03)
HFT	—	—	—	—	—	—	—	—
Cash and bank deposits	28.16	—	—	—	—	28.16	—	28.16
Securities sold under repurchase agreements	(1.21)	—	—	—	—	(1.21)	—	(1.21)
Other	0.05	—	—	—	—	0.05	—	0.05
	38.76	28.85	5.27	—	(56.41)	16.47	(27.48)	(11.01)

管理層回顧和分析

財產保險業務 — 由民安中國營運之中國業務 (續)

截至二零零八年十二月三十一日止年度 · 百萬港元

	於綜合損益表內確認					於公允價值		總額
	利息 收入/ (支出)	股息收入	已實現 收益/ (虧損)	未實現收益	減值	小計	儲備內確認之 未實現收益/ (虧損)	
債務證券								
持有至到期日	—	—	—	—	—	—	—	—
可供出售	11.22	—	(1.66)	—	—	9.56	16.26	25.82
持有作交易用途	—	—	—	—	—	—	—	—
貸款及應收款項	0.54	—	—	—	—	0.54	—	0.54
直接股本證券								
可供出售	—	0.48	16.41	—	(21.68)	(4.79)	(38.55)	(43.34)
持有作交易用途	—	—	—	—	—	—	—	—
投資基金								
可供出售	—	28.37	(9.48)	—	(34.73)	(15.84)	(5.19)	(21.03)
持有作交易用途	—	—	—	—	—	—	—	—
現金及銀行存款	28.16	—	—	—	—	28.16	—	28.16
賣出回購證券	(1.21)	—	—	—	—	(1.21)	—	(1.21)
其他	0.05	—	—	—	—	0.05	—	0.05
	38.76	28.85	5.27	—	(56.41)	16.47	(27.48)	(11.01)

Management Review and Analysis

PROPERTY AND CASUALTY INSURANCE BUSINESS – PRC OPERATIONS CARRIED OUT BY MAC *(Continued)*

Net Commission Expenses

The net commission expenses of MAC were as follows:

For the year ended 31 December, HK\$ million

	2009	2008	Change
Net commission expenses	146.56	134.21	9.2%
Ratio of net commission expenses to gross premiums written	10.1%	12.7%	(2.6pts)

Administrative and Other Expenses

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

For the year ended 31 December, HK\$ million

	2009	2008	Change
Staff costs	339.65	183.35	85.2%
Rental expenses	38.15	29.28	30.3%
Business tax and additional charges	73.27	54.15	35.3%
Others	141.59	167.29	(15.4%)
	592.66	434.07	36.5%

Financial Strength and Solvency Margin

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

At 31 December, RMB million

	2009	2008
Actual Solvency Margin	452	567
Minimum Statutory Solvency Margin	166	123
Solvency Margin Ratio	272%	461%

管理層回顧和分析

財產保險業務 — 由民安中國營運之中國業務 (續)

佣金支出淨額

民安中國之佣金支出淨額如下：

截至十二月三十一日止年度，百萬港元

	二零零九年	二零零八年	變化
佣金支出淨額	146.56	134.21	9.2%
佣金支出淨額佔毛承保保費	10.1%	12.7%	(2.6點)

行政及其他費用

民安中國之行政及其他費用概述如下：

截至十二月三十一日止年度，百萬港元

	二零零九年	二零零八年	變化
員工成本	339.65	183.35	85.2%
租賃開支	38.15	29.28	30.3%
營業稅金及附加費用	73.27	54.15	35.3%
其他	141.59	167.29	(15.4%)
	592.66	434.07	36.5%

財務實力及償付能力

民安中國按中國保監會規定之償付能力充足率如下：

於十二月三十一日，百萬人民幣

	二零零九年	二零零八年
實際償付能力	452	567
最低法定償付能力	166	123
償付能力充足率	272%	461%

Management Review and Analysis

PROPERTY AND CASUALTY INSURANCE BUSINESS — HONG KONG OPERATIONS CARRIED OUT BY CTPI (HK)

The key financial data of the property and casualty insurance business operated in Hong Kong is summarized below:

For the year ended 31 December, HK\$ million

	2009	2008	Change
Gross premiums written	778.20	911.39	(14.6%)
Net premiums written	512.96	554.00	(7.4%)
Net earned premiums	516.44	549.06	(5.9%)
Net claims incurred	(239.27)	(274.27)	(12.8%)
Net commission expenses	(132.49)	(150.79)	(12.1%)
Total investment income	298.20	(31.84)	—
Net exchange gain/(loss)	1.88	(14.37)	—
Administrative and other expenses	(162.19)	(162.32)	(0.1%)
Underwriting loss ⁴	(0.26)	(17.85)	(98.5%)
Profit/(loss) before taxation	299.73	(43.54)	—
Profit/(loss) after taxation	299.44	(43.66)	—
Profit/(loss) attributable to the owners	189.80	(22.42)	—
Technical reserves ratio	244.6%	243.6%	1.0pts
Retained ratio	64.5%	59.5%	5.0pts
Earned premiums ratio	64.9%	58.9%	6.0pts
Loss ratio ¹	46.3%	50.0%	(3.7pts)
Expense ratio ²	54.1%	52.8%	1.3pts
Combined ratio ³	100.4	102.8	(2.4pts)

¹ The loss ratio is based on net earned premiums.

² The expense ratio is based on net premiums written. If the net earned premiums basis is applied, then the expense ratio would be 53.7% for the Year (2008: 53.3%).

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 100.1 for the Year (2008: 103.3).

⁴ Before the change in accounting policy, the underwriting result is a profit of HK\$6.96 million (2008: HK\$1.71 million).

Profit Attributable to the Owners

The Hong Kong operations recorded a net profit to the owners of HK\$189.80 million during the Year (2008: loss of HK\$22.42 million). The strong rebound in profitability was mainly due to significant improvements in investment returns and a slight improvement in underwriting performance during the Year.

管理層回顧和分析

財產保險業務 — 由中國太平香港營運之香港業務

在香港經營之財產保險業務之主要財務數據概述如下：

截至十二月三十一日止年度，百萬港元

	二零零九年	二零零八年	變化
毛承保保費	778.20	911.39	(14.6%)
淨承保保費	512.96	554.00	(7.4%)
已賺取保費淨額	516.44	549.06	(5.9%)
賠款淨額	(239.27)	(274.27)	(12.8%)
佣金支出淨額	(132.49)	(150.79)	(12.1%)
投資收入總額	298.20	(31.84)	—
匯兌收益／(虧損)淨額	1.88	(14.37)	—
行政及其他費用	(162.19)	(162.32)	(0.1%)
承保虧損 ⁴	(0.26)	(17.85)	(98.5%)
除稅前溢利／(虧損)	299.73	(43.54)	—
除稅後溢利／(虧損)	299.44	(43.66)	—
股東應佔溢利／(虧損)	189.80	(22.42)	—
技術性儲備比率	244.6%	243.6%	1.0點
自留比率	64.5%	59.5%	5.0點
已賺取保費率	64.9%	58.9%	6.0點
賠付率 ¹	46.3%	50.0%	(3.7點)
費用率 ²	54.1%	52.8%	1.3點
綜合成本率 ³	100.4	102.8	(2.4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。倘使用已賺取保費淨額基準，則本年度之費用率將為53.7% (二零零八年：53.3%)。

³ 綜合成本率為賠付率與費用率的總和。倘費用率按已賺取保費淨額為基準計算，則本年度之綜合成本率將為100.1 (二零零八年：103.3)。

⁴ 會計政策變更前，承保業績為溢利696萬港元 (二零零八年：171萬港元)。

股東應佔溢利

本年度內，香港經營之財產保險業務使股東錄得淨收益1.8980億港元 (二零零八年：虧損2,242萬港元)。溢利強勁反彈主要是由於投資回報大幅改善及承保表現略為改善所致。

Management Review and Analysis

PROPERTY AND CASUALTY INSURANCE BUSINESS — HONG KONG OPERATIONS CARRIED OUT BY CTPI (HK) *(Continued)*

Gross Premiums Written

As a result of the uncertain economic outlook in Hong Kong during the Year, the Hong Kong property and casualty insurance market experienced very weak premium growth, while intense competition for business pressed premium pricing to a low level. Gross premiums written decreased by 14.6% to HK\$778.20 million from HK\$911.39 million in the Last Year. This decrease in premium was mainly attributable to: (1) a decrease in marine hull values, which directly correlates with margin hull premium values; (2) a significant decrease in cargo trading volumes in Hong Kong, which lowered margin cargo premium levels; and (3) the non-renewal of two major employee compensation accounts due to strong market competition. The detailed breakdown of gross premiums written was as follows:

For the year ended 31 December, HK\$ million

Business Line	2009	% of Total	2008	% of Total
Motor	201.36	25.9%	213.92	23.5%
Marine	150.13	19.3%	191.34	21.0%
Non-marine	426.71	54.8%	506.13	55.5%
	778.20	100.0%	911.39	100.0%

Net Claims Incurred

Net claims incurred decreased by 12.8% to HK\$239.27 million from HK\$274.27 million in the Last Year.

Combined Ratio

The expense ratio, calculated based on net premiums written, increased to 54.1% from 52.8% in the Last Year. However, a much better loss ratio of 46.3% from 50.0% in the Last Year allowed the combined ratio to be improved to 100.4 from 102.8 in the Last Year. The loss ratios, expense ratios and combined ratios were as follows:

For the year ended 31 December

	2009	2008
Loss ratio	46.3%	50.0%
Expense ratio	54.1%	52.8%
Combined ratio	100.4	102.8

管理層回顧和分析

財產保險業務 — 由中國太平香港營運之香港業務 (續)

毛承保保費

由於本年內香港的經濟前景不明朗，香港財產保險市場只錄得非常微弱的保費增長，同時業務競爭激烈令保費價格被抑制在低水平。毛承保保費由去年之9.1139億港元下跌14.6%至7.7820億港元。此保費下跌主要是(1)船價下跌，影響以船舶價值作保費基礎的船舶險保費；(2)全港貨運量大幅減少，使貨運險保費大幅下跌；及(3)因市場競爭激烈，流失兩筆較大的僱賠險續保業務。毛承保保費詳細分析如下：

截至十二月三十一日止年度，百萬港元

業務種類	二零零九年	佔總額百分比	二零零八年	佔總額百分比
車險	201.36	25.9%	213.92	23.5%
水險	150.13	19.3%	191.34	21.0%
非水險	426.71	54.8%	506.13	55.5%
	778.20	100.0%	911.39	100.0%

淨賠款總額

淨賠款總額由去年之2.7427億港元下跌12.8%至2.3927億港元。

綜合成本率

按淨承保保費為基準計算之費用率由去年的52.8%上升至54.1%。然而，賠付率由去年的50.0%下降至46.3%，令綜合成本率由去年的102.8改善至100.4。賠付率、費用率及綜合成本率情況如下：

截至十二月三十一日止年度

	二零零九年	二零零八年
賠付率	46.3%	50.0%
費用率	54.1%	52.8%
綜合成本率	100.4	102.8

Management Review and Analysis

PROPERTY AND CASUALTY INSURANCE BUSINESS — HONG KONG OPERATIONS CARRIED OUT BY CTPI (HK) (Continued)

Investment Performance

The composition of investments was as follows:

At 31 December, HK\$ million

	2009	% of Total	2008	% of Total
Debt securities	1,393.08	44.5%	1,739.36	45.8%
Direct equity securities	164.79	5.3%	98.60	2.6%
Investment funds	63.78	2.0%	52.18	1.4%
Cash and bank deposits	417.21	13.3%	817.31	21.5%
Investment properties	1,095.10	34.9%	1,087.71	28.7%
Total invested assets	3,133.96	100.0%	3,795.16	100.0%

During the Year, although investment markets sentiment improved significantly in Hong Kong, CTPI (HK) continued to be very cautious in its asset allocation for its investment portfolio. Equity investments were maintained at a relatively low percentage of the asset allocation, while debt securities and cash and bank deposits constituted a combined total of approximately 57.8% of the total invested assets as at 31 December 2009 (2008: 67.3%).

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

At 31 December 2009, HK\$ million

	HTM	AFS	HFT	LR	Total
Debt securities	476.87	916.21	—	—	1,393.08
Direct equity securities	—	164.79	—	—	164.79
Investment funds	—	63.78	—	—	63.78
	476.87	1,144.78	—	—	1,621.65

At 31 December 2008, HK\$ million

	HTM	AFS	HFT	LR	Total
Debt securities	841.02	667.38	230.96	—	1,739.36
Direct equity securities	—	85.28	13.32	—	98.60
Investment funds	—	52.18	—	—	52.18
	841.02	804.84	244.28	—	1,890.14

管理層回顧和分析

財產保險業務 — 由中國太平香港營運之香港業務 (續)

投資表現

投資組合情況如下：

於十二月三十一日，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
債務證券	1,393.08	44.5%	1,739.36	45.8%
直接股本證券	164.79	5.3%	98.60	2.6%
投資基金	63.78	2.0%	52.18	1.4%
現金及銀行存款	417.21	13.3%	817.31	21.5%
投資物業	1,095.10	34.9%	1,087.71	28.7%
投資總額	3,133.96	100.0%	3,795.16	100.0%

於本年度內，儘管香港的投資氣氛大幅改善，中國太平香港對於其投資組合的資產配置仍然十分審慎。股本投資維持在資產配置的一個較低百分比，而債務證券、現金及銀行存款於二零零九年十二月三十一日合共佔投資資產總額約57.8% (二零零八年：67.3%)。

歸類為持有至到期日、可供出售、持有作交易用途及貸款及應收款項的證券投資如下：

於二零零九年十二月三十一日，百萬港元

	持有 至到期日	可供出售	持有作 交易用途	貸款及 應收款項	總額
債務證券	476.87	916.21	—	—	1,393.08
直接股本證券	—	164.79	—	—	164.79
投資基金	—	63.78	—	—	63.78
	476.87	1,144.78	—	—	1,621.65

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	持有作 交易用途	貸款及 應收款項	總額
債務證券	841.02	667.38	230.96	—	1,739.36
直接股本證券	—	85.28	13.32	—	98.60
投資基金	—	52.18	—	—	52.18
	841.02	804.84	244.28	—	1,890.14

Management Review and Analysis

PROPERTY AND CASUALTY INSURANCE BUSINESS — HONG KONG OPERATIONS CARRIED OUT BY CTPI (HK) *(Continued)*

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

At 31 December, HK\$ million

	2009	2008
Central governments and central banks	16.61	263.09
Banks and other financial institutions	886.82	812.74
Corporate entities	451.24	663.53
Others	38.41	—
	1,393.08	1,739.36

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

For the year ended 31 December, HK\$ million

	2009	2008	Change
Net investment income	167.40	172.29	(2.8%)
Net realized investment gains/(losses)	123.41	(198.53)	—
Net unrealized investment gains	7.39	62.68	(88.2%)
Impairment on debt and equity securities	—	(68.28)	—
Total investment income	298.20	(31.84)	—
Total investment yield	8.7%	(0.7%)	—

Total investment income was HK\$298.20 million for the Year, representing a large increase from the loss of HK\$31.84 million in the Last Year. A strong rebound in equities traded in Hong Kong was the primary factor behind CTPI (HK)'s large investment gains. The above-mentioned investment income and investment yield figures do not include a net exchange gain of HK\$1.88 million (2008: loss of HK\$14.37 million).

管理層回顧和分析

財產保險業務 — 由中國太平香港營運之香港業務 (續)

債務證券按類別分類如下：

於十二月三十一日，百萬港元

	二零零九年	二零零八年
中央政府及中央銀行	16.61	263.09
銀行及其他金融機構	886.82	812.74
企業實體	451.24	663.53
其他	38.41	—
	1,393.08	1,739.36

中國太平香港確認在綜合損益表內之稅前投資收入總額及稅前投資收益率概述如下：

截至十二月三十一日止年度，百萬港元

	二零零九年	二零零八年	變化
投資收入淨額	167.40	172.29	(2.8%)
已實現投資收益／(虧損)淨額	123.41	(198.53)	—
未實現投資收益淨額	7.39	62.68	(88.2%)
債務及股本證券減值	—	(68.28)	—
投資收入總額	298.20	(31.84)	—
總投資收益率	8.7%	(0.7%)	—

本年內錄得投資收入總額2.9820億港元，較去年虧損3,184萬港元大幅增加。在香港買賣的股本證券強勁反彈為中國太平香港獲得較佳的投資收益的主因。上述投資收入及投資收益率並不包括188萬港元匯兌收益淨額(二零零八年：虧損1,437萬港元)。

Management Review and Analysis

PROPERTY AND CASUALTY INSURANCE BUSINESS — HONG KONG OPERATIONS CARRIED OUT BY CTPI (HK) (Continued)

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

For the year ended 31 December 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	Unrealized gains	Impairment			
Debt securities									
HTM	40.59	—	—	16.83	—	—	57.42	—	57.42
AFS	52.69	—	—	60.69	—	—	113.38	98.91	212.29
HFT	4.12	—	—	7.16	—	—	11.28	—	11.28
Direct equity securities									
AFS	—	4.19	—	29.96	—	—	34.15	20.77	54.92
HFT	—	0.26	—	8.77	—	—	9.03	—	9.03
Investment funds									
AFS	—	13.88	—	—	—	—	13.88	1.88	15.76
HFT	—	—	—	—	—	—	—	—	—
Cash and bank deposits	4.86	—	—	—	—	—	4.86	—	4.86
Investment properties	—	—	46.79	—	7.39	—	54.18	—	54.18
Others	0.02	—	—	—	—	—	0.02	—	0.02
	102.28	18.33	46.79	123.41	7.39	—	298.20	121.56	419.76

管理層回顧和分析

財產保險業務 — 由中國太平香港營運之香港業務 (續)

中國太平香港稅前投資收入／(虧損)之詳細分析如下：

截至二零零九年十二月三十一日止年度，百萬港元

	於綜合損益表內確認						於公允價值	總額
	利息收入	股息收入	租金收入	已實現收益	未實現收益	減值	小計	
債務證券								
持有至到期日	40.59	—	—	16.83	—	—	57.42	—
可供出售	52.69	—	—	60.69	—	—	113.38	98.91
持有作交易用途	4.12	—	—	7.16	—	—	11.28	—
直接股本證券								
可供出售	—	4.19	—	29.96	—	—	34.15	20.77
持有作交易用途	—	0.26	—	8.77	—	—	9.03	—
投資基金								
可供出售	—	13.88	—	—	—	—	13.88	1.88
持有作交易用途	—	—	—	—	—	—	—	—
現金及銀行存款	4.86	—	—	—	—	—	4.86	—
投資物業	—	—	46.79	—	7.39	—	54.18	—
其他	0.02	—	—	—	—	—	0.02	—
	102.28	18.33	46.79	123.41	7.39	—	298.20	121.56

Management Review and Analysis

PROPERTY AND CASUALTY INSURANCE BUSINESS — HONG KONG OPERATIONS CARRIED OUT BY CTPI (HK) (Continued)

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

	Recognized in the consolidated income statement						Sub total	Unrealized losses recognized in the fair value reserve	Grand total
	Interest income	Dividend income	Rental income	Realized gains/(losses)	Unrealized gains/(losses)	Impairment			
Debt securities									
HTM	42.57	—	—	—	—	—	42.57	—	42.57
AFS	29.89	—	—	0.84	—	(11.54)	19.19	(27.72)	(8.53)
HFT	14.24	—	—	0.12	(20.83)	—	(6.47)	—	(6.47)
Direct equity securities									
AFS	—	11.86	—	(197.38)	—	(56.74)	(242.26)	(38.26)	(280.52)
HFT	—	0.35	—	0.70	(10.25)	—	(9.20)	—	(9.20)
Investment funds									
AFS	—	0.04	—	(2.81)	—	—	(2.77)	(0.01)	(2.78)
HFT	—	—	—	—	—	—	—	—	—
Cash and bank deposits	28.90	—	—	—	—	—	28.90	—	28.90
Investment properties	—	—	44.44	—	93.76	—	138.20	—	138.20
	115.60	12.25	44.44	(198.53)	62.68	(68.28)	(31.84)	(65.99)	(97.83)

管理層回顧和分析

財產保險業務 — 由中國太平香港營運之香港業務 (續)

截至二零零八年十二月三十一日止年度，百萬港元

	於綜合損益表內確認						小計	於公允價值 儲備內確認之 未實現虧損	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/ (虧損)	減值			
債務證券									
持有至到期日	42.57	—	—	—	—	—	42.57	—	42.57
可供出售	29.89	—	—	0.84	—	(11.54)	19.19	(27.72)	(8.53)
持有作交易用途	14.24	—	—	0.12	(20.83)	—	(6.47)	—	(6.47)
直接股本證券									
可供出售	—	11.86	—	(197.38)	—	(56.74)	(242.26)	(38.26)	(280.52)
持有作交易用途	—	0.35	—	0.70	(10.25)	—	(9.20)	—	(9.20)
投資基金									
可供出售	—	0.04	—	(2.81)	—	—	(2.77)	(0.01)	(2.78)
持有作交易用途	—	—	—	—	—	—	—	—	—
現金及銀行存款	28.90	—	—	—	—	—	28.90	—	28.90
投資物業	—	—	44.44	—	93.76	—	138.20	—	138.20
	115.60	12.25	44.44	(198.53)	62.68	(68.28)	(31.84)	(65.99)	(97.83)

Management Review and Analysis

PROPERTY AND CASUALTY INSURANCE BUSINESS — HONG KONG OPERATIONS CARRIED OUT BY CTPI (HK) *(Continued)*

Net Commission Expenses

The net commission expenses were as follows:

For the year ended 31 December, HK\$ million

	2009	2008	Change
Net commission expenses	132.49	150.79	(12.1%)
Ratio of net commission expenses to gross premiums written	17.0%	16.5%	0.5pt

Administrative and Other Expenses

The administrative and other expenses are summarized as follows:

For the year ended 31 December, HK\$ million

	2009	2008	Change
Staff costs	114.20	115.89	(1.5%)
Rental expenses	0.36	1.33	(72.9%)
Others	47.63	45.1	5.6%
	162.19	162.32	(0.1%)

Financial Strength and Solvency Margin

The solvency margin ratios under the Hong Kong Insurance regulations were as follows:

At 31 December, HKD million

	2009	2008
Actual Solvency Margin	2,503	2,272
Minimum Statutory Solvency Margin	126	132
Solvency Margin Ratio	1,987%	1,721%

管理層回顧和分析

財產保險業務 — 由中國太平香港營運之香港業務 (續)

佣金支出淨額

中國太平香港之佣金支出淨額如下：

截至十二月三十一日止年度，百萬港元

	二零零九年	二零零八年	變化
佣金支出淨額	132.49	150.79	(12.1%)
佣金支出淨額佔毛承保保費	17.0%	16.5%	0.5點

行政及其他費用

中國太平香港之行政及其他費用概述如下：

截至十二月三十一日止年度，百萬港元

	二零零九年	二零零八年	變化
員工成本	114.20	115.89	(1.5%)
租賃開支	0.36	1.33	(72.9%)
其他	47.63	45.1	5.6%
	162.19	162.32	(0.1%)

財務實力及償付能力

中國太平香港按香港保險條例規定之償付能力充足率如下：

於十二月三十一日，百萬港元

	二零零九年	二零零八年
實際償付能力	2,503	2,272
最低法定償付能力	126	132
償付能力充足率	1,987%	1,721%

Management Review and Analysis

OUTLOOK

Reinsurance Business — TPRe

The renewal of reinsurance contracts for the January 2010 renewal season was stable for TPRe in its core markets, with only small downward adjustments in pricing which were not unreasonable. In Mainland China, which is now the single largest market of TPRe, the renewal of business has likewise been smooth, and TPRe's Beijing Branch has been able to bring the momentum of a very satisfactory start-up year in 2009 to a very promising beginning in 2010, as the reinsurers writing business in Mainland China have been selective in pursuing business expansion. The hardening of reinsurance conditions in favor of reinsurers in the PRC was instigated by major reinsurers active in the Mainland China market.

Going forward, TPRe will continue to strive to expand its reinsurance business in Mainland China, and believes that its broad experience in many different lines of reinsurance across many different geographies, its cultural affinities with and understanding of PRC clients, and its expanding domestic professional staff in Beijing and Shanghai will give the reinsurance operations strong competitive advantages in building its presence in the PRC. The timing of the establishment of the Beijing Branch in December 2008 has been very good and opportune, as the property and casualty insurance industry in Mainland China appears to be growing well, and the quality of the overall market has also been slowly improving following intensified regulations and enforcement by the CIRC, the insurance regulator. As such, TPRe is very optimistic over its long-term prospects and potential in the PRC reinsurance industry.

TPRe has now entered into its 30th year of operations, and the senior management and professionals of the reinsurance business are highly excited and very much look forward to further cultivating its long established and deep client relationships and positions in all of its core markets for the decades to come. TPRe is as committed as ever to position itself as one of the premier reinsurers in Asia, by providing high quality reinsurance services to its clients, while also delivering strong, long term sustainable growth, returns and value to its partners and shareholders.

Life Insurance Business — TPL

The PRC life insurance industry continues to have highly attractive fundamentals for long-term growth. Life insurance penetration in the country remains at very low levels, and the Mainland China economy has proven to be very strong and resilient during the middle and in the aftermath of the global economic and financial crisis. As such, the directors and senior management of TPL are optimistic for the prospects of the PRC life insurance industry in 2010.

Over the next twelve months, TPL will continue its major strategy of prioritizing the sale of traditional products with regular premium features. This strategic prioritization is not just for 2010, but will continue for at least several more years, if not longer into the foreseeable future. TPL intends to establish regular premium product sales as the bedrock of its operations in the years to come. This is why TPL, still a relatively young company, has decided to adopt such an approach so early in its development. By having the life insurance operations predominantly consisting of higher profit margin and higher new business value products, the resulting foundation will best facilitate and inculcate a culture and philosophy of value and profitability that will last for the future.

TPL will also continue to focus heavily on improving its cost levels throughout its organization. While building scale and further expanding its network infrastructure throughout China will be pursued (30 new sub-branches and 180 marketing centers are planned to be opened in 2010), effective expense management will continue to be focused upon.

管理層回顧和分析

展望

再保險業務 — 太平再保險

在二零一零年一月續保旺季，太平再保險在其核心市場內的再保險合約續保情況穩定，價格只有輕微下調，但尚算合理。在中國大陸（現為太平再保險的單一最大市場），業務續保亦同樣順利。太平再保險北京分公司於二零零九年設立，並已呈現出良好的勢頭，令人鼓舞。受惠於再保險商能選擇性地於中國大陸擴展業務，二零一零年將會是充滿期待的一年。在活躍於中國大陸市場的大型再保險商推動下，再保險條件的整固對中國再保險商有利。

展望將來，太平再保險將繼續致力在中國大陸擴大其再保險業務，並深信其憑著於不同地區從事各再保險業務的豐富經驗、與中國客戶的文化雷同和對中國客戶的了解，以及在北京及上海增聘本地專業人員，都為再保險業務在中國發展帶來強大競爭優勢。在二零零八年十二月成立北京分公司，乃屬較佳而恰當的時機，因為中國大陸財產保險業看來增長不俗，而經過中國保監會（保險監管機構）加強規管及執法，整體市場的質素亦見逐步改善。因此，太平再保險對在中國再保險業的長遠發展前景及潛力非常樂觀。

太平再保險開業以來已進入第三十周年，再保險業務的高級管理層及專業人員對此深感鼓舞，並熱切期待在未來十年進一步培養既有而深厚的客戶關係，以及在其全部核心市場的地位。太平再保險一如承諾，將繼續致力於成為一家亞洲領先的再保險商，為客戶提供優質的再保險服務，同時為夥伴及股東帶來強勁而長遠的可持續增長、回報及價值。

人壽保險業務 — 太平人壽

中國人壽保險業長遠增長的基調仍極具吸引力。國內壽險滲透率仍然極低，而在全球經濟及金融危機期間及過後，中國大陸經濟已顯現出其強大及迅速復甦的態勢。因此，太平人壽董事及高級管理層對中國人壽保險業在二零一零年的前景感到樂觀。

未來十二個月，太平人壽會繼續其著重銷售期繳型傳統產品的策略。此策略不只針對二零一零年，並會繼續至少數年，甚至會在可見將來一貫推行。太平人壽打算以期繳型產品銷售作為往後業務的基石。太平人壽雖然年輕，但已在其發展初期便決定採取此策略。壽險業務以高利潤及高業務價值產品為主導，貫徹我們以價值及盈利為本的文化及哲學，並長存不息。

太平人壽亦將繼續專注於改善全企業的成本水平。在全中國擴展規模及加強發展其銷售網絡（計劃於二零一零年開設30家新的支公司及180家市場推廣中心）的同時，還會繼續集中執行有效的費用管控。

Management Review and Analysis

OUTLOOK *(Continued)*

Property and Casualty Insurance Business

TPI

Growth prospects for the PRC property and casualty insurance industry remain very attractive in 2010 and beyond, as the penetration of property and casualty insurance in the PRC remains at very low levels and economic growth in the country continues to be among the fastest in the world. The underlying profitability of the property and casualty insurance industry in Mainland China, however, will likely continue to be difficult and challenging in the near term, although recent efforts by regulators in promulgating and enforcing stricter and more efficient rules and laws have begun to gradually improve the practices of the market.

TPI will install an enhanced information technology system in the latter part of the year, which is expected, when fully launched, to provide a much better operating platform to facilitate TPI's plans for centralized control management. A rigid and strict focus on controlling costs and expenses, and a more professional and efficient underwriting approach should allow the operations to break even on a sustainable basis provided that the external market environment and discipline also improves.

MAC

An announcement was made on 15 March 2010 on the possible disposal by CTIH of an 100% equity interest in MAC.

The proposed transaction, if completed, will provide immediate cash inflows to the Company together with a reasonable profit, and will resolve certain PRC regulatory issues. CTIH has learned of possible modifications of certain regulatory requirements that a single insurance holding company or insurance group company may no longer be allowed to have controlling interests in more than one insurance company operating in the same business line in Mainland China. Having considered the long term development objectives and goals of the property and casualty insurance segment of the Company, the Board believes that the Proposed Transaction is in the best interests of the Shareholders of CTIH.

It is estimated, based on the latest information available, that the disposal of MAC may generate a material profit to the Company for the financial year ending 31 December 2010 in which the completion of the Proposed Transaction is expected to take place.

CTPI (HK)

The property and casualty insurance industry in Hong Kong is a highly competitive market, and growth over the near- to medium-term will likely be steady and challenging. CTPI (HK) is currently undergoing a rationalization of its various departments to enhance productivity and reduce unit costs. With the economy stabilizing in Hong Kong after difficult years in 2008 and 2009, CTPI (HK) expects to maintain its market position and client relationships and remain one of the top insurers in the city with sustainable and acceptable returns to shareholders.

Investments

Although global investment markets have rebounded positively since the financial crisis of 2008, much uncertainty and unpredictability remain in the global financial markets and economies. As such, it is very possible that above-average volatility will be present in the financial markets. In such an environment, the investment policies and investment portfolios in both Hong Kong and the PRC will continue to be managed in a conservative and prudent fashion, with a special emphasis placed upon risk management and conservative asset allocation.

管理層回顧和分析

展望 (續)

財產保險業務

太平財險

在二零一零年及以後，中國財產保險業的增長前景仍然極具吸引力，因為中國財產保險滲透率仍在極低水平，而國內經濟增長仍屬全球最快。儘管近期監管當局致力推出及執行更嚴厲及更有效的法律和法規，市場環境亦已開始逐步改善，但中國大陸財產保險業所隱含的盈利能力在短期內或會繼續難以顯現，而且仍具挑戰性。

太平財險先進的資訊科技系統將在下半年設置，預期全面運作後可提供最佳的營運平台以促進太平財險實現中央管控的計劃。憑藉嚴格及嚴謹的成本及費用控制以及更專業及有效的承保作業，只要外圍市場環境及秩序亦得到改善，可望使業務在可持續發展的情況下實現收支平衡。

民安中國

於二零一零年三月十五日，中國太平控股刊發可能出售民安中國100%股權權益之公告。

若交易建議完成，將為本公司帶來即時的現金收入及合理的利潤，及解決若干中國監管要求可能帶來之變數。中國太平控股得悉若干監管要求可能作出修訂，一間保險控股公司或保險集團公司可能不容許持有多於一間在中國內地從事同一業務種類的保險公司之控制性股權。考慮到本公司財產保險業務的長遠發展目標，董事會相信交易建議最符合中國太平控股股東的利益。

按最新資料評估，預計交易建議將在二零一零年內完成，出售民安中國將可能為本公司截至二零一零年十二月三十一日止財務年度之業績帶來顯著利潤。

中國太平香港

香港財產保險業為競爭極為激烈的市場，中短期的增長應會比較穩定及具挑戰性。中國太平香港現正重整各部門以提升產能及降低單位成本。香港經濟經過二零零八年及二零零九年的逆境後漸趨穩定，中國太平香港亦期望可保持其市場地位及客戶關係，為股東帶來持續及令人滿意的回報，並繼續成為區內首選保險商之一。

投資

雖然全球投資市場在經過二零零八年金融危機之後已見反彈，但全球金融市場及經濟仍有不少不明朗因素及不可預知的情況。因此，金融市場極有可能出現大幅波動。在此環境下，將繼續保持穩健審慎的態度制定香港及中國的投資政策及投資組合，特別是要更加重視風險管理及採取穩健的資產配置措施。

Management Review and Analysis

LIQUIDITY AND FINANCIAL RESOURCES

The Group's cash and bank deposits as at 31 December 2009 amounted to HK\$20,474.76 million (2008 *(restated)*: HK\$15,956.51 million). There was no bank borrowing during the Year except for certain temporary bank overdrafts for insignificant amounts. The interest-bearing notes as at 31 December 2009 amounted to HK\$5,725.11 million (2008: HK\$5,376.03 million). The gearing ratio, which represents interest-bearing notes issued divided by the total assets of the Group, was 5.1% as at 31 December 2009 (2008 *(restated)*: 6.1%).

CAPITAL STRUCTURE

During the Year, CTIH issued 280,343,500 new shares (2008: 6,449,000 shares). All of the new shares were issued for consideration other than cash (2008: Nil) for the purpose of acquiring equity interests in MAH. No new shares (2008: 6,449,000 shares) were issued and proceeds received in cash (2008: HK\$15.41 million) under the Company's employee share option scheme.

STAFF AND STAFF REMUNERATION

As at 31 December 2009, the Group had a total of 33,002 employees (2008 *(restated)*: 26,893 employees), an increase of 6,109 employees. Total remuneration for the Year amounted to HK\$2,895.96 million (2008 *(restated)*: HK\$2,098.38 million), an increase of 38.0%. Bonuses are linked to both the performance of the Group and the performance of the individual.

MAJOR EVENT DURING THE YEAR

On 22 May 2009, TPG (HK) and Manhold as vendors and CTIH as purchaser entered into a 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 issued share capital of MAH (the "Stake Acquisition"). The consideration for the Stake Acquisition was payable by the Company through the issue and allotment of an aggregate amount 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 certain pre-conditions, the Company requested the board of MAH to put forward a proposal to privatize MAH (the "Privatization Proposal") by way of a scheme of arrangement (the "Scheme") under Section 86 of the Companies Law. The details of this transaction were set out in the circular of CTIH dated 19 June 2009.

On 16 July 2009, CTIH shareholders passed resolutions approving, ratifying and confirming the Stake Acquisition and the Privatization Proposal, and their related connected transactions by way of poll at an extraordinary general meeting of the Company.

On 30 July 2009, the Stake Acquisition was completed, and CTIH became the controlling shareholder of MAH.

On 24 August 2009, as the pre-conditions of the Privatization Proposal had been satisfied or waived, MAH put forth the Privatization Proposal. On 7 October 2009, the independent MAH shareholders approved the Scheme at a Court Meeting. The MAH shareholders also approved a special resolution for a capital reduction, an increase in share capital and the issuance of new MAH Shares in connection with the Scheme. On 30 October 2009 (*Cayman Islands time*), the Scheme was sanctioned without modification by the Grand Court of the Cayman Islands. All conditions of the Privatization Proposal having been fulfilled, the Privatization Proposal became effective on 30 October 2009 (*Cayman Islands time*). On 4 November 2009, the Company completed the acquisition of a 48.66% equity interest of MAH by the issue and allotment of 141,418,800 Shares. MAH became a wholly-owned subsidiary of CTIH.

管理層回顧和分析

流動資金及財務資源

於二零零九年十二月三十一日，本集團的現金及銀行存款為204.7476億港元(二零零八年(重列)：159.5651億港元)。除若干小額臨時銀行透支外，本年度內並無任何銀行借貸。二零零九年十二月三十一日須付息票據總額為57.2511億港元(二零零八年：53.7603億港元)。二零零九年十二月三十一日已發行須付息票據除以本集團總資產所得出的槓桿比率為5.1%(二零零八年(重列)：6.1%)。

資本結構

本年度，中國太平控股發行280,343,500股新股(二零零八年：6,449,000股)。全部發行之新股均以非現金代價發行(二零零八年：無)，用以購入民安控股股權。本年度並無根據本公司僱員認股權計劃發行新股及收取現金代價(二零零八年：發行6,449,000股並收取現金代價1,541萬港元)。

員工及員工酬金

於二零零九年十二月三十一日，本集團的僱員總人數達33,002人(二零零八年(重列)：26,893人)，增加6,109人。本年度總酬金為28.9596億港元(二零零八年(重列)：20.9838億港元)，增加38.0%。花紅與本集團的業績及員工的個人表現掛鉤。

本年度重要事項

於二零零九年五月二十二日，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%([股權收購])。本公司須於完成買賣協議時透過按每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，藉以作為支付股權收購之代價。本公司已要求民安控股董事會，待達成若干先決條件後，提出根據公司法第86條，建議以協議安排([該協議])的方式全面收購民安控股([全面收購建議])。請參閱中國太平控股於二零零九年六月十九日之通函。

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

於二零零九年七月三十日，完成股權收購及中國太平控股成為民安控股之控股股東。

於二零零九年八月二十四日，由於全面收購協議之先決條件已達成或獲豁免，民安控股向協議股東提出全面收購建議。於二零零九年十月七日，民安控股獨立股東於法院會議批准該協議。民安控股股東亦通過就協議削減資本、增加股本及發行新民安控股股份的特別決議案。於二零零九年十月三十日(開曼群島時間)，該協議在沒有修訂的情況下獲大法院批准。全面收購建議之條件均已達成，而全面收購建議已於二零零九年十月三十日(星期五)(開曼群島時間)開始生效。於二零零九年十一月四日，本公司以發行及配發完成141,418,800股股份完成購入民安控股48.66%權益。民安控股成為中國太平控股之全資附屬公司。

Management Review and Analysis

MAJOR EVENT DURING THE YEAR *(Continued)*

On 23 November 2009, TPL entered into an acquisition agreement with TPIH (the “Acquisition Agreement”) pursuant to which TPL agreed to acquire a 39% equity interest in TPR for a consideration of RMB924,001,140 and to take an assignment of 39% of the loans of TPR in the amount of RMB168,446,000. The details of this transaction were set out in the circular of the Company dated 3 December 2009.

On 23 November 2009, TPL entered into an acquisition agreement with TPR (the “Property Acquisition Framework Agreement”) pursuant to which TPL agreed to acquire from TPR certain property consisting of approximately 16,108 square meters of gross floor area of Taiping Financial Tower, involving six floors (from the 24th to 29th floors, or such other floors as shall be agreed to by the parties in writing) for a consideration of RMB595,996,000. The consideration will be adjusted in accordance with the actual gross floor area of the completed Property to be delivered to TPL at a sum of RMB37,000 per square meter. CTIH believes that the consideration will not exceed RMB613,875,880 after the adjustments. The details of this transaction were set out in the circular of the Company dated 3 December 2009.

On 23 December 2009, CTIH entered into a conditional agreement in respect of capital contributions into TPI (the “Capital Contribution Agreement”) with TPG, TPI and ICBC (Asia). The Capital Contribution Agreement proposed that the registered capital of TPI be increased from RMB1,570,000,000 to RMB2,070,000,000 through additional registered capital of RMB500,000,000 to be contributed by TPG, the Company and ICBC (Asia) in proportion to their respective shareholdings in TPI. As at the date of this report, ICBC (Asia) has yet to decide whether it will participate in this capital contribution. Pursuant to the Capital Contribution Agreement, TPG and CTIH have conditionally agreed to contribute to the registered capital of TPI, in cash, (i) RMB187,500,000 and RMB250,250,000, respectively; and (ii) if ICBC (Asia) does not participate in the capital contribution, additional amounts of RMB26,663,335 and RMB35,586,665, respectively, the aggregate of which is equal to the amount of ICBC (Asia)’s proportion of the contribution, such that the registered capital of TPI will be increased by RMB500,000,000 in total. The details of this transaction were set out in the announcement of the Company dated 23 December 2009.

On 29 December 2009, the registered capital of TPL was increased from RMB2,330 million to RMB3,730 million through RMB1,400 million of additional capital contributed by TPG, CTIH and Fortis in proportion to their respective shareholdings in TPL, amounting to RMB350.70 million, RMB700.70 million and RMB348.60 million, respectively.

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 2008. The Directors believe that the Group has a strong legal basis to support its tax position. As such, no provision for a potential tax exposure of approximately HK\$31.60 million (2008: HK\$31.60 million) was made as at 31 December 2009.

The Group has also received a query issued by the Inland Revenue Department of Hong Kong in relation to the taxability of certain realized and unrealized gains from the disposal of listed investments for the years of assessment from 2000/2001 to 2002/2003. Because such gains were capital in nature, the Directors believe that the Group has good prospects to support its tax position, and therefore no provision for a potential tax exposure of approximately HK\$30.00 million (2008: HK\$30.00 million) was made as at 31 December 2009.

Save as herein disclosed and other than those incurred in the normal course of the Group’s insurance businesses, there were no outstanding litigation nor any other contingent liabilities as at 31 December 2009.

管理層回顧和分析

本年度重要事項 (續)

於二零零九年十一月二十三日，太平人壽與太平投資控股訂立收購協議（「收購協議」），據此，太平人壽同意以人民幣924,001,140元之代價購入太平置業39%權益，及以人民幣168,446,000元之代價轉授太平置業貸款39%。此交易之詳情請參閱本公司於二零零九年十二月三日之通函。

於二零零九年十一月二十三日，太平人壽與太平置業訂立收購協議（「物業收購框架協議」），據此，太平人壽同意向太平置業收購太平金融大廈中約16,108平方米之若干建築面積，當中將包括太平金融大廈中之六個樓層（第24至29層或訂約方可能書面議定之其他樓層），代價為人民幣595,996,000元。代價將可按照已建成該物業向太平人壽交付之實際建築面積，按每平方米人民幣37,000元予以調整。中國太平控股相信調整後之代價將不超過人民幣613,875,880元。此交易之詳情請參閱本公司於二零零九年十二月三日之通函。

於二零零九年十二月二十三日，中國太平控股與中國太平集團、太平財險及工銀（亞洲）訂立有關向太平財險增資之有條件協議（「增資協議」）。增資協議建議太平財險之註冊資本由人民幣1,570,000,000元，增加額外註冊資本人民幣500,000,000元至人民幣2,070,000,000元，並由中國太平集團、本公司及工銀（亞洲）根據各自於太平財險之持股比例增資。於本報告日期，工銀（亞洲）仍未決定其是否參與增資。根據增資協議，中國太平集團及本公司已有條件同意以現金向太平財險新增註冊資本，(i)分別為人民幣187,500,000元及人民幣250,250,000元；及(ii)（如工銀（亞洲）不參與增資）額外金額分別人民幣26,663,335元及人民幣35,586,665元，合計等於工銀（亞洲）增資之金額，而使太平財險之註冊資本合計增加人民幣500,000,000元。此交易之詳情請參閱本公司於二零零九年十二月二十三日之通函。

於二零零九年十二月二十九日，太平人壽的註冊資本由人民幣23.3億元，增加額外註冊資本人民幣14億元至人民幣37.3億元，並由中國太平集團、中國太平控股及富通根據各自於太平人壽之持股比例增入資金，分別為人民幣3.5070億元、人民幣7.0070億元及人民幣3.4860億元。

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二零零八年評稅年度內的應課稅務責任。董事相信本集團稅務觀點擁有堅實的法律基礎支持，因此，於二零零九年十二月三十一日本集團毋需就約3,160萬港元（二零零八年：3,160萬港元）的潛在稅務責任計提準備。

本集團亦收到香港稅務局的詢問，關於二零零零年及二零零一年至二零零二年及二零零三年評稅年度內，出售上市投資之若干已變現及未變現收益的應課稅事宜。由於該等收益乃資本性質，故董事相信本集團的稅務狀況很可能得到支持，因此，於二零零九年十二月三十一日毋需就約3,000萬港元（二零零八年：3,000萬港元）之潛在稅務風險計提準備。

除本報告所披露及在本集團日常保險業務中產生的訴訟外，於二零零九年十二月三十一日，本集團概無任何未決訴訟或或然負債。

Independent Actuaries Report on Review of Embedded Value Information



Independent Actuaries Report on Review of Embedded Value information To the Board of Directors of China Taiping Insurance Holdings Company Limited

We have reviewed the Embedded Value (“EV”) information of Taiping Life Insurance Company Limited (“TPL”) set out on pages 130 to 137 of the Annual Report of China Taiping Insurance Holdings Company Limited (“the Company”) for the year ended 31 December 2009 (“the EV information”).

The directors of the TPL are responsible for the preparation and presentation of the EV information in accordance with the “Guidelines on Embedded Value Reporting of Life companies” issued by the China Insurance Regulatory Commission (“the Guidelines”). This responsibility includes designing, implementing and maintaining internal control relevant to the maintenance of underlying data and information on the in-force business and preparation of the EV information which is free from material misstatement, whether due to fraud or error; performing EV calculations; selecting and applying appropriate methodologies; and making assumptions that are consistent with market information and are reasonable in the circumstances.

Our responsibility, as independent actuaries, is to perform certain review procedures set out in our letter of engagement and, based on these procedures, conclude whether the EV methodologies and assumptions are consistent with the Guidelines and with available market information.

We have reviewed the methodology and assumptions used in preparing the EV information, including the following:

- Value of in-force business as of 31 December 2009;
- Value of one-year new business issued during the year ended 31 December 2009; and
- Movement analysis and sensitivity analysis of value of in-force business and value of one-year new business.

Our review procedures included, but were not limited to, discussing with management of TPL the methodology and assumptions, inspecting documentation relating thereto, and considering whether the methodologies are consistent with the Guidelines and whether the assumptions are consistent with available market information.

The preparation of EV information requires assumptions and projections to be made about future uncertain events, many of which are outside the control of TPL. Therefore, actual experience may differ from these assumptions and projections, and this will affect the value of in-force business and the value of one-year new business.

In forming our conclusion, we have relied on the integrity, accuracy and completeness of audited and unaudited data and information provided by TPL. Our work did not involve reperforming the EV calculations, nor verifying the data and information underlying the EV information.

關於內涵價值信息的獨立精算師審閱報告



關於內涵價值信息的獨立精算師審閱報告

致中國太平保險控股有限公司

諸位董事

我們已經審閱了太平人壽保險有限公司(下稱「太平人壽」)截至二零零九年十二月三十一日內涵價值信息，該內涵價值信息在中國太平保險控股有限公司(「貴公司」)二零零九年年報第130頁至第137頁予以披露。

太平人壽的管理層有責任確保在準備和披露太平人壽內涵價值信息時符合中國保險監督管理委員會頒佈的《人身保險內涵價值報告編制指引》(下稱「指引」)的要求。這一責任不僅包括設計、實施並維護內部控制流程，確保有效業務的相關資料、信息，以及內涵價值信息的準備工作不存在由於欺詐或錯誤而造成的重大錯報；還包括選擇並應用適當的方法，根據市場信息確定合理的假設，以及計算內涵價值結果。

作為獨立的精算師，我們的責任是依據我們的業務約定書中確認的審閱流程進行審閱工作。根據我們的審閱工作，判斷內涵價值的方法和假設是否與指引要求和市場信息一致。

我們審閱了太平人壽準備內涵價值信息時採用的方法和假設，包括：

- 審閱截至二零零九年十二月三十一日的有效業務價值；
- 審閱截至二零零九年十二月三十一日的一年新業務價值；及
- 審閱內涵價值的變動分析以及有效業務價值和一年新業務價值的敏感性分析。

我們的審閱工作包括但不僅限於：與太平人壽的管理層討論內涵價值的評估方法與假設，檢查相關的文檔，以及評估內涵價值計算方法與假設是否與指引要求一致、是否與可獲得的市場信息一致。

準備內涵價值信息時，需要預測很多太平人壽無法控制的不確定事件，並就此作出假設。因此，太平人壽實際經驗的結果很有可能跟預測的假設存在差異，而這種差異將對有效業務和一年新業務的價值的結果產生影響。

我們做出審閱意見時，我們依賴由太平人壽提供的各種經審計和未經審計的數據和資料的真實性、準確性和完整性。我們的工作範圍並不包括重新計算內涵價值，也沒有檢驗內涵價值信息所用到的數據和相關信息。

Independent Actuaries Report on Review of Embedded Value Information

Based on our review procedures, we have concluded that the methodologies and assumptions used in preparing the EV information are consistent with the Guidelines and with available market information.

This report has been prepared for and only for the Board of Directors of the Company in accordance with our letter of engagement and for no other purpose. We do not accept or assume responsibility for any other purpose or to any other person whom this report is shown or in whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers Ltd.

Shuyen Liu, FSA

Hong Kong, 30 March 2010

關於內涵價值信息的獨立精算師審閱報告

根據我們的審閱工作，我們認為太平人壽在準備內涵價值信息時所用的方法和假設與指引要求一致、與可獲得的市場信息一致。

我們的審閱報告僅限於貴公司董事會使用，使用目的僅限於業務約定書中的約定，不得用於其他目的。除經我們事先書面同意之外，對於業務約定書中約定以外的其他第三方使用本報告或作為其他目的使用本報告，我們將不承擔任何責任。

PricewaterhouseCoopers Ltd.

劉淑豔 精算師

香港

二零一零年三月三十日

Embedded Value of TPL

1. BACKGROUND

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

2. BASIS OF PREPARATION

The Group has appointed PricewaterhouseCoopers ("PwC"), an international firm of consulting actuaries, to examine whether the methodology and assumptions used by TPL in the preparation of the embedded value and the new business value as at 31 December 2009 are consistent with standards generally adopted by insurance companies in the PRC.

3. CAUTIONARY STATEMENT

The calculations of embedded value and the new business value of TPL are based on certain assumptions with respect to future experience. Thus, the actual results could differ significantly from what is envisioned when these calculations were made. From an investor's perspective, the valuation of CTIH is measured by the stock market price of the Company's shares on any particular day. In valuing CTIH's shares, investors should take into account not only the embedded value and the new business value, but also various other considerations. In addition, TPL is 50.05%-owned by the Company. The embedded value and the new business value as at 31 December 2009 as disclosed below should therefore not be applied 100% in valuing CTIH. 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.

4. EMBEDDED VALUE

At 31 December, HK\$ million

		2009	2008
Adjusted net worth	a	5,408	3,083
Value of inforce business before cost of capital	b	10,353	6,666
Cost of capital	c	2,135	1,201
Value of inforce business after cost of capital	d=b-c	8,218	5,465
Embedded Value	e=a+d	13,626	8,548

Adjusted net worth is the audited shareholders' net assets of TPL as measured on a PRC statutory basis, which is different from PRC accounting standards.

太平人壽之內涵價值

1. 背景

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

2. 編製基準

本集團已委聘國際諮詢精算師普華永道(「普華永道」)，審查太平人壽編製於二零零九年十二月三十一日內涵價值及新業務價值時所採用之方法及假設與中國的保險公司一般採納的準則是否一致。

3. 提示聲明

計算內涵價值及新業務價值乃基於有關未來經驗之若干假設。故此實際結果可能與作出該等計算時之預測有重大差異。從投資者角度看，中國太平控股之估值乃按照本公司股份於某個別日子之股市價格計量。於評估中國太平控股股份時，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十二月三十一日之內涵價值及新業務價值全數作為中國太平控股的估值。倘若彼等認為該等因素重要，及對本公司之估值關係重大。投資者務須特別留意該因素，及其他支持計算太平人壽內涵價值及新業務價值計算之因素。

4. 內涵價值

於十二月三十一日，百萬港元

		二零零九年	二零零八年
經調整資產淨值	a	5,408	3,083
有效業務扣除資本成本前之價值	b	10,353	6,666
資本成本	c	2,135	1,201
有效業務扣除資本成本後之價值	d=b-c	8,218	5,465
內涵價值	e=a+d	13,626	8,548

經調整資產淨值是太平人壽按中國法定基準計量之審計後股東資產淨值，因此與中國會計準則不同。

Embedded Value of TPL

5. NEW BUSINESS VALUE

At 31 December, HK\$ million

		2009	2008
New business value			
before cost of capital	a	1,978	1,263
Cost of capital	b	625	398
New business value			
after cost of capital	c=a-b	1,353	865

6. MOVEMENT ANALYSIS OF EMBEDDED VALUE

The following analysis shows the movement of the Embedded Value from 1 January 2009 to 31 December 2009.

HK\$ million

	Notes	
Embedded Value as at 1 January 2009		8,548
New business value	a	1,353
Expected return on Embedded Value	b	797
Assumption and modeling changes	c	(100)
Investment return variance	d	771
Expense variance	e	143
Income tax variance	f	156
Capital injection	g	1,590
Other experience variance	h	355
Exchange gain	i	13
Embedded Value as at 31 December 2009		<u>13,626</u>

Notes:

- (a) New business contribution from sales of new business in 2009.
- (b) Return on value of in-force business plus expected interest on adjusted net assets.
- (c) Changes from model improvements and assumption changes having impact on the future distributable earnings of the in-force business.
- (d) Difference between the actual investment return and expected investment return in 2009.
- (e) Difference between the actual and expected expense in 2009.
- (f) Difference between the actual and expected income tax in 2009.
- (g) Capital injection of RMB1,400.00 millions in December 2009.
- (h) Difference between the actual experience and expected experience mainly including mortality, morbidity, lapses and business tax.
- (i) Exchange gain arising from the appreciation of the RMB.

太平人壽之內涵價值

5. 新業務之價值

於十二月三十一日，百萬港元

		二零零九年	二零零八年
新業務扣除資本成本前之價值	a	1,978	1,263
資本成本	b	625	398
新業務扣除資本成本後之價值	c=a-b	1,353	865

6. 內涵價值之動態分析

以下分析反映自二零零九年一月一日至二零零九年十二月三十一日期間內涵價值之動態變化。

百萬港元

	附註	
於二零零九年一月一日之內涵價值		8,548
新業務之價值	a	1,353
內涵價值預期回報	b	797
假設及模型變化	c	(100)
投資回報差異	d	771
費用差異	e	143
稅項差異	f	156
增入資本	g	1,590
其他經驗差異	h	355
匯率收益	i	13
於二零零九年十二月三十一日之內涵價值		13,626

附註：

- (a) 二零零九年新業務銷售之貢獻。
- (b) 有效業務回報加調整後淨資產預期利益。
- (c) 此項包括模型改進及假設改變所引起的變化，對未來有效業務之可分配收入將有所影響。
- (d) 此乃二零零九年實際投資回報與預期投資回報之間的差額。
- (e) 此乃二零零九年實際費用與預期費用之間的差額。
- (f) 此乃二零零九年實際稅項與預期稅項之間的差額。
- (g) 於二零零九年十二月增入資本人民幣14.00億元。
- (h) 此乃二零零九年實際經驗與預期經驗之間的差額主要包括死亡率、發病率、退保及營業稅。
- (i) 人民幣升值所產生的匯率收益。

Embedded Value of TPL

7. KEY ASSUMPTIONS

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

7.1 Risk discount rate

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

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

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

7.2 Investment return

Future investment returns have been calculated as the weighted average of the investment returns on existing assets and new assets assuming an investment return of 4.2% (2008: 4.2%) on new assets from fixed income securities. The investment returns on existing assets have been determined by the projected investment income in future years divided by the projected value of the assets. The calculation of projected investment income and the value of assets are based on yield to maturity, term to maturity and the book value of the assets.

The investment returns have been assumed to be 4.0% in 2010 (2008: assumed to be 4.0% in 2009), increasing to 4.5% in 2020 and thereafter (2008: 4.5% in 2020 and thereafter).

7.3 Expenses

Expenses have been projected based on benchmark assumptions.

7.4 Tax

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

7.5 Mortality

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

太平人壽之內涵價值

7. 主要假設

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

7.1 風險貼現率

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

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

太平人壽現時就其所有有效業務及新業務所採納之風險貼現率均為11.5%。

7.2 投資回報

未來投資回報乃按現有資產及新貨幣之加權平均投資回報計算，假設新固定收入證券資產之投資回報為4.2%（二零零八年：4.2%）。現有資產之投資回報乃按未來年度之預期投資收益除以有關資產之預期價值計算。預期投資收益及資產價值乃基於滿期收益率、發行期限及資產之賬面值計算。

投資回報假設於二零一零年為4.0%（二零零八年：假設於二零零九年為4.0%），於二零二零年及以後年度提高至4.5%（二零零八年：於二零二零年及以後年度為4.5%）。

7.3 費用

費用乃根據基準假設而預計。

7.4 稅項

根據中國訂定之稅務規例，稅率為25%。

7.5 死亡率

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

Embedded Value of TPL

7.6 Morbidity

The experience morbidity assumptions have been based on the Group's own pricing tables. The loss ratios for short term accident and health insurance business have been assumed to be in the range of 30% to 57%.

7.7 Lapses

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

7.8 Required capital

The required capital has been based on 120% of the minimum solvency margin (2008: 120%).

8. SENSITIVITY TESTING

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

At 31 December 2009, HK\$ million

Assumptions	Value of inforce business after cost of capital	New business value after cost of capital
Base scenario	8,218	1,353
Risk discount rate of 12.5%	7,546	1,140
Risk discount rate of 10.5%	8,976	1,587
Investment return increased by 25bp every year	8,566	1,461
Investment return decreased by 25bp every year	7,858	1,237
10% increase in maintenance expenses	7,942	1,269
10% decrease in maintenance expenses	8,484	1,430
10% increase in lapse rates	8,184	1,305
10% decrease in lapse rates	8,238	1,391
10% increase in mortality and morbidity rates and claims ratio	8,097	1,315
10% decrease in mortality and morbidity rates and claims ratio	8,330	1,383
Policyholder dividend increased to 80%	7,602	1,110
Lapse rates for Universal Life increased to 50% at the end of the 10th policy year	8,086	1,349
Required capital at 100% of solvency margin	8,661	1,478
Required capital at 150% of solvency margin	7,533	1,151

太平人壽之內涵價值

7.6 發病率

發病率根據本集團本身的定價表假設計算。短期意外及健康險業務的賠付率乃假設以30%到57%之間的比率計算。

7.7 退保

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

7.8 資本要求

資本要求是按最低償付能力的120%計算(二零零八年：120%)。

8. 敏感性測試

有關如下主要假設之敏感性測試概述如下：

於二零零九年十二月三十一日，百萬港元

假設	有效業務於扣除 資本成本後之價值	新業務於扣除 資本成本後之價值
基本情景	8,218	1,353
風險貼現率為12.5%	7,546	1,140
風險貼現率為10.5%	8,976	1,587
投資回報每年提高25點子	8,566	1,461
投資回報每年下跌25點子	7,858	1,237
維持費用提高10%	7,942	1,269
維持費用下跌10%	8,484	1,430
退保率提高10%	8,184	1,305
退保率下跌10%	8,238	1,391
死亡率及發病率及賠付率提高10%	8,097	1,315
死亡率及發病率及賠付率下跌10%	8,330	1,383
保單持有人股息提高至80%	7,602	1,110
萬能壽險於第十個保單年度之退保率提高至50%	8,086	1,349
資本要求按100%的償付能力	8,661	1,478
資本要求按150%的償付能力	7,533	1,151

Biographical Details of Directors, Company Secretary and Chief Financial Officer

EXECUTIVE DIRECTORS

Mr. Lin Fan, aged 51, is the chairman and an executive director of the Company. Mr. Lin was appointed as the vice president of TPG and TPG (HK) in July 1999, a managing director of TPG and TPG (HK) in July 2000, and the vice chairman of TPG and TPG (HK) in August 2004. He was appointed as the vice chairman and general manager of TPG and TPG (HK) in May 2005, and the chairman of TPG and TPG (HK) in August 2008. Mr. Lin was a director of TPI from December 2001 to December 2006. He is currently a non-executive director of MAH, the chairman of CTPI (HK), a director of TPL, a director of TPP and a director of TPAM. Mr. Lin is an insurance specialist with near 30 years of experience in the insurance industry. Mr. Lin was the deputy general manager of the People's Insurance Company of China ("PICC"), Guangzhou Branch from September 1990 to September 1996 and the general manager of PICC, Shenzhen Branch from September 1996 to July 1999.

Mr. Song Shuguang, aged 48, is the vice chairman and an executive director of the Company. Mr. Song holds a Bachelor degree in Economics from Jilin University and a Master degree in Economics from the Postgraduate School of Jilin University. Mr. Song has been a managing director of TPG since June 2002 and a managing director of TPG (HK) since August 2002. He was appointed as the general manager of TPG and TPG (HK) in August 2008. He has been the chairman of TPL from November 2004 to November 2008. He was appointed as a director of TPP since December 2004 and a director of TPAM since February 2007, a director of TPI since December 2001, a director of MAC since May 2009, a director of China Taiping Insurance (UK) Co., Ltd. since November 2009 and the chairman of TPL since March 2010. Mr. Song was the deputy director of the General Affairs Department and Policy & Legal and Policy Research of the State Planning Commission of the PRC from August 1985 to September 1993; the division chief and departmental deputy general manager of PICC from October 1993 to October 1998; and the chief head of the Finance & Accounting Department of the CIRC from November 1998 to April 2000.

Mr. Xie Yiqun, aged 49, is an executive director of the Company. Mr. Xie graduated from the Insurance, Finance Department of Nankai University, Tianjin, China. He holds a Master degree in Administration from Middlesex University Business School in the United Kingdom, and has over 30 years of experience in the insurance and finance industries. Mr. Xie has been the general manager of the Foreign Business Department of PICC of China, Zhejiang Branch and the deputy general manager of the Wenzhou Branch respectively. He has been the director and general manager of China Insurance Co. (UK) Ltd. and China Insurance Co., (Singapore) Pte. Ltd. Mr. Xie was the chairman of TPL from December 2001 to November 2004. Mr. Xie has been a managing director and deputy general manager of TPG and TPG (HK) since June 2004 and is responsible for the asset management and overseas operations. He has been the chief executive officer of TPA (HK) since November 2004 and was appointed as chairman of TPA (HK) since November 2008. Mr. Xie was appointed as chairman of TPAM since February 2007 and the chairman of Taiping Securities Holdings (HK) Co., Ltd. since November 2008. He is currently a director of TPL, a director of TPI and a director of TPP.

董事、公司秘書及財務總監之履歷

執行董事

林帆先生，51歲，本公司董事長及執行董事。林先生於一九九九年七月獲委任為中國太平集團及中國太平集團(香港)副總經理、於二零零零年七月獲委任為中國太平集團及中國太平集團(香港)常務董事，以及於二零零四年八月獲委任為中國太平集團及中國太平集團(香港)副董事長。彼自二零零五年五月起擔任中國太平集團及中國太平集團(香港)副董事長及總經理，以及於二零零八年八月獲委任為中國太平集團及中國太平集團(香港)董事長。林先生自二零零一年十二月至二零零六年十二月為太平財險之董事。彼現時為民安控股非執行董事、中國太平香港董事長、太平人壽董事、太平養老董事及太平資產董事。林先生為保險專家，於保險業擁有近30年經驗。林先生於一九九零年九月至一九九六年九月期間擔任中國人民保險公司(「人保」)廣州分公司副總經理，以及一九九六年九月至一九九九年七月期間擔任人保深圳分公司總經理。

宋曙光先生，48歲，本公司副董事長及執行董事。宋先生持有吉林大學經濟學士學位及吉林大學研究生院經濟碩士學位。由二零零二年六月起宋先生任中國太平集團之常務董事及由二零零二年八月起出任中國太平集團(香港)之常務董事，並於二零零八年八月獲委任為中國太平集團及中國太平集團(香港)總經理。彼於二零零四年十一月至二零零八年十一月為太平人壽之董事長。宋先生分別於二零零四年十二月起及二零零七年二月起獲委任為太平養老及太平資產之董事、二零零一年十二月起任太平財險之董事、二零零九年五月起任民安中國之董事、二零零九年十一月起任中國太平保險(英國)有限公司之董事及二零一零年三月起任太平人壽董事長。宋先生由一九八五年八月至一九九三年九月為中國國家計劃委員會一般事務、政策、法律及政策研究等部門之副處長；由一九九三年十月至一九九八年十月為人保處長及部門副總經理；及由一九九八年十一月至二零零零年四月為中國保監會財務會計部主管。

謝一群先生，49歲，本公司執行董事。謝先生畢業於天津南開大學金融系保險專業，彼獲英國米德賽克斯大學管理碩士學位以及擁有超過30年從事保險及金融的工作經驗。謝先生曾先後任人保浙江省分公司國際部總經理、溫州分公司副總經理、中國保險(英國)有限公司及中國保險(新加坡)有限公司董事總經理等職。謝先生由二零零一年十二月至二零零四年十一月為太平人壽之董事長。謝先生由二零零四年六月起獲委任中國太平集團及中國太平集團(香港)之常務董事及副總經理，分管資產管理與海外地區一般保險業務。彼於二零零四年十一月起兼任太平資產(香港)之總裁，並於二零零八年十一月獲委任為太平資產(香港)之董事長。謝先生於二零零七年二月兼任太平資產之董事長及於二零零八年十一月起兼任太平証券控股(香港)有限公司之董事長。彼現時為太平人壽董事、太平財險董事及太平養老董事。

Biographical Details of Directors, Company Secretary and Chief Financial Officer

Mr. Peng Wei, aged 44, is an executive director of the Company. Mr. Peng holds a Master of Science degree from Peking University. In 2001, Mr. Peng joined CTPI (HK), as deputy general manager and since then, has held various senior management positions at CTPI (HK) including executive director, general manager and chief executive officer, currently an executive director and vice chairman. He has also served as chief executive officer of MAH, from September 2006 until January 2010 and currently an executive director and chairman of MAH. Mr. Peng has also served as the chairman of MAC, since January 2005, a managing director and assistant president of TPG (HK), since June 2005, a managing director of TPG, since April 2007, a vice president of TPG and TPG (HK) since October 2008 and the chairman of TPI since March 2010. Mr. Peng has also served as the chairman of China Taiping Insurance (Macau) Co. Ltd., from November 2008 to May 2009. He is currently a member of the board of supervisors of TPL, a director of TPP and a director of TPAM. Prior to joining TPG and its subsidiaries, Mr. Peng was a director and executive vice president of Sinosafe General Insurance Company Limited in Shenzhen, as well as the general manager of the Economics Development Department and Strategy Management Department of Overseas Chinese Town Holding Company in Shenzhen. Mr. Peng was the chairman of the Chinese Insurance Association of Hong Kong from February 2006 until February 2008. He is currently the director of the Chinese Insurance Association of Hong Kong. Mr. Peng is a senior economist with over 18 years of experience in insurance and strategic management.

