



中国太平
CHINA TAIPING

2019年報

Annual Report

股份代碼 Stock Code: HK 00966

共享太平

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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive directors

LUO Xi	<i>Chairman</i>
WANG Sidong	<i>Vice Chairman and General Manager</i>
REN Shengjun	<i>Deputy General Manager</i>

Non-executive directors

GUO Zhaoxu
HU Xingguo
ZHANG Cui
YANG Changgui

Independent non-executive directors

WU Jiesi
ZHU Dajian
WU Ting Yuk Anthony
XIE Zhichun

AUDIT COMMITTEE

WU Jiesi	<i>Chairman</i>
ZHU Dajian	
XIE Zhichun	

REMUNERATION COMMITTEE

ZHU Dajian	<i>Chairman</i>
LUO Xi	
WANG Sidong	
WU Jiesi	
WU Ting YUK Anthony	
XIE Zhichun	

NOMINATION COMMITTEE

LUO Xi	<i>Chairman</i>
WU Jiesi	
ZHU Dajian	
WU Ting Yuk Anthony	
XIE Zhichun	

CORPORATE GOVERNANCE COMMITTEE

LUO Xi	<i>Chairman</i>
WANG Sidong	
REN Shengjun	

董事會

執行董事

羅熹	董事長
王思東	副董事長及 總經理
任生俊	副總經理

非執行董事

郭兆旭
胡興國
張翠
楊昌貴

獨立非執行董事

武捷思
諸大建
胡定旭
解植春

審核委員會

武捷思	主席
諸大建	
解植春	

薪酬委員會

諸大建	主席
羅熹	
王思東	
武捷思	
胡定旭	
解植春	

提名委員會

羅熹	主席
武捷思	
諸大建	
胡定旭	
解植春	

企業管治委員會

羅熹	主席
王思東	
任生俊	

Corporate Information 公司資料

RISK MANAGEMENT COMMITTEE

XIE Zhichun *Chairman*
WANG Sidong
REN Shengjun
GUO Zhaoxu
ZHANG Cui

風險管理委員會

解植春 *主席*
王思東
任生俊
郭兆旭
張翠

COMPANY SECRETARY

ZHANG Ruohan

公司秘書

張若晗

AUTHORISED REPRESENTATIVES

LUO Xi
ZHANG Ruohan

授權代表

羅熹
張若晗

REGISTERED OFFICE

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REGISTRAR AND TRANSFER OFFICE

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香港皇后大道東183號
合和中心17樓1712至16室

INDEPENDENT AUDITORS

PricewaterhouseCoopers
(Certified Public Accountants and
Registered PIE Auditors)

獨立核數師

羅兵咸永道會計師事務所
(註冊公眾利益實體核數師)

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Nanyang Commercial Bank, Ltd.

主要往來銀行

中國銀行(香港)有限公司
南洋商業銀行有限公司

WEBSITE

www.ctih.cntaiping.com
www.cntaiping.com

網址

www.ctih.cntaiping.com
www.cntaiping.com

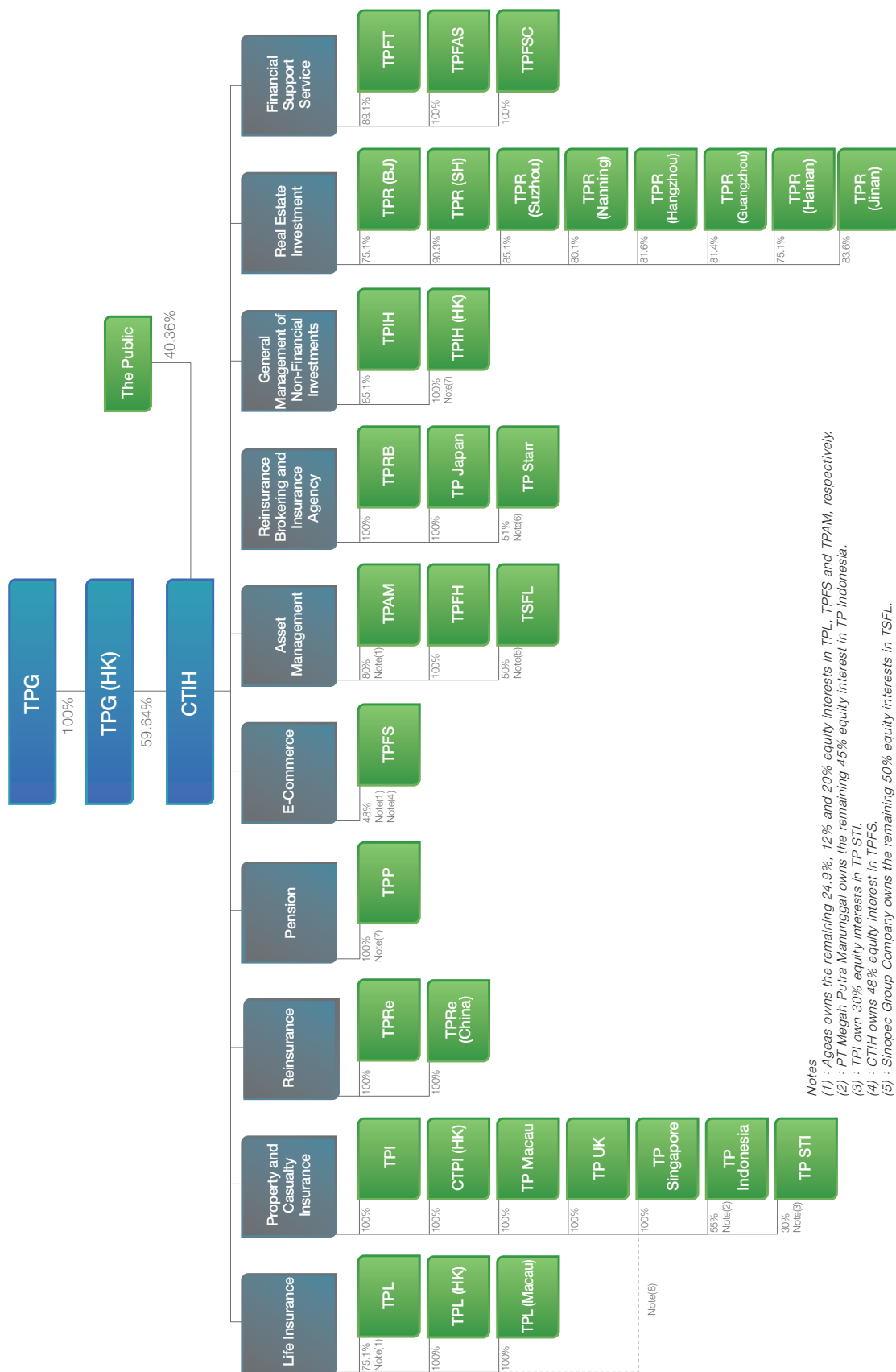
STOCK MARKET LISTING

The Main Board of The Stock Exchange
of Hong Kong Limited
(Stock Code: HK00966)

上市證券交易所

香港聯合交易所有限公司主板
(股份代碼: HK 00966)

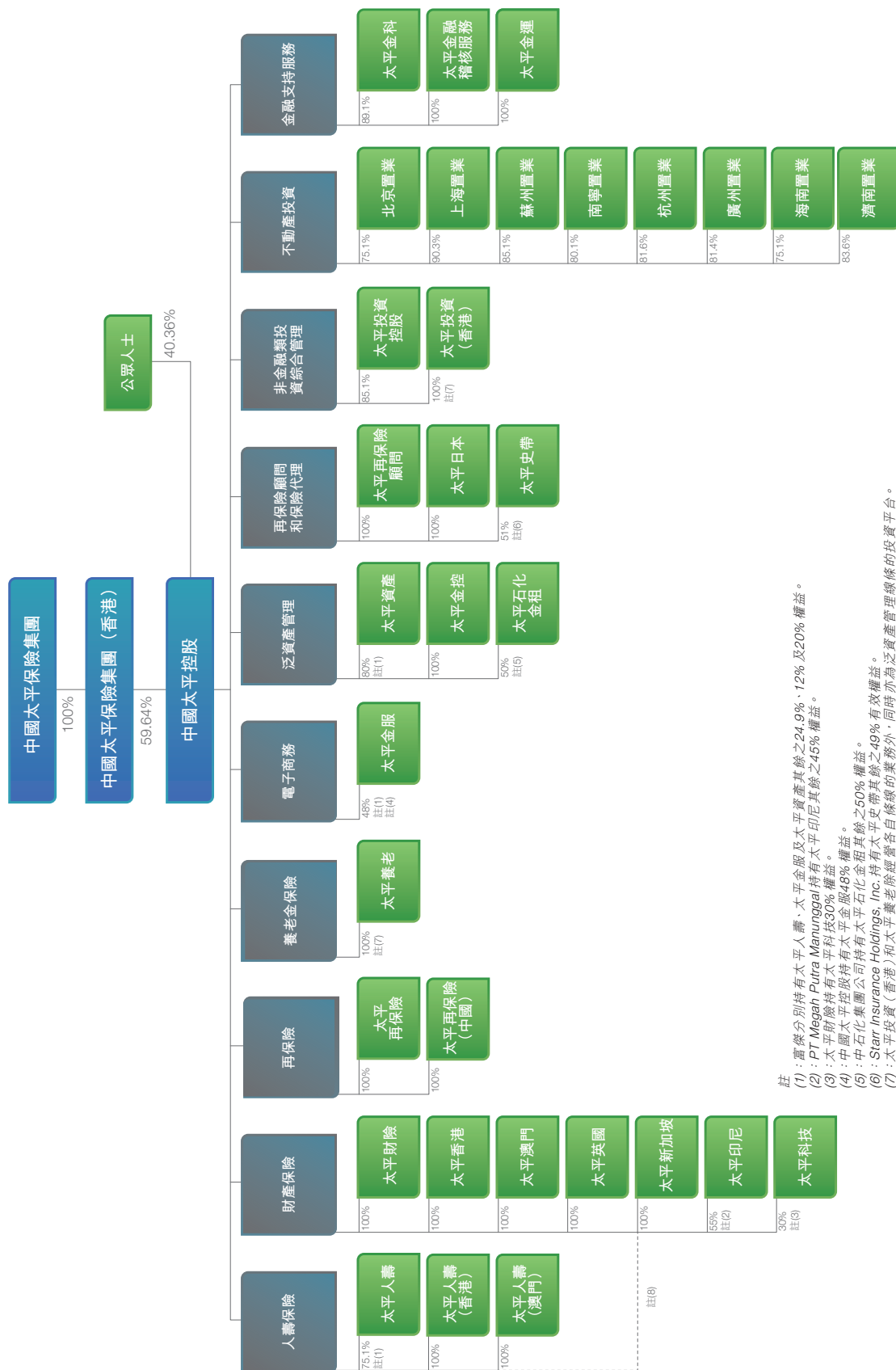
Simplified Ownership Structure



Notes
 (1) : Ageas owns the remaining 24.9%, 12% and 20% equity interests in TPL, TPFS and TPAM, respectively.
 (2) : PT Megah Putra Manunggal owns the remaining 45% equity interest in TP Indonesia.
 (3) : TPI own 30% equity interests in TP STI.
 (4) : CTIH owns 48% equity interest in TPFS.
 (5) : Sinopec Group Company owns the remaining 50% equity interests in TSFL.
 (6) : Starr Insurance Holdings, Inc. owns the remaining 49% effective equity interests in TP Starr.
 (7) : In addition to operating its own business lines, TPIH (HK) and TPIH (HK) also act as investment platforms in the asset management business.
 (8) : TP Singapore has obtained life insurance business license and become a comprehensive insurance company.
 (9) : The ratios shown were effective interests. Except for notes (1) to (6), shares of the subsidiaries were held by the Company and/or its subsidiaries.

(As at 31 December 2019)

簡明公司架構



註 (1)：萬樂分別持有太平人壽、太平金股及太平資產其餘之24.9%、12%及20%權益。
 (2)：PT Megah Putra Manunggal持有太平印尼其餘之45%權益。
 (3)：太平財險持有太平科技30%權益。
 (4)：中國太平控股持有太平金服48%權益。
 (5)：中石化集團公司持有太平石化金租其餘之50%權益。
 (6)：Star Insurance Holdings, Inc.持有太平史帶其餘之49%有效權益。
 (7)：太平投資(香港)和太平養老係經營各自條線的業務外，同時亦為泛資產管理線條的投資平台。
 (8)：太平新加坡已取得壽險業務牌照，成為綜合性保險公司。
 (9)：所示百分比為有效持股比例。除註(1)至(8)外，本圖所示附屬公司股份均由本公司及/或附屬公司持有。

(於2019年12月31日)

Chairman's Statement

2019 is the 90th anniversary of the establishment of China Taiping, with increasing risks and challenges at domestic and abroad and intensifying market competition, by uniting and striving to focus on international development, pay close attention to empowerment enhancement and deepening reform and innovation, China Taiping made breakthroughs in major strategic layouts, promoted the development concept of "Taiping for Your Peaceful Life", rapidly enhanced the Taiping Group's ranking in the "Fortune Global 500" and made it onto the Global Insurance Top 50, which realised a good start for the development strategy of the new era.

REVIEW OF PERFORMANCE IN 2019

In 2019, the net profit attributable to shareholders reached HK\$9.009 billion and achieved a record high, increased by 30.9% over the Last Year. The total premiums written and policy fees reached HK\$223.0 billion, increased by 11.7% over the Last Year. The total assets exceeded HK\$900 billion, increased by 22.2% over the last year-end. The growth rate of the PRC life insurance business ranked 1st among major peers, property and casualty insurance business surpassed the market average and the growth rate of new payment from pension ranked 1st among peers.

In 2019, the PRC insurance business increased steadily, achieving good quality and profitability. Direct premium of TPL increased by 13.6% over the Last Year. The persistency ratios of the individual and bancassurance channels at the 13th month ranked 1st among major peers for consecutive years, with renewal premiums exceeding RMB100 billion for the first time; direct premium income of TPI increased by 11.1% over the Last Year and surpassed the market average, achieving underwriting profit for eight consecutive years; pension assets under management of TPP increased by 81.1% over the last year-end, exceeding RMB350 billion.

In 2019, the overseas business of the Group continuously achieved breakthroughs and the proportion of premium from overseas business further increased, CTPI (HK)'s ranking 3rd in the market for five consecutive years; the global ranking of TPre rose up by six; the first year premium of TPL (HK) increased by 57.6% over the Last Year with market influence continued increasing; TP Macau ranked 1st in the market for twelve consecutive years; the underwriting of TP Singapore and TP Indonesia outperformed the market.

The business operations and financial performance of each business unit are detailed in the "Management Review and Analysis".

BUSINESS MEASURES AND RESULTS

In 2019, by implementing the operating strategies of "Surpassing the Market, Competing at an Advanced Level, Growing on Steady Basis and Enhancing Value", China Taiping solidly promoted benchmarking and empowerment to specific areas through insisting on development lead by a clear strategic direction and planning as well as by solving problems through projects, to strengthen reform and innovation, accelerate informatisation construction, actively promote international development, and strictly prevent and mitigate operational risks, which significantly enhanced the overall strength of the Group.

董事長致辭



LUO Xi 羅熹
Chairman 董事長

2019年是中國太平創業90周年，面對國內外風險挑戰明顯上升、市場競爭愈加激烈的複雜局面，中國太平上下一心、團結奮鬥，聚焦國際化發展，狠抓賦能提升，深化改革創新，重大戰略佈局取得突破性進展，「共享太平」發展理念深入人心，太平集團在《財富》世界500強中的排名快速提升，成功躋身全球保險業前50強，實現了新時代發展戰略的良好開局。

2019年業績回顧

2019年，集團實現股東應佔淨利潤90.09億港元，創歷史最高水平，同比增長30.9%，集團總保費及保單費收入2,230億港元，同比增長11.7%，總資產突破9,000億港元，較去年末增長22.2%。境內壽險業務增速在主要同業中位居榜首，財險業務跑贏大市，養老金新增繳費增速排名同業第一。

2019年，境內保險業務平穩增長，品質效益優良。太平人壽原保費同比增長13.6%，個險、銀保13月繼續率在主要同業中連續多年穩居第一，續期保費首次突破千億元人民幣；太平財險原保費收入同比增長11.1%，跑贏大市，連續8年承保盈利；太平養老養老金管理資產較去年末增長81.1%，超過3,500億元人民幣。

2019年，集團境外業務發展不斷取得突破，境外業務保費佔比進一步提升，太平香港連續5年保持市場前三；太平再保險全球排名上升6位；太平人壽（香港）新單規模保費同比增長57.6%，市場影響力不斷提升；太平澳門連續12年排名市場第一；太平新加坡、太平印尼承保表現優於市場。

關於各業務單位的經營情況及財務表現，在「管理層回顧和分析」有詳細介紹。

工作措施及成效

2019年，中國太平貫徹「跑贏大市、爭先進位、穩定增長、提升價值」的經營策略，堅持以戰略明確方向、以規劃引領發展、以項目破解難題，扎實推進對標賦能，加大改革創新力度，加快信息化建設，積極推進國際化發展，嚴密防範化解經營風險，集團整體實力顯著增強。

Chairman's Statement

In 2019, adhering to the “Meeting the Country’s need as Taiping’s direction”, China Taiping actively supported the implementation of national strategies and the development of the real economy. Through fully utilising the protection function of insurance, incorporating the corporate development into the national strategy and giving full play to the advantages of insurance expertise and cross-border operation, strongly supporting the implementation of national strategies and the development of the real economy in the aspects of supply-side structural reform, infrastructure construction and the construction of the Guangdong-Hong Kong-Macau Greater Bay Area, “The Belt and Road” cooperation.

In 2019, China Taiping solidly carried out benchmarking and empowerment to specific areas, which effectively promoted the “Ice-breaking” development of operation management. The major empowerment measures on product, management, technology, resources and mechanism were launched in full swing. The “Gongxiang” series products were widely recognised by the market. As platforms such as “Taiping APP” and “e-sharing” were completed and put into application, data governance and the transformation of a new generation core systems were started. The selection and appointment mechanism, market benchmarking and incentive and restraint mechanism on performance-based salary were gradually improved; the overall programme for investment institution construction and specialised reforms were successively introduced, which promoted the steady improvement of the Group’s overall operating capabilities.

In 2019, China Taiping accelerated the application of scientific and technological innovation with positive progress in key informatisation projects, scientific and technological achievements have rapidly transformed into core competitiveness and basic productivity. It improved the system and mechanism on the management of scientific and technological innovation and established an informationalised management system of “One Committee, One Department and Three Companies” and “Three Regions and Three Data Centers”, achieving a professional separation of two segments of technology and operation. The new generation of core system and “Taiping Cloud”, continued its capacity expansion. The application of technologies such as AI robot Xiaohui and voiceprint recognition has been speed up and the technological innovation achievements including face recognition, intelligent image, mapping knowledge domain and intelligent interactions gradually put into use.

In 2019, China Taiping adhered to strategic leadership and made breakthroughs in major strategic layouts. 10 key projects in the Guangdong-Hong Kong-Macau Greater Bay Area pushed forward and the catastrophe insurance and the cross-border vehicle insurance in Macau launched as first projects. The international business made progress, with TPL (Macau), MAH Thailand representative office and TPR Macau representative office established, which significantly enhanced the proportion of the international business.

In 2019, China Taiping further pursued the cooperative strategy and established the strategic partnership with 13 key partners including the government of Guangxi Zhuang Autonomous Region, Sinopec, China Railway Construction Corporation, Bank of Communications, Industrial Bank and SPD Bank. The number of the Group’s strategic customers increased to 99, generating premium income of HK\$40.788 billion.

In 2019, China Taiping took solid steps to investigate and solve the risks in key areas, launching the largest, widest and deepest financial risk prevention and mitigation campaign in recent years, continuously focused on projects with relatively high potential risks and took targeted measures to resolve risks. It also improved the internal control compliance system and consolidated the risk prevention and control system, holding fast to the bottom line of risks.

董事長致辭

2019年，中國太平堅持「國家所需、太平所向」，積極支持國家戰略實施，支持實體經濟發展。充分發揮保險保障功能，將公司發展融入國家戰略，充分發揮保險專業優勢和跨境經營優勢，在供給側結構性改革、基礎設施建設、粵港澳大灣區建設、共建「一帶一路」等方面有力支持國家戰略實施和實體經濟發展。

2019年，中國太平扎實開展對標賦能，有力推動了經營管理工作「破冰」前行。產品、管理、科技、資源、機制五方面主要「賦能」舉措全面啟動。「共享」系列產品獲得市場廣泛認可，「太平通」、「易享太平」等平台建成並投入使用，數據治理及新一代核心系統改造開始啟動，選人用人機制和市場對標、績效掛鉤的激勵約束機制逐步健全；投資機構建設規劃及專業化改革總體方案相繼出台，推動集團整體經營能力穩步提升。

2019年，中國太平加快科技創新應用步伐，重點信息化項目取得積極進展，科技成果加速向核心競爭力和基本生產力轉化。完善科技創新管理體制機制，建立「一會一部三公司」和「三地三中心」的信息化治理體系，實現科技、運營兩大板塊專業化分離。新一代核心系統、「太平雲」持續擴容。AI智能機器人小慧、聲紋識別等技術加速投入應用，人臉識別、智能影像、知識圖譜、智能交互等科技創新成果逐步落地。

2019年，中國太平堅持戰略引領，重大戰略佈局取得突破性進展。粵港澳大灣區10大重點項目加快實施，澳門巨災保險、跨境車輛保險等項目率先落地。國際化佈局實現新突破，太平人壽（澳門）、民安控股泰國代表處、太平再保險澳門代表處先後設立，國際化業務佔比明顯提升。

2019年，中國太平深入推進「總對總」戰略，全年新簽戰略客戶13家，與廣西自治區政府、中石化、中鐵建、交通銀行、興業銀行、浦發銀行等重要夥伴建立戰略合作關係，集團戰略客戶數增加至99家，帶動保費收入407.88億港元。

2019年，中國太平扎實開展重點領域風險排查化解，開展了近年來集團內規模最大、範圍最廣、程度最深的防範化解金融風險行動，持續關注潛在風險較高的項目並採取有針對性的風險化解處置舉措。健全內控合規制度，築牢風險防控體系，牢牢守住風險的底線。

Chairman's Statement

OPPORTUNITIES AND CHALLENGES

At the beginning of 2020, COVID-19 sudden outbreak and spread rapidly. China Taiping promptly sprung into the fight of combating the epidemic through making fund donation, urgent procurement of clinical supplies for epidemic area and provision of exclusive risk protection to front-line health care workers and etc.. Through formulating and implementing the Group's "Ten Measures on Supporting the Work and Production Resumption of Enterprises", it actively leveraged on the protection function of insurance and the advantage of stable and long-term funds to support the work and production resumption of enterprises with an aim to make contribution to the resolutely deterring and wining of the fight against the epidemic. However, the COVID-19 will inevitably hit the economy and society hard, especially the traditional agency distribution channels of life insurance companies. The decrease in agents' face-to-face sales will affect the sales of protection insurance. However, it is especially at this time that future development shall be viewed in a comprehensive, dialectical and long-term perspective. Taken together, the fundamentals of China's long-term economic improvement have not changed, and the impact of the epidemic is short-term and generally controllable. The epidemic will raise national insurance awareness and may help the long-term development of China's life insurance industry. Under the principle of accurate understanding, active adaptation and proactive response, we formulated and implemented the "Measures to Carry out Effective Epidemic Prevention and Control, Strengthen Precise Services and Maintain Stable Growth", pursuant to which we will conduct business operations while focusing on the epidemic prevention and control and take the lead in resuming and stabilising business operations, so as to succeed with the epidemic prevention and control and achieve the business objective for this year.

DEVELOPMENT PROSPECTS

2020 is the final year for building a moderately prosperous society in all respects and the 13th Five-Year Plan, as well as the crucial year for China Taiping's comprehensive advancement of "Empowerment Enhancement". Adhering to the development philosophy of "Maintaining Strategic Determination, Playing A Protection Role, Accelerating Innovation and Transformation, and Stimulating Development Vibrancy" as well as the operating strategy of "Surpassing the Market, Competing at an Advanced Level, Growing on Steady Basis, and Enhancing Value", China Taiping will focus on the annual budgetary targets, operating tasks and key work, and put value growth in top priority and profit growth in an important position. We will take the new development concept as the guide to improve the operation level, take innovation and reform as the driving force to promote high-quality development, take serving the national strategies as the purpose to speed up the implementation of major strategic projects, take the opportunity of "Year of Innovation" to drive comprehensive innovation, take the ability improvement as the core task to implement the empowerment plan, take the problem as the direction to build a strong line of risk control compliance, and take the system construction as a focus to further consolidate the basis of operation management, so as to ensure that the development strategy of in the new era "Empowerment Enhancement" is fully implemented and effective, make every effort to achieve the business objectives for the year, and thus create greater value for shareholders, customers and the society!

董事長致辭

機遇與挑戰

2020新年伊始，新冠肺炎疫情突如其來並迅速蔓延。中國太平通過捐贈資金、為疫區緊急採購醫療物資、向一線醫護人員提供專屬風險保障等方式，迅速投入到抗擊疫情的行動中。制定出台集團《助力企業復工復產十項舉措》，積極發揮保險保障功能和長期穩定資金優勢，助力企業復工復產，為堅決打贏抗擊疫情保衛戰貢獻一份力量。但新冠肺炎疫情不可避免會對經濟社會造成較大衝擊，尤其對壽險公司傳統代理分銷渠道方面的衝擊較大，代理人面銷的減少將會影響保障型保險的銷售。但越是在這個時候，越要用全面、辯證、長遠的眼光看待未來發展，綜合起來看，我國經濟長期向好的基本面沒有改變，疫情的衝擊是短期的、總體上是可控的。疫情會提高國民的保險意識，並可能有助於中國壽險行業的長期發展。對此，我們立足於準確把握、主動適應、積極應對，制定實施了《關於有效防控疫情、加強精準服務、穩定業務增長的政策措施》，將統籌做好疫情防控和經營發展工作，率先帶頭恢復業務經營穩定運行，堅決奪取疫情防控和實現今年經營發展目標的「雙勝利」。

發展展望

2020年是全面建成小康社會和「十三五」收官之年，是中國太平「賦能提升」全面推進的關鍵一年，中國太平將堅持「保持戰略定力，發揮保障作用，加快創新變革，激發發展活力」發展思路和「跑贏大市、爭先進位、穩定增長、提升價值」經營策略不動搖，扭住年度預算目標、經營任務和重點工作不放鬆，切實將價值成長擺在首位，把利潤增長放在重要位置。我們將以新發展理念為引領提升經營工作水平，以創新變革為動力推動高質量發展，以服務國家戰略為宗旨加快重大戰略項目落地，以「創新年」為契機帶動全面創新，以能力提升為核心任務深入實施賦能計劃，以問題為導向築牢風控合規防線，以制度建設為重點進一步夯實經營管理基礎，確保新時代發展戰略「賦能提升」全面落地見效，全力達成年度經營目標，為股東、客戶和社會創造更大的價值！

Chairman's Statement

ACKNOWLEDGEMENTS

On behalf of the Board of CTIH, I would like to express my heartfelt gratitude to all our shareholders who have trusted and supported us for so many years. On behalf of the Board, I would also like to extend my sincere gratitude to the staff for their dedication and hard work.

LUO Xi
Chairman

Hong Kong, 27 March 2020

董事長致辭

致謝

本人謹此代表中國太平控股董事會，對多年來給予我們信任及支持的各位股東，致以衷心的感謝。我也代表董事會衷心感謝全體員工竭誠盡責執行各項任務。

董事長
羅熹

香港，2020年3月27日

Management Review and Analysis

管理層回顧和分析

2019 HIGHLIGHTS AND CONSOLIDATED RESULTS OF OPERATIONS

Profitability Significantly Enhanced, Rapid Growth in Business Scale

- Profit attributable to owners was HK\$9.009 billion, increased by 30.9% over the Last Year
- Total premiums written and policy fees reached HK\$223.0 billion, increased by 11.7% over the Last Year
- Basic earnings per share HK\$2.457, increased by 33.2% over the Last Year
- Owners' equity was HK\$76.308 billion, increased by 25.0% over the last year-end
- Total assets were HK\$919.4 billion, increased by 22.2% over the last year-end
- Group embedded value per share attributable to owners was HK\$44.564, increased by 14.8% over the last year-end figure of HK\$38.832, while TPL's embedded value increased by 21.3% over the last year-end
- New business value of the PRC life insurance was HK\$10.511 billion, decreased by 20.6% over the Last Year, decreased by 18.8% in terms of RMB

PRC Insurance Business' Growth Rate Outperformed the Market

- Direct premium of the PRC life insurance² increased by 13.2% over the Last Year, outperformed the market
- TPL's first year regular premium increased by 1.4% over the Last Year; high productivity (RMB300,000 regular premium above) individual insurance agents increased by 13.1% over the Last Year
- Short term group employee benefit business increased by 24.9% over the Last Year, with short term health insurance business increased by 34.6% over the Last Year

2019年度經營亮點及綜合業績

盈利水平大幅提升，業務規模快速增長

- 股東應佔溢利90.09億港元，同比增長30.9%
- 總保費及保單費收入達到2,230億港元，同比增長11.7%
- 每股基本盈利2.457港元，同比增長33.2%
- 股東應佔權益763.08億港元，較去年末增長25.0%
- 總資產達到9,194億港元，較去年末增長22.2%
- 股東應佔每股總內含價值44.564港元，較去年末的38.832港元增長14.8%，其中太平人壽內含價值較去年末增長21.3%
- 境內壽險新業務價值105.11億港元，同比下降20.6%，人民幣口徑同比下降18.8%

境內保險業務²增速跑贏大市

- 境內壽險原保費²同比增長13.2%，跑贏大市
- 太平人壽新單期繳保費同比增長1.4%；個險高產能（30萬元人民幣期繳保費以上）人力同比增長13.1%
- 團體短期員工福利保障業務同比增長24.9%，其中短期健康險業務同比增長34.6%

¹ Calculated in RMB

² Including TPL and TPP

¹ 按人民幣計算

² 包括太平人壽及太平養老

Management Review and Analysis

管理層回顧和分析

2019 HIGHLIGHTS AND CONSOLIDATED RESULTS OF OPERATIONS *(Continued)*

PRC Insurance Business' Growth Rate Outperformed the Market *(Continued)*

- Four persistency ratios of the individual agency and bancassurance channels maintained in the industry leading position for consecutive years
- Direct premium of PRC property and casualty insurance increased by 11.1% over the Last Year, outperformed the market; combined ratio was 99.9%, achieving continual underwriting profit
- Pension assets under management was over RMB350.0 billion, increased by 81.1% over the last year-end

Overseas Insurance Market Development Continued Improving

- CTPI (HK) achieved a fast development of local business, with premium income increased by 15.2% over the Last Year, surpassed the market and achieving continual underwriting profit
- TPL (HK)'s premium income increased substantially by 169.1%, with market influence continued increasing; its Macau subsidiary TPL (Macau) officially established and achieved a steady start
- TP Macau sustained its market leadership, with premium income surpassed the market and a combined ratio of 71.5%, maintaining outstanding underwriting result
- TP Singapore's premium income increased substantially by 153.5% over the Last Year and obtained A- grade ratings by S&P; with premium from property and casualty insurance increased by 14.6% over the Last Year, maintaining underwriting profit; life insurance business has a good start and fast development
- TP Indonesia's premium income increased by 24.6% over the Last Year, with optimised combined ratio over the Last Year, continued outperforming the industry average
- TPre's total premium income increased by 17.2% over the Last Year, with life reinsurance business grew substantially by 29.1%, achieving fast development; property and casualty business achieving continual underwriting profit

2019年度經營亮點及綜合業績 (續)

境內保險業務'增速跑贏大市 (續)

- 個險、銀保四項繼續率連續多年穩居行業領先地位
- 境內產險原保費同比增長11.1%，跑贏大市；綜合成本率99.9%，持續承保盈利
- 養老金管理資產餘額超過3,500億元人民幣，較去年末增長81.1%

境外保險市場發展不斷向好

- 太平香港本地業務較快發展，同比增長15.2%，跑贏大市，持續承保盈利
- 太平人壽(香港)保費收入同比大幅增長169.1%，市場影響力不斷提升；澳門子公司太平人壽(澳門)正式成立，業務實現穩健起步
- 太平澳門穩居市場領先地位，保費收入跑贏大市，綜合成本率71.5%，保持優秀承保盈利水平
- 太平新加坡保費收入同比大幅增長153.5%，首次獲得標普A-評級；其中產險保費收入同比增14.6%，保持承保盈利；壽險業務發展較快，取得良好開局
- 太平印尼保費收入同比增長24.6%，綜合成本率同比優化，持續優於行業平均水平
- 太平再保險總保費收入同比增長17.2%，其中壽險再保業務同比大幅增長29.1%，實現較快發展；產險業務持續保持承保盈利

Management Review and Analysis

管理層回顧和分析

2019 HIGHLIGHTS AND CONSOLIDATED RESULTS OF OPERATIONS (Continued)

Reform and Innovation Accelerated, Investment Income Significantly Increased

- The investment asset scale grew rapidly and net investment income increased significantly. At the end of 2019, the total investment assets of the Group was HK\$760.3 billion, increased by 25.0% over the last year-end, higher than industry average level; realising investment income of HK\$32.636 billion, increased by 42.3% over the Last Year
- Asset structure continued optimising, quality of income significantly improved. In 2019, the Group adhered to long term investment and value investment, and took the initiatives in optimising structure, increase the allocation of long-term equity investments and high-dividend stocks, realising a net investment income of HK\$32.294 billion, increased by 25.8% over the Last Year. From which share of results of associates and joint ventures was HK\$1.761 billion, increased by 411.9% over the Last Year
- Steady progress in institutional transformation, rapidly improved investment capabilities. In 2019, the Group promoted reform of domestic and overseas investment institution, professional and market-oriented operation achieved initial success. Professional capacity of our investment teams significantly enhanced and scale of third-party assets under management increased against trend by 10.1% over the last year-end to HK\$451.9 billion
- The allocation mechanism has been continuously improved to make rational and efficient investment decisions. In 2019, the Group reformed its asset allocation mechanism, further defined the management responsibilities and cooperation mechanism of the client, trustee and the Group, clarified the decision-making process of strategy, tactics and variety selection, improved assessment methods, and raised the rationality and timeliness of investment decisions
- Continued strengthening of investment monitoring and effectively controlling investment risks. In 2019, the Group continuously optimised the investment management mechanism, strengthened centralised investment transaction monitoring, further refined risk classifications of investment assets, enhanced post-investment management handling, effective control of investment risks, so as to ensure the high quality development of investment business

2019年度經營亮點及綜合業績(續)

改革創新加快推進，投資收益大幅提升

- 投資資產規模較快增長，投資收益大幅提升。2019年末集團內投資資產規模7,603億港元，較去年末增長25.0%，高於行業平均水平，實現投資收益326.36億港元，同比增長42.3%
- 資產結構持續優化，收益質量顯著提高。2019年，集團貫徹長期投資價值投資理念，主動調整持倉結構，增加長期股權投資與高分紅股票配置，實現淨投資收益322.94億港元，同比增長25.8%。其中，應佔聯營公司及合營公司業績17.61億港元，同比增長411.9%
- 機構改造穩步推進，投資能力快速提升。2019年，集團推動境內外投資機構改革，專業化運營、市場化運作初見成效，投資團隊專業能力明顯加強，管理第三方資產逆勢增長，規模達4,519億港元，較去年末增長10.1%
- 配置機制不斷完善，投資決策科學高效。2019年，集團改革資產配置機制，進一步明確委託、受託、集團三方管理職責與協作機制，理清戰略、戰術、品種選編決策流程，完善考核辦法，提高投資決策的科學性和時效性
- 投資監測持續加強，有力管控投資風險。2019年，集團持續完善投資管理機制，加強投資交易集中監測，進一步細化投資資產風險分類，強化投後管理處置，有力管控投資風險，確保投資業務高質量發展

Management Review and Analysis

管理層回顧和分析

2019 HIGHLIGHTS AND CONSOLIDATED RESULTS OF OPERATIONS *(Continued)*

Further Improvement in Strategic Clients Cooperation and Cross-selling Business Making Progress

- In 2019, China Taiping signed Strategic Cooperation Agreements and Memorandums of Cooperation with 13 large clients. As at the end of December, China Taiping had established strategic cooperation relationships with 99 large clients and these clients has contributed total premium of HK\$40.788 billion and pension under management of HK\$17.772 billion
- Our cross-selling initiatives achieved HK\$10.043 billion insurance sales, including HK\$8.426 billion of property insurance sales through TPL, HK\$1.360 billion of pension sales through TPL, HK\$190 million of property insurance sales through TPP and HK\$67 million pension sales through TPI

Continuous Enhancement of Brand Image and Influence

- 2019 is the 90th anniversary of the founding of the China Taiping brand. With CTIH as the core member, TPG has continuously enhanced the brand influence of China Taiping by releasing the white paper on participating in the construction of Guangdong-Hong Kong-Macau Greater Bay Area, holding historical and cultural exhibitions, actively sponsoring major sports events etc.. The development concept of “Taiping for Your Peaceful Life” has won wide recognition. Over the past year, the Group and its subsidiaries have received many awards. China Taiping has made it onto the “Fortune Global 500” again in 2019 with ranking increased by 14 places from 2018; TPL was recognised as “Asia Excellent Life Insurance Company”, “China Excellent Brand Influence Insurance Company”, “Excellent Life Insurance Company”, and “Excellent Customer Service Insurance Company”; TPI was awarded “Best Insurance Brand for the Year”, “Best Property and Casualty Insurance Company for the Year”, and “Influential Brand Communication Case of 2018-2019”; TPP was recognised as “Best Pension Insurance Company for the Year”; TPAM was awarded the Golden Shell Award of China Asset Management “Best Insurance Asset Management Company” and “Excellence Award of Asset Management for the Year”; TPre was again awarded “Best Property and Casualty Reinsurance Company in Hong Kong”; TP Indonesia was successively recognised as “Best Insurance Company”, “Outstanding Insurance Company” and “Best Performance Property Insurance Company” in Indonesia

2019年度經營亮點及綜合業績 (續)

戰略客戶和交叉銷售業務深入完善取得成效

- 2019年與13家大客戶簽署戰略合作協議及合作備忘錄，截至12月末，共與99家大客戶建立戰略合作夥伴關係。簽約客戶貢獻總保費規模407.88億港元，養老金管理規模177.72億港元
- 交叉銷售共實現保費100.43億港元，其中壽銷產保費84.26億港元，壽銷養保費13.60億港元，養銷產保費1.90億港元，產銷養保費0.67億港元

品牌形象持續提升，影響力不斷增強

- 2019年是中國太平品牌創立90周年，以本公司為核心成員的中國太平保險集團通過發布參與粵港澳大灣區建設白皮書、舉辦歷史文化展、積極贊助重大體育賽事等活動，不斷提升中國太平的品牌影響力，「共享太平」發展理念贏得廣泛認可。一年來，集團及子公司獲得多項榮譽獎項：中國太平再次榮登2019年《財富》世界500強，排名較2018年提升14位；太平人壽榮膺「亞洲卓越壽險公司」、「中國卓越品牌力保險公司」、「卓越人壽保險公司」、「卓越客戶服務保險公司」等；太平財險獲得「年度最佳保險品牌」、「年度最佳財產險公司」、「2018-2019年度影響力品牌傳播案例」等；太平養老獲評「年度最佳養老險公司」；太平資產榮獲中國資產管理金貝獎「最佳保險資產管理公司」、「年度資產管理卓越獎」；太平再保險再次獲評「香港最佳產險再保險公司」；太平印尼連續獲得印度尼西亞「最佳保險公司」、「傑出保險公司」以及「最佳表現財產保險公司」

Management Review and Analysis

管理層回顧和分析

CONSOLIDATED FINANCIAL RESULTS

綜合財務表現

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

本集團年內重點財務表現如下：

For the year ended 31 December, HK\$ million

截至12月31日止年度，百萬港元

		2019	2018	Change 變化
Total premiums written and policy fees	總保費及保單費收入	223,018.52	199,631.61	+11.7%
Profit before taxation	除稅前溢利	13,325.82	13,112.39	+1.6%
Profit after taxation	除稅後溢利	12,542.87	8,819.98	+42.2%
Net profit attributable to the owners	股東應佔溢利淨額	9,008.52	6,883.57	+30.9%
Basic earnings per share (HK\$)	每股基本盈利 (港元)	2.457	1.844	+0.613 dollar 元
Final dividend proposed at 30 HK cents per share (2018: 10 HK cents per share)	建議末期息每股30港仙 (2018年：每股10港仙)	1,078.21	359.40	+200.0%

At 31 December, HK\$ million

於12月31日，百萬港元

		2019	2018	Change 變化
Total assets	總資產	919,420.18	752,101.33	+22.2%
Total equity	總權益	94,056.96	80,395.78	+17.0%
Owners' equity	股東應佔權益	76,307.60	61,022.69	+25.0%
– Per share (HK\$)	– 每股 (港元)	21.232	16.979	+4.253 dollars 元
Group embedded value	總內含價值	205,398.48	179,180.87	+14.6%
Owners' group embedded value	股東應佔總內含價值	160,165.60	139,562.62	+14.8%
– Per share (HK\$)	– 每股 (港元)	44.564	38.832	+5.732 dollars 元

Management Review and Analysis

管理層回顧和分析

CONSOLIDATED FINANCIAL RESULTS (Continued)

The figures below were the results of the respective companies from their operations, before intra-group eliminations.

The net operating profit/(loss) by each business line was summarised below:

For the year ended 31 December, HK\$ million

綜合財務表現 (續)

以下數字為集團內部抵銷前，各公司的營運業績。

按各業務分類之經營淨溢利／（虧損）概述如下：

截至12月31日止年度，百萬港元

		2019	2018	Change 變化
Life insurance	人壽保險	12,244.27	6,176.64	+98.2%
Pension and group life insurance	養老及團體保險	130.35	67.12	+94.2%
PRC property and casualty insurance	境內財產保險	531.75	340.39	+56.2%
Overseas property and casualty insurance	境外財產保險	290.81	453.03	-35.8%
Reinsurance	再保險	321.06	539.26	-40.5%
Asset management business	資產管理業務	344.23	457.65	-24.8%
Others ¹	其他 ¹	(1,319.60)	785.89	-267.9%
Net profit from operations	經營淨溢利	12,542.87	8,819.98	+42.2%
Non-controlling interests	非控股股東權益	(3,534.35)	(1,936.41)	+82.5%
Net profit attributable to the owners	股東應佔溢利淨額	9,008.52	6,883.57	+30.9%

¹ Others mainly includes the operating results of the holding company, TPIH (HK), TPFH and consolidation adjustments.

¹ 其他主要包括控股公司、太平投資（香港）、太平金控等公司的經營成果，以及合併調整。

Management Review and Analysis

管理層回顧和分析

CONSOLIDATED FINANCIAL RESULTS (Continued)

綜合財務表現 (續)

The following analysis showed the movement of the total equity of the Group.

以下為本集團總權益變化分析。

HK\$ million

百萬港元

		2019	2018
Total equity as at 1 January	於1月1日之總權益	80,395.78	81,720.70
Net profit recognised in statement of profit or loss	確認於損益表之溢利淨額	12,542.87	8,819.98
Net changes in available-for-sale investment reserve	可供出售投資儲備變化淨額	9,905.53	(5,910.57)
Revaluation gain arising from reclassification of own-use properties into investment properties	因自用物業重新分類為投資物業而產生之重估收益	623.77	59.43
Exchange differences arising from translation of financial statements of foreign and non-foreign operations	因換算境外與非境外營運業務財務報表的匯兌差異	(1,467.02)	(3,001.97)
Redemption of perpetual subordinated capital securities	贖回永續次級資本證券	(4,650.09)	-
Distribution to holders of perpetual subordinated capital securities	向永續次級資本證券持有人支付利息	(255.39)	(256.18)
Capital injections made to subsidiaries	向附屬公司注入資本	-	19.58
Dividend declared by subsidiaries to non-controlling interests	附屬公司向非控股股東宣布的股息	(544.34)	(656.09)
Dividend declared to shareholders	屬於上一個年度之已核准股息	(359.40)	(359.40)
Acquisition of additional interest in a subsidiary	購入一間附屬公司額外權益	(2,134.75)	-
Deemed disposal of a subsidiary	視為出售一間附屬公司	-	(39.70)
Total equity as at 31 December	於12月31日之總權益	94,056.96	80,395.78
Attributable to:	應佔：		
Owners of the Company (including capital securities)	本公司股東權益 (含資本證券)	76,307.60	65,729.91
Non-controlling interests	非控股股東權益	17,749.36	14,665.87
		94,056.96	80,395.78

Management Review and Analysis

管理層回顧和分析

CONSOLIDATED INVESTMENT PERFORMANCE

Assets Management Business

Asset Management within the Group

In 2019, the growth of global economy slowed down, while the uncertainties in trade policy, tension of geopolitics as well as the slower growth of major emerging markets encumbered the overall performance. The economic fundamentals of United States remained favorable while growth rate slowed down. In 2019, GDP of United States achieved an increase of 2.3% over the Last Year, higher than the estimate by the Federal Reserve of 1.9%, but decreased by 0.6 percentage point from 2018. Economic growth in the euro area remained stable, with GDP for the third quarter grew by 1.5% on a year-on-year basis, an increase of 0.5 percentage point from the second quarter. The average unemployment rate in 2019 was 7.6%, which was a low since 2008 financial crisis. Japan experienced a negative economic growth again, with GDP for the fourth quarter negatively grew by 0.4% on a year-on-year basis, and the increase in consumption tax rate significantly drag domestic demand. Growth rate in emerging economies has been dragged down by external demand. Uncertainties in global trade policy and weakening demand have slowed down export growth and GDP growth in most emerging economies. China's economy tended to stabilise amidst a slowdown, with GDP growing by 6.0% year-on-year in the fourth quarter and by 6.1% yearly, within the target range of 6.0% to 6.5% of the government's work report. Under the complicated international environment and fluctuant external demands, the domestic demands as the ballast play a more prominent role. In 2019, the domestic demands contributed 89.0% to the economic growth, and the total retail sales of social consumer goods exceeded RMB40 trillion, representing an increase of 8.0% as compared to 2018.

In 2019, the Federal Reserve has stopped the interest rate hikes and switched to lower interest rate, other developed countries and emerging market countries followed, with the global interest rates fallen sharply and under the loose currency environment, the global stock market has achieved rich returns. Specifically, there was an increase of 36.1% in CSI 300, 9.1% in Hang Seng Index, 28.9% in US S&P 500 Index, 23.4% in Euro Stoxx 50 and 18.2% in Nikkei 225.

綜合投資表現

資產管理業務

集團內資產管理

2019年，全球經濟增長同步放緩，貿易政策不確定性、地緣政治局勢緊張以及主要新興市場增長放緩拖累整體表現。美國經濟基本面較好但增速放緩，2019年美國GDP同比增長2.3%，高於美聯儲預期的1.9%，但較2018年下降0.6個百分點；歐元區經濟增速企穩，3季度GDP同比增長1.5%，較2季度上升0.5個百分點，2019年平均失業率7.6%，處於2008年金融危機後較低水平；日本經濟再次陷入負增長，4季度GDP同比負增長0.4%，消費稅率提升對內需拖累較為明顯；新興經濟體增速受外需拖累下行，全球貿易政策的不確定性與需求減弱造成大部分新興經濟體出口增速減緩，GDP增速下行；中國經濟緩中趨穩，四季度GDP同比增長6.0%，全年增長6.1%，處於政府工作報告的目標區間6.0%至6.5%之內，在國際環境複雜、外部需求波動的情況下，內需的壓艙石作用更加明顯，2019年內需對經濟增長貢獻率達89.0%，社會消費品零售總額突破40萬億元人民幣，比2018年增長8.0%。

2019年美聯儲停止加息轉向降息，其他發達國家與新興市場國家紛紛跟隨，全球政策利率大幅走低，在寬鬆貨幣環境下，全球股票市場獲取豐厚回報。其中，滬深300指數上漲36.1%，香港恆生指數上漲9.1%，美國標普500指數上漲28.9%，歐洲道瓊斯指數上漲23.4%，日經225指數上漲18.2%。

Management Review and Analysis

管理層回顧和分析

CONSOLIDATED INVESTMENT PERFORMANCE

(Continued)

Assets Management Business *(Continued)*

Asset Management within the Group (Continued)

In respect of the bond market, the US bond market is affected by the expected decline in economic growth, the yield-to-maturity of 10-year treasury bonds has decreased from 2.69% at the beginning of the year to 1.92%, and the Federal Funds rate fell to 1.55% from 2.40% at the beginning of the year. PBOC maintained its prudent monetary policy, and market liquidity remained reasonable and sufficient, the general domestic bond market experienced fluctuation intervals. The yield-to-maturity of CSI 10-year treasury bonds slightly decreased from 3.25% at the beginning of the year by 11bp to 3.14%, while the yield-to-maturity of CSI 10-year AAA corporate bonds slightly decreased by 10bp to 4.23%.

The Group has conducted the in-depth study on macroeconomic changes, enhanced the allocation of major categories of assets, seized opportunities in the bond market and continuously optimised the investment portfolio structure. In 2019, we maintained the allocation structure with fixed-income assets as our main body, while the Group increased the proportion of equity assets, adhered to concept of value investment, optimised the structure of equity assets, carried out long-term equity investments that are beneficial, seized the opportunities to allocate the high-dividend stocks and strengthened risk prevention in bond investments, achieving good investment performance.

綜合投資表現 (續)

資產管理業務 (續)

集團內資產管理 (續)

債券市場方面，美國債市受經濟增長預期下降影響，10年期國債到期收益率由年初的2.69%下降至1.92%，聯邦基金利率由年初的2.40%下降至1.55%；中國央行貨幣政策保持穩健，市場流動性合理充裕，境內債券市場總體呈現區間震盪格局，中證10年期國債到期收益率由年初的3.25%微降11基點至3.14%，中證10年期AAA級企業債到期收益率微降10基點至4.23%。

本集團深入研究宏觀形勢變化，強化大類資產配置，把握債券市場配置機會，持續優化投資組合持倉結構。2019年保持以固收類資產為主體的配置結構，同時，提高權益類資產佔比，貫徹價值投資理念，優化權益資產結構，擇優開展長期股權投資，擇機配置高分紅股票，在債券投資方面加強風險防範，取得了較好投資業績。

Management Review and Analysis

管理層回顧和分析

CONSOLIDATED INVESTMENT PERFORMANCE

(Continued)

Investment Income

The total investment income and investment yield of the Group are summarised below:

For the year ended 31 December, HK\$ million

綜合投資表現 (續)

投資收益

本集團之總投資收益及投資收益率概述如下：

截至12月31日止年度，百萬港元

		2019	2018 (Restated) (重列)	Change 變化
Net investment income ¹	淨投資收益 ¹	32,294.10	25,663.31	+25.8%
Including: Share of results of associates and joint ventures ²	其中：應佔聯營公司及合營公司業績 ²	1,760.90	344.01	+411.9%
Net realised and unrealised investment gains ³	已實現及未實現資本利得 ³	342.32	(2,735.93)	N/A 不適用
Total investment income	總投資收益	32,636.42	22,927.38	+42.3%
Net investment yield	淨投資收益率	4.72%	4.42%	+0.30 pt 點
Total investment yield ⁴	總投資收益率 ⁴	4.77%	3.95%	+0.82 pt 點

¹ Including the interests income from deposits, interests income from debt financial assets, dividends from equity financial investments, rental income from investment properties and deducting interest expense on securities sold under repurchase agreements.

² Including the income generated from asset management products, funds etc., that has been classified as share of results of associates and joint ventures.

³ Including the income from the spread of investment securities, gain or loss on changes in fair value and impairment loss of investment assets.

⁴ In the calculation of total investment yield, as the denominator, the average investment assets takes into account the effect of securities purchased under resale agreements and securities sold under repurchase agreements.

¹ 包含存款利息收入、債權型金融資產利息收入、股權型金融資產股息收入、投資性物業租賃收入等並扣除賣出回購證券利息支出。

² 包含資產產品、基金等收益中被列入應佔聯營公司及合營公司業績的部分。

³ 包含證券投資差價收入、公允價值變動損益及投資資產減值損失。

⁴ 計算總投資收益率時，作為分母的平均投資資產，包含買入返售和賣出回購證券的影響。

Net investment income increased by 25.8% from HK\$25.663 billion (restated) in 2018 to HK\$32.294 billion in 2019, from which the share of results of associates and joint ventures increased by 411.9% from HK\$344 million in 2018 to HK\$1.761 billion in 2019, which reinforced the investment income growth base. The realised and unrealised investment gain changed from a loss of HK\$2.736 billion in 2018 to a gain of HK\$342 million in 2019.

淨投資收益由2018年的256.63億港元(重列)增長25.8%至2019年的322.94億港元，其中，應佔聯營公司及合營公司業績由2018年的3.44億港元增長411.9%至17.61億港元，夯實投資收益增長基礎；已實現及未實現資本利得由2018年的虧損27.36億港元轉變至2019年的盈利3.42億港元。

Management Review and Analysis

管理層回顧和分析

CONSOLIDATED INVESTMENT PERFORMANCE

(Continued)

Investment Income (Continued)

By the combined effects of the above factors, the total investment income of investment assets of the Group amounted to HK\$32.636 billion in 2019, increased by 42.3% over the HK\$22.927 billion (restated) in 2018; the total investment yield increased by 82bp from 3.95% (restated) in 2018 to 4.77% in 2019, the net investment yield increased by 30bp from 4.42% in 2018 to 4.72% in 2019.

Investment Portfolio

The asset allocation of the investment portfolio of the Group's insurance funds is as follows:

As at 31 December, HK\$ million

綜合投資表現 (續)

投資收益 (續)

受上述因素綜合影響，2019年本集團投資資產的總投資收益為326.36億港元，較2018年的229.27億港元(重列)上升42.3%；總投資收益率由2018年的3.95%(重列)上升82基點至2019年的4.77%，淨投資收益率由2018年的4.42%上升30基點至2019年的4.72%。

投資組合

本集團的保險資金投資組合資產配置情況：

於12月31日，百萬港元

		2019	% of Total 佔總額百分比	2018 (Restated) (重列)	% of Total 佔總額百分比
By investment category	按投資對象分類				
Fixed income	固定收益類				
Debt securities	債務證券	353,639.32	46.5%	289,298.55	47.6%
Term deposits	定期存款	64,952.21	8.6%	63,917.40	10.5%
Debt products	債權產品	118,301.02	15.6%	96,930.11	15.9%
Other fixed income investments	其他固定收益投資	60,311.76	7.9%	48,359.66	8.0%
Equity investments	權益類投資				
Equity securities	股本證券	67,131.49	8.8%	31,160.24	5.1%
Investment funds	投資基金	40,672.67	5.4%	29,977.91	4.9%
Other equity investments	其他權益投資	24,619.82	3.2%	14,561.26	2.4%
Long-term equity investments	長期股權投資	16,221.43	2.1%	10,410.88	1.7%
Investment properties	投資性物業	19,018.16	2.5%	17,505.18	2.9%
Cash, cash equivalents and others	現金、現金等價物及其他				
Cash and cash equivalents	現金及現金等價物	23,756.20	3.1%	23,038.49	3.8%
Securities purchased under resale agreements/ securities sold under repurchase agreements	買入返售證券/ 賣出回購證券	(28,370.16)	-3.7%	(16,864.23)	-2.8%
Total invested asset	投資資產總額	760,253.92	100.0%	608,295.45	100.0%

Note: Long-term equity investments classification is added in the investment portfolio for the Year. Furthermore, the effect on consolidation adjustment on structured products is also added. The 2018 year-end investment portfolio data have been restated for comparison purposes.

註：本年報告投資組合加入長期股權投資分類，另外加入對結構性產品的合併調整影響，為保持數據可比，對2018年末投資組合數據進行重列。

Management Review and Analysis

管理層回顧和分析

CONSOLIDATED INVESTMENT PERFORMANCE

(Continued)

Investment Portfolio *(Continued)*

Based on strengthened research and judgement of the capital market, the Group took the initiative in improving its investment portfolio to respond to the new capital market situation, the proportion of cash and cash equivalents to total investment assets decreased from 1.0% in 2018 year-end to -0.6% in 2019 year-end. The proportion of fixed income investments to total investment assets decreased from 82.0% in 2018 year-end to 78.6% in 2019 year-end. The proportion of equity investments and long-term equity investments to total investment assets increased from 14.1% in 2018 year-end to 19.5% in 2019 year-end.

Finance Lease Business of the Group

As at the end of 2019, the financial leasing assets of TSFL were approximately HK\$46.0 billion, the company safeguard the risk bottom line, and the managed assets were of good quality, the proportion of special mentioned assets and non-performing assets was 1.8% and 0.3%, respectively, continued lower than the industry average.

Analysis of Investment in Securities

Keep Steady Development on Equity Investments

As of the end of December 2019, stock investments and fund investments held by the Group amounted to approximately HK\$67.1 billion and HK\$40.7 billion, representing approximately 7.3% and 4.4% of the total assets, respectively. Adhering to the concept of value investment, our Group has leveraged on the long-term advantages of insurance funds and focused on the leading companies with reasonable valuation and stable cash flow in the industry, so that the overall investment style remained prudent.

綜合投資表現 (續)

投資組合 (續)

本集團加強資本市場研判，主動改善投資組合資產配置以應對新的資本市場形勢，現金、現金等價物及其他的佔比由2018年末的1.0%下降至到2019年末的-0.6%；固定收益類投資的佔比由2018年末的82.0%下降到2019年末的78.6%；權益類投資與長期股權投資由2018年末的14.1%上升到2019年末的19.5%。

本集團的金融租賃業務情況

於2019年末，太平石化金租管理的金融租賃資產約460億港元，公司嚴守風險底線，管理資產質量良好，關注資產與不良資產佔比分別為1.8%與0.3%，持續低於行業平均水平。

證券投資的分析

權益投資保持穩健

截止2019年末，本集團持有股票投資約671億港元，佔總資產比例約7.3%，持有基金投資約407億港元，佔總資產比例約4.4%。本集團堅持價值投資理念，發揮保險資金長期優勢，主要投向估值合理、能夠帶來穩定現金流的行業龍頭公司，投資風格總體保持穩健。

Management Review and Analysis

管理層回顧和分析

CONSOLIDATED INVESTMENT PERFORMANCE

(Continued)

Analysis of Investment in Securities (Continued)

High Credit Ratings for Debt Securities

As at the end of 2019, debt securities held by the Group amounted to approximately HK\$353.6 billion, representing approximately 38.5% of the total assets, of which 79.9% were PRC bonds investment. Within the PRC bonds, 99.7% were bonds with AAA ratings, government bonds and financial policy bonds, interbank deposits, A-1 ratings short term bonds etc.. Investment grade bonds with BBB- ratings or higher reached 100%, with Ministry of Finance for government bonds, and other issuers such as China Development Bank, China Railway, Agricultural Bank of China, Agricultural Development Bank of China, Industrial and Commercial Bank of China and The Export-Import Bank of China. Foreign bonds investments constituted 20.1% of debt securities held by the Group, 84.4% of them were investment grade bonds with international ratings of BBB- or higher.

Good Credit Status for Alternative Investments

As at the end of 2019, alternative investments held by the Group amounted to approximately HK\$178.2 billion, representing approximately 19.4% of the total assets. From which the ration of trust products and special asset support plan financial products increased, reflecting the investments has been further diversified. The credit ratings of the PRC financial investment debt products remained relatively high, products rated AAA accounted for 96.0%, products rated AA+ accounted for 4.0%. The Group's investment in alternative varieties have gone through a rigorous investment decision-making process, with a proprietary information system in place for monitoring during the investment and post-investment management. In general, the Group has made sufficient assessment on its alternative investment risks, which indicated sound asset credit.

Real Estate Financial Investment Debt Products

As at the end of 2019, real estate financial investment debt products of approximately HK\$29.9 billion, represented only 3.3% of the total assets, the ratio remained the same over last year-end. The credit ratings of the real estate financial investment debt products were relatively high. Major projects were located in tier 1 or developed tier 2 cities, financing entities have relatively strong solvencies.

綜合投資表現 (續)

證券投資的分析 (續)

債務證券信用評級較高

於2019年末，本集團持有債務投資約3,536億港元，佔總資產比例約38.5%。境內債券投資佔79.9%，其中99.7%為投資於高信用等級的AAA級債券、國債和政策性金融債、同業存單、A-1級短融券等，BBB-及以上級別佔比達到100%，發行主體除了財政部（國債）以外，其餘主體分散在國開行、中國鐵路、農業銀行、農發行、工商銀行、進出口銀行等；境外債券投資佔20.1%，其中國際評級BBB-及以上比例約84.4%。

另類投資信用狀況良好

於2019年末，本集團持有另類投資約1,782億港元，佔總資產比例約19.4%。其中，信托計劃與專項資產支持計劃類金融產品佔比增加，反映投資方式進一步多元化。境內債權類金融產品維持較高信用評級，AAA級產品佔比96.0%，AA+級產品佔比4.0%。本集團投資另類品種經過嚴格投資決策流程審核，並通過專有信息系統進行投中監測與投後管理，整體來看，集團內持有另類投資風險評估較充分，資產信用狀況良好。

房地產債權金融產品投資

於2019年末，房地產債權類金融產品投資約299億港元，合計佔總資產比例僅3.3%，與去年末佔比持平。房地產債權類金融產品的信用評級較高。主要項目處於一線城市或經濟發達的二線城市，融資主體償債能力較強。

Management Review and Analysis

管理層回顧和分析

CONSOLIDATED INVESTMENT PERFORMANCE

(Continued)

Analysis of Investment in Securities (Continued)

Purchased External Financial Products

As at the end of 2019, purchased external debt financial products of about HK\$64.7 billion, represented 7.0% of the total assets, the ratio increased by 1.1 percentage points over the last year-end. Within the purchased external projects, 100% of them were with AAA ratings, and mainly were from the real estate, non-bank financial industry, transportation etc.. The overall credit ratings were relatively high, with risk exposure kept at a relatively low level.

Third-party Assets Management

In 2019, with the Group proactively responded to the implementation of the “New Regulation on Asset Management”, the third-party entrusted investment assets under management maintained its growth. As at the end of 2019, the total third-party entrusted investment assets managed by the Group amounted to HK\$451.9 billion, increased by 10.1% over the last year-end.

As of the end of 2019, TPAM (including TP Fund) recorded a total management fee income (including consultancy fee) of HK\$1.431 billion, including HK\$779 million derived from assets outside of the Group, which accounted for 54.5% of total fee income.

LIFE INSURANCE BUSINESS

The Group's life insurance segment is operated by TPL, TPL (HK), TPL (Macau) and TP Singapore, which are engaged in the underwriting of life insurance businesses in Mainland China, Hong Kong, Macau and Singapore, respectively.

TP Singapore had been approved by The Monetary Authority of Singapore in August 2018 and launched its life insurance business during December 2018. During the Year, the direct premiums written from life insurance business by TP Singapore achieved HK\$865 million. The loss after taxation from life insurance business of TP Singapore was resulted in HK\$86 million, which was primarily due to such business operation is still the early stage. The solvency ratio under life insurance business of TP Singapore was in 281% which satisfied the respective regulatory requirements.

綜合投資表現 (續)

證券投資的分析 (續)

外購金融產品

於2019年末，外購債權類金融產品約647億港元，佔總資產比例7.0%，較去年年末上升1.1個百分點。外購項目中，AAA級產品佔比100%，主要分佈在房地產、非銀金融、交通運輸等行業，總體來看信用評級較高，風險敞口維持較低水平。

第三方資產管理

2019年，本集團積極應對「資管新規」，第三方委託投資資產規模保持增長。於2019年末，管理的第三方資產總額達到4,519億港元，較去年末增幅10.1%。

截止2019年末，太平資產（含太平基金）實現含投顧費總管理費收入14.31億港元，其中集團外管理費收入7.79億港元，佔比達到54.5%。

人壽保險業務

集團之人壽保險業務由太平人壽、太平人壽（香港）、太平人壽（澳門）與太平新加坡經營，分別在內地、香港、澳門與新加坡從事人壽保險業務。

太平新加坡於2018年8月獲新加坡金融管理局批准並於2018年12月正式開展壽險業務。於本年度，太平新加坡壽險業務保費收入8.65億港元，除稅後虧損0.86億港元，虧損主要由於壽險業務仍屬初期經營階段所致。壽險業務償付能力充足率為281%，滿足相關監管要求。

Management Review and Analysis

管理層回顧和分析

LIFE INSURANCE BUSINESS (Continued)

The results under life insurance business for the Year was mainly contributed by TPL, TPL (HK) and its subsidiary TPL (Macau). The figures below were focus on the analysis of TPL and TPL (HK)'s performance.

The figures below were the results of TPL from its operations, before intra-group eliminations.

TPL is 75.1% owned by the Group. The key financial data of the life insurance business operated by TPL was summarised below:

For the year ended 31 December, HK\$ million

人壽保險業務 (續)

人壽保險業務於本年度內的業績主要來自太平人壽、太平人壽(香港)及其附屬公司太平人壽(澳門)。以下數字重點分析太平人壽和太平人壽(香港)之業績。

以下數字為集團內部對銷前，太平人壽的營運業績。

本集團擁有太平人壽75.1%權益。由太平人壽經營之人壽保險業務之主要財務數據概述如下：

截至12月31日止年度，百萬港元

		2019	2018	Change 變化
Direct premiums written and premium deposits	保費收入及保費存款	167,872.60	152,529.85	+10.1%
Less: Premium deposits of universal life products	減：萬能壽險產品之保費存款	7,772.81	5,799.02	+34.0%
Premium deposits of unit-linked products	投資連結產品之保費存款	55.23	63.34	-12.8%
Premium deposits of other products	其他產品之保費存款	288.21	326.47	-11.7%
Direct premiums written recognised in statement of profit or loss	確認於損益表之保費收入	159,756.35	146,341.02	+9.2%
Inward reinsurance premiums	分保費收入	831.04	80.00	+938.8%
Policy fees	保單費收入	124.99	58.06	+115.3%
Net premiums written and policy fees	淨保費收入及保單費收入	156,384.05	142,035.27	+10.1%
Net earned premiums and policy fees	已賺取保費及保單費收入淨額	155,332.60	141,698.17	+9.6%
Net policyholders' benefits	保單持有人利益淨額	(29,698.18)	(51,393.54)	-42.2%
Net commission and handling fee expenses	佣金及手續費支出淨額	(16,714.50)	(19,566.57)	-14.6%
Change in life insurance contract liabilities, net of reinsurance	壽險合約負債變化，減再保險	(106,024.02)	(64,038.23)	+65.6%
Total investment income	總投資收入	24,806.69	18,862.44	+31.5%
Administrative and other expenses	行政及其他費用	(19,102.39)	(17,750.97)	+7.6%
Profit before taxation	除稅前溢利	13,595.92	10,164.24	+33.8%
Profit after taxation	除稅後溢利	13,029.24	6,724.20	+93.8%
Profit attributable to the owners	股東應佔溢利	9,784.96	5,049.87	+93.8%

Management Review and Analysis

管理層回顧和分析

LIFE INSURANCE BUSINESS (Continued)

人壽保險業務 (續)

At 31 December, HK\$ million

於12月31日，百萬港元

		2019	2018	Change 變化
Total assets	總資產	669,115.34	536,097.04	+24.8%
Total equity	總權益	54,970.54	36,228.33	+51.7%

The key operational data of the life insurance business operated by TPL was summarised below:

由太平人壽經營之人壽保險業務之主要經營數據概述如下：

		2019	2018	Change 變化
Market share ¹	市場份額 ¹	4.7%	4.7%	–
Number of provincial branches	省級分公司數目	37	37	–
Number of sub-branches and marketing centers	支公司及市場推廣中心數目	1,170	1,170	–
Number of customers	客戶數目			
– Individual	– 個人	12,693,401	11,318,811	+1,374,590
– Corporate	– 公司	839	855	–16
Distribution network	分銷網絡			
– Number of individual agents	– 個人代理數目	385,655	513,015	–127,360
– Number of bancassurance outlets	– 銀行保險銷售網點數目	59,214	48,993	+10,221
Agent monthly regular premiums (RMB) ²	代理每月人均期繳保費 (人民幣元) ²	14,455	14,365	+90 dollars 元
Persistency ratios 13th month ³	第13個月之保費繼續率 ³			
– Individual	– 個人	95.6%	96.0%	–0.4 pt 點
– Bancassurance	– 銀行保險	96.9%	96.2%	+0.7 pt 點
Compound persistency ratios 25th month ³	第25個月之保費複合繼續率 ³			
– Individual	– 個人	93.0%	93.1%	–0.1 pt 點
– Bancassurance	– 銀行保險	94.7%	94.0%	+0.7 pt 點

¹ Derived according to the premiums published by the CBIRC.

¹ 根據中國銀保監會刊發之保費得出。

² Based on regular premiums and number of active agents.

² 按期繳保費和活動人力。

³ Based on the amount of premiums.

³ 按保費金額。

Management Review and Analysis

管理層回顧和分析

LIFE INSURANCE BUSINESS (Continued)

Operating Profit

The life insurance business operated by TPL produced a net operating profit of HK\$13,029 million during the Year (2018: HK\$6,724 million), representing an increase of 93.8% compared to the Last Year. It was mainly contributed by the investment income and driven by the new taxation policy "Notice on the Pre-tax Deduction Policy for the Fees and Commission Expenses of Insurance Enterprises" (Notice 72, 2019, of the Ministry of Finance and the State Administration of Taxation).

Direct Premiums Written and Premium Deposits

TPL's direct premiums written recognised in the consolidated statement of profit or loss increased by 9.2% to HK\$159,756 million from HK\$146,341 million in the Last Year. The growth rate was at the forefront of the industry and primarily driven by the individual regular renewal premiums.

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

For the year ended 31 December 2019, HK\$ million

		Direct premiums written recognised in the consolidated statement of profit or loss 確認於綜合損益表內之保費收入	Premium deposits of universal life products 萬能壽險產品之保費存款	Premium deposits of unit-linked products 投資連結產品之保費存款	Premium deposits of other products 其他產品之保費存款	Total 總額	% of Total 佔總額百分比
Individual	個人代理	123,840.65	6,096.31	27.64	155.17	130,119.77	77.5%
Bancassurance	銀行保險	31,449.83	1,676.50	27.59	1.26	33,155.18	19.8%
Group	團體	889.30	-	-	131.78	1,021.08	0.6%
Other channels ¹	多元銷售 ¹	3,576.57	-	-	-	3,576.57	2.1%
		159,756.35	7,772.81	55.23	288.21	167,872.60	100.0%

¹ Other Channels mainly consisted of telemarketing.

人壽保險業務 (續)

經營溢利

本年度內，由太平人壽經營之人壽保險業務之經營溢利淨額為130.29億港元（2018年：67.24億港元），較去年上升93.8%，主要由投資收益貢獻，並受《關於保險企業手續費及佣金支出稅前扣除政策的公告》（財政部稅務總局公告2019年第72號）稅收新政策影響。

保費收入及保費存款

太平人壽確認於綜合損益表內的保費收入由去年之1,463.41億港元上升9.2%至1,597.56億港元，增速位於行業前列。此增長主要由個險期繳續期保費帶動。

太平人壽按業務劃分之保費收入及保費存款如下：

截至2019年12月31日止年度，百萬港元

¹ 多元銷售主要由電話營銷組成。

Management Review and Analysis

管理層回顧和分析

LIFE INSURANCE BUSINESS (Continued)

人壽保險業務 (續)

Direct Premiums Written and Premium Deposits (Continued)

保費收入及保費存款 (續)

For the year ended 31 December 2018, HK\$ million

截至2018年12月31日止年度，百萬港元

		Direct premiums written recognised in the consolidated statement of profit or loss 確認於綜合損益表內之保費收入	Premium deposits of universal life products 萬能壽險產品之保費存款	Premium deposits of unit-linked products 投資連結產品之保費存款	Premium deposits of other products 其他產品之保費存款	Total 總額	% of Total 佔總額百分比
Individual 個人代理		112,157.81	4,191.75	31.48	159.40	116,540.44	76.4%
Bancassurance 銀行保險		30,174.85	1,607.27	31.86	0.86	31,814.84	20.9%
Group 團體		583.72	-	-	166.21	749.93	0.5%
Other channels ¹ 多元銷售 ¹		3,424.64	-	-	-	3,424.64	2.2%
		146,341.02	5,799.02	63.34	326.47	152,529.85	100.0%

¹ Other Channels mainly consisted of telemarketing.

¹ 多元銷售主要由電話營銷組成。

During the Year, premiums distributed through the individual agency force channel increased to HK\$123,841 million from HK\$112,158 million in the Last Year, representing an increase of 10.4%. Driven by the business pace, the active agency force monthly per capita regular premiums increased to RMB14,455 during the Year (2018: RMB14,365).

本年度內，透過個人代理隊伍分銷的保費由去年的1,121.58億港元上升至1,238.41億港元，增長10.4%。受業務節奏帶動，本年度內代理人每月活動人力人均期繳保費增加至人民幣14,455元（2018年：人民幣14,365元）。

Management Review and Analysis

管理層回顧和分析

LIFE INSURANCE BUSINESS (Continued)

Direct Premiums Written and Premium Deposits (Continued)

In the bancassurance channel, premium increased to HK\$31,450 million from HK\$30,175 million in the Last Year, representing an increase of 4.2%. Within this, first year bancassurance regular premium increased to HK\$6,406 million from HK\$5,566 million in the Last Year, representing an increase of 15.1%.

The persistency ratios remained stable and at the forefront of the industry. The persistency ratios were at 95.6% and 96.9% at the 13th month, and the compound persistency ratios were 93.0% and 94.7% at the 25th month, for the individual agency and bancassurance channels, respectively.

The detailed breakdown of TPL's single premium products and regular premium products by line of business was summarised as follows:

For the year ended 31 December, HK\$ million

Individual

		2019	% of Total 佔總額百分比	2018	% of Total 佔總額百分比
Single Premium	躉繳保費	138.62	0.1%	115.41	0.1%
Regular Premium	期繳保費				
– First Year	– 首年	29,642.86	23.9%	31,355.20	28.0%
– Renewal Year	– 續年	94,059.17	76.0%	80,687.20	71.9%
		123,840.65	100.0%	112,157.81	100.0%

人壽保險業務 (續)

保費收入及保費存款 (續)

銀行保險渠道方面，保費由去年301.75億港元上升4.2%至314.50億港元。其中銀保首年期繳保費由去年55.66億港元增加至64.06億港元，上升15.1%。

續保率穩居行業前列。個人代理及銀行保險渠道第13個月保費繼續率分別為95.6%及96.9%，而第25個月保費複合繼續率則分別為93.0%及94.7%。

太平人壽的躉繳保費產品及期繳保費產品的詳細分析如下：

截至12月31日止年度，百萬港元

個人代理

Management Review and Analysis

管理層回顧和分析

LIFE INSURANCE BUSINESS (Continued)

人壽保險業務 (續)

Bancassurance

銀行保險

		2019	% of Total 佔總額百分比	2018	% of Total 佔總額百分比
Single Premium	躉繳保費	79.56	0.3%	54.97	0.2%
Regular Premium	期繳保費				
– First Year	– 首年	6,406.29	20.4%	5,566.29	18.4%
– Renewal Year	– 續年	24,963.98	79.3%	24,553.59	81.4%
		31,449.83	100.0%	30,174.85	100.0%

Group

團體

		2019	% of Total 佔總額百分比	2018	% of Total 佔總額百分比
Group Insurance	團體保險	889.30	100.0%	583.72	100.0%

Other Channels

多元銷售

		2019	% of Total 佔總額百分比	2018	% of Total 佔總額百分比
Single Premium	躉繳保費	1.18	0.0%	1.38	0.0%
Regular Premium	期繳保費				
– First Year	– 首年	865.30	24.2%	985.28	28.8%
– Renewal Year	– 續年	2,710.09	75.8%	2,437.98	71.2%
		3,576.57	100.0%	3,424.64	100.0%

Management Review and Analysis

管理層回顧和分析

LIFE INSURANCE BUSINESS (Continued)

人壽保險業務 (續)

For the individual first year regular premium, the premium by payment term and feature were as follows:

個人代理銷售期繳新單保費按繳費年期及產品形態分類載列如下：

For the year ended 31 December, HK\$ million

截至12月31日止年度，百萬港元

Individual first year regular premium – by payment term

個人首年期繳保費—按繳費期

		2019	% of Total 佔總額百分比	2018	% of Total 佔總額百分比
1-9 years	1-9年	19,411.39	65.5%	17,182.65	54.8%
10-19 years	10-19年	1,913.22	6.5%	2,508.42	8.0%
20-29 years	20-29年	8,283.07	27.9%	11,538.71	36.8%
30 years+	30年+	35.18	0.1%	125.42	0.4%
		29,642.86	100.0%	31,355.20	100.0%

Individual first year regular premium – by feature

個人首年期繳保費—按產品形態

		2019	% of Total 佔總額百分比	2018	% of Total 佔總額百分比
Short-term savings	短期儲蓄型	7,138.42	24.1%	–	0.0%
Long-term savings	長期儲蓄型	9,656.93	32.5%	12,701.85	40.5%
Long-term protection	長期保障型	9,451.23	31.9%	14,462.33	46.1%
Others	其他	3,396.28	11.5%	4,191.02	13.4%
		29,642.86	100.0%	31,355.20	100.0%

For the bancassurance first year regular premium, the premium by payment term was as follows:

銀行保險首年期繳，按繳費年期劃分的保費分佈如下：

Bancassurance first year regular premium – by payment term

銀行保險首年期繳保費—按繳費期

		2019	% of Total 佔總額百分比	2018	% of Total 佔總額百分比
1-9 years	1-9年	5,082.69	79.3%	3,490.06	62.7%
10-14 years	10-14年	913.68	14.3%	1,731.12	31.1%
Others	其他	409.92	6.4%	345.11	6.2%
		6,406.29	100.0%	5,566.29	100.0%

Management Review and Analysis

管理層回顧和分析

LIFE INSURANCE BUSINESS (Continued)

人壽保險業務 (續)

TPL's direct premiums written by product structure were as follows:

太平人壽按產品結構的保費收入分佈如下：

For the year ended 31 December, HK\$ million

截至12月31日止年度，百萬港元

		2019		2018	
		% of Total 佔總額百分比		% of Total 佔總額百分比	
Participating	分紅保險	80,964.05	50.7%	89,211.64	60.9%
Annuity	年金保險	18,209.47	11.4%	10,199.86	7.0%
Long-term health	長期健康險	35,320.67	22.1%	28,618.48	19.6%
Traditional life	傳統壽險	13,137.74	8.2%	9,116.62	6.2%
Accident and short-term health	意外和短期健康險	12,110.84	7.6%	9,182.56	6.3%
Universal life	萬能壽險	13.12	0.0%	10.70	0.0%
Investment-linked	投資連結保險	0.46	0.0%	1.16	0.0%
Total	總額	159,756.35	100.0%	146,341.02	100.0%

TPL's direct premiums written by region were as follows:

太平人壽按區域的保費收入分佈如下：

For the year ended 31 December, HK\$ million

截至12月31日止年度，百萬港元

		2019		2018	
		% of Total 佔總額百分比		% of Total 佔總額百分比	
Sichuan	四川	16,058.71	10.1%	15,042.07	10.3%
Shandong	山東	15,407.19	9.6%	13,907.97	9.5%
Heilongjiang	黑龍江	9,040.33	5.7%	7,925.19	5.4%
Hubei	湖北	8,894.23	5.6%	7,821.69	5.3%
Guangdong	廣東	8,078.58	5.1%	7,688.99	5.3%
Others	其他	102,277.31	63.9%	93,955.11	64.2%
Total	總額	159,756.35	100.0%	146,341.02	100.0%

Management Review and Analysis

管理層回顧和分析

LIFE INSURANCE BUSINESS (Continued)

Highlights on Embedded Value

The embedded value of TPL (expressed in terms of HKD) increased 21.3% to HK\$165,456 million from HK\$136,430 million at the end of Last Year. The new business value after cost of capital for the Year decreased to HK\$10,511 million from HK\$13,237 million of the Last Year, representing a decrease of 20.6% (decreased by 18.8% if calculated in RMB). These latest actuarial figures of TPL are disclosed in the section of “Embedded Value of TPL”.

Net Policyholders' Benefits

The net policyholders' benefits of TPL were summarised as follows:

For the year ended 31 December, HK\$ million

		2019	2018	Change 變化
Surrenders and net claims	退保額及賠償淨額	17,068.82	30,654.35	-44.3%
Annuity, dividends and maturity payments	年金、分紅及滿期給款	11,988.76	19,452.28	-38.4%
Interest allocated to investment and reinsurance contracts	分配至投資及再保險合約之利益	640.60	1,286.91	-50.2%
		29,698.18	51,393.54	-42.2%

Financial Strength and Solvency Margin

The comprehensive solvency ratios of TPL under the CBIRC regulations were as follows:

At 31 December, RMB million

		2019	2018
Available Capital	實際資本	176,869	134,751
Minimum Capital	最低資本	77,815	60,200
Comprehensive Solvency Ratio	綜合償付能力充足率	227%	224%

人壽保險業務 (續)

內含價值摘要

太平人壽的內含價值(以港元折算)由去年末之1,364.30億港元增加21.3%至1,654.56億港元。本年度內之新業務扣除資本成本後之價值為105.11億港元，較去年同期之132.37億港元，下降20.6% (以人民幣計量下降18.8%)。太平人壽的相關精算數據於「太平人壽之內含價值」內披露。

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12月31日止年度，百萬港元

財務實力及償付能力

太平人壽按中國銀保監會規定之綜合償付能力充足率如下：

於12月31日，百萬人民幣

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LIFE INSURANCE BUSINESS (Continued)

Financial Strength and Solvency Margin (Continued)

TPL (HK) is a Hong Kong-incorporated company established in July 2015 and is wholly-owned by the Group. In connection with the Group's business strategy, TPL (HK) established TPL (Macau), a wholly owned subsidiary of the Group, to explore and develop the life insurance business in Macau. The life insurance licence was granted by the Autoridade Monetária De Macau in February 2019 and TPL (Macau) kicked off the operations in June 2019 to expand the life insurance business in Macau actively.

The figures below were the consolidated results of TPL (HK) (including TPL (Macau)) from its operations, before intra-group eliminations.

The key financial data of the life insurance business operated by TPL (HK) was summarised below:

For the year ended 31 December, HK\$ million

人壽保險業務 (續)

財務實力及償付能力 (續)

太平人壽(香港)於2015年7月在香港註冊成立，由本集團全資擁有。為配合本集團的業務策略，太平人壽(香港)成立本集團的全資附屬公司太平人壽(澳門)，以探索及發展澳門的人壽保險業務。於2019年2月，太平人壽(澳門)獲澳門金融管理局授予人壽保險牌照，並於2019年6月開始運營，積極開拓澳門的人壽保險業務。

以下數字為集團內部對銷前，太平人壽(香港)(含太平人壽(澳門))的合併營運業績。

由太平人壽(香港)經營之人壽保險業務之主要財務數據概述如下：

截至12月31日止年度，百萬港元

		2019	2018	Change 變化
Direct premiums written and premium deposits	保費收入及保費存款	12,847.75	6,518.71	+97.1%
Less: Premium deposits of universal life products	減：萬能壽險產品之保費存款	8,591.01	4,936.98	+74.0%
Direct premiums written recognised in statement of profit or loss	確認於損益表之保費收入	4,256.74	1,581.73	+169.1%
Loss after taxation	除稅後虧損	(659.07)	(340.73)	+93.4%

Management Review and Analysis

管理層回顧和分析

LIFE INSURANCE BUSINESS (Continued)

人壽保險業務 (續)

Financial Strength and Solvency Margin (Continued)

財務實力及償付能力 (續)

At 31 December, HK\$ million

於12月31日，百萬港元

		2019	2018	Change 變化
Total assets	總資產	49,985.11	24,127.71	+107.2%
Total equity	總權益	2,434.16	1,056.94	+130.3%
Number of individual agents	個人代理數目	1,195	643	+552
TPL (HK) regulatory solvency margin ratio ¹	太平人壽(香港)監管償付能力充足率 ¹	241%	233%	+8 pts 點

¹ Based on local regulations.

¹ 按當地的監管規定。

TPL (HK)'s direct premiums written recognised in the consolidated statement of profit or loss increased by 169.1% to HK\$4,257 million from HK\$1,582 million in the Last Year. The growth was mainly due to the satisfactory performance of both new policy premiums and renewal premiums.

