

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 2012.

PRINCIPAL ACTIVITIES

The principal activity of Company is investment holding. The principal activities of the Company's subsidiaries are the underwriting of direct life insurance business in the PRC, direct property and casualty insurance business in the PRC and Hong Kong and all classes of global reinsurance business. The Group also carries on operations in pension and group life business, assets management, E-commerce for insurance and insurance intermediaries. 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.

MAJOR INSURANCE CUSTOMERS

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

		Percentage of the Group's total gross premiums written and policy fees 佔本集團毛承保保費及保單費收入總額的百分比
The largest insurance customer	最大保險客戶	1.3%
Five largest insurance customers in aggregate	五大保險客戶合計	1.8%

董事會全人謹將截至二零一二年十二月三十一日止年度的年報及經審核財務報表呈覽。

主要業務

本公司的主要業務是投資控股。本公司之附屬公司的主要從事內地的直接人壽保險業務、內地及香港的直接財產保險業務及各類全球再保險業務。本集團也從事養老及團體保險、資產管理、保險有關的電子商務及保險中介業務。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政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。

主要保險客戶

主要保險客戶於本財政年度佔本集團的毛承保保費及保單費收入的資料臚列如下：

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MAJOR INSURANCE CUSTOMERS (Continued)

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

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

CONSOLIDATED FINANCIAL STATEMENTS

The profit of the Group for the year ended 31 December 2012 and the state of the Company's and the Group's affairs at that date are set out in the consolidated financial statements on pages 137 to 331.

No interim dividend was declared during the Year (2011: Nil). The directors do not recommend the payment of a final dividend in respect of the year ended 31 December 2012 (2011: Nil).

FIXED ASSETS

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

SHARE CAPITAL

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

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

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

RESERVES

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

主要保險客戶 (續)

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

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

綜合財務報表

本集團截至二零一二年十二月三十一日止年度的溢利和本公司及本集團於該日的財務狀況載於第137至331頁的綜合財務報表內。

本年度內並無宣派中期股息(二零一一年:無)。董事會不建議派發截至二零一二年十二月三十一日止年度末期股息(二零一一年:無)。

固定資產

固定資產的變動詳情載於綜合財務報表附註15。

股本

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

購買、出售或贖回本公司的上市證券

本公司或任何其附屬公司於年內概無購入、出售或贖回任何本公司的上市證券。

儲備

本公司及本集團於年內儲備變動的詳情載於綜合財務報表附註38。

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DISTRIBUTABLE RESERVES

As at 31 December 2012, the Company's reserve available for distribution amounted to HK\$298.84 million (2011: HK\$223.31 million). In addition, the Company's share premium account of HK\$9,055.69 million as at 31 December 2012 (2011: HK\$9,053.22 million) may be distributed in the form of fully paid bonus shares.

DONATIONS

During the Year, the Group made charitable donations of HK\$0.66 million (2011: HK\$0.44 million).

DIRECTORS

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

Executive directors

WANG Bin (*appointed on 29 March 2012*)

SONG Shuguang

XIE Yiqun

PENG Wei

NG Yu Lam Kenneth

LIN Fan (*resigned on 29 March 2012*)

SHEN Koping Michael

(*resigned on 31 December 2012*)

LAU Siu Mun Sammy

(*resigned on 31 December 2012*)

Non-executive directors

LI Tao

WU Jiesi*

CHE Shujian*

LEE Kong Wai Conway*

* *Independent*

可分配儲備

於二零一二年十二月三十一日，本公司可供分配的儲備合共為2.9884億港元（二零一一年：2.2331億港元）。此外，本公司於二零一二年十二月三十一日有為數90.5569億港元（二零一一年：90.5322億港元）的股本溢價賬可以繳足紅股的形式作出分配。

捐款

於本年度內，本集團作出66萬港元（二零一一年：44萬港元）的慈善捐款。

董事會

於本年度及截至本年報之日的董事如下：

執行董事

王濱（於二零一二年三月二十九日委任）

宋曙光

謝一群

彭偉

吳俞霖

林帆（已於二零一二年三月二十九日請辭）

沈可平

（已於二零一二年十二月三十一日請辭）

劉少文

（已於二零一二年十二月三十一日請辭）

非執行董事

李濤

武捷思*

車書劍*

李港衛*

* 獨立

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DIRECTORS (Continued)

In accordance with Article 97 of the Company's articles of association, Messrs. Song Shuguang, Peng Wei, and Dr. Wu Jiesi, shall retire and, being eligible, offer themselves for re-election at the forthcoming Annual General Meeting.

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

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

CONFIRMATION OF INDEPENDENCE

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

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 Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) between 30 August 2012 (being the date of approval of the Company's Interim Report 2012 and 19 March 2013 (being the date of approval of the Company's 2012 Annual Report) as set out below:

Position held with the Company and other members of the Group and relationships with the controlling shareholders of the Company

Mr. Ng Yu Lam Kenneth ceased to be a director of TPI with effect from October 2012.

董事會 (續)

根據本公司的組織章程細則條文第97條，宋曙光先生、彭偉先生及武捷思博士將於即將召開的股東周年大會退任，而他們均符合資格及願膺選連任。

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

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

獨立性的確認

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

董事資料的變動

根據上市規則第13.51B(1)條，於二零一二年八月三十日（為通過本公司二零一二年中期報告當日）至二零一三年三月十九日（為通過本公司二零一二年年報當日）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：

有關於本公司及本集團內其他公司擔當職位及與本公司控股股東之關係的變動

於二零一二年十月，吳俞霖先生辭任太平財險董事職務。

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CHANGES TO INFORMATION IN RESPECT OF DIRECTORS *(Continued)*

Position held with the Company and other members of the Group and relationships with the controlling shareholders of the Company *(Continued)*

Mr. Wang Bin was appointed as a director and the chairman of TPI with effect from December 2012.

Mr. Peng Wei was appointed as a director of TPI with effect from December 2012.

Mr. Li Tao was appointed as a director of TPP with effect from December 2012.

Mr. Shen Koping Michael and Mr. Lau Siu Mun Sammy ceased to be executive directors of the Company with effect from December 2012.

Mr. Song Shuguang and Mr. Peng Wei were appointed as directors of TPeC with effect from January 2013.

Experience including other directorships in listed companies and major appointments

Mr. Lee Kong Wai Conway was appointed as an independent non-executive director of NVC Lighting Holding Limited, a company listed in the Hong Kong Stock Exchange, with effect from November 2012.

Changes in Director's emoluments

The changes in directors' emoluments are set out in note 9 of the consolidated financial statements.

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.