Mr. Ng Yu Lam Kenneth, aged 61, is the chief executive officer and an executive director of the Company. Mr. Ng is a fellow of the Chartered Insurance Institute of the United Kingdom. He has more than 30 years of experience in the insurance industry. Mr. Ng is a managing director and assistant president of TPG (HK). In December 1980, Mr. Ng joined TPRE and was appointed as the chief executive officer and chairman of TPRE in 2004 and 2008 respectively. He is also a director of TPL and TPI and was appointed as the vice chairman of TPI since August 2009.

Mr. Shen Koping Michael, aged 41, is the deputy chief executive officer and an executive director of the Company. He was previously the chief financial officer of the Company. Mr. Shen is also the deputy managing director and a director of TPA (HK), and is a member of the board of supervisors of TPL. Prior to joining the Company, he was an executive director in the Financial Institutions Group of the Investment Banking Division at Goldman Sachs (Asia) L.L.C. ("Goldman Sachs"). Mr. Shen was responsible for marketing and executing corporate finance and mergers/acquisitions transactions for financial institutions in the Asia ex-Japan region. During his seven years at Goldman Sachs, Mr. Shen developed in-depth knowledge in advising insurance and asset management companies on strategic and operational matters. Mr. Shen received a Juris Doctorate degree with honors in 1994 from Harvard Law School, where he was an executive editor of the Harvard Law Review. Mr. Shen graduated first in his class and received a Bachelor of Science in Foreign Service with highest honors in 1991 from Georgetown University, where he majored in International Politics/Relations.

Mr. Lau Siu Mun Sammy, aged 51, is an executive director of the Company, and is responsible for the reinsurance operations of TPRE. Mr. Lau is also a director of TPI, TPRE and TPRB. Mr. Lau holds a Bachelor of Business Administration degree from the Chinese University of Hong Kong. He is a fellow of the Chartered Insurance Institute of the United Kingdom. Mr. Lau joined TPRE in July 1981. He has been the general manager of TPRE since March 2004.

董事、公司秘書及財務總監之履歷

彭偉先生，44歲，本公司執行董事。彭先生持有北京大學理學碩士學位。彭先生於二零零一年加入中國太平香港任職副總經理，自始曾出任中國太平香港多個高級管理職位，包括執行董事、總經理及行政總裁，現時為執行董事及副董事長。彼在二零零六年九月至二零一零年一月出任民安控股行政總裁，現時為執行董事及董事長。彭先生亦自二零零五年一月起出任民安中國董事長。自二零零五年六月起出任中國太平集團(香港)常務董事及總經理助理，自二零零七年四月起出任中國太平集團常務董事，自二零零八年十月起出任中國太平集團及中國太平集團(香港)副總經理，以及自二零一零年三月出任太平財險董事長。彭先生亦在二零零八年十一月至二零零九年五月出任中國太平保險(澳門)股份有限公司董事長。彼現時為太平人壽監事、太平養老董事及太平資產董事。加入中國太平集團及其附屬公司前，彭先生為位於深圳的華安財產保險股份有限公司董事兼副總經理，以及位於深圳的華僑城集團公司經濟發展處處長及策劃部總經理。彭先生於二零零六年二月至二零零八年二月為香港華商保險公會的主席，彼現時為香港華商保險公會的董事。彭先生為高級經濟師，於保險及策略管理方面擁有逾18年經驗。

吳俞霖先生，61歲，本公司總裁及執行董事。吳先生是英國特許保險學會(Chartered Insurance Institute)資深會員，擁有逾30年保險業經驗。吳先生為中國太平集團(香港)常務董事兼總經理助理。一九八零年十二月起吳先生加入太平再保險並於二零零四年及二零零八年分別起任太平再保險行政總裁及董事長。彼亦為太平人壽及太平財險之董事，並於二零零九年八月起兼任太平財險副董事長。

沈可平先生，41歲，本公司副總裁及執行董事。彼曾任本公司的首席財務總監。沈先生亦為太平資產(香港)之董事及董事副總經理和太平人壽之監事會成員。加入本公司前，沈先生為高盛(亞洲)有限責任公司(「高盛亞洲」)投資銀行部金融企業集團之執行董事。沈先生負責市場推廣及為亞洲區(日本除外)之金融機構執行企業融資及合併/收購交易。沈先生於高盛亞洲工作七年期間，就向保險及資產管理公司提供策略及營運事宜之意見，發展了深厚之知識。沈先生於一九九四年於哈佛法律學院獲得法學榮譽博士學位，並為哈佛法律評論之執行編輯之一。沈先生於一九九一年畢業於美國華府喬治城大學，成績為全校第一名，主修國際政治及國際關係，獲得外交事務理學士之最高榮譽學位。

劉少文先生，51歲，本公司執行董事，負責太平再保險之再保險業務。劉先生亦為太平財險、太平再保險及太平再保顧問之董事。劉先生持有香港中文大學頒發之工商管理學士學位，亦為英國特許保險學會資深會員。劉先生於一九八一年七月加入太平再保險。彼於二零零四年三月起任太平再保險總經理。

Biographical Details of Directors, Company Secretary and Chief Financial Officer

NON-EXECUTIVE DIRECTORS

Mr. Li Tao, aged 37, is a non-executive director of the Company. He is also the member of the audit committee of the Company. Mr. Li holds a Bachelor of Arts degree from Wuhan University, China. He is a fellow member of the Association of Chartered Certified Accountants of the United Kingdom. Mr. Li previously served at the Business Assurance Division of Coopers & Lybrand in London and the Life Insurance Division of CIRC. He subsequently served as the manager in the Internal Audit Department and Accounts Department of American International Assurance Company Limited, Shanghai Branch. Mr. Li was the chief financial officer of TPL from October 2001 to October 2008. He has been appointed as the chief financial officer of TPG and TPG (HK) since November 2008. Since May 2009, he was appointed as a director of TPG and TPG (HK). He is currently a director of MAC, TPI, TPA (HK), China Taiping Insurance (UK) Co., Ltd., China Taiping Insurance (Singapore) Pte. Ltd., PT. China Taiping Insurance Indonesia and China Taiping Insurance (NZ) Co., Ltd., a member of the board of supervisors of TPL, TPP and TPAM.

Dr. Wu Jiesi, aged 58, is an independent non-executive director of the Company. He is also the chairman of the audit committee and a member of the remuneration committee of the Company. Dr. Wu holds a Doctorate degree in Economics. Dr. Wu has extensive experience in finance and management. He conducted post-doctorate research work in theoretical economics at the Nankai University in the PRC and was conferred a professorship qualification by the University in 2001. Dr. Wu served in various capacities with ICBC from 1984 to 1995 and was the president of ICBC Shenzhen Branch. He subsequently served as the deputy mayor of the Shenzhen Municipal Government between 1995 and 1998. Dr. Wu was an assistant to the governor of Guangdong Province from 1998 to 2000. From 2000 to 2005, he acted as a chairman of Guangdong Yue Gang Investment Holdings Company Limited and GDH Limited. He also has been the honorary president of Guangdong Investment Limited and Guangdong Tannery Limited. Dr. Wu was the managing director and chief executive officer of Hopson Development Holdings Limited from April 2005 to January 2008. He also has been the independent non-executive director of Yingli Green Energy Holding Company Limited (listed on the New York Stock Exchange) from May 2007 to August 2008. Dr. Wu is an executive director and vice chairman of China Aoyuan Property Group Limited. He is also the chairman of Zhonghui Mining Industry Africa Limited, an independent non-executive director of Beijing Enterprises Holdings Limited and China Merchants Bank Co., Ltd., non-executive director of China Water Affairs Group Limited, Shenzhen Investment Limited and Silver Base Group Holdings Limited and director of China Life Franklin Asset Management Co., Limited.

Mr. Che Shujian, aged 66, is an independent non-executive director of the Company. He is also the members of the audit committee and remuneration committee of the Company. Mr. Che is a qualified senior engineer of economic management. He graduated from the School of Economics of Jilin University in China and has extensive experience in economic development and corporate management. Mr. Che was the dean of the designing laboratory, the deputy director and subsequently the director of the Northeast Academy of the China Civil Engineering Institute from 1968 to 1991. He was the director of the Administrative Affairs Office of the Ministry of Construction and Development of the State Council of China from 1991 to 1998. Mr. Che subsequently acted as a specially appointed investigator of the State Council of China from 1998 to 2000. He was an independent non-executive director of China Overseas Land & Investment Ltd. from 2002 to 2003 and a director of China Overseas Holdings Limited, the holding company of China Overseas Land & Investment Ltd., from 2002 to 2003. Mr. Che was the chairman of China Travel International Investment Hong Kong Limited and China Travel Service (Holdings) Hong Kong Limited, the holding company of China Travel International Investment Hong Kong Limited from 2000 to 2006.

董事、公司秘書及財務總監之履歷

非執行董事

李濤先生，37歲，為本公司非執行董事，彼亦是本公司的審核委員會成員。李先生持有武漢大學文學學士學位，他是英國特許會計師公會資深會員。李先生曾先後任職於倫敦之永道會計師事務所的保險業務審計部及中國保監會的人身保險監管部。其後於美國友邦保險有限公司上海分公司的稽核部及會計部出任部門經理。李先生於二零零一年十月至二零零八年十月期間出任太平人壽之財務總監。於二零零八年十一月起，彼被委任為中國太平集團及中國太平集團(香港)之財務總監。於二零零九年五月起，彼被委任為中國太平集團及中國太平集團(香港)之董事。彼現時為民安中國、太平財險、太平資產(香港)、中國太平保險(英國)有限公司、中國太平保險(新加坡)有限公司、中國太平保險印度尼西亞有限公司及中國太平保險(新西蘭)有限公司之董事，太平人壽、太平養老及太平資產之監事。

武捷思博士，58歲，為本公司獨立非執行董事。彼亦是本公司的審核委員會主席及薪酬委員會成員。武博士擁有經濟學博士學位，武博士擁有豐富的金融和管理經驗。彼於中國南開大學完成理論經濟學博士後研究，於二零零一年獲南開大學授予教授資格。武博士於一九八四年至一九九五年期間任職於中國工商銀行，曾任該行的深圳分行行長；其後於一九九五年至一九九八年期間出任深圳市政府副市長，並在一九九八年至二零零零年期間擔任廣東省省長助理。由二零零零年至二零零五年期間擔任廣東省粵港投資控股有限公司及廣東控股有限公司董事長，亦曾任粵海投資有限公司及粵海制革有限公司名譽董事長。武博士由二零零五年四月至二零零八年一月期間擔任合生創展集團有限公司董事總經理兼行政總裁。彼亦由二零零七年五月至二零零八年八月期間擔任英利綠色能源有限公司(美國紐約證券交易所上市)獨立非執行董事。武博士現為中國奧園地產集團股份有限公司執行董事及副董事長。彼亦是中輝礦業非洲有限公司董事長、北京控股有限公司及招商銀行股份有限公司獨立非執行董事、中國水務集團有限公司和深圳控股有限公司及銀基集團控股有限公司非執行董事以及中國人壽富蘭克林資產管理有限公司董事。

車書劍先生，66歲，為本公司獨立非執行董事，彼亦是本公司的審核委員會及薪酬委員會成員。車先生是一位高級(經濟管理)工程師。彼畢業於中國吉林大學經濟學院，具有豐富的經濟發展和企業管理經驗。車先生於一九六八年至一九九一年期間歷任中國市政工程東北設計院設計室主任、副院長及院長；一九九一年至一九九八年期間任國家建設部辦公廳主任；一九九八年至二零零零年期間車先生任國務院稽查特派員。彼曾於二零零二年至二零零三年期間出任中國海外發展有限公司之獨立非執行董事及曾於二零零二年至二零零三年期間出任中國海外發展有限公司之控股公司——中國海外集團有限公司董事。車先生於二零零零年至二零零六年期間出任香港中旅國際投資有限公司及香港中旅國際投資有限公司之控股公司——香港中旅(集團)有限公司之董事長。

Biographical Details of Directors, Company Secretary and Chief Financial Officer

Mr. Lee Kong Wai Conway, aged 55, was appointed as an independent non-executive director, members of the audit committee and remuneration committee of the Company on 19 October 2009. Mr. Lee holds a Postgraduate Diploma in Business with Curtin University of Technology of Western Australia and a Bachelor of Arts Degree with Kingston University of Technology in London. Mr. Lee was a partner of one of the big four accounting firms and held key leadership positions in the development of the firm in China. Mr. Lee had served in the firm over the last 29 years. Mr. Lee is a member of the Institute of Chartered Accountants in England and Wales, the Institute of Chartered Accountants in Australia, the Association of Chartered Certified Accountants, the Hong Kong Institute of Certified Public Accountants and the Macau Society of Registered Accountants. Mr. Lee currently also serves as an independent non-executive director of Sino Vanadium Inc., a company of which the shares are listed on Toronto Stock Exchange Venture Exchange, since October 2009. Mr. Lee has been appointed as a member of Chinese People's Political Consultative Conference of Hunan Province in China since 2007.

COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER

Mr. Chan Man Ko, aged 35, is the chief financial officer of the Company. He is also the Company's company secretary. Mr. Chan holds a Bachelor of Arts degree in Accountancy. He is a member of the Hong Kong Institute of Certified Public Accountants ("HKICPA") and holds a practicing certificate. He is also an associate of the Institute of Chartered Accountants in England and Wales ("ICAEW"). Prior to joining the Company, Mr. Chan was an audit manager in the Financial Institutions Group of an international auditing and accounting company.

董事、公司秘書及財務總監之履歷

李港衛先生，55歲，於二零零九年十月十九日被委任為本公司獨立非執行董事、審核委員會及薪酬委員會成員。李先生持有澳大利亞科廷理工大學工商深造文憑及英國京士頓大學文學士學位。李先生曾任其中一所四大會計師事務所之合夥人，為該所發展中國業務，擔當主要領導角色。李先生已在該所服務超過29年。李先生為特許會計師協會—英格蘭及威爾斯會員、澳大利亞公認會計師公會會員、英國特許會計師公會會員、香港會計師公會會員及澳門註冊會計師公會會員。自二零零九年十月起，李先生為Sino Vanadium Inc. (一所於多倫多創業交易所上市之公司)之獨立非執行董事。於二零零七年，李先生被委任為中國人民政治協商會議湖南省委員。

公司秘書及財務總監

陳文告先生，35歲，為本公司財務總監。彼亦為本公司公司秘書。陳先生持有會計學文學學士學位。他是香港會計師公會會員並持有執業證書。彼亦是特許會計師協會—英格蘭及威爾斯會員。加入本公司之前，陳先生曾在一所國際會計師事務所之金融機構類出任審計經理。

Report of the Directors

The directors respectfully submit their annual report together with the audited financial statements for the year ended 31 December 2009.

PRINCIPAL ACTIVITIES

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

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

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

MAJOR INSURANCE CUSTOMERS

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

	Percentage of the Group's total gross premiums written and policy fees
The largest insurance customer	0.5%
Five largest insurance customers in aggregate	1.5%

In the five largest insurance customers in aggregate, no gross premiums written and policy fees were connected parties of which the shareholder of the Company (which to the knowledge of the directors own more than 5.0% of the Company's share capital) had an interest.

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

董事會報告書

董事會全人謹將截至二零零九年十二月三十一日止年度的年報及經審核財務報表呈覽。

主要業務

本公司的主要業務是投資控股。本公司之附屬公司的主要業務是承接各類全球再保險業務、於中國的直接人壽保險業務及於中國及香港的直接財產保險業務。除了此等核心業務外，本集團也從事資產管理、保險仲介及養老保險業務，並為配合保險業務而持有各類貨幣、固定收入證券及股票。附屬公司的主要業務及其他資料載於綜合財務報表附註17。

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

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

主要保險客戶

主要保險客戶於本財政年度佔本集團的毛承保保費及保單費收入的資料臚列如下：

	佔本集團毛承保 保費及保單費收入 總額的百分比
最大保險客戶	0.5%
五大保險客戶合計	1.5%

在五大保險客戶的總額內並無從本公司的聯繫人士收取之毛承保保費及保單費收入。本公司聯繫人士是本公司股東(據董事所知持有本公司股本5.0%以上)擁有權益。

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

Report of the Directors

CONSOLIDATED FINANCIAL STATEMENTS

The profit of the Group for the year ended 31 December 2009 and the state of the Company's and the Group's affairs at that date are set out in the consolidated financial statements on pages 184 to 375.

No interim dividend was declared during the Year (2008: Nil). The directors did not recommend the payment of a final dividend in respect of the year ended 31 December 2009 (2008: Nil).

FIXED ASSETS

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

SHARE CAPITAL

During the Year, shares were issued as consideration for the acquisition and privatization of MAH. There was no share issued upon the exercise of options under the Company's share option scheme. Details of the movements in share capital of the Company during the Year are set out in note 37 of the consolidated financial statements.

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

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

RESERVES

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

DISTRIBUTABLE RESERVES

As at 31 December 2009, the Company's did not have any distributable reserves available for distribution (2008: Nil). In addition, the Company's share premium account of HK\$9,042.56 million (2008: HK\$2,218.25 million) as at 31 December 2009 may be distributed in the form of fully paid bonus shares.

董事會報告書

綜合財務報表

本集團截至二零零九年十二月三十一日止年度的溢利和本公司及本集團於該日的財政狀況載於第184至375頁的綜合財務報表內。

本年度內並無宣派中期股息(二零零八年：無)。董事會不建議派發截至二零零九年十二月三十一日止年度末期股息(二零零八年：無)。

固定資產

固定資產的變動詳情載於綜合財務報表附註15。

股本

於年內本公司發行股份作為購入及全面收購民安之代價。本公司並沒有根據本公司認股權計劃所行使之認股權發行股份。有關本公司於年內股本變動的詳情載於綜合財務報表附註37。

購買、出售或贖回本公司的上市證券

本公司或任何其附屬公司於年內概無購入、出售或贖回任何本公司的上市證券。

儲備

本公司及本集團於年內儲備變動的詳情載於綜合財務報表附註38。

可分配儲備

於二零零九年十二月三十一日，本公司沒有可供分配的儲備(二零零八年：無)。此外，本公司於二零零九年十二月三十一日有為數90.4256億港元(二零零八年：22.1825億港元)的股本溢價賬可以繳足紅股的形式作出分配。

Report of the Directors

DIRECTORS

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

Executive directors

Lin Fan
Song Shuguang
Xie Yiqun
Peng Wei (*appointed on 24 February 2010*)
He Zhiguang (*resigned on 12 March 2010*)
Ng Yu Lam Kenneth
Shen Koping Michael
Lau Siu Mun Sammy

Non-executive directors

Li Tao
Wu Jiesi*
Che Shujian*
Lee Kong Wai Conway* (*appointed on 19 October 2009*)
Lau Wai Kit* (*resigned on 20 July 2009*)

* *Independent*

In accordance with Article 93 and 97 of the Company's articles of association, Messrs. Lin Fan, Song Shuguang, Peng Wei, Shen Koping Michael and Che Shujian, shall retire and, being eligible, offer themselves for re-election at the forthcoming Annual General Meeting.

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

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

CONFIRMATION OF INDEPENDENCE

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

DIRECTORS' SERVICE CONTRACTS

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

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

董事會報告書

董事會

於本年度及截至本年報之日的董事如下：

執行董事

林帆

宋曙光

謝一群

彭偉 (於二零一零年二月二十四日委任)

何志光 (已於二零一零年三月十二日請辭)

吳俞霖

沈可平

劉少文

非執行董事

李濤

武捷思*

車書劍*

李港衛* (於二零零九年十月十九日委任)

劉偉傑* (已於二零零九年七月二十日請辭)

* 獨立

根據本公司的組織章程細則條文第93及97條，林帆先生、宋曙光先生、彭偉先生、沈可平先生及車書劍先生將於即將召開的股東周年大會退任，而他們均符合資格及願膺選連任。

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

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

獨立性的確認

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

董事的服務合約

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

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

Report of the Directors

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

As at 31 December 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 of the Company:

Name of directors	Shares		Underlying shares pursuant to share options (Note 1)	Awarded shares (Note 2)	Total interests	Percentage of issued share capital %
	Personal interests	Family interests				
Lin Fan	1,140,000	—	3,200,000	—	4,340,000	0.25
Song Shuguang	10,000	—	800,000	—	810,000	0.05
Xie Yiqun	—	—	500,000	—	500,000	0.03
Peng Wei (appointed on 24 February 2010)	70,000	—	400,000	—	470,000	0.03
He Zhiguang (resigned on 12 March 2010)	—	—	800,000	240,000	1,040,000	0.06
Ng Yu Lam, Kenneth	2,166,000	693,000	1,400,000	82,000	4,341,000	0.26
Shen Koping, Michael	4,279,000	—	1,225,000	22,000	5,526,000	0.32
Lau Siu Mun, Sammy	857,000	—	1,150,000	67,000	2,074,000	0.12
Li Tao	—	—	—	130,000	130,000	0.01

Notes:

- (1) These figures represent interests of options granted to the directors under the Share Option Scheme of the Company adopted on 23 January 2003 to acquire shares of the Company, further details of which are set out in the section "Share Option Scheme".
- (2) These figures represent interests of awarded shares granted to the directors under the Employees' Share Award Scheme of the Company adopted on 10 September 2007, details of which are set out in the section "Share Award Scheme".

Save as disclosed above:

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

董事會報告書

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

於二零零九年十二月三十一日，按證券及期貨條例第352條規定存置登記冊的記錄所載，或按上市公司董事進行證券交易的標準守則要求，已經知會本公司及聯交所，董事及最高行政人員在本公司及其相聯法團（根據證券及期貨條例第XV段的釋義）的股份、相關股份或債權證中擁有的權益及淡倉如下：

本公司的股份及相關股份的好倉情況：

董事名稱	股份		根據認股權的 相關股份 (註1)	獎授股份 (註2)	總權益	佔已發行 股份 %
	個人權益	家族權益				
林帆	1,140,000	—	3,200,000	—	4,340,000	0.25
宋曙光	10,000	—	800,000	—	810,000	0.05
謝一群	—	—	500,000	—	500,000	0.03
彭偉(於二零一零年 二月二十四日委任)	70,000	—	400,000	—	470,000	0.03
何志光(已於二零一零年 三月十二日請辭)	—	—	800,000	240,000	1,040,000	0.06
吳俞霖	2,166,000	693,000	1,400,000	82,000	4,341,000	0.26
沈可平	4,279,000	—	1,225,000	22,000	5,526,000	0.32
劉少文	857,000	—	1,150,000	67,000	2,074,000	0.12
李濤	—	—	—	130,000	130,000	0.01

註：

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

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

除上述者外：

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

Report of the Directors

SHARE OPTION SCHEME

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

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

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

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

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

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

The New Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date, after which period no further options will be granted but in respect of all options which remain exercisable at the end of the period, the provisions of the New Scheme shall remain in full force and effect. The remaining life of the New Scheme as at 31 December 2009 was 3 years.

董事會報告書

認股權計劃

本公司於二零零零年五月二十四日採納舊計劃。根據舊計劃，本公司董事有權酌情邀請本集團僱員（包括本集團內任何公司的董事）接納可認購本公司股份的認股權。認股權行使價由董事會釐定，惟不會低於股份面值或授出認股權日期前五個交易日股份在聯交所的平均收市價80.0%。認股權可於接納當日起計十年內行使。

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

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

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

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

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

新計劃的有效期限從採納日期起計為期十年，在該期間後，將不會再授出任何認股權，惟就於期限結束之時所有仍可行使的認股權而言，新計劃的條文將繼續全面有效。於二零零九年十二月三十一日，新計劃的餘下年期為三年。

Report of the Directors

The total number of shares which may be issued upon exercise of all options to be granted under the New Scheme and any other share option schemes of the Company shall not in aggregate exceed 10.0% of the total number of Shares in issue as at the Adoption Date, which was 132,533,159 Shares. As at the date of this annual report, a total of 76,144,159 Shares (representing approximately 4.5 % of the issued share capital of the Company as at the date of this annual report) are available for grant under the New Scheme. Together with the outstanding share options granted under the New Scheme of 14,952,000 Shares as at the date of this annual report, a total of 91,096,159 Shares (representing approximately 5.4 % of the issued share capital of the Company as at the date of this annual report) are available for issue.

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

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

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

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

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

董事會報告書

根據新計劃及本公司任何其他認股權計劃授出的所有認股權在行使時可予發行的股份總數，合共不得超過於採納日期已發行股份總數的10.0%，即132,533,159股股份。於本年報日期，合共76,144,159股股份（於本年報日期佔本公司已發行股本約4.5%）可按新計劃授出。連同於本年報日期根據新計劃仍未行使已授出認股權之14,952,000股股份，合共91,096,159股股份（於本年報日期佔本公司已發行股本約5.4%）可供發行。

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

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

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

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

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

Report of the Directors

As of 31 December 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 31 December 2009 was HK\$25.10) granted at nominal consideration under the Old Scheme and the New Scheme, respectively. Each unit of option gives the holder the right to subscribe for one share.

Directors	No. of options outstanding at the beginning of the Year	No. of options outstanding at the end of the Year	Date granted	Period during which options exercisable	No. of options granted during the Year	No. of shares acquired in exercise of options during the Year	No. of options cancelled/reclassified during the Year	Price per share to be paid on exercise of options	¹ Market value per share at date of grant of options during the Year	² Market value per share on exercise of options during the Year
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	—	—
Peng Wei (appointed on 24 February 2010)	—	400,000	2 November 2005	23 November 2005 to 22 November 2015	—	—	³ 400,000	HK\$2.875	—	—
He Zhiguang (appointed on 12 March 2009 and resigned on 12 March 2010)	800,000	—	26 February 2007	26 February 2007 to 25 February 2017	—	—	⁴ 800,000	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	—	—
	—	350,000	31 December 2009	31 December 2009 to 30 December 2019	350,000	—	—	HK\$25.100	HK\$25.100	—
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	5,277,000	2 November 2005	23 November 2005 to 27 November 2015	—	—	³ 400,000	HK\$2.875	—	—
	—	800,000	26 February 2007	26 February 2007 to 25 February 2017	—	—	⁴ 800,000	HK\$9.490	—	—

董事會報告書

於二零零九年十二月三十一日，本公司的董事及僱員分別根據舊計劃及新計劃以名義價款獲賦予可認購本公司股份（於二零零九年十二月三十一日每股市價為25.10港元）的認股權中擁有以下權益。每份認股權賦予持有人認購一股股份的權利。

董事	於年初 未行使的 認股權數目	於年末 未行使的 認股權數目	賦予日期	可行使認股權期間	年內 已授出的 認股權數目	年內行使 認股權 購入的 股份數目	年內取消/ 重新分類 認股權數目	行使 認股權時 應付的 每股股價	¹ 於年內 認股權 授出日期的 每股價格	² 於年內 行使認股 權日期的 每股價格
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	—	—
彭偉 (於2010年 2月24日委任)	—	400,000	2005年11月2日	2005年11月23日 至2015年11月22日	—	—	³ 400,000	2.875港元	—	—
何志光 (於2009年 3月12日委任及 於2010年 3月12日請辭)	800,000	—	2007年2月26日	2007年2月26日 至2017年2月25日	—	—	⁴ 800,000	9.490港元	—	—
吳俞霖	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	—	—
	—	350,000	2009年12月31日	2009年12月31日 至2019年12月30日	350,000	—	—	25.100港元	25.100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	5,277,000	2005年11月2日	2005年11月23日 至2015年11月27日	—	—	³ 400,000	2.875港元	—	—
	—	800,000	2007年2月26日	2007年2月26日 至2017年2月25日	—	—	⁴ 800,000	9.490港元	—	—

Report of the Directors

Notes:

- 1 *Being the closing price quoted on the Stock Exchange immediately before the dates on which the options were granted during the Year.*
- 2 *Being the weighted average closing price quoted on the Stock Exchange immediately before the dates on which the options were exercised during the Year.*
- 3 *Mr. Peng Wei had been appointed as a Director of the Company on 24 February 2010. The share options that he was entitled to was reclassified from the employee category.*
- 4 *Mr. He Zhiguang resigned as a Director of the Company on 12 March 2010. The share options that he was entitled to was reclassified to the employee category, according to the Share Options Scheme of the Company.*

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

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

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

SHARE AWARD SCHEME

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

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

董事會報告書

註：

- 1 緊接認股權授出日期前於聯交所所報的收市價。
- 2 年內緊接認股權行使日期前於聯交所所報的加權平均收市價。
- 3 彭偉先生於二零一零年二月二十四日被委任為本公司董事。其未行使的認股權已由僱員類別重新分類。
- 4 何志光先生已於二零一零年三月十二日辭任本公司董事。根據本公司認股權計劃，其未行使的認股權已由董事類別重新分類為僱員。

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

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

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

股份獎勵計劃

- (A) 董事會已於於二零零七年九月十日（「採納日」）採納本公司的股份獎勵計劃。除非董事會提早終止該計劃，否則，該計劃由採納日期起十年內有效，於該期間後不得獎授新股份。以下(B)點總結股份獎勵計劃的主要條款。
- (B) 該計劃旨在肯定及表揚本集團及中國太平集團及其附屬公司若干僱員（包括身為董事的僱員）的貢獻，並給予長期鼓勵，讓他們繼續為本集團的持續營運及發展效力。現擬根據該計劃提供長期薪酬及鼓勵，藉此吸引現有僱員留效本集團及中國太平集團及其附屬公司，並招徠合適的專業人才加盟本集團及中國太平集團及其附屬公司，進一步協助本集團的發展。

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

Report of the Directors

(C) As at 31 December 2009, the net total number of shares acquired under Share Award Scheme is 4,720,000 shares (2008: 4,720,000 shares). As at 31 December 2009, 3,304,000 shares were awarded to selected employees (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 Year	As at 31 December 2009	
He Zhiguang (resigned on 12 March 2010)	31 December 2007	240,000	HK\$20.68	HK\$21.60	—	240,000	31 December 2010
Ng Yu Lam, Kenneth	16 November 2007	27,000	HK\$18.75	HK\$22.00	—	27,000	31 December 2009
	20 May 2008	55,000	HK\$18.01	HK\$22.40	—	55,000	31 December 2010
Shen Koping, Michael	16 November 2007	10,000	HK\$18.75	HK\$22.00	—	10,000	31 December 2009
	20 May 2008	12,000	HK\$18.75	HK\$22.40	—	12,000	31 December 2010
Lau Siu Mun, Sammy	16 November 2007	22,000	HK\$18.75	HK\$22.00	—	22,000	31 December 2009
	20 May 2008	45,000	HK\$18.01	HK\$22.40	—	45,000	31 December 2010
Li Tao	31 December 2007	130,000	HK\$20.68	HK\$21.60	—	130,000	31 December 2010

Notes:

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

董事會報告書

(C) 於二零零九年十二月三十一日，根據股份獎勵計劃購入之股份淨額為4,720,000股(二零零八年：4,720,000股)。於二零零九年十二月三十一日，當中3,304,000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：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
					於本年度 內失效	於二零零九年 十二月三十一日	
何志光 (已於二零一零年 三月十二日請辭)	2007年12月31日	240,000	20.68港元	21.60港元	—	240,000	2010年12月31日
吳俞霖	2007年11月16日	27,000	18.75港元	22.00港元	—	27,000	2009年12月31日
	2008年5月20日	55,000	18.01港元	22.40港元	—	55,000	2010年12月31日
沈可平	2007年11月16日	10,000	18.75港元	22.00港元	—	10,000	2009年12月31日
	2008年5月20日	12,000	18.75港元	22.40港元	—	12,000	2010年12月31日
劉少文	2007年11月16日	22,000	18.75港元	22.00港元	—	22,000	2009年12月31日
	2008年5月20日	45,000	18.01港元	22.40港元	—	45,000	2010年12月31日
李濤	2007年12月31日	130,000	20.68港元	21.60港元	—	130,000	2010年12月31日

註：

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

Report of the Directors

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

As of 31 December 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	908,689,405 (Note 1)	Long Position	53.39
TPG (HK)	643,425,705 shares as beneficial owner and 265,263,700 shares (Note 2) as interest of controlled corporation	908,689,405	Long Position	53.39
JP Morgan Chase & Co.	769,900 shares as beneficial owner, 4,974,800 shares as investment manager and 128,992,660 shares as custodian corporation/ approved lending agent	134,737,360	Long Position	7.92
	Beneficial owner	60,500	Short Position	0.003

Notes:

- (1) TPG's interest in the Company is held by TPG (HK), Easiwell Limited ("Easiwell"), 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) 138,924,700 shares are held by Easiwell, 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, 9,793,000 shares are held by CIGFCL, 14,597,000 shares are held by Panbillion and 965,000 shares are held by CIGICL.

Save as disclosed above, the register required to be kept under section 336 of the SFO showed that the Company had not been notified of any interests or short positions in the Shares and underlying Shares of the Company as at 31 December 2009.

董事會報告書

主要股東及其他人事的股份及相關股份的權益及淡倉

於二零零九年十二月三十一日，按證券及期貨條例第336條規定存置之登記冊的記錄所載不屬於本公司董事或最高行政人員的股東在本公司的股份及相關股份中擁有的權益及淡倉如下：

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 百分比
中國太平集團	控股公司權益	908,689,405 (註1)	好倉	53.39
中國太平集團(香港)	643,425,705股為 實益擁有人及 265,263,700股(註2) 為控股公司權益	908,689,405	好倉	53.39
摩根大通	769,900股為實益擁有人， 4,974,800股為投資經理 及128,992,660股為 保管人—法團／ 核准借出代理人	134,737,360	好倉	7.92
	實益擁有人	60,500	淡倉	0.003

註:

- (1) 中國太平集團於本公司之權益由中國太平集團(香港)、易和有限公司(「易和」)、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」)、億茂財務有限公司(「億茂」)及中國保險集團投資有限公司(「中保投資」)持有，各公司均為中國太平集團之全資附屬公司。
- (2) 138,924,700股股份由易和持有，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，9,793,000股股份由中保投資持有，14,597,000股股份由億茂持有，而965,000股股份由中保投資持有。

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十二月三十一日在本公司的股份及相關股份中擁有的權益及淡倉。

Report of the Directors

DIRECTORS' INTEREST IN CONTRACTS

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

CONNECTED TRANSACTIONS

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

Acquisition of MAH

On 22 May 2009, TPG (HK) and Manhold as vendors and CTIH as purchaser entered into a 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 issued share capital of MAH (the "Stake Acquisition"). The consideration for the Stake Acquisition was payable by CTIH through the issue and allotment of an aggregate amount 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 certain pre-conditions, CTIH requested the board of MAH to put forward a proposal to privatize MAH (the "Privatization Proposal") by way of a scheme of arrangement (the "Scheme") under Section 86 of the Companies Law of the Cayman Islands. The details of this transaction were set out in the circular of the Company dated 19 June 2009. On 16 July 2009, CTIH shareholders passed resolutions approving, ratifying and confirming the Stake Acquisition and the Privatization Proposal, and their related connected transactions by way of poll at an extraordinary general meeting of CTIH. On 30 July 2009, the Stake Acquisition was completed, and CTIH became the controlling shareholder of MAH.

Acquisition of TPR

On 23 November 2009, TPL entered into an acquisition agreement with TPIH (the "Acquisition Agreement") pursuant to which TPL agreed to acquire a 39% equity interest in TPR for a consideration of RMB924,001,140 and to take an assignment of 39% of the loans of TPR in the amount of RMB168,446,000. The details of this transaction were set out in the circular of the Company dated 3 December 2009.

Acquisition of Taiping Financial Tower

On 23 November 2009, TPL entered into an acquisition agreement with TPR (the "Property Acquisition Framework Agreement") pursuant to which TPL agreed to acquire from TPR certain property consisting of approximately 16,108 square meters of gross floor area of Taiping Financial Tower, involving six floors (from the 24th to 29th floors, or such other floors as shall be agreed to by the parties in writing) for a consideration of RMB595,996,000. The consideration will be adjusted in accordance with the actual gross floor area of the completed Property to be delivered to TPL at a sum of RMB37,000 per square meter. The Company believes that the consideration will not exceed RMB613,875,880 after the adjustments. The details of this transaction were set out in the circular of the Company dated 3 December 2009.

董事會報告書

董事在合約擁有的權益

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

關連交易

本集團於年內與中國太平集團及其附屬公司（「中國太平集團系」）訂立以下關連交易。

收購民安控股

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%（「股權收購」）。中國太平控股須於完成買賣協議時透過按每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，藉以作為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，待達成若干先決條件後，提出根據開曼群島公司法第86條，建議以協議安排（「該協議」）的方式全面收購民安控股（「全面收購建議」）。請參閱本公司於二零零九年六月十九日之通函。於二零零九年七月十六日，中國太平控股股東於中國太平控股股東特別大會上以投票表決方式正式通過有關批准、追認及確認股權收購、全面收購關連交易之決議案。於二零零九年七月三十日，完成股權收購及中國太平控股成為民安控股之控股股東。

購入太平置業

於二零零九年十一月二十三日，太平人壽與太平投資控股訂立收購協議（「收購協議」），據此，太平人壽同意以人民幣924,001,140元之代價購入太平置業39%權益，及以人民幣168,446,000元之代價轉授太平置業貸款39%。此交易之詳情請參閱本公司於二零零九年十二月三日之通函。

購入太平金融大廈

於二零零九年十一月二十三日，太平人壽與太平置業訂立收購協議（「物業收購框架協議」），據此，太平人壽同意向太平置業收購太平金融大廈中約16,108平方米之若干建築面積，當中將包括太平金融大廈中之六個樓層（第24至29層或訂約方可能書面議定之其他樓層），代價為人民幣595,996,000元。代價將可按照已建成該物業向太平人壽交付之實際建築面積，按每平方米人民幣37,000元予以調整。本公司相信調整後之代價將不超過人民幣613,875,880元。此交易之詳情請參閱本公司於二零零九年十二月三日之通函。

Report of the Directors

Capital Contribution to TPI

On 23 December 2009, CTIH entered into a conditional agreement in respect of capital contributions into TPI (the “Capital Contribution Agreement”) with TPG, TPI and ICBC (Asia). The Capital Contribution Agreement proposed that the registered capital of TPI be increased from RMB1,570,000,000 to RMB2,070,000,000 through additional registered capital of RMB500,000,000 to be contributed by TPG, the Company and ICBC (Asia) in proportion to their respective shareholdings in TPI. As at the date of this report, ICBC (Asia) has yet to decide whether it will participate in this capital contribution. Pursuant to the Capital Contribution Agreement, TPG and CTIH have conditionally agreed to contribute to the registered capital of TPI, in cash, (i) RMB187,500,000 and RMB250,250,000, respectively; and (ii) if ICBC (Asia) does not participate in the capital contribution, additional amounts of RMB26,663,335 and RMB35,586,665, respectively, the aggregate of which is equal to the amount of ICBC (Asia)’s proportion of the contribution, such that the registered capital of TPI will be increased by RMB500,000,000 in total. The details of this transaction were set out in the announcement of the Company dated 23 December 2009.

Sharing of Back Office Services and Sharing of Internal Audit Services

On 23 November 2009, CTIH entered into the Back Office Services Framework Agreement with TPFSC (Shanghai) pursuant to which the TPFSC (Shanghai) Group agreed to provide and the Group agreed to obtain the Back Office Services at a consideration determined on a cost sharing basis for 3 years from 1 January 2010 to 31 December 2012.

On 23 November 2009, CTIH entered into the Internal Audit Services Framework Agreement with TPG pursuant to which the TPG Group agreed to provide and the Group agreed to obtain the Internal Audit Services at a consideration determined on a cost sharing basis for 3 years from 1 January 2010 to 31 December 2012.

CONTINUING CONNECTED TRANSACTIONS

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

A. Reinsurance Transaction

On 23 December 2008, TPre and TPG entered into a supplemental agreement to renew the term of the Reinsurance Agreement for three years from 1 January 2009 to 31 December 2011. Pursuant to the Reinsurance Agreement, TPre agrees, and TPG agrees to procure its subsidiaries, to enter into various reinsurance contracts with members of the TPG Group. Pursuant to the said reinsurance contracts, TPre acts as reinsurer and accepts risks in return for premium from such members of the TPG Group. The Reinsurance Transactions consist of both treaty and facultative business and the range of risks covered includes all lines of general reinsurance risks and certain classes of long term reinsurance risks on both a proportional and non-proportional basis. TPre will enter into the reinsurance contracts on the same basis as it accepts reinsurance business from other independent customers, and the terms and conditions of the reinsurance contracts, in which other independent third party reinsurers may also participate, will be negotiated on an arm’s length basis and will be entered into on normal commercial terms. Under the reinsurance contracts, the Group will receive the agreed premiums on a quarterly basis or such other basis as may be agreed by the parties to the reinsurance contracts and pay commission to the TPG Group on a quarterly basis or such other basis as may be agreed by the parties to the reinsurance contracts. The premiums to be received by the Group and the commission payable to the TPG Group will be settled on a net basis.

董事會報告書

向太平財險增資

於二零零九年十二月二十三日，中國太平控股與中國太平集團、太平財險及工銀(亞洲)訂立有關向太平財險增資之有條件協議(「增資協議」)。增資協議建議太平財險之註冊資本由人民幣1,570,000,000元，增加額外註冊資本人民幣500,000,000元至人民幣2,070,000,000元，並由中國太平集團、本公司及工銀(亞洲)根據各自於太平財險之持股比例增資。於本報告日期，工銀(亞洲)仍未決定其是否參與增資。根據增資協議，中國太平集團及本公司已有條件同意以現金向太平財險新增註冊資本，(i)分別為人民幣187,500,000元及人民幣250,250,000元；及(ii)(如工銀(亞洲)不參與增資)額外金額分別人民幣26,663,335元及人民幣35,586,665元，合計等於工銀(亞洲)增資之金額，而使太平財險之註冊資本合計增加人民幣500,000,000元。此交易之詳情請參閱本公司於二零零九年十二月二十三日之通函。

共享後援運營服務及共享內部審計服務

於二零零九年十一月二十三日，中國太平控股與太平共用服務中心(上海)訂立後援運營服務框架協議，據此，太平共享服務中心(上海)集團同意提供而本集團同意接受後援運營服務，作價按成本共享基準釐定，有效期為二零一零年一月一日起至二零一二年十二月三十一日止三年。

於二零零九年十一月二十三日，中國太平控股與中國太平集團訂立內部審計服務框架協議，據此，中國太平集團系同意提供而本集團同意接受內部審計服務，作價按成本共享基準釐定，有效期為二零一零年一月一日起至二零一二年十二月三十一日止三年。

持續關連交易

本集團於年內與中國太平集團及其附屬公司(「中國太平集團系」)訂立持續關連交易協議。此等關連交易詳情載於以下A至C段。

A. 再保險交易

於二零零八年十二月二十三日，太平再保險與中國太平集團簽訂補充協議，藉以更新再保險協議內之條款為期三年，由二零零九年一月一日起至二零一一年十二月三十一日止。根據再保險協議，太平再保險同意(而中國太平集團同意促使其附屬公司)與中國太平集團系的成員訂定各種的再保險合約。根據此等再保險合約，通過收取協定的保費，太平再保險會以再保人的身份承擔中國太平集團系成員的風險。再保險交易包括合約及臨時性再保險業務，而承保範圍包括全線一般再保險業務按比例及非比例的風險，亦包括某類別的長期再承保風險。太平再保險接納此等再承保業務的合約條款及條件與其他獨立第三者的再承保業務條款相同。而再保險合約的條款及條件(其他獨立第三者亦可據此參與)，均經過正常基礎協商及按一般商業條款達成。根據再保險合約，本集團將每季(或再保險合約各訂約方同意的其他基準)收取已同意之保費及每季(或再保險合約各訂約方同意的其他基準)繳付佣金予中國太平集團系。本集團所收取的保費及應付中國太平集團系之佣金將會以淨額結算。

Report of the Directors

It is expected that the amount of gross premium income ceded by TPG Group and underwritten by TPR and the commission expenses payable by the Group in respect of the Reinsurance Transactions for each of the financial year ended 31 December from 2009 to 2011 will not exceed HK\$300 million and HK\$100 million, respectively (2006-2008: HK\$504 million and HK\$154.37 million respectively).

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

Since the applicable percentage ratios are, on an annual basis, more than 0.1% but less than 2.5%, the Continuing Connected Transactions are only subject to reporting and announcement requirements and are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

During the Year, the gross premiums written and the commission expenses paid in respect of business ceded by related companies was HK\$236.64 million (2008: HK\$266.04 million) and HK\$72.61 million (2008: HK\$86.18 million) respectively.

B. Investment Management Services

On 23 December 2008, TPA (HK) and TPG entered into a supplemental agreement to renew the term of the Master Investment Management Services Agreement for three years from 1 January 2009 to 31 December 2011. Pursuant to the Master Investment Management Agreement, TPA (HK) agrees, and TPG agrees to procure its subsidiaries, to enter into various investment management agreements with the TPG Group. Pursuant to the investment management agreements, TPA (HK) provides investment advice and investment management services to relevant members of the TPG Group in managing the Trust Fund. TPA (HK) will receive from the TPG Group management fees, performance bonus fees and other fees for its investment management services per annum for each investment management agreement (together, the “**Management Fees**”) in cash and such Management Fees will be calculated on the basis of (a) a certain percentage, to be fixed by reference to market standards, of the net asset value of the Trust Fund; and/or (b) a performance bonus fee representing a certain percentage, to be fixed by reference to market standards, of the amount of net investment return at the end of the relevant calendar year in excess of an amount equivalent to a certain percentage of the daily average balance of the settler's subscription monies or the increase in the net asset value of the relevant Trust Fund managed by TPA (HK); and/or (c) such other bases as may be agreed by the parties to the investment management agreement.

It is expected that the Management Fees to be received by the Group for each of the financial years ending 31 December from the financial years ended 31 December 2009, 2010 and 2011 will not exceed HK\$30.50 million, HK\$35.10 million and HK\$40.30 million respectively (2006-2008: HK\$4.80 million). The proposed cap is determined by reference to the historical values of such transactions and the projected values on new business to be procured.

Since the applicable percentage ratios are, on an annual basis, more than 0.1% but less than 2.5%, the Continuing Connected Transactions are only subject to reporting and announcement requirements and are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

During the Year, the Management Fees to be received by the Group was HK\$9.94 million (2008: HK\$7.89 million).

董事會報告書

預計由二零零九年至二零一一年截至十二月三十一日止的每個財政年度由中國太平集團系分入並由太平再保險承保的再保險交易保費總收入及由本集團支付有關再保險交易的佣金支出將分別不會超過3.00億港元及1.00億港元(二零零六年至二零零八年：分別為5.04億港元及1.5437億港元)。

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

由於適用的百份比率，逐年計算會多於0.1%但少於2.5%，根據上市規則第14A，有關該等持續關連交易，只需要遵守申報及公告的規定，惟可獲豁免獨立股東批准的規定。

於年內關連公司分出業務的毛承保保費總額佣金支出分別為2.3664億萬港元(二零零八年：2.6604億港元)及7,261萬港元(二零零八年：8,618萬港元)。

B. 投資管理服務

於二零零八年十二月二十三日，太平資產(香港)與中國太平集團簽訂補充協議，藉以更新投資管理服務協議內之條款為期三年，由二零零九年一月一日起至二零一一年十二月三十一日止。根據投資管理主協議，太平資產(香港)同意(而中國太平集團同意促使其附屬公司)與中國太平集團系訂定各種投資管理服務協議。根據投資管理服務協議，太平資產(香港)向中國太平集團系相關成員為其信託基金提供投資意見及投資管理服務。太平資產(香港)為中國太平集團系提供投資管理服務，每年會以現金按每一份投資管理協議收取管理費、表現花紅及其他收費(統稱「管理費」)。管理費的收取及將會收取是(a)參考市場標準釐訂，按每項信託基金資產淨值之若干比率來計算；及/或(b)表現花紅，參考市場標準釐訂，根據太平資產(香港)所管理的有關信託基金於每個曆年結束時之投資回報淨值之若干比率，高出相當於創立人認購款項每日平均結餘之若干比率或有關信託基金之資產淨值增加；及/或(c)經投資管理協議的訂約方同意的其他基準。

預計由二零零九年、二零一零年及二零一一年截至十二月三十一日止的每個財政年度本集團將可以收到的管理費不會分別超過3,050萬港元、3,510萬港元及4,030萬港元(二零零六年至二零零八年：480萬元)。此建議的上限是參考過以往交易所產生的金額及計入可能獲得的新業務將會帶來的預計金額。

由於適用的百份比率，逐年計算會多於0.1%但少於2.5%，根據上市規則第14A，有關該等持續關連交易，只需要遵守申報及公告的規定，惟可獲豁免獨立股東批准的規定。

本集團於年內收取的管理費為994萬港元(二零零八年：789萬港元)。

Report of the Directors

C. Provision of Training Fees

On 23 December 2008, the Company and TPG entered into a supplemental agreement to renew the term of the Training Services Agreement for three years from 1 January 2009 to 31 December 2011. The training department of the TPG Group will provide training services to directors, employees, agents and sales representatives of members of the Group. Such training services include the provision of training to staff, training materials and information and organization of training-related seminars and activities on basic insurance knowledge, risk management, presentation skills, and other areas. The Group will pay training fees to TPG in respect of the training services provided (the “**Training Fees**”) in cash. At the commencement of each financial year, TPG will notify the Group on the projected amount of Training Fees payable by the Group by reference to the planned training activities to be conducted in that financial year and the proportion to be shared by the Group. Prior to 31 March of each financial year, the Group shall pay to TPG the Training Fees in advance (the “**Advance Payment**”). At the end of the relevant financial year, if the Advance Payment is insufficient to cover the actual Training Fees incurred during that financial year, the Group will pay the shortfall within 90 days from the end of the respective financial year. On the other hand, if the Advance Payment is more than the actual Training Fees incurred, the surplus will, at the discretion of TPG, be refunded to the Company or be brought forward to the next financial year as part of the Advance Payment for the next financial year. The Training Fees to be charged by the TPG Group will be based on the number of persons from the Group who receive the training services as a proportion to the total number of persons who receive the training services and/or other reasonable bases as may be determined by the Company and TPG.

It is expected that the Training Fees to be paid by the Group pursuant to the Training Services Agreement for each of the financial year ending 31 December 2009 to 2011 will not exceed HK\$16 million (2006-2008: HK\$5.08 million). The proposed cap is determined by reference to the historical values of such transactions and the projected increase of the number of directors, employees, agents and sales representatives of the members of the Group who will receive the training services.

Since the applicable percentage ratios are, on an annual basis, more than 0.1% but less than 2.5%, the Continuing Connected Transactions are only subject to reporting and announcement requirements and are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

During the Year, the fees paid to the TPG Group in respect of the training services was HK\$12.03 million (2008: HK\$4.95 million).

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

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

董事會報告書

C. 提供培訓服務

於二零零八年十二月二十三日，本公司與中國太平集團簽訂補充協議，藉以更新培訓服務協議內之條款為期三年，由二零零九年一月一日起至二零一一年十二月三十一日止。中國太平集團系的培訓部將會為本集團成員之董事、僱員、代理人及營業代表提供培訓服務。培訓服務包括提供員工培訓、培訓教材、培訓信息與及組織相關的培訓會議和活動。培訓內容將包括基本保險知識、風險管理、表達技巧及其他範圍。本集團會按得的培訓服務以現金繳付培訓費予中國太平集團（「培訓費」）。中國太平集團會在每個財政年度期初，通知本集團需預付的培訓服務預付款。此筆預付款項是根據該年度計劃舉行的培訓活動及本集團將要分攤的比例。在每年三月三十一日之前，本集團需預繳培訓費（「預付款」）。如在該財政年度期末，預付款不夠支付當年實際發生數，本集團需在90日內繳付差額。若預付款多於實際發生數，中國太平集團可以選擇把餘額退回，或轉為下一個財政年度預付款的一部份。中國太平集團系的培訓費的收取，將按本集團參與人數佔接受培訓的總人數的比例及／或其他經本公司及中國太平集團確定為合理的基準釐定。

預計由二零零九年十二月三十一日止的每個財政年度本集團根據培訓服務協議將要支付的培訓費不會超過1,600萬港元（二零零六至二零零八年：508萬港元）。此建議的上限是參考過以往交易所支付的金額及預計本集團成員的董事、僱員，代理人及營業代表等接受培訓服務的人數將會有所增加。

由於適用的百份比率，逐年計算會多於0.1%但少於2.5%，根據上市規則第14A，有關該等持續關連交易，祇需要遵守申報及公告的規定，惟可獲豁免獨立股東批准的規定。

於年內支付給中國太平集團系的培訓服務費用為1,203萬港元（二零零八年：495萬港元）。

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

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

Report of the Directors

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

Based on the work performed, the external auditor of the Company has reported that the aforesaid continuing connected transactions (a) have been approved by the Board of the Company; (b) are in accordance with the pricing policies if the transactions involve provision of goods or services; (c) have been entered into in accordance with the terms of the relevant agreements governing the transactions, and (d) have not exceeded the caps disclosed in the announcement dated 23 December 2008.

INTEREST BEARING NOTES

Particulars of the interest bearing notes of the Company and the Group as at 31 December 2009 are set out in note 32 to the consolidated financial statements.

FIVE YEAR SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on pages 380 to 381.

RETIREMENT SCHEMES

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

CORPORATE GOVERNANCE

Information on the Company's corporate governance practices during the Year under review is set out in the “Corporate Governance Report” of the Company's 2009 annual report.

AUDIT COMMITTEE

Further information on the composition of the Audit Committee and the work performed by the Audit Committee during the Year under review is set out in the Company's 2009 annual report under the section headed “Audit Committee” in the Corporate Governance Report.

PUBLIC FLOAT

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

AUDITOR

Messrs. Deloitte Touche Tohmatsu shall retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Messrs. Deloitte Touche Tohmatsu as auditor of the Company is to be proposed at the forthcoming annual general meeting.

By order of the Board
Lin Fan
Chairman

Hong Kong, 30 March 2010

董事會報告書

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

根據其進行的工作，本公司外部核數師已確認上述持續關連交易乃：(a)獲得本公司董事會批准；(b)若交易涉及提供貨品或服務乃按照定價政策而進行；(c)根據規管該等交易的有關協議的條款而訂立；(d)並無超出於二零零八年十二月二十三日之公告所披露的上限。

需付息票據

本集團及本公司於二零零九年十二月三十一日有關需付息票據的摘要載於綜合財務報表附註32。

五年概要

本集團於過去五個財務年度的業績及資產與負債概要載於第380至381頁。

退休計劃

有關該等退休計劃的摘要載於綜合財務報表附註39。

企業管治

有關本年度的本公司企業管治常規的資料載於本公司二零零九年年報「企業管治報告」之內文。

審核委員會

有關審核委員會的成員組合及本年度的工作詳載於本公司二零零九年年報企業管治報告書標題「審核委員會」一段之內文。

公眾持股量

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

核數師

德勤·關黃陳方會計師行即將告退，並符合資產及願膺選續聘。由德勤·關黃陳方會計師行續聘為本公司核數師的決議，將於即將召開的股東周年大會上提出。

承董事會命
林帆
董事長

香港，二零一零年三月三十日

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

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

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

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

DIRECTORS’ SECURITIES TRANSACTIONS

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

BOARD OF DIRECTORS

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

The names of the directors are set out in the Company’s 2009 annual report under the section headed “Corporate Information”.

During the period from 1 January 2009 to the date of this annual report, the Board held five meetings, the particulars of which are as follows:

Date of meeting	Attendees
18 March 2009	Mr. Lin Fan, Mr. Song Shuguang, Mr. Xie Yiqun, Mr. He Zhiguang, Mr. Ng Yu Lam Kenneth, Mr. Shen Koping Michael, Mr. Lau Siu Mun Sammy, Mr. Li Tao and Dr. Wu Jiesi.
19 May 2009	Mr. Lin Fan, Mr. Song Shuguang, Mr. Xie Yiqun, Mr. Ng Yu Lam Kenneth, Mr. Shen Koping Michael, Mr. Lau Siu Mun Sammy, Mr. Li Tao, Mr. Che Shujian and Mr. Lau Wai Kit.
17 August 2009	Mr. Lin Fan, Mr. Song Shuguang, Mr. Xie Yiqun, Mr. He Zhiguang, Mr. Ng Yu Lam Kenneth, Mr. Shen Koping Michael, Mr. Lau Siu Mun Sammy, Mr. Li Tao, Dr. Wu Jiesi and Mr. Che Shujian.
18 November 2009	Mr. Lin Fan, Mr. Song Shuguang, Mr. Xie Yiqun, Mr. He Zhiguang, Mr. Ng Yu Lam Kenneth, Mr. Shen Koping Michael, Mr. Lau Siu Mun Sammy, Mr. Li Tao, Dr. Wu Jiesi, Mr. Che Shujian and Mr. Lee Kong Wai Conway.
30 March 2010	Mr. Lin Fan, Mr. Song Shuguang, Mr. Xie Yiqun, Mr. Peng Wei, Mr. Ng Yu Lam Kenneth, Mr. Shen Koping Michael, Mr. Lau Siu Mun Sammy, Mr. Li Tao, Dr. Wu Jiesi, Mr. Che Shujian and Mr. Lee Kong Wai Conway.

企業管治報告書

企業管治常規

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

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

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

董事進行證券交易

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

董事會

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

董事名單詳載於本公司二零零九年年報「公司資料」標題下之內文。

由二零零九年一月一日起至本年報日期，董事會曾舉行以下五次會議：

會議日期	出席者
二零零九年三月十八日	林帆先生、宋曙光先生、謝一群先生、何志光先生、吳俞霖先生、沈可平先生、劉少文先生、李濤先生及武捷思博士。
二零零九年五月十九日	林帆先生、宋曙光先生、謝一群先生、吳俞霖先生、沈可平先生、劉少文先生、李濤先生、車書劍先生及劉偉傑先生。
二零零九年八月十七日	林帆先生、宋曙光先生、謝一群先生、何志光先生、吳俞霖先生、沈可平先生、劉少文先生、李濤先生、武捷思博士及車書劍先生。
二零零九年十一月十八日	林帆先生、宋曙光先生、謝一群先生、何志光先生、吳俞霖先生、沈可平先生、劉少文先生、李濤先生、武捷思博士、車書劍先生及李港衛先生。
二零一零年三月三十日	林帆先生、宋曙光先生、謝一群先生、彭偉先生、吳俞霖先生、沈可平先生、劉少文先生、李濤先生、武捷思博士、車書劍先生及李港衛先生。

Corporate Governance Report

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

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

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

NOMINATION OF DIRECTOR

The Company has not established a nomination committee. The Board as a whole is responsible for reviewing the Board composition, developing and formulating the relevant procedures for nomination and appointment of directors and assessing the independence of the independent non-executive directors to ensure that the Board has a balance of expertise, skills and experience. The Board had appointed Mr. He Zhiguang as an executive director and Mr. Li Tao as a non-executive director of the Company by means of written resolutions passed on 12 March 2009, Mr. Lee Kong Wai Conway as an independent non-executive director of the Company by means of written resolution passed on 19 October 2009 and Mr. Peng Wei as an executive director by means of written resolution passed on 24 February 2010.

REMUNERATION COMMITTEE

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

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

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

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

Mr. Lee Kong Wai Conway has been appointed as a member of the Remuneration Committee on 19 October 2009 to fill the casual vacancy following the resignation of Mr. Lau Wai Kit on 20 July 2009.

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

企業管治報告書

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

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

董事長及總裁

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

董事的任命

本公司並未有成立提名委員會。董事會整體負責檢討董事會的組成、就董事的提名及委任制定相關的程序及評核獨立非執行董事的獨立性，以確保董事會之專業知識、技能及經驗取得平衡。董事會於二零零九年三月十二日以書面通過決議案方式任命何志光先生為本公司執行董事及李濤先生為本公司非執行董事、於二零零九年十月十九日以書面通過決議案方式任命李港衛先生為本公司獨立非執行董事及於二零一零年二月二十四日以書面通過決議案方式任命彭偉先生為本公司執行董事。

薪酬委員會

本公司於二零零五年二月二十四日成立具有特定成文權責範圍的薪酬委員會。

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

本集團薪酬政策之主要原則包括下列各項：

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

李港衛先生於二零零九年十月十九日獲委任為薪酬委員會成員以填補劉偉傑先生於二零零九年七月二十日辭任後所產生之空缺。

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

Corporate Governance Report

During the period from 1 January 2009 to the date of this annual report, the Remuneration Committee approved the payment of the directors' bonuses for the year 2008, the remuneration of the directors, the granting of share options and discretionary bonuses to the directors of the Group by means of written resolutions passed on nine occasions.

AUDITORS' REMUNERATION

Deloitte Touche Tohmatsu are the auditors of the Company. The services provided by them include audit and taxation etc. During the 2009 financial year, the fees for the Group's statutory audit, taxation and other services payable were HK\$5.88 million, HK\$0.11 million and HK\$0.70 million, respectively.

AUDIT COMMITTEE

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

Mr. Lee Kong Wai Conway has been appointed as an independent non-executive director and member of the Audit Committee on 19 October 2009 to fill the casual vacancy following the resignation of Mr. Lau Wai Kit on 20 July 2009.

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

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

The interim results, annual results and the system of internal controls of the Company and its subsidiaries for the 2009 financial year including the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their programmes and budget have been reviewed by the Audit Committee.

During the period from 1 January 2009 to the date of this annual report, the Audit Committee held three meetings, the particulars of which are as follows:

Date of meeting	Attendees
13 March 2009	Dr. Wu Jiesi, Mr. Che Shujian, Mr. Lau Wai Kit and Mr. Li Tao.
17 August 2009	Dr. Wu Jiesi and Mr. Che Shujian and Mr. Li Tao.
30 March 2010	Dr. Wu Jiesi, Mr. Che Shujian, Mr. Lee Kong Wai Conway and Mr. Li Tao.

企業管治報告書

由二零零九年一月一日起至本年報日期，薪酬委員會曾九次以書面通過決議案方式批准發放董事二零零八年度的花紅、董事薪酬、授出認股權及酌情花紅給予本集團的董事。

核數師酬金

德勤•關黃陳方會計師行為本公司的核數師。彼等所提供的服務包括審計及稅務等服務。於二零零九年財務年度，有關本集團應付的審計服務費、稅務服務費及其他服務費分別為588萬港元、11萬港元及70萬港元。

審核委員會

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

李港衛先生於二零零九年十月十九日獲委任為獨立非執行董事及審核委員會成員以填補劉偉傑先生於二零零九年七月二十日辭任後所產生之空缺。

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

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

審核委員會曾審查本公司及其附屬公司二零零九年度的中期及年度業績，與及內部監控系統，包括考慮本公司在會計及財務匯報職能方面的資源、員工資歷及經驗是否足夠，以及員工所接受的課程及有關預算又是否充足。

二零零九年一月一日起至本年報日期，審核委員會曾舉行以下三次會議：

會議日期	出席者
二零零九年三月十三日	武捷思博士、車書劍先生、劉偉傑先生及李濤先生。
二零零九年八月十七日	武捷思博士、車書劍先生及李濤先生。
二零一零年三月三十日	武捷思博士、車書劍先生、李港衛先生及李濤先生。

Corporate Governance Report

DIRECTORS' RESPONSIBILITY FOR PREPARING THE FINANCIAL STATEMENTS

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

The statement of the auditor of the Company about their responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 376 and 378.

INTERNAL CONTROL REVIEW

The Board has conducted a review of the system of internal controls of the Group in accordance with the Code. The Board has also considered the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their programmes and budget. The Board considers that all material internal controls of the Group are proper and effective.

企業管治報告書

董事負責編製財務報表

董事確認編製真實與公允的財務報表是彼等的責任。

有關本公司的核數師就財務報表應承擔的責任聲明，詳列於第377及379頁獨立核數師報告書內。

內部監控系統審查

董事會已根據守則對本集團的內部監控系統進行審查，董事會亦已考慮本公司在會計及財務匯報職能方面的資源、員工資歷及經驗是否足夠，以及員工所接受的培訓課程及有關預算又是否充足。董事會認為本集團所有重要的內部監控均為適當及有效。

Consolidated Income Statement

綜合損益表

for the year ended 31 December 2009
截至二零零九年十二月三十一日止年度
(Expressed in Hong Kong dollars)
(以港幣列示)

			2009 二零零九年	2008 二零零八年 (Restated) (重列)
		Note 附註	\$'000 千元	\$'000 千元
Revenue	收入			
Gross premiums written and policy fees	毛承保保費及保單費收入	4	31,022,721	15,232,332
Less: Premiums ceded to reinsurers and retrocessionaires	減：保費之再保份額及轉分份額		(1,687,546)	(1,238,874)
Net premiums written and policy fees	淨承保保費及保單費收入		29,335,175	13,993,458
Change in unearned premium provisions, net of reinsurance	未到期責任準備金變化，減再保險		(207,164)	(270,187)
Net earned premiums and policy fees	已賺取保費及保單費收入淨額		29,128,011	13,723,271
Net investment income	投資收入淨額	5(a)	3,151,730	2,865,610
Net realized investment gains	已實現投資收益淨額	5(b)	1,314,623	75,950
Net unrealized investment gains/(losses) and impairment	未實現投資收益／(虧損)及減值淨額	5(c)	16,508	(532,847)
Net exchange gain/(loss)	匯兌收益／(虧損)淨額		7,871	(180,642)
Other income	其他收入	6	121,579	113,153
Total revenue	收入總額		33,740,322	16,064,495
Benefits, losses and expenses	給付、賠款及費用			
Net policyholders' benefits	保單持有人利益淨額	7(a)	(9,425,750)	(6,328,726)
Net commission expenses	佣金支出淨額	7(b)	(3,557,697)	(2,846,818)
Administrative and other expenses	行政及其他費用		(6,728,888)	(4,384,987)
Change in life insurance contract liabilities, net of reinsurance	壽險合約負債變化，減再保險		(12,252,385)	(2,708,079)
Goodwill impairment	商譽減值	16	—	(73,276)
Total benefits, losses and expenses	給付、賠款及費用總額		(31,964,720)	(16,341,886)
Profit/(loss) from operations	經營溢利／(虧損)		1,775,602	(277,391)
Share of gains/(losses) of associates	應佔聯營公司收益／(虧損)		22,744	(134,086)
Finance costs	財務費用	8(a)	(317,950)	(183,383)
Profit/(loss) before taxation	除稅前溢利／(虧損)	8	1,480,396	(594,860)
Income tax (charge)/credit	稅項(支出)／抵免	11(a)	(292,760)	32,485
Profit/(loss) after taxation	除稅後溢利／(虧損)		1,187,636	(562,375)
Attributable to:	應佔：			
Owners of the Company	本公司股東權益	12	825,737	(486,092)
Minority interests	少數股東權益		361,899	(76,283)
			1,187,636	(562,375)
Earnings/(loss) per share attributable to the owners of the Company	本公司股東應佔每股盈利／(虧損)	14	cents 仙	cents 仙
Basic	基本		52.7	(31.3)
Diluted	攤薄		52.1	(31.3)

The accompanying notes on pages 195 to 375 form an integral part of these consolidated financial statements.