太平人壽(香港)確認於綜合損益表內的保費收入由去年之15.82億港元上升169.1%至42.57億港元。此增長主要由於新單保費與續期保費均表現理想。

The life insurance business operated by TPL (HK) produced a net operating loss of HK\$659 million during the Year (2018: HK\$341 million), representing an increase of 93.4% compared to the Last Year. It was mainly due to the resources invested into the new life insurance businesses during the development stage and the impact of impairment of financial assets.

本年度內，由太平人壽(香港)經營之人壽保險業務之經營虧損淨額為6.59億港元(2018年：3.41億港元)，較去年上升93.4%，主要由於新生壽險公司仍處於展業虧損階段，加上金融資產減值所影響。

PENSION AND GROUP LIFE INSURANCE BUSINESSES

養老及團體保險業務

The Group's pension and group life insurance business are operated by TPP. TPP is a PRC-incorporated company and is 100% owned by the Group. TPP is principally engaged in corporate and personal retirement insurance, annuity businesses, and group life insurance business in Mainland China.

本集團之養老及團體保險業務由太平養老營運。太平養老為中國註冊公司並由本集團擁有100%權益。太平養老主要於內地從事企業及個人養老保險、年金業務、團體人壽保險業務。

Management Review and Analysis

管理層回顧和分析

PENSION AND GROUP LIFE INSURANCE BUSINESSES (Continued)

The figures below were the results of TPP from its operations, before intra-group eliminations.

The key financial data of the pension and group life insurance business was summarised below:

For the year ended 31 December, HK\$ million

		2019	2018	Change 變化
Direct premiums written	保費收入	5,711.89	5,756.57	-0.8%
Net premiums written	淨保費收入	5,126.58	5,182.84	-1.1%
Net earned premiums	已賺取保費淨額	4,699.37	5,005.82	-6.1%
Net policyholders' benefits	保單持有人利益淨額	(3,819.66)	(3,276.71)	+16.6%
Net commission and handling fee expenses	佣金及手續費支出淨額	(388.97)	(382.85)	+1.6%
Change in insurance contract liabilities, net of reinsurance	保險合約負債變化，減再保險	211.85	(515.65)	-141.1%
Total investment income	總投資收入	478.71	405.46	+18.1%
Pension administration fee income	養老保險管理服務費收入	907.80	537.12	+69.0%
Agency fee income	代理服務費收入	6.50	6.46	+0.7%
Administrative and other expenses	行政及其他費用	(1,953.84)	(1,710.31)	+14.2%
Profit before taxation	除稅前溢利	181.89	66.76	+172.5%
Profit after taxation and attributable to the owners	除稅後及股東應佔溢利	130.35	67.12	+94.2%

At 31 December, HK\$ million

		2019	2018	Change 變化
Total assets	總資產	13,869.65	11,547.90	+20.1%
Total equity	總權益	2,903.10	2,717.62	+6.8%

養老及團體保險業務(續)

以下數字為集團內部對銷前，太平養老的營運業績。

養老及團體保險業務之主要財務數據概述如下：

截至12月31日止年度，百萬港元

Management Review and Analysis

管理層回顧和分析

PENSION AND GROUP LIFE INSURANCE BUSINESSES (Continued)

養老及團體保險業務(續)

At 31 December, HK\$ million

截至12月31日止年度，百萬港元

The key operational data of the pension business was summarised below:

養老業務之主要經營數據概述如下：

		2019	2018	Change 變化
Annuity invested assets (HK\$ million)	企業年金投資資產 (百萬港元)	114,632	95,265	+20.3%
Annuity entrusted assets (HK\$ million)	企業年金受託資產 (百萬港元)	103,489	85,292	+21.3%
Number of enterprises in funds and schemes	養老年金計劃所涉及 的企業數目	9,419	8,962	+457
Number of branches	分公司數目	40	37	+3

Operating Result

經營業績

The pension and group life insurance business recorded a net operating profit of HK\$130 million during the Year (2018: HK\$67 million), representing an increase of 94.2% compared to the Last Year. It was mainly contributed by the investment income, and the significant increase on the pension administration fee income driven by the positive impact of TPP's top market rankings of the annuity investment income.

本年度內養老及團體保險業務產生經營溢利淨額1.30億港元(2018年:0.67億港元)，較去年上升94.2%，主要由投資收益貢獻，加上養老保險管理服務費收入受公司年金投資收益市場排名靠前的積極影響而明顯增加。

Direct Premiums Written

保費收入

TPP's direct premiums written for the Year decreased by 0.8% to HK\$5,712 million from HK\$5,757 million in the Last Year.

本年度內太平養老之保費收入由去年之57.57億港元下跌0.8%至57.12億港元。

Financial Strength and Solvency Margin

財務實力及償付能力

The comprehensive solvency ratios of TPP under the CBIRC regulations were as follows:

太平養老按中國銀保監會規定之綜合償付能力充足率如下：

At 31 December, RMB million

於12月31日，百萬人民幣

		2019	2018
Available capital	實際資本	3,082	2,604
Minimum capital	最低資本	1,392	870
Comprehensive solvency ratio	綜合償付能力充足率	221%	299%

Management Review and Analysis

管理層回顧和分析

PRC PROPERTY AND CASUALTY INSURANCE BUSINESS

The Group's property and casualty insurance segment in the PRC is operated by TPI. TPI is a PRC-incorporated company and has been 100% owned by the Group. TPI is principally engaged in the underwriting of motor, marine and non-marine policies in Mainland China.

The figures below were the results of TPI from its operations, before intra-group eliminations.

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

For the year ended 31 December, HK\$ million

境內財產保險業務

本集團之內地財產保險業務由太平財險營運。太平財險為中國註冊公司，主要於內地從事承保車險、水險及非水險業務。本集團擁有太平財險100%權益。

以下數字為集團內部對銷前，太平財險的營運業績。

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12月31日止年度，百萬港元

		2019	2018	Change 變化
Direct premiums written	保費收入	30,609.70	28,683.88	+6.7%
Net premiums written	淨保費收入	27,068.19	24,296.48	+11.4%
Net earned premiums	已賺取保費淨額	25,509.02	24,614.87	+3.6%
Net claims incurred	賠款淨額	(12,824.61)	(13,259.58)	-3.3%
Underwriting expenses	承保費用	(9,082.59)	(8,048.38)	+12.8%
Net commission and handling fee expenses	佣金及手續費支出淨額	(3,575.22)	(3,260.59)	+9.6%
Underwriting profit	承保溢利	26.60	46.33	-42.6%
Total investment income	總投資收入	768.20	945.16	-18.7%
Share of results of associates	應佔聯營公司業績	(13.87)	(84.54)	-83.6%
Other income	其他收益	113.18	174.14	-35.0%
Other miscellaneous expenses	其他雜費	(461.95)	(253.75)	+82.0%
Finance costs	財務費用	(46.05)	(77.90)	-40.9%
Profit before taxation	除稅前經營溢利	386.12	749.44	-48.5%
Profit after taxation and attributable to the owners	除稅後及股東應佔經營溢利	531.75	340.39	+56.2%
Retained ratio	自留比率	88.4%	84.7%	+3.7 pts 點
Loss ratio ¹	賠付率 ¹	50.3%	53.9%	-3.6 pts 點
Expense ratio ¹	費用率 ¹	49.6%	45.9%	+3.7 pts 點
Combined ratio ²	綜合成本率 ²	99.9%	99.8%	+0.1 pt 點

¹ Both the loss ratio and expense ratio were based on net earned premiums.

² The combined ratio was the sum of the loss ratio and the expense ratio.

¹ 賠付率及費用率均按已賺取保費淨額為基準計算。

² 綜合成本率為賠付率與費用率的總和。

Management Review and Analysis

管理層回顧和分析

PRC PROPERTY AND CASUALTY INSURANCE BUSINESS (Continued)

境內財產保險業務(續)

At 31 December, HK\$ million

於12月31日，百萬港元

		2019	2018	Change 變化
Total assets	總資產	35,118.03	31,417.60	+11.8%
Total equity	總權益	7,844.55	6,906.90	+13.6%

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

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：

		2019	2018	Change 變化
Market share ¹	市場份額 ¹	2.1%	2.0%	+0.1 pt 點
Number of provincial branches	省級分公司數目	32	31	+1
Number of sub-branches and marketing centers	支公司及市場推廣中心數目	698	671	+27
Number of customers	客戶數目			
– Individual	– 個人	7,743,642	6,448,232	+1,295,410
– Corporate	– 公司	293,283	277,812	+15,471
Number of direct sales representatives	直接銷售代表數目	11,956	10,704	+1,252

¹ Derived according to the premiums published by the CBIRC.

¹ 根據中國銀保監會刊登之保費得出。

Management Review and Analysis

管理層回顧和分析

PRC PROPERTY AND CASUALTY INSURANCE BUSINESS (Continued)

Operating Profit

The property and casualty insurance business operated by TPI produced a net operating profit of HK\$532 million during the Year (2018: HK\$340 million), representing an increase of 56.2%. It was mainly affected by the new taxation policy “Notice on the Pre-tax Deduction Policy for the Fees and Commission Expenses of Insurance Enterprises” (Notice 72, 2019, of the Ministry of Finance and the State Administration of Taxation).

Direct Premiums Written

TPI's direct premiums written increased by 6.7% to HK\$30,610 million from HK\$28,684 million in the Last Year. The detailed breakdown of TPI's direct premiums written was as follows:

For the year ended 31 December, HK\$ million

Business Line 業務種類	2019		2018	
	2019	% of Total 佔總額百分比	2018	% of Total 佔總額百分比
Motor 車險	22,448.76	73.3%	21,951.54	76.5%
Marine 水險	694.89	2.3%	893.10	3.1%
Non-marine 非水險	7,466.05	24.4%	5,839.24	20.4%
	30,609.70	100.0%	28,683.88	100.0%

TPI's direct premiums written by region were as follows:

For the year ended 31 December, HK\$ million

		2019		2018	
		2019	% of Total 佔總額百分比	2018	% of Total 佔總額百分比
Shandong 山東		2,503.97	8.2%	2,531.18	8.8%
Shanghai 上海		2,301.49	7.5%	2,368.69	8.3%
Guangdong 廣東		2,162.18	7.1%	2,081.83	7.3%
Sichuan 四川		1,990.09	6.5%	1,660.71	5.8%
Shenzhen 深圳		1,642.11	5.4%	1,502.89	5.2%
Others 其他		20,009.86	65.3%	18,538.58	64.6%
Total 總額		30,609.70	100.00%	28,683.88	100.0%

境內財產保險業務(續)

經營溢利

本年度內，由太平財險經營之財產保險業務的經營溢利淨額為5.32億港元（2018年：3.40億港元），上升56.2%，主要受《關於保險企業手續費及佣金支出稅前扣除政策的公告》（財政部稅務總局公告2019年第72號）稅收新政策所影響。

保費收入

太平財險的保費收入上升6.7%，由去年的286.84億港元上升至306.10億港元。太平財險保費收入詳細分析如下：

截至12月31日止年度，百萬港元

太平財險按區域的保費收入分佈如下：

截至12月31日止年度，百萬港元

Management Review and Analysis

管理層回顧和分析

PRC PROPERTY AND CASUALTY INSURANCE BUSINESS *(Continued)*

Financial Strength and Solvency Margin

The comprehensive solvency ratios of TPI under the CBIRC regulations were as follows:

At 31 December, RMB million

		2019	2018
Available Capital	實際資本	9,917	6,861
Minimum Capital	最低資本	3,659	3,054
Comprehensive Solvency Ratio	綜合償付能力充足率	271%	225%

OVERSEAS PROPERTY AND CASUALTY INSURANCE BUSINESS

The Group's property and casualty insurance segment cover Hong Kong, Macau, UK, Singapore and Indonesia, and is operated by CTPI (HK), TP Macau, TP UK, TP Singapore and TP Indonesia respectively. CTPI (HK), TP Macau, TP UK and TP Singapore are wholly-owned by the Group. TP Indonesia is 55% owned by the Group.

境內財產保險業務 (續)

財務實力及償付能力

太平財險按中國銀保監會規定之綜合償付能力充足率如下：

於12月31日，百萬人民幣

境外財產保險業務

本集團之境外財產保險業務覆蓋香港、澳門、英國、新加坡及印尼，分別由太平香港、太平澳門、太平英國、太平新加坡及太平印尼營運。太平香港、太平澳門、太平英國及太平新加坡由本集團全資擁有。本集團擁有太平印尼55%權益。

Management Review and Analysis

管理層回顧和分析

OVERSEAS PROPERTY AND CASUALTY INSURANCE BUSINESS (Continued)

境外財產保險業務(續)

The figures below are the results of these companies from its operations, before intra-group eliminations.

以下數字為集團內部對銷前，各公司的營運業績。

The key financial data of the overseas property and casualty insurance business is summarised below:

境外財產保險業務之主要財務數據概述如下：

For the year ended 31 December, HK\$ million

截至12月31日止年度，百萬港元

		2019	2018	Change 變化
Direct premiums written	保費收入			
CTPI (HK)	太平香港	1,858.68	1,613.58	+15.2%
TP Macau	太平澳門	865.37	713.85	+21.2%
TP UK	太平英國	729.81	741.48	-1.6%
TP Singapore ¹	太平新加坡 ¹	530.99	463.21	+14.6%
TP Indonesia	太平印尼	301.00	241.67	+24.6%
Underwriting profit/(loss)	承保溢利／(虧損)			
CTPI (HK)	太平香港	5.06	22.31	-77.3%
TP Macau	太平澳門	118.83	112.06	+6.0%
TP UK	太平英國	(75.36)	(46.08)	+63.5%
TP Singapore ¹	太平新加坡 ¹	11.44	22.02	-48.0%
TP Indonesia	太平印尼	16.21	4.16	+289.7%
Profit/(loss) after taxation	除稅後溢利／(虧損)			
CTPI (HK)	太平香港	107.65	302.15	-64.4%
TP Macau	太平澳門	149.58	125.14	+19.5%
TP UK	太平英國	(82.67)	(47.51)	+74.0%
TP Singapore ¹	太平新加坡 ¹	93.80	23.72	+295.4%
TP Indonesia	太平印尼	12.55	9.59	+30.9%
Combined ratio	綜合成本率			
CTPI (HK)	太平香港	99.8%	99.0%	+0.8 pt 點
TP Macau	太平澳門	71.5%	70.1%	+1.4 pts 點
TP UK	太平英國	114.2%	110.4%	+3.8 pts 點
TP Singapore ¹	太平新加坡 ¹	97.9%	95.4%	+2.5 pts 點
TP Indonesia	太平印尼	68.2%	89.7%	-21.5 pts 點

¹ The results of TP Singapore from its property and casualty insurance business, which do not include its life insurance business.

¹ 太平新加坡的財產保險業務業績，不包括其壽險業務。

The loss after taxation of TP UK were higher than that of the Last Year, which mainly due to the increase in claims.

太平英國除稅後虧損較去年高，主要由於其賠付上升。

Management Review and Analysis

管理層回顧和分析

OVERSEAS PROPERTY AND CASUALTY INSURANCE BUSINESS (Continued)

境外財產保險業務(續)

At 31 December

於12月31日

		2019	2018	Change 變化
Regulatory solvency margin ratio ¹	監管償付能力充足率 ¹			
CTPI (HK)	太平香港	751%	1,029%	-278 pts 點
TP Macau	太平澳門	259%	257%	+2 pts 點
TP UK	太平英國	163%	140%	+23 pts 點
TP Singapore ²	太平新加坡 ²	290%	238%	+52 pts 點
TP Indonesia	太平印尼	176%	198%	-22 pts 點

¹ Based on the local regulations.

¹ 按當地的監管規定。

² The results of TP Singapore from its property and casualty insurance business, which do not include its life insurance business.

² 太平新加坡的財產保險業務業績，不包括其壽險業務。

REINSURANCE BUSINESS

再保險業務

The Group's reinsurance business is operated by TPRé, a Hong Kong-incorporated company and wholly-owned by the Group, and TPRé's wholly owned subsidiary TPRé (China). TPRé mainly engaged in the underwriting of all classes of non-life reinsurance business around the globe, consisting mainly of short-tail, property reinsurance business in the Asia Pacific region. TPRé also engages in the underwriting of certain classes of long term (life) reinsurance business. TPRé (China) incorporated in PRC in December 2015.

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及太平再保險之全資附屬公司太平再保險(中國)營運。太平再保險主要從事承保全球各類非人壽再保險業務，主要包括亞太地區的短尾財產再保險業務。太平再保險亦從事若干類別的長期(人壽)再保險業務。太平再保險(中國)是於2015年12月在中國註冊成立之公司。

Management Review and Analysis

管理層回顧和分析

REINSURANCE BUSINESS (Continued)

The figures below were the consolidated results of TPRé (including TPRé (China)) from its operations, before intra-group eliminations.

The key financial data and key performance indicators of the reinsurance business operated by TPRé were summarised below:

For the year ended 31 December, HK\$ million

		2019	2018	Change 變化
Direct premiums written	保費收入	15,884.35	13,551.84	+17.2%
Underwriting profit (non-life)	承保溢利 (非人壽)	52.92	98.49	-46.3%
Profit after taxation	除稅後溢利	321.06	539.26	-40.5%
Non-life reinsurance business: Combined ratio	非人壽再保險業務: 綜合成本率	99.3%	98.6%	+0.7 pt 點

At 31 December

		2019	2018	Change 變化
Regulatory solvency margin ratio ¹	監管償付能力充足比率 ¹	272%	261%	+11 pts 點

¹ Based on the local regulations.

Operating Profit

The reinsurance business produced a net operating profit after tax of HK\$321 million during the Year (2018: HK\$539 million), representing a decrease of 40.5%. The decrease was primarily affected by the catastrophes, the impairment of financial assets and exchange losses.

再保險業務 (續)

以下數字為集團內部對銷前，太平再保險 (含太平再保險 (中國)) 的合併營運業績。

由太平再保險經營之再保險業務之主要財務數據概述如下：

截至12月31日止年度，百萬港元

		2019	2018	Change 變化
Direct premiums written	保費收入	15,884.35	13,551.84	+17.2%
Underwriting profit (non-life)	承保溢利 (非人壽)	52.92	98.49	-46.3%
Profit after taxation	除稅後溢利	321.06	539.26	-40.5%
Non-life reinsurance business: Combined ratio	非人壽再保險業務: 綜合成本率	99.3%	98.6%	+0.7 pt 點

於12月31日

		2019	2018	Change 變化
Regulatory solvency margin ratio ¹	監管償付能力充足比率 ¹	272%	261%	+11 pts 點

¹ 按當地的監管規定。

經營溢利

再保險業務產生經營溢利淨額3.21億港元 (2018年: 5.39億港元)，下跌40.5%。下跌主要受巨災、金融資產減值與匯兌虧損所影響。

Management Review and Analysis

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REINSURANCE BUSINESS (Continued)

Direct Premiums Written

TPRe's direct premiums written for the Year increased by 17.2% to HK\$15,884 million from HK\$13,552 million in the Last Year. TPRe was able to maintain its core business portfolio with overall premium growth, to further enhance the leading position in Hong Kong and Macau. The combined ratio of the non-life reinsurance business was 99.3% (2018: 98.6%). The underwriting profit was HK\$53 million (2018: HK\$98 million).

TPRe's life reinsurance business achieved premiums of HK\$6,111 million (2018: HK\$4,732 million), mainly from Mainland China and Hong Kong.

The figures below were the results of TPRe (China) from its operations, before intra-group eliminations.

The key financial data of the reinsurance business operated by TPRe (China) was summarised below:

For the year ended 31 December, HK\$ million

		2019	2018	Change 變化
Direct premiums written	保費收入	5,873.04	5,251.51	+11.8%
Profit after taxation	除稅後溢利	144.55	145.17	-0.4%

At 31 December, HK\$ million

		2019	2018	Change 變化
Net assets	淨資產	2,460.44	2,330.53	+5.6%

再保險業務 (續)

保費收入

太平再保險之保費收入由去年的135.52億港元增長17.2%至158.84億港元。太平再保險仍維持核心業務組合的整體保費收入增長，港澳市場引領地位進一步提升。太平再保險之非人壽業務綜合成本率99.3%（2018年：98.6%），實現承保溢利0.53億港元（2018年：0.98億港元）。

太平再保險人壽再保險業務保費收入達到61.11億港元（2018年：47.32億港元），主要來自中國內地及香港。

以下數字為集團內部對銷前，太平再保險（中國）的營運業績。

由太平再保險（中國）經營之再保險業務之主要財務數據概述如下：

截至12月31日止年度，百萬港元

		2019	2018	Change 變化
Direct premiums written	保費收入	5,873.04	5,251.51	+11.8%
Profit after taxation	除稅後溢利	144.55	145.17	-0.4%

於12月31日，百萬港元

		2019	2018	Change 變化
Net assets	淨資產	2,460.44	2,330.53	+5.6%

Management Review and Analysis

管理層回顧和分析

REINSURANCE BUSINESS (Continued)

再保險業務 (續)

Financial Strength and Solvency Margin

財務實力及償付能力

The comprehensive solvency ratios of TPRe (China) under the CBIRC regulations were as follows:

太平再保險(中國)按中國銀保監會規定之綜合償付能力充足率如下:

At 31 December, RMB million

於12月31日, 百萬人民幣

		2019	2018
Available capital	實際資本	2,146	2,032
Minimum capital	最低資本	1,019	807
Comprehensive solvency ratio	綜合償付能力充足率	211%	252%

ASSET MANAGEMENT BUSINESS

資產管理業務

The Group's asset management business is mainly operated by TPAM and TP Fund (collectively known as the "TPAM Group") and TPA (HK), which are engaged in the provision of asset management services to the Group in managing its RMB and non-RMB investment portfolios. TPAM is a PRC-incorporated company and is 80% owned by the Group, while TP Fund is 83% owned by TPAM, which was acquired by TPAM in September 2016. TPA (HK) is a Hong Kong-incorporated company and is wholly-owned by the Group.

本集團之資產管理業務主要由太平資產、太平基金(與太平資產統稱「太平資產集團」)與太平資產(香港)營運,為本集團的人民幣及非人民幣投資組合提供資產管理服務。太平資產為中國註冊公司並由本集團擁有80%權益,而太平基金由太平資產於2016年9月完成收購並擁有其83%權益。太平資產(香港)為香港註冊公司並由本集團全資擁有。

The figures below were the results of TPAM Group and TPA (HK) from their operations, before intra-group eliminations.

以下數字為集團內部對銷前,太平資產集團及太平資產(香港)的營運業績。

The key financial data of the asset management business operated in the PRC by TPAM Group and in Hong Kong by TPA (HK) were summarised below:

由太平資產集團及太平資產(香港)於內地及香港營運的資產管理業務之主要財務數據概述如下:

For the year ended 31 December, HK\$ million

截至12月31日止年度, 百萬港元

		2019	2018	Change 變化
Management fee income	管理費收入	1,290.84	1,039.58	+24.2%
Profit after taxation	除稅後溢利	344.23	457.65	-24.8%
Profit attributable to the owners	股東應佔溢利	290.01	389.51	-25.5%

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ASSET MANAGEMENT BUSINESS (Continued)

At 31 December, HK\$ million

資產管理業務 (續)

於12月31日，百萬港元

		2019	2018	Change 變化
Assets under management	資產管理規模	871,362	742,506	+17.4%

Operating Profit

The asset management business produced a net operating profit of HK\$344 million during the Year (2018: HK\$458 million), representing a decrease of 24.8% compared to the Last Year.

經營溢利

資產管理業務的經營溢利淨額為3.44億港元 (2018年：4.58億港元)，較去年下跌24.8%。

LIQUIDITY AND FINANCIAL RESOURCES

The Group's cash and bank deposits as at 31 December 2019 amounted to HK\$88,708 million (2018: HK\$86,956 million).

流動資金

於2019年12月31日，本集團的現金及銀行存款為887.08億港元 (2018年：869.56億港元)。

FINANCIAL LEVERAGE

The interest-bearing notes and bank facilities drawn as at 31 December 2019 amounted to HK\$12,444 million and HK\$47,976 million (2018: HK\$5,679 million and HK\$50,487 million), respectively. As of 31 December 2019, CTIH's consolidated financial leverage ratio (calculated by debt over the summation of debt plus equity) was 39.1% (2018: 41.1%).

財務槓桿

於2019年12月31日，須付息票據及已提取銀行貸款額度分別為124.44億港元及479.76億港元 (2018年：56.79億港元及504.87億港元)。於2019年12月31日，中國太平控股的綜合財務槓桿比率 (債務 / (債務 + 股本)) 為39.1% (2018年：41.1%)。

CAPITAL STRUCTURE

CTIH did not issue new Shares during the Year and 2018.

資本結構

於本年度及2018年，中國太平控股並無發行新股。

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管理層回顧和分析

PRINCIPAL PROPERTIES

The location and use of the principal properties held for investment purposes by the Group are set out below, other details are set out in Note 15 of the consolidated financial statements.

Property location	Use
Taiping Finance Tower, Pudong New District, Shanghai, the PRC	Medium term lease; Commercial
Taiping Finance Tower, Futian District, Shenzhen, the PRC	Medium term lease; Commercial
The Exchange Beijing, Chaoyang District, Beijing, the PRC	Medium term lease; Commercial

主要物業

本集團持有作投資用途的主要物業地點及用途如下，其他詳情載於綜合財務報表附註15。

物業地點	用途
中國上海浦東新區 太平金融大廈	中期租賃； 商業物業
中國深圳市福田區 太平金融大廈	中期租賃； 商業物業
中國北京朝陽區京匯大廈	中期租賃； 商業物業

STAFF AND STAFF REMUNERATION

As at 31 December 2019, the Group had a total of 65,957 employees (2018: 75,341 employees), a decrease of 9,384 employees. Total remuneration for the Year amounted to HK\$18,608 million (2018: HK\$16,857 million), an increase of 10.4%. Bonuses are linked to both the performance of the Group and the performance of the individual.

員工及員工酬金

於2019年12月31日，本集團的僱員總人數達65,957人（2018年：75,341人），減少9,384人。本年度內總酬金為186.08億港元（2018年：168.57億港元），增加10.4%。花紅與本集團的業績及員工的個人表現掛鈎。

MATERIAL CONTRACTS AND THEIR PERFORMANCE

TSFL is a subsidiary of the Company owned as to 50% by TPL and 50% by China Petrochemical Corporation.

重大合同及其履行情況

太平石化金租為本公司的附屬公司，其中50%由太平人壽擁有及50%由中石化集團公司擁有。

On 28 February 2019, TSFL and China Petrochemical Corporation entered into the 2019 Finance Leasing Framework Agreement in relation to the provision of finance leasing services by TSFL and/or its subsidiaries as lessor(s) to the member(s) of the China Petrochemical Corporation as lessee(s). For details of the 2019 Finance Leasing Framework Agreement, please refer to the announcement of the Company dated 28 February 2019.

於2019年2月28日，太平石化金租與中石化集團公司就太平石化金租及／或其附屬公司（作為出租人）向中石化集團公司的成員公司（作為承租人）提供融資租賃服務訂立2019融資租賃框架協議，就2019融資租賃框架協議的詳情，請參見本公司於2019年2月28日刊發的公告。

The aggregate outstanding amount (i.e. including all lease payments, interests, pre-lease interests and handling fee) payable under the 2019 Finance Leasing Framework Agreement at any time between 1 January 2019 and 31 December 2019 (both days inclusive) would not exceed HK\$5.0 billion. As at 31 December 2019, the remaining amount was HK\$4.359 billion.

2019融資租賃框架協議項下於2019年1月1日至2019年12月31日（包括首尾兩天）內的任何時間的應付之尚未支付總金額（即包括所有租賃付款、利息、租賃前利息及手續費）將不超過50億港元，截至2019年12月31日，有關之尚餘金額43.59億港元。

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管理層回顧和分析

MATERIAL CONTRACTS AND THEIR PERFORMANCE *(Continued)*

重大合同及其履行情况 (續)

During the Year, the finance leasing transactions entered pursuant to the 2019 Finance Leasing Framework Agreement are as follows:

在本年度內，根據2019融資租賃框架協議發生的融資租賃交易具體情況如下：

Name of lessees 承租方名稱	Transaction Amount 交易金額 (RMB million) (人民幣百萬)	No. of finance lease 交易次數	Key terms and conditions of the finance lease 融資租賃主要條款 (RMB) (人民幣)	Summary of category in financial assets 租賃資產類別摘要
Inner Mongolia Huayi Natural Gas Pipeline Co., Ltd 內蒙古華屹天然氣管道有限公司	242.53	1	<p>(1) Leased subject matter: natural gas pipeline 租賃標的物：天然氣管線</p> <p>(2) Lease principal: 200 million 租賃本金：2億元</p> <p>(3) Rental interest rate: The People's Bank of China 1-5 years benchmark interest rate floating by 15% 租金利率：人民銀行1-5年期基準利率上浮15%</p> <p>(4) Lease term: 5 years 租賃期限：5年</p> <p>(5) Consulting service fee: 10 million 諮詢服務費：1,000萬元</p> <p>(6) Transaction content: The lessee transfers all of its leases to the lessor, and the lessor then leases the lease to the lessee, and the lessee pays the rent and other payments to the lessor 交易內容：承租人將其所有的租賃物轉讓給出租人，出租人再將該租賃物出租給承租人，承租人按約向出租人支付租金等款項</p>	Natural gas pipeline 天然氣管線

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MATERIAL CONTRACTS AND THEIR PERFORMANCE (Continued)

重大合同及其履行情况 (續)

Name of lessees 承租方名稱	Transaction Amount 交易金額 (RMB million) (人民幣百萬)	No. of finance lease 交易次數	Key terms and conditions of the finance lease 融資租賃主要條款 (RMB) (人民幣)	Summary of category in financial assets 租賃資產類別摘要
Zhejiang Baling Hengyi Caprolactam Co., Ltd 浙江巴陵恒逸己內酰胺有限責任公司	331.45	1	<p>(1) Leased subject matter: production equipment (chemical plant DCS system, oxidation tower, transmitter, etc.) 租賃標的物：生產設備（化工裝置DCS系統、氧化塔、變送器等）</p> <p>(2) Lease principal: 300 million 租賃本金：3億元</p> <p>(3) Lease interest rate: The People's Bank of China 1-5 years benchmark interest rate floating by 10% 租賃利率：人民銀行1-5年期基準利率上浮10%</p> <p>(4) Lease term: 3 years 租賃期限：3年</p> <p>(5) Consulting service fee: 3.6 million 諮詢服務費：360萬元</p> <p>(6) Transaction content: The lessee transfers all of its leases to the lessor, and the lessor then leases the lease to the lessee, and the lessee pays the rent and other payments to the lessor 交易內容：承租人將其所有的租賃物轉讓給出租人，出租人再將該租賃物出租給承租人，承租人按約向出租人支付租金等款項</p>	Production equipment (chemical plant DCS system, oxidation tower, transmitter, etc.) 生產設備（化工裝置DCS系統、氧化塔、變送器等）

CONTINGENT LIABILITIES

或然負債

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 at 31 December 2019.

除在本集團日常保險業務中產生的訴訟外，於2019年12月31日，本集團概無任何未決訴訟或或然負債。

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管理層回顧和分析

OUTLOOK

Thoroughly Implementing the New Development Concept and Comprehensively Promoting China Taiping's Development Strategy for the New Era

2020 is the closing year of stage I development strategy for the new era of China Taiping and a crucial year of the full implementation of "Empowerment Enhancement". By firmly establishing and effectively implementing the new development concept and insisting on the operational strategy of "Surpassing the Market, Competing at an Advanced Level, Growing on Steady Basis and Enhancing Value", China Taiping will maintain strategic concentration, utilise its protection function, accelerate reform and innovation and energise development, striving to steadily facilitate the growth and enhance the value of the insurance business, improve the capability and profitability of the investment business and drive the industrial development to boost the principal business. In addition, the Group will advance the implementation of a batch of major strategic projects to strengthen the Group's long-term development momentum and enhance its core competitiveness. In particular, with the challenges of the outbreak of COVID-19, the Group will grasp and cope with the market changes arising from the epidemic, strive to turn the crisis into an opportunity and realise the main business objectives of the year, thus creating greater value for shareholders, customers and the society!

PRC Life Insurance Business – TPL

- Adhere to the philosophy of Customer First and benchmark against leading peers, promote innovation and transformation, deeply advancing and develop empowerment, so as to make every effort to achieve business growth and effectively enhancing value performance
- In respect of individual channel, increase manpower and value. Organise and promote quality and quantity development, with growths in quality's quantity of manpower and gradually optimise the team structure; focus on promoting high-value products such as health insurance to improve agency force income and value performance of the channel
- In respect of bancassurance channel, continue to promote innovation and transformation, to enhance rhythmic operation, focus on scale growth with value, expand health protection services, thereby consolidating the new dual-wheel drive pattern of "Banks + Channel"

展望

深入貫徹新發展理念，全面推動中國太平新時代發展戰略

2020年是中國太平新時代發展戰略第一階段的收官之年，也是「賦能提升」全面落實的關鍵一年。中國太平將牢固樹立和切實落實新發展理念，堅持「跑贏大市、爭先進位、穩定增長、提升價值」的經營策略，保持戰略定力，發揮保障作用，加快創新變革，激發發展活力，努力實現保險業務穩定增長提升價值，投資業務提升能力提高收益，產業發展加力加速拉動提升主業，同時加快實施一批重大戰略項目，著眼長遠增強集團發展後勁、提升核心競爭力。特別是，面對新冠肺炎疫情的挑戰，集團將把把握好、應對好疫情帶來的市場變化，努力化危為機，奮力達成全年主要經營目標，為股東、客戶和社會創造更大的價值！

境內人壽業務—太平人壽

- 堅持客戶至上，全面對標同業，加快推進創新變革、深化推動發展賦能、全力實現業務增量、有效提升價值表現
- 個險渠道提人力、做價值。組織發展提質增量，人力實現有品質的數量，實現隊伍結構逐步優化；著力推動健康險等高價值產品，提升隊伍收入和渠道價值表現
- 銀保渠道持續推進創新變革，強化節奏經營，聚焦有價值的規模增長，加大健康保障服務，夯實「銀行+渠道」雙輪驅動新格局

Management Review and Analysis

管理層回顧和分析

OUTLOOK (Continued)

PRC Life Insurance Business – TPL (Continued)

- In respect of E-commerce channel, focus on the transformation and integration of internet and telemarketing, to strengthen traditional business, expand internet and telemarketing business, thereby promoting value growth
- In respect of derived services channel, with “Renewal Premium Collection and Pursuing Further New Premium Income” as its core, continue to consolidate the foundation for renewal business while making contribution by exploring additional revenue, and to expand value increase for new policies, thereby actively creating new growth points for the business
- In respect of brokerage agency channel, with online model as its core, actively connect the entry of the internet traffic platform and featured third-party platform for rapid expansion of premium scale while exploring deep cooperation model for the Group’s strategic partners to expand the offline traditional insurance agency business

PRC Property and Casualty Insurance Business – TPI

- Continually promote the upgrading of motor insurance to improve the professional level of channel, operation and management; accelerate the transition to non-motor insurances and improve the capabilities of serving the national strategies and abilities of business innovation to stimulate development momentum
- Speed up technological empowerment to solidly promote cost reduction and benefit improvement and continuously improve the company’s refined management; enhance customer management and improve the management model of customer management, strengthen customer service quality and core market competitiveness

展望 (續)

境內人壽業務—太平人壽 (續)

- 電商渠道聚焦網電結合轉型，做強傳統業務、做大網電業務，推動價值成長
- 服務拓展渠道以「保收、做展」為核心，續收業務穩基礎、深挖超收做貢獻、拓展新單增價值，積極打造新的業務增長點
- 經代渠道以線上模式為核心，積極對接互聯網流量平台和特色第三方平台流量入口，迅速擴大保費規模，同時探索集團戰略合作夥伴深層次合作模式，做大線下傳統經代業務

境內產險業務—太平財險

- 持續推動車險升級，提高渠道、經營、管理專業化水平；加快向非車險轉型，提升服務國家戰略能力和業務創新能力，激發發展動能
- 加快科技賦能，紮實推進降本增效，不斷提高公司精細化管理水平；強化客戶運營，完善客戶經營管理模式，提升客戶服務水平和市場核心競爭力

Management Review and Analysis

管理層回顧和分析

OUTLOOK (Continued)

Pension and Group Life Insurance Business – TPP

- Steady growths in the annuity to outperform the market; actively expand occupational annuity to consolidate and increase the advantages of early development; strengthen research on investment strategies with continuous optimisation of asset allocation to promote continuous improve performance of pension investments
- For group insurance, seize the benefits generated by pension and health policies and promote rapid business growth through product innovation to outperform the market, while improving business quality and operating efficiency

Overseas Life Insurance Business – TPL (HK), TPL (Macau) and TP Singapore

- TPL (HK) will build core competitiveness through professionally empowering its teams, channels, products and services with a focus of improving business quality, value contribution and profitability, to continuously improve the level of international operation and constantly promote high-quality development
- TPL (Macau) will strengthen the infrastructure construction and channels development to secure breakthrough development
- TP Singapore's life insurance business will further strengthen team building, product research and development and channel expansion, promote rapid and healthy development of business, and gradually enhance market influence

Overseas Property and Casualty Business – CTPI (HK), TP Macau, TP UK, TP Singapore and TP Indonesia

- CTPI (HK) will increase its efforts in business development, strengthen risk prevention and control, improve customer service capability and profitability, and steadily promote the layout of overseas institutions
- TP Macau will secure the opportunities under the policies of Guangdong-Hong Kong-Macau Greater Bay Area, increase its efforts in business expansion through product innovation and technological application, improve customer service level, continuously expand market influence and thus maintain a leading position in the market

展望 (續)

養老和團體保險業務 – 太平養老

- 企業年金穩步增長，跑贏大市；積極拓展職業年金，鞏固並擴大前期發展優勢；加強投資策略研究，不斷優化資產配置，推動養老金投資業績持續提升
- 團體保險搶抓養老、健康政策紅利，通過產品創新推動業務快速增長，跑贏大市，同時提升業務品質，提高經營效益

境外壽險業務 – 太平人壽 (香港)、太平人壽 (澳門) 及太平新加坡

- 太平人壽 (香港) 專業化賦能團隊、渠道、產品和服務，打造核心競爭力，著力提升業務品質、價值貢獻和盈利能力，不斷提高國際化經營水平，持續推進高質量發展
- 太平人壽 (澳門) 加強基礎建設和渠道開發，實現突破發展
- 太平新加坡壽險業務將進一步加強團隊建設、產品研發和渠道拓展，推動業務快速健康發展，逐步提升市場影響力

境外產險業務 – 太平香港、太平澳門、太平英國、太平新加坡及太平印尼

- 太平香港加大業務拓展力度，抓好風險防控制，提升客戶服務能力和盈利能力，穩步推進海外機構佈局
- 太平澳門把握粵港澳大灣區政策機遇，通過產品創新及科技運用等手段，加大業務拓展力度，提高客戶服務水平，持續擴大市場影響力，鞏固市場領先地位

Management Review and Analysis

管理層回顧和分析

OUTLOOK (Continued)

Overseas Property and Casualty Business – CTPI (HK), TP Macau, TP UK, TP Singapore and TP Indonesia (Continued)

- TP UK will continuously increase its efforts in business expansion, intensively develop the business of the Chinese enterprises and local Chinese market, optimise the business structure, strengthen risk management, implement healthy operation and improve profitability
- TP Singapore will give full play to the collaborative advantages of property and casualty insurance and life insurance, and steadily promote business development through differentiated business strategies; continue to intensively develop the business of the local Chinese enterprises, strengthen the quality management of business, promote insurance technology innovation, enhance the refinement management and market competitiveness
- TP Indonesia will continue to strengthen the Chinese enterprises business, actively explore local profitable business, improve service level through technology innovation and continuously enhance market influence and market share

Reinsurance Business – TPre, TPre (China) and TPRB

- TPre will give full play to the advantages of reinsurance risk management, actively participate in the construction of catastrophe risk protection in Hong Kong and Macau, and comprehensively improve the international operation ability, professional and technical capabilities and investment management level
- TPre (China) will accelerate the drive of scientific and technological innovation, improve the risk management level of emerging business and catastrophe business, gradually optimise the business structure, improve profitability, and steadily promote the business development of life insurance and the Shanghai branch
- TPRB will build the company's core competitiveness, improve service level, strengthen market expansion and service depth, and continuously enhance market competitiveness

展望 (續)

境外產險業務 – 太平香港、太平澳門、太平英國、太平新加坡及太平印尼 (續)

- 太平英國持續加大業務拓展力度，深耕中資企業和華人市場，優化業務結構，強化風險管控，穩健經營，提升效益
- 太平新加坡發揮產壽協同優勢，通過差異化經營策略穩步推進業務發展；繼續深耕本地中資業務，加強業務品質管控，推進保險科技創新，提升精細化管理水平和市場競爭力
- 太平印尼不斷夯實中資業務基礎，積極拓展本地效益險種業務，運用科技創新改善服務水準，不斷提升市場影響力和市場份額

再保險業務 – 太平再保險、太平再保險 (中國) 及太平再保顧問

- 太平再保險發揮再保險風險管理優勢，積極參與港澳地區巨災風險保障建設，全面提升國際化經營能力、專業技術能力和投資管理水平
- 太平再保險 (中國) 加快科技創新驅動，提高新興業務、巨災業務的風險管理水平，逐步優化業務結構，提升盈利能力，穩步推進壽險、上海分公司的業務開展
- 太平再保顧問打造公司核心競爭力，提升服務水平，加強市場拓展力度和服務深度，持續提升市場競爭力

Management Review and Analysis

管理層回顧和分析

OUTLOOK (Continued)

Investment

- In the World Economic Outlook in January 2020, the International Monetary Fund judged that the easing monetary policies in 2019 would bring some lag effects, which would help the global economy recover at the beginning of 2020. It is expected that the global economic growth will see a moderate increase to 3.3% in 2020. China's development is still in and will be in an important period of strategic opportunities for a long time. The impact of the recent outbreak of COVID-19 on China's economy is temporary. The fundamentals of China's long-term sound and high-quality economic growth remain unchanged. At the same time, China's economy is changing from high-speed growth to high-quality development, with structural, institutional and cyclical problems intertwined. The impact of "Three Overlapping Periods", namely the shifting period of growth rate, the painful period of structural adjustment, and the digestion period of early stimulus policies has continued to deepen, and the downward pressure on the economy is still substantial
- Under the background of the epidemic impact, the global capital market is undergoing a dramatic fluctuation, but in the long run, the valuation of PRC stock market is still within the reasonable range while the Hong Kong stock market was still at historical low, certain targeted stocks with prominent performance were propitious to invest. The debt market will still be benefited from the loosen monetary policies and the fluctuation of interest rates will provide periodic investment opportunities. With the support of sufficient liquidity, credit default risk will improve gradually

展望 (續)

投資

- 世界貨幣基金在2020年1月的《世界經濟展望》中判斷2019年的寬鬆貨幣政策將帶來部分滯後效應，有助於全球經濟在2020年初復甦，預計2020年全球經濟增速將溫和回升至3.3%。中國發展仍處於並將長期處於重要戰略機遇期，近期新冠肺炎疫情對中國經濟的影響是暫時的，中國經濟長期向好、高品質增長的基本面沒有變化。同時，中國經濟正在由高速增長轉向高質量發展，結構性、體制性、週期性問題相互交織，增長速度換擋期、結構調整陣痛期、前期刺激政策消化期「三期疊加」影響持續深化，經濟下行壓力仍然較大
- 疫情衝擊背景下，全球資本市場出現劇烈波動，但從長期看，中國境內股票市場估值水平仍處於合理範圍，香港股票市場估值水平仍處於歷史低位，部分優秀標的具有較好配置價值。債券市場仍將受益於寬鬆貨幣政策，利率波動將帶來階段性配置機會，充裕流動性支持下，信用違約風險將逐步改善

Management Review and Analysis

管理層回顧和分析

OUTLOOK *(Continued)*

Investment *(Continued)*

- The Group will pay close attention to the development of the epidemic, fully assess the short-term impact of the epidemic on different regions and industries, and predict the potential risks in advance. On the other hand, the Group will meet the national “Six-steadiness” requirements, and make full use of the advantage of long investment term of insurance funds to inject financial vitality into the real economy. In terms of investment strategy, the Group will focus on balancing long-term investment returns and risks, continue to promote investment in high quality long-term equity investment and high-dividend stocks, appropriately lengthen the duration of bond allocation, optimise the structure of assets and liabilities, cope with the downward trend of interest rates, and fully improve the investment return
- Adhered to the philosophy of “Taiping for Your Peaceful Life”, the Group strives to realise the high-quality development of its investment business while complying with the national overall strategy and the principle of supporting the real economy, develop health, elderly care, medical and other industrial layouts around the insurance industry, and to form a virtuous cycle development layout of insurance, investment and industry

展望 (續)

投資 (續)

- 本集團將密切關注疫情進展，充分評估疫情對不同地區、行業帶來的短期衝擊，提前預警潛在風險。另一方面，堅決貫徹國家「六穩」要求，發揮險資長期投資優勢，為實體經濟注入金融活水。投資策略方面將注重長期投資回報與風險平衡，繼續推進優質長期股權投資和高分紅股票配置，適當拉長債券配置久期，優化資產負債結構，應對利率下行趨勢，全力提升投資收益
- 本集團踐行「共享太平」理念，按照服務國家戰略，支持實體經濟的原則，推動投資業務高質量發展，圍繞保險主業開展健康、養老、醫療等產業佈局，構建保險、投資、產業良性循環的發展格局

Independent Actuaries Report on Review of Embedded Value Information

關於內含價值信息的獨立精算師審閱報告



羅兵咸永道

Independent Actuaries Report on Review of Embedded Value Information

關於內含價值信息的獨立精算師審閱報告

To the Board of Directors of China Taiping Insurance Holdings Company Limited

致中國太平保險控股有限公司
諸位董事

We have reviewed the Group Embedded Value of China Taiping Insurance Holdings Company Limited (“the Company” or “CTIH”) (“the Group EV”) and Embedded Value of Taiping Life Insurance Company Limited (“TPL”) (“the TPL EV”) set out on pages 64 to 73 of the Annual Report of the Company for the year ended 31 December 2019 (“the EV information”).

我們已經審閱了中國太平保險控股有限公司（下稱「貴公司」或「中國太平控股」）截至2019年12月31日總內含價值（「總內含價值」）及太平人壽保險有限公司（下稱「太平人壽」）內含價值（「太平人壽內含價值」），該等信息在貴公司2019年年報第64頁至第73頁予以披露（統稱「內含價值信息」）。

The directors of the Company are responsible for the preparation and presentation of the EV information in accordance with the “Actuarial practice standard: Assessment standard for embedded value of life insurance” published by the China Association of Actuaries (“the Assessment Standard”) and industry practice for publicly listed companies in Hong Kong. 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.

貴公司的管理層有責任確保在準備和披露貴公司內含價值信息時符合中國精算師協會頒佈的《精算實踐標準：人身保險內含價值評估標準》（下稱「評估標準」）的要求，並與香港上市公司的現行行業做法一致。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，以及內含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，以及計算內含價值結果。

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 industry practice for publicly listed companies in Hong Kong, the Assessment Standard and available market information.

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，判斷內含價值的方法和假設是否與評估標準要求和市場信息一致，是否與香港上市公司的現行行業做法一致。

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

我們審閱了貴公司準備內含價值信息時採用的方法和假設，包括：

- The Group EV as of 31 December 2019;
- Value of one-year new business of TPL issued during the year ended 31 December 2019; and

- 審閱截至2019年12月31日的總內含價值；
- 審閱截至2019年12月31日的太平人壽一年新業務價值；及

Independent Actuaries Report on Review of Embedded Value Information 關於內含價值信息的獨立精算師審閱報告

- Movement analysis of the TPL EV and sensitivity analysis of value in-force business and value of one-year new business of TPL.

Our review procedures included, but were not limited to, discussing with management of CTIH the methodology and assumptions, inspecting documentation relating thereto, and considering whether the methodologies are consistent with the Assessment Standard and industry practice for publicly listed companies in Hong Kong 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 CTIH. 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 CTIH. Our work did not involve reperforming the EV calculations, nor verifying the data and information underlying the EV information.

Based on our review procedures, we have concluded that the methodologies and assumptions used in preparing the EV information are consistent with industry practice for publicly listed companies in Hong Kong, the Assessment Standard 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.

For and on behalf of PricewaterhouseCoopers Ltd.

Xiaobin Yuan, FSA

Hong Kong, 27 March 2020

- 審閱太平人壽內含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：與中國太平控股的管理層討論內含價值的評估方法與假設，檢查相關的文檔，以及評估內含價值計算方法與假設是否與評估標準要求一致、是否與可獲得的市場信息一致，以及是否與香港上市公司的現行行業做法一致。

準備內含價值信息時，需要預測很多中國太平控股無法控制的不確定事件，並就此作出假設。因此，中國太平控股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，我們依賴由中國太平控股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含價值，也沒有檢驗內含價值信息所用到的數據和相關信息。

根據我們的審閱工作，我們認為中國太平控股在準備內含價值信息時所用的方法和假設與評估標準要求一致、與可獲得的市場信息一致，並與香港上市公司的現行行業做法一致。

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。

代表羅兵咸永道有限公司

袁曉斌 精算師

香港，2020年3月27日

Embedded Value 內含價值

BACKGROUND

The Group consists of three major business segments: the life insurance business, property and casualty insurance business and reinsurance business. The Group also has other companies and operations in the areas of investment holding, asset management, pensions and other businesses. The life insurance segment operated by TPL, a 75.1%-owned subsidiary, is a significant part of the Group in terms of gross premiums written, total assets and profitability. In order to provide investors with additional information to evaluate the profitability and valuation of TPL, the Group discloses the Embedded Value and New Business Value of TPL in its Annual and Interim Results Announcements. 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 costs 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.

The Group's other business segments (including property and casualty insurance, reinsurance and pension and group life insurance) (collectively, "Other Core Operations") continue to develop well. To provide investors with further information on these operations, the Group also discloses the Group Embedded Value. The Group Embedded Value is defined as the Adjusted Net Worth of the Other Core Operations plus the Embedded Value of TPL. The Adjusted Net Worth of the Other Core Operations is determined by Hong Kong Financial Reporting Standards, with marked-to-market and goodwill adjustments. Please note that the Group Embedded Value calculation does not include any valuation for future new business.

背景

本集團由三項主要業務分部組成：人壽保險業務、財產保險業務及再保險業務。本集團亦有其他公司經營投資控股、資產管理、養老保險及其他業務。太平人壽（本公司持有75.1%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是本集團重要之部份。為向投資者提供額外資料以評估太平人壽之盈利能力及估值，本集團於年度及中期業績公告內披露太平人壽之內含價值及新業務價值。內含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。

本集團其他業務分部（包括財產保險、再保險及養老及團體人壽保險）（統稱「其他核心業務」）繼續發展良好。為向投資者提供更多有關以上營運的資料，本集團披露集團的總內含價值。總內含價值乃定義為其他核心業務的經調整資產淨值，加上太平人壽的內含價值。其他核心業務的經調整資產淨值按香港財務報告準則釐定，並對市價及商譽作出調整。請注意總內含價值的計算並不包括日後任何新業務的估值。

Embedded Value

內含價值

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 2019 are consistent with standards generally adopted by insurance companies in the PRC. PwC has also examined the methodologies used by the Group in preparing the Group Embedded Value.

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. In addition, the Group Embedded Value is also based on certain assumptions, and should not be viewed as the only benchmark for evaluating and valuing the businesses and operations of the Group. 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 of TPL and the Group Embedded Value, but also various other considerations. In addition, TPL is 75.1%-owned by the Company. The Embedded Value and the New Business Value of TPL as at 31 December 2019 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 and the Group Embedded Value, if they believe such calculations are important and material to the valuation of the Company.

編製基準

本集團已委聘國際諮詢精算師羅兵咸永道有限公司（「羅兵咸永道」），審查太平人壽編製於2019年12月31日內含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。羅兵咸永道亦有審查本集團於編製總內含價值時採用的方法。

提示聲明

計算太平人壽的內含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。此外，總內含價值亦基於若干假設，因此不應視之為評價及評估本集團業務營運的唯一基準。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，投資者不僅要慮及太平人壽的內含價值及新業務價值和總內含價值，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75.1%股權。因此，不應把下列所披露之於2019年12月31日之太平人壽內含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等因素，及其他支持計算太平人壽內含價值及新業務價值計算及總內含價值之因素。

Embedded Value 內含價值

GROUP EMBEDDED VALUE

HK\$ million

總內含價值

百萬港元

		At 31 December 2019 於2019年 12月31日	At 31 December 2018 於2018年 12月31日
Adjusted Net Worth ¹	經調整資產淨值 ¹	107,390	97,590
Value of in-force business before cost of capital for TPL	太平人壽有效業務扣除資本 成本前之價值	109,072	89,516
Cost of capital for TPL	太平人壽資本成本	(11,064)	(7,926)
Group Embedded Value	總內含價值	205,398	179,180
Attributable to:	應佔：		
Owners of the Company	本公司股東權益	160,166	139,563
Non-controlling interests	非控股股東權益	45,232	39,617
Group Embedded Value	總內含價值	205,398	179,180

¹ The adjusted net worth is based on CTIH's audited net asset value, after making the following major adjustments:

- i Goodwill and intangible assets produced during consolidation have been deducted; and
- ii Fair value adjustments to held-to-maturity assets.

Group Embedded Value measured in RMB at 31 December 2019 was RMB183.992 billion (31 December 2018: RMB156.998 billion).

¹ 經調整資產淨值是按中國太平控股經審計後資產淨值，及進行以下主要調整而計量：

- i 扣除合併賬產生的商譽及無形資產；及
- ii 持有至到期資產的公允價值調整。

於2019年12月31日，以人民幣計量的總內含價值為1,839.92億元人民幣（2018年12月31日：1,569.98億元人民幣）。

Embedded Value

內含價值

EMBEDDED VALUE OF TPL

1. EMBEDDED VALUE

HK\$ million

		At 31 December 2019 於2019年 12月31日	At 31 December 2018 於2018年 12月31日
Adjusted Net Worth	經調整資產淨值	67,448	54,840
Value of in-force business before cost of capital	有效業務扣除資本 成本前之價值	109,072	89,516
Cost of capital	資本成本	(11,064)	(7,926)
Embedded Value	內含價值	165,456	136,430
Attributable to:	應佔：		
Owners of the Company	本公司股東權益	124,258	102,459
Non-controlling interests	非控股股東權益	41,198	33,971
Embedded Value	內含價值	165,456	136,430

Embedded Value measured in RMB at 31 December 2019 was RMB148.212 billion (31 December 2018: RMB119.541 billion), among them, the Adjusted Net Worth was RMB60.419 billion (31 December 2018: RMB48.051 billion).

於2019年12月31日，以人民幣計量的內含價值為1,482.12億元人民幣（2018年12月31日：1,195.41億元人民幣），其中經調整資產淨值為604.19億元人民幣（2018年12月31日：480.51億元人民幣）。

太平人壽之內含價值

1. 內含價值

百萬港元

		At 31 December 2019 於2019年 12月31日	At 31 December 2018 於2018年 12月31日
Adjusted Net Worth	經調整資產淨值	67,448	54,840
Value of in-force business before cost of capital	有效業務扣除資本 成本前之價值	109,072	89,516
Cost of capital	資本成本	(11,064)	(7,926)
Embedded Value	內含價值	165,456	136,430
Attributable to:	應佔：		
Owners of the Company	本公司股東權益	124,258	102,459
Non-controlling interests	非控股股東權益	41,198	33,971
Embedded Value	內含價值	165,456	136,430

Embedded Value 內含價值

EMBEDDED VALUE OF TPL (Continued)

2. NEW BUSINESS VALUE

HK\$ million

		For the Past 12 Months as of 31 December 2019 於2019年 12月31日 過去十二個月	For the Past 12 Months as of 31 December 2018 於2018年 12月31日 過去十二個月
New Business Value before cost of capital	新業務扣除資本成本前之價值	15,882	19,868
Cost of capital	資本成本	(5,371)	(6,631)
New Business Value after cost of capital	新業務扣除資本成本後之價值	10,511	13,237

New Business Value measured in RMB for 2019 was RMB9.416 billion (2018: RMB11.599 billion).

New business margin of TPL for the year 2019 was 28.4% (2018: 36.0%), from which the new business margin for individual business was 35.3% (2018: 42.4%), new business margin for bancassurance business was 3.2% (2018: 3.9%).

太平人壽之內含價值(續)

2. 新業務之價值

百萬港元

2019年，以人民幣計量的新業務之價值為94.16億元人民幣（2018年：115.99億元人民幣）。

2019年太平人壽整體新業務價值率為28.4%（2018年：36.0%），其中個險新業務價值率為35.3%（2018年：42.4%），銀保新業務價值率為3.2%（2018年：3.9%）。

Embedded Value 內含價值

EMBEDDED VALUE OF TPL (Continued)

2. NEW BUSINESS VALUE (Continued)

New business value by line of business were as follows:

HK\$ million

		For the Past 12 Months as of 31 December 2019 於2019年 12月31日 過去十二個月	For the Past 12 Months as of 31 December 2018 於2018年 12月31日 過去十二個月
Individual	個人代理	10,269	12,829
Bancassurance	銀行保險	202	210
Others ¹	其他 ¹	40	198
		10,511	13,237

¹ Others mainly includes telemarketing business.

太平人壽之內含價值(續)

2. 新業務之價值(續)

按業務劃分新業務之價值如下:

百萬港元

		For the Past 12 Months as of 31 December 2019 於2019年 12月31日 過去十二個月	For the Past 12 Months as of 31 December 2018 於2018年 12月31日 過去十二個月
Individual	個人代理	10,269	12,829
Bancassurance	銀行保險	202	210
Others ¹	其他 ¹	40	198
		10,511	13,237

¹ 其他主要包括電話營銷業務。

Embedded Value

內含價值

EMBEDDED VALUE OF TPL (Continued)

太平人壽之內含價值(續)

3. MOVEMENT ANALYSIS OF EMBEDDED VALUE

3. 內含價值之動態分析

The following analysis shows the movement of the Embedded Value to 31 December 2019.

以下分析反映內含價值如何變化至2019年12月31日。

		notes 註	HK\$ million 百萬港元
Embedded Value as at 31 December 2018	於2018年12月31日之內含價值		136,430
Expected return on Embedded Value	內含價值預期回報	a	11,343
New Business Value	新業務之價值	b	10,511
Minimum capital dispersion effect	最低資本分散效應	c	2,824
Assumption and model change	假設及模型變化	d	1,705
Other experience variance and exchange rate impact	其他經驗差異項及匯率影響	e	4,562
Capital injection or dividend to shareholders	資本注入或股東紅利	f	(1,919)
Embedded Value as at 31 December 2019	於2019年12月31日之內含價值		165,456

notes:

- (a) Return on value of in-force business plus expected interest on adjusted net assets.
- (b) New business contribution from sales of new business in the year of 2019.
- (c) Minimum capital dispersion effect refers to the difference caused by the different evaluation level of cost of capital under C-ROSS embedded value framework. Cost of capital of new business is evaluated on the policy level while cost of capital of in-force business is evaluated on the company level.
- (d) Assumption and model change.
- (e) Including differences between the actual experience and expected experience for investment return, dividend, mortality, morbidity, lapses, expenses and the effect from reinsurance contracts and assumption changes, as well as exchange rate impact arising from the exchange rate of the RMB.
- (f) Dividend to shareholders in 2019.

註:

- (a) 有效業務回報加調整後淨資產預期利益。
- (b) 2019年新業務銷售之貢獻。
- (c) 最低資本分散效應，主要為償二代內含價值框架下，新業務價值資本成本在保單層面核算而有效業務價值資本成本在整體層面核算造成的差異。
- (d) 假設及模型變化的影響。
- (e) 包括投資收益率、分紅、死亡率、發病率、退保、費用等實際經驗與預期經驗之間的差額所產生的影響，以及人民幣兌換所產生的匯率影響。
- (f) 2019年股東分紅。

Embedded Value

內含價值

EMBEDDED VALUE OF TPL (Continued)

4. 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.

4.1 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 11.0% (2018:11.0%) for all in force and new business.

4.2 Investment return

The annual investment returns have been assumed to be 4.8% with an increase of 0.05% annually up to 5.0% and thereafter remain unchanged (2018: assumed to be 4.8% with an increase of 0.05% annually up to 5.0% and thereafter remain unchanged).

4.3 Expenses

Expenses have been projected based on benchmark assumptions.

4.4 Tax

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

太平人壽之內含價值 (續)

4. 主要假設

太平人壽在設定計算內含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。

4.1 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11.0% (2018年：11.0%)。

4.2 投資回報

假設未來年度每年投資回報率為自4.8%起，以後每年增加0.05%，至5.0%並保持不變 (2018年：假設未來年度每年投資回報率為自4.8%起，以後每年增加0.05%，至5.0%並保持不變)。

4.3 費用

費用乃根據基準假設而預計。

4.4 稅項

根據中國稅法規定，稅率為25%。

Embedded Value 內含價值

EMBEDDED VALUE OF TPL (Continued)

4. KEY ASSUMPTIONS (Continued)

4.5 Mortality

The experience mortality rates have been based on 70% of the China Life Insurance Mortality Table (2000-2003) for non-annuitants. For annuity products, 70% of the China Life Insurance Mortality Table (2000-2003) for annuitants have been used.

4.6 Morbidity

The morbidity rate assumptions have been set with reference to actual experience and distinguished between types of insurance.

4.7 Claim ratio

The claim ratio assumptions for short-term insurance business have been set with reference to actual experience and distinguish between channels and types of insurance.

4.8 Lapses

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

4.9 Required capital

The required capital has been based on 100% of the minimum solvency margin (2018: 100%).

太平人壽之內含價值(續)

4. 主要假設(續)

4.5 死亡率

經驗死亡率乃按中國人壽保險業經驗生命表(2000-2003)非養老金業務表之70%比率為基準計算,就年金產品而言,按中國人壽保險業經驗生命表(2000-2003)養老金業務表之70%比率為基準計算。

4.6 發病率

發病率假設參考實際經驗設定,並區分險類。

4.7 賠付率

短期險業務的賠付率假設參考實際經驗設定,並區分渠道和險類。

4.8 退保

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

4.9 資本要求

資本要求是按最低償付能力的100%計算(2018年:100%)。

Embedded Value 內含價值

EMBEDDED VALUE OF TPL (Continued)

5. SENSITIVITY TESTING

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

At 31 December 2019, HK\$ million

Assumptions 假設		Value of in-force business after cost of capital 有效業務價值 扣除資本成本後	New business value after cost of capital 新業務價值 扣除資本成本後
Base scenario	基本情景	98,008	10,511
Risk discount rate of 11.5%	風險貼現率為11.5%	94,478	9,820
Risk discount rate of 10.5%	風險貼現率為10.5%	101,848	11,263
Investment return increased by 50bp every year	投資回報每年提高50點子	112,086	13,108
Investment return decreased by 50bp every year	投資回報每年下跌50點子	83,879	7,905
10% increase in mortality rates	死亡率提高10%	97,259	10,366
10% decrease in mortality rates	死亡率下跌10%	98,761	10,658
10% increase in morbidity rates	發病率提高10%	95,539	10,063
10% increase in lapse rates	退保率提高10%	98,255	10,383
10% decrease in lapse rates	退保率下跌10%	97,696	10,627
10% increase in expense ratio assumption	費用率假設提高10%	97,021	10,323

太平人壽之內含價值(續)

5. 敏感性測試

有關主要假設之敏感性測試概述如下：

於2019年12月31日，百萬港元

Biographical Details of Directors, Senior Management and Company Secretary

董事、高級管理層及公司秘書之履歷

EXECUTIVE DIRECTORS

Mr. LUO Xi, aged 59, is the chairman of the Company since 2018. Mr. LUO is the chairman of TPG and TPG (HK) since 2018, he is also the chairman of TPL and TPAM. Mr. LUO has been the vice-chairman and general manager of China Resources (Holdings) Co., Ltd; vice chairman and president of China Export & Credit Insurance Corporation; executive director and senior executive vice president of Industrial and Commercial Bank of China Limited; executive director and vice president of Agricultural Bank of China Limited. Mr. LUO holds a master degree in economics from Graduate School of the People's Bank of China, he is also a senior economist.

Mr. WANG Sidong, aged 58, is the vice chairman and general manager of the Company since 2018. Mr. WANG is currently the vice chairman and general manager of TPG and TPG (HK) since 2018, he is also a director of TPL, a director of TPI, a director of TPP and a director of TPAM. Mr. WANG has been the director of the general office of China Life Insurance (Group) Company, deputy director of the China Life Shares Reform Office, deputy general manager of China Life Zhejiang Branch and vice president of China Life Insurance (Group) Company; and has served as a non-executive director of China Life Insurance Company Limited; director of China Life Pension Company Limited; director of China Life Ecommerce Company Limited; chairman of China Life Investment Holding Company Limited; director of China World Trade Center Ltd.; director of China World Trade Center Co., Ltd.; Chairman of Zhong Bao Mansion Co. Ltd.; and has been worked for the Ministry of Foreign Trade and Economic Cooperation of China, the Xinhua News Agency Hong Kong Branch, and The Hong Kong Chinese Enterprises Association. Mr. WANG holds a bachelor degree in arts from Shandong University, China. He is also a senior economist.

執行董事

羅熹先生，59歲，2018年至今出任本公司董事長。羅先生自2018年至今擔任中國太平保險集團及中國太平保險集團（香港）董事長，兼任太平人壽及太平資產董事長。羅先生曾任華潤（集團）有限公司副董事長及總經理，中國出口信用保險公司副董事長及總經理，中國工商銀行股份有限公司執行董事及副行長，中國農業銀行股份有限公司執行董事及副行長。羅先生持有中國人民銀行研究生部經濟學碩士學位，彼為高級經濟師。

王思東先生，58歲，2018年至今出任本公司副董事長及總經理。王先生自2018年至今擔任中國太平保險集團及中國太平保險集團（香港）副董事長及總經理，兼任太平人壽董事、太平財險董事、太平養老董事及太平資產董事。王先生曾任中國人壽保險（集團）公司辦公室主任、中國人壽股改辦副主任、中國人壽浙江省分公司副總經理及中國人壽保險（集團）公司副總裁等職務，曾兼任中國人壽保險股份有限公司非執行董事，中國人壽養老保險股份有限公司董事，中國人壽電子商務有限公司董事，國壽投資控股有限公司董事長，中國國際貿易中心有限公司董事，中國國際貿易中心股份有限公司董事，中保大廈有限公司董事長，並曾在中國對外貿易經濟合作部、新華通訊社香港分社及香港中國企業協會等機構任職。王先生持有中國山東大學文學學士學位，彼為高級經濟師。

Biographical Details of Directors, Senior Management and Company Secretary 董事、高級管理層及公司秘書之履歷

Mr. REN Shengjun, aged 56, is a deputy general manager of the Company since 2015. Mr. REN is an executive director* of TPG and TPG (HK) and is a deputy general manager of TPG and TPG (HK) since 2015, he is also a director of TPL and TPI; chairman of TPP, a director of TPAM and the chairman of TPIH. Mr. REN has been a member of the business committee, general manager of the planning and financial management department (director level), president of Shanghai Branch and president of Shenzhen Branch of The Export-Import Bank of China and has been served in various positions in the credit management department, credit business department and project appraisal department of The Export-Import Bank of China and in the industrial and transportation department of the Ministry of Finance of China. Mr. REN holds a master degree in economics from Central University of Finance and Economics, China. He is also a senior accountant.

NON-EXECUTIVE DIRECTORS

Mr. GUO Zhaoxu, aged 55, is a non-executive director of the Company since December 2019. Mr. GUO is a non-executive director* of TPG and TPG (HK). Mr. GUO has been the general manager of China Finance & Economic Media Group; deputy editor-in-chief and president of Economic Science Press; deputy director, director of editing room and deputy editor-in-chief of China Financial & Economic Publishing House. Mr. GUO holds a bachelor degree in accounting from Central University of Finance and Economics, China. He is also a senior editor.

任生俊先生，56歲，2015年至今出任本公司副總經理。任先生為中國太平保險集團及中國太平保險集團（香港）執行董事*，自2015年至今擔任中國太平保險集團及中國太平保險集團（香港）副總經理，兼任太平人壽董事，太平財險董事，太平養老董事長，太平資產董事及太平投資控股董事長。任先生曾任中國進出口銀行行務委員、計劃財務部總經理（正局長級）、上海分行行長、深圳分行行長，並曾在中國進出口銀行信貸管理部、信貸業務部、項目評審部，中國財政部工業交通司任職。任先生持有中國中央財經大學會計專業經濟學碩士學位，彼為高級會計師。

非執行董事

郭兆旭先生，55歲，2019年12月至今出任本公司非執行董事。郭先生為中國太平保險集團及中國太平保險集團（香港）非執行董事*。郭先生曾任中國財經出版傳媒集團總經理，經濟科學出版社副總編輯及社長，中國財政經濟出版社編輯室副主任、主任及副總編輯。郭先生持有中國中央財經大學會計學學士學位，彼為編審。

* Subject to relevant regulatory approval.

* 有待相關監管部門批准。

Biographical Details of Directors, Senior Management and Company Secretary 董事、高級管理層及公司秘書之履歷

Mr. HU Xingguo, aged 54, is a non-executive director of the Company since December 2019. Mr. HU is a non-executive director* of TPG and TPG (HK). Mr. HU has been the vice president of China Financial and Economic News Agency; senior staff member, principal staff member, deputy director, researcher, secretary of the department, director of the General Division of the Accounting Department in the General Division of Accounting Department and National Accounting Professional Technical Qualification Examination Office of the Ministry of Finance of China. Mr. HU holds a bachelor degree in accounting from Shanghai University of Finance and Economics, China and a doctorate degree in management science from China University of Mining & Technology, Beijing. He is also a non-practising member of The Chinese Institute of Certified Public Accountants and intermediate accountant.

Ms. ZHANG Cui, aged 55, is a non-executive director of the Company since December 2019. Ms. ZHANG is a non-executive director* of TPG and TPG (HK). Ms. ZHANG has been a principal staff member, deputy director and director of the Commissioner's Office in Inner Mongolia and deputy inspection commissioner and deputy director of Hunan Regulatory Bureau (Former Office of the Ministry of Finance in Hunan) of the Ministry of Finance of China; editor of Research Institute of Department of Finance, Inner Mongolia. Ms. ZHANG holds a bachelor degree in economics from Central University of Finance and Economics, China.

Mr. YANG Changgui, aged 56, is a non-executive director of the Company since December 2019. Mr. YANG is a non-executive director* of TPG and TPG (HK). Mr. YANG has been the deputy director of the Investment Division 2 of Infrastructure Department, assistant director of the Investment (Budget) Evaluation Center and deputy director of the Information Network Center of the Ministry of Finance of China. Mr. YANG holds a master degree in finance from School of Finance of the Renmin University of China. He is also a registered cost engineer, intermediate accountant and senior economist.

胡興國先生，54歲，2019年12月至今出任本公司非執行董事。胡先生為中國太平保險集團及中國太平保險集團（香港）非執行董事*。胡先生曾任中國財經報社副社長，中國財政部會計司綜合處、全國會計專業技術資格考試辦公室副主任科員、主任科員、副處長、調研員、司秘書、會計司綜合處處長。胡先生持有中國上海財經大學會計學學士學位，中國礦業大學（北京）管理科學博士學位，彼為中國註冊會計師協會非執業會員及中級會計師。

張翠女士，55歲，2019年12月至今出任本公司非執行董事。張女士為中國太平保險集團及中國太平保險集團（香港）非執行董事*。張女士曾任中國財政部駐內蒙古專員辦主任科員、副處長、處長及湖南監管局（原財政部駐湖南專員辦）副監察專員及副局長，內蒙古財政廳科研所編輯。張女士持有中國中央財經大學經濟學學士學位。

楊昌貴先生，56歲，2019年12月至今出任本公司非執行董事。楊先生為中國太平保險集團及中國太平保險集團（香港）非執行董事*。楊先生曾任中國財政部基建司投資二處副處長、投資（預算）評審中心主任助理及信息網絡中心副主任。楊先生持有中國人民大學財金學院財政學碩士學位，彼為註冊造價工程師、中級會計師及高級經濟師。

* Subject to relevant regulatory approval.

* 有待相關監管部門批准。

Biographical Details of Directors, Senior Management and Company Secretary 董事、高級管理層及公司秘書之履歷

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. WU Jiesi, aged 68, is an independent non-executive director of the Company since 2000. Dr. WU is currently an independent non-executive director (“INED”) of China Citic Bank International Limited; an INED of Industrial and Commercial Bank of China (Asia) Limited; a non-executive director of Silver Base Group Holdings Limited; a non-executive director of Shenzhen Investment Limited; and an INED of Beijing Enterprises Holdings Limited. Dr. WU has been an independent director of China Life Franklin Asset Management Co., Limited; an independent director of China Merchant Securities Co. Ltd.; vice chairman and non-executive director of China Aoyuan Property Group Limited; non-executive director of China Water Affairs Group Limited; INED of China Merchants Bank Co., Ltd.; chairman of Zhonghui Mining Industry Africa Limited; INED of Yingli Green Energy Holding Company Limited; managing director and chief executive officer of Hopson Development Holdings Limited; honorary president of Guangdong Tannery Limited; honorary president of Guangdong Investment Limited; chairman of GDH Limited; chairman of Guangdong Yue Gang Investment Holdings Company Limited; assistant to the Governor of Guangdong Province, China; deputy mayor of Shenzhen Municipal Government, China; and President of ICBC Shenzhen Branch. Dr. WU holds a doctorate degree in economics and was conferred professor of theoretical economics by Nankai University, China. He has extensive experience in finance and management.

Mr. ZHU Dajian, aged 66, is an independent non-executive director of the Company since 2014. Mr. ZHU is currently a distinguished professor, PhD instructor of the School of Economics and Management and Director of Institute of Governance for Sustainable Development of Tongji University; an expert of the State Foundation for Social Sciences; a member of the Social Science Commission of the Ministry of Education of China; a special policy adviser of the Shanghai Municipal Government, China; a member of international expert committee of Ellen MacArthur Foundation, United Kingdom; Enel Foundation, Italy; Firmenich, Switzerland. Mr. ZHU has been an INED of Chiho-Tiande Group Limited; a senior research scholar of Harvard University, United States; and a senior visiting scholar of Melbourne University, Australia. Mr. ZHU is graduated from Qinghai University, China, holds a master of science degree from the Chinese Academy of Science and a doctorate degree in management from Tongji University, China.

獨立非執行董事

武捷思博士，68歲，2000年至今出任本公司獨立非執行董事。武博士現任中信銀行（國際）有限公司獨立非執行董事，中國工商銀行（亞洲）有限公司獨立非執行董事，銀基集團控股有限公司非執行董事，深圳控股有限公司非執行董事及北京控股有限公司獨立非執行董事。武博士曾任中國人壽富蘭克林資產管理有限公司獨立董事，招商證券股份有限公司獨立董事，中國奧園地產集團股份有限公司董事會副主席及非執行董事，中國水務集團有限公司非執行董事，招商銀行股份有限公司獨立非執行董事，中輝礦業非洲有限公司董事長，英利綠色能源有限公司獨立非執行董事，合生創展集團有限公司董事總經理及行政總裁，粵海制革有限公司名譽董事長，粵海投資有限公司名譽董事長，廣東控股有限公司董事長，廣東省粵港投資控股有限公司董事長，中國廣東省省長助理，中國深圳市政府副市長及中國工商銀行深圳分行行長。武博士持有中國南開大學經濟學博士學位，並獲授理論經濟學教授資格。彼擁有豐富的金融和管理經驗。

諸大建先生，66歲，2014年至今出任本公司獨立非執行董事。諸先生現任同濟大學特聘教授、經濟與管理學院博士生導師及可持續發展與管理研究所所長，國家哲學社會科學規劃管理學科組專家，中國教育部社會科學委員會管理學部委員，中國上海市政府決策諮詢特聘專家，英國Ellen MacArthur Foundation、意大利Enel Foundation、瑞士Firmenich基金會及跨國公司國際專家委員會成員。諸先生曾任齊合環保集團有限公司獨立非執行董事，美國哈佛大學高級研究學者及澳洲墨爾本大學高級訪問學者。諸先生畢業於中國青海大學，持有中國科學院理學碩士學位及中國同濟大學管理學博士學位。

Biographical Details of Directors, Senior Management and Company Secretary 董事、高級管理層及公司秘書之履歷

Mr. WU Ting Yuk Anthony, aged 65, is an independent non-executive director of the Company since 2013. Mr. WU is currently a member of the standing committee of the Chinese People's Political Consultative Conference National Committee; chairman of The China Oxford Scholarship Fund; a member of The Chief Executive's Council of Advisers on Innovation and Strategic Development, HKSAR; a member of Task Force on Land Supply, HKSAR; an INED and Chairman of China Resources Medical Holdings Company Limited; an INED of Power Assets Holdings Limited; an INED of Guangdong Investment Limited; INED of CStone Pharmaceuticals; INED of Venus Medtech (Hangzhou) Inc.; chief advisor of MUFG Bank; trustee of The Society for the Aid and Rehabilitation of Drugs Abusers; a member of State Council's Medical Reform Leadership Advisory Committee, PRC; an advisor of Public Policy Advisory Committee of National Health Commission of the PRC; principal advisor of State Administration of Traditional Chinese Medicine, PRC; and a member of Chinese Medicine Reform and Development Advisory Committee, PRC. Mr. WU has been an INED of Agricultural Bank of China Limited; an INED of Fidelity Funds; chairman of Hong Kong Hospital Authority; chairman and director of Hong Kong General Chamber of Commerce; chairman and director of Bauhinia Foundation Research Center; chairman of Far East and China of Ernst & Young PLLC; deputy chairman and executive director of Sincere Watch (Hong Kong) Limited. Mr. WU is a fellow of Institute of Chartered Accountants in England and Wales; a fellow of Hong Kong Institute of Certified Public Accountant; a honorary professor of Faculty of Medicine of the Chinese University of Hong Kong; a honorary Fellow of Hong Kong College of Community Medicine; a honorary professor of Peking Union Medical College Hospital; the honorary chairman of Institute of Certified Management Accountants, Australia, Hong Kong Branch and was appointed as Justice of Peace and awarded the honour of the Gold Bauhinia Star by the Government of HKSAR.

胡定旭先生，65歲，2013年至今出任本公司獨立非執行董事。胡先生現任中國人民政治協商會議全國委員會常務委員，英國牛津大學中國獎學基金會主席，行政長官創新及策略發展顧問團成員，香港特別行政區土地供應專責小組委員，華潤醫療控股有限公司獨立非執行董事及董事長，電能實業有限公司獨立非執行董事，粵海投資有限公司獨立非執行董事，基石藥業獨立非執行董事，杭州啓明醫療器械股份有限公司獨立非執行董事，三菱UFJ銀行首席顧問，香港戒毒會信託人，國務院深化醫療改革領導小組專家諮詢委員會委員，中國國家衛生健康委員會公共政策專家諮詢委員會顧問，國家中醫藥管理局國際合作首席顧問及中醫藥改革發展專家諮詢委員會委員。胡先生曾任中國農業銀行股份有限公司獨立非執行董事，富達基金獨立非執行董事，香港醫院管理局主席，香港總商會主席及理事，智經研究中心主席及理事，安永會計師事務所遠東及中國區主席，Sincere Watch (Hong Kong) Limited副主席及執行董事。胡先生為英格蘭及威爾斯特許會計師公會資深會員，香港會計師公會資深會員，香港中文大學醫學院榮譽教授，香港社會醫學院榮譽院士，北京協和醫院榮譽教授，澳洲管理會計師公會香港區榮譽主席，香港特別行政區政府太平紳士及獲頒授金紫荊星章。

Biographical Details of Directors, Senior Management and Company Secretary 董事、高級管理層及公司秘書之履歷

Mr. XIE Zhichun, aged 62, is an independent non-executive director of the Company since 2015. Mr. XIE is currently the chairman and an executive director of China Fortune Financial Group Limited; an INED of China Minsheng Banking Corp., Ltd.; vice chairman of Consultation Committee of Shenzhen Qianhai Shekou Free Trade Zone and Qianhai Shenzhen Hong Kong Cooperation Zone; graduate supervisor of PBC School of Finance, Tsinghua University, China; and distinguished professor of China Center for Special Economic Zone Research, Shenzhen University, China. Mr. XIE has been an INED of SuperRobotics Limited; a non-executive director of China Smartpay Group Holdings Limited; a non-executive director of Elife Holdings Limited; an executive vice president of China Investment Corporation; an executive director and president of Central Huijin Investment Ltd.; chairman of Sun Life Everbright Life Insurance Co., Ltd.; vice president of China Everbright Bank Company Limited; vice president, chief executive officer and director of Everbright Securities Company Limited; vice chairman (unattending) of Securities Association of China; executive director and president of China Everbright Asia-Pacific Company Limited; vice chairman of China Enterprises Association (Singapore); non-executive director of China Everbright Ltd.; vice president of China Everbright Bank, Dalian Branch; and general manager of international department of China Everbright Bank, Heilongjiang Branch. Mr. XIE holds a bachelor degree in philosophy from Heilongjiang University, China, a master degree in economics from Harbin Institute of Technology, China and doctor of philosophy in economics from Institute of Economic Research of Nankai University, China. He is also a senior economist.

SENIOR MANAGEMENT AND COMPANY SECRETARY

Mr. HONG Bo, aged 49, is a senior management since 2016 and is currently a deputy general manager of the Company. Mr. HONG is a deputy general manager of TPG and TPG (HK) since 2016, he is also a director of TPL, TPI and TPP, chairman of CTPI (HK), TPre, TPFH, TPL (HK), TP Macau, TP UK, TP Singapore and TP Starr. Mr. HONG holds a bachelor degree in thermal energy engineering and a master degree in power engineering from Shanghai Jiaotong University, China, and a doctorate degree in thermal turbomachinery engineering from the School of Power and Energy Engineering, Shanghai Jiaotong University, China.

解植春先生，62歲，2015年至今出任本公司獨立非執行董事。解先生現任中國富強金融集團有限公司執行董事及主席，中國民生銀行股份有限公司獨立非執行董事，深圳前海蛇口自貿片區及前海深港合作區諮詢委員會副主任委員，中國清華大學五道口金融學院碩士研究生導師及中國深圳大學中國經濟特區研究中心特聘教授。解先生曾任超人智能有限公司獨立非執行董事，中國支付通集團控股有限公司非執行董事，易生活控股有限公司非執行董事，中國投資有限責任公司副總經理，中央匯金投資有限責任公司執行董事及總經理，中國光大集團股份公司執行董事及副總經理，光大永明人壽保險有限公司董事長，中國光大銀行副行長，光大證券有限責任公司副總裁、總裁及董事，中國證券業協會副會長（非駐會），中國光大亞太有限公司執行董事及總裁，新加坡中資企業協會副會長，中國光大控股有限公司非執行董事，中國光大銀行大連分行副行長及中國光大銀行黑龍江分行國際業務部總經理。解先生持有中國黑龍江大學哲學學士學位，中國哈爾濱工業大學經濟學碩士學位，中國南開大學經濟研究所經濟學博士學位，彼為高級經濟師。

高級管理層及公司秘書

洪波先生，49歲，2016年成為高級管理層，現為本公司副總經理。洪先生自2016年至今擔任中國太平保險集團及中國太平保險集團（香港）副總經理，兼任太平人壽董事，太平財險董事，太平養老董事，太平香港董事長，太平再保險董事長，太平金控董事長，太平人壽（香港）董事長，太平澳門董事長，太平英國董事長，太平新加坡董事長及太平史帶董事長。洪先生持有中國上海交通大學熱能工程專業工學學士學位及電廠熱能動力工程專業工學碩士學位，中國上海交通大學動力與能源工程學院熱力葉輪機械專業工學博士學位。

Biographical Details of Directors, Senior Management and Company Secretary 董事、高級管理層及公司秘書之履歷

Mr. XIAO Xing, aged 48, is a senior management since 2017 and is currently a deputy general manager of the Company. Mr. XIAO is a deputy general manager of TPG and TPG (HK) since 2018, he is also a director of TPL, director of TPI, director of TPP, director of TPAM and the chairman of TPFT. Mr. XIAO holds a bachelor degree in automation, a master degree in Sociology and a doctorate degree in sociology from Shanghai University, China.

Mr. LI Kedong, aged 52, is a senior management since December 2019 and is currently a deputy general manager of the Company. Mr. LI is a deputy general manager* of TPG and TPG (HK) since 2020, he is also a director of TPI. Mr. LI holds a master degree in aircraft structural mechanics from Beihang University. He is also an engineer.