董事資料的變動 (續)

有關於本公司及本集團內其他公司擔當職位及與本公司控股股東之關係的變動 (續)

於二零一二年十二月，王濱先生獲委任為太平財險董事長。

於二零一二年十二月，彭偉先生獲委任為太平財險董事。

於二零一二年十二月，李濤先生獲委任為太平養老董事。

於二零一二年十二月，沈可平先生及劉少文先生辭任本公司執行董事職務。

於二零一三年一月，宋曙光先生及彭偉先生獲委任為太平電商董事。

有關擔任其他上市公司董事職務及主要任命的變動

於二零一二年十一月，李港衛先生獲委任為雷士照明控股有限公司（一家於香港交易所上市的公司）之獨立非執行董事。

董事酬金變化

董事酬金變化載於綜合財務報表附註9。

除上述外，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一年內不可在不予賠款（一般法定賠款除外）的情況下終止尚未屆滿的服務合約。

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

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

As at 31 December 2012, the interests or short positions of the directors and chief executive in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

於二零一二年十二月三十一日，按證券及期貨條例第352條規定存置登記冊的記錄所載，或按上市公司董事進行證券交易的標準守則要求，已經知會本公司及聯交所，董事及最高行政人員在本公司及其相聯法團（根據證券及期貨條例第XV段的釋義）的股份、相關股份或債權證中擁有的權益及淡倉如下：

Long Positions in shares and underlying shares of the Company:

本公司股份及相關股份的好倉情況：

Name of directors	董事名稱	Shares		Underlying shares pursuant to share options	Awarded shares	Total interests	Percentage of issued share capital
		Beneficial Owner	Interest of Spouse				
		實益擁有人	配偶的權益	根據認股權的相關股份 (Note 1) (註1)	獎授股份 (Note 2) (註2)	總權益	佔已發行股份 %
Song Shuguang	宋曙光	10,000	–	800,000	–	810,000	0.05
Xie Yiqun	謝一群	–	–	500,000	–	500,000	0.03
Peng Wei	彭偉	70,000	–	400,000	–	470,000	0.03
Ng Yu Lam, Kenneth	吳俞霖	3,348,000	693,000	300,000	30,400	4,371,400	0.26
Li Tao	李濤	130,000	–	–	–	130,000	0.01

Notes:

註：

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

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

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

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

Save as disclosed above:

除上述者外：

(A) none of the directors of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO); and

(A) 並無任何董事擁有本公司或任何相聯法團（根據證券及期貨條例第XV段的釋義）任何股份、相關股份或債權證的權益或淡倉；與及

(B) during the Year, no directors of the Company nor any of their spouses or children under the age of 18 years held any rights to subscribe for equity or debt securities of the Company nor had there been any exercise of any such rights by any of them.

(B) 在本年度，並無任何董事或任何他們的配偶或未滿十八歲的子女擁有權利認購本公司的股本或債務證券，亦並無任何上述人仕行使任何此等權利。

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SHARE OPTION SCHEME

The Company adopted the Old Scheme on 24 May 2000, and at the extraordinary general meeting of the Company held on 7 January 2003, the shareholders of the Company adopted the New Scheme and terminate the Old Scheme. The New Scheme has been expired on 6 January 2013 and no further options will be granted but in respect of all options which remain exercisable at the end of the period, the provisions of the New Scheme shall remain in full force and effect. The outstanding share options granted under the New Scheme as at the date of this annual report is 8,642,000 Shares (representing approximately 0.51% of the issued share capital of the Company as at the date of this annual report) are available for issue.

The New Scheme is in line with the prevailing requirements of Chapter 17 of the Listing Rules in relation to share option schemes.

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

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

認股權計劃

本公司於二零零零年五月二十四日採納舊計劃及於本公司在二零零三年一月七日舉行的股東特別大會上，本公司股東批准採納新計劃，並終止舊計劃。新計劃已於二零一三年一月六日到期及不會再授出任何認股權，惟就於期限結束之時所有仍可行使的認股權而言，新計劃的條文將繼續全面有效。於本年報日期根據新計劃仍未行使已授出認股權為8,642,000股股份（於本年報日期佔本公司已發行股本約0.51%）可供發行。

新計劃符合上市規則第十七章有關認股權計劃當時的規定。

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

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

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SHARE OPTION SCHEME (Continued)

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

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

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

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

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

認股權計劃(續)

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

在任何十二個月期間（直至及包括授出日期）所授予每位參與者的認股權在行使時已發行及將發行的股份總數，不得超逾已發行股份總數的1.0%，除非獲本公司股東於股東大會上另行批准，而該參與者及其聯繫人士須放棄投票。

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

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

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

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SHARE OPTION SCHEME (Continued)

認股權計劃(續)

As of 31 December 2012, the directors and employees of the Company had the following interests in options to subscribe for shares of the Company (market value per share at 31 December 2012 was HK\$15.70) granted at nominal consideration under the Old Scheme and the New Scheme, respectively. Each unit of option gives the holder the right to subscribe for one share.

於二零一二年十二月三十一日，本公司的董事及僱員分別根據舊計劃及新計劃以名義價款獲賦予可認購本公司股份（於二零一二年十二月三十一日每股市價為15.70港元）的認股權中擁有以下權益。每份認股權賦予持有人認購一股股份的權利。

Directors 董事	No. of options outstanding at the beginning of the Year 於年初未行使的認股權數目	No. of options outstanding at the end of the Year 於年末未行使的認股權數目	Date granted 賦予日期	Period during which options exercisable 可行使認股權期間	No. of options granted during the Year 年內已授出的認股權數目	No. of shares acquired in exercise of options during the Year 年內行使認股權購入的股份數目	No. of options lapsed/reclassified during the Year 年內失效/重新分類認股權數目	Price per share to be paid on exercise of options 行使認股權時應付的每股股價	¹ Market value per share at date of grant of options during the Year ¹ 於年內授出認股權日期的每股價格	² Market value per share on exercise of options during the Year ² 於年內行使認股權日期的每股價格
Song Shuguang 宋曙光	800,000	800,000	02/11/2005	23/11/2005 to 22/11/2015	-	-	-	HK\$2.875	-	-
Xie Yiqun 謝一群	500,000	500,000	02/11/2005	23/11/2005 to 22/11/2015	-	-	-	HK\$2.875	-	-
Peng Wei 彭偉	400,000	400,000	02/11/2005	23/11/2005 to 22/11/2015	-	-	-	HK\$2.875	-	-
Ng Yu Lam, Kenneth 吳俞霖	500,000	300,000	02/11/2005	23/11/2005 to 22/11/2015	-	200,000	-	HK\$2.875	-	HK\$12.02
Lin Fan (resigned on 29 March 2012) 林帆 (於2012年3月29日請辭)	700,000	-	12/09/2002	12/09/2002 to 11/09/2012	-	-	-700,000	HK\$3.225	-	-
	2,500,000	-	02/11/2005	23/11/2005 to 22/11/2015	-	-	-2,500,000	HK\$2.875	-	-
Shen Koping, Michael (resigned on 31 December 2012) 沈可平 (於2012年12月31日請辭)	175,000	-	29/12/2006	29/12/2006 to 28/12/2016	-	-	-175,000	HK\$9.800	-	-
	175,000	-	29/06/2007	29/06/2007 to 28/06/2017	-	-	-175,000	HK\$14.220	-	-
	175,000	-	31/12/2007	31/12/2007 to 30/12/2017	-	-	-175,000	HK\$21.400	-	-
	175,000	-	30/06/2008	30/06/2008 to 29/06/2018	-	-	-175,000	HK\$19.316	-	-
	175,000	-	31/12/2008	31/12/2008 to 30/12/2018	-	-	-175,000	HK\$11.920	-	-
	350,000	-	31/12/2009	31/12/2009 to 30/12/2019	-	-	-350,000	HK\$25.10	-	-
	175,000	-	30/06/2010	30/06/2010 to 29/06/2020	-	-	-175,000	HK\$25.91	-	-
	175,000	-	31/12/2010	31/12/2010 to 30/12/2020	-	-	-175,000	HK\$24.18	-	-
	175,000	-	30/06/2011	30/06/2011 to 29/06/2021	-	-	-175,000	HK\$17.58	-	-
	175,000	-	30/12/2011	30/12/2011 to 29/12/2021	-	-	-175,000	HK\$14.728	-	-
Lau Siu Mun, Sammy (resigned on 31 December 2012) 劉少文 (於2012年12月31日請辭)	300,000	-	02/11/2005	23/11/2005 to 22/11/2015	-	300,000	-	HK\$2.875	-	HK\$14.94