第195至375頁所附附註為本綜合財務報表的組成部份。

Consolidated Statement of Comprehensive Income

綜合全面收益表

for the year ended 31 December 2009
截至二零零九年十二月三十一日止年度
(Expressed in Hong Kong dollars)
(以港幣列示)

		2009 二零零九年	2008 二零零八年 (Restated) (重列)
	Note 附註	\$'000 千元	\$'000 千元
Profit/(loss) after taxation	除稅後溢利／(虧損)	1,187,636	(562,375)
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	38(a) 12,801	369,172
Revaluation increase on acquisition of additional interest in an associate	購入一間聯營公司額外權益之重估增值	43 —	96,655
Available-for-sale securities	可供出售證券		
— Net fair value changes during the year	— 本年度公允價值變動淨額	2,622,955	(1,208,984)
— Reclassification adjustment to profit or loss on impairment	— 減值時重新分類至損益之調整	—	434,140
— Reclassification adjustment to profit or loss on disposal	— 出售時重新分類至損益之調整	(1,552,263)	(649,278)
— Net deferred tax	— 遞延稅項淨額	(168,156)	303,201
Total comprehensive income for the year	本年度全面收益總額	2,102,973	(1,217,469)
Attributable to:	應佔：		
Owners of the Company	本公司股東權益	1,439,485	(937,141)
Minority interests	少數股東權益	663,488	(280,328)
		2,102,973	(1,217,469)

Consolidated Statement of Financial Position

綜合財務狀況表

as at 31 December 2009
於二零零九年十二月三十一日
(Expressed in Hong Kong dollars)
(以港幣列示)

			2009 二零零九年	2008 二零零八年 (Restated) (重列)	1 January 2008 二零零八年 一月一日 (Restated) (重列)
	Note 附註	千元 \$'000	千元 \$'000	千元 \$'000	千元 \$'000
Assets	資產				
Statutory deposits	法定存款	25	1,350,037	1,215,598	764,868
Fixed assets	固定資產	15(a)			
— Property and equipment	— 物業及設備		2,936,442	2,838,675	1,453,355
— Investment properties	— 投資物業		1,193,230	1,164,430	1,078,910
— Prepaid lease payments	— 預付租賃付款		681,439	680,348	—
— Interests in leasehold land held for own use under operating leases	— 以經營租賃租入持作自用之租賃土地權益		253,079	250,459	227,017
			5,064,190	4,933,912	2,759,282
Goodwill	商譽	16(a)	303,647	303,647	228,185
Intangible asset	無形資產	16(b)	261,408	261,408	—
Interest in associates	於聯營公司的權益	18	101,149	138,563	706,566
Deferred tax assets	遞延稅項資產	31(b)	96,210	91,660	71,848
Investments in debt and equity securities	債務及股本證券投資	19(a)	74,089,895	56,278,526	37,545,135
Securities purchased under resale agreements	買入返售證券	36	34,072	—	—
Amounts due from group companies	應收集團內公司款項	20(a)	20,208	7,769	3,340
Insurance debtors	保險客戶應收賬款	21	1,343,827	1,318,471	902,861
Reinsurers' share of insurance contract provisions	分保公司應佔保險合約準備	22	2,087,662	2,306,347	1,607,828
Policyholder account assets in respect of unit-linked products	有關投資連結產品之保單持有人賬戶資產	45	5,078,319	4,269,892	4,547,658
Other debtors	其他應收賬款	23	2,575,684	2,148,712	1,559,767
Tax recoverable	可收回稅項	31(a)	—	1,640	—
Pledged deposits at banks	已抵押銀行存款	24	92,225	185,729	97,417
Deposits at banks with original maturity more than three months	原到期日超過三個月 的銀行存款		6,534,677	6,814,345	5,467,700
Cash and cash equivalents	現金及現金等價物	26	12,497,821	7,740,836	6,699,234
			111,531,031	88,017,055	62,961,689
Liabilities	負債				
Life insurance contract liabilities	壽險合約負債	27	31,089,308	18,785,337	15,207,769
Unearned premium provisions	未到期責任準備金	28	3,818,806	3,614,693	1,302,703
Provision for outstanding claims	未決賠款準備	29	6,982,756	6,711,172	4,871,458
Investment contract liabilities	投資合約負債	30	36,381,937	32,951,052	22,298,216
Deferred tax liabilities	遞延稅項負債	31(b)	1,415,377	1,057,331	1,268,176
Interest-bearing notes	需付息票據	32	5,725,110	5,376,028	2,960,377
Securities sold under repurchase agreements	賣出回購證券	36	6,606,088	4,317,098	—
Amounts due to group companies	應付集團內公司款項	20(b)	1,295	2,737	1,772
Insurance creditors	保險客戶應付賬款	33	1,407,773	1,154,425	811,730
Other creditors	其他應付賬款	34	2,473,761	1,679,249	1,120,787
Current taxation	當期稅項	31(a)	254,166	180,674	207,410
Insurance protection fund	保險保障基金	35	36,825	36,735	10,222
			96,193,202	75,866,531	50,060,620
Net assets	資產淨值		15,337,829	12,150,524	12,901,069

Consolidated Statement of Financial Position (Continued)

綜合財務狀況表 (續)

as at 31 December 2009
 於二零零九年十二月三十一日
 (Expressed in Hong Kong dollars)
 (以港幣列示)

			2009 二零零九年	2008 二零零八年 (Restated) (重列)	1 January 2008 二零零八年 一月一日 (Restated) (重列)
		Note 附註	千元 \$'000	千元 \$'000	千元 \$'000
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	37	85,103	71,086	70,764
Reserves	儲備	38(a)	10,211,608	6,956,213	8,022,475
			10,296,711	7,027,299	8,093,239
Minority interests	少數股東權益	38(a)	5,041,118	5,123,225	4,807,830
Total equity	總權益		15,337,829	12,150,524	12,901,069

Approved and authorized for issue by the board of directors on 30 March 2010. 董事會於二零一零年三月三十日核准及授權發布。

Lin Fan
林帆
Director
董事

Ng Yu Lam Kenneth
吳俞霖
Director
董事

The accompanying notes on pages 195 to 375 form an integral part of these consolidated financial statements.

第195至375頁所附附註為本綜合財務報表的組成部份。

Statement of Financial Position

財務狀況表

as at 31 December 2009
於二零零九年十二月三十一日
(Expressed in Hong Kong dollars)
(以港幣列示)

	Note	2009	2008
	附註	二零零九年 \$'000 千元	二零零八年 \$'000 千元
Assets			
Fixed assets	15(b)	256	206
Investments in subsidiaries	17	3,538,970	2,377,599
Interest in associates	18	6,937	6,937
Investments in debt and equity securities	19(b)	310,058	571,825
Deferred tax assets	31(b)	—	5,549
Amounts due from group companies	20(a)	3,920,461	459,651
Other debtors	23	6,605	11,591
Deposits at banks with original maturity more than three months		29,469	24,325
Cash and cash equivalents	26	125,989	251,778
		7,938,745	3,709,461
Liabilities			
Deferred tax liabilities	31(b)	426	—
Amounts due to group companies	20(b)	2,022,549	1,592,641
Other creditors	34	30,476	8,184
		2,053,451	1,600,825
Net assets		5,885,294	2,108,636
Capital and reserves			
Share capital	37	85,103	71,086
Reserves	38(b)	5,800,191	2,037,550
Total equity		5,885,294	2,108,636

Approved and authorized for issue by the board of directors on 30 March 2010.

董事會於二零一零年三月三十日核准及授權發布。

Lin Fan
林帆
Director
董事

Ng Yu Lam Kenneth
吳俞霖
Director
董事

The accompanying notes on pages 195 to 375 form an integral part of these consolidated financial statements.

第195至375頁所附附註為本綜合財務報表的組成部份。

Consolidated Statement of Changes In Equity

綜合權益變動表

for the year ended 31 December 2009
截至二零零九年十二月三十一日止年度
(Expressed in Hong Kong dollars)
(以港幣列示)

	Share capital 股本 \$'000 千元	Share premium 股份溢價 \$'000 千元	Capital reserve 資本儲備 \$'000 千元	Merger reserve 合併儲備 \$'000 千元	Exchange reserve 匯兌儲備 \$'000 千元	Fair value reserve 公允價值儲備 \$'000 千元	Employee share-based compensation reserve 以股份為本之僱員補償儲備 \$'000 千元	Shares held for Share Award Scheme 獎勵計劃而持有之股份 為股份 \$'000 千元	Revaluation reserve 重估儲備 \$'000 千元	Regulatory reserve 法定儲備 \$'000 千元	Retained profits 保留溢利 \$'000 千元	Attributable to owners of the Company 本公司股東應佔權益 \$'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	71,086	2,218,248	575,203	1,275,180	409,574	(134,993)	50,869	(96,788)	100,096	1,977	2,556,847	7,027,299	5,123,225	12,150,524
Profit for the year 本年度溢利	-	-	-	-	-	-	-	-	-	-	825,737	825,737	361,899	1,187,636
Other comprehensive income for the year 本年度其他全面收益	-	-	-	-	7,434	606,314	-	-	-	-	-	613,748	301,589	915,337
Total comprehensive income 全面收益總額	-	-	-	-	7,434	606,314	-	-	-	-	825,737	1,439,485	663,488	2,102,973
Capital contributions made to a subsidiary 向一間附屬公司注入資本	-	-	-	-	-	-	-	-	-	-	-	-	1,007,429	1,007,429
Acquisition of a subsidiary under common control 購入一間受共同控制的附屬公司	6,946	2,952,154	-	(2,959,100)	-	-	-	-	-	-	-	-	-	-
Acquisition of additional interests in subsidiaries 購入附屬公司之額外權益	7,071	3,872,160	(2,080,060)	-	-	-	-	-	-	-	-	1,799,171	(1,753,024)	46,147
Equity-settled share-based payment transactions 股本釐付之股份為本交易	-	-	-	-	-	-	30,756	-	-	-	-	30,756	-	30,756
At 31 December 2009 於二零零九年十二月三十一日	85,103	9,042,582	(1,504,857)	(1,683,920)	417,008	471,321	81,625	(96,788)	100,096	1,977	3,382,584	10,296,711	5,041,118	15,337,829

Consolidated Statement of Changes In Equity (Continued)

綜合權益變動表 (續)

for the year ended 31 December 2009
截至二零零九年十二月三十一日止年度
(Expressed in Hong Kong dollars)
(以港幣列示)

	Share capital 股本 \$'000 千元	Share premium 股份溢價 \$'000 千元	Capital reserve 資本儲備 \$'000 千元	Merger reserve 合併儲備 \$'000 千元	Exchange reserve 匯兌儲備 \$'000 千元	Fair value reserve 公允價值儲備 \$'000 千元	Employee share-based compensation reserve 以股份為本之僱員補償儲備 \$'000 千元	Shares held for Share Award Scheme 為股份獎勵計劃而持有之股份 \$'000 千元	Revaluation reserve 重估儲備 \$'000 千元	Regulatory reserve 法定儲備 \$'000 千元	Retained profits 保留溢利 \$'000 千元	Attributable to owners of the Company 本公司股東應佔權益 \$'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, as previously reported 於二零零八年一月一日 之結餘，如前呈報	70,764	2,201,064	567,468	—	200,957	726,901	23,336	(111,147)	—	—	2,006,893	5,685,626	2,410,056	8,095,682
Effect of merger accounting for business combination involving entities under common control 受共同控制 實體的業務合併 之影響	—	—	7,745	1,275,180	29,891	(136,692)	—	—	3,441	1,977	528,797	1,710,339	1,875,731	3,586,070
Effect of changes in accounting policies 會計政策變更之影響	—	—	—	—	1,828	—	—	—	—	—	695,446	697,274	522,043	1,219,317
Balance at 1 January 2008, as restated	70,764	2,201,064	575,203	1,275,180	232,076	590,209	23,336	(111,147)	3,441	1,977	3,231,136	8,093,239	4,807,830	12,901,069
Loss for the year 本年虧損	—	—	—	—	—	—	—	—	—	—	(486,092)	(486,092)	(76,283)	(562,375)
Other comprehensive income for the year 本年其他全面收益	—	—	—	—	177,498	(725,202)	—	—	96,655	—	—	(451,049)	(204,045)	(655,094)
Total comprehensive income 全面收益總額	—	—	—	—	177,498	(725,202)	—	—	96,655	—	(486,092)	(937,141)	(280,328)	(1,217,469)
Capital contributions made to a subsidiary 資本金 已向附屬公司注入	—	—	—	—	—	—	—	—	—	—	—	—	—	48,114
Dividend paid 根據認股權計劃發行 之股份	—	—	—	—	—	—	—	—	—	—	(183,145)	(183,145)	(42,427)	(225,572)
Shares issued under Share Option Scheme 出售股份獎勵計劃 之股份	322	17,184	—	—	—	—	—	—	—	—	—	17,506	—	17,506
Transfer to retained profits on disposal of revoked shares for Share Award Scheme 為股份獎勵計劃而 持有之股份變化	—	—	—	—	—	—	—	—	—	—	(5,062)	(5,062)	—	(5,062)
Changes in share held for Share Award Scheme Equity-settled share-based payment transactions 股本應付之股份 為本交易	—	—	—	—	—	—	—	14,359	—	—	—	14,359	—	14,359
Arising on acquisition of a subsidiary 購入一間附屬公司	—	—	—	—	—	—	27,533	—	—	—	—	27,533	—	27,533
At 31 December 2008	71,086	2,218,248	575,203	1,275,180	409,574	(134,993)	50,869	(96,788)	100,096	1,977	2,556,847	7,027,299	5,123,225	12,150,524

Note: For the nature or purpose of reserves, please refer to note 38(c).

附註：有關儲備目的或性質，請參閱附註38(c)。

Consolidated Statement of Cash Flows

綜合現金流量表

for the year ended 31 December 2009
截至二零零九年十二月三十一日止年度
(Expressed in Hong Kong dollars)
(以港幣列示)

	Note	2009 二零零九年	2008 二零零八年 (Restated) (重列)
	附註	\$'000 千元	\$'000 千元
Operating activities	經營業務		
Profit/(loss) before taxation	除稅前溢利／(虧損)	1,480,396	(594,860)
Adjustments for:	就下列各項作出調整：		
— Depreciation	— 折舊	213,875	142,373
— Surplus on revaluation of investment properties	— 投資物業重估盈餘	(28,800)	(91,920)
— Goodwill impairment	— 商譽減值	—	73,276
— Employee share-based compensation benefits	— 以股份為本之僱員補償福利	30,756	29,626
— Amortization of interests in leasehold land held for own use under operating leases	— 以經營租賃租入作自用之租賃土地權益攤銷	305	270
— Amortization of prepaid lease payment	— 預付租賃付款攤銷	13,962	9,536
— Finance costs	— 財務費用	317,950	183,383
— Dividend income	— 股息收入	(276,082)	(587,973)
— Interest income	— 利息收入	(2,937,042)	(2,311,192)
— Share of (gains)/losses of associates	— 應佔聯營公司(收益)／虧損	(22,744)	134,086
— Net gain on sale of property and equipments	— 出售物業及設備收益淨額	(62)	(26)
— Net realized and unrealized gains on listed and unlisted debt and equity securities	— 上市及非上市債務及股本證券之已實現及未實現收益淨額	(1,151,714)	(32,528)
— Write back of impairment loss of interest in leasehold land held for own use under operating lease	— 回撥以經營租賃租入作自用之租賃土地權益減值虧損	(2,925)	(23,729)
— Impairment on debt and equity investments	— 股本及債務證券減值	7,080	434,140
— Net impairment losses on insurance debtors and other debtors	— 保險客戶應收賬款及其他應收賬款減值虧損淨額	84,690	9,955
Operating loss before changes in working capital	營運資金變動前之經營虧損	(2,270,355)	(2,625,583)

Consolidated Statement of Cash Flows (Continued)

綜合現金流量表 (續)

for the year ended 31 December 2009
截至二零零九年十二月三十一日止年度
(Expressed in Hong Kong dollars)
(以港幣列示)

	Note	2009 二零零九年	2008 二零零八年 (Restated) (重列)
	附註	\$'000 千元	\$'000 千元
Decrease in held-for-trading securities	持有作交易用途證券減少	214,522	1,049,641
Decrease/(increase) in insurance and other debtors	保險客戶及其他應收賬款減少/(增加)	(166,149)	388,303
Increase in insurance and other creditors	保險客戶、其他應付賬款增加	970,018	262,326
Increase in amounts due from group companies	應收集團內公司款項增加	(12,439)	(4,429)
(Decrease)/increase in amounts due to group companies	應付集團內公司款項(減少)/增加	(1,442)	965
Increase in provision for outstanding claims	未決賠款準備增加	271,584	289,609
Decrease in reinsurers' share of insurance contract provisions	分保公司應佔保險合約準備減少	218,685	189,829
(Increase)/decrease in policyholder account assets in respect of unit-linked products	有關投資連結產品之保單持有人賬戶資產(增加)/減少	(808,427)	277,766
Increase in investment contract liabilities	投資合約負債增加	3,430,885	10,652,836
Increase in life insurance contract liabilities	壽險合約負債增加	12,303,971	3,577,568
Increase/(decrease) in unearned premium provisions	未到期責任準備金增加/(減少)	204,113	(118,094)
Increase in insurance protection fund	保險保障基金增加	90	20,792
Increase in loans and advances	貸款及應收款項增加	(211,104)	(104,322)
Payment for purchase of shares for Share Award Scheme	購入股份獎勵計劃之股份付款	—	(6,663)
Proceeds from disposal of shares for Share Award Scheme	出售股份獎勵計劃之股份所得款項	—	15,970
Cash generated from operations	經營業務所產生之現金	14,143,952	13,866,514
Hong Kong Profits Tax paid and payment for purchase of tax reserve certificate	已付香港利得稅及購入儲稅券付款	(23,902)	(55,259)
Tax paid outside Hong Kong	已付海外稅項	(20,510)	(10,721)
Tax paid	已付稅項	(44,412)	(65,980)
Net cash generated from operating activities	經營業務所產生之現金淨額	14,099,540	13,800,534

Consolidated Statement of Cash Flows (Continued)

綜合現金流量表 (續)

for the year ended 31 December 2009
截至二零零九年十二月三十一日止年度
(Expressed in Hong Kong dollars)
(以港幣列示)

		2009 二零零九年	2008 二零零八年 (Restated) (重列)
	Note 附註	\$'000 千元	\$'000 千元
Investing activities	投資業務		
Decrease/(increase) in pledged deposits at banks	已抵押銀行存款 減少/(增加)	93,504	(88,312)
Increase in statutory deposits	法定存款增加	(134,439)	(154,086)
Decrease/(increase) in deposits at banks with original maturity more than three months	原到期日為三個月以上 之銀行存款 減少/(增加)	279,668	(1,156,549)
Payment for purchase of debt securities classified as loans and receivable	購入被歸類貸款及 應收款項 之債務證券付款	(5,679)	(1,893,663)
Payment for purchase of held-to-maturity debt securities	購入持有至到期 債務證券付款	(17,991,195)	(19,988,893)
Proceeds from redemption of held-to-maturity debt securities	贖回持有至到期 債務證券所得款項	569,570	373,046
Payment for purchase of available-for-sale securities	購入可供出售證券付款	(4,449,762)	(19,681,822)
Proceeds from sale of available-for-sale securities	出售可供出售證券 所得款項	6,255,626	23,648,549
Proceeds received from dealing in derivative	衍生工具交易所得款項	—	(4)
Increase in securities purchased under resale agreements	買入返售證券增加	(34,072)	—
Interest income received	已收利息收入	2,779,544	1,404,464
Dividend income received	已收股息收入	276,082	587,973
Increase in securities sold under repurchase agreements	賣出回購證券增加	2,288,990	4,317,098
Payment for purchase of fixed assets	購入固定資產付款	(373,997)	(994,700)
Prepayment for lease payments	預付租賃付款	(13,977)	(588,999)
Proceeds from sale of fixed assets	出售固定資產所得款項	66,253	3,331
Capital injection to associates	於聯營公司注入資本	—	(129,191)
Capital distribution from associate	聯營公司資本分配	4,075	—
Proceed from disposal of associate	出售聯營公司所得款項	49,124	—
Decrease in amounts due from associates	應收聯營公司款項減少	—	179
Acquisition of subsidiary	購入附屬公司	—	763,517
	43		
Net cash used in investing activities	投資業務所動用之 現金淨額	(10,340,685)	(13,578,062)

Consolidated Statement of Cash Flows (Continued)

綜合現金流量表 (續)

for the year ended 31 December 2009
截至二零零九年十二月三十一日止年度
(Expressed in Hong Kong dollars)
(以港幣列示)

		2009 二零零九年	2008 二零零八年 (Restated) (重列)
	Note 附註	\$'000 千元	\$'000 千元
Financing activities	融資活動		
Cost of privatization of a subsidiary	全面收購一間附屬公司之成本	(7,364)	—
Proceeds from shares issued	已發行股份所得款項	—	15,413
Proceeds from interest-bearing notes issued	已發行需付息票據所得款項	340,722	2,324,556
Capital contributions from minority interests of a subsidiary	一間附屬公司少數股東權益注入股本	1,007,455	48,114
Interest paid	已付利息	(256,629)	(239,061)
Dividend paid	已付股息	—	(267,999)
Net cash generated from financing activities	融資活動所產生之現金淨額	1,084,184	1,881,023
Effect of changes in exchange rates	匯率轉變影響	(86,054)	(1,061,893)
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	4,756,985	1,041,602
Cash and cash equivalents at 1 January	於一月一日的現金及現金等價物	7,740,836	6,699,234
	26		
Cash and cash equivalents at 31 December	於十二月三十一日的現金及現金等價物	12,497,821	7,740,836
	26		

The accompanying notes on pages 195 to 375 form an integral part of these consolidated financial statements.

第195至375頁所附附註為本綜合財務報表的組成部份。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

1 SIGNIFICANT ACCOUNTING POLICIES/CHANGES IN ACCOUNTING POLICIES/RESTATEMENTS

SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

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

(b) Basis of preparation of the financial statements

The consolidated financial statements comprise the Company and its subsidiaries (together referred to as the “Group”).

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

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

- (i) investment properties;
- (ii) investments in debt and equity securities classified as available-for-sale;
- (iii) investments in debt and equity securities held for trading; and
- (iv) policyholder account assets in respect of unit-linked products.

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

1 主要會計政策／會計政策改變／重列

主要會計政策

(a) 遵例聲明

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

(b) 財務報表的編製基準

綜合財務報表包括本公司及其附屬公司(合稱為「本集團」)。

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

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

- (i) 投資物業；
- (ii) 歸類為可供出售的債務及股本證券投資；
- (iii) 持有作交易用途的債務及股本證券投資；及
- (iv) 有關投資連結產品之保單持有人資產。

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

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES/CHANGES IN ACCOUNTING POLICIES/RESTATEMENTS

(Continued)

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

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

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 48.

(c) Classification of contracts

(i) Insurance contracts

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

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

Some contracts of the Group have both the insurance and investment components. These contracts are required to be unbundled into the respective components as set out in note 1(d)(ix).

(ii) Investment contracts

Insurance policies that are not considered insurance contracts under HKFRS4 are classified as investment contracts, which are accounted for under HKAS 39.

1 主要會計政策／會計政策改變／重列 (續)

(b) 財務報表的編製基準 (續)

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

在附註48內，已載有管理層估計《香港財務報告準則》對下年度的財務報表及估計有重大影響引致可能產生重大的調整風險。

(c) 合約分類

(i) 保險合約

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

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

本集團一些合約包含保險及投資部份。這些合約需要按附註1(d)(ix)分拆有關部份。

(ii) 投資合約

根據香港財務報告準則第4號而不被視為保險合約之保單歸類為投資合約，並根據香港會計準則第39號列賬。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES/CHANGES IN ACCOUNTING POLICIES/RESTATEMENTS

(Continued)

(d) Recognition and measurement of contracts

(i) Recognition of gross premiums written

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

Gross premiums written in respect of life insurance contracts are recognized as revenue when due from the policyholders. Gross premiums written from short-term accident and health insurance contracts are recognized when written.

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

Gross premiums written in respect of investment contracts and the investment component of unbundled contracts are accounted for as deposits and booked directly to a liability account.

(ii) Life insurance contract liabilities

Life insurance contract liabilities, other than universal life and unit-linked insurance contracts, are determined using a gross premium approach plus a residual margin. Under the gross premium approach, the assumptions used in the actuarial valuation of life insurance contract liabilities reflect the management’s assessment of the expected best estimate of future policy cash flows subject to market based allowance for risk. The residual margin is estimated so that, after considering the effects of acquisition costs related to the acquisition of new business, including but not limited to commissions, underwriting, marketing and policy issue expenses, no gain or loss will be recognized on the initial recognition of the life insurance contract. Profits are expected to emerge over the life of the insurance contracts as the residual margins are released over the life of the contracts in proportion to insurance policies in force and allowance for risk is released.

(iii) Unearned premium provisions

The unearned premium provisions comprise the proportion of gross premiums written which is estimated to be earned in the following or subsequent financial years, computed on a time-apportioned basis, adjusted if necessary to reflect any variation in the incidence of risk during the period covered by the contract.

1 主要會計政策／會計政策改變／重列 (續)

(d) 合約確認及計量

(i) 毛承保保費之確認

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

有關人壽保險合約的毛承保保費，於應收保單持有人時確認為收入。短期意外及健康保險合約的毛承保保費，於承保時記入。

有關財產保險的毛承保保費於數額釐定後確認為收入，一般為風險開始時。

有關投資合約及已分拆合約的投資部份之毛承保保費按存款計入並直接於負債賬項入賬。

(ii) 壽險合約負債

除萬能壽險及投資連結合約以外的壽險合約負債乃以毛承保保費計算法加上剩餘價差釐定。根據毛承保保費計算法，壽險合約負債精算估值之假設是反映管理層對未來保單現金流量所作出之預期最佳估計，以及按市場基準提撥風險準備。剩餘價差以考慮到取得新業務的相關成本，包括但不限於佣金、承保、市場推廣及簽發保單之費用後，不會於首次確認壽險合約時確認任何損益估計。當剩餘價差在保單期內按有效保單及風險準備釋放之比例釋放，溢利預計將會在保險合約期內顯現。

(iii) 未到期責任準備金

未到期責任準備金包括毛承保保費中估計將於下個或其後財政年度賺取的部份，按時間劃分進行計算，如有必要，可予以調整，以反映合約承保期內風險產生的任何變動。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES/CHANGES IN ACCOUNTING POLICIES/RESTATEMENTS

(Continued)

(d) Recognition and measurement of contracts (Continued)

(iv) Provision for outstanding claims

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

(v) Liability adequacy test

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

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

(vi) Investment contracts liabilities

Investment contract liabilities of the Group include the liabilities arising from investment contracts that carry no significant insurance risk and also investment components of universal life contracts and unit-linked contracts. Insurance policies which do not meet the definition of an insurance contract are investment contracts and are carried at amortised cost or estimated fair value.

1 主要會計政策／會計政策改變／重列 (續)

(d) 合約確認及計量 (續)

(iv) 未決賠款準備

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

(v) 負債充足性測試

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

倘於報告期末未到期的有效保單應佔賠款及開支的估計價值超過就相關保單作出的未到期責任準備金,則會就一般再保險合約及財產保險合約的未到期風險提撥準備。包含於報告日期之未決賠款準備內的未到期風險準備金,乃參照與其一并管理的業務種類,並經計及為進行未到期責任準備金及未到期風險準備金而持有投資的未來投資回報計算。

(vi) 投資合約負債

本集團的投資合約負債包括沒有附帶重大保險風險的投資合約及萬能壽險合約及投資連結合約的投資部份所產生之負債。不符合保險合約定義之保單為投資合約,並以攤銷成本或估計公允價值列賬。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES/CHANGES IN ACCOUNTING POLICIES/RESTATEMENTS

(Continued)

(d) Recognition and measurement of contracts (Continued)

(vi) Investment contracts liabilities (Continued)

The liability of investment portion of an unbundled universal life contract is measured at amortized cost using effective interest rate while the liability of investment portion of an unbundled unit-linked contract is measured at fair value. The liability for the insurance component is calculated as the excess, if positive, of a gross premium liability over the account value. The liabilities of the insurance component of universal life contracts and unit-linked contracts are minimal and accordingly, the entire contracts are classified as investment contracts.

The assets related to unit-linked contracts are presented as “policyholder account assets in respect of unit-linked products” and are presented separately from the rest of the Group’s assets.

(vii) Policyholders’ benefits

Policyholders’ benefits include maturities, annuities, surrenders, claims and claims handling expenses, and policyholder dividend allocated in anticipation of a dividend declaration. Maturity and annuity claims are recognized as an expense when due for payment. Surrender claims are recognized when paid. Claims are recognized when notified but not settled and an estimate is made for claims incurred but not reported at the reporting date. Policyholder dividends are recognized when declared.

(viii) Embedded derivatives in insurance contracts

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

(ix) Unbundling

The Group unbundles the investment component of insurance contracts when the Group can measure separately the investment component. Receipts and payments such as premiums, policy benefit and claims relating to the investment component, except for the policy fee income which is recognized in accordance with HKAS 18, are not recognized in the consolidated income statement but as financial assets and financial liabilities. The financial assets or financial liabilities arising from the investment component are accounted for under HKAS 39.

1 主要會計政策／會計政策改變／重列 (續)

(d) 合約確認及計量 (續)

(vi) 投資合約負債 (續)

萬能壽險合約已分拆投資部份之負債按有效利率方法計算之攤銷成本計量，而投資連結合約已分拆投資部份之負債按公允價值計量。保險部份之負債，按毛承保保費責任超過賬值的部份計算(如屬正數)。由於萬能壽險合約及投資連結合約的保險部份之負債非常少，因此整份合約歸類為投資合約。

有關投資連結合約的資產以「有關投資連結產品之保單持有人賬戶資產」呈列，並與本集團其他資產分開呈列。

(vii) 保單持有人利益

保單持有人利益包括到期、年金、退保、賠款及賠款處理費用，以及按預期將宣派的紅利配發予保單持有人的紅利。到期及年金賠款於到期付款時確認為開支。退保賠款於支付時予以確認。賠款於獲通知但未支付時予以確認及已發生但於結算日尚未報告時以估算確認。保單持有人的紅利於宣派時確認。

(viii) 嵌入在保險合約的衍生工具

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

(ix) 分拆

如投資部份可分開計量，本集團將分拆保險合約的投資部份。有關投資部份的收入及支出，如保費、保單利益及賠款，除保費收入按香港會計準則第18號確認外，並不在綜合損益表內確認，而確認為金融資產及金融負債。投資部份所產生的金融資產及金融負債按香港會計準則第39號計入。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES/CHANGES IN ACCOUNTING POLICIES/RESTATEMENTS

(Continued)

(d) Recognition and measurement of contracts (Continued)

(x) Reinsurance

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

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

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

Amounts due/recoverable under reinsurance and the reinsurers' share of insurance contract provisions are assessed for impairment at end of each reporting period. Such assets are deemed impaired if there is objective evidence, as a result of an event that occurred after its initial recognition, that the Group may not recover all amounts due and that the event has a reliably measurable impact on the amounts that the Group will receive from the reinsurers. The impairment loss is calculated following the same method used for financial assets held at amortized cost and the carrying amount is reduced through the use of an allowance account similar to insurance receivables.

1 主要會計政策／會計政策改變／重列 (續)

(d) 合約確認及計量 (續)

(x) 再保險

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

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

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

再保險應收／可收回款項及分保公司應佔保險合約準備均會於各報告期末進行減值評估。尚有客觀證據顯示，於該資產初次被確認後發生了一些事項，令本集團不可收回全部到期款項以及該事項可對本集團自再保險公司所收取金額造成可靠地計量的影響。減值虧損是按以攤銷成本持有金融資產採用之同樣方法計算，其賬面值透過準備賬沖減，與保險應收賬款相似。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES/CHANGES IN ACCOUNTING POLICIES/RESTATEMENTS

(Continued)

(e) Basis of consolidation

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

The results of subsidiaries acquired or disposed of during the year, except those acquired under common control combinations for which merger accounting method is used, are included in the consolidated income statement from the effective date of acquisition and up to the effective date of disposal, as appropriate.

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

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

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

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

(f) Associates

An associate is an entity over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

An investment in an associate is accounted for in the consolidated financial statements under the equity method and is initially recorded at cost and adjusted thereafter for the post acquisition change in the Group's share of the associate's net assets, less any identified impairment loss. The consolidated income statement includes the Group's share of the post-acquisition, post-tax results of the associates for the year, including any impairment loss on goodwill relating to the investment in associates recognized for the year (see note 1(o)).

1 主要會計政策／會計政策改變／重列 (續)

(e) 綜合基準

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

本年度所購入或出售的附屬公司之業績，除共同控制合併者使用合併會計法外，均包括於綜合損益表內，由有效收購日期起及計至有效出售日期止(倘適用)。

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

所有集團內部交易、結餘、收益及開支已於編製綜合賬目時抵銷。

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

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

(f) 聯營公司

聯營公司為本集團可行使重大影響力的實體，但並非附屬公司或於合營企業的權益。重大影響乃指參與投資對象之財務及經營政策決策但非控制或共同控制投資對象活動之權力。

於聯營公司的投資在最初產生時按權益會計法以成本記入綜合財務報表，然後就收購後本集團所佔聯營公司資產淨值的變動作出調整，減去任何已確定的減值虧損。綜合損益表包括本集團應佔購入聯營公司權益後年度除稅後之業績，及減除年度有關聯營公司投資的商譽減值虧損(參看附註1(o))。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES/CHANGES IN ACCOUNTING POLICIES/RESTATEMENTS

(Continued)

(f) Associates (Continued)

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

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognized at the date of acquisition is recognized as goodwill. The goodwill is included within the carrying amount of the investment and is not tested for impairment separately. Instead, the entire carrying amount of the investment is tested for impairment as a single asset. Any impairment loss recognized is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment in the associate. Any reversal of impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

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

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

In the Company's statement of financial position, its investments in associates are stated at cost less impairment losses (see note 1(o)). The results of associates are accounted for by the Company on the basis of dividends received or receivable.

1 主要會計政策／會計政策改變／ 重列 (續)

(f) 聯營公司 (續)

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

收購成本超出本集團分佔收購當日在聯營公司之可識別資產、負債及或然負債中所佔公允淨值之任何差額均確認為商譽。有關商譽計入投資帳面值，並不會單獨作減值評估。相反，整項投資之賬面值以單項資產作減值評估。任何減值虧損不分配至任何資產，包括構成聯營公司投資賬面值的商譽。如投資的可收回金額隨後上升，任何減值撥回撥將獲確認。

若本集團應佔被收購者的可辨別資產、負債及或然負債的再評估公允淨值高於業務合併或投資聯營公司時的成本價，超出的金額立即於損益表確認。

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

本公司財務狀況表所示於聯營公司的投資，是按成本減去減值虧損入賬(參看附註1(o))。本公司將聯營公司之業績按已收及應收股息入賬。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES/CHANGES IN ACCOUNTING POLICIES/RESTATEMENTS

(Continued)

(g) Business combinations and goodwill

(i) Business combinations

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

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

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

(ii) Merger accounting for business combination involving entities under common control

The consolidated financial statements incorporate the financial statements items of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are consolidated using the existing book values from the controlling parties' perspective. No amount is recognized in respect of goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

1 主要會計政策／會計政策改變／重列 (續)

(g) 業務合併及商譽

(i) 業務合併

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

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

被收購者之少數股東權益最初按少數股東所佔於購入日的已確認資產、負債及或然負債之公允價值淨額比例計量。

(ii) 涉及受共同控制實體的業務合併之合併會計法

綜合財務報表包括共同控制合併的合併實體或業務的財務報表，猶如自該等合併實體或業務首次受控制方控制當日起已經合併一般。

合併實體或業務的資產淨值乃按控制方的現有賬面值進行合併。在控制方持續擁有權益的條件下，共同控制合併時並無就商譽或於被收購公司的可識別資產、負債及或然負債的公允淨值高出成本的部份確認任何金額。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES/CHANGES IN ACCOUNTING POLICIES/RESTATEMENTS

(Continued)

(g) Business combinations and goodwill (Continued)

(ii) Merger accounting for business combination involving entities under common control (Continued)

The consolidated income statement includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where this is a shorter period, regardless of the date of the common control combination.

The comparative amounts in the consolidated financial statements are presented as if the entities or businesses had been combined at the previous reporting period or when they first came under common control, whichever is shorter.

(iii) Acquisition of additional interest in subsidiaries

On acquisition of additional interest in subsidiaries, the difference between the cost of additional interest acquired and the decrease in the carrying amount of the minority interest are recorded in capital reserves.

(iv) Goodwill

Goodwill arising on an acquisition of net assets and operations of another entity is carried at cost less any accumulated impairment losses and is presented separately in the consolidated statement of financial position.

For the purposes of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss. An impairment loss for goodwill is not reversed in subsequent periods.

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

1 主要會計政策／會計政策改變／重列 (續)

(g) 業務合併及商譽 (續)

(ii) 涉及受共同控制實體的業務合併之合併會計法 (續)

綜合損益表包括自最早呈列日期起或自該等合併實體或業務首次受共同控制日期起以期限較短者為準(不論共同控制合併的日期)的業績。

綜合財務報表的比較金額乃按猶如該等實體或業務於先前報告期或當該等實體或業務首次受共同控制時，以較短者為準，按已合併的方式呈列。

(iii) 購入附屬公司額外權益

於購入附屬公司額外權益時，購入額外權益的成本及少數股東權益賬面值減少之差異於資本儲備中錄入。

(iv) 商譽

收購其他公司淨資產及業務所產生之商譽，按成本減任何累計減值虧損賬及於綜合財務狀況表分開呈列。

就減值測試而言，收購所產生之商譽分配至預期受惠於收購所產生協同效益之有關現金產生單位或一組現金產生單位。獲分配商譽之現金產生單位會每年及當有跡象顯示該單位可能出現減值時進行減值測試。就因收購產生商譽之財政年度而言，獲分配商譽之現金產生單位會於該財政年度結束前進行減值測試。倘現金產生單位之可收回金額低於其賬面值，則減值虧損會先用作減低任何分配至該單位之商譽賬面值，其後則按該單位內各項資產賬面值之比例分配至該單位之其他資產。商譽減值虧損直接於損益確認。商譽減值虧損不會於往後期間撥回。

於出售有關現金產生單位時，釐定之出售所得損益包括已撥充資本化商譽應佔金額。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES/CHANGES IN ACCOUNTING POLICIES/RESTATEMENTS

(Continued)

(g) Business combinations and goodwill (Continued)

(v) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognized separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses (see note 1 (o)).

(h) Investments in debt and equity securities

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

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss has two subcategories, including financial assets held-for-trading and those designated as at fair value through profit or loss on initial recognition. The financial assets at fair value through profit or loss of the Group consist only of those held-for-trading.

A financial asset is classified as held for trading if:

- (1) it has been acquired principally for the purpose of selling in the near future; or
- (2) it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- (3) it is a derivative that is not designated and effective as a hedging instrument.

At the end of each reporting period subsequent to initial recognition, financial assets held for trading are measured at fair value, with changes in fair value recognized directly in profit or loss in the period in which they arise. The net gain or loss recognized in profit or loss excludes any dividend or interest earned on the financial assets and is included in the net unrealized investment gains/(losses) in the consolidated income statement.

1 主要會計政策／會計政策改變／重列 (續)

(g) 業務合併及商譽 (續)

(v) 業務合併所獲得的無形資產

倘於業務合併收購之無形資產符合無形資產之定義，且其公允價值能可靠計量，則會予以識別及與商譽分開確認。該等無形資產之成本為於收購當日之公允價值。

於初次確認後，具有無限使用年期之無形資產可按成本減任何其後累計減值虧損列賬 (參看附註1(o))。

(h) 債務及股本證券投資

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

(i) 通過損益以反映公允價值的金融資產

通過損益以反映公允價值的金融資產細分為兩類，包括持有作交易用途及於初始確認時被指定為通過損益以反映公允價值之金融資產。本集團之通過損益以反映公允價值的金融資產只由持有作交易用途組成。

金融資產被撥歸為持有作交易用途，如：

- (1) 收購之主要目的為於短期內出售；或
- (2) 屬本集團共同管理的可識別金融工具組合的一部份，並且有證據顯示短期內出售以賺取利潤的交易模式；或
- (3) 其為不指定及有效作為對沖工具之衍生工具。

於首次確認後之每個報告期末，持有作交易用途之金融資產乃按公平值計量，而公允價值之變動則於產生期間直接於損益表確認。於損益表確認之收益或虧損淨額不包括任何股息或於金融資產賺取之利息，是包含於綜合損益表內之未實現投資收益／(虧損)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES/CHANGES IN ACCOUNTING POLICIES/RESTATEMENTS

(Continued)

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

(ii) Held-to-maturity securities

Dated debt securities that the Group and/or the Company have the positive ability and intention to hold to maturity are classified as held-to-maturity securities. Held-to-maturity securities are stated in the statement of financial position at amortized cost using effective interest method less impairment losses (see note 1(o)).

(iii) Loans and receivables

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

(iv) Available-for-sale securities

Investments in securities which do not fall into any of the above categories are classified as available-for-sale securities. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognized directly in other comprehensive income and accumulated in fair value revaluation reserve, except foreign exchange gains and losses resulting from changes in the amortized cost of monetary items such as debt securities which are recognized directly in the income statement. Where these investments are interest-bearing, interest calculated using the effective interest method is recognized in the income statement and included in "net investment income". When these investments are derecognized or impaired (see note 1(o)), the cumulative gain or loss previously accumulated in the fair value reserve is reclassified to income statement.

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

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

1 主要會計政策／會計政策改變／重列 (續)

(h) 債務及股本證券投資 (續)

(ii) 持有至到期證券 (續)

本集團及／或本公司有肯定能力及意向持有至到期的有期債務證券，歸類為持有至到期證券。持有至到期證券按有效利率計算的已攤銷成本減任何減值虧損後記入財務狀況表(參看附註1(o))。

(iii) 貸款及應收款項

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

(iv) 可供出售證券

未有分類為以上類別的證券投資，歸類為可供出售證券。於每個報告期末重新計算其公允價值，任何收益或虧損，直接於其他全面收益內確認及累計於公允價值儲備，但貨幣項目如債務證券的攤銷成本變化之外匯收益及虧損則直接在損益表內確認。如是帶息投資，利息按有效利率方法計算並確認在損益表內及包括於「投資收入淨額」內。當投資被終止確認或減值時(參看附註1(o))，過往累計於公允價值儲備之收益或虧損，重新分類至損益表。

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

所有一般買賣之債務及股本證券投資皆以交易日基準確認及終止確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES/CHANGES IN ACCOUNTING POLICIES/RESTATEMENTS

(Continued)

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

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

(i) Sales and repurchase/purchases and resale agreements

Securities sold under repurchase agreements represent short-term financing arrangements secured by the securities sold. The securities remain on the statement of financial position and a liability is recorded in respect of the consideration received. Interest is calculated based upon the effective interest method. The “securities sold under repurchase agreements” are carried in the statement of financial position at amortized cost. Conversely, securities purchased under resale agreements represent short-term lending arrangements secured by the securities purchased. The securities purchased are not recognized as financial assets on the statement of financial position and the consideration paid is recorded as “securities purchased under resale agreements” and carried in the statement of financial position at amortized cost. Interest is calculated using the effective interest method.

(j) Investment properties

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

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

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

1 主要會計政策／會計政策改變／重列 (續)

(h) 債務及股本證券投資 (續)

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

(i) 賣出回購／購入返售合約

賣出回購證券指以所出售的證券作抵押之短期財務安排。該等證券仍留在財務狀況表，並就所收取之代價記錄為負債。利息乃按有效利率方法計算。賣出回購證券是按已攤銷成本記入財務狀況表。相反，買入返售證券指以所購買的證券作抵押之短期借貸安排。該等證券不會於財務狀況表確認為金融資產，而已支付的代價會記入「買入返售證券」，並按已攤銷成本記入財務狀況表。利息乃按有效利率方法計算。

(j) 投資物業

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

投資物業是以公允價值於財務狀況表列示。因公允價值變動或報廢或出售而產生的損益在損益表內確認。投資物業租金收入按附註1(v)(iv)所述計算。

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

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES/CHANGES IN ACCOUNTING POLICIES/RESTATEMENTS

(Continued)

(k) Property and equipment

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

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

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

- Land and buildings are depreciated over the shorter of the unexpired term of lease and their estimated useful lives, being no more than 50 years after the date of completion.
- Other fixed assets 3 – 6 years

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

(l) Prepaid lease payments and buildings under construction

When the leasehold land and buildings are in the course of development for production or for administrative purposes, the leasehold land component is classified as a prepaid lease payment and amortized over a straight-line basis over the lease term. The amortization is charged to income statement before the commencement of the construction. During the construction period, the amortization charge provided for the leasehold land is included as part of costs of buildings under construction. Buildings under construction are carried at cost, less any identified impairment losses. Depreciation of buildings commences when they are available for use (i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by management).

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

Insurance debtors, other debtors and amounts due from group companies are initially recognized at fair value and thereafter stated at amortized cost using effective interest method less allowance for impairment (see note 1(o)), except where the receivables are interest-free or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment.

1 主要會計政策／會計政策改變／重列 (續)

(k) 物業及設備

物業及設備包括持有用於生產或提供貨物或服務，或用於行政用途之土地及樓宇，乃按成本減後續累計折舊及累計減值虧損列賬（參看附註1(o)）。

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

物業及設備折舊是根據下列分類，按預計可使用年期以直線法沖銷其成本，減去其估計剩餘價值，如有：

- 土地及樓宇按尚餘租賃期及其估計可使用年期（以較短者為準）計提折舊，即於完成日期後不多於五十年
- 其他固定資產 三至六年

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

(l) 預付租賃付款及發展中的樓宇

在發展中用以生產或行政用途的有契約土地及樓宇，其契約土地部份分類為預付租賃付款並以租賃年期以直線法攤銷。於開始建築前，攤銷計入損益表。於建築期內，契約土地的攤銷則構成在建中樓宇成本的一部份。在發展中的樓宇按成本減去任何已識別減值虧損後列賬。當樓宇可供使用始計算其折舊（即管理層認為其已具備有能力運作的狀態及所需條件）。

(m) 保險客戶應收賬款、其他應收賬款及應收集團內公司款項

保險客戶應收賬款、其他應收賬款及應收集團內公司款項在最初產生時以公允價值確認，其後按有效利率計算的已攤銷成本減去減值虧損入賬（參看附註1(o)）。然而，如應收賬款是無息貸款或折算現值後的影響不大，則按成本減去減值虧損入賬。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES/CHANGES IN ACCOUNTING POLICIES/RESTATEMENTS

(Continued)

(n) Insurance creditors and amounts due to group companies

Insurance creditors and amounts due to group companies are initially recognized at fair value and thereafter stated at amortized cost using effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

The effective interest method is a method of calculating the amortized cost of a financial liabilities and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liabilities, or, where appropriate, a shorter period to the net carrying amount of the liability on initial recognition.

(o) Impairment of assets

(i) Impairment of financial assets other than those at fair value through profit or loss

Financial assets other than those at fair value through profit or loss are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganization;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and
- a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

1 主要會計政策／會計政策改變／ 重列 (續)

(n) 保險客戶應付賬款及應付集團內公司款項

保險客戶應付賬款及應付集團內公司款項在最初產生時以公允價值確認，其後按有效利率計算的已攤銷成本入賬。然而，如折算現值後的影響不大，則按成本入賬。

有效利率法乃計算金融負債之已攤銷成本及於相關期間分攤利息成本之方法。有效利率指按金融負債之預期可使用年期或較短期間內(如適用)實際折現估計未來現金付款至負債初始確認時的賬面淨值之利率。

(o) 資產減值

(i) 除通過損益以反映公允價值外之金融資產減值

除通過損益以反映公允價值外之金融資產於每年報告期末檢討，以釐定有否客觀證據可以證明需要減值。減值之客觀證據包括集團注意到以下一項或多項虧損事項之可觀察數據：

- 債務人有重大財務困難；
- 違反合約，如拖欠償還利息或本金；
- 債務人可能破產或進行其他財務重組；
- 科技、市場、經濟或法律環境有重大改變而對債務人有不利影響；及
- 股本工具投資之公允價值大幅或長期下跌至低於其成本值。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES/CHANGES IN ACCOUNTING POLICIES/RESTATEMENTS

(Continued)

(o) Impairment of assets (Continued)

(i) Impairment of financial assets other than those at fair value through profit or loss (Continued)

If any such evidence exists, any impairment loss is determined and recognized as follows:

- For unquoted equity securities carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for equity securities are not reversed.
- For insurance and other debtors and other financial assets carried at amortized cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material.

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

- For available-for-sale securities, the cumulative loss that has been recognized directly in other comprehensive income and accumulated in fair value reserve is removed from fair value reserve and is recognized in the income statement when the available-for-sale securities are disposed of or is determined to be impaired. The amount of the cumulative loss that is recognized in the income statement is the excess of the acquisition cost (net of any principal repayment and amortization) over the current fair value, less any impairment loss on that asset previously recognized in the income statement.

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

1 主要會計政策／會計政策改變／重列 (續)

(o) 資產減值 (續)

(i) 除通過損益以反映公允價值外之金融資產減值 (續)

如任何此等證據存在，任何減值虧損根據下列方法釐定及確認：

- 就按成本列賬的無報價股本證券而言，如果折算現值的影響重大，減值虧損將按金融資產的賬面值及估計未來現金流根據相同金融資產的現時市場回報率折算後，以兩者之差額計算。股本證券的減值虧損並不會被撥回。
- 就按攤銷成本列賬的保險及其他應收賬款及其他金融資產而言，如果折算現值的影響重大，減值虧損按金融資產的賬面值及以原有效利率（即該資產在初始確認時計算之有效利率）估計未來現金流折算為現值，以兩者之差額計算。

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

- 就可供出售證券而言，當可供出售證券被出售或確定已減值，已直接確認在其他全面收益及累計於公允價值儲備內的累積虧損將被剔除，並於損益表內確認。須於損益表內確認累積虧損之金額，是購入成本（減去任何本金償還及攤銷）超出現時公允價值之差額，再減去往年已於損益表內確認的減值虧損。

有關可供出售股本證券的已確認減值虧損是不能沖回損益表。其後該資產之公允價值增加須直接在其他全面收益內確認及累計於公允價值儲備。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES/CHANGES IN ACCOUNTING POLICIES/RESTATEMENTS

(Continued)

(o) Impairment of assets (Continued)

(i) Impairment of financial assets other than those at fair value through profit or loss (Continued)

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

- For certain categories of financial asset, such as insurance and other debtors, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of insurance and other debtors, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognized in income statement. When an insurance or other debtor is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to income statement.

(ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired:

- property and equipment;
- reinsurers' share of insurance contract provisions;
- investments in subsidiaries and associates;
- intangible asset; and
- goodwill.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for intangible asset and goodwill, the recoverable amount is estimated annually whether or not there is any indication of impairment.

1 主要會計政策／會計政策改變／重列 (續)

(o) 資產減值 (續)

(i) 除通過損益以反映公允價值外之金融資產減值 (續)

就可供出售債務證券而言，如其後該資產之公允價值增加，而該增加是可客觀地與確認減值虧損後發生的事件有關連，減值虧損可沖回。在此情況下，沖回減值虧損於損益表內確認。

- 就若干類別之金融資產（如保險及其他應收賬款）而言，並無個別被評估為已減值之資產隨後將按組合基準評估減值。應收款組合減值之客觀證據可包括本集團之過往收款經驗、組合內延遲還款至超逾平均信貸期之次數增加，以及與應收款逾期有關之國家或地方經濟狀況明顯改變。

除保險及其他應收賬款之賬面值通過計提撥備削減外，所有金融資產之賬面值均直接按減值虧損予以削減。撥備賬面值之變動於損益表內確認。當一項保險客戶及其他應收款被認為不可收回，其將從撥備撇銷。隨後追回以前撇銷之款項計入損益表。

(ii) 其他資產減值

於各報告期末均會審閱內部及外部資料，以衡量下列資產有否出現減值：

- 物業及設備；
- 分保公司應佔保險合約準備；
- 附屬及聯營公司投資；
- 無形資產；及
- 商譽。

如任何此等徵兆存在，須估計該資產的可收回額。此外，不論是否有任何減值跡象，每年亦會估計無形資產及商譽的可收回額。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES/CHANGES IN ACCOUNTING POLICIES/RESTATEMENTS

(Continued)

(o) Impairment of assets (Continued)

(ii) Impairment of other assets (Continued)

(i) Calculation of recoverable amount

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

(ii) Recognition of impairment losses

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

(iii) Reversals of impairment losses

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

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

1 主要會計政策／會計政策改變／ 重列 (續)

(o) 資產減值 (續)

(ii) 其他資產減值

(i) 計算可收回金額

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

(ii) 減值虧損之確認

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

(iii) 減值虧損沖回

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

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

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES/CHANGES IN ACCOUNTING POLICIES/RESTATEMENTS

(Continued)

(p) Cash and cash equivalents

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

(q) Interest-bearing borrowings

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

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

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

(s) Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

1 主要會計政策／會計政策改變／ 重列 (續)

(p) 現金及現金等價物

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

(q) 需付息借款

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

(r) 短期僱員福利及已訂定退休供款計劃供款

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

(s) 利得稅

利得稅支出指當期應付稅項及遞延稅項總和。

當期應付稅項按年內應課稅溢利計算。由於應課稅溢利不包括其他年度的應課稅或可扣稅收入或開支項目，亦不包括毋須課稅或不可扣稅之項目，故與綜合損益表所列溢利不同。本集團當期稅項負債按於報告期末有規定或已有頒令實施之稅率計算。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
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1 SIGNIFICANT ACCOUNTING POLICIES/CHANGES IN ACCOUNTING POLICIES/RESTATEMENTS

(Continued)

(s) Income tax (Continued)

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is recognized in income statement, except when it relates to items that are recognized in other comprehensive income or directly in equity, in which case the deferred tax is also recognized in other comprehensive income or directly in equity respectively.

1 主要會計政策／會計政策改變／ 重列 (續)

(s) 利得稅 (續)

遞延稅項就綜合財務報表內資產及負債賬面值與計算應課稅溢利所用相應稅基之間的暫時差額確認。遞延稅項負債一般就所有應課稅暫時差額確認，遞延稅項資產於應課稅溢利可能用作扣減可扣減暫時差額時確認。倘商譽或由初次確認不影響應課稅溢利或會計溢利之交易（業務合併除外）之其他資產及負債產生暫時差額，有關資產及負債不予確認。

遞延稅項負債乃就附屬公司及聯營公司之投資產生之暫時應課稅項差異予以確認，惟若本公司能夠控制暫時差異之撥回而短期差異有可能於可見未來不能撥回則除外。遞延稅項資產於可能有足夠應課稅溢利可用作抵銷該投資及利益有關之可扣減暫時差異的情況下確認，暫時差異預期於可預見未來撥回。

遞延稅項資產之賬面值於各報告期末審閱，並於不再可能有足夠應課稅溢利以收回全部或部分資產時減少。

遞延稅項資產及負債乃根據報告期末已制訂或實質制訂之稅率（及稅法），按資產變現或負債清償期間之預期適用稅率計算。遞延稅項負債及資產之計量反映出倘按本集團預期於報告期末收回或結算其資產及負債賬面值計算的稅項結果。遞延稅項確認於損益表，惟倘遞延稅項與其他全面收益或直接於權益確認之項目有關，則遞延稅項亦於其他全面收益或直接於權益中處理。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES/CHANGES IN ACCOUNTING POLICIES/RESTATEMENTS

(Continued)

(t) Provisions and contingent liabilities

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

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

(u) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(v) Revenue recognition

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

(i) Gross premiums written from insurance contracts

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

(ii) Policy fee income

Fees from investment contracts or investment components of insurance contracts are recognized in the period in which the services are provided.

(iii) Commission income

Commission income is recognized as revenue on the effective commencement or renewal dates of the related reinsurance contracts.

1 主要會計政策／會計政策改變／重列 (續)

(t) 準備及或然負債

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

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

(u) 股本工具

本公司發行之股本工具按已收所得款項扣除直接發行成本入賬。

(v) 收入確認

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

(i) 保險合約毛承保保費

有關確認保險合約收益的會計政策，詳情載於附註1(d)。

(ii) 保單費收入

投資合約或保險合約之投資部份的費用在提供服務期間確認。

(iii) 佣金收入

佣金收入在有關再保險合約生效或續期時確認為收入。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES/CHANGES IN ACCOUNTING POLICIES/RESTATEMENTS

(Continued)

(v) Revenue recognition (Continued)

(iv) Rental income from operating leases

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

(v) Income from asset management, insurance intermediary and pension businesses

Income from asset management, insurance intermediary and pension businesses are recognized when the service is rendered.

(vi) Dividends

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

(vii) Interest income

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

(w) Translation of foreign currencies

Foreign currency transactions during the year are translated into the functional currencies of respective entities in the Group at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currencies of respective entities in the Group at the exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognized in the income statement.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into the functional currencies of respective entities in the Group using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated into the functional currency of respective entities in the Group using the foreign exchange rates ruling at the dates the fair value was determined.

1 主要會計政策／會計政策改變／ 重列 (續)

(v) 收入確認 (續)

(iv) 經營租賃的租金收入

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

(v) 資產管理、保險中介及養老保險業務的收入

資產管理、保險中介及養老保險業務的收入在提供服務時確認。

(vi) 股息

投資的股息收入在股東收取款項的權利確立時確認。

(vii) 利息收入

利息收入乃按有效利率方法累計確認。

(w) 外幣換算

年內的外幣交易按交易日的匯率換算為本集團內有關實體公司的功能貨幣。以外幣為單位的貨幣性資產及負債則按報告期末的匯率換算為本集團內有關實體公司的功能貨幣。匯兌收益及虧損均已記錄在損益表內。

按歷史成本以外幣計值之非貨幣資產及負債按交易日之匯率換算為本集團內有關實體公司的功能貨幣。以外幣計值並以公允值列賬之非貨幣資產與負債按釐定公允值當日之外幣匯率換算為本集團內有關實體公司的功能貨幣。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES/CHANGES IN ACCOUNTING POLICIES/RESTATEMENTS

(Continued)

(w) Translation of foreign currencies (Continued)

The results of foreign operations are translated into the Group's presentation currency (i.e. Hong Kong dollars) at approximately the average exchange rates for the year. Statement of financial position items are translated into Hong Kong dollars at the foreign exchange rates ruling at the end of the reporting period. Goodwill arising on acquisition of a foreign operation is translated into Hong Kong dollars at the foreign exchange rate prevailing at the end of the reporting period. The resulting exchange differences are recognized directly in a separate component of equity.

On disposal of a foreign operation, the cumulative amount of the exchange differences recognized in other comprehensive income and accumulated in equity which relate to that foreign operation is included in the calculation of the profit or loss on disposal.

(x) Jointly controlled assets

When a group entity undertakes its activities with other parties, constituted as jointly controlled assets, the Group's share of the jointly controlled assets are recognized in the consolidated financial statements and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis.

Income from the sale or use of the Group's share of the output of the jointly controlled assets, together with its share of any expenses incurred, are recognized when it is probable that the economic benefits associated with the transaction will flow to/from the Group.

(y) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in income statement in the period in which they are incurred.

1 主要會計政策／會計政策改變／ 重列 (續)

(w) 外幣換算 (續)

海外業務業績按大約相等於年內平均匯率折算為本集團之呈報貨幣，(即港元)。財務狀況表項目按報告期末之匯率折算為港元。收購海外業務所產生之商譽按報告期末之匯率折算為港元。產生之匯兌差額直接在股東權益內以一獨立組成部份確認。

出售海外業務時，在其他全面收益及累計於權益內確認並與該海外業務相關之匯兌差額累計金額在計算出售損益時包括在內。

(x) 共同控制資產

當集團內的公司與其他方進行活動時，構成共同控制資產，本集團在共同控制資產所佔的權益在綜合財務報表中予以確認，並按照他們的性質作出分類。為共同控制資產權益而直接產生的負債及費用均會以應計基準計入。

而從銷售或使用本集團在共同控制資產的產生所佔部份而得的收入及費用中所佔的部份，會在有關交易的經濟利益能可靠地計量，並很可能流入／流出本集團時才予以確認。

(y) 借款費用

購買、建築或生產合資格資產(即需經一段長時間方能作擬定用途或出售之資產)而直接產生之借款費用一律列入該資產之成本，直至資產之大部分已可作擬定用途或出售時為止。

特定借款用於合資格資產之前作為短暫投資所賺取之投資收入於符合資本化之借款費用中扣除。

所有其他借款費用在實際產生費用之時確認於損益表內。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES/CHANGES IN ACCOUNTING POLICIES/RESTATEMENTS

(Continued)

(z) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised in the consolidated income statement on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the consolidated income statement over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

Leasehold land and building

The land and building elements of a lease of land and building are considered separately for the purpose of lease classification, unless the lease payments cannot be allocated reliably between the land and building elements, in which case, the entire lease is generally treated as a finance lease and accounted for as property and equipment. To the extent the allocation of the lease payments can be made reliably, leasehold interests in land are accounted for as operating leases except for those that are classified and accounted for as investment properties under the fair value model.

1 主要會計政策／會計政策改變／ 重列 (續)

(z) 租賃

倘租約條款將擁有權之絕大部分風險及回報轉歸承租人所有時，有關租賃將列作融資租賃。所有其他租賃列作經營租賃。

本集團作為出租人

經營租賃之租金收入乃按相關租賃年期以直線法於綜合收益表確認。於協商及安排經營租賃時引致之初步直接成本乃加至租賃資產之賬面值，並按租期以直線法確認為開支。

本集團作為承租人

根據融資租賃持有之資產按租賃開始時之公允價值或(倘為較低者)按最低租賃付款之現值確認為本集團之資產。出租人之相應負債於綜合財務狀況表列作融資租賃承擔。租賃付款按比例於融資費用及減少租賃承擔之間作出分配，從而使該等負債之應付餘額之息率固定。融資費用按租期直接於綜合收益表中扣除，以使該等負債於各會計期間之餘額維持基本固定之費率。

租賃土地及樓宇

一項土地及樓宇租賃之土地及樓宇部分乃於租賃分類時分開考慮，除非租賃付款無法於土地及樓宇部分之間作可靠分配，其時整份租賃通常視作融資租賃，並按物業及設備入賬。倘租賃付款可以可靠地分配，土地之租賃權益則作為經營租賃入賬，惟作為投資物業以公允價值模式分類並入賬者除外。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES/CHANGES IN ACCOUNTING POLICIES/RESTATEMENTS

(Continued)

(aa) Related parties

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

- (i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;
- (ii) the Group and the party are subject to common control;
- (iii) the party is an associate of the Group or a joint venture in which the Group is a venturer;
- (iv) the party is a member of key management personnel of the Group or the Group's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
- (v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or
- (vi) the party is a post-employment benefit plan which is for the benefit of employees of the Group or of an entity that is a related party of the Group.

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

(ab) Share based payment transactions

(i) Share Options Scheme and Share Award Scheme

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

1 主要會計政策／會計政策改變／重列 (續)

(aa) 關連人士

就編製本綜合財務報表而言，有關人士即被視為本集團的關連人士，如：

- (i) 該人士有能力直接或間接透過一個或多個中介人控制，或可發揮重大影響本集團的財務及經營決策，或共同控制本集團；
- (ii) 本集團及該人士均受共同控制；
- (iii) 該人士屬本集團的聯營公司或共同控制主體；
- (iv) 該人士屬本集團主要管理人員的成員、或屬個人的近親家庭成員、或受該等個人人士控制、或共同控制或重大影響的實體；
- (v) 該人士如屬(i)所指的近親家庭成員或受該等個人人士控制、或共同控制或重大影響的實體；或
- (vi) 屬提供福利予本集團或與本集團關聯的實體的僱員離職後福利計劃。

個人的近親家庭成員指可影響，或受該個人影響，他們與該實體交易的家庭成員。

(ab) 以股份為本支付之交易

(i) 認股權計劃及股份獎勵計劃

於股本償本之股份為本交易賦予員工的認股權及獎授股份之公允價值被確認為員工成本，並在股東權益內的以股份為本之僱員補償儲備作相應的增加。有關認股權之公允價值乃採用 Black Scholes 認股權定價模式，按認股權授予日及授予認股權的條款而計算。至於獎授股份方面，其公允價值是已支付之代價。當僱員須符合歸屬期條件才可無條件享有該等認股權及獎授股份，認股權及獎授股份的預計公允價值總額在歸屬期內攤分入賬，並已考慮認股權及獎授股份歸屬的或然率。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES/CHANGES IN ACCOUNTING POLICIES/RESTATEMENTS

(Continued)

(ab) Share based payment transactions (Continued)

(i) Share Options Scheme and Share Award Scheme (Continued)

During the vesting period, the number of share options and awarded shares that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognized in prior years is charged/credited to the income statement for the year of the review, with a corresponding adjustment to the employee share-based compensation reserve. On vesting date, the amount recognized as an expense is adjusted to reflect the actual number of share options and awarded shares that vest (with a corresponding adjustment to the employee share-based compensation reserve).

The equity amount for the share options is recognized in the employee share-based compensation reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits).

(ii) Shares held for Share Award Scheme

Where the shares of the Company are acquired under the Share Award Scheme, the consideration paid, including any directly attributable incremental costs, is presented as "Shares held for Share Award Scheme" and deducted from total equity.

When the awarded shares are transferred to the awardees upon vesting, the related weighted average cost of the awarded shares vested are credited to "shares held for Share Award Scheme", and the related employment costs of the awarded shares vested are debited to the employee share-based compensation reserve. The difference between the related weighted average cost and the related employment costs of the awarded shares is transferred to retained profits.