Mr. JIAO Yanjun, aged 47, is a senior management since 2013 and is currently the chief internal auditor of the Company. Mr. JIAO joined TPG since 2013 and is currently the person-in-charge of auditing* and chief internal auditor of TPG and TPG (HK), he is also the chairman of the board of supervisors of TPL*. Mr. JIAO holds a bachelor degree in engineering from Beijing Agricultural Engineering University, China and an executive master of business administration from Tsinghua University School of Economics and Management, China.

Mr. ZHANG Ruohan, aged 44, is a senior management since 2013 and is currently the chief financial officer and company secretary of the Company. Mr. ZHANG is the secretary of the board of directors of TPG since 2013 and company secretary of TPG (HK) since 2016, he is also a director of TPI, TPP, TPAM, TPIH and TPL (HK). Mr. ZHANG holds a bachelor degree in economics from Central University of Finance and Economics, China and a master degree in banking and finance from University of Giordano Dell' Amore Foundation, Italy.

肖星先生，48歲，2017年成為高級管理層，現為本公司副總經理。肖先生自2018年至今擔任中國太平保險集團及中國太平保險集團（香港）副總經理，兼任太平人壽董事，太平財險董事，太平養老董事，太平資產董事及太平金科董事長。肖先生持有中國上海大學自動控制專業理學學士學位、社會學專業法學碩士學位及社會學專業法學博士學位。

李可東先生，52歲，2019年12月成為高級管理層，現為本公司副總經理。李先生自2020年至今擔任中國太平保險集團及中國太平保險集團（香港）副總經理*，兼任太平財險董事*。李先生持有中國北京航空航天大學飛行器結構力學專業工學碩士學位，彼為工程師。

焦艷軍先生，47歲，2013年成為高級管理層，現為本公司稽核總監。焦先生自2013年加入中國太平保險集團，現為中國太平保險集團及中國太平保險集團（香港）審計責任人*及稽核總監，兼任太平人壽監事會主席*。焦先生持有中國北京農業工程大學工學學士學位及中國清華大學經濟管理學院高級管理人員工商管理碩士學位。

張若晗先生，44歲，2013年成為高級管理層，現為本公司財務總監及公司秘書。張先生自2013年至今擔任中國太平保險集團董事會秘書及自2016年至今擔任中國太平保險集團（香港）公司秘書，兼任太平財險董事，太平養老董事，太平資產董事，太平投資控股董事及太平人壽（香港）董事。張先生持有中國中央財經大學經濟學學士學位及University of Giordano Dell' Amore Foundation, Italy 銀行與金融學碩士學位。

* Subject to relevant regulatory approval.

* 有待相關監管部門批准。

Report of the Directors

董事會報告書

The directors respectfully submit their annual report together with the audited financial statements for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries are the underwriting of direct life insurance business in the PRC, Hong Kong, Macau and Singapore, direct property and casualty insurance business in the PRC, Hong Kong and overseas, pension and group life business, and all classes of global reinsurance business. The Company's subsidiaries also carry on operations in asset management, insurance intermediary, financial leasing, property investment, securities dealing and broking business. The principal activities and other particulars of the subsidiaries are set out in Note 17 of the consolidated financial statements.

The analyses of the principal activities 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 directors believe that an analysis of the profit contributions from each geographical area is not required for a proper appraisal of its businesses.

BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2019 are set out in the sections headed "Chairman's Statement" and "Management Review and Analysis" of this annual report, respectively. These discussions form part of this Directors' Report.

董事會仝人謹將截至2019年12月31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。本公司之附屬公司主要從事中國內地、香港、澳門及新加坡的直接人壽保險業務、中國內地、香港及海外的直接財產保險業務、養老及團體人壽保險，以及各類全球再保險業務。此外，本公司之附屬公司亦從事資產管理、保險中介、金融租賃、物業投資、證券交易及經紀業務。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務年度的主要業務分析載於綜合財務報表附註3。

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。

業務回顧

本集團截至2019年12月31日止年度的業務回顧分別載於本年報之「董事長致辭」及「管理層回顧和分析」一節。有關討論屬本董事會報告的一部分。

Report of the Directors

董事會報告書

BUSINESS REVIEW (Continued)

Risk Factors

In 2019, the Group has continued to promote the establishment of the comprehensive risk management system with risk capital as its core, carried out risk identification and evaluation by combining qualitative and quantitative, and top-down and bottom-up modes: firstly, monitoring risks according to the risk appetite determined by the board of directors and the implementation of associated risk factors monitoring system; secondly, carrying out risk prevention and control work such as risk screening, so as to identify and control risks in key areas and key risk, according to the relevant regulatory and company's requirements.

The major risks and countermeasures of the Company in 2019 are as follows:

(I) Insurance Risk, Market Risk, Credit Risk and Liquidity Risk

The details of the insurance risk, market risk, credit risk and liquidity risk faced by the Group and their mitigation measures are elaborated in Note 2 "Insurance, financial and capital risk management" to the consolidated financial statements.

(II) Strategic Risks

In 2019, the global economic growth slowed down and economic and trade frictions have brought greater risks and challenges to the global economy. China's economy is undergoing a transition from high-speed growth to high-quality growth. The insurance industry also entered into the new phase, during the process, the tightened supervision led to new changes in the insurance business model. Under such context, the Group kept enhancing the transformation and upgrading, firmly propel high-quality development to expedite the international strategy layout and its level of informatisation. The uncertainties arising from the slowdown of PRC's economic growth and trade protectionism growth around the world also posed increasing difficulty to the Group on risk management.

業務回顧 (續)

風險因素

2019年，本集團繼續推進以風險資本為核心的全面風險管理體系建設，採用定性與定量相結合、自上而下與自下而上相結合的方式對風險進行識別和評估：一是根據董事會確定的風險偏好，通過風險偏好指標體系的執行情況對風險進行監控；二是貫徹落實監管及公司相關要求，開展風險排查等風險防控工作，對重點領域、重點風險等進行風險識別和管控。

2019年公司面臨的主要風險及應對措施如下：

(一) 保險風險、市場風險、信用風險及流動性風險

有關本集團面臨的保險風險、市場風險、信用風險及流動性風險的描述及降低風險的措施詳情載於綜合財務報表附註2「保險、財務及資本風險管理」一節。

(二) 戰略風險

2019年，全球經濟增長放緩，經貿摩擦此起彼伏給全球經濟帶來了更大的風險和挑戰，中國經濟增正處於由高速增長階段向高質量發展階段的轉換期，保險業也處於轉型升級新階段，在這過程中監管趨嚴趨緊，導致保險商業模式出現新的變化。在此背景下，本集團繼續推進轉型升級，堅持推動高質量發展，推進國際化戰略佈局，提升信息化水平。中國經濟增速放緩及全球貿易保護主義抬頭等給本集團發展帶來不確定性因素，風險管理難度增加。

Report of the Directors

董事會報告書

BUSINESS REVIEW *(Continued)*

Risk Factors *(Continued)*

(II) Strategic Risks (Continued)

The Group continued to implement innovation risk management while promoting transformation and upgrading, implemented the risk management and control mechanism of “Synchronised Planning, Synchronised Construction and Synchronised Operation” of risk management and innovation development, promoted the establishment of risk prevention and control system matching new fields, new business and new technique, predicted possible risks associated with innovation, and effectively prevented major risk events.

(III) Operational Risks

In the process of operational management, the Group may experience operational risks arising from human error, system failure, incomplete process and other factors. The Group strengthened the management and control of operational risks by continuously improving its comprehensive risk management system, standardising the operational risk management systems and processes and improving the operational risk management measures, especially, the Group further increased the effectiveness of its risk assessment and control through the enhancement of the advocating among its staff, the risk screening in key operational risk areas, and the risk management information system. Firstly, the Group carried out the risk prevention and control work through careful and solid efforts, by refining operational risk prevention and control measures while strengthening its advocating, and actively promoted various risks screening and further enhanced the risk prevention and control mechanism based on the basis. Secondly, it promoted the application of information technology in risk management by facilitating the construction of the Group’s big data platform, so as to progressively achieve “rigid control” of operational risks using information system.

業務回顧 (續)

風險因素 (續)

(二) 戰略風險 (續)

本集團在推進轉型升級的同時加大對創新領域的風險防範工作，實施風險管理與創新發展「同步規劃、同步建設、同步運作」的風險管控機制，推進與新領域、新業務以及新技術相匹配的風險防控體系建設，對創新過程中可能出現的風險提前做好預判，有效防範了重大風險事件的發生。

(三) 操作風險

本集團在經營管理過程中會面臨因人為失誤、系統故障、流程不完善等原因引發的操作風險。本集團通過持續完善全面風險管理體系、規範操作風險管理制度與流程、提升操作風險管理手段等加強對操作風險的管控，尤其是通過強化宣導、加強對重點操作風險領域的風險排查、完善風險管理信息系統等方面進一步提升風險評估和管控的有效性：一是做細做實風險防控工作，在強化風險防控宣導的同時，細化操作風險防控措施，並積極推進各項風險排查，在此基礎上進一步完善操作風險防控機制；二是推進信息化手段在風險管理工作中的應用，推動本集團大數據平台建設，逐步實現信息系統對操作風險的「剛性管控」。

Report of the Directors

董事會報告書

BUSINESS REVIEW (Continued)

Compliance with Laws and Regulations

The Group consistently complies with the relevant laws and regulations and regulatory requirements, operates each task combing the features of the Group. To the best of our knowledge, in 2019, the Group complied with the laws including the Hong Kong Companies Ordinance, the Listing Rules, and the SFO, while complying with the requirements of the PRC and overseas regulatory authorities including CBIRC to ensure strict compliance.

Environmental Policy and Performance

The Group has devoted itself to promote the development of the environmental, social and corporate governance and strictly complied with the environmental protection laws and regulations and other relevant requirements in each operating region, and was committed in improving the overall environmental performance of the Group, in order to achieve sustainable development and fulfil the responsibilities of world citizens.

Developing Green Finance

In response to the national call for green environmental protection, energy conservation and emission reduction, the Group actively practiced the green development. Internally, the Group vigorously advocated energy conservation and emission reduction. Externally, the Group developed green financial products and invested green projects. For example, the Group launched the integrated customer service platform “Taiping” APP, TPL setup the “Smart Service Hall” which were self-service insurance service served by artificial intelligence service throughout the whole process. The Group fulfilled its responsibilities as a central enterprise and took the road of green development and green lifestyle.

Developing Green Building

The Company’s strategy is to promote the sustainable development of the Group. It had set up a specialised company to take charge of the construction project and property management of the Group. It injected energy conservation and emission reduction elements into all building design and used domestic and overseas authoritative green building standards as the basis to ensure the advanced, economical, energy-saving and environmental performance of the building system. Currently, the Taiping Finance Tower in Shenzhen, Nanning and Suzhou have been awarded the “Two-Star Green Building Label Certificate” and are known as the “Breathing Building”.

業務回顧 (續)

遵守法律及法規

本集團一貫遵循外部相關法律法規及監管規定要求，並結合本集團特點開展各項工作。盡我們所知，2019年本集團遵照香港《公司條例》、《上市規則》、《證券及期貨條例》等法規，同時遵守中國銀保監會等境內外監管機構規定，嚴守合規底線。

環境政策及表現

本集團一直以來致力於環境、社會與企業管治的發展，亦嚴格遵守集團各運營地區之環境保護法律法規及其他相關要求，致力於提升本集團整體的環保表現，以永續發展，履行世界公民責任。

開展綠色金融

本集團響應國家綠色環保、節能減排的號召，積極踐行綠色發展之路，對內大力提倡節能減排，對外開發綠色金融產品、投資綠色環保項目，如推出綜合客戶服務平台「太平通」APP，旗下太平人壽推出「智慧營業廳」，全程採用人工智慧服務的自助式保險經營場所，履行央企責任，走綠色發展和綠色生活方式之路。

發展綠色建築

本公司以推動集團永續發展為戰略領域，組建專門公司負責本集團旗下的工程建設和物業經營管理，在建築設計中均注入節能減排之元素，以國內外的權威綠色建築標準為設計依據，確保建築系統的先進性、經濟性、節能性和環保性能。目前旗下深圳、南寧、蘇州三地太平金融大廈已取得二星級綠色建築設計標識證書，被稱之為「會呼吸的樓」。

Report of the Directors

董事會報告書

BUSINESS REVIEW *(Continued)*

Environmental Policy and Performance *(Continued)*

Promoting Green Operation

The Group analysed its emission of greenhouse gas by strictly following relevant laws and regulations such as the Law of the PRC on Energy Conservation and the Energy-saving and Emission-reduction Work Plan under the “13th Five-Year Plan”, and it proactively developed measures to reduce greenhouse gas emission and improve energy efficiency. In addition, extensive efforts have been made to practicing low-carbon operation, advocating green office and training green staff.

Details of the Group’s Corporate Social Responsibility (“CSR”) performance in 2019 will be disclosed in the 2019 CSR Report.

Relationships with Key Stakeholders

The Group’s development and success also depends on the support from key stakeholders which comprise shareholders, customers, employees, business partners, government and community, suppliers etc..

Shareholders

It was one of the Group’s business goals to enhance corporate value for shareholders, to promote business development for achieving sustainable and profitable growth, to maintain a good return on investment, and to ensure the preservation and appreciation of assets. It also attached great importance to maintaining good corporate governance, effective risk management, and transparent disclosure of information.

Customers

The Group proactively takes care of the needs of customers at all time. Its subsidiaries including TPL, TPI and TPP adhered to the “customer-centric” service concept, continuously optimising and improving from the aspects of mechanism, process and innovation to improve the customer experience. Through comprehensive understanding of business demands and customer service difficulties, the Group strived to offer innovative products and services, providing its customer with quality insurance, investment services and rights protection.

業務回顧 *(續)*

環境政策及表現 *(續)*

推進綠色運營

本集團通過梳理溫室氣體排放情況，嚴格遵守《中華人民共和國節約能源法》及《「十三五」節能減排綜合工作方案》等法律法規，積極制定減少溫室氣體排放及改善能源效率的措施，在踐行低碳運營、堅持綠色辦公、培養綠色員工等方面，均開展了較多實際工作。

有關本集團在2019年企業社會責任表現的詳情將載於《2019年社會責任報告》。

與主要持份者的關係

本集團的發展和成功，亦主要依賴於主要持份者，包括股東、客戶、員工、業務夥伴、政府及社區、供應商等的大力支持。

股東

本集團其中一個企業目標是為股東提升企業價值，旨在促進業務發展以實現可持續盈利增長，保持較好投資回報，確保資產保值增值。同時注重保持良好的公司治理、有效的風險管理、透明的信息披露。

客戶

本集團始終積極關注客戶需求，旗下太平人壽、太平財險、太平養老等子公司亦堅持「以客戶為中心」的服務理念，從機制、流程、創新方面不斷優化和提升，改進客戶體驗。通過全面瞭解業務需求，掌握客戶服務痛點和難點，本集團創新產品服務，為客戶提供優質保險、投資服務及權益保障。

Report of the Directors

董事會報告書

BUSINESS REVIEW (Continued)

Relationships with Key Stakeholders (Continued)

Employees

The Group established sound training system, scientific and reasonable, market-oriented remuneration and incentive scheme to continuously attract outstanding talents. It facilitates the development of the employees in multi-channels, attaches great importance on their health and families, establish a healthy working environment and ensure occupational safety, and strive to raise their happiness as a whole. The Group established the information collection, analysis and processing system via the “Internet+” employee service system, and built the mobile employee service platform – “Employee e-home” mobile app to improve human resources efficiency and publicise the balance between sports, health, work and life.

Business Partners

The Group’s primary business partner comprised of investment or joint venture partners, strategic customers, individual agents and bancassurance staff, and intermediate agencies. Through equal and mutually beneficial co-operation and strategic cooperation, we enhanced the business development and performance, as well as cross sector cooperation to achieve mutual growth, realising “Taiping for your peaceful life”.

In particular, the hundreds of thousands of agents and bancassurance staffs currently working with China Taiping are also important resources and partners of the Group. The Group provides all kinds of training for individual insurance agent, helping newcomers to learn industry regulations, master essential knowledge and skills, and have clear development goals; improving business managers’ team management ability; helping senior managers and senior executive management improving team management ability from both theory cognition and practical operation perspectives, in order to achieve synergetic development of high performance individual and organisation. The Group is committed to maintaining good business partnerships with banks and promoting long-term business interest, while adhering to the philosophy of “Training is the Greatest Staff Benefits” to offer basic training projects such as pre-post training, link-up training, sales department managers/ regional director training and internet online-learning and to actively promote performance incentives training such as Private Consultant Gold Medal Masters Forum (金牌私顧大師賽論壇) and Organisation Development Forum. Apart from providing various training courses, the Group has also built a development platform and an effective incentive system for bancassurance sales staff to enable them to develop rapidly and to provide them with broad development space, which in turn making our bancassurance sales team highly competitive.

業務回顧 (續)

與主要持份者的關係 (續)

員工

本集團已建立良好的培訓體系、科學合理及市場化的薪酬激勵機制，不斷吸引優秀人才，構建員工發展的多通道，重視員工身心健康和家庭，建立健康的工作環境，保障職業安全，努力提高員工幸福指數。本集團通過「互聯網+」服務職工體系，建立資料收集、分析、處理系統，打造員工移動服務平台「員工e家」手機APP，在推進人力資源效能提升的同時，宣傳運動與健康、工作與生活等關係的平衡。

業務夥伴

本集團主要業務夥伴包括投資或聯營夥伴、戰略客戶、個人代理人及銀保業務人員、中介機構等。通過平等互利合作、戰略合作等，使業務發展、業績提升，並推進跨界合作交流，共同成長，真正「共享太平」。

特別需提到的，中國太平目前擁有的數十萬代理人隊伍和銀保業務人員亦為本集團的重要資源和夥伴。本集團向個險代理人提供各級制式的系統培訓，以幫助新人瞭解行業法規，掌握必備的知識和技能，明確發展目標；幫助業務經理提升小組經營能力；幫助高級經理、高階主管從理論認知和實務操作兩個方面提升團隊經營能力，以提升績優人力和績優組織協同發展。本集團在與銀行維持良好業務夥伴關係並促進長遠商業利益的同時，秉持「培訓是最大的福利」原則，不僅持續舉辦新人崗前培訓、銜接育成培訓、營業部經理／區域總監培訓及互聯網線上學習等基礎培訓專案，而且積極推動「金牌私顧大師賽論壇」、「組織發展論壇」等績優激勵培訓。除了提供豐富立體的培訓課程外，本集團還為銀保業務人員搭建快速成長平台，建立有效的激勵體系並營造廣闊的發展空間，銀保隊伍極具競爭力。

Report of the Directors

董事會報告書

BUSINESS REVIEW (Continued)

Relationships with Key Stakeholders (Continued)

Government and Community

The Group always emphasises law-abiding compliance, assists innovation and entrepreneurship, supports the real economic development and actively participates in building a harmonious society. It also has made contributions to expanding the risk protection for the real economy, helping city's economic development, actively responding to various natural disasters and risk events, facilitating the development of "The Belt and Road" and the "Agriculture, Countryside and Farmers" as well as targeted poverty alleviation, with various activities being carried out to help the needy in targeted areas of poverty alleviation.

Suppliers

The Group advocated fair competition and fair procurement in the market, selected qualified suppliers by strictly following its bidding procurement process, firmly abided by business logic, and promoted honest and reciprocal cooperation.

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:

The largest insurance customer	最大保險客戶	0.8%
Five largest insurance customers in aggregate	五大保險客戶合計	2.7%

業務回顧 (續)

與主要持份者的關係 (續)

政府及社區

本集團一直強調守法合規，助力創新創業，支持實體經濟發展，積極參與構建和諧社會，拓展實體經濟的風險保障，助力城市經濟發展，積極應對各類自然災害和風險事件，在助力「一帶一路」建設和「三農」發展、精準扶貧等多方面貢獻力量。在定點扶貧方面開展各類幫困活動。

供應商

本集團支援市場公平競爭、公平採購，嚴格按照招標採購流程選取合格供應商，嚴守商務規則，推進誠信互惠合作。

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載列如下：

Percentage of the Group's total gross premiums written and policy fees
佔本集團毛承保保費及保單費收入總額的百分比

Report of the Directors

董事會報告書

MAJOR INSURANCE CUSTOMERS *(Continued)*

At no time during the Year have the directors, their close 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.

CONSOLIDATED FINANCIAL STATEMENTS

The profit of the Group for the year ended 31 December 2019 and the state of the Group's affairs at that date are set out in the consolidated financial statements on page 120 to 325.

DIVIDEND POLICY

The Company had no pre-determined dividend distribution ratio. As the Company's insurance business is still at rapid growth stage, it distributes dividends on the premise of meeting the regulatory solvency requirements and supporting the rapid growth of the Company's valued business. The Company intentionally maintains the stability and continuity of dividend distribution, and will consider the Company's development strategy, capital status, operating results and capital needs as well as capital market condition and investor expectations before deciding whether to recommend dividends and determining the amount of dividend.

主要保險客戶 (續)

本公司的董事、其緊密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)均沒有於本年度內任何時間擁有這些主要保險客戶的任何權益。

綜合財務報表

本集團截至2019年12月31日止年度的溢利和本集團於該日的財務狀況載於第120至325頁綜合財務報表內。

股息政策

本公司並無任何預設股息分派比率。本公司的保險業務仍處於高速增長階段，將在滿足監管償付能力要求與支持公司價值業務高速增長的前提下進行股息分派。本公司有意保持股息分派的穩定性與持續性，在決定是否建議派發股息及確定股息金額時，董事會考慮下列因素：一是公司的發展戰略、資本狀況、經營結果與資本需求；二是資本市場狀況與投資者預期。

Report of the Directors

董事會報告書

DIVIDEND

No interim dividend was declared during the Year (2018: Nil). The directors recommended the payment of a final dividend of 30 HK cents per Share in respect of the year ended 31 December 2019 (2018: final dividend of 10 HK cents per Share). Which is subject to the approval by the shareholders at the forthcoming annual general meeting of the Company. If approved, the said dividend will be paid on or about 20 July 2020 to shareholders whose names appear on the register of members of the Company on 9 July 2020.

SHARE CAPITAL

Details of the Shares issued in the year ended 31 December 2019 are set out in Note 39 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.

DISTRIBUTABLE RESERVES

As at 31 December 2019, the Company's reserves available for distribution amounted to HK\$4,351 million (2018: HK\$4,015 million).

EQUITY LINKED AGREEMENTS

During the Year, no equity linked agreements entered into by the Group, or existed during the Year.

DONATIONS

During the Year, the Group made charitable donations of HK\$6.22 million (2018: HK\$4.75 million).

股息

本年度內並無宣派中期股息(2018年:無)。董事會建議派發截至2019年12月31日止年度末期股息每股30港仙(2018年:末期股息每股10港仙)。股息須於本公司即將舉行之股東周年大會中獲股東批准。如獲得批准,本公司將於2020年7月20日左右向於2020年7月9日名列本公司股東名冊之股東派發上述股息。

股本

有關本公司截至2019年12月31日止年度已發行股本的詳情載於綜合財務報表附註39。

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本年度內概無購入、出售或贖回任何本公司的上市證券。

可分配儲備

於2019年12月31日,本公司可供分配的儲備合共為43.51億港元(2018年:40.15億港元)。

股票掛鈎協議

於本年度內,本集團並無訂立或存在任何股票掛鈎協議。

捐款

於本年度內,本集團作出622萬港元(2018年:475萬港元)的慈善捐款。

Report of the Directors

董事會報告書

BOARD OF DIRECTORS

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

Executive directors

LUO Xi
WANG Sidong
REN Shengjun (*appointed on 27 March 2020*)
YU Xiaoping (*resigned on 16 December 2019*)

Non-executive directors

GUO Zhaoxu (*appointed on 31 December 2019*)
HU Xingguo (*appointed on 31 December 2019*)
ZHANG Cui (*appointed on 31 December 2019*)
YANG Changgui (*appointed on 31 December 2019*)
WU Jiesi*
ZHU Dajian*
WU Ting Yuk Anthony*
XIE Zhichun*
HUANG Weijian (*resigned on 31 December 2019*)
ZHU Xiangwen (*resigned on 31 December 2019*)
WU Changming (*resigned on 31 December 2019*)

* Independent

In accordance with Articles 93 and 97 of the Company's Articles of Association, Mr. REN Shengjun, Mr. GUO Zhaoxu, Mr. HU Xingguo, Ms. ZHANG Cui and Mr. YANG Changgui, 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 the Company.

A list of names of all the directors who have served on the boards of the Company's subsidiaries during the Year is available on the Company's website at www.ctih.cntaiping.com.

董事會

本公司於本年度及截至本年報日的董事如下：

執行董事

羅熹
王思東
任生俊（於2020年3月27日委任）
于小萍（於2019年12月16日辭任）

非執行董事

郭兆旭（於2019年12月31日委任）
胡興國（於2019年12月31日委任）
張翠（於2019年12月31日委任）
楊昌貴（於2019年12月31日委任）
武捷思*
諸大建*
胡定旭*
解植春*
黃維健（於2019年12月31日辭任）
祝向文（於2019年12月31日辭任）
武常命（於2019年12月31日辭任）

* 獨立

根據本公司的組織章程細則條文第93及97條，任生俊先生、郭兆旭先生、胡興國先生、張翠女士及楊昌貴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。

於本年度內，所有出任本公司附屬公司董事會的董事姓名名單已載於本公司網站 www.ctih.cntaiping.com。

Report of the Directors

董事會報告書

CONFIRMATION OF INDEPENDENCE

The Company has received annual confirmation from each of the independent non-executive directors regarding their independence from the Company and considers each of the independent non-executive directors to be independent from the Company.

CHANGES TO INFORMATION IN RESPECT OF DIRECTORS

In accordance with Rule 13.51B(1) of the Listing Rules, the changes to information required to be disclosed by the Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) between 28 August 2019 (being the date of approval of the Company's 2019 Interim Report and 27 March 2020 (being the date of approval of the Company's 2019 Annual Report) is set out below:

In January 2020, Mr. LUO Xi was appointed as the chairman of TPAM.

Other than those disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

DIRECTORS' SERVICE CONTRACTS

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.

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。

董事資料的變動

根據上市規則第13.51B(1)條，於2019年8月28日（為通過本公司2019年中期報告當日）至2020年3月27日（為通過本公司2019年年報當日）期間，董事按第13.51(2)條第(a)至(e)段及第(g)段規定披露資料的變動如下：

於2020年1月，羅熹先生獲委任為太平資產董事長。

除上述披露外，本公司董事並無其他資料需根據上市規則第13.51B(1)條作出披露。

董事的服務合約

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1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

董事會報告書

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

As at 31 December 2019, none of the Directors and chief executive of the Company had any interests or short positions 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 which had to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

During the Year, no Directors nor any of their spouses or children under the age of 18 years has any interests in or has been granted any rights to subscribe for equity or debt securities of the Company nor was there been any exercise of any such rights by any of them.

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 executive of the Company or any of their spouses or children under the age of 18 years to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

PERMITTED INDEMNITY PROVISION

The Company's Articles of Association provides that every Director is entitled to be indemnified out of the assets of the Company against all losses or liabilities which they may sustain or incur in or about the execution of the duties of their office or otherwise in relation thereto.

The Company has taken out and maintained directors' liability insurance throughout the Year, which provides appropriate cover for the Directors and directors of the subsidiaries of the Group.

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2019年12月31日，本公司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概無擁有任何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，需要知會本公司及聯交所的權益及淡倉。

在本年度，並無任何董事或任何他們的配偶或未滿18歲的子女擁有權益或獲授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。

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18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。

獲准許的彌償條文

本公司組織章程細則規定，每位董事有權就其任期內或因執行其職務而可能遭致或發生與此相關之損失或責任從本公司資產中獲得賠償。

本公司於年內已購買及維持董事責任保險，為本公司及本集團附屬公司董事提供適當的保障。

Report of the Directors

董事會報告書

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

As of 31 December 2019, the interests and short positions of the shareholders, other than a director or chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

主要股東及其他人士的股份及相關股份的權益及淡倉

於2019年12月31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：

Substantial shareholders 主要股東	Capacity 身份	Number of ordinary shares 普通股股數	Long position/ short position 好倉／淡倉	Percentage of issued share capital 佔已發行股份%
TPG 中國太平保險集團	Interest of controlled corporation 控股公司的權益	2,143,423,856 (note 1) (註1)	Long Position 好倉	59.64
TPG (HK) 中國太平保險集團(香港)	1,822,454,779 Shares as beneficial owner and 320,969,077 Shares (note 2) as interest of controlled corporation 1,822,454,779股為實益擁有人及320,969,077股(註2)為受控法團的權益	2,143,423,856	Long Position 好倉	59.64

notes:

(1) TPG's interest in the Company is held by TPG (HK), Easiwell, Golden Win and Manhold, all of which are wholly-owned subsidiaries of TPG.

(2) 168,098,887 Shares are held by Easiwell, 86,568,240 Shares are held by Golden Win and 66,301,950 Shares are held by Manhold.

註：

(1) 中國太平保險集團於本公司之權益由中國太平保險集團(香港)、易和、金和及汶豪持有，各公司均為中國太平保險集團之全資附屬公司。

(2) 168,098,887股股份由易和持有，86,568,240股股份由金和持有，而66,301,950股股份由汶豪持有。

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 2019.

除上述者外，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2019年12月31日在本公司的股份及相關股份中擁有的權益或淡倉。

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Year.

管理合約

在本年度內，本公司並無就全盤業務或其中任何重要部份簽訂或存有管理及行政合約。

Report of the Directors

董事會報告書

DIRECTORS' MATERIAL INTEREST IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No transactions, arrangements and contracts of significance in relation to the Group's business to which the Company, subsidiaries or fellow subsidiaries or its holding companies, 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 AND CONTINUING CONNECTED TRANSACTIONS

On 6 December 2019, the Company has entered into a share purchase agreement with TPG (HK), pursuant to which TPG (HK) has agreed to sell and the Company has agreed to acquire 49,000,000 shares in Tellon, representing 49% of the entire issued share capital of Tellon, at a consideration of HKD2,134,751,800. Immediately prior to completion, the Company owned 51% of the entire issued share capital of Tellon, which was a non-wholly owned subsidiary of the Company. Completion took place immediately after the execution of the share purchase agreement, upon which Tellon has become a wholly-owned subsidiary of the Company. TPG (HK) is the controlling shareholder of the Company and thus a connected person of the Company under Chapter 14A of the Listing Rules. As such, the transaction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. The details of the transactions were set out in the announcement of the Company dated 6 December 2019.

During the Year, the Group does not have any material continuing connected transactions which are required to be disclosed in accordance with the requirement of the Listing Rules and none of the related party transactions as disclosed in Note 49 to the consolidated financial statements constitute a disclosable connected transaction or continuing connected transaction under Chapter 14A of the Listing Rules.

INTEREST BEARING NOTES

Particulars of the interest bearing notes of the Company and the Group as at 31 December 2019 are set out in Note 32 to the consolidated financial statements.

董事在重要交易、安排或合約擁有的重大權益

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交易、安排或合約。

關連交易及持續關連交易

於2019年12月6日，本公司與中國太平保險集團（香港）訂立股權買賣協議，據此，中國太平保險集團（香港）同意出售而本公司同意收購澤鴻49,000,000股股份（相當於澤鴻全部已發行股本之49%），代價為2,134,751,800港元。緊接完成前，本公司擁有澤鴻全部已發行股本之51%，為本公司的非全資附屬公司。完成已於緊隨股權買賣協議簽訂後進行，澤鴻隨即成為本公司的全資附屬公司。中國太平保險集團（香港）為本公司的控股股東，並因此根據上市規則第14A章為本公司的關連人士。所以，根據上市規則第14A章，交易構成本公司的一項關連交易。交易詳情請參閱本公司於2019年12月6日之公告。

本集團於本年度內並無訂立任何重大的持續關連交易需要根據上市規則的相關要求披露。而於綜合財務報表附註49所披露的關連交易，並不屬上市規則第14A章下的須予披露的關連交易或持續關連交易。

需付息票據

本集團及本公司於2019年12月31日有關需付息票據的摘要載於綜合財務報表附註32。

Report of the Directors

董事會報告書

PERPETUAL SUBORDINATED CAPITAL SECURITIES

The Company has redeemed in whole of the perpetual subordinated capital securities in September 2019, the details are set out in Note 41 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 at the end of the financial statements on page 334 to 335.

RETIREMENT SCHEMES

Particulars of the retirement schemes are set out in Note 42 to the consolidated financial statements.

CORPORATE GOVERNANCE

Information on the Company's corporate governance practices during the Year is set out in the "Corporate Governance Report" of this annual report.

AUDIT COMMITTEE

The Audit Committee has reviewed the results of the Company for the year ended 31 December 2019.

Further information on the composition of the Audit Committee and the work performed by the Audit Committee during the Year is set out in this 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.

永續次級資本證券

本公司於2019年9月已贖回全部永續次級資本證券，詳情載於綜合財務報表附註41。

5年概要

本集團於過去5個財務年度的業績及資產與負債概要載於第334至335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42。

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年報「企業管治報告書」之內文。

審核委員會

審核委員會已審閱本公司截至2019年12月31日止年度之業績。

有關審核委員會的成員組合及本年度的工作詳載於本公告企業管治報告書標題「審核委員會」一段之內文。

公眾持股量

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

Report of the Directors

董事會報告書

AUDITOR

Messrs. PricewaterhouseCoopers has been holding office as the auditor of the Company since 2014 and will retire upon the expiration of its current term of office. The Board considered that a change of auditor could strengthen the independence of auditor and demonstrates a good corporate governance practice. The Board proposed to appoint KPMG as auditor of the Company for the year ended 31 December 2020 and relevant resolution will be proposed at the forthcoming annual general meeting for shareholders' approval. The Company will make further announcement pursuant to Rule 13.51(4) of the Listing Rules in relation to the change of auditor as and when appropriate.

By Order of the Board
LUO Xi
Chairman

Hong Kong, 27 March 2020

核數師

羅兵咸永道會計師事務所自2014年以來一直獲委任為本公司核數師，將於其目前的任期屆滿後告退。董事會認為輪值更換核數師將有助於加強核數師的獨立性及展現良好的企業管治常規。董事會建議聘請畢馬威會計師事務所擔任本公司截至2020年12月31日止年度的核數師，並將於即將召開的股東周年大會上提呈有關決議案予股東審議批准。本公司將根據上市規則第13.51(4)條就更換核數師一事適時發出進一步公告。

承董事會命
董事長
羅熹

香港，2020年3月27日

Corporate Governance Report

企業管治報告書

CORPORATE GOVERNANCE PRACTICES

The Company is committed to the establishment of good standards of corporate governance practices by emphasising transparency and accountability. The Board reviews its corporate governance practices from time to time in order to meet the rising expectations of our 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 complied with the Code Provisions set out in the “Corporate Governance Code” contained in Appendix 14 of the Listing Rules (the “Code”) with the following exceptions:

1. 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.
2. The chairman of the Board, Mr. LUO Xi, was unable to attend the annual general meeting of the Company held on 31 May 2019 (the “Meeting”) due to other business engagement. Mr. WANG Sidong, the vice chairman, executive director and general manager of the Company, chaired the Meeting on behalf of the chairman of the Board and was available to answer questions.

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 enquiries of all of the directors, the Company confirms that all of the directors have complied with the required standards set out in the Model Code during the Year.

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 11 directors, with 3 executive directors, 4 non-executive directors, and 4 independent non-executive directors.

企業管治常規

本公司致力於制訂良好的企業管治常規，尤其著重公司透明度及問責性。董事會不時審閱其企業管治常規，以滿足股東期望及符合越趨嚴謹的監管要求，並履行其優質企業管治的承諾。

於本年度內，本公司已遵守上市規則附錄14所載之企業管治守則（「守則」），惟以下除外：

1. 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。
2. 董事會主席，羅熹先生，由於另有事務在身，未能出席本公司於2019年5月31日舉行的股東週年大會（「大會」）。本公司的副董事長、執行董事及總經理王思東先生代表董事會主席主持會議，並回答大會上的提問。

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，所有董事確認於本年度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11位董事組成，包括3位執行董事、4位非執行董事及4位獨立非執行董事。

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企業管治報告書

BOARD OF DIRECTORS (Continued)

The names of the directors are set out in this annual report under the section headed “Corporate Information”.

The biographies of the directors are set out in this annual report under the section headed “Biographical Details of Directors, Senior Management and Company Secretary”.

During the Year, the Board held 5 meetings, the attendance of the directors for the Board, various board committees and general meeting are as follows:

董事會 (續)

董事名單詳載於本年報「公司資料」標題下之內文。

董事的履歷詳載於本年報「董事、高級管理層及公司秘書之履歷」標題下之內文。

本年度內，董事會舉行5次會議，各董事出席董事會會議、各董事委員會會議及股東大會的出席紀錄如下：

		Attendance/No. of meetings 出席次數/會議次數						
		Board Meetings 董事會	AC 審核委員會	RC 薪酬委員會	NC 提名委員會	CGC 企業管治委員會	RMC 風險管理委員會	General Meeting 股東大會
Executive Directors	執行董事							
Mr. LUO Xi	羅熹先生	5/5	-	1/1	2/2	1/1	-	0/1
Mr. WANG Sidong	王思東先生	5/5	-	1/1	-	1/1	3/3	1/1
Ms. YU Xiaoping (resigned on 16 December 2019)	于小萍女士 (於2019年 12月16日辭任)	4/4	-	-	-	1/1	0/3	0/1
Non-executive Directors	非執行董事							
Mr. GUO Zhaoxu (appointed on 31 December 2019)	郭兆旭先生 (於2019年 12月31日委任)	-	-	-	-	-	-	-
Mr. HU Xingguo (appointed on 31 December 2019)	胡興國先生 (於2019年 12月31日委任)	-	-	-	-	-	-	-
Ms. ZHANG Cui (appointed on 31 December 2019)	張翠女士 (於2019年 12月31日委任)	-	-	-	-	-	-	-
Mr. YANG Changgui (appointed on 31 December 2019)	楊昌貴先生 (於2019年 12月31日委任)	-	-	-	-	-	-	-
Mr. HUANG Weijian (resigned on 31 December 2019)	黃維健先生 (於2019年 12月31日辭任)	5/5	-	-	-	-	-	1/1
Mr. ZHU Xiangwen (resigned on 31 December 2019)	祝向文先生 (於2019年 12月31日辭任)	5/5	-	-	-	-	3/3	1/1
Mr. WU Changming (resigned on 31 December 2019)	武常命先生 (於2019年 12月31日辭任)	5/5	-	-	-	-	-	1/1
Independent Non-executive Directors	獨立非執行董事							
Dr. WU Jiesi	武捷思博士	4/5	2/3	1/1	1/2	-	-	0/1
Mr. ZHU Dajian	諸大建先生	5/5	3/3	1/1	2/2	-	-	1/1
Mr. WU Ting Yuk Anthony	胡定旭先生	5/5	-	1/1	2/2	-	-	1/1
Mr. XIE Zhichun	解植春先生	5/5	3/3	1/1	2/2	-	3/3	1/1

Note: AC – Audit Committee
RC – Remuneration Committee
NC – Nomination Committee
CGC – Corporate Governance Committee
RMC – Risk Management Committee

Corporate Governance Report

企業管治報告書

BOARD OF DIRECTORS *(Continued)*

The Board formulates the overall strategy of the Group, monitors its financial performance and maintains an effective corporate governance structure in each individual subsidiary. Daily operations and administration are delegated to the management of each individual subsidiary. 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 directors 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.

NOMINATION POLICY AND BOARD DIVERSITY POLICY

Pursuant to the terms of reference of the nomination committee, the nomination committee is responsible to identify and nominate qualified individuals for appointment as additional directors or to fill Board vacancies as and when they arise, and make recommendation to the Board. Furthermore, the nomination committee will also make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman and the general manager.

The selection criteria used by the nomination committee in assessing the suitability of a proposed candidate includes: the ability to fulfil director's duties, complement the Company's corporate strategy, equip with relevant experience, reputation, satisfy the board diversity policy etc.. However these factors are not meant to be exhaustive, the nomination committee has the discretion to nominate any person it considers appropriate. Furthermore, the Board has adopted a board diversity policy, when considering the combination of board members, diversity factors including without limitation, age, cultural and educational background, professional experience, skills, knowledge, length of service, and gender, so as to achieve a sustainable and balanced development of the Board to support the Company's strategic goals and maintain sustainable development.

董事會 (續)

董事會擬定本集團之整體戰略，監管其財務表現及確保各附屬公司具備有效的企業管治架構。日常營運及行政由各附屬公司的管理層負責。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。

提名政策及董事會多元化政策

根據提名委員會的職權範圍書，提名委員會在董事會需要增加董事人數或填補董事空缺時，負責物色及提名合資格的人選，向董事會提出建議。同時，提名委員會亦會就董事委任或重新委任以及董事（尤其是董事長及總經理）繼任計劃向董事會提出建議。

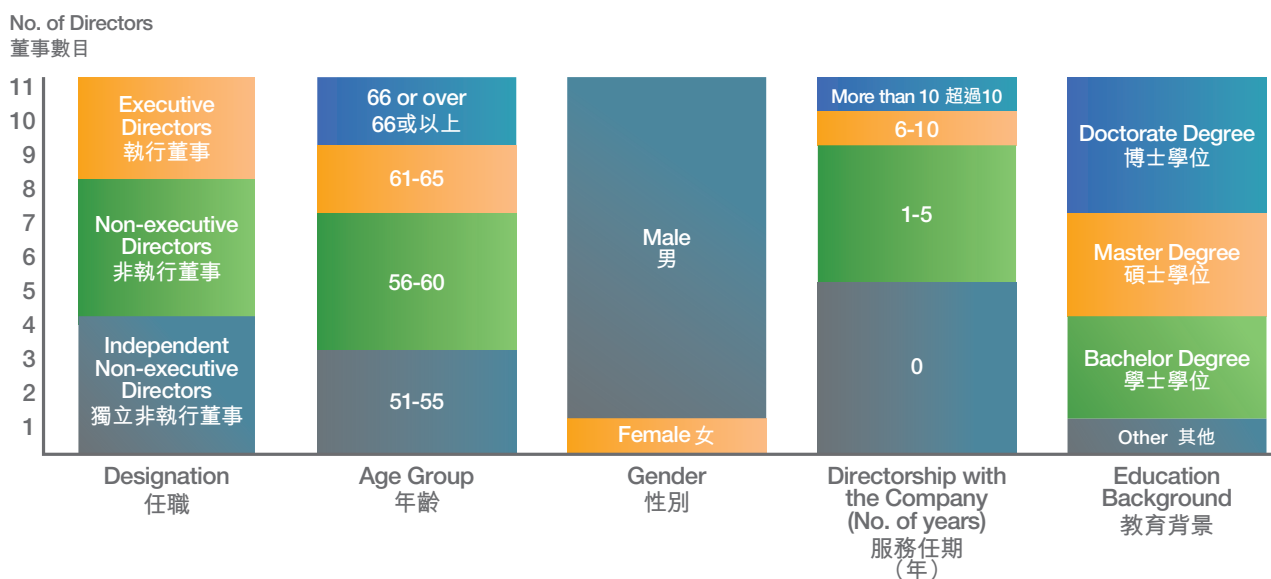
提名委員會將參考各候任人選能否履行董事責任、配合公司策略、具備相關的經驗、聲譽、符合有關董事會多元化等作為甄選的考慮準則。惟此等因素並不旨在涵蓋所有因素，提名委員會可決定提名任何其認為適當的人士。同時，董事會亦設有董事會成員多元化政策，在設定成員組合時會從多個方面考慮成員多元化因素，包括但不限於年齡、文化及教育背景、專業經驗、技能、知識、服務任期及性別，使董事會達致可持續的均衡發展，以支援公司達到戰略目標及維持可持續發展。

Corporate Governance Report

企業管治報告書

NOMINATION POLICY AND BOARD DIVERSITY POLICY (Continued)

As at the date of this report, the Board's composition under major criteria for diversity was summarised as follows:



提名政策及董事會多元化政策 (續)

於本報告日期，按主要的多元角度看董事會的組成概覽如下：

Furthermore, Board members equipped with a wide range of professional background and skills, including experience in insurance companies, banks, government and regulatory bodies, accounting and finance, academic research, news and publishing, and as directorship of listed companies.

The Board considers that the current board composition is diverse and meets the criteria of the board diversity policy, its experience can supervise and guide the management, and to cope with the Company's development strategies. The Board will review the board diversity from time to time to ensure that the board diversity policy is complied with.

DIRECTORS' TRAINING

Directors were given relevant guideline materials regarding the duties and responsibilities for being a director, relevant laws and regulations applicable to the directors and the duties on disclosures of interests. Such induction materials will also be provided to newly appointed directors. All directors, including Mr. LUO Xi, Mr. WANG Sidong, Mr. REN Shengjun, Mr. GUO Zhaoxu, Mr. HU Xingguo, Ms. ZHANG Cui, Mr. YANG Changgui, Dr. WU Jiesi, Mr. ZHU Dajian, Mr. WU Ting Yuk Anthony and Mr. XIE Zhichun, provided their training record and confirmed that they have complied with A.6.5 of the Code by attending relevant seminars, training sessions and reading materials to develop and refresh their knowledge and skills.

此外，董事會成員擁有廣泛及豐富的专业背景和技能，當中主要包括保險公司、銀行、政府及監管機構、會計及財務、學術研究、新聞出版、以及上市公司任職董事的經驗。

董事會認為現行董事會的組成是多樣的，符合董事會多元化政策的標準，其經驗能對管理層作有效的監督和指導並配合公司的發展戰略。董事會將不時檢討董事會的多樣性，以確保符合董事會的多元化政策。

董事培訓

各董事已獲提供有關擔任董事之職責及責任、適用於董事之相關法例及規例及權益披露之責任之相關指引資料，而於新任董事獲委任為董事時，亦會向其提供該等就任須知資料。所有董事，包括羅熹先生、王思東先生、任生俊先生、郭兆旭先生、胡興國先生、張翠女士、楊昌貴先生、武捷思博士、諸大建先生、胡定旭先生及解植春先生，均提供其培訓紀錄及確認彼等已透過出席相關主題之座談會、培訓課程及閱讀資料以發展及更新彼等之知識及技能及遵守守則條文第A.6.5條的規定。

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CHAIRMAN AND GENERAL MANAGER

Mr. LUO Xi is the chairman, while Mr. WANG Sidong is the general manager. The roles of the chairman and the general manager are clearly defined, segregated and established in writing and are not exercised by the same individual.

BOARD COMMITTEES

The Company currently has 5 board committees (namely the Audit Committee, Remuneration Committee, Nomination Committee, Corporate Governance Committee and Risk Management Committee) with defined terms of reference which are posted on the websites of the Company and the Stock Exchange (while the Terms of reference of the Corporate Governance Committee are posted on the website of the Company only).

AUDIT COMMITTEE

An Audit Committee with specific written terms of reference was established by the Company on 29 May 2000.

The written terms of reference for the Audit Committee 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.

Currently, Dr. WU Jiesi, independent non-executive director, is the chairman of the Audit Committee, with 2 independent non-executive directors, namely Mr. ZHU Dajian and Mr. XIE Zhichun as members.

During the period from 1 January 2019 to the date of this annual report, the Audit Committee held 4 meetings. The subject matters of the work performed are mainly as set out below:

- Reviewed the interim results, annual results of the Company and its subsidiaries for the 2019 financial year;
- Reviewed and recommended the re-appointment of the auditors, approved the remuneration and terms of engagement of the auditors and assessed the auditors' independence, objectivity and the effectiveness of the audit process; and
- Reviewed the system of internal controls and the findings and recommendations of the internal audit function.

董事長及總經理

董事長為羅熹先生，而總經理則為王思東先生。董事長及總經理的角色是清晰界定、分開並以書面列載的，並非由同一人士擔任。

董事委員會

本公司現設有5個董事委員會（分別為審核委員會、薪酬委員會、提名委員會、企業管治委員會及風險管理委員會），其界定的職權範圍已載於本公司網站及聯交所網站（惟企業管治委員會的職權範圍僅載於本公司網站）。

審核委員會

本公司於2000年5月29日成立具有特定成文權責範圍的審核委員會。

審核委員會的書面權責範圍已根據守則編制。審核委員會定期與本集團高級管理層及外聘核數師舉行會議，檢討本集團的內部監控系統的成效及中期與年度業績。

現時審核委員會主席為獨立非執行董事武捷思博士，成員包括2位獨立非執行董事諸大建先生及解植春先生。

2019年1月1日起至本年報日期，審核委員會曾舉行4次會議。審核委員會所履行的主要工作如下：

- 審閱本公司及其附屬公司2019年度的中期及年度業績；
- 檢討及建議核數師的重新委任、批准核數師的薪酬及聘用條款及評核核數師的獨立客觀性及核數程序是否有效；及
- 審閱內部監控系統及內部審計功能的調查結果。

Corporate Governance Report

企業管治報告書

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 the directors and senior management; the establishment of a formal and transparent procedure for developing the policy on such remuneration; to assess the performance of executive directors 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 appropriateness of performance-based remuneration;
- (b) Performance-based remuneration should be reviewed and approved with 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.

Currently, Mr. ZHU Dajian, independent non-executive director, is the chairman of the Remuneration Committee, with 2 executive directors, namely Mr. LUO Xi and Mr. WANG Sidong, 3 independent non-executive directors, namely Dr. WU Jiesi, Mr. WU Ting Yuk Anthony and Mr. XIE Zhichun, as members.

薪酬委員會

本公司於2005年2月24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管理人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以制定該等薪酬的政策；評估執行董事的表現及訂定全體執行董事及高級管理層的薪酬待遇。

本集團薪酬政策之主要原則包括下列各項：

- (a) 薪酬應參考如同類公司提供的薪酬，工時、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修訂的公司目標；及
- (c) 董事不應參與釐定其自身的薪酬。

現時薪酬委員會主席為獨立非執行董事諸大建先生，成員包括2位執行董事羅熹先生及王思東先生，3位獨立非執行董事，武捷思博士、胡定旭先生及解植春先生。

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REMUNERATION COMMITTEE (Continued)

During the period from 1 January 2019 to the date of this annual report, the Remuneration Committee held 2 meetings. The subject matters of the work performed are mainly as set out below:

- Approved the remuneration and discretionary bonuses of directors and senior management; and
- Approved the appointment letters of directors.

NOMINATION COMMITTEE

A Nomination Committee with specific written terms of reference was established by the Company on 29 March 2012.

The principal duties of the Nomination Committee include 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, experience and diversity.

Currently, Mr. LUO Xi, chairman and executive director, is the chairman of the Nomination Committee, with 4 independent non-executive directors, namely Dr. WU Jiesi, Mr. ZHU Dajian, Mr. WU Ting Yuk Anthony and Mr. XIE Zhichun, as members.

During the period from 1 January 2019 to the date of this annual report, the Nomination Committee held 3 meetings. The subject matter of the work performed are mainly as set out below:

- Reviewed the structure, size and composition of the Board;
- Assessed the independence of the independent non-executive directors; and
- Made recommendations to the Board on the appointment and reappointment of directors.

薪酬委員會 (續)

2019年1月1日起至本年報日期，薪酬委員會曾舉行2次會議。薪酬委員會所履行的主要工作如下：

- 批准董事及高級管理人員薪酬及酌情花紅；及
- 批准董事的委任函件。

提名委員會

本公司於2012年3月29日成立具有特定成文職權範圍的提名委員會。

提名委員會主要職責包括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、經驗及多元化取得平衡。

現時提名委員會主席為董事長及執行董事羅熹先生，成員包括4位獨立非執行董事，武捷思博士、諸大建先生、胡定旭先生及解植春先生。

2019年1月1日起至本年報日期，提名委員會曾舉行3次會議。提名委員會所履行的主要工作如下：

- 檢討董事會架構、人數及組成；
- 評估獨立非執行董事的獨立性；及
- 就委任及重新委任董事向董事會提供建議。

Corporate Governance Report

企業管治報告書

CORPORATE GOVERNANCE COMMITTEE

A Corporate Governance Committee with specific written terms of reference was established by the Company on 17 October 2014. The principal duties of the Corporate Governance Committee includes developing and reviewing the Company's policies and practices on corporate governance, and the compliance with the corporate governance code.

Mr. REN Shengjun, executive director of the Company, was appointed as a member of the Corporate Governance Committee on 27 March 2020. Ms. YU Xiaoping resigned as a member of the Corporate Governance Committee on 16 December 2019. Currently, Mr. LUO Xi, chairman and executive director, is the chairman of the Corporate Governance Committee, with 2 executive directors, namely Mr. WANG Sidong and Mr. REN Shengjun, as members.

During the period from 1 January 2019 to the date of this annual report, the Corporate Governance Committee held 2 meetings. The subject matters of the work performed are mainly as set out below:

- Reviewed the structure, size and composition of the Board; and
- Reviewed compliance with the code and disclosure in the Corporate Governance Report.

企業管治委員會

本公司於2014年10月17日成立具有特定成文權責範圍的企業管治委員會。企業管治委員會主要職責包括制定及檢討企業管治政策和常規及企業管治守則的遵守情況。

任生俊先生，本公司執行董事，於2020年3月27日獲委任為企業管治委員會成員。於2019年12月16日，于小萍女士辭任企業管治委員會成員。現時企業管治委員會主席為董事長及執行董事羅熹先生，成員包括2位執行董事王思東先生及任生俊先生。

2019年1月1日起至本年報日期，企業管治委員會曾舉行2次會議。企業管治委員會所履行的主要工作如下：

- 審閱董事會架構、人數及組成的檢視報告；及
- 審閱守則的合規情況及企業管治報告的披露。

Corporate Governance Report

企業管治報告書

RISK MANAGEMENT COMMITTEE

A Risk Management Committee with specific written terms of reference was established by the Company on 30 December 2015. The principal duties of the Risk Management Committee includes overseeing the Company's and its subsidiaries overall risk management framework, being the second line of defense and to advise the Board on the Group's risk-related matters.

Mr. REN Shengjun, executive director of the Company, was appointed as a member of the Risk Management Committee on 27 March 2020. Mr. GUO Zhaoxu and Ms. ZHANG Cui, non-executive directors of the Company, were appointed as members of the Risk Management Committee on 31 December 2019, and Mr. ZHU Xiangwen resigned as a member of the Risk Management Committee on the same date. Ms. YU Xiaoping resigned as a member of the Risk Management Committee on 16 December 2019. Currently, Mr. XIE Zhichun, independent non-executive director, is the chairman of the Risk Management Committee, with 2 executive directors, namely Mr. WANG Sidong and Mr. REN Shengjun, 2 non-executive directors, namely Mr. GUO Zhaoxu and Ms. ZHANG Cui, as members.

During the period from 1 January 2019 to the date of this annual report, the Risk Management Committee held 3 meetings. The subject matters of the work performed are mainly set out below:

- Reviewed the quarterly and annual risk management reports and annual compliance report; and
- Reviewed the risk appetite and rules for risk capital of the Group.

AUDITOR'S REMUNERATION

PricewaterhouseCoopers is the auditor of the Company. The services provided by them include audit, other assurance and non-audit services. During the 2019 financial year, the fees paid and payable for the Group was HK\$48.58 million, of which the fees for the statutory audit and other services were HK\$29.03 million and HK\$19.55 million, respectively.

風險管理委員會

本公司於2015年12月30日成立具有特定成文權責範圍的風險管理委員會。風險管理委員會的主要職責包括監察本公司及其附屬公司的整體風險管理框架，擔當第二道防線，並就本集團的風險相關事宜向董事會提供意見。

任生俊先生，本公司執行董事，於2020年3月27日獲委任為風險管理委員會成員。郭兆旭先生及張翠女士，本公司非執行董事，於2019年12月31日獲委任為風險管理委員會成員，而同日祝向文先生辭任風險管理委員會成員。於2019年12月16日，于小萍女士辭任風險管理委員會成員。現時風險管理委員會主席為獨立非執行董事解植春先生，成員包括2名執行董事王思東先生及任生俊先生、2名非執行董事郭兆旭先生及張翠女士。

2019年1月1日起至本年報日期，風險管理委員會曾舉行3次會議。風險管理委員會所履行的主要工作如下：

- 審閱季度和年度全面風險管理報告及年度合規報告；及
- 審閱集團的風險偏好和風險資本管理辦法。

核數師酬金

羅兵咸永道會計師事務所為本公司的核數師。彼等所提供的服務包括審計、其他鑑證及非審計服務。於2019年財務年度，有關本集團已付及應付的服務費為4,858萬港元，當中法定審計及其他服務費分別為2,903萬港元及1,955萬港元。

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企業管治報告書

RESPONSIBILITY STATEMENT OF DIRECTORS ON FINANCIAL STATEMENTS

The Directors are responsible for overseeing the preparation of the financial statements which gives a true and fair view of the Company's financial position, performance results and cash flows. To the best knowledge of the Directors, there was no material event or condition during the reporting period that might have a material adverse effect on the continuing operation of the Company.

The statement of the auditor of the Company on their responsibilities on the financial statements is set out in the Independent Auditor's Report on page 326 to 333.

COMPANY SECRETARY

Mr. ZHANG Ruohan ("Mr. Zhang") is a senior management, chief financial officer and company secretary of the Company. Mr. Zhang had taken no less than 15 hours of the relevant professional training on review of the Listing Rules and other compliance requirements during the Year.

RISK MANAGEMENT

The Group has established a comprehensive risk management system covering the entire group. The governance structure, rules and regulations, working mechanisms and procedures for risk management have been further improved.

The Board conducted an annual review on the Group's risk management according to its responsibilities in order to ensure the effectiveness of risk management practice.

董事關於財務報表的責任聲明

董事負責監督編製財務報表，以使財務報表真實公允反映本公司的財務狀況、經營成果及現金流量。就董事所知，報告期內並無任何可能對本公司的持續經營產生重大不利影響的事件或情況。

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326至333頁獨立核數師報告書內。

公司秘書

張若晗先生（「張先生」）為本公司之高級管理人員、財務總監及公司秘書。年內，張先生參加不少於15小時有關上市規則及其他合規要求的專業培訓。

全面風險管理

集團已建立覆蓋全集團的全面風險管理體系，風險管理的組織架構、制度、工作機制與流程等得到進一步完善。

董事會根據職責對風險管理工作進行年度審查，保證其執行有效性。

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企業管治報告書

RISK MANAGEMENT (Continued)

In 2019, the Group closely followed the risk appetite of “Adherence to the Bottom Line and Making Progress while Maintaining Stability” to deal with various risks encountered in the operation. It stuck to the bottom line that no systematic risk shall occur, and adhered to the principle of “Stabilising Growth with Risk Prevention”, and exerted effort to implement its strategies under the premise of strictly preventing risks. It improved the establishment of the comprehensive risk management system with “Three Lines of Defense”, implemented the risk appetite, perfected the risk management framework, strengthened the risk management information system, and enhanced the capability to identify and monitor risks, in order to promptly solve existing risks and effectively prevent new risks. The Board considers that the risk management of the Group during 2019 was effective as a whole and that risks were manageable.

I. The Board’s Statement in Respect of Comprehensive Risk Management Responsibilities

The Board is responsible for establishing and maintaining an effective comprehensive risk management system. The comprehensive risk management of the Company are jointly supervised and implemented by the Board, the management and all staff members. The goal of the comprehensive risk management of the Company is to promote the realisation of the strategic objective with emphasis on the matching of risks and returns while at the same time maintain stability and prudence.

Given the limitations of the risk management system, reasonable guarantees can only be given in relation to the objectives mentioned above, and the effectiveness of our risk management over the Company may change as the internal environment, external environment and business situation change.

全面風險管理 (續)

2019年，集團緊緊圍繞「嚴守底線、穩中求進」的風險偏好對待經營中面臨的各類風險，牢牢守住不發生系統性風險底線，堅持「防風險、穩增長」的原則，在嚴防風險的前提下，推動戰略落地。通過「三道防線」的全面風險管理體系，落實風險偏好，完善風險管理制度，加強風險管理信息化建設，增加識別、監測風險的能力，及時化解存量風險，有效防範增量風險。董事會認為本集團2019年風險管理整體有效，風險可控。

一、 董事會對於全面風險管理責任的聲明

建立健全並有效實施全面風險管理是董事會的職責，本公司全面風險管理由董事會、管理層和全體員工共同實施，本公司全面風險管理的目標為在強調風險與收益相匹配的原則下，穩健審慎地推進公司戰略目標的實現。

由於全面風險管理體系存在固有局限性，本公司對達到上述目標僅提供合理保證；且風險管理的有效性亦可能隨公司內、外部環境及經營情況的改變而改變。

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企業管治報告書

RISK MANAGEMENT (Continued)

I. The Board's Statement in Respect of Comprehensive Risk Management Responsibilities (Continued)

The Directors conduct regular self-assessment on the risk management system each year and continue to improve its performance. It was considered that no material defect was found in both the framework design and the execution of the risk management during the reporting period. Although shortcomings and deficiencies in the risk management found during routine inspections may lead to certain risks, these risks were considered manageable and did not create substantial impact on the financial reporting objectives of the Group. Corrective measures for such risks have been and continue to be implemented. The Board considers that, since the year commencing 1 January of the reporting period, the Group's risk management system has been sound, effective and adequate.

The Company's risk management report of 2019 has been completed and has been reviewed and approved by the Board. The Board and all of its members are responsible for the risk management report's truthfulness, accuracy and integrity.

II. The Three Lines of Defense for the Comprehensive Risk Management Framework

The Company has established a comprehensive risk management organisation system in which decisions are made by and the ultimate responsibility is assumed by the Board. Among them, the Risk Management Committee provides support for the decision-making of the Board, the management level directly manages or executes the risk management practices, the Risk Management Department takes the lead and organises each work, every functional department performs its own duties with all employees participating together, and the Audit Committee and TPFAS are responsible for supervision.

All functional and business departments constitute the first line of defense. They take direct responsibility for risk management of the Company.

全面風險管理 (續)

一、董事會對於全面風險管理責任的聲明 (續)

董事定期對每年度的全面風險管理體系進行自我評估和持續改進。評估認為，於本報告期內，未發現本公司存在風險管理設計或執行方面的重大缺陷。日常檢查發現的不足或缺陷而可能導致的風險均在可控範圍內，並認真整改落實，對本公司財務報告目標的實現不構成實質性影響。本公司董事會認為，自本年度1月1日起至本報告期末止，本公司全面風險管理體系是健全的、有效及足夠的。

本公司2019年度全面風險管理報告已完成並已經過董事會審議，本公司董事會及其全體成員對風險管理報告內容的真實性、準確性和完整性承擔責任。

二、公司全面風險管理的三道防線

本公司已建立了由董事會決策並負最終責任的全面風險管理組織體系。其中風險管理委員會為董事會決策提供支持，經營層直接管理或執行，風險管理部門牽頭組織，各職能部門各司其職，全體員工共同參與，審核委員會和太平金融稽核服務負責監督。

第一道防線由各職能部門和業務單位組成，對風險管理工作直接負責。

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企業管治報告書

RISK MANAGEMENT *(Continued)*

II. The Three Lines of Defense for the Comprehensive Risk Management Framework *(Continued)*

The respective risk management committees, together with the Risk Management Department constitute the second line of defense. Their responsibilities are to organise and coordinate the construction of the Comprehensive Risk Management Framework.

The respective audit committees and TPFAS constitute the third line of defense. Their main responsibilities are to analyse and evaluate the effectiveness of the comprehensive risk management practices.

III. Status of Risk Management and Internal Control Assessment

3.1 Status of the Risk Management Assessment

In 2019, the Company carried out its comprehensive risk management focusing on three key points, i.e. “Comprehensive”, “Key” and “Innovative”, and performed the risk prevention and control requirement of the Board and management of the Group. With a focus on the development strategy for the new era, and according to the principles of “Risk Orientation, Capital Constraint, Behavioral Management and Safe Development”, the Company followed the risk appetite of “Adhering to the Bottom Line and Making Progress while Maintaining Stability” to deal with various risks encountered during operations. The Group’s relevant departments and subsidiaries were promoted to focus on risk prevention and control in key areas through “Enhancing Service Awareness, Optimising Operational Procedures, Managing Investment Risks, Improving Transaction Authorisations, Regulating Related Party Transactions and Improving Professional Standards”, to promptly solve existing risks and effectively prevent new risks. As such, the bottom line of keeping out significant systematic risk was held and a solid risk management foundation was laid for the sustainable and healthy development of each business line of the Group.

全面風險管理 *(續)*

二、公司全面風險管理的三道防線 *(續)*

第二道防線由相關風險管理委員會、風險管理部門組成，負責組織、協調全面風險管理體系建設。

第三道防線由相關審核委員會、太平金融稽核服務組成，負責審查和評價全面風險管理體系的有效性。

三、風險管理及內部控制工作開展情況

3.1 風險管理工作開展情況

本公司2019年全面風險管理工作緊緊圍繞「全面」、「重點」和「創新」三個關鍵詞，認真落實集團董事會和經營層關於風險防控工作要求，聚焦新時代發展戰略，按照「風險導向、資本約束、行為管理、發展安全」的原則，以「嚴守底線、穩中求進」的風險偏好對待經營中面臨的各類風險，通過「增強服務意識，優化作業流程，管好投資風險，完善交易授權，規範關聯交易，提高專業水平」，推動集團相關部門和各子公司著力抓好重點領域風險防控工作，及時化解存量風險，有效防範增量風險，守住了不發生系統性重大風險的底線，為集團各項業務持續健康發展提供有力的風險管理保障。

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企業管治報告書

RISK MANAGEMENT *(Continued)*

III. Status of Risk Management and Internal Control Assessment *(Continued)*

3.1 Status of the Risk Management Assessment *(Continued)*

3.1.1 The Establishment of Risk Management System

The Company enhanced the construction of comprehensive risk management throughout the Group according to the internal risk management needs under a “Unified Framework, Hierarchical Management” mode, which further improved the risk management process and system; and fully implemented the division of responsibilities among different departments under the “Three Lines of Defense” of the comprehensive risk management, and continuously improved the risk prevention and control mechanism, creating synergy between risk prevention and control.

3.1.2 Develop the Overall Strategy of Risk Management

With regard to the overall interests of the shareholders and clients, the Company implemented a comprehensive risk management strategy under the framework of comprehensive risk management, with the aims to enhance the effectiveness of operational management, improve the efficiency of operational activities, and reduce the uncertainties in achieving operational targets, thus ensuring the continued growth of the Company’s value. Furthermore, in accordance with the development strategies based on its own capabilities and external environment, the Company established the “Adhering to the Bottom Line and Making Progress while Maintaining Stability” risk appetite framework.

全面風險管理 (續)

三、風險管理及內部控制工作開展情況 (續)

3.1 風險管理工作開展情況 (續)

3.1.1 風險管理組織體系建設情況

公司按照全面風險管理及「統一框架、分級管理」的內部風險管理需要推進全系統的風險管理組織體系建設，風險管理條線工作流程與機制得到進一步提升，並通過貫徹落實全面風險管理下「三道防線」職能部門的職責分工，持續完善風險防控工作機制，形成風險防控合力。

3.1.2 風險管理總體策略設定

公司綜合考慮股東、客戶雙方的利益，在全面風險管理體系框架下實行全面風險管理策略，增強經營管理的有效性，提高經營活動的效率，降低實現經營目標的不確定性，保障公司價值持續增長，並根據自身條件和外部環境，圍繞發展戰略，確定「嚴守底線、穩中求進」的風險偏好。

Corporate Governance Report

企業管治報告書

RISK MANAGEMENT (Continued)

III. Status of Risk Management and Internal Control Assessment (Continued)

3.1 Status of the Risk Management Assessment (Continued)

3.1.3 Status of Risk Management Framework Design

The Company continuously strengthened the construction of risk appetite system and risk management system. On one hand, it further integrated the corporate risk management and strategic objectives, business model, product pricing, mode of financing, capital management and corporate governance, strived to realise the effective balance between business scale, operation revenues and risk capital, according to the “Adhering to the Bottom Line and Making Progress while Maintaining Stability” risk appetite in response to changes in the corporate strategies, market, regulation and internal management. On the other hand, it continuously promoted the implementation of comprehensive risk management system, and further improved the compliance effectiveness and risk management effect of the Group’s risk management system by integrating the requirements of the risk management system into all aspects of the operational management.

At the same time, kept enhancing the application of information technology in risk management, solidly promoted the Group’s “Intelligent Risk Control Platform” project, drew the Group’s risk management informatisation blueprint, and followed the overall strategy of “Overall Planning, Step-by-step Implementation, Comprehensive Advancement, and Practical Results”, anchoring direction for the Group’s construction of risk management information system in the medium to long term.

全面風險管理 (續)

三、風險管理及內部控制工作開展情況 (續)

3.1 風險管理工作開展情況 (續)

3.1.3 風險管理基礎建設

持續加強風險偏好體系及風險管理制度建設，一方面根據公司戰略、市場、監管、內部管理等變化，按照「嚴守底線，穩中求進」的風險偏好，使企業風險管理與戰略目標、業務模式、產品定價、融資方式、資本管理、公司治理等方面進一步結合，努力做到業務規模、經營收益與風險資本之間的有效平衡。另一方面持續推進全面風險管理制度體系的落地實施，通過將風險管理制度要求貫穿到經營管理的各個環節，進一步提升了集團風險管理制度的遵循有效性和風險管理效果。

同時繼續推進信息化手段在風險管理工作中的應用，紮實推進集團「智慧風控平台」項目，繪制集團風險管理信息化藍圖，按照「總體規劃、分步實施、全面推進、務求實效」總體策略，為中長期集團風險管理信息系統建設錨定方向。

Corporate Governance Report

企業管治報告書

RISK MANAGEMENT *(Continued)*

III. Status of Risk Management and Internal Control Assessment *(Continued)*

3.1 Status of the Risk Management Assessment *(Continued)*

3.1.3 Status of Risk Management Framework Design *(Continued)*

The Group highly emphasised the risk management culture cultivation and talent cultivation, advanced the risk management from the strategy perspective by promoting the establishment of comprehensive risk management system with risk capital as the core and stressing the necessity and importance of risk management with risk capital management as the core; continued to build the professional team for risk management through both internal and external recruitment efforts.

3.2 Status of the Internal Control

During the reporting period, pursuant to the relevant laws and regulations as well as regulatory requirements, while taking into consideration of factors such as its development strategies and market changes, the Company optimised the internal control system on the control environment, risk identification and assessment, control activities, information and communication, and internal monitoring.

全面風險管理 (續)

三、風險管理及內部控制工作開展情況 (續)

3.1 風險管理工作開展情況 (續)

3.1.3 風險管理基礎建設 (續)

集團高度重視風險管理文化培育和人才培養，從戰略高度推進風險管理工作，推動建立以風險資本為核心的全面風險管理體系，強調以風險資本管理為核心的風險管理的必要性和重要性，並通過內部培養與外部引進相結合的方式，推進風險管理專業人才隊伍建設。

3.2 內部控制工作開展情況

報告期內，公司根據相關法律法規和監管規定，結合公司發展戰略、市場變化等因素，在控制環境、風險識別與評估、控制活動、信息與溝通、內部監督等五個方面對內部控制體系進行了優化完善。

Corporate Governance Report

企業管治報告書

RISK MANAGEMENT *(Continued)*

III. Status of Risk Management and Internal Control Assessment *(Continued)*

3.2 Status of the Internal Control *(Continued)*

3.2.1 *The Internal Control Environment has been Continuously Optimised*

The Company further improved the corporate governance, the corporate governance structure established by the Board and the senior management is of good operation, clear authorisation and responsibilities, effective check and balance, and the internal control organisation structure based on “Three Lines of Defense” has been established and is operating effectively. The rules of procedure and decision-making mechanism have been enhanced, and the internal rule system has become more complete under strengthened management. The Company carried out activities such as internal compliance trainings to promote its internal compliance culture as internal control and compliance is everyone’s responsibility.

3.2.2 *The Ability of Risk Identification and Assessment has been Further Improved*

In accordance with the principles of “Risk-oriented, Capital Constraints, Behaviour Management, And Development Safety”, the Company dealt with various risks in operation with a risk appetite of “Adhering to the Bottom Line and Making Progress while Maintaining Stability”, and actively carried out risk investigation to further figure out the risk limit. Moreover, the Company supervised and guided each of its subsidiaries to resolve the stock risks in a timely manner and effectively prevent incremental risks. The Company also refined asset risk classification, and optimised the innovative application of risk management tools such as risk management information system construction and risk quantification models.

全面風險管理 (續)

三、風險管理及內部控制工作開展情況 (續)

3.2 內部控制工作開展情況 (續)

3.2.1 內部控制環境不斷優化

公司進一步完善公司治理，由董事會和高級管理層構建的公司治理結構運作規範、權責分明、制衡有效，以「三道防線」為主的內部控制組織架構已經建立並有效運行。完備議事規則和決策機制，規範制度建設與管理。組織開展內控合規培訓等，宣導內控合規、人人有責的內控合規文化。

3.2.2 風險識別與評估能力進一步提升

公司按照「風險導向、資本約束、行為管理、發展安全」的原則，以「嚴守底線、穩中求進」的風險偏好對待經營中面臨的各類風險，積極開展風險排查，進一步摸清風險底數，督促指導各子公司及時化解存量風險、有效防範增量風險。細化資產風險分類，優化風險管理信息系統建設、風險量化模型等風險管理工具的創新應用。

Corporate Governance Report

企業管治報告書

RISK MANAGEMENT *(Continued)*

III. Status of Risk Management and Internal Control Assessment *(Continued)*

3.2 Status of the Internal Control *(Continued)*

3.2.3 The Effect of Control Activities has been Increasingly Evident

The Company promoted the review of business processes and its internal control standards, and continued to strengthen various control activities. Besides, the Company continued to improve business analysis, established a system of holding regular meetings for business operation analysis, continuously tracked and monitored its business development through performance briefings of its business lines, monthly reports, etc., promoted the implementation of business operation plans and important work initiatives, and continuously strengthened sales control. In addition, the Company promoted anti-fraud of insurance claims and the piloting of authorisation management platforms, and continued to strengthen operational controls. Moreover, the Company continued to improve the investment management system, further improved the investment decision-making process, continuously improved the management level of real estate construction and decision-making efficiency, established a system of monitoring weekly reports, and further strengthened the control over funds utilisation. Measures have been taken to further reinforce the information system control, including operational safety control and construction of technology platform. The Company has strengthened control on various aspects such as finance costs, product pricing, reinsurance, anti-money laundering, related party transaction, centralised procurement and engineering construction, to continuously deepen control on basis management.

全面風險管理 (續)

三、風險管理及內部控制工作開展情況 (續)

3.2 內部控制工作開展情況 (續)

3.2.3 控制活動效果持續加強

公司推進業務流程及其內控標準梳理，持續加強各項控制活動。持續完善經營分析，建立業務經營分析例會制度，通過業務條線業績簡報、月報等方式，持續跟蹤、監控業務發展，推動業務經營計劃和重要工作舉措的執行，不斷加強銷售控制。推進保險理賠反欺詐、授權管理平台試點，持續加強運營控制。持續完善投資管理制度體系，進一步完善投資決策流程，不斷提升不動產建設管理水平及決策效率，建立監測週報制度，進一步加強資金運用控制。採取運營安全管控、技術平台建設等手段，進一步加強信息系統控制。強化財務費用、產品精算、再保險、反洗錢、關連交易、集中採購、工程建設等方面的管控，持續深化基礎管理控制。

Corporate Governance Report

企業管治報告書

RISK MANAGEMENT *(Continued)*

III. Status of Risk Management and Internal Control Assessment *(Continued)*

3.2 Status of the Internal Control *(Continued)*

3.2.4 Internal Information Exchange and Communication has been More Efficient

The Company has established a major emergency reporting mechanism and contingency plans to enhance the management of major cases and emergencies. In addition, the company improved management of official website, official wechat and image copyright, established spokesperson mechanism and brand crisis response mechanism, with an aim to standardise its press release and information disclosure, strengthened the monitoring of public opinion, shared monitoring information, and established and improved the resolution mechanism of public opinion.

3.2.5 Internal Supervision has been Deepened

The Company has established an independent internal audit entity, and constructed a full-coverage internal audit supervision model based on COSO-ERM enterprise risk management content framework. It focused on related party transactions, engineering construction, funds utilisation and investment risk management, centralised procurement and other important areas to implement risk audit, which has helped the Company to strengthen issues identification, accountability and rectification.

全面風險管理 (續)

三、風險管理及內部控制工作開展情況 (續)

3.2 內部控制工作開展情況 (續)

3.2.4 信息與溝通更加順暢

公司建立重大突發事件報告制度與應急預案，強化重大事件和應急事件管理。加強官網、官微、圖片版權管理，建立新聞發言人制度和品牌危機事件回應機制，規範對外新聞稿件報送和信息披露，強化輿情監測，共用監測信息，建立完善輿情化解處置機制。

3.2.5 內部監督不斷深化

公司設立獨立的內部審計機構，依據COSO-ERM企業風險管理內容框架，建立全覆蓋的內部審計監督模式，重點圍繞關連交易、工程建設、資金運用和投資風險管理、集中採購等多個重要領域，實施風險審計，強化違規問責和問題整改。

Corporate Governance Report

企業管治報告書

RISK MANAGEMENT *(Continued)*

III. Status of Risk Management and Internal Control Assessment *(Continued)*

3.2 Status of the Internal Control *(Continued)*

3.2.6 Internal Control Assessment

During the reporting period, pursuant to the Listing Rules of the Stock Exchange, the Basic Standards for Enterprise Internal Control and the supplementary guidelines jointly promulgated by the five ministries, including the Ministry of Finance of the PRC, and the relevant regulatory provisions issued by CBIRC, the Company conducted systematic activities such as investigation, testing, analysis and evaluation, and employed techniques such as interviews, seminars, on-site inspections, sampling and comparative analysis and others. Through two stages of company self-evaluation and independent evaluation by the internal audit, the Company analysed and identified internal control defects from five aspects: control environment, risk identification and assessment, control activities, information and communication, and monitoring. As a result, comprehensive assessment was made to the internal control system, its implementation and operation results of the Company and the relevant conclusions were formed.

全面風險管理 (續)

三、風險管理及內部控制工作開展情況 (續)

3.2 內部控制工作開展情況 (續)

3.2.6 內部控制評價

報告期內，公司根據聯交所上市規則、中國財政部等五部委《企業內部控制基本規則》及其配套指引，以及中國銀保監會相關監管規定，通過調查、測試、分析、評估等系統性活動，綜合運用訪談、專題討論、實地查驗、抽樣和比較分析等方法，經過公司自我評價和內部審計機構獨立評價兩個階段，從控制環境、風險識別和評估、控制活動、信息與溝通、監督等五個方面，分析、識別內部控制缺陷，對公司內部控制體系、實施和運行結果進行全面評價，形成了評價結論。

Corporate Governance Report

企業管治報告書

RISK MANAGEMENT *(Continued)*

III. Status of Risk Management and Internal Control Assessment *(Continued)*

3.2 Status of the Internal Control *(Continued)*

3.2.6 Internal Control Assessment *(Continued)*

The internal control assessment results show that the Company has established relatively sound internal control infrastructure, internal control management system, and risk management system, and constantly optimised the business control processes, improved the control on information systems, strengthened internal control management and supervision, ensured the achievement of the Company's internal control objectives in terms of organisation, personnel, systems, processes and execution. The Company's internal control system is basically sound and reasonable, operating effectively and functioning well. No major deficiencies were found.

According to the assessment results, the Company will continuously rectify the internal control defects identified, and follow up and evaluate the implementation of the rectification measures.

IV. Handling and Dissemination of Inside Information

For the purpose of handling and disseminating inside information, the Group has taken various procedures and measures, including arousing the awareness to preserve confidentiality of inside information within the Group, disseminating information to specified persons on a need-to-know basis and fully complying with the relevant Listing Rules, Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong) and its relevant guidelines.

全面風險管理 *(續)*

三、風險管理及內部控制工作開展情況 *(續)*

3.2 內部控制工作開展情況 *(續)*

3.2.6 內部控制評價 *(續)*

內控評價結果表明，公司已經建立相對健全的內部控制組織架構和內部控制管理體系，以及相對完善的風險管理體系，並不斷優化業務控制流程，改進信息系統控制，強化內部控制監督管理，並在組織、人員、制度、流程和執行等方面確保公司內部控制目標的實現。公司內部控制機制基本健全、合理，並得到有效運行，內部控制情況良好，未發現重大內控缺陷。

公司將根據內部控制評價結果，對發現的內部控制缺陷進行持續整改，並對整改措施的落實情況進行跟蹤評價。

四、處理及發佈內幕消息

就處理及發佈內幕消息而言，本集團已採取不同程序及措施，包括提高本集團內幕信息的保密意識，在需要知情的基礎上向指定人員傳播信息以及嚴格遵守相關的上市規則、香港法例第571章證券及期貨條例及相關指引。

Corporate Governance Report

企業管治報告書

SHAREHOLDERS' RIGHTS

Convening of Extraordinary General Meeting on Requisition by Shareholders

Shareholder(s) representing at least 5% of the total voting rights of all shareholders having a right to vote at general meeting of CTIH may request the Board to convene an extraordinary general meeting, pursuant to Section 566 to 568 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong). The objective of the meeting must be stated in the related requisition signed by the shareholders concerned and deposited at the registered office of the Company at 25/F., 18 King Wah Road, North Point, Hong Kong, for the attention of the Company Secretary. The requisition may consist of several documents in like form, each signed by one or more of the shareholders concerned.

Procedures for Putting Forward Proposals at Shareholders' Meetings by Shareholders

To put forward a resolution in an annual general meeting, shareholders are requested to follow the requirements and procedures as set out in Section 615 to 616 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong). A copy of the requisition/request signed by the shareholders concerned (or 2 or more copies which between them contain the signatures of all the shareholders concerned) needs to be deposited at the registered office of the Company.

Pursuant to Article 95 of the Articles of Association, no person other than a director retiring at the meeting (whether by rotation or otherwise) shall be appointed or reappointed a director at any general meeting unless:

- (a) he/she is recommended by the Board, or
- (b) during a period of not less than seven days commencing no earlier than the day after the despatch of the notice of the meeting and ending no later than seven days prior to the date appointed for the meeting, there has been given to the Company Secretary notice in writing by some Shareholder(s) (not being the person to be proposed) qualified to attend and vote at the meeting of his intention to propose that person for appointment or reappointment and also notice in writing signed by the person to be proposed of his willingness to be appointed or reappointed.

股東權利

應股東的請求召開股東特別大會

根據香港法例第622章《公司條例》第566至568條，股東可要求本公司董事會安排召開股東特別大會，惟股東在存放請求書當日須佔全體有權在中國太平控股股東大會上表決的股東總表決權最少5%。該書面請求必須述明會議目的，並由有關的股東簽署及送遞致本公司註冊辦事處（地址為香港北角京華道18號25樓），並註明致公司秘書。請求書可包含數份同樣格式的文件，而每份文件均由1名或多於1名有關的股東簽署。

將股東的建議提呈予股東大會的程序

當股東擬於股東周年大會上提呈一項決議，須依照香港法例第622章《公司條例》第615至616條的要求及程序。有關股東須將一份由有關股東簽署的請求書／請求（或兩份或多於兩份載有全體有關股東簽署的請求書）存放於本公司的註冊辦事處。

根據章程細則第95條，在大會上退任的董事（無論為輪值退任或以其他方式退任）以外的任何人士概無於任何股東大會上獲委任或重新委任為董事，除非：

- (a) 其獲董事會推薦，或
- (b) 在不早於大會通告寄發後翌日起至不遲於大會指定舉行日期前7日止不少於7日的期間內，合資格出席大會並於大會上投票的股東（擬被提名的人士除外）向公司秘書發出書面通知表示有意建議委任或重新委任該名人士，而被提名人士亦發出簽署書面通知表示願意獲委任或重新委任。

Corporate Governance Report

企業管治報告書

SHAREHOLDERS' RIGHTS (Continued)

Procedures for Putting Forward Proposals at Shareholders' Meetings by Shareholders (Continued)

Detailed procedures for shareholders to propose a person for election as a Director can be found on the Company's website.

Procedures for Directing Shareholders' Enquiries to the Board

Shareholders may send their enquiries and concerns in writing to the Company Secretary by addressing them to our Investor Relations team, the contact details of which are as follows:

Investor Relations
China Taiping Insurance Holdings Company Limited
25/F., 18 King Wah Road,
North Point,
Hong Kong

Telephone: (852) 2854 6555
Fax: (852) 2866 2262
Email: ir@cнтаiping.com

The Company Secretary will forward the enquiries and concerns to the Board and/or relevant board committees of the Company, where appropriate, to answer the shareholders' questions and/or to meet the shareholders' concerns.