Report of the Directors

董事會報告書

SHARE OPTION SCHEME (Continued)

認股權計劃(續)

Directors 董事	No. of options outstanding at the beginning of the Year 於年初未行使的認股權數目	No. of options outstanding at the end of the Year 於年末未行使的認股權數目	Date granted 賦予日期	Period during which options exercisable 可行使認股權期間	No. of options granted during the Year 年內已授出的認股權數目	No. of shares acquired in exercise of options during the Year 年內行使認股權購入的股份數目	No. of options lapsed/reclassified during the Year 年內失效/重新分類認股權數目	Price per share to be paid on exercise of options 行使認股權時應付的每股股價	¹ Market value per share at date of grant of options during the Year ¹ 於年內授出認股權日期的每股價格	² Market value per share on exercise of options during the Year ² 於年內行使認股權日期的每股價格
Employees 僱員	4,017,000	3,917,000	02/11/2005	23/11/2005 to 23/11/2015	-	100,000	-	HK\$2.875	-	HK\$12.64
	-	175,000	29/12/2006	29/12/2006 to 28/12/2016	-	-	+175,000	HK\$9.800	-	-
	800,000	800,000	26/02/2007	26/02/2007 to 25/02/2017	-	-	-	HK\$9.490	-	-
	-	175,000	29/06/2007	29/06/2007 to 28/06/2017	-	-	+175,000	HK\$14.220	-	-
	-	175,000	31/12/2007	31/12/2007 to 30/12/2017	-	-	+175,000	HK\$21.400	-	-
	-	175,000	30/06/2008	30/06/2008 to 29/06/2018	-	-	+175,000	HK\$19.316	-	-
	-	175,000	31/12/2008	31/12/2008 to 30/12/2018	-	-	+175,000	HK\$11.920	-	-
	-	350,000	31/12/2009	31/12/2009 to 30/12/2019	-	-	+350,000	HK\$25.10	-	-
	-	175,000	30/06/2010	30/06/2010 to 29/06/2020	-	-	+175,000	HK\$25.91	-	-
	-	175,000	31/12/2010	31/12/2010 to 30/12/2020	-	-	+175,000	HK\$24.18	-	-
	-	175,000	30/06/2011	30/06/2011 to 29/06/2021	-	-	+175,000	HK\$17.58	-	-
	-	175,000	30/12/2011	30/12/2011 to 29/12/2021	-	-	+175,000	HK\$14.728	-	-

Notes:

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

註:

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

Report of the Directors

董事會報告書

SHARE OPTION SCHEME (Continued)

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

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

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

SHARE AWARD SCHEME

The Share Award Scheme of the Company was adopted by the board of directors (the "Board") on 10 September 2007 ("Adoption Date"). Unless terminated earlier by the Board, the Share Award Scheme shall be valid and effective for a term of 10 years commencing from the Adoption Date, and after such period no new award of Shares shall be granted. A summary of some of the principal terms of the Share Award Scheme is set out below.

The purpose of the Share Award Scheme is to recognize and reward certain employees (including without limitation an employee who is also a director) of the Group and TPG and its subsidiaries for their contributions to the Group and to give long-term incentives for retaining them for the continued operations and development of the Group. The Share Award Scheme intends to provide long-term compensation and incentives such that current employees are incentivized to remain in the Group and TPG and its subsidiaries, and suitable professional recruits are attracted to join the Group and TPG and its subsidiaries, to further assist in the development of the Group.

認股權計劃(續)

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

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

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

股份獎勵計劃

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

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

Report of the Directors

董事會報告書

SHARE AWARD SCHEME (Continued)

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

As at 31 December 2012, the net total number of shares held under Share Award Scheme is 1,536,800 shares (2011: 1,555,400 shares). As at 31 December 2012, 567,600 shares were awarded to selected employees (2011: 604,000 shares) subject to the terms of the Share Award Scheme, but have not yet vested in such selected employees.

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

股份獎勵計劃(續)

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

於二零一二年十二月三十一日，根據股份獎勵計劃持有之股份淨額為1,536,800股（二零一一年：1,555,400股）。於二零一二年十二月三十一日，當中567,600股已根據股份獎勵計劃的條款獎授但未歸屬予選定僱員（二零一一年：604,000股）。

董事獲獎授股份的資料臚列如下：

Name of Directors 董事名稱	Date of award 獎授日期 (Note 1) (註1)	Number of awarded shares 獎授股份數目	Historical acquisition cost 歷史購入成本	Average fair value per share 每股平均公允價值 (Note 2) (註2)	Number of shares 股份數目		Period during which awarded shares to be vested 可獲歸屬獎授股份之期間
					Lapsed during the Year 於本年度內失效	As at 31 December 2012 於二零一二年十二月三十一日	
Ng Yu Lam, Kenneth 吳俞霖	11/11/2010	30,400	HK\$23.10	HK\$28.85	-	30,400	31/12/2012 to 30/12/2017

Notes:

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

註：

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

Report of the Directors

董事會報告書

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

主要股東及其他人士的股份及相關股份的權益及淡倉

As of 31 December 2012, the interests and short positions of the shareholders, other than a director or chief executive of the Company, in the Shares and underlying Shares of the Company as recorded in the register required to be kept by the Company under Section 336 of SFO were as follows:

於二零一二年十二月三十一日，按證券及期貨條例第336條規定存置之登記冊的記錄所載不屬於本公司董事或最高行政人員的股東在本公司的股份及相關股份中擁有的權益及淡倉如下：

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 佔已發行股份百分比
TPG 中國太平集團	Interest of controlled corporation 控股公司權益	908,689,405 (Note 1) (註1)	Long Position 好倉	53.27
TPG (HK) 中國太平集團(香港)	643,425,705 shares as beneficial owner and 265,263,700 shares (Note 2) as interest of controlled corporation 643,425,705股為實益擁有人及265,263,700股(註2)為控股公司權益	908,689,405	Long Position 好倉	53.27
Schroders Plc.	Investment Manager 投資經理	119,718,961	Long Position 好倉	7.02
JP Morgan Chase & Co. 摩根大通	1,434,400 shares as beneficial owner, 1,189,200 shares as investment manager and 99,756,709 shares as custodian corporation/ approved lending agent 1,434,400股為實益擁有人，1,189,200股為投資經理及99,756,709股為保管人—法團／核准借出代理人	102,380,309	Long Position 好倉	6.00
	Beneficial owner 實益擁有人	7,000	Short Position 淡倉	0.004
Commonwealth Bank of Australia 澳洲聯邦銀行	Interest of controlled corporation 控股公司權益	102,013,185	Long Position 好倉	5.98

Notes:

註:

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

(1) 中國太平集團於本公司之權益由中國太平集團(香港)、易和有限公司(「易和」)、金和發展有限公司(「金和」)及汶豪持有，各公司均為中國太平集團之全資附屬公司。

(2) 138,924,700 shares are held by Easiwell, 71,544,000 shares are held by Golden Win and 54,795,000 shares are held by Manhold.