Where the shares held for Share Award Scheme are revoked and the revoked shares are disposed of, the related gain or loss is transferred to retained profits, and no gain or loss is recognized in the income statement.

Where the cash or non-cash dividend distribution is declared in respect of the shares held for Share Award Scheme, the cash or fair value of the non-cash dividend is transferred to retained profits, and no gain or loss is recognized in the income statement.

1 主要會計政策／會計政策改變／ 重列 (續)

(ab) 以股份為本支付之交易 (續)

(i) 認股權計劃及股份獎勵計劃 (續)

估計可歸屬認股權及獎授股份的數目須在歸屬期內作出檢討。任何已在往年確認的累積公允價值之調整須在檢討期內的損益表支銷或回撥，並在以股份為本之僱員補償儲備作相應調整。在歸屬日，確認為支出之金額按歸屬認股權及獎授股份的實際數目作調整（並在以股份為本之僱員補償儲備作相應調整）。

屬認股權的權益金額在以股份為本之僱員補償儲備確認，直至當認股權被行使時（轉入股本溢價），或當認股權之有效期屆滿時（轉入保留溢利）。

(ii) 為股份獎勵計劃而持有之股份

倘根據股份獎勵計劃下購入的公司股份，已支付之代價，包括所有直接有關的增量成本，被提出作為「為股份獎勵計劃而持有之股份」並從總權益中扣除。

當獎授股份於歸屬時轉至獲獎授人時，有關已歸屬獎授股份的加權平均成本計入「為股份獎勵計劃而持有之股份」的貸方及有關的員工成本計入以股份為本之僱員補償儲備借方。有關加權平均成本及有關獎勵計劃的員工成本之差額轉入保留溢利。

當取消為股份獎勵計劃而持有之股份時，取消之股份將出售有關損益轉入保留溢利，損益表不確認任何損益。

當為股份獎勵計劃而持有之股份宣派現金或非現金股息，分派之現金或非現金股息之公允價值轉入保留溢利，損益表不確認任何損益。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES/CHANGES IN ACCOUNTING POLICIES/RESTATEMENTS

(Continued)

CHANGES IN ACCOUNTING POLICIES AND RESTATEMENTS

In the current year, the Group has applied the following new and revised Standards, Amendments and Interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

HKAS 1 (Revised 2007) 香港會計準則第1號(二零零七修訂)	Presentation of Financial Statements 財務報表呈報
HKAS 23 (Revised 2007) 香港會計準則第23號(二零零七修訂)	Borrowing Costs 借款成本
HKAS 32 & 1 (Amendments) 香港會計準則第32號及第1號(修訂)	Puttable Financial Instruments and Obligations Arising on Liquidation 可沽售金融工具及清盤時產生之責任
HKFRS 1 & HKAS 27 (Amendments) 香港財務報告準則第1號及 香港會計準則第27號(修訂)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate 於一間附屬公司、共同控制實體及聯營公司的投資成本
HKFRS 2 (Amendment) 香港財務報告準則第2號(修訂)	Vesting Conditions and Cancellations 歸屬條件及註銷
HKFRS 7 (Amendment) 香港財務報告準則第7號(修訂)	Improving Disclosures about Financial Instruments 改進金融工具披露
HKFRS 8 香港財務報告準則第8號	Operating Segments 營運分部
HK(IFRIC) — Int 9 & HKAS 39 (Amendments) 香港(國際財務報告準則詮釋委員會)詮釋 — 第9條及香港會計準則第39號(修訂)	Embedded Derivatives 嵌入式衍生工具
HK(IFRIC) — Int 13 香港(國際財務報告準則詮釋委員會)詮釋 — 第13條	Customer Loyalty Programmes 客戶忠心方案
HK(IFRIC) — Int 15 香港(國際財務報告準則詮釋委員會)詮釋 — 第15條	Agreements for the Construction of Real Estate 房地產建造協議
HK(IFRIC) — Int 16 香港(國際財務報告準則詮釋委員會)詮釋 — 第16條	Hedges of a Net Investment in a Foreign Operation 海外業務投資淨額對沖
HK(IFRIC) — Int 18 香港(國際財務報告準則詮釋委員會)詮釋 — 第18條	Transfers of Assets from Customers 從客戶轉讓資產
HKFRSs (Amendments) 香港財務報告準則(修訂)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning or after 1 July 2009 二零零八年頒佈之香港財務報告準則之改進，於二零零九年七月一日或其後開始之年度期間生效之香港財務報告準則第5號之修訂本除外
HKFRSs (Amendments) 香港財務報告準則(修訂)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39 二零零九年頒佈之香港財務報告準則之改進，涉及香港會計準則第39號第80段之修訂本

1 主要會計政策／會計政策改變／重列 (續)

會計政策改變及重列

本年度，本集團已應用下列由香港會計師公會頒佈之新及經修訂準則、修訂及詮釋(「新及經修訂香港財務報告準則」)。

Presentation of Financial Statements 財務報表呈報
Borrowing Costs 借款成本
Puttable Financial Instruments and Obligations Arising on Liquidation 可沽售金融工具及清盤時產生之責任
Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate 於一間附屬公司、共同控制實體及聯營公司的投資成本
Vesting Conditions and Cancellations 歸屬條件及註銷
Improving Disclosures about Financial Instruments 改進金融工具披露
Operating Segments 營運分部
Embedded Derivatives 嵌入式衍生工具
Customer Loyalty Programmes 客戶忠心方案
Agreements for the Construction of Real Estate 房地產建造協議
Hedges of a Net Investment in a Foreign Operation 海外業務投資淨額對沖
Transfers of Assets from Customers 從客戶轉讓資產
Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning or after 1 July 2009 二零零八年頒佈之香港財務報告準則之改進，於二零零九年七月一日或其後開始之年度期間生效之香港財務報告準則第5號之修訂本除外
Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39 二零零九年頒佈之香港財務報告準則之改進，涉及香港會計準則第39號第80段之修訂本

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES/CHANGES IN ACCOUNTING POLICIES/RESTATEMENTS

(Continued)

CHANGES IN ACCOUNTING POLICIES AND RESTATEMENTS (Continued)

Except as described below, the adoption of the new and revised HKFRSs has had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

New and revised HKFRSs affecting presentation and disclosure only

HKAS 1 (Revised 2007) Presentation of Financial Statements

HKAS 1 (Revised 2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements.

In addition, the adoption of HKAS 1 (Revised 2007) has resulted in the presentation of a third consolidated statement of financial position as at 1 January 2008 as the Group has applied accounting policies retrospectively/made a retrospective restatement of items in its financial statements during the current financial year (see below).

HKFRS 8 Operating Segments

HKFRS 8 is a disclosure standard that has not resulted in a redesignation of the Group's reportable segments (see note 3).

Improving Disclosures about Financial Instruments (Amendments to HKFRS 7 Financial Instruments: Disclosures)

The amendments to HKFRS 7 expand the disclosures required in relation to fair value measurements in respect of financial instruments which are measured at fair value. The amendments also expand and amend the disclosures required in relation to liquidity risk. The Group has not provided comparative information for the expanded disclosures in accordance with the transitional provision set out in the amendments.

The Group has not applied any new HKFRS that is not yet effective for the current accounting period (see note 51).

Change in accounting policies

Insurance contracts

In the current year, there are changes in accounting policies related to the measurement of insurance contract liabilities for the life insurance segment and property and casualty insurance segment and the recognition of premium income of mixed insurance contracts containing insurance and other risks. The Ministry of Finance of the PRC has announced the "Regulation on the Accounting Treatment of Insurance Contracts" in 2009. This new regulation is applicable to all the insurance companies with shares listed in both Hong Kong and PRC stock exchanges. As most of the market players of the Group are adopting this new regulation, the Group has also changed their accounting policies in order to provide more comparable information with the other market players to shareholders and investors (see below for the financial impact of the restatement). The major changes in the accounting policies relate to the methodologies used for the estimation of insurance liabilities. In addition, in the prior years, the Group did not unbundle those mixed insurance contracts but treated the entire contracts as insurance contracts. After the above changes, the Group has unbundled the mixed insurance contracts where the investment component can be measured separately. For presentation purpose, the assets related to unit-linked contracts are reclassified as "policyholder account assets in respect of unit-linked products" and presented separately from the rest of the Group's assets.

1 主要會計政策／會計政策改變／重列 (續)

會計政策改變及重列 (續)

除以下所述外，採納新及經修訂香港財務報告準則將不會對本集團於現在或往前會計期之綜合財務報表構成重大影響。

只影響呈報及披露之新及經修訂香港財務報告準則

香港會計準則第1號(二零零七年修訂)財務報表呈報

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)及修訂財務報表格式及內容。

另外，採納香港會計準則第1號(二零零七年修訂)導致因本集團追溯執行會計政策／於本財務年度追溯重列財務報表的項目，而呈列第二個綜合財務狀況表(於二零零八年一月一日)(詳見下文)。

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號披露準則並沒有重新指定本集團之可報告分部(參看附註3)。

改進金融工具披露 (修訂香港財務報告準則第7號金融工具：披露)

香港財務報告準則第7號之修訂擴大按公允價值計量之金融工具對相關公允價值計量方法之披露規定。該等修訂亦擴大及修訂流動資金風險之披露規定。本集團按該修訂載列有關過渡條文中經擴大披露之規定而沒有提供比較數字。

本集團沒有採納任何在本會計年度尚未實施的新香港財務報告準則(參看附註51)。

會計政策改變

保險合約

於本年內，人壽保險業務及財產保險業務有關保險合約負債計量方法及混合保險合約(包含保險及其他風險)的保費確認之會計政策有所改變。中國財政部於二零零九年發布《保險合同相關會計處理的規定》。此新規定適用於所有在香港及中國交易所上市的保險公司。鑑於本集團大部份的市場營運者均採納此新規定，本集團亦變更其會計政策以為股東及投資者提供與市場其他營運者更可比之資料(重列之財務影響詳見下文)。會計政策之主要變更為有關保險負債的計量方法。另外，於往年年度本集團並沒有分拆混合保險合約，而把整份合約按保險合約處理。於上述的變更後，如投資部份可分開計量，本集團已分拆混合保險合約。作為呈報用途，有關投資連結合約的資產重新分類至「有關投資連結產品之保單持有人賬戶資產」，並與本集團其他資產分開呈列。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES/CHANGES IN ACCOUNTING POLICIES/RESTATEMENTS

(Continued)

CHANGES IN ACCOUNTING POLICIES AND RESTATEMENTS (Continued)

The effects of the change in accounting policies on the results for the year ended 31 December 2009 are as follows:

		2009 二零零九年 \$'000 千元
Decrease in gross premiums written and policy fees	毛承保保費及保單費收入減少	(3,723,754)
Decrease in change in unearned premium provisions, net of reinsurance	減少未到期責任準備金變化，減再保險	108,603
Decrease in net investment income	投資收入淨額減少	(107,468)
Decrease in net realized investment gains	已實現投資收益淨額減少	(229,403)
Decrease in net unrealized investment gains	未實現投資收益淨額減少	(985,409)
Decrease in net policyholders' benefits	保單持有人利益淨額減少	1,690,477
Decrease in change in life insurance contract liabilities	減少壽險合約負債變化	3,240,140
Decrease in income tax charge	稅項支出減少	35,357
Increase in profit for the year	本年度溢利增加	28,543
Attributable to:	應佔：	
Owners of the Company	本公司股東權益	18,650
Minority interests	少數股東權益	9,893
		28,543

Computation of premium for reinsurance business

In the current year, there is a change in the accounting policy in relation to the method of computation of premiums and related commission expenses of insurance policies falling under proportional treaties of the reinsurance business. In prior years, the gross premiums and commission expenses were estimated for the entire period of the relevant treaties at the inception date of the treaties, irrespective of the financial reporting year while, under the new accounting policy, the pipeline gross premiums and the related commission expenses are estimated up to the end of the relevant financial year. The change in the method of computation has resulted in the decrease in gross premiums written and related commission expenses by approximately \$131 million and \$82 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 year. Accordingly, there is no restatement of the comparatives figures.

1 主要會計政策／會計政策改變／重列 (續)

會計政策改變及重列 (續)

變更會計政策對二零零九年十二月三十一日止年度業績之影響如下：

		2009 二零零九年 \$'000 千元
Decrease in gross premiums written and policy fees	毛承保保費及保單費收入減少	(3,723,754)
Decrease in change in unearned premium provisions, net of reinsurance	減少未到期責任準備金變化，減再保險	108,603
Decrease in net investment income	投資收入淨額減少	(107,468)
Decrease in net realized investment gains	已實現投資收益淨額減少	(229,403)
Decrease in net unrealized investment gains	未實現投資收益淨額減少	(985,409)
Decrease in net policyholders' benefits	保單持有人利益淨額減少	1,690,477
Decrease in change in life insurance contract liabilities	減少壽險合約負債變化	3,240,140
Decrease in income tax charge	稅項支出減少	35,357
Increase in profit for the year	本年度溢利增加	28,543
Attributable to:	應佔：	
Owners of the Company	本公司股東權益	18,650
Minority interests	少數股東權益	9,893
		28,543

再保險業務之保費計算方法

於本年度，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。於過往年度，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年度的因素。而根據新會計政策，在途毛承保保費及有關佣金支出將估計直至有關之財務年末。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1.31億元及8,200萬元。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，由於缺乏往前年度之季度資料，所以以新方法重列比較資料不切實可行。因此，比較數字沒有重列。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES/CHANGES IN ACCOUNTING POLICIES/RESTATEMENTS

(Continued)

CHANGES IN ACCOUNTING POLICIES AND RESTATEMENTS (Continued)

Merger accounting

Prior to 30 July 2009, the Company held 3.54% equity interest in MAH indirectly through its subsidiary. On 30 July 2009, the Company completed an acquisition of a 47.8% equity interest in MAH from TPG (HK) by the issue and allotment of 138,924,700 shares at the price of \$21.30 each. Because MAH and the Company were both under the common control of TPG (HK) before and after the acquisitions, the Group has applied Accounting Guideline No. 5 "Merger Accounting for Common Control Combinations". Under these principles of merger accounting, the acquisition of MAH is accounted for as though the business of MAH has always been carried out by the Group. The consolidated financial statements are prepared as if the current group structure had been in existence throughout the periods presented. The consolidated income statement includes the results of MAH from the earliest date presented, taking into account the profit or loss attributable to the minority interest recorded in the consolidated financial statements of TPG (HK). Accordingly, the prior year figures have been restated. (see below for the financial impact).

In November 2009, the Company acquired the remaining 48.66% equity interest of MAH held by minority interest, by the issue and allotment of 141,418,800 shares at \$27.60 each. MAH became a wholly owned subsidiary of the Company since then. The acquisition of additional interest in MAH was accounted for using the accounting policy set out in note 1(g).

An uniform set of accounting policies is adopted by the Group. The Group recognizes the assets, liabilities and equity of MAH at the carrying amounts in the consolidated financial statements of TPG (HK) prior to the purchase of MAH. Comparative amounts are presented as if the entities had been combined at the previous financial year end date. The excess of consideration over carrying value at the time of combination is treated as a merger reserve in equity.

1 主要會計政策／會計政策改變／重列 (續)

會計政策改變及重列 (續)

合併會計法

於二零零九年七月三十日前，本集團透過其附屬公司間接持有3.54%民安控股權益。於二零零九年七月三十日，中國太平控股以每股21.30元發行及配發138,924,700股股份完成從中國太平集團(香港)購入民安控股47.8%股本權益。由於在此購入前及購入後，民安控股及本公司均共同受到中國太平集團(香港)之控制，本集團應用會計指引第5號「共同控制合併之合併會計處理」。按該等合併會計原則對購入民安控股進行會計處理，猶如民安控股之業務一直由本集團經營。綜合財務報表乃按現行之集團架構一直存在於呈列之往前期間而編製。綜合損益表包括民安控股於最早日期呈列之業績。少數權益應佔之損益，經計及於中國太平集團(香港)綜合損益表內之少數股東應佔損益後重列。往年金額亦已作相應重列。(財務影響參看下文)

於二零零九年十一月，本公司以每股27.60元發行及配發141,418,800股股份，購入由少數股東持有餘下之48.66%民安控股權益。此後，民安控股成為本公司之全資附屬公司。購入民安控股額外之權益，根據載列於附註1(g)之會計政策計入。

本集團採納統一的會計政策。本集團以民安控股於被收購前民安控股在中國太平集團(香港)綜合財務報表內的賬面值，確認其資產、負債及權益。有關比較數字的列示方式，乃假設該等個體在上一財務年度末日已合併。在合併時購入價高於賬面值的部份，將於權益賬內列為合併儲備。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES/CHANGES IN ACCOUNTING POLICIES/RESTATEMENTS

(Continued)

CHANGES IN ACCOUNTING POLICIES AND RESTATEMENTS (Continued)

Merger accounting (Continued)

The results of MAH which have been included in the consolidated results of the Group for the current year by line items presented in the consolidated income statement is as follows:

		2009 二零零九年 \$'000 千元
Increase in gross premiums written and policy fees	毛承保保費及保單費收入增加	2,227,355
Increase in premiums ceded to reinsurers and retrocessionaires	保費之再保份額及轉分份額增加	(481,370)
Increase in change in unearned premium provisions, net of reinsurance	增加未到期責任準備金變化，減再保險	(107,949)
Increase in net investment income	投資收入淨額增加	209,872
Increase in net realized investment gains	已實現投資收益淨額增加	155,096
Increase in net unrealized investment gains	未實現投資收益淨額增加	7,390
Increase in net exchange gain	匯兌收益淨額增加	154
Increase in other income	其他收入增加	12,770
Increase in net policyholders' benefits	保單持有人利益淨額增加	(852,633)
Increase in commission expenses	佣金支出增加	(279,054)
Increase in administrative and other expenses	行政及其他費用增加	(748,955)
Decrease in share of gains of associates	應佔聯營公司收益減少	(104)
Increase in income tax charge	稅項支出增加	(2,379)
Increase in profit for the year	本年度溢利增加	140,193
Attributable to:	應佔：	
Owners of the Company	本公司股東權益	94,610
Minority interests	少數股東權益	45,583
		140,193

Adjustments to goodwill after completion of initial accounting

During the year ended 31 December 2008, the Group acquired additional 10.025% equity interest of TPI of which the fair values of the identifiable assets and liabilities acquired were determined provisionally. During the year, the Group made certain fair value adjustments, with reference to the valuation reports, to the carrying amounts of the identifiable assets and liabilities of TPI as a result of completing the initial accounting. The adjustment, to the fair values at the acquisition date of the identifiable assets and liabilities were made as if initial accounting had been completed on the acquisition date (see below for the financial impact of the restatement).

1 主要會計政策／會計政策改變／重列 (續)

會計政策改變及重列 (續)

合併會計法 (續)

本集團於本年度之綜合業績已包括民安控股之業績，並呈列於綜合損益表各項如下：

		2009 二零零九年 \$'000 千元
會計政策改變及重列 (續)		
合併會計法 (續)		
本集團於本年度之綜合業績已包括民安控股之業績，並呈列於綜合損益表各項如下：		
Increase in gross premiums written and policy fees	毛承保保費及保單費收入增加	2,227,355
Increase in premiums ceded to reinsurers and retrocessionaires	保費之再保份額及轉分份額增加	(481,370)
Increase in change in unearned premium provisions, net of reinsurance	增加未到期責任準備金變化，減再保險	(107,949)
Increase in net investment income	投資收入淨額增加	209,872
Increase in net realized investment gains	已實現投資收益淨額增加	155,096
Increase in net unrealized investment gains	未實現投資收益淨額增加	7,390
Increase in net exchange gain	匯兌收益淨額增加	154
Increase in other income	其他收入增加	12,770
Increase in net policyholders' benefits	保單持有人利益淨額增加	(852,633)
Increase in commission expenses	佣金支出增加	(279,054)
Increase in administrative and other expenses	行政及其他費用增加	(748,955)
Decrease in share of gains of associates	應佔聯營公司收益減少	(104)
Increase in income tax charge	稅項支出增加	(2,379)
Increase in profit for the year	本年度溢利增加	140,193
Attributable to:	應佔：	
Owners of the Company	本公司股東權益	94,610
Minority interests	少數股東權益	45,583
		140,193

完成首次會計處理後對商譽的調整

於截至二零零八年十二月三十一日止年度，本集團購入太平財險10.025%額外權益，並為所購入的可識別資產及負債暫時釐定公允價值。於本年度，本集團參考估值報告，對太平財險的可識別資產及負債賬面值作出若干公允價值調整，以完成首次會計處理。太平財險於購入日的可識別資產及負債公允價值調整，猶如首次會計處理已於購入日完成(重列之財務影響詳見下文)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES/CHANGES IN ACCOUNTING POLICIES/RESTATEMENTS

(Continued)

CHANGES IN ACCOUNTING POLICIES AND RESTATEMENTS (Continued)

The effects of the above changes in accounting policies, merger accounting and adjustments to goodwill after completion of initial accounting on the consolidated income statement for the year ended 31 December 2008 are summarized below:

1 主要會計政策／會計政策改變／重列 (續)

會計政策改變及重列 (續)

上述之會計政策改變、合併會計法及完成首次會計處理後對商譽的調整，對截至二零零八年十二月三十一日止年度之綜合損益表的影響概述如下：

		31 December 2008 二零零八年 十二月三十一日 (Originally stated) (原本列示) \$'000 千元	Adjustment on insurance contracts 保險 合約調整 \$'000 千元	Adjustment on merger accounting 合併 會計法調整 \$'000 千元	31 December 2008 二零零八年 十二月三十一日 (Restated) (重列) \$'000 千元
Revenue	收入				
Gross premiums written and policy fees	毛承保保費及保單費收入	25,003,796	(11,737,227)	1,965,763	15,232,332
Less: Premiums ceded to reinsurers and retrocessionaires	減：保費之再保份額及轉分份額	(730,318)	—	(508,556)	(1,238,874)
Net premiums written and policy fees	淨承保保費及保單費收入	24,273,478	(11,737,227)	1,457,207	13,993,458
Change in unearned premium provisions, net of reinsurance	未到期責任準備金變化，減再保險	(64,853)	91,331	(296,665)	(270,187)
Net earned premiums and policy fees	已賺取保費及保單費收入淨額	24,208,625	(11,645,896)	1,160,542	13,723,271
Net investment income	投資收入淨額	3,394,339	(765,559)	236,830	2,865,610
Net realized investment (losses)/gains	已實現投資(虧損)/收益淨額	(1,048,781)	1,317,992	(193,261)	75,950
Net unrealized investment (losses)/gains and impairment	未實現投資(虧損)/收益及減值淨額	(2,065,072)	1,594,237	(62,012)	(532,847)
Net exchange loss	匯兌虧損淨額	(119,197)	—	(61,445)	(180,642)
Other income	其他收入	84,563	—	28,590	113,153
Total revenue	收入總額	24,454,477	(9,499,226)	1,109,244	16,064,495
Benefits, losses and expenses	給付、賠款及費用				
Net policyholders' benefits	保單持有人利益淨額	(6,248,410)	535,419	(615,735)	(6,328,726)
Net commission expenses	佣金支出淨額	(2,561,811)	—	(285,007)	(2,846,818)
Administrative and other expenses	行政及其他費用	(3,798,238)	—	(586,749)	(4,384,987)
Change in life insurance contract liabilities, net of reinsurance	壽險合約負債變化，減再保險	(11,742,512)	9,034,433	—	(2,708,079)
Goodwill impairment	商譽減值	(73,276)	—	—	(73,276)
Total benefits, losses and expenses	給付、賠款及費用總額	(24,424,247)	9,569,852	(1,487,491)	(16,341,886)
Profit/(loss) from operations	經營溢利/(虧損)	30,230	70,626	(378,247)	(277,391)
Share of losses of associates	應佔聯營公司虧損	(115,848)	(18,744)	506	(134,086)
Finance costs	財務費用	(183,383)	—	—	(183,383)
(Loss)/profit before taxation	除稅前(虧損)/溢利	(269,001)	51,882	(377,741)	(594,860)
Income tax credit/(charge)	稅項抵免/(支出)	63,240	(30,635)	(120)	32,485
(Loss)/profit after taxation	除稅後(虧損)/溢利	(205,761)	21,247	(377,861)	(562,375)
Attributable to:	應佔：				
Owners of the Company	本公司股東權益	(299,715)	10,930	(197,307)	(486,092)
Minority interests	少數股東權益	93,954	10,317	(180,554)	(76,283)
		(205,761)	21,247	(377,861)	(562,375)

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES/CHANGES IN ACCOUNTING POLICIES/RESTATEMENTS

(Continued)

CHANGES IN ACCOUNTING POLICIES AND RESTATEMENTS (Continued)

The effects of the above changes in accounting policies, merger accounting and adjustments to goodwill after completion of initial accounting on the consolidated statement of financial position as at 31 December 2008 are summarized below:

1 主要會計政策／會計政策改變／重列 (續)

會計政策改變及重列 (續)

上述之會計政策改變、合併會計法及完成首次會計處理後對商譽的調整，對於二零零八年十二月三十一日之綜合財務狀況表的影響概述如下：

		31 December 2008 二零零八年 十二月三十一日 (Originally stated) (原本列示) \$'000 千元	Adjustment on insurance contracts 保險 合約調整 \$'000 千元	Adjustment on merger accounting 合併 會計法調整 \$'000 千元	Adjustment on goodwill 商譽調整 \$'000 千元	31 December 2008 二零零八年 十二月三十一日 (Restated) (重列) \$'000 千元
Assets	資產					
Statutory deposits	法定存款	995,330	—	220,268	—	1,215,598
Fixed assets	固定資產					
— Property and equipment	— 物業及設備	2,664,533	—	174,142	—	2,838,675
— Investment properties	— 投資物業	76,719	—	1,087,711	—	1,164,430
— Prepaid lease payments	— 預付租賃付款	535,213	—	145,135	—	680,348
— Interests in leasehold land held for own use under operating leases	— 以經營租賃租入 持作自用之租賃 土地權益	—	—	250,459	—	250,459
		3,276,465	—	1,657,447	—	4,933,912
Goodwill	商譽	364,845	(43,070)	—	(18,128)	303,647
Intangible asset	無形資產	—	—	—	261,408	261,408
Interest in associates	於聯營公司的權益	134,382	—	4,181	—	138,563
Deferred tax assets	遞延稅項資產	22,353	—	69,307	—	91,660
Investments in debt and equity securities	債務及股本證券投資	56,863,866	(3,013,815)	2,428,475	—	56,278,526
Amounts due from group companies	應收集團內公司款項	11,455	—	(3,686)	—	7,769
Insurance debtors	保險客戶應收賬款	1,026,222	695	291,554	—	1,318,471
Reinsurers' share of insurance contract provisions	分保公司應佔保險 合約準備	1,421,962	(273,962)	1,158,347	—	2,306,347
Policyholder account assets in respect of unit-linked products	有關投資連結產品 之保單持有人賬戶資產	—	4,269,892	—	—	4,269,892
Other debtors	其他應收賬款	2,071,499	(7,047)	84,260	—	2,148,712
Tax recoverable	可收回稅項	1,640	—	—	—	1,640
Pledged deposits at banks	已抵押銀行存款	102,453	—	83,276	—	185,729
Deposits at banks with original maturity more than three months	原到期日超過三個月 的銀行存款	6,691,122	—	123,223	—	6,814,345
Cash and cash equivalents	現金及現金等價物	7,831,795	(1,249,032)	1,158,073	—	7,740,836
		80,815,389	(316,339)	7,274,725	243,280	88,017,055

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES/CHANGES IN ACCOUNTING POLICIES/RESTATEMENTS

(Continued)

1 主要會計政策／會計政策改變／重列 (續)

CHANGES IN ACCOUNTING POLICIES AND RESTATEMENTS (Continued)

會計政策改變及重列 (續)

		31 December 2008 二零零八年 十二月三十一日 (Originally stated) (原本列示)	Adjustment on insurance contracts 保險 合約調整	Adjustment on merger accounting 合併 會計法調整	Adjustment on goodwill 商譽調整	31 December 2008 二零零八年 十二月三十一日 (Restated) (重列)
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Liabilities	負債					
Life insurance contract liabilities	壽險合約負債	52,787,213	(34,001,876)	—	—	18,785,337
Unearned premium provisions	未到期責任準備金	3,456,749	(788,628)	946,572	—	3,614,693
Provision for outstanding claims	未決賠款準備	4,468,829	(41,784)	2,284,127	—	6,711,172
Investment contract liabilities	投資合約負債	235,891	32,715,161	—	—	32,951,052
Deferred tax liabilities	遞延稅項負債	641,860	350,119	—	65,352	1,057,331
Interest-bearing notes	需付息票據	5,376,028	—	—	—	5,376,028
Securities sold under repurchase agreements	賣出回購證券	4,206,880	—	110,218	—	4,317,098
Amounts due to group companies	應付集團內公司款項	492	—	2,245	—	2,737
Insurance creditors	保險客戶應付賬款	740,139	3,304	410,982	—	1,154,425
Other creditors	其他應付賬款	1,572,505	(6,503)	113,247	—	1,679,249
Current taxation	當期稅項	59,246	(42)	121,470	—	180,674
Insurance protection fund	保險保障基金	30,310	—	6,425	—	36,735
		73,576,142	(1,770,249)	3,995,286	65,352	75,866,531
Net assets	資產淨值	7,239,247	1,453,910	3,279,439	177,928	12,150,524
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	71,086	—	—	—	71,086
Reserves	儲備	4,525,533	707,907	1,642,773	80,000	6,956,213
		4,596,619	707,907	1,642,773	80,000	7,027,299
Minority interests	少數股東權益	2,642,628	746,003	1,636,666	97,928	5,123,225
Total equity	總權益	7,239,247	1,453,910	3,279,439	177,928	12,150,524

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES/CHANGES IN ACCOUNTING POLICIES/RESTATEMENTS

(Continued)

CHANGES IN ACCOUNTING POLICIES AND RESTATEMENTS (Continued)

The effects of the above changes in accounting policies and merger accounting on the consolidated statement of financial position as at 1 January 2008 are summarized below:

1 主要會計政策／會計政策改變／重列 (續)

會計政策改變及重列 (續)

上述之會計政策改變及合併會計法的調整，對於二零零八年一月一日之綜合財務狀況表的影響概述如下：

		1 January 2008 二零零八年 一月一日 (Originally stated) (原本列示) \$'000 千元	Adjustment on insurance contracts 保險 合約調整 \$'000 千元	Adjustment on merger accounting 合併 會計法調整 \$'000 千元	1 January 2008 二零零八年 一月一日 (Restated) (重列) \$'000 千元
Assets	資產				
Statutory deposits	法定存款	653,239	—	111,629	764,868
Fixed assets	固定資產				
— Property and equipment	— 物業及設備	1,313,147	—	140,208	1,453,355
— Investment properties	— 投資物業	78,560	—	1,000,350	1,078,910
— Interests in leasehold land held for own use under operating leases	— 以經營租賃租入 持作自用之租賃 土地權益	—	—	227,017	227,017
		1,391,707	—	1,367,575	2,759,282
Goodwill	商譽	228,185	—	—	228,185
Interest in associates	於聯營公司的權益	530,436	171,957	4,173	706,566
Deferred tax assets	遞延稅項資產	2,648	—	69,200	71,848
Investments in debt and equity securities	債務及股本證券投資	40,502,185	(4,349,017)	1,391,967	37,545,135
Amounts due from group companies	應收集團內公司款項	17,488	—	(14,148)	3,340
Insurance debtors	保險客戶應收賬款	616,540	—	286,321	902,861
Reinsurers' share of insurance contract provisions	分保公司應佔保險 合約準備	376,740	(38,636)	1,269,724	1,607,828
Policyholder account assets in respect of unit-linked products	有關投資連結產品 之保單持人賬戶資產	—	4,547,658	—	4,547,658
Other debtors	其他應收賬款	1,431,352	(17,487)	145,902	1,559,767
Pledged deposits at banks	已抵押銀行存款	97,417	—	—	97,417
Deposits at banks with original maturity more than three months	原到期日超過三個月 的銀行存款	4,631,977	—	835,723	5,467,700
Cash and cash equivalents	現金及現金等價物	5,137,635	(181,156)	1,742,755	6,699,234
		55,617,549	133,319	7,210,821	62,961,689

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

1 SIGNIFICANT ACCOUNTING POLICIES/CHANGES IN ACCOUNTING POLICIES/RESTATEMENTS

(Continued)

1 主要會計政策／會計政策改變／重列 (續)

CHANGES IN ACCOUNTING POLICIES AND RESTATEMENTS (Continued)

會計政策改變及重列 (續)

		1 January 2008 二零零八年 一月一日 (Originally stated) (原本列示)	Adjustment on insurance contracts 保險 合約調整	Adjustment on merger accounting 合併 會計法調整	1 January 2008 二零零八年 一月一日 (Restated) (重列)
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Liabilities	負債				
Life insurance contract liabilities	壽險合約負債	38,529,656	(23,321,887)	—	15,207,769
Unearned premium provisions	未到期責任準備金	893,924	(223,297)	632,076	1,302,703
Provision for outstanding claims	未決賠款準備	2,496,932	(1,901)	2,376,427	4,871,458
Investment contract liabilities	投資合約負債	157,421	22,140,795	—	22,298,216
Deferred tax liabilities	遞延稅項負債	949,031	319,145	—	1,268,176
Interest-bearing notes	需付息票據	2,960,377	—	—	2,960,377
Amounts due to group companies	應付集團內公司款項	46	—	1,726	1,772
Insurance creditors	保險客戶應付賬款	394,116	—	417,614	811,730
Other creditors	其他應付賬款	1,046,389	1,205	73,193	1,120,787
Current taxation	當期稅項	85,999	(58)	121,469	207,410
Insurance protection fund	保險保障基金	7,976	—	2,246	10,222
		47,521,867	(1,085,998)	3,624,751	50,060,620
Net assets	資產淨值	8,095,682	1,219,317	3,586,070	12,901,069
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	70,764	—	—	70,764
Reserves	儲備	5,614,862	697,274	1,710,339	8,022,475
		5,685,626	697,274	1,710,339	8,093,239
Minority interests	少數股東權益	2,410,056	522,043	1,875,731	4,807,830
Total equity	總權益	8,095,682	1,219,317	3,586,070	12,901,069

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT 2 保險、財務及資本風險管理

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

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

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

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

(b) Underwriting strategy

Reinsurance business

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

Life insurance business

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

(a) 風險管理目標及降低保險風險政策和步驟

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

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

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

(b) 承保策略

再保險業務

本集團的一般再保險組合由涵蓋不同地區及類別的一系列業務類別組成，重點在於亞洲國家，包括財產損毀、貨運及船隻保險以及其他非海事保險。除多元化承保組合外，本集團並無積極從亞太地區以外（尤其是美國）營運的客戶尋求任何責任再保險業務。在亞太地區，即本集團的核心市場，本集團會有限度承保汽車責任再保險、工傷賠償及一般第三者責任險，為區內客戶提供全面再保險服務。

人壽保險業務

本集團人壽保險業務營運於中國人壽保險市場，提供各種各樣的保險產品，包括不同類型的個人及團體人壽保險、健康險、意外險及年金。在承保的保單質量控制方面，本集團已設立嚴格的承保及理賠操作程序，以控制保險承保的風險。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

(b) Underwriting strategy (Continued)

Property and casualty insurance business

The Group is engaged in the underwriting of property and casualty insurance business in the PRC and Hong Kong. The Group focuses its property and casualty insurance business by offering a wide range of insurance products covering different types of property insurance (including compulsory motor insurance), liability insurance, credit insurance, guarantee insurance business and short-term accident and health insurance and the related reinsurance business. The Group has formulated strict operational procedures on underwriting and claims settlement to control risks on insurance underwriting.

(c) Reinsurance strategy

The Group purchases reinsurance protection from other reinsurers in the normal course of business in order to limit the potential for losses arising from longer and concentrated exposures. In assessing the credit worthiness of reinsurers, the Group takes into account, among other factors, ratings and evaluation performed by recognized credit rating agencies, their claims-paying and underwriting track record, as well as the Group's past experience with them.

(d) Asset and liability matching

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

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

2 保險、財務及資本風險管理 (續)

(b) 承保策略 (續)

財產保險業務

本集團從事承保中國及香港財產保險業務。本集團集中其財產保險業務，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。

(c) 再保險策略

本集團於日常業務過程中向其他再保險公司購買再保險保障，以限制因較長期及集中風險而產生的潛在損失。在評估再保險公司的信用水平時，本集團會考慮認可信用評級機構的評級及評估、以往賠款及承保記錄及與本集團以往的交易經驗等因素。

(d) 資產與負債配比

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

然而，有關人壽保險業務，有鑒於中國現行監管及市場環境，本集團未能投資於長期足以配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。本集團密切監察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：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

(d) Asset and liability matching (Continued)

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

(e) Insurance risk

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Group faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random and the actual number and amount of claims and benefits will vary from year to year from the estimate established using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The Group has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

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

2 保險、財務及資本風險管理 (續)

(d) 資產與負債配比 (續)

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

(e) 保險風險

每份保險合約的風險在於承保事件發生的可能性和由此引起的賠款金額的不確定性。從每份保險合約的根本性質來看，上述風險是隨機發生的，從而無法預計。

對於按照概率理論進行定價和計提準備的保險合約組合，本集團面臨的主要風險是實際賠付超出保險負債的賬面值。這種情況發生在賠付頻率或嚴重程度超出估計時。保險事件的發生具隨機性，實際賠付的數量和金額每年都會與通過統計方法建立的估計有所不同。

經驗顯示具相同性質的保險合約組合越大，預計結果的相關可變性就越小。另外，一個更加分散化的組合受組合中的任何子組合變化影響的可能性較小。本集團已經建立起了分散承保風險類型的保險承保策略，並在每個類型的保險風險中保持足夠數量的保險合約總量，從而減少預期結果的不確定性。

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

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

(e) Insurance risk (Continued)

(i) Reinsurance business

Product features

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

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

Management of risks

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

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

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

2 保險、財務及資本風險管理 (續)

(e) 保險風險 (續)

(i) 再保險業務

產品特點

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

再保險於既定承保年度可能需要相對較長的時間完成理賠。賠款申報及理賠的速度取決於相關的保險特定範圍、司法權區、特定的保單規定及相關風險的性質。再保險業務有多個組成部份。

風險管理

再保險合約的主要風險為與承保相關的風險。

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

本集團亦安排轉分保險以控制風險。本集團主要購買有關火災及船舶貨運的比例轉分保險。此外，本集團通過一攬子超賠轉分保險的方式以防受巨災風險所影響。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

2 保險、財務及資本風險管理 (續)

(e) Insurance risk (Continued)

(e) 保險風險 (續)

(i) Reinsurance business (Continued)

(i) 再保險業務

Concentration of insurance risks

保險風險集中

Concentration of risk arises from the accumulation of risks within a particular business line and geographic area. The Group's key methods in managing these risks are diversification of the business line and areas where the gross premiums are written. The tables below indicate the gross premiums written by business line and geographical territory for the year ended 31 December 2009.

風險集中因特定業務種類與地理區域的風險累積而產生。本集團管理該等風險的主要方法為分散產生保費總額的業務種類及地區。下表顯示截至二零零九年十二月三十一日止年度按業務種類及地理區域產生的保費總額。

By business line:

按業務種類：

% to total gross premiums written
佔毛承保保費總額百分比

2009	2008
二零零九年	二零零八年

Proportional treaty	比例合約
Non-proportional treaty	非比例合約
Facultative	臨時合約

	54.9%	59.6%
	34.9%	27.9%
	10.2%	12.5%
	100.0%	100.0%

By geographical territory:

按地理區域：

% to total gross premiums written
佔毛承保保費總額百分比

2009	2008
二零零九年	二零零八年

Hong Kong & Macau	香港及澳門
Mainland China (& Taiwan)	中國大陸(及台灣)
Japan	日本
Rest of Asia	亞洲其他地區
Europe	歐洲
Others	其他地區

	15.8%	16.5%
	30.2%	28.8%
	6.6%	7.8%
	25.4%	24.7%
	13.8%	12.3%
	8.2%	9.9%
	100.0%	100.0%

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

(e) Insurance risk (Continued)

(ii) Life insurance business

The features of major life insurance products are summarized below:

Product features

Term insurance

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

Whole life insurance

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

Endowment insurance

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

Annuity

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

Products with discretionary participating features ("DPF")

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

2 保險、財務及資本風險管理 (續)

(e) 保險風險 (續)

(ii) 人壽保險業務

主要人壽保險產品的特點概述如下：

產品特點

定期保險

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

終身人壽保險

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

養老保險

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

年金

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

具酌情分紅特色的產品

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

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

(e) Insurance risk (Continued)

(ii) Life insurance business (Continued)

Product features (Continued)

Unit linked insurance contracts

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

Universal life insurance contracts

The Group writes fixed-term single-premium endowment contracts. Universal life contracts operate by investing the policyholders' premiums into a pooled investment fund of the Group. The Group at its discretion declares a monthly crediting rate to the policyholder accounts subject to the guaranteed minimum rate of the policy. The account values accrue interest at the crediting rate and monthly charges levied by the Group for policy administration. The Group at its discretion allocates excess investment gains generated from the pooled investment fund for future declaration to the policyholder accounts.

Guaranteed features

The main guaranteed features of life insurance products include:

Guaranteed interest rate

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

Guaranteed crediting rate

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

2 保險、財務及資本風險管理 (續)

(e) 保險風險 (續)

(ii) 人壽保險業務 (續)

產品特點 (續)

投資連結保險合約

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

萬能壽險合約

本集團承接固定期限單一保費兩全合約。萬能壽險合約乃透過將保單持有人的保費投資於本集團的綜合投資基金而運作。本集團按保單的最低保證利率酌情宣派月度結算利率予保單持有人。賬戶金額按結算利率計入利息及本集團保單管理徵收的每月費用。本集團從匯集投資基金產生出來的超額投資收益將會酌情於未來分配予保單保戶。

保證回報特點

壽險產品的保證回報特點包括：

保證利率

多數保險產品的最低保證利率不超過法定最高利率。該利率低於現行市場利率。

保證結算利率

萬能壽險產品附帶最低保證結算利率，而團體投資連結存款管理保單附帶可調整的保證利率。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

(e) Insurance risk (Continued)

(ii) Life insurance business (Continued)

Guaranteed features (Continued)

Guaranteed premium

There is a guarantee of premium in all of the long-term products. There is no guarantee of premium for short-term products.

Guaranteed cash surrender values (“CSVs”)

There are statutory minimum guaranteed CSVs for most of the Group’s long-term products.

Concentration of insurance risks

Concentration risk is the risk of incurring a major loss as a result of having a significant mortality or other insurance coverage on a particular person or a group of persons due to the same event. The Group manages the concentration of insurance risks by way of reinsurance arrangements with a maximum retention risk of RMB500,000 per person in life and personal accident policies and RMB200,000 on critical illness insurance. In addition, the Group purchases catastrophe protection for losses arising from claims involving multiple lives from the same event. The maximum retention risk is RMB1 million for each and every loss occurrence, and the total coverage is RMB50 million for each and every loss occurrence. The Group purchases surplus treaties and proportional treaties to cover life, accident and long term health risks. In addition, an excess of loss reinsurance contract is applied for any insurance contract with significant sum insured.

2 保險、財務及資本風險管理 (續)

(e) 保險風險 (續)

(ii) 人壽保險業務 (續)

保證回報特點 (續)

保證保費

所有長期保險產品均有保證保費。而短期保險產品則沒有保證保費。

保證現金退保價值

本集團大多數長期保險產品均有法定最低保證現金退保價值。

保險風險集中

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

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

2 保險、財務及資本風險管理 (續)

(e) Insurance risk (Continued)

(e) 保險風險 (續)

(ii) Life insurance business (Continued)

(ii) 人壽保險業務 (續)

Concentration of insurance risks (Continued)

保險風險集中 (續)

The distribution of sum insured is summarized as follows:

受保金額的分佈概述如下：

RMB'000 人民幣千元	Before reinsurance 再保險前		After reinsurance 再保險後	
	Year ended 31 December 截至十二月三十一日止年度		Year ended 31 December 截至十二月三十一日止年度	
	2009	2008	2009	2008
	二零零九年	二零零八年	二零零九年	二零零八年
0-200	98.81%	95.30%	98.88%	95.65%
201-500	0.90%	3.78%	1.12%	4.35%
501-750	0.04%	0.63%	—	—
751-1,000	0.12%	0.14%	—	—
1,001-1,500	0.01%	0.04%	—	—
1,501-2,000	0.01%	0.02%	—	—
2,001-2,500	0.01%	0.01%	—	—
>2,500	0.10%	0.08%	—	—
	100.00%	100.00%	100.00%	100.00%

Management of risks

風險管理

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

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

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

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

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

此外，承保及賠款處理部門嚴格遵守既定的標準及程序。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

(e) Insurance risk (Continued)

(iii) Property and casualty insurance business

The features of major property and casualty insurance products are summarized below:

Product features

Motor

It is the Group's strategy not to underwrite business related to high risk types of motor such as vehicles for public transportation, vehicles carrying dangerous products and vehicles not owned by local citizens. The maximum insured sum of underwriting motor and third party liability business at the branches is RMB3,000,000 or equivalent.

Non-marine

The insurance risk is controlled by the branches' compliance with the procedure manual which was launched and approved by TPI's, MAC and CTPI (HK)'s senior management annually. To limit the net exposure, the Group arranged an excess of loss reinsurance protection or surplus treaty reinsurance and facultative reinsurance arrangement for non-marine business.

Marine

The risk accumulation generally arises from underwriting risks in any one vessel or shipment. For TPI, it is the Group's strategy not to underwrite business related to high risk types of marine such as cross-boarder marine or cargo and cargo business for North-East Asia. For MAC and CTPI (HK), it incorporates standard international policy guidelines, such as the Institute Cargo Clauses elaborated by the Institute of London Underwriters, into its international cargo policies. Net exposure of risk per vessel is limited by arranging surplus treaty, excess of loss reinsurance protection and facultative reinsurance arrangement and monitored by TPI's, MAC's and CTPI (HK)'s senior management regularly.

Concentration of insurance risks

Within the insurance process, concentration of risk may arise where a particular event or series of events could impact heavily upon the Group's liabilities. Such concentrations may arise from a single insurance contract or through a small number of related contracts, and relate to circumstances where significant liabilities could arise.

The concentration of insurance risk before and after reinsurance by classes of business is summarized below, with reference to premiums written in the years ended 31 December 2009 and 2008. The premiums written by TPI in the year ended 31 December 2008 as shown in the table below include both the pre-acquisition and post-acquisition results of TPI.

2 保險、財務及資本風險管理 (續)

(e) 保險風險 (續)

(iii) 財產保險業務

主要財產保險產品的特點概述如下：

產品特點

車險

不從事如公共運輸車輛、危險產品運輸及非本地市民擁有之車輛等高風險汽車承保業務是本集團的策略。分公司承保車險及第三者責任業務保額最大為人民幣3,000,000元或等值。

非水險

各分公司按每年由太平財險、民安中國及中國太平香港高級管理層核准及發出的程序手冊監控保險風險。為限制風險，本集團為非水險業務安排超額賠付再保險保障或溢額合約及臨時再保險。

水險

風險積聚一般由承保單一船隻或裝運產生。就太平財險而言，不從事承保有關高風險類水險如跨境船舶或貨運及於亞洲東北部的貨運業務是本集團的策略。就民安中國及中國太平香港而言，其加入標準國際保單指引如由倫敦保險協會(Institute of London Underwriters)所闡述的協會貨運保險條款(Institute Cargo Clauses)於其國際貨運保單內。每艘船通過安排溢額合約、超額賠付再保險保障及臨時再保險，並由太平財險、民安中國及中國太平香港高級管理層定期監察以限制淨風險。

保險風險集中

在保險程序中，集中的風險可能令當特定事件或一連串事件出現時嚴重影響本集團的負債。該等集中可能因單一保險合約或透過少量有關連合約引起，和涉及引起重大負債的情況。

關於截至二零零九年及二零零八年十二月三十一日止年度承保保費，按業務種類劃分再保險前及再保險後之保險風險集中情況概述如下。下表載列太平財險截至二零零八年十二月三十一日止年度之承保保費包括太平財險於購入前及購入後的業績。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

2 保險、財務及資本風險管理 (續)

(e) Insurance risk (Continued)

(e) 保險風險 (續)

(iii) Property and casualty insurance business (Continued)

(iii) 財產保險業務 (續)

TPI

太平財險

Year ended 31 December 2009
截至二零零九年十二月三十一日止年度

		Premiums ceded to reinsurers			
		Gross written premiums	保費之再保份額	Net written premiums	Ceding ratio
		毛承保保費	再保份額	淨承保保費	分出比率
		\$'000	\$'000	\$'000	%
		千元	千元	千元	
Motor	車險	4,149,762	305,140	3,844,622	7.4%
Marine	水險	165,561	63,465	102,096	38.3%
Non-marine	非水險	791,074	364,867	426,207	46.1%
Total	總額	5,106,397	733,472	4,372,925	14.4%

TPI

太平財險

Year ended 31 December 2008
截至二零零八年十二月三十一日止年度

		Premiums ceded to reinsurers			
		Gross written premiums	保費之再保份額	Net written premiums	Ceding ratio
		毛承保保費	再保份額	淨承保保費	分出比率
		\$'000	\$'000	\$'000	%
		千元	千元	千元	
Motor	車險	3,761,126	262,932	3,498,194	7.0%
Marine	水險	199,795	85,813	113,982	43.0%
Non-marine	非水險	817,618	450,744	366,874	55.1%
Total	總額	4,778,539	799,489	3,979,050	16.7%

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

2 保險、財務及資本風險管理 (續)

(e) Insurance risk (Continued)

(e) 保險風險 (續)

(iii) Property and casualty insurance business (Continued)

(iii) 財產保險業務 (續)

MAC

民安中國

Year ended 31 December 2009
截至二零零九年十二月三十一日止年度

		Premiums ceded to reinsurers			
		Gross written premiums	保費之再保份額	Net written premiums	Ceding ratio
		毛承保保費	再保份額	淨承保保費	分出比率
		\$'000	\$'000	\$'000	%
		千元	千元	千元	
Motor	車險	1,055,387	5,707	1,049,680	0.5%
Marine	水險	55,715	30,399	25,316	54.6%
Non-marine	非水險	338,052	180,021	158,031	53.3%
Total	總額	1,449,154	216,127	1,233,027	14.9%

MAC

民安中國

Year ended 31 December 2008
截至二零零八年十二月三十一日止年度

		Premiums ceded to reinsurers			
		Gross written premiums	保費之再保份額	Net written premiums	Ceding ratio
		毛承保保費	再保份額	淨承保保費	分出比率
		\$'000	\$'000	\$'000	%
		千元	千元	千元	
Motor	車險	738,865	4,667	734,198	0.6%
Marine	水險	48,406	26,876	21,530	55.5%
Non-marine	非水險	267,106	120,551	146,555	45.1%
Total	總額	1,054,377	152,094	902,283	14.4%

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

2 保險、財務及資本風險管理 (續)

(e) Insurance risk (Continued)

(e) 保險風險 (續)

(iii) Property and casualty insurance business (Continued)

(iii) 財產保險業務 (續)

CTPI (HK)

中國太平香港

Year ended 31 December 2009
截至二零零九年十二月三十一日止年度

		Premiums ceded to reinsurers			
		Gross written premiums	保費之再保份額	Net written premiums	Ceding ratio
		毛承保保費	再保份額	淨承保保費	分出比率
		\$'000	\$'000	\$'000	%
		千元	千元	千元	
Motor	車險	201,360	25,857	175,503	12.8%
Marine	水險	150,131	83,927	66,204	55.9%
Non-marine	非水險	426,711	155,459	271,252	36.4%
Total	總額	778,202	265,243	512,959	34.1%

CTPI (HK)

中國太平香港

Year ended 31 December 2008
截至二零零八年十二月三十一日止年度

		Premiums ceded to reinsurers			
		Gross written premiums	保費之再保份額	Net written premiums	Ceding ratio
		毛承保保費	再保份額	淨承保保費	分出比率
		\$'000	\$'000	\$'000	%
		千元	千元	千元	
Motor	車險	213,923	25,970	187,953	12.1%
Marine	水險	191,338	112,067	79,271	58.6%
Non-marine	非水險	506,125	220,718	285,407	43.6%
Total	總額	911,386	358,755	552,631	39.4%

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

(e) Insurance risk (Continued)

(iii) Property and casualty insurance business (Continued)

Management of risks

The Group delegates underwriting authority to experienced underwriters. Each underwriting department has an underwriting manual for each class of business. The underwriting manual is approved by the Underwriting Committee and specifies the authority of underwriters at each level. Each underwriting manual states clearly the minimum gross premium per policy, the maximum sum insured per policy and the aggregate exposure per zone as well as the probable maximum loss which underwriters at each level can underwrite. Risks that exceed the underwriting authority of the head of the underwriting department have to be reviewed and approved by the Underwriting Committee. For claims handling, there is a procedures manual that lays down the operational procedures and controls required to mitigate the insurance risk.

The Group also arranges both treaty reinsurance and facultative reinsurance in accordance with international practice. Treaty reinsurance provides automatic reinsurance cover under specific reinsurance contract terms and conditions. Facultative reinsurance is reinsurance of individual risk. Each contract is arranged separately. The choice of reinsurance contract depends on market conditions, market practice and the nature of business. Facultative reinsurance is arranged when an individual risk is not covered by treaty reinsurance or exceeds treaty reinsurance capacity.

2 保險、財務及資本風險管理 (續)

(e) 保險風險 (續)

(iii) 財產保險業務 (續)

風險管理

本集團把承保權委託給有經驗之核保人。每個承保部門在每個業務種類均有承保手冊。承保手冊經承保委員會核准及明確說明各個級別的核保人之權力。每本承保手冊清楚載列每份保單之最低毛承保保費、每份保單及每個地區合計之最大承保額、以及各級別核保人可承保之最大可能賠付。超越承保部門主管承保權之風險需由承保委員會審閱及核准。在賠款處理方面，程序手冊載列有需要之營運程序及控制以減輕保險風險。

本集團亦根據國際慣例安排合約分保及臨時分保。合約分保於特定再保險合約條款下提供自動再保險保障。臨時分保為個別風險之分保。每份合約皆個別洽商。再保險合約按市場狀況、市場慣例及業務性質選擇。當個別風險沒有在合約分保涵蓋或超出合約分保的容量時，將安排臨時分保。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

2 保險、財務及資本風險管理 (續)

(f) Financial risk

The carrying amounts of the Group's financial assets at the reporting date were as follows:

(f) 財務風險

於報告日，本集團之金融資產之賬面值如下：

		31 December 2009 二零零九年 十二月三十一日	31 December 2008 二零零八年 十二月三十一日	1 January 2008 二零零八年 一月一日
Financial assets at fair value through profit or loss	指定為通過損益以反映公允價值之金融資產			
– Investment in debt and equity securities	– 債務及股本證券投資	445,928	659,644	1,709,285
– Included in “Policyholder account assets in respect of unit-linked products”	– 包括於「有關投資連結產品之保單持有人賬戶資產」	4,351,069	3,013,814	4,349,015
		4,796,997	3,673,458	6,058,300
Loans and receivables	貸款及應收賬款			
– Investments in debt securities	– 債務證券投資	2,209,015	2,199,824	256,306
– Statutory deposits	– 法定存款	1,350,037	1,215,598	764,868
– Included in “Policyholder account assets in respect of unit-linked products”	– 包括於「有關投資連結產品之保單持有人賬戶資產」	727,250	1,256,078	198,643
– Securities purchased under resale agreements	– 買入返售證券	34,072	–	–
– Amounts due from group companies	– 應收集團內公司款項	20,208	7,769	3,340
– Other debtors	– 其他應收賬款	2,575,684	2,148,712	1,559,767
– Pledged deposits at banks	– 已抵押銀行存款	92,225	185,729	97,417
– Deposits at banks with original maturity more than three months	– 原到期日超過三個月之銀行存款	6,534,677	6,814,345	5,467,700
– Cash and cash equivalents	– 現金及現金等價物	12,497,821	7,740,836	6,699,234
		26,040,989	21,568,891	15,047,275
Held-to-maturity investments	持有至到期日投資	39,333,096	21,845,167	1,467,138
Available-for-sale investments	可供出售投資	32,101,856	31,573,891	34,112,406
		102,272,938	78,661,407	56,685,119

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

2 保險、財務及資本風險管理 (續)

(f) Financial risk (Continued)

The carrying amounts of the Group's financial liabilities at the reporting date were as follows:

(f) 財務風險 (續)

於報告日，本集團之金融負債之賬面值如下：

		31 December 2009 二零零九年 十二月三十一日	31 December 2008 二零零八年 十二月三十一日	1 January 2008 二零零八年 一月一日
Financial liabilities at fair value through profit or loss	指定為通過損益以反映公允價值之金融負債			
– Investment contract liabilities	– 投資合約負債	5,078,319	4,269,892	4,547,658
Financial liabilities measured at amortized cost	按攤銷成本之金融負債			
– Investments contract liabilities	– 投資合約負債	31,303,618	28,681,160	17,750,558
– Interest-bearing notes	– 需付息票據	5,725,110	5,376,028	2,960,377
– Securities sold under repurchase agreements	– 賣出回購證券	6,606,088	4,317,098	–
– Amounts due to group companies	– 應付集團內公司款項	1,295	2,737	1,772
– Insurance protection fund	– 保險保障基金	36,825	36,735	10,222
		43,672,936	38,413,758	20,722,929
		48,751,255	42,683,650	25,270,587

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.

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 Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

2 保險、財務及資本風險管理 (續)

(f) Financial risk (Continued)

(f) 財務風險 (續)

(i) Market risk

(i) 市場風險

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.

市場風險乃指因利率、股本價格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) Interest rate risk

(a) 利率風險

Interest rate risk is risk to the earnings or market value of a fixed-rate financial instrument due to uncertain future market interest rates.

利率風險乃指因不確定的未來市場利率造成的固定利率金融工具盈利或市值風險。

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.

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。

A decrease of 50 basis points in interest rates of the debt investments classified as available-for-sale, with all other variables held constant, would increase the Group's total equity by approximately 1.6% of the total investments held by the Group as at 31 December 2009 (31 December 2008 restated: 1.5%).

假設可供出售的債務投資利率下跌50點子，其他參數不變，總權益將上升相等於本集團截止二零零九年十二月三十一日的總投資額1.6% (二零零八年十二月三十一日重列：1.5%)。

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for both derivative and non-derivative financial instruments in existence at that date. The analysis is performed on the same basis for 2008. The Group does not have significant amount of floating-rate financial instruments.

上述的敏感性分析是假設利率變動於報告期末發生及被應用於該日存在的衍生及非衍生金融工具的利率風險上。分析乃按二零零八年之相同基準而作出。本集團沒有重大金額的浮息金融工具。

(b) Equity price risk

(b) 股本價格風險

The Group has a portfolio of marketable equity securities, which is carried at fair value and is exposed to price risk. As the financial risks of unit-linked contracts were fully undertaken by the policyholders, the assets related to unit-linked products were not included in the analysis of financial risk below. This risk is defined as the potential loss in market value resulting from an adverse change in prices.

本集團的有價股本證券組合以公允價值列賬及須承擔價格風險。由於投資連結合約之財務風險全部由保單持有人承擔，投資連結產品之資產並沒有包括於以下之財務風險分析中。該風險指因價格的不利變動而造成的市值潛在損失。

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

本集團透過投資於高質素的多元化流動證券組合管理其股本價格風險。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

(f) Financial risk (Continued)

(i) Market risk (Continued)

(b) Equity price risk (Continued)

The equity securities were carried at a fair value of \$14,149.69 million (31 December 2008 *restated*: \$4,690.54 million), representing 14.8% (31 December 2008 *restated*: 6.4%) of total investments held by the Group.

A 10% increase/decrease in market value of the equity securities classified as available-for-sale and held by the Group as at 31 December 2009, with all other variables held constant, would increase/decrease the Group's total equity by approximately \$1,414.97 million (31 December 2008 *restated*: Group's total equity \$469.05 million).

(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 in the PRC, premiums are received in RMB and the insurance regulation in the PRC requires insurers to hold RMB assets. Therefore the foreign exchange risk in respect of RMB for our PRC operations is not significant.

In respect of the property and casualty insurance business in Hong Kong, premiums are received in HKD and USD. The currency position of assets and liabilities is monitored by the Group periodically.

2 保險、財務及資本風險管理 (續)

(f) 財務風險 (續)

(i) 市場風險 (續)

(b) 股本價格風險 (續)

股本證券以公允價值141.4969億元(二零零八年十二月三十一日重列: 46.9054億元)列賬, 佔本集團持有之總投資額14.8%(二零零八年十二月三十一日重列: 6.4%)。

假設於二零零八年十二月三十一日本集團持有之可供出售股本證券的市值上升/下跌10%, 其他參數不變, 將令本集團總權益上升/下跌約14.1497億元(二零零八年十二月三十一日重列: 本集團總權益4.6905億元)。

(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。

就人壽保險業務及在中國之財產保險業務而言, 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。因此, 中國業務有關人民幣的外匯風險並不重大。

就在香港之財產保險業務而言, 保費以港元及美元計值。資產及負債之貨幣持倉由本集團定期監控。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

2 保險、財務及資本風險管理 (續)

(f) Financial risk (Continued)

(f) 財務風險 (續)

(i) Market risk (Continued)

(i) 市場風險 (續)

(c) Foreign exchange risk (Continued)

(c) 外匯風險 (續)

The following table presents the Group's carrying values of financial and insurance assets and liabilities in the consolidated statement of financial position in HKD equivalent by major currencies:

下表呈現本集團於綜合資產負債表內按主要貨幣分類的金融及保險資產及負債之港幣賬面等值：

31 December 2009
二零零九年十二月三十一日

		RMB 人民幣 \$'000 千元	USD 美元 \$'000 千元	HKD 港幣 \$'000 千元	Other foreign currencies 其他外幣 \$'000 千元	Total 總額 \$'000 千元
Financial assets:	金融資產					
Statutory deposits	法定存款	1,299,287	23,250	27,500	—	1,350,037
Investments in debt and equity securities	債務及股本證券投資	68,559,949	4,121,296	1,012,879	395,771	74,089,895
— debt securities	— 債務證券	55,381,590	3,922,444	240,402	395,771	59,940,207
— equity securities	— 股本證券	13,178,359	198,852	772,477	—	14,149,688
Policyholder account assets in respect of unit-linked products	有關投資連結產品之保單持有人賬戶資產	5,078,319	—	—	—	5,078,319
Securities purchased under resale agreements	買入返售證券	34,072	—	—	—	34,072
Amounts due from group companies	應收集團內公司款項	13,557	—	6,651	—	20,208
Other debtors	其他應收賬款	2,414,147	59,106	59,341	43,090	2,575,684
Pledged deposits at banks	已抵押銀行存款	—	92,225	—	—	92,225
Deposits at banks with original maturity more than three months	原到期日超過三個月之銀行存款	5,695,181	778,953	60,543	—	6,534,677
Cash and cash equivalents	現金及現金等價物	7,671,460	2,173,099	1,618,100	1,035,162	12,497,821
		90,765,972	7,247,929	2,785,014	1,474,023	102,272,938
Insurance assets:	保險資產：					
Insurance debtors	保險客戶應收賬款	731,395	167,765	223,368	221,299	1,343,827
Reinsurers' share of insurance contract provisions	分保公司應佔保險合約準備	981,342	150,060	913,275	42,985	2,087,662
		1,712,737	317,825	1,136,643	264,284	3,431,489

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

2 保險、財務及資本風險管理 (續)

(f) Financial risk (Continued)

(f) 財務風險 (續)

(i) Market risk (Continued)

(i) 市場風險 (續)

(c) Foreign exchange risk (Continued)

(c) 外匯風險 (續)

31 December 2009
二零零九年十二月三十一日

		RMB 人民幣 \$'000 千元	USD 美元 \$'000 千元	HKD 港幣 \$'000 千元	Other foreign currencies 其他外幣 \$'000 千元	Total 總額 \$'000 千元
Financial liabilities:	金融負債：					
Investment contract liabilities	投資合約負債	36,381,937	—	—	—	36,381,937
Interest-bearing notes	需付息票據	4,372,599	1,352,511	—	—	5,725,110
Securities sold under repurchase agreements	賣出回購證券	6,606,088	—	—	—	6,606,088
Amounts due to group companies	應付集團內公司款項	1,295	—	—	—	1,295
Insurance protection fund	保險保障基金	36,825	—	—	—	36,825
		47,398,744	1,352,511	—	—	48,751,255
Insurance liabilities:	保險負債：					
Life insurance contract liabilities	壽險合約負債	31,089,308	—	—	—	31,089,308
Unearned premium provisions	未到期責任準備金	3,140,865	161,989	321,261	194,691	3,818,806
Provision for outstanding claims	未決賠款準備	2,893,578	622,731	2,463,134	1,003,313	6,982,756
Insurance creditors	保險客戶應付賬款	984,845	82,371	322,931	17,626	1,407,773
		38,108,596	867,091	3,107,326	1,215,630	43,298,643

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

2 保險、財務及資本風險管理 (續)

(f) Financial risk (Continued)

(f) 財務風險 (續)

(i) Market risk (Continued)

(i) 市場風險 (續)

(c) Foreign exchange risk (Continued)

(c) 外匯風險 (續)

31 December 2008 (Restated)
二零零八年十二月三十一日 (重列)

		RMB 人民幣 \$'000 千元	USD 美元 \$'000 千元	HKD 港幣 \$'000 千元	Other foreign currencies 其他外幣 \$'000 千元	Total 總額 \$'000 千元
Financial assets:	金融資產：					
Statutory deposits	法定存款	1,167,948	—	47,650	—	1,215,598
Investments in debt and equity securities	債務及股本證券投資	51,567,193	3,804,580	720,577	186,176	56,278,526
— debt securities	— 債務證券	47,440,154	3,634,335	355,367	158,131	51,587,987
— equity securities	— 股本證券	4,127,039	170,245	365,210	28,045	4,690,539
Policyholder account assets in respect of unit-linked products	有關投資連結產品之保單持有人賬戶資產	4,269,892	—	—	—	4,269,892
Amounts due from group companies	應收集團內公司款項	5,285	—	2,471	13	7,769
Other debtors	其他應收賬款	2,015,015	79,007	46,588	8,102	2,148,712
Pledged deposits at bank	已抵押銀行存款	—	160,676	25,053	—	185,729
Deposits at bank with original maturity more than three months	原到期日超過三個月 的銀行存款	5,589,248	723,604	495,040	6,453	6,814,345
Cash and cash equivalents	現金及現金等價物	4,445,741	1,704,659	1,070,786	519,650	7,740,836
		69,060,322	6,472,526	2,408,165	720,394	78,661,407
Insurance assets:	保險資產：					
Insurance debtors	保險客戶應收賬款	626,573	99,848	469,731	122,319	1,318,471
Reinsurers' share of insurance contract provisions	分保公司應佔 保險合約準備	891,820	139,149	1,242,147	33,231	2,306,347
		1,518,393	238,997	1,711,878	155,550	3,624,818

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

2 保險、財務及資本風險管理 (續)

(f) Financial risk (Continued)

(i) Market risk (Continued)

(c) Foreign exchange risk (Continued)

(f) 財務風險 (續)

(i) 市場風險 (續)

(c) 外匯風險 (續)

31 December 2008 (Restated)
二零零八年十二月三十一日 (重列)

		RMB 人民幣 \$'000 千元	USD 美元 \$'000 千元	HKD 港幣 \$'000 千元	Other foreign currencies 其他外幣 \$'000 千元	Total 總額 \$'000 千元
Financial liabilities:	金融負債：					
Investment contract liabilities	投資合約負債	32,951,052	—	—	—	32,951,052
Interest-bearing notes	需付息票據	4,025,452	1,350,576	—	—	5,376,028
Securities sold under repurchase agreements	賣出回購證券	4,317,098	—	—	—	4,317,098
Amounts due to group companies	應付集團內公司款項	488	2,245	4	—	2,737
Insurance protection fund	保險保障基金	36,735	—	—	—	36,735
		41,330,825	1,352,821	4	—	42,683,650
Insurance liabilities:	保險負債：					
Life insurance contract liabilities	壽險合約負債	18,785,337	—	—	—	18,785,337
Unearned premium provisions	未到期責任準備金	2,637,440	61,422	913,950	1,881	3,614,693
Provision for outstanding claims	未決賠款準備	2,620,560	543,964	2,712,892	833,756	6,711,172
Insurance creditors	保險客戶應付賬款	683,859	54,258	402,625	13,683	1,154,425
		24,727,196	659,644	4,029,467	849,320	30,265,627

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

2 保險、財務及資本風險管理 (續)

(f) Financial risk (Continued)

(f) 財務風險 (續)

(i) Market risk (Continued)

(i) 市場風險 (續)

(c) Foreign exchange risk (Continued)

(c) 外匯風險 (續)

1 January 2008 (Restated)
二零零八年一月一日 (重列)

		RMB 人民幣 \$'000 千元	USD 美元 \$'000 千元	HKD 港幣 \$'000 千元	Other foreign currencies 其他外幣 \$'000 千元	Total 總額 \$'000 千元
Financial assets:	金融資產：					
Statutory deposits	法定存款	747,893	12,475	4,500	—	764,868
Investments in debt and equity securities	債務及股本證券投資	32,933,706	3,117,194	1,411,642	82,593	37,545,135
— debt securities	— 債務證券	25,259,753	2,847,497	450,456	46,415	28,604,121
— equity securities	— 股本證券	7,673,953	269,697	961,186	36,178	8,941,014
Policyholder account assets in respect of unit-linked products	有關投資連結產品之保單持有人賬戶資產	4,547,658	—	—	—	4,547,658
Amounts due from group companies	應收集團內公司款項	2,610	421	68	241	3,340
Other debtors	其他應收賬款	1,182,542	60,510	313,286	3,429	1,559,767
Pledged deposits at banks	已抵押銀行存款	—	97,417	—	—	97,417
Deposits at bank with original maturity more than three months	原到期日超過三個月之銀行存款	4,140,163	1,239,997	74,903	12,637	5,467,700
Cash and cash equivalents	現金及現金等價物	3,045,033	1,307,828	1,656,175	690,198	6,699,234
		46,599,605	5,835,842	3,460,574	789,098	56,685,119
Insurance assets:	保險資產：					
Insurance debtors	保險客戶應收賬款	253,129	80,784	502,238	66,710	902,861
Reinsurers' share of insurance contract provisions	分保公司應佔保險合約準備	205,323	9,569	1,366,339	26,597	1,607,828
		458,452	90,353	1,868,577	93,307	2,510,689

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

2 保險、財務及資本風險管理 (續)

(f) Financial risk (Continued)

(f) 財務風險 (續)

(i) Market risk (Continued)

(i) 市場風險 (續)

(c) Foreign exchange risk (Continued)

(c) 外匯風險 (續)

1 January 2008 (Restated)
二零零八年一月一日 (重列)

		RMB 人民幣 \$'000 千元	USD 美元 \$'000 千元	HKD 港幣 \$'000 千元	Other foreign currencies 其他外幣 \$'000 千元	Total 總額 \$'000 千元
Financial liabilities:	金融負債：					
Investment contract liabilities	投資合約負債	22,298,216	—	—	—	22,298,216
Interest-bearing notes	需付息票據	1,601,910	1,358,467	—	—	2,960,377
Amounts due to group companies	應付集團內公司款項	1,758	—	—	14	1,772
Insurance protection fund	保險保障基金	10,222	—	—	—	10,222
		<u>23,912,106</u>	<u>1,358,467</u>	<u>—</u>	<u>14</u>	<u>25,270,587</u>
Insurance liabilities:	保險負債：					
Life insurance contract liabilities	壽險合約負債	15,027,769	—	—	—	15,027,769
Unearned premium provisions	未到期責任準備金	425,309	—	877,394	—	1,302,703
Provision for outstanding claims	未決賠款準備	462,819	228,819	3,673,731	506,089	4,871,458
Insurance creditors	保險客戶應付賬款	386,313	62,084	350,546	12,787	811,730
		<u>16,302,210</u>	<u>290,903</u>	<u>4,901,671</u>	<u>518,876</u>	<u>22,013,660</u>

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

2 保險、財務及資本風險管理 (續)

(f) Financial risk (Continued)

(ii) Credit risk

Credit risk is the risk of economic loss resulting from the failure of one of the obligors to make any payment of principal or interest when due.