CONSTITUTIONAL DOCUMENTS

There was no change to the Company's Articles of Association during the Year. A copy of the latest consolidated version of the Articles of Association is posted on the website of the Company and the Stock Exchange.

INVESTOR RELATIONS AND COMMUNICATIONS

The Company recognises the importance of communications with the shareholders of the Company and the investment community, and also recognises the value of providing current and relevant information on the Company to the shareholders and investors. The Company's corporate website, www.ctih.cнтаiping.com, features a dedicated Investor Relations section, and is aimed at facilitating effective communications with the shareholders, investors and other stakeholders. Corporate information, including both financial and non-financial information, are available in a timely manner on the website. The latest information on the Company, including annual and interim reports, corporate social responsibility reports, announcements, circulars, press releases as well as constitutional documents, are also available on the website.

股東權利 (續)

將股東的建議提呈予股東大會的程序 (續)

有關股東提名候選董事的程序可於本公司網站查閱。

將股東的查詢送達董事會的程序

股東可以書面形式經投資者關係團隊轉交彼等的查詢及關注事項予公司秘書，聯絡詳情如下：

投資者關係
中國太平保險控股有限公司
香港北角京華道18號25樓

電話：(852) 2854 6555
傳真：(852) 2866 2262
電郵：ir@cнтаiping.com

公司秘書將轉交股東的查詢及關注事項予本公司董事會及／或有關的董事委員會（若適當），以便回覆股東的提問及／或與有關股東會面。

組織章程文件

本公司組織章程細則於本年度內並無變動。組織章程細則的最新綜合版本載於本公司及聯交所網站。

投資者關係及通訊

本公司明白與本公司股東及投資者保持良好溝通的重要性，也認識到向股東及投資者提供當前及相關信息的價值。本公司透過設有投資者關係專頁的公司網站www.ctih.cнтаiping.com推動與股東、投資者及其他權益持有人的有效通訊，適時發放公司信息及其他相關的財務及非財務資料。本公司的最新資料包括年報、中期報告、社會責任報告、公告、通函及新聞稿以及組織章程文件亦已刊發於網站。

Consolidated Statement of Profit or Loss

綜合損益表

for the year ended 31 December 2019

截至2019年12月31日止年度

(Expressed in Hong Kong dollars)

(以港元列示)

		Year ended 31 December 截至12月31日止年度	
		2019 \$'000 千元	2018 \$'000 千元
	Notes 附註		
Income	收入		
Total premiums written and policy fees	總保費及保單費收入	223,018,522	199,631,606
Less: Premiums ceded to reinsurers	減：分出保費	(10,665,260)	(14,750,180)
Net premiums written and policy fees	淨保費收入及保單費收入	212,353,262	184,881,426
Change in unearned premium provisions, net of reinsurance	未到期責任準備金變化，減再保險	(3,585,232)	(307,168)
Net earned premiums and policy fees	已賺取保費及保單費收入淨額	208,768,030	184,574,258
Net investment income	淨投資收入	30,533,204	25,319,300
Net realised investment gains/(losses)	已實現投資收益／(虧損)淨額	2,714,488	(450,707)
Net unrealised investment gains/(losses) and impairment	未實現投資收益／(虧損)及減值淨額	(2,372,169)	(2,285,220)
Other income	其他收益	4,884,195	6,503,876
Total income	收入總額	244,527,748	213,661,507
Benefits, losses and expenses	給付、賠款及費用		
Net policyholders' benefits	保單持有人利益淨額	(58,373,515)	(76,933,688)
Net commission and handling fee expenses	佣金及手續費支出淨額	(24,003,597)	(25,043,772)
Administrative and other expenses	行政及其他費用	(35,278,267)	(31,007,723)
Change in life insurance contract liabilities, net of reinsurance	壽險合約負債變化，減再保險	(112,979,016)	(65,486,615)
Total benefits, losses and expenses	給付、賠款及費用總額	(230,634,395)	(198,471,798)
Share of results of associates and joint ventures	應佔聯營公司及合營公司業績	13,893,353	15,189,709
Finance costs	財務費用	(1,760,901)	344,005
		(2,328,432)	(2,421,329)
Profit before taxation	除稅前溢利	13,325,822	13,112,385
Income tax charges	稅項支出	(782,948)	(4,292,402)
Profit after taxation	除稅後溢利	12,542,874	8,819,983
Attributable to:	應佔：		
Owners of the Company	本公司股東權益	9,008,522	6,883,569
Non-controlling interests	非控股股東權益	3,534,352	1,936,414
		12,542,874	8,819,983
		dollars 元	dollars 元
Earnings per share attributable to the owners of the Company	本公司股東應佔每股盈利		
Basic	基本	2.457	1.844
Diluted	攤薄	2.457	1.844

The accompanying notes on page 130 to 325 form an integral part of these consolidated financial statements.

第130至325頁所附附註為本綜合財務報表的組成部份。

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

for the year ended 31 December 2019

截至2019年12月31日止年度

(Expressed in Hong Kong dollars)

(以港元列示)

		Year ended 31 December	
		截至12月31日止年度	
		2019	2018
		\$'000	\$'000
		千元	千元
Profit after taxation	除稅後溢利	12,542,874	8,819,983
Other comprehensive income:	其他全面收益：		
Items that will not be reclassified to profit or loss:	將不會重新分類至損益之項目：		
Revaluation gain arising from reclassification of own-use properties to investment properties	因自用物業重新分類為投資物業而產生之重估收益		
– Revaluation gain arising during the year	– 本年度來自重估的收益	669,224	78,322
– Net deferred tax	– 遞延稅項淨額	(45,454)	(18,891)
Exchange differences on translation of the financial statements of subsidiaries, associates and joint ventures which are not foreign operations	換算非境外的附屬公司、聯營公司及合營公司財務報表的匯兌差額	(1,485,690)	(2,956,496)
Items that may be subsequently reclassified to profit or loss:	隨後可能重新分類至損益之項目：		
Exchange differences on translation of the financial statements of foreign operations	換算境外的營運業務財務報表的匯兌差額	18,668	(45,468)
Available-for-sale securities	可供出售證券		
– Net fair value changes during the year including the impact of impairment and disposal	– 本年度公允價值變動淨額包括減值及出售的影響	13,046,707	(7,760,367)
– Net deferred tax	– 遞延稅項淨額	(3,141,174)	1,849,801
Total comprehensive income for the year	本年度全面收益總額	21,605,155	(33,116)
Attributable to:	應佔：		
Owners of the Company	本公司股東權益	16,203,425	(94,931)
Non-controlling interests	非控股股東權益	5,401,730	61,815
		21,605,155	(33,116)

Consolidated Statement of Financial Position

綜合財務狀況表

as at 31 December 2019

於2019年12月31日

(Expressed in Hong Kong dollars)

(以港元列示)

			At 31 December 2019 於2019年 12月31日 \$'000 千元	At 31 December 2018 於2018年 12月31日 \$'000 千元
Assets	資產			
Statutory deposits	法定存款	14	5,352,394	5,952,849
Fixed assets	固定資產			
– Property and equipment	– 物業及設備	15(a)	20,125,674	17,751,360
– Investment properties	– 投資物業	15(b)	19,018,156	17,505,180
– Prepaid lease payments	– 預付租賃付款	15(c)	–	3,440,474
– Right-of-use assets	– 租賃使用權資產	15(d)	7,791,212	–
			46,935,042	38,697,014
Goodwill	商譽	16(a)	719,110	731,297
Intangible assets	無形資產	16(b)	261,976	262,085
Interests in associates and joint ventures	於聯營公司及合營公司的權益	18	16,221,431	10,410,875
Deferred tax assets	遞延稅項資產	31(a)	1,641,853	2,932,103
Investments in debt and equity securities	債務及股本證券投資	19	604,364,322	461,928,068
Securities purchased under resale agreements	買入返售證券	36	6,025,140	7,507,696
Amounts due from group companies	應收集團內公司款項	20(a)	2,024,766	2,025,502
Insurance debtors	保險客戶應收賬款	21	14,901,309	11,916,295
Reinsurers' share of insurance contract provisions	分保公司應佔保險合約準備	22	12,334,887	14,145,548
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	47	1,083,703	960,649
Finance lease receivables	應收金融租賃	23	45,994,817	48,707,024
Other assets	其他資產	24	78,203,410	64,921,288
Pledged and restricted bank deposits	已抵押及受限制銀行存款	25	972,663	743,522
Deposits at banks with original maturity more than three months	原到期日超過三個月的銀行存款		54,565,700	52,731,698
Cash and cash equivalents	現金及現金等價物	26	27,817,656	27,527,820
			919,420,179	752,101,333
Liabilities	負債			
Life insurance contract liabilities	壽險合約負債	27	534,557,125	433,102,249
Unearned premium provisions	未到期責任準備金	28	19,986,181	16,935,217
Provision for outstanding claims	未決賠款準備	29	22,068,123	22,523,063
Investment contract liabilities	投資合約負債	30	56,218,772	40,337,193
Deferred tax liabilities	遞延稅項負債	31(a)	3,680,386	1,995,121
Interest-bearing notes	需付息票據	32	12,444,266	5,678,869
Bank borrowings	銀行貸款	38	47,975,870	50,487,171
Lease liabilities	租賃負債		2,447,479	–
Securities sold under repurchase agreements	賣出回購證券	36	34,395,296	24,371,924
Amounts due to group companies	應付集團內公司款項	20(b)	17,605	18,381
Insurance creditors	保險應付賬款	33	60,076,415	47,826,939
Other payables and accruals	其他應付及應計款項	34	30,338,362	25,009,344
Current taxation	當期稅項		1,029,166	3,244,175
Insurance protection fund	保險保障基金	35	128,169	175,906
			825,363,215	671,705,552
Net assets	資產淨值		94,056,964	80,395,781

Consolidated Statement of Financial Position (Continued)

綜合財務狀況表 (續)

as at 31 December 2019

於2019年12月31日

(Expressed in Hong Kong dollars)

(以港元列示)

			At 31 December 2019 於2019年 12月31日 \$'000 千元	At 31 December 2018 於2018年 12月31日 \$'000 千元
		Notes 附註		
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	39	40,771,408	40,771,408
Reserves	儲備	40	35,536,196	20,251,282
			76,307,604	61,022,690
Perpetual subordinated capital securities	永續次級資本證券	41	-	4,707,219
			76,307,604	65,729,909
Non-controlling interests	非控股股東權益	40	17,749,360	14,665,872
Total equity	總權益		94,056,964	80,395,781

Approved and authorised for issue by the board of directors on 27 March 2020.

董事會於2020年3月27日核准及授權發布。

LUO Xi
羅熹

WANG Sidong
王思東

The accompanying notes on page 130 to 325 form an integral part of these consolidated financial statements.

第130至325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 2019

截至2019年12月31日止年度

(Expressed in Hong Kong dollars)

(以港元列示)

		Notes 附註	Share capital 股本 \$'000 千元	Capital reserve 資本儲備 \$'000 千元	Merger reserve 合併儲備 \$'000 千元
Balance at 1 January 2019	於2019年1月1日之結餘		40,771,408	(6,396,801)	(6,842,218)
Profit for the year	本年度溢利		-	-	-
Other comprehensive income for the year, net of deferred tax	本年度其他全面收益， 減遞延稅項		-	-	-
Total comprehensive income	全面收益總額		-	-	-
Dividend declared to shareholders	向股東宣布的股息	12	-	-	-
Dividend declared by subsidiaries to non-controlling interests	附屬公司向非控股股東宣布的 股息		-	-	-
Distributions to holders of perpetual subordinated capital securities	向永續次級資本證券持有人 分配		-	-	-
Redemption of perpetual subordinated capital securities	贖回永續次級資本證券	41	-	-	-
Acquisition of additional interest in a subsidiary	購入一間附屬公司額外權益	17(a)(xv)	-	(360,846)	-
Balance at 31 December 2019	於2019年12月31日之結餘		40,771,408	(6,757,647)	(6,842,218)

		Notes 附註	Share capital 股本 \$'000 千元	Capital reserve 資本儲備 \$'000 千元	Merger reserve 合併儲備 \$'000 千元
Balance at 1 January 2018	於2018年1月1日之結餘		40,771,408	(6,396,801)	(6,842,218)
Profit for the year	本年度溢利		-	-	-
Other comprehensive income for the year, net of deferred tax	本年度其他全面收益， 減遞延稅項		-	-	-
Total comprehensive income	全面收益總額		-	-	-
Dividend declared to shareholders	向股東宣布的股息	12	-	-	-
Dividend declared by subsidiaries to non-controlling interests	附屬公司向非控股股東宣布的 股息		-	-	-
Distributions to holders of perpetual subordinated capital securities	向永續次級資本證券持有人 分配		-	-	-
Capital injections made to subsidiaries	向附屬公司注入資本		-	-	-
Deemed disposal of a subsidiary	視為出售一間附屬公司	45	-	-	-
Balance at 31 December 2018	於2018年12月31日之結餘		40,771,408	(6,396,801)	(6,842,218)

Note: The nature or purpose of reserves are disclosed in Note 40(a).

註：儲備的目的或性質於附註40(a)內披露。

Consolidated Statement of Changes in Equity (Continued)

綜合權益變動表 (續)

for the year ended 31 December 2019

截至2019年12月31日止年度

(Expressed in Hong Kong dollars)

(以港元列示)

Exchange reserve 匯兌儲備 \$'000 千元	Fair value reserve 公允價值儲備 \$'000 千元	Revaluation reserve 重估儲備 \$'000 千元	Retained profits 保留溢利 \$'000 千元	Perpetual subordinated capital securities 永續次級資本證券 \$'000 千元	Attributable to owners of the Company 本公司股東應佔權益 \$'000 千元	Non-controlling interests 非控股股東權益 \$'000 千元	Total 總額 \$'000 千元
(3,425,785)	(1,599,201)	726,558	37,788,729	4,707,219	65,729,909	14,665,872	80,395,781
-	-	-	8,831,182	177,340	9,008,522	3,534,352	12,542,874
(1,153,101)	7,726,174	621,830	-	-	7,194,903	1,867,378	9,062,281
(1,153,101)	7,726,174	621,830	8,831,182	177,340	16,203,425	5,401,730	21,605,155
-	-	-	(359,402)	-	(359,402)	-	(359,402)
-	-	-	-	-	-	(544,336)	(544,336)
-	-	-	-	(255,392)	(255,392)	-	(255,392)
-	-	-	(20,923)	(4,629,167)	(4,650,090)	-	(4,650,090)
-	-	-	-	-	(360,846)	(1,773,906)	(2,134,752)
(4,578,886)	6,126,973	1,348,388	46,239,586	-	76,307,604	17,749,360	94,056,964

Exchange reserve 匯兌儲備 \$'000 千元	Fair value reserve 公允價值儲備 \$'000 千元	Revaluation reserve 重估儲備 \$'000 千元	Retained profits 保留溢利 \$'000 千元	Perpetual subordinated capital securities 永續次級資本證券 \$'000 千元	Attributable to owners of the Company 本公司股東應佔權益 \$'000 千元	Non-controlling interests 非控股股東權益 \$'000 千元	Total 總額 \$'000 千元
(1,119,581)	3,118,426	681,227	31,520,809	4,707,156	66,440,426	15,280,272	81,720,698
-	-	-	6,627,322	256,247	6,883,569	1,936,414	8,819,983
(2,306,204)	(4,717,627)	45,331	-	-	(6,978,500)	(1,874,599)	(8,853,099)
(2,306,204)	(4,717,627)	45,331	6,627,322	256,247	(94,931)	61,815	(33,116)
-	-	-	(359,402)	-	(359,402)	-	(359,402)
-	-	-	-	-	-	(656,093)	(656,093)
-	-	-	-	(256,184)	(256,184)	-	(256,184)
-	-	-	-	-	-	19,581	19,581
-	-	-	-	-	-	(39,703)	(39,703)
(3,425,785)	(1,599,201)	726,558	37,788,729	4,707,219	65,729,909	14,665,872	80,395,781

Consolidated Statement of Cash Flows

綜合現金流量表

for the year ended 31 December 2019

截至2019年12月31日止年度

(Expressed in Hong Kong dollars)

(以港元列示)

		2019 \$'000 千元	2018 \$'000 千元
	Note 附註		
Operating activities	經營業務		
Profit before taxation	除稅前溢利	13,325,822	13,112,385
Adjustments for:	就下列各項作出調整：		
– Depreciation of property and equipment	– 物業及設備折舊	1,538,364	1,064,148
– Amortisation of prepaid lease payments	– 預付租賃付款攤銷	–	65,657
– Amortisation of intangible assets	– 無形資產攤銷	96	100
– Depreciation of right-of-use assets	– 租賃使用權資產折舊	1,203,240	–
– Surplus on revaluation of investment properties	– 投資物業重估盈餘	(12,720)	(144,277)
– Finance costs	– 財務費用	2,328,432	2,421,329
– Dividend income	– 股息收入	(3,224,216)	(2,349,291)
– Interests income	– 利息收入	(26,525,642)	(22,194,215)
– Share of results of associates and joint ventures	– 應佔聯營公司及合營公司業績	(1,760,901)	(344,005)
– Gain on disposal of property and equipment	– 出售物業及設備收益	(9,174)	(28,087)
– Net realised gains on listed and unlisted investments in debt securities and equity securities classified as held-to-maturity, available-for-sale and loans and receivables	– 歸類為持有至到期日、可供出售及貸款及應收款項的上市及非上市債務及股本證券之已實現收益淨額	(1,719,292)	(114,760)
– Recognition of impairment on investments in debt and equity securities	– 確認債務及股本證券減值	4,085,883	1,253,086
– Recognition of impairment losses on insurance debtors and other assets	– 保險客戶應收賬款及其他資產減值確認	275,474	81,622
– Provision for finance lease receivables	– 應收金融租賃的減值準備	267,771	127,870
– Recognition of impairment losses on goodwill	– 商譽減值確認	11,018	33,916
– Gain on disposal of an associate	– 出售聯營公司收益	(8,312)	–
– Gain on deemed disposal of a subsidiary	– 視為出售附屬公司收益	–	(1,359,321)
	45		
Operating loss before changes in working capital	營運資金變動前之經營虧損	(10,224,157)	(8,373,843)

Consolidated Statement of Cash Flows (Continued)

綜合現金流量表 (續)

for the year ended 31 December 2019

截至2019年12月31日止年度

(Expressed in Hong Kong dollars)

(以港元列示)

		2019 \$'000 千元	2018 \$'000 千元
Increase in held-for-trading securities	持有作交易用途證券增加	(10,570,131)	(1,368,942)
Decrease in securities designated at fair value through profit or loss	指定為通過損益以反映公允價值證券減少	116,841	126,290
Increase in insurance debtors and other assets	保險客戶應收賬款及其他資產增加	(6,300,014)	(1,148,105)
(Increase)/decrease in reinsurers' share of insurance contract provisions	分保公司應佔保險合約準備(增加)/減少	1,695,240	(4,583,278)
(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	(123,054)	431,525
(Increase)/decrease in finance lease receivables	應收金融租賃(增加)/減少	1,384,749	(4,965,809)
Increase in loans and advances	貸款及墊款增加	(12,824,767)	(12,421,360)
Increase in life insurance contract liabilities	壽險合約負債增加	112,495,339	68,426,951
Increase in unearned premium provisions	未到期責任準備金增加	3,401,281	1,940,398
Decrease in provision for outstanding claims	未決賠款準備減少	(234,151)	(280,857)
Increase/(decrease) in bank borrowings for finance lease receivables	給予應收金融租賃的銀行貸款增加/(減少)	(6,051,876)	6,350,618
Increase in investment contract liabilities	投資合約負債增加	16,771,194	10,982,400
Increase in insurance creditors and other payables and accruals	保險應付賬款及其他應付及應計款項增加	18,499,042	17,550,347
Decrease in insurance protection fund	保險保障基金減少	(47,737)	(6,492)
Cash generated from operations	經營業務所產生之現金	107,987,799	72,659,843
Income tax paid	已付稅項	(2,974,214)	(5,234,859)
Net cash from operating activities	經營業務所產生之現金淨額	105,013,585	67,424,984

Consolidated Statement of Cash Flows (Continued)

綜合現金流量表 (續)

for the year ended 31 December 2019

截至2019年12月31日止年度

(Expressed in Hong Kong dollars)

(以港元列示)

	Note	2019	2018
	附註	\$'000	\$'000
		千元	千元
Investing activities	投資業務		
(Increase)/decrease in pledged and restricted bank deposits	已抵押及受限制銀行存款 (增加) / 減少	(229,141)	89,629
Decrease in statutory deposits	法定存款減少	600,455	155,760
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增加	(3,038,889)	(17,671,785)
(Increase)/decrease in amounts due from group companies	應收集團內公司款項 (增加) / 減少	736	(2,010,522)
Payment for purchase of securities classified as loans and receivables	購入被歸類為貸款及應收款項之證券付款	(37,482,481)	(32,096,476)
Proceeds from redemption of loans and receivables	贖回貸款及應收款項所得款項	12,077,704	19,273,419
Payment for purchase of held-to-maturity debt securities	購入持有至到期債務證券付款	(94,489,713)	(56,493,219)
Proceeds from redemption of held-to-maturity debt securities	贖回持有至到期債務證券所得款項	42,191,199	8,870,337
Payment for purchase of available-for-sale securities	購入可供出售證券付款	(306,968,971)	(150,643,659)
Proceeds from sale of available-for-sale securities	出售可供出售證券所得款項	252,865,710	137,411,633
(Increase)/decrease in securities purchased under resale agreements	買入返售證券 (增加) / 減少	1,343,301	(242,652)
Increase in securities sold under repurchase agreements	賣出回購證券增加	10,023,372	10,367,375
Interests income received	已收利息收入	25,760,031	21,598,911
Dividend income received	已收股息收入	3,224,216	2,349,291
Payment for purchase of property and equipment	購入物業及設備付款	(4,852,865)	(4,667,381)
Proceeds from sale of property and equipment	出售物業及設備所得款項	236,830	263,710
Payment for purchase of investment properties	購入投資物業付款	(689,246)	(1,064,441)
Proceeds from sale of property held for sale	出售持有作出售物業所得款項	-	30,885
Payment for prepaid lease payments	支付預付租賃付款	-	(3,865,566)
Payment for purchase of associates and joint ventures	購入聯營公司及合營公司的付款	(4,884,464)	(5,129,632)
Dividend received from associates and joint ventures	聯營公司及合營公司股息收入	228,519	198,177
Sale proceeds from disposal of an associate	出售一間聯營公司所得款項	9,707	-
Partial capital repayment from an associate	聯營公司償還部份資金	-	296,729
Net cash outflow from acquisition of additional interest in a subsidiary	收購一間附屬公司額外權益產生的現金流出淨額	(2,134,752)	-
Cash and cash equivalents derecognised on deemed disposal of a subsidiary	視為出售附屬公司而終止確認的現金及現金等價物	-	(199,526)
	45	-	(199,526)
Net cash used in investing activities	投資業務所動用之現金淨額	(106,208,742)	(73,179,003)

Consolidated Statement of Cash Flows (Continued)

綜合現金流量表 (續)

for the year ended 31 December 2019

截至2019年12月31日止年度

(Expressed in Hong Kong dollars)

(以港元列示)

		Notes 附註	2019 \$'000 千元	2018 \$'000 千元
Financing activities	融資活動			
Decrease in amounts due to group companies	應付集團內公司款項減少		(776)	(300,719)
Proceeds from interest-bearing notes issued	發行需付息票據所得款項		7,814,419	-
Redemption of interest-bearing notes	贖回需付息票據		(1,004,711)	(228,258)
Proceeds from bank borrowings	募集銀行貸款		5,470,853	3,910,800
Repayment of bank borrowings	償還銀行貸款		(1,096,215)	(3,943,864)
Repayment of the lease liabilities	償還租賃負債		(1,206,455)	-
Distributions to holders of perpetual subordinated capital securities	向永續次級資本證券持有人分配	41	(255,392)	(256,184)
Capital injections made to subsidiaries by non-controlling shareholders	非控股股東向附屬公司注入資本		-	19,581
Redemption of perpetual subordinated capital securities	贖回永續次級資本證券	41	(4,650,090)	-
Dividend paid by subsidiaries to non-controlling interests	附屬公司向非控股股東派發股息		(544,336)	(656,093)
Interest paid	支付利息		(2,185,894)	(2,869,970)
Dividend paid	支付股息	12	(359,402)	(359,402)
Net cash generated from/(used in) financing activities	融資活動所產生/(動用)之現金淨額		1,982,001	(4,684,109)
Effect of changes in exchange rates	匯率轉變影響		(497,008)	(1,299,309)
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加/(減少)淨額		289,836	(11,737,437)
Cash and cash equivalents at 1 January	於1月1日的現金及現金等價物	26	27,527,820	39,265,257
Cash and cash equivalents at 31 December	於12月31日的現金及現金等價物	26	27,817,656	27,527,820

The accompanying notes on page 130 to 325 form an integral part of these consolidated financial statements.

第130至325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)
(以港元列示)

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Significant Accounting Policies

(a) Statement of compliance

The Company is a limited liability company incorporated in Hong Kong and its shares are listed on the Stock Exchange of Hong Kong Limited. The address of the registered office of the Company is disclosed in the corporate information section to the annual report.

The principal activities of the Company and its subsidiaries are disclosed in Note 17.

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) and requirement of the Hong Kong Companies Ordinance (Cap. 622). 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.

The presentation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group’s accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in the Note 51.

(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 majority number of operating subsidiaries 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.

1 編製基準及主要會計政策

主要會計政策

(a) 遵例聲明

本公司為於香港註冊成立的有限責任公司，其股份於香港聯合交易所有限公司上市。本公司之註冊辦事處及主要營業地點之地址於本年報「集團資料」內披露。

本公司及其附屬公司之主要業務於附註17披露。

本財務報表乃按照所有適用的香港財務報告準則（「香港財務報告準則」）及香港《公司條例》（第622章）規定所編撰。綜合財務報表同樣遵守香港聯合交易所有限公司證券上市規則所規定之適用披露事項。本集團採用之主要會計政策概述如下。

根據香港財務報告準則規定編製財務報表需進行若干會計估計，而規定管理層在採用本集團會計政策時作出判斷。有關範圍涉及較高程度判斷或複雜性，或對綜合財務報表而言屬重大範疇之假設及估計，於附註51披露。

(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」）。

本集團內大部份營運附屬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元呈列。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Accounting Policies (Continued)

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

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value or measured primarily based on actuarial methods as explained in the accounting policies are disclosed below:

Stated at fair value

- (i) investment properties;
- (ii) investments in debt and equity securities classified as available-for-sale, other than those carried at cost less impairment;
- (iii) investments in debt and equity securities classified as held-for-trading and designated at fair value through profit or loss;
- (iv) policyholder account assets in respect of unit-linked products; and
- (v) investment contract liabilities in respect of unit-linked products.

Measured primarily based on actuarial methods

- (i) life insurance contract liabilities;
- (ii) unearned premium provisions; and
- (iii) provision for outstanding claims.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS 36.

1 編製基準及主要會計政策 (續)

主要會計政策 (續)

(b) 財務報表的編製基準 (續)

除以下資產及負債是以公允價值列賬或按精算方法計量外，本財務報表是以歷史成本作為編製基準。有關詳情於下列會計政策披露：

以公允價值列賬

- (i) 投資物業；
- (ii) 歸類為可供出售的債務及股本證券投資，按成本減任何累計減值列賬的則除外；
- (iii) 持有作交易用途及指定為通過損益以反映公允價值的債務及股本證券投資；
- (iv) 有關投資連結產品之保單持有人資產；及
- (v) 有關投資連結產品之投資合約負債。

主要是基於精算方法計量

- (i) 壽險合約負債；
- (ii) 未到期責任準備金；及
- (iii) 未決賠款準備。

公允價值是於計量日期市場參與者於有秩序交易中出售資產可收取或轉讓負債須支付的價格，而不論該價格是否直接可觀察或可使用其他估值技術估計。若市場參與者於計量日期對資產或負債定價時會考慮資產或負債的特性，則本集團於估計資產或負債的公允價值時會考慮該等特性。此等綜合財務報表中作計量及／或披露用途的公允價值乃按此基準釐定，惟屬於香港會計準則第17號範圍內的租賃交易，以及與公允價值有部份相若地方但並非公允價值的計量，譬如香港會計準則第2號內的可變現淨額或香港會計準則第36號的使用價值除外。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Accounting Policies (Continued)

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

Measured primarily based on actuarial methods (Continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

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

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

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 following year are discussed in Note 51.

1 編製基準及主要會計政策 (續)

主要會計政策 (續)

(b) 財務報表的編製基準 (續)

主要是基於精算方法計量 (續)

此外，就財務報告而言，公允價值計量根據公允價值計量的輸入數據可觀察程度及公允價值計量的輸入數據對其整體的重要性分類為第一級、第二級或第三級，詳情如下：

- 第一級別的輸入變數是指個體能於計量日在活躍市場上得到已識別資產或負債的標價（不做任何調整）；
- 第二級別的輸入變數是指除包含在第一級別的標價以外，可直接或間接觀察得到的資產或負債的輸入變數；及
- 第三級別的輸入變數是指資產或負債不可觀察得到的輸入變數。

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。

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51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。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Accounting Policies (Continued)

(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 unbundled into the respective components as disclosed in Note 1(d)(ix).

(ii) Investment contracts

Insurance policies that are not considered insurance contracts under HKFRS 4 are classified as investment contracts, which are accounted for under HKAS 39.

(d) Recognition and measurement of contracts

(i) Recognition of gross premiums written

Gross premiums written in respect of life insurance contracts are recognised as revenue when due from the policyholders. Gross premiums written from short-term accident and health insurance contracts are recognised when written.

1 編製基準及主要會計政策 (續)

主要會計政策 (續)

(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)披露分拆有關部份。

(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。

(d) 合約確認及計量

(i) 毛承保保費之確認

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。短期意外及健康險合約的毛承保保費,於承保時記入。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Accounting Policies (Continued)

(d) Recognition and measurement of contracts (Continued)

(i) Recognition of gross premiums written (Continued)

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

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 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 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 will be recognised on the initial recognition of the life insurance contract. Day-One loss should be recognised in profit or loss at inception when it occurred. 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 as the 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 編製基準及主要會計政策 (續)

主要會計政策 (續)

(d) 合約確認及計量 (續)

(i) 毛承保保費之確認 (續)

有關財產保險合約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。

有關再保險合約的毛承保保費可反映本年度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保險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，以提撥風險準備。剩餘價差已考慮到獲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收益估計。如有首日損失，將計入當期損益。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)
(以港元列示)

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Accounting Policies (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 are used in performing these tests. Any deficiency is recognised in the consolidated statement of profit or loss for the current year.

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

1 編製基準及主要會計政策 (續)

主要會計政策 (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,則會就財產保險合約及再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,乃參照與其一併管理的業務種類,並經計及為進行未到期責任準備金及未到期風險準備金而持有投資的未來投資回報計算。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Accounting Policies (Continued)

(d) Recognition and measurement of contracts (Continued)

(vi) Investment contracts liabilities

Investment contract liabilities of the Group include liabilities arising from investment contracts that carry no significant insurance risk and also investment components of universal life contracts and unit-linked contracts that carry no significant insurance risk.

The liability of the investment component of an unbundled universal life contract is measured at amortised cost using effective interest rate while the liability arising from 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.

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. The liability for such contracts is adjusted for all changes in their fair value of the underlying 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 recognised as an expense when due for payment. Surrender claims are recognised when due for payments. Claims are recognised when notified but not settled and an estimate is made for claims incurred but not reported at the reporting date. Policyholder dividends are recognised 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.

1 編製基準及主要會計政策 (續)

主要會計政策 (續)

(d) 合約確認及計量 (續)

(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。

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）。

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。該等合約的負債按其相關資產的公允價值的所有變動進行調整。

(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，以及按預期宣派及配發予保單持有人的紅利。到期及年金賠款於滿期給款時確認為開支。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。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Accounting Policies (Continued)

(d) Recognition and measurement of contracts (Continued)

(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 recognised in accordance with HKAS 18, are not recognised in the consolidated statement of profit or loss but as financial assets and financial liabilities. The financial assets or financial liabilities arising from the investment component are accounted for under HKAS 39.

(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 recognised 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 recognised as an expense when due.

1 編製基準及主要會計政策 (續)

主要會計政策 (續)

(d) 合約確認及計量 (續)

(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，除保單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。來自投資部份的金融資產及金融負債按香港會計準則第39號計入。

(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，以限制其潛在賠款淨額。來自自己分出保險／再保險合約的資產、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分保公司應收款及其他應收款（列為再保險資產）。分保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，並在到期時確認為費用。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Accounting Policies (Continued)

(d) Recognition and measurement of contracts (Continued)

(x) Reinsurance (Continued)

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 amortised cost and the carrying amount is reduced through the use of an allowance account similar to insurance receivables.

(xi) Commission

Commission include both amounts paid or payable to agents and brokers and amounts received or receivable from reinsurers. Commission expense is accounted for when paid or payable and therefore varies in line with insurance premiums written.

(e) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

1 編製基準及主要會計政策 (續)

主要會計政策 (續)

(d) 合約確認及計量 (續)

(x) 再保險 (續)

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。倘有客觀證據顯示，於該資產初次被確認後發生了一些事件，令本集團不可收回全部到期款項以及該事件可對本集團從分保公司收取的金額造成可靠地計量的影響。減值是按攤銷成本持有之金融資產所採用之相同方法計算，其賬面值透過準備賬沖減，與保險應收賬款相似。

(xi) 佣金

佣金包括應付或已付代理及經紀之金額及應收或已收再保險商之金額。佣金支出於支付或應付時計入。因此，計入方法會隨承保保費的種類而有所不同。

(e) 綜合基準

綜合財務報表包括本公司及由本公司控制之個體及附屬公司之財務報表。控制權被定為擁有，當本公司：

- 可對被投資者行使權力；
- 從參與被投資者之業務獲得或有權獲得可變回報；及
- 有能力藉對被投資者行使其權力而影響其回報。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Accounting Policies (Continued)

(e) Basis of consolidation (Continued)

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary 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 statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interest having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

1 編製基準及主要會計政策 (續)

主要會計政策 (續)

(e) 綜合基準 (續)

若上述三項因素中之一項或多項出現變化，本公司將重新評估其是否對被投資者擁有控制權。

附屬公司之綜合由本公司對附屬公司擁有控制權開始，並於本公司失去對附屬公司的控制權時終止。尤其是對於本年度內所收購或出售一間附屬公司之收入及開支，除共同控制合併者使用合併會計法外，將由本公司獲得控制權日期起直至本公司終止控制附屬公司當日止計入綜合損益及其他全面收益表。

各損益及其他全面收益項目乃分配至本公司擁有人及非控股權益。附屬公司的全面收益總額乃分配至本公司擁有人及非控股權益，即使此舉導致非控股權益出現虧絀結餘。

如有需要，會對附屬公司之財務報表作出調整，以使其會計政策與本集團會計政策一致。

有關本集團股東之間的所有集團內資產及負債、權益、收入、開支及現金流量均於綜合賬目時全面對銷。

本集團於現有附屬公司擁有權之變動

本集團於現有附屬公司擁有權出現並無導致本集團失去該等附屬公司的控制權之變動，均以權益交易入賬。本集團之權益與非控股股東權益之賬面值均予以調整，以反映彼等於附屬公司之相關權益的變動。非控股股東權益所調整之款額與所付或所收代價之公允價值兩者之間的差額，均直接於權益確認並歸屬於本公司股東。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Accounting Policies (Continued)

(e) Basis of consolidation (Continued)

Changes in the Group's ownership interests in existing subsidiaries (Continued)

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and the liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

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

(f) Associates and joint ventures

An associate is an entity over which the Group has significant influence. 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.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decision about the relevant activities require unanimous consent of the parties sharing control.

1 編製基準及主要會計政策 (續)

主要會計政策 (續)

(e) 綜合基準 (續)

本集團於現有附屬公司擁有權之變動 (續)

當本集團失去一間附屬公司的控制權時，盈虧於損益內確認，並按：(i) 已收代價公允價值及任何保留權益公允價值總額與(ii) 資產（包括商譽）的先前賬面值及附屬公司的負債及任何非控股權益之間的差額計算。所有先前於其他全面收益就該附屬公司確認的金額會予以入賬，猶如本集團已直接出售該附屬公司的相關資產及負債（即按適用香港財務報告準則的規定／許可重新分類至損益或轉撥至另一類權益）。於失去控制權當日在前附屬公司保留的任何投資的公允價值，會根據香港會計準則第39號，在其後入賬時被列作首次確認的公允價值，或（如適用）首次確認於聯營公司或合營公司的投資的成本。

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（附註1(o)）列賬。本公司把附屬公司之業績按已收及應收股息入賬。

(f) 聯營公司及合營公司

聯營公司是指本集團對一個個體有重大影響。重大影響是指有權參與被投資者的財政及營運政策的決策但並不能夠控制或共同控制這些政策。

合營公司指一項聯合安排，對安排擁有共同控制權的訂約方據此對聯合安排的淨資產擁有權利。共同控制是指按照合約約定對某項安排所共有的控制，共同控制僅在當相關活動要求共同享有控制權的各方作出一致同意的決定時存在。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Accounting Policies (Continued)

(f) Associates and joint ventures (Continued)

The results and assets and liabilities of associates or joint venture are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with HKFRS 5. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's investment in that associate or joint venture, including any other unsecured receivables, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

1 編製基準及主要會計政策 (續)

主要會計政策 (續)

(f) 聯營公司及合營公司 (續)

聯營公司或合營公司之業績、資產及負債均採用權益會計法計入綜合財務報表，惟投資或其中部份被分類為待出售資產，在這情況下，根據香港財務報告準則第5號記賬。按照權益法，於聯營公司的投資初步在綜合財務狀況表按成本確認，並於其後就確認本集團應佔該等聯營公司之損益及其他全面收益作出調整。倘本集團對某一聯營公司所承擔之虧損超逾對該聯營公司所享權益，（其中包括任何長期利息基本上成為本集團於聯營公司的淨投資的一部份）本集團停止確認其分佔之進一步虧損。僅當本集團招致司法或引申債務或代表聯營公司支付時，才對額外虧損額進行撥備。

投資聯營公司或合營公司是由被投資者成為聯營公司或合營公司當日起以權益會計法入賬。當收購投資聯營公司或合營公司，任何投資成本比本集團應佔被投資者的可識別資產及負債之淨公平值高出之差額便確認為商譽，已包括在投資的賬面值中。任何本集團應佔的可識別資產及負債之淨公平值比投資成本高出之差額，於重新評估後，立即於收購投資時於損益表中確認。

香港會計準則第39號之規定予以應用，以釐定是否需要就本集團於聯營公司或合營公司之投資確認任何減值。於需要時，該項投資之全部賬面值（包括商譽）會根據香港會計準則第36號「資產減值」以單一項資產的方式進行減值測試，方法是比較其可收回金額（即使用價值與公允價值減出售成本之較高者）與賬面值。任何已確認之減值構成該項投資之賬面值的一部份，有關減值之任何撥回乃於該項投資之可收回金額其後增加之情況根據香港會計準則第36號確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Accounting Policies (Continued)

(f) Associates and joint ventures (Continued)

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment (or a portion thereof) is classified as held for sale. When the Group retains an interest in a former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with HKAS 39. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

1 編製基準及主要會計政策 (續)

主要會計政策 (續)

(f) 聯營公司及合營公司 (續)

於投資不再作為聯營公司或合營公司當日或投資(或其一部份)分類為持作出售當日,本集團終止使用權益法。當本集團保留於前聯營公司或合營公司的權益,且保留權益為金融資產時,則本集團於當日按公允價值計量保留權益,而公允價值則被視為根據香港會計準則第39號首次確認時的公允價值。聯營公司或合營公司於終止使用權益法當日的賬面值與任何保留權益的公允價值及出售聯營公司或合營公司部份權益所得任何所得款項之間的差額,乃計入釐定出售聯營公司或合營公司的損益。此外,倘該聯營公司或合營公司直接出售相關資產或負債,則本集團可能需要按相同基準計入有關該聯營公司或合營公司的以往於其他全面收益確認的所有金額。因此,倘聯營公司或合營公司以往於其他全面收益確認的損益重新分類為出售相關資產或負債的損益,則本集團將於終止使用權益法時將權益盈虧重新分類至損益(列作重新分類調整)。

當於聯營公司的投資成為對合營公司的投資或於合營公司的投資成為對聯營公司的投資時,本集團繼續使用權益法。於發生該等所有權變動時,不會對公允價值進行重新計量。

當本集團削減於聯營公司或合營公司的所有權權益但繼續使用權益法時,倘以往於其他全面收益確認有關削減所有權權益的盈虧部分將於出售相關資產或負債時重新分類至損益,則本集團會將該盈虧重新分類至損益。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Accounting Policies (Continued)

(f) Associates and joint ventures (Continued)

When a group entity transacts with its associate or joint venture of the Group (such as a sale or contribution of assets), profits and losses resulting from the transactions with the associates or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

In the Company's statement of financial position, its investments in associates are stated at cost less impairment losses (Note 1(o)). The results of associates are accounted for by the Company on the basis of dividends received or receivable.

(g) Business combinations and goodwill

(i) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

1 編製基準及主要會計政策 (續)

主要會計政策 (續)

(f) 聯營公司及合營公司 (續)

倘一集團實體與其聯營公司及合營公司交易，與該聯營公司及合營公司交易（如出售或投入資產）所產生之損益只會在有關聯營公司及合營公司之權益與本集團無關的情況下，才會在本集團之綜合財務報表確認。

本公司財務狀況表所示於聯營公司的投資，是按成本減去減值入賬（附註1(o)）。本公司將聯營公司之業績按已收及應收股息入賬。

(g) 業務合併及商譽

(i) 業務合併

收購業務採用收購法入賬。業務合併之收購代價按公允價值計量，而計算方法為本集團所轉讓之資產、本集團向被收購方原股東產生之負債及本集團於交換被收購方之控制權發行之股權之總額。有關收購之費用一般於產生時確認於損益中。

所收購之可識別資產及所承擔之負債乃於收購日按公允價值確認，惟以下情況除外：

- 遞延稅項資產或負債及僱員福利安排所產生之資產或負債分別按香港會計準則第12號「所得稅」及第19號「僱員福利」確認及計量；
- 與被收購方以股份為基礎之付款支出安排有關或以本集團以股份為基礎之付款安排取代被收購方以股份為基礎之付款支出安排有關之負債及權益工具，乃於收購日期按香港財務報告準則第2號「以股份為本之付款」計量；及
- 根據香港財務報告準則第5號「持有作出售之非流動資產及終止業務」分類為持有作出售之資產（或出售組別）根據該準則計量。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Accounting Policies (Continued)

(g) Business combinations and goodwill (Continued)

(i) Business combinations (Continued)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value.

(ii) Acquisition of additional interests in subsidiaries

On acquisition of additional interests in subsidiaries, the difference between the cost of additional interest acquired and the decrease in the carrying amount of the non-controlling interest is recorded in capital reserve.

(iii) 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 combinations 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 party's perspective. No amount is recognised 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 編製基準及主要會計政策 (續)

主要會計政策 (續)

(g) 業務合併及商譽 (續)

(i) 業務合併 (續)

商譽是以所轉撥之代價、非控股權益於被收購方中所佔金額、及收購方以往持有之被收購方股權之公允價值(如有)之總和,減所收購之可識別資產及所承擔之負債於收購日期之淨值後,所超出之差額計值。倘經過評估後,所收購之可識別淨資產與所承擔負債於收購日期之淨額高於轉撥之代價、非控股權益於被收購方中所佔金額以及收購方以往持有之被收購方股權之公允價值(如有)之總和,則差額即時於損益內確認為廉價收購收益。

屬現時擁有之權益且於清盤時讓持有人有權按比例佔實體淨資產之非控股權益,可初步按公允價值或非控股權益應佔被收購方可識別資產淨值的已確認金額比例計量。計量基準視乎每項交易而作出選擇。其他類型的非控股權益乃按其公允價值或(倘適用)按另一項準則規定的計量基準計量。

(ii) 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非控股股東權益賬面值減少之差異於資本儲備中錄入。

(iii) 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)
(以港元列示)

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Accounting Policies (Continued)

(g) Business combinations and goodwill (Continued)

(iii) Merger accounting for business combination involving entities under common control (Continued)

The consolidated statement of profit or loss and other comprehensive income 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 end of the previous reporting period or when they first came under common control, whichever is shorter.

(iv) Goodwill

Goodwill arising on an acquisition of a business is carried at cost less accumulated impairment losses, if any, and is presented separately in the consolidated statement of financial position.

For the purposes of impairment testing, goodwill 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 reporting period. If 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 recognised directly in profit or loss in the consolidated statement of 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 capitalised is included in the determination of the amount of profit or loss on disposal.

1 編製基準及主要會計政策 (續)

主要會計政策 (續)

(g) 業務合併及商譽 (續)

(iii) 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。

(iv) 商譽

收購業務所產生之商譽,按成本減累計減值(如有)列賬及於綜合財務狀況表分開呈列。

就減值測試而言,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報告期末前進行減值測試。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。任何商譽減值會直接於綜合損益表的損益確認。商譽減值並不會於往後期間撥回。

於出售有關現金產生單位時,釐定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)
(以港元列示)

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Accounting Policies (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 recognised 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 (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 financial assets carried at fair value through profit or loss. 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 at fair value through profit or loss on initial recognition.

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.

1 編製基準及主要會計政策 (續)

主要會計政策 (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列賬（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，惟通過損益以反映公允價值的金融資產除外。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。

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) 屬本集團一併管理的已識別金融工具組合的一部份，並且具近期有實際短期套利模式；或
- (3) 其為不指定及有效作為對沖工具之衍生工具。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Accounting Policies (Continued)

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

(i) Financial assets at fair value through profit or loss (Continued)

A financial asset other than a financial asset held-for-trading may be designated at fair value through profit or loss upon initial recognition if:

- (1) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- (2) the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- (3) it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated at fair value through profit or loss.

At the end of each reporting period subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets and is included in the net unrealised investment gains/(losses) in the consolidated statement of profit or loss.

(ii) Held-to-maturity securities

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Group's management has the positive intention and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity securities are stated in the consolidated statement of financial position at amortised cost using effective interest method less impairment losses (Note 1(o)).

1 編製基準及主要會計政策 (續)

主要會計政策 (續)

(h) 債務及股本證券投資 (續)

(i) 通過損益以反映公允價值的金融資產 (續)

除持有作交易用途的金融資產外，金融資產可能於初次確認時被指定為通過損益以反映公允價值，如：

- (1) 按該訂值可以消除或大幅減少計量或確認出現的不一致的情況；或
- (2) 金融資產構成一組金融資產、金融負債或一組金融資產及負債，根據本集團明文規定的風險管理或投資策略，按公允價值基準管理及評估表現，而內部亦根據該基準呈報該組金融工具的資訊；或
- (3) 其組成內含一種或多種嵌入式衍生工具，而香港會計準則第39號允許整份合併合約（資產或負債）劃分為通過損益以反映公允價值。

於首次確認後之每個報告期末，通過損益以反映公允價值的金融資產乃按公允價值計量，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）。

(ii) 持有至到期證券

持有至到期證券為非衍生工具之金融資產，並有固定或可釐定付款以及固定到期日的債務證券，而本集團及／或本公司有肯定能力及意向持有至到期。於首次確認後，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後記入綜合財務狀況表（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)
(以港元列示)

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Accounting Policies (Continued)

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

(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 amortised cost using the effective interest method, less any identified impairment losses (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. Equity and debt securities held by the Group that are classified as available-for-sale are measured at fair value at the end of each reporting period. Changes in the carrying amount of available-for-sale monetary financial assets relating to interest income calculated using the effective interest method and dividends on available-for-sale equity investments are recognised in consolidated statement of profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognised in other comprehensive income and accumulated under the heading of fair value reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified to profit or loss (Note 1(o)).

Investments in equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are recognised in the consolidated statement of financial position at cost less impairment losses (Note 1(o)).

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

The effective interest method is a method of calculating the amortised 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.

1 編製基準及主要會計政策 (續)

主要會計政策 (續)

(h) 債務及股本證券投資 (續)

(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後列賬（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。由本集團持有及在活躍市場交易，並已歸類為可供出售的債務及股本證券，於每個報告期末以其公允價值計量。可供出售貨幣性金融資產的賬面價值變動與按有效利率方法計算的利息及可供出售股本證券的股息有關的，於損益表內確認。其他可供出售證券的賬面價值變動於其他全面收益內確認及累計於公允價值儲備。當投資被出售或確認減值時，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（附註1(o)）。

沒有活躍市場報價及其公允價值不能可靠地計量的股本證券投資，按成本減去減值後確認在綜合財務狀況表內（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。

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。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Accounting Policies (Continued)

(i) Securities purchased under resale agreements/ securities sold under repurchase agreements

Securities sold under repurchase agreements represent short-term financing arrangements secured by the securities sold. The securities remain on the consolidated 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” liabilities are carried in the consolidated statement of financial position at amortised cost. Conversely, securities purchased under resale agreements represent short-term lending arrangements secured by the securities purchased. The securities purchased are not recognised as financial assets on the consolidated statement of financial position and the consideration paid is recorded as “securities purchased under resale agreements” and carried in the consolidated statement of financial position at amortised 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 consolidated 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 recognised in the consolidated statement of profit or loss. 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 編製基準及主要會計政策 (續)

主要會計政策 (續)

(i) 買入返售證券／賣出回購證券

賣出回購證券指以所出售的證券作抵押之短期財務安排。該等證券仍留在綜合財務狀況表，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。賣出回購證券負債是按已攤銷成本記入綜合財務狀況表。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。該等證券不會於綜合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綜合財務狀況表。利息乃按有效利率方法計算。

(j) 投資物業

土地及／或建築物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綜合財務狀況表列示。因公允價值變動或報廢或出售而產生的損益在綜合損益表內確認。投資物業租金收入按附註1(v)(m)所述計算。

本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)
(以港元列示)

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Accounting Policies (Continued)

(k) Property and equipment

Property and equipment including buildings and leasehold land (classified as finance leases) held for use in supply of services, or for administrative purposes are stated at cost less subsequent accumulated depreciation and impairment losses (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 recognised in the consolidated statement of profit or loss on the date of retirement or disposal.

Depreciation is recognised to write off the cost of items of property and equipment for administrative purpose, 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 – 10 years

Depreciation is recognised to write off the cost of items of operating lease assets, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

- Aircraft equipment 25 years
- Vessel equipment 25 years
- Mining structure 15 years
- Machinery and equipment 8 – 10 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.

If an item of property and equipment becomes an investment property because its use has changed as evidenced by end of owner-occupation, any difference between the carrying amount and the fair value of that item at the date of transfer is recognised in other comprehensive income and accumulated in property revaluation reserve. On the subsequent sale or retirement of the asset, the relevant revaluation reserve will be transferred directly to retained profits.

1 編製基準及主要會計政策 (續)

主要會計政策 (續)

(k) 物業及設備

物業及設備包括持有用於提供服務，或用於行政用途之建築物及租賃土地（分類為融資租賃），乃按成本減後續累計折舊及累計減值列賬（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綜合損益表內確認。

作行政用途的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確認以沖銷其成本，減去其估計剩餘價值（如有）：

- 土地及建築物按以尚餘租賃期及其估計可使用年期較短者計提折舊，即於完成日期後不多於50年。
- 其他固定資產 3至10年

經營租賃資產的折舊是根據下列分類，按預計可使用年期以直線法確認以沖銷其成本，減去其估計剩餘價值（如有）：

- 飛機設備 25年
- 船舶設備 25年
- 礦井、巷道資產 15年
- 機器設備 8至10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。

當物業及設備項目因業主不再自用，證明其用途改變而成為投資物業時，該項目於轉撥當日之賬面金額及公允價值間任何差額於其他全面收益確認及累計於物業重估儲備內。日後出售或報廢該資產時，物業重估儲備將直接轉入保留溢利。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Accounting Policies (Continued)

(l) Prepaid lease payments and buildings under construction

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “prepaid lease payments” in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis except for those that are classified and accounted for as investment properties under the fair value model. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property and equipment.

Properties in the course of construction for administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group’s accounting policy. Such properties are classified to the appropriate categories of property and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

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

Insurance debtors, other debtors and amounts due from group companies are initially recognised at fair value and thereafter stated at amortised cost using effective interest method less allowance for impairment (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 編製基準及主要會計政策 (續)

主要會計政策 (續)

(l) 預付租賃付款及發展中的建築物

倘租賃包括土地及建築物部份，則本集團根據對各部份之擁有權所附帶之絕大部份風險及回報是否已轉讓予本集團之評估，獨立將各部份分類評估為融資或經營租賃，除兩部份明顯為經營租賃，在該情況下，則整項租賃被歸類為經營租賃。具體而言，最低租賃付款（包括任何一次過預付款項）乃按租賃土地部份及建築物部份於租約開始時之租賃權益相對公允價值比例於土地及建築物部份之間分配。

倘能可靠分配租賃付款，作為經營租賃入賬之租賃土地權益於綜合財務狀況表內呈列為「預付租賃付款」並按直線法於租賃期內攤銷，被歸類為並作為投資物業及以公允價值模式列賬的則除外。當租賃付款未能於土地及建築物部份之間可靠分配時，整項租賃一般分類為融資租賃並作為物業及設備入賬。

用作行政用途的在建物業乃以成本減任何已確認減值列賬。成本包括專業費及就合資格資產根據本集團會計政策撥充資本之借貸成本。該物業竣工後並可作其擬定用途時分類至物業及設備之適當類別。該等資產於可作其擬定用途時開始折舊，所按之基準與其他物業資產相同。

(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入賬（附註1(o)）。然而，如應收賬款是無息或折算現值後的影響不大，則按成本減去減值入賬。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Accounting Policies (Continued)

(n) Insurance creditors and amounts due to group companies

Insurance creditors and amounts due to group companies are initially recognised at fair value and thereafter stated at amortised 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 amortised cost of a financial liability 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 assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For available-for-sale equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- disappearance of an active market for that financial asset because of financial difficulties.

1 編製基準及主要會計政策 (續)

主要會計政策 (續)

(n) 保險應付賬款及應付集團內公司款項

保險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

除按公允價值列賬及列入損益賬之金融資產外，金融資產會於報告期末進行減值提示測試。當有客觀的證據，於首次確認金融資產後，一件或更多的事件發生導致金融資產的估計未來現金流受影響，金融資產便要減值。

當可供出售之股本投資的公允價值大幅地或長期地下降至低於其成本，這便視為客觀的減值證據。

所有其他金融資產的客觀減值證據包括：

- 債務人有重大財務困難；或
- 違反合約，如拖欠償還利息或本金；或
- 債務人可能破產或進行其他財務重組；或
- 由於財務困難以致金融資產的活躍市場消失。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Accounting Policies (Continued)

(o) Impairment of assets (Continued)

(i) Impairment of financial assets other than those at fair value through profit or loss (Continued)

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 present value of 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 in subsequent periods.

For insurance and other debtors and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate, where the effect of discounting is material.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through the consolidated statement of profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

For available-for-sale securities, the cumulative loss that has been recognised directly in other comprehensive income and accumulated in fair value reserve is removed from fair value reserve and is recognised in the consolidated statement of profit or loss when the available-for-sale securities are disposed of or are determined to be impaired. The amount of the cumulative loss that is recognised in the consolidated statement of profit or loss is the excess of the acquisition cost (net of any principal repayment and amortisation) over the current fair value, less any impairment loss on that asset previously recognised in the consolidated statement of profit or loss.

Impairment losses recognised in the consolidated statement of profit or loss in respect of available-for-sale equity securities are not reversed through the consolidated statement of profit or loss. Any subsequent increase in the fair value of such assets is recognised directly in other comprehensive income and accumulated in fair value reserve.

1 編製基準及主要會計政策 (續)

主要會計政策 (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之現值，以兩者之差額計算。股本證券的減值並不會於往後期間被撥回。

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，減值按金融資產的賬面值及以原有有效利率（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，減值的金額減少而該減少是可客觀地與撤銷後發生的事件有關連，往年確認之減值沖回綜合損益表內，減值沖回的金額不能超過假設該資產於往年從來未有確認減值的賬面值。

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，並於綜合損益表內確認。須於綜合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，再減去往年已於綜合損益表內確認的減值。

有關可供出售股本證券的已確認減值是不能沖回綜合損益表。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)
(以港元列示)

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Accounting Policies (Continued)

(o) Impairment of assets (Continued)

(i) Impairment of financial assets other than those at fair value through profit or loss (Continued)

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

For financial assets carried at amortised cost, 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 recognised in consolidated statement of profit or loss. When an insurance or other debtor is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to consolidated statement of profit or loss.

(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, associates and joint ventures;
- intangible asset; and
- goodwill.

1 編製基準及主要會計政策 (續)

主要會計政策 (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後發生的事件有關連，減值可沖回。在此情況下，沖回減值於綜合損益表內確認。

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予以削減。撥備賬面值之變動於綜合損益表內確認。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綜合損益表。

(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；
- 附屬公司、聯營公司及合營公司投資；
- 無形資產；及
- 商譽。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Accounting Policies (Continued)

(o) Impairment of assets (Continued)

(ii) Impairment of other assets (Continued)

If any such indication exists, the asset's recoverable amount is estimated. In addition, for intangible asset and goodwill, the recoverable amount is estimated annually whether or not there is any indication of impairment.

(i) Calculation of recoverable amount

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

(ii) Recognition of impairment losses

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

1 編製基準及主要會計政策 (續)

主要會計政策 (續)

(o) 資產減值 (續)

(ii) 其他資產減值 (續)

如任何此等徵兆存在，須估計該資產的可收回金額。此外，不論是否有任何減值迹象，每年亦會估計無形資產及商譽的可收回額。

(i) 計算可收回金額

資產的可收回金額以其公允價值減去銷售成本和使用價值兩者中的較高數額為準。在評估使用價值時，以除稅前折現率將估計未來現金流量折讓至現值。該折現率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) 減值之確認

當資產或其所屬的現金生產單位的賬面值超過可收回金額時，須於綜合損益表內確認減值。有關確認現金生產單位減值時，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）。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Accounting Policies (Continued)

(o) Impairment of assets (Continued)

(ii) Impairment of other assets (Continued)

(iii) Reversals of impairment losses

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

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

(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 consolidated statement of cash flows.

(q) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in the consolidated statement of profit or loss 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.

1 編製基準及主要會計政策 (續)

主要會計政策 (續)

(o) 資產減值 (續)

(ii) 其他資產減值 (續)

(iii) 減值沖回

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，則減值會被沖回。商譽的減值不可沖回。

減值沖回只局限至該資產的賬面值，猶如從未於往年年度確認該等減值。減值沖回在被確認的年度計入綜合損益表。

(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，亦就綜合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綜合損益表中確認。

(r) 短期僱員福利及已訂定退休供款計劃供款

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

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Accounting Policies (Continued)

(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 before tax' as reported in the consolidated statement of profit or loss 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.

Deferred tax is recognised 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 recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise 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 recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interest in joint arrangements, 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 recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise 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.

1 編製基準及主要會計政策 (續)

主要會計政策 (續)

(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的「除稅前溢利」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。

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，而遞延稅項資產一般會於可能有應課稅溢利以抵銷可扣稅暫時差額時就所有可扣稅暫時差額確認入賬。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，及聯合安排的權益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份資產時減少。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Accounting Policies (Continued)

(s) Income tax (Continued)

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 realised, 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.

For the purposes of measuring deferred tax liabilities or deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax liabilities and deferred tax assets of such investment properties are measured in accordance with the above general principles set out in HKAS 12 (i.e. based on the expected manner as to how the properties will be recovered).

Current and deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively. When current tax or deferred tax arises from initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

(t) Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

1 編製基準及主要會計政策 (續)

主要會計政策 (續)

(s) 利得稅 (續)

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。

就採用公允價值模式計量的投資物業之遞延稅項負債或遞延稅項資產而言,除非假設不成立,否則該等物業的賬面值假設可透過銷售收回。當投資物業可予折舊及在業務目標是隨時間而消耗投資物業所含有的絕大部分經濟利益的業務模式(而非透過出售)持有時,有關假設會不成立。倘有關假設不成立,則上述投資物業的遞延稅項負債及遞延稅項資產根據香港會計準則第12號所載的上述一般原則計量(即根據將如何收回有關物業的預期方式)。

當期及遞延稅項確認於損益,惟倘遞延稅項與於其他全面收益或直接於權益確認之項目有關,則當期及遞延稅項亦分別於其他全面收益或直接於權益中處理。當當期或遞延稅項乃因業務合併的初次會計處理而產生,稅項影響將包含於業務合併的會計處理內。

(t) 準備及或然負債

若本集團須就過往事件而承擔現有責任,及本集團有可能須結付該項責任,而該項責任的金額能可靠地計量,即會確認撥備。撥備乃根據報告期末結付現行責任所須代價之最佳估算釐定,並已計及履行責任之風險及不明朗因素。倘撥備按履行現行責任估計所需之現金流量計量,則其賬面值為有關現金流量之現值(如影響重大)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Accounting Policies (Continued)

(t) Provisions and contingent liabilities (Continued)

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

(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 recognised based on the actual service provided to the end of the reporting period as a proportion of the total service to be provided.

(iii) Commission income

Commission income is recognised as revenue when received or receivable from reinsurers.

(iv) Rental income from operating leases

Rental income receivable under operating leases is recognised in the consolidated statement of profit or loss in equal instalments over the periods covered by the lease term. Lease incentives granted are recognised in the consolidated statement of profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

1 編製基準及主要會計政策 (續)

主要會計政策 (續)

(t) 準備及或然負債 (續)

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

(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投資部份的費用根據於報告期末提供的實際服務佔所提供服務總額的比例確認。

(iii) 佣金收入

佣金收入在從再保險商收到及應收款項時確認為收入。

(iv) 經營租賃的租金收入

經營租賃的應收租金收入於相關租賃期的會計期間內，以等額方式在綜合損益表內確認，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綜合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。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Accounting Policies (Continued)

(v) Revenue recognition (Continued)

(v) Income from asset management, advisory, insurance intermediary and pension businesses

Income from asset management, advisory, insurance intermediary and pension businesses are recognised based on the actual service provided to the end of the reporting period as a proportion of the total service to be provided.

(vi) Dividends

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

(vii) Interest income

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

(viii) Interest from finance lease receivable

Interest from finance lease receivable is recognised over the lease periods based on 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 recognised in the consolidated statement of profit or loss.

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. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income, in which cases, the exchange differences are also recognised directly in other comprehensive income.

1 編製基準及主要會計政策 (續)

主要會計政策 (續)

(v) 收入確認 (續)

(v) 資產管理、顧問、保險中介及養老保險業務的收入

資產管理、顧問、保險中介及養老保險業務的收入根據於報告期末提供的實際服務佔所提供服務總額的比例確認。

(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。

(viii) 應收金融租賃利息

應收金融租賃利息按有效利率方法在租賃期內確認。

(w) 外幣換算

於本年度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綜合損益表內。

按歷史成本以外幣計值之非貨幣資產及負債按交易日之匯率換算為本集團內有關實體公司的功能貨幣。以外幣計值並以公允價值列賬之非貨幣資產與負債按釐定公允價值當日之外幣匯率換算為本集團內有關實體公司的功能貨幣。因重新換算以公允價值列賬的非貨幣項目而產生之匯兌差額包含於當期的損益，惟倘若有關損益直接確認於其他全面收益的非貨幣項目而產生之匯兌差額，則有關匯兌差額亦直接於其他全面收益確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Accounting Policies (Continued)

(w) Translation of foreign currencies (Continued)

The results of operations outside Hong Kong 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. The resulting exchange differences are recognised directly in a separate component of equity.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation, or a disposal involving loss of joint ventures that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss. In addition, in relation to a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

(x) 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 capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

1 編製基準及主要會計政策 (續)

主要會計政策 (續)

(w) 外幣換算 (續)

香港以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。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。

出售境外業務(即出售本集團境外業務的全部利益,或涉及失去一間附屬公司控制權之出售(當中包括境外業務),或涉及對一間聯營公司失去重大影響之出售(當中包括境外業務),或涉及對一間合營公司之出售(當中包括境外業務)),有關該業務本公司股東應佔所有累計於權益之匯兌差額,重新分類至損益。另外,部份出售但未導致集團失去控制權的附屬公司(當中包括境外業務),其累計匯兌差額按相應比例計入非控股股東權益,而不計入損益。其他部份出售(例如部份出售不會導致集團失去重大影響、聯合控制的聯營公司或聯合安排權益),按比例將累計匯兌差額重新分類至損益。

(x) 借款費用

購買、興建或生產合資格資產(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,直至資產之大部份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。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Accounting Policies (Continued)

(y) Finance lease receivables and unearned finance income

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of the leased assets to the lessee. At the commencement of the lease term, the Group recognises the minimum lease payments receivable by the Group as a finance lease receivable and records the unguaranteed residual value at the same time. The difference between (a) the aggregate of the minimum lease payments and the unguaranteed residual value and (b) their present value is recognised as unearned finance income. Financial lease receivable net of unearned finance income is recorded in the consolidated statement of financial position.

Unearned finance income is amortised during the lease term using effective interest method.

(z) Leasing

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified or arising from business combinations on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of equipment and small items of office furniture that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

1 編製基準及主要會計政策 (續)

主要會計政策 (續)

(y) 應收融資租賃款和未實現融資收益

將租賃資產的所有權所附帶的幾乎所有的風險和回報轉讓給承租人的租賃為融資租賃。在租賃開始日，本集團將租賃開始日最低租賃收款額作為應收融資租賃款的入賬價值，確認應收融資租賃款，並同時記錄未擔保餘值，將(a)累計之最低租賃收款額及未擔保餘值之和(b)與其現值之和的差額記錄為未實現融資租賃收益，應收融資租賃款減去未實現融資租賃收益的淨額在合併資產負債表中確認。

未實現融資租賃收益在租賃期內各個期間採用有效利率法進行分配。

(z) 租賃

如果合同轉移已識別資產在一段時間內的使用權利以換取對價，則合同為租賃或包含租賃。

對於在初次應用之日或之後訂立、修改或因業務合併而產生的合同，本集團在適用之初、修改日或收購日根據香港財務報告準則第16號的定義評估合同是否為租賃或包含租賃。除非隨後更改了合同的條款和條件，否則不會重新評估該合同。

短期租賃及低值資產租賃

本集團對自租賃日起十二個月或以下的設備及小型固定裝置，而且不包含購買選擇權的租賃採用短期租賃豁免，並同時採用低值資產租賃的確認豁免。短期租賃的租賃付款和低值資產的租賃在租賃期內以直線或其他系統基礎確認為費用。

租賃負債

於租賃開始日期，本集團按當日未付的租賃付款現值確認及計量租賃負債。在計算租賃付款現值時，倘租賃中隱含的利率不易確定，則本集團在租賃開始日期使用增量借款利率。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Accounting Policies (Continued)

(z) Leasing (Continued)

Lease liabilities (Continued)

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- the exercise price of a purchase option reasonably certain to be exercised by the Group; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(aa) Right-of-use assets

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liabilities;
- any lease payments made at or before the commencement date, less any lease incentive received;
- any initial direct costs; and
- any restoration costs.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

(ab) Perpetual subordinated capital securities

Perpetual subordinated capital securities with no contractual obligation to repay its principal nor to pay any distribution are classified as part of equity. Respective distributions if and when declared are treated as equity movement.

1 編製基準及主要會計政策 (續)

主要會計政策 (續)

(z) 租賃 (續)

租賃負債 (續)

租賃付款包括：

- 固定付款 (包括實質性固定付款) · 減去任何應收的租賃激勵；
- 基於指數或利率的可變租賃付款；
- 預計根據剩餘價值擔保將予支付的金額；
- 合理確定本集團將予行使的購買選擇權的行使權；及
- 終止租賃的罰款 (倘租賃年期反映本集團行使終止選擇權)。

按每個期間的負債餘額產生固定的定期利率財務費用在租賃期內計入損益。

(aa) 租賃使用權資產

租賃使用權資產以成本計量，包括以下內容：

- 租賃負債的初始計量金額；
- 在開始日期或之前作出的任何租賃付款減去收到的任何租賃優惠；
- 任何初始直接成本；及
- 任何修復費用。

如本集團合理地確定在租賃期結束時獲得相關租賃使用權資產的所有權，自租賃開始日期起計折舊至使用壽命結束。否則，使用權資產按其估計可使用年限和租賃期限中較短的期限按直線法折舊。

(ab) 永續次級資本證券

永續次級資本證券沒有合同義務去償還本金，也沒有任何支付分派會被列為權益的一部分。假若或當宣佈分派時，會被視為股權變動。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. New accounting standards and amendments adopted by the Group for the first time for the financial year beginning on 1 January 2019

In the current year, the Group has applied the following new and revised Hong Kong Financial Reporting Standards (“new and revised HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

HKFRS 16 香港財務報告準則第16號	Leases 租賃
HK(IFRIC)-Int 23 香港（國際財務報告詮釋委員會） 詮釋第23號	Uncertainty over Income Tax Treatments 所得稅處理的不確定性
Amendments to HKAS 19 香港會計準則第19號之修訂	Plan Amendment, Curtailment or Settlement 計劃修訂、削減及結算
Amendments to HKAS 28 香港會計準則第28號之修訂	Long-term Interests in Associates and Joint Ventures 於聯營公司及合營公司之長期權益
Amendments to HKFRS 香港財務報告準則之修訂	Annual Improvement to HKFRSs 2015-2017 Cycle 香港財務報告準則2015年至2017年之年度改進

Except for the impact of the adoption of HKFRS 16 are disclosed below, the application of the new and revised HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

B. Changes in accounting policies

The following explains the impact of the adoption of HKFRS 16 on the Group’s financial statements and discloses the new accounting policies that have been applied from 1 January 2019 in note (b) below.

The Group has adopted HKFRS 16 retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provision in the standard. The classifications and the adjustments arising from the new leasing rules are therefore recognised in the opening statement of financial position on 1 January 2019.

1 編製基準及主要會計政策 (續)

A. 於2019年1月1日開始的財務年度被本集團首次應用的新會計準則及修訂

本年度，本集團已應用下列由香港會計師公會頒布之新及經修訂香港財務報告準則。

除如下所述應用香港財務報告準則第16號的影響外，於本年度的新及經修訂香港財務報告準則對本集團於本年及往年度的財務表現及狀況及／或於此等綜合財務報表所載列的披露並無重大影響。

B. 會計政策的變化

下文附註(b)中解釋採納新會計政策香港財務報告準則第16號披露在2019年1月1日對本集團財務報表的影響。

本集團自2019年1月1日起追溯採納香港財務報告準則第16號，但未按準則重述2018年報告期間對比數，這是準則特定過渡性條文所允許。因此，於2019年1月1日期初財務狀況表中確認新租賃準則引起的分類及調整的影響。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Changes in accounting policies (Continued)

(a) Adjustments recognised and impacts on adoption

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as “operating leases” under the principles of HKAS 17 *Leases*. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of 1 January 2019. The weighted average lessee’s incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 4.49%.

1 編製基準及主要會計政策 (續)

B. 會計政策的變化 (續)

(a) 調整確認與採納產生影響

於採納香港財務報告準則第16號後，本集團根據香港會計準則第17號「租賃」原則確認先前已分類為「經營租賃」的租賃負債。該等負債按剩餘租賃付款的現值計量，並使用承租人於2019年1月1日的增量借款利率貼現。加權平均承租人於2019年1月1日應用於租賃負債的增量借款利率為4.49%。

		\$'000 千元
Operating lease commitments disclosed as at 31 December 2018	截至2018年12月31日披露的經營租賃承擔	3,320,026
Less: Operating lease commitments with lease commencement dates after 31 December 2018	減：於2018年12月31日後生效的經營租賃承擔	(387,140)
		<u>2,932,886</u>
Discounted using the Group's incremental borrowing rate	使用本集團的增量借款利率貼現	2,583,251
Less: Short-term and low value leases recognised on a straight-line basis as expenses	減：以直線法確認為費用的短期及低值租賃	(143,185)
		<u>2,440,066</u>
Leases liabilities recognised as at 1 January 2019	於2019年1月1日確認的租賃負債	2,440,066
Of which are:	其中包括：	
Current lease liabilities	當期租賃負債	941,486
Non-current lease liabilities	非當期租賃負債	1,498,580
		<u>2,440,066</u>

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Changes in accounting policies (Continued)

(a) Adjustments recognised and impacts on adoption (Continued)

The recognised right-of-use assets relate to the following types of assets:

		At 1 January 2019 於2019年 1月1日 \$'000 千元
Leasehold land	租賃土地	3,440,474
Land and buildings	土地及建築物	2,630,742
Furniture and fixtures	傢具及固定裝置	2,085
Computer equipment	電腦設備	1,820
Motor vehicles	汽車	832
Total right-of-use assets	租賃使用權資產總額	6,075,953

The change of accounting policy affected the following items in the statement of financial position on 1 January 2019:

		At 31 December 2018 於2018年 12月31日 \$'000 千元	Effect of adoption 實施新準則 之影響 \$'000 千元	At 1 January 2019 於2019年 1月1日 \$'000 千元
Prepaid lease payments	預付租賃付款	3,440,474	(3,440,474)	-
Right-of-use assets	租賃使用權資產	-	6,075,953	6,075,953
Other assets	其他資產	64,921,288	(208,250)	64,713,038
Lease liabilities	租賃負債	-	(2,440,066)	(2,440,066)
Other payables and accruals	其他應付及應計款項	(25,009,344)	12,837	(24,996,507)

1 編製基準及主要會計政策 (續)

B. 會計政策的變化 (續)

(a) 調整確認與採納產生影響 (續)

已確認的租賃使用權資產與以下類型的資產有關：

	At 1 January 2019 於2019年 1月1日 \$'000 千元
租賃土地	3,440,474
土地及建築物	2,630,742
傢具及固定裝置	2,085
電腦設備	1,820
汽車	832
租賃使用權資產總額	6,075,953

會計政策變更影響了2019年1月1日財務狀況表中的下列項目：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Changes in accounting policies (Continued)

(a) Adjustments recognised and impacts on adoption (Continued)

Practical expedients applied

In applying HKFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- reliance on previous assessments on whether leases are onerous;
- the accounting for operating leases with a remaining lease term of less than 12 months as of 1 January 2019 as short-term leases;
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying HKAS 17 and HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*.

(b) The Group's leasing activities and how these are accounted for

The Group leases various offices, furniture and fixtures, computer equipment and motor vehicles. Rental contracts typically made for the fixed periods of 2 to 10 years.

Until the 2018 financial year, leases of property and equipment were classified as either finance or operating leases. Payments made under operating leases were charged to profit or loss on a straight-line basis over the period of the lease.

1 編製基準及主要會計政策 (續)

B. 會計政策的變化 (續)

(a) 調整確認與採納產生影響 (續)

採納實用方案

在首次應用香港財務報告準則第16號時，本集團已使用該準則所允許的下列實務簡易處理方法：

- 對具有相似特徵的租賃組合使用單一折現率；
- 依賴先前關於租賃是否虧損性的評估；
- 將2019年1月1日剩餘租賃期少於十二個月的經營租賃作為短期租約會計處理；
- 在初次申請之日，不包括衡量使用權資產的初始直接成本；及
- 如果合同包含續租或終止租賃的選擇權，則可在確定租賃期時使用後見之明。

本集團亦已選擇不重新評估合約是否在首次申請日期或包含租約。對於在過渡日期之前訂立的合約，該集團根據香港會計準則第17號及香港（國際財務報告詮釋委員會）詮釋第4號「確定安排是否包含租約進行評估」。

(b) 本集團的租賃活動及其會計處理

本集團租賃各種辦公室、傢具及固定裝置、電腦設備及汽車。租約一般為期二至十年。

直至2018財政年度，物業及設備的租賃分類為融資租賃或經營租賃。根據經營租賃支付的款項在租賃期內按直線法計入損益。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Changes in accounting policies (Continued)

(b) The Group's leasing activities and how these are accounted for (Continued)

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the lease asset is available for use by the Group in accordance with the accounting policies as disclosed in Note 1(aa).

For leases previously classified as finance leases the entity recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of HKFRS 16 are only applied after that date.

The accounting for leasehold land previously classified as finance lease remains the same. Amortisation for leasehold land commences from the time when the land interest becomes available for its intended use. Interest in leasehold land is amortised on a straight-line basis over the unexpired period for the lease term.

C. New accounting standards that are effective but temporary exemption is applied by the Group

HKFRS 9
香港財務報告準則第9號

Financial Instruments¹
金融工具¹

Note:

¹ Effective for annual periods beginning on or after 1 January 2018.

1 編製基準及主要會計政策 (續)

B. 會計政策的變化 (續)

(b) 本集團的租賃活動及其會計處理 (續)

自2019年1月1日起，本集團按附註1(aa)所披露之會計政策確認租賃為租賃使用權資產及等值租賃負債。

對於以前歸類為融資租賃的租賃，主體在轉換前確認租賃資產和租賃負債的賬面金額，作為租賃使用權資產的賬面價值和初始應用日的租賃負債。香港財務報告準則第16號的計量原則僅於該日期後適用。

以前分類為融資租賃的租賃土地的會計處理方法保持不變。租賃土地的攤銷自土地權益可用於其預定用途之日起計算。租賃土地權益在租賃期屆滿期內按直線法攤銷。

C. 已生效但本集團暫時性豁免適用的新會計準則

註：

¹ 生效於2018年1月1日或以後開始之年度期間。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. New accounting standards that are effective but temporary exemption is applied by the Group (Continued)

In the current Year, the Group continues to apply the temporary exemption from HKFRS 9 under paragraph 20A of HKFRS 4, which permits, but does not require, the insurer to apply HKAS 39 for annual periods beginning before 1 January 2021. An insurer may apply the temporary exemption from HKFRS 9 if, and only if, (a) it has not previously applied any version of HKFRS 9, other than only the requirements for the presentation of gains and losses on financial liabilities designated at fair value through profit or loss, and (b) its activities are predominantly connected with insurance at its annual reporting date that immediately precedes 1 April 2016, or at a subsequent annual reporting date as specified in HKFRS 4. The carrying amount of the Group's liabilities connected with insurance (including life insurance contract liabilities, unearned premium provisions, provision for outstanding claims, investment contract liabilities, insurance and other creditors) relative to the total carrying amount of all its liabilities as at 31 December 2015 was higher than 80%. For the purpose of paragraph 20D of HKFRS 4, the Group's activities continue to be predominantly connected with insurance, based on the sources of income and expenses, the Group's industry classification, and other factors.

1 編製基準及主要會計政策 (續)

C. 已生效但本集團暫時性豁免適用的新會計準則 (續)

於本年度，本集團繼續應用香港財務報告準則第4號第20A段下對香港財務報告準則第9號之暫時豁免。這允許但不要求，保險公司在2021年1月1日或之前開始的年度應用香港會計準則第39號。保險公司僅在以下情況下可以應用香港財務報告準則第9號之暫時豁免，(a)除指定為以公允價值計量且其變動計入當期損益的金融負債的要求外，之前並無應用香港財務報告準則第9號的任何版本，及(b)於緊接2016年4月1日前的年度報告日或香港財務報告準則第4號所指定的其後年度報告日期，其活動主要與保險相關。截至2015年12月31日，本集團與保險相關的負債賬面金額（包括壽險合約負債、未到期責任準備金、未決賠款準備、投資合約負債、保險及其他應付賬款）相對於所有負債的賬面總額高於80%。就香港財務報告準則第4號第20D段而言，基於收入來源及開支，本集團的行業分類及其他因素，本集團的業務繼續主要與保險有關。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. New accounting standards that are effective but temporary exemption is applied by the Group (Continued)

The additional disclosures required as a result of applying temporary exemption from HKFRS 9 are as follows:

(a) Fair value of financial assets

The table below presents the fair value of the following groups of financial assets under HKFRS 9 as at 31 December 2019 and 31 December 2018:

Held-for-trading financial assets (A) ¹	持有作交易金融資產(A) ¹	30,526,149	21,327,634
Financial assets that are managed and whose performance is evaluated on a fair value basis (B)	以公允價值管理及計算其表現之金融資產(B)	1,274,225	1,416,230
Financial assets that are neither A nor B	既不是(A)亦不是(B)的金融資產		
- Financial assets with contractual terms that give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding ("SPPI") (C)	- 金融資產之合約條款於指定日期產生之現金流量僅為支付本金及未償還之本金利息(C)	380,565,327	338,719,229
- Financial assets with contractual terms that do not meet SPPI terms (D)	- 金融資產之合約條款未符合於指定日期產生之現金流量僅為支付本金及未償還之本金利息(D)	205,648,066	107,937,087
Total	總額	618,013,767	469,400,180

Note:

¹ Including investments in held-for-trading securities held for policyholders of unit-linked products.

1 編製基準及主要會計政策 (續)

C. 已生效但本集團暫時性豁免適用的新會計準則 (續)

應用香港財務報告準則第9號之暫時豁免所需的額外披露如下：

(a) 金融資產的公允價值

下表載列於2019年12月31日及2018年12月31日香港財務報告準則第9號下的各類金融資產的公允價值：

Fair value as at 31 December 2019 於2019年 12月31日 的公允價值 \$'000 千元	Fair value as at 31 December 2018 於2018年 12月31日 的公允價值 \$'000 千元
30,526,149	21,327,634
1,274,225	1,416,230
380,565,327	338,719,229
205,648,066	107,937,087
618,013,767	469,400,180

註：

¹ 包含保單持有人賬戶資產中持有作交易用途之投資連結產品投資。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. New accounting standards that are effective but temporary exemption is applied by the Group (Continued)

(a) Fair value of financial assets (Continued)

The table below presents the fair value changes of the following groups of financial assets under HKFRS 9 for the year ended 31 December 2019 and 31 December 2018:

		Fair value changes for the year ended 31 December 截至12月31日止年度 公允價值變動	
		2019 \$'000 千元	2018 \$'000 千元
Held-for-trading financial assets (A) ¹	持有作交易金融資產(A) ¹	1,646,891	(1,264,469)
Financial assets that are managed and whose performance is evaluated on a fair value basis (B)	以公允價值管理及計算其表現之金融資產(B)	54,103	75,817
Financial assets that are neither A nor B	既不是(A)亦不是(B)的金融資產		
– Financial assets with contractual terms that give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding (“SPPI”) (C)	– 金融資產之合約條款於指定日期產生之現金流量僅為支付本金及未償還之本金利息(C)	3,028,048	16,308,128
– Financial assets with contractual terms that do not meet SPPI terms (D)	– 金融資產之合約條款未符合於指定日期產生之現金流量僅為支付本金及未償還之本金利息條款(D)	9,612,005	(12,311,166)
Total	總額	14,341,047	2,808,310

Note:

¹ Including investments in held-for-trading securities held for policyholders of unit-linked products.

Other financial assets including securities purchased under resale agreement and amounts due from group companies are financial assets which meet the SPPI conditions. The carrying amounts to these assets approximate their fair values.