(2) 138,924,700股股份由易和持有，71,544,000股股份由金和持有及54,795,000股股份由汶豪持有。

Report of the Directors

董事會報告書

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

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 2012.

DIRECTORS' INTEREST IN CONTRACTS

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

CONNECTED TRANSACTIONS

During the Year, the Group has not entered into any material connected transactions with TPG and its subsidiaries ("TPG Group").

CONTINUING CONNECTED TRANSACTIONS

A. Reinsurance Transaction

(i) Reinsurance Services provided by TPRe

On 1 December 2011, TPRe, TPG and the Company entered into a master reinsurance agreement pursuant to which, TPRe agrees, and each of TPG and the Company agrees to respectively procure members of the TPG Group and the Connected Subsidiaries, to enter into various reinsurance contracts. Pursuant to the said reinsurance contracts, TPRe acts as reinsurer and accepts risks in return for premium from such members of the TPG Group and the Connected Subsidiaries. The Reinsurance Transactions consist of both treaty and facultative business and the range of risks covered includes all lines of general reinsurance risks and certain classes of long term reinsurance risks on both a proportional and non-proportional basis. TPRe will enter into the reinsurance contracts on the same basis as it accepts reinsurance business from other independent customers, and the terms and conditions of the reinsurance contracts, in which other independent third party reinsurers may also participate, will be negotiated on an arm's length basis and will be entered into on normal commercial terms.

主要股東及其他人士的股份及相關股份的權益及淡倉 (續)

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二零一二年十二月三十一日在本公司的股份及相關股份中擁有的權益及淡倉。

董事在合約擁有的權益

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

關連交易

本集團於年內與中國太平集團及其附屬公司（「中國太平集團系」）並無訂立任何重大的關連交易。

持續關連交易

A. 再保險交易

(i) 由太平再保險提供的再保險服務

於二零一一年十二月一日，太平再保險與中國太平集團及本公司簽訂再保險框架協議，據此太平再保險同意（及中國太平集團和本公司各自同意分別促使中國太平集團系成員公司及本集團關連附屬公司）訂定各種再保險合同。根據此等再保險合約，通過收取保費，太平再保險會以再保人的身份承擔中國太平集團系成員及本集團關連附屬公司的風險。再保險交易包括合約及臨時性再保險業務，而承保範圍包括全線一般再保險業務按比例及非比例的風險，亦包括某類別的長期再保險風險。太平再保險接納此等再保險業務的合約條款及條件與其他獨立第三者的再保險業務條款相同。而再保險合約的條款及條件（其他獨立第三者亦可據此參與），均經過正常基礎協商及按一般商業條款達成。

Report of the Directors

董事會報告書

CONTINUING CONNECTED TRANSACTIONS

(Continued)

A. Reinsurance Transaction (Continued)

(i) Reinsurance Services provided by TPRe (Continued)

It is expected that the amount of gross premium income ceded by the members of the TPG Group and the Connected Subsidiaries and underwritten by TPRe and the commission expenses payable by the TPRe in respect of the Reinsurance Transactions for each of the financial year ended 31 December from 2012 to 2014 will not exceed HK\$450 million and HK\$210 million, respectively (2009-2011: HK\$300 million and HK\$100 million respectively).

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

During the Year, the gross premiums written and the commission expenses paid in respect of business ceded by related companies were HK\$361.29 million (2011: HK\$284.89 million) and HK\$139.92 million (2011: HK\$99.00 million) respectively.

持續關連交易 (續)

A. 再保險交易 (續)

(i) 由太平再保險提供的再保險服務 (續)

預計由二零一二年至二零一四年截至十二月三十一日止的每個財政年度由中國太平集團系成員及本集團關連附屬公司分入並由太平再保險承保的再保險交易保費收入毛額及由太平再保險支付有關再保險交易的佣金支出將分別不會超過4.50億港元及2.10億港元(二零零九年至二零一一年:分別為3.00億港元及1.00億港元)。

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

於年內關連公司分出業務的毛承保保費總額及佣金支出分別為3.6129億港元(二零一一年:2.8489億港元)及1.3992億港元(二零一一年:9,900萬港元)。

Report of the Directors

董事會報告書

CONTINUING CONNECTED TRANSACTIONS

(Continued)

A. Reinsurance Transaction (Continued)

(ii) Reinsurance Services provided by CTPI (HK)

On 31 August 2012, CTPI (HK), TPG and the Company entered into a master reinsurance agreement pursuant to which, CTPI (HK) agrees, and each of TPG and the Company agrees to respectively procure members of the TPG Group and the Connected Subsidiaries, to enter into various reinsurance contracts. Pursuant to the said reinsurance contracts, CTPI (HK) acts as reinsurer and accepts risks in return for premium from such members of the TPG Group and the Connected Subsidiaries. CTPI (HK) will enter into the reinsurance contracts on the same basis as it accepts reinsurance business from other independent customers, and the terms and conditions of the reinsurance contracts, will be negotiated on an arm's length basis and will be entered into on normal commercial terms.

It is expected that the amount of gross premium income ceded by the members of the TPG Group and the Connected Subsidiaries and underwritten by CTPI (HK) and the commission expenses payable by the CTPI (HK) in respect of the Reinsurance Transactions for the financial year ended 31 December 2012 will not exceed HK\$406 million and HK\$181 million, respectively.

持續關連交易 (續)

A. 再保險交易 (續)

(ii) 由太平香港提供的再保險服務

於二零一二年八月三十一日，太平香港與中國太平集團及本公司簽訂再保險框架協議，據此太平香港同意（及中國太平集團和本公司各自同意分別促使中國太平集團系成員公司及本集團關連附屬公司）訂定各種再保險合同。根據此等再保險合約，通過收取保費，太平香港會以再保人的身份承擔中國太平集團系成員及本集團關連附屬公司的風險。太平香港將訂立的再保險合約的準則會與其從其他獨立第三者接納再保險業務的準則相同，而該等再保險合約的條款及條件，將經過公平磋商及按一般商業條款達成。

預計截至二零一二年十二月三十一日止年度由中國太平集團系成員及本集團關連附屬公司分入並由太平香港承保的再保險交易保費收入毛額及由太平香港支付有關再保險交易的佣金支出將分別不會超過4.06億港元及1.81億港元。

Report of the Directors

董事會報告書

CONTINUING CONNECTED TRANSACTIONS

(Continued)

A. Reinsurance Transaction (Continued)

(ii) Reinsurance Services provided by CTPI (HK) (Continued)

The proposed cap of the amount of gross premium income and commission expenses described above are determined by reference to (i) the historical value of such transactions; (ii) the projected value on new business that are likely to be procured; and (iii) the expected appreciation of the RMB for transactions denominated in RMB.