The Group is exposed to credit risks primarily associated with bank deposits, money market funds, insurance debtors, investments in debt securities, reinsurance arrangements with reinsurers and other debtors etc.

The maximum exposure of the Group to credit risk in the event of the counterparties' failure to perform their obligations as at the end of the reporting period is the carrying amount of the assets as shown in the table below:

(f) 財務風險 (續)

(ii) 信用風險

信用風險是指債務人到期未能支付任何本金或利息而引起經濟損失的風險。

本集團主要會承受的信用風險與銀行存款、貨幣市場基金、保險客戶應收賬款、債務證券投資、再保險債務人及其他應收賬款有關。

因交易對手未能履行責任而使本集團於報告期末需承受的最高信用風險為下表載列之資產賬面值：

		31 December 2009 二零零九年 十二月三十一日		31 December 2008 (Restated) 二零零八年 十二月三十一日 (重列)	
		\$'000 千元	% of Total 佔總額百分比	\$'000 千元	% of Total 佔總額百分比
Statutory deposits and deposits with banks	法定存款及銀行存款	20,382,535	23.6%	15,956,508	21.8%
Investments in debt securities	債務證券投資	59,940,207	69.4%	51,562,951	70.4%
Reinsurers' share of insurance contract provisions	分保公司應佔保險合約準備	2,087,662	2.4%	2,306,347	3.1%
Insurance debtors	保險客戶應收賬款	1,343,827	1.6%	1,318,471	1.8%
Other debtors	其他應收賬款	2,575,684	3.0%	2,148,712	2.9%
		86,329,915	100.0%	73,292,989	100.0%

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

(f) Financial risk (Continued)

(ii) Credit risk (Continued)

To reduce the credit risk associated with the investments 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 in the PRC, 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 respect of the debt securities invested by property and casualty insurance business in Hong Kong, it is the Group's policy to invest in bonds with ratings of investment grade or above.

The credit risk on bank balances is limited because the relevant banks are with high credit ratings.

In assessing the need for impairment allowances, management considers factors such as credit quality, portfolio size, concentrations, and economic factors.

The credit risk at Company level is mainly concentrated in the amounts due from subsidiaries, and is managed by assessing the recoverability of the repayment from those subsidiaries. The management monitors on a regular basis the availability of funds among the Group and the assets held by the subsidiaries are considered sufficient to cover the amount due from them. Hence, the Company's exposure to credit risks at the end of the reporting period is considered immaterial.

The credit risk associated with insurance debtors and other debtors will not cause a material impact on the Group's consolidated financial statements taking into consideration of their collateral held and maturity term of no more than one year as at 31 December 2009

(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.

2 保險、財務及資本風險管理 (續)

(f) 財務風險 (續)

(ii) 信用風險 (續)

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）的債務證券投資，但部份主權評級證券除外。有關人壽保險及於中國之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將立即被跟進及改正。有關於香港之財產保險業務的債務證券投資，投資於擁有投資等級的債券乃本集團之政策。

銀行存款之信用風險有限，原因是有關銀行擁有高信用級別。

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。

在公司層面之信用風險主要集中於應收附屬公司款項，並通過評估該些附屬公司還款之可收回性進行管理。管理層定期監察集團內的資金情況及附屬公司持有足夠資產以涵蓋它們之應付款項。因此，本公司於報告期末之信用風險不大。

有關保險客戶應收賬款及其他應收賬款之信用風險，考慮到持有之抵押品及於二零零九年十二月三十一日之到期條款不超過一年後，將不會對本集團之綜合財務報表帶來重大影響。

(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。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

(f) Financial risk (Continued)

(iii) Liquidity risk (Continued)

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

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

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. It has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay and includes both interest and principal cash flows. The table excludes life insurance contract liabilities. Assuming that all surrender and transfer options are exercised would result in all insurance contracts being presented as falling due within one year or less.

2 保險、財務及資本風險管理 (續)

(f) 財務風險 (續)

(iii) 流動性風險 (續)

本集團透過制定流動資金管理的政策及一般策略管理該風險，以確保本集團滿足正常財務需求及備存充裕的高質素流動資產，以應對可能產生的流動資金危機。

除流動資金管理及監管遵從外，本集團通常會留存適度的流動資金緩衝額作為應對意外大筆資金需求的安全措施，以及制定應急計劃以應付公司的特定危機。

下表載列本集團非衍生工具金融負債根據議定還款條款的餘下合約到期情況。此根據未折現金融負債現金流按本集團需要支付的最早日期而編製，並包括利息及本金現金流。下表不包括人壽保險合約負債。假設所有退保及轉讓選擇權被行使，令所有呈列之保險合約於一年或以內到期。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

2 保險、財務及資本風險管理 (續)

(f) Financial risk (Continued)

(f) 財務風險 (續)

(iii) Liquidity risk (Continued)

(iii) 流動性風險 (續)

		1 year or less 一年 或以下 \$'000 千元	5 years or less but over 1 year 五年或 以下但 超過一年 \$'000 千元	After 5 years 五年後 \$'000 千元	Total undiscounted cashflows 未折現 現金流 總額 \$'000 千元	Carrying value at 31 December 於十二月 三十一日 之賬面值 \$'000 千元
At 31 December 2009	於二零零九年 十二月三十一日					
Interest-bearing notes	需付息票據	320,286	4,249,268	3,649,814	8,219,368	5,725,110
Unearned premium provisions	未到期責任準備金	3,563,830	84,363	170,613	3,818,806	3,818,806
Provision for outstanding claims	未決賠款準備	3,785,450	2,332,226	865,080	6,982,756	6,982,756
Investment contract liabilities	投資合約負債	5,354,068	—	31,027,869	36,381,937	36,381,937
Securities sold under repurchase agreements	賣出回購證券	6,606,088	—	—	6,606,088	6,606,088
Insurance creditors	保險客戶應付賬款	1,218,961	188,812	—	1,407,773	1,407,773
Insurance protection fund	保險保障基金	36,825	—	—	36,825	36,825
		20,885,508	6,854,669	35,713,376	63,453,553	60,959,295
At 31 December 2008 (Restated)	於二零零八年 十二月三十一日 (重列)					
Interest-bearing notes	需付息票據	300,799	4,260,332	3,365,787	7,926,918	5,376,028
Unearned premium provisions	未到期責任準備金	3,393,346	37,460	183,887	3,614,693	3,614,693
Provision for outstanding claims	未決賠款準備	3,044,665	2,840,206	826,301	6,711,172	6,711,172
Investment contract liabilities	投資合約負債	4,520,627	—	28,430,385	32,951,012	32,951,012
Securities sold under repurchase agreements	賣出回購證券	4,317,098	—	—	4,317,098	4,317,098
Insurance creditors	保險客戶應付賬款	1,154,425	—	—	1,154,425	1,154,425
Insurance protection fund	保險保障基金	36,735	—	—	36,735	36,735
		16,767,695	7,137,998	32,806,360	56,712,053	54,161,163

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

(g) Capital management

The Group's key business operations are its reinsurance business, the life insurance business and the property and casualty insurance business, which are conducted through its subsidiaries. The Group manages its capital to ensure that the entities conducting the reinsurance, life insurance businesses and the property and casualty insurance business will be able to meet statutory solvency requirements in the jurisdictions in which they operate. The Group's capital management initiatives also strive to maintain a surplus for future business expansion opportunities. The Group's overall capital management strategy remains unchanged from the prior year. The statutory solvency requirements for reinsurance business and life insurance business and property and casualty insurance business are set out in the Hong Kong Insurance Companies Ordinance and Solvency Reporting Standards for Insurance Companies issued by CIRC. The Group's capital includes the components of total equity and interest-bearing notes. The Group complied with the various solvency requirement throughout the year.

(h) Risks associated with investment contracts without DPF

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

(i) Claims development

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

2 保險、財務及資本風險管理 (續)

(g) 資本管理

本集團之主要業務為再保險業務、人壽保險業務及財產保險業務，其業務透過附屬公司進行。本集團之資本管理，是確保從事再保險業務、人壽保險業務及財產保險業務之公司將可符合業務經營相關司法權區之法定償付能力規定。本集團之資本管理策略亦致力為未來業務擴展機會維持充裕資金。本集團之整體資本管理策略與去年保持不變。再保險業務及人壽保險業務及財產保險業務之法定償付能力規定載於香港保險公司條例及由中國保監會頒佈之《保險公司償付能力報告編報規則》內。本集團之資本包括總權益組成部份及需付息票據。本集團整年皆符合各償付能力之要求。

(h) 與不具酌情分紅特色的投資合約有關的風險

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

(i) 賠款發展

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

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

2 保險、財務及資本風險管理 (續)

(i) Claims development (Continued)

(i) 賠款發展 (續)

Analysis of claims development — gross of reinsurance for TPRe

賠款發展分析 — 太平再保險之未扣除再保險毛額

For the year ended 31 December 2009

截至二零零九年十二月三十一日止年度

		Underwriting year 承保年度					Total 總額
		2005 二零零五年	2006 二零零六年	2007 二零零七年	2008 二零零八年	2009 二零零九年	\$'000 千元
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Unearned premium provisions at the end of underwriting year (note)	於承保年度末之為到期責任準備金(註)	366,916	523,080	560,466	604,802	544,175	
Estimate of cumulative claims (note)	估計累計賠款(註)						
At the end of underwriting year	於承保年度年結時	903,974	617,028	813,412	1,050,587	842,040	
One year later	一年後	1,251,632	928,909	1,157,883	1,343,934	—	
Two years later	兩年後	1,283,002	885,898	1,199,548	—	—	
Three years later	三年後	1,186,049	862,930	—	—	—	
Four years later	四年後	1,182,367	—	—	—	—	
Estimate of cumulative claims Cumulative payments to date	估計累計賠款 迄今累計付款	1,182,367 (1,036,506)	862,930 (635,546)	1,199,548 (745,846)	1,343,934 (597,628)	842,040 12,159	5,430,819 (3,003,367)
Liabilities recognized in the statement of financial position	確認於財務狀況表的負債	145,861	227,384	453,702	746,306	854,199	2,427,452
Liabilities in respect of underwriting years 2004 and earlier	於二零零四年承保年度及以前的負債						227,168
Total liabilities included in the statement of financial position	確認於財務狀況表的總負債						2,654,620

Note: Above balances exclude the unearned premiums provision/claims liabilities for the life reinsurance business.

註：上述數額不包括人壽再保險業務之未到期責任準備金／賠款負債。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

2 保險、財務及資本風險管理 (續)

(i) Claims development (Continued)

(i) 賠款發展 (續)

Analysis of claims development — gross of reinsurance for TPR_e (Continued)

賠款發展分析 — 太平再保險之未扣除再保險毛額 (續)

For the year ended 31 December 2008

截至二零零八年十二月三十一日止年度

	Underwriting year 承保年度					Total 總額	
	2004 二零零四年	2005 二零零五年	2006 二零零六年	2007 二零零七年	2008 二零零八年		
	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	
Unearned premium provisions at the end of underwriting year (note)	於承保年度末之為到期責任準備金 (註)	348,831	366,916	523,080	560,466	604,802	
Estimate of cumulative claims (note)	估計累計賠款 (註)						
At the end of underwriting year	於承保年度年結時	601,563	903,974	617,028	813,412	1,050,587	
One year later	一年後	838,792	1,251,632	928,909	1,157,883	—	
Two years later	兩年後	838,594	1,283,002	885,898	—	—	
Three years later	三年後	823,576	1,186,049	—	—	—	
Four years later	四年後	747,259	—	—	—	—	
Estimate of cumulative claims Cumulative payments to date	估計累計賠款 迄今累計付款	747,259 (661,700)	1,186,049 (991,416)	885,898 (563,910)	1,157,883 (471,292)	1,050,587 (42,784)	5,027,676 (2,731,102)
Liabilities recognized in the statement of financial position	確認於財務狀況表的負債	85,559	194,633	321,988	686,591	1,007,803	2,296,574
Liabilities in respect of underwriting years 2003 and earlier	於二零零三年承保年度及以前的負債						246,042
Total liabilities included in the statement of financial position	確認於財務狀況表的總負債						2,542,616

Note: Above balances exclude the unearned premiums provision/claims liabilities for the life reinsurance business.

註：上述數額不包括人壽再保險業務之未到期責任準備金／賠款負債。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

2 保險、財務及資本風險管理 (續)

(i) Claims development (Continued)

(i) 賠款發展 (續)

Analysis of claims development – net of reinsurance for TPRe

賠款發展分析 — 太平再保險之減去再保險淨額

For the year ended 31 December 2009

截至二零零九年十二月三十一日止年度

		Underwriting year 承保年度					Total 總額
		2005 二零零五年	2006 二零零六年	2007 二零零七年	2008 二零零八年	2009 二零零九年	\$'000 千元
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Unearned premium provisions at the end of underwriting year (note)	於承保年度末之為到期責任準備金(註)	335,296	470,207	497,576	528,539	473,232	
Estimate of cumulative claims (note)	估計累計賠款(註)						
At the end of underwriting year	於承保年度年結時	763,448	568,075	752,167	922,454	788,175	
One year later	一年後	1,056,084	849,375	994,736	1,172,974	–	
Two years later	兩年後	1,081,483	807,483	1,042,789	–	–	
Three years later	三年後	994,160	788,861	–	–	–	
Four years later	四年後	989,629	–	–	–	–	
Estimate of cumulative claims	估計累計賠款	989,629	788,861	1,042,789	1,172,974	788,175	4,782,428
Cumulative payments to date	迄今累計付款	(853,104)	(574,871)	(656,346)	(490,060)	3,080	(2,571,301)
Liabilities recognized in the statement of financial position	確認於財務狀況表的負債	136,525	213,990	386,443	682,914	791,255	2,211,127
Liabilities in respect of underwriting years 2004 and earlier	於二零零四年承保年度及以前的負債						186,147
Total liabilities included in the statement of financial position	確認於財務狀況表的總負債						2,397,274

Note: Above balances exclude the unearned premiums provision/claims liabilities for the life reinsurance business.

註：上述數額不包括人壽再保險業務之未到期責任準備金／賠款負債。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

2 保險、財務及資本風險管理 (續)

(i) Claims development (Continued)

(i) 賠款發展 (續)

Analysis of claims development – net of reinsurance for TPRe (Continued)

賠款發展分析 — 太平再保險之減去再保險淨額 (續)

For the year ended 31 December 2008

截至二零零八年十二月三十一日止年度

	Underwriting year 承保年度					Total 總額
	2004 二零零四年	2005 二零零五年	2006 二零零六年	2007 二零零七年	2008 二零零八年	
	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Unearned premium provisions at the end of underwriting year (note)	308,983	335,296	470,207	497,576	528,539	
Estimate of cumulative claims (note)						
At the end of underwriting year	478,807	763,448	568,075	752,167	922,454	
One year later	651,938	1,056,084	849,375	994,736	—	
Two years later	664,027	1,081,483	807,483	—	—	
Three years later	651,331	994,160	—	—	—	
Four years later	592,374	—	—	—	—	
Estimate of cumulative claims	592,374	994,160	807,483	994,736	922,454	4,311,207
Cumulative payments to date	(519,441)	(815,403)	(509,679)	(424,430)	(36,227)	(2,305,180)
Liabilities recognized in the statement of financial position	72,933	178,757	297,804	570,306	886,227	2,006,027
Liabilities in respect of underwriting years 2003 and earlier						199,907
Total liabilities included in the statement of financial position						2,205,934

Note: Above balances exclude the unearned premiums provision/claims liabilities for the life reinsurance business.

註：上述數額不包括人壽再保險業務之未到期責任準備金／賠款負債。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

2 保險、財務及資本風險管理 (續)

(i) Claims development (Continued)

Analysis of claims development — gross of reinsurance for TPI

For the year ended 31 December 2009

(i) 賠款發展 (續)

賠款發展分析 — 太平財險之未扣除再保險毛額

截至二零零九年十二月三十一日止年度

		Accident year 意外年度					Total 總額
		2005 二零零五年	2006 二零零六年	2007 二零零七年	2008 二零零八年	2009 二零零九年	\$'000 千元
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Estimate of cumulative claims	估計累計賠款						
At the end of accident year	於意外年度年結時	919,502	1,217,424	1,901,570	3,138,746	2,939,888	
One year later	一年後	856,037	1,105,458	1,792,027	3,070,169	—	
Two years later	兩年後	752,007	1,254,443	1,796,711	—	—	
Three years later	三年後	851,727	1,252,349	—	—	—	
Four years later	四年後	839,313	—	—	—	—	
Estimate of cumulative claims	估計累計賠款	839,313	1,252,349	1,796,711	3,070,169	2,939,888	9,898,430
Cumulative payments to date	迄今累計付款	(814,225)	(1,225,538)	(1,715,088)	(2,718,636)	(1,651,042)	(8,124,529)
Liabilities recognized in the statement of financial position	確認於財務狀況表的負債	25,088	26,811	81,623	351,533	1,288,846	1,773,901
Liabilities in respect of accident years 2004 and earlier	於二零零四年意外年度及以前的負債						102,405
Total liabilities included in the statement of financial position	確認於財務狀況表的總負債						1,876,306

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

2 保險、財務及資本風險管理 (續)

(i) Claims development (Continued)

Analysis of claims development — gross of reinsurance for TPI (Continued)

For the year ended 31 December 2008 (Restated)

(i) 賠款發展 (續)

賠款發展分析 — 太平財險之未扣除再保險毛額 (續)

截至二零零八年十二月三十一日止年度
(重列)

		Accident year 意外年度					Total 總額
		2004 二零零四年 \$'000 千元	2005 二零零五年 \$'000 千元	2006 二零零六年 \$'000 千元	2007 二零零七年 \$'000 千元	2008 二零零八年 \$'000 千元	
Estimate of cumulative claims	估計累計賠款						
At the end of accident year	於意外年度年結時	446,303	919,502	1,217,424	1,901,570	3,138,746	
One year later	一年後	440,697	856,037	1,105,458	1,792,027	—	
Two years later	兩年後	426,344	752,007	1,254,443	—	—	
Three years later	三年後	430,659	851,727	—	—	—	
Four years later	四年後	428,155	—	—	—	—	
Estimate of cumulative claims	估計累計賠款	428,155	851,727	1,254,443	1,792,027	3,138,746	7,465,098
Cumulative payments to date	迄今累計付款	(421,810)	(817,364)	(1,181,372)	(1,593,813)	(1,756,274)	(5,770,633)
Liabilities recognized in the statement of financial position	確認於財務狀況表的負債	6,345	34,363	73,071	198,214	1,382,472	1,694,465
Liabilities in respect of accident years 2003 and earlier	於二零零三年意外年度及以前的負債						(92,486)
Total liabilities included in the statement of financial position	確認於財務狀況表的總負債						1,601,979

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

2 保險、財務及資本風險管理 (續)

(i) Claims development (Continued)

Analysis of claims development – net of reinsurance for TPI

For the year ended 31 December 2009

(i) 賠款發展 (續)

賠款發展分析 — 太平財險之減去再保險淨額

截至二零零九年十二月三十一日止年度

		Accident year 意外年度					Total 總額
		2005 二零零五年	2006 二零零六年	2007 二零零七年	2008 二零零八年	2009 二零零九年	
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Estimate of cumulative claims	估計累計賠款						
At the end of accident year	於意外年度年結時	704,159	921,899	1,520,294	2,381,620	2,539,543	
One year later	一年後	667,407	942,630	1,434,394	2,427,124	—	
Two years later	兩年後	629,316	959,771	1,444,382	—	—	
Three years later	三年後	662,356	953,989	—	—	—	
Four years later	四年後	656,613	—	—	—	—	
Estimate of cumulative claims	估計累計賠款	656,613	953,989	1,444,382	2,427,124	2,539,543	8,021,651
Cumulative payments to date	迄今累計付款	(637,742)	(935,642)	(1,384,669)	(2,188,353)	(1,477,123)	(6,623,529)
Liabilities recognized in the statement of financial position	確認於財務狀況表的負債						
Liabilities in respect of accident years 2004 and earlier	於二零零四年意外年度及以前的負債	18,871	18,347	59,713	238,771	1,062,420	1,398,122
							86,410
Total liabilities included in the statement of financial position	確認於財務狀況表的總負債						1,484,532

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

2 保險、財務及資本風險管理 (續)

(i) Claims development (Continued)

Analysis of claims development – net of reinsurance for TPI (Continued)

For the year ended 31 December 2008 (Restated)

(i) 賠款發展 (續)

賠款發展分析 — 太平財險之減去再保險淨額 (續)

截至二零零八年十二月三十一日止年度 (重列)

		Accident year 意外年度					Total 總額
		2004 二零零四年	2005 二零零五年	2006 二零零六年	2007 二零零七年	2008 二零零八年	
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Estimate of cumulative claims	估計累計賠款						
At the end of accident year	於意外年度年結時	354,435	704,159	921,899	1,520,294	2,381,620	
One year later	一年後	345,127	667,407	942,630	1,434,394	—	
Two years later	兩年後	333,722	629,316	959,771	—	—	
Three years later	三年後	333,616	662,356	—	—	—	
Four years later	四年後	331,471	—	—	—	—	
Estimate of cumulative claims	估計累計賠款	331,471	662,356	959,771	1,434,394	2,381,620	5,769,612
Cumulative payments to date	迄今累計付款	(326,342)	(636,343)	(913,502)	(1,288,542)	(1,469,112)	(4,633,841)
Liabilities recognized in the statement of financial position	確認於財務狀況表的負債	5,129	26,013	46,269	145,852	912,508	1,135,771
Liabilities in respect of accident years 2003 and earlier	於二零零三年意外年度及以前的負債						11,870
Total liabilities included in the statement of financial position	確認於財務狀況表的總負債						1,147,641

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

2 保險、財務及資本風險管理 (續)

(i) Claims development (Continued)

(i) 賠款發展 (續)

Analysis of claims development — gross of reinsurance for CTPI (HK)

賠款發展分析 — 中國太平香港之未扣除再保險毛額

For the year ended 31 December 2009

截至二零零九年十二月三十一日止年度

		Accident year 意外年度					Total 總額
		2005 二零零五年	2006 二零零六年	2007 二零零七年	2008 二零零八年	2009 二零零九年	\$'000 千元
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Estimate of cumulative claims	估計累計賠款						
At the end of accident year	於意外年度年結時	637,473	971,487	623,315	978,265	582,129	
One year later	一年後	546,436	829,655	552,175	635,594	—	
Two years later	兩年後	541,016	750,047	507,245	—	—	
Three years later	三年後	406,734	765,796	—	—	—	
Four years later	四年後	501,964	—	—	—	—	
Estimate of cumulative claims	估計累計賠款	501,964	765,796	507,245	635,594	582,129	2,992,728
Cumulative payments to date	迄今累計付款	(413,542)	(608,842)	(231,824)	(248,667)	(99,058)	(1,601,933)
Liabilities recognized in the statement of financial position	確認於財務狀況表的負債	88,422	156,954	275,421	386,927	483,071	1,390,795
Liabilities in respect of accident years 2004 and earlier	於二零零四年意外年度及以前的負債						415,265
Total liabilities included in the statement of financial position	確認於財務狀況表的總負債						1,806,060

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

2 保險、財務及資本風險管理 (續)

(i) Claims development (Continued)

(i) 賠款發展 (續)

Analysis of claims development — gross of reinsurance for CTPI (HK) (Continued)

賠款發展分析 — 中國太平香港之未扣除再保險毛額

For the year ended 31 December 2008

截至二零零八年十二月三十一日止年度

		Accident year 意外年度					Total 總額
		2004 二零零四年	2005 二零零五年	2006 二零零六年	2007 二零零七年	2008 二零零八年	\$'000 千元
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Estimate of cumulative claims	估計累計賠款						
At the end of accident year	於意外年度年結時	648,774	637,473	971,487	623,315	978,265	
One year later	一年後	625,986	546,436	829,655	552,175	—	
Two years later	兩年後	583,178	541,016	750,047	—	—	
Three years later	三年後	541,659	406,734	—	—	—	
Four years later	四年後	436,691	—	—	—	—	
Estimate of cumulative claims	估計累計賠款	436,691	406,734	750,047	552,175	978,265	3,123,912
Cumulative payments to date	迄今累計付款	(439,795)	(344,705)	(525,799)	(146,165)	(134,629)	(1,591,093)
Liabilities recognized in the statement of financial position	確認於財務狀況表的負債						
Liabilities in respect of accident years 2003 and earlier	於二零零三年意外年度及以前的負債	(3,104)	62,029	224,248	406,010	843,636	1,532,819
							420,506
Total liabilities included in the statement of financial position	確認於財務狀況表的總負債						1,953,325

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

2 保險、財務及資本風險管理 (續)

(i) Claims development (Continued)

(i) 賠款發展 (續)

Analysis of claims development – net of reinsurance for CTPI (HK)

賠款發展分析 — 中國太平香港之減去再保險淨額

For the year ended 31 December 2009

截至二零零九年十二月三十一日止年度

		Accident year 意外年度					Total 總額
		2005 二零零五年	2006 二零零六年	2007 二零零七年	2008 二零零八年	2009 二零零九年	\$'000 千元
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Estimate of cumulative claims	估計累計賠款						
At the end of accident year	於意外年度年結時	411,913	368,342	391,379	654,304	408,665	
One year later	一年後	367,921	328,346	340,374	387,612	—	
Two years later	兩年後	366,643	267,547	345,727	—	—	
Three years later	三年後	281,153	279,066	—	—	—	
Four years later	四年後	340,895	—	—	—	—	
Estimate of cumulative claims	估計累計賠款	340,895	279,066	345,727	387,612	408,665	1,761,965
Cumulative payments to date	迄今累計付款	(283,504)	(184,708)	(166,813)	(114,905)	(64,229)	(814,159)
Liabilities recognized in the statement of financial position	確認於財務狀況表的負債	57,391	94,358	178,914	272,707	344,436	947,806
Liabilities in respect of accident years 2004 and earlier	於二零零四年意外年度及以前的負債						97,575
Total liabilities included in the statement of financial position	確認於財務狀況表的總負債						1,045,381

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

2 保險、財務及資本風險管理 (續)

(i) Claims development (Continued)

(i) 賠款發展 (續)

Analysis of claims development – net of reinsurance for CTPI (HK) (Continued)

賠款發展分析 — 中國太平香港之減去再保險淨額 (續)

For the year ended 31 December 2008

截至二零零八年十二月三十一日止年度

		Accident year 意外年度					Total 總額
		2004 二零零四年	2005 二零零五年	2006 二零零六年	2007 二零零七年	2008 二零零八年	\$'000 千元
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Estimate of cumulative claims	估計累計賠款						
At the end of accident year	於意外年度年結時	410,004	411,913	368,342	391,379	654,304	
One year later	一年後	396,784	367,921	328,346	340,374	—	
Two years later	兩年後	355,235	366,643	267,547	—	—	
Three years later	三年後	332,777	281,153	—	—	—	
Four years later	四年後	272,398	—	—	—	—	
Estimate of cumulative claims	估計累計賠款	272,398	281,153	267,547	340,374	654,304	1,815,776
Cumulative payments to date	迄今累計付款	(268,216)	(234,255)	(145,667)	(99,293)	(63,336)	(810,767)
Liabilities recognized in the statement of financial position	確認於財務狀況表的負債						
Liabilities in respect of accident years 2003 and earlier	於二零零三年意外年度及以前的負債	4,182	46,898	121,880	241,081	590,968	1,005,009
							114,139
Total liabilities included in the statement of financial position	確認於財務狀況表的總負債						1,119,148

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

2 保險、財務及資本風險管理 (續)

(i) Claims development (Continued)

(i) 賠款發展 (續)

Analysis of claims development – gross of reinsurance for MAC

賠款發展分析 — 民安中國之未扣除再保險毛額

For the year ended 31 December 2009

截至二零零九年十二月三十一日止年度

		Accident year 意外年度					Total 總額
		2005 二零零五年	2006 二零零六年	2007 二零零七年	2008 二零零八年	2009 二零零九年	\$'000 千元
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Estimate of cumulative claims	估計累計賠款						
At the end of accident year	於意外年度年結時	129,377	146,355	234,925	603,835	699,447	
One year later	一年後	106,471	139,091	212,543	597,275	—	
Two years later	兩年後	110,816	129,020	201,263	—	—	
Three years later	三年後	110,263	127,647	—	—	—	
Four years later	四年後	110,662	—	—	—	—	
Estimate of cumulative claims	估計累計賠款	110,662	127,647	201,263	597,275	699,447	1,736,294
Cumulative payments to date	迄今累計付款	(107,568)	(126,151)	(162,246)	(535,749)	(364,223)	(1,295,937)
Liabilities recognized in the statement of financial position	確認於財務狀況表的負債	3,094	1,496	39,017	61,526	335,224	440,357
Liabilities in respect of accident years 2004 and earlier	於二零零四年意外年度及以前的負債						2,345
Total liabilities included in the statement of financial position	確認於財務狀況表的總負債						442,702

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

2 保險、財務及資本風險管理 (續)

(i) Claims development (Continued)

(i) 賠款發展 (續)

Analysis of claims development — gross of reinsurance for MAC (Continued)

賠款發展分析 — 民安中國之未扣除再保險毛額 (續)

For the year ended 31 December 2008

截至二零零八年十二月三十一日止年度

		Accident year 意外年度					Total 總額
		2004 二零零四年	2005 二零零五年	2006 二零零六年	2007 二零零七年	2008 二零零八年	\$'000 千元
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Estimate of cumulative claims	估計累計賠款						
At the end of accident year	於意外年度年結時	121,895	129,377	146,355	234,925	603,835	
One year later	一年後	105,781	106,471	139,091	212,543	—	
Two years later	兩年後	101,888	110,816	129,020	—	—	
Three years later	三年後	99,324	110,263	—	—	—	
Four years later	四年後	98,408	—	—	—	—	
Estimate of cumulative claims	估計累計賠款	98,408	110,263	129,020	212,543	603,835	1,154,069
Cumulative payments to date	迄今累計付款	(96,771)	(104,883)	(124,865)	(154,018)	(323,254)	(803,791)
Liabilities recognized in the statement of financial position	確認於財務狀況表的負債						
Liabilities in respect of accident years 2003 and earlier	於二零零三年意外年度及以前的負債	1,637	5,380	4,155	58,525	280,581	350,278
							1,157
Total liabilities included in the statement of financial position	確認於財務狀況表的總負債						351,435

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

2 保險、財務及資本風險管理 (續)

(i) Claims development (Continued)

(i) 賠款發展 (續)

Analysis of claims development – net of reinsurance for MAC

賠款發展分析 — 民安中國之減去再保險淨額

For the year ended 31 December 2009

截至二零零九年十二月三十一日止年度

		Accident year 意外年度					Total 總額
		2005 二零零五年	2006 二零零六年	2007 二零零七年	2008 二零零八年	2009 二零零九年	\$'000 千元
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Estimate of cumulative claims	估計累計賠款						
At the end of accident year	於意外年度年結時	56,149	63,208	144,143	380,205	613,983	
One year later	一年後	45,906	56,983	134,125	420,951	—	
Two years later	兩年後	42,215	52,425	117,942	—	—	
Three years later	三年後	41,927	51,079	—	—	—	
Four years later	四年後	40,605	—	—	—	—	
Estimate of cumulative claims	估計累計賠款	40,605	51,079	117,942	420,951	613,983	1,244,560
Cumulative payments to date	迄今累計付款	(38,923)	(48,637)	(105,660)	(374,958)	(348,978)	(917,156)
Liabilities recognized in the statement of financial position	確認於財務狀況表的負債	1,682	2,442	12,282	45,993	265,005	327,404
Liabilities in respect of accident years 2004 and earlier	於二零零四年意外年度及以前的負債						1,231
Total liabilities included in the statement of financial position	確認於財務狀況表的總負債						328,635

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

2 保險、財務及資本風險管理 (續)

(i) Claims development (Continued)

Analysis of claims development – net of reinsurance for MAC (Continued)

For the year ended 31 December 2008

(i) 賠款發展 (續)

賠款發展分析 — 民安中國之減去再保險淨額 (續)

截至二零零八年十二月三十一日止年度

		Accident year 意外年度					Total 總額
		2004 二零零四年	2005 二零零五年	2006 二零零六年	2007 二零零七年	2008 二零零八年	\$'000 千元
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Estimate of cumulative claims	估計累計賠款						
At the end of accident year	於意外年度年結時	37,741	56,149	63,208	144,143	380,205	
One year later	一年後	33,374	45,906	56,983	134,125	—	
Two years later	兩年後	31,944	42,215	52,425	—	—	
Three years later	三年後	30,386	41,927	—	—	—	
Four years later	四年後	29,046	—	—	—	—	
Estimate of cumulative claims	估計累計賠款	29,046	41,927	52,425	134,125	380,205	637,728
Cumulative payments to date	迄今累計付款	(27,985)	(38,288)	(48,479)	(104,103)	(230,972)	(449,827)
Liabilities recognized in the statement of financial position	確認於財務狀況表的負債	1,061	3,639	3,946	30,022	149,233	187,901
Liabilities in respect of accident years 2003 and earlier	於二零零三年意外年度及以前的負債						551
Total liabilities included in the statement of financial position	確認於財務狀況表的總負債						188,452

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

3 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 organizes its businesses based on four operating segments as follows:

- Reinsurance business;
- Life insurance business;
- Property and casualty insurance business; and
- Other businesses which comprised the asset management business, insurance intermediary business and pension business.

3 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，就決定有關集團不同部門在資源分配及評估表現時所定期審閱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，採用風險及回報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，本集團之主要報告方式為業務分類而按資產所在地之地區分類則為次要之報告方式。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；及
- 其他業務，包括資產管理業務、保險中介業務及養老保險業務。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

3 OPERATING SEGMENTS (Continued)

3 營運分部 (續)

a. Segmental income statement for 2009

a. 2009分類損益表

		Year ended 31 December 2009 截至二零零九年十二月三十一日止年度				
		Reinsurance	Life	Property and	Other	Total
		再保險	人壽保險	財產保險	其他業務	總額
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元
Revenue	收入					
Gross premiums written	毛承保保費	1,774,954	21,636,231	7,333,753	—	30,744,938
Policy fees	保單費收入	—	277,783	—	—	277,783
		1,774,954	21,914,014	7,333,753	—	31,022,721
Less: Premiums ceded to reinsurers and retrocessionaires	減：保費之再保份額及轉分份額	(266,195)	(206,509)	(1,214,842)	—	(1,687,546)
Net premiums written and policy fees	淨承保保費及保單費收入	1,508,759	21,707,505	6,118,911	—	29,335,175
Change in unearned premium provisions, net of reinsurance	未到期責任準備金變化，減再保險	60,216	(45,294)	(222,086)	—	(207,164)
Net earned premiums and policy fees	已賺取保費及保單費收入淨額	1,568,975	21,662,211	5,896,825	—	29,128,011
Net investment income (note (i))	投資收入淨額 (註(i))	179,308	2,576,910	345,991	49,521	3,151,730
Net realized investment losses (note (ii))	已實現投資虧損淨額 (註(ii))	96,006	928,242	210,028	80,347	1,314,623
Net unrealized investment losses and impairment (note (iii))	未實現投資虧損及減值淨額 (註(iii))	32,594	(22,253)	7,390	(1,223)	16,508
Net exchange gain/(loss)	匯兌收益/(虧損)淨額	9,911	(1,591)	(2,261)	1,812	7,871
Other income/(loss)	其他收入/(虧損)	16,653	82,146	(68,026)	268,630	299,403
Inter-segment transactions	分類之間交易	—	(33,403)	(2,844)	(141,577)	(177,824)
Segment revenue	分部收入	1,903,447	25,192,262	6,387,103	257,510	33,740,322
Benefits, losses and expenses	給付、賠款及費用					
Net policyholders' benefits	保單持有人利益淨額	(1,024,383)	(4,926,991)	(3,474,376)	—	(9,425,750)
Net commission expenses	佣金支出淨額	(333,069)	(2,706,776)	(517,852)	—	(3,557,697)
Administrative and other expenses	行政及其他費用	(140,662)	(3,829,548)	(2,455,286)	(481,216)	(6,906,712)
Change in life insurance contract liabilities, net of reinsurance	壽險合約負債變化，減再保險	—	(12,252,385)	—	—	(12,252,385)
Inter-segment transactions	分類之間交易	18,066	115,224	33,859	10,675	177,824
		(1,480,048)	(23,600,476)	(6,413,655)	(470,541)	(31,964,720)
Profit/(loss) from operations	經營溢利/(虧損)	423,399	1,591,786	(26,552)	(213,031)	1,775,602
Share of losses of associates	應佔聯營公司虧損	—	1,132	(104)	21,716	22,744
Finance costs	財務費用	—	(188,039)	(50,212)	(79,699)	(317,950)
Profit/(loss) before taxation	除稅前溢利/(虧損)	423,399	1,404,879	(76,868)	(271,014)	1,480,396
Income tax charge	稅項支出	(19,248)	(247,425)	(11,875)	(14,212)	(292,760)
Profit/(loss) after taxation	除稅後溢利/(虧損)	404,151	1,157,454	(88,743)	(285,226)	1,187,636
Minority interests	少數股東權益	—	(578,149)	73,220	143,030	(361,899)
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)	404,151	579,305	(15,523)	(142,196)	825,737

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 Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

3 OPERATING SEGMENTS (Continued)

3 營運分部 (續)

a. Segmental income statement for 2009 (Continued)

a. 2009分類損益表 (續)

		Year ended 31 December 2009 截至二零零九年十二月三十一日止年度				
		Property and			Other	Total
		Reinsurance	Life	casualty	businesses	
		insurance	insurance	insurance		
		再保險	人壽保險	財產保險	其他業務	總額
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元
Note (i): Net investment income	註(i): 投資收入淨額					
Interest income from debt securities	債務證券利息收入					
– Held-to-maturity	– 持有至到期日	97,783	1,016,749	71,242	827	1,186,601
– Available-for-sale	– 可供出售	41,182	929,846	125,684	30,144	1,126,856
– Held for trading	– 持有作交易用途	13,180	150	4,119	3,551	21,000
– Loans and receivables	– 貸款及應收款項	–	123,583	8,347	–	131,930
Dividend income from direct equity securities	直接股本證券股息收入					
– Available-for-sale	– 可供出售	6,570	50,396	5,595	3,556	66,117
– Held for trading	– 持有作交易用途	1,572	1,426	507	387	3,892
Dividend income from investment funds	投資基金股息收入					
– Available-for-sale	– 可供出售	929	167,784	33,814	–	202,527
– Held for trading	– 持有作交易用途	2,717	449	292	88	3,546
Bank deposits and other interest income	銀行存款及其他利息收入	13,427	393,336	52,924	10,968	470,655
Rentals receivable from investment properties	應收投資物業租金	1,948	–	46,795	–	48,743
Interest expenses on securities sold under repurchase agreements	賣出回購證券利息費用	–	(106,809)	(3,328)	–	(110,137)
		179,308	2,576,910	345,991	49,521	3,151,730
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					
– Held-to-maturity	– 持有至到期日	3,435	–	16,826	–	20,261
– Available-for-sale	– 可供出售	–	(309,943)	54,696	65,330	(189,917)
– Held for trading	– 持有作交易用途	8,224	7,004	7,288	(741)	21,775
Direct equity securities	直接股本證券					
– Available-for-sale	– 可供出售	85,399	867,038	67,246	(2,718)	1,016,965
– Held for trading	– 持有作交易用途	(1,052)	(6,100)	8,775	4,318	5,941
Investment funds	投資基金					
– Available-for-sale	– 可供出售	–	249,208	55,197	–	304,405
– Held for trading	– 持有作交易用途	–	121,035	–	14,158	135,193
		96,006	928,242	210,028	80,347	1,314,623

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

3 OPERATING SEGMENTS (Continued)

3 營運分部 (續)

a. Segmental income statement for 2009 (Continued)

a. 2009分類損益表 (續)

		Year ended 31 December 2009 截至二零零九年十二月三十一日止年度				
		Property and				
		Reinsurance	Life insurance	casualty insurance	Other businesses	Total
		再保險	人壽保險	財產保險	其他業務	總額
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元
Note (iii): Net unrealized investment 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					
– Held-to-maturity	– 持有至到期日	(7,080)	–	–	–	(7,080)
– Held for trading	– 持有作交易用途	13,726	–	–	(3,116)	10,610
Direct equity securities	直接股本證券					
– Held for trading	– 持有作交易用途	–	(22,253)	–	1,754	(20,499)
Investment funds	投資基金					
– Held for trading	– 持有作交易用途	4,538	–	–	139	4,677
Deficit on revaluation of investment properties	投資物業重估虧絀	21,410	–	7,390	–	28,800
Impairment on available-for-sale equities	可供出售股本投資減值	–	–	–	–	–
		32,594	(22,253)	7,390	(1,223)	16,508

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

3 OPERATING SEGMENTS (Continued)

3 營運分部 (續)

b. Segmental statement of financial position for 2009

b. 2009分類財務狀況表

		31 December 2009 二零零九年十二月三十一日				
		Property and				
		Reinsurance	Life	casualty	Other	Total
		再保險	人壽保險	財產保險	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	567,870	577,198	181,719	1,350,037
Property and equipment	物業及設備	54,007	2,148,364	691,628	42,443	2,936,442
Investment properties	投資物業	98,130	—	1,095,100	—	1,193,230
Prepaid lease payments	預付租賃付款	—	481,559	199,880	—	681,439
Interest in leasehold land held for own use under operating leases	以經營租賃租入持作自用之租賃土地權益	—	—	253,079	—	253,079
Debt securities (note (i))	債務證券 (註(i))	2,852,023	52,282,773	4,344,335	461,076	59,940,207
Direct equity securities (note (ii))	直接股本證券 (註(ii))	302,407	7,614,251	442,817	74,079	8,433,554
Investment funds (note (iii))	投資基金 (註(iii))	77,162	5,162,437	463,793	12,742	5,716,134
Cash and bank deposits	現金及銀行存款	1,597,343	13,905,867	3,133,748	487,765	19,124,723
Goodwill	商譽	—	154,909	148,738	—	303,647
Intangible asset	無形資產	—	—	261,048	—	261,048
Interest in associates	於聯營公司的權益	—	5,667	—	95,482	101,149
Reinsurers' share of insurance contract provisions	分保公司應佔保險合約準備	328,633	148,378	1,610,651	—	2,087,662
Policyholder account assets in respect of unit-linked products	有關投資連結產品之保單持有人賬戶資產	—	5,078,319	—	—	5,078,319
Other segment assets	其他分類資產	523,857	2,600,767	847,723	98,014	4,070,361
Segment assets	分部資產	5,856,812	90,151,161	14,069,738	1,453,320	111,531,031
Life insurance contract liabilities	壽險合約負債	—	31,089,308	—	—	31,089,308
Unearned premium provisions	未到期責任準備金	547,881	369,190	2,901,735	—	3,818,806
Provision for outstanding claims	未決賠款準備	2,655,675	202,013	4,125,068	—	6,982,756
Investment contract liabilities	投資合約負債	—	36,381,937	—	—	36,381,937
Interest-bearing notes	需付息票據	—	3,577,581	795,018	1,352,511	5,725,110
Securities sold under repurchase agreements	賣出回購證券	—	6,606,088	—	—	6,606,088
Deferred tax liabilities	遞延稅項負債	5,481	1,310,500	98,930	466	1,415,377
Other segment liabilities	其他分類負債	262,021	1,917,313	1,740,480	254,006	4,173,820
Segment liabilities	分部負債	3,471,058	81,453,930	9,661,231	1,606,983	96,193,202
Minority interests	少數股東權益	—	—	—	—	(5,041,118)
Net assets attributable to the owners of the Company	本公司股東應佔資產淨值	—	—	—	—	10,296,711

Segment assets and segment liabilities represent the assets/liabilities recorded by each segment which is the measure reported to the Board for the purpose of resource allocation and assessment of segment performance.

分部資產及分部負債指各分部資產／負債，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 Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

3 OPERATING SEGMENTS (Continued)

3 營運分部 (續)

b. Segmental statement of financial position for 2009 (Continued)

b. 2009分類財務狀況表 (續)

		31 December 2009 二零零九年十二月三十一日				
		Property and casualty insurance				Total
		Reinsurance	Life insurance	casualty insurance	Other businesses	
		再保險	人壽保險	財產保險	其他業務	總額
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元
Note (i): Debt securities	註(i): 債務證券					
By category:	按種類:					
– Held-to-maturity	– 持有至到期日	2,000,863	35,961,153	1,357,561	13,519	39,333,096
– Available-for-sale	– 可供出售	706,565	14,254,573	2,850,485	299,994	18,111,617
– Held for trading	– 持有作交易用途	144,595	–	–	141,884	286,479
– Loans and receivables	– 貸款及應收款項	–	2,067,047	136,289	5,679	2,209,015
		2,852,023	52,282,773	4,344,335	461,076	59,940,207
By class:	按類別:					
– Central governments and central banks	– 中央政府及中央銀行	234,927	18,706,589	1,566,814	68,465	20,576,795
– Public sector entities	– 公共機構	50,765	–	–	–	50,765
– Banks and other financial institutions	– 銀行及其他金融機構	1,377,768	10,816,685	1,484,802	320,000	13,999,255
– Corporate entities	– 企業實體	1,188,563	22,759,499	1,254,316	72,611	25,274,989
– Others	– 其他	–	–	38,403	–	38,403
		2,852,023	52,282,773	4,344,335	461,076	59,940,207
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	302,407	7,522,908	442,817	52,113	8,320,245
– Held for trading	– 持有作交易用途	–	91,343	–	21,966	113,309
		302,407	7,614,251	442,817	74,079	8,433,554
By class:	按類別:					
– Public sector entities	– 公共機構	9,626	–	156,649	–	166,275
– Banks and other financial institutions	– 銀行及其他金融機構	89,517	–	41,002	13,976	144,495
– Corporate entities	– 企業實體	203,264	7,614,251	245,166	60,103	8,122,784
		302,407	7,614,251	442,817	74,079	8,433,554

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

3 OPERATING SEGMENTS (Continued)

3 營運分部 (續)

b. Segmental statement of financial position for 2009 (Continued)

b. 2009分類財務狀況表 (續)

		31 December 2009 二零零九年十二月三十一日				
		Property and casualty insurance				Total
		Reinsurance	Life insurance	casualty insurance	Other businesses	
		再保險	人壽保險	財產保險	其他業務	總額
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元
Note (iii): Investment funds	註(iii): 投資基金					
By category:	按種類:					
– Available-for-sale	– 可供出售	43,764	5,162,437	463,793	–	5,669,994
– Held for trading	– 持有作交易用途	33,398	–	–	12,742	46,140
		77,162	5,162,437	463,793	12,742	5,716,134
By class:	按類別:					
– Banks and other financial institutions	– 銀行及其他金融機構	–	–	–	3,636	3,636
– Corporate entities	– 企業實體	77,162	5,162,437	336,554	9,106	5,585,259
– Others	– 其他	–	–	127,239	–	127,239
		77,162	5,162,437	463,793	12,742	5,716,134

c. Other segmental information for 2009

c. 2009其他分類資料

		31 December 2009 二零零九年十二月三十一日				
		Property and casualty insurance				Total
		Reinsurance	Life insurance	casualty insurance	Other businesses	
		再保險	人壽保險	財產保險	其他業務	總額
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元
Capital expenditure	資本開支	2,310	273,881	125,126	18,610	419,927
Depreciation and amortization	折舊及攤銷	1,625	158,982	83,172	16,286	260,065
Significant non-cash (income)/ expenses (other than depreciation and amortization)	重大非現金(收入)/支出(不包括折舊及攤銷)	42,505	(23,844)	5,129	588	24,378

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

3 OPERATING SEGMENTS (Continued)

3 營運分部 (續)

d. Segmental income statement for 2008

d. 2008分類損益表

Year ended 31 December 2008 (Restated)
截至二零零八年十二月三十一日止年度(重列)

		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	1,838,999	8,830,294	3,915,667	—	14,584,960
Policy fees	保單費收入	—	647,372	—	—	647,372
		1,838,999	9,477,666	3,915,667	—	15,232,332
Less: Premiums ceded to reinsurers and retrocessionaires	減：保費之再保份額及 轉分份額	(270,337)	(110,221)	(858,316)	—	(1,238,874)
Net premiums written and policy fees	淨承保保費及保單費收入	1,568,662	9,367,445	3,057,351	—	13,993,458
Change in unearned premium provisions, net of reinsurance	未到期責任準備金變化， 減再保險	(33,760)	(43,413)	(193,014)	—	(270,187)
Net earned premiums and policy fees	已賺取保費 及保單費收入淨額	1,534,902	9,324,032	2,864,337	—	13,723,271
Net investment income (note (i))	投資收入淨額(註(i))	178,668	2,286,074	302,700	98,168	2,865,610
Net realized investment (losses)/gains (note (iii))	已實現投資(虧損)/收益 淨額(註(iii))	(96,962)	483,541	(211,363)	(99,266)	75,950
Net unrealized investment losses and impairment (note (iii))	未實現投資虧損 及減值淨額(註(iii))	(179,606)	(92,568)	(62,012)	(198,661)	(532,847)
Net exchange gain/(loss)	匯兌收益/(虧損)淨額	(38,094)	(81,657)	(63,038)	2,147	(180,642)
Other income	其他收入	29,807	16,873	31,840	167,423	245,943
Inter-segment transactions	分類之間交易	(30,000)	(8,663)	(2,949)	(91,178)	(132,790)
Segment revenue/(expenses)	分部收入/(支出)	1,398,715	11,927,632	2,859,515	(121,367)	16,064,495
Benefits, losses and expenses	給付、賠款及費用					
Net policyholders' benefits	保單持有人利益淨額	(887,761)	(3,609,905)	(1,831,060)	—	(6,328,726)
Net commission expenses	佣金支出淨額	(396,008)	(2,026,973)	(423,837)	—	(2,846,818)
Administrative and other expenses	行政及其他費用	(65,150)	(2,671,612)	(1,345,781)	(435,234)	(4,517,777)
Change in life insurance contract liabilities, net of reinsurance	壽險合約負債變化， 減再保險	—	(2,708,079)	—	—	(2,708,079)
Goodwill impairment	商譽減值	—	—	—	(73,276)	(73,276)
Inter-segment transactions	分類之間交易	9,789	103,704	7,685	11,612	132,790
		(1,339,130)	(10,912,865)	(3,592,993)	(496,898)	(16,341,886)
Profit/(loss) from operations	經營溢利/(虧損)	59,585	1,014,767	(733,478)	(618,265)	(277,391)
Share of gains/(losses) of associates	應佔聯營公司 溢利/(虧損)	—	—	506	(134,592)	(134,086)
Finance costs	財務費用	—	(98,176)	(5,034)	(80,173)	(183,383)
Profit/(loss) before taxation	除稅前溢利/(虧損)	59,585	916,591	(738,006)	(833,030)	(594,860)
Income tax (charge)/credit	稅項(支出)/抵免	(7,739)	55,741	(16,127)	610	32,485
Profit/(loss) after taxation	除稅後溢利/(虧損)	51,846	972,332	(754,133)	(832,420)	(562,375)
Minority interests	少數股東權益	—	(485,650)	380,064	181,869	76,283
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)	51,846	486,682	(374,069)	(650,551)	(486,092)

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 Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

3 OPERATING SEGMENTS (Continued)

3 營運分部 (續)

d. Segmental income statement for 2008 (Continued)

d. 2008分類損益表 (續)

Year ended 31 December 2008 (Restated)
截至二零零八年十二月三十一日止年度 (重列)

		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	76,213	421,655	46,137	793	544,798
— Available-for-sale	— 可供出售	35,885	1,103,068	65,778	27,349	1,232,080
— Held for trading	— 持有作交易用途	9,261	28	14,238	2,181	25,708
— Loans and receivables	— 貸款及應收款項	—	42,523	2,166	—	44,689
Dividend income from direct equity securities	直接股本證券股息收入					
— Available-for-sale	— 可供出售	12,641	23,509	12,341	5,375	53,866
— Held for trading	— 持有作交易用途	1,600	—	346	458	2,404
Dividend income from investment funds	投資基金股息收入					
— Available-for-sale	— 可供出售	186	339,746	32,510	—	372,442
— Held for trading	— 持有作交易用途	2,943	119,290	16	37,012	159,261
Bank deposits and other interest income	銀行存款及其他利息收入	37,130	315,538	86,020	25,229	463,917
Rentals receivable from investment properties	應收投資物業租金	2,809	—	44,437	—	47,246
Interest expenses on securities sold under repurchase agreements	賣出回購證券利息費用	—	(79,283)	(1,289)	(229)	(80,801)
		178,668	2,286,074	302,700	98,168	2,865,610
Note (ii): Net realized investment (losses)/gains	註(ii): 已實現投資 (虧損)/收益淨額					
Debt securities	債務證券					
— Available-for-sale	— 可供出售	—	(29,077)	13,528	(2,119)	(17,668)
— Held for trading	— 持有作交易用途	(1,281)	258,326	119	8,916	266,080
Direct equity securities	直接股本證券					
— Available-for-sale	— 可供出售	(95,306)	815,687	(136,536)	(85,517)	498,328
— Held for trading	— 持有作交易用途	(375)	(60,136)	700	(5,670)	(65,481)
Investment funds	投資基金					
— Available-for-sale	— 可供出售	—	(358,958)	(89,174)	—	(448,132)
— Held for trading	— 持有作交易用途	—	(142,301)	—	(14,876)	(157,177)
		(96,962)	483,541	(211,363)	(99,266)	75,950

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

3 OPERATING SEGMENTS (Continued)

3 營運分部 (續)

d. Segmental income statement for 2008 (Continued)

d. 2008分類損益表 (續)

Year ended 31 December 2008 (Restated)
截至二零零八年十二月三十一日止年度 (重列)

	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 (losses)/gains and impairment	註(iii) : 未實現投資(虧損)/收益及減值淨額					
Debt securities		債務證券				
– Held for trading	(36,235)	– 持有作交易用途	(1,088)	(20,833)	2,315	(55,841)
Direct equity securities		直接股本證券				
– Held for trading	(25,351)	– 持有作交易用途	–	(10,245)	(8,147)	(43,743)
Investment funds		投資基金				
– Held for trading	(10,366)	– 持有作交易用途	2,638	–	(83,314)	(91,042)
Deficit on revaluation of investment properties	(1,841)	投資物業重估虧絀	–	93,760	–	91,919
Impairment on available-for-sale equities	(105,813)	可供出售股本投資減值	(94,118)	(124,694)	(109,515)	(434,140)
	(179,606)		(92,568)	(62,012)	(198,661)	(532,847)

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

3 OPERATING SEGMENTS (Continued)

3 營運分部 (續)

e. Segmental statement of financial position for 2008

e. 2008分類財務狀況表

31 December 2008 (Restated)
二零零八年十二月三十一日 (重列)

		Reinsurance	Life	Property and	Other	Total
		再保險	人壽保險	財產保險	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	20,150	566,965	515,090	113,393	1,215,598
Property and equipment	物業及設備	4,286	2,028,441	716,488	89,460	2,838,675
Investment properties	投資物業	76,719	—	1,087,711	—	1,164,430
Prepaid lease payments	預付租賃付款	—	482,653	197,695	—	680,348
Interest in leasehold land held for own use under operating leases	以經營租賃租入持作自用之租賃土地權益	—	—	250,459	—	250,459
Debt securities (note (i))	債務證券 (註(i))	1,904,911	44,945,953	4,257,350	479,773	51,587,987
Direct equity securities (note (ii))	直接股本證券 (註(ii))	231,800	1,034,857	143,662	197,281	1,607,600
Investment funds (note (iii))	投資基金 (註(iii))	67,041	2,418,233	574,290	23,375	3,082,939
Cash and bank deposits	現金及銀行存款	1,766,301	9,374,291	2,682,454	917,864	14,740,910
Goodwill	商譽	—	154,909	148,738	—	303,647
Intangible asset	無形資產	—	—	261,408	—	261,408
Interest in associates	於聯營公司的權益	—	4,526	4,181	129,856	138,563
Reinsurers' share of insurance contract provisions	分保公司應佔保險合約準備	413,078	69,940	1,823,329	—	2,306,347
Policyholder account assets in respect of unit-linked products	有關投資連結產品之保單持有人賬戶資產	—	4,269,892	—	—	4,269,892
Other segment assets	其他分類資產	553,939	2,070,327	909,921	34,065	3,568,252
Segment assets	分部資產	5,038,225	67,420,987	13,572,776	1,985,067	88,017,055
Life insurance contract liabilities	壽險合約負債	—	18,785,337	—	—	18,785,337
Unearned premium provisions	未到期責任準備金	613,329	299,939	2,701,425	—	3,614,693
Provision for outstanding claims	未決賠款準備	2,548,443	255,990	3,906,739	—	6,711,172
Investment contract liabilities	投資合約負債	—	32,951,052	—	—	32,951,052
Interest-bearing notes	需付息票據	—	3,231,701	793,751	1,350,576	5,376,028
Securities sold under repurchase agreements	賣出回購證券	—	4,206,880	110,218	—	4,317,098
Deferred tax liabilities	遞延稅項負債	403	976,298	80,600	30	1,057,331
Other segment liabilities	其他分類負債	165,977	1,197,431	1,470,749	219,663	3,053,820
Segment liabilities	分部負債	3,328,152	61,904,628	9,063,482	1,570,269	75,866,531
Minority interests	少數股東權益					(5,123,225)
Net assets attributable to the owners of the Company	本公司股東應佔資產淨值					7,027,299

Segment assets and segment liabilities represent the assets/liabilities recorded by each segment which is the measure reported to the Board for the purpose of resource allocation and assessment of segment performance.