1 編製基準及主要會計政策 (續)

C. 已生效但本集團暫時性豁免適用的新會計準則 (續)

(a) 金融資產的公允價值 (續)

下表載列截至2019年12月31日止年度及截至2018年12月31日止年度香港財務報告準則第9號下的各類金融資產的公允價值變動：

Fair value changes for the year ended 31 December
截至12月31日止年度
公允價值變動

2019
\$'000
千元

2018
\$'000
千元

註：

¹ 包含保單持有人賬戶資產中持有作交易用途之投資連結產品投資。

其他金融資產，包括買入返售證券，應收集團內公司款項均為滿足於指定日期產生之現金流量僅為支付本金及未償還之本金利息條件的金融資產，其賬面金額接近其公允價值。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. New accounting standards that are effective but temporary exemption is applied by the Group (Continued)

(b) Credit risk exposure

For the financial assets that meet SPPI criterion classified as C and are issued by issuers in the PRC, the credit rating of financial assets is assessed by external rating agencies in the PRC. The credit risk exposure is listed below:

		Carrying amount as at 31 December 2019 於2019年12月31日之賬面值 \$'000 千元	Carrying amount as at 31 December 2018 於2018年12月31日之賬面值 \$'000 千元
AAA	AAA	320,330,462	288,821,256
AA+	AA+	2,145,401	2,691,977
A- and others	A- 及其他	2,895,258	4,128,219
Total	總額	325,371,121	295,641,452
		Fair value as at 31 December 2019 於2019年12月31日之公允價值 \$'000 千元	Fair value as at 31 December 2018 於2018年12月31日之公允價值 \$'000 千元
AAA	AAA	331,408,897	297,860,210
AA+	AA+	2,195,338	2,771,017
A- and others	A- 及其他	2,952,967	4,128,219
Total	總額	336,557,202	304,759,446

1 編製基準及主要會計政策 (續)

C. 已生效但本集團暫時性豁免適用的新會計準則 (續)

(b) 信用風險

符合於指定日期產生之現金流量僅為支付本金及未償還之本金利息標準，分類為C類並由中國發行人發行的金融資產，其信用評級經中國外部評級代理評估。信用風險如下：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. New accounting standards that are effective but temporary exemption is applied by the Group (Continued)

(b) Credit risk exposure (Continued)

For the overseas bonds that meet SPPI criterion classified as C, the credit rating of financial assets is assessed by overseas external rating agencies. The credit risk exposure is listed below:

		Carrying amount as at 31 December 2019 於2019年 12月31日 之賬面值 \$'000 千元	Carrying amount as at 31 December 2018 於2018年 12月31日 之賬面值 \$'000 千元
A+ and above	A+ 及以上	6,077,104	908,604
A	A	5,044,347	3,542,581
A- and others	A- 及其他	30,770,615	30,090,550
Total	總額	41,892,066	34,541,735
		Fair value as at 31 December 2019 於2019年 12月31日 之公允價值 \$'000 千元	Fair value as at 31 December 2018 於2018年 12月31日 之公允價值 \$'000 千元
A+ and above	A+ 及以上	6,262,031	990,367
A	A	5,328,023	3,457,140
A- and others	A- 及其他	32,418,071	29,512,276
Total	總額	44,008,125	33,959,783

1 編製基準及主要會計政策 (續)

C. 已生效但本集團暫時性豁免適用的新會計準則 (續)

(b) 信用風險 (續)

符合於指定日期產生之現金流量僅為支付本金及未償還之本金利息標準，分類為C類的海外債券，其信用評級經海外外部評級代理評估。信用風險如下：

	Carrying amount as at 31 December 2019 於2019年 12月31日 之賬面值 \$'000 千元	Carrying amount as at 31 December 2018 於2018年 12月31日 之賬面值 \$'000 千元
A+ and above	6,077,104	908,604
A	5,044,347	3,542,581
A- and others	30,770,615	30,090,550
Total	41,892,066	34,541,735
	Fair value as at 31 December 2019 於2019年 12月31日 之公允價值 \$'000 千元	Fair value as at 31 December 2018 於2018年 12月31日 之公允價值 \$'000 千元
A+ and above	6,262,031	990,367
A	5,328,023	3,457,140
A- and others	32,418,071	29,512,276
Total	44,008,125	33,959,783

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT

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

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

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

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

(b) Underwriting strategy

Life insurance business

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

Property and casualty insurance business

The Group is engaged in the underwriting of property and casualty insurance business in the PRC, Hong Kong, Macau, UK, Singapore and Indonesia. 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.

2 保險、財務及資本風險管理

(a) 風險管理目標及降低保險風險政策和步驟

本集團的主要業務為承保內地、香港、澳門及新加坡人壽保險業務、內地、香港、澳門、英國、新加坡及印尼財產保險業務及全球各地再保險業務。本集團的保險及財務風險管理乃主要的業務領域。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規模可能與使用現行統計技術所估計者不同。

(b) 承保策略

人壽保險業務

本集團人壽保險業務營運於內地、香港、澳門及新加坡人壽保險市場，提供各種各樣的保險產品，包括不同類型的個人及團體人壽保險、健康險、意外險及年金。在承保的保單質量控制方面，本集團已設立嚴格的承保及理賠操作程序，以控制保險承保的風險。

財產保險業務

本集團從事承保內地、香港、澳門、英國、新加坡及印尼財產保險業務。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、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。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

(b) Underwriting strategy (Continued)

Reinsurance business

The Group's reinsurance portfolio is made up of a mix of business spreading across different geographic regions with emphasis towards Asian countries, covering property damage, life, marine cargo and hull and miscellaneous non-marine classes. Whilst diversifying its underwriting portfolio, the Group does not actively seek acceptance of any liability reinsurance business from customers operating outside of the Asia Pacific region. In the Asia Pacific region, where these are core-markets of the Group, liability reinsurance businesses are written on a limited scale in order to provide customers in the region with comprehensive reinsurance services.

For life reinsurance business strategy, current portfolio of life business is mainly made up of saving business with emphasis on Hong Kong market. Besides maintaining current business scale, in order to diversify and balance the underwriting portfolio, the Group starts to emphasise on the development of protection business and financial reinsurance business. The Group's strategy is to develop business with prudent attitude, gain more sophisticated market experience instead of seeking fast business expansion.

(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 unexpected and concentrated exposures. In assessing the credit worthiness of reinsurers, the Group takes into account, among other factors, ratings and evaluation performed by recognised credit rating agencies, their claims-paying and underwriting track record, as well as the Group's past experience with them.

(d) Asset and liability matching

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 maximise investment returns at a tolerable risk level, whilst ensuring that the assets and liabilities are managed on a cash flow and duration basis.

2 保險、財務及資本風險管理 (續)

(b) 承保策略 (續)

再保險業務

本集團的再保險組合由涵蓋不同地區的一系列業務組成，重點在於亞洲國家，包括財產損毀、人壽、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責任再保險，為區內客戶提供全面再保險服務。

對於人壽再保險業務的承保策略而言，現時的人壽業務組合主要由香港市場的儲備壽險業務組成。除了維持現有的業務規模外，為了多元化及平衡承保組合，本集團開始重點關注保障或金融再保險業務的發展。本集團的策略是以審慎的態度發展業務，獲取更精密的市場經驗，而不是尋求快速業務擴張。

(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，以限制因不能預期及較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。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

(d) Asset and liability matching (Continued)

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 projections from assets and liabilities on a regular basis. Currently, the Group reduces the level of the asset-liability mismatch by:

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

(e) Insurance risk

(i) Life insurance business

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 RMB100 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)

(d) 資產與負債配比 (續)

然而，有關人壽保險業務，有鑒於中國現行監管及市場環境，本集團未能投資於期限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預測。目前，本集團透過以下方法降低資產與負債不配的程度：

- 積極尋求取得收益水平可接受的較長期定息債務投資；
- 於定息債務投資到期後，將所得款項滾存入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
- 長期投資股份及投資物業持有公司。

(e) 保險風險

(i) 人壽保險業務

保險風險集中

風險集中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1億元。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)
(以港元列示)

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

(e) Insurance risk (Continued)

(i) Life insurance business (Continued)

Concentration of insurance risks (Continued)

The distribution of sum insured per policy is summarised as follows:

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12月31日止年度		Year ended 31 December 截至12月31日止年度	
	2019	2018	2019	2018
0-200	89.37%	90.93%	96.53%	96.40%
201-500	10.24%	8.71%	3.46%	3.59%
>500	0.39%	0.36%	0.01%	0.01%
	100.00%	100.00%	100.00%	100.00%

Management of risks

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

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

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

2 保險、財務及資本風險管理 (續)

(e) 保險風險 (續)

(i) 人壽保險業務 (續)

保險風險集中 (續)

每份保單的受保金額分佈概述如下：

風險管理

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

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

此外，承保及賠款處理部門嚴格遵守既定的標準及程序。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

(e) Insurance risk (Continued)

(ii) Property and casualty insurance business

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 summarised below, with reference to premiums written in the years ended 31 December 2019 and 2018.

TPI

		Year ended 31 December 2019 截至2019年12月31日止年度				
		Gross written premiums	Inward reinsurance premiums	Premiums ceded to reinsurers	Net written premiums	Ceding ratio
		毛承保保費	再保險保費	分出保費	淨承保保費	分出比率
		\$'000	\$'000	\$'000	\$'000	%
		千元	千元	千元	千元	
Motor	車險	22,448,758	4,660	1,761,102	20,692,316	7.8%
Marine	水險	694,894	8,033	117,229	585,698	16.7%
Non-marine	非水險	7,466,051	248,118	1,923,996	5,790,173	24.9%
Total	總額	30,609,703	260,811	3,802,327	27,068,187	12.3%

TPI

		Year ended 31 December 2018 截至2018年12月31日止年度				
		Gross written premiums	Inward reinsurance premiums	Premiums ceded to reinsurers	Net written premiums	Ceding ratio
		毛承保保費	再保險保費	分出保費	淨承保保費	分出比率
		\$'000	\$'000	\$'000	\$'000	%
		千元	千元	千元	千元	
Motor	車險	21,951,540	-	3,333,232	18,618,308	15.2%
Marine	水險	893,100	26,065	121,060	798,105	13.2%
Non-marine	非水險	5,839,242	164,926	1,124,105	4,880,063	18.7%
Total	總額	28,683,882	190,991	4,578,397	24,296,476	15.9%

2 保險、財務及資本風險管理 (續)

(e) 保險風險 (續)

(ii) 財產保險業務

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2019年及2018年12月31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。

太平財險

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

(e) Insurance risk (Continued)

(ii) Property and casualty insurance business (Continued)

Concentration of insurance risks (Continued)

CTPI (HK)

		Year ended 31 December 2019 截至2019年12月31日止年度				
		Gross written premiums	Inward reinsurance premiums	Premiums ceded to reinsurers	Net written premiums	Ceding ratio
		毛承保保費	再保險保費	分出保費	淨承保保費	分出比率
		\$'000	\$'000	\$'000	\$'000	%
		千元	千元	千元	千元	
Motor	車險	400,242	1,158,294	28,582	1,529,954	1.8%
Marine	水險	258,965	60,042	200,746	118,261	62.9%
Non-marine	非水險	1,199,469	985,563	732,684	1,452,348	33.5%
Total	總額	1,858,676	2,203,899	962,012	3,100,563	23.7%

CTPI (HK)

		Year ended 31 December 2018 截至2018年12月31日止年度				
		Gross written premiums	Inward reinsurance premiums	Premiums ceded to reinsurers	Net written premiums	Ceding ratio
		毛承保保費	再保險保費	分出保費	淨承保保費	分出比率
		\$'000	\$'000	\$'000	\$'000	%
		千元	千元	千元	千元	
Motor	車險	351,501	1,299,306	512,890	1,137,917	31.1%
Marine	水險	227,200	50,306	139,803	137,703	50.4%
Non-marine	非水險	1,034,874	450,812	617,004	868,682	41.5%
Total	總額	1,613,575	1,800,424	1,269,697	2,144,302	37.2%

2 保險、財務及資本風險管理 (續)

(e) 保險風險 (續)

(ii) 財產保險業務 (續)

保險風險集中 (續)

太平香港

太平香港

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

(e) Insurance risk (Continued)

(ii) 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 Business Management Committee and specifies the authority of underwriters at each level. Each underwriting manual clearly states the insurable risk, risks that can be insured on a limited scale and uninsurable risk 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 Business Management 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 and exceeds its own underwriting capacity.

2 保險、財務及資本風險管理 (續)

(e) 保險風險 (續)

(ii) 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。承保手冊經業務管理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可承保之風險、限制承保之風險及禁止承保之風險、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業務管理委員會審閱及核准。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且超出自身承保能力時，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)
(以港元列示)

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

(e) Insurance risk (Continued)

(iii) Reinsurance business

Concentration of insurance risks

Concentration of risk arises from the accumulation of risks within a particular business line. 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 for the year ended 31 December 2019.

By business line:

		% to total gross premiums written 佔總承保保費總額百分比	
		2019	2018
General business	一般業務	61.5%	65.1%
Life business	人壽業務	38.5%	34.9%
		100.0%	100.0%

2 保險、財務及資本風險管理 (續)

(e) 保險風險 (續)

(iii) 再保險業務

保險風險集中

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保費總額的業務種類及地區。下表顯示截至2019年12月31日止年度按業務種類分佈的保費總額。

按業務種類：

		% to total gross premiums written 佔總承保保費總額百分比	
		2019	2018
General business	一般業務	61.5%	65.1%
Life business	人壽業務	38.5%	34.9%
		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)
(以港元列示)

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

(e) Insurance risk (Continued)

(iii) Reinsurance business (Continued)

Management of risks

The key risks 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 analysed by the underwriting staff. The decision to underwrite and the level of risk exposure accepted are determined by reference to the underwriting guideline setting out the types of business desired, and the maximum capacity per risk. 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 arranges prorata and excess of loss retrocessions for its different lines of reinsurance business, in order to enhance its underwriting capacity as well as to harmonise its net retained exposures. Proportional retrocessions have been arranged in respect of its non-marine reinsurance business from the Asia-Pacific territories. In addition, a series of excess of loss retrocession covers are also arranged to protect the Group against major catastrophic events.

The life retrocession arrangements are normally decided collectively with the Group's management board before the confirmation of any new retrocession arrangements. All life retrocession arrangement follows the fundamental retrocession guideline of the group and regulatory requirement. Retrocession arrangements used to manage the volatility of mortality risk.

2 保險、財務及資本風險管理 (續)

(e) 保險風險 (續)

(iii) 再保險業務 (續)

風險管理

再保險合約的主要風險為與承保相關的風險。

本集團設有若干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承保能力。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。

本集團亦安排比例及超賠轉分保險以擴大承保能力，並同時可優化自留風險。對亞太地區的非水險業務，本集團安排了比例轉分保險。此外，本集團的巨災風險現時通過一系列超賠轉分保險的方式保障。

在確認任何新的人壽再保險安排前，通常由本集團之管理層統一決定人壽再保險安排。所有人壽再保險安排會遵循集團和監管要求的基本再保險原則。再保險安排用於管理死亡風險的波動。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

(f) Financial risk

The carrying amounts of financial assets at the reporting date were as follows:

2 保險、財務及資本風險管理 (續)

(f) 財務風險

於報告日，金融資產之賬面值如下：

		At 31 December 2019 於2019年12月31日 \$'000 千元	At 31 December 2018 於2018年12月31日 \$'000 千元
Financial assets	金融資產		
- held-to-maturity investments	- 持有至到期日投資	267,141,879	219,366,256
- available-for-sale investments	- 可供出售投資	180,798,327	116,090,766
- held-for-trading investments	- 持有作交易用途投資	29,563,031	20,624,669
- designated at fair value through profit or loss	- 指定為通過損益以反映公允價值	1,274,225	1,416,230
- loans and receivables	- 貸款及應收賬款		
- investment funds	- 投資基金	7,285,837	7,500,038
- debt products	- 債權產品	118,301,023	96,930,109
- statutory deposits	- 法定存款	5,352,394	5,952,849
- securities purchased under resale agreements	- 買入返售證券	6,025,140	7,507,696
- amounts due from group companies	- 應收集團內公司款項	2,024,766	2,025,502
- other assets	- 其他資產	73,042,638	59,853,454
- finance lease receivables	- 應收金融租賃	45,994,817	48,707,024
- pledged and restricted bank deposits	- 已抵押及受限制銀行存款	972,663	743,522
- deposits at banks with original maturity more than three months	- 原到期日超過三個月的銀行存款	54,565,700	52,731,698
- cash and cash equivalents	- 現金及現金等價物	27,817,656	27,527,820
		820,160,096	666,977,633
Policyholder account assets in respect of unit-linked products (Note 47)	有關投資連結產品之保單持有人賬戶資產 (附註47)	1,083,703	960,649
		821,243,799	667,938,282

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

(f) Financial risk (Continued)

The carrying amounts of financial liabilities at the reporting date were as follows:

		At 31 December 2019 於2019年12月31日 \$'000 千元	At 31 December 2018 於2018年12月31日 \$'000 千元
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	1,083,703	960,649
Financial liabilities measured at amortised cost	按攤銷成本計量之金融負債		
– investment contract liabilities	– 投資合約負債	55,135,069	39,376,544
– interest-bearing notes	– 需付息票據	12,444,266	5,678,869
– bank borrowings	– 銀行貸款	47,975,870	50,487,171
– lease liabilities	– 租賃負債	2,447,479	–
– securities sold under repurchase agreements	– 賣出回購證券	34,395,296	24,371,924
– amounts due to group companies	– 應付集團內公司款項	17,605	18,381
		152,415,585	119,932,889
		153,499,288	120,893,538

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.

2 保險、財務及資本風險管理 (續)

(f) 財務風險 (續)

於報告日，金融負債之賬面值如下：

		At 31 December 2019 於2019年12月31日 \$'000 千元	At 31 December 2018 於2018年12月31日 \$'000 千元
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	1,083,703	960,649
Financial liabilities measured at amortised cost	按攤銷成本計量之金融負債		
– investment contract liabilities	– 投資合約負債	55,135,069	39,376,544
– interest-bearing notes	– 需付息票據	12,444,266	5,678,869
– bank borrowings	– 銀行貸款	47,975,870	50,487,171
– lease liabilities	– 租賃負債	2,447,479	–
– securities sold under repurchase agreements	– 賣出回購證券	34,395,296	24,371,924
– amounts due to group companies	– 應付集團內公司款項	17,605	18,381
		152,415,585	119,932,889
		153,499,288	120,893,538

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)
(以港元列示)

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

(f) Financial risk (Continued)

(i) Market risk

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

(a) Interest rate risk

Interest rate risk is risk to the earnings or market value of a fixed-rate financial instrument due to uncertain future market interest rates.

The Group monitors this exposure through periodic reviews of its financial instruments. Estimates of cash flows, as well as the impact of interest rate fluctuations relating to the investment portfolio are modelled and reviewed periodically.

The Group is exposed to fair value interest rate risk in relation to the debt investments classified as available-for-sale, held-for-trading and designated at fair value through profit or loss of \$70,937.13 million, \$15,402.37 million and \$157.94 million respectively (2018: \$60,184.21 million, \$9,421.08 million and \$327.01 million respectively). A decrease of 50 basis points in interest rates of the debt investments classified as available-for-sale, held-for-trading and designated at fair value through profit or loss, with all other variables held constant, has no significant effect on the Group's profit before tax and increase the Group's total equity by approximately 0.2% of the total investments held by the Group as at 31 December 2019 (2018: no significant effect on the Group's profit before tax and increase the Group's total equity by approximately 0.2% of the total investments held by the Group).

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 2018.

2 保險、財務及資本風險管理 (續)

(f) 財務風險 (續)

(i) 市場風險

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) 利率風險

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。

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閱。

本集團須就709.3713億元、154.0237億元及1.5794億元(2018年: 601.8421億元、94.2108億元及3.2701億元)分別歸類為可供出售、持有作交易用途及指定為通過損益以反映公允價值的債務證券承擔利率風險。假設可供出售、持有作交易用途及指定為通過損益以反映公允價值的債務投資利率下跌50點子,其他參數不變,並沒有對本集團稅前溢利造成明顯影響及令本集團總權益上升約相等於本集團截止2019年12月31日的總投資額0.2%(2018年:沒有對本集團稅前溢利造成明顯影響及令本集團總權益上升約相等於本集團總投資額0.2%)。

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2018年之相同基準而作出。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

(f) Financial risk (Continued)

(i) Market risk (Continued)

(b) Equity price risk

The Group has a portfolio of marketable equity securities, which is carried at fair value and is exposed to price risk. As the financial risks of unit-linked contracts are fully undertaken by the policyholders, the assets related to unit-linked products are not included in the analysis of equity price risk below. This risk is defined as the potential loss in market value resulting from an adverse change in prices.

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

The Group's investment in equity securities and investment funds was carried at a fair value of \$125,137.60 million (2018: \$68,198.82 million), representing approximately 16% (2018: approximately 12%) of the total investments held by the Group.

A 10% increase/decrease in market value of the equity securities and investment funds classified as available-for-sale and held-for-trading held by the Group as at 31 December 2019, with all other variables held constant, would increase/decrease the Group's profit before tax by \$1,527.69 million and fair value reserve by \$10,986.07 million (2018: Group's profit before tax by \$1,229.28 million and fair value reserve by \$5,590.60 million).

(c) Foreign exchange risk

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 the Group's PRC operations is not significant in the consolidated statement of profit or loss.

In respect of the property and casualty insurance business in Hong Kong, the majority of the premiums are received in HKD and USD. The exchange rate between HKD and USD is currently pegged. 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

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股本價格風險分析中。該風險指因價格的不利變動而造成的市值潛在損失。

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。

本集團的股本證券投資及投資基金以公允價值1,251.3760億元(2018年: 681.9882億元)列賬。佔本集團持有之總投資額約16%(2018年: 約12%)。

假設於2019年12月31日本集團持有之可供出售及持有作交易用途股本證券及投資基金的市值上升/下跌10%，其他參數不變，將令本集團稅前溢利和公允價值儲備分別上升/下跌約15.2769億元及109.8607億元(2018年: 本集團稅前溢利和公允價值儲備分別上升/下跌約12.2928億元及55.9060億元)。

(c) 外匯風險

就在內地之人壽保險業務及財產保險業務而言，保費以人民幣計值，而中國保險法例規定保險公司持有人民幣資產。因此，本集團的內地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，幾乎所有的保費均以港元及美元計值，而美元及港元的匯率目前掛鈎。資產及負債之貨幣持有由本集團定期監控。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

(f) Financial risk (Continued)

(i) Market risk (Continued)

(c) Foreign exchange risk (Continued)

In respect of the property and casualty insurance business in Macau, UK, Singapore and Indonesia and reinsurance business, the foreign exchange risks in such various operations are not significant in the consolidated statement of profit or loss.

The following table presents the financial and insurance assets and liabilities, denominated in non-functional currencies of the respective business units of the Group:

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)

(c) 外匯風險 (續)

就澳門、英國、新加坡及印尼之財產保險業務及再保險業務而言，這些外地業務的外匯風險不會對綜合利潤表有重大影響。

下表呈現於綜合財務狀況表內按主要貨幣分類的金融及保險資產及負債之港元賬面等值：

		At 31 December 2019 於2019年12月31日				
		RMB	USD	HKD	Other foreign currencies	Total
		人民幣	美元	港元	其他外幣	總額
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元
Financial and insurance assets:	金融及保險資產：					
Statutory deposits	法定存款	24,777	54,154	106,670	58,414	244,015
Investments in debt and equity securities	債務及股本證券投資					
– debt securities and debt products	– 債務證券及債權產品	3,235,415	73,930,517	1,286,464	258,510	78,710,906
– equity securities/ investment funds	– 股本證券/投資基金	378,278	70,890,231	100,070	217,048	71,585,627
Amounts due from group companies	應收集團內公司款項	2,857,137	3,040,286	1,186,394	41,462	7,125,279
Other assets	其他資產	12,102	–	–	–	12,102
Insurance debtors	保險客戶應收賬款	72,072	1,427,657	201,371	7,020	1,708,120
Reinsurers' share of insurance contract provisions	分保公司應佔保險合約準備	938,312	832,791	41,563	860,881	2,673,547
Pledged and restricted banks deposits	已抵押及受限制銀行存款	457,145	1,144,279	38,257	423,297	2,062,978
Deposits at banks with original maturity more than three months	原到期日超過三個月的銀行存款	–	338,815	–	–	338,815
Cash and cash equivalents	現金及現金等價物	424,235	184,388	223,601	–	832,224
		277,943	2,472,388	734,070	372,719	3,857,120
		5,442,001	80,384,989	2,631,996	1,980,841	90,439,827

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

(f) Financial risk (Continued)

(i) Market risk (Continued)

(c) Foreign exchange risk (Continued)

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)

(c) 外匯風險 (續)

At 31 December 2019
於2019年12月31日

	RMB 人民幣 \$'000 千元	USD 美元 \$'000 千元	HKD 港元 \$'000 千元	Other foreign currencies 其他外幣 \$'000 千元	Total 總額 \$'000 千元
Financial and insurance liabilities:					
Investment contract liabilities	510,050	3,945,087	-	-	4,455,137
Interest-bearing notes	-	4,629,847	-	-	4,629,847
Life insurance contract liabilities	644,363	15,534,900	-	-	16,179,263
Unearned premium provisions	885,994	725,277	5,317	528,311	2,144,899
Provision for outstanding claims	2,074,719	1,636,867	63,132	2,272,878	6,047,596
Insurance creditors	194,377	10,306,259	75,617	140,447	10,716,700
Amounts due to group companies	17,587	-	-	-	17,587
	4,327,090	36,778,237	144,066	2,941,636	44,191,029
Net assets/(liabilities)	1,114,911	43,606,752	2,487,930	(960,795)	46,248,798

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

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)

At 31 December 2018
於2018年12月31日

	RMB 人民幣 \$'000 千元	USD 美元 \$'000 千元	HKD 港元 \$'000 千元	Other foreign currencies 其他外幣 \$'000 千元	Total 總額 \$'000 千元
Financial and insurance assets:	金融及保險資產：				
Statutory deposits	401,340	3,379	175,607	58,974	639,300
Investments in debt and equity securities	5,884,672	47,937,768	1,091,808	285,698	55,199,946
– debt securities and debt products	2,624,523	44,971,162	100,191	258,015	47,953,891
– equity securities/ investment funds	3,260,149	2,966,606	991,617	27,683	7,246,055
Amounts due from group companies	11,725	–	–	–	11,725
Other assets	180,072	789,158	10,398	12,351	991,979
Insurance debtors	2,408,957	700,364	125,989	615,107	3,850,417
Reinsurers' share of insurance contract provisions	2,866,775	902,114	41,944	522,008	4,332,841
Pledged and restricted bank deposits	–	335,990	–	8,803	344,793
Deposits at banks with original maturity more than three months	1,422,430	165,768	72,462	–	1,660,660
Cash and cash equivalents	563,899	3,457,622	241,885	217,292	4,480,698
	13,739,870	54,292,163	1,760,093	1,720,233	71,512,359

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

(f) Financial risk (Continued)

(i) Market risk (Continued)

(c) Foreign exchange risk (Continued)

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)

(c) 外匯風險 (續)

At 31 December 2018
於2018年12月31日

	RMB 人民幣 \$'000 千元	USD 美元 \$'000 千元	HKD 港元 \$'000 千元	Other foreign currencies 其他外幣 \$'000 千元	Total 總額 \$'000 千元
Financial and insurance liabilities:	金融及保險負債：				
Investment contract liabilities	-	2,136,317	-	-	2,136,317
Interest-bearing notes	-	4,651,706	-	-	4,651,706
Life insurance contract liabilities	649,400	11,816,071	65,907	-	12,531,378
Unearned premium provisions	2,103,497	618,062	7,462	355,460	3,084,481
Provision for outstanding claims	5,559,537	1,804,396	55,028	2,083,470	9,502,431
Insurance creditors	508,560	4,339,436	70,482	61,145	4,979,623
Amounts due to group companies	16,037	-	-	-	16,037
	8,837,031	25,365,988	198,879	2,500,075	36,901,973
Net assets/(liabilities)	4,902,839	28,926,175	1,561,214	(779,842)	34,610,386

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

(f) Financial risk (Continued)

(ii) Credit risk

Credit risk is the risk of economic loss resulting from the failure of one of the obligors to make full 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 and debt products, reinsurance arrangements with reinsurers, finance lease receivables and other assets.

The maximum exposure 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:

		At 31 December 2019 於2019年12月31日		At 31 December 2018 於2018年12月31日	
		\$'000 千元	% of Total 百分比	\$'000 千元	% of Total 百分比
Statutory deposits and deposits with banks	法定存款及銀行存款	87,735,750	12.3%	86,212,367	14.0%
Investments in debt securities and debt products	債務證券及債權產品投資	471,940,341	66.3%	386,228,663	62.9%
Reinsurers' share of insurance contract provisions	分保公司應佔保險合約準備	12,334,887	1.7%	14,145,548	2.3%
Insurance debtors	保險客戶應收賬款	14,901,309	2.1%	11,916,295	2.0%
Finance lease receivables	應收金融租賃	45,994,817	6.5%	48,707,024	7.9%
Securities purchased under resale agreements	買入返售證券	6,025,140	0.8%	7,507,696	1.2%
Other assets	其他資產	73,042,638	10.3%	59,853,454	9.7%
		711,974,882	100.0%	614,571,047	100.0%

The distribution of investments in debt securities by class for 31 December 2019 and 2018 disclosed in Note 3(b) and 3(d) respectively.

於2019年及2018年12月31日債務證券投資按類別的分佈，分別於附註3(b)及3(d)內披露。

2 保險、財務及資本風險管理 (續)

(f) 財務風險 (續)

(ii) 信用風險

信用風險是指債務人到期未能完全支付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、債務證券及債權產品投資、分保公司再保險安排、應收金融租賃及其他資產有關。

因交易對手未能履行責任而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：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

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 and debt products and finance lease receivables, 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 and debt products 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 credit rating of the issuers as required by the CBIRC. 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, about 98% of the bonds are with ratings of investment grade or above. In respect of the debt securities invested by reinsurance business, about 95% of the debt securities are with ratings of investment grade.

As at 31 December 2019, debt securities held by the Group mainly comprised of PRC bonds. Majority of investment graded of the PRC securities were investment grade bonds with BBB ratings or higher.

The Group does not have any significant concentration of counterparty credit risk arising from the investments in debt securities since the investment portfolio is well diversified.

Management manages credit risks on bank balances by using banks with good credit qualities.

In assessing the need for impairment allowances, management considers factors such as credit quality, portfolio size, concentrations, and economic factors.

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/or maturity term of no more than one year as at 31 December 2019. The Directors of the Company consider the Group's exposure of the credit risk in respect of insurance and other debtors are insignificant.

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)

為降低債務證券與債權計劃投資及應收金融租賃有關的信用風險，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。有關於內地之人壽保險及財產保險業務的債務證券投資，投資程序手冊，由投資委員會管理，列出包括按中國銀保監會要求的發行人之最低可接受信貸評級。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，約98%的債券信用評級為投資級別或以上。有關再保險業務的債務證券投資，約95%債券信用評級為投資級別。

於2019年12月31日，境內債券主要為BBB級或以上的投資級別債券。

由於投資組合已被多元化，本集團並沒有任何來自債務證券投資的重大交易對手信用風險集中。

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。

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／或於2019年12月31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。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

(f) Financial risk (Continued)

(ii) Credit risk (Continued)

The credit risk associated with reinsurance companies is managed by regular evaluation of the credit quality of the relevant reinsurers. The Group's policy is to generally use reinsurers with investment grade (i.e. BBB or higher) credit ratings. In addition, majority of the reinsurers' share of insurance contract provisions are held under a net settlement arrangement against the corresponding insurance creditor balances with the same reinsurer.

(iii) Liquidity risk

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

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

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

The following table details the remaining contractual obligations for its non-derivative financial liabilities based on the agreed repayment terms, except for investment contract liabilities which are based on expected maturity dates since the exercise of all surrender and transfer options would result in all investment contracts being presented as falling due with one year or less. It has been drawn up based on the undiscounted cash flows of financial liabilities by reference to 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 since the exercise of all surrender and transfer options would result in all life insurance contracts being presented as falling due within one year or less. The majority of the expected outflow from in force insurance contracts are expected to take place after 5 years.

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)

再保險公司之信用風險是通過定期評估相關再保險商的信用質量來管理。本集團的政策是使用的再保險商為投資信用評級(即BBB或以上)。此外,大部份分保公司應佔保險合約準備是與相同的再保險商相對應的保險應付賬款結餘抵銷後的淨額結算安排持有的。

(iii) 流動性風險

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

本集團透過制定流動資金管理的政策及一般策略管理該風險,以確保本集團滿足正常情況下的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,本集團致力於留存適度的流動資金緩衝額作為應對意料之外的大筆資金需求的安全措施,以及制定應急計劃以應付公司的特定危機。

下表載列非衍生工具金融負債根據議定還款條款的餘下合約責任情況,而投資合約負債則根據預期到期日列示,原因是假設所有退保及轉讓選擇權被行使,將令所有呈列之投資合約於一年或以內到期。此乃參考本集團需要支付的最早日期之未折現金融負債現金流而編製,並包括利息及本金現金流。由於所有退保及轉讓選擇權被行使,將令所有呈列之人壽保險合約於一年或以內到期,所以下表不包括人壽保險合約負債。大部分因有效保險合同的資金外流預期五年後才發生。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

(f) Financial risk (Continued)

(iii) Liquidity risk (Continued)

At 31 December 2019
於2019年12月31日

	Less than 1 year 少於一年 \$'000 千元	1 year to 5 years 一年至五年 \$'000 千元	More than 5 years 超過五年 \$'000 千元	Total undiscounted cash flows 未折現 現金流總額 \$'000 千元	Carrying value 賬面值 \$'000 千元
Financial and insurance liabilities: 金融及保險負債:					
Interest-bearing notes 需付息票據	530,467	8,319,430	7,064,015	15,913,912	12,444,266
Bank borrowings 銀行貸款	34,354,141	14,861,209	942,839	50,158,189	47,975,870
Lease liabilities 租賃負債	1,091,954	1,570,190	74,526	2,736,670	2,447,479
Investment contract liabilities 投資合約負債	4,338,968	20,372,619	124,178,623	148,890,210	56,218,772
Securities sold under repurchase agreements 賣出回購證券	34,408,493	-	-	34,408,493	34,395,296
Amounts due to group companies 應付集團內公司款項	17,605	-	-	17,605	17,605
Provision for outstanding claims 未決賠款準備	13,809,430	7,757,800	500,893	22,068,123	22,068,123
Insurance creditors 保險應付賬款	24,722,284	123,436	-	24,845,720	24,845,720
	113,273,342	53,004,684	132,760,896	299,038,922	200,413,131

At 31 December 2018
於2018年12月31日

	Less than 1 year 少於一年 \$'000 千元	1 year to 5 years 一年至五年 \$'000 千元	More than 5 years 超過五年 \$'000 千元	Total undiscounted cash flows 未折現 現金流總額 \$'000 千元	Carrying value 賬面值 \$'000 千元
Financial and insurance liabilities: 金融及保險負債:					
Interest-bearing notes 需付息票據	1,270,491	3,137,962	3,019,589	7,428,042	5,678,869
Bank borrowings 銀行貸款	44,061,582	7,308,630	1,452,552	52,822,764	50,487,171
Investment contract liabilities 投資合約負債	6,376,024	13,373,899	28,927,594	48,677,517	40,337,193
Securities sold under repurchase agreements 賣出回購證券	24,398,371	-	-	24,398,371	24,371,924
Amounts due to group companies 應付集團內公司款項	18,381	-	-	18,381	18,381
Provision for outstanding claims 未決賠款準備	14,515,664	7,534,213	473,186	22,523,063	22,523,063
Insurance creditors 保險應付賬款	19,198,984	149,679	-	19,348,663	19,348,663
	109,839,497	31,504,383	33,872,921	175,216,801	162,765,264

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

(g) Capital management

The Group's key business operations are its life insurance business, the property and casualty insurance business and the reinsurance business, which are conducted through its subsidiaries. The Group manages its capital to ensure that the entities conducting the life insurance business, the property and casualty insurance business and reinsurance business will be able to meet statutory solvency requirements in the jurisdictions in which they operate. The statutory solvency requirements for each regulated insurance subsidiary are set out in the solvency rules at each jurisdiction. 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 Group's capital includes the components of total equity of \$94.06 billion (2018: \$80.40 billion), interest-bearing notes of \$12.44 billion (2018: \$5.68 billion) and bank borrowings of \$47.98 billion (2018: \$50.49 billion). The Group complied with the various solvency requirements throughout the Year.

(h) Claims development

Claims development information for the property and casualty insurance business and reinsurance business is disclosed below in order to illustrate the insurance risk inherent in the Group. The tables provide a review of current estimates of 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.

The key assumption underlying the estimates of provision for outstanding claims is the ultimate claims expenses. A respective percentage change in the ultimate claims expenses alone results in a similar percentage change in provision for outstanding 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人壽保險業務、財產保險業務及再保險業務，其業務皆透過附屬公司進行。本集團之資本管理，是確保從事人壽保險業務、財產保險業務及再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。各受監管保險附屬公司的法定償付能力要求乃載於各司法管轄區的償付能力規定內。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。本集團之資本包括940.6億元(2018年：804.0億元)的總權益組成部份124.4億元(2018年：56.8億元)的需付息票據及479.8億元(2018年：504.9億元)的銀行貸款。本集團整年皆符合各償付能力之要求。

(h) 賠款發展

披露財產保險業務及再保險業務的賠款發展資料的目的旨在說明本集團內在的保險風險。下列表格乃是對累積賠款當前估計的回顧，並說明估計賠款額於其後報告或承保年度年結日的變動情況。估計賠款額隨著賠付而增加或減少，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。

估計未決賠款準備的關鍵假設為最終賠款支出。最終賠款支出的百分比變動單獨導致未決賠款準備產生相似的百分比變動。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

(h) Claims development (Continued)

Analysis of claims development – gross of reinsurance for TPI

For the year ended 31 December 2019

		Accident year 意外年度					Total 總額
		2015 \$'000 千元	2016 \$'000 千元	2017 \$'000 千元	2018 \$'000 千元	2019 \$'000 千元	\$'000 千元
<i>Estimate of cumulative claims</i>	<i>估計累計賠款</i>						
At the end of accident year	於意外年度年結時	9,632,308	9,942,424	12,306,833	14,445,900	13,840,929	
One year later	一年後	8,807,954	10,248,349	11,217,358	14,029,188	-	
Two years later	兩年後	9,431,525	9,598,465	10,969,960	-	-	
Three years later	三年後	8,882,719	9,408,437	-	-	-	
Four years later	四年後	8,691,872	-	-	-	-	
Estimate of cumulative claims	估計累計賠款	8,691,872	9,408,437	10,969,960	14,029,188	13,840,929	56,940,386
Cumulative payments to date	迄今累計付款	(8,628,967)	(9,314,933)	(10,522,207)	(12,625,915)	(8,670,156)	(49,762,178)
Liabilities recognised in the consolidated statement of financial position	確認於綜合財務狀況表的負債	62,905	93,504	447,753	1,403,273	5,170,773	7,178,208
Liabilities in respect of accident years 2014 and earlier	於2014年意外年度及以前的負債						631,356
Total liabilities included in the consolidated statement of financial position	確認於綜合財務狀況表的總負債						7,809,564

For the year ended 31 December 2018

		Accident year 意外年度					Total 總額
		2014 \$'000 千元	2015 \$'000 千元	2016 \$'000 千元	2017 \$'000 千元	2018 \$'000 千元	\$'000 千元
<i>Estimate of cumulative claims</i>	<i>估計累計賠款</i>						
At the end of accident year	於意外年度年結時	8,170,902	9,632,308	9,942,424	12,306,833	14,445,900	
One year later	一年後	7,734,476	8,807,954	10,248,349	11,217,358	-	
Two years later	兩年後	7,200,908	9,431,525	9,598,465	-	-	
Three years later	三年後	7,729,941	8,882,719	-	-	-	
Four years later	四年後	7,338,440	-	-	-	-	
Estimate of cumulative claims	估計累計賠款	7,338,440	8,882,719	9,598,465	11,217,358	14,445,900	51,482,882
Cumulative payments to date	迄今累計付款	(7,297,121)	(8,773,312)	(9,387,848)	(10,335,515)	(9,245,672)	(45,039,468)
Liabilities recognised in the consolidated statement of financial position	確認於綜合財務狀況表的負債	41,319	109,407	210,617	881,843	5,200,228	6,443,414
Liabilities in respect of accident years 2013 and earlier	於2013年意外年度及以前的負債						751,412
Total liabilities included in the consolidated statement of financial position	確認於綜合財務狀況表的總負債						7,194,826

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

(h) Claims development (Continued)

Analysis of claims development – net of reinsurance for TPI

For the year ended 31 December 2019

		Accident year 意外年度					Total 總額
		2015 \$'000 千元	2016 \$'000 千元	2017 \$'000 千元	2018 \$'000 千元	2019 \$'000 千元	\$'000 千元
<i>Estimate of cumulative claims</i>	<i>估計累計賠款</i>						
At the end of accident year	於意外年度年結時	8,497,437	8,766,325	10,674,561	12,267,135	12,014,214	
One year later	一年後	7,737,491	9,075,149	9,790,049	11,915,878	-	
Two years later	兩年後	8,269,717	8,503,323	9,558,636	-	-	
Three years later	三年後	7,785,311	8,348,150	-	-	-	
Four years later	四年後	7,621,725	-	-	-	-	
Estimate of cumulative claims	估計累計賠款	7,621,725	8,348,150	9,558,636	11,915,878	12,014,214	49,458,603
Cumulative payments to date	迄今累計付款	(7,588,156)	(8,279,931)	(9,195,015)	(10,777,750)	(7,662,025)	(43,502,877)
Liabilities recognised in the consolidated statement of financial position	確認於綜合財務狀況表的負債	33,569	68,219	363,621	1,138,128	4,352,189	5,955,726
Liabilities in respect of accident years 2014 and earlier	於2014年意外年度及以前的負債						487,766
Total liabilities included in the consolidated statement of financial position	確認於綜合財務狀況表的總負債						6,443,492

For the year ended 31 December 2018

		Accident year 意外年度					Total 總額
		2014 \$'000 千元	2015 \$'000 千元	2016 \$'000 千元	2017 \$'000 千元	2018 \$'000 千元	\$'000 千元
<i>Estimate of cumulative claims</i>	<i>估計累計賠款</i>						
At the end of accident year	於意外年度年結時	6,982,311	8,497,437	8,766,325	10,674,561	12,267,135	
One year later	一年後	6,624,598	7,737,491	9,075,149	9,790,049	-	
Two years later	兩年後	6,146,997	8,269,717	8,503,323	-	-	
Three years later	三年後	6,586,416	7,785,311	-	-	-	
Four years later	四年後	6,252,818	-	-	-	-	
Estimate of cumulative claims	估計累計賠款	6,252,818	7,785,311	8,503,323	9,790,049	12,267,135	44,598,636
Cumulative payments to date	迄今累計付款	(6,232,052)	(7,717,117)	(8,356,873)	(9,078,102)	(7,902,085)	(39,286,229)
Liabilities recognised in the consolidated statement of financial position	確認於綜合財務狀況表的負債	20,766	68,194	146,450	711,947	4,365,050	5,312,407
Liabilities in respect of accident years 2013 and earlier	於2013年意外年度及以前的負債						384,320
Total liabilities included in the consolidated statement of financial position	確認於綜合財務狀況表的總負債						5,696,727

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

2 保險、財務及資本風險管理 (續)

(h) Claims development (Continued)

(h) 賠款發展 (續)

Analysis of claims development – gross of reinsurance for CTPI (HK)

賠款發展分析 – 太平香港之未扣除再保險毛額

For the year ended 31 December 2019

截至2019年12月31日止年度

		Accident year 意外年度					Total 總額
		2015 \$'000 千元	2016 \$'000 千元	2017 \$'000 千元	2018 \$'000 千元	2019 \$'000 千元	\$'000 千元
<i>Estimate of cumulative claims</i>	<i>估計累計賠款</i>						
At the end of accident year	於意外年度年結時	1,356,000	1,418,568	1,860,528	2,335,527	2,161,739	
One year later	一年後	1,240,613	1,306,749	1,827,844	2,250,962	-	
Two years later	兩年後	1,151,779	1,209,753	1,791,725	-	-	
Three years later	三年後	1,094,916	1,169,543	-	-	-	
Four years later	四年後	1,069,123	-	-	-	-	
Estimate of cumulative claims	估計累計賠款	1,069,123	1,169,543	1,791,725	2,250,962	2,161,739	8,443,092
Cumulative payments to date	迄今累計付款	(972,514)	(969,029)	(1,378,797)	(1,159,279)	(664,141)	(5,143,760)
Liabilities recognised in the consolidated statement of financial position	確認於綜合財務狀況表的負債	96,609	200,514	412,928	1,091,683	1,497,598	3,299,332
Liabilities in respect of accident years 2014 and earlier	於2014年意外年度及以前的負債						335,916
Total liabilities included in the consolidated statement of financial position	確認於綜合財務狀況表的總負債						3,635,248

For the year ended 31 December 2018

截至2018年12月31日止年度

		Accident year 意外年度					Total 總額
		2014 \$'000 千元	2015 \$'000 千元	2016 \$'000 千元	2017 \$'000 千元	2018 \$'000 千元	\$'000 千元
<i>Estimate of cumulative claims</i>	<i>估計累計賠款</i>						
At the end of accident year	於意外年度年結時	1,270,017	1,356,000	1,418,568	1,860,528	2,335,527	
One year later	一年後	1,130,708	1,240,613	1,306,749	1,827,844	-	
Two years later	兩年後	1,101,651	1,151,779	1,209,753	-	-	
Three years later	三年後	1,031,397	1,094,916	-	-	-	
Four years later	四年後	998,963	-	-	-	-	
Estimate of cumulative claims	估計累計賠款	998,963	1,094,916	1,209,753	1,827,844	2,335,527	7,467,003
Cumulative payments to date	迄今累計付款	(893,281)	(897,955)	(884,219)	(1,153,490)	(691,292)	(4,520,237)
Liabilities recognised in the consolidated statement of financial position	確認於綜合財務狀況表的負債	105,682	196,961	325,534	674,354	1,644,235	2,946,766
Liabilities in respect of accident years 2013 and earlier	於2013年意外年度及以前的負債						191,962
Total liabilities included in the consolidated statement of financial position	確認於綜合財務狀況表的總負債						3,138,728

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

(h) Claims development (Continued)

Analysis of claims development – net of reinsurance for CTPI (HK)

For the year ended 31 December 2019

		Accident year 意外年度					Total 總額
		2015 \$'000 千元	2016 \$'000 千元	2017 \$'000 千元	2018 \$'000 千元	2019 \$'000 千元	\$'000 千元
<i>Estimate of cumulative claims</i>	<i>估計累計賠款</i>						
At the end of accident year	於意外年度年結時	931,085	1,098,676	1,276,874	1,332,987	1,425,108	
One year later	一年後	901,117	1,019,136	1,229,325	1,266,623	-	
Two years later	兩年後	855,518	966,797	1,231,889	-	-	
Three years later	三年後	825,477	936,196	-	-	-	
Four years later	四年後	783,878	-	-	-	-	
Estimate of cumulative claims	估計累計賠款	783,878	936,196	1,231,889	1,266,623	1,425,108	5,643,694
Cumulative payments to date	迄今累計付款	(720,454)	(783,086)	(960,506)	(780,325)	(562,135)	(3,806,506)
Liabilities recognised in the consolidated statement of financial position	確認於綜合財務狀況表的負債	63,424	153,110	271,383	486,298	862,973	1,837,188
Liabilities in respect of accident years 2014 and earlier	於2014年意外年度及以前的負債						249,756
Total liabilities included in the consolidated statement of financial position	確認於綜合財務狀況表的總負債						2,086,944

For the year ended 31 December 2018

		Accident year 意外年度					Total 總額
		2014 \$'000 千元	2015 \$'000 千元	2016 \$'000 千元	2017 \$'000 千元	2018 \$'000 千元	\$'000 千元
<i>Estimate of cumulative claims</i>	<i>估計累計賠款</i>						
At the end of accident year	於意外年度年結時	895,380	931,085	1,098,676	1,276,874	1,332,987	
One year later	一年後	802,224	901,117	1,019,136	1,229,325	-	
Two years later	兩年後	794,681	855,518	966,797	-	-	
Three years later	三年後	762,295	825,477	-	-	-	
Four years later	四年後	729,157	-	-	-	-	
Estimate of cumulative claims	估計累計賠款	729,157	825,477	966,797	1,229,325	1,332,987	5,083,743
Cumulative payments to date	迄今累計付款	(660,187)	(674,022)	(717,590)	(817,085)	(550,619)	(3,419,503)
Liabilities recognised in the consolidated statement of financial position	確認於綜合財務狀況表的負債	68,970	151,455	249,207	412,240	782,368	1,664,240
Liabilities in respect of accident years 2013 and earlier	於2013年意外年度及以前的負債						109,970
Total liabilities included in the consolidated statement of financial position	確認於綜合財務狀況表的總負債						1,774,210

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

(h) Claims development (Continued)

Analysis of claims development – gross of reinsurance for TPR_e

For the year ended 31 December 2019

		Underwriting year 承保年度					Total 總額
		2015 \$'000 千元	2016 \$'000 千元	2017 \$'000 千元	2018 \$'000 千元	2019 \$'000 千元	\$'000 千元
Estimate of cumulative claims	估計累計賠款						
At the end of underwriting year	於承保年度年結時	2,017,323	1,989,866	3,195,134	3,000,706	3,098,357	
One year later	一年後	2,899,529	3,238,792	5,479,160	5,998,606	-	
Two years later	兩年後	2,839,588	3,325,499	5,637,361	-	-	
Three years later	三年後	2,694,587	3,353,561	-	-	-	
Four years later	四年後	2,678,561	-	-	-	-	
Estimate of cumulative claims	估計累計賠款	2,678,561	3,353,561	5,637,361	5,998,606	3,098,357	20,766,446
Cumulative payments to date	迄今累計付款	(2,382,085)	(2,848,143)	(4,388,185)	(3,502,485)	(151,775)	(13,272,673)
Liabilities recognised in the consolidated statement of financial position	確認於綜合財務狀況表的負債	296,476	505,418	1,249,176	2,496,121	2,946,582	7,493,773
Liabilities in respect of underwriting years 2014 and earlier	於2014年承保年度及以前的負債						629,620
Total liabilities included in the consolidated statement of financial position	確認於綜合財務狀況表的總負債						8,123,393

Note: The above balances exclude the claims liabilities for the life reinsurance business.

註：上述數額不包括人壽再保險業務之賠款負債。

2 保險、財務及資本風險管理 (續)

(h) 賠款發展 (續)

賠款發展分析 – 太平再保險之未扣除再保險毛額

截至2019年12月31日止年度

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

(h) Claims development (Continued)

Analysis of claims development – gross of reinsurance for TPRe (Continued)

For the year ended 31 December 2018

		Underwriting year 承保年度					Total 總額 \$'000 千元
		2014 \$'000 千元	2015 \$'000 千元	2016 \$'000 千元	2017 \$'000 千元	2018 \$'000 千元	
Estimate of cumulative claims	估計累計賠款						
At the end of underwriting year	於承保年度年結時	1,515,741	2,017,323	1,989,866	3,195,134	3,000,706	
One year later	一年後	2,381,732	2,899,529	3,238,792	5,479,160	-	
Two years later	兩年後	2,126,999	2,839,588	3,325,499	-	-	
Three years later	三年後	2,014,023	2,694,587	-	-	-	
Four years later	四年後	2,005,174	-	-	-	-	
Estimate of cumulative claims	估計累計賠款	2,005,174	2,694,587	3,325,499	5,479,160	3,000,706	16,505,126
Cumulative payments to date	迄今累計付款	(1,779,045)	(2,209,194)	(2,278,417)	(2,851,192)	(108,544)	(9,226,392)
Liabilities recognised in the consolidated statement of financial position	確認於綜合財務狀況表的負債	226,129	485,393	1,047,082	2,627,968	2,892,162	7,278,734
Liabilities in respect of underwriting years 2013 and earlier	於2013年承保年度及以前的負債						709,798
Total liabilities included in the consolidated statement of financial position	確認於綜合財務狀況表的總負債						7,988,532

Note: The above balances exclude the claims liabilities for the life reinsurance business.

註：上述數額不包括人壽再保險業務之賠款負債。

2 保險、財務及資本風險管理 (續)

(h) 賠款發展 (續)

賠款發展分析 – 太平再保險之未扣除再保險毛額 (續)

截至2018年12月31日止年度

	Underwriting year 承保年度					Total 總額 \$'000 千元
	2014 \$'000 千元	2015 \$'000 千元	2016 \$'000 千元	2017 \$'000 千元	2018 \$'000 千元	

Estimate of cumulative claims	估計累計賠款					
At the end of underwriting year	於承保年度年結時	1,515,741	2,017,323	1,989,866	3,195,134	3,000,706
One year later	一年後	2,381,732	2,899,529	3,238,792	5,479,160	-
Two years later	兩年後	2,126,999	2,839,588	3,325,499	-	-
Three years later	三年後	2,014,023	2,694,587	-	-	-
Four years later	四年後	2,005,174	-	-	-	-
Estimate of cumulative claims	估計累計賠款	2,005,174	2,694,587	3,325,499	5,479,160	3,000,706
Cumulative payments to date	迄今累計付款	(1,779,045)	(2,209,194)	(2,278,417)	(2,851,192)	(108,544)
Liabilities recognised in the consolidated statement of financial position	確認於綜合財務狀況表的負債	226,129	485,393	1,047,082	2,627,968	2,892,162
Liabilities in respect of underwriting years 2013 and earlier	於2013年承保年度及以前的負債					
Total liabilities included in the consolidated statement of financial position	確認於綜合財務狀況表的總負債					

註：上述數額不包括人壽再保險業務之賠款負債。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

(h) Claims development (Continued)

Analysis of claims development – net of reinsurance for TPRe

For the year ended 31 December 2019

		Underwriting year 承保年度					Total 總額
		2015 \$'000 千元	2016 \$'000 千元	2017 \$'000 千元	2018 \$'000 千元	2019 \$'000 千元	\$'000 千元
Estimate of cumulative claims	估計累計賠款						
At the end of underwriting year	於承保年度年結時	1,616,974	1,712,021	2,397,915	2,496,571	2,641,710	
One year later	一年後	2,519,048	2,755,642	4,246,307	4,862,406	-	
Two years later	兩年後	2,307,353	2,843,977	4,339,595	-	-	
Three years later	三年後	2,322,481	2,885,812	-	-	-	
Four years later	四年後	2,311,770	-	-	-	-	
Estimate of cumulative claims	估計累計賠款	2,311,770	2,885,812	4,339,595	4,862,406	2,641,710	17,041,293
Cumulative payments to date	迄今累計付款	(2,055,827)	(2,489,658)	(3,466,729)	(2,896,829)	(241,553)	(11,150,596)
Liabilities recognised in the consolidated statement of financial position	確認於綜合財務狀況表的負債	255,943	396,154	872,866	1,965,577	2,400,157	5,890,697
Liabilities in respect of underwriting years 2014 and earlier	於2014年承保年度及以前的負債						577,838
Total liabilities included in the consolidated statement of financial position	確認於綜合財務狀況表的總負債						6,468,535

Note: The above balances exclude the claims liabilities for the life reinsurance business.

(h) 賠款發展 (續)

賠款發展分析 – 太平再保險之減去再保險淨額

截至2019年12月31日止年度

註：上述數額不包括人壽再保險業務之賠款負債。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

(h) Claims development (Continued)

Analysis of claims development – net of reinsurance for TPR_e (Continued)

For the year ended 31 December 2018

		Underwriting year 承保年度					Total 總額
		2014 \$'000 千元	2015 \$'000 千元	2016 \$'000 千元	2017 \$'000 千元	2018 \$'000 千元	\$'000 千元
Estimate of cumulative claims	估計累計賠款						
At the end of underwriting year	於承保年度年結時	1,453,910	1,616,974	1,712,021	2,397,915	2,496,571	
One year later	一年後	2,252,678	2,519,048	2,755,642	4,246,307	-	
Two years later	兩年後	2,068,702	2,307,353	2,843,977	-	-	
Three years later	三年後	1,914,264	2,322,481	-	-	-	
Four years later	四年後	1,885,191	-	-	-	-	
Estimate of cumulative claims	估計累計賠款	1,885,191	2,322,481	2,843,977	4,246,307	2,496,571	13,794,527
Cumulative payments to date	迄今累計付款	(1,681,416)	(1,913,883)	(2,078,874)	(2,281,500)	(137,185)	(8,092,858)
Liabilities recognised in the consolidated statement of financial position	確認於綜合財務狀況表的負債	203,775	408,598	765,103	1,964,807	2,359,386	5,701,669
Liabilities in respect of underwriting years 2013 and earlier	於2013年承保年度及以前的負債						625,384
Total liabilities included in the consolidated statement of financial position	確認於綜合財務狀況表的總負債						6,327,053

Note: The above balances exclude the claims liabilities for the life reinsurance business.

註：上述數額不包括人壽再保險業務之賠款負債。

2 保險、財務及資本風險管理 (續)

(h) 賠款發展 (續)

賠款發展分析 – 太平再保險之減去再保險淨額 (續)

截至2018年12月31日止年度

		Underwriting year 承保年度					Total 總額
		2014 \$'000 千元	2015 \$'000 千元	2016 \$'000 千元	2017 \$'000 千元	2018 \$'000 千元	\$'000 千元

Estimate of cumulative claims	估計累計賠款						
At the end of underwriting year	於承保年度年結時	1,453,910	1,616,974	1,712,021	2,397,915	2,496,571	
One year later	一年後	2,252,678	2,519,048	2,755,642	4,246,307	-	
Two years later	兩年後	2,068,702	2,307,353	2,843,977	-	-	
Three years later	三年後	1,914,264	2,322,481	-	-	-	
Four years later	四年後	1,885,191	-	-	-	-	
Estimate of cumulative claims	估計累計賠款	1,885,191	2,322,481	2,843,977	4,246,307	2,496,571	13,794,527
Cumulative payments to date	迄今累計付款	(1,681,416)	(1,913,883)	(2,078,874)	(2,281,500)	(137,185)	(8,092,858)
Liabilities recognised in the consolidated statement of financial position	確認於綜合財務狀況表的負債	203,775	408,598	765,103	1,964,807	2,359,386	5,701,669
Liabilities in respect of underwriting years 2013 and earlier	於2013年承保年度及以前的負債						625,384
Total liabilities included in the consolidated statement of financial position	確認於綜合財務狀況表的總負債						6,327,053

註：上述數額不包括人壽再保險業務之賠款負債。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

3 SEGMENT INFORMATION

The Group is organised primarily based on different types of businesses. The information reported to the Board, being the chief operating decision maker, for the purpose of resources allocation and performance assessment, are prepared and reported on such basis. Accordingly, the Group's operating segments are detailed as follows:

- Life insurance business;
- PRC property and casualty insurance business;
- Overseas property and casualty insurance business;
- Reinsurance business;
- Pension and group life insurance business; and
- Other businesses which comprised the asset management business, insurance intermediary business, financial leasing, property investment business, securities dealing and broking business.

Information regarding the above segments is reported below.

Management monitors the operating results of the Group's business units separately for the purpose of performance assessment.

3 營運分部

本集團主要由各項業務組成。向董事會(即主要營運決策者)呈報以進行資源分配及評估表現之資料,亦按此基準編製及呈報。因此,本集團營運分部的詳情載列如下:

- 人壽保險業務;
- 境內財產保險業務;
- 境外財產保險業務;
- 再保險業務;
- 養老及團體保險業務;及
- 其他業務,包括資產管理業務、保險中介業務、金融租賃、物業投資業務、證券買賣及經紀業務。

有關上述分部的資料呈列如下。

管理層透過監控本集團各業務單位之營運業績以評估分部表現。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

3 SEGMENT INFORMATION (Continued)

a. Segmental statement of profit or loss for 2019

3 營運分部 (續)

a. 2019年分部損益表

		Year ended 31 December 2019 截至2019年12月31日止年度							
		Life insurance	PRC property and casualty insurance	Overseas property and casualty insurance	Reinsurance	Pension and group life insurance	Other businesses	Inter-segment elimination and adjustment	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元	千元	千元
Income	收入								
Total premiums written and policy fees	總保費及保單費收入	166,130,331	30,870,514	6,776,279	15,884,351	5,711,888	-	(2,354,841)	223,018,522
Less: Premiums ceded to reinsurers	減：分出保費	(4,329,557)	(3,802,327)	(2,156,750)	(1,968,731)	(585,303)	-	2,177,408	(10,665,260)
Net premiums written and policy fees	淨保費收入及保單費收入	161,800,774	27,068,187	4,619,529	13,915,620	5,126,585	-	(177,433)	212,353,262
Change in unearned premium provisions, net of reinsurance	未到期責任準備金變化，減再保險	(1,051,451)	(1,559,165)	(120,813)	(428,723)	(427,216)	-	2,136	(3,585,232)
Net earned premiums and policy fees	已賺取保費及保單費收入淨額	160,749,323	25,509,022	4,498,716	13,486,897	4,699,369	-	(175,297)	208,768,030
Net investment income (note (i))	淨投資收入 (註(i))	25,554,814	894,937	468,168	1,719,249	433,004	1,297,211	165,821	30,533,204
Net realised investment gains/(losses) (note (ii))	已實現投資收益/(虧損)淨額 (註(ii))	1,741,091	(35,839)	49,798	(3,998)	62,076	10,833	890,527	2,714,488
Net unrealised investment gains/(losses) and impairment (note (iii))	未實現投資收益/(虧損)及減值淨額 (註(iii))	(1,174,167)	(90,895)	(108,021)	(245,438)	(16,371)	(2,002,907)	1,265,630	(2,372,169)
Other income	其他收益	2,717,974	113,177	(58,686)	(247,757)	973,593	6,193,419	(4,807,525)	4,884,195
Segment income	分部收入	189,589,035	26,390,402	4,849,975	14,708,953	6,151,671	5,498,556	(2,660,844)	244,527,748
Benefits, losses and expenses	給付、賠款及費用								
Net policyholders' benefits	保單持有人利益淨額	(31,238,727)	(12,824,606)	(2,589,519)	(8,023,402)	(3,819,657)	-	122,396	(58,373,515)
Net commission and handling fee expenses	佣金及手續費支出淨額	(17,201,878)	(3,575,224)	(1,305,916)	(3,541,929)	(388,965)	-	2,010,315	(24,003,597)
Administrative and other expenses	行政及其他費用	(19,755,769)	(9,544,535)	(685,071)	(420,612)	(1,953,842)	(4,869,491)	1,951,053	(35,278,267)
Change in life insurance contract liabilities, net of reinsurance	壽險合約負債變化，減再保險	(110,860,003)	-	-	(2,330,584)	211,850	-	(279)	(112,979,016)
Total benefits, losses and expenses	給付、賠款及費用總額	(179,056,377)	(25,944,365)	(4,580,506)	(14,316,527)	(5,950,614)	(4,869,491)	4,083,485	(230,634,395)
Share of results of associates and joint ventures	應佔聯營公司及合營公司業績	10,532,658	446,037	269,469	392,426	201,057	629,065	1,422,641	13,893,353
Finance costs	財務費用	(2,236,246)	(13,869)	-	-	29,657	1,221,072	(1,712,205)	1,760,901
		(99,487)	(46,046)	(21,213)	(7,091)	(48,825)	(2,333,332)	227,562	(2,328,432)
Profit before taxation	除稅前溢利	12,669,417	386,122	248,256	385,335	181,889	(483,195)	(62,002)	13,325,822
Income tax charges	稅項支出	(425,144)	145,630	42,556	(64,273)	(51,538)	(425,356)	(4,823)	(782,948)
Profit after taxation	除稅後溢利	12,244,273	531,752	290,812	321,062	130,351	(908,551)	(66,825)	12,542,874
Non-controlling interests	非控股股東權益								(3,534,352)
Profit attributable to owners of the Company	本公司股東應佔溢利								9,008,522

Segment revenue (including total premiums written and policy fees) and segment profit/(loss) represent 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(包括總保費及保單費收入)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)
(以港元列示)

3 SEGMENT INFORMATION (Continued)

a. Segmental statement of profit or loss for 2019 (Continued)

3 營運分部 (續)

a. 2019年分部損益表 (續)

		Year ended 31 December 2019 截至2019年12月31日止年度							Total
		Life insurance	PRC property and casualty insurance	Overseas property and casualty insurance	Reinsurance	Pension and group life insurance	Other businesses	Inter-segment elimination and adjustment	Total
		人壽保險	境內財產保險	境外財產保險	再保險	養老及團體保險	其他業務	內部對銷及調整	總額
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元	千元	千元
Note (i): Net investment income	註(i): 淨投資收入								
Interests income from debt securities	債務證券利息收入								
- Held-to-maturity	- 持有至到期日	9,600,276	164,577	105,866	1,123,877	-	77,379	(2,147)	11,069,828
- Available-for-sale	- 可供出售	2,620,904	108,577	22,466	127,589	79,054	23,021	(63)	2,981,548
- Held-for-trading	- 持有作交易用途	17,738	715	35,354	274	78	69,926	335,632	459,717
- Designated at fair value through profit or loss	- 指定為通過損益以反映公允價值	-	-	5,218	-	-	-	-	5,218
Interests income from debt products	債權產品利息收入								
- Loans and receivables	- 貸款及應收款項	4,891,789	301,578	9,490	70,428	216,986	218,508	404,539	6,113,318
Dividend income from equity securities	股本證券股息收入								
- Available-for-sale	- 可供出售	1,229,045	66,459	8,431	11,057	7,670	59,771	(147,728)	1,234,705
- Held-for-trading	- 持有作交易用途	1,047	-	2,744	-	-	2,002	132,059	137,852
- Designated at fair value through profit or loss	- 指定為通過損益以反映公允價值	71,640	-	-	1,852	1,885	-	40	75,417
Dividend income from investment funds	投資基金股息收入								
- Available-for-sale	- 可供出售	1,122,612	48,865	8,427	96,982	9,954	46,399	(200,112)	1,133,127
- Held-for-trading	- 持有作交易用途	202,058	1,430	1,071	1,571	2,789	7,755	(38,678)	177,996
- Loans and receivables	- 貸款及應收款項	105,779	-	133,965	143,960	-	81,415	-	465,119
Bank deposits and other interests income	銀行存款及其他利息收入	5,739,862	189,067	39,507	138,493	102,693	91,439	(158,474)	6,142,587
Net rental income receivable from investment properties	應收投資物業租金淨額	257,548	23,753	95,629	3,271	6,942	625,627	(229,424)	783,346
Net interest income/(expenses) on securities sold/purchased under purchase/resale agreements	買入返售/賣出回購證券利息收入/(費用)淨額	(305,484)	(10,084)	-	(105)	4,953	(6,031)	70,177	(246,574)
		25,554,814	894,937	468,168	1,719,249	433,004	1,297,211	165,821	30,533,204

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

3 SEGMENT INFORMATION (Continued)

a. Segmental statement of profit or loss for 2019 (Continued)

3 營運分部 (續)

a. 2019年分部損益表 (續)

		Year ended 31 December 2019 截至2019年12月31日止年度						Inter-segment elimination and adjustment	Total
		Life insurance	PRC property and casualty insurance	Overseas property and casualty insurance	Reinsurance	Pension and group life insurance	Other businesses	內部對銷 及調整	總額
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Note (ii): Net realised 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	(13,304)	-	13,540	-	-	3,935	(77)	4,094
- Available-for-sale	- 可供出售	133,292	2,429	8,873	(27,622)	4,622	(33,828)	-	87,766
- Held-for-trading	- 持有作交易用途	22,252	5,294	15,173	3,796	2,746	27,354	22,530	99,145
- Designated at fair value through profit or loss	- 指定為通過損益以反映公允價值	-	-	64	-	-	-	-	64
Equity securities	股本證券								
- Available-for-sale	- 可供出售	1,627,241	(50,062)	2,624	17,560	54,616	1,586	(1,113)	1,652,452
- Held-for-trading	- 持有作交易用途	(459)	-	4,257	-	-	1,304	852,809	857,911
Investment funds	投資基金								
- Available-for-sale	- 可供出售	(38,632)	6,500	1,847	2,268	92	3,384	(479)	(25,020)
- Held-for-trading	- 持有作交易用途	2,389	-	3,420	-	-	7,098	16,857	29,764
Gain on disposal of an associate	出售聯營公司收益	8,312	-	-	-	-	-	-	8,312
		1,741,091	(35,839)	49,798	(3,998)	62,076	10,833	890,527	2,714,488
Note (iii): Net unrealised 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-for-trading	- 持有作交易用途	87,453	22,063	(186,941)	103,338	966	10,565	5,470	42,914
- Designated at fair value through profit or loss	- 指定為通過損益以反映公允價值	-	-	2,274	-	-	-	-	2,274
Equity securities	股本證券								
- Held-for-trading	- 持有作交易用途	1,893	-	29,062	-	-	610	1,462,349	1,493,914
- Designated at fair value through profit or loss	- 指定為通過損益以反映公允價值	51,829	-	-	-	-	-	-	51,829
Investment funds	投資基金								
- Held-for-trading	- 持有作交易用途	375,691	-	1,526	-	-	3,146	(270,300)	110,063
Surplus on revaluation of investment properties	投資物業重估盈餘	(10,641)	(3,537)	82,660	690	(5,963)	(118,600)	68,111	12,720
Impairment loss recognised:	確認減值:								
- Available-for-sale debt securities, equity securities and investment funds	- 可供出售債務證券、股本證券及投資基金	(1,451,182)	(62,750)	(25,107)	(334,247)	-	(124,869)	-	(1,998,155)
- Loans and receivables debt products	- 貸款及應收款項債權產品	(193,355)	(46,671)	-	-	(11,374)	(1,773,759)	-	(2,025,159)
- Held-to-maturity debt securities	- 持有至到期債務證券	(35,855)	-	(11,495)	(15,219)	-	-	-	(62,569)
		(1,174,167)	(90,895)	(108,021)	(245,438)	(16,371)	(2,002,907)	1,265,630	(2,372,169)

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

3 SEGMENT INFORMATION (Continued)

b. Segmental statement of financial position for 2019

		At 31 December 2019 於2019年12月31日							Total
		Life insurance	PRC property and casualty insurance	Overseas property and casualty insurance	Reinsurance	Pension and group life insurance	Other businesses	Inter-segment elimination and adjustment	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元	千元	千元
Statutory deposits	法定存款	3,349,037	725,624	189,230	415,644	669,807	3,052	-	5,352,394
Fixed assets	固定資產								
- Property and equipment	- 物業及設備	4,542,462	973,258	483,536	39,485	357,676	8,783,776	4,945,481	20,125,674
- Investment properties	- 投資物業	4,781,650	591,339	3,163,861	237,480	315,189	16,256,799	(6,328,162)	19,018,156
- Right-of-use assets	- 租賃使用權資產	2,222,475	564,749	23,369	129,804	238,543	5,334,039	(721,767)	7,791,212
Investments in debt and equity securities	債務及股本證券投資								
- Debt securities (note (i))	- 債務證券 (註(i))	301,181,580	5,904,012	4,131,465	28,270,915	1,751,587	2,879,655	9,520,104	353,639,318
- Equity securities (note (ii))	- 股本證券 (註(ii))	75,302,166	2,752,134	342,813	343,584	733,635	3,730,561	8,546,414	91,751,307
- Investment funds (note (iii))	- 投資基金 (註(iii))	40,352,477	1,634,084	2,422,644	4,248,508	455,197	2,388,156	(10,828,392)	40,672,674
- Debt products (note (iv))	- 債權產品 (註(iv))	96,585,352	7,602,238	147,570	1,191,319	4,670,849	2,365,679	5,738,016	118,301,023
Cash and bank deposits	現金及銀行存款	62,785,617	5,168,760	2,034,758	4,173,705	1,818,030	4,489,162	2,885,987	83,356,019
Goodwill	商譽	-	-	-	-	-	50,593	668,517	719,110
Intangible assets	無形資產	-	-	-	-	-	568	261,408	261,976
Interests in associates and joint ventures	於聯營公司及合營公司的權益	21,987,858	1,938,512	-	-	665,342	6,278,708	(14,648,989)	16,221,431
Reinsurers' share of insurance contract provisions	分保公司應佔保險合約準備	2,998,209	2,539,494	3,551,742	4,153,401	367,905	-	(1,275,864)	12,334,887
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	1,083,703	-	-	-	-	-	-	1,083,703
Finance lease receivables	應收金融租賃	-	-	-	-	-	45,994,817	-	45,994,817
Other segment assets	其他分部資產	88,055,523	4,723,828	2,150,953	7,180,552	1,825,888	3,568,741	(4,709,007)	102,796,478
Segment assets	分部資產	705,228,109	35,118,032	18,641,941	50,384,397	13,869,648	102,124,306	(5,946,254)	919,420,179
Life insurance contract liabilities	壽險合約負債	515,359,657	-	-	16,088,300	3,377,550	-	(268,382)	534,557,125
Unearned premium provisions	未到期責任準備金	4,039,479	10,422,814	1,992,863	2,550,401	1,310,765	-	(330,141)	19,986,181
Provision for outstanding claims	未決賠款準備	1,342,246	6,190,071	6,173,544	8,223,876	815,727	-	(677,341)	22,068,123
Investment contract liabilities	投資合約負債	49,485,934	-	270,838	4,897,497	1,564,503	-	-	56,218,772
Interest-bearing notes	需付息票據	-	3,349,037	-	-	-	9,138,092	(42,863)	12,444,266
Bank borrowings	銀行貸款	-	-	740,800	-	-	47,592,300	(357,230)	47,975,870
Lease liabilities	租賃負債	1,996,905	499,389	23,781	132,383	242,723	315,763	(763,465)	2,447,479
Securities sold under repurchase agreements	賣出回購證券	33,060,029	-	-	-	83,726	412,856	838,685	34,395,296
Other segment liabilities	其他分部負債	57,493,687	6,812,176	1,706,890	9,481,473	3,571,552	16,420,972	(216,647)	95,270,103
Segment liabilities	分部負債	662,777,937	27,273,487	10,908,716	41,373,930	10,966,546	73,879,983	(1,817,384)	825,363,215
Non-controlling interests	非控股股東權益								(17,749,360)
Net assets attributable to the owners of the Company	本公司股東應佔資產淨值								76,307,604

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)
(以港元列示)

3 SEGMENT INFORMATION (Continued)

b. Segmental statement of financial position for 2019 (Continued)

3 營運分部 (續)

b. 2019年分部財務狀況表 (續)

		At 31 December 2019 於2019年12月31日							
		Life insurance	PRC property and casualty insurance	Overseas property and casualty insurance	Reinsurance	Pension and group life insurance	Other businesses	Inter-segment elimination and adjustment	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元	千元	千元
Note (i): Debt securities	註(i): 債務證券								
By category:	按種類:								
- Held-to-maturity	- 持有至到期日	237,170,222	3,460,338	1,985,182	24,196,266	-	372,734	(42,863)	267,141,879
- Available-for-sale	- 可供出售	61,987,120	2,236,307	787,774	3,933,289	1,741,858	250,779	-	70,937,127
- Held-for-trading	- 持有作交易用途	2,024,238	207,367	1,200,568	141,360	9,729	2,256,142	9,562,967	15,402,371
- Designated at fair value through profit or loss	- 指定為通過損益以反映公允價值	-	-	157,941	-	-	-	-	157,941
		301,181,580	5,904,012	4,131,465	28,270,915	1,751,587	2,879,655	9,520,104	353,639,318
Note (ii): Equity securities	註(ii): 股本證券								
By category:	按種類:								
- Available-for-sale	- 可供出售	74,107,248	2,752,134	148,899	343,584	733,635	3,724,767	(1,409,618)	80,400,649
- Held-for-trading	- 持有作交易用途	78,634	-	193,914	-	-	5,794	9,956,032	10,234,374
- Designated at fair value through profit or loss	- 指定為通過損益以反映公允價值	1,116,284	-	-	-	-	-	-	1,116,284
		75,302,166	2,752,134	342,813	343,584	733,635	3,730,561	8,546,414	91,751,307
Note (iii): Investment funds	註(iii): 投資基金								
By category:	按種類:								
- Available-for-sale	- 可供出售	28,229,254	1,634,043	187,416	1,948,508	455,197	880,789	(3,874,656)	29,460,551
- Held-for-trading	- 持有作交易用途	10,402,723	41	95,214	-	-	382,044	(6,953,736)	3,926,286
- Loans and receivables	- 貸款及應收款項	1,720,500	-	2,140,014	2,300,000	-	1,125,323	-	7,285,837
		40,352,477	1,634,084	2,422,644	4,248,508	455,197	2,388,156	(10,828,392)	40,672,674
Note (iv): Debt products	註(iv): 債權產品								
By category:	按種類:								
- Loans and receivables	- 貸款及應收款項	96,585,352	7,602,238	147,570	1,191,319	4,670,849	2,365,679	5,738,016	118,301,023

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

3 SEGMENT INFORMATION (Continued)

c. Segmental statement of profit or loss for 2018

	Life insurance 人壽保險 \$'000 千元	PRC property and casualty insurance 境內財產保險 \$'000 千元	Overseas property and casualty insurance 境外財產保險 \$'000 千元	Reinsurance 再保險 \$'000 千元	Pension and group life insurance 養老及團體保險 \$'000 千元	Other businesses 其他業務 \$'000 千元	Inter-segment elimination and adjustment 內部對銷及調整 \$'000 千元	Total 總額 \$'000 千元
Income	收入							
Total premiums written and policy fees	148,309,361	28,874,873	5,821,243	13,551,844	5,756,570	-	(2,682,285)	199,631,606
Less: Premiums ceded to reinsurers	(4,444,127)	(4,578,397)	(2,307,411)	(5,339,971)	(573,730)	-	2,493,456	(14,750,180)
Net premiums written and policy fees	143,865,234	24,296,476	3,513,832	8,211,873	5,182,840	-	(188,829)	184,881,426
Change in unearned premium provisions, net of reinsurance	(337,092)	318,398	126,728	(257,472)	(177,016)	-	19,286	(307,168)
Net earned premiums and policy fees	143,528,142	24,614,874	3,640,560	7,954,401	5,005,824	-	(169,543)	184,574,258
Net investment income (note (i))	20,495,664	957,260	483,284	1,526,305	355,275	1,326,675	174,837	25,319,300
Net realised investment gains/(losses) (note (ii))	67,991	88,404	(30,656)	(53,131)	51,481	101,945	(676,741)	(450,707)
Net unrealised investment gains/(losses) and impairment (note (iii))	(1,027,131)	(100,506)	63,858	(140,690)	(1,297)	(190,754)	(888,700)	(2,285,220)
Other income	3,118,999	174,136	(17,230)	(137,029)	603,025	7,186,440	(4,424,465)	6,503,876
Segment income	166,183,665	25,734,168	4,139,816	9,149,856	6,014,308	8,424,306	(5,984,612)	213,661,507
Benefits, losses and expenses	給付、賠款及費用							
Net policyholders' benefits	(52,154,681)	(13,259,576)	(2,018,165)	(6,345,487)	(3,276,714)	-	120,935	(76,933,688)
Net commission and handling fee expenses	(19,803,390)	(3,260,587)	(1,080,721)	(2,644,632)	(382,854)	-	2,128,412	(25,043,772)
Administrative and other expenses	(18,133,734)	(8,302,132)	(574,430)	(357,229)	(1,710,313)	(4,331,060)	2,401,175	(31,007,723)
Change in life insurance contract liabilities, net of reinsurance	(65,774,889)	-	-	803,929	(515,655)	-	-	(65,486,615)
Total benefits, losses and expenses	(155,866,694)	(24,822,295)	(3,673,316)	(8,543,419)	(5,885,536)	(4,331,060)	4,650,522	(198,471,798)
Share of results of associates and joint ventures	10,316,971	911,873	466,500	606,437	128,772	4,093,246	(1,334,090)	15,189,709
Finance costs	(778,459)	(84,536)	-	-	(32,721)	329,186	910,535	344,005
	-	(77,898)	(9,650)	(3,904)	(29,285)	(2,370,805)	70,213	(2,421,329)
Profit before taxation	9,538,512	749,439	456,850	602,533	66,766	2,051,627	(353,342)	13,112,385
Income tax charges	(3,361,868)	(409,050)	(3,821)	(63,270)	352	(477,238)	22,493	(4,292,402)
Profit after taxation	6,176,644	340,389	453,029	539,263	67,118	1,574,389	(330,849)	8,819,983
Non-controlling interests								(1,936,414)
Profit attributable to owners of the Company								6,883,569

Segment revenue (including total premiums written and policy fees) and segment profit/(loss) represent 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(包括總保費及保單費收入)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)
(以港元列示)

3 SEGMENT INFORMATION (Continued)

c. Segmental statement of profit or loss for 2018 (Continued)

3 營運分部 (續)

c. 2018年分部損益表 (續)

		Year ended 31 December 2018 截至2018年12月31日止年度							Total
		Life insurance	PRC property and casualty insurance	Overseas property and casualty insurance	Reinsurance	Pension and group life insurance	Other businesses	Inter-segment elimination and adjustment	Total
		人壽保險	境內財產保險	境外財產保險	再保險	養老及團體保險	其他業務	內部對銷及調整	總額
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元	千元	千元
Note (i): Net investment income	註(i): 淨投資收入								
Interests income from debt securities	債務證券利息收入								
- Held-to-maturity	- 持有至到期日	8,005,940	170,261	99,405	957,902	-	129,385	(2,273)	9,360,620
- Available-for-sale	- 可供出售	2,459,728	114,817	53,919	151,944	89,137	133,496	(133)	3,002,908
- Held-for-trading	- 持有作交易用途	11,618	202	28,327	21,196	-	1,690	186,792	249,825
- Designated at fair value through profit or loss	- 指定為通過損益以反映公允價值	-	-	14,069	-	-	8,763	-	22,832
Interests income from debt products	債權產品利息收入								
- Loans and receivables	- 貸款及應收款項	3,816,086	368,683	5,833	57,471	139,103	230,405	472,085	5,089,666
Dividend income from equity securities	股本證券股息收入								
- Available-for-sale	- 可供出售	1,024,293	54,102	16,237	24,919	10,243	59,935	(115,721)	1,074,008
- Held-for-trading	- 持有作交易用途	-	-	2,703	-	-	364	120,367	123,434
Dividend income from investment funds	投資基金股息收入								
- Available-for-sale	- 可供出售	408,996	30,492	10,034	84,406	9,803	40,803	(224,312)	360,222
- Held-for-trading	- 持有作交易用途	348,252	2,185	-	3,787	18,993	9,834	(54,664)	328,387
- Loans and receivables	- 貸款及應收款項	112,936	-	131,541	136,813	-	81,950	-	463,240
Bank deposits and other interests income	銀行存款及其他利息收入	4,719,034	209,205	22,573	85,586	85,690	107,962	(155,451)	5,074,599
Net rental income receivable from investment properties	應收投資物業租金淨額	248,995	23,472	98,643	1,350	1,154	521,524	(119,344)	775,794
Net interest income/(expenses) on securities sold/purchased under repurchase/resale agreements	買入返售/賣出回購證券利息收入/(費用)淨額	(660,214)	(16,159)	-	931	1,152	564	67,491	(606,235)
		20,495,664	957,260	483,284	1,526,305	355,275	1,326,675	174,837	25,319,300
Note (ii): Net realised 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	1,729	-	151	-	-	1,035	-	2,915
- Available-for-sale	- 可供出售	83,133	18,949	(6,647)	(19,451)	396	(29,078)	(2)	47,300
- Held-for-trading	- 持有作交易用途	6,006	(1,201)	173	41	11	866	(1,797)	4,099
- Designated at fair value through profit or loss	- 指定為通過損益以反映公允價值	-	-	50	-	-	5,887	-	5,937
Debt products	債權產品								
- Loans and receivables	- 貸款及應收款項	-	-	-	-	-	1,250	1,165	2,415
Equity securities	股本證券								
- Available-for-sale	- 可供出售	55,219	73,627	(25,727)	(35,212)	47,096	31,165	(1,152)	145,016
- Held-for-trading	- 持有作交易用途	-	-	2,489	-	-	(3,677)	(553,083)	(554,271)
Investment funds	投資基金								
- Available-for-sale	- 可供出售	(78,094)	(2,971)	265	1,491	3,978	(7,114)	(441)	(82,886)
- Held-for-trading	- 持有作交易用途	(2)	-	(1,410)	-	-	101,611	(121,431)	(21,232)
		67,991	88,404	(30,656)	(53,131)	51,481	101,945	(676,741)	(450,707)

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

3 SEGMENT INFORMATION (Continued)

c. Segmental statement of profit or loss for 2018 (Continued)

3 營運分部 (續)

c. 2018年分部損益表 (續)

		Year ended 31 December 2018 截至2018年12月31日止年度							Total
		Life insurance	PRC property and casualty insurance	Overseas property and casualty insurance	Reinsurance	Pension and group life insurance	Other businesses	Inter-segment elimination and adjustment	Total
		人壽保險	境內財產保險	境外財產保險	再保險	養老及團體保險	其他業務	內部對銷及調整	總額
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元	千元	千元
Note (iii): Net unrealised 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-for-trading	- 持有作交易用途	1,391	66	2,525	3,344	-	350	26,711	34,387
- Designated at fair value through profit or loss	- 指定為通過損益以反映公允價值	-	-	(6,699)	-	-	-	-	(6,699)
Equity securities	股本證券								
- Held-for-trading	- 持有作交易用途	-	-	(15,624)	-	-	1,828	(1,253,368)	(1,267,164)
- Designated at fair value through profit or loss	- 指定為通過損益以反映公允價值	82,516	-	-	-	-	-	-	82,516
Investment funds	投資基金								
- Held-for-trading	- 持有作交易用途	(350,472)	-	(6,252)	-	-	20,626	316,647	(19,451)
Surplus on revaluation of investment properties	投資物業重估盈餘	23,672	2,155	108,580	1,090	297	17,648	(9,165)	144,277
Impairment loss recognised:	確認減值:								
- Available-for-sale equity securities and investment funds	- 可供出售股本證券及投資基金	(784,238)	(102,727)	(18,672)	(42,385)	(1,594)	(31,206)	30,475	(950,347)
- Loans and receivables debt products	- 貸款及應收款項債權產品	-	-	-	-	-	(200,000)	-	(200,000)
- Held-to-maturity debt securities	- 持有至到期債務證券	-	-	-	(102,739)	-	-	-	(102,739)
		(1,027,131)	(100,506)	63,858	(140,690)	(1,297)	(190,754)	(888,700)	(2,285,220)

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

3 SEGMENT INFORMATION (Continued)

d. Segmental statement of financial position for 2018

		At 31 December 2018 於2018年12月31日								
		Life insurance	PRC property and casualty insurance	Overseas property and casualty insurance	Reinsurance	Pension and group life insurance	Other businesses	Inter-segment elimination and adjustment	Total	
		人壽保險	境內財產保險	境外財產保險	再保險	養老及團體保險	其他業務	內部對銷及調整	總額	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
		千元	千元	千元	千元	千元	千元	千元	千元	
Statutory deposits	法定存款	3,423,876	1,198,357	218,598	424,188	684,775	3,055	-	5,952,849	
Fixed assets	固定資產									
- Property and equipment	- 物業及設備	4,465,049	979,427	833,916	77,592	305,445	5,955,886	5,134,045	17,751,360	
- Investment properties	- 投資物業	4,875,988	415,761	2,489,393	42,390	333,885	15,954,103	(6,606,340)	17,505,180	
- Prepaid lease payments	- 預付租賃付款	50,252	49,278	-	-	-	3,340,944	-	3,440,474	
Investments in debt and equity securities	債務及股本證券投資									
- Debt securities (note (i))	- 債務證券 (註(i))	239,933,134	6,596,933	3,939,008	23,169,766	1,926,096	5,446,701	8,286,916	289,298,554	
- Equity securities (note (ii))	- 股本證券 (註(ii))	36,503,682	2,261,876	426,731	507,265	522,310	3,750,800	1,748,834	45,721,498	
- Investment funds (note (iii))	- 投資基金 (註(iii))	27,762,328	1,145,659	2,487,630	3,874,772	287,525	4,261,437	(9,841,444)	29,977,907	
- Debt products (note (iv))	- 債權產品 (註(iv))	77,311,649	5,324,127	147,690	1,074,937	2,957,430	3,464,001	6,650,275	96,930,109	
Cash and bank deposits	現金及銀行存款	63,190,757	4,858,283	1,022,661	3,168,020	2,173,154	4,130,726	2,459,439	81,003,040	
Goodwill	商譽	-	-	-	-	-	62,780	668,517	731,297	
Intangible assets	無形資產	-	-	-	-	-	677	261,408	262,085	
Interests in associates and joint ventures	於聯營公司及合營公司的權益	13,464,548	1,268,928	-	-	531,149	5,170,822	(10,024,572)	10,410,875	
Reinsurers' share of insurance contract provisions	分保公司應佔保險合約準備	3,007,037	2,819,982	3,463,558	4,497,289	357,682	-	-	14,145,548	
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	960,649	-	-	-	-	-	-	960,649	
Finance lease receivables	應收金融租賃	-	-	-	-	-	48,707,024	-	48,707,024	
Other segment assets	其他分部資產	73,022,490	4,498,988	2,291,036	6,999,886	1,468,448	3,248,898	(2,226,862)	89,302,884	
Segment assets	分部資產	547,971,439	31,417,599	17,320,221	43,836,105	11,547,899	103,497,854	(3,489,784)	752,101,333	
Life insurance contract liabilities	壽險合約負債	415,348,388	-	-	14,095,299	3,658,562	-	-	433,102,249	
Unearned premium provisions	未到期責任準備金	2,843,173	9,213,447	1,823,665	2,144,996	909,936	-	-	16,935,217	
Provision for outstanding claims	未決賠款準備	1,326,105	6,679,345	5,680,597	8,067,404	769,612	-	-	22,523,063	
Investment contract liabilities	投資合約負債	34,347,984	-	-	4,793,712	1,195,497	-	-	40,337,193	
Interest-bearing notes	需付息票據	-	1,027,163	-	-	-	4,699,746	(48,040)	5,678,869	
Bank borrowings	銀行貸款	-	-	740,800	-	-	50,020,281	(273,910)	50,487,171	
Securities sold under repurchase agreements	賣出回購證券	22,508,628	730,278	-	-	2,283	-	1,130,735	24,371,924	
Other segment liabilities	其他分部負債	46,729,973	6,860,464	2,098,619	6,683,277	2,294,386	14,659,315	(1,056,168)	78,269,866	
Segment liabilities	分部負債	523,104,251	24,510,697	10,343,681	35,784,688	8,830,276	69,379,342	(247,383)	671,705,552	
Non-controlling interests	非控股股東權益								(14,665,872)	
Net assets attributable to the owners of the Company	本公司股東應佔資產淨值								65,729,909	

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)
(以港元列示)

3 SEGMENT INFORMATION (Continued)

3 營運分部 (續)

d. Segmental statement of financial position for 2018 (Continued)

d. 2018年分部財務狀況表 (續)

		At 31 December 2018 於2018年12月31日							Total
		Life insurance	PRC property and casualty insurance 境內財產保險	Overseas property and casualty insurance 境外財產保險	Reinsurance 再保險	Pension and group life insurance 養老及團體保險	Other businesses 其他業務	Inter-segment elimination and adjustment 內部對銷及調整	Total 總額
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Note (i): Debt securities	註(i): 債務證券								
By category:	按種類:								
- Held-to-maturity	- 持有至到期日	190,325,244	4,052,343	2,124,554	19,751,734	-	3,160,438	(48,057)	219,366,256
- Available-for-sale	- 可供出售	49,487,996	2,522,878	551,768	3,412,338	1,926,096	2,283,131	-	60,184,207
- Held-for-trading	- 持有作交易用途	119,894	21,712	935,678	5,694	-	3,132	8,334,973	9,421,083
- Designated at fair value through profit or loss	- 指定為通過損益以反映公允價值	-	-	327,008	-	-	-	-	327,008
		239,933,134	6,596,933	3,939,008	23,169,766	1,926,096	5,446,701	8,286,916	289,298,554
Note (ii): Equity securities	註(ii): 股本證券								
By category:	按種類:								
- Available-for-sale	- 可供出售	35,414,460	2,261,876	238,855	507,265	522,310	3,743,020	(1,414,616)	41,273,170
- Held-for-trading	- 持有作交易用途	-	-	187,876	-	-	7,780	3,163,450	3,359,106
- Designated at fair value through profit or loss	- 指定為通過損益以反映公允價值	1,089,222	-	-	-	-	-	-	1,089,222
		36,503,682	2,261,876	426,731	507,265	522,310	3,750,800	1,748,834	45,721,498
Note (iii): Investment funds	註(iii): 投資基金								
By category:	按種類:								
- Available-for-sale	- 可供出售	14,115,499	1,145,619	173,781	1,540,122	142,959	774,220	(3,258,811)	14,633,389
- Held-for-trading	- 持有作交易用途	11,926,329	40	173,811	34,650	144,566	2,147,717	(6,582,633)	7,844,480
- Loans and receivables	- 貸款及應收款項	1,720,500	-	2,140,038	2,300,000	-	1,339,500	-	7,500,038
		27,762,328	1,145,659	2,487,630	3,874,772	287,525	4,261,437	(9,841,444)	29,977,907
Note (iv): Debt products	註(iv): 債權產品								
By category:	按種類:								
- Loans and receivables	- 貸款及應收款項	77,311,649	5,324,127	147,690	1,074,937	2,957,430	3,464,001	6,650,275	96,930,109

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

3 SEGMENT INFORMATION (Continued)

Geographical distribution:

Approximately 93% (2018: 93%) of the Group's total income is derived from its operations in the PRC (other than Hong Kong and Macau).