During the Year, the gross premiums written and the commission expenses paid in respect of business ceded by related companies were HK\$397.12 million and HK\$178.48 million respectively.

Since the applicable percentage ratios in respect of the reinsurance services provided by TPre and CTPI (HK) are, in aggregate and on an annual basis, more than 0.1% but less than 5%, the Continuing Connected Transactions are only subject to reporting and announcement requirements and are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

持續關連交易 (續)

A. 再保險交易 (續)

(ii) 由太平香港提供的再保險服務 (續)

上述建議的保費總收入及佣金支出上限是參考以下因素而釐定：(i)該等交易過往交易所產生的金額；(ii)可能獲得的新業務預計將會帶來的金額；及(iii)關於以人民幣計算的交易，預期人民幣的升值情況。

於年內關連公司分出業務的毛承保保費總額及佣金支出分別為3.9712億港元及1.7848億港元。

由於有關太平再保險及太平香港所提供的再保險服務適用的百分比率，合計並逐年計算會多於0.1%但少於5%，根據上市規則第14A，有關該等持續關連交易，祇需要遵守申報及公告的規定，惟可獲豁免獨立股東批准的規定。

Report of the Directors

董事會報告書

CONTINUING CONNECTED TRANSACTIONS

(Continued)

B. Investment Management Services

(i) *Investment Management Services provided by TPA (HK)*

On 1 December 2011, TPA (HK), TPG and the Company entered into a Master TPA (HK) Investment Management Agreement, pursuant to which, TPA (HK) agrees, and each of TPG and the Company agrees to procure members of the TPG Group and the Connected Subsidiaries, to enter into various investment management agreements. Pursuant to the investment management agreements, TPA (HK) provides investment advice and investment management services to relevant members of the TPG Group or the Connected Subsidiaries in managing the Non-RMB Trust Fund (the non-RMB denominated investment fund of various trusts of which member of the TPG and its subsidiaries (excluding the Group) or the Connected Subsidiaries are the beneficiaries). TPA (HK) will receive from relevant members of the TPG Group or relevant Connected Subsidiaries management fees, performance bonus fees and other fees for its investment management services (together, the “**TPA (HK) Management Fees**”) and such TPA (HK) Management Fees will be calculated on the basis of (a) a certain percentage of the net asset value of the Non-RMB Trust Fund; and/or (b) a performance bonus fee representing a certain percentage of the amount of net investment return at the end of the relevant calendar year in excess of an amount equivalent to a certain percentage of the daily average balance of the settlor’s subscription monies or the increase in the net asset value of the relevant Non-RMB Trust Fund managed by TPA (HK); and/or (c) such other bases as may be agreed by the parties to the relevant investment management agreement.

持續關連交易 (續)

B. 投資管理服務

(i) *由太平資產(香港)提供的投資管理服務*

於二零一一年十二月一日，太平資產(香港)、中國太平集團及本公司簽訂太平資產(香港)投資管理框架協議，據此太平資產(香港)同意(及中國太平集團和本公司各自同意分別促使中國太平集團系成員公司及本集團關連附屬公司)訂定各種投資管理服務協議。根據投資管理服務協議，太平資產(香港)向中國太平集團系相關成員或本集團關連附屬公司為其非人民幣信託基金(由中國太平集團系成員公司(不包括本集團)或本集團關連附屬公司為受益人的各類非人民幣計值信託投資基金)提供投資意見及投資管理服務。太平資產(香港)將向相關中國太平集團系成員公司及本集團關連附屬公司收取管理費、超額表現費及其他相關費用(統稱「太平資產(香港)管理費」)作為提供投資管理服務的代價，而該等太平資產(香港)管理費是按(a)非人民幣信託基金資產淨值之若干百分比計算；及/或(b)關於超額表現費，根據太平資產(香港)所管理的有關非人民幣信託基金於每個曆年結束時之投資回報淨值之若干百分比，高出相當於創立人認購款項每日平均結餘之若干百分比或有關非人民幣信託基金之資產淨值增加計算；及/或(c)經相關投資管理合同各訂約方同意的其他基準釐定。

Report of the Directors

董事會報告書

CONTINUING CONNECTED TRANSACTIONS

(Continued)

B. Investment Management Services (Continued)

(i) *Investment Management Services provided by TPA (HK) (Continued)*

It is expected that the TPA (HK) Management Fees to be paid by members of the TPG Group and the Connected Subsidiaries in respect of investment management services provided by TPA (HK) for each of the financial years ending 31 December from the financial years ended 31 December 2012, 2013 and 2014 will not exceed HK\$37.00 million, HK\$42.00 million and HK\$48.00 million respectively (2009-2011: HK\$30.50 million, HK\$35.10 million and HK\$40.30 million respectively). The proposed cap is determined by reference to the historical values of such transactions and the projected values on new business to be procured.

Since the applicable percentage ratios are, on an annual basis, more than 0.1% but less than 5%, the Continuing Connected Transactions are only subject to reporting and announcement requirements and are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

During the Year, the TPA (HK) Management Fees to be paid by the TPG Group and the Connected Subsidiaries in respect of investment management services provided by TPA (HK) was HK\$4.73 million (2011: HK\$5.38 million).

持續關連交易 (續)

B. 投資管理服務 (續)

(i) *由太平資產 (香港) 提供的投資管理服務 (續)*

預計由二零一二年、二零一三年及二零一四年截至十二月三十一日止的每個財政年度由中國太平集團系成員公司及本集團關連附屬公司支付有關由太平資產 (香港) 提供的投資管理服務的管理費不會分別超過3,700萬港元、4,200萬港元及4,800萬港元 (二零零九年至二零一一年: 分別為3,050萬港元、3,510萬港元及4,030萬港元)。此建議的上限是參考過以往交易所產生的金額及計入可能獲得的新業務將會帶來的預計金額而釐定。

由於適用的百份比率, 逐年計算會多於0.1%但少於5%, 根據上市規則第14A, 有關該等持續關連交易, 祇需要遵守申報及公告的規定, 惟可獲豁免獨立股東批准的規定。

本集團於年內有關由太平資產 (香港) 提供的投資管理服務所收取的太平資產 (香港) 管理費為473萬港元 (二零一一年: 538萬港元)。

Report of the Directors

董事會報告書

CONTINUING CONNECTED TRANSACTIONS

(Continued)

B. Investment Management Services (Continued)

(ii) Investment Management Services provided by TPAM

On 1 December 2011, TPAM, and the Company entered into a Master TPAM Investment Management Agreement, pursuant to which, TPAM agrees, and the Company agrees to procure its subsidiaries, to enter into various investment management agreements. Pursuant to the investment management agreements, TPAM provides investment advice and investment management services to relevant members of the Group in managing the RMB Trust Fund (the RMB-denominated investment fund of various trusts of which members of the Group are the beneficiaries). TPAM will receive from relevant members of the Group management fees and other fees for its investment management services (together, the “**TPAM Management Fees**”) and such TPAM Management Fees will be calculated on the basis of (a) a certain percentage of the net asset value of the RMB Trust Fund; and/or (b) such other bases as may be agreed by the parties to the relevant investment management agreement.