分部資產及分部負債指各分部資產／負債，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 Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

3 OPERATING SEGMENTS (Continued)

3 營運分部 (續)

e. Segmental statement of financial position for 2008 (Continued)

e. 2008分類財務狀況表 (續)

		31 December 2008 (Restated) 二零零八年十二月三十一日 (重列)				
		Property and casualty insurance			Other businesses	Total
		Reinsurance	Life insurance	casualty insurance	Other businesses	Total
		再保險	人壽保險	財產保險	其他業務	總額
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元
Note (i): Debt securities	註(i): 債務證券					
By category:	按種類:					
– Held-to-maturity	– 持有至到期日	1,338,632	19,222,471	1,267,496	16,568	21,845,167
– Available-for-sale	– 可供出售	390,078	23,634,693	2,622,815	402,643	27,050,229
– Held for trading	– 持有作交易用途	176,201	25,036	230,968	60,562	492,767
– Loans and receivables	– 貸款及應收款項	–	2,063,753	136,071	–	2,199,824
		1,904,911	44,945,953	4,257,350	479,773	51,587,987
By class:	按類別:					
– Central governments and central banks	– 中央政府及中央銀行	131,344	18,649,542	1,689,251	58,601	20,528,738
– Public sector entities	– 公共機構	50,973	–	–	–	50,973
– Banks and other financial institutions	– 銀行及其他金融機構	1,425,131	8,465,892	1,507,087	327,800	11,725,910
– Corporate entities	– 企業實體	286,468	17,830,519	1,061,012	93,372	19,271,371
– Others	– 其他	10,995	–	–	–	10,995
		1,904,911	44,945,953	4,257,350	479,773	51,587,987
Note (ii): Direct equity securities	註(ii): 直接股本證券					
By category:	按種類:					
– Available-for-sale	– 可供出售	194,664	1,034,857	130,337	190,610	1,550,468
– Held for trading	– 持有作交易用途	37,136	–	13,325	6,671	57,132
		231,800	1,034,857	143,662	197,281	1,607,600
By class:	按類別:					
– Central governments and central banks	– 中央政府及中央銀行	–	–	–	–	–
– Banks and other financial institutions	– 銀行及其他金融機構	140,054	–	19,021	16,678	175,753
– Corporate entities	– 企業實體	87,566	1,034,857	124,149	180,603	1,427,175
– Others	– 其他	4,180	–	492	–	4,672
		231,800	1,034,857	143,662	197,281	1,607,600

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

3 OPERATING SEGMENTS (Continued)

3 營運分部 (續)

e. Segmental statement of financial position for 2008 (Continued)

e. 2008分類財務狀況表 (續)

		31 December 2008 (Restated) 二零零八年十二月三十一日 (重列)				
		Property and casualty insurance			Other businesses	Total
		Reinsurance	Life insurance	casualty insurance	Other businesses	Total
		再保險	人壽保險	財產保險	其他業務	總額
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元
Note (iii): Investment funds	註(iii): 投資基金					
By category:	按種類:					
– Available-for-sale	– 可供出售	38,182	2,360,722	574,290	–	2,973,194
– Held for trading	– 持有作交易用途	28,859	57,511	–	23,375	109,745
		67,041	2,418,233	574,290	23,375	3,082,939
By class:	按類別:					
– Banks and other financial institutions	– 銀行及其他金融機構	–	–	52,146	23,322	75,468
– Corporate entities	– 企業實體	67,041	2,418,233	522,111	53	3,007,438
– Others	– 其他	–	–	33	–	33
		67,041	2,418,233	574,290	23,375	3,082,939

f. Other segmental information for 2008

f. 2008其他分類資料

		31 December 2008 (Restated) 二零零八年十二月三十一日 (重列)				
		Property and casualty insurance			Other businesses	Total
		Reinsurance	Life insurance	casualty insurance	Other businesses	Total
		再保險	人壽保險	財產保險	其他業務	總額
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元
Capital expenditure	資本開支	2,058	1,287,092	267,412	27,137	1,583,699
Depreciation and amortization	折舊及攤銷	833	82,606	54,853	13,887	152,179
Significant non-cash expenses (other than depreciation and amortization)	重大非現金支出 (不包括折舊及攤銷)	217,700	174,225	1,593	196,514	590,032

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

3 OPERATING SEGMENTS (Continued)

3 營運分部 (續)

g. Segmental statement of financial position for 1 January 2008

g. 二零零八年一月一日分類財務狀況表

		1 January 2008 (Restated) 二零零八年一月一日 (重列)				
		Property and				Total
		Reinsurance	Life	casualty	Other	Total
		再保險	人壽保險	財產保險	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	12,475	533,970	111,629	106,794	764,868
Property and equipment	物業及設備	3,106	1,231,432	140,208	78,609	1,453,355
Investment properties	投資物業	78,560	—	1,000,350	—	1,078,910
Prepaid lease payments	預付租賃付款	—	—	227,017	—	227,017
Debt securities (note (i))	債務證券 (註(i))	1,734,132	25,462,020	1,085,799	322,170	28,604,121
Direct equity securities (note (ii))	直接股本證券 (註(ii))	638,930	4,280,119	512,745	259,250	5,691,044
Investment funds (note (iii))	投資基金 (註(iii))	90,841	2,926,155	62,120	170,854	3,249,970
Cash and bank deposits	現金及銀行存款	1,795,332	6,761,024	2,578,478	1,129,517	12,264,351
Goodwill	商譽	—	154,909	—	73,276	228,185
Interest in associates	於聯營公司的權益	—	4,262	4,173	698,131	706,566
Reinsurers' share of insurance contract provisions	分保公司應佔保險合約準備	323,498	53,242	1,231,088	—	1,607,828
Policyholder account assets in respect of unit-linked products	有關投資連結產品之保單持有人賬戶資產	—	4,547,658	—	—	4,547,658
Other segment assets	其他分類資產	587,619	1,344,319	509,233	96,645	2,537,816
Total assets	總資產	5,264,493	47,299,110	7,462,840	2,935,246	62,961,689
Life insurance contract liabilities	壽險合約負債	—	15,207,769	—	—	15,207,769
Unearned premium provisions	未到期責任準備金	566,064	230,383	506,256	—	1,302,703
Provision for outstanding claims	未決賠款準備	2,349,612	144,507	2,377,339	—	4,871,458
Investment contract liabilities	投資合約負債	—	22,298,216	—	—	22,298,216
Interest-bearing notes	需付息票據	—	1,601,910	—	1,358,467	2,960,377
Deferred tax liabilities	遞延稅項負債	2,012	1,264,729	—	1,435	1,268,176
Other segment liabilities	其他分類負債	171,164	1,159,898	636,078	184,781	2,151,921
Total liabilities	總負債	3,088,852	41,907,412	3,519,673	1,544,683	50,060,620
Minority interests	少數股東權益					(4,807,830)
Net assets attributable to the owners of the Company	本公司股東應佔資產淨值					8,093,239

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

3 OPERATING SEGMENTS (Continued)

3 營運分部 (續)

g. Segmental statement of financial position for 1 January 2008 (Continued)

g. 二零零八年一月一日分類財務狀況表 (續)

		1 January 2008 (Restated) 二零零八年一月一日 (重列)				
		Property and				Total
		Reinsurance	Life	casualty	Other	
		再保險	人壽保險	財產保險	其他業務	總額
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元
Note (i): Debt securities	註(i): 債務證券					
By category:	按種類:					
– Held-to-maturity	– 持有至到期日	1,013,616	–	448,064	5,458	1,467,138
– Available-for-sale	– 可供出售	572,333	25,094,065	373,745	281,146	26,321,289
– Held for trading	– 持有作交易用途	148,183	111,649	263,990	35,566	559,388
– Loans and receivables	– 貸款及應收款項	–	256,306	–	–	256,306
		1,734,132	25,462,020	1,085,799	322,170	28,604,121
By class:	按類別:					
– Central governments and central banks	– 中央政府及中央銀行	181,608	13,334,778	109,003	5,458	13,630,847
– Public sector entities	– 公共機構	100,723	–	–	–	100,723
– Banks and other financial institutions	– 銀行及其他金融機構	980,447	2,892,272	569,801	282,760	4,725,280
– Corporate entities	– 企業實體	441,368	9,234,970	406,995	33,952	10,117,285
– Others	– 其他	29,986	–	–	–	29,986
		1,734,132	25,462,020	1,085,799	322,170	28,604,121
Note (ii): Direct equity securities	註(ii): 直接股本證券					
By category:	按種類:					
– Available-for-sale	– 可供出售	569,548	4,168,794	482,437	236,129	5,456,908
– Held for trading	– 持有作交易用途	69,382	111,325	30,308	23,121	234,136
		638,930	4,280,119	512,745	259,250	5,691,044
By class:	按類別:					
– Central governments and central banks	– 中央政府及中央銀行	–	–	1,807	639	2,446
– Public sector entities	– 公共機構	–	–	6,635	5,205	11,840
– Banks and other financial institutions	– 銀行及其他金融機構	288,377	–	130,559	64,368	483,304
– Corporate entities	– 企業實體	350,553	4,280,119	371,098	189,038	5,190,808
– Others	– 其他	–	–	2,646	–	2,646
		638,930	4,280,119	512,745	259,250	5,691,044

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

3 OPERATING SEGMENTS (Continued)

3 營運分部 (續)

g. Segmental statement of financial position for 1 January 2008 (Continued)

g. 二零零八年一月一日分類財務狀況表 (續)

		1 January 2008 (Restated) 二零零八年一月一日 (重列)				
		Property and casualty insurance			Other businesses	Total
		Reinsurance	Life insurance	casualty insurance	businesses	Total
		再保險	人壽保險	財產保險	其他業務	總額
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元
Note (iii): Investment funds	註(iii): 投資基金					
By category:	按種類:					
– Available-for-sale	– 可供出售	51,377	2,220,712	62,120	–	2,334,209
– Held for trading	– 持有作交易用途	39,464	705,443	–	170,854	915,761
		90,841	2,926,155	62,120	170,854	3,249,970
By class:	按類別:					
– Banks and other financial institutions	– 銀行及其他金融機構	–	–	–	146,528	146,528
– Corporate entities	– 企業實體	90,841	2,926,155	22,496	24,326	3,063,818
– Others	– 其他	–	–	39,624	–	39,624
		90,841	2,926,155	62,120	170,854	3,249,970

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

3 OPERATING SEGMENTS (Continued)

Geographical distribution:

The Group's revenue from customers and information about its non-current assets by geographical location of the assets are detailed below:

		31 December 2009 二零零九年十二月三十一日						
		PRC (other than Hong Kong and Macau)		Japan	Rest of Asia	Europe	Rest of the world	Total
		中國(香港及 澳門除外)	香港及澳門	日本	亞洲 其他地區	歐洲	其他地區	總額
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元	千元
Gross premiums written and policy fees	毛承保保費及保單費收入	1,059,132	29,005,500	117,455	450,109	244,428	146,097	31,022,721
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)	1,602,484	3,461,706	—	—	—	—	5,064,190

		31 December 2008 (Restated) 二零零八年十二月三十一日 (重列)						
		PRC (other than Hong Kong and Macau)		Japan	Rest of Asia	Europe	Rest of the world	Total
		中國(香港及 澳門除外)	香港及澳門	日本	亞洲 其他地區	歐洲	其他地區	總額
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元	千元
Gross premiums written and policy fees	毛承保保費及保單費收入	1,216,894	13,010,486	143,424	453,699	226,924	180,905	15,232,332
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)	1,789,511	3,144,401	—	—	—	—	4,933,912

Information about major customers:

There were no customers for the year ended 31 December 2009 and 2008 contributing over 10% of the total gross premiums of the Group.

主要客戶資料：

於二零零九年及二零零八年十二月三十一日並無客戶為本集團毛承保保費收入帶來逾10%之貢獻。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

4 GROSS PREMIUMS WRITTEN AND POLICY FEES

Principal activities

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries are the underwriting of all classes of reinsurance business, direct life insurance business and property and casualty insurance business.

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

4 毛承保保費及保單費收入

主要業務

本公司的主要業務是投資控股。本公司之附屬公司的主要業務是承接各類再保險業務、直接人壽保險業務及財產保險業務。

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

		Year ended 31 December 2009 截至二零零九年十二月三十一日止年度				
		Property and casualty insurance contracts			Investment contracts	Total
		Reinsurance contracts	Life insurance contracts	Property and casualty insurance contracts	Investment contracts	Total
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元
Gross premiums written	毛承保保費收入	1,774,954	21,636,231	7,333,753	–	30,744,938
Policy fees	保單費收入	–	–	–	277,783	277,783
		1,774,954	21,636,231	7,333,753	277,783	31,022,721
		Year ended 31 December 2008 (Restated) 截至二零零八年十二月三十一日止年度 (重列)				
		Property and casualty insurance contracts			Investment contracts	Total
		Reinsurance contracts	Life insurance contracts	Property and casualty insurance contracts	Investment contracts	Total
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元
Gross premiums written	毛承保保費收入	1,838,999	8,830,294	3,915,667	–	14,584,960
Policy fees	保單費收入	–	–	–	647,372	647,372
		1,838,999	8,830,294	3,915,667	647,372	15,232,332

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

5 INVESTMENT INCOME

5 投資收入

		Year ended 31 December 截至十二月三十一日止年度	
		2009 二零零九年	2008 二零零八年 (Restated) (重列)
		\$'000 千元	\$'000 千元
Net investment income (note (a))	投資收入淨額 (註(a))	3,151,730	2,865,610
Net realized investment (losses)/ gains (note (b))	已實現投資 (虧損)/ 收益淨額 (註(b))	1,314,623	75,950
Net unrealized investment (losses)/ gains and impairment (note (c))	未實現投資 (虧損)/ 收益及減值淨額 (註(c))	16,508	(532,847)
		4,482,861	2,408,713
(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	1,186,601	544,798
– Available-for-sale	– 可供出售	1,126,856	1,232,080
– Held for trading	– 持有作交易用途	21,000	25,708
– Loans and receivables	– 貸款及應收款項	131,930	44,689
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	66,117	53,866
– Held for trading	– 持有作交易用途	3,892	2,404
Dividend income from investment funds (note (iii)):	投資基金股息收入 (註(iii)):		
– Available-for-sale	– 可供出售	202,527	372,442
– Held for trading	– 持有作交易用途	3,546	159,261
Bank deposits and other interest income	銀行存款及其他利息收入	470,655	463,917
Gross rentals receivable from investment properties	應收投資物業租金毛額	52,617	49,466
Less: direct outgoings	減: 直接支出	(3,874)	(2,220)
Net rentals receivable from investment properties	應收投資物業租金淨額	48,743	47,246
Interest expenses on securities sold under repurchase agreements	賣出回購證券利息費用	(110,137)	(80,801)
		3,151,730	2,865,610

Notes:

註:

		Year ended 31 December 截至十二月三十一日止年度	
		2009 二零零九年	2008 二零零八年 (Restated) (重列)
		\$'000 千元	\$'000 千元
(i) Interest income from debt securities: Listed Unlisted	(i) 債務證券利息收入: 上市 非上市	558,609 1,907,778	582,948 1,264,327
(ii) Dividend income from direct equity securities: Listed Unlisted	(ii) 直接股本證券股息收入: 上市 非上市	68,213 1,796	53,702 2,568
(iii) Dividend income from investment funds: Listed Unlisted	(iii) 投資基金股息收入: 上市 非上市	49,540 156,533	283,870 247,833

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

5 INVESTMENT INCOME (Continued)

5 投資收入 (續)

		Year ended 31 December 截至十二月三十一日止年度	
		2009 二零零九年	2008 二零零八年 (Restated) (重列)
		\$'000 千元	\$'000 千元
(b) Net realized investment (losses)/gains	(b) 已實現投資(虧損)/收益淨額		
Debt securities (note (i)):	債務證券(註(i)):		
– Held-to-maturity	– 持有至到期日	20,261	–
– Available-for-sale	– 可供出售	(189,917)	(17,668)
– Held for trading	– 持有作交易用途	21,775	266,080
Direct equity securities (note (ii)):	直接股本證券(註(ii)):		
– Available-for-sale	– 可供出售	1,016,965	498,328
– Held for trading	– 持有作交易用途	5,941	(65,481)
Investment funds (note (iii)):	投資基金(註(iii)):		
– Available-for-sale	– 可供出售	304,405	(448,132)
– Held for trading	– 持有作交易用途	135,193	(157,177)
		1,314,623	75,950

Notes:

註:

		Year ended 31 December 截至十二月三十一日止年度	
		2009 二零零九年	2008 二零零八年 (Restated) (重列)
		\$'000 千元	\$'000 千元
(i) Net realized investment (losses)/gains on debt securities:	(i) 債務證券已實現投資(虧損)/收益淨額:		
Listed	上市	216,329	(15,655)
Unlisted	非上市	(364,210)	264,067
(ii) Net realized investment (losses)/gains on direct equity securities:	(ii) 直接股本證券已實現投資(虧損)/收益淨額:		
Listed	上市	1,024,343	432,847
Unlisted	非上市	(1,437)	–
(iii) Net realized investment (losses)/gains on investment funds:	(iii) 投資基金已實現投資(虧損)/收益淨額:		
Listed	上市	(154,809)	(617,950)
Unlisted	非上市	594,407	12,641

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

5 INVESTMENT INCOME (Continued)

5 投資收入 (續)

		Year ended 31 December 截至十二月三十一日止年度	
		2009 二零零九年	2008 二零零八年 (Restated) (重列)
		\$'000 千元	\$'000 千元
(c) Net unrealized investment (losses)/gains and impairment	(c) 未實現投資(虧損)/收益及減值淨額		
Debt securities (note (i)):	債務證券(註(i)):		
– Held for trading	– 持有作交易用途	10,610	(55,842)
Direct equity securities (note (ii)):	直接股本證券(註(ii)):		
– Held for trading	– 持有作交易用途	(20,499)	(43,743)
Investment funds (note (iii)):	投資基金(註(iii)):		
– Held for trading	– 持有作交易用途	4,677	(91,042)
Surplus on revaluation of investment properties	投資物業重估盈餘	28,800	91,920
Impairment loss on:	減值:		
– Held to-maturity securities	– 持有至到期日證券	(7,080)	–
– Available-for-sale securities	– 可供出售證券	–	(434,140)
		16,508	(532,847)

Notes:

註:

		Year ended 31 December 截至十二月三十一日止年度	
		2009 二零零九年	2008 二零零八年 (Restated) (重列)
		\$'000 千元	\$'000 千元
(i) Net unrealized investment (losses)/gains on debt securities:	(i) 債務證券未實現投資(虧損)/收益淨額:		
Listed	上市	23,429	(29,956)
Unlisted	非上市	(12,819)	(25,886)
(ii) Net unrealized investment (losses)/gains on direct equity securities:	(ii) 直接股本證券未實現投資(虧損)/收益淨額:		
Listed	上市	(20,499)	(43,743)
Unlisted	非上市	–	–
(iii) Net unrealized investment (losses)/gains on investment funds:	(iii) 投資基金未實現投資(虧損)/收益淨額:		
Listed	上市	3,506	(45,449)
Unlisted	非上市	1,171	(45,593)

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

6 OTHER INCOME

6 其他收入

		Year ended 31 December 截至十二月三十一日止年度	
		2009 二零零九年	2008 二零零八年 (Restated) (重列)
		\$'000 千元	\$'000 千元
Income from provision of asset management services	提供資產管理服務收入	30,418	7,722
Income from provision of insurance intermediary services	提供保險中介服務收入	24,477	23,367
Income from provision of pension administration services	提供養老保險管理服務收入	59,749	31,972
Net gain on sale of property and equipment	出售物業及設備收益淨額	62	26
Net impairment losses written back on interests in leasehold land held for own use under operating leases	以經營租賃租入持作自用之租賃土地權益的減值回撥淨額	2,925	23,729
Others	其他	3,948	26,337
		121,579	113,153

7 NET POLICYHOLDERS' BENEFITS AND NET COMMISSION EXPENSES

7 保單持有人利益淨額及佣金支出淨額

(a) Net policyholders' benefits

(a) 保單持有人利益淨額

		Year ended 31 December 2009 截至二零零九年十二月三十一日止年度			
		Reinsurance contracts 再保險合約	Life insurance contracts 人壽保險合約	Property and casualty insurance contracts 財產保險合約	Total 總額
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Claims and claim adjustment expenses	賠款及賠款調整支出	1,085,503	572,085	4,088,845	5,746,433
Less: Reinsurers' and retrocessionaires' share	減：再保及轉分份額	(61,120)	(135,780)	(614,469)	(811,369)
		1,024,383	436,305	3,474,376	4,935,064
Surrenders	退保	—	1,036,334	—	1,036,334
Annuity, dividends and maturity payments	年金、分紅及到期付款	—	2,284,027	—	2,284,027
Interest allocated to investment contracts	分配至投資合約之利益	—	1,170,325	—	1,170,325
		1,024,383	4,926,991	3,474,376	9,425,750

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

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

7 保單持有人利益淨額及佣金支出淨額 (續)

(a) Net policyholders' benefits (Continued)

(a) 保單持有人利益淨額 (續)

Year ended 31 December 2008 (Restated)
截至二零零八年十二月三十一日止年度 (重列)

		Reinsurance contracts 再保險合約 \$'000 千元	Life insurance contracts 人壽保險合約 \$'000 千元	Property and casualty insurance contracts 財產保險合約 \$'000 千元	Total 總額 \$'000 千元
Claims and claim adjustment expenses	賠款及賠款調整支出	1,052,795	607,794	2,726,868	4,387,457
Less: Reinsurers' and retrocessionaires' share	減：再保及轉分份額	(165,034)	(56,196)	(895,808)	(1,117,038)
Surrenders	退保	887,761	551,598	1,831,060	3,270,419
Annuity, dividends and maturity payments	年金、分紅及到期付款	—	1,697,819	—	1,697,819
Interest allocated to investment contracts	分配至投資合約之利益	—	185,596	—	185,596
		—	1,174,892	—	1,174,892
		887,761	3,609,905	1,831,060	6,328,726

(b) Net commission expenses

(b) 佣金支出淨額

Year ended 31 December 2009
截至二零零九年十二月三十一日止年度

		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
Gross commission expenses	毛佣金支出	389,062	2,748,663	860,264	3,997,989
Reinsurance commission income	再保險佣金收入	(55,993)	(41,887)	(342,412)	(440,292)
Net commission expenses	佣金支出淨額	333,069	2,706,776	517,852	3,557,697

Year ended 31 December 2008 (Restated)
截至二零零八年十二月三十一日止年度 (重列)

		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
Gross commission expenses	毛佣金支出	457,688	2,048,304	622,339	3,128,331
Reinsurance commission income	再保險佣金收入	(61,680)	(21,331)	(198,502)	(281,513)
Net commission expenses	佣金支出淨額	396,008	2,026,973	423,837	2,846,818

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

8 PROFIT/(LOSS) BEFORE TAXATION

8 除稅前溢利／(虧損)

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

除稅前溢利／(虧損)已扣除／(抵免)：

		Year ended 31 December 截至十二月三十一日止年度	
		2009 二零零九年	2008 二零零八年 (Restated) (重列)
		\$'000 千元	\$'000 千元
(a) Finance costs:	(a) 財務費用：		
Interest on interest-bearing notes	需付息票據利息	267,822	155,031
— payable within 5 years	— 於五年內支付	50,128	28,352
— not payable within 5 years	— 不須於五年內支付		
		317,950	183,383
(b) Staff costs (including directors' emolument):	(b) 員工成本 (包括董事酬金)：		
Salaries, wages and other benefits	薪金、工資及其他利益	2,598,185	1,866,116
Employee share-based compensation benefits	以股份為本之僱員補償利益	30,756	29,626
Contributions to defined contribution retirement plans	已訂定供款退休計劃供款	267,015	202,639
		2,895,956	2,098,381
(c) Other items:	(c) 其他項目：		
Auditor's remuneration	核數師酬金		
— audit services	— 核數服務	5,883	4,923
— tax services	— 稅務服務	2,104	(72)
— other services	— 其他服務	701	—
Depreciation of property and equipment	物業及設備折舊	213,875	142,373
Operating lease charges in respect of properties	有關物業的經營租賃費用	310,461	218,148
Share of associates' taxation charge	佔聯營公司稅項支出	800	13,294
Amortization of prepaid lease payments	預付租賃付款攤銷	13,962	9,536
Amortization of interest in leasehold land held for own use under operating leases	以經營租賃租入持作自用之租賃土地權益攤銷	305	270
Net impairment losses on insurance debtors and other debtors	保險客戶應收賬款及其他應收賬款減值淨額	84,690	9,955

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

9 DIRECTORS' REMUNERATION

9 董事酬金

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

根據香港《公司條例》第161條列報的董事酬金如下：

		Year ended 31 December 2009 截至二零零九年十二月三十一日止年度					
		Salaries and other emoluments	Discretionary bonuses	Share based payments	Retirement scheme contributions	Total	
		Directors' fees	Director's emoluments	股份為本支付	退休計劃供款	總額	
		\$'000	\$'000	\$'000	\$'000	\$'000	
		千元	千元	千元	千元	千元	
Executive directors:	執行董事：						
Lin Fan	林帆	—	2,682	576	96	3,354	
Song Shuguang	宋曙光	—	2,387	576	96	3,059	
Xie Yiqun	謝一群	—	1,897	504	12	2,413	
Peng Wei	彭偉						
(appointed on 24 February 2010)	(於2010年2月24日委任)	—	—	—	—	—	
He Zhiguang	何志光						
(appointed on 12 March 2009 and resigned on 12 March 2010)	(於2009年3月12日委任及已於2010年3月12日請辭)	—	1,474	—	10	4,578	
Ng Yu Lam, Kenneth	吳俞霖	—	1,738	448	26	2,905	
Shen Koping, Michael	沈可平	—	887	1,052	12	7,139	
Lau Siu Mun, Sammy	劉少文	—	1,306	300	190	2,362	
Non-executive directors:	非執行董事：						
Li Tao	李濤						
(appointed on 12 March 2009)	(於2009年3月12日委任)	—	—	—	936	936	
Zheng Changyong	鄭常勇						
(resigned on 12 March 2009)	(已於2009年3月12日請辭)	—	—	—	—	—	
Wu Jiesi	武捷思	300	—	—	—	300	
Che Shujian	車書劍	300	—	—	—	300	
Lee Kong Wai Conway	李港衛						
(appointed on 19 October 2009)	(於2009年10月19日委任)	40	—	—	—	40	
Lau Wai Kit	劉偉傑						
(resigned on 20 July 2009)	(已於2009年7月20日請辭)	150	—	—	—	150	
		790	12,371	3,456	442	27,536	

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

9 DIRECTORS' REMUNERATION (Continued)

9 董事酬金 (續)

		Year end 31 December 2008 (Restated) 截至二零零八年十二月三十一日止年度 (重列)					
		Salaries and other emoluments	Discretionary bonuses	Share based payments	Retirement scheme contributions	Total	
		Directors' fees					
		董事袍金	薪金及 其他酬金	酌定花紅	股份為本 支付	退休計劃 供款	總額
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元
Executive directors:	執行董事：						
Feng Xiaozeng (resigned on 7 November 2008)	馮曉增 (已於2008年11月7日請辭)	—	2,387	900	—	11	3,298
Lin Fan	林帆	—	2,446	920	—	96	3,462
Song Shuguang	宋曙光	—	2,077	788	—	96	2,961
Xie Yiqun	謝一群	—	1,827	788	—	12	2,627
Ng Yu Lam, Kenneth	吳俞霖	—	1,674	700	693	180	3,247
Shen Koping, Michael	沈可平	—	859	1,063	3,825	12	5,759
Lau Siu Mun, Sammy	劉少文	—	1,259	563	566	169	2,557
Non-executive directors:	非執行董事：						
Zheng Changyong	鄭常勇	—	—	—	—	—	—
Wu Jiesi	武捷思	300	—	—	—	—	300
Che Shujian	車書劍	300	—	—	—	—	300
Lau Wai Kit	劉偉傑	300	—	—	—	—	300
		900	12,529	5,722	5,084	576	24,811

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

Discretionary bonuses for directors are based on performance and duties of directors, Company's performance and the prevailing market conditions and is decided by the Board and the remuneration committee of the Company.

上述酬金包括分別根據本公司的認股權計劃及股份獎勵計劃授予部份董事的認股權及股份於授予日及獎授日的預計價值。有關此等實物收益的詳情載於董事會報告書的「認股權計劃」、「股份獎勵計劃」及附註40內。

董事酌定花紅按董事之表現及職務、本公司之業績與盈利能力以及現行市況，並由董事會及薪酬委員會釐定。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

10 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, three (31 December 2008 restated: four) are directors whose emoluments are disclosed in note 9. The emoluments of the remaining two (31 December 2008 restated: one) individuals are as follows:

		Year ended 31 December 截至十二月三十一日止年度	
		2009 二零零九年	2008 二零零八年 (Restated) (重列)
		\$'000 千元	\$'000 千元
Salaries and other emoluments	薪金及其他酬金	4,006	1,570
Discretionary bonuses	酌定花紅	1,148	673
Share based payments	股份為本支付	1,584	3,083
Retirement scheme contributions	退休計劃供款	75	54
		6,813	5,380

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

		Year ended 31 December 截至十二月三十一日止年度	
		2009 二零零九年	2008 二零零八年
		Number of individuals 人數	Number of individuals 人數 (Restated) (重列)
\$			
元			
	3,000,001-3,500,000	1	—
	3,500,001-4,000,000	1	—
	5,000,001-5,500,000	—	1

在五位最高酬金的人士中，三位(二零零八年十二月三十一日重列：四位)為董事，有關的酬金詳情載於附註9。另外兩位人士(二零零八年十二月三十一日重列：一位)的酬金總額如下：

該等最高酬金人士的酬金在以下範圍內：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

11 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

11 綜合損益表內的稅項

(a) Taxation in the consolidated income statement represents:

(a) 綜合損益表所示的稅項為：

		Year ended 31 December 截至十二月三十一日止年度	
		2009 二零零九年	2008 二零零八年 (Restated) (重列)
		\$'000 千元	\$'000 千元
Current tax -Hong Kong Profits Tax	當期稅項 — 香港利得稅		
Provision for the year	年度稅款準備	36,072	7,576
Over-provision in respect of prior years	多提以往年度準備	(1,033)	(359)
		35,039	7,217
Current tax — Outside Hong Kong	當期稅項 — 香港以外地區		
Provision for the year	年度稅款準備	(15,896)	905
Under-provision in respect of prior years	少提以往年度準備	90,021	23,696
		74,125	24,601
Deferred tax charge/(credit) (note)	遞延稅項支出／(抵免) (註)		
Origination and reversal of temporary differences	暫時性差異之起源及轉回	183,596	(59,458)
Attributable to a change in tax rate	稅率變動應佔	—	(4,845)
		183,596	(64,303)
Income tax charge/(credit)	稅項支出／(抵免)	292,760	(32,485)

Note: For details of deferred tax recognized, refer to note 31(b).

註：遞延稅項確認之詳情，請參看31(b)。

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% (31 December 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% (31 December 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%（二零零八年十二月三十一日：16.5%）的標準稅率計算的估計應繳香港利得稅，但來自海外風險的再保險業務的應評稅溢利則按標準稅率的一半，即8.25%（二零零八年十二月三十一日：8.25%）計算。

Taxation outside Hong Kong for overseas subsidiaries is calculated at the rates prevailing in the relevant jurisdictions. Under the new Enterprise Income Tax Law of the PRC, the enterprise income tax rates for domestic companies in different provinces in the PRC range from 20% to 25%.

海外附屬公司於香港以外地區的稅項以相關司法管轄區的現行稅率計算。根據新的中華人民共和國企業所得稅法，適用於中國內地企業於各不同省份的企業所得稅率範圍為20%至25%。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

11 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (Continued)

11 綜合損益表內的稅項

(b) Reconciliation between tax (credit)/charge and accounting profit at applicable tax rates:

(b) 稅項(抵免)/支出與會計溢利按適用稅率的稅項之對賬:

		Year ended 31 December 截至十二月三十一日止年度	
		2009 二零零九年	2008 二零零八年 (Restated) (重列)
		\$'000 千元	\$'000 千元
Profit/(loss) before taxation	稅前溢利/(虧損)	1,480,396	(594,860)
Notional tax on profit/(loss) before taxation, calculated at the rates applicable to profits in the jurisdictions concerned	按相關管轄地區適用的溢利稅率，計算稅前溢利/(虧損)的名義稅項	313,201	(40,247)
Tax effect of non-deductible expenses	不可扣減費用的稅項影響	448,107	740,924
Tax effect of non-taxable income	毋須課稅收入的稅項影響	(629,257)	(954,983)
Tax effect of non-deductible temporary difference not recognised	未確認不可扣減之暫時性差異的稅項影響	40,798	63,746
Tax effect of unused tax losses not recognized	未確認而尚未使用的稅項虧損的稅項影響	82,108	213,121
Tax effect of prior years' tax losses utilized this year	往年度稅項虧損在本年度使用的稅項影響	(48,200)	(38,113)
Tax effect of different tax rate in branches located outside the head office	位於總公司以外之分公司之不同稅率之稅務影響	(4,018)	(35,784)
Under-provision in prior years	少提往年度準備	90,021	23,696
Tax effect of change in tax rate	稅率變化的稅務影響	—	(4,845)
Actual tax charge/(credit)	實際稅項支出/(抵免)	292,760	(32,485)

12 PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY

12 本公司股東應佔溢利/(虧損)

The consolidated profit attributable to owners of the Company includes a gain of \$38,630,000 (31 December 2008: loss of \$300,488,000) which has been dealt with in the financial statements of the Company.

本公司股東應佔綜合溢利包括一筆已列入本公司財務報表的溢利38,630,000元(二零零八年十二月三十一日:虧損300,488,000元)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

13 DIVIDENDS

- (a) No dividend was proposed during 2009, nor has any dividend been proposed since the end of the reporting period (2008: nil).
- (b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year:

13 股息

- (a) 於二零零九年並無擬派股息，於報告期後亦沒有擬派股息(二零零八年：無)。
- (b) 屬於上一個財政年度應付本公司股東，並於本年度內核准及支付的股息：

		Year ended 31 December 截至十二月三十一日止年度	
		2009 二零零九年 \$'000 千元	2008 二零零八年 \$'000 千元
No final dividend in respect of the previous financial year, approved and paid during the year (31 December 2008: 10 cents per share)	並無屬於上一個財政年度，及於本財政年度核准及支付的末期股息(二零零八年十二月三十一日：每股10仙)	—	141,924
Less: dividend for shares held for Share Award Scheme	減：為股份獎勵計劃而持有之股份股息	—	(470)
		—	141,454
No final dividend in respect of the previous financial year, approved and paid by a subsidiary to minority shareholders, during the year (31 December 2008: 3 cents per share)	並無屬於上一個財政年度，及於本財政年度核准及由附屬公司支付予少數股東的末期股息(二零零八年十二月三十一日：每股3仙)	—	44,764
Less: dividend paid to the Group by a subsidiary	減：一間附屬公司支付股息予本集團	—	(3,073)
		—	41,691
		—	183,145

14 EARNINGS/(LOSS) PER SHARE

On 30 July 2009, the stake acquisition of MAH (referred to note 47(e)) has been completed at a consideration of 1,389,247,000 new shares issued and allotted to TPG (HK). Since MAH and the Company are both under the common control of TPG (HK) before and after the acquisition, the Group has applied the Accounting Guideline No.5 - "Merger Accounting for Common Control Combinations", using the principles of merger accounting to account for the acquisition of MAH as though the business of MAH had always been carried out by the Group. Accordingly, the prior year figures on the weighted average number of ordinary shares have been restated to take into account the shares issued in this transaction.

14 每股盈利／(虧損)

於二零零九年七月三十日，民安控股股權收購(參考以下附註47(e))以向中國太平集團(香港)發行及配發1,389,247,000股新股份完成。由於在購入前及購入後，民安控股及本公司均共同受到中國太平集團(香港)之控制，本集團已根據會計指引第5號「共同控制合併之合併會計處理」，採用合併會計原則，對購入民安控股進行會計處理，假設民安控股之業務乃一直由本集團經營。普通股加權平均股數之往年數額已作相應重列以計及該交易所發行之股份。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

14 EARNINGS/(LOSS) PER SHARE (Continued)

14 每股盈利／(虧損) (續)

(a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the profit attributable to owners of the Company of \$825,737,000 (31 December 2008 *restated*: loss of \$486,092,000) and the weighted average of ordinary shares in issue during the year less shares held for the Share Award Scheme of 1,567,711,192 (31 December 2008 *restated*: 1,553,446,375).

The effect of the application of merger accounting on the Group's basic earnings/(loss) per share for the current and prior year:

(a) 每股基本盈利／(虧損)

每股基本盈利／(虧損)是按照本公司股東應佔溢利825,737,000元(二零零八年十二月三十一日重列：虧損486,092,000元)，及扣除為股份獎勵計劃而持有之股份後的年內已發行普通股的加權平均數1,567,711,192股(二零零八年十二月三十一日重列：1,553,446,375)計算。

應用合併會計法對本集團本年及往年每股基本盈利／(虧損)的影響如下：

		Year ended 31 December 截至十二月三十一日止年度	
		2009 二零零九年	2008 二零零八年 (Restated) (重列)
		\$'000 千元	\$'000 千元
Figures before adjustments	調整前之數字	45.5	(19.3)
Adjustment arising from merger accounting	合併會計法所產生之調整	6.0	(12.7)
Adjustment arising from change in accounting policy related to insurance contracts	有關保險合約之會計準則變更所產生之調整	1.2	0.7
		52.7	(31.3)

(b) Diluted earnings/(loss) per share

In 2009, the calculation of diluted earnings per share is based on the profit attributable to owners of the company of \$825,737,000 and the weighted average of 1,583,918,077 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. In 2008, the ordinary shares attributable to the Company's Share Option Scheme and Share Award Scheme are anti-dilutive as their assumed conversion would decrease the loss per share.

(b) 每股攤薄盈利／(虧損)

於二零零九年，每股攤薄盈利是按照本公司股東應佔溢利825,737,000元及已就本公司認股權計劃及股份獎勵計劃所有具備潛在攤薄影響的可發行普通股作出調整得出的普通股加權平均數1,583,918,077股計算。於二零零八年，有關認股權計劃及股份獎勵計劃之普通股構成反攤薄影響，因為其兌換之假設將令每股虧損減少。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

14 EARNINGS/(LOSS) PER SHARE (Continued)

(b) Diluted earnings/(loss) per share (Continued)

The effect of the application of merger accounting on the Group's diluted earnings/(loss) per share for the current and prior year:

		Year ended 31 December 截至十二月三十一日止年度	
		2009 二零零九年	2008 二零零八年 (Restated) (重列)
		\$'000 千元	\$'000 千元
Figures before adjustments	調整前之數字	44.9	(19.3)
Adjustment arising from merger accounting	合併會計法所產生之調整	6.0	(12.7)
Adjustment arising from change in accounting policy related to insurance contracts	有關保險合約之會計準則變更所產生之調整	1.2	0.7
		52.1	(31.3)

(c) Reconciliations

		31 December 2009 二零零九年 十二月三十一日	31 December 2008 二零零八年 十二月三十一日 (Restated) (重列)
		Number of shares 股份數目	Number of shares 股份數目
Weighted average number of ordinary shares less shares held for Share Award Scheme used in calculating basic earnings/(loss) per share	用作計算每股基本盈利/(虧損)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	1,567,711,192	1,553,446,375
Effect of Share Option Scheme	認股權計劃的影響	11,486,885	N/A 不適用
Effect of Share Award Scheme	股份獎勵計劃的影響	4,720,000	N/A 不適用
Weighted average number of ordinary shares used in calculating diluted earnings/(loss) per share	用作計算每股攤薄盈利/(虧損)的普通股加權平均股數	1,583,918,077	1,553,446,375

14 每股盈利/(虧損) (續)

(b) 每股攤薄盈利/(虧損) (續)

應用合併會計法對本集團本年及往年每股攤薄盈利/(虧損)的影響如下：

(c) 對賬

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

15 FIXED ASSETS

15 固定資產

(a) The Group

(a) 本集團

	Property and equipment 物業及設備							Prepaid lease payments 預付租賃 付款	Interests in leasehold land held for own use under operating lease 以經營租 賃租入持 作自用之 租賃土地 權益	Total 總額 \$'000 千元
	Land and buildings 土地及 建築物 \$'000 千元	Construction in progress 在建工程 \$'000 千元	Furniture and fixtures 傢具及 固定裝置 \$'000 千元	Computer equipment 電腦設備 \$'000 千元	Motor vehicles 汽車 \$'000 千元	Sub-total 小計 \$'000 千元	Investment properties 投資物業 \$'000 千元			
Cost or valuation:	成本或估值：									
At 1 January 2008 (Originally reported)	於二零零八年一月一日 (原本列示)									
Effect of merger accounting for business combination involving an entity under common control	涉及一間受共同 控制實體的業務合併 之合併會計法影響									
	1,269,410	—	85,879	200,978	56,277	1,612,544	78,560	—	—	1,691,104
At 1 January 2008 (Restated)	於二零零八年一月一日 (重列)									
Exchange adjustments	69,972	—	5,344	6,260	3,773	85,349	—	—	—	85,349
Additions	417,785	275,478	111,152	152,371	37,914	994,700	—	588,999	—	1,583,699
Disposals	—	—	(6,618)	(6,039)	—	(12,657)	—	—	—	(12,657)
Acquired on acquisition of a subsidiary	300,758	—	24,432	83,088	49,156	457,434	—	100,973	—	558,407
Surplus on revaluation	—	—	—	—	—	—	91,920	—	—	91,920
Transfer from investment properties/(to) land and buildings	6,400	—	—	—	—	6,400	(6,400)	—	—	—
At 1 January 2009 (Restated)	於二零零九年一月一日 (重列)									
Exchange adjustments	3,017	440	343	7,402	253	11,455	—	1,104	—	12,559
Additions	47,566	83,263	83,149	134,403	25,616	373,997	—	13,977	—	387,974
Disposals	—	—	(39,119)	(29,753)	(141)	(69,013)	—	—	—	(69,013)
Reclassification	319,924	(319,924)	(685)	685	—	—	—	—	—	—
Surplus on revaluation	—	—	—	—	—	—	28,800	—	—	28,800
At 31 December 2009	於二零零九年 十二月三十一日									
Cost	2,559,801	39,257	304,184	588,543	184,423	3,676,208	1,193,230	705,053	312,826	5,887,317
Valuation – 2009	—	—	—	—	—	—	1,193,230	—	—	1,193,230
Representing:	代表：									
Cost	2,559,801	39,257	304,184	588,543	184,423	3,676,208	—	705,053	312,826	4,694,087
Valuation – 2009	—	—	—	—	—	—	1,193,230	—	—	1,193,230
	2,559,801	39,257	304,184	588,543	184,423	3,676,208	1,193,230	705,053	312,826	5,887,317

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

15 FIXED ASSETS (Continued)

15 固定資產 (續)

(a) The Group (Continued)

(a) 本集團 (續)

		Property and equipment 物業及設備						Investment properties 投資物業	Prepaid lease payments 預付租賃 付款	Interests in leasehold land held for own use under operating lease 以經營租 賃租入持 作自用之 租賃土地 權益	Total 總額
		Land and buildings 土地及 建築物	Construction in progress 在建工程	Furniture and fixtures 傢具及 固定裝置	Computer equipment 電腦設備	Motor vehicles 汽車	Sub-total 小計				
		\$'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
Accumulated depreciation and impairment: 累計折舊及減值:											
At 1 January 2008 (Originally reported)	於二零零八年一月一日 (原本列示)	131,774	—	40,012	99,501	28,110	299,397	—	—	—	299,397
Effect of merger accounting for business combination involving an entity under common control	涉及一間受共同 控制實體的 業務合併之 合併會計法影響	34,585	—	19,217	16,369	5,620	75,791	—	—	85,809	161,600
At 1 January 2008 (Restated)	於二零零八年一月一日 (重列)	166,359	—	59,229	115,870	33,730	375,188	—	—	85,809	460,997
Exchange adjustments	匯率調整	4,258	—	2,204	4,674	1,750	12,886	—	88	17	12,991
Charge for the year	本年度折舊	34,128	—	37,936	55,081	15,228	142,373	—	9,536	270	152,179
Written back on disposal	出售時撥回	—	—	(2,660)	(6,693)	—	(9,353)	—	—	—	(9,353)
Impairment loss written back	減值虧損撥回	—	—	—	—	—	—	—	—	(23,729)	(23,729)
At 1 January 2009	於二零零九年一月一日	204,745	—	96,709	168,932	50,708	521,094	—	9,624	62,367	593,085
Exchange adjustments	匯率調整	199	—	137	350	181	867	—	28	—	895
Charge for the year	本年度折舊	46,799	—	49,402	93,306	24,368	213,875	—	13,962	305	228,142
Written back on disposal	出售時撥回	—	—	(866)	(1,818)	—	(2,684)	—	—	—	(2,684)
Impairment loss written back	減值虧損撥回	—	—	—	6,614	—	6,614	—	—	(2,925)	3,689
At 31 December 2009	於二零零九年 十二月三十一日	251,743	—	145,382	267,384	75,257	739,766	—	23,614	59,747	823,127
Net book value: 賬面淨值:											
At 31 December 2009	於二零零九年 十二月三十一日	2,308,058	39,257	158,802	321,159	109,166	2,936,442	1,193,230	681,439	253,079	5,064,190
At 31 December 2008 (Restated)	於二零零八年 十二月三十一日 (重列)	1,984,549	275,478	163,787	306,874	107,987	2,838,675	1,164,430	680,348	250,459	4,933,912
At 1 January 2008 (Restated)	於二零零八年 一月一日 (重列)	1,228,020	—	66,957	124,256	34,122	1,453,355	1,078,910	—	227,017	2,759,282

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

15 FIXED ASSETS (Continued)

15 固定資產 (續)

(b) The Company

(b) 本公司

		Furniture and fixtures 傢具及 固定裝置 \$'000 千元	Motor vehicles 汽車 \$'000 千元	Total 總額 \$'000 千元
Cost:	成本：			
At 1 January 2008	於二零零八年一月一日	3,024	1,671	4,695
Additions	增置	112	—	112
Disposals	出售	(129)	—	(129)
At 1 January 2009	於二零零九年一月一日	3,007	1,671	4,678
Additions	增置	131	—	131
Disposals	出售	(293)	(855)	(1,148)
At 31 December 2009	於二零零九年 十二月三十一日	2,845	816	3,661
Accumulated depreciation:	累計折舊：			
At 1 January 2008	於二零零八年一月一日	2,852	1,671	4,523
Charge for the year	本年度折舊	78	—	78
Written back on disposal	出售時撥回	(129)	—	(129)
At 1 January 2009	於二零零九年一月一日	2,801	1,671	4,472
Charge for the year	本年度折舊	62	—	62
Written back on disposal	出售時撥回	(274)	(855)	(1,129)
At 31 December 2009	於二零零九年 十二月三十一日	2,589	816	3,405
Net book value:	賬面淨值：			
At 31 December 2009	於二零零九年 十二月三十一日	256	—	256
At 31 December 2008	於二零零八年 十二月三十一日	206	—	206

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

15 FIXED ASSETS (CONTINUED)

15 固定資產 (續)

(c) Land and buildings

The analysis of net book value of land and buildings was as follows:

(c) 土地及樓宇

土地及樓宇賬面淨值的分析如下：

		The Group 本集團		
		31 December 2009 二零零九年 十二月三十一日	31 December 2008 二零零八年 十二月三十一日 (Restated) (重列)	1 January 2008 二零零八年 一月一日 (Restated) (重列)
		\$'000 千元	\$'000 千元	\$'000 千元
In Hong Kong	香港			
— Long leases	— 長期租賃	130,503	134,596	131,848
— Medium-term leases	— 中期租賃	4,522	3,385	3,504
Outside Hong Kong	香港以外地區			
— Medium-term leases	— 中期租賃	2,173,033	1,846,568	1,092,668
		2,308,058	1,984,549	1,228,020

(d) Investment properties

The analysis of net book value of investment properties was as follows:

(d) 投資物業

投資物業賬面淨值的分析如下：

		The Group 本集團		
		31 December 2009 二零零九年 十二月三十一日	31 December 2008 二零零八年 十二月三十一日 (Restated) (重列)	1 January 2008 二零零八年 一月一日 (Restated) (重列)
		\$'000 千元	\$'000 千元	\$'000 千元
In Hong Kong	香港			
— Long leases	— 長期租賃	1,177,600	1,150,980	1,064,890
— Medium-term leases	— 中期租賃	7,620	6,650	7,400
Outside Hong Kong	香港以外地區			
— Medium-term leases	— 中期租賃	8,010	6,800	6,620
		1,193,230	1,164,430	1,078,910

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

15 FIXED ASSETS (Continued)

(d) Investment properties (Continued)

The investment properties of the Group were revalued as of 31 December 2009 by independent firms of surveyors, Asset Appraisal Limited and Jones Lang LaSalle Sallmanns Limited, who have among its staff Associates of the Hong Kong Institute of Surveyors. The valuation was arrived at by reference to market evidence of transaction prices for similar properties. A revaluation surplus of \$28,800,000 (31 December 2008 restated: surplus of \$91,920,000) has been recognized in the consolidated income statement (see note 5(c)).

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

The gross carrying amounts of the investment properties of the Group held for use in operating leases were \$1,070,916,000 (31 December 2008 restated: \$1,126,849,000).

The time period in which the Group's total future minimum lease payments under non-cancellable operating leases are receivable is as follows:

15 固定資產 (續)

(d) 投資物業

本集團的投資物業已於二零零九年十二月三十一日經由獨立測量師行—資產評估顧問有限公司及仲量聯行西門有限公司(該些行僱員包括若干香港測量師學會會員)重新估值。此估值乃參考市場上同類物業之成交價而釐定。為數28,800,000元(二零零八年十二月三十一日重列: 盈餘91,920,000元)的重估盈餘已記入綜合損益表內(參看附註5(c))。

本集團以經營租賃租出投資物業。這些租賃一般初步為期二至三年,並且有權選擇在到期日後續期,屆時所有條款均可重新商定。租賃付款額通常會每二至三年檢討,以反映市場租金。各項租賃均不包括或然租金。

本集團持作經營租賃的投資物業之賬面總額為1,070,916,000元(二零零八年十二月三十一日重列: 1,126,849,000元)。

本集團根據不可解除的經營租賃在日後應收的最低租賃付款總額的時段如下:

		The Group 本集團		
		31 December 2009 二零零九年 十二月三十一日	31 December 2008 二零零八年 十二月三十一日 (Restated) (重列)	1 January 2008 二零零八年 一月一日 (Restated) (重列)
		\$'000 千元	\$'000 千元	\$'000 千元
Within 1 year	一年內	48,361	35,974	38,338
In the second to fifth year inclusive	第二年至第五年 (包括首尾兩年)	38,318	26,564	25,400
		86,679	62,538	63,738

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

15 FIXED ASSETS (Continued)

15 固定資產 (續)

(e) Prepaid lease payments

(e) 預付租賃付款

		The Group 本集團		
		31 December 2009 二零零九年 十二月三十一日	31 December 2008 二零零八年 十二月三十一日 (Restated) (重列)	1 January 2008 二零零八年 一月一日 (Restated) (重列)
		\$'000 千元	\$'000 千元	\$'000 千元
Prepaid lease payments comprises: 預付租賃付款包括：				
Leasehold land outside Hong Kong — Long lease	位於香港以外地區之 租賃土地 — 長期租賃	681,439	680,348	—
Current	當期	23,361	18,159	—
Non-current	非當期	658,078	662,189	—
		681,439	680,348	—

The leasehold land was acquired during 2009 and 2008 by the Group and TPG for construction of properties primarily for own use. The above amount represents the share of the Group of the land for the construction project.

租賃土地由本集團及中國太平集團於二零零九年及二零零八年購入以興建物業主要作自用。上述金額代表本集團佔興建項目之土地分額。

(f) Interest in leasehold land held for own use under operating leases

(f) 以經營租賃租入持作自用之租賃土地權益

		The Group 本集團		
		31 December 2009 二零零九年 十二月三十一日	31 December 2008 二零零八年 十二月三十一日 (Restated) (重列)	1 January 2008 二零零八年 一月一日 (Restated) (重列)
		\$'000 千元	\$'000 千元	\$'000 千元
Leasehold land in Hong Kong — Long lease	位於香港之租賃土地 — 長期租賃	253,079	250,459	227,017
Current	當期	307	301	272
Non-current	非當期	252,772	250,158	226,745
		253,079	250,459	227,017

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

16 GOODWILL AND INTANGIBLE ASSET

16 商譽及無形資產

(a) Goodwill

(a) 商譽

The Group
本集團
(Restated)
(重列)
\$'000
千元

Cost:	成本：	
At 1 January 2008	於二零零八年一月一日	478,185
Acquired on acquisition of a subsidiary	於購入附屬公司時獲取	107,744
Adjustments due to change in accounting policies of insurance contracts	保險合約會計政策變更之調整	(43,070)
Adjustments to fair value of assets acquired in prior periods	往前期間所購資產公允價值之調整	(18,128)
Transferred from an associate company (note 18)	轉移自一間聯營公司 (附註18)	102,192
At 31 December 2008 and 2009	於二零零八年及二零零九年十二月三十一日	626,923
Impairment loss:	減值虧損：	
At 1 January 2008	於二零零八年一月一日	250,000
Charge for the year	本年度減值	73,276
At 31 December 2008 and 2009	於二零零八年及二零零九年十二月三十一日	323,276
Carrying amount:	賬面淨值：	
At 31 December 2009	於二零零九年十二月三十一日	303,647
At 31 December 2008	於二零零八年十二月三十一日	303,647
At 1 January 2008	於二零零八年一月一日	228,185

As set out in note 43, the Group acquired additional 10.025% equity interest of TPI and obtained control over TPI through an equity interest of 50.05% during 2008. The acquisition was accounted for under acquisition accounting. As the fair values of identifiable assets and liabilities of TPI have not been finalized in 2008, the acquisition was accounted for on a provisional basis for the year ended 31 December 2008. During the year ended 31 December 2009, a valuation report was obtained in relation to the fair value of intangible asset. The valuation report indicated that the fair value of the intangible asset being the trade name at the date of acquisition of TPI was \$261,000,000. The comparative figures of 31 December 2008 have been restated as if the initial accounting had been completed from the acquisition date.

如附註43內所詳述，於二零零八年，本集團購入太平財險額外10.025%權益並透過50.05%權益獲得太平財險之控計權。購入以購入會計法計入。由於太平財險之可識別資產及負債之公允價值於二零零八年並未定稿，於截至二零零八年十二月三十一日止年度，購入以暫定基礎計入。於截至二零零九年十二月三十一日止年度，取得一份有關無形資產公允價值之估值報告。估值報告顯示，無形資產——商號於太平財險購入日之公允價值確定為261,000,000元。於二零零八年十二月三十一日之比較數字已被重列，猶如於購入日已完成首次會計處理。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

16 GOODWILL AND INTANGIBLE ASSET (Continued)

16 商譽及無形資產 (續)

(b) Intangible asset

(b) 無形資產

The Group
本集團
(Restated)
(重列)
\$'000
千元

Cost and carrying amount:	成本及賬面值：	
At 1 January 2008	於二零零八年一月一日	—
Acquired on acquisition of a subsidiary (note 43)	於購入附屬公司時獲取 (附註43)	261,408
At 31 December 2008 and 2009	於二零零八年及二零零九年十二月三十一日	261,408

The intangible assets acquired in the acquisition of a subsidiary being the trade name, is recognized on the basis of valuation report prepared by RHL Appraisal Ltd, an independent qualified valuer. The relief-from-royalty approach is adopted to determine the fair value of the trade name. Under this approach, the fair value of the trade name is determined based on revenue estimated by TPI, royalty rate in the property and casualty insurance business industry and a discount rate estimated by independent qualified valuer. The discount rate of 14% with adjusted royalty rate of 0.715% is used to determine the fair value.

於收購一間附屬公司時購入之無形資產，即商號，按由永利行平值顧問有限公司（獨立合格估值師）編制之估值報告確認。商號之公允價值以免納專利權使用費方法釐定。根據此方法，商號之公允價值按由太平財險預計的收入、獨立估值師估計的財產保險業專利權使用費及貼現率釐定。釐定公允價值時，假設貼現率為14%及經調整之專利權使用費率為0.715%。

As a result, the trade name is considered by the management of the Group as having an indefinite useful life because it is expected to contribute to net cash inflows indefinitely. The trade name will not be amortized until its useful life is determined to be finite. Instead it will be tested for impairment annually and whenever there is an indication that it may be impaired. Particulars of the impairment testing are disclosed below.

因此，本集團管理層認為由於預期該商號將無限期提供淨現金流，所以其具無限可使用年期。該商號不會攤銷，直至就可使用年期進行評估後，可使用年期被定為有限。相反，該商號將每年及有跡象顯示該商號可能出現減值時進行減值測試。減值測試之詳情如下。

(c) Impairment tests on goodwill and intangible assets with indefinite useful lives

(c) 商譽及無限期可用年數無形資產的減值測試

For impairment testing, goodwill and intangible assets with indefinite useful lives at 31 December 2009 were allocated to the following cash generating units:

在減值測試時，於二零零九年十二月三十一日之商譽及沒有使用限期的無形資產按下表分配至各現金生產單位：

		Goodwill 商譽 \$'000 千元	Intangible asset 無形資產 \$'000 千元	Total 總額 \$'000 千元
Property and casualty insurance	財產保險	68,738	261,408	330,146
Life insurance	人壽保險	154,909	—	154,909
		223,647	261,408	485,055

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

16 GOODWILL AND INTANGIBLE ASSET (Continued)

(c) Impairment tests on goodwill and intangible assets with indefinite useful lives (Continued)

An impairment loss of \$250,000,000 and \$73,276,000 were recognized in 2005 and 2008 respectively, in respect of goodwill associated with the acquisition of TPA (HK) in September 2002. After such further impairment amount of \$73,276,000 made in 2008, there is no goodwill associated with the acquisition of TPA (HK).

The directors reached a conclusion on the cash flow projection of TPA (HK) based on past performance and expectations for future market development. As the recoverable amount of the cash generating unit is less than its carrying amount, the goodwill of TPA (HK) is fully impaired.

For the remaining goodwill and intangible assets, the recoverable amount of the cash generating units containing goodwill or intangible assets was determined based on the value-in-use calculation. This calculation uses cash flow projection which represents what management believes is the best estimate of what the cash generating units are able to achieve in its business life. The directors determined the cash flow projection based on past performance and its expectation for market development. The directors believed any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount to exceed the aggregate recoverable amount. Management of the Group determines that there are no impairments of its cash generating units containing goodwill and intangible assets.

In respect of property and casualty business, the recoverable amount was determined by estimating and discounting the future cash flows to its present value using a discount rate of 14%.

16 商譽及無形資產 (續)

(c) 商譽及無限期可用年數無形資產的減值測試 (續)

於二零零二年九月收購太平資產(香港)所產生的商譽於二零零五年及二零零八年分別確認了250,000,000元及73,276,000元的減值。經過於二零零八年為數73,276,000元之進一步減值，再沒有與購入太平資產(香港)有關之商譽。

董事根據過往表現及預計未來市場發展以總結太平資產(香港)的現金流估計。由於現金產生單位已減至低於可收回金額，太平資產(香港)之商譽已全數減值。

餘下之商譽及無形資產，含商譽或無形資產的現金產生單位的可收回金額，按使用價值計算釐定。此計算使用現金流預測，代表管理層相信現金產生單位於其商業生命中能實現之最佳估計。董事根據過往表現及未來市場發展釐定現金流預測。董事相信若這些假設有任何合理改變，亦不會導致賬面總值超越可收回總值。本集團管理層認為其含商譽及無形資產之現金產生單位並沒有減值。

有關財產保險業務，可收回金額以貼現率為14%估計及折算未來現金流至現值釐定。

17 INVESTMENTS IN SUBSIDIARIES

17 於附屬公司的投資

		The Company 本公司	
		31 December 2009 二零零九年 十二月三十一日	31 December 2008 二零零八年 十二月三十一日
		\$'000 千元	\$'000 千元
Unlisted shares, at cost	非上市股份，成本	3,883,149	2,721,778
Less: Impairment loss	減：減值虧損	(344,179)	(344,179)
		3,538,970	2,377,599

The following list contains details of the Company's principal subsidiaries at the end of the reporting period. The class of shares held is ordinary unless otherwise stated.

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

下表載列本公司的主要附屬公司於報告期末的詳情。除非另有說明，否則所持的股份類別指普通股。

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

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

17 INVESTMENTS IN SUBSIDIARIES (Continued)

17 於附屬公司的投資 (續)

The nature of the impairment loss relates to TPA (HK) as described in note 16.

有關太平資產(香港)之減值虧損性質於附註16內詳述。

Name of company 公司名稱	Place of incorporation and operation 註冊成立及經營地點	Particulars of issued and paid up capital 已發行及繳足股本的詳情		Group's effective interest 本集團的實際權益		Held by the Company 由本公司所持權益		Held by subsidiaries 由附屬公司持有		Principal activity 主要業務
		2009 二零零九年	2008 二零零八年	2009 二零零九年	2008 二零零八年	2009 二零零九年	2008 二零零八年	2009 二零零九年	2008 二零零八年	
		Proportion of ownership interest 應佔權益百分比								
Taiping Reinsurance Company Limited (Note (i)) 太平再保險有限公司 (註(i))	Hong Kong 香港	Ordinary \$1,000,000,000 Deferred \$600,000,000 普通 1,000,000,000元 遞延 600,000,000元	Ordinary \$1,000,000,000 Deferred \$600,000,000 普通 1,000,000,000元 遞延 600,000,000元	100%	100%	—	—	100%	100%	Reinsurance business 再保險業務
Taiping Life Insurance Company Limited (Note (ii)) 太平人壽保險有限公司 (註(ii))	PRC 中國	RMB 3,730,000,000 人民幣 3,730,000,000元	RMB 2,330,000,000 人民幣 2,330,000,000元	50.05%	50.05%	50.05%	50.05%	—	—	Life insurance business 人壽保險業務
Taiping General Insurance Company Limited (Notes (ii & iii)) 太平財產保險有限公司 (註(ii)及(iii))	PRC 中國	RMB 1,570,000,000 人民幣 1,570,000,000元	RMB 1,570,000,000 人民幣 1,570,000,000元	50.05%	50.05%	50.05%	50.05%	—	—	Property and casualty insurance business 財產保險業務
Taiping Pension Company Limited (Note (ii)) 太平養老保險股份有限公司 (註(ii))	PRC 中國	RMB 800,000,000 人民幣 800,000,000元	RMB 800,000,000 人民幣 800,000,000元	50.03%	50.03%	—	—	86%	86%	Pension business 養老保險業務
Taiping Asset Management Company Limited (Note (ii)) 太平資產管理有限公司 (註(ii))	PRC 中國	RMB 100,000,000 人民幣 100,000,000元	RMB 100,000,000 人民幣 100,000,000元	42.03%	42.03%	—	—	72%	72%	Asset management business in the PRC 於中國之 資產管理業務
Taiping Assets Management (HK) Company Limited in Hong Kong 太平資產管理(香港)有限公司	Hong Kong 香港	\$212,000,000	\$130,000,000	100%	100%	100%	100%	—	—	Asset management business in Hong Kong 於香港之 資產管理業務
Taiping Reinsurance Brokers Limited (Note (i)) 太平再保險顧問有限公司 (註(i))	Hong Kong 香港	Ordinary \$4,000,000 Deferred \$1,000,000 普通 4,000,000元 遞延 1,000,000元	Ordinary \$4,000,000 Deferred \$1,000,000 普通 4,000,000元 遞延 1,000,000元	100%	100%	—	—	100%	100%	Insurance broking 保險經紀

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

17 INVESTMENTS IN SUBSIDIARIES (Continued)

17 於附屬公司的投資 (續)

Name of company 公司名稱	Place of incorporation and operation 註冊成立 及經營地點	Particulars of issued and paid up capital 已發行及繳足股本的詳情		Proportion of ownership interest 應佔權益百分比						Principal activity 主要業務
				Group's effective interest 本集團的實際權益		Held by the Company 由本公司所持權益		Held by subsidiaries 由附屬公司持有		
				2009 二零零九年	2008 二零零八年	2009 二零零九年	2008 二零零八年	2009 二零零九年	2008 二零零八年	
The Ming An (Holdings) Company Limited	Cayman Islands/ Hong Kong	\$290,638,400	—	100%	—	—	—	100%	—	Investment holding
民安(控股)有限公司	開曼群島 / 香港	290,638,400元	—							投資控股
The Ming An Insurance Company (China) Limited (Note (ii))	PRC	RMB 991,383,000	—	100%	—	—	—	100%	—	Property and casualty insurance in the PRC
民安保險(中國)有限公司 (註(ii))	中國	人民幣 991,383,000元	—							於中國之 財產保險業務
China Taiping Insurance (HK) Company Limited	Hong Kong	Ordinary \$2,386,000,000 Deferred \$200,000,000	—	100%	—	—	—	100%	—	Property and casualty insurance in Hong Kong
中國太平保險(香港) 有限公司	香港	普通 2,386,000,000元 遞延 200,000,000元	—							於香港之 財產保險業務
Quicken Assets Limited	BVI/ Hong Kong	US\$1	US\$1	100%	100%	100%	100%	—	—	Property holding
	英屬維爾京 群島/ 香港	1美元	1美元							持有物業
CIH (BVI) Limited	BVI/ Hong Kong	US\$1	US\$1	100%	100%	100%	100%	—	—	Financing
	英屬維爾京 群島/ 香港	1美元	1美元							融資
Share China Assets Limited	BVI/ Hong Kong	US\$1	US\$1	100%	100%	100%	100%	—	—	Investment holding
舍亞中國資產有限公司	英屬維爾京 群島/ 香港	1美元	1美元							投資控股

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

17 INVESTMENTS IN SUBSIDIARIES (Continued)

Notes:

- (i) Holders of the non-voting deferred shares in TPre, TPRB and CTPI (HK) are not entitled to share profits, receive notice of or attend or vote at any general meeting of these companies. On the winding-up of these companies, the holders of the non-voting deferred shares are not entitled to the distribution of the net assets of these companies for the first \$100 billion; the balance of net assets, if any, over the first \$100 billion shall be distributed among the holders of the ordinary shares and non-voting distributed shares pari passu among themselves in proportion to their respective shareholdings.
- (ii) These companies are PRC limited companies.
- (iii) TPI was an associate of the Company before 15 July 2008. Details are set out in note 43.

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

17 於附屬公司的投資 (續)

註：

- (i) 於太平再保險、太平再保顧問及中國太平香港的無投票權遞延股份的持有人無權獲得這些公司的溢利、收取這些公司的任何股東周年大會的通知、出席股東周年大會或在會上投票。在這些公司清盤時，無投票權遞延股份的持有人無權獲分這些公司首100,000,000,000元的資產淨值；超過首100,000,000,000元的資產淨值餘額(如有)則根據普通股及無投票權遞延股份持有人各自的持股量按比例進行分配。
- (ii) 這些公司都是中國有限公司。
- (iii) 於二零零八年七月十五日前，太平財險為本公司之聯營公司。詳見附註43。

上表所列本公司之附屬公司，乃董事會認為與本集團本年度業績有重要關係，或構成本集團主要資產之附屬公司。若盡錄其他附屬公司之資料，董事會認為將過於冗長。

18 INTEREST IN ASSOCIATES

18 於聯營公司的權益

		The Group 本集團			The Company 本公司	
		31 December 十二月三十一日			31 December 十二月三十一日	
		2009 二零零九年	2008 二零零八年 (Restated) (重列)	2007 二零零七年 (Restated) (重列)	2009 二零零九年	2008 二零零八年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Unlisted shares, at cost	非上市股份，成本	—	—	—	6,937	6,937
Share of net assets	所佔資產淨值	101,149	138,563	604,195	—	—
Goodwill	商譽	—	—	102,192	—	—
Amounts due from associates	應收聯營公司款項	—	—	179	—	—
		101,149	138,563	706,566	6,937	6,937

On 15 July 2008, the Group contributed additional capital of RMB265,460,000 (approximately HK\$303,381,000) into TPI. Since then, the Group's equity interest in TPI has increased from 40.025% to 50.05%. Particulars of the transaction related to the acquisition of an additional interest of 10.025% of TPI are set out in note 43. The loss of TPI shared by the Group up to the date of its ceasing to be associate of the Group amounted to \$131,996,000. The goodwill associated with acquisition of TPI in previous years, amounting to \$102,192,000 was reclassified to goodwill as disclosed in note 16.

於二零零八年七月十五日，本集團向太平財險增資人民幣265,460,000元(約港幣303,381,000元)。從此，本集團於太平財險之權益由40.025%上升至50.05%。有關購入太平財險額外10.025%權益之交易詳情見附註43。直至太平財險停止為本集團之聯營公司為止，本集團應佔其虧損為131,996,000元。有關往前年度購入太平財險之商譽，為數港幣102,192,000元，如附註16中披露，被重新分類為商譽。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

18 INTEREST IN ASSOCIATES (Continued)

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

18 於聯營公司的權益 (續)

下表載列本公司的主要聯營公司詳情，該等聯營公司全部均為非上市企業實體：

Name of associates 聯營公司名稱	Form of business structure 業務結構形式	Place of incorporation and operation 註冊成立及經營地點	Particulars of issued and paid up capital 已發行及繳足股本的詳情		Proportion of ownership interest 應佔權益百分比						Principal activity 主要業務
			2009 二零零九年	2008 二零零八年	Group's effective interest 本集團的實際權益		Held by the Company 本公司所持權益		Held by subsidiaries 由附屬公司持有		
					2009 二零零九年	2008 二零零八年	2009 二零零九年	2008 二零零八年	2009 二零零九年	2008 二零零八年	
CMT China Value Capital Partners, L.P.	Limited partnership 有限合夥企業	Cayman Islands/ Hong Kong 凱曼群島/香港	US\$2,790,536 2,790,536美元	US\$1,131,987 1,131,987美元	20.74%	22.54%	—	—	20.74%	22.18%	Investment holding 投資控股
CMT China Value Capital Advisors Limited	Incorporated 註冊成立	Hong Kong 香港	\$1,000 1,000元	\$1,000 1,000元	46%	46%	—	—	46%	46%	Advisory services 顧問服務
Huatai Insurance Agency & Consultant Service Limited (Note (i)) 華泰保險經紀有限公司 (註(i))	Incorporated 註冊成立	PRC 中國	RMB 40,000,000 人民幣 40,000,000元	RMB 30,000,000 人民幣 30,000,000元	25%	25%	25%	25%	—	—	Insurance agency and consultancy 保險代理及顧問

Notes:

(i) The company is a PRC limited company.