The Group's information about its non-current assets by geographical location of the assets are detailed below:

3 營運分部 (續)

地區分佈：

本集團約93% (2018 : 93%) 的總收入來自於中國的業務 (香港及澳門除外)。

下表詳列本集團按資產地區分佈之非流動資產：

		At 31 December 2019 於2019年12月31日			Total 總額 \$'000 千元
		Hong Kong and Macau 香港及澳門 \$'000 千元	PRC (other than Hong Kong and Macau) 中國 (香港及 澳門除外) \$'000 千元	Rest of the world 世界 其他地區 \$'000 千元	
Non-current assets (other than financial instruments, deferred tax assets, rights arising under insurance contracts and interests in associates and joint ventures)	非流動資產 (金融工具、遞延稅項資產、有關保險合約之權利及於聯營公司及合營公司的權益除外)	4,509,250	42,711,636	695,242	47,916,128
		At 31 December 2018 於2018年12月31日			Total 總額 \$'000 千元
		Hong Kong and Macau 香港及澳門 \$'000 千元	PRC (other than Hong Kong and Macau) 中國 (香港及 澳門除外) \$'000 千元	Rest of the world 世界 其他地區 \$'000 千元	
Non-current assets (other than financial instruments, deferred tax assets, rights arising under insurance contracts and interests in associates and joint ventures)	非流動資產 (金融工具、遞延稅項資產、有關保險合約之權利及於聯營公司及合營公司的權益除外)	3,449,199	35,549,739	691,458	39,690,396

Information about major customers:

There were no customers for the year ended 31 December 2019 and 2018 contributing over 10% of the total premiums written and policy fees of the Group.

主要客戶資料：

於2019年及2018年12月31日並無客戶為本集團總保費及保單費收入帶來逾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)
(以港元列示)

4 TOTAL 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 direct life insurance business, property and casualty insurance business, all classes of reinsurance business and pension and group life business. Apart from these, the Group also carries on operations in asset management, property investment, financial leasing, insurance intermediaries and securities dealing and broking.

4 總保費及保單費收入

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直接人壽保險業務、財產保險業務、各類再保險業務及養老及團體人壽保險業務。此外，本集團也從事資產管理、物業投資、金融租賃、保險中介及證券買賣及經紀業務。

		Year ended 31 December 2019 截至2019年12月31日止年度					
		Life insurance contracts	PRC property and casualty insurance contracts	Overseas property and casualty insurance contracts	Reinsurance contracts	Pension and group life insurance contracts	Total
		人壽保險合約	境內財產保險合約	境外財產保險合約	再保險合約	養老及團體保險合約	總額
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元
Total premiums written	總保費	165,704,632	30,835,633	5,262,671	15,261,302	5,533,495	222,597,733
Policy fees	保單費收入	420,789	-	-	-	-	420,789
		166,125,421	30,835,633	5,262,671	15,261,302	5,533,495	223,018,522
		Year ended 31 December 2018 截至2018年12月31日止年度					
		Life insurance contracts	PRC property and casualty insurance contracts	Overseas property and casualty insurance contracts	Reinsurance contracts	Pension and group life insurance contracts	Total
		人壽保險合約	境內財產保險合約	境外財產保險合約	再保險合約	養老及團體保險合約	總額
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元
Total premiums written	總保費	147,995,715	28,849,340	4,356,226	12,525,802	5,599,314	199,326,397
Policy fees	保單費收入	305,209	-	-	-	-	305,209
		148,300,924	28,849,340	4,356,226	12,525,802	5,599,314	199,631,606

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

4 TOTAL PREMIUMS WRITTEN AND POLICY FEES (Continued)

4 總保費及保單費收入 (續)

Principal activities (Continued)

In respect of life insurance contracts, the detailed breakdowns are as follows:

主要業務 (續)

有關人壽保險合約的詳細分析如下：

		Year ended 31 December 2019 截至2019年12月31日止年度				Total 總額
		Individual 個人代理 \$'000 千元	Bancassurance 銀行保險 \$'000 千元	Group 團體 \$'000 千元	Reinsurance and other channels 再保險及 多元銷售 \$'000 千元	\$'000 千元
Single Premium	躉繳保費	894,945	79,563	-	827,879	1,802,387
Regular Premium	期繳保費					
- First Year	- 首年	30,921,165	7,942,983	-	865,301	39,729,449
- Renewal Year	- 續年	94,710,726	25,859,315	-	2,710,118	123,280,159
Group Insurance	團體保險	-	-	892,637	-	892,637
		126,526,836	33,881,861	892,637	4,403,298	165,704,632
		Year ended 31 December 2018 截至2018年12月31日止年度				Total 總額
		Individual 個人代理 \$'000 千元	Bancassurance 銀行保險 \$'000 千元	Group 團體 \$'000 千元	Reinsurance and other channels 再保險及 多元銷售 \$'000 千元	\$'000 千元
Single Premium	躉繳保費	116,808	54,968	-	81,376	253,152
Regular Premium	期繳保費					
- First Year	- 首年	31,582,734	5,747,597	-	985,280	38,315,611
- Renewal Year	- 續年	81,135,644	25,276,376	-	2,429,784	108,841,804
Group Insurance	團體保險	-	-	585,148	-	585,148
		112,835,186	31,078,941	585,148	3,496,440	147,995,715

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

4 TOTAL PREMIUMS WRITTEN AND POLICY FEES (Continued) 4 總保費及保單費收入 (續)

Principal activities (Continued)

For life insurance contracts, the individual first year regular premium by payment term and feature are as follows:

For the year ended 31 December

By Payment Term

		2019 \$'000 千元	% of Total 佔總額百分比	2018 \$'000 千元	% of Total 佔總額百分比
1 – 9 years	1 – 9年	20,660,027	66.80%	17,397,542	55.10%
10 – 19 years	10 – 19年	1,916,064	6.20%	2,510,901	8.00%
20 – 29 years	20 – 29年	8,309,762	26.90%	11,548,842	36.50%
30 years+	30年+	35,312	0.10%	125,449	0.40%
		30,921,165	100.00%	31,582,734	100.00%

By Feature

		2019 \$'000 千元	% of Total 佔總額百分比	2018 \$'000 千元	% of Total 佔總額百分比
Short term savings	短期儲蓄型	8,251,472	26.70%	–	0.00%
Long term savings	長期儲蓄型	9,800,420	31.70%	12,701,853	40.20%
Long term protection	長期保障型	9,472,994	30.60%	14,539,973	46.00%
Others	其他	3,396,279	11.00%	4,340,908	13.80%
		30,921,165	100.00%	31,582,734	100.00%

For life insurance contracts, the bancassurance first year regular premium by payment term were as follows:

By Payment Term

		2019 \$'000 千元	% of Total 佔總額百分比	2018 \$'000 千元	% of Total 佔總額百分比
1 – 9 years	1 – 9年	6,619,385	83.30%	3,510,296	61.10%
10 – 14 years	10 – 14年	913,677	11.50%	1,731,116	30.10%
Others	其他	409,921	5.20%	506,185	8.80%
		7,942,983	100.00%	5,747,597	100.00%

主要業務 (續)

有關人壽保險及投資合約·個人首年期繳保費按繳費期及產品形態的分類如下:

截至12月31日止年度

按繳費期

按產品形態

有關人壽保險及投資合約·銀行保險首年期繳保費按繳費期的分類如下:

按繳費期

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

5 INVESTMENT INCOME

5 投資收入

		Year ended 31 December 截至12月31日止年度	
		2019 \$'000 千元	2018 \$'000 千元
Net investment income (note (a))	淨投資收入 (註(a))	30,533,204	25,319,300
Net realised investment gains/(losses) (note (b))	已實現投資收益/(虧損)淨額 (註(b))	2,714,488	(450,707)
Net unrealised investment gains/(losses) and impairment (note (c))	未實現投資收益/(虧損)及減值淨額 (註(c))	(2,372,169)	(2,285,220)
		30,875,523	22,583,373
(a) Net investment income	(a) 淨投資收入		
Interests 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	11,069,828	9,360,620
– Available-for-sale	– 可供出售	2,981,548	3,002,908
– Held-for-trading	– 持有作交易用途	459,717	249,825
– Designated at fair value through profit or loss	– 指定為通過損益以反映公允價值	5,218	22,832
		14,516,311	12,636,185
Interests income from debt products (note (i)):	債權產品利息收入 (註(i)):		
– Loans and receivables	– 貸款及應收款項	6,113,318	5,089,666
Dividend income from equity securities (note (ii)):	股本證券股息收入 (註(ii)):		
– Available-for-sale	– 可供出售	1,234,705	1,074,008
– Held-for-trading	– 持有作交易用途	137,852	123,434
– Designated at fair value through profit or loss	– 指定為通過損益以反映公允價值	75,417	–
		1,447,974	1,197,442
Dividend income from investment funds (note (iii)):	投資基金股息收入 (註(iii)):		
– Available-for-sale	– 可供出售	1,133,127	360,222
– Held-for-trading	– 持有作交易用途	177,996	328,387
– Loans and receivables	– 貸款及應收款項	465,119	463,240
		1,776,242	1,151,849
Bank deposits and other interests income	銀行存款及其他利息收入	6,142,587	5,074,599
Gross rental income receivable from investment properties	應收投資物業租金毛額	797,580	786,210
Less: direct outgoings	減: 直接支出	(14,234)	(10,416)
Net rental income receivable from investment properties	應收投資物業租金淨額	783,346	775,794
Net interest income/(expenses) on securities sold/purchased under repurchase/resale agreements	賣出回購/買入返售證券利息收入/(費用)淨額	(246,574)	(606,235)
		30,533,204	25,319,300

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

5 INVESTMENT INCOME (Continued)

5 投資收入 (續)

		Year ended 31 December 截至12月31日止年度	
		2019 \$'000 千元	2018 \$'000 千元
(a) Net investment income (Continued)	(a) 淨投資收入 (續)		
Notes:	註:		
(i) Interests income from debt securities and debt products:	(i) 債務證券及債權產品利息收入:		
Listed	上市	5,064,693	4,055,380
Unlisted	非上市	15,564,936	13,670,471
		20,629,629	17,725,851
(ii) Dividend income from equity securities:	(ii) 股本證券股息收入:		
Listed	上市	818,838	782,098
Unlisted	非上市	629,136	415,344
		1,447,974	1,197,442
(iii) Dividend income from investment funds:	(iii) 投資基金股息收入:		
Listed	上市	61,542	89,912
Unlisted	非上市	1,714,700	1,061,937
		1,776,242	1,151,849

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

5 INVESTMENT INCOME (Continued)

5 投資收入 (續)

		Year ended 31 December 截至12月31日止年度	
		2019 \$'000 千元	2018 \$'000 千元
(b) Net realised investment gains/(losses)	(b) 已實現投資收益/(虧損)淨額		
Debt securities (note (i)):	債務證券 (註(i)):		
– Held-to-maturity	– 持有至到期日	4,094	2,915
– Available-for-sale	– 可供出售	87,766	47,300
– Held-for-trading	– 持有作交易用途	99,145	4,099
– Designated at fair value through profit or loss	– 指定為通過損益以反映公允價值	64	5,937
		191,069	60,251
Debt products (note (i)):	債權產品 (註(i)):		
– Loans and receivables	– 貸款及應收款項	–	2,415
Equity securities (note (ii)):	股本證券 (註(ii)):		
– Available-for-sale	– 可供出售	1,652,452	145,016
– Held-for-trading	– 持有作交易用途	857,911	(554,271)
		2,510,363	(409,255)
Investment funds (note (iii)):	投資基金 (註(iii)):		
– Available-for-sale	– 可供出售	(25,020)	(82,886)
– Held-for-trading	– 持有作交易用途	29,764	(21,232)
		4,744	(104,118)
Gain on disposal of an associate	出售聯營公司收益	8,312	–
		2,714,488	(450,707)

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

5 INVESTMENT INCOME (Continued)

5 投資收入 (續)

		Year ended 31 December 截至12月31日止年度	
		2019 \$'000 千元	2018 \$'000 千元
(b) Net realised investment gains/(losses) <i>(Continued)</i>	(b) 已實現投資收益／(虧損)淨額 <i>(續)</i>		
Notes:	註:		
(i) Net realised investment gains/(losses) on debt securities and debt products:	(i) 債務證券及債權產品已實現投資收益／(虧損)淨額:		
Listed	上市	53,406	(30,986)
Unlisted	非上市	137,663	93,652
		191,069	62,666
(ii) Net realised investment gains/(losses) on equity securities:	(ii) 股本證券已實現投資收益／(虧損)淨額:		
Listed	上市	2,523,094	(504,953)
Unlisted	非上市	(12,731)	95,698
		2,510,363	(409,255)
(iii) Net realised investment gains/(losses) on investment funds:	(iii) 投資基金已實現投資收益／(虧損)淨額:		
Listed	上市	20,885	(73,244)
Unlisted	非上市	(16,141)	(30,874)
		4,744	(104,118)

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

5 INVESTMENT INCOME (Continued)

5 投資收入 (續)

		Year ended 31 December	
		截至12月31日止年度	
		2019	2018
		\$'000	\$'000
		千元	千元
(c) Net unrealised investment gains/(losses) and impairment	(c) 未實現投資收益/(虧損)及減值淨額		
Debt securities (note (i)):	債務證券 (註(i)):		
– Held-for-trading	– 持有作交易用途	42,914	34,387
– Designated at fair value through profit or loss	– 指定為通過損益以反映公允價值	2,274	(6,699)
		45,188	27,688
Equity securities (note (ii)):	股本證券 (註(ii)):		
– Held-for-trading	– 持有作交易用途	1,493,914	(1,267,164)
– Designated at fair value through profit or loss	– 指定為通過損益以反映公允價值	51,829	82,516
		1,545,743	(1,184,648)
Investment funds (note (iii)):	投資基金 (註(iii)):		
– Held-for-trading	– 持有作交易用途	110,063	(19,451)
Surplus on revaluation of investment properties	投資物業重估盈餘	12,720	144,277
Impairment loss recognised:	確認減值:		
– Available-for-sale debt securities, equity securities and investment funds	– 可供出售債務證券、股本證券及投資基金	(1,998,155)	(950,347)
– Loans and receivables debt products	– 貸款及應收款項債權產品	(2,025,159)	(200,000)
– Held-to-maturity debt securities	– 持有至到期日債務證券	(62,569)	(102,739)
		(2,372,169)	(2,285,220)

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

5 INVESTMENT INCOME (Continued)

5 投資收入 (續)

		Year ended 31 December	
		截至12月31日止年度	
		2019	2018
		\$'000	\$'000
		千元	千元
(c) Net unrealised investment gains/(losses) and impairment (Continued)	(c) 未實現投資收益/(虧損)及減值淨額 (續)		
Notes:	註:		
(i) Net unrealised investment gains/(losses) on debt securities:	(i) 債務證券未實現投資收益/(虧損)淨額:		
Listed	上市	193,545	(15,859)
Unlisted	非上市	(148,357)	43,547
		45,188	27,688
(ii) Net unrealised investment gains/(losses) on equity securities:	(ii) 股本證券未實現投資收益/(虧損)淨額:		
Listed	上市	1,493,914	(1,267,164)
Unlisted	非上市	51,829	82,516
		1,545,743	(1,184,648)
(iii) Net unrealised investment gains/(losses) on investment funds:	(iii) 投資基金未實現投資收益/(虧損)淨額:		
Listed	上市	34,950	(15,990)
Unlisted	非上市	75,113	(3,461)
		110,063	(19,451)

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

6 OTHER INCOME

6 其他收益

		Year ended 31 December	
		截至12月31日止年度	
		2019	2018
		\$'000	\$'000
		千元	千元
Interests from finance lease receivables	應收金融租賃利息	2,449,863	2,228,712
Income from provision of pension administration services	提供養老保險管理服務收入	907,800	552,793
Income from provision of asset management services	提供資產管理服務收入	615,506	688,175
Income from operating lease	經營租賃租金收入	585,006	314,276
Income from provision of advisory services	提供顧問服務收入	427,382	418,839
Income from provision of property management services	提供物業管理服務收入	97,463	91,578
Income from provision of agency services	提供代理服務收入	83,347	146,177
Income from provision of insurance intermediary services	提供保險中介服務收入	59,474	65,102
Income from provision of securities broking services	提供證券經紀服務收入	10,565	19,319
Income from sales of inventories	出售存貨收入	163,175	529,888
Government subsidies	政府補貼	143,227	137,485
Net gains on disposal of property and equipment	出售物業及設備收益淨額	9,174	28,087
Net exchange losses	匯兌虧損淨額	(518,696)	(188,485)
Recognition of impairment losses on insurance debtors and other assets	保險客戶應收賬款及其他資產減值確認	(275,474)	(81,622)
Recognition of impairment loss on goodwill (Note 16(a))	商譽減值確認 (附註16(a))	(11,018)	(33,916)
Provision for finance lease receivables	應收金融租賃的減值準備	(267,771)	(127,870)
Gain on deemed disposal of a subsidiary (Note 45)	視為出售一間附屬公司的收益 (附註45)	-	1,359,321
Others	其他	405,172	356,017
		4,884,195	6,503,876

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

7 NET POLICYHOLDERS' BENEFITS AND NET COMMISSION AND HANDLING FEE EXPENSES

7 保單持有人利益淨額及佣金及手續費支出淨額

(a) Net policyholders' benefits

(a) 保單持有人利益淨額

		Year ended 31 December 2019 截至2019年12月31日止年度					
		Life insurance contracts	PRC property and casualty insurance contracts	Overseas property and casualty insurance contracts	Reinsurance contracts	Pension and group life insurance contracts	Total
		人壽保險合約	境內財產保險合約	境外財產保險合約	再保險合約	養老及團體保險合約	總額
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元
Claims and claim adjustment expenses	賠款及賠款調整支出	9,489,549	14,421,860	2,777,472	7,792,259	2,862,540	37,343,680
Surrenders	退保	10,824,591	-	-	1,458,526	1,376,504	13,659,621
Annuity, dividends and maturity payments	年金、分紅及到期付款	11,993,626	-	-	-	33,664	12,027,290
Interest allocated to investment and reinsurance contracts	分配至投資及再保險合約之利益	2,151,710	-	-	332,727	307	2,484,744
		34,459,476	14,421,860	2,777,472	9,583,512	4,273,015	65,515,335
Less: Reinsurers' and retrocessionaires' share	減：再保及轉分份額	(3,237,499)	(822,419)	(936,155)	(1,739,508)	(406,239)	(7,141,820)
		31,221,977	13,599,441	1,841,317	7,844,004	3,866,776	58,373,515

		Year ended 31 December 2018 截至2018年12月31日止年度					
		Life insurance contracts	PRC property and casualty insurance contracts	Overseas property and casualty insurance contracts	Reinsurance contracts	Pension and group life insurance contracts	Total
		人壽保險合約	境內財產保險合約	境外財產保險合約	再保險合約	養老及團體保險合約	總額
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元
Claims and claim adjustment expenses	賠款及賠款調整支出	9,517,613	15,370,164	2,072,400	6,919,067	2,662,842	36,542,086
Surrenders	退保	24,508,066	-	-	1,143,468	975,418	26,626,952
Annuity, dividends and maturity payments	年金、分紅及到期付款	19,452,348	-	-	-	50,253	19,502,601
Interest allocated to investment and reinsurance contracts	分配至投資及再保險合約之利益	2,043,480	-	-	156,324	102	2,199,906
		55,521,507	15,370,164	2,072,400	8,218,859	3,688,615	84,871,545
Less: Reinsurers' and retrocessionaires' share	減：再保及轉分份額	(3,363,112)	(1,447,621)	(574,544)	(2,172,512)	(380,068)	(7,937,857)
		52,158,395	13,922,543	1,497,856	6,046,347	3,308,547	76,933,688

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

7 NET POLICYHOLDERS' BENEFITS AND NET COMMISSION AND HANDLING FEE EXPENSES (Continued)

7 保單持有人利益淨額及佣金及手續費支出淨額

(b) Net commission and handling fee expenses

(b) 佣金及手續費支出淨額

		Year ended 31 December 2019 截至2019年12月31日止年度					
		Life insurance contracts	PRC property and casualty insurance contracts	Overseas property and casualty insurance contracts	Reinsurance contracts	Pension and group life insurance contracts	Total
		人壽保險合約	境內財產保險合約	境外財產保險合約	再保險合約	養老及團體保險合約	總額
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Gross commission and handling fee expenses	毛佣金及手續費支出	17,068,544	3,737,593	1,238,758	3,649,356	173,749	25,868,000
Reinsurance commission and handling fee income	再保險佣金及手續費收入	(88,245)	(919,767)	(458,461)	(315,630)	(82,300)	(1,864,403)
Net commission and handling fee expenses	佣金及手續費支出淨額	16,980,299	2,817,826	780,297	3,333,726	91,449	24,003,597
		Year ended 31 December 2018 截至2018年12月31日止年度					
		Life insurance contracts	PRC property and casualty insurance contracts	Overseas property and casualty insurance contracts	Reinsurance contracts	Pension and group life insurance contracts	Total
		人壽保險合約	境內財產保險合約	境外財產保險合約	再保險合約	養老及團體保險合約	總額
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Gross commission and handling fee expenses	毛佣金及手續費支出	19,775,923	3,764,228	1,013,428	2,750,643	232,846	27,537,068
Reinsurance commission and handling fee income	再保險佣金及手續費收入	(166,962)	(1,094,582)	(649,746)	(484,015)	(97,991)	(2,493,296)
Net commission and handling fee expenses	佣金及手續費支出淨額	19,608,961	2,669,646	363,682	2,266,628	134,855	25,043,772

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

7 NET POLICYHOLDERS' BENEFITS AND NET COMMISSION AND HANDLING FEE EXPENSES (Continued)

7 保單持有人利益淨額及佣金及手續費支出淨額 (續)

(c) Change in life insurance contract liabilities, net of reinsurance

(c) 壽險合約負債變化，減再保險

		Year ended 31 December 2019 截至2019年12月31日止年度					
		Life insurance contracts	PRC property and casualty insurance contracts	Overseas property and casualty insurance contracts	Reinsurance contracts	Pension and group life insurance contracts	Total
		人壽保險合約	境內財產保險合約	境外財產保險合約	再保險合約	養老及團體保險合約	總額
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Change in life insurance contract liabilities	壽險合約負債變化	110,974,956	-	-	1,993,596	(204,831)	112,763,721
Less: Reinsurers' share	減：再保份額	(114,953)	-	-	337,267	(7,019)	215,295
		110,860,003	-	-	2,330,863	(211,850)	112,979,016

		Year ended 31 December 2018 截至2018年12月31日止年度					
		Life insurance contracts	PRC property and casualty insurance contracts	Overseas property and casualty insurance contracts	Reinsurance contracts	Pension and group life insurance contracts	Total
		人壽保險合約	境內財產保險合約	境外財產保險合約	再保險合約	養老及團體保險合約	總額
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Change in life insurance contract liabilities	壽險合約負債變化	66,363,365	-	-	1,541,529	522,057	68,426,951
Less: Reinsurers' share	減：再保份額	(588,476)	-	-	(2,345,458)	(6,402)	(2,940,336)
		65,774,889	-	-	(803,929)	515,655	65,486,615

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

8 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

8 除稅前溢利

除稅前溢利已扣除：

		Year ended 31 December 截至12月31日止年度	
		2019 \$'000 千元	2018 \$'000 千元
(a) Finance costs:	(a) 財務費用：		
Interests on bank borrowings	銀行貸款利息	1,952,404	2,109,284
Interests on interest-bearing notes	需付息票據利息	257,477	312,045
Interests on lease liabilities	租賃負債利息	118,551	–
		2,328,432	2,421,329
(b) Staff costs (including directors' remuneration):	(b) 員工成本 (包括董事酬金)：		
Salaries, wages, bonuses and other benefits	薪金、工資、花紅及其他利益	16,848,418	15,433,953
Contributions to defined contribution retirement plans	已訂定供款退休計劃供款	1,758,860	1,422,569
		18,607,278	16,856,522
(c) Other items:	(c) 其他項目：		
Auditor's remuneration	核數師酬金		
– Audit and assurance services	– 審計和鑒證服務	29,026	23,646
– Non-audit services	– 非審計服務	19,552	7,816
Depreciation of property and equipment	物業及設備折舊	1,538,364	1,064,148
Depreciation of right-of-use assets	租賃使用權資產折舊	1,203,240	–
Amortisation of intangible assets	無形資產攤銷	96	100
Amortisation of prepaid lease payments	預付租賃付款攤銷	–	65,657
Operating lease charges in respect of properties	有關物業的經營租賃費用	–	1,161,800

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

9 DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

The remuneration of every director and the chief executive is set out below:

9 董事及行政總裁酬金

每位董事及行政總裁的酬金如下：

		Year ended 31 December 2019 截至2019年12月31日止年度					
		Salaries and other emoluments	Discretionary bonuses	Share based payments	Retirement scheme contributions	Total	
		Directors' fees	Salaries and other emoluments	Discretionary bonuses	Share based payments	Retirement scheme contributions	Total
		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：						
Luo Xi ^{1&2}	羅熹 ^{1&2}	-	376	459	-	18	853
Wang Sidong ^{1&2}	王思東 ^{1&2}	-	376	459	-	18	853
Yu Xiaoping ^{1&2} (resigned on 16 December 2019)	于小萍 ^{1&2} (於2019年12月16日請辭)	-	339	411	-	18	768
Non-executive directors:	非執行董事：						
Guo Zhaoxu (appointed on 31 December 2019)	郭兆旭 (於2019年12月31日委任)	-	-	-	-	-	-
Hu Xingguo (appointed on 31 December 2019)	胡興國 (於2019年12月31日委任)	-	-	-	-	-	-
Zhang Cui (appointed on 31 December 2019)	張翠 (於2019年12月31日委任)	-	-	-	-	-	-
Yang Changgui (appointed on 31 December 2019)	楊昌貴 (於2019年12月31日委任)	-	-	-	-	-	-
Huang Weijian ^{1&2} (resigned on 31 December 2019)	黃維健 ^{1&2} (於2019年12月31日請辭)	-	1,410	930	-	-	2,340
Zhu Xiangwen ^{1&2} (resigned on 31 December 2019)	祝向文 ^{1&2} (於2019年12月31日請辭)	-	1,410	930	-	-	2,340
Wu Changming ^{1&2} (resigned on 31 December 2019)	武常命 ^{1&2} (於2019年12月31日請辭)	-	1,410	930	-	-	2,340
Wu Jiesi	武捷思	320	-	-	-	-	320
Zhu Dajian	諸大建	320	-	-	-	-	320
Wu Ting Yuk, Anthony	胡定旭	320	-	-	-	-	320
Xie Zhichun	解植春	320	-	-	-	-	320
		1,280	5,321	4,119	-	54	10,774

¹ According to the regulations of the PRC relevant authorities, the directors' salary, other emoluments and discretionary bonus for 2019 has not yet been finalised. The final amounts will be disclosed when determined.

² Except the above remuneration, for the year ended 31 December 2019, Mr. Luo Xi, Mr. Wang Sidong and Ms. Yu Xiaoping were provided with accommodations by the Company. The market rental values of such accommodations are equivalent to \$495,000, \$648,000 and \$624,000 respectively. In addition, Mr. Luo Xi, Mr. Wang Sidong, Ms. Yu Xiaoping, Mr. Huang Weijian, Mr. Zhu Xiangwen and Mr. Wu Changming were provided with other allowances of \$143,000, \$143,000, \$143,000, \$182,000, \$182,000 and \$182,000 respectively.

¹ 根據國家有關部門的規定，2019年度董事薪金、其他酬金及酌定花紅尚未最終確定，待確定後適時披露。

² 除上述酬金外，截至2019年12月31日止年度，羅熹先生、王思東先生及于小萍女士獲本公司提供宿舍，其市值租金分別相當於495,000元、648,000元及624,000元。此外，羅熹先生、王思東先生、于小萍女士、黃維健先生、祝向文先生及武常命先生享有的其他津貼金額分別為143,000元、143,000元、143,000元、182,000元、182,000元及182,000元。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

9 DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

9 董事及行政總裁酬金 (續)

		Year ended 31 December 2018 截至2018年12月31日止年度					
		Salaries and other emoluments	Discretionary bonuses	Share based payments	Retirement scheme contributions	Total	
		Directors' fees	Director's fees	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:						
Luo Xi ^{1&3} (appointed on 21 September 2018)	羅熹 ^{1&3} (於2018年9月21日委任)	-	131	159	-	296	
Wang Sidong ^{1&3} (appointed on 25 January 2018)	王思東 ^{1&3} (於2018年1月25日委任)	-	392	477	-	887	
Yu Xiaoping ^{1&3}	于小萍 ^{1&3}	-	353	428	-	799	
Wang Bin ^{1&3} (resigned on 21 September 2018)	王濱 ^{1&3} (於2018年9月21日請辭)	-	294	358	-	666	
Li Jinfu ^{1&3} (resigned on 25 January 2018)	李勁夫 ^{1&3} (於2018年1月25日請辭)	-	33	40	-	75	
Wang Tingke ^{1&3} (resigned on 17 July 2018)	王廷科 ^{1&3} (於2018年7月17日請辭)	-	176	214	-	399	
Non-executive directors:	非執行董事:						
Huang Weijian ^{2&3}	黃維健 ^{2&3}	-	1,410	930	-	2,340	
Zhu Xiangwen ^{2&3}	祝向文 ^{2&3}	-	1,410	930	-	2,340	
Wu Changming ^{2&3}	武常命 ^{2&3}	-	1,410	930	-	2,340	
Ni Rongming ^{2&3} (retired on 24 May 2018)	倪榮鳴 ^{2&3} (於2018年5月24日退休)	-	588	388	-	976	
Wu Jiesi	武捷思	320	-	-	-	320	
Zhu Dajian	諸大建	320	-	-	-	320	
Wu Ting Yuk, Anthony	胡定旭	320	-	-	-	320	
Xie Zhichun	解植春	320	-	-	-	320	
		1,280	6,197	4,854	67	12,398	

¹ According to the regulations of the PRC relevant authorities, the directors' salary, other emoluments and discretionary bonus for 2018 has been finalised as disclosed above.

¹ 根據國家有關部門的規定，2018年度最終董事薪金、其他酬金及酌定花紅情況披露如上。

² According to the regulations of the PRC relevant authorities, the directors' salary, other emoluments and discretionary bonus for 2018 has not yet been finalised. The final amounts will be disclosed when determined.

² 根據國家有關部門的規定，2018年度董事薪金、其他酬金及酌定花紅尚未最終確定，待確定後適時披露。

³ Except the above remuneration, for the year ended 31 December 2018, Mr. Wang Sidong, Ms. Yu Xiaoping, Mr. Wang Bin, Mr. Li Jinfu and Mr. Wang Tingke were provided with accommodations by the Company. The market rental values of such accommodations are equivalent to \$377,000, \$550,000, \$405,000, \$55,000 and \$295,000 respectively. In addition, Mr. Luo Xi, Mr. Wang Sidong, Ms. Yu Xiaoping, Mr. Wang Bin, Mr. Li Jinfu, Mr. Wang Tingke, Mr. Huang Weijian, Mr. Zhu Xiangwen, Mr. Wu Changming and Mr. Ni Rongming were provided with other allowances of \$52,000, \$148,000, \$148,000, \$109,000, \$8,000, \$70,000, \$187,000, \$187,000, \$153,000 and \$25,000 respectively.

³ 除上述酬金外，截至2018年12月31日止年度，王思東先生、于小萍女士、王濱先生、李勁夫先生及王廷科先生獲本公司提供宿舍，其市值租金分別相當於377,000元、550,000元、405,000元、55,000元及295,000元。此外，羅熹先生、王思東先生、于小萍女士、王濱先生、李勁夫先生、王廷科先生、黃維健先生、祝向文先生、武常命先生及倪榮鳴先生享有的其他津貼金額分別為52,000元、148,000元、148,000元、109,000元、8,000元、70,000元、187,000元、187,000元、153,000元及25,000元。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

9 DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

Mr. Wang Sidong has appointed as the general manager of the Company on 25 January 2018 and replaced Mr. Li Jinfu, who resigned as the general manager of the Company on the same date. Their emoluments disclosed above include those for services rendered by them as the Chief Executive as defined by Listing Rules.

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.

No directors waived any emoluments in the years ended 31 December 2019 and 2018.

10 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, none of them (31 December 2018: none of them) were directors, directors emoluments are disclosed in Note 9. The emoluments of the five (31 December 2018: five) individuals are as follows:

9 董事及行政總裁酬金 (續)

王思東先生於2018年1月25日獲委任為本公司的總經理接替同日辭任本公司總經理的李勁夫先生。上述之酬金已包括他們作為行政總裁(定義見上市規則)而提供服務的酬金。

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。

於2019年及2018年12月31日止年度，概無董事放棄收取董事酬金。

10 最高酬金人士

並無董事在5位最高酬金的人士中(2018年12月31日:無)，有關的酬金詳情載於附註9。5位人士(2018年12月31日:5位)的酬金總額如下:

		Year ended 31 December 截至12月31日止年度	
		2019 \$'000 千元	2018 \$'000 千元
Salaries and other emoluments	薪金及其他酬金	10,280	8,522
Discretionary bonuses	酌定花紅	26,348	28,785
Share based payments	股份為本支付	-	-
Retirement scheme contributions	退休計劃供款	-	-
		36,628	37,307

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

10 INDIVIDUALS WITH HIGHEST EMOLUMENTS (Continued)

The emoluments of the individuals with the highest emoluments are within the following bands:

\$ 元	Year ended 31 December 截至12月31日止年度	
	2019 Number of individuals 人數	2018 Number of individuals 人數
5,500,001 – 6,000,000	2	–
6,000,001 – 6,500,000	–	1
6,500,001 – 7,000,000	–	1
7,000,001 – 7,500,000	–	1
7,500,001 – 8,000,000	2	1
9,000,001 – 9,500,000	1	–
9,500,001 – 10,000,000	–	1

該等最高酬金人士的酬金在以下範圍內：

The emoluments of the senior management are within the following bands:

\$ 元	Year ended 31 December 截至12月31日止年度	
	2019 Number of senior management 高級管理層 人數	2018 Number of senior management 高級管理層 人數
0 – 500,000	1	–
1,000,001 – 1,500,000	3	2
1,500,001 – 2,000,000	–	1
2,000,001 – 2,500,000	3	–
2,500,001 – 3,000,000	–	3

高級管理層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)
(以港元列示)

11 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

11 綜合損益表內的稅項

(a) Taxation in the consolidated statement of profit or loss represents:

(a) 綜合損益表所示的稅項為：

		Year ended 31 December 截至12月31日止年度	
		2019 \$'000 千元	2018 \$'000 千元
Current tax	當期稅項		
Provision for the year	年度稅款準備	3,078,657	4,970,309
Over-provision in respect of prior years	多提以往年度準備	(2,059,623)	(62,528)
		1,019,034	4,907,781
Deferred tax (note)	遞延稅項 (註)		
Origination and reversal of temporary differences	暫時性差異之起源及轉回	(236,086)	(615,379)
Income tax charges	稅項支出	782,948	4,292,402

Note: Details of deferred tax assets and liabilities recognised are disclosed in Note 31(a).

註：遞延稅資產和負債項確認之詳情於附註31(a)內披露。

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% (2018: 16.5%) on its assessable profits from direct life insurance, property and casualty insurance, reinsurance, asset management, property investment, insurance intermediary, securities dealing and broking businesses, except for its assessable profits from the business of reinsurance of offshore risks, which is calculated at 8.25% (2018: 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直接承保人壽保險、財產保險、再保險、資產管理、物業投資、保險中介、證券買賣及經紀業務的應評稅溢利，按16.5% (2018年：16.5%)的標準稅率計算的估計應繳香港利得稅，但來自離岸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% (2018年：8.25%)計算。

Taxation outside Hong Kong for subsidiaries outside Hong Kong is calculated at the rates prevailing in the relevant jurisdictions. Under the Enterprise Income Tax Law of the PRC, the enterprise income tax rate for domestic companies in the PRC is 25% (2018: 25%).

香港以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。根據中華人民共和國企業所得稅法，適用於中國內地企業的企業所得稅率為25% (2018年：25%)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

11 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

(a) Taxation in the consolidated statement of profit or loss represents: (Continued)

On 29 May 2019, the Ministry of Finance and the State Administration of Taxation issued the "Notice on the Pre-tax Deduction Policy for the Fees and Commission Expenses of Insurance Enterprises" (Notice 72, 2019, of the Ministry of Finance and the State Administration of Taxation), stated that starting from 1 January 2019, the calculation of deductible fees and commission expenses for general insurance and life insurance is increased from the previous 15% and 10% to 18% of the balance of premium income less surrenders for the year, and any excess proportion is allowed to be carried forward to the subsequent years. The above policy is applicable to the enterprise income tax annual filing for the year ended 31 December 2018. This has resulted in the over-provision of enterprise income tax in respect of prior years of the Group amounting to \$1,970 million.

(b) Reconciliation between tax charges and accounting profit at applicable tax rates:

11 綜合損益表內的稅項 (續)

(a) 綜合損益表所示的稅項為：(續)

2019年5月29日，財政部與稅務總局發佈《關於保險企業手續費及佣金支出稅前扣除政策的公告》(財政部稅務總局公告2019年第72號)，自2019年1月1日起，將財險和壽險的手續費佣金稅前扣除比例由之前前年全部保費收入扣除退保金後的餘額的15%和10%統一提高到18%，且允許超過比例的部分結轉以後年度扣除。上述政策變化適用於中國保險企業2018年度企業所得稅匯算清繳申報，因此導致本集團對以往年度多計提所得稅19.70億元。

(b) 稅項支出與會計溢利按適用稅率的稅項之對賬：

		Year ended 31 December 截至12月31日止年度	
		2019 \$'000 千元	2018 \$'000 千元
Profit before taxation	稅前溢利	13,325,822	13,112,385
Notional tax on profit before taxation	稅前溢利的名義稅項	3,432,537	3,000,042
Tax effect of non-deductible expenses	不可扣減費用之稅項影響	338,814	2,483,759
Tax effect of non-taxable income	毋須課稅收入之稅項影響	(1,335,004)	(1,182,956)
Tax effect of temporary differences not recognised	未確認的暫時性差異之稅項影響	87,375	(544)
Effect of tax concession granted to the businesses of reinsurance with offshore risks	來自離岸風險的再保險業務之稅項優惠	(7,494)	(8,525)
Tax effect of tax losses not recognised	未確認的稅項虧損之稅項影響	341,844	79,824
Utilisation of tax losses not previously recognised	往年度稅項虧損在本年度使用之稅項影響	(16,959)	(18,115)
Tax effect of different tax rates of group entities operating in other jurisdictions	在其他司法管轄區營運的集團實體因不同稅率產生之稅務影響	1,458	1,445
Over-provision in prior years	多提以往年度準備	(2,059,623)	(62,528)
Income tax charges	稅項支出	782,948	4,292,402

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

12 DIVIDENDS

The final dividend of ordinary shareholders of the Company in respect of the year ended 31 December 2018 recognised as distribution of \$0.10 per ordinary share, in an aggregate amount of \$359,402,000 during the Year.

Subsequent to the end of reporting period, a final dividend in respect of the year ended 31 December 2019 of \$0.30 (2018: \$0.10) per ordinary share has been proposed by the Directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting.

13 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to owners of the Company and the number of ordinary shares in issue during the Year.

12 股息

於本年度，本公司向普通股持有人分派有關截至2018年12月31日止年度的末期股息，每股普通股0.10元，累計359,402,000元。

於報告期末後，本公司董事會建議派發有關截至2019年12月31日止年度的末期股息每股普通股0.30元（2018年：每股0.10元）。建議派發的股息有待股東於股東周年大會批准。

13 每股盈利

每股基本盈利是按照本公司股東應佔溢利，及本年度已發行普通股股數計算。

		Year ended 31 December 截至12月31日止年度	
		2019 \$'000 千元	2018 \$'000 千元
Profit attributable to owners of the Company	本公司股東應佔溢利	9,008,522	6,883,569
Distribution relating to perpetual subordinated capital securities	關於永續次級資本證券分派	(177,340)	(256,247)
Profit used to determine basic earnings per share	用於計定每股基本盈利的溢利	8,831,182	6,627,322
Weighted average number of ordinary shares	普通股加權平均股數	3,594,018,538	3,594,018,538
Basic earnings per share (HK\$ per share)	每股基本盈利 (港元每股)	2.457	1.844

No diluted earnings per share has been presented for the years 2019 and 2018 as the Group had no potential dilutive ordinary shares in issue during the years.

鑒於本集團於2019年度和2018年度內並未發行具有潛在稀釋效應的普通股，因此本集團無需披露上述兩個年度的每股攤薄盈利。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

14 STATUTORY DEPOSITS

- (a) Certain subsidiaries of the Group have placed \$5,102,815,000 (2018: \$5,673,362,000) 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.
- (b) A subsidiary of the Group has pledged a deposit of \$58,414,000 (2018: \$58,974,000) registered in favour of the Monetary Authority of Singapore pursuant to section 34D of the Singapore Insurance Act.
- (c) A subsidiary of the Group has pledged a deposit of \$3,628,000 (2018: \$3,487,000) with banks as guarantee fund, pursuant to Regulation of the Minister of Finance of the Republic of Indonesia.
- (d) A subsidiary of the Group has deposited a sum of \$1,694,000 (2018: \$1,693,000) in the name of Director of Accounting Service with a bank pursuant to section 77(2e) of the Hong Kong Trustee Ordinance. The effective interest rate of the deposit as at 31 December 2019 is 0.10% (2018: 0.10%).
- (e) A subsidiary of the Group deposited a sum of \$1,358,000 (2018: \$1,363,000) with The Stock Exchange of Hong Kong Limited, Hong Kong Securities Clearing Company Limited and the Securities and Futures Commission.
- (f) A subsidiary of the Group deposited a sum of \$184,485,000 (2018: \$213,970,000) registered in favour of Autoridade Monetária de Macau ("AMCM") to guarantee the technical reserves in accordance with the Macau Insurance Ordinance.

14 法定存款

- (a) 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5,102,815,000元(2018年: 5,673,362,000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。
- (b) 本集團一間附屬公司根據新加坡保險條例第34D規定持有一筆為數58,414,000元(2018年: 58,974,000元)的抵押存款,登記人為新加坡金融管理局。
- (c) 本集團一間附屬公司根據印度尼西亞共和國財政部監管規定將為數3,628,000元(2018年: 3,487,000元)的款項存於銀行,作為保證基金。
- (d) 本集團一間附屬公司根據香港信託條例第77(2e)條規定將為數1,694,000元(2018年: 1,693,000元)的款項以庫務署署長的名義存於銀行。於2019年12月31日,存款的有效利率為0.10%(2018年: 0.10%)。
- (e) 本集團一間附屬公司將一筆為數1,358,000元(2018年: 1,363,000元)的款項存於香港聯合交易所有限公司、香港中央結算有限公司及證券及期貨事務監察委員會。
- (f) 本集團一間附屬公司根據澳門保險活動管制法例規定持有一筆為數184,485,000元(2018年: 213,970,000元)的抵押存款,作為對技術準備金的擔保,登記人為澳門金融管理局。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

15 FIXED ASSETS

(a) Property and equipment

15 固定資產

(a) 物業及設備

		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	Operating lease assets 經營 租賃資產 \$'000 千元	Total 總額 \$'000 千元
Cost or valuation:	成本或估值:							
At 1 January 2018	於2018年1月1日	8,799,711	703,636	1,460,108	2,272,931	378,087	1,739,223	15,353,696
Exchange adjustments	匯率調整	(321,641)	(33,084)	(69,950)	(99,758)	(18,757)	(79,974)	(623,164)
Additions	增置	39,422	1,251,037	443,128	646,713	131,365	2,167,168	4,678,833
Disposals	出售	(2,356)	(12,331)	(101,003)	(198,488)	(125,115)	-	(439,293)
Transfer from construction in progress to other assets (Note 24)	轉自在建工程至其他資產 (附註24)	-	(258,513)	-	-	-	-	(258,513)
Transfer from construction in progress to computer equipment	轉自在建工程至電腦設備	-	(6,529)	-	6,529	-	-	-
Transfer from construction in progress to land and buildings	轉自在建工程至土地及 建築物	239,616	(239,616)	-	-	-	-	-
Transfer from land and buildings to completed investment properties (Note 15(b))	轉自土地及建築物至 已完成的投資物業 (附註15(b))	(19,248)	-	-	-	-	-	(19,248)
Transfer from prepaid lease payments to land and buildings (Note 15(c))	轉自預付租賃付款至土地及 建築物 (附註15(c))	46,997	-	-	-	-	-	46,997
Transfer from completed investment properties to land and buildings (Note 15(b))	轉自已完成的投資物業至 土地及建築物 (附註15(b))	2,895,376	-	-	-	-	-	2,895,376
Transfer from other assets to land and buildings	轉自其他資產至土地及 建築物	243,021	-	-	-	-	-	243,021
At 31 December 2018	於2018年12月31日	11,920,898	1,404,600	1,732,283	2,627,927	365,580	3,826,417	21,877,705
Exchange adjustments	匯率調整	(204,212)	(28,561)	(37,822)	(52,427)	(8,379)	(83,638)	(415,039)
Additions	增置	-	1,132,197	1,031,621	765,891	76,169	1,916,320	4,922,198
Disposals	出售	(6,205)	(14,072)	(179,838)	(232,666)	(78,450)	-	(511,231)
Surplus on revaluation upon transfer from land and building to completed investment properties	轉自土地及建築物至 已完成的投資物業時的 重估盈餘	669,224	-	-	-	-	-	669,224
Transfer from land and buildings to completed investment properties (Note 15(b))	轉自土地及建築物至 已完成的投資物業 (附註15(b))	(1,843,242)	-	-	-	-	-	(1,843,242)
Transfer from construction in progress to land and buildings	轉自在建工程至土地及 建築物	2,330,883	(2,330,883)	-	-	-	-	-
Capitalisation of leasehold land depreciation (Note 15(d))	租賃土地折舊資本化 (附註15(d))	-	11,012	-	-	-	-	11,012
Transfer from completed investment properties to land and buildings (Note 15(b))	轉自已完成的投資物業至 土地及建築物 (附註15(b))	546,871	-	-	-	-	-	546,871
At 31 December 2019	於2019年12月31日	13,414,217	174,293	2,546,244	3,108,725	354,920	5,659,099	25,257,498

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

15 FIXED ASSETS (Continued)

(a) Property and equipment (Continued)

		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	Operating lease assets 經營 租賃資產 \$'000 千元	Total 總額 \$'000 千元
Accumulated depreciation and impairment:	累計折舊及減值：							
At 1 January 2018	於2018年1月1日	1,075,599	-	780,690	1,345,075	229,355	28,135	3,458,854
Exchange adjustments	匯率調整	(43,613)	-	(49,115)	(73,392)	(13,833)	(6,497)	(186,450)
Charge for the year	年度折舊	229,856	-	270,364	372,267	46,792	144,869	1,064,148
Written back on disposal	出售時撥回	(127)	-	(27,836)	(96,209)	(79,498)	-	(203,670)
Transfer from land and buildings to completed investment properties (Note 15(b))	轉自土地及建築物至 已完成的投資物業 (附註15(b))	(6,537)	-	-	-	-	-	(6,537)
At 31 December 2018	於2018年12月31日	1,255,178	-	974,103	1,547,741	182,816	166,507	4,126,345
Exchange adjustments	匯率調整	(21,774)	-	(28,251)	(40,125)	(5,823)	(9,050)	(105,023)
Charge for the year	年度折舊	319,297	-	383,728	471,591	71,252	292,496	1,538,364
Written back on disposal	出售時撥回	(1,628)	-	(64,936)	(156,457)	(60,554)	-	(283,575)
Transfer from land and buildings to completed investment properties (Note 15(b))	轉自土地及建築物至 已完成的投資物業 (附註15(b))	(144,287)	-	-	-	-	-	(144,287)
At 31 December 2019	於2019年12月31日	1,406,786	-	1,264,644	1,822,750	187,691	449,953	5,131,824
Net book value:	賬面淨值：							
At 31 December 2019	於2019年12月31日	12,007,431	174,293	1,281,600	1,285,975	167,229	5,209,146	20,125,674
At 31 December 2018	於2018年12月31日	10,665,720	1,404,600	758,180	1,080,186	182,764	3,659,910	17,751,360

As at 31 December 2019, land and buildings of \$31,475,000 (2018: \$32,836,000) located in Macau have been pledged in favour of AMCM to guarantee the technical reserves in accordance with the Macau Insurance Ordinance.

As at 31 December 2019, operating lease assets of \$1,318,897,000 (2018: Nil) have been pledged to financial institutions as collateral in connection with banking facilities arrangements.

於2019年12月31日，賬面值為31,475,000元（2018年：32,836,000元）位於澳門的土地及建築物已根據澳門保險活動管制法例抵押予澳門金融管理局，作為對技術準備金的擔保。

於2019年12月31日，賬面值為1,318,897,000元（2018年：無）的經營租賃資產已抵押予金融機構作為銀行授信安排的抵押物。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

15 FIXED ASSETS (Continued)

(b) Investment properties

15 固定資產 (續)

(b) 投資物業

		Completed investment properties 已完成的投資物業 \$'000 千元	Investment properties under construction 發展中的投資物業 \$'000 千元	Total 總額 \$'000 千元
Valuation:	估值:			
At 1 January 2018	於2018年1月1日	18,937,297	1,009,371	19,946,668
Exchange adjustments	匯率調整	(799,450)	(46,413)	(845,863)
Additions	增置	304,099	760,342	1,064,441
Surplus on revaluation	重估盈餘	144,620	(343)	144,277
Transfer from investment properties under construction to completed investment properties	轉自在建工程至已完成的投資物業	1,722,957	(1,722,957)	-
Surplus on revaluation upon transfer from land and buildings to completed investment properties	轉自土地及建築物至已完成的投資物業時的重估盈餘	78,322	-	78,322
Transfer from land and buildings to completed investment properties (Note 15(a))	轉自土地及建築物至已完成的投資物業 (附註15(a))	12,711	-	12,711
Transfer from completed investment properties to land and buildings (Note 15(a))	轉自己完成的投資物業至土地及建築物 (附註15(a))	(2,895,376)	-	(2,895,376)
At 31 December 2018	於2018年12月31日	17,505,180	-	17,505,180
Exchange adjustments	匯率調整	(341,074)	-	(341,074)
Additions	增置	689,246	-	689,246
Surplus on revaluation	重估盈餘	12,720	-	12,720
Transfer from land and buildings to completed investment properties (Note 15(a))	轉自土地及建築物至已完成的投資物業 (附註15(a))	1,698,955	-	1,698,955
Transfer from completed investment properties to land and buildings (Note 15(a))	轉自己完成的投資物業至土地及建築物 (附註15(a))	(546,871)	-	(546,871)
At 31 December 2019	於2019年12月31日	19,018,156	-	19,018,156

The investment properties of the Group were revalued at dates of transfer and as at 31 December 2019 and 2018 by independent firm of surveyors. A revaluation surplus of \$12,720,000 (2018: \$144,277,000) has been recognised in the consolidated statement of profit or loss (Note 5(c)).

As at 31 December 2019, investment properties of \$56,496,000 (2018: \$49,220,000) located in Macau have been pledged in favour of AMCM to guarantee the technical reserves in accordance with the Macau Insurance Ordinance.

本集團的投資物業已於轉移日期及2019年及2018年12月31日經由獨立測量師行重新估值。為數12,720,000元(2018年: 144,277,000元)的重估盈餘已記入綜合損益表內(附註5(c))。

於2019年12月31日，賬面值為56,496,000元(2018年: 49,220,000元)位於澳門的投資物業已根據澳門保險活動管制法例抵押予澳門金融管理局，作為對技術準備金的擔保。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

15 FIXED ASSETS (Continued)

(b) Investment properties (Continued)

Fair value measurement of investment properties

The following table analyse the Group's investment properties carried at fair value by level of inputs to valuation techniques used to measure fair value.

		Fair value at 31 December 2019 於2019年 12月31日 之公允價值 \$'000 千元	Fair value at 31 December 2018 於2018年 12月31日 之公允價值 \$'000 千元	Valuation technique(s) 估值技巧	Significant unobservable inputs 重大不可 觀測得出 的變數	Range of unobservable inputs 不可觀察 輸入資料 之範圍	Correlation of unobservable inputs to fair value 不可觀測得出的變數與 公允價值的關係
Completed commercial property units 已落成商業物業單位	Level 3 第三級	17,781,006	16,297,563	Income approach 收入法	Yield 收益率	2.9% – 9%	The higher the yield, the lower the fair value 收益率愈高，公允價值愈低
					Market unit rent 單位市場租金	\$2 – \$868 per square meter 每平方米\$2 – \$868	The higher the rent, the higher the fair value 租金愈高，公允價值愈高
Completed residential property units 已落成住宅物業單位	Level 3 第三級	481,993	440,720	Income approach 收入法	Yield 收益率	1.5% – 9%	The higher the yield, the lower the fair value 收益率愈高，公允價值愈低
					Market unit rent 單位市場租金	\$2 – \$560 per square meter 每平方米\$2 – \$560	The higher the rent, the higher the fair value 租金愈高，公允價值愈高
Completed industrial property units 已落成工業物業單位	Level 3 第三級	755,157	766,897	Income approach 收入法	Yield 收益率	4.5% – 8%	The higher the yield, the lower the fair value 收益率愈高，公允價值愈低
					Market unit rent 單位市場租金	\$1 – \$118 per square meter 每平方米\$1 – \$118	The higher the rent, the higher the fair value 租金愈高，公允價值愈高
		19,018,156	17,505,180				

There was no transfer into or out of Level 3 during the Year.

本年度內，第三級並無轉入或轉出。

15 固定資產 (續)

(b) 投資物業 (續)

投資物業賬面淨值的分析

下表提供有關如何確定該等投資物業的公允價值(尤其是使用的估值技術和投入)的信息:

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

15 FIXED ASSETS (Continued)

(c) Prepaid lease payments

15 固定資產 (續)

(c) 預付租賃付款

		\$'000 千元
Cost:	成本：	
At 1 January 2018	於2018年1月1日	1,710,571
Exchange adjustments	匯率調整	(78,445)
Additions	增置	1,990,583
Transfer to land and buildings (Note 15(a))	轉移至土地及建築物 (附註15(a))	(52,646)
At 31 December 2018	於2018年12月31日	3,570,063
Adjustment in adoption of new accounting policy (Note 1B(a))	應用新會計準則之調整 (附註1B(a))	(3,570,063)
At 1 January 2019 and 31 December 2019	於2019年1月1日及2019年12月31日	-
Accumulated amortisation and impairment:	累計攤銷及減值：	
At 1 January 2018	於2018年1月1日	75,183
Exchange adjustments	匯率調整	(5,602)
Charge for the year	年度攤銷	65,657
Transfer to land and buildings (Note 15(a))	轉移至土地及建築物 (附註15(a))	(5,649)
At 31 December 2018	於2018年12月31日	129,589
Adjustment in adoption of new accounting policy (Note 1B(a))	應用新會計準則之調整 (附註1B(a))	(129,589)
At 1 January 2019 and 31 December 2019	於2019年1月1日及2019年12月31日	-
Net book value:	賬面淨值：	
At 31 December 2019	於2019年12月31日	-
At 31 December 2018	於2018年12月31日	3,440,474

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

15 FIXED ASSETS (Continued)

(c) Prepaid lease payments (Continued)

	At 31 December 2019 於2019年 12月31日 \$'000 千元	At 31 December 2018 於2018年 12月31日 \$'000 千元
Prepaid lease payments comprises: 預付租賃付款包括:		
Leasehold land outside Hong Kong 位於香港以外地區之租賃土地	-	3,440,474
Current 當期	-	65,657
Non-current 非當期	-	3,374,817
	-	3,440,474

(d) Right-of-use assets

	Leasehold land 租賃土地 \$'000 千元	Land and buildings 土地及建築物 \$'000 千元	Furniture and fixtures 傢具及 固定裝置 \$'000 千元	Computer equipment 電腦設備 \$'000 千元	Motor vehicles 汽車 \$'000 千元	Total 總額 \$'000 千元
Cost: 成本:						
At 1 January 2019 於2019年1月1日						
Adjustment in adoption of new accounting policy (Note 1B(a)) (附註1B(a))	3,570,063	2,630,742	2,085	1,820	832	6,205,542
Exchange adjustments 匯率調整	(77,932)	(48,069)	(46)	(1)	(18)	(126,066)
Additions 增置	1,888,330	1,155,027	475	3,641	299	3,047,772
Write-off 註銷	-	(22,132)	-	-	(18)	(22,150)
At 31 December 2019 於2019年12月31日	5,380,461	3,715,568	2,514	5,460	1,095	9,105,098
Accumulated depreciation: 累計折舊:						
At 1 January 2019 於2019年1月1日						
Adjustment in adoption of new accounting policy (Note 1B(a)) (附註1B(a))	129,589	-	-	-	-	129,589
Exchange adjustments 匯率調整	(7,868)	(15,934)	(9)	-	(8)	(23,819)
Charge for the year 年度折舊	130,558	1,070,853	482	911	436	1,203,240
Reversal on write-off 註銷時回撥	-	(6,136)	-	-	-	(6,136)
Depreciation of leasehold land capitalised in construction-in-progress (Note 15(a)) (附註15(a))	11,012	-	-	-	-	11,012
At 31 December 2019 於2019年12月31日	263,291	1,048,783	473	911	428	1,313,886
Net book value: 賬面淨值:						
At 31 December 2019 於2019年12月31日	5,117,170	2,666,785	2,041	4,549	667	7,791,212
At 1 January 2019 於2019年1月1日	3,440,474	2,630,742	2,085	1,820	832	6,075,953

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

15 FIXED ASSETS (Continued)

(d) Right-of-use assets (Continued)

		Year ended 31 December 2019 截至2019年 12月31日 止年度 \$'000 千元
Expense relating to short-term lease and other lease with lease terms end within 12 months of the date of initial application of HKFRS 16	與短期租賃及由香港財務報告準則第16號初始生效日起12個月內到期的租賃相關的支出	364,369
Expense relating to lease of low-value assets, excluding short-term leases of low-value assets	短期租賃以外的低值資產租賃支出	1,977

16 GOODWILL AND INTANGIBLE ASSETS

(a) Goodwill

		\$'000 千元
Cost:	成本：	
At 1 January 2018	於2018年1月1日	1,091,873
Exchange adjustments	匯率調整	(4,602)
At 31 December 2018	於2018年12月31日	1,087,271
Exchange adjustments	匯率調整	(2,087)
At 31 December 2019	於2019年12月31日	1,085,184
Impairment loss:	減值：	
At 1 January 2018	於2018年1月1日	323,276
Recognition of impairment loss (Note 6)	減值損失確認 (附註6)	33,916
Exchange adjustments	匯率調整	(1,218)
At 31 December 2018	於2018年12月31日	355,974
Recognition of impairment loss (Note 6)	減值損失確認 (附註6)	11,018
Exchange adjustments	匯率調整	(918)
At 31 December 2019	於2019年12月31日	366,074
Net book value:	賬面淨值：	
At 31 December 2019	於2019年12月31日	719,110
At 31 December 2018	於2018年12月31日	731,297

15 固定資產 (續)

(d) 租賃使用權資產 (續)

16 商譽及無形資產

(a) 商譽

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

16 GOODWILL AND INTANGIBLE ASSETS (Continued)

16 商譽及無形資產 (續)

(b) Intangible assets

(b) 無形資產

		\$'000 千元
Cost:	成本：	
At 1 January 2018	於2018年1月1日	263,696
Disposals	出售	(260)
Exchange adjustments	匯率調整	(94)
		<hr/>
At 31 December 2018	於2018年12月31日	263,342
Exchange adjustments	匯率調整	(42)
		<hr/>
At 31 December 2019	於2019年12月31日	263,300
		<hr/>
Amortisation/Impairment:	攤銷／減值：	
At 1 January 2018	於2018年1月1日	1,217
Charge for the year	年度攤銷	100
Exchange adjustments	匯率調整	(60)
		<hr/>
At 31 December 2018	於2018年12月31日	1,257
Charge for the year	年度攤銷	96
Exchange adjustments	匯率調整	(29)
		<hr/>
At 31 December 2019	於2019年12月31日	1,324
		<hr/>
Net book value:	賬面淨值：	
At 31 December 2019	於2019年12月31日	261,976
		<hr/>
At 31 December 2018	於2018年12月31日	262,085
		<hr/>

The intangible assets mainly represent the trade name acquired in the acquisition of TPI in 2008, which is subject to annual impairment test. The relief-from-royalty approach is adopted to determine the fair value of trade name. At the end of each reporting period, the management of the Group reassessed the assumptions of this approach. As at 31 December 2019, the valuation of the trade name is determined based on the future premiums estimated by TPI and discounted at 14% (2018: 14%). 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 amortised until its useful life is determined to be finite.

Particulars of the impairment testing are disclosed below.

無形資產主要代表於2008年收購太平財險時購入之商號，並須進行年度的減值測試。商號之公允價值以免納專利權使用費方法釐定。於報告期末，本集團管理層重新評估此方法之假設。於2019年12月31日，商號的評估乃根據太平財險估計的未來保費增長及以折現率14% (2018年：14%) 而釐定。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，直至其可使用年期被定為有限。

減值測試之詳情如下。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

16 GOODWILL AND INTANGIBLE ASSETS (Continued)

(c) Impairment tests on goodwill and intangible assets with indefinite useful lives

For impairment testing, goodwill and intangible assets with indefinite useful lives at 31 December 2019 and 2018 were allocated to cash generating units in the following operating segments:

16 商譽及無形資產 (續)

(c) 商譽及沒有使用限期的無形資產之減值測試

在減值測試時，2019年及2018年12月31日之商譽及沒有使用限期的無形資產按以下營運分部分配至各現金生產單位：

		At 31 December 2019 於2019年12月31日		
		Goodwill 商譽 \$'000 千元	Intangible assets 無形資產 \$'000 千元	Total 總額 \$'000 千元
Life insurance	人壽保險	154,909	-	154,909
Property and casualty insurance	財產保險	148,738	261,408	410,146
Other businesses	其他業務	415,463	-	415,463
		719,110	261,408	980,518
		At 31 December 2018 於2018年12月31日		
		Goodwill 商譽 \$'000 千元	Intangible assets 無形資產 \$'000 千元	Total 總額 \$'000 千元
Life insurance	人壽保險	154,909	-	154,909
Property and casualty insurance	財產保險	148,738	261,408	410,146
Other businesses	其他業務	427,650	-	427,650
		731,297	261,408	992,705

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

16 GOODWILL AND INTANGIBLE ASSETS (Continued)

(c) Impairment tests on goodwill and intangible assets with indefinite useful lives (Continued)

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 their business life. The Directors determined the cash flow projection based on past performance and its expectation for market development.

In respect of life insurance business, the recoverable amount was determined based on TPL's appraisal value, which consists of the adjusted net worth plus the present value of inforce business and the new business value after cost of capital.

In respect of property and casualty business, the recoverable amount was determined by estimating and discounting the future cash flows to its present value.

In respect of other businesses, the recoverable amount was determined by income approach to convert the expected periodic benefits of ownership into an indication of value, estimating and discounting the future cash flows to its present value. During 2019, the estimated recoverable amount of one of the cash generating units in other businesses was lower than its corresponding carrying amount and consequently, an impairment loss of goodwill of \$11,018,000 (2018: \$33,916,000) was recognised. After recognition of impairment loss, the net carrying amount of goodwill in connection with the other businesses cash generating units were \$415,463,000 (2018: \$427,650,000).

16 商譽及無形資產 (續)

(c) 商譽及沒有使用限期的無形資產之減值測試 (續)

含商譽或無形資產的現金產生單位的可收回金額，按使用價值計算而釐定。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。

有關人壽保險業務，可收回金額以太平人壽之評估價值釐定。評估價值為經調整之資產淨值、扣除資本成本後之有效業務價值及新業務價值現值之總和。

有關財產保險業務，可收回金額以估計及折算未來現金流至現值釐定。

有關其他業務，可收回金額按收益法轉換所有權的預期定期利益轉化為價值指標以估計及折算未來現金流至現值釐定。2019年度其他業務中一個現金產生單位的估計可收回金額低於其賬面值，因此，為數11,018,000元(2018年：33,916,000元)商譽減值損失在年內確認。確認減值損失後，其他業務現金產生單位之賬面值為415,463,000元(2018年：427,650,000元)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

17 SUBSIDIARIES

(a) General information of principal subsidiaries

The following list contains details of the Company's principal subsidiaries at the end of the reporting period, 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. The class of shares held is ordinary unless otherwise stated. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

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

17 附屬公司

(a) 主要附屬公司的一般資料

下表陳列為本公司的主要附屬公司於報告期末的詳情，董事認為該等附屬公司是主要影響年度業績或佔集團的淨資產相當部份。除非另有說明，否則所持的股份類別指普通股。董事認為詳細列出其他附屬公司會過於冗長。

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。

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 ordinary shares directly held by group 本集團直接持有普通股之百分比	Principal activities 主要業務
Taiping Life Insurance Company Limited (note (ii)) 太平人壽保險有限公司 (註(ii))	PRC 中國	RMB 人民幣 10,030,000,000	75.10%	Life insurance business in PRC 於中國之人壽保險業務
Taiping General Insurance Company Limited (note (ii)) 太平財產保險有限公司 (註(ii))	PRC 中國	RMB 人民幣 5,070,000,000	100%	Property and casualty insurance business in PRC 於中國之財產保險業務
Taiping Pension Company Limited (note (ii)) 太平養老保險股份有限公司 (註(ii))	PRC 中國	RMB 人民幣 3,000,000,000	100%	Pension and Group Life business in PRC 於中國之養老及團體保險業務
Taiping Asset Management Company Limited (note (ii)) 太平資產管理有限公司 (註(ii))	PRC 中國	RMB 人民幣 1,000,000,000	80%	Asset management business in PRC 於中國之資產管理業務
Taiping Reinsurance Company Limited (notes (i) & (iv)) 太平再保險有限公司 (註(i)及(iv))	Hong Kong 香港	Ordinary 普通 \$5,181,100,000 Deferred 遞延 \$600,000,000	100%	Reinsurance business in Hong Kong 於香港之再保險業務
Taiping Reinsurance (China) Company Limited (note (ii)) 太平再保險(中國)有限公司 (註(ii))	PRC 中國	RMB 人民幣 1,500,000,000	100%	Reinsurance business in PRC 於中國之再保險業務

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

17 SUBSIDIARIES (Continued)

17 附屬公司 (續)

(a) General information of principal subsidiaries (Continued)

(a) 主要附屬公司的一般資料 (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 ordinary shares directly held by group 本集團直接持有普通股之百分比	Principal activities 主要業務
China Taiping Insurance (HK) Company Limited (note (i)) 中國太平保險(香港)有限公司 (註(i))	Hong Kong 香港	Ordinary 普通 \$2,386,000,000 Deferred 遞延 \$200,000,000	100%	Property and casualty insurance in Hong Kong 於香港之財產保險業務
China Taiping Life Insurance (Hong Kong) Company Limited (note (v)) 中國太平人壽保險(香港)有限公司 (註(v))	Hong Kong 香港	\$4,000,000,000	100%	Life insurance business in Hong Kong 於香港之人壽保險業務
China Taiping Insurance (Macau) Company Limited 中國太平保險(澳門)股份有限公司	Macau 澳門	MOP 澳門幣 120,000,000	100%	Property and casualty insurance in Macau 於澳門之財產保險業務
China Taiping Life Insurance (Macau) Company Limited (note (vi)) 中國太平人壽保險(澳門)股份有限公司 (註(vi))	Macau 澳門	MOP 澳門幣 50,000,000	100%	Life insurance business in Macau 於澳門之人壽保險業務
China Taiping Insurance (Singapore) PTE. Ltd. (note (vii)) 中國太平保險(新加坡)有限公司 (註(vii))	Singapore 新加坡	SGD 新加坡幣 160,000,000	100%	Property and casualty and life insurance in Singapore 於新加坡之財產及人壽保險業務
China Taiping Insurance (UK) Company Limited (note (viii)) 中國太平保險(英國)有限公司 (註(viii))	United Kingdom 英國	GBP 英鎊 55,000,000	100%	Property and casualty insurance in United Kingdom 於英國之財產保險業務
PT China Taiping Insurance Indonesia 中國太平保險印度尼西亞有限公司	Indonesia 印尼	IDR 印尼盾 100,000,000,000	55%	Property and casualty insurance in Indonesia 於印尼之財產保險業務

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

17 SUBSIDIARIES (Continued)

17 附屬公司 (續)

(a) General information of principal subsidiaries (Continued)

(a) 主要附屬公司的一般資料 (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 ordinary shares directly held by group 本集團直接持有普通股之百分比	Principal activities 主要業務
Taiping Senior Living Investments Co. Ltd. (note (ii)) 太平養老產業投資有限公司 (註(ii))	PRC 中國	RMB 人民幣 1,970,000,000	75.10%	Elderly care investment and asset management 養老產業投資與資產管理
Taiping Senior Living Management Co. Ltd. (note (ii)) 太平養老產業管理有限公司 (註(ii))	PRC 中國	RMB 人民幣 100,000,000	75.10%	Elderly care investment and asset management 養老產業投資與資產管理
Taiping Real Estate (Shanghai) Company Limited (note (ii)) 太平置業(上海)有限公司 (註(ii))	PRC 中國	RMB 人民幣 980,000,000	90.29%	Property investment 物業投資
Dragon Jade Industrial District Management (Shenzhen) Co., Ltd. (note (ii)) 龍璧工業區管理(深圳)有限公司 (註(ii))	PRC 中國	RMB 人民幣 111,660,000	100%	Property investment 物業投資
Taiping Real Estate (Suzhou Industrial Park) Co. Ltd. (notes (ii) & (ix)) 太平置業(蘇州工業園區)有限公司 (註(ii)及(ix))	PRC 中國	RMB 人民幣 613,040,000	85.06%	Property investment 物業投資
Taiping Real Estate (Beijing) Co. Ltd. (note (ii)) 太平置業(北京)有限公司 (註(ii))	PRC 中國	RMB 人民幣 276,779,700	75.10%	Property investment 物業投資
Taiping Real Estate (Nanning) Co. Ltd. (notes (ii) & (x)) 太平置業(南寧)有限公司 (註(ii)及(x))	PRC 中國	RMB 人民幣 376,000,000	80.08%	Property investment 物業投資
北京太平廣安置業有限公司 (notes (ii) & (xi)) 北京太平廣安置業有限公司 (註(ii)及(xi))	PRC 中國	RMB 人民幣 2,200,000,000	75.10%	Property investment 物業投資

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

17 SUBSIDIARIES (Continued)

17 附屬公司 (續)

(a) General information of principal subsidiaries (Continued)

(a) 主要附屬公司的一般資料 (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 ordinary shares directly held by group 本集團直接持有普通股之百分比	Principal activities 主要業務
Taiping Real Estate (Hangzhou) Co. Ltd. (note (ii)) 太平置業(杭州)有限公司(註(ii))	PRC 中國	RMB 人民幣 1,750,000,000	81.57%	Property investment 物業投資
Taiping Real Estate (Hainan) Co. Ltd. (notes (ii) & (xii)) 太平置業(海南)有限公司(註(ii)及(xii))	PRC 中國	RMB 人民幣 1,131,420,000	75.10%	Property investment 物業投資
Taiping Real Estate (Guangzhou) Co. Ltd. (notes (ii) & (xiii)) 太平置業(廣州)有限公司(註(ii)及(xiii))	PRC 中國	RMB 人民幣 2,160,000,000	81.42%	Property investment 物業投資
Taiping Real Estate (Jinan) Co. Ltd. (notes (ii) & (xiv)) 太平置業(濟南)有限公司(註(ii)及(xiv))	PRC 中國	RMB 人民幣 650,000,000	83.57%	Property investment 物業投資
Taiping & Sinopec Financial Leasing Co. Ltd. (note (ii)) 太平石化金融租賃有限責任公司(註(ii))	PRC 中國	RMB 人民幣 5,000,000,000	37.55%	Financial leasing 金融租賃
Taiping Fund Management Company Limited (note (ii)) 太平基金管理有限公司(註(ii))	PRC 中國	RMB 人民幣 400,000,000	66.40%	Management of investment funds business in PRC 於中國之基金管理業務
Taiping Financial Holdings Company Limited (note (iii)) 太平金融控股有限公司(註(iii))	Hong Kong 香港	Ordinary 普通 \$567,338,915 Deferred 遞延 \$10,000,000	100%	Investment holding 投資控股

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

17 SUBSIDIARIES (Continued)

17 附屬公司 (續)

(a) General information of principal subsidiaries (Continued)

(a) 主要附屬公司的一般資料 (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 ordinary shares directly held by group 本集團直接持有普通股之百分比	Principal activities 主要業務
Taiping Securities (HK) Company Limited 太平證券(香港)有限公司	Hong Kong 香港	\$363,870,350	100%	Securities broking services 證券經紀服務
Taiping Assets Management (HK) Company Limited 太平資產管理(香港)有限公司	Hong Kong 香港	\$212,000,000	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 普通 \$4,000,000 Deferred 遞延 \$1,000,000	100%	Insurance broking 保險經紀
China Taiping Insurance Service (Japan) Co., Ltd. 中國太平保險服務(日本)有限公司	Japan 日本	JPY 日圓 30,000,000	100%	Insurance agency business in Japan 於日本之保險代理業務
Tellon Development Limited (note (xv)) 澤鴻發展有限公司(註(xv))	Hong Kong 香港	\$100,000,000	100%	Investment holding and property investment 投資控股及物業投資
China Taiping Capital Limited	BVI/Hong Kong 英屬維爾京群島/香港	US\$1 美元1	100%	Provision of back to back financing arrangement 提供背對背融資安排
China Taiping Fortunes Limited	BVI/Hong Kong 英屬維爾京群島/香港	US\$1 美元1	100%	Provision of back to back financing arrangement 提供背對背融資安排

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

17 SUBSIDIARIES (Continued)

(a) General information of principal 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) Holders of the non-voting deferred shares in TPFH are entitled to a fixed non-cumulative dividend at the rate of 5% per annum for any financial year of TPFH in respect of which the net profits of TPFH available for dividend exceed \$10,000,000,000. The holders of non-voting deferred shares are not allowed to participate in the profits or assets of TPFH or to vote at meetings of TPFH. On the winding-up of TPFH, the holders of the non-voting deferred shares are entitled out of the surplus assets of TPFH to a return of the capital paid up on these shares held by them respectively after a total sum of \$10,000,000,000 has been distributed in such winding up in respect of each of the ordinary shares of TPFH.
- (iv) In December 2019, the registered capital of TPre has been increased by \$400 million to \$5,781.1 million. CTIH has contributed such additional capital in cash.
- (v) During 2019, the registered capital of TPL (HK) has been increased by \$1,800 million to \$4,000 million. CTIH has contributed such additional capital in cash.
- (vi) In February 2019, TPL (Macau) was established in Macau by TPL (HK), TP Macau and TPIH (HK).
- (vii) In June 2019, the registered capital of TP Singapore has been increased by SGD40 million to SGD160 million. China Taiping International Limited has contributed such additional capital in cash.
- (viii) During 2019, the registered capital of TP UK has been increased by GBP30 million to GBP55 million. China Taiping International Limited has contributed such additional capital in cash.
- (ix) During 2019, the registered capital of TPR (Suzhou) has been increased by RMB127 million to RMB613.04 million. TPL, TPI and TPPM contributed such additional capital in cash in the amount of RMB76.2 million, RMB25.4 million and RMB25.4 million, respectively, in portion to their respect equity interest in TPR (Suzhou).