It is expected that the TPAM Management Fees to be paid by members of the Group in respect of investment management services provided by TPAM for each of the financial years ending 31 December from the financial years ended 31 December 2012, 2013 and 2014 will not exceed HK\$160 million, HK\$198 million and HK\$263 million respectively (No proposed cap of the amount of investment management fee income of TPAM was disclosed in previous announcement(s) for the year ended 31 December 2011). The proposed cap is determined by reference to the historical values of such transactions, the projected values on new business to be procured and the expected appreciation of the RMB.

持續關連交易 (續)

B. 投資管理服務 (續)

(ii) 由太平資產提供的投資管理服務

於二零一一年十二月一日，太平資產及本公司簽訂太平資產投資管理框架協議，據此太平資產同意（及本公司同意促使其附屬公司）訂定各種投資管理服務協議。根據投資管理服務協議，太平資產向本集團相關成員公司為其人民幣信託基金（由本集團成員公司為受益人的各類人民幣計值信託投資基金）提供投資意見及投資管理服務。太平資產將向本集團相關成員公司收取管理費及其他收費（統稱「太平資產管理費」），而該等太平資產管理費是按(a)人民幣信託基金資產淨值之若干百分比計算；及／或(b)經投資管理協議的訂約方同意的其他基準。

預計由二零一二年、二零一三年及二零一四年截至十二月三十一日止的每個財政年度由本集團成員公司支付有關由太平資產提供的投資管理服務的管理費不會分別超過1.60億港元、1.98億港元及2.63億港元（先前的公告並無披露由太平資產提供的投資管理服務截至二零一一年十二月三十一日止年度的上限金額）。此建議的上限是參考過往交易所產生的金額、計入可能獲得的新業務將會帶來的預計金額及預期人民幣的升值情況而釐定。

Report of the Directors

董事會報告書

CONTINUING CONNECTED TRANSACTIONS

(Continued)

B. Investment Management Services (Continued)

(ii) Investment Management Services provided by TPAM (Continued)

Since the applicable percentage ratios are, on an annual basis, more than 0.1% but less than 5%, the Continuing Connected Transactions are only subject to reporting and announcement requirements and are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

During the Year, the TPAM Management Fees to be paid by the Group in respect of investment management services provided by TPAM was HK\$144.55 million (2011: HK\$124.81 million).

C. Insurance Cross Selling within the Group

(i) Insurance Agency Service provided by TPL

On 1 December 2011, TPL, and the Company entered into a Master TPL Insurance Agency Service Agreement, pursuant to which, TPL agrees, and the Company agrees to procure its subsidiaries, to enter into various agency service contracts. Pursuant to the agency service contracts, TPL will act as an agent of the relevant members of the Group in selling their insurance products on their behalf. TPL will receive from relevant members of the Group agency fees and other related fees (collectively, the "TPL Agency Fees") and such TPL Agency Fees will be calculated on the basis of (a) a certain percentage of the insurance premium for the insurance products distributed by TPL on behalf of the relevant Group member under the agency service contracts; and/or (b) such other bases as may be agreed by the parties to the relevant agency service contracts.

持續關連交易 (續)

B. 投資管理服務 (續)

(ii) 由太平資產提供的投資管理服務 (續)

由於適用的百分比率，逐年計算會多於0.1%但少於5%，根據上市規則第14A，有關該等持續關連交易，祇需要遵守申報及公告的規定，惟可獲豁免獨立股東批准的規定。

本集團於年內有關由太平資產提供的投資管理服務所收取的太平資產管理費為1.4455億港元（二零一一年：1.2481億港元）。

C. 集團內的保險交叉銷售服務

(i) 由太平人壽提供的保險銷售代理服務

於二零一一年十二月一日，太平人壽及本公司簽訂太平人壽保險銷售代理服務框架協議，據此太平人壽同意（及本公司同意促使其附屬公司）訂定各種銷售代理服務合同。根據此等銷售代理服務合同，太平人壽將以代理身份替本集團相關成員公司銷售其保險產品。太平人壽將向本集團相關成員公司收取代理手續費及其他相關費用（統稱「太平人壽代理手續費」）作為提供保險銷售代理服務的代價，而該等太平人壽代理手續費是按(a)太平人壽按銷售代理服務合同代本集團相關成員公司所分銷保險產品的保費之若干百分比計算；及／或(b)經銷售代理服務合同各訂約方同意的其他基準釐定。

Report of the Directors

董事會報告書

CONTINUING CONNECTED TRANSACTIONS

(Continued)

C. Insurance Cross Selling within the Group (Continued)

(i) Insurance Agency Service provided by TPL (Continued)

It is expected that the TPL Agency Fees to be paid by members of the Group in respect of the insurance agency service provided by TPL for each of the financial years ending 31 December from the financial years ended 31 December 2012, 2013 and 2014 will not exceed HK\$162 million, HK\$186 million and HK\$212 million respectively (No proposed cap of the amount of insurance agency services fee income of TPL was disclosed in previous announcement(s) for the year ended 31 December 2011). The proposed cap is determined by reference to the historical values of such transactions, the projected values on new business to be procured and the expected appreciation of the RMB.

Since the applicable percentage ratios are, on an annual basis, more than 0.1% but less than 5%, the Continuing Connected Transactions are only subject to reporting and announcement requirements and are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

During the Year, the TPL Agency Fees to be paid by members of the Group in respect of the insurance agency service provided by TPL was HK\$120.83 million (2011: HK\$81.22 million).

持續關連交易 (續)

C. 集團內的保險交叉銷售服務 (續)

(i) 由太平人壽提供的保險銷售代理服務 (續)

預計由二零一二年、二零一三年及二零一四年截至十二月三十一日止的每個財政年度由本集團成員公司支付有關由太平人壽提供的保險銷售代理服務的太平人壽代理手續費不會分別超過1.62億港元、1.86億港元及2.12億港元(先前的公告並無披露由太平人壽提供的保險代理銷售代理服務截至二零一一年十二月三十一日止年度的上限金額)。此建議的上限是參考過往交易所產生的金額、可能獲得的新業務預計將會帶來的金額及預期人民幣的升值情況而釐定。

由於適用的百份比率，逐年計算會多於0.1%但少於5%，根據上市規則第14A，有關該等持續關連交易，祇需要遵守申報及公告的規定，惟可獲豁免獨立股東批准的規定。

於年內由本集團成員公司所支付有關由太平人壽提供的保險銷售代理服務的太平人壽代理手續費為1.2083億港元(二零一一年：8,122萬港元)。

Report of the Directors

董事會報告書

CONTINUING CONNECTED TRANSACTIONS

(Continued)

C. Insurance Cross Selling within the Group (Continued)

(ii) Insurance Agency Service provided by TPP

On 1 December 2011, TPP, and the Company entered into a Master TPP Insurance Agency Service Agreement, pursuant to which, TPP agrees, and the Company agrees to procure the Connected Subsidiaries, to enter into various agency service contracts. Pursuant to the agency service contracts, TPP will act as an agent of the relevant Connected Subsidiaries in selling their insurance products on their behalf. TPP will receive from relevant Connected Subsidiaries agency fees and other related fees (collectively, the “**TPP Agency Fees**”) and such TPP Agency Fees will be calculated on the basis of (a) a certain percentage of the insurance premium for the insurance products distributed by TPP on behalf of the relevant Connected Subsidiaries under the agency service contracts; and/or (b) such other bases as may be agreed by the parties to the relevant agency service contracts.