The above table lists the associates of the Group which, in the opinion of the directors of the Company, principally affected the results of the year or form a substantial portion of the net assets of the Group. To give details of other associates would, in the opinion of the directors of the Company, result in particulars of excessive length.

Summary of financial information on associates

註：

(i) 上述公司為一間中國有限公司。

上表所列本公司之聯營公司，乃董事會認為與本集團本年度業績有重要關係，或構成本集團主要資產淨值之聯營公司。若盡錄其他聯營公司之資料，董事會認為將過於冗長。

聯營公司的財務資料概要

		Assets 資產 \$'000 千元	Liabilities 負債 \$'000 千元	Equity 股東權益 \$'000 千元	Revenues 收益 \$'000 千元	Profit/(loss) 溢利/(虧損) \$'000 千元
31 December 2009	二零零九年 十二月三十一日					
100 per cent Group's effective interest	百分之一百 本集團的有效權益	633,901 143,822	170,668 42,673	463,233 101,149	195,485 46,648	111,073 22,744
31 December 2008 (Restated)	二零零八年 十二月三十一日 (重列)					
100 per cent Group's effective interest	百分之一百 本集團的有效權益	725,988 172,547	122,906 33,984	603,082 138,563	125,348 34,359	(13,359) (2,090)

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

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

(a) The Group

(a) 本集團

		31 December 2009 二零零九年 十二月三十一日	31 December 2008 二零零八年 十二月三十一日 (Restated) (重列)	1 January 2008 二零零八年 一月一日 (Restated) (重列)
		\$'000 千元	\$'000 千元	\$'000 千元
Held-to-maturity (Note (i)):	持有至到期日 (註(i)) :			
– Debt securities	– 債務證券	39,333,096	21,845,167	1,467,138
Available-for-sale (Note (ii)):	可供出售 (註(ii)) :			
– Debt securities	– 債務證券	18,111,617	27,050,229	26,321,289
– Direct equity securities	– 直接股本證券	8,320,245	1,550,468	5,456,908
– Investment funds	– 投資基金	5,669,994	2,973,194	2,334,209
		32,101,856	31,573,891	34,112,406
Held for trading (Note (iii)):	持有作交易用途 (註(iii)) :			
– Debt securities	– 債務證券	286,479	492,767	559,388
– Direct equity securities	– 直接股本證券	113,309	57,132	234,136
– Investment funds	– 投資基金	46,140	109,745	915,761
		445,928	659,644	1,709,285
Loans and receivables (Note (iv)):	貸款及應收款項 (註(iv)) :			
– Debt securities	– 債務證券	2,209,015	2,199,824	256,306
Total	總額	74,089,895	56,278,526	37,545,135

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

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

(Continued)

(a) The Group (Continued)

(a) 本集團 (續)

		Central governments and central banks 中央政府及中央銀行 \$'000 千元	Public sector entities 公共機構 \$'000 千元	Banks and other financial institutions 銀行及其他金融機構 \$'000 千元	Corporate entities 企業實體 \$'000 千元	Others 其他 \$'000 千元	Total 總額 \$'000 千元
(i) Held-to-maturity	(i) 持有至到期日						
At 31 December 2009	於二零零九年十二月三十一日						
Listed in Hong Kong	上市 — 香港	—	—	46,084	1,034,352	—	1,080,436
Listed outside Hong Kong	上市 — 香港以外地區	131,517	43,069	593,673	1,203,768	38,403	2,010,430
Unlisted	非上市	13,527,883	7,696	8,713,876	13,992,775	—	36,242,230
		13,659,400	50,765	9,353,633	16,230,895	38,403	39,333,096
Fair value of securities	證券公允價值	13,714,039	53,157	9,455,155	15,873,732	—	39,096,083
Market value of listed securities	上市證券市值	139,531	44,921	570,533	2,100,526	—	2,855,511
At 31 December 2008 (Restated)	於二零零八年十二月三十一日 (重列)						
Listed in Hong Kong	上市 — 香港	—	—	118,828	78,918	—	197,746
Listed outside Hong Kong	上市 — 香港以外地區	203,822	43,317	1,110,390	1,439,275	10,995	2,807,799
Unlisted	非上市	9,029,771	7,656	5,884,336	3,917,859	—	18,839,622
		9,233,593	50,973	7,113,554	5,436,052	10,995	21,845,167
Fair value of securities	證券公允價值	9,266,372	53,121	7,083,477	5,413,184	12,691	21,828,845
Market value of listed securities	上市證券市值	189,916	45,176	1,192,557	1,500,310	12,691	2,940,650
At 1 January 2008 (Restated)	於二零零八年一月一日 (重列)						
Listed outside Hong Kong	上市 — 香港以外地區	52,378	85,298	220,116	580,738	12,349	950,879
Unlisted	非上市	71,180	7,666	360,869	76,544	—	516,259
		123,558	92,964	580,985	657,282	12,349	1,467,138
Fair value of securities	證券公允價值	142,385	96,312	589,977	670,936	14,195	1,513,805
Market value of listed securities	上市證券市值	54,699	87,843	223,260	592,089	14,195	972,086

The held-to-maturity debt securities include an amount of \$346,449,000 (31 December 2008 restated: \$1,460,972,000) which is maturing within one year. None of the securities are past due or impaired.

The fair value of the unlisted securities were determined based on quoted bid prices in active markets.

持有至到期的債務證券包括價值346,449,000元(二零零八年十二月三十一日重列: 1,460,972,000元)的債務證券, 為於一年內到期。沒有證券逾期或減值。

非上市證券之公允價值按活躍市場之買入報價而釐定。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

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

(Continued)

(a) The Group (Continued)

(a) 本集團 (續)

		Central governments and central banks 中央政府及中央銀行 \$'000 千元	Public sector entities 公共機構 \$'000 千元	Banks and other financial institutions 銀行及其他金融機構 \$'000 千元	Corporate entities 企業實體 \$'000 千元	Others 其他 \$'000 千元	Total 總額 \$'000 千元
(ii) Available-for-sale	(ii) 可供出售						
At 31 December 2009	於二零零九年十二月三十一日						
Listed debt securities	上市債務證券						
– in Hong Kong	– 香港	42,169	–	254,031	79,312	–	375,512
– outside Hong Kong	– 香港以外地區	3,807,297	–	911,162	3,865,715	–	8,584,174
Listed direct equity securities	上市直接股本證券						
– in Hong Kong	– 香港	–	9,626	135,821	618,925	–	764,372
– outside Hong Kong	– 香港以外地區	–	156,649	–	5,135,927	–	5,292,576
Listed investment funds	上市投資基金						
outside Hong Kong	香港以外地區	–	–	–	1,762,402	–	1,762,402
Unlisted debt securities	非上市債務證券	2,999,711	–	3,360,183	2,792,037	–	9,151,931
Unlisted direct equity securities, at cost	非上市直接股本證券，按成本	–	–	–	2,263,297	–	2,263,297
Unlisted investment funds	非上市投資基金	–	–	–	3,780,353	127,239	3,907,592
		6,849,177	166,275	4,661,197	20,297,968	127,239	32,101,856
Level 1 – Quoted market price	第一類 – 市場報價	6,417,959	166,275	3,565,866	16,236,194	63,133	26,449,427
Level 2 – Valuation techniques using observable inputs	第二類 – 估值方法 – 採用可觀察數據	431,218	–	1,095,331	1,798,477	64,106	3,389,132
Level 3 – Valuation techniques with significant unobservable inputs	第三類 – 估值方法 – 採用涉及重大不可觀察數據	–	–	–	–	–	–
Fair value of securities	證券公允價值	6,849,177	166,275	4,661,197	18,034,671	127,239	29,838,559
Market value of listed securities	上市證券市值	3,849,466	166,275	1,301,014	11,462,281	–	16,779,036
Current	當期	5,671,411	9,626	3,012,998	19,413,566	63,134	28,170,735
Non-current	非當期	1,177,766	156,649	1,648,199	884,402	64,105	3,931,121
		6,849,177	166,275	4,661,197	20,297,968	127,239	32,101,856

The above unlisted equity securities are issued by private entities incorporated in the PRC. They are measured at cost at the end of the reporting period as the management considers that their fair values cannot be measured reliably.

上述非上市股本證券由於中國註冊成立之私人機構發行。由於管理層認為其公允價值不能可靠地計量，所以於報告期末均按成本列賬。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

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

(Continued)

(a) The Group (Continued)

(a) 本集團 (續)

		Central governments and central banks 中央政府及中央銀行 \$'000 千元	Public sector entities 公共機構 \$'000 千元	Banks and other financial institutions 銀行及其他金融機構 \$'000 千元	Corporate entities 企業實體 \$'000 千元	Others 其他 \$'000 千元	Total 總額 \$'000 千元
(ii) Available-for-sale (continued)	(ii) 可供出售 (續)						
At 31 December 2008 (Restated)	於二零零八年十二月三十一日 (重列)						
Listed debt securities	上市債務證券						
– in Hong Kong	– 香港	42,145	–	53,552	232,120	–	327,817
– outside Hong Kong	– 香港以外地區	6,890,412	–	819,316	3,939,528	–	11,649,256
Listed direct equity securities	上市直接股本證券						
– in Hong Kong	– 香港	–	–	130,892	276,011	4,180	411,083
– outside Hong Kong	– 香港以外地區	–	–	3,994	1,109,285	–	1,113,279
Listed investment funds	上市投資基金						
outside Hong Kong	香港以外地區	–	–	–	521,896	–	521,896
Unlisted debt securities	非上市債務證券	4,180,547	–	3,538,674	7,353,935	–	15,073,156
Unlisted direct equity securities, at cost	非上市直接股本證券，按成本	–	–	–	25,614	492	26,106
Unlisted investment funds	非上市投資基金	–	–	52,146	2,399,119	33	2,451,298
		11,113,104	–	4,598,574	15,857,508	4,705	31,573,891
Fair value of securities	證券公允價值	11,113,104	–	4,598,574	15,831,894	4,705	31,548,277
Market value of listed securities	上市證券市值	6,932,557	–	1,007,754	6,078,840	4,180	14,023,331
Current	當期	11,113,104	–	4,598,574	15,855,238	4,377	31,571,293
Non-current	非當期	–	–	–	2,270	328	2,598
		11,113,104	–	4,598,574	15,857,508	4,705	31,573,891

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

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

(Continued)

(a) The Group (Continued)

(a) 本集團 (續)

		Central governments and central banks 中央政府及中央銀行 \$'000 千元	Public sector entities 公共機構 \$'000 千元	Banks and other financial institutions 銀行及其他金融機構 \$'000 千元	Corporate entities 企業實體 \$'000 千元	Others 其他 \$'000 千元	Total 總額 \$'000 千元
(ii) Available-for-sale (continued)	(ii) 可供出售 (續)						
At 1 January 2008 (Restated)	於二零零八年一月一日 (重列)						
Listed debt securities	上市債務證券						
– in Hong Kong	– 香港	40,020	–	15,697	53,157	–	108,874
– outside Hong Kong	– 香港以外地區	13,345,430	7,759	3,211,430	8,721,481	17,637	25,303,737
Listed direct equity securities	上市直接股本證券						
– in Hong Kong	– 香港	2,446	11,840	393,113	676,217	162	1,083,778
– outside Hong Kong	– 香港以外地區	–	–	17,375	4,332,440	1,992	4,351,807
Listed investment funds	上市投資基金						
outside Hong Kong	香港以外地區	–	–	–	678,741	–	678,741
Unlisted debt securities	非上市債務證券	–	–	613,123	295,555	–	908,678
Unlisted direct equity securities, at cost	非上市直接股本證券，按成本	–	–	–	20,831	492	21,323
Unlisted investment funds	非上市投資基金	–	–	–	1,615,844	39,624	1,655,468
		13,387,896	19,599	4,250,738	16,394,266	59,907	34,112,406
Fair value of securities	證券公允價值	13,387,896	19,599	4,250,738	16,394,266	59,907	34,112,406
Market value of listed securities	上市證券市值	13,387,896	19,599	3,637,615	14,462,036	19,791	31,526,937
Current	當期	13,387,896	19,599	4,250,738	16,391,996	19,955	34,070,184
Non-current	非當期	–	–	–	2,270	39,952	42,222
		13,387,896	19,599	4,250,738	16,394,266	59,907	34,112,406

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

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

(Continued)

(a) The Group (Continued)

(a) 本集團 (續)

		Central governments and central banks 中央政府及中央銀行 \$'000 千元	Public sector entities 公共機構 \$'000 千元	Banks and other financial institutions 銀行及其他金融機構 \$'000 千元	Corporate entities 企業實體 \$'000 千元	Others 其他 \$'000 千元	Total 總額 \$'000 千元
(iii) Held for trading	(iii) 持有作交易用途						
At 31 December 2009	於二零零九年十二月三十一日						
Listed debt securities	上市債務證券						
– in Hong Kong	– 香港	–	–	–	43,976	–	43,976
– outside Hong Kong	– 香港以外地區	–	–	41,384	39,617	–	81,001
Listed direct equity securities	上市直接股本證券						
– in Hong Kong	– 香港	–	–	4,441	11,030	–	15,471
– outside Hong Kong	– 香港以外地區	–	–	4,233	93,605	–	97,838
Listed investment funds	上市投資基金						
outside Hong Kong	香港以外地區	–	–	3,636	33,593	–	37,229
Unlisted debt securities	非上市債務證券	68,218	–	78,862	14,422	–	161,502
Unlisted investment funds	非上市投資基金	–	–	–	8,911	–	8,911
		68,218	–	132,556	245,154	–	445,928
Level 1 – Quoted market price	第一類 – 市場報價	68,218	–	132,556	245,154	–	445,928
Level 2 – Valuation techniques using observable inputs	第二類 – 估值方法 – 採用可觀察數據	–	–	–	–	–	–
Level 3 – Valuation techniques with significant unobservable inputs	第三類 – 估值方法 – 採用涉及重大不可觀察數據	–	–	–	–	–	–
Fair value of securities	證券公允價值	68,218	–	132,556	245,154	–	445,928
Market value of listed securities	上市證券市值	–	–	53,694	221,821	–	275,515
Current	當期	68,218	–	132,556	245,154	–	445,928
Non-current	非當期	–	–	–	–	–	–
		68,218	–	132,556	245,154	–	445,928

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

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

(Continued)

(a) The Group (Continued)

(a) 本集團 (續)

		Central governments and central banks 中央政府及中央銀行 \$'000 千元	Public sector entities 公共機構 \$'000 千元	Banks and other financial institutions 銀行及其他金融機構 \$'000 千元	Corporate entities 企業實體 \$'000 千元	Others 其他 \$'000 千元	Total 總額 \$'000 千元
(iii) Held for trading (continued)	(iii) 持有作交易用途 (續)						
At 31 December 2008 (Restated)	於二零零八年十二月三十一日 (重列)						
Listed debt securities	上市債務證券						
– in Hong Kong	– 香港	–	–	21,492	59,151	–	80,643
– outside Hong Kong	– 香港以外地區	39,677	–	129,614	50,764	–	220,055
Listed direct equity securities	上市直接股本證券						
– in Hong Kong	– 香港	–	–	18,410	13,039	–	31,449
– outside Hong Kong	– 香港以外地區	–	–	22,458	3,225	–	25,683
Listed investment funds	上市投資基金						
– outside Hong Kong	– 香港以外地區	–	–	–	28,912	–	28,912
Unlisted debt securities	非上市債務證券	142,362	–	49,707	–	–	192,069
Unlisted investment funds	非上市投資基金	–	–	23,322	57,511	–	80,833
		182,039	–	265,003	212,602	–	659,644
Fair value of securities	證券公允價值	182,039	–	265,003	212,602	–	659,644
Market value of listed securities	上市證券市值	39,677	–	191,974	155,091	–	386,742
Current	當期	182,039	–	265,003	212,602	–	659,644
Non-current	非當期	–	–	–	–	–	–
		182,039	–	265,003	212,602	–	659,644

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

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

(Continued)

(a) The Group (Continued)

(a) 本集團 (續)

		Central governments and central banks 中央政府及中央銀行 \$'000 千元	Public sector entities 公共機構 \$'000 千元	Banks and other financial institutions 銀行及其他金融機構 \$'000 千元	Corporate entities 企業實體 \$'000 千元	Others 其他 \$'000 千元	Total 總額 \$'000 千元
(iii) Held for trading (continued)	(iii) 持有作交易用途 (續)						
At 1 January 2008 (Restated)	於二零零八年一月一日 (重列)						
Listed debt securities	上市債務證券						
– in Hong Kong	– 香港	–	–	22,938	21,901	–	44,839
– outside Hong Kong	– 香港以外地區	41,505	–	196,620	105,147	–	343,272
Listed direct equity securities	上市直接股本證券						
– in Hong Kong	– 香港	–	–	39,293	40,424	–	79,717
– outside Hong Kong	– 香港以外地區	–	–	33,523	120,896	–	154,419
Listed investment funds	上市投資基金						
outside Hong Kong	香港以外地區	–	–	68,134	684,606	–	752,740
Unlisted debt securities	非上市債務證券	80,334	–	84,488	6,455	–	171,277
Unlisted investment funds	非上市投資基金	–	–	78,394	84,627	–	163,021
		121,839	–	523,390	1,064,056	–	1,709,285
Fair value of securities	證券公允價值	121,839	–	523,390	1,064,056	–	1,709,285
Market value of listed securities	上市證券市值	41,505	–	360,508	972,974	–	1,374,987
Current	當期	121,839	–	523,390	1,064,056	–	1,709,285
Non-current	非當期	–	–	–	–	–	–
		121,839	–	523,390	1,064,056	–	1,709,285

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

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

(Continued)

(a) The Group (Continued)

(a) 本集團 (續)

		Central governments and central banks 中央政府及中央銀行 \$'000 千元	Public sector entities 公共機構 \$'000 千元	Banks and other financial institutions 銀行及其他金融機構 \$'000 千元	Corporate entities 企業實體 \$'000 千元	Others 其他 \$'000 千元	Total 總額 \$'000 千元
(iv) Loans and receivables	(iv) 貸款及應收款項						
At 31 December 2009	於二零零九年十二月三十一日						
Unlisted debt securities (note)	非上市債務證券 (註)	—	—	—	2,209,015	—	2,209,015
Fair value of securities	證券公允價值	—	—	—	2,222,296	—	2,222,296
Current	當期	—	—	—	—	—	—
Non-current	非當期	—	—	—	2,209,015	—	2,209,015
		—	—	—	2,209,015	—	2,209,015
At 31 December 2008 (Restated)	於二零零八年十二月三十一日 (重列)						
Unlisted debt securities (note)	非上市債務證券 (註)	—	—	—	2,199,824	—	2,199,824
Fair value of securities	證券公允價值	—	—	—	2,111,757	—	2,111,757
Current	當期	—	—	—	—	—	—
Non-current	非當期	—	—	—	2,199,824	—	2,199,824
		—	—	—	2,199,824	—	2,199,824
At 1 January 2008 (Restated)	於二零零八年一月一日 (重列)						
Unlisted debt securities (note)	非上市債務證券 (註)	—	—	—	256,306	—	256,306
Fair value of securities	證券公允價值	—	—	—	218,888	—	218,888
Current	當期	—	—	—	—	—	—
Non-current	非當期	—	—	—	256,306	—	256,306
		—	—	—	256,306	—	256,306

Note: The unlisted debt securities represent debt interest in infrastructure projects. The debt securities will be matured in 2015 and 2016 and bear interest ranging from 5% to 6%.

註：非上市債務證券代表於基建項目之債務利益。債務證券將於二零一五年及二零一六年到期及利率為5%至6%。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

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

(Continued)

(b) The Company

(b) 本公司

		31 December 2009 二零零九年 十二月三十一日 \$'000 千元	31 December 2008 二零零八年 十二月三十一日 \$'000 千元
Available-for-sale (note(i)):	可供出售 (註(i)) :		
– Debt securities	– 債務證券	280,357	402,643
– Direct equity securities	– 直接股本證券	29,701	169,182
		310,058	571,825
(i) Available-for-sale	(i) 可供出售		
Listed debt securities	上市債務證券		
– in Hong Kong	– 香港	13,930	15,428
– outside Hong Kong	– 香港以外地區	207,464	157,335
Listed direct equity securities in Hong Kong	上市直接股本證券 香港	29,701	169,182
Unlisted debt securities	非上市債務證券	58,963	229,880
		310,058	571,825
Level 1 – Quoted market price	第一類 – 市場報價	310,058	N/A 不適用
Level 2 – Valuation techniques using observable inputs	第二類 – 估值方法 – 採用 可觀察數據	–	N/A 不適用
Level 3 – Valuation techniques with significant unobservable inputs	第三類 – 估值方法 – 採用 涉及重大不可 觀察數據	–	N/A 不適用
Fair value of securities	證券公允價值	310,058	571,825
Market value of listed securities	上市證券市值	251,095	341,945
Current	當期	29,701	199,463
Non-current	非當期	280,357	372,362
		310,058	571,825

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

20 AMOUNTS DUE FROM/(TO) GROUP COMPANIES

20 應收／(應付)集團內公司款項

(a) Due from group companies

(a) 應收集團內公司款項

		The Group 本集團			The Company 本公司	
		31 December 2009 二零零九年 十二月三十一日	31 December 2008 二零零八年 十二月三十一日 (Restated) (重列)	1 January 2008 二零零八年 一月一日 (Restated) (重列)	31 December 2009 二零零九年 十二月三十一日	31 December 2008 二零零八年 十二月三十一日
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Amount due from the ultimate holding company	應收最終控股公司款項	12,810	3,647	993	110	65
Amount due from the immediate holding company	應收直接控股公司款項	851	157	9	—	—
Amounts due from fellow subsidiaries	應收同系附屬公司款項	6,547	3,965	2,338	—	3,216
Amounts due from subsidiaries	應收附屬公司款項	—	—	—	3,920,351	456,370
		20,208	7,769	3,340	3,920,461	459,651

(b) Due to group companies

(b) 應付集團內公司款項

		The Group 本集團			The Company 本公司	
		31 December 2009 二零零九年 十二月三十一日	31 December 2008 二零零八年 十二月三十一日 (Restated) (重列)	1 January 2008 二零零八年 一月一日 (Restated) (重列)	31 December 2009 二零零九年 十二月三十一日	31 December 2008 二零零八年 十二月三十一日
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Amount due to the ultimate holding company	應付最終控股公司款項	53	341	26	—	—
Amount due to the immediate holding company	應付直接控股公司款項	—	351	20	—	4
Amounts due to fellow subsidiaries	應付同系附屬公司款項	1,242	2,045	1,726	—	—
Amount due to subsidiaries	應付附屬公司款項	—	—	—	2,022,549	1,592,637
		1,295	2,737	1,772	2,022,549	1,592,641

Included in the amount due to subsidiaries is \$1,360,663,000 (31 December 2008: \$1,356,813,000), which is unsecured, repayable after more than one year and bears interest at a rate of 6.12% (2008: 6.12%) per annum.

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

應付附屬公司款項當中包括1,360,663,000元(二零零八年十二月三十一日: 1,356,813,000元)為無抵押、於超過一年後償還, 並以固定年利率6.12%計息(二零零八年: 6.12%)。

其他應收／(應付)集團內公司款項均無抵押、免息, 並須於要求時償還。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

21 INSURANCE DEBTORS

21 保險客戶應收賬款

		The Group 本集團		
		31 December 2009 二零零九年 十二月三十一日	31 December 2008 二零零八年 十二月三十一日 (Restated) (重列)	1 January 2008 二零零八年 一月一日 (Restated) (重列)
		\$'000 千元	\$'000 千元	\$'000 千元
Amounts due from insurance customers	應收保險客戶款項	1,359,977	1,271,097	904,158
Less: allowance for impaired debts (Note (b))	減：減值賬款準備 (附註(b))	(111,944)	(46,805)	(85,823)
		1,248,033	1,224,292	818,335
Deposits retained by cedants	分保人保留的按金	95,794	94,179	84,526
		1,343,827	1,318,471	902,861

Included in the amounts of insurance debtors is \$1,322,871,000 (2008 restated: \$1,165,903,000), which is expected to be recovered within one year.

保險客戶應收賬款包括一筆1,322,871,000元 (二零零八年重列：1,165,903,000元) 之款項，預期在一年內可以收回。

Amounts due from insurance customers include amounts due from fellow subsidiaries of \$6,171,000 (31 December 2008 restated: \$3,452,000) which are insurance related in nature.

應收保險客戶款項包括應收同系附屬公司款項6,171,000元 (二零零八年十二月三十一日重列：3,452,000元)，有關款項屬保險性質。

(a) Ageing analysis

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

(a) 賬齡分析

未有發現個別減值的應收保險客戶款項，其賬齡分析如下：

		The Group 本集團		
		31 December 2009 二零零九年 十二月三十一日	31 December 2008 二零零八年 十二月三十一日 (Restated) (重列)	1 January 2008 二零零八年 一月一日 (Restated) (重列)
		\$'000 千元	\$'000 千元	\$'000 千元
Not yet due	未到期	498,967	365,262	270,056
Current	現已到期	565,790	692,066	495,442
More than 3 months but less than 12 months	超過三個月但少於十二個月	163,396	118,410	38,564
More than 12 months	超過十二個月	19,880	48,554	14,273
		1,248,033	1,224,292	818,335

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

21 INSURANCE DEBTORS (Continued)

(a) Ageing analysis (Continued)

Amounts due from insurance customers that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Amounts due from insurance customers that were past due but not impaired relate to a number of independent policyholders and reinsurers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

The amount of impaired debts are \$111,944,000 (31 December 2008 restated: \$46,805,000). Various actions have been taken to recover the debts, but these debts have not been recovered and hence impairment is provided.

(b) Movement in the allowance for impaired debts

21 保險客戶應收賬款 (續)

(a) 賬齡分析 (續)

應收保險客戶之未逾期及未減值之款項乃與最近並無違約紀錄之一系列客戶有關。

已逾期但無減值之應收保險客戶款項乃與多名與本集團保持良好紀錄的獨立保單持有人及再保險人有關。按照過往經驗，管理層相信，由於信貸質素並無重大變動，且該等結餘仍被視為可全數收回，因此毋須就有關結餘作出減值撥備。本集團並無就該等結餘持有任何抵押品。

減值債務為111,944,000元(二零零八年十二月三十一日重列：46,805,000元)。我們已採取各種各樣的行動收回債務，但該些債務仍未收回，因此計提減值。

(b) 減值賬款準備變動

		The Group 本集團	
		2009 二零零九年	2008 二零零八年 (Restated) (重列)
		\$'000 千元	\$'000 千元
At 1 January	於一月一日	46,805	85,823
Impairment losses recognized	已確認減值虧損	74,979	1,287
Exchange difference	匯兌差額	53	(287)
Uncollectible amounts written off	已撇銷不可收回金額	(9,893)	(40,018)
At 31 December	於十二月三十一日	111,944	46,805

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

22 REINSURERS' SHARE OF INSURANCE CONTRACT PROVISIONS

22 分保公司應佔保險合約準備

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

分保公司應佔保險合約準備份額，代表再保險公司於由人壽保險、再保險及財產保險業務產生的壽險合約負債、未到期責任準備金及未決賠款準備的份額。

		The Group 本集團		
		31 December 2009 二零零九年 十二月三十一日	31 December 2008 二零零八年 十二月三十一日 (Restated) (重列)	1 January 2008 二零零八年 一月一日 (Restated) (重列)
		\$'000 千元	\$'000 千元	\$'000 千元
Life insurance contract liabilities (Note 27)	壽險合約負債 (附註27)	13,302	7,780	3,386
Unearned premium provisions (Note 28)	未到期責任準備金 (附註28)	513,755	494,461	231,484
Provision for outstanding claims (Note 29)	未決賠款準備 (附註29)	1,560,605	1,804,106	1,372,958
		2,087,662	2,306,347	1,607,828

23 OTHER DEBTORS

23 其他應收賬款

		The Group 本集團			The Company 本公司	
		31 December 2009 二零零九年 十二月三十一日	31 December 2008 二零零八年 十二月三十一日 (Restated) (重列)	1 January 2008 二零零八年 一月一日 (Restated) (重列)	31 December 2009 二零零九年 十二月三十一日	31 December 2008 二零零八年 十二月三十一日
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Other debtors, deposits and prepayments	其他應收賬款、按金及預付款	2,002,417	1,776,839	1,283,548	6,605	11,591
Less: allowance for impaired debts (Note (a))	減：減值賬款準備 (註(a))	(18,379)	(8,668)	—	—	—
		1,984,038	1,768,171	1,283,548	6,605	11,591
Loans and advances (Note (b))	貸款及墊款 (註(b))	591,646	380,541	276,219	—	—
		2,575,684	2,148,712	1,559,767	6,605	11,591

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

23 OTHER DEBTORS (Continued)

(a) Movement in the allowance for impaired debts:

		The Group 本集團	
		2009 二零零九年	2008 二零零八年 (Restated) (重列)
		\$'000 千元	\$'000 千元
At 1 January	於一月一日	8,668	—
Impairment losses recognized	已確認減值虧損	9,711	8,668
At 31 December	於十二月三十一日	18,379	8,668

The amount of impaired debts are \$18,379,000 (31 December 2008: \$8,668,000). We have taken various actions to recover the debts, but these debts have not yet been recovered.

減值債務為18,379,000元(二零零八年十二月三十一日: 8,668,000元)。我們已採取各種各樣的行動收回債務, 但該筆債務仍未收回。

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

		31 December 2009 二零零九年 十二月三十一日	31 December 2008 二零零八年 十二月三十一日 (Restated) (重列)	1 January 2008 二零零八年 一月一日 (Restated) (重列)	Interest rate 利率	Repayment term 還款期
		\$'000 千元	\$'000 千元	\$'000 千元		
Secured loans: – to policyholders	有抵押按揭貸款: – 給予保單持有人	591,646	380,541	276,219	4.5 - 4.7%	Less than 6 months 六個月以內

There was no amount due but unpaid, nor any provision made against the principal amount or interest on these loans as of 31 December 2008 and 2009.

於二零零八年及二零零九年十二月三十一日, 沒有已到期但未支付, 也沒有任何對這些貸款的本金或利息作出任何撥備。

24 PLEDGED DEPOSITS AT BANKS

The deposits at banks of \$92,225,000 (31 December 2008: \$102,453,000) are pledged to banks to secure letters of credit issued on behalf of the Group. In addition, the Group has deposits of \$nil (31 December 2008 restated: \$83,276,000) pledged to bank to secure banking facilities granted to the Group. All the pledged deposits at banks are expected to be settled within one year.

24 已抵押銀行存款

銀行存款中一筆為數92,225,000元(二零零八年十二月三十一日: 102,453,000元)已抵押予銀行作為銀行代表本集團發出信用狀提供保證。另外, 本集團沒有抵押(二零零八年十二月三十一日重列: 83,276,000元)銀行存款予銀行作為本集團獲取銀行借貸之保證。所有的已抵押銀行存款預計在一年內支付。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

25 STATUTORY DEPOSITS

Certain subsidiaries of the Group have placed \$1,326,787,000 (31 December 2008 *restated*: \$1,195,448,000) with banks as capital guarantee funds, pursuant to the relevant PRC insurance rules and regulations. The funds can only be used with the prior approval of the relevant authorities in the event that the PRC subsidiaries cannot meet the statutory solvency requirements or go into liquidation.

In addition, a subsidiary of the Group has pledged a deposit of \$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.

25 法定存款

本集團若干附屬公司根據中國有關保險法規的規定將為數1,326,787,000元(二零零八年十二月三十一日重列: 1,195,448,000元)的款項存於銀行, 作為資本保證基金。該筆款項只可在該附屬公司不能達到法定償付能力要求或清盤時, 並得到有關政府部門批准, 方可動用。

此外, 本集團一間附屬公司根據新加坡保險條例第14A規定持有一筆為數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。

26 CASH AND CASH EQUIVALENTS

26 現金及現金等價物

	The Group 本集團			The Company 本公司	
	31 December 2009 二零零九年 十二月三十一日	31 December 2008 二零零八年 十二月三十一日 (<i>Restated</i>) (重列)	1 January 2008 二零零八年 一月一日 (<i>Restated</i>) (重列)	31 December 2009 二零零九年 十二月三十一日	31 December 2008 二零零八年 十二月三十一日
	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'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			
	3,409,806	3,634,675	3,336,287	103,795	250,141
Money market funds	822,480	436,401	345,718	—	—
Cash at bank and in hand	8,265,535	3,669,760	3,017,229	22,194	1,637
Cash and cash equivalents in the statement of financial position and the statement of cash flow	12,497,821	7,740,836	6,699,234	125,989	251,778

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

27 LIFE INSURANCE CONTRACT LIABILITIES

27 壽險合約負債

		2009 二零零九年			2008 (Restated) 二零零八年 (重列)		
		Gross 總額 \$'000 千元	Reinsurers' 再保險 公司份額 \$'000 千元	Net 淨額 \$'000 千元	Gross 總額 \$'000 千元	Reinsurers' 再保險 公司份額 \$'000 千元	Net 淨額 \$'000 千元
Balance as at 1 January	於一月一日結餘	18,785,337	(7,780)	18,777,557	38,529,656	(3,386)	38,526,270
Effect on change of accounting policies on investment contracts	投資合約會計政策變更之影響	-	-	-	(23,321,887)	-	(23,321,887)
Premiums written during the year	年內承保保費	21,636,231	(206,509)	21,429,722	8,830,294	(110,221)	8,720,073
Surrenders	退保	(1,036,334)	-	(1,036,334)	(1,697,819)	-	(1,697,819)
Annuity, dividend and maturity payments	年金、分紅及到期付款	(2,284,027)	-	(2,284,027)	(185,596)	-	(185,596)
Other movements	其他變動	(6,057,981)	201,005	(5,856,976)	(4,234,661)	106,082	(4,128,579)
Exchange alignment	匯兌調整	46,082	(18)	46,064	865,350	(255)	865,095
Balance as at 31 December	於十二月三十一日結餘	31,089,308	(13,302)	31,076,006	18,785,337	(7,780)	18,777,557

Key assumptions used in estimating the life insurance contract liabilities

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

- Interest rates which vary by the life of contract;
- Mortality/morbidity rates based on the China Life table (2000-2003); and
- Lapse rates based on 100% of pricing assumptions.

Sensitivities of changes in key assumptions:

評估壽險合約負債採納的主要假設

壽險合約的儲備乃基於以下主要假設而作出：

- 利率隨合約期限而變動；
- 死亡率／發病率根據中國人壽保險業經驗生命表計算(二零零零年至二零零三年)；及
- 作廢率根據定價假設100%計算。

主要假設變動的敏感度：

Impact on profit
after tax and
total equity
對除稅後溢利及
總權益的影響
HK\$' million
百萬港元

31 December 2009	二零零九年十二月三十一日	
1% increase in interest rate	利率增加1%	1,805.87
10% decrease in mortality/morbidity rate	死亡率／發病率減少10%	250.17
31 December 2008 (Restated)	二零零八年十二月三十一日 (重列)	
1% increase in interest rate	利率增加1%	1,110.90
10% decrease in mortality/morbidity rate	死亡率／發病率減少10%	165.97

During the year, there were no significant changes in the key assumptions used in estimating the life insurance contract liabilities.

於本年內，評估壽險合約負債採納的主要假設，並無重大變動。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

28 UNEARNED PREMIUM PROVISIONS

28 未到期責任準備金

		31 December 2009 二零零九年十二月三十一日			31 December 2008 (Restated) 二零零八年十二月三十一日 (重列)			1 January 2008 (Restated) 二零零八年一月一日 (重列)		
		Reinsurers' share			Reinsurers' share			Reinsurers' share		
		Gross	再保險	Net	Gross	再保險	Net	Gross	再保險	Net
		總額	公司份額	淨額	總額	公司份額	淨額	總額	公司份額	淨額
		\$'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
Reinsurance (Note (i))	再保險 (註(i))	547,881	(71,163)	476,718	613,329	(76,395)	536,934	566,064	(62,890)	503,174
Life insurance (Note (ii))	人壽保險 (註(ii))	369,190	(98,461)	270,729	299,939	(46,236)	253,703	230,383	(38,460)	191,923
Property and casualty insurance (Note (iii))	財產保險 (註(iii))	2,901,735	(344,131)	2,557,604	2,701,425	(371,830)	2,329,595	506,256	(130,134)	376,122
		3,818,806	(513,755)	3,305,051	3,614,693	(494,461)	3,120,232	1,302,703	(231,484)	1,071,219

Notes:

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

註:

(i) 再保險業務的未到期責任準備金變化分析:

		2009 二零零九年			2008 二零零八年		
		Reinsurers' share			Reinsurers' share		
		Gross	再保險	Net	Gross	再保險	Net
		總額	公司份額	淨額	總額	公司份額	淨額
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元
Balance as at 1 January	於一月一日結餘	613,329	(76,395)	536,934	566,064	(62,890)	503,174
Premiums written during the year	年內承保保費	1,774,954	(266,195)	1,508,759	1,838,999	(270,337)	1,568,662
Premiums earned during the year	年內已賺取保費	(1,840,402)	271,427	(1,568,975)	(1,791,734)	256,832	(1,534,902)
Balance as at 31 December	於十二月三十一日結餘	547,881	(71,163)	476,718	613,329	(76,395)	536,934

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

(ii) 人壽保險業務的未到期責任準備金變化分析:

		2009 二零零九年			2008 二零零八年		
		Reinsurers' share			Reinsurers' share		
		Gross	再保險	Net	Gross	再保險	Net
		總額	公司份額	淨額	總額	公司份額	淨額
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元
Balance as at 1 January	於一月一日結餘	299,939	(46,236)	253,703	327,860	(38,460)	289,400
Effect on change in accounting policies on insurance contracts	保險合約會計政策變更之影響	—	—	—	(97,477)	—	(97,477)
Premiums written during the year	年內承保保費	21,636,231	(206,509)	21,429,722	8,830,294	(110,221)	8,720,073
Premiums earned during the year	年內已賺取保費	(21,567,490)	154,407	(21,413,083)	(8,781,539)	104,880	(8,676,659)
Exchange alignment	匯兌調整	510	(123)	387	20,801	(2,435)	18,366
Balance as at 31 December	於十二月三十一日結餘	369,190	(98,461)	270,729	299,939	(46,236)	253,703

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

28 UNEARNED PREMIUM PROVISIONS (Continued)

28 未到期責任準備金 (續)

Notes: (Continued)

註：(續)

(iii) Analysis of movement in the unearned premium provisions for the property and casualty insurance business:

(iii) 財產保險業務的未到期責任準備金變化分析：

		Gross 總額 \$'000 千元	Reinsurers' share 再保險 公司份額 \$'000 千元	Net 淨額 \$'000 千元
Balance as at 1 January 2008 (Originally stated)	於二零零八年一月一日 結餘 (如前呈報)	—	—	—
Effect of merger accounting for business combination involving entities under common control	涉及受共同控制 實體的業務合併之 合併會計法影響	632,076	(164,814)	467,262
Effect of changes in accounting policy	變更會計政策之影響	(125,820)	34,680	(91,140)
Balance as at 1 January 2008 (restated)	於二零零八年一月一日 結餘 (重列)	506,256	(130,134)	376,122
Acquisition of subsidiary	於購入一間附屬公司 時獲取	2,430,084	(325,845)	2,104,239
Premiums written during the year	年內承保保費	3,915,667	(858,316)	3,057,351
Premiums earned during the year	年內已賺取保費	(4,141,353)	935,089	(3,206,264)
Exchange alignment	匯兌調整	(9,229)	7,376	(1,853)
Balance as at 31 December 2008/ 1 January 2009	於二零零八年 十二月三十一日 / 二零零九年一月一日 結餘	2,701,425	(371,830)	2,329,595
Premiums written during the year	年內承保保費	7,333,753	(1,214,842)	6,118,911
Premiums earned during the year	年內已賺取保費	(7,137,841)	1,243,127	(5,894,714)
Exchange alignment	匯兌調整	4,398	(586)	3,812
Balance as at 31 December 2009	於二零零九年 十二月三十一日結餘	2,901,735	(344,131)	2,557,604

29 PROVISION FOR OUTSTANDING CLAIMS

29 未決賠款準備

		31 December 2009 二零零九年十二月三十一日			31 December 2008 (Restated) 二零零八年十二月三十一日 (重列)			1 January 2008 (Restated) 二零零八年一月一日 (重列)		
		Gross 總額 \$'000 千元	Reinsurers' share 再保險 公司份額 \$'000 千元	Net 淨額 \$'000 千元	Gross 總額 \$'000 千元	Reinsurers' share 再保險 公司份額 \$'000 千元	Net 淨額 \$'000 千元	Gross 總額 \$'000 千元	Reinsurers' share 再保險 公司份額 \$'000 千元	Net 淨額 \$'000 千元
Reinsurance (Note (i))	再保險 (註(i))	2,655,675	(257,470)	2,398,205	2,548,443	(336,683)	2,211,760	2,349,612	(260,608)	2,089,004
Life insurance (Note (ii))	人壽保險 (註(ii))	202,013	(36,615)	165,398	255,990	(15,925)	240,065	144,507	(11,396)	133,111
Property and casualty insurance (Note (iii))	財產保險 (註(iii))	4,125,068	(1,266,520)	2,858,548	3,906,739	(1,451,498)	2,455,241	2,377,339	(1,100,954)	1,276,385
		6,982,756	(1,560,605)	5,422,151	6,711,172	(1,804,106)	4,907,066	4,871,458	(1,372,958)	3,498,500

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

29 PROVISION FOR OUTSTANDING CLAIMS (Continued) 29 未決賠款準備 (續)

Notes:

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

註：

- (i) 再保險業務的未決賠款準備變化分析：

		2009 二零零九年			2008 二零零八年		
		Reinsurers' share			Reinsurers' share		
		Gross 總額	再保險 公司份額	Net 淨額	Gross 總額	再保險 公司份額	Net 淨額
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Balance as at 1 January	於一月一日結餘	2,548,443	(336,683)	2,211,760	2,349,612	(260,608)	2,089,004
Claims paid during the year	年內已付賠款	(979,427)	141,489	(837,938)	(853,964)	88,959	(765,005)
Claims incurred during the year	年內索賠	1,086,659	(62,276)	1,024,383	1,052,795	(165,034)	887,761
Balance as at 31 December	於十二月三十一日結餘	2,655,675	(257,470)	2,398,205	2,548,443	(336,683)	2,211,760

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

- (ii) 人壽保險業務的未決賠款準備變化分析：

		2009 二零零九年			2008 二零零八年		
		Reinsurers' share			Reinsurers' share		
		Gross 總額	再保險 公司份額	Net 淨額	Gross 總額	再保險 公司份額	Net 淨額
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Balance as at 1 January	於一月一日結餘	255,990	(15,925)	240,065	147,320	(11,396)	135,924
Effect on change in accounting policies on insurance contracts	保險合約會計政策變更之影響	—	—	—	(2,813)	—	(2,813)
Claims paid during the year	年內已付賠款	(645,458)	115,134	(530,324)	(443,202)	(155)	(443,357)
Claims incurred during the year	年內索賠	591,090	(135,780)	455,310	537,996	(3,628)	534,368
Exchange alignment	匯兌調整	391	(44)	347	16,689	(746)	15,943
Balance as at 31 December	於十二月三十一日結餘	202,013	(36,615)	165,398	255,990	(15,925)	240,065

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

29 PROVISION FOR OUTSTANDING CLAIMS (Continued) 29 未決賠款準備 (續)

Notes: (Continued)

(iii) Analysis of movement in the provision for outstanding claims for the property and casualty insurance business:

註：(續)

(iii) 財產保險業務的未決賠款準備變化分析：

		Gross 總額 \$'000 千元	Reinsurers' share 再保險 公司份額 \$'000 千元	Net 淨額 \$'000 千元
Balance as at 1 January 2008 (Originally stated)	於二零零八年一月一日結餘 (如前呈報)	—	—	—
Effect of merger accounting for business combination involving an entity under common control	涉及一間受共同控制實體 的業務合併之 合併會計法影響	2,376,427	(1,104,910)	1,271,517
Effect of changes in accounting policy	變更會計政策之影響	912	3,956	4,868
Balance as at 1 January 2008 (restated)	於二零零八年一月一日 結餘 (重列)	2,377,339	(1,100,954)	1,276,385
Acquisition of subsidiary	於購入一間附屬公司時獲取	1,550,105	(562,503)	987,602
Claims paid during the year	年內已付賠款	(2,171,041)	582,986	(1,588,055)
Claims incurred during the year	年內索賠	2,212,943	(491,369)	1,721,574
Exchange alignment	匯兌調整	(62,607)	120,342	57,735
Balance as at 31 December 2008/ 1 January 2009	於二零零八年 十二月三十一日/ 二零零九年一月一日結餘	3,906,739	(1,451,498)	2,455,241
Claims paid during the year	年內已付賠款	(3,571,410)	833,598	(2,737,812)
Claims incurred during the year	年內索賠	3,786,528	(647,954)	3,138,574
Exchange alignment	匯兌調整	3,211	(666)	2,545
Balance as at 31 December 2009	於二零零九年 十二月三十一日結餘	4,125,068	(1,266,520)	2,858,548

30 INVESTMENT CONTRACT LIABILITIES

30 投資合約負債

(a) Unit-linked products

(a) 投資連結產品

		The Group 本集團	
		2009 二零零九年 \$'000 千元	2008 二零零八年 \$'000 千元
Balance as at 1 January	於一月一日結餘	4,269,892	4,547,658
Premiums received during the year	年內已收保費	248,756	2,053,060
Investment income allocated to investment contracts	分配至投資合約之 投資收入	1,322,279	(2,146,671)
Surrenders and others	退保及其他	(762,608)	(184,155)
Balance as at 31 December	於十二月三十一日結餘	5,078,319	4,269,892

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

30 INVESTMENT CONTRACT LIABILITIES (Continued)

30 投資合約負債 (續)

(b) Universal life and other products

(b) 萬能壽險及其他產品

		The Group 本集團	
		2009 二零零九年 \$'000 千元	2008 二零零八年 \$'000 千元
Balance as at 1 January	於一月一日結餘	28,681,160	17,750,558
Premiums received during the year	年內已收保費	3,989,648	10,555,186
Interest allocated to investment contracts, net of management fee	分配至投資合約之利益，減管理費	1,170,325	1,174,893
Surrenders and others	退保及其他	(2,537,515)	(799,477)
Balance as at 31 December	於十二月三十一日結餘	31,303,618	28,681,160

31 INCOME TAX IN THE STATEMENT OF FINANCIAL POSITION

31 財務狀況表的利得稅

(a) Current taxation in the statement of financial position represents:

(a) 在財務狀況表所示的當期稅項為：

		The Group 本集團			The Company 本公司	
		31 December 2009 二零零九年 十二月三十一日 \$'000 千元	31 December 2008 二零零八年 十二月三十一日 (Restated) (重列) \$'000 千元	1 January 2008 二零零八年 一月一日 (Restated) (重列) \$'000 千元	31 December 2009 二零零九年 十二月三十一日 \$'000 千元	31 December 2008 二零零八年 十二月三十一日 \$'000 千元
Provision for Hong Kong Profits Tax for the year	本年度香港利得稅準備	36,072	7,576	180,959	-	-
Provisional Hong Kong Profits Tax paid	已暫繳的香港利得稅	(5,874)	(1,640)	(33,223)	-	-
Balance of Hong Kong Profits Tax provision relating to prior years	屬於往年度香港利得稅準備的結餘	30,198	5,936	147,736	-	-
Taxation outside Hong Kong	香港以外的稅項	156,729	158,020	58,670	-	-
		67,239	179,034	207,410	-	-
Amount of taxation payable expected to be settled after more than 1 year	預期在一年以後才須支付的應付稅項	-	-	-	-	-
Net tax recoverable recognized in the statement of financial position	已確認於財務狀況表的 可收回稅項淨額	-	(1,640)	-	-	-
Net current taxation recognized in the statement of financial position	已確認於財務狀況表的 當期稅項	254,166	180,674	207,410	-	-
		254,166	179,034	207,410	-	-

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

31 INCOME TAX IN THE STATEMENT OF FINANCIAL POSITION (Continued) 31 財務狀況表的利得稅 (續)

(b) Deferred tax assets and liabilities recognized:

The Group

The components of deferred tax assets/(liabilities) (prior to the offsetting of balances within the same taxation jurisdiction) recognized in the consolidated statement of financial position and the movements during the year were as follows:

(b) 已確認遞延稅項資產及負債：

本集團

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

Deferred tax arising from:	遞延稅項來自：	Difference in depreciation allowances and related depreciation and revaluation of properties	Fair value adjustment arising from business combination of properties	Fair value adjustment of available-for-sale securities	Securities held for trading	Unused tax losses	Life insurance contract liabilities	Provision for outstanding claims	Others (Note)	Total	
		\$'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	2,836	(402)	(79,222)	8,332	(90)	79,172	—	—	(976,297)	(965,671)
(Charged)/credited to consolidated income statement	於綜合損益表(支出)/抵免	(1,590)	(121)	—	(145)	90	57,592	—	—	(239,422)	(183,596)
Charged to other comprehensive income	於其他全面收益入賬	—	—	—	(168,152)	—	—	—	—	—	(168,152)
Exchange difference	匯兌調整	—	—	—	—	—	—	—	—	(1,748)	(1,748)
At 31 December 2009	於二零零九年十二月三十一日	1,246	(523)	(79,222)	(159,965)	—	136,764	—	—	(1,217,467)	(1,319,167)
At 1 January 2008 (Originally reported)	於二零零八年一月一日(原本列示)	11,083	(384)	—	(278,108)	(270,337)	1,211	(413,120)	1,539	1,733	(946,383)
Effect of merger accounting for business combination involving entities under common control	涉及受共同控制實體的業務合併之合併會計法影響	—	—	—	—	—	69,200	—	—	—	69,200
Effect of changes in accounting policy	變更會計政策之影響	—	—	—	—	—	—	413,120	(1,539)	(730,726)	(319,145)
At 1 January 2008 (Restated)	於二零零八年一月一日(重列)	11,083	(384)	—	(278,108)	(270,337)	70,411	—	—	(728,993)	(1,196,328)
(Charged)/credited to consolidated income statement	於綜合損益表(支出)/抵免	(8,739)	(18)	—	144	283,812	8,654	—	—	(219,550)	64,303
Charged to other comprehensive income	於其他全面收益入賬	—	—	—	303,201	—	—	—	—	—	303,201
Arising on acquisition of subsidiary	於購入一間附屬公司時獲取	—	—	(79,222)	—	—	—	—	—	—	(79,222)
Exchange difference	匯兌調整	492	—	—	(16,905)	(13,565)	107	—	—	(27,754)	(57,625)
At 31 December 2008 (Restated)	於二零零八年十二月三十一日(重列)	2,836	(402)	(79,222)	8,332	(90)	79,172	—	—	(976,297)	(965,671)

Note: Included in the balance is a provision for deferred tax liability of \$976,000,000 (31 December 2008 (restated): \$976,000,000) related to the increase in profit for prior years as a result of change in accounting policy of insurance contract.

註：遞延稅項準備結餘當中包括976,000,000元(二零零八年十二月三十一日(重列)：976,000,000元)，與往前年度因保險合約會計政策變更而上升之溢利有關。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

31 INCOME TAX IN THE STATEMENT OF FINANCIAL POSITION (Continued) 31 財務狀況表的利得稅 (續)

(b) Deferred tax assets and liabilities recognized: (Continued)

(b) 已確認遞延稅項資產及負債：(續)

The Group (Continued)

本集團 (續)

		31 December 2009 二零零九年 十二月三十一日 \$'000 千元	31 December 2008 二零零八年 十二月三十一日 \$'000 千元	1 January 2008 二零零八年 一月一日 \$'000 千元
Net deferred tax asset recognized in the consolidated statement of financial position	已確認於綜合財務狀況表的遞延稅項資產淨額	96,210	91,660	71,848
Net deferred tax liability recognized in the consolidated statement of financial position	已確認於綜合財務狀況表的遞延稅項負債淨額	(1,415,377)	(1,057,331)	(1,268,176)
		(1,319,167)	(965,671)	(1,196,328)

The Company

本公司

The components of deferred tax (assets)/liabilities recognized in the statement of financial position and the movements during the year were as follows:

於財務狀況表確認的遞延稅項(資產)/負債的組合及本年度的變動情況如下：

Deferred tax arising from:	遞延稅項來自：	Fair value adjustment of available-for-sale securities 可供出售證券公允價值調整 \$'000 千元
At 1 January 2009	於二零零九年一月一日	(5,549)
Charged to other comprehensive income	於其他全面收益入賬	5,975
At 31 December 2009	於二零零九年十二月三十一日	426
At 1 January 2008	於二零零八年一月一日	157
Charged to other comprehensive income	於其他全面收益入賬	(5,706)
At 31 December 2008	於二零零八年十二月三十一日	(5,549)

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

31 INCOME TAX IN THE STATEMENT OF FINANCIAL POSITION (Continued) 31 財務狀況表的利得稅 (續)

(c) Deferred tax assets not recognized

At 31 December 2009, the Group did not recognize deferred tax assets in respect of certain tax losses of \$1,510,301,000 (31 December 2008 restated: \$1,706,058,000). Of this amount, the total tax loss of \$587,862,000 (31 December 2008: \$832,597,000) can be carried forward up to five years after the year in which the loss was originated to offset future taxable profits, while the remaining tax losses do not expire under current tax legislation.

(c) 未確認的遞延稅項資產

於二零零九年十二月三十一日，本集團未有確認1,510,301,000元(二零零八年十二月三十一日重列：1,706,058,000元)之稅項虧損而產生的遞延稅項資產。於該數額內，587,862,000元(二零零八年十二月三十一日：832,597,000元)稅項虧損總額可以在發生虧損年起計，最多不多於五年，用作抵銷未來之應評稅利潤，尚餘的稅項虧損額在目前的稅務條例則並無期限。

32 INTEREST-BEARING NOTES

32 需付息票據

		The Group 本集團		
		31 December 2009 二零零九年 十二月三十一日 \$'000 千元	31 December 2008 二零零八年 十二月三十一日 \$'000 千元	1 January 2008 二零零八年 一月一日 \$'000 千元
USD notes due 2013 (Note (a))	於二零一三年到期的美元票據 (註(a))	1,352,511	1,350,576	1,358,467
RMB subordinated notes due 2013 (Note (b))	於二零一三年到期的人民幣次級票據 (註(b))	1,703,610	1,700,895	1,601,910
RMB subordinated notes due 2018 (Note (c))	於二零一八年到期的人民幣次級票據 (註(c))	2,328,267	2,324,557	—
RMB subordinated notes due 2019 (Note (d))	於二零一九年到期的人民幣次級票據 (註(d))	340,722	—	—
		5,725,110	5,376,028	2,960,377
Fair value of interest-bearing notes	需付息票據公允價值	5,175,262	5,363,591	2,962,015

Notes:

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

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

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

- (b) On 23 October 2005, TPL, a subsidiary of the Group issued 4.45% subordinated notes at par for the principal amount of RMB1,500,000,000. The notes will be redeemed on 30 November 2013 at par value and cannot be repaid on demand before then. Interest on the notes is payable annually in arrears.

The notes issued are free of any collateral and guarantee.

註：

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

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

票據由本公司提供無條件及不可撤銷的擔保。

- (b) 於二零零五年十月二十三日，太平人壽，本集團一家附屬公司，以票面值發行了本金價值1,500,000,000元人民幣4.45%的次級票據。票據將於二零一三年十一月三十日以票面值贖回及於該日期前不可被即時償還。票據利息每年於年末支付。

票據並無任何抵押品及擔保。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

32 INTEREST-BEARING NOTES (Continued)

Notes: (Continued)

- (c) During September and December 2008, TPL and TPI, subsidiaries of the Group issued 6.3% subordinated notes at par for the principal amount of RMB1,350,000,000 and RMB700,000,000, respectively. The notes will mature during September and October 2018 but the notes can be redeemed at the fifth anniversary year of the issue date at par value at the discretion of TPL and TPI. Interest on the notes is payable annually in arrears.

The notes issued by TPL are free of any collateral and guarantee. The notes issued by TPI are free of any collateral but are unconditionally and irrevocably guaranteed by TPG.

- (d) On 16 March 2009, TPL, a subsidiary of the Group issued 5.6% subordinated notes at par for the principal amount of RMB300,000,000. The notes will mature during March 2019 but the notes can be redeemed at the fifth anniversary year of the issue date at par value at the discretion of TPL. Interest on the notes is payable annually in arrears.

The notes issued are free of any collateral and guarantee.

32 需付息票據 (續)

註：(續)

- (c) 於二零零八年九月及十二月，太平人壽及太平財險，本集團之附屬公司分別以票面值發行了本金價值1,350,000,000元人民幣及700,000,000元人民幣6.3%的次級票據。票據將分別於二零一八年九月及十月到期，但票據可以由太平人壽及太平財險酌定於發行日的第五週年以票面值贖回。票據利息每年於年末支付。

太平人壽發行之票據並無任何抵押品及擔保。太平財險發行之票據並無任何抵押品但由中國太平集團提供無條件及不可撤銷的擔保。

- (d) 於二零零九年三月十六日，太平人壽，本集團一家附屬公司以票面值發行了本金價值300,000,000元人民幣5.6%的次級票據。票據將於二零一九年三月贖回，但票據可以由太平人壽酌定於發行日的第五週年以票面值贖回。票據利息每年於年末支付。

票據並無任何抵押品及擔保。

33 INSURANCE CREDITORS

33 保險客戶應付賬款

		The Group 本集團		
		31 December 2009 二零零九年 十二月三十一日	31 December 2008 二零零八年 十二月三十一日 (Restated) (重列)	1 January 2008 二零零八年 一月一日 (Restated) (重列)
		\$'000 千元	\$'000 千元	\$'000 千元
Amounts due to insurance customers	應付保險客戶款項	667,677	557,008	351,136
Amounts due to insurance intermediaries	應付保險中介款項	—	57,834	101,732
Deposits retained from retrocessionaires	轉分保險人保留的按金	98,900	65,060	142,610
Prepaid premiums received	預收保費	641,196	474,523	216,252
		1,407,773	1,154,425	811,730

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

The amounts due to insurance customers include amounts due to fellow subsidiaries of \$1,125,000 (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。

應付保險客戶款項包括應付同系附屬公司款項為1,125,000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。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

33 INSURANCE CREDITORS (Continued)

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

		The Group 本集團		
		31 December 2009 二零零九年 十二月三十一日	31 December 2008 二零零八年 十二月三十一日 (Restated) (重列)	1 January 2008 二零零八年 一月一日 (Restated) (重列)
		\$'000 千元	\$'000 千元	\$'000 千元
Current	現時	602,676	492,278	259,994
More than 3 months but less than 12 months	超過三個月 但少於十二個月	35,107	41,335	54,288
More than 12 months	超過十二個月	29,894	23,395	36,854
		667,677	557,008	351,136

33 保險客戶應付賬款 (續)

應付保險客戶款項之賬齡分析如下：

34 OTHER CREDITORS

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

34 其他應付賬款

所有其他應付賬款預期將於一年內清償。

35 INSURANCE PROTECTION FUND

The amount represents the amount payable to the insurance protection fund at end of the reporting period. According to the CIRC's Order (2008) No. 2 "Administration rule on insurance protection fund", the insurance protection fund is calculated on the basis of 0.8% of retained premium for accident and short-term health policies, 0.15% of retained premium for long-term life and long-term health policies with guaranteed interest, and 0.05% of retained premium for long-term life policies without guaranteed interest. The ceiling of the fund for a life insurance company is 1% of its total assets and for a property and casualty insurance company is 6% of its total assets.

35 保險保障基金

金額代表於報告期末應付保險保障基金之金額。根據中國保監會令[2008] 2號《保險保障基金管理辦法》，保險保障基金的提撥是按個人意外及短期健康保單自留保費的0.8%，含保證利息的長期人壽及長期健康險保單自留保費的0.15%及不含保證利息的長期人壽保單自留保費的0.05%。當人壽保險的保險保障基金餘額達到總資產的1%時，不再提取保險保障基金，而財產保險公司則為總資產的6%。

36 SECURITIES PURCHASED UNDER RESALE AGREEMENTS/SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

The Group entered into transactions in which it transferred financial assets directly to third parties. These transfers will not give rise to derecognition of the financial assets concerned as all the risks and rewards of ownership are not transferred and control is retained.

Conversely, the Group also enters into short-term investment arrangements secured by the securities purchased. The securities purchased are not recognized on the statement of financial position.

All of the securities purchased under resale agreements and securities sold under repurchase agreements are denominated in RMB and expected to be settled within one year.

36 買入返售證券／賣出回購證券

本集團進行交易把其金融資產直接轉移至第三者。這些轉移不會構成有關的金融資產被終止確認，因為所有風險及回報之擁有權沒有轉移及仍保留控制權。

相反，本集團亦進行以買入的證券作抵押的短期投資安排。買入的證券並不確認於財務狀況表。

所有買入返售證券及賣出回購證券以人民幣為單位及預期在一年內支付。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

37 SHARE CAPITAL

37 股本

		31 December 2009 於二零零九年 十二月三十一日		31 December 2008 於二零零八年 十二月三十一日		1 January 2008 於二零零八年 一月一日	
		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 1 January	於一月一日	1,421,721,592	71,086	1,415,272,592	70,764	1,406,251,592	70,313
Shares issued (note (a))	發行股份 (註(a))	280,343,500	14,017	—	—	—	—
Shares issued under Share Option Scheme (note (b))	根據認股權計劃發行的股份 (註(b))	—	—	6,449,000	322	9,021,000	451
At 31 December	於十二月三十一日	1,702,065,092	85,103	1,421,721,592	71,086	1,415,272,592	70,764

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

(a) 138,924,700 ordinary shares of \$0.05 each at the price of HK\$21.30 per share were issued on 30 July 2009 to TPG (HK) as a consideration for the acquisition of 47.8% equity interest of MAH. 141,418,800 ordinary shares of \$0.05 each at the price of HK\$27.60 per share were issued on 4 November 2009 to minority shareholders of MAH as a consideration for the acquisition of 48.66% equity interest of MAH.

(b) During the year ended 31 December 2009, no option were exercised to subscribe for ordinary shares in the Company.

During the year ended 31 December 2008, options were exercised to subscribe for 6,449,000 ordinary shares (see note 40(a) in the Company at a consideration of \$15,413,000 of which \$322,000 was credited to share capital and the balance of \$15,091,000 was credited to the share premium account.