17 附屬公司 (續)

(a) 主要附屬公司的一般資料 (續)

註:

- (i) 於太平再保險、太平再保顧問及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) 太平金控的無投票權遞延股份持有人有權於該公司可用作分配股息的淨利潤超出10,000,000,000元的任何財政年度獲得每年5%固定非累積股息。該公司的無投票權遞延股份的持有人無權獲得該公司的溢利及資產或在公司會議上投票。在該公司清盤時，無投票權遞延股份持有人有權在普通股股東於清盤時分配到合計10,000,000,000元後，獲分配該公司的剩餘資產，作為已繳資本的回報。
- (iv) 於2019年12月，太平再保險的註冊資本增加4億元至57.811億元。中國太平控股以現金增入該等額外資本。
- (v) 於2019年，太平人壽（香港）的註冊資本增加18億元至40億元。中國太平控股以現金增入該等額外資本。
- (vi) 於2019年2月，太平人壽（香港）、太平澳門與太平投資（香港）於澳門成立太平人壽（澳門）。
- (vii) 於2019年6月，太平新加坡的註冊資本增加新加坡元0.4億元至新加坡元1.6億元。中國太平國際有限公司以現金增入該等額外資本。
- (viii) 於2019年，太平英國的註冊資本增加英鎊0.3億元至英鎊0.55億元。中國太平國際有限公司以現金增入該等額外新增資本。
- (ix) 於2019年，蘇州置業的註冊資本增加人民幣1.27億元至人民幣6.1304億元。太平人壽、太平財險及太平物業按各自於蘇州置業的權益比例分別以現金投入人民幣0.762億元、人民幣0.254億元及人民幣0.254億元作為新增資本。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

17 SUBSIDIARIES (Continued)

(a) General information of principal subsidiaries (Continued)

Notes: (Continued)

- (x) In January 2019, the registered capital of TPR (Nanning) has been increased by RMB126 million to RMB376 million. TPL and TPI contributed such additional capital in cash in the amount of RMB100.8 million and RMB25.2 million, respectively, in portion to their respect equity interest in TPR (Nanning).
- (xi) In April 2019, the registered capital of 北京太平廣安置業有限公司 has been increased by RMB170 million to RMB2,200 million. TPL has contributed such additional capital in cash.
- (xii) In July 2019, the registered capital of TPR (Hainan) has been increased by RMB235 million to RMB1,131.42 million. TPL has contributed such additional capital in cash.
- (xiii) During 2019, the registered capital of TPR (Guangzhou) has been increased by RMB2,119.86 million to RMB2,160 million. TPL, TPI and TPP contributed such additional capital in cash in the amount of RMB1,581.42 million, RMB423.97 million and RMB114.47 million, respectively, in portion to their respect equity interest in TPR (Guangzhou).
- (xiv) In July 2019, TPR (Jinan) was established in PRC by TPL, TPI and TPP.
- (xv) In December 2019, the Company has entered into the share purchase agreements with TPG (HK) to acquire 49,000,000 shares in Tellon, representing 49% of the entire issued share capital of Tellon. The details of the transaction are disclosed in Note 49B(i)(a).

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. The principal activities of these subsidiaries are summarised as follows:

Principal activities 主要業務	Principal place of business 主要經營地點	Number of subsidiaries At 31 December 附屬公司數目 於12月31日	
		2019	2018
Investment holding 投資控股	Hong Kong 香港	28	27
	Macau 澳門	1	1
	PRC 中國	2	2
	United States 美國	1	1
		32	31

17 附屬公司 (續)

(a) 主要附屬公司的一般資料 (續)

註：(續)

- (x) 於2019年1月，南寧置業的註冊資本增加人民幣1.26億元至人民幣3.76億元。太平人壽及太平財險按各自於南寧置業的權益比例分別以現金投入人民幣1.008億元及人民幣0.252億元作為新增資本。
- (xi) 於2019年4月，北京太平廣安置業有限公司的註冊資本增加人民幣1.7億元至人民幣22億元。太平人壽以現金增入該等額外新增資本。
- (xii) 於2019年7月，海南置業的註冊資本增加人民幣2.35億元至人民幣11.3142億元。太平人壽以現金增入該等額外新增資本。
- (xiii) 於2019年，廣州置業的註冊資本增加人民幣21.1986億元至人民幣21.6億元。太平人壽、太平財險及太平養老按各自於廣州置業的權益比例分別以現金投入人民幣15.8142億元、人民幣4.2397億元及人民幣1.1447億元作為新增資本。
- (xiv) 於2019年7月，太平人壽、太平財險與太平養老於中國成立濟南置業。
- (xv) 於2019年12月，本公司與中國太平保險集團（香港）訂立股權買賣協議，收購澤鴻49,000,000股股份，相當於澤鴻全部已發行股份的49%。交易詳情於附註49B(i)(a)內披露。

於報告期期末，本公司有其他對本集團不重大的附屬公司。該等附屬公司之主要業務概述如下：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

17 SUBSIDIARIES (Continued)

17 附屬公司 (續)

(a) General information of principal subsidiaries (Continued)

(a) 主要附屬公司的一般資料 (續)

Principal activities 主要業務	Principal place of business 主要經營地點	Number of subsidiaries At 31 December 附屬公司數目 於12月31日	
		2019	2018
Insurance broker 保險經紀	PRC 中國	1	1
Insurance broker 保險經紀	United Kingdom 英國	2	2
Insurance broker 保險經紀	United States 美國	1	1
Back-to-back financing 背對背融資	Hong Kong 香港	–	3
Financial advisory services 金融諮詢服務	Hong Kong 香港	1	1
Financial leasing 金融租賃	PRC 中國	39	21
Inactive 休眠	Hong Kong 香港	13	12
Inactive 休眠	PRC 中國	2	1
Nominee services 代理人服務	Hong Kong 香港	1	1
Money lending and property investment 借貸及物業投資	Hong Kong 香港	2	2
Property investment 物業投資	Hong Kong 香港	15	15
Property investment 物業投資	PRC 中國	1	2
Property management 物業管理	PRC 中國	3	3
Provision of back office service 提供後援運營服務	PRC 中國	2	1
Provision of internal audit services 提供內部審核服務	PRC 中國	1	1
Provision of insurance claim survey services 提供保險索償調查服務	Hong Kong 香港	1	1
Provision of management services for investment funds 提供投資基金管理服務	PRC 中國	2	2
Provision of property agency services 提供物業代理服務	Hong Kong 香港	1	1
Provision of trust services 提供信託服務	Hong Kong 香港	1	1
		121	103

Details of non-wholly owned subsidiaries that have material non-controlling interests to the Group were disclosed in Note 17(b) below.

對本集團有重大非控股權益的非全資附屬公司詳情於附註17(b)披露。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

17 SUBSIDIARIES (Continued)

(b) Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly-owned subsidiaries of the Group that had material non-controlling interests:

Name of subsidiary 附屬公司名稱	Place of incorporation and principal place of business 註冊成立及主要經營地點	Proportion of ownership interests and voting rights held by non-controlling interests 非控股股東權益應佔權益百分比及投票權		Profit allocated to non-controlling interests 分配至非控股股東權益的溢利		Accumulated non-controlling interests 累計非控股股東權益	
		2019	2018	At 31 December 於12月31日		2019	2018
				\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Taiping Life Insurance Company Limited 太平人壽保險有限公司	PRC 中國	24.90%	24.90%	3,233,592	1,649,825	13,556,215	8,887,572
Taiping & Sinopec Financial Leasing Co. Ltd. 太平石化金融租賃有限責任公司	PRC 中國	62.45%	62.45%	380,743	198,113	3,793,973	3,496,703
Individually insignificant subsidiaries with non-controlling interests 單項金額不重大的附屬公司之非控股股東權益						399,172	2,281,597
						17,749,360	14,665,872

17 附屬公司 (續)

(b) 有重大非控股權益之非全資附屬公司的詳情

下表載列有重大非控股權益之非全資附屬公司的詳情：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

17 SUBSIDIARIES (Continued)

(b) Details of non-wholly owned subsidiaries that have material non-controlling interests (Continued)

Summarised financial information in respect of the Group's subsidiaries that had material non-controlling interests are disclosed below. The summarised financial information below represented amounts before intragroup eliminations.

Taiping Life Insurance Company Limited

		At 31 December 於12月31日	
		2019 \$'000 千元	2018 \$'000 千元
Total assets	總資產	669,115,341	536,097,045
Total liabilities	總負債	614,144,801	499,868,715
Net assets	淨資產	54,970,540	36,228,330
		Year ended 31 December 截至12月31日止年度	
		2019 \$'000 千元	2018 \$'000 千元
Total premiums written	總保費	160,587,393	146,421,024
Total income	收入總額	185,194,975	162,833,578
Total expenses	費用總額	172,202,406	156,189,350
Profit for the year	本年度溢利	12,992,569	6,644,228
Other comprehensive income for the year	本年度其他全面收益	7,703,674	(6,890,903)
Total comprehensive income for the year	本年度全面收益總額	20,696,243	(246,675)
Total comprehensive income allocated to non-controlling interests	非控股股東應佔本年度全面收益總額	5,402,767	(61,422)
Dividends paid to non-controlling interests	向非控股股東支付的股息	486,793	580,865
Net cash inflow from operating activities	來自經營業務之現金流入淨額	92,801,908	62,387,607
Net cash outflow used in investing activities	來自投資業務之現金流出淨額	(101,218,766)	(73,707,155)
Net cash inflow from financing activities	來自融資活動的現金流入淨額	8,750,774	5,901,572
Net cash inflow/(outflow)	現金流入/(流出)淨額	333,916	(5,417,976)

17 附屬公司 (續)

(b) 有重大非控股權益之非全資附屬公司的詳情 (續)

有關本集團之附屬公司有重大非控股股東權益之財務資料概要披露如下。下列之財務資料概要為分部內抵銷前之金額。

太平人壽保險有限公司

		At 31 December 於12月31日	
		2019 \$'000 千元	2018 \$'000 千元
Total assets	總資產	669,115,341	536,097,045
Total liabilities	總負債	614,144,801	499,868,715
Net assets	淨資產	54,970,540	36,228,330
		Year ended 31 December 截至12月31日止年度	
		2019 \$'000 千元	2018 \$'000 千元
Total premiums written	總保費	160,587,393	146,421,024
Total income	收入總額	185,194,975	162,833,578
Total expenses	費用總額	172,202,406	156,189,350
Profit for the year	本年度溢利	12,992,569	6,644,228
Other comprehensive income for the year	本年度其他全面收益	7,703,674	(6,890,903)
Total comprehensive income for the year	本年度全面收益總額	20,696,243	(246,675)
Total comprehensive income allocated to non-controlling interests	非控股股東應佔本年度全面收益總額	5,402,767	(61,422)
Dividends paid to non-controlling interests	向非控股股東支付的股息	486,793	580,865
Net cash inflow from operating activities	來自經營業務之現金流入淨額	92,801,908	62,387,607
Net cash outflow used in investing activities	來自投資業務之現金流出淨額	(101,218,766)	(73,707,155)
Net cash inflow from financing activities	來自融資活動的現金流入淨額	8,750,774	5,901,572
Net cash inflow/(outflow)	現金流入/(流出)淨額	333,916	(5,417,976)

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

17 SUBSIDIARIES (Continued)

(b) Details of non-wholly owned subsidiaries that have material non-controlling interests (Continued)

Taiping & Sinopec Financial Leasing Co. Limited

		At 31 December 於12月31日	
		2019 \$'000 千元	2018 \$'000 千元
Total assets	總資產	53,657,546	55,210,720
Total liabilities	總負債	46,469,560	48,473,878
Net assets	淨資產	7,187,986	6,736,842
		Year ended 31 December 截至12月31日止年度	
		2019 \$'000 千元	2018 \$'000 千元
Total income	收入總額	3,095,438	2,634,108
Total expenses	費用總額	2,485,761	2,316,874
Profit for the year	本年度溢利	609,677	317,234
Other comprehensive income for the year	本年度其他全面收益	(158,532)	(316,128)
Total comprehensive income for the year	本年度全面收益總額	451,145	1,106
Total comprehensive income allocated to non-controlling interests	非控股股東應佔本年度全面收益總額	297,269	31,666
Dividends paid to non-controlling interests	向非控股股東支付的股息	-	-
Net cash inflow/(outflow) from operating activities	來自經營業務之現金流入/(流出)淨額	(2,877,946)	2,745,961
Net cash outflow used in investing activities	來自投資業務之現金流出淨額	(2,061,848)	(2,023,756)
Net cash inflow from financing activities	來自融資活動之現金流入淨額	4,465,382	-
Net cash inflow/(outflow)	現金流入/(流出)淨額	(474,412)	722,205

17 附屬公司 (續)

(b) 有重大非控股權益之非全資附屬公司的詳情 (續)

太平石化金融租賃有限責任公司

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

18 INTERESTS IN ASSOCIATES AND JOINT VENTURES

18 於聯營公司及合營公司的權益

(a) Interests in associates

(a) 於聯營公司的權益

		At 31 December 於12月31日	
		2019	2018
		\$'000	\$'000
		千元	千元
Unlisted shares, at cost	非上市股份，成本	11,319,474	7,661,308
Share of post-acquisition profits and other comprehensive income, net of dividends received	應佔購入後的溢利及其他全面收益，減去已收股息	2,539,313	1,103,435
		13,858,787	8,764,743

Details of the Group's principal associates at the end of the reporting period are as follows:

於報告期末，本集團重大聯營公司詳情如下：

Name of associates 聯營公司名稱	Place of incorporation and operation 註冊成立及經營地點	Proportion of ownership interests held by the Group 本集團應佔權益百分比		Principal activities 主要業務
		At 31 December 於12月31日 2019	2018	
Shanghai Rural Commercial Bank Co., Ltd. (note) 上海農村商業銀行股份有限公司 ("上海農商行") (註)	PRC 中國	4.78%		- Banking 銀行業務
Taiping Financial Services Co. Ltd. 太平金融服務有限公司	PRC 中國	48%	48%	E-commerce for insurance 有關保險之電子商務
China Create Fund 中創基金	BVI/Hong Kong 英屬維爾京群島/ 香港	80%	80%	Property investment 物業投資

Note:

The Group invested Shanghai Rural Commercial Bank Co., Ltd. in March 2019. The Group has significant influence over Shanghai Rural Commercial Bank Co., Ltd. through a group representative being a director of Shanghai Rural Commercial Bank Co., Ltd. As such, the interest in this associate is accounted for using the equity method.

註：

本集團於2019年3月投資上海農商行，並通過委派一位董事對上海農商行實施重大影響。因此將其確認為聯營公司，以權益法核算。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

18 INTERESTS IN ASSOCIATES AND JOINT VENTURES (Continued)

(a) Interests in associates (Continued)

Summarised financial information of principal associates

1. Shanghai Rural Commercial Bank Co., Ltd.

18 於聯營公司及合營公司的權益 (續)

(a) 於聯營公司的權益 (續)

重大聯營公司的財務資料概要

1. 上海農商行

		At 31 December 2019 於2019年 12月31日 \$'000 千元
Total assets	總資產	997,864,477
Total liabilities	總負債	924,057,591
Net assets	淨資產	73,806,886
		Year ended 31 December 2019 截至2019年 12月31日止年度 \$'000 千元
Total income	收入總額	22,642,904
Net profit for the year	本年度淨溢利	12,256,760
Other comprehensive income for the year	本年度其他全面收益	(444,386)
Total comprehensive income for the year	本年度全面收益總額	11,812,374
Dividend received from the associate	收取聯營公司股息	87,303

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

18 INTERESTS IN ASSOCIATES AND JOINT VENTURES (Continued)

(a) Interests in associates (Continued)

Summarised financial information of principal associates (Continued)

1. Shanghai Rural Commercial Bank Co., Ltd. (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the interests in Shanghai Rural Commercial Bank Co., Ltd. recognised in the consolidated financial statements:

		At 31 December 2019 於2019年 12月31日 千元 \$'000
Net assets of the associate	聯營公司淨資產	73,806,886
Proportion of the Group's shareholders' interests in the associate	本集團持有聯營公司權益百分比	4.78%
Carrying amount of the Group's interests in the associate	本集團持有聯營公司的賬面值	3,527,969

2. Taiping Financial Services Co. Ltd.

		At 31 December 於12月31日 2019 \$'000 千元	2018 \$'000 千元
Total assets	總資產	1,416,851	1,574,269
Total liabilities	總負債	62,479	115,732
Net assets	淨資產	1,354,372	1,458,537

18 於聯營公司及合營公司的權益 (續)

(a) 於聯營公司的權益 (續)

重大聯營公司的財務資料概要 (續)

1. 上海農商行 (續)

上述財務資料概要與本綜合財務報告中確認的上海農商行賬面值之對賬如下：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

18 INTERESTS IN ASSOCIATES AND JOINT VENTURES (Continued)

(a) Interests in associates (Continued)

Summarised financial information of principal associates (Continued)

2. Taiping Financial Services Co. Ltd. (Continued)

		Year ended 31 December 截至12月31日止年度	
		2019 \$'000 千元	2018 \$'000 千元
Total income	收入總額	208,705	298,037
Net profit/(loss) for the year	本年度淨溢利/(虧損)	(108,670)	5,807
Other comprehensive income for the year	本年度其他全面收益	(49,716)	(24,934)
Total comprehensive income for the year	本年度全面收益總額	(158,386)	(19,127)
Dividend received from the associate	收取聯營公司股息	-	-

Reconciliation of the above summarised financial information to the carrying amount of the interests in Taiping Financial Services Co. Ltd. recognised in the consolidated financial statements:

(a) 於聯營公司的權益 (續)

重大聯營公司的財務資料概要 (續)

2. 太平金融服務有限公司 (續)

上述財務資料概要與本綜合財務報告中確認的太平金融服務有限公司賬面值之對賬如下：

		At 31 December 於12月31日	
		2019 \$'000 千元	2018 \$'000 千元
Net assets of the associate	聯營公司淨資產	1,354,372	1,458,537
Proportion of the Group's shareholders' interests in the associate	本集團持有聯營公司權益百分比	48%	48%
Share of net assets of the associate	佔聯營公司的淨資產	648,111	700,098
Remeasurement of retained interest upon recognition of interests in the associate (Note 45)	確認為聯營公司時重新計量的保留權益 (附註45)	791,656	815,593
Carrying amount of the Group's interests in the associate	本集團持有聯營公司的賬面值	1,439,767	1,515,691

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

18 INTERESTS IN ASSOCIATES AND JOINT VENTURES (Continued)

(a) Interests in associates (Continued)

Summarised financial information of principal associates (Continued)

3. China Create Fund

The net asset of the fund as at 31 December 2019 amounted to approximately \$3.3 billion. The fund invested in a property with a market value of \$11.5 billion, funded by unitholders' contributions and bank borrowings. The share of profits of the fund by the unitholders is based on the terms and conditions of the unitholders agreement of the fund. The share of profits of the fund by the Group for the year ended 31 December 2019 amounted to \$1.2 billion.

Aggregate information of associates that are not individually material

		Year ended 31 December 截至12月31日止年度	
		2019 \$'000 千元	2018 \$'000 千元
The Group's share of net profit for the year	本集團應佔本年度淨溢利	47,093	144,553
The Group's share of other comprehensive income for the year	本集團應佔本年度其他全面收益	(106,763)	(212,215)
The Group's share of total comprehensive income for the year	本集團應佔本年度全面收益總額	(59,670)	(67,662)

18 於聯營公司及合營公司的權益 (續)

(a) 於聯營公司的權益 (續)

重大聯營公司的財務資料概要 (續)

3. 中創創基金

於2019年12月31日，基金淨資產約33億元。通過基金單位持有人出資和銀行貸款提供的資金，該基金投資了市值115億元的房地產。基金單位持有人應佔利潤是根據基金單位持有人協議的條款和條件確定的。截至2019年12月31日止年度，本集團應佔該基金的利潤為12億元。

單獨為不重大的聯營公司累計財務資料

Year ended 31 December 截至12月31日止年度

2019 \$'000 千元	2018 \$'000 千元
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The Group's share of net profit for the year	本集團應佔本年度淨溢利	47,093	144,553
The Group's share of other comprehensive income for the year	本集團應佔本年度其他全面收益	(106,763)	(212,215)
The Group's share of total comprehensive income for the year	本集團應佔本年度全面收益總額	(59,670)	(67,662)

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

18 INTERESTS IN ASSOCIATES AND JOINT VENTURES (Continued)

18 於聯營公司及合營公司的權益 (續)

(b) Interests in joint ventures

(b) 於合營公司的權益

		At 31 December 於12月31日	
		2019 \$'000 千元	2018 \$'000 千元
Unlisted shares, at cost	非上市股份，成本	2,273,421	1,629,257
Share of post-acquisition profits and other comprehensive income, net of dividends received	應佔購入後的溢利及其他全面收益，減去已收股息	89,223	16,875
		2,362,644	1,646,132

Details of the Group's principal joint ventures at the end of the reporting period are as follows:

於報告期末，本集團重大合營公司詳情如下：

Name of joint ventures 合營公司名稱	Place of incorporation and operation 註冊成立及經營地點	Proportion of ownership interests held by the Group 本集團應佔權益百分比		Principal activities 主要業務
		At 31 December 於12月31日		
		2019	2018	
Coldharbour Fund I L.P.	Cayman Islands/ United States 開曼群島/美國	80%	80%	Investment holding 投資控股
Suzhou Taipingguofa Dinghong Investment Partnership L.P. ("Taipingguofa Dinghong Investment") 蘇州太平國發鼎鴻投資企業 (有限合伙) (“太平國發鼎鴻投資”)	PRC 中國	70%	70%	Investment holding 投資控股

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

18 INTERESTS IN ASSOCIATES AND JOINT VENTURES (Continued)

(b) Interests in joint ventures (Continued)

Summarised financial information of principal joint ventures

1. Coldharbour Fund I L.P.

		At 31 December 於12月31日	
		2019 \$'000 千元	2018 \$'000 千元
Total assets	總資產	552,678	473,510
Total liabilities	總負債	613	1,359
Net assets	淨資產	552,065	472,151
		Year ended 31 December 截至12月31日止年度	
		2019 \$'000 千元	2018 \$'000 千元
Total income	收入總額	104,341	1,978
Net profit/(loss) for the year	本年度淨溢利／(虧損)	79,524	(1,672)
Other comprehensive income for the year	本年度其他全面收益	5,774	7,018
Total comprehensive income for the year	本年度全面收益總額	85,298	5,346
Dividend received from the joint venture	收取合營公司股息	—	—

18 於聯營公司及合營公司的權益 (續)

(b) 於合營公司的權益 (續)

重大合營公司的財務資料概要

1. Coldharbour Fund I L.P.

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

18 INTERESTS IN ASSOCIATES AND JOINT VENTURES (Continued)

(b) Interests in joint ventures (Continued)

Summarised financial information of principal joint ventures (Continued)

1. Coldharbour Fund I L.P. (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the interests in Coldharbour Fund I L.P. recognised in the consolidated financial statements:

		At 31 December 於12月31日	
		2019 \$'000 千元	2018 \$'000 千元
Net assets of the joint venture	合營公司淨資產	552,065	472,151
Proportion of the Group's shareholders' interests in the joint venture	本集團持有合營公司權益百分比	80%	80%
Carrying amount of the Group's interests in the joint venture	本集團持有合營公司的賬面值	441,652	377,721

2. Taipingguofa Dinghong Investment

		At 31 December 於12月31日	
		2019 \$'000 千元	2018 \$'000 千元
Total assets	總資產	927,086	916,196
Total liabilities	總負債	-	6,548
Net assets	淨資產	927,086	909,648

18 於聯營公司及合營公司的權益 (續)

(b) 於合營公司的權益 (續)

重大合營公司的財務資料概要 (續)

1. Coldharbour Fund I L.P. (Continued)

上述財務資料概要與本綜合財務報告中確認的Coldharbour Fund I L.P.賬面值之對賬如下：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

18 INTERESTS IN ASSOCIATES AND JOINT VENTURES (Continued)

(b) Interests in joint ventures (Continued)

Summarised financial information of principal joint ventures (Continued)

2. Taipingguofa Dinghong Investment (Continued)

		Year ended 31 December 截至12月31日止年度	
		2019 \$'000 千元	2018 \$'000 千元
Total income	收入總額	45,234	48,336
Net profit for the year	本年度淨溢利	43,213	46,198
Other comprehensive income for the year	本年度其他全面收益	13,535	(43,881)
Total comprehensive income for the year	本年度全面收益總額	56,748	2,317
Dividend received from the joint venture	收取合營公司股息	30,998	32,263

Reconciliation of the above summarised financial information to the carrying amount of the interests in Taipingguofa Dinghong Investment recognised in the consolidated financial statements:

(b) 於合營公司的權益 (續)

重大合營公司的財務資料概要 (續)

2. 太平國發鼎鴻投資 (續)

上述財務資料概要與本綜合財務報告中確認的太平國發鼎鴻投資賬面值之對賬如下：

		At 31 December 於12月31日	
		2019 \$'000 千元	2018 \$'000 千元
Net assets of the joint venture	合營公司淨資產	927,086	909,648
Proportion of the Group's shareholders' interests in the joint venture	本集團持有合營公司權益百分比	70%	70%
Carrying amount of the Group's interests in the joint venture	本集團持有合營公司的賬面值	648,952	636,753

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

18 INTERESTS IN ASSOCIATES AND JOINT VENTURES (Continued)

(b) Interests in joint ventures (Continued)

Aggregate information of joint ventures that are not individually material

		Year ended 31 December 截至12月31日止年度	
		2019 \$'000 千元	2018 \$'000 千元
The Group's share of net profit for the year	本集團應佔本年度淨溢利	52,054	13,485
The Group's share of other comprehensive income for the year	本集團應佔本年度其他全面收益	4,638	(5,080)
The Group's share of total comprehensive income for the year	本集團應佔本年度全面收益總額	56,692	8,405

18 於聯營公司及合營公司的權益 (續)

(b) 於合營公司的權益 (續)

單獨為不重大的合營公司累計財務資料

19 INVESTMENTS IN DEBT AND EQUITY SECURITIES

19 債務及股本證券投資

		At 31 December 2019 於2019年 12月31日 \$'000 千元	At 31 December 2018 於2018年 12月31日 \$'000 千元
Debt securities (Note (i))	債務證券 (註(i))	353,639,318	289,298,554
Equity securities (Note (ii))	股本證券 (註(ii))	91,751,307	45,721,498
Investment funds (Note (iii))	投資基金 (註(iii))	40,672,674	29,977,907
Debt products (Note (iv))	債權產品 (註(iv))	118,301,023	96,930,109
		604,364,322	461,928,068

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

19 INVESTMENTS IN DEBT AND EQUITY SECURITIES (Continued)

19 債務及股本證券投資 (續)

		At 31 December 2019 於2019年 12月31日 \$'000 千元	At 31 December 2018 於2018年 12月31日 \$'000 千元
Note (i) Debt securities	註(i) 債務證券		
Held-to-maturity:	持有至到期日:		
– Listed in Hong Kong	– 在香港上市	16,514,886	13,000,585
– Listed outside Hong Kong	– 在香港以外地區上市	86,091,634	55,974,313
– Unlisted	– 非上市	164,535,359	150,391,358
		267,141,879	219,366,256
Issued by:	由以下機構發行:		
Government and central banks	政府及中央銀行	63,063,565	56,321,950
Banks and other financial institutions	銀行及其他金融機構	119,330,992	102,188,671
Corporate entities	企業實體	84,747,322	60,855,635
		267,141,879	219,366,256
Available-for-sale:	可供出售:		
– Listed in Hong Kong	– 在香港上市	1,145,447	4,094,973
– Listed outside Hong Kong	– 在香港以外地區上市	24,132,670	21,375,397
– Unlisted	– 非上市	45,659,010	34,713,837
		70,937,127	60,184,207
Issued by:	由以下機構發行:		
Government and central banks	政府及中央銀行	13,497,136	9,992,221
Banks and other financial institutions	銀行及其他金融機構	14,989,889	18,536,638
Corporate entities	企業實體	42,450,102	31,655,348
		70,937,127	60,184,207
Held-for-trading:	持有作交易用途:		
– Listed in Hong Kong	– 在香港上市	663,364	–
– Listed outside Hong Kong	– 在香港以外地區上市	4,030,899	1,433,737
– Unlisted	– 非上市	10,708,108	7,987,346
		15,402,371	9,421,083
Issued by:	由以下機構發行:		
Government and central banks	政府及中央銀行	555,765	49,733
Banks and other financial institutions	銀行及其他金融機構	7,667,852	5,546,824
Corporate entities	企業實體	7,178,754	3,824,526
		15,402,371	9,421,083

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

19 INVESTMENTS IN DEBT AND EQUITY SECURITIES (Continued)

19 債務及股本證券投資 (續)

		At 31 December 2019 於2019年 12月31日 \$'000 千元	At 31 December 2018 於2018年 12月31日 \$'000 千元
Note (i) Debt securities (Continued)	註(i) 債務證券 (續)		
Designated at fair value through profit or loss:	指定為通過損益以反映公允價值：		
– Listed in Hong Kong	– 在香港上市	95,878	178,450
– Listed outside Hong Kong	– 在香港以外地區上市	62,063	148,558
		157,941	327,008
Issued by:	由以下機構發行：		
Banks and other financial institutions	銀行及其他金融機構	–	84,155
Corporate entities	企業實體	157,941	242,853
		157,941	327,008
Total debt securities	債務證券總額	353,639,318	289,298,554

The held-to-maturity debt securities include an amount of \$4,706,287,000 (2018: \$4,393,939,000) which will mature within one year. None of the securities are past due or impaired.

The fair value of the unlisted debt securities classified as held-to-maturity and available-for-sale were mainly determined by generally accepted pricing models including discounted cash flow technique.

持有至到期日的債務證券包括價值4,706,287,000元(2018年: 4,393,939,000元)的債務證券,將於一年內到期。沒有證券逾期或減值。

持有至到期日及可供出售的非上市證券之公允價值乃主要根據包括折算現金流量方法之公認定價模式而釐定。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

19 INVESTMENTS IN DEBT AND EQUITY SECURITIES (Continued)

19 債務及股本證券投資 (續)

		At 31 December 2019 於2019年 12月31日 \$'000 千元	At 31 December 2018 於2018年 12月31日 \$'000 千元
Note (ii) Equity securities	註(ii) 股本證券		
Available-for-sale:	可供出售：		
– Listed in Hong Kong	– 在香港上市	14,375,460	2,083,523
– Listed outside Hong Kong	– 在香港以外地區上市	42,521,655	25,717,609
– Unlisted, at fair value	– 非上市，按公允價值	23,502,987	13,471,493
– Unlisted, at cost	– 非上市，按成本	547	545
		80,400,649	41,273,170
Held-for-trading:	持有作交易用途：		
– Listed in Hong Kong	– 在香港上市	464,611	331,651
– Listed outside Hong Kong	– 在香港以外地區上市	9,769,763	3,027,455
		10,234,374	3,359,106
Designated at fair value through profit or loss:	指定為通過損益以反映公允價值：		
– Unlisted	– 非上市	1,116,284	1,089,222
Total equity securities	股本證券總額	91,751,307	45,721,498

The unlisted equity securities are issued by private entities incorporated in Macau and Indonesia. In connection with the unlisted equity securities measured at cost at the end of the reporting period, the management considers that their fair values cannot be measured reliably.

非上市股本證券由澳門及印尼註冊成立之私人機構發行。有關按成本計量之非上市股本證券，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)
(以港元列示)

19 INVESTMENTS IN DEBT AND EQUITY SECURITIES (Continued)

19 債務及股本證券投資 (續)

		At 31 December 2019 於2019年 12月31日 \$'000 千元	At 31 December 2018 於2018年 12月31日 \$'000 千元
Note (iii) Investment funds	註(iii) 投資基金		
Available-for-sale:	可供出售：		
– Listed in Hong Kong	– 在香港上市	1,458,016	1,594,625
– Listed outside Hong Kong	– 在香港以外地區上市	30,518	86,689
– Unlisted, at fair value	– 非上市，按公允價值	27,972,017	12,952,075
		29,460,551	14,633,389
Held-for-trading:	持有作交易用途：		
– Listed outside Hong Kong	– 在香港以外地區上市	1,879,237	6,375,752
– Unlisted	– 非上市	2,047,049	1,468,728
		3,926,286	7,844,480
Loans and receivables:	貸款及應收款項		
– Unlisted	– 非上市	7,285,837	7,500,038
Total investment funds	投資基金總額	40,672,674	29,977,907

The Group invests in open-ended or close-ended investment funds with underlying assets of equity, bond or composite funds.

本集團投資開放式或封閉式投資基金，其相關資產包括股票、債券或綜合基金。

		At 31 December 2019 於2019年 12月31日 \$'000 千元	At 31 December 2018 於2018年 12月31日 \$'000 千元
Note (iv) Debt products	註(iv) 債權產品		
Loans and receivables:	貸款及應收款項：		
– Unlisted	– 非上市	118,301,023	96,930,109

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

19 INVESTMENTS IN DEBT AND EQUITY SECURITIES (Continued)

Note (iv) Debt products (Continued)

The debt products include debt investments and relevant financial products on infrastructure and property development projects in the PRC and other financial products such as trust schemes and bank financial products, managed by affiliated or unaffiliated asset managers. The debt products will mature from 2020 to 2032 (2018: 2019 to 2032) and bear interest ranging from 2% to 12% (2018: 2% to 12%) per annum. As at 31 December 2019, the majority of debt products held by the Group had PRC credit ratings of AA or above. The fair value of the debt products is determined with reference to the estimated cash flows discounted using current market interest rates as at the end of the reporting period.

The Group has determined that the above interests in debt products are investments in unconsolidated structured entities. As at 31 December 2019, the Group's funding provided and maximum exposure to these unconsolidated structured entities equals the carrying values of the debt products. The size of these debt products amounted to \$433 billion as at 31 December 2019 (2018: \$409 billion).

Analysed for reporting purposes as:

19 債務及股本證券投資 (續)

註(iv) 債權產品 (續)

債權產品包括位於中國的基建設施和房地產的債權及相關金融產品及其他金融產品，如信託計劃及銀行理財產品等，由關聯或無關聯資產管理公司管理。債權產品將於2020年至2032年(2018年：2019年至2032年)到期，其利率為每年2%至12%(2018年：2%至12%)。於2019年12月31日，本集團持有之主要債權產品的境內信用評級為AA級或以上。債權產品之公允價值乃參考於報告期末按目前市場利率之折算現金流量分析而釐定。

本集團確認上述債權產品的權益為投資於未合併的結構化實體。於2019年12月31日，本集團對未合併的結構化實體提供的資金及最大風險金額相等於債權產品的賬面值。該等債權產品於2019年12月31日的規模為4,330億元(2018年：4,090億元)。

就呈報目的分析：

		At 31 December 2019 於2019年 12月31日 \$'000 千元	At 31 December 2018 於2018年 12月31日 \$'000 千元
Held-to-maturity	持有至到期日		
– Current	– 當期	4,706,287	4,393,939
– Non-current	– 非當期	262,435,592	214,972,317
Available-for-sale	可供出售		
– Current	– 當期	95,901,833	48,151,297
– Non-current	– 非當期	84,896,494	67,939,469
Held-for-trading	持有作交易用途		
– Current	– 當期	29,563,031	20,624,669
Designated at fair value through profit or loss	指定為通過損益以反映公允價值		
– Current	– 當期	1,190,305	327,008
– Non-current	– 非當期	83,920	1,089,222
Loans and receivables	貸款及應收款項		
– Current	– 當期	15,367,611	10,465,707
– Non-current	– 非當期	110,219,249	93,964,440
		604,364,322	461,928,068

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

19 INVESTMENTS IN DEBT AND EQUITY SECURITIES (Continued)

As at 31 December 2019, investments in debt and equity securities with total carrying amounts of \$682,610,000 (2018: \$681,017,000) have been pledged in favour of AMCM to guarantee the technical reserves in accordance with the Macau Insurance Ordinance.

As at 31 December 2019, investments in debt and equity securities with total carrying amounts of \$9,864,000 (2018: \$9,908,000) have been set aside as guarantee fund, pursuant to Regulation of the Minister of Finance of the Republic of Indonesia.

20 AMOUNTS DUE FROM/(TO) GROUP COMPANIES

(a) Due from group companies

Amount due from the ultimate holding company	應收最終控股公司款項
Amount due from the immediate holding company	應收直屬控股公司款項
Amounts due from fellow subsidiaries	應收同系附屬公司款項

The amounts due from fellow subsidiaries included \$2,000,000,000 (2018: \$2,000,000,000), which is unsecured, repayable within five years and carrying interest at fixed interest rates ranging from 5.20% to 5.30% (2018: 5.20% to 5.30%) per annum.

The remaining amounts due from group companies are unsecured, interest free and repayable on demand.

19 債務及股本證券投資 (續)

於2019年12月31日，賬面值為682,610,000元(2018年：681,017,000元)的債務及股本證券投資已根據澳門保險活動管制法例抵押予澳門金融管理局，作為對技術準備金的擔保。

於2019年12月31日，賬面值為9,864,000元(2018年：9,908,000元)的債務及股本證券投資已根據印度尼西亞共和國財政部監管規定，預留為保證基金。

20 應收／(應付)集團內公司款項

(a) 應收集團內公司款項

At 31 December 2019 於2019年 12月31日 \$'000 千元	At 31 December 2018 於2018年 12月31日 \$'000 千元
6,992	7,148
7,136	8,256
2,010,638	2,010,098
2,024,766	2,025,502

應收同系附屬公司款項包括2,000,000,000元(2018年：2,000,000,000元)，為無抵押、於五年內償還及年利率為固定利率5.20%至5.30%(2018年：5.20%至5.30%)。

其餘的應收集團內公司款項均為無抵押、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)
(以港元列示)

20 AMOUNTS DUE FROM/(TO) GROUP COMPANIES (Continued)

(b) Due to group companies

		At 31 December 2019 於2019年 12月31日 \$'000 千元	At 31 December 2018 於2018年 12月31日 \$'000 千元
Amount due to the ultimate holding company	應付最終控股公司款項	5,621	6,300
Amount due to the immediate holding company	應付直屬控股公司款項	11,984	12,081
		17,605	18,381

The amounts due to group companies are unsecured, interest free and repayable on demand.

(b) 應付集團內公司款項

		At 31 December 2019 於2019年 12月31日 \$'000 千元	At 31 December 2018 於2018年 12月31日 \$'000 千元
Amount due to the ultimate holding company	應付最終控股公司款項	5,621	6,300
Amount due to the immediate holding company	應付直屬控股公司款項	11,984	12,081
		17,605	18,381

應付集團內公司款項均為無抵押、免息，並須於要求時償還。

21 INSURANCE DEBTORS

		At 31 December 2019 於2019年 12月31日 \$'000 千元	At 31 December 2018 於2018年 12月31日 \$'000 千元
Amounts due from insurance customers	應收保險客戶款項	13,640,449	10,873,324
Less: allowance for impaired debts	減：減值賬款準備	(210,957)	(141,675)
		13,429,492	10,731,649
Deposits retained by cedants	分保人保留的按金	1,471,817	1,184,646
		14,901,309	11,916,295

As at 31 December 2019, the amounts of insurance debtors included \$13,406,535,000 (2018: \$10,664,884,000), which is expected to be recovered within one year.

21 保險客戶應收賬款

		At 31 December 2019 於2019年 12月31日 \$'000 千元	At 31 December 2018 於2018年 12月31日 \$'000 千元
Amounts due from insurance customers	應收保險客戶款項	13,640,449	10,873,324
Less: allowance for impaired debts	減：減值賬款準備	(210,957)	(141,675)
		13,429,492	10,731,649
Deposits retained by cedants	分保人保留的按金	1,471,817	1,184,646
		14,901,309	11,916,295

於2019年12月31日，保險客戶應收賬款包括一筆13,406,535,000元（2018年：10,664,884,000元）之款項，預期在一年內可以收回。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

21 INSURANCE DEBTORS (Continued)

(a) Ageing analysis

The following is an ageing analysis of the amounts due from insurance customers:

		At 31 December 2019 於2019年 12月31日 \$'000 千元	At 31 December 2018 於2018年 12月31日 \$'000 千元
Neither past due nor impaired	未逾期及未減值		
– Uninvoiced	– 未開具發票	2,861,020	4,585,774
– Current	– 現已到期	8,336,142	4,357,021
Past due but not impaired	已逾期但無減值		
– Less than 3 months	– 少於三個月	783,162	596,063
– More than 3 months but less than 12 months	– 超過三個月但少於十二個月	957,663	721,068
– More than 12 months	– 超過十二個月	491,505	471,723
Past due and impaired	已逾期及已減值	210,957	141,675
		13,640,449	10,873,324

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.

As at 31 December 2019, the amount of impaired debts is \$210,957,000 (2018: \$141,675,000). Various actions have been taken to recover the debts, but these debts have not been recovered and hence impairment is provided.

21 保險客戶應收賬款 (續)

(a) 賬齡分析

應收保險客戶款項賬齡分析如下：

	At 31 December 2019 於2019年 12月31日 \$'000 千元	At 31 December 2018 於2018年 12月31日 \$'000 千元
Neither past due nor impaired		
– Uninvoiced	2,861,020	4,585,774
– Current	8,336,142	4,357,021
Past due but not impaired		
– Less than 3 months	783,162	596,063
– More than 3 months but less than 12 months	957,663	721,068
– More than 12 months	491,505	471,723
Past due and impaired	210,957	141,675
	13,640,449	10,873,324

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商有關。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，因此毋須就該等結餘作出減值撥備。本集團並無就該等結餘持有任何抵押品。

於2019年12月31日，減值債務為210,957,000元(2018年：141,675,000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。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

21 INSURANCE DEBTORS (Continued)

(b) Movement in the allowance for impaired debts

		2019 \$'000 千元	2018 \$'000 千元
At 1 January	於1月1日	141,675	123,920
Recognition of impairment loss	減值確認	74,894	39,783
Uncollectible amounts written off	已撇銷不可收回金額	(2,909)	(16,596)
Exchange difference	匯兌差額	(2,703)	(5,432)
At 31 December	於12月31日	210,957	141,675

22 REINSURERS' SHARE OF INSURANCE CONTRACT PROVISIONS

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, property and casualty insurance, reinsurance and pension and group life insurance businesses.

		At 31 December 2019 於2019年 12月31日 \$'000 千元	At 31 December 2018 於2018年 12月31日 \$'000 千元
Life insurance contract liabilities (Note 27)	壽險合約負債 (附註27)	2,912,088	3,415,630
Unearned premium provisions (Note 28)	未到期責任準備金 (附註28)	3,689,590	3,930,912
Provision for outstanding claims (Note 29)	未決賠款準備 (附註29)	5,733,209	6,799,006
		12,334,887	14,145,548

23 FINANCE LEASE RECEIVABLES

		At 31 December 2019 於2019年 12月31日 \$'000 千元	At 31 December 2018 於2018年 12月31日 \$'000 千元
Finance lease receivables, net of unearned finance income	應收金融租賃·減未實現融資 收益	47,622,132	50,102,013
Less: Provision for impairment losses	減:減值準備	(1,627,315)	(1,394,989)
		45,994,817	48,707,024

As at 31 December 2019, finance lease receivables include the amounts of \$4,019,165,000 (2018: \$2,953,348,000) that were pledged to financial institutions as collateral in connection with banking facilities arrangements.

21 保險客戶應收賬款 (續)

(b) 減值賬款準備變動

		2019 \$'000 千元	2018 \$'000 千元
At 1 January	於1月1日	141,675	123,920
Recognition of impairment loss	減值確認	74,894	39,783
Uncollectible amounts written off	已撇銷不可收回金額	(2,909)	(16,596)
Exchange difference	匯兌差額	(2,703)	(5,432)
At 31 December	於12月31日	210,957	141,675

22 分保公司應佔保險合約準備

分保公司應佔保險合約準備份額·代表再保險公司於由人壽保險·財產保險·再保險及養老及團體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。

		At 31 December 2019 於2019年 12月31日 \$'000 千元	At 31 December 2018 於2018年 12月31日 \$'000 千元
Life insurance contract liabilities (Note 27)	壽險合約負債 (附註27)	2,912,088	3,415,630
Unearned premium provisions (Note 28)	未到期責任準備金 (附註28)	3,689,590	3,930,912
Provision for outstanding claims (Note 29)	未決賠款準備 (附註29)	5,733,209	6,799,006
		12,334,887	14,145,548

23 應收金融租賃

		At 31 December 2019 於2019年 12月31日 \$'000 千元	At 31 December 2018 於2018年 12月31日 \$'000 千元
Finance lease receivables, net of unearned finance income	應收金融租賃·減未實現融資 收益	47,622,132	50,102,013
Less: Provision for impairment losses	減:減值準備	(1,627,315)	(1,394,989)
		45,994,817	48,707,024

於2019年12月31日·應收金融租賃內包含為數4,019,165,000元(2018年:2,953,348,000元)的款項已抵押予金融機構作為銀行授信安排的抵押物。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

24 OTHER ASSETS

24 其他資產

		At 31 December 2019 於2019年 12月31日 \$'000 千元	At 31 December 2018 於2018年 12月31日 \$'000 千元
Other debtors and deposits	其他應收賬款及按金	18,167,951	16,242,170
Interest receivables from interest-bearing financial assets	帶利息金融資產之應收利息	8,851,980	7,820,443
Deposits for the purchase of property	購入物業之按金	390,512	2,327,453
Value-added tax prepaid	預付增值稅	1,316,780	1,230,305
Prepayments	預付款	837,668	812,165
Receivables from payment service providers	支付平台服務商應收款	528,085	657,766
Inventories (Note 15(a)) (note (i))	存貨 (附註15(a)) (註(i))	324,630	406,940
Tax certificate paid to Hong Kong Inland Revenue Department	支付予香港稅務局的儲稅券	162,199	290,971
Securities settlement fund	證券清算款	436,607	257,015
Rental and utility deposits	租金及公共事業按金	268,238	246,794
Receivables from operating lease (note (ii))	經營租賃租金應收款 (註(ii))	147,643	109,672
Prepayment for a capital investment	預付投資款	2,128,983	-
Others	其他	2,774,626	2,082,646
Loans and advances	貸款及墊款	60,311,756	48,759,113
Less: allowance for impaired debts	減：減值賬款準備	78,479,707 (276,297)	65,001,283 (79,995)
		78,203,410	64,921,288

Notes:

- (i) The Group's inventories comprise raw materials, product in progress, other supplemental materials and lands purchased that have been set to be used to build properties for sale by a subsidiary.
- (ii) As at 31 December 2019, receivables from operating lease include the amounts of \$63,176,000 (2018: Nil) that were pledged to financial institutions as collateral in connection with banking facilities arrangements.

註：

- (i) 本集團的存貨主要包括原材料、在建產品、週轉材料等以及子公司所購入的土地，並已決定將其用於建成以出售為目的的物業。
- (ii) 於2019年12月31日，經營租賃租金應收款內包含為數63,176,000元（2018年：無）的款項已抵押予金融機構作為銀行授信安排的抵押物。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

24 OTHER ASSETS (Continued)

(a) Movement in the allowance for impaired debts:

		2019 \$'000 千元	2018 \$'000 千元
At 1 January	於1月1日	79,995	41,293
Impairment losses recognised	已確認減值虧損	200,580	43,949
Impairment losses reversed	減值虧損回撥	-	(2,110)
Impairment losses written off	已撇銷減值虧損	(271)	(204)
Exchange difference	匯兌差異	(4,007)	(2,933)
At 31 December	於12月31日	276,297	79,995

As at 31 December 2019, the amount of impaired debts is \$276,297,000 (2018: \$79,995,000).

於2019年12月31日，減值賬款為276,297,000元(2018年：79,995,000元)。

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

		At 31 December 2019 於2019年 12月31日 \$'000 千元	At 31 December 2018 於2018年 12月31日 \$'000 千元	Interest rate 利率
Secured loans:	有抵押按揭貸款：			
- to policyholders	- 給予保單持有人	60,311,756	48,359,661	4.5% - 8.0%
Unsecured loans:	無抵押貸款：			
- to third parties	- 給予第三方	-	399,452	Not applicable 不適用
		60,311,756	48,759,113	
Analysed as:	分析：			
Current	當期	60,311,756	48,759,113	

24 其他資產 (續)

(a) 減值賬款準備變動：

		2019 \$'000 千元	2018 \$'000 千元
於1月1日		79,995	41,293
已確認減值虧損		200,580	43,949
減值虧損回撥		-	(2,110)
已撇銷減值虧損		(271)	(204)
匯兌差異		(4,007)	(2,933)
於12月31日		276,297	79,995

於2019年12月31日，減值賬款為276,297,000元(2018年：79,995,000元)。

(b) 貸款及墊款的還款期如下：

		At 31 December 2019 於2019年 12月31日 \$'000 千元	At 31 December 2018 於2018年 12月31日 \$'000 千元	Interest rate 利率
有抵押按揭貸款：				
- 給予保單持有人		60,311,756	48,359,661	4.5% - 8.0%
無抵押貸款：				
- 給予第三方		-	399,452	Not applicable 不適用
		60,311,756	48,759,113	
分析：				
當期		60,311,756	48,759,113	

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

25 PLEDGED AND RESTRICTED BANK DEPOSITS

As at 31 December 2019, the deposits at banks of \$447,170,000 (2018: \$430,067,000) are pledged to banks to secure letters of credit issued by the bank on behalf of the Group and to provide security in connection with a reinsurance arrangement.

As at 31 December 2019, the deposits at banks of \$299,328,000 (2018: \$241,554,000) are restricted from use and set aside as risk reserves, pursuant to the relevant PRC regulations.

In accordance with relevant regulations, a subsidiary which engages in financial leasing business is required to place reserve deposits with the People's Bank of China. As at 31 December 2019, the reserve deposits with the amount of \$226,165,000 (2018: \$71,901,000) are calculated at 6% (2018: 7%) of total deposits received. The reserve deposits are not available for use by the Group in its day to day operations.

All the pledged and restricted bank deposits are expected to be settled within one year.

26 CASH AND CASH EQUIVALENTS

25 已抵押及受限制銀行存款

於2019年12月31日，銀行存款中為數447,170,000元(2018年：430,067,000元)已抵押予銀行作為銀行代表本集團發出保函提供保證，以及為再保險安排作抵押。

於2019年12月31日，銀行存款中為數299,328,000元(2018年：241,554,000元)為受限制使用，根據中國有關規定撥為風險準備金。

本集團從事金融租賃業務的子公司按規定向中國人民銀行繳存存款準備金。於2019年12月31日，存款準備金共計226,165,000元(2018年：71,901,000元)，其繳存比例為已收取存款總額的6%(2018年：7%)。本集團的存放中央銀行存款準備金不能用於日常經營。

所有的已抵押及受限制銀行存款預計在1年內支付。

26 現金及現金等價物

		At 31 December 2019 於2019年 12月31日 \$'000 千元	At 31 December 2018 於2018年 12月31日 \$'000 千元
Deposits with banks and other financial institutions with original maturity less than three months	原到期日少於三個月的銀行及其他金融機構存款	5,034,115	5,232,850
Money market funds	貨幣市場基金	-	139
Cash at bank and on hand	銀行及庫存現金	22,783,541	22,294,831
Total	總額	27,817,656	27,527,820

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

27 LIFE INSURANCE CONTRACT LIABILITIES

27 壽險合約負債

		2019			2018		
		Gross	Reinsurers' share	Net	Gross	Reinsurers' share	Net
		總額	再保險	淨額	總額	再保險	淨額
		\$'000	公司份額	\$'000	\$'000	公司份額	\$'000
		千元	千元	千元	千元	千元	千元
Balance as at 1 January	於1月1日結餘	433,102,249	(3,415,630)	429,686,619	383,914,837	(507,880)	383,406,957
Premiums written during the year	年內承保保費	161,961,177	(1,461,693)	160,499,484	146,431,183	(4,908,689)	141,522,494
Benefits paid and others	給付支出及其他	(49,465,838)	1,945,370	(47,520,468)	(78,004,232)	1,968,353	(76,035,879)
Exchange difference	匯兌調整	(11,040,463)	19,865	(11,020,598)	(19,239,539)	32,586	(19,206,953)
Balance as at 31 December	於12月31日結餘	534,557,125	(2,912,088)	531,645,037	433,102,249	(3,415,630)	429,686,619

Material judgement is required in determining insurance contract liabilities and in choosing discount rates/investment return, mortality, morbidity, lapse rates, policy dividend, and expenses assumptions relating to long term life insurance contracts. Such assumptions should be determined based on current information available at the end of the reporting period.

By reference to the current information available and past experiences, the Group has updated the discount rate assumptions as at 31 December 2019 using a combination of base yield curves and corresponding spreads. This has resulted in a reduction of life insurance contract liabilities of \$2,518 million as at 31 December 2019. The Group has also updated the morbidity and other operational assumptions, and has resulted in an increase of life insurance contract liabilities of \$2,845 million as at 31 December 2019.

本集團在計量長期人身保險合同的保險責任準備金過程中須對折現率/投資收益率、死亡率、發病率、退保率、保單紅利假設及費用假設等作出合理估計與判斷。這些計量假設需以資產負債表日可獲取的當前資訊及過往實際經驗為基礎確定。

參考可獲取的當前資訊和過去的經驗，本集團採用基準收益率曲線及溢價組合對2019年12月31日的折現率假設進行更新。這些更新減少了2019年12月31日的壽險合約負債25.18億元。本集團也更新了發病率及其他營運假設，並增加了2019年12月31日的壽險合約負債28.45億元。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

27 LIFE INSURANCE CONTRACT LIABILITIES (Continued)

Key assumptions used in estimating the life insurance contract liabilities of TPL

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

- Spot discount rates which vary by the type of contract ranged from 3.22% to 4.65% (2018: 3.12% to 4.65%);
- Mortality/morbidity rates based on the China Life Insurance Mortality Table (2000-2003) and China Life Insurance Experience Critical Illness Table (2006-2010); and
- Lapse rates based on pricing assumptions, with reference to management's expectation upon assessment of the actual experience.

Sensitivities of changes in key assumptions:

Assumptions 假設

Discount rate
Discount rate
Mortality rate
Mortality rate
Lapse rate
Lapse rate

折現率
折現率
死亡率
死亡率
退保率
退保率

Change in assumptions 當假設變化

+0.25%
-0.25%
+10%
-10%
+10%
-10%

Impact on profit after tax and total equity 對除稅後溢利及總權益的影響

At
31 December
2019
於2019年
12月31日
\$'000
千元

At
31 December
2018
於2018年
12月31日
\$'000
千元

12,638,074
(13,726,747)
(6,818,831)
7,011,559
4,317,255
(4,665,768)

9,340,365
(10,104,948)
(4,044,608)
4,168,793
3,510,998
(3,782,030)

27 壽險合約負債 (續)

評估壽險合約負債採納的主要假設

太平人壽的壽險合約儲備乃基於以下主要假設而作出：

- 即期折現率隨合約種類在3.22%至4.65% (2018年：3.12%至4.65%)的範圍內變動；
- 死亡率／發病率根據中國人壽保險業經驗生命表計算(2000-2003)及根據《中國人身保險業重大疾病經驗發生率表(2006-2010)》為基礎，結合對歷史經驗的分析和對未來經驗的預測來確定重大疾病保險的發病率假設；及
- 退保率的計算以定價假設為基礎，並參考實際經驗並結合管理層對未來的預期。

主要假設變動的敏感度：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

28 UNEARNED PREMIUM PROVISIONS

28 未到期責任準備金

		At 31 December 2019 於2019年12月31日			At 31 December 2018 於2018年12月31日		
		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
Life insurance (note (i))	人壽保險 (註(i))	4,039,479	(1,624,280)	2,415,199	2,843,173	(1,431,908)	1,411,265
PRC property and casualty insurance (note (ii))	境內財產保險 (註(ii))	10,422,704	(901,838)	9,520,866	9,213,447	(1,321,882)	7,891,565
Overseas property and casualty insurance (note (iii))	境外財產保險 (註(iii))	1,814,764	(793,686)	1,021,078	1,823,665	(776,091)	1,047,574
Reinsurance (note (iv))	再保險 (註(iv))	2,398,469	(225,879)	2,172,590	2,144,996	(226,080)	1,918,916
Pension and group life insurance (note (v))	養老及團體保險 (註(v))	1,310,765	(143,907)	1,166,858	909,936	(174,951)	734,985
		19,986,181	(3,689,590)	16,296,591	16,935,217	(3,930,912)	13,004,305

Notes:

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

註:

(i) 人壽保險業務的未到期責任準備金變化分析:

		2019 Reinsurers' share			2018 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1月1日結餘	2,843,173	(1,431,908)	1,411,265	1,392,110	(253,473)	1,138,637
Premiums written during the year	年內承保保費	12,187,212	(3,419,778)	8,767,434	9,260,017	(3,626,586)	5,633,431
Premiums earned during the year	年內已賺取保費	(10,905,043)	3,191,840	(7,713,203)	(7,688,498)	2,392,159	(5,296,339)
Exchange difference	匯兌差額	(85,863)	35,566	(50,297)	(120,456)	55,992	(64,464)
		4,039,479	(1,624,280)	2,415,199	2,843,173	(1,431,908)	1,411,265
Balance as at 31 December	於12月31日結餘						

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

28 UNEARNED PREMIUM PROVISIONS (Continued)

Notes: (Continued)

(ii) Analysis of movement in the unearned premium provisions for the PRC property and casualty insurance business:

		2019			2018		
		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1月1日結餘	9,213,447	(1,321,882)	7,891,565	9,801,591	(1,207,904)	8,593,687
Premiums written during the year	年內承保保費	30,870,513	(3,802,327)	27,068,186	28,874,873	(4,578,397)	24,296,476
Premiums earned during the year	年內已賺取保費	(29,433,280)	4,195,731	(25,237,549)	(29,017,434)	4,402,561	(24,614,873)
Exchange difference	匯兌差額	(227,976)	26,640	(201,336)	(445,583)	61,858	(383,725)
Balance as at 31 December	於12月31日結餘	10,422,704	(901,838)	9,520,866	9,213,447	(1,321,882)	7,891,565

(iii) Analysis of movement in the unearned premium provisions for the overseas property and casualty insurance business:

		2019			2018		
		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1月1日結餘	1,823,665	(776,091)	1,047,574	1,739,423	(551,447)	1,187,976
Premiums written during the year	年內承保保費	6,788,569	(2,174,153)	4,614,416	5,841,822	(2,326,606)	3,515,216
Premiums earned during the year	年內已賺取保費	(6,813,932)	2,169,205	(4,644,727)	(5,724,096)	2,082,152	(3,641,944)
Exchange difference	匯兌差額	16,462	(12,647)	3,815	(33,484)	19,810	(13,674)
Balance as at 31 December	於12月31日結餘	1,814,764	(793,686)	1,021,078	1,823,665	(776,091)	1,047,574

28 未到期責任準備金 (續)

註：(續)

(ii) 境內財產保險業務的未到期責任準備金變化分析：

(iii) 境外財產保險業務的未到期責任準備金變化分析：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

28 UNEARNED PREMIUM PROVISIONS (Continued)

Notes: (Continued)

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

		2019			2018		
		Gross 總額 \$'000 千元	Reinsurers' share 再保險 公司份額 \$'000 千元	Net 淨額 \$'000 千元	Gross 總額 \$'000 千元	Reinsurers' share 再保險 公司份額 \$'000 千元	Net 淨額 \$'000 千元
Balance as at 1 January	於1月1日結餘	2,144,996	(226,080)	1,918,916	1,977,871	(254,960)	1,722,911
Premiums written during the year	年內承保保費	9,773,649	(1,486,343)	8,287,306	8,819,672	(1,301,608)	7,518,064
Premiums earned during the year	年內已賺取保費	(9,495,055)	1,482,583	(8,012,472)	(8,622,574)	1,342,695	(7,279,879)
Exchange difference	匯兌差額	(25,121)	3,961	(21,160)	(29,973)	(12,207)	(42,180)
Balance as at 31 December	於12月31日結餘	2,398,469	(225,879)	2,172,590	2,144,996	(226,080)	1,918,916

(v) Analysis of movement in the unearned premium provisions for pension and group life insurance business:

		2019			2018		
		Gross 總額 \$'000 千元	Reinsurers' share 再保險 公司份額 \$'000 千元	Net 淨額 \$'000 千元	Gross 總額 \$'000 千元	Reinsurers' share 再保險 公司份額 \$'000 千元	Net 淨額 \$'000 千元
Balance as at 1 January	於1月1日結餘	909,936	(174,951)	734,985	755,104	(163,577)	591,527
Premiums written during the year	年內承保保費	3,383,743	(515,777)	2,867,966	2,801,693	(520,945)	2,280,748
Premiums earned during the year	年內已賺取保費	(2,955,095)	542,970	(2,412,125)	(2,605,077)	501,345	(2,103,732)
Exchange difference	匯兌差額	(27,819)	3,851	(23,968)	(41,784)	8,226	(33,558)
Balance as at 31 December	於12月31日結餘	1,310,765	(143,907)	1,166,858	909,936	(174,951)	734,985

28 未到期責任準備金 (續)

註：(續)

(iv) 再保險業務的未到期責任準備金變化分析：

(v) 養老及團體保險業務的未到期責任準備金變化分析：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

29 PROVISION FOR OUTSTANDING CLAIMS

29 未決賠款準備

		At 31 December 2019 於2019年12月31日			At 31 December 2018 於2018年12月31日		
		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
Life insurance	人壽保險	1,342,246	(486,816)	855,430	1,326,105	(786,398)	539,707
PRC property and casualty insurance (note (i))	境內財產保險 (註(i))	6,180,661	(1,015,915)	5,164,746	6,679,345	(1,498,101)	5,181,244
Overseas property and casualty insurance (note (ii))	境外財產保險 (註(ii))	6,062,892	(2,434,174)	3,628,718	5,680,597	(2,687,467)	2,993,130
Reinsurance (note (iii))	再保險 (註(iii))	7,666,597	(1,625,032)	6,041,565	8,067,404	(1,661,905)	6,405,499
Pension and group life insurance (note (iv))	養老及團體保險 (註(iv))	815,727	(171,272)	644,455	769,612	(165,135)	604,477
		22,068,123	(5,733,209)	16,334,914	22,523,063	(6,799,006)	15,724,057

Notes:

(i) Analysis of movement in the provision for outstanding claims for the PRC property and casualty insurance business:

註:

(i) 境內財產保險業務的未決賠款準備變化分析:

		2019 Reinsurers' share			2018 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1月1日之結餘	6,679,345	(1,498,101)	5,181,244	7,026,411	(1,178,846)	5,847,565
Claims paid during the year	年內已付賠款	(13,858,374)	1,921,472	(11,936,902)	(15,239,401)	1,873,986	(13,365,415)
Claims incurred/provision during the year (note)	年內索賠/提取準備 (註)	13,531,504	(1,470,161)	12,061,343	15,236,147	(2,261,360)	12,974,787
Exchange difference	匯兌差額	(171,814)	30,875	(140,939)	(343,812)	68,119	(275,693)
Balance as at 31 December	於12月31日之結餘	6,180,661	(1,015,915)	5,164,746	6,679,345	(1,498,101)	5,181,244

Note: As at 31 December 2019, the balance of provision for outstanding claims includes the provision for agricultural insurance liabilities amounting to \$3,526,000 (2018: \$6,995,000).

註: 於2019年12月31日, 未決賠款準備餘額內包含一筆為數3,526,000元(2018年: 6,995,000元)的農業保險準備金。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

29 PROVISION FOR OUTSTANDING CLAIMS (Continued)

Notes: (Continued)

(ii) Analysis of movement in the provision for outstanding claims for the overseas property and casualty insurance business:

		2019			2018		
		Gross 總額 \$'000 千元	Reinsurers' share 再保險 公司份額 \$'000 千元	Net 淨額 \$'000 千元	Gross 總額 \$'000 千元	Reinsurers' share 再保險 公司份額 \$'000 千元	Net 淨額 \$'000 千元
Balance as at 1 January	於1月1日之結餘	5,680,597	(2,687,467)	2,993,130	8,049,471	(4,138,800)	3,910,671
Claims paid during the year	年內已付賠款	(3,233,846)	1,070,402	(2,163,444)	(5,246,677)	2,336,769	(2,909,908)
Claims incurred during the year	年內索賠	3,585,582	(802,675)	2,782,907	2,923,128	(904,946)	2,018,182
Exchange difference	匯兌差額	30,559	(14,434)	16,125	(45,325)	19,510	(25,815)
Balance as at 31 December	於12月31日之結餘	6,062,892	(2,434,174)	3,628,718	5,680,597	(2,687,467)	2,993,130

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

		2019			2018		
		Gross 總額 \$'000 千元	Reinsurers' share 再保險 公司份額 \$'000 千元	Net 淨額 \$'000 千元	Gross 總額 \$'000 千元	Reinsurers' share 再保險 公司份額 \$'000 千元	Net 淨額 \$'000 千元
Balance as at 1 January	於1月1日之結餘	8,067,404	(1,661,905)	6,405,499	7,172,108	(1,448,671)	5,723,437
Claims paid during the year	年內已付賠款	(8,105,004)	1,838,043	(6,266,961)	(6,388,799)	2,116,205	(4,272,594)
Claims incurred during the year	年內索賠	7,735,887	(1,807,254)	5,928,633	7,391,100	(2,345,405)	5,045,695
Exchange difference	匯兌差額	(31,690)	6,084	(25,606)	(107,005)	15,966	(91,039)
Balance as at 31 December	於12月31日之結餘	7,666,597	(1,625,032)	6,041,565	8,067,404	(1,661,905)	6,405,499

29 未決賠款準備 (續)

註：(續)

(ii) 境外財產保險業務的未決賠款準備變化分析：

(iii) 再保險業務的未決賠款準備變化分析：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

29 PROVISION FOR OUTSTANDING CLAIMS (Continued)

Notes: (Continued)

(iv) Analysis of movement in the provision for outstanding claims for pension and group life insurance business:

29 未決賠款準備 (續)

註：(續)

(iv) 養老及團體保險業務的未決賠款準備變化分析：

		2019			2018		
		Gross	Reinsurers' share	Net	Gross	Reinsurers' share	Net
		總額	再保險公司份額	淨額	總額	再保險公司份額	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1月1日之結餘	769,612	(165,135)	604,477	753,011	(154,713)	598,298
Claims paid during the year	年內已付賠款	(2,798,416)	443,428	(2,354,988)	(2,609,706)	393,712	(2,215,994)
Claims incurred during the year	年內索賠	2,862,539	(453,358)	2,409,181	2,662,841	(411,901)	2,250,940
Exchange difference	匯兌差額	(18,008)	3,793	(14,215)	(36,534)	7,767	(28,767)
Balance as at 31 December	於12月31日之結餘	815,727	(171,272)	644,455	769,612	(165,135)	604,477

30 INVESTMENT CONTRACT LIABILITIES

(a) Unit-linked products

30 投資合約負債

(a) 投資連結產品

		2019	2018
		\$'000	\$'000
		千元	千元
Balance as at 1 January	於1月1日之結餘	960,649	1,392,174
Premiums received during the year	年內已收保費	55,228	63,340
Investment gain/(loss) allocated to investment contracts	分配至投資合約之投資收益/(虧損)	245,960	(290,841)
Surrenders and others	退保及其他	(154,421)	(153,700)
Exchange difference	匯兌差額	(23,713)	(50,324)
Balance as at 31 December	於12月31日之結餘	1,083,703	960,649

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

30 INVESTMENT CONTRACT LIABILITIES (Continued)

(b) Universal life and other products

		2019 \$'000 千元	2018 \$'000 千元
Balance as at 1 January	於1月1日之結餘	39,376,544	29,322,052
Premiums received during the year	年內已收保費	19,025,771	12,967,086
Interest allocated to investment contracts, net of management fee	分配至投資合約之利益，減管理費	1,038,329	1,286,384
Surrenders and others	退保及其他	(3,439,673)	(2,889,869)
Exchange difference	匯兌差額	(865,902)	(1,309,109)
Balance as at 31 December	於12月31日之結餘	55,135,069	39,376,544

30 投資合約負債 (續)

(b) 萬能壽險及其他產品

31 DEFERRED TAX ASSETS AND LIABILITIES

(a) Deferred tax assets and liabilities recognised

The movement in deferred tax assets and liabilities during the year without taking into consideration (prior to the offsetting of balances within the same taxation jurisdiction) is as follows:

Deferred tax arising from:	遞延稅項來自:	Difference in depreciation allowances and related depreciation	Revaluation of properties	Fair value adjustment of available-for-sale securities	Life insurance contract liabilities	Unused tax losses	Securities held for trading	Accrued salaries	Others	Total
		折舊免稅額與相關折舊的差異	物業重估	可供出售證券公允價值調整	壽險合約負債	未動用稅項虧損	持有作交易用途證券	應付職工薪酬	其他	總額
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
At 1 January 2019	於2019年1月1日	(75,877)	(2,227,109)	1,370,133	(405,033)	277,813	(145,070)	1,148,321	993,804	936,982
(Charged)/credited to consolidated statement of profit or loss	(支出)/抵免於綜合損益表	41,403	16,529	160,093	100,660	221,116	(140,613)	354,676	(517,778)	236,086
Charged to other comprehensive income	支出於其他全面收益	-	(45,454)	(3,141,174)	-	-	-	-	-	(3,186,628)
Exchange difference	匯兌差額	(813)	47,375	(37,417)	6,947	(1,954)	5,853	(31,661)	(13,303)	(24,973)
At 31 December 2019	於2019年12月31日	(35,287)	(2,208,659)	(1,648,365)	(297,426)	496,975	(279,830)	1,471,336	462,723	(2,038,533)
At 1 January 2018	於2018年1月1日	(71,332)	(2,323,732)	(249,968)	(594,624)	142,115	(220,288)	1,096,121	679,299	(1,542,409)
(Charged)/credited to consolidated statement of profit or loss	(支出)/抵免於綜合損益表	(3,511)	11,256	(236,080)	167,679	136,940	67,293	106,426	365,376	615,379
(Charged)/credited to other comprehensive income	(支出)/抵免於其他全面收益	-	(18,891)	1,849,801	-	-	-	-	-	1,830,910
Exchange difference	匯兌差額	(1,034)	104,258	6,380	21,912	(1,242)	7,925	(54,226)	(50,871)	33,102
At 31 December 2018	於2018年12月31日	(75,877)	(2,227,109)	1,370,133	(405,033)	277,813	(145,070)	1,148,321	993,804	936,982

31 遞延稅項資產及負債

(a) 已確認遞延稅項資產及負債

在綜合財務狀況表所確認的遞延稅項資產和負債(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:

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

31 DEFERRED TAX ASSETS AND LIABILITIES (Continued)

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

		At 31 December 2019 於2019年 12月31日 \$'000 千元	At 31 December 2018 於2018年 12月31日 \$'000 千元
Net deferred tax assets recognised 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	1,641,853	2,932,103
Net deferred tax liabilities recognised 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	(3,680,386)	(1,995,121)
		(2,038,533)	936,982

(b) Deferred tax assets not recognised

As at 31 December 2019, the Group did not recognise deferred tax assets in respect of certain tax losses of \$3,962,615,000 (2018: \$2,743,510,000) and certain temporary differences of \$418,847,000 (2018: \$59,086,000). \$543,740,000 (2018: \$199,558,000) of the total tax losses 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 and temporary difference do not expire under current tax legislation.

31 遞延稅項資產及負債 (續)

(a) 已確認遞延稅項資產及負債 (續)

	At 31 December 2019 於2019年 12月31日 \$'000 千元	At 31 December 2018 於2018年 12月31日 \$'000 千元
Net deferred tax assets recognised in the consolidated statement of financial position	1,641,853	2,932,103
Net deferred tax liabilities recognised in the consolidated statement of financial position	(3,680,386)	(1,995,121)
	(2,038,533)	936,982

(b) 未確認的遞延稅項資產

於2019年12月31日，本集團未有確認3,962,615,000元（2018年：2,743,510,000元）之稅項虧損及418,847,000元（2018年：59,086,000元）的暫時性差異而產生的遞延稅項資產。543,740,000元（2018年：199,558,000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，尚餘的稅項虧損額及暫時性差異在目前的稅務條例則並無期限。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

32 INTEREST-BEARING NOTES

32 需付息票據

		At 31 December 2019 於2019年 12月31日 \$'000 千元	At 31 December 2018 於2018年 12月31日 \$'000 千元
USD notes (note (a))	美元票據 (註(a))	2,293,492	2,301,833
RMB subordinated notes (note (b))	人民幣次級票據 (註(b))	-	1,027,163
RMB notes (note (c))	人民幣票據 (註(c))	4,465,382	-
RMB capital supplement notes (note (d))	人民幣資本補充票據 (註(d))	3,349,037	-
USD notes (note (e))	美元票據 (註(e))	2,336,355	2,349,873
		12,444,266	5,678,869

Notes:

- (a) On 22 November 2012, China Taiping Capital Limited, a subsidiary of the Group issued 4.125% notes for the principal amount of USD300,000,000 at a discount of 0.728%. The notes are listed on The Stock Exchange of Hong Kong Limited and will mature on 21 November 2022 but the notes can be redeemed at any time at par plus accrued interest and premium at the discretion of the subsidiary. Interest on the notes is payable semi-annually in arrears. The Directors considered that the fair value of redemption option of notes issued is insignificant and not recognised in the financial statements.

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 14 November 2012.

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

- (b) During the first quarter of 2014, TPI, a subsidiary of the Group issued 6.0% subordinated notes at par for the principal amount of RMB900,000,000. The notes will mature during the first quarter of 2024 but the notes can be redeemed at the fifth anniversary year of the issue date at par value at the discretion of TPI. Interest on the notes is payable annually in arrears.

The notes issued are free of any collateral and guarantee.

The notes redeemed at par during the Year.

- (c) During the third quarter of 2019, TSFL, a subsidiary of the Group issued 3.49% notes at par for the principal amount of RMB4,000,000,000. The notes will mature during the third quarter of 2022. Interest on the notes is payable annually in arrears.

The notes issued are free of any collateral and guarantee.

註:

- (a) 於2012年11月22日，本集團一家附屬公司China Taiping Capital Limited以折讓0.728%發行了本金價值300,000,000美元4.125%的票據。票據在香港聯合交易所有限公司上市，並將於2022年11月21日到期，但票據可由附屬公司酌情於任何時間以票面值加上累計利息及溢價贖回。票據利息每半年於期末支付。董事認為票據發行的贖回選擇權之公允價值並不重大及並無確認於財務報表內。

如2012年11月14日發行通函「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) 在2014年第一季度期間，本集團一家附屬公司太平財險以票面值發行了本金價值人民幣900,000,000元6.0%的次級票據。票據將於2024年第一季度到期，但票據可以由太平財險酌定於發行日的第五週年以票面值贖回。票據利息每年於期末支付。

票據並無任何抵押品及擔保。

票據已於本年度內以票面值贖回。

- (c) 在2019年第三季度期間，本集團一家附屬公司太平石化租賃以票面值發行了本金價值人民幣4,000,000,000元3.49%的票據。票據將於2022年第三季度到期。票據利息每年於期末支付。

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)
(以港元列示)

32 INTEREST-BEARING NOTES (Continued)

Notes: (Continued)

- (d) On 20 November 2019, TPI, a subsidiary of the Group issued 4.18% capital supplement notes at par for the principal amount of RMB3,000,000,000. The notes will mature on 22 November 2029 but the notes can be redeemed at the fifth anniversary year of the issue date at par value at the discretion of TPI. Interest on the notes is payable annually in arrears.

The notes issued are free of any collateral and guarantee.

- (e) On 2 October 2013, China Taiping Fortunes Limited, a subsidiary of the Group issued 6.0% notes for the principal amount of USD300,000,000 at par. The notes will mature on 2 October 2028. Interest on the notes is payable semi-annually in arrears.

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

The following subsidiary had issued interest-bearing notes, some of which are held by the Group:

32 需付息票據 (續)

註：(續)

- (d) 於2019年11月20日，本集團一家附屬公司太平財險以票面值發行了本金價值人民幣3,000,000,000元4.18%的資本補充票據。票據將於2029年11月22日到期，但票據可以由太平財險酌定於發行日的第五週年以票面值贖回。票據利息每年於期末支付。

票據並無任何抵押品及擔保。

- (e) 於2013年10月2日，本集團一家附屬公司China Taiping Fortunes Limited以票面值發行了本金價值300,000,000美元6.0%的票據。票據將於2028年10月2日到期。票據利息每半年於期末支付。

票據由本公司提供無條件及不可撤銷的擔保。

本集團持有部份由下列附屬公司發行的需付息票據：

	At 31 December 2019 於2019年12月31日		
	Held by Group 由本集團持有 \$'000 千元	Held by third parties 由第三方持有 \$'000 千元	Total 總額 \$'000 千元
China Taiping Capital Limited	42,863	2,293,492	2,336,355
	At 31 December 2018 於2018年12月31日		
	Held by Group 由本集團持有 \$'000 千元	Held by third parties 由第三方持有 \$'000 千元	Total 總額 \$'000 千元
China Taiping Capital Limited	48,040	2,301,833	2,349,873

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

33 INSURANCE CREDITORS

		At 31 December 2019 於2019年 12月31日 \$'000 千元	At 31 December 2018 於2018年 12月31日 \$'000 千元
Amounts due to insurance customers/creditors	應付保險客戶款項	13,098,702	9,182,481
Amounts due to insurance intermediaries	應付保險中介款項	6,319,400	4,655,999
Deposits retained from retrocessionaires	轉分保險人保留的按金	5,427,048	5,509,745
Surrender payable	應付退保金	570	438
Prepaid premiums received	預收保費	35,230,695	28,478,276
		60,076,415	47,826,939

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

The following is an ageing analysis of the amounts due to insurance customers/creditors:

		At 31 December 2019 於2019年 12月31日 \$'000 千元	At 31 December 2018 於2018年 12月31日 \$'000 千元
Current	現時	7,413,605	6,409,723
More than 3 months but less than 12 months	超過三個月 但少於十二個月	5,640,064	2,722,337
More than 12 months	超過十二個月	45,033	50,421
		13,098,702	9,182,481

34 OTHER PAYABLES AND ACCRUALS

Other payables and accruals included the term deposit from a non-controlling shareholder of \$893,076,000 in respect of financial leasing business as at 31 December 2019 (2018: \$1,027,163,000). This term deposit from a non-controlling shareholder is unsecured, repayable within one year and at fixed interest rate at 3.20% (2018: 3.20%) per annum.

The remaining other payables and accruals are expected to be settled within one year.

33 保險應付賬款

		At 31 December 2019 於2019年 12月31日 \$'000 千元	At 31 December 2018 於2018年 12月31日 \$'000 千元
Amounts due to insurance customers/creditors	應付保險客戶款項	13,098,702	9,182,481
Amounts due to insurance intermediaries	應付保險中介款項	6,319,400	4,655,999
Deposits retained from retrocessionaires	轉分保險人保留的按金	5,427,048	5,509,745
Surrender payable	應付退保金	570	438
Prepaid premiums received	預收保費	35,230,695	28,478,276
		60,076,415	47,826,939

所有應付保險客戶款項預期將於一年內清償。

應付保險客戶款項之賬齡分析如下：

		At 31 December 2019 於2019年 12月31日 \$'000 千元	At 31 December 2018 於2018年 12月31日 \$'000 千元
Current	現時	7,413,605	6,409,723
More than 3 months but less than 12 months	超過三個月 但少於十二個月	5,640,064	2,722,337
More than 12 months	超過十二個月	45,033	50,421
		13,098,702	9,182,481

34 其他應付及應計款項

於2019年12月31日，其他應付及應計款項餘額內包含一筆來自金融租賃業務非控股股東為數893,076,000元(2018年：1,027,163,000元)的定期存款。該筆來自非控股股東的定期存款是無抵押、按年利率3.20%(2018年：3.20%)計息並於一年內清償。

其餘所有其他應付及應計款項預期將於一年內清償。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

35 INSURANCE PROTECTION FUND

The amount represents the amount payable to the insurance protection fund at the 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.

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. As the Group has not transferred the significant risks and rewards relating to these securities, it continues to recognise the full carrying amount and has recognised the cash received on the transfer as securities sold under repurchase agreements. The following were the Group's held-to-maturity securities, available-for-sale securities and held-for-trading securities that were transferred to the third parties with terms to repurchase these securities at the agreed dates and prices. These securities are either measured at amortised cost or carried at fair value respectively in the Group's consolidated statement of financial position.

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 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讓至第三者。由於本集團並沒有把與此等證券有關的重大風險及回報轉移，因此繼續確認全數的賬面值，並把轉讓所收到的金額確認為賣出回購證券。本集團以商定的日期和價格之回購條款而轉移至另一實體的持有至到期日證券、可供出售證券和持有作交易用途證券如下。此等證券於本集團的綜合財務狀況表中分別按攤銷成本計量或以公允價值持有。

		At 31 December 2019 於2019年12月31日			
		Held-to-maturity securities 持有至到期日證券 \$'000 千元	Available-for-sale securities 可供出售證券 \$'000 千元	Held-for-trading securities 持有作交易用途證券 \$'000 千元	Total 總額 \$'000 千元
Carrying amount of transferred assets	轉移資產的賬面值	47,175,220	9,060,678	1,183,661	57,419,559
Carrying amount of associated liabilities – securities sold under repurchase agreements	相關負債的賬面值 – 賣出回購證券	(31,635,969)	(1,596,974)	(1,162,353)	(34,395,296)
Net position	淨值	15,539,251	7,463,704	21,308	23,024,263

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

36 SECURITIES PURCHASED UNDER RESALE AGREEMENTS/SECURITIES SOLD UNDER REPURCHASE AGREEMENTS (Continued)

36 買入返售證券／賣出回購證券 (續)

		At 31 December 2018 於2018年12月31日			
		Held-to-maturity securities 持有至到期日證券 \$'000 千元	Available-for-sale securities 可供出售證券 \$'000 千元	Held-for-trading securities 持有作交易用途證券 \$'000 千元	Total 總額 \$'000 千元
Carrying amount of transferred assets	轉移資產的賬面值	27,829,200	9,785,127	1,215,136	38,829,463
Carrying amount of associated liabilities – securities sold under repurchase agreements	相關負債的賬面值 – 賣出回購證券	(18,088,925)	(5,152,264)	(1,130,735)	(24,371,924)
Net position	淨值	9,740,275	4,632,863	84,401	14,457,539

Conversely, the Group also enters into short-term investment arrangements secured by the securities purchased. The securities purchased are not recognised on the consolidated statement of financial position.

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。

All of the securities purchased under resale agreements and securities sold under repurchase agreements are denominated in RMB and will be settled within one year from the end of the reporting period. The carrying amount of the securities purchased under resale agreements and securities sold under repurchase agreements approximate to their fair values.

所有買入返售證券及賣出回購證券以人民幣為單位及將在報告期末後一年內支付。買入返售證券及賣出回購證券之賬面值約相等於其公允價值。

As at 31 December 2019, most of the securities purchased under resale agreements and the securities sold under repurchase agreements will mature within 31 days (2018: within 25 days), with interest rates of 2% to 4% (2018: 3% to 12%) and 2% to 4% (2018: 3% to 10%) per annum, respectively.

於2019年12月31日，大部份的買入返售證券及賣出回購證券將於31日內（2018年：25日內）到期，年利率分別為2%至4%（2018年：3%至12%）及2%至4%（2018年：3%至10%）。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

37 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

37 融資活動產生的負債對賬

		Amounts due to group companies 應付集團內 公司款項 \$'000 千元	Lease liabilities 租賃負債 \$'000 千元	Interest- bearing notes 需付息票據 \$'000 千元	Bank borrowings 銀行貸款 \$'000 千元	Total 總額 \$'000 千元
Balance at 1 January 2019	於2019年1月1日之結餘	18,381	-	5,678,869	7,207,515	12,904,765
Adjustment on adoption of new accounting policy (Note 1B(a))	應用新會計準則的 調整 (附註1B(a))	-	2,440,066	-	-	2,440,066
		18,381	2,440,066	5,678,869	7,207,515	15,344,831
Changes from financing cash flows:	融資現金流之變動:					
Decrease in amounts due to group companies	應付集團內公司 款項減少	(776)	-	-	-	(776)
Repayment of lease liabilities	償還租賃負債	-	(1,206,455)	-	-	(1,206,455)
Issuance of interest-bearing notes	發行需付息票據	-	-	7,814,419	-	7,814,419
Redemption of interest-bearing notes	贖回需付息票據	-	-	(1,004,711)	-	(1,004,711)
Proceeds from bank borrowings	銀行貸款所得款項	-	-	-	5,470,853	5,470,853
Repayment of bank borrowings	償還銀行貸款	-	-	-	(1,096,215)	(1,096,215)
Total changes from financing cash flows	融資現金流之變動總額	(776)	(1,206,455)	6,809,708	4,374,638	9,977,115
Non-cash changes:	非現金項目變動:					
Additions of leases	新增租賃	-	1,143,428	-	-	1,143,428
Interest expenses on lease liabilities	租賃負債利息	-	118,551	-	-	118,551
Exchange difference	匯兌差額	-	(48,111)	(44,311)	-	(92,422)
Total non-cash changes	非現金項目變動總額	-	1,213,868	(44,311)	-	1,169,557
Balance at 31 December 2019	於2019年12月31日之結餘	17,605	2,447,479	12,444,266	11,582,153	26,491,503

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

37 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (Continued)

37 融資活動產生的負債對賬 (續)

		Amounts due to group companies 應付集團內 公司款項 \$'000 千元	Lease liabilities 租賃負債 \$'000 千元	Interest- bearing notes 需付息票據 \$'000 千元	Bank borrowings 銀行貸款 \$'000 千元	Total 總額 \$'000 千元
Balance at 1 January 2018	於2018年1月1日之結餘	319,100	-	5,958,112	7,240,581	13,517,793
Changes from financing cash flows:	融資現金流之變動：					
Decrease in amounts due to group companies	應付集團內公司款項減少	(300,719)	-	-	-	(300,719)
Redemption of interest-bearing notes	贖回需付息票據	-	-	(228,258)	-	(228,258)
Proceeds from bank borrowings	銀行貸款所得款項	-	-	-	3,910,800	3,910,800
Repayment of bank borrowings	償還銀行貸款	-	-	-	(3,943,864)	(3,943,864)
Total changes from financing cash flows	融資現金流之變動總額	(300,719)	-	(228,258)	(33,064)	(562,041)
Non-cash changes:	非現金項目變動：					
Exchange difference	匯兌差額	-	-	(50,985)	(2)	(50,987)
Total non-cash changes	非現金項目變動總額	-	-	(50,985)	(2)	(50,987)
Balance at 31 December 2018	於2018年12月31日之結餘	18,381	-	5,678,869	7,207,515	12,904,765

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

38 BANK BORROWINGS

38 銀行貸款

		At 31 December 2019 於2019年 12月31日 \$'000 千元	At 31 December 2018 於2018年 12月31日 \$'000 千元
Unsecured	無抵押		
Bank loans (note (i))	銀行貸款 (註(i))	11,582,153	7,207,515
Bank loans for finance lease receivables (note (ii))	為應收金融租賃的 銀行貸款 (註(ii))	31,981,420	40,914,175
		43,563,573	48,121,690
Secured	抵押		
Bank loans for finance lease receivables (note (iii))	為應收金融租賃的 銀行貸款 (註(iii))	4,412,297	2,365,481
		47,975,870	50,487,171

The bank borrowings are repayable as follows:

銀行貸款的還款期如下：

		At 31 December 2019 於2019年 12月31日 \$'000 千元	At 31 December 2018 於2018年 12月31日 \$'000 千元
Within 1 year	1年內	33,020,357	42,742,506
After 1 year but within 5 years	1年後但5年內	14,115,593	6,774,499
After 5 years	5年後	839,920	970,166
		47,975,870	50,487,171

The amounts presented in the above table are based on scheduled repayment dates set out in the loan agreements.