As amended by a supplemental agreement dated 1 March 2012, it is expected that the TPP Agency Fees to be paid by Connected Subsidiaries in respect of the insurance agency service provided by TPP for each of the financial years ending 31 December from the financial years ended 31 December 2012, 2013 and 2014 will not exceed HK\$172.258 million, HK\$56.437 million and HK\$28.273 million respectively (No proposed cap of the amount of insurance agency services fee income of TPP was disclosed in previous announcement(s) for the year ended 31 December 2011). The proposed cap is determined by reference to the historical values of such transactions, the projected values on new business to be procured and the expected appreciation of the RMB.

持續關連交易 (續)

C. 集團內的保險交叉銷售服務 (續)

(ii) 由太平養老提供的保險銷售代理服務

於二零一一年十二月一日，太平養老及本公司簽訂太平養老保險銷售代理服務框架協議，據此太平養老同意（及本公司同意促使其關連附屬公司）訂定各種銷售代理服務合同。根據此等銷售代理服務合同，太平養老將以代理身份替本集團相關關連附屬公司銷售其保險產品。太平養老將向本集團相關關連附屬公司收取代理手續費及其他相關費用（統稱「太平養老代理手續費」）作為提供保險銷售代理服務的代價，而該等太平養老代理手續費是按(a)太平養老按銷售代理服務合同代本集團相關關連附屬公司所分銷保險產品的保費之若干百分比計算；及／或(b)經銷售代理服務合同各訂約方同意的其他基準釐定。

經日期為二零一二年三月一日的補充協議修訂，預計由二零一二年、二零一三年及二零一四年截至十二月三十一日止的每個財政年度由本集團關連附屬公司支付有關由太平養老提供的保險銷售代理服務的太平養老代理手續費不會分別超過1.72258億港元、5,643.7萬港元及2,827.3萬港元（先前的公告並無披露由太平養老提供的保險代理銷售代理服務截至二零一一年十二月三十一日止年度的上限金額）。此建議的上限是參考過以往交易所產生的金額、可能獲得的新業務預計將會帶來的金額及預期人民幣的升值情況而釐定。

Report of the Directors

董事會報告書

CONTINUING CONNECTED TRANSACTIONS

(Continued)

C. Insurance Cross Selling within the Group (Continued)

(ii) Insurance Agency Service provided by TPP (Continued)

Since the applicable percentage ratios are, on an annual basis, more than 0.1% but less than 5%, the Continuing Connected Transactions are only subject to reporting and announcement requirements and are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

During the Year, the TPP Agency Fees to be paid by Connected Subsidiaries in respect of the insurance agency service provided by TPP was HK\$101.55 million (2011: HK\$134.84 million).

D. Provision of Employee Benefits Insurance Services

On 1 March 2012, TPP, the Company and TPG entered into an Employee Benefits Framework Agreement, pursuant to which, TPP agrees, and each of the Company and TPG agrees to procure the Connected subsidiaries and members of the TPG Group, to enter into various employee benefits insurance services contracts. Pursuant to the employee benefits insurance services contracts, TPP provides employee benefits insurance service to Connected Subsidiaries and members of the TPG Group and the terms and conditions of such contracts will be negotiated on an arm's length basis and will be entered into on normal commercial terms.

It is expected that the aggregate premium to be received by TPP in respect of the employee benefits insurance services provided by TPP for the ten months ending 31 December 2012 will not exceed HK\$59.449 million. The proposed cap is determined by reference to the historical values of such transactions and the expected number of staff of the Connected Subsidiaries and members of the TPG Group who may join the employee benefits scheme under the Employee Benefits Framework Agreement for the year ending 31 December 2012.

持續關連交易 (續)

C. 集團內的保險交叉銷售服務 (續)

(ii) 由太平養老提供的保險銷售代理服務 (續)

由於適用的百份比率，逐年計算會多於0.1%但少於5%，根據上市規則第14A，有關該等持續關連交易，祇需要遵守申報及公告的規定，惟可獲豁免獨立股東批准的規定。

於年內由本集團關連附屬公司所支付有關由太平養老提供的保險銷售代理服務的太平養老代理手續費為1.0155億港元（二零一一年：1.3484億港元）。

D. 提供員工福利保險服務

於二零一二年三月一日，太平養老、本公司及中國太平集團簽訂員工福利保險框架協議，據此太平養老同意（而本公司及中國太平集團亦分別同意促使其關連附屬公司及中國太平集團系成員）訂定各種不同的員工福利保險合同。根據此等員工福利保險合同，太平養老向關連附屬公司及中國太平集團系成員提供員工福利保險服務，條款及條件將經相關合同各訂約方公平磋商及按一般商業條款磋商達成。

預計截至二零一二年十二月三十一日止十個月，太平養老就提供保險銷售代理服務所收取的保費總額不會超過5,944.9萬港元。此建議的上限是參考過以往交易所產生的金額，截至二零一二年十二月三十一日止年度預期可能根據員工福利保險框架協議加入員工福利計劃的關連附屬公司及中國太平集團系成員公司的員工數目而釐定。

Report of the Directors

董事會報告書

CONTINUING CONNECTED TRANSACTIONS

(Continued)

D. Provision of Employee Benefits Insurance Services (Continued)

Since the applicable percentage ratios are, on an annual basis, more than 0.1% but less than 5%, the Continuing Connected Transactions are only subject to reporting and announcement requirements and are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

During the period of ten months from 1 March 2012 to 31 December 2012, the aggregate premium received by TPP in respect of employee benefits insurance services provided by TPP was HK\$54.93 million.

E. Leasing of Properties to Connected Persons

On 1 March 2012, TPL, the Company and TPG entered into a TPL Leasing Framework Agreement, pursuant to which, TPL agrees, and each of the Company and TPG agrees to procure the Connected subsidiaries and members of the TPG Group, to enter into various tenancies to lease the relevant floors or areas of buildings or properties in the PRC owned by TPL from time to time during the term of the TPL Leasing Framework Agreement. Pursuant to the TPL Leasing Framework Agreement, the terms and conditions of each tenancy agreement (including rental and other fees payable under such agreements and the payment terms thereof) will be negotiated on an arm's length basis between the relevant contracting parties and will be entered into on normal commercial terms.