本公司所發行的所有股份均享有同等權益，並沒有附帶任何優先權。

(a) 於二零零九年七月三十日，按每股21.30港元發行138,924,700股每股面值0.05港元之股份予中國太平洋集團(香港)，作為購入民安控股47.8%股本權益之代價。於二零零九年十一月四日，按每股27.60港元發行141,418,800股每股面值0.05港元之股份予民安控股少數股東，作為購入民安控股48.66%股本權益之代價。

(b) 截至二零零九年十二月三十一日止年度，並無行使認股權認購本公司普通股股份。

截至二零零八年十二月三十一日止年度，曾行使認股權認購本公司普通股股份6,449,000股(參看附註40(a))，總價款為15,413,000元。其中322,000元已計入股本，餘數15,091,000元已計入股份溢價賬。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

38 RESERVES

38 儲備

(a) The Group

(a) 本集團

	Capital reserve	Merger reserve	Share premium	Exchange reserve	Fair value reserve	Employee share-based compensation reserve	Shares held for Share Award Scheme	Revaluation reserve	Regulatory reserve	Retained profits	Sub-total	Minority interests	Total
	\$'000	\$'000	\$'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	千元	千元
At 1 January 2009	575,203	1,275,180	2,218,248	409,574	(134,933)	50,869	(96,788)	100,096	1,977	2,556,847	6,956,213	5,123,225	12,079,438
Profit for the year	-	-	-	-	-	-	-	-	-	825,737	825,737	361,899	1,187,636
Other comprehensive income for the year:													
Exchange differences on translation of the financial statements of subsidiaries	-	-	-	7,434	-	-	-	-	-	-	7,434	5,367	12,801
Available-for-sale securities (note(i)):	-	-	-	-	606,314	-	-	-	-	-	606,314	296,222	902,536
- changes in fair value	-	-	-	-	1,511,788	-	-	-	-	-	1,511,788	1,111,167	2,622,955
- deferred tax recognized	-	-	-	-	(92,227)	-	-	-	-	-	(92,227)	(75,929)	(168,156)
- transferred to profit or loss	-	-	-	-	(813,247)	-	-	-	-	-	(813,247)	(739,016)	(1,552,263)
Total comprehensive income	-	-	-	7,434	606,314	-	-	-	-	825,737	1,439,485	663,488	2,102,973
Acquisition of a subsidiary under common control	-	(2,959,100)	2,952,154	-	-	-	-	-	-	-	(6,946)	-	(6,946)
Acquisition of additional interests in subsidiaries	(2,080,060)	-	3,872,160	-	-	-	-	-	-	-	1,792,100	(1,753,024)	39,076
Equity settled share-based payment transactions	-	-	-	-	-	30,756	-	-	-	-	30,756	-	30,756
Capital contributions made to a subsidiary	-	-	-	-	-	-	-	-	-	-	-	1,007,429	1,007,429
At 31 December 2009	(1,504,857)	(1,683,920)	9,042,562	417,008	471,321	81,625	(96,788)	100,096	1,977	3,382,584	10,211,608	5,041,118	15,252,726

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

38 RESERVES (Continued)

38 儲備 (續)

(a) The Group (Continued)

(a) 本集團 (續)

		Capital reserve	Merger reserve	Share premium	Exchange reserve	Fair value reserve	Employee share-based compensation reserve	Shares held for Share Award Scheme	Revaluation reserve	Regulatory reserve	Retained profits	Sub-total	Minority interests	Total
		\$'000	\$'000	\$'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	千元	千元
At 1 January 2008, as previously reported	於二零零八年一月一日 如前呈報	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
Effect of merger accounting for business combination involving entities under common control	涉及受共同控制實體的業務合併之合併會計法影響	7,745	1,275,180	–	29,891	(136,692)	–	–	3,441	1,977	528,797	1,710,339	1,875,731	3,586,070
Effect of changes in accounting policy	變更會計政策之影響	–	–	–	1,828	–	–	–	–	–	695,446	697,274	522,043	1,219,317
At 1 January 2008, restated	於二零零八年一月一日， 重列	575,203	1,275,180	2,201,064	232,076	590,209	23,336	(111,147)	3,441	1,977	3,231,136	8,022,475	4,807,830	12,830,305
Loss for the year	本年度虧損	–	–	–	–	–	–	–	–	–	(486,092)	(486,092)	(76,283)	(562,375)
Other comprehensive income for the year:	本年度其他全面收益	–	–	–	–	–	–	–	–	–	–	–	–	–
Exchange differences on translation of the financial statements of subsidiaries	換算附屬公司賬項的匯兌差異	–	–	–	177,498	–	–	–	–	–	–	177,498	191,674	369,172
Available-for-sale securities (note(i)):	可供出售證券 (註(i)):	–	–	–	–	(725,202)	–	–	–	–	–	(725,202)	(395,719)	(1,120,921)
– changes in fair value	– 公允價值變化	–	–	–	–	(919,955)	–	–	–	–	–	(919,955)	(289,029)	(1,208,984)
– 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	–	–	–	–	35,970	–	–	–	–	–	35,970	(251,108)	(215,138)
Total comprehensive income	全面收益總額	–	–	–	177,498	(725,202)	–	–	–	–	(486,092)	(1,033,796)	(280,328)	(1,314,124)
Shares issued and share option exercised	已發行股份及已行使認股權	–	–	17,184	–	–	–	–	–	–	–	17,184	–	17,184
Dividend paid	已支付股息	–	–	–	–	–	–	–	–	–	(183,145)	(183,145)	(42,427)	(225,572)
Transferred to retained profits on disposal of revoked shares for Share Award Scheme	出售股份獎勵計劃之取消股份轉入保留溢利	–	–	–	–	–	–	–	–	–	(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 payment 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	–	–	–	–	–	–	–	96,655	–	–	96,655	–	96,655
Capital contributions made to a subsidiary	向一間附屬公司注入資本	–	–	–	–	–	–	–	–	–	–	–	48,114	48,114
Arising from deemed disposal of a subsidiary	被視為出售一間附屬公司而引致	–	–	–	–	–	–	–	–	–	–	–	590,036	590,036
At 31 December 2008 (Restated)	於二零零八年十二月三十一日 (重列)	575,203	1,275,180	2,218,248	409,574	(134,993)	50,869	(96,788)	100,096	1,977	2,556,847	6,956,213	5,123,225	12,079,438

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

38 RESERVES (Continued)

38 儲備 (續)

(a) The Group (Continued)

Notes:

(a) 本集團 (續)

註：

Note (i)	註(i)	2009 二零零九年				Total 總額 \$'000 千元
		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	Corporate and other businesses 企業及 其他業務 \$'000 千元	
Debt securities	債務證券	92,554	(809,697)	14,782	90,626	(611,735)
Direct equity securities	直接股本證券	56,202	530,802	30,154	35,361	652,519
Investment funds	投資基金	5,580	932,133	99,184	—	1,036,897
		154,336	653,238	144,120	125,987	1,077,681
Deferred tax charged to reserves	於儲備入賬之遞延稅項	(10,171)	(133,680)	(18,330)	(5,975)	(168,156)
Share of associates	聯營公司份額	—	—	—	(6,989)	(6,989)
Shared by minority interests	少數股東應佔權益	—	(259,519)	(36,703)	—	(296,222)
		144,165	260,039	89,087	113,023	606,314

Note (i)	註(i)	2008 (Restated) 二零零八年 (重列)				Total 總額 \$'000 千元
		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	Corporate and other businesses 企業及 其他業務 \$'000 千元	
Debt securities	債務證券	(65,043)	1,380,585	47,801	(46,846)	1,316,497
Direct equity securities	直接股本證券	(93,428)	(1,254,277)	76,369	(212,070)	(1,483,406)
Investment funds	投資基金	(12,945)	(1,154,854)	(35,390)	—	(1,203,189)
		(171,416)	(1,028,546)	88,780	(258,916)	(1,370,098)
Deferred tax charged to reserves	於儲備入賬之遞延稅項	7,165	290,503	(1,378)	6,911	303,201
Share of associates	聯營公司份額	—	—	—	(54,024)	(54,024)
Shared by minority interests	少數股東應佔權益	—	368,622	27,097	—	395,719
		(164,251)	(369,421)	114,499	(306,029)	(725,202)

Included in the retained profits is an amount of \$26,672,000 (2008: \$3,928,000), being the retained profits attributable to associates.

保留溢利當中包括聯營公司的保留溢利，為數26,672,000元(二零零八年：3,928,000元)。

Included in the fair value reserve is an amount of \$19,867,000 (2008: \$46,505,000), being the fair value reserves attributable to associates.

公允價值儲備當中包括聯營公司的公允價值儲備，為數19,867,000元(二零零八年：46,505,000元)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

38 RESERVES (Continued)

(b) The Company (Continued)

Note (i) Changes in fair value	註(i)：公允價值變化
Debt securities	債務證券
Direct equity securities	直接股本證券

(c) Nature or purpose of reserves

(i) Capital reserve

The capital reserve represents the differences between the net assets value of the subsidiaries acquired and the fair value of the shares issued by the Company as consideration for the acquisition.

(ii) Reserves required under local regulatory requirements

In accordance with the Company Law of the PRC, a subsidiary established in the PRC is required to allocate 10% of its profits after tax to the statutory surplus reserve. No allocation to the statutory surplus reserve is required after the balance of such reserve reaches 50% of the registered capital of the subsidiary.

(iii) Merger reserve

Merger reserve represents the difference in (i) the fair value of the shares issued as a consideration paid to TPG (HK) for the acquisition of MAH and (ii) the share capital and share premium of MAH under the acquisition, as defined in note 1.

(iv) Share premium

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

(v) Exchange reserve

The exchange reserve is comprised of all of the foreign exchange differences arising from the translation of the financial statements of the foreign operations into the Group's presentation currency. The reserve is dealt with in accordance with the accounting policy set out in note 1(w).

(vi) Fair value reserve

The fair value reserve is comprised of the cumulative net change in the fair value of available-for-sale securities held at the end of the reporting period and is dealt with in accordance with the accounting policy set out in note 1(h)(iv).

38 儲備 (續)

(b) 本公司 (續)

	2009 二零零九年 \$'000 千元	2008 二零零八年 \$'000 千元
	90,844	(45,695)
	36,212	(34,528)
	127,056	(80,223)

(c) 儲備目的或性質

(i) 資本儲備

資本儲備是指所收購附屬公司之資產淨值與本公司作為收購代價所發行股份公允價值的差額。

(ii) 國內法規規定須設立之儲備

根據中國公司法，一間於中國成立之附屬公司須分別分配其除稅後溢利之10%作為其法定盈餘儲備。當有關儲備結餘達該附屬公司註冊股本50%，則毋須分配至法定盈餘儲備。

(iii) 合併儲備

如附註1所載之定義，合併儲備代表以下兩者之差異(i)支付予中國太平集團(香港)有關購入民安控股代價所發行的股份之公允價值，及(ii)根據購入民安控股之股本及股份溢價。

(iv) 股份溢價

股份溢價賬目的運用，受香港《公司條例》第48B及第49H條所管控。

(v) 匯兌儲備

匯兌儲備包括換算所有海外業務賬項至本集團之呈報貨幣所產生的匯兌差異。此儲備根據有關附註1(w)所載的會計政策處理。

(vi) 公允價值儲備

公允價值儲備包括根據有關附註1(h)(iv)所載的會計政策處理於報告期末可供出售證券的累計公允價值變動淨額。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

38 RESERVES (Continued)

(c) Nature or purpose of reserves (Continued)

(vii) Employee share-based compensation reserve

The employee share-based compensation reserve is comprised of the fair value of the actual or estimated number of unexercised share options and unvested awarded shares granted to employees of the Group recognized in accordance with the accounting policy adopted for share based payments set out in note 1(ab)(i).

(viii) Shares held for Share Award Scheme

The Shares held for Share Award Scheme is the consideration paid, including any directly attributable incremental costs for purchase of shares under the Share Award Scheme, in accordance with the accounting policy set out in note 1(ab)(ii).

(ix) Revaluation reserve

The revaluation reserve represents the restatement of fair value of the assets and liabilities from the additional acquisition of TPI relating to previously held interest in TPI as associates.

39 EMPLOYEE RETIREMENT BENEFITS

The Group operates a MPF scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance and one Staff Provident Fund Scheme (the "SPF scheme") under the Occupational Retirement Schemes Ordinance for employees employed under the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF scheme, the employers and its employees are each required to make contributions to the MPF scheme at 5.0% of the employees' relevant income, subject to a cap of a monthly relevant income of \$20,000. Contributions to the scheme vest immediately. Under the SPF scheme, the Group is required to make contributions based on a certain percentage of the relevant employees' salaries which is dependent on their length of service with the Group. Forfeited contributions to the SPF scheme are used to reduce the Group's future contributions.

As stipulated by the labour regulations of the PRC, certain subsidiaries of the Group participate in various defined contribution retirement plans authorized by municipal and provincial governments for its staff. These subsidiaries are required to contribute at a rate of 10.0% to 22.0% (31 December 2008: 10.0% to 19.0%) of the salaries, bonuses and certain allowances of their staff to the retirement plans. A member of the plans is entitled to a pension equal to a fixed proportion of the salary prevailing at his or her retirement date.

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

38 儲備 (續)

(c) 儲備目的或性質 (續)

(vii) 以股份為本之僱員補償儲備

以股份為本之僱員補償儲備包括根據已採納有關附註1(ab)(i)所載的股權支付會計政策確認授予本集團僱員之實際或估計未行使認股權及未歸屬已獎授股份數目的公允價值。

(viii) 為股份獎勵計劃而持有之股份

為股份獎勵計劃而持有之股份是已支付之代價，並根據附註1(ab)(ii)內的會計政策，包括在股份獎勵計劃下購買股份的所有直接相關的增量成本。

(ix) 重估儲備

重估儲備代表額外購入太平財險時，有關過往持有太平財險權益為聯營公司的資產及負債之公允價值重估。

39 僱員退休福利

根據香港強制性公積金計劃條例適用於按香港僱傭條例僱用的員工，本集團參與了一項強制性公積金計劃（「強積金計劃」），及根據職業退休計劃條例提供一項僱員公積金計劃（「公積金計劃」）。此強積金計劃是通過獨立信託人管理，屬已訂定供款退休計劃。根據此強積金計劃，僱主及僱員雙方均須按僱員之相關收入5.0%供款至此計劃，惟相關之收入上限為20,000元。供款須即時投入計劃。就公積金計劃，本集團須按有關僱員薪金按其於本集團服務年期而定之百分比作供款。公積金之沒收供款用作扣減本集團日後供款。

根據中國勞工條例，本集團若干附屬公司為其僱員參加了由市及省政府組織的不同類型已訂定供款退休計劃。這些附屬公司須按其僱員的薪金，花紅及某些津貼的10.0%至22.0%（二零零八年十二月三十一日：10.0%至19.0%）供款給那些退休計劃。參與計劃的成員可以領取相等於在其退休之時薪金的一個固定比例的退休金。

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

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

40 EQUITY COMPENSATION BENEFITS

40 股本補償福利

(a) Share Options Scheme

The Group has two share option schemes. Under the Old Scheme, the directors of the Company were authorized, at their discretion, to invite employees of the Group, including directors of any company in the Group, to take up options to subscribe for shares of the Company. Options granted between 24 May 2000 and 31 December 2002 were granted under the Old Scheme and in accordance with the requirements of Chapter 17 of the Listing Rules which came under effect on 1 September 2001.

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

All of the share options are settled in equity.

(i) Movements in share options

(a) 認股權計劃

本集團擁有兩項認股權計劃。根據舊計劃，本公司董事有權酌情邀請本集團僱員（包括本集團內任何公司的董事）接納可認購本公司股份的認股權。在二零零零年五月二十四日至二零零二年十二月三十一日所授出的認股權均是按舊計劃及於二零零一年九月一日起生效的上市條例第十七章的規定而授出。

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

所有認股權是以股權支付。

(i) 認股權的變動

		2009 二零零九年 Number 數目	2008 二零零八年 Number 數目
At 1 January	於一月一日	14,602,000	20,701,000
Granted	已授出	350,000	350,000
Exercised (note 37)	已行使 (附註37)	—	(6,449,000)
Lapsed	失效	—	—
At 31 December	於十二月三十一日	14,952,000	14,602,000
Options vested at 31 December	於十二月三十一日已歸屬的認股權	14,952,000	14,334,000

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

40 EQUITY COMPENSATION BENEFITS (Continued)

40 股本補償福利 (續)

(a) Share Options Scheme (Continued)

(a) 認股權計劃 (續)

(ii) Terms of unexpired and unexercised share options at the 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	2009 二零零九年 Number 數目	2008 二零零八年 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
7 January 2003 2003年1月7日	7 January 2003 to 6 January 2013 2003年1月7日 至2013年1月6日	3.975	—	—
5 January 2004 2004年1月5日	5 January 2004 to 4 January 2014 2004年1月5日 至2014年1月4日	3.980	—	—
31 December 2004 2004年12月31日	27 January 2005 to 26 January 2015 2005年1月27日 至2015年1月26日	3.200	—	—
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
30 December 2005 2005年12月30日	3 January 2006 to 2 January 2016 2006年1月3日 至2016年1月2日	3.300	—	—

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

40 EQUITY COMPENSATION BENEFITS (Continued)

40 股本補償福利 (續)

(a) Share Options Scheme (Continued)

(a) 認股權計劃 (續)

(ii) Terms of unexpired and unexercised share options at the 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	2009 二零零九年 Number 數目	2008 二零零八年 Number 數目
30 June 2006 2006年6月30日	30 June 2006 to 29 June 2016 2006年6月30日 至2016年6月29日	5.000	—	—
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
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
31 December 2009 2009年12月31日	31 December 2009 to 30 December 2019 2009年12月31日 至2019年12月30日	25.100	350,000	—
			14,952,000	14,602,000

Notes:

- (a) No options lapsed for both years.
(b) 268,000 options were unvested, and have vesting periods up to 26 February 2009.

註：

- (a) 沒有認股權於這兩年內失效。
(b) 其中268,000屬於尚未歸屬的認股權並於二零零九年二月二十六日前歸屬。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

40 EQUITY COMPENSATION BENEFITS (Continued)

40 股本補償福利 (續)

(a) Share Options Scheme (Continued)

(a) 認股權計劃 (續)

(iii) Details of share options granted during the year. The options were granted for \$1 in consideration.

(iii) 年內已授出的認股權詳情。認股權均為以代價1元授出。

Exercise period 行使期		Exercise price 行使價 \$ 元	2009 二零零九年 Number 數目	2008 二零零八年 Number 數目
23 November 2005 to 27 November 2015	2005年11月23日至 2015年11月27日	2.875	—	—
26 February 2007 to 25 February 2017	2007年2月26日至 2017年2月25日	9.490	—	—
29 June 2007 to 28 June 2017	2007年6月29日至 2017年6月28日	14.220	—	—
31 December 2007 to 30 December 2017	2007年12月31日至 2017年12月30日	21.400	—	—
30 June 2008 to 29 June 2018	2008年6月30日至 2018年6月29日	19.316	—	175,000
31 December 2008 to 30 December 2018	2008年12月31日至 2018年12月30日	11.920	—	175,000
31 December 2009 to 30 December 2019	2009年12月31日至 2019年12月30日	25.100	350,000	—
			350,000	350,000

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

40 EQUITY COMPENSATION BENEFITS (Continued)

40 股本補償福利 (續)

(a) Share Options Scheme (Continued)

(a) 認股權計劃 (續)

(iv) Details of share options exercised during the year

(iv) 年內已行使的認股權詳情

Exercise date 行使日		Exercise price 行使價 \$ 元	Market value per share at exercise date 行使日 每股市價 \$ 元	Proceeds received 所得款項 \$'000 千元	Number 數目
2009	二零零九年			—	—
2008	二零零八年				
11 January	一月十一日	1.110	19.98	222	200,000
23 January	一月二十三日	1.110	17.68	222	200,000
27 March	三月二十七日	3.225	18.46	4,838	1,500,000
27 March	三月二十七日	3.975	18.46	620	156,000
27 March	三月二十七日	3.980	18.46	1,393	350,000
27 March	三月二十七日	3.200	18.46	1,120	350,000
27 March	三月二十七日	2.875	18.46	1,725	600,000
27 March	三月二十七日	3.300	18.46	1,155	350,000
27 March	三月二十七日	5.000	18.46	875	175,000
2 July	七月二日	1.110	16.70	1,665	1,500,000
2 July	七月二日	0.950	16.70	475	500,000
2 July	七月二日	2.875	16.70	287	100,000
18 July	七月十八日	1.110	17.00	111	100,000
18 July	七月十八日	2.875	17.00	287	100,000
16 October	十月十六日	1.110	12.00	222	200,000
18 December	十二月十八日	2.875	11.60	196	68,000
				15,413	6,449,000

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

40 EQUITY COMPENSATION BENEFITS (Continued)

40 股本補償福利 (續)

(a) Share Options Scheme (Continued)

(a) 認股權計劃 (續)

(v) Fair value of share options and assumptions

(v) 認股權的公允價值及假設

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

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

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

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

Fair value of share options and assumptions:

認股權的公允價值及假設：

Date of grant
授出日
31 December 2009
二零零九年十二月三十一日

Fair value at measurement date (\$)	於計量日的公允價值(元)	14.26914
Share price (\$)	股價(元)	25.1
Exercise price (\$)	行使價(元)	25.1
Expected volatility (note i)	預期波動率(註i)	50.66%
Option life (Year)	認股權年期(年)	10
Expected dividends (note ii)	預期股息(註ii)	0.77%
Risk-free interest rate (note iii)	無風險利率(註iii)	2.579%

Date of grant
授出日
30 June 2008 31 December 2008
二零零八年 二零零八年
六月三十日 十二月三十一日

Fair value at measurement date (\$)	於計量日的公允價值(元)	12.47972	8.267513
Share price (\$)	股價(元)	18.600	11.92
Exercise price (\$)	行使價(元)	19.316	11.92
Expected volatility (note i)	預期波動率(註i)	61.32%	72.76%
Option life (Year)	認股權年期(年)	10	10
Expected dividends (note ii)	預期股息(註ii)	0.54%	0.84%
Risk-free interest rate (note iii)	無風險利率(註iii)	3.469%	1.191%

Notes:

註：

- (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.

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

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

40 EQUITY COMPENSATION BENEFITS (Continued)

(a) Share Options Scheme (Continued)

(v) Fair value of share options and assumptions (Continued)

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

(b) Share Award Scheme

The purpose of the Share Award Scheme is to recognize and reward certain employees (including without limitation an employee who is also a director) of the Group and TPG and its subsidiaries for their contributions to the Group and to give long-term incentives for retaining them for the continued operations and development of the Group.

The Share Award Scheme of the Company was adopted by the Board on 10 September 2007. A summary of the principal terms of the Share Award Scheme is set out in the Share Award Scheme Section of the Report of the Directors.

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

At 1 January	於一月一日
Awarded (note a)	已獎授 (註a)
Revoked (note b)	取消 (註b)
At 31 December (note c)	於十二月三十一日 (註c)

Notes:

- (a) Included in the total number of awarded shares, 366,000 shares are purchased from the market during the year ended 31 December 2008.
- (b) The amount represents awarded shares lapsed automatically, according to the conditions under the Employees' Share Award Scheme.
- (c) At the end of the year, the average fair value per share is \$21.58 (31 December 2008: \$21.59). The average fair value of the awarded shares is based on the closing price at the date of award and any directly attributable incremental costs.

Apart from the awarded shares, as at 31 December 2009, 1,416,000 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.

40 股本補償福利 (續)

(a) 認股權計劃 (續)

(v) 認股權的公允價值及假設 (續)

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

(b) 股份獎勵計劃

股本獎勵計劃旨在肯定及表揚本集團及中國太平集團及其附屬公司的僱員 (包括身為董事的僱員) 對本集團作出貢獻及提供長效激勵讓他們繼續為本集團的持續營運及發展努力。

董事會於二零零七年九月十日採納本公司的股份獎勵計劃。股份獎勵計劃的主要條款概要載於董事會報告書「股份獎勵計劃」標題下的內文。

(i) 獎授股份數目變化及其有關平均公允價值如下：

	2009 二零零九年 Number 數目	2008 二零零八年 Number 數目
At 1 January	3,323,500	3,286,000
Awarded (note a)	—	594,000
Revoked (note b)	(19,500)	(556,500)
At 31 December (note c)	3,304,000	3,323,500

註：

- (a) 截至二零零八年十二月三十一日止年度包括在已獎授股份數目中，366,000股獎授股份於期內從市場購入。
- (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)。獎授股份的每股平均公允價值是根據獎授日之收市價，包括任何直接有關增量成本。

除已獎授股份外，於二零零九年十二月三十一日，1,416,000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授計劃獎勵及/或出售。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

40 EQUITY COMPENSATION BENEFITS (Continued)

40 股本補償福利 (續)

(b) Share Award Scheme (Continued)

(a) 認股權計劃 (續)

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

(ii) 獎授股份的餘下歸屬期如下：

	At 31 December 2009 於二零零九年 十二月三十一日	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	Remaining vesting period 餘下歸屬期	At 1 December 2007 於二零零七年 十二月三十一日
	Number of awarded shares 獎授股份數目		Number of awarded shares 獎授股份數目		Number of Awarded shares 獎授股份數目
Vested 已到期	317,000	Vested 已到期	—	Vested 已到期	—
1 year 1年	2,987,000	1 year to 2 years 1年至2年	3,323,500	2 years to 3 years 2年至3年	3,286,000
	<u>3,304,000</u>		<u>3,323,500</u>		<u>3,286,000</u>

41 MATURITY PROFILE

41 到期情況

The following table details the Group's contractual maturity for some of its financial assets and financial liabilities.

下表載列本集團若干金融資產及金融負債的合約到期情況詳情。

(a) The Group

(a) 本集團

	Repayable on demand 接獲要求時償還 \$'000 千元	3 months or less 三個月或以下 \$'000 千元	3 months or less but over 3 months 一年以下但超過三個月 \$'000 千元	5 years or less but over 1 year 五年以下但超過一年 \$'000 千元	After 5 years 五年後 \$'000 千元	Undated 未有期限 \$'000 千元	Total 總額 \$'000 千元
At 31 December 2009 於二零零九年十二月三十一日							
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)	1,970,607	2,034,441	2,487,597	4,461,154	340,721	—	11,294,520
Money market funds 貨幣市場基金	822,480	—	—	—	—	—	822,480
Pledged deposits at bank 已抵押予銀行的存款	—	92,225	—	—	—	—	92,225
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)	—	—	—	10,200	15,415	—	25,615
Debt securities (under held-to-maturity) 債務證券 (持有至到期日)	—	—	268,949	3,454,921	35,405,476	—	39,129,346
Debt securities (under available-for-sale) 債務證券 (可供出售)	—	434,564	140,277	2,538,088	14,680,494	292,579	18,086,002
Debt securities (under held for trading) 債務證券 (持有作交易用途)	70,355	11,391	22,766	108,388	28,287	45,292	286,479
Debt securities (under loans and receivables) 債務證券 (貸款及應收款項)	—	—	—	102,217	2,106,798	—	2,209,015
Loans and advances 貸款及墊款	—	—	591,646	—	—	—	591,646
	<u>2,863,442</u>	<u>2,572,621</u>	<u>3,588,735</u>	<u>10,801,218</u>	<u>52,577,191</u>	<u>337,871</u>	<u>72,741,078</u>
Liabilities 負債							
Interest-bearing notes 需付息票據	—	—	—	3,056,121	2,668,989	—	5,725,110

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

41 MATURITY PROFILE (Continued)

41 到期情況 (續)

(a) The Group (Continued)

(a) 本集團 (續)

	Repayable on demand 接獲 要求時償還 \$'000 千元	3 months or less 三個月 或以下 \$'000 千元	1 year or less but over 一年以下 但超過 三個月 \$'000 千元	5 years or less but over 1 year 五年以下 但超過一年 \$'000 千元	After 5 years 五年後 \$'000 千元	Undated 未有限 \$'000 千元	Total 總額 \$'000 千元
At 31 December 2008 (Restated)							
Assets							
Deposits at banks and other financial institutions (including statutory deposits)	2,357,488	1,218,965	2,484,932	610,639	4,992,594	—	11,664,618
Money market funds	436,401	—	—	—	—	—	436,401
Pledged deposits at bank	—	185,729	—	—	—	—	185,729
Certificates of deposit (under held-to-maturity)	—	38,750	—	203,750	—	—	242,500
Certificates of deposit (under available-for-sale)	—	—	—	136,770	13,759	—	150,529
Certificates of deposit (under held for trading)	—	—	—	81,134	—	—	81,134
Debt securities (under held-to-maturity)	—	745,003	677,219	1,859,483	18,320,962	—	21,602,667
Debt securities (under available-for-sale)	943,430	99,585	409,147	5,459,682	19,856,369	131,487	26,899,700
Debt securities (under held for trading)	60,563	25,655	35,809	130,681	124,864	34,061	411,633
Debt securities (under loans and receivables)	—	—	—	—	2,199,824	—	2,199,824
Loans and advances	—	380,541	—	—	—	—	380,541
	3,797,882	2,694,228	3,607,107	8,482,139	45,508,372	165,548	64,255,276
Liabilities							
Interest-bearing notes	—	—	—	1,350,576	4,025,452	—	5,376,028

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

41 MATURITY PROFILE (Continued)

41 到期情況 (續)

(b) The Company

(b) 本公司

		Repayable on demand 接獲 要求時償還 \$'000 千元	3 months or less 三個月 或以下 \$'000 千元	1 year or less but over 3 months 一年以下 但超過 三個月 \$'000 千元	5 years or less but over 1 year 五年以下 但超過一年 \$'000 千元	After 5 years 五年後 \$'000 千元	Undated 未有期限 \$'000 千元	Total 總額 \$'000 千元
At 31 December 2009	於二零零九年 十二月三十一日							
Assets	資產							
Deposits at banks and other financial institutions	銀行及其他 財務機構存款	—	133,101	163	—	—	—	133,264
Debt securities	債務證券	—	—	—	23,607	256,750	—	280,357
		—	133,101	163	23,607	256,750	—	413,621
At 31 December 2008	於二零零八年 十二月三十一日							
Assets	資產							
Deposits at banks and other financial institutions	銀行及其他 財務機構存款	116,982	133,159	24,325	—	—	—	274,466
Debt securities	債務證券	—	—	30,281	255,555	116,807	—	402,643
		116,982	133,159	54,606	255,555	116,807	—	677,109

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

42 FAIR VALUES OF FINANCIAL INSTRUMENTS

(a) Fair value

All financial instruments are stated at fair value or carried at amounts not materially different from their fair values as of 31 December 2008 and 2009, except for held-to-maturity investments as set out in note 19(a)(i) and interest-bearing notes as set out in note 32.

(b) Estimation of fair values

The fair value of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to recent transaction price or quoted market bid prices and ask prices respectively; and
- The fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices or rates from observable current market transactions as input.
- The fair value of unlisted investment funds and unlisted debt securities included in financial assets at fair value through profit or loss and available-for-sale investments were established by reference to the prices quoted by respective fund administrators or by using valuations techniques including the use of recent arm's length transactions.

43 ACQUISITION OF SUBSIDIARY

On 15 July 2008, the Group acquired additional 10.025% equity interest of TPI by contributing additional capital of RMB157,393,000 (approximately HK\$179,878,000) into TPI. With this capital contribution, the Group's equity interest in TPI increased from 40.025% to 50.05%.

42 金融工具的公允價值

(a) 公允價值

除附註19(a)(i)所載有關持有至到期投資及附註32所載有關需付息票據外，所有金融工具均是以公允價值或與其於二零零八年十二月三十一日和二零零九年同日的公允價值相若的金額入賬。

(b) 公允價值估計

金融資產及金融負債之公允價值乃按以下情況釐定：

- 具有標準條款及條件並於活躍流通市場買賣之金融資產及金融負債之公允價值乃分別參考最近交易價格或市場所報買入賣出價釐定；及
- 其他金融資產及金融負債(不包括衍生工具)之公允價值按折算現金流量分析之公認定價模式或採用從目前市場交易觀察所得之價格而釐定。
- 包含於透過損益以反映公允價值及可供出售之非上市投資基金及非上市債務證券之公允價值，乃參考有關的基金管理人所提供之報價或使用估值技巧(包括使用近期經正常基礎協商之交易)而釐定。

43 購入附屬公司

於二零零八年七月十五日，本集團以向太平財險增入額外資本人民幣157,393,000元(約179,878,000港元)購入太平財險額外10.025%權益。這資本投入，令本集團持有太平財險的權益由40.025%上升至50.05%。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

43 ACQUISITION OF SUBSIDIARY (Continued)

43 購入附屬公司 (續)

The net assets acquired in the transaction and the goodwill arising are as follows:

交易購入之淨資產及所產生之商譽如下：

		TPI's carrying amount before combination 太平財險 合併前之 賬面值 \$'000 千元	Provisional fair value adjustment 暫定之 公允價值 調整 \$'000 千元	Provisional fair value as previously stated 如前呈報 暫定之 公允價值 調整 \$'000 千元	Prior year adjustments upon completion of initial accounting 於完成 首次會計之 往年年度 調整 \$'000 千元	Fair Values 公允價值 \$'000 千元
Net assets acquired:	購入之淨資產：					
Statutory deposits	法定存款	296,644	—	296,644	—	296,644
Property and equipment	物業及設備	401,953	55,481	457,434	—	457,434
Prepaid lease payments	預付租賃付款	100,973	—	100,973	—	100,973
Intangible asset	無形資產	—	—	—	261,408	261,408
Investments in debt and equity securities	債務及股本證券投資	1,739,218	—	1,739,218	—	1,739,218
Insurance debtors	保險客戶應收賬款	479,756	—	479,756	—	479,756
Reinsurers' share of insurance contract provisions	分保公司應佔保險 合約準備	888,348	—	888,348	—	888,348
Other debtors	其他應收賬款	155,567	—	155,567	—	155,567
Deposits at banks with original maturity more than three months	原到期日超過三個月的 銀行存款	190,096	—	190,096	—	190,096
Cash and cash equivalents	現金及現金等價物	943,395	—	943,395	—	943,395
Less:	減：					
— Unearned premium provisions	— 未到期責任準備金	(2,430,084)	—	(2,430,084)	428,978	(2,001,106)
— Provision for outstanding claims	— 未決賠款準備	(1,550,105)	—	(1,550,105)	—	(1,550,105)
— Deferred tax liabilities	— 遞延稅項負債	—	(13,870)	(13,870)	(65,352)	(79,222)
— Other liabilities	— 其他負債	(620,590)	—	(620,590)	—	(620,590)
Net assets	淨資產	595,171	41,611	636,782	625,034	1,261,816
Minority interests	少數股東權益					(590,036)
Equity interest held originally as interests in associates	原已於聯營公司的 權益持有之權益					(318,290)
Cash contributed by the Group to maintain its original interests in TPI	本集團投入的現金以維持 於太平財險之權益					(123,503)
Revaluation increase in net assets attributable to interests originally held by the Group	本集團原持有權益之 應佔淨資產重估增值					(96,655)
Goodwill arising from the acquisition of the additional interest	購入額外權益所產生之 商譽					46,546
						179,878
Total consideration satisfied by cash	以現金支付之總代價					179,878
Net cash inflow arising on acquisition:	因購入而產生的 淨現金流入：					
Cash consideration paid	已支付之現金代價					179,878
Less: cash and cash equivalents acquired	減：購入之現金及 現金等價物					(943,395)
						(763,517)

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

43 ACQUISITION OF SUBSIDIARY (Continued)

TPI contributed \$167,245,000 to the Group's loss for the period between the date of acquisition and the end of the previous reporting period.

If the acquisition had been completed on 1 January 2008, total Group's gross premium written for the last year would have been \$27,825,329,000, and loss for last year attributable to owners would have been \$331,525,000. The proforma information is for illustrative purposes only and is not necessarily an indication of revenue and results of the Group that actually would have been achieved had the acquisition been completed on 1 January 2008, nor, is it intended to be as projection of future results.

44 COMMITMENTS

- (a) Capital commitments outstanding as of 31 December 2009 were as follows:

		2009 二零零九年	2008 二零零八年 (Restated) (重列)
		\$'000 千元	\$'000 千元
Contracted for but not provided	已訂約但未反映	186,701	36,044

- (b) As of 31 December 2009, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

		2009 二零零九年	2008 二零零八年 (Restated) (重列)
		\$'000 千元	\$'000 千元
Within 1 year	一年內	229,480	276,614
After 1 year but within 5 years	一年後但五年內	261,628	369,358
After 5 years	五年後	6,195	8,766
		497,303	654,738

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

43 購入附屬公司 (續)

從購入日至上一個報告期末期間，太平財險為本集團產生虧損167,245,000元。

如於二零零八年一月一日完成購入，上年度本集團毛承保保費總額將為27,825,329,000元，及上年度股東應佔虧損將為331,525,000元。預計決算表僅供說明之用，並不代表如購入於二零零八年一月一日完成，本集團應有之溢利及業績亦不可用作未來業績之預測。

44 承擔

- (a) 於二零零九年十二月三十一日的資本性承諾如下：

	2009 二零零九年	2008 二零零八年 (Restated) (重列)
	\$'000 千元	\$'000 千元
Contracted for but not provided	186,701	36,044

- (b) 於二零零九年十二月三十一日，根據不可解除的經營租賃在日後應付的最低租賃付款額如下：

	2009 二零零九年	2008 二零零八年 (Restated) (重列)
	\$'000 千元	\$'000 千元
Within 1 year	229,480	276,614
After 1 year but within 5 years	261,628	369,358
After 5 years	6,195	8,766
	497,303	654,738

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

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

45 POLICYHOLDER ACCOUNT ASSETS IN RESPECT OF UNIT-LINKED PRODUCTS

45 有關投資連結產品之保單持有人賬戶資產

		The Group 本集團		
		31 December 2009 二零零九年 十二月三十一日	31 December 2008 二零零八年 十二月三十一日 (Restated) (重列)	1 January 2008 二零零八年 一月一日 (Restated) (重列)
		\$'000 千元	\$'000 千元	\$'000 千元
Investment in held for trading securities	持有作交易用途之證券投資			
– Debt securities	– 債務證券	117,562	592,376	228,587
– Direct equity securities	– 直接股本證券	1,339,050	67,183	1,553,374
– Investment fund	– 投資基金	2,894,457	2,354,255	2,567,054
Money market fund	貨幣市場基金	534,775	1,117,387	47,541
Deposits at banks with original maturity- more than three months	原到期日超過三個月的銀行存款	80	–	–
Cash and cash equivalents	現金及現金等價物	188,523	131,645	133,614
Other debtors	其他應收賬款	3,872	7,046	17,488
		5,078,319	4,269,892	4,547,658

The above assets are those held for policyholders of unit-linked products.

上述資產為為投資連結產品的保單持有人而持有。

46 CONTINGENT LIABILITIES

46 或然負債

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 2008. The Directors believe that the Group has a strong legal basis 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 at 31 December 2009.

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二零零八年評稅年度內的應課稅務責任。董事相信本集團稅務觀點擁有堅實的法律基礎支持，因此，於二零零九年十二月三十一日本集團毋需就約31,600,000元(二零零八年十二月三十一日：31,600,000元)的潛在稅務責任計提準備。

In November 2005, the Group received a query issued by the Inland Revenue Department of Hong Kong in relation to the taxability of certain realized and unrealized gains from the disposal of listed investments for the years of assessment from 2000/2001 to 2002/2003. Because such gains were capital in nature, the Directors believe that the Group has good prospects to support its tax position, and therefore no provision for a potential tax exposure of approximately \$30,000,000 (31 December 2008: \$30,000,000) was made as at 31 December 2009.

於二零零五年十一月，本集團接獲一項由香港稅務局發出，有關二零零零年／二零零一年至二零零二年／二零零三年評稅年度出售上市投資之若干已變現及未變現收益之應課稅查詢。由於該等收益乃資本性質，故董事相信本集團的稅務定位很可能得到支持，因此於二零零九年十二月三十一日本集團毋須就約30,000,000元(二零零八年十二月三十一日：30,000,000元)的潛在稅務風險於綜合財務報表計提準備。

Save as herein disclosed and other than those incurred in the normal course of the Group's insurance businesses, there was no outstanding litigation nor any other contingent liabilities as of 31 December 2009.

除本報告所披露及在本集團日常保險業務中產生的訴訟外，於二零零九年十二月三十一日，本集團概無任何未決訴訟或或然負債。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

47 MATERIAL RELATED PARTY TRANSACTIONS

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

47 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：

		For the year ended 31 December 截至十二月三十一日止年度	
		2009 二零零九年	2008 二零零八年 (Restated) (重列)
		\$'000 千元	\$'000 千元
Recurring transactions	經常交易		
Business ceded by related companies:	關連公司分出的業務：	(i)	
– Gross premiums written	– 毛承保保費	48,748	57,295
– Commission expenses paid	– 佣金支出	13,153	15,219
Investment management fee and redemption income	投資管理費及贖回費收入	(ii) 1,295	1,137
Rental income	租金收入	(iii) 9,199	6,353

Notes:

- (i) Certain fellow subsidiaries of the Group ceded business to and received commission from a subsidiary of the Company.
- (ii) A subsidiary of the Company provided investment consultancy services to and received investment management fees and redemption income from certain fellow subsidiaries of the Group.
- (iii) A subsidiary of the Company leased a number of offices, residential units and car parking spaces to immediate holding company and certain fellow subsidiaries of the Group and received rental income. The terms and conditions of these tenancy agreements were negotiated on an arm's length and were entered into on normal commercial terms.

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

- (a) On 23 December 2009, CTIH entered into a conditional agreement in respect of capital contributions into TPI (the "Capital Contribution Agreement") with TPG, TPI and ICBC (Asia). The Capital Contribution Agreement proposed that the registered capital of TPI be increased from RMB1,570,000,000 to RMB2,070,000,000 through additional registered capital of RMB500,000,000 to be contributed by TPG, the Company and ICBC (Asia) in proportion to their respective shareholdings in TPI. As at the date of this report, ICBC (Asia) has yet to decide whether it will participate in this capital contribution. Pursuant to the Capital Contribution Agreement, TPG and CTIH have conditionally agreed to contribute to the registered capital of TPI, in cash, (i) RMB187,500,000 and RMB250,250,000, respectively; and (ii) if ICBC (Asia) does not participate in the capital contribution, additional amounts of RMB26,663,335 and RMB35,586,665, respectively, the aggregate of which is equal to the amount of ICBC (Asia)'s proportion of the contribution, such that the registered capital of TPI will be increased by RMB500,000,000 in total. The details of this transaction were set out in the announcement of the Company dated 23 December 2009.

註：

- (i) 本集團若干同系附屬公司向本公司一間附屬公司轉介業務及向其收取佣金。
- (ii) 本公司一間附屬公司向本集團若干同系附屬公司提供投資顧問服務，並向其收取投資管理費及贖回費收入。
- (iii) 本公司一間附屬公司向直接控股公司及若干同系附屬公司出租多個辦公室、住宅單位及停車位，並收取租金收入。該等租賃合同之條款及條件乃以公平原則釐定並按一般商業條款所訂立。

除此之外，本集團與關連人士進行以下非經常交易：

- (a) 於二零零九年十二月二十三日，中國太平控股與中國太平集團、太平財險及工銀(亞洲)訂立有關向太平財險增資之有條件協議(「增資協議」)。增資協議建議太平財險之註冊資本由人民幣1,570,000,000元，增加額外註冊資本人民幣500,000,000元至人民幣2,070,000,000元，並由中國太平集團、本公司及工銀(亞洲)根據各自於太平財險之持股比例增資。於本報告日期，工銀(亞洲)仍未決定其是否參與增資。根據增資協議，中國太平集團及本公司已有條件同意以現金向太平財險新增註冊資本，(i)分別為人民幣187,500,000元及人民幣250,250,000元；及(ii)(如工銀(亞洲)不參與增資)額外金額分別人民幣26,663,335元及人民幣35,586,665元，合計等於工銀(亞洲)增資之金額，而使太平財險之註冊資本合計增加人民幣500,000,000元。此交易之詳情請參閱本公司於二零零九年十二月二十三日之通函。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

47 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

47 重大關連人士交易 (續)

- (b) On 23 November 2009, TPL entered into an acquisition agreement with TPR (the “Property Acquisition Framework Agreement”) pursuant to which TPL agreed to acquire from TPR certain property consisting of approximately 16,108 square meters of gross floor area of Taiping Financial Tower, involving six floors (from the 24th to 29th floors, or such other floors as shall be agreed to by the parties in writing) for a consideration of RMB595,996,000. The consideration will be adjusted in accordance with the actual gross floor area of the completed Property to be delivered to TPL at a sum of RMB37,000 per square meter. The Company believes that the consideration will not exceed RMB613,875,880 after the adjustments. The details of this transaction were set out in the circular of the Company dated 3 December 2009. CTIH shareholders passed the resolution to approve, ratify and confirm the Property Acquisition Framework Agreement and the transactions contemplated thereunder by way of poll at an extraordinary general meeting of CTIH on 23 December 2009.
- (c) On 23 November 2009, TPL entered into an acquisition agreement with TPIH (the “Acquisition Agreement”) pursuant to which TPL agreed to acquire a 39% equity interest in TPR for a consideration of RMB924,001,140 and to take an assignment of 39% of the loans of TPR in the amount of RMB168,446,000. The details of this transaction were set out in the circular of the Company dated 3 December 2009. CTIH shareholders passed the resolution to approve, ratify and confirm the Acquisition Agreement and the transactions contemplated thereunder by way of poll at an extraordinary general meeting of CTIH on 23 December 2009.
- (d) On 24 August 2009, as the pre-conditions of the Privatization Proposal had been satisfied or waived, MAH put forth the Privatization Proposal. On 7 October 2009, the independent MAH shareholders approved the Scheme at a Court Meeting. The MAH shareholders also approved a special resolution for a capital reduction, an increase in share capital and the issuance of new MAH Shares in connection with the Scheme. On 30 October 2009 (*Cayman Islands time*), the Scheme was sanctioned without modification by the Grand Court of the Cayman Islands. All conditions of the Privatization Proposal having been fulfilled, the Privatization Proposal became effective on 30 October 2009 (*Cayman Islands time*). On 4 November 2009, the Company completed the acquisition of a 48.66% equity interest of MAH by the issue and allotment of 141,418,800 Shares. MAH became a wholly-owned subsidiary of CTIH.
- (b) 於二零零九年十一月二十三日，太平人壽與太平置業訂立收購協議（「物業收購框架協議」），據此，太平人壽同意向太平置業收購太平金融大廈中約16,108平方米之若干建築面積，當中將包括太平金融大廈中之六個樓層（第24至29層或訂約方可能書面議定之其他樓層），代價為人民幣595,996,000元。代價將可按照已建成該物業向太平人壽交付之實際建築面積，按每平方米人民幣37,000元予以調整。本公司相信調整後之代價將不超過人民幣613,875,880元。此交易之詳情請參閱本公司於二零零九年十二月三日之通函。中國太平控股股東於二零零九年十二月二十三日舉行的中國太平控股股東特別大會上，以投票方式通過有關批准、追認及確認物業收購框架協議及其項下擬進行之交易。
- (c) 於二零零九年十一月二十三日，太平人壽與太平投資控股訂立收購協議（「收購協議」），據此，太平人壽同意以人民幣924,001,140元之代價購入太平置業39%權益，及以人民幣168,446,000元之代價轉授太平置業貸款39%。此交易之詳情請參閱本公司於二零零九年十二月三日之通函。中國太平控股股東於二零零九年十二月二十三日舉行的中國太平控股股東特別大會上，以投票方式通過有關批准、追認及確認收購協議及其項下擬進行之交易。
- (d) 於二零零九年八月二十四日，由於全面收購協議之先決條件已達成或獲豁免，民安控股向協議股東提出全面收購建議。於二零零九年十月七日，民安控股獨立股東於法院會議批准該協議。民安控股股東亦通過就協議削減資本、增加股本及發行新民安控股股份的特別決議案。於二零零九年十月三十日（*開曼群島時間*），該協議在沒有修訂的情況下獲大法院批准。全面收購建議之條件均已達成，而全面收購建議已於二零零九年十月三十日（*開曼群島時間*）開始生效。於二零零九年十一月四日，本公司以發行及配發完成141,418,800股股份完成購入民安控股48.66%權益。民安控股成為中國太平控股之全資附屬公司。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

47 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

47 重大關連人士交易 (續)

- (e) On 22 May 2009, TPG (HK) and Manhold as vendors and CTIH as purchaser entered into a 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 issued share capital of MAH (the "Stake Acquisition"). The consideration for the Stake Acquisition was payable by CTIH through the issue and allotment of an aggregate amount 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 certain pre-conditions, CTIH requested the board of MAH to put forward a proposal to privatize MAH (the "Privatization Proposal") by way of a scheme of arrangement (the "Scheme") under Section 86 of the Companies Law. The details of this transaction were set out in the circular of the Company dated 19 June 2009. On 16 July 2009, CTIH shareholders passed resolutions approving, ratifying and confirming the Stake Acquisition and the Privatization Proposal, and their related connected transactions by way of poll at an extraordinary general meeting of CTIH. On 30 July 2009, the Stake Acquisition was completed, and CTIH became the controlling shareholder of MAH.
- (f) On 20 March 2008, TPL entered into a Joint Bidding Agreement with TPI, TPG and MAC in relation to the purchase of a piece of land in Shenzhen and development of a commercial office building. The amount to be invested by TPL was agreed to be RMB289,000,000.
- (g) 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, 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.
- (e) 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% (「股權收購」)。中國太平控股須於完成買賣協議時透過按每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，藉以作為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，待達成若干先決條件後，提出根據公司法第86條，建議以協議安排(「該協議」)的方式全面收購民安控股(「全面收購建議」)。請參閱本公司於二零零九年六月十九日之通函。於二零零九年七月十六日，中國太平控股股東於中國太平控股股東特別大會上以投票表決方式正式通過有關批准、追認及確認股權收購、全面收購關連交易之決議案。於二零零九年七月三十日，完成股權收購及中國太平控股成為民安控股之控股股東。
- (f) 於二零零八年三月二十日，太平人壽與中國太平財險、中國太平集團及民安中國就購買一幅位於深圳之土地及興建商業樓宇而訂立聯合競投協議。太平人壽將合共投資人民幣289,000,000元。
- (g) 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股東特別大會上，獲得中國太平控股獨立股東批准。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

47 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(h) 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 MAC 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 MAC 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 MAC was amended to be 15%, 5%, 65% and 15%, respectively. TPI and TPL are expected to invest a total of approximately RMB289,000,000 and RMB1,251,000,000, respectively, for the transaction under the supplemental agreement. The purchase of the land was completed in April 2008 and the construction of the property is expected to commence in early 2009 and will last for a period of three years with a tentative completion date set to be in the second half of 2011. The joint bidding agreement and supplemental agreement were approved by the Independent Shareholders of CTIH at an extraordinary general meeting of the Company held on 9 December 2008.

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

The Group considers that the key management personnel of the Group include the directors of the Company only. Their remuneration is disclosed in note 9 to the consolidated financial statements.

47 重大關連人士交易 (續)

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

本集團認為本集團的主要管理人員只包括本公司的董事。其酬金詳情載於綜合財務報表附註9內。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

48 ACCOUNTING ESTIMATES AND JUDGEMENTS

48 會計估計及判斷

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

(a) Impairment of goodwill and intangible asset

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

(b) Held-to-maturity investments

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

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

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

The Group follows the guidance of HKAS 39 when determining whether there has been a significant or prolonged decline in the fair value of an investment in available-for-sale financial assets below its cost. This determination requires significant judgment. In making this judgment, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost.

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

(a) 商譽減值及無形資產

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

(b) 持有至到期之投資

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

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

(c) 可供出售金融資產減值

本集團於決定可供出售金融資產類投資之公允價值有否大幅或長期下跌至低於其成本時，乃按照香港會計準則第39號之指引作出決定。此決定需要重大的判斷。於作出此判斷時，本集團評估(包括其他因素)投資之公允價值少於其成本之年期及程度。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

48 ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(d) Determination of insurance liabilities

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

(e) Deferred tax liabilities

As at 31 December 2009, a deferred tax liability of \$976.00 million has been recognized in the Group's consolidated statement of financial position, as a result of the increase in profit for prior years due to the change in accounting policies on insurance contracts of one of its subsidiary in the PRC. The PRC tax rules and regulations up to the date of the report are not clear enough to support no provision of tax liability is required for the profits related to the current and previous years. In view of its nature, it is of the opinion of the directors that such a provision should be presented as a deferred tax liability as set out in note 31. In cases there are further developments in the tax rules and regulations, a material reversal of deferred tax liability may arise, which would be recognized in profit or loss for the period in which such a reversal takes place.

49 EVENT AFTER THE REPORTING PERIOD

On 14 March 2010, CTIH entered into a framework agreement with a prospective purchaser pursuant to which the Company and the prospective purchaser agreed to enter into a formal sale and purchase agreement whereby the Company agreed to sell and the prospective purchaser agreed to purchase a 100% equity interest in MAC (established in the PRC), conditional upon the prospective purchaser being satisfied with the results of its due diligence.

50 PARENT AND ULTIMATE HOLDING COMPANIES

The immediate holding company and the ultimate holding company as of 31 December 2009 is China Taiping Insurance Group (HK) Company Limited (incorporated in Hong Kong) and China Taiping Insurance Group Co. (established in the PRC), respectively.

48 會計估計及判斷 (續)

(d) 釐定保險負債

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

(e) 遞延稅項負債

於二零零九年十二月三十一日，本集團之綜合財務狀況表內已確認一筆為數9.76億元之遞延稅項負債，與一間於中國之附屬公司往前年度因保險合約會計政策變更而上升之溢利有關。截至本報告日之中國稅務法規並未有清楚支持無須為本年及往前年度之溢利計提稅項負債。鑑於其性質，董事認為該等準備應按附註31所述，以遞延稅項負債呈列。在稅務法規進一步發展的情況下，重大遞延稅項負債可能獲得回撥，並將在確認於損益的期間回撥。

49 報告期後事件

於二零一零年三月十四日，中國太平控股與潛在買家訂立框架協議，據此，待潛在買家滿意盡職調查的結果後，本公司及潛在買家同意訂立正式買賣協議，根據正式買賣協議，本公司同意出售及潛在買家同意購買本公司間接持有於中國成立之全資附屬公司——民安中國的全部權益。

50 母公司及最終控股公司

於二零零九年十二月三十一日的直屬控股公司及最終控股公司分別為於香港成立的中國太平保險集團(香港)有限公司及於中國成立的中國太平保險集團公司。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

51 POSSIBLE IMPACT OF AMENDMENTS, NEW HKFRSs ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2009

Up to the date of issue of these financial statements, the HKICPA has issued the following new and revised standards, amendments or interpretations which are not yet effective for the year ended 31 December 2009 and which have not been adopted in these financial statements.

51 已在截至二零零九年十二月三十一日止年度前公布但尚未生效的修訂、新訂香港財務報告準則所可能產生的影響

在此等財務報表發布日期前，香港會計師公會公布了以下新及經修訂準則、修訂或詮釋，但此等新及經修訂準則、修訂或詮釋於截至二零零九年十二月三十一日止年度尚未生效，因此亦尚未應用於此等財務報表。

HKFRSs (Amendments) 香港財務報告準則(修訂)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008 ¹ 香港財務報告準則第5號之修訂(香港財務報告準則的改進(二零零八年)一部份) ¹
HKFRSs (Amendments) 香港財務報告準則(修訂)	Improvements to HKFRSs 2009 ² 香港財務報告準則的改進2009 ²
HKAS 24 (Revised) 香港會計準則第24號(修訂)	Related Party Disclosures ⁶ 關連人士之披露 ⁶
HKAS 27 (Revised) 香港會計準則第27號(修訂)	Consolidated and Separate Financial Statements ¹ 綜合及獨立財務報表 ¹
HKAS 32 (Amendment) 香港會計準則第32號(修訂)	Classification of Rights Issues ⁴ 供股權之分類 ⁴
HKAS 39 (Amendment) 香港會計準則第39號(修訂)	Eligible Hedged Items ¹ 合資格對沖項目 ¹
HKFRS 1 (Amendment) 香港財務報告準則第1號(修訂)	Additional Exemptions for First-time Adopters ³ 首次採納獲得之額外豁免 ³
HKFRS 1 (Amendment) 香港財務報告準則第1號(修訂)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters ⁵ 首次採納獲得香港財務報告準則第7號比較數字之有限豁免 ⁵
HKFRS 2 (Amendment) 香港財務報告準則第2號(修訂)	Group Cash-settled Share-based Payment Transactions ³ 集團以現金結算股份為本付款之交易 ³
HKFRS 3 (Revised) 香港財務報告準則第3號(修訂)	Business Combinations ¹ 業務合併 ¹
HKFRS 9 香港財務報告準則第9號(修訂)	Financial Instruments ⁷ 金融工具 ⁷
HK(IFRIC) — Int 17 香港(國際財務報告準則詮釋委員會)詮釋 — 第17條	Distributions of Non-cash Assets to Owners ¹ 向擁有人分配非現金資產 ¹
HK(IFRIC) — Int 19 香港(國際財務報告準則詮釋委員會)詮釋 — 第19條	Extinguishing Financial Liabilities with Equity Instruments ⁵ 發行權益工具以清償金融負債 ⁵

Note:

- ¹ Effective for annual periods beginning on or after 1 July 2009
- ² Amendments that are effective for annual periods beginning on or after 1 July 2009 and 1 January 2010, as appropriate
- ³ Effective for annual periods beginning on or after 1 January 2010
- ⁴ Effective for annual periods beginning on or after 1 February 2010
- ⁵ Effective for annual periods beginning on or after 1 July 2010
- ⁶ Effective for transfers on or after 1 January 2011
- ⁷ Effective for annual periods beginning on or after 1 January 2013

The Group is in the process of making an assessment of what the impact of these new and revised standards, amendments or interpretations is expected to be in the period of initial application.

註：

- ¹ 由二零一零年七月一日或以後開始之年期起生效
- ² 由二零零九年七月一日或二零一零年一月一日(視情況而定)或以後開始之年期起生效之修訂
- ³ 由二零一零年一月一日或以後開始之年期起生效
- ⁴ 由二零一零年二月一日或以後開始之年期起生效
- ⁵ 由二零一零年七月一日或以後開始之年期起生效
- ⁶ 由二零一一年一月一日或以後之轉讓生效
- ⁷ 由二零一三年一月一日或以後開始之年期起生效

本集團正在評估此等新及經修訂準則、修訂或詮釋在首個應用期產生的影響。

Independent Auditor's Report



Independent auditor's report to the shareholders of China Taiping Insurance Holdings Company Limited

*(Formerly known as China Insurance International Holdings Company Limited)
(Incorporated in Hong Kong with limited liability)*

We have audited the consolidated financial statements of China Taiping Insurance Holdings Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 184 to 375, which comprise the consolidated and Company statements of financial position as at 31 December 2009, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

Deloitte. 德勤

致中國太平保險控股有限公司股東之獨立核數師報告書
(前稱中保國際控股有限公司)
(於香港註冊成立的有限公司)

本核數師(以下簡稱「我們」)已審核列載於第184至第375頁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」)的綜合財務報表，此綜合財務報表包括於二零零九年十二月三十一日的綜合財務狀況表及公司的財務狀況表與截至該日止年度的綜合損益表、綜合全面收益表、綜合權益變動表和綜合現金流量表，以及主要會計政策概要及其他附註解釋。

董事就綜合財務報表須承擔的責任

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

核數師的責任

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

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

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

Independent Auditor's Report

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2009 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
30 March 2010

獨立核數師報告書

我們相信，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。

意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映貴公司及貴集團於二零零九年十二月三十一日的事務狀況及截至該日止年度的集團利潤及現金流量，並已按照香港《公司條例》妥為編製。

德勤•關黃陳方會計師行

執業會計師

香港

二零一零年三月三十日

Five Year Financial Summary

五年財務概要

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

RESULTS

業績

		2009	2008 (Restated) (重列)	2007	2006	2005
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Revenue	收入					
Gross premiums written and policy fees	毛承保保費及保單費收入	31,022,721	15,232,332	17,933,997	12,373,454	8,611,673
Less: Premiums ceded to reinsurers and retrocessionaires	減：保費之再保份額及轉份額	(1,687,546)	(1,238,874)	(277,403)	(222,920)	(267,726)
Net premiums written and policy fees	淨承保保費及保單費收入	29,335,175	13,993,458	17,656,594	12,150,534	8,343,947
Change in unearned premium provisions, net of reinsurance	未到期責任準備金變化，減再保險	(207,164)	(270,187)	(7,912)	(216,961)	(125,913)
Net earned premiums and policy fees	已賺取保費及保單費收入淨額	29,128,011	13,723,271	17,648,682	11,933,573	8,218,034
Investment income	投資收入	4,482,861	2,408,713	6,671,765	2,384,094	814,573
Net exchange gains/(loss)	匯兌收益/(虧損)淨額	7,871	(180,642)	(31,121)	22,836	(94,892)
Other income	其他收入	121,579	113,153	64,933	39,781	15,056
Total revenue	收入總額	33,740,322	16,064,495	24,354,259	14,380,284	8,952,771
Benefits, losses and expenses	給付、賠款及費用					
Net policyholders' benefits	保單持有人利益淨額	(9,420,245)	(6,323,399)	(5,062,155)	(2,365,092)	(1,422,941)
Net commission expenses	佣金支出淨額	(3,557,697)	(2,846,818)	(1,997,156)	(1,194,817)	(809,157)
Administrative and other expenses	行政及其他費用	(6,728,888)	(4,384,987)	(2,228,343)	(1,466,531)	(1,179,857)
Change in life insurance contract liabilities, net of reinsurance	壽險合約負債變化，減再保險	(12,257,890)	(2,713,406)	(11,849,470)	(8,229,133)	(5,785,225)
Goodwill impairment and amortization	商譽減值及攤銷	—	(73,276)	—	—	(250,000)
Total benefits, losses and expenses	給付、賠款及費用總額	(31,964,720)	(16,341,886)	(21,137,124)	(13,255,573)	(9,447,180)
Profit/(loss) from operations	經營溢利/(虧損)	1,775,602	(277,391)	3,217,135	1,124,711	(494,409)
Share of profits/(losses) of associates	應佔聯營公司溢利/(虧損)	22,744	(134,086)	(57,760)	4,070	(48,728)
Finance costs	財務費用	(317,950)	(183,383)	(148,467)	(144,184)	(88,299)
Profit/(loss) before taxation	除稅前溢利/(虧損)	1,480,396	(594,860)	3,010,908	984,597	(631,436)
Income tax (charge)/credit	稅項(支出)/抵免	(292,760)	32,485	(553,711)	(326,256)	36,083
Profit/(loss) after taxation	除稅後溢利/(虧損)	1,187,636	(562,375)	2,457,197	658,341	(595,353)
Attributable to:	應佔：					
Owners of the Company	本公司股東權益	825,737	(486,092)	1,549,072	510,765	(433,763)
Minority interests	少數股東權益	361,899	(76,283)	908,125	147,576	(161,590)
		1,187,636	(562,375)	2,457,197	658,341	(595,353)

Note: The results for the year ended 31 December 2009 and 2008 have been prepared in accordance with certain new accounting policies, the merger accounting and the adjustments to goodwill as set out on pages 221 to 230 of the Annual Report. However, the results for year ended 31 December 2007, 2006 and 2005 have not been restated accordingly.

註：截至二零零九年及二零零八年十二月三十一日止年度之業績，已根據載於年報第221至230頁之若干新會計政策、合併會計法及對商譽之調整而編製。然而，截至二零零七年、二零零六年及二零零五年十二月三十一日止年度之業績，並沒有作相應重列。

Five Year Financial Summary (Continued)

五年財務概要 (續)

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

RESULTS (Continued)

業績 (續)

		2009	2008 (Restated) (重列)	2007	2006	2005
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Assets and liabilities	資產及負債					
Statutory deposits	法定存款	1,350,037	1,215,598	653,239	547,443	487,806
Fixed assets	固定資產	5,064,190	4,933,912	1,391,707	1,140,767	659,507
Goodwill and intangible asset	商譽及無形資產	565,055	565,055	228,185	228,185	228,185
Interest in associates	於聯營公司的權益	101,149	138,563	530,436	350,678	315,298
Deferred tax assets	遞延稅項資產	96,210	91,660	2,648	2,697	3,298
Investments in debt and equity securities	債務及股本證券投資	74,089,895	56,278,526	40,502,185	25,553,330	18,122,506
Securities purchased under resale agreements	買入返售證	34,072	—	—	—	—
Amounts due from group companies	應收集團內公司款項	20,208	7,769	17,488	7,036	314
Insurance debtors	保險客戶應收賬款	1,343,827	1,318,471	616,540	453,167	342,060
Reinsurers' share of insurance contract provisions	分保公司應佔保險合約準備	2,087,662	2,306,347	376,740	391,907	472,176
Policyholder account assets in respect of unit-linked products	有關投資連結產品之保單持有人賬戶資產	5,078,319	4,269,892	—	—	—
Other debtors	其他應收賬款	2,575,684	2,148,712	1,431,352	562,340	608,778
Tax recoverable	可收回稅項	—	1,640	—	3,581	5,585
Pledged deposits at bank	已抵押銀行存款	92,225	185,729	97,417	93,676	97,980
Cash and cash equivalents and deposits at bank with original maturity more than three months	現金及現金等價物及原到期日超過三個月的銀行存款	19,032,498	14,555,181	9,769,612	10,718,860	5,990,288
Total assets	總資產	111,531,031	88,017,055	55,617,549	40,053,667	27,333,781
Less: Total liabilities	減：總負債	(96,193,202)	(75,866,531)	(47,521,867)	(34,471,026)	(23,910,536)
Minority interests	少數股東權益	(5,041,118)	(5,123,225)	(2,410,056)	(1,404,322)	(916,087)
		10,296,711	7,027,299	5,685,626	4,178,319	2,507,158
Share capital	股本	85,103	71,086	70,764	70,313	66,824
Reserves	儲備	10,211,608	6,956,213	5,614,862	4,108,006	2,440,334
		10,296,711	7,027,299	5,685,626	4,178,319	2,507,158
		cents 仙	cents 仙	cents 仙	cents 仙	cents 仙
Earnings/(loss) per share	每股盈利/(虧損)					
Basic	基本	52.7	(31.3)	110.2	38.1	(32.5)
Diluted	攤薄	52.1	(31.3)	108.3	37.7	(32.4)

Definitions

In the annual report, the following expressions shall have the following meanings unless the context requires otherwise:

“Board”	the board of Directors
“BVI”	British Virgin Islands
“CIRC”	China Insurance Regulatory Commission
“CTPI (HK)”	China Taiping Insurance (HK) Company Limited, formerly know as The Ming An Insurance Company (Hong Kong) Limited
“Directors”	The directors of the Company, including the independent non-executive directors
“Fortis”	Fortis Insurance International N.V.
“Grantee”	A person who has been granted the right to accept the Company’s offer of share options
“HKFRS”	Hong Kong Financial Reporting Standard
“HKICPA”	Hong Kong Institute of Certified Public Accountants
“HK(IFRIC)-Int”	Hong Kong (International Financial Reporting Interpretations Committee)-Interpretation
“ICBC”	The Industrial and Commercial Bank of China
“ICBC (Asia)”	Industrial and Commercial Bank of China (Asia) Limited
“Independent Shareholders”	Shareholder(s) other than TPG, ICBC (Asia) and their respective associates
“Last Year”	The year ended 31 December 2008
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“MAC”	The Ming An Insurance Company (China) Limited
“MAH”	The Ming An (Holdings) Company Limited
“Manhold”	Manhold Limited
“MPF scheme”	Mandatory Provident Fund Scheme

釋義

於本年報中，除文義另有所指外，下列詞彙具有以下涵義：

「中國保監會」	指	中國保險監督管理委員會
「中國太平香港」	指	中國太平保險(香港)有限公司，前稱香港民安保險有限公司
「董事」	指	本公司董事，包括獨立非執行董事
「富通」	指	富通保險國際股份有限公司
「承授人」	指	被授予權利可以接納本公司所賦予之認股權之人仕
「中國工銀」	指	中國工商銀行
「工銀(亞洲)」	指	中國工商銀行(亞洲)有限公司
「獨立股東」	指	除中國太平集團、工銀(亞洲)及其各自的聯繫人以外之股東
「去年」	指	截至二零零八年十二月三十一日止之年度
「上市規則」	指	聯交所證券上市規則
「民安中國」	指	民安保險(中國)有限公司
「民安控股」	指	民安(控股)有限公司
「汶豪」	指	汶豪有限公司

Definitions

“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”)
“the Group”	CTIH and its subsidiaries
“the PRC”	The People’s Republic of China
“the Year”	The year ended 31 December 2009
“TPA (HK)”	Taiping Assets Management (HK) Company Limited, formerly known as China Insurance Group Assets Management Limited (“CIGAML”)
“TPAM”	Taiping Asset Management Company 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 known as The Taiping Insurance Company, Limited (“TPI”)
“TPIH”	Taiping Investment Holdings Company Limited
“TPL”	Taiping Life Insurance Company Limited
“TPP”	Taiping Pension Company Limited
“TPR”	Taiping Real Estate Shanghai Company Limited, formerly known as Shanghai Zepeng Real Estate Development Co., Ltd.
“TPRB”	Taiping Reinsurance Brokers Limited, formerly known as SINO-RE Reinsurance Brokers Limited (“SINO-RE”)
“TPRe”	Taiping Reinsurance Company Limited, formerly known as China International Reinsurance Company Limited (“CIRe”)

釋義

「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」
「本集團」	指	中國太平控股及其附屬公司
「中國」	指	中華人民共和國
「本年度」	指	截至二零零九年十二月三十一日止之年度
「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」
「太平投資控股」	指	太平投資控股有限公司
「太平人壽」	指	太平人壽保險有限公司
「太平養老」	指	太平養老保險股份有限公司
「太平置業」	指	太平置業(上海)有限公司，前稱上海澤鵬置業有限公司
「太平再保顧問」	指	太平再保險顧問有限公司，前稱華夏再保險顧問有限公司「華夏」
「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」

Definitions

“the Old Scheme”	Share option scheme of the Company adopted on 24 May 2000 and terminated on 7 January 2003
“the New Scheme”	Share option scheme of the Company adopted on 7 January 2003
“RMB”	Renminbi
“HKD”	Hong Kong dollars
“USD”	United States dollars
“EUR”	Euro
“GBP”	British Pound

釋義

- 「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



中國太平保險控股有限公司

China Taiping Insurance Holdings Company Limited

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