上表金額乃根據貸款協議的預定還款日期而呈列。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

38 BANK BORROWINGS (Continued)

Notes:

- (i) As at 31 December 2019, all bank loans are unsecured and carry interest at HIBOR plus 0.7% to HIBOR plus 1.3% (2018: HIBOR plus 0.7% to HIBOR plus 1.3%) per annum, with effective interest rates ranging from 1.43% to 3.63% (2018: 1.43% to 3.70%) per annum.
- (ii) As at 31 December 2019, the bank loans for finance lease receivables are unsecured and carry interest at fixed interest rates ranging from 3.10% to 4.60% (2018: fixed interest rate ranging from 4.04% to 5.90%) per annum.
- (iii) As at 31 December 2019, the bank loans for finance lease receivables are secured and carry interest based on the benchmark interest rate issued by the People's Bank of China, with effective interest rates ranging from 3.95% to 4.66% (2018: 3.93% to 4.66%) per annum.

38 銀行貸款 (續)

註:

- (i) 於2019年12月31日，所有的銀行貸款均為無抵押及帶利息，年利率由香港銀行同業拆息加0.7%至香港銀行同業拆息加1.3%（2018年：香港銀行同業拆息加0.7%至香港銀行同業拆息加1.3%），有效年利率則由1.43%至3.63%（2018年：1.43%至3.70%）。
- (ii) 於2019年12月31日，為應收金融租賃的銀行貸款為無抵押及帶利息，年利率為固定利率3.10%至4.60%（2018年：固定利率4.04%至5.90%）。
- (iii) 於2019年12月31日，為應收金融租賃的銀行貸款為抵押及帶利息，年利率參照中國人民銀行頒佈的基準，有效年利率由3.95%至4.66%（2018年：3.93%至4.66%）。

39 SHARE CAPITAL

39 股本

		2019		2018	
		No. of shares 股份數目	\$'000 千元	No. of shares 股份數目	\$'000 千元
Ordinary shares, issued and fully paid: 已發行及繳足普通股股本:					
At 1 January	於1月1日	3,594,018,538	40,771,408	3,594,018,538	40,771,408
At 31 December	於12月31日	3,594,018,538	40,771,408	3,594,018,538	40,771,408

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

本公司所發行的所有股份均享有同等權益，並沒有附帶任何優先權。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

40 RESERVES

40 儲備

		Capital reserve 資本儲備 \$'000 千元	Merger reserve 合併儲備 \$'000 千元
Balance at 1 January 2019	於2019年1月1日之結餘	(6,396,801)	(6,842,218)
Profit for the year	本年度溢利	-	-
Other comprehensive income for the year:	本年度其他全面收益：		
Revaluation gain arising from reclassification of own-use properties to investment properties	因自用物業重新分類為投資物業而產生之 重估收益	-	-
Exchange differences on translation of the financial statements of subsidiaries, associates and joint ventures	換算附屬公司、聯營公司及 合營公司賬項的匯兌差異	-	-
Net changes in fair value of available-for-sale securities	可供出售證券公允價值變化淨額	-	-
Total comprehensive income	全面收益總額	-	-
Dividend declared to shareholders	向股東宣布的股息	-	-
Dividend declared by subsidiaries to non-controlling interests	附屬公司向非控股股東宣布的股息	-	-
Distributions to holders of perpetual subordinated capital securities	向永續次級資本證券持有人分配	-	-
Redemption of perpetual subordinated capital securities	贖回永續次級資本證券	-	-
Acquisition of additional interest in a subsidiary	購入一間附屬公司額外權益	(360,846)	-
Balance at 31 December 2019	於2019年12月31日之結餘	(6,757,647)	(6,842,218)

		Capital reserve 資本儲備 \$'000 千元	Merger reserve 合併儲備 \$'000 千元
Balance at 1 January 2018	於2018年1月1日之結餘	(6,396,801)	(6,842,218)
Profit for the year	本年度溢利	-	-
Other comprehensive income for the year:	本年度其他全面收益：		
Revaluation gain arising from reclassification of own-use properties to investment properties	因自用物業重新分類為投資物業而產生之 重估收益	-	-
Exchange differences on translation of the financial statements of subsidiaries, associates and joint ventures	換算附屬公司、聯營公司及 合營公司賬項的匯兌差異	-	-
Net changes in fair value of available-for-sale securities	可供出售證券公允價值變化淨額	-	-
Total comprehensive income	全面收益總額	-	-
Dividend declared to shareholders	向股東宣布的股息	-	-
Dividend declared by subsidiaries to non-controlling interests	附屬公司向非控股股東宣布的股息	-	-
Distributions to holders of perpetual subordinated capital securities	向永續次級資本證券持有人分配	-	-
Capital injections made to subsidiaries	向附屬公司注入資本	-	-
Deemed disposal of a subsidiary	視為出售一間附屬公司	-	-
Balance at 31 December 2018	於2018年12月31日之結餘	(6,396,801)	(6,842,218)

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

Exchange reserve 匯兌儲備 \$'000 千元	Fair value reserve 公允價值儲備 \$'000 千元	Revaluation reserve 重估儲備 \$'000 千元	Retained profits 保留溢利 \$'000 千元	Perpetual subordinated capital securities 永續次級資本證券 \$'000 千元	Attributable to owners of the Company 本公司股東應佔權益 \$'000 千元	Non-controlling interests 非控股股東權益 \$'000 千元	Total 總額 \$'000 千元
(3,425,785)	(1,599,201)	726,558	37,788,729	4,707,219	24,958,501	14,665,872	39,624,373
-	-	-	8,831,182	177,340	9,008,522	3,534,352	12,542,874
-	-	621,830	-	-	621,830	1,940	623,770
(1,153,101)	-	-	-	-	(1,153,101)	(313,921)	(1,467,022)
-	7,726,174	-	-	-	7,726,174	2,179,359	9,905,533
(1,153,101)	7,726,174	621,830	8,831,182	177,340	16,203,425	5,401,730	21,605,155
-	-	-	(359,402)	-	(359,402)	-	(359,402)
-	-	-	-	-	-	(544,336)	(544,336)
-	-	-	-	(255,392)	(255,392)	-	(255,392)
-	-	-	(20,923)	(4,629,167)	(4,650,090)	-	(4,650,090)
-	-	-	-	-	(360,846)	(1,773,906)	(2,134,752)
(4,578,886)	6,126,973	1,348,388	46,239,586	-	35,536,196	17,749,360	53,285,556
Exchange reserve 匯兌儲備 \$'000 千元	Fair value reserve 公允價值儲備 \$'000 千元	Revaluation reserve 重估儲備 \$'000 千元	Retained profits 保留溢利 \$'000 千元	Perpetual subordinated capital securities 永續次級資本證券 \$'000 千元	Attributable to owners of the Company 本公司股東應佔權益 \$'000 千元	Non-controlling interests 非控股股東權益 \$'000 千元	Total 總額 \$'000 千元
(1,119,581)	3,118,426	681,227	31,520,809	4,707,156	25,669,018	15,280,272	40,949,290
-	-	-	6,627,322	256,247	6,883,569	1,936,414	8,819,983
-	-	45,331	-	-	45,331	14,100	59,431
(2,306,204)	-	-	-	-	(2,306,204)	(695,760)	(3,001,964)
-	(4,717,627)	-	-	-	(4,717,627)	(1,192,939)	(5,910,566)
(2,306,204)	(4,717,627)	45,331	6,627,322	256,247	(94,931)	61,815	(33,116)
-	-	-	(359,402)	-	(359,402)	-	(359,402)
-	-	-	-	-	-	(656,093)	(656,093)
-	-	-	-	(256,184)	(256,184)	-	(256,184)
-	-	-	-	-	-	19,581	19,581
-	-	-	-	-	-	(39,703)	(39,703)
(3,425,785)	(1,599,201)	726,558	37,788,729	4,707,219	24,958,501	14,665,872	39,624,373

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

40 RESERVES (Continued)

(a) Nature or purpose of reserves

(i) Capital reserve

The capital reserve represents the differences between the net assets value of the target interests, target assets and liabilities acquired and the fair value of the shares issued by the Company as consideration for the acquisition.

(ii) Merger reserve

Merger reserve represents the difference in (i) the fair value of the shares issued as a consideration paid to TPG and TPG (HK) and (ii) the share capital and share premium of the equity interests and the carrying value of certain assets acquired which were all under common control of TPG and TPG (HK) before and after the acquisition.

(iii) Exchange reserve

The exchange reserve is comprised of all of the foreign exchange differences arising from the translation of the financial statements of Group entities that has functional currency different from the Group's presentation currency. The reserve is dealt with in accordance with the accounting policy are disclosed in Note 1(w).

(iv) Fair value reserve

The fair value reserve is comprised of the cumulative net change in the fair value of available-for-sale securities held at the end of the reporting period and is dealt with in accordance with the accounting policy are disclosed in Note 1(h)(iv).

(v) Revaluation reserve

The revaluation reserve represents the revaluation of fair value of the assets and liabilities from the additional acquisition of TPI relating to previously held interest in TPI as associates and the revaluation of fair value of certain properties from land and building to investment properties.

40 儲備 (續)

(a) 儲備目的或性質

(i) 資本儲備

資本儲備是指所收購目標權益、目標資產及負債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) 合併儲備

合併儲備代表以下兩者之差異(i)作為支付予中國太平保險集團及中國太平保險集團(香港)代價所發行的股份之公允價值,及(ii)股本權益的股本及股份溢價和收購前及收購後均由中國太平保險集團及中國太平保險集團(香港)共同控制的若干資產之賬面價值。

(iii) 匯兌儲備

匯兌儲備包括換算所有香港以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)所披露的會計政策處理。

(iv) 公允價值儲備

公允價值儲備包括根據有關附註1(h)(iv)所披露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。

(v) 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。此外,亦包括若干物業由土地及建築物重新分類至投資物業之公允價值重估。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

41 PERPETUAL SUBORDINATED CAPITAL SECURITIES

The Company entered into an agreement on 2 September 2014 to issue perpetual subordinated capital securities in an aggregate principal amount of USD600,000,000, callable in 2019. According to the terms and conditions of the securities, the securities confer a right on the holders to receive distributions from the issue date. The rate of distribution shall be (i) 5.45% per annum in respect of the period from and including the issue date to but excluding 10 September 2019; (ii) applicable 5 year United States Treasury securities rate plus 3.786% per annum in respect of the period from and including 10 September 2019 to but excluding 10 September 2024; and (iii) applicable 5 year United States Treasury securities rate plus 4.786% per annum from and including 10 September 2024. The Company redeemed in the entire securities at their principal amount together with any distributions accrued in September 2019.

42 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% of the employees' relevant income, subject to a cap of a monthly relevant income of \$30,000. 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 authorised by municipal and provincial governments for its staff. These subsidiaries are required to contribute at a rate of 10% to 22% (2018: 10% to 22%) 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.

41 永續次級資本證券

在2014年9月2日，本公司訂立認購協議，有關於發行本金總額為600,000,000美元之永續次級資本證券，可於2019年贖回。根據條款及條件，該證券賦予持有人權利可從發行日起按分派率收取分派。該證券所適用之分派率為：(i)自發行日(包括該日)起至2019年9月10日(不包括該日)期間，按每年5.45%計；(ii)自2019年9月10日(包括該日)起至2024年9月10日(不包括該日)期間，按適用5年期美國國庫債券息率加年利率3.786%計；及(iii)自2024年9月10日之後的各個重設日(包括該日)起至緊接的下一個重設日(不包括該日)期間，按適用5年期美國國庫債券息率加年利率4.786%計。本公司於2019年9月已贖回全部該證券。

42 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%供款至此計劃，惟相關之收入上限為30,000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%至22%(2018年：10%至22%)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)
(以港元列示)

43 MATURITY PROFILE

43 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。

		Repayable on demand 接獲要求 時償還 \$'000 千元	Less than 3 months 少於 三個月 \$'000 千元	3 to 12 months 三至十二 個月 \$'000 千元	1 to 5 years 一年至 五年 \$'000 千元	Over 5 years 超過五年 \$'000 千元	Total 總額 \$'000 千元
At 31 December 2019	於2019年12月31日						
Assets	資產						
Deposits at banks and other financial institutions (including statutory deposits)	銀行及其他金融機構存款 (包括法定存款)	1,358	8,291,233	1,634,947	52,791,980	2,232,691	64,952,209
Pledged and restricted bank deposits	已抵押及受限制銀行存款	271,419	555,986	145,258	-	-	972,663
Debt securities	債務證券						
- held-to-maturity	- 持有至到期日	-	1,201,508	3,504,779	40,266,078	222,169,514	267,141,879
- available-for-sale	- 可供出售	-	5,707,893	6,037,940	29,055,687	30,135,607	70,937,127
- held-for-trading	- 持有作交易用途	-	2,436,145	5,741,554	4,964,759	2,259,913	15,402,371
- designated at fair value through profit or loss	- 指定為通過損益以反映公允價值	-	35,080	38,941	83,920	-	157,941
Debt products	債權產品						
- loans and receivables	- 貸款及應收款項	-	4,534,632	7,596,156	77,201,875	28,968,360	118,301,023
Securities purchased under resale agreements	買入返售證券	-	6,025,140	-	-	-	6,025,140
Loans and advances	貸款及墊款	-	19,448,538	40,863,218	-	-	60,311,756
Finance lease receivables	應收金融租賃	-	325,435	1,077,902	31,904,056	12,687,424	45,994,817
		272,777	48,561,590	66,640,695	236,268,355	298,453,509	650,196,926
Liabilities	負債						
Interest-bearing notes	需付息票據	-	-	-	6,758,874	5,685,392	12,444,266
Lease liabilities	租賃負債	-	234,235	750,640	1,423,351	39,253	2,447,479
Bank borrowings	銀行貸款	-	6,146,697	26,873,660	14,115,593	839,920	47,975,870
		-	6,380,932	27,624,300	22,297,818	6,564,565	62,867,615

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

43 MATURITY PROFILE (Continued)

43 到期情況 (續)

	Repayable on demand 接獲要求 時償還 \$'000 千元	Less than 3 months 少於 三個月 \$'000 千元	3 to 12 months 三至十二 個月 \$'000 千元	1 to 5 years 一年至 五年 \$'000 千元	Over 5 years 超過五年 \$'000 千元	Total 總額 \$'000 千元
At 31 December 2018	於2018年12月31日					
Assets	資產					
Deposits at banks and other financial institutions (including statutory deposits)	銀行及其他金融機構存款(包括法定存款)					
Money market funds	貨幣市場基金					
Pledged and restricted bank deposits	已抵押及受限制銀行存款					
Debt securities	債務證券					
- held-to-maturity	- 持有至到期日					
- available-for-sale	- 可供出售					
- held-for-trading	- 持有作交易用途					
- designated at fair value through profit or loss	- 指定為通過損益以反映公允價值					
Debt products	債權產品					
- loans and receivables	- 貸款及應收款項					
Securities purchased under resale agreements	買入返售證券					
Loans and advances	貸款及墊款					
Finance lease receivables	應收金融租賃					
	1,363	8,354,319	5,371,671	47,907,460	2,282,584	63,917,397
	139	-	-	-	-	139
	244,159	366,990	132,373	-	-	743,522
	-	951,233	3,442,706	36,631,523	178,340,794	219,366,256
	-	1,749,213	4,848,323	24,957,293	28,629,378	60,184,207
	-	270,615	7,251,681	1,297,410	601,377	9,421,083
	-	-	-	270,941	56,067	327,008
	-	3,544,291	6,531,416	54,282,641	32,571,761	96,930,109
	-	7,507,696	-	-	-	7,507,696
	-	16,001,755	32,757,358	-	-	48,759,113
	-	94,070	3,691,463	27,933,292	16,988,199	48,707,024
	245,661	38,840,182	64,026,991	193,280,560	259,470,160	555,863,554
Liabilities	負債					
Interest-bearing notes	需付息票據					
Bank borrowings	銀行貸款					
	-	1,027,163	-	2,301,833	2,349,873	5,678,869
	-	9,827,910	32,914,596	6,774,499	970,166	50,487,171
	-	10,855,073	32,914,596	9,076,332	3,320,039	56,166,040

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

44 FAIR VALUES OF FINANCIAL INSTRUMENTS

(a) Fair value of Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

The fair value of financial assets and liabilities are determined as follows:

- The fair value of financial assets and financial liabilities classified as Level 1 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;
- The fair value of derivative instruments are estimated using discounted cash flow analysis and the applicable yield curve for the duration of the non-applicable derivative;
- 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 classified as Level 2 are established by reference to the prices quoted by respective fund administrators or by using valuation techniques including discounted cash flow method. The main parameters used include bond prices, interest rates, foreign exchange rates, prepayment rates, counter party credit spreads and others; and
- The Level 3 financial assets, primarily comprises unlisted equity securities. Fair values are generally determined using valuation techniques, including discounted cash flows translation and markets comparison methods. Unobservable inputs include discount rates, comparable company valuation multiples, liquidity spreads, recent transaction prices of similar instruments. The valuation requires management to make certain assumptions about unobservable inputs to the models.

44 金融工具的公允價值

(a) 本集團經常性以公允價值計量的金融資產及金融負債

金融資產及金融負債的公允價值按以下方式釐定：

- 歸類為第一級為於活躍流動市場交易並受標準條款及條件規管之金融資產及金融負債，其公允價值分別參照近期交易價格或所報市場買價與賣價釐定；
- 衍生工具的公允價值乃根據折算現金流分析及對非可選衍生工具的存續期適用收益率曲線釐定；
- 歸類為第二級為包含在通過損益以反映公允價值的金融資產（指非上市投資基金及非上市債務證券）及可供出售投資，其公允價值參照各自的基金管理人報價或採用估值技術包括貼現現金流量法。使用的主要參數包括債券價格，利率，外匯匯率，提前償還率，對方信用利差；及
- 第三級金融資產主要包括非上市股本證券。公允價值通常使用估值技術確定，包括貼現現金流量折算和市場比較方法。不可觀察的投入包括折現率，可比公司估值倍數，流動性價差，類似工具的近期交易價格等。估值要求管理層對模型的不可觀察輸入做出某些假設。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

44 FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

44 金融工具的公允價值 (續)

(a) Fair value of Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

(a) 本集團經常性以公允價值計量的金融資產及金融負債 (續)

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

下表提供於初步確認後按公允價值計量之金融工具分析，其公允價值可按其觀察度分為第一至第三級。

		At 31 December 2019 於2019年12月31日			
		Level 1 第一級 \$'000 千元	Level 2 第二級 \$'000 千元	Level 3 第三級 \$'000 千元	Total 總額 \$'000 千元
Financial assets	金融資產				
Investments in debt and equity securities:	債務及股本證券投資：				
– Available-for-sale	– 可供出售	88,228,970	62,598,355	29,970,455	180,797,780
– Held-for-trading	– 持有作交易用途	26,133,980	3,329,987	99,064	29,563,031
– Designated at fair value through profit or loss	– 指定為通過損益以反映公允價值	–	157,941	1,116,284	1,274,225
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	946,712	136,991	–	1,083,703
Financial liabilities	金融負債				
Investment contract liabilities in respect of unit-linked products	有關投資連結產品之投資合約負債	(946,712)	(136,991)	–	(1,083,703)
		At 31 December 2018 於2018年12月31日			
		Level 1 第一級 \$'000 千元	Level 2 第二級 \$'000 千元	Level 3 第三級 \$'000 千元	Total 總額 \$'000 千元
Financial assets	金融資產				
Investments in debt and equity securities:	債務及股本證券投資：				
– Available-for-sale	– 可供出售	48,807,684	47,862,716	19,419,821	116,090,221
– Held-for-trading	– 持有作交易用途	20,580,976	43,693	–	20,624,669
– Designated at fair value through profit or loss	– 指定為通過損益以反映公允價值	327,008	–	1,089,222	1,416,230
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	640,207	320,442	–	960,649
Financial liabilities	金融負債				
Investment contract liabilities in respect of unit-linked products	有關投資連結產品之投資合約負債	(640,207)	(320,442)	–	(960,649)

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

44 FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

44 金融工具的公允價值 (續)

(a) Fair value of Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

(a) 本集團經常性以公允價值計量的金融資產及金融負債 (續)

Reconciliation of Level 3 fair value measurements of financial assets:

第三級金融資產公允價值計量之對賬：

		Available- for-sale unlisted securities 可供出售 非上市證券 \$'000 千元	Held-for- trading unlisted securities 持有作 交易用途 非上市證券 \$'000 千元	Designated at fair value through profit or loss unlisted securities 指定為通過 損益以反映 公允價值 非上市證券 \$'000 千元	Total 總額 \$'000 千元
At 1 January 2019	於2019年1月1日	19,419,821	-	1,089,222	20,509,043
Purchases	購入	11,188,641	99,572	-	11,288,213
Gains or losses recognised in:	收益或虧損確認於：				
- profit or loss	- 損益	-	-	51,829	51,829
- other comprehensive income	- 其他全面收益	394,328	-	-	394,328
Disposals and others	出售及其他	(693,261)	-	-	(693,261)
Exchange difference	匯兌差額	(339,074)	(508)	(24,767)	(364,349)
At 31 December 2019	於2019年12月31日	29,970,455	99,064	1,116,284	31,185,803
At 1 January 2018	於2018年1月1日	17,037,347	-	1,058,335	18,095,682
Purchases	購入	5,632,131	-	-	5,632,131
Gains or losses recognised in:	收益或虧損確認於：				
- profit or loss	- 損益	(53)	-	82,516	82,463
- other comprehensive income	- 其他全面收益	(205,174)	-	-	(205,174)
Disposals	出售	(2,262,160)	-	-	(2,262,160)
Exchange difference	匯兌差額	(782,270)	-	(51,629)	(833,899)
At 31 December 2018	於2018年12月31日	19,419,821	-	1,089,222	20,509,043

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

44 FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(a) Fair value of Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

At 31 December 2019, investments in debt and equity securities classified as available-for-sale with carrying amounts of \$73,609,000 (2018: \$866,282,000) were transferred from Level 1 to Level 2 because quoted prices in the markets for such investments were no longer regularly available. Conversely, investments in debt and equity securities classified as available-for-sale with carrying amounts of \$768,585,000 (2018: \$258,549,000) were transferred from Level 2 to Level 1 because quoted prices in active markets were available as at 31 December 2019.

(b) Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2019 and 2018 except for the following financial instruments, for which their carrying amounts and fair value and the level of fair value hierarchy are disclosed below:

44 金融工具的公允價值 (續)

(a) 本集團經常性以公允價值計量的金融資產及金融負債 (續)

於2019年12月31日，賬面值為73,609,000元(2018年：866,282,000元)之分類為可供出售的債務及股本證券投資從第一級轉為第二級，由於該等投資在市場中的所報價格已不再是經常使用。相反地，賬面值為768,585,000元(2018年：258,549,000元)之分類為可供出售的債務及股本證券投資從第二級轉為第一級，由於該等投資可於2019年12月31日從活躍市場中取得所報價格。

(b) 並未有恆常以公允價值計量的金融資產及金融負債公允價值(但需要進行公允價值披露)

於2019年及2018年12月31日，惟於下文列出的金融工具除外，本集團所持有的金融工具，其賬面值按成本或攤銷成本，與其公允價值並無存在重大性差異。金融工具的賬面值、公允價值及公允價值層級披露如下：

		Carrying amount	Fair value	Level 1	Level 2	Level 3
		賬面值	公允價值	第一級	第二級	第三級
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元
At 31 December 2019	於2019年12月31日					
Held-to-maturity debt securities	持有至到期日債務證券	267,141,879	280,052,061	72,375,468	207,676,593	-
Loans and receivables	貸款及應收款項					
- investment funds	- 投資基金	7,285,837	7,285,837	-	7,285,837	-
- debt products	- 債權產品	118,301,023	120,318,953	-	1,994,912	118,324,041
Interest-bearing notes	需付息票據	(12,444,266)	(12,594,673)	-	(12,594,673)	-

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

44 FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

44 金融工具的公允價值 (續)

(b) Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required) (Continued)

(b) 並未有恆常以公允價值計量的金融資產及金融負債公允價值 (但需要進行公允價值披露) (續)

		Carrying amount 賬面值 \$'000 千元	Fair value 公允價值 \$'000 千元	Level 1 第一級 \$'000 千元	Level 2 第二級 \$'000 千元	Level 3 第三級 \$'000 千元
At 31 December 2018	於2018年12月31日					
Held-to-maturity debt securities	持有至到期日債務證券	219,366,256	227,461,895	42,727,861	184,734,034	-
Loans and receivables	貸款及應收款項					
- investment funds	- 投資基金	7,500,038	7,500,038	-	7,500,038	-
- debt products	- 債權產品	96,930,109	99,149,199	-	4,069,886	95,079,313
Interest-bearing notes	需付息票據	(5,678,869)	(5,700,692)	-	(5,700,692)	-

For listed held-to-maturity debt securities classified as Level 1, fair value is based on unadjusted quoted prices for identical assets traded in active market.

就分類為第一級的上市持有至到期日債務證券，其公允價值乃基於相同資產於活躍市場中所報之未調整價格釐定。

For unlisted held-to-maturity debt securities and interest-bearing notes issued classified as Level 2, fair value is determined by generally accepted pricing models including discounted cash flow technique by using observable market inputs such as market interest yield. For unlisted investment fund classified as Level 2, fair value is determined by broker quotes that can be corroborated with observable recent market transactions.

就分類為第二級的非上市持有至到期日債務證券及已發行的需付息票據，其公允價值按公認定價模式釐定，包括基於可在市場觀察的輸入數據（如市場利息收益率）計算的折算現金流量分析。就分類為第二級的非上市投資基金，其公允價值按可經目前市場交易觀察證實的券商報價釐定。

For debt products under loans and receivables classified as Level 3, fair value is determined by generally accepted pricing models including discounted cash flow technique by using unobservable discount rates that reflect the credit risk.

就分類為第三級的貸款及應收款項之債權產品，其公允價值按公認定價模式釐定，包括基於無法觀察的折現率計算的折算現金流量分析，以反映相關的信用風險。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

45 DEEMED DISPOSAL OF A SUBSIDIARY

During the Year 2018, TPFS, a subsidiary of the Group, issued new shares to a numbers of third party investors. As a result, the Group's interest in TPFS has changed from 80% to 48%. The Group no longer has controls over TPFS. Accordingly, the investment in TPFS was reclassified as an interest in associate.

The assets and liabilities of TPFS were deconsolidated from the Group's consolidated statement of financial position and the interest in TPFS has been accounted for as an associate using equity method. The fair value of the 48% retained interest in TPFS at the date on which the control was lost is regarded as the cost on initial recognition of the investment in TPFS as an associate amounted to \$1,518,131,000.

(a) Analysis of assets and liabilities over which control was lost:

		\$'000 千元
Assets	資產	
Property and equipment	物業及設備	18,465
Other assets	其他資產	92,779
Cash and cash equivalents	現金及現金等價物	199,526
Liabilities	負債	
Other payables and accruals	其他應付及應計款項	(112,257)
Net assets disposed of	出售資產淨值	198,513

(b) Gain recognised in the consolidated statement of profit or loss:

		\$'000 千元
Fair value of retained interest recognised as interest in associate	確認為於聯營公司的權益之保留權益公允價值	1,518,131
Net assets disposed of	出售資產淨值	(198,513)
Non-controlling interests	非控股股東權益	39,703
Gain recognised as other income in consolidated statement of profit or loss (Note 6)	於綜合損益表確認為其他收益之收益 (附註6)	1,359,321

45 視作出售一間附屬公司

於2018年度，本集團附屬公司，太平金服，向數家第三方投資者發行新股票，導致本集團持有太平金服之股權從80%攤薄至48%。本集團失去對太平金服的控制權。因此，對太平金服的投資重分類為於聯營公司的權益。

太平金服之資產及負債不再於本集團綜合財務狀況表入賬，而於太平金服的權益已使用權益法計入聯營公司。於失去控制權當日持有太平金服之48%保留權益之公允價值為1,518,131,000元，被認為是投資作為聯營公司之太平金服的初始確認成本。

(a) 失去控制權後資產及負債的分析：

(b) 於綜合損益表確認的收益：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

46 COMMITMENTS

(a) Capital commitments as at 31 December 2019 were as follows:

Contracted for but not provided	已訂約但未反映
– property and equipment	– 物業及設備
– investment properties	– 投資物業
Authorised but not contracted for	批准但未訂約
– property and equipment	– 物業及設備

46 承擔

(a) 於2019年12月31日的資本性承擔如下：

At 31 December 2019 於2019年 12月31日 \$'000 千元	At 31 December 2018 於2018年 12月31日 \$'000 千元
3,294,971	1,089,684
–	3,343
715,253	937,743
4,010,224	2,030,770

(b) Operating lease commitments: The Group as lessor

The Group leases out operating lease assets and investment properties under operating leases. The leases typically run for an initial period of 2 to 6 years, with an option to renew the lease after that date at which time all terms are renegotiated. Lease payments are usually reviewed every 2 to 6 years to reflect market rentals. None of the leases includes contingent rentals.

The gross carrying amounts of operating lease assets and the investment properties of the Group held for use in operating leases were \$24,227,302,000 (2018: \$21,165,090,000).

As at 31 December 2019, the Group had contracted with tenants for the following future minimum lease payments:

Within 1 year	一年內
After 1 year but within 2 years	一年後但二年內
After 2 years but within 3 years	二年後但三年內
After 3 years but within 4 years	三年後但四年內
After 4 years but within 5 years	四年後但五年內
After 5 years	五年後

(b) 經營租賃承擔：本集團作為出租人

本集團以經營租賃租出經營租賃資產及投資物業。這些租賃一般初步為期2至6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2至6年檢討，以反映市場租金。各項租賃均不包括或然租金。

本集團持有作經營租賃的經營租賃資產及投資物業之賬面總額為24,227,302,000元（2018年：21,165,090,000元）。

於2019年12月31日，本集團與租戶簽訂合約的未來最低租賃付款如下：

At 31 December 2019 於2019年 12月31日 \$'000 千元	At 31 December 2018 於2018年 12月31日 \$'000 千元
1,449,247	1,184,674
1,193,697	831,525
980,845	610,211
643,494	538,908
393,354	305,394
233,072	10,394
4,893,709	3,481,106

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

47 POLICYHOLDER ACCOUNT ASSETS IN RESPECT OF UNIT-LINKED PRODUCTS

47 有關投資連結產品之保單持有人賬戶資產

	At 31 December 2019 於2019年 12月31日 \$'000 千元	At 31 December 2018 於2018年 12月31日 \$'000 千元
Investments in held-for-trading securities 持有作交易用途之證券投資		
– Investment funds 一投資基金	559,403	383,304
– Equity securities 一股本證券	349,944	240,202
– Debt securities 一債務證券	53,771	79,459
Cash and bank balances 銀行結存及現金	103,277	235,030
Money market fund 貨幣市場基金	10,987	10,028
Securities purchased under resale agreements 買入返售證券	5,490	11,017
Other assets 其他資產	831	1,609
	1,083,703	960,649

The above assets are 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。

48 CONTINGENT LIABILITIES

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 at 31 December 2019 (2018: Nil).

48 或然負債

除上述所披露及在本集團日常保險業務中產生的訴訟外，於2019年12月31日，本集團概無任何未決訴訟或其他或然負債（2018年：無）。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

49 MATERIAL RELATED PARTY TRANSACTIONS

A Recurring transaction with related parties

The Group has not entered into significant recurring with related parties during the Year. Remuneration of Directors and key management personnel disclosed in Notes 9 and 10.

B Non-recurring transaction with related parties

- (i) The Group has entered into the following significant non-recurring transaction with related parties during the Year:
 - (a) Pursuant to share purchase agreement dated 6 December 2019, the Company entered into a share purchase agreement to acquire 49,000,000 shares in Telson from TPG (HK), the immediate holding company, representing 49% of the entire issued share capital of Telson, at a cash consideration of \$2,134,751,800.
- (ii) Business transactions between state-owned enterprises controlled by the PRC (collectively "State-Owned Entities") are within the scope of related party transaction. 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 related party transactions that require separate disclosure.

49 重大關聯人士交易

A 與關連人士的經常交易

本集團與關連人士於本年度沒有進行重大經常交易。董事及關鍵管理人員薪酬於附註9及10披露。

B 與關連人士的非經常交易

- (i) 本集團與關連人士於本年度內進行以下重大的非經常交易：
 - (a) 根據2019年12月6日的股權買賣協議，本公司與中國太平保險集團(香港)(本公司的直屬控股公司)訂立股權買賣協議，以現金2,134,751,800元作為代價，收購澤鴻49,000,000股股份，相當於澤鴻全部已發行股份的49%。
- (ii) 與中國政府控制的國家控股企業(統稱為「國有實體」)之間的業務交易屬於關聯交易。本集團於本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須獨立披露之關聯人士交易。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

50 STATEMENT OF FINANCIAL POSITION AND RESERVE OF HOLDING COMPANY

The statement of financial position and reserve of holding company has been prepared in accordance with the accounting policies of the Group as set out in Note 1 to the consolidated financial statements, except that new accounting policies in respect of investment in debt and equity securities and other financial assets have been adopted. As explained in Note 1 to the consolidated financial statements, HKFRS 9 has not been adopted for the preparation of the consolidation financial statements of the Group for the year ended 31 December 2019.

Investments in debt and equity securities and other financial assets

Classification – The Company classifies its financial assets as those to be measured subsequently at fair value, and those at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Recognition and derecognition – Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement – At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset.

50 控股公司財務狀況表及儲備

除債務及股本證券投資與其他金融資產應用新會計政策外，控股公司的財務狀況表及儲備根據綜合財務報表附註1呈列的會計政策編制。如綜合財務報表附註1的說明，本集團尚未應用香港財務報告準則第9號編制截至2019年12月31日止年度的綜合財務報表。

債務及股本證券投資與其他金融資產

分類 – 本公司把金融資產分類為後續以公允價值計量的金融資產及以攤餘成本計量的金融資產。該分類取決於管理金融資產的業務模式以及該資產的合同現金流量特徵。

確認和終止確認 – 常規方式購買及出售的金融資產於交易日確認。交易日是指本公司承諾購買或出售資產的日期。金融資產即終止確認當收取金融資產現金流量的權利已到期或本公司已經轉移了金融資產所有權上幾乎所有的風險和報酬。

計量 – 本公司對不被分類為以公允價值計量且其變動計入當期損益的金融資產，以其公允價值加上可直接歸屬於獲得該項金融資產的交易費用進行初始確認。以公允價值計量且其變動計入當期損益的金融資產的交易費用，直接進入損益。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

50 STATEMENT OF FINANCIAL POSITION AND RESERVE OF HOLDING COMPANY (Continued)

Investments in debt and equity securities and other financial assets (Continued)

Debt instruments – Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is calculated using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is calculated using the effective interest rate method. Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss in the period in which it arises.

Equity instruments – The Company subsequently measures all equity investments at fair value. Changes in the fair value of financial assets at FVPL are recognised in profit or loss.

Impairment – The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

50 控股公司財務狀況表及儲備 (續)

債務及股本證券投資與其他金融資產 (續)

債務工具—債務工具後續計量取決於本公司管理該資產的業務模式以及該資產的現金流量特徵。對於持有以收取合同現金流量的資產，如果合同現金流量僅代表對本金和利息的支付，則該資產以攤餘成本計量。該等金融資產的利息收入以有效利率法計算，終止確認時產生的利得或損失直接於損益表確認。對於持有以收取現金流量及出售的金融資產，如果該資產的現金流量僅代表對本金和利息的支付，則該資產被分類為以公允價值計量且其變動計入其他全面收益的金融資產。除減值利得或損失、利息收入以及匯兌利得和損失計入損益外，賬面價值的變動計入其他全面收益。該等金融資產終止確認時，之前計入其他全面收益的累計利得或損失從權益重分類至損益中，並計入投資收入，其利息收入用有效利率法計算。不符合以攤餘成本計量或以公允價值計量且其變動計入其他全面收益的金融資產，確認為以公允價值計量且其變動計入當期損益的金融資產。對於後續以公允價值計量且其變動計入當期損益的債務工具，其利得或損失於產生期間在損益表確認。

權益工具—本公司以公允價值對所有權益投資進行後續計量。以公允價值計量且其變動計入當期損益的金融資產，其公允價值變動於損益表確認。

減值—本公司就其預期信用損失結合按攤餘成本計量和以公允價值計量且其變動計入其他全面收益的債務工具做出前瞻性評估。減值方法取決於其信用風險是否顯著增加。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

50 STATEMENT OF FINANCIAL POSITION AND RESERVE OF HOLDING COMPANY (Continued)

50 控股公司財務狀況表及儲備 (續)

Investments in debt and equity securities and other financial assets (Continued)

債務及股本證券投資與其他金融資產 (續)

		At 31 December 2019 於2019年 12月31日 \$'000 千元	At 31 December 2018 於2018年 12月31日 \$'000 千元
	Notes 附註		
Assets	資產		
Fixed assets	固定資產		
– Property and equipment	– 物業及設備	179,146	30,596
– Investment properties	– 投資物業	288,856	284,449
– Right-of-use assets	– 租賃使用權資產	292,880	–
Interests in subsidiaries	於附屬公司的權益	45,337,087	40,398,051
Interests in associates	於聯營公司的權益	1,248,399	1,248,399
Financial assets at fair value through profit or loss	以公允價值計量且其變動計入當期損益的金融資產	689,870	2,689,381
Financial assets at fair value through other comprehensive income	以公允價值計量且其變動計入其他綜合收益的金融資產	–	1,015,824
Investments measured at amortised cost	以攤餘成本計量的金融資產	–	2,116,997
Amounts due from group companies	應收集團內公司款項	7,693,830	7,688,352
Other assets	其他資產	53,084	101,647
Cash and cash equivalents	現金及現金等價物	935,523	515,477
		56,718,675	56,089,173
Liabilities	負債		
Deferred tax liabilities	遞延稅項負債	324	334
Bank borrowings	銀行貸款	6,700,000	1,477,500
Lease liabilities	租賃負債	314,534	–
Amounts due to group companies	應付集團內公司款項	4,946,559	5,593,099
Other payables and accruals	其他應付及應計款項	266,586	169,160
Current taxation	當期稅項	1,859	2,512
		12,229,862	7,242,605
Net assets	資產淨值	44,488,813	48,846,568
Capital and reserves	資本及儲備		
Share capital	股本	40,771,408	40,771,408
Reserves	儲備	3,717,405	3,367,941
		44,488,813	44,139,349
Perpetual subordinated capital securities	永續次級資本證券	–	4,707,219
Total equity	總權益	44,488,813	48,846,568

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

50 STATEMENT OF FINANCIAL POSITION AND RESERVE OF HOLDING COMPANY (Continued)

50 控股公司財務狀況表及儲備 (續)

Investments in debt and equity securities and other financial assets (Continued)

債務及股本證券投資與其他金融資產 (續)

		Capital reserve 資本儲備 \$'000 千元	Exchange reserve 匯兌儲備 \$'000 千元	Fair value reserve 公允價值儲備 \$'000 千元	Retained profits 保留溢利 \$'000 千元	Perpetual subordinated capital securities 永續次級資本證券 \$'000 千元	Total 總額 \$'000 千元
At 1 January 2019	於2019年1月1日	(661,995)	14,974	(43,023)	4,057,985	4,707,219	8,075,160
Net change in fair value of financial assets at fair value through other comprehensive income	以公允價值計量且其變動計入其他綜合收益的金融資產的公允價值變動淨額	-	-	43,023	-	-	43,023
Exchange difference on translation of foreign operations	換算境外業務的匯兌差額	-	13,634	-	-	-	13,634
Profit for the year	本年度溢利	-	-	-	673,132	177,340	850,472
Dividend declared to shareholders	向股東宣布股息	-	-	-	(359,402)	-	(359,402)
Distributions to holders of perpetual subordinated capital securities	向永續次級資本證券持有人分配	-	-	-	-	(255,392)	(255,392)
Redemption of perpetual subordinated capital securities	贖回永續次級資本證券	-	-	-	(20,923)	(4,629,167)	(4,650,090)
At 31 December 2019	於2019年12月31日	(661,995)	28,608	-	4,350,792	-	3,717,405
		Capital reserve 資本儲備 \$'000 千元	Exchange reserve 匯兌儲備 \$'000 千元	Fair value reserve 公允價值儲備 \$'000 千元	Retained profits 保留溢利 \$'000 千元	Perpetual subordinated capital securities 永續次級資本證券 \$'000 千元	Total 總額 \$'000 千元
At 1 January 2018	於2018年1月1日	(661,995)	(5,887)	(1,908)	2,692,778	4,707,156	6,730,144
Impact of initial application of HKFRS 9	首次應用香港財務報告準則第9號之影響	-	-	2,440	1,842	-	4,282
Adjusted balance at 1 January 2018	於2018年1月1日的經調整結餘	(661,995)	(5,887)	532	2,694,620	4,707,156	6,734,426
Net change in fair value of financial assets at fair value through other comprehensive income	以公允價值計量且其變動計入其他綜合收益金融資產的公允價值變動淨額	-	-	(43,555)	-	-	(43,555)
Exchange difference on translation of foreign operations	換算境外業務的匯兌差額	-	20,861	-	-	-	20,861
Profit for the year	本年度溢利	-	-	-	1,722,767	256,247	1,979,014
Dividend declared to shareholders	向股東宣布股息	-	-	-	(359,402)	-	(359,402)
Distributions to holders of perpetual subordinated capital securities	向永續次級資本證券持有人分配	-	-	-	-	(256,184)	(256,184)
At 31 December 2018	於2018年12月31日	(661,995)	14,974	(43,023)	4,057,985	4,707,219	8,075,160

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

51 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements under HKFRSs requires management to make significant estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses as well as the related 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 assets

The Group assesses annually if the goodwill and intangible assets 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 assets is determined using discounted cash flows which require the use of estimated revenue from business operations, investment returns and an appropriate discount rate. As at 31 December 2019, the carrying amount of goodwill and intangible assets were \$719.11 million (2018: \$731.30 million) and \$261.98 million (2018: \$262.09 million) respectively.

(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 judgement, 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 amortised 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 judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost. As at 31 December 2019, the carrying amount of available-for-sale financial assets were \$180,798.33 million (2018: \$116,090.77 million).

51 會計估計及判斷

根據香港財務報告準則編製財務報表時，管理層須作出重要估計及假設，因而影響到所列報之資產、負債、收入及開支，以至相關披露之金額。更改假設或會對更改假設之期間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) 商譽及無形資產減值

本集團每年按照附註1(o)所述之會計政策評估與收購附屬公司及聯營公司有關之商譽及無形資產是否蒙受任何減值。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。於2019年12月31日，商譽及無形資產的賬面值分別為7.1911億元（2018年：7.3130億元）及2.6198億元（2018年：2.6209億元）。

(b) 持有至到期投資

本集團將有固定或可確定付款金額及固定期限而本集團又有明確意向及有能力持有至到期日的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投資按公允價值而非按攤餘成本計量。

(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。於2019年12月31日，可供出售金融資產的賬面值為1,807.9833億元（2018年：1,160.9077億元）。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

51 ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(d) Determination of insurance liabilities

The Group's insurance liabilities as at 31 December 2019 are mainly comprised of unearned premium provisions of \$19,986.18 million (2018: \$16,935.22 million), provision for outstanding claims of \$22,068.12 million (2018: \$22,523.06 million) and life insurance contract liabilities of \$534,557.13 million (2018: \$433,102.25 million).

The Group makes a reasonable estimate of the payments which the Group is required to make in fulfilling its obligations under the insurance contracts, based on information currently available at the end of the reporting period. The Group makes an estimate of assumptions used in the measurement of insurance contract liabilities, such assumptions including but not limited to mortality, morbidity, lapse rates, expenses, policy dividend, claim development factors, expected claim ratio and risk discount rate. Also, the Group determines estimates for premiums and claims data not received from ceding companies at the date of the consolidated financial statements on the basis of historical information, actuarial analyses, 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) Fair value of investment properties and financial instruments

The fair values of investment properties and financial instruments were determined based on valuation models which involve certain assumptions. Favourable or unfavourable change to these assumptions would result in changes in the fair value and corresponding adjustment to the amount of gain or loss reported in profit or loss.

52 PARENT AND ULTIMATE HOLDING COMPANIES

The immediate holding company and the ultimate holding company as at 31 December 2019 are China Taiping Insurance Group (HK) Company Limited (incorporated in Hong Kong) and China Taiping Insurance Group Ltd. (established in the PRC), respectively.

China Taiping Insurance Group Ltd. is ultimately controlled by the State Council of the PRC.

51 會計估計及判斷 (續)

(d) 釐定保險負債

於2019年12月31日，本集團之保險負債主要包括未到期責任準備金199.8618億元(2018年：169.3522億元)、未決賠款準備220.6812億元(2018年：225.2306億元)及壽險合約負債5,345.5713億元(2018年：4,331.0225億元)。

本集團於報告期末根據目前掌握的資料就本集團須在履行其保險合約的責任需要支付的金額作出合理估計。本集團對計量保險合約負債的假設進行估計，這些假設包括但不限於死亡率、發病率、退保率、費用、保單紅利、賠付發展因素、預計賠付率和風險折現率。本集團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，並按歷史資料、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) 投資物業及金融工具的公允價值

投資物業及金融工具的公允價值乃根據估值模型而釐定，當中涉及若干假設。該等假設的有利或不利變化將導致公允價值產生變化及相應對收益或虧損的調整於損益呈報。

52 母公司及最終控股公司

於2019年12月31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)及於中國成立的中國太平保險集團。

中國太平保險集團隸屬於中國國務院。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

53 POSSIBLE IMPACT OF NEW HKFRSs ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2019

Up to the date of issue of these financial statements, the HKICPA has issued the following new and revised HKFRSs which are not yet effective for the year ended 31 December 2019 and which have not been adopted in these financial statements.

53 已在截至2019年12月31日止年度前頒布但尚未生效的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，香港會計師公會頒布了以下新及經修訂香港財務報告準則，但此等新及經修訂準則於截至2019年12月31日止年度尚未生效，因此亦尚未應用於此等財務報表。

HKFRS 17 香港財務報告準則第17號	Insurance Contracts ² 保險合同 ²
Amendments to HKAS 1 and HKAS 8 香港會計準則第1號及香港會計準則第8號之修訂	Definition of Material ¹ 重要性的定義 ¹
Amendments to HKFRS 3 香港財務報告準則第3號之修訂	Definition of a Business ¹ 業務的定義 ¹
Amendments to HKFRS 10 and HKAS 28 香港財務報告準則第10號及 香港會計準則第28號之修訂	Sale or Contribution of Assets between an Investor and its Associate and Joint Venture ¹ 投資者與其聯營或合營公司之間的資產出售或注資 ¹
Conceptual Framework for Financial Reporting 財務報告概念框架	Revised Conceptual Framework for Financial Reporting ¹ 財務報告概念框架之修訂 ¹

Note:

¹ Effective for annual periods beginning on or after 1 January 2020, with earlier application permitted.

² Effective for annual periods beginning on or after 1 January 2021, with earlier application permitted.

HKFRS 17 Insurance Contracts

HKFRS 17 was issued in January 2018 as replacement for HKFRS 4 Insurance Contracts. It requires a current measurement model where estimates are re-measured each reporting period. Contracts are measured using the building blocks of:

- discounted probability-weighted cash flows;
- an explicit risk adjustment; and
- a contractual service margin (“CSM”) representing the unearned profit of the contract which is recognised as revenue over the coverage period.

註：

¹ 生效於2020年1月1日或以後開始之年度期間並准許提早應用。

² 生效於2021年1月1日或以後開始之年度期間並准許提早應用。

香港財務報告準則第17號「保險合同」

香港財務報告準則第17號於2018年1月發佈以取代香港財務報告準則第4號「保險合同」。該準則需要在當前的計量模型中，對每個報告期間的預估值進行重新計量。合同通過以下幾個模塊來計量：

- 概率加權平均現金流現值；
- 明確的風險調整；及
- 合同服務邊際表示合同在覆蓋期間被認為是收入的未實現利潤。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

53 POSSIBLE IMPACT OF NEW HKFRSs ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2019 (Continued)

HKFRS 17 Insurance Contracts (Continued)

The standard allows a choice between recognising changes in discount rates either in the statement of profit or loss or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under HKFRS 9.

An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers.

There is a modification of the general measurement model called the “variable fee approach” for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach the entity’s share of the fair value changes of the underlying items is included in the contractual service margin. The results of insurers using this model are therefore likely to be less volatile than under the general model.

The Group is currently assessing the impact of the standard upon adoption.

Amendments to HKAS 1 and HKAS 8 Definition of Material

The HKICPA has made amendments to HKAS 1 *Presentation of Financial Statements* and HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* which use a consistent definition of materiality throughout International Financial Reporting Standards and the *Conceptual Framework for Financial Reporting*, clarify when information is material and incorporate some of the guidance in HKAS 1 about immaterial information.

In particular, the amendments clarify:

- that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and
- the meaning of ‘primary users of general purpose financial statements’ to whom those financial statements are directed, by defining them as ‘existing and potential investors, lenders and other creditors’ that must rely on general purpose financial statements for much of the financial information they need.

53 已在截至2019年12月31日止年度前頒布但尚未生效的新訂香港財務報告準則所可能產生的影響 (續)

香港財務報告準則第17號「保險合同」(續)

該準則允許選擇將折現率變動的影響計入損益或者直接計入其他全面收益。此項選擇很可能反映出保險公司在香港財務報告準則第9號下如何核算其金融資產。

作為一項會計選擇，對於通常由非壽險公司簽出的短期合同，剩餘保險責任期間內的負債允許採用簡易的保費分配法。

有一種在一般計量模型基礎上進行了改動的計量模型，稱為「可變服務費用模型」，此模型適用於由壽險公司簽出，且保單持有人分享基礎項目回報的某些合同。當應用可變服務費用模型，實體將基礎項目的公允價值變動包括在合同服務邊際內。與一般模型相比，保險公司採用該模型的經營成果波動性可能較低。

本集團正評估應用此準則時帶來的影響。

香港會計準則第1號及香港會計準則第8號之修訂「重要性的定義」

香港會計師公會對香港會計準則第1號「財務報表列報」和香港會計準則第8號「會計政策、會計估計變更和差錯」進行了修訂，與國際財務報告準則和財務報告概念框架中使用對重要性一致的定義，以澄清資料何時為重要，並對香港會計準則第1號中對非重要資料提供一些指引。

修訂中特別澄清：

- 提及模糊資料是指其影響類似於省略或遺漏該資料的情況，並且實體按整個財務報表的背景評估重要性，及
- 這些財務報表所針對的「一般財務報表的主要用戶」的含義，通過將其定義為必須依賴一般財務報表以獲取財務資料的「現有和潛在投資者、貸方和其他債權人」需要。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

53 POSSIBLE IMPACT OF NEW HKFRSs ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2019 (Continued)

Amendments to HKAS 1 and HKAS 8 Definition of Material (Continued)

The Directors do not anticipate that the application of the Amendments to HKAS 1 and HKAS 8 Definition of Material will have a material effect on the Group's consolidated financial statements.

Amendments to HKFRS 3 Definition of Business

The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits.

The amendments will likely result in more acquisitions being accounted for as asset acquisitions.

The Directors do not anticipate that the application of the Amendments to HKFRS 3 *Definition of Business* will have a material effect on the Group's consolidated financial statements.

Amendments to HKFRS 10 and HKAS 28 Sale or Contribution of Assets between an Investor and its Associate and Joint Venture

The amendments address an inconsistency between HKFRS 10 and HKAS 28 in the sale and contribution of assets between an investor and its associate or joint venture.

A full gain or loss is recognised when a transaction involves a business. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if those assets are in a subsidiary.

The Directors do not anticipate that the application of the Amendments to HKFRS 10 and HKAS 28 *Sale or Contribution of Assets between an Investor and its Associate and Joint Venture* will have a material effect on the Group's consolidated financial statements.

53 已在截至2019年12月31日止年度前頒布但尚未生效的新訂香港財務報告準則所可能產生的影響 (續)

香港會計準則第1號及香港會計準則第8號之修訂「重要性的定義」(續)

董事預期應用包括在香港會計準則第1號及香港會計準則第8號之修訂「重要性的定義」中的修訂將不會對本集團的綜合財務報表產生重大影響。

香港財務報告準則第3號之修訂「業務的定義」

修訂後的業務定義要求收購包括投入和實質性流程，並一起對創建產出的能力做出重大貢獻。修改了「產出」一詞的定義，以集中於提供商品和服務給客戶而產生投資收益與其他收益，並且不包括以較低成本和其他經濟利益形式的收益。

該修訂將可能導致更多的收購作為資產收購入賬。

董事預期應用包括在香港財務報告準則第3號之修訂「業務的定義」中的修訂將不會對本集團的綜合財務報表產生重大影響。

香港財務報告準則第10號及香港會計準則第28號之修訂「投資者與其聯營或合營公司之間的資產出售或注資」

此等修改針對香港財務報告準則第10號及香港會計準則第28號之間有關投資者與其聯營或合營公司之間的資產出售或注資兩者的不一致性。

當交易涉及一項業務，須確認全數利得或虧損。當交易涉及不構成一項業務的資產項，須確認部分利得或虧損，即使該等資產在附屬公司以內。

董事預期應用包括在香港財務報告準則第10號及香港會計準則第28號之修訂「投資者與其聯營或合營公司之間的資產出售或注資」中的修訂將不會對本集團的綜合財務報表產生重大影響。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

53 POSSIBLE IMPACT OF NEW HKFRSs ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2019 (Continued)

Revised Conceptual Framework for Financial Reporting

The HKICPA has issued a revised Conceptual Framework which will be used in standard-setting decisions with immediate effect. Key changes include:

- increasing the prominence of stewardship in the objective of financial reporting
- reinstating prudence as a component of neutrality
- defining a reporting entity, which may be a legal entity, or a portion of an entity
- revising the definitions of an asset and a liability
- removing the probability threshold for recognition and adding guidance on derecognition
- adding guidance on different measurement basis, and
- stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements.

No changes will be made to any of the current accounting standards. However, entities that rely on the Framework in determining their accounting policies for transactions, events or conditions that are not otherwise dealt with under the accounting standards will need to apply the revised Framework from 1 January 2020. These entities will need to consider whether their accounting policies are still appropriate under the revised Framework.

53 已在截至2019年12月31日止年度前頒布但尚未生效的新訂香港財務報告準則所可能產生的影響 (續)

財務報告概念框架之修訂

香港會計師公會發佈了即時生效的概念框架之修訂，將用於標準制定決策。主要更改包括：

- 提高管理財務報告的客觀性
- 恢復審慎作為中立的組成部分
- 定義報告實體，該實體可以是法人實體，或是實體的一部分
- 修訂資產和負債的定義
- 刪除確認的概率閾值及增加終止確認的指導
- 增加不同測量基礎的指導，及
- 列出損益為主要的績效指標，原則上，應將其他綜合中的收入和支出重新利用，以增強財務報表的相關性或忠實性。

現時的任何會計準則都不會更改。但是，依據框架定其他會計準則未處理的交易、事件或條件之會計政策的實體將需要自2020年1月1日起採用經修訂的框架。這些實體將需要考慮其會計政策在修訂後的框架是否仍然適用。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

53 POSSIBLE IMPACT OF NEW HKFRSs ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2019 (Continued)

Revised Conceptual Framework for Financial Reporting (Continued)

The Directors do not anticipate that the application of the *Revised Conceptual Framework for Financial Reporting* will have a material effect on the Group's consolidated financial statements.

Except as described above, the Directors anticipate that the application of the other new and revised HKFRS will not have material impact on the Group's financial performance and positions for the coming financial years and/or on the disclosures set out in these consolidated financial statements.

54 EVENT AFTER REPORTING PERIOD

Since the outbreak of Coronavirus Disease 2019 ("COVID-19") in January 2020, the prevention and control of the COVID-19 has been going on throughout the country.

The COVID-19 has certain impacts on the overall economy and the Group's operation, the extent of which will depend on the situation of the epidemic preventive measures, the duration of the epidemic and the implementation of regulatory policies. The Group will continue to monitor the situation of the COVID-19 and the corresponding impacts to the Group, and continue to assess and respond to its impacts on the financial position and operating results of the Group.

53 已在截至2019年12月31日止年度前頒布但尚未生效的新訂香港財務報告準則所可能產生的影響 (續)

財務報告概念框架之修訂 (續)

董事預期應用財務報告概念框架之修訂將不會對本集團的綜合財務報表產生重大影響。

除以上載述外，董事預期應用其他新訂或經修訂香港財務報告準則將不會對本集團下一個財政年度的業績及財務狀況及／或在該等綜合財務報表的披露規定產生重大影響。

54 報告期後事項

新型冠狀病毒肺炎疫情於2020年年初在全國爆發，相關防控工作在全國範圍內持續進行。

疫情對整體經濟運行及本集團的業務造成一定影響，影響程度取決於疫情防控的情況、持續時間以及各項調控政策的實施。本集團將繼續密切關注疫情的發展及其對本集團的影響，並持續採取積極應對措施及評估其對本集團財務狀況、經營成果等方面的影響。

Independent Auditor's Report

獨立核數師報告



羅兵咸永道

To the Members of
China Taiping Insurance Holdings Company Limited
(incorporated in Hong Kong with limited liability)

致中國太平保險控股有限公司成員
(於香港註冊成立的有限公司)

OPINION

意見

What we have audited

我們已審計的內容

The consolidated financial statements of China Taiping Insurance Holdings Company Limited (the "Company") and its subsidiaries (the "Group") set out on pages 120 to 325, which comprise:

中國太平保險控股有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第120至325頁的綜合財務報表,包括:

- the consolidated statement of financial position as at 31 December 2019;
 - the consolidated statement of profit or loss for the year then ended;
 - the consolidated statement of profit or loss and other comprehensive income for the year then ended;
 - the consolidated statement of changes in equity for the year then ended;
 - the consolidated statement of cash flows for the year then ended; and
 - the notes to the consolidated financial statements, which include a summary of significant accounting policies.
- 於2019年12月31日的綜合財務狀況表;
 - 截至該日止年度的綜合損益表;
 - 截至該日止年度的綜合損益及其他全面收益表;
 - 截至該日止年度的綜合權益變動表;
 - 截至該日止年度的綜合現金流量表及
 - 綜合財務報表附註,包括主要會計政策概要。

Our opinion

我們的意見

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

我們認為,該等綜合財務報表已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映了貴集團於2019年12月31日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量,並已遵照香港《公司條例》妥為擬備。

Independent Auditor's Report

獨立核數師報告

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

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

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

- Valuation of life insurance contract liabilities
- Valuation of provision for outstanding claims for general insurance businesses
- Valuation of unlisted securities

意見的基礎

我們已根據香港會計師公會頒布的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

獨立性

根據香港會計師公會頒布的《專業會計師道德守則》（以下簡稱「守則」），我們獨立於貴集團，並已履行守則中的其他專業道德責任。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

我們在審計中識別的關鍵審計事項概述如下：

- 壽險合約負債的計量
- 財產保險未決賠款準備的計量
- 非上市證券投資的估值

Independent Auditor's Report

獨立核數師報告

Key Audit Matter 關鍵審計事項

Valuation of life insurance contract liabilities 壽險合約負債的計量

Refer to Note 1(d) Significant Accounting Policies – Recognition and measurement of contracts (ii) Life insurance contract liabilities, and Note 27 Life insurance contract liabilities.

參見附註1(d) 主要會計政策－合約確認及計量(ii) 壽險合約負債和附註27壽險合約負債。

Refer to Note 51(d) Accounting Estimates and Judgements – Determination of insurance liabilities.

參見附註51(d) 會計估計及判斷－釐定保險負債。

The Group had life insurance contract liabilities of HK\$534,557 million as at 31 December 2019, representing 64.8% of the Group's total liabilities. 貴集團於2019年12月31日之壽險合約負債為5,345.57億港元，相當於 貴集團總負債的64.8%。

The valuation of life insurance contract liabilities requires the use of appropriate actuarial methodologies, and also various economic and operational assumptions that are subject to a high degree of management's judgement. Therefore, this is identified as a key audit matter in our audit. There are inherent uncertainties in the estimation of future policyholder benefits as at the balance sheet date. The key assumptions used in measuring the life insurance contract liabilities include discount rates, mortality and morbidity rates, lapse rates, expenses, and policy dividend. 壽險合約負債的計量需使用適當的精算方法以及各種有關經濟和運營的假設，涉及高程度的管理層判斷。因此，壽險合約負債的計量被定為關鍵審計事項。在資產負債表日，保單持有人未來給付的估計存在根本的不確定性。計量壽險合約負債的關鍵假設包括折現率、死亡率和發病率、退保率、費用和保單紅利。

How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項

We evaluated the internal controls over the actuarial process of the valuation of life insurance contract liabilities.

我們評估了壽險合約負債計量中的精算過程中的內部控制。

We involved our actuarial experts in performing all of the following audit procedures.

我們的精算專家參與了以下所有審計程序的執行工作。

We checked the appropriateness of the methodologies adopted against market actuarial practices. We assessed the reasonableness of the key assumptions used including discount rates, mortality and morbidity rates, lapse rates, expenses, and policy dividend, and management's rationale for the judgements applied. We considered the Group's historical data and applicable industry experiences.

我們根據市場一般精算做法，檢查 貴集團所採用的精算方法的適用性。我們評估了關鍵假設的合理性，包括折現率、死亡率和發病率、退保率、費用和保單紅利，以及管理層作出判斷的基礎理論。我們考慮了 貴集團的歷史資料和適用的行業經驗。

We evaluated the overall reasonableness of the life insurance contract liabilities through trend and movement analysis, analysis of actual experiences against expected results, and analysis of impacts of key assumption changes.

我們通過進行壽險合約負債趨勢及變動分析、對實際經驗與預期的結果進行比較分析、並分析關鍵假設變動的影響，從而評估壽險合約負債的整體合理性。

Based on the work performed, we considered the key assumptions and methodologies applied to be appropriate for the valuation of life insurance contract liabilities.

根據已完成的工作，我們認為用於計量壽險合約負債時的關鍵假設及計量方法均為合適。

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獨立核數師報告

Key Audit Matter 關鍵審計事項

Valuation of provision for outstanding claims for general insurance businesses 財產保險未決賠款準備的計量

Refer to Note 1(d) Significant Accounting Policies – Recognition and measurement of contracts (iv) Provision for outstanding claims, and Note 29 Provision for outstanding claims in respect of general insurance.

參見附註1(d)主要會計政策—合約確認及計量(iv)未決賠款準備和附註29財產保險相關的未決賠款準備。

Refer to Note 51(d) Accounting Estimates and Judgements – Determination of insurance liabilities.

參見附註51(d)會計估計及判斷—釐定保險負債。

The Group had provision for outstanding claims for general insurance businesses of HK\$19,910 million as at 31 December 2019, representing 2.4% of the Group's total liabilities.

貴集團於2019年12月31日之財產保險未決賠款準備為199.10億港元，相當於貴集團總負債的2.4%。

The valuation of provision for outstanding claims for general insurance businesses involves a high degree of management's judgement and therefore is our audit focus. The key assumption in measuring provision for outstanding claims for general insurance businesses is the ultimate claims expenses, which is estimated based on the Group's past claims development experiences. Actuarial methods are used to extrapolate the expected loss ratios based on the historical data such as development of paid and incurred losses, and average costs per claim.

財產保險未決賠款準備的計量涉及高程度的管理層判斷，因此成為我們的關注事項。計量財產保險未決賠款準備的關鍵假設是根據貴集團過去的賠付發展經驗估計的最終賠付成本。貴集團根據歷史資料例如已支付和已發生損失的發展以及賠付的平均成本，使用精算方法來推斷預期賠付率。

How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項

We evaluated the internal controls over the actuarial process, including data collection and analysis, in estimating the valuation of provision for outstanding claims for general businesses. We involved our actuarial experts in performing all of the following audit procedures.

我們評估了財產保險未決賠款準備計量中精算過程中的內部控制，包括資料收集和分析。我們的精算專家參與了以下所有審計程序的執行工作。

We developed our independent view of a range of best estimates based on the Group's historical data and applicable industry experiences of the provision for outstanding claims for general insurance businesses and compared with management's estimates.

我們根據貴集團財產保險合約的歷史資料和適用的行業經驗就財產保險未決賠款準備獨立推算了最佳估計範圍，並与管理層的估計做出比較。

We evaluated the overall reasonableness of the provision for outstanding claims for general insurance businesses by considering retrospective analysis results and assessed whether there is any indication that the estimated liability may be inadequate.

我們通過對回溯性分析評估進行考量，財產保險未決賠款準備的整體合理性，並評估是否有任何跡象表明預計負債可能不足。

Based on the work performed, we considered the valuation of outstanding claims liabilities for general insurance businesses to be appropriate. 根據已完成的工作，我們認為財產保險未決賠款準備的計量為合適。

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Key Audit Matter 關鍵審計事項

Valuation of unlisted securities 非上市證券投資的估值

Refer to Note 1(h) Significant Accounting Policies – Investments in debt and equity securities, Note 19 Investments in debt and equity securities and Note 44 Fair values of financial instruments.

參見附註1(h)主要會計政策－債務及股本證券投資，附註19債務及股本證券投資和附註44金融工具的公允價值。

The Group held unlisted securities that were classified under available-for-sale, held-for-trading and designated at fair value through profit or loss and were classified as level 3 for fair value measurement purposes. These unlisted level 3 securities represented 3.4% of the Group's total assets as at the balance sheet date. The valuation of these securities involves a high degree of management's judgements as they are valued based on assumptions which are not observable from the market. The valuation of unlisted securities is identified as an area of our focus.

貴集團持有被分類為可供出售、持有作交易用途和指定為通過損益以反映公允價值，以及公允價值計量被分類為第三級的非上市證券投資。在資產負債表日，這些第三級的非上市證券投資佔貴集團總資產的3.4%。由於這類證券投資的估值基於在市場上不可觀察的假設，其估值涉及高程度的管理層判斷。因此非上市證券投資的估值是我們關注的事項。

How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項

We evaluated the internal controls over the investment valuation process.
我們評估了投資評估過程中的內部控制。

We involved our internal valuation experts in assessing the methodologies and key assumptions in the valuation of these financial assets. We also assessed the reasonableness of the key unobservable inputs used in the valuation such as discount rates, comparable company valuation multiples, liquidity spreads, and recent transaction prices of similar securities.

我們的內部估值專家參與了對這些投資估值用的方法和關鍵假設的評估。我們也評估了採用於估值那些不可觀察的關鍵投入的合理性，比如折現率、可比公司估值倍數、流動性價差、相似的金融工具的近期交易價格等。

Based on the work performed, we considered the assumptions and methodologies applied to be appropriate for the valuation of these unlisted securities.

根據已完成的工作，我們認為用於計量非上市證券投資的估值時被採用的方法和假設均為合適。

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

其他信息

貴公司董事須對其他信息負責。其他信息包括年報內的所有信息，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

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If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 405 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事及審計委員會就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒布的《香港財務報告準則》及香港《公司條例》擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

在擬備綜合財務報表時，董事負責評估 貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將 貴集團清盤或停止經營，或別無其他實際的替代方案。

審計委員會須負責監督 貴集團的財務報告過程。

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅按照香港《公司條例》第405條向閣下（作為整體）報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

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獨立核數師報告

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對 貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。

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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Wong Kin Lap.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 27 March 2020

- 就 貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

除其他事項外，我們與審計委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向審計委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

從與審計委員會溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人是黃健立。

羅兵咸永道會計師事務所
執業會計師

香港，2020年3月27日

Five Year Financial Summary

5年財務概要

(Expressed in Hong Kong dollars)
(以港元列示)

RESULTS

業績

		2019	2018	2017	2016 (Restated) (重列)	2015
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Income	收入					
Total premiums written and policy fees	總保費及保單費收入	223,018,522	199,631,606	178,676,194	149,265,378	138,431,538
Less: Premiums ceded to reinsurers	減：分出保費	(10,665,260)	(14,750,180)	(6,028,323)	(4,615,285)	(6,718,355)
Net premiums written and policy fees	淨保費收入及保單費收入	212,353,262	184,881,426	172,647,871	144,650,093	131,713,183
Change in unearned premium provisions, net of reinsurance	未到期責任準備金變化， 減再保險	(3,585,232)	(307,168)	(2,458,357)	(1,081,519)	(1,056,420)
Net earned premiums and policy fees	已賺取保費及保單費收入淨額	208,768,030	184,574,258	170,189,514	143,568,574	130,656,763
Investment income	投資收入	30,875,523	22,583,373	21,647,114	20,075,512	28,151,683
Other income	其他收益	4,884,195	6,503,876	4,263,500	2,919,416	1,859,982
Total income	收入總額	244,527,748	213,661,507	196,100,128	166,563,502	160,668,428
Benefits, losses and expenses	給付、賠款及費用					
Net policyholders' benefits	保單持有人利益淨額	(58,373,515)	(76,933,688)	(63,261,943)	(32,832,962)	(61,519,614)
Net commission and handling fee expenses	佣金及手續費支出淨額	(24,003,597)	(25,043,772)	(21,125,565)	(16,704,474)	(12,872,561)
Administrative and other expenses	行政及其他費用	(35,278,267)	(31,007,723)	(27,707,473)	(22,693,798)	(23,391,703)
Change in life insurance contract liabilities, net of reinsurance	壽險合約負債變化， 減再保險	(112,979,016)	(65,486,615)	(70,689,615)	(83,642,837)	(50,824,406)
Total benefits, losses and expenses	給付、賠款及費用總額	(230,634,395)	(198,471,798)	(182,784,596)	(155,874,071)	(148,608,284)
Share of results of associates and joint ventures	應佔聯營公司及 合營公司業績	1,760,901	344,005	528,012	59,061	(2,393)
Finance costs	財務費用	(2,328,432)	(2,421,329)	(2,123,569)	(1,377,224)	(1,049,337)
Profit before taxation	除稅前溢利	13,325,822	13,112,385	11,719,975	9,371,268	11,008,414
Income tax charges	稅項支出	(782,948)	(4,292,402)	(3,755,722)	(2,956,240)	(2,840,176)
Profit after taxation	除稅後溢利	12,542,874	8,819,983	7,964,253	6,415,028	8,168,238
Attributable to:	應佔：					
Owners of the Company	本公司股東權益	9,008,522	6,883,569	6,136,187	4,831,649	6,341,236
Non-controlling interests	非控股股東權益	3,534,352	1,936,414	1,828,066	1,583,379	1,827,002
		12,542,874	8,819,983	7,964,253	6,415,028	8,168,238

Note: The results for the year ended 31 December 2016 had been prepared in accordance with the merger accounting on business combination as set out on the Annual Report. However, the results for years ended 31 December 2015 had not been restated accordingly.

註：截至2016年12月31日止年度之業績，已根據載於年報之業務合併應用合併會計而編製。然而，截至2015年12月31日止年度之業績，並沒有作相應重列。

Five Year Financial Summary

5年財務概要

(Expressed in Hong Kong dollars)
(以港元列示)

		2019	2018	2017	2016 (Restated) (重列)	2015
		\$'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	5,352,394	5,952,849	6,108,609	5,643,348	5,896,222
Fixed assets	固定資產	46,935,042	38,697,014	33,476,898	27,523,858	23,739,435
Goodwill and intangible assets	商譽及無形資產	981,086	993,382	1,031,076	1,024,562	930,185
Interests in associates and joint ventures	於聯營公司及合營公司的權益	16,221,431	10,410,875	6,295,711	2,224,578	978,429
Deferred tax assets	遞延稅項資產	1,641,853	2,932,103	1,186,933	687,189	365,493
Investments in debt and equity securities	債務及股本證券投資	604,364,322	461,928,068	412,925,424	307,907,849	273,574,170
Securities purchased under resale agreements	買入返售證券	6,025,140	7,507,696	7,624,349	5,497,736	5,116,737
Amounts due from group companies	應收集團內公司款項	2,024,766	2,025,502	14,980	13,629	19,704
Insurance debtors	保險客戶應收賬款	14,901,309	11,916,295	8,552,817	6,693,635	9,237,674
Reinsurers' share of insurance contract provisions	分保公司應佔保險合約準備	12,334,887	14,145,548	9,869,288	5,835,514	34,155,408
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	1,083,703	960,649	1,392,174	1,206,983	1,780,194
Finance lease receivables	應收金融租賃	45,994,817	48,707,024	46,165,667	37,788,259	23,030,665
Other assets	其他資產	78,203,410	64,921,288	54,324,337	38,158,994	33,749,076
Pledged and restricted bank deposits	已抵押銀行存款	972,663	743,522	833,151	685,406	399,172
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	82,383,356	80,259,518	76,672,279	68,116,119	75,058,790
Total assets	總資產	919,420,179	752,101,333	666,473,693	509,007,659	488,031,354
Less: Total liabilities	減：總負債	(825,363,215)	(671,705,552)	(584,752,995)	(438,759,028)	(416,232,721)
Non-controlling interests	非控股股東權益	(17,749,360)	(14,665,872)	(15,280,272)	(12,424,210)	(12,070,628)
		76,307,604	65,729,909	66,440,426	57,824,421	59,728,005
Share capital	股本	40,771,408	40,771,408	40,771,408	40,771,408	40,771,408
Reserves	儲備	35,536,196	20,251,282	20,961,862	12,346,066	14,249,248
Perpetual subordinated capital securities	永續次級資本證券	-	4,707,219	4,707,156	4,706,947	4,707,349
		76,307,604	65,729,909	66,440,426	57,824,421	59,728,005
		dollar 元	dollar 元	dollar 元	dollar 元	dollar 元
Earnings per share	每股盈利					
Basic	基本	2.457	1.844	1.636	1.274	1.783
Diluted	攤薄	2.457	1.844	1.636	1.274	1.781

Definitions

In the annual report, the following expressions shall have the following meanings unless the context requires otherwise:

“Ageas”	Ageas Insurance International NV (previously known as Ageas Insurance International N.V.)
“Board”	the board of Directors
“BVI”	British Virgin Islands
“C-ROSS”	China Risk Oriented Solvency System
“CBIRC”	China Banking and Insurance Regulatory Commission
“China Petrochemical Corporation”	中國石油化工集團有限公司(China Petrochemical Corporation*), a wholly State-Owned Enterprise incorporated in the PRC
“Code”	Corporate Governance Code as set out in Appendix 14 of the Listing Rules
“CTPI (HK)”	China Taiping Insurance (HK) Company Limited
“Directors”	The directors of the Company, including the independent non-executive directors
“Easiwell”	Easiwell Limited
“Golden Win”	Taiping Golden Win Investment Limited
“HIBOR”	Hong Kong Interbank Offer Rate
“HKAS”	Hong Kong Accounting Standard
“HKFRS”	Hong Kong Financial Reporting Standard
“HKICPA”	Hong Kong Institute of Certified Public Accountants
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Indonesia”	Republic of Indonesia
“Last Year”	The year ended 31 December 2018
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	Macau Special Administrative Region of the PRC
“MAH”	The Ming An (Holdings) Company Limited

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：

「富傑」	指	比利時富傑保險國際股份有限公司，前稱荷蘭富傑保險國際股份有限公司
「償二代」	指	中國風險導向的償付能力體系
「中國銀保監會」	指	中國銀行保險監督管理委員會
「中石化集團公司」	指	中國石油化工集團有限公司，一家於中國註冊成立的國有獨資企業
「守則」	指	上市規則附錄14所載列之企業管治守則
「太平香港」	指	中國太平保險（香港）有限公司
「董事」	指	本公司董事，包括獨立非執行董事
「易和」	指	易和有限公司
「金和」	指	太平金和投資有限公司
「香港」	指	中國香港特別行政區
「印尼」	指	印度尼西亞共和國
「去年」	指	截至2018年12月31日止之年度
「上市規則」	指	聯交所證券上市規則
「澳門」	指	中國澳門特別行政區
「民安控股」	指	民安（控股）有限公司

Definitions

“Manhold”	Manhold Limited
“MPF scheme”	Mandatory Provident Fund Scheme
“SFO”	Securities and Futures Ordinance
“Share(s)”	Share(s) in the capital of the Company
“Singapore”	Republic of Singapore
“Tellon”	Tellon Development Limited
“the Company” or “CTIH”	China Taiping Insurance Holdings Company Limited
“the Group”	CTIH and its subsidiaries
“the PRC”	The People’s Republic of China
“the Stock Exchange”	The Stock Exchange of Hong Kong Limited
“the Year”	The year ended 31 December 2019
“TP Fund”	Taiping Fund Management Company Limited
“TPA (HK)”	Taiping Assets Management (HK) Company Limited
“TPAM”	Taiping Asset Management Company Limited
“TPFAS”	太平金融稽核服務(深圳)有限公司 (“Taiping Financial Audit Service (Shenzhen) Company Limited”, being the unofficial English name)
“TPFH”	Taiping Financial Holdings Company Limited
“TPFS”	Taiping Financial Services Company Limited
“TPFSC”	Taiping Financial Operating Service (Shanghai) Co., Ltd.
“TPFT”	Taiping Financial Technology Service (Shanghai) Company Limited, being the unofficial English name of 太平金融科技服務(上海)有限公司)
“TPG”	China Taiping Insurance Group Ltd.
“TPG (HK)”	China Taiping Insurance Group (HK) Company Limited
“TPI”	Taiping General Insurance Company Limited

釋義

「汶豪」	指	汶豪有限公司
「股份」	指	本公司股本中的股份
「新加坡」	指	新加坡共和國
「澤鴻」	指	澤鴻發展有限公司
「本公司」或「中國太平控股」	指	中國太平保險控股有限公司
「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
「聯交所」	指	香港聯合交易所有限公司
「本年度」	指	截至2019年12月31日止之年度
「太平基金」	指	太平基金管理有限公司
「太平資產(香港)」	指	太平資產管理(香港)有限公司
「太平資產」	指	太平資產管理有限公司
「太平金融稽核服務」	指	太平金融稽核服務(深圳)有限公司
「太平金控」	指	太平金融控股有限公司
「太平金服」	指	太平金融服務有限公司
「太平金運」	指	太平金融運營服務(上海)有限公司
「太平金科」	指	太平金融科技服務(上海)有限公司
「中國太平保險集團」	指	中國太平保險集團有限責任公司
「中國太平保險集團(香港)」	指	中國太平保險集團(香港)有限公司
「太平財險」	指	太平財產保險有限公司

Definitions

“TPIH”	Taiping Investment Holdings Company Limited
“TPIH (HK)”	Taiping Investment Holdings (HK) Company Limited
“TPL”	Taiping Life Insurance Company Limited
“TPL (HK)”	China Taiping Life Insurance (Hong Kong) Company Limited
“TPL (Macau)”	China Taiping Life Insurance (Macau) Company Limited
“TPP”	Taiping Pension Company Limited
“TPPM”	Shenzhen Taiping Property Management Co., Ltd
“TPR (BJ)”	Taiping Real Estate (Beijing) Co. Ltd.
“TPR (Guangzhou)”	Taiping Real Estate (Guangzhou) Co. Ltd.
“TPR (Nanning)”	Taiping Real Estate (Nanning) Co. Ltd.
“TPR (Hainan)”	Taiping Real Estate (Hainan) Co. Ltd.
“TPR (Hangzhou)”	Taiping Real Estate (Hangzhou) Co. Ltd.
“TPR (Jinan)”	Taiping Real Estate (Jinan) Co. Ltd.
“TPR (SH)”	Taiping Real Estate Shanghai Company Limited
“TPR (Suzhou)”	Taiping Real Estate (Suzhou Industrial Park) Co. Ltd.
“TPRB”	Taiping Reinsurance Brokers Limited
“TPRe”	Taiping Reinsurance Company Limited
“TPRe (China)”	Taiping Reinsurance (China) Company Limited
“TPRe (UK)”	Taiping Re UK Limited
“TP Indonesia”	PT China Taiping Insurance Indonesia
“TP Japan”	China Taiping Insurance Service (Japan) Co. Ltd.
“TP Macau”	China Taiping Insurance (Macau) Company Limited
“TP Singapore”	China Taiping Insurance (Singapore) PTE. Ltd.
“TP STI”	Taiping Science and Technology Insurance Co., Ltd.

釋義

「太平投資控股」	指	太平投資控股有限公司
「太平投資（香港）」	指	太平投資控股（香港）有限公司
「太平人壽」	指	太平人壽保險有限公司
「太平人壽（香港）」	指	中國太平人壽保險（香港）有限公司
「太平人壽（澳門）」	指	中國太平人壽保險（澳門）股份有限公司
「太平養老」	指	太平養老保險股份有限公司
「太平物業」	指	深圳市太平物業管理有限公司
「北京置業」	指	太平置業（北京）有限公司
「廣州置業」	指	太平置業（廣州）有限公司
「南寧置業」	指	太平置業（南寧）有限公司
「海南置業」	指	太平置業（海南）有限公司
「杭州置業」	指	太平置業（杭州）有限公司
「濟南置業」	指	太平置業（濟南）有限公司
「上海置業」	指	太平置業（上海）有限公司
「蘇州置業」	指	太平置業（蘇州工業園區）有限公司
「太平再保顧問」	指	太平再保險顧問有限公司
「太平再保險」	指	太平再保險有限公司
「太平再保險（中國）」	指	太平再保險（中國）有限公司
「太平再保險（英國）」	指	Taiping Re UK Limited
「太平印尼」	指	中國太平保險印度尼西亞有限公司
「太平日本」	指	中國太平保險服務（日本）有限公司
「太平澳門」	指	中國太平保險（澳門）股份有限公司
「太平新加坡」	指	中國太平保險（新加坡）有限公司
「太平科技」	指	太平科技保險股份有限公司

Definitions

“TP UK”	China Taiping Insurance (UK) Company Limited
“TSFL”	Taiping & Sinopec Financial Leasing Co. Ltd.
“United States”	United States of America
“UK”	the United Kingdom of Great Britain and Northern Ireland
“HKD” or “HK\$”	Hong Kong dollars
“GBP”	British Pound
“IDR”	Indonesian Rupiah
“JPY”	Japanese Yen
“MOP”	Macau Pataca
“RMB”	Renminbi
“SGD”	Singaporean dollars
“USD”	United States dollars

釋義

「太平英國」	指	中國太平保險（英國）有限公司
「太平石化金租」	指	太平石化金融租賃有限責任公司
「美國」	指	美利堅合眾國
「英國」	指	大不列顛及北愛爾蘭聯合王國

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An aerial view of a city skyline, likely Hong Kong, with a network of white lines and dots overlaid on the image, suggesting a global or interconnected theme. The background is a soft, hazy orange and yellow gradient.

中國太平保險控股有限公司

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