It is expected that the aggregate rental and other fees payable to TPL under the TPL Leasing Framework Agreement for the ten months ending 31 December 2012 and for the years ending 31 December 2013 and 2014 will not exceed HK\$31.084 million, HK\$42.158 million and HK\$51.405 million respectively. The proposed cap is determined by arm's length negotiations between the parties with reference to the historical transaction amounts and the prevailing market rates of rental and other fees payable for comparable properties.

持續關連交易 (續)

D. 提供員工福利保險服務 (續)

由於適用的百份比率，逐年計算會多於0.1%但少於5%，根據上市規則第14A，有關該等持續關連交易，祇需要遵守申報及公告的規定，惟可獲豁免獨立股東批准的規定。

由二零一二年三月一日至二零一二年十二月三十一日止十個月，太平養老就提供保險銷售代理服務所收取的保費總額為5,493萬港元。

E. 向關連人士租出物業

於二零一二年三月一日，太平人壽、本公司及中國太平集團簽訂太平人壽租賃框架協議，據此太平人壽同意（而本公司及中國太平集團亦分別同意促使其關連附屬公司及中國太平集團系成員）訂立各項租約於太平人壽租賃框架協議有效期內承租不時由太平人壽擁有位於中國的物業的若干樓面或面積。根據太平人壽租賃框架協議，各租賃協議的條款及條件（包括按該等協議應付的租金及其他費用及其支付條款），將經相關合同各訂約方公平磋商及按一般商業條款磋商達成。

預計截至二零一二年十二月三十一日止十個月、截至二零一三年及二零一四年十二月三十一日止年度按太平人壽租賃框架協議應付太平人壽的年度總租金及其他應付費用不會分別超過3,108.4萬港元、4,215.8萬港元及5,140.5萬港元。此建議的上限乃由各訂約方參考可比較物業的歷史交易金額及當前市值租金水平及其他應付費用後，經公平磋商釐定。

Report of the Directors

董事會報告書

CONTINUING CONNECTED TRANSACTIONS

(Continued)

E. Leasing of Properties to Connected Persons

(Continued)

Since the applicable percentage ratios are, on an annual basis, more than 0.1% but less than 5%, the Continuing Connected Transactions are only subject to reporting and announcement requirements and are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

During the period of ten months from 1 March 2012 to 31 December 2012, the aggregate rental and other fees payable to TPL was HK\$24.63 million.

F. Leasing of Properties by the Group

On 1 March 2012, TPR and the Company entered into a TPR Leasing Framework Agreement, pursuant to which, TPR agrees, and the Company agrees to procure members of the Group, to enter into various tenancies to lease various floors or parts of the Taiping Finance Tower (an office building located in Shanghai) during the term of the TPR Leasing Framework Agreement. Pursuant to the TPR Leasing Framework Agreement, the terms and conditions of each tenancy agreement (including rental and other fees payable under such agreements and the payment terms thereof) will be negotiated on an arm's length basis between the relevant contracting parties and will be entered into on normal commercial terms.

It is expected that the aggregate rental and other fees payable to TPR under the TPR Leasing Framework Agreement for the ten months ending 31 December 2012 and, for the year ending 31 December 2013 and 2014 will not exceed HK\$21.370 million, HK\$35.222 million and HK\$36.983 million respectively. The proposed cap is determined by arm's length negotiations between the parties with reference to the prevailing market rates of rental and other fees payable for comparable properties in Shanghai.

持續關連交易 (續)

E. 向關連人士租出物業 (續)

由於適用的百份比率，逐年計算會多於0.1%但少於5%，根據上市規則第14A，有關該等持續關連交易，祇需要遵守申報及公告的規定，惟可獲豁免獨立股東批准的規定。

由二零一二年三月一日至二零一二年十二月三十一日止十個月，應付太平人壽的租金及其他應付費用總額為2,463萬港元。

F. 本集團承租物業

於二零一二年三月一日，太平置業及本公司簽訂太平置業租賃框架協議，據此太平置業同意（而本公司同意促使其附屬公司）訂立各項租約於太平置業租賃框架協議有效期內承租太平金融大廈（一幢位於上海的辦公樓）的若干樓面或部份。根據太平置業租賃框架協議，各租賃協議的條款及條件（包括按該等協議應付的租金及其他費用及其支付條款），將經相關合同各訂約方公平磋商及按一般商業條款磋商達成。

預計截至二零一二年十二月三十一日止十個月、截至二零一三年及二零一四年十二月三十一日止年度按太平置業租賃框架協議應付太平置業的年度總租金及其他應付費用不會分別超過2,137萬港元、3,522.2萬港元及3,698.3萬港元。此建議的上限乃由各訂約方參考上海可比較物業的歷史交易金額及當前市值租金水平及其他應付費用後，經公平磋商釐定。

Report of the Directors

董事會報告書

CONTINUING CONNECTED TRANSACTIONS

(Continued)

F. Leasing of Properties by the Group (Continued)

Since the applicable percentage ratios are, on an annual basis, more than 0.1% but less than 5%, the Continuing Connected Transactions are only subject to reporting and announcement requirements and are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

During the period of ten months from 1 March 2012 to 31 December 2012, the aggregate rental and other fees payable to TPR was HK\$20.70 million.

G. Sharing of Back Office Services

On 23 November 2009, the Company entered into a Back Office Services Framework Agreement with Taiping Financial Service Centre (Shanghai) Company Limited ("TPFSC (Shanghai)") pursuant to which TPFSC (Shanghai) and its subsidiaries and associates (excluding the Group) ("TPFSC (Shanghai) Group") agreed to provide and the Group agreed to obtain the Back Office Services at a consideration determined on a cost sharing basis. The Back Office Services provided by TPFSC (Shanghai) Group under the Back Office Services Framework Agreement include (i) operating services including the underwriting and issuance of new policies, renewal and maintenance of in-force policies, claims handling and settlement and telephone enquiry services etc.; and (ii) information technology services including systems operation and maintenance and systems development.

持續關連交易 (續)

F. 本集團承租物業 (續)

由於適用的百份比率，逐年計算會多於0.1%但少於5%，根據上市規則第14A，有關該等持續關連交易，祇需要遵守申報及公告的規定，惟可獲豁免獨立股東批准的規定。

由二零一二年三月一日至二零一二年十二月三十一日止十個月，應付太平置業的租金及其他應付費用總額為2,070萬港元。

G. 共享後援運營服務

於二零零九年十一月二十三日，本公司與太平共享金融服務(上海)有限公司(「太平共享服務中心(上海)」)訂立後援運營服務框架協議，據此，太平共享服務中心(上海)及其附屬公司與聯繫人(本集團除外)(「太平共享服務中心(上海)集團」)同意提供而本集團同意接受後援運營服務，作價按成本共享基準釐定。太平共享服務中心(上海)集團根據後援運營服務框架協議將向本集團提供之後援運營服務，其中包括(i)運營服務，包括承保及出單作業、保全作業、理賠作業及電話諮詢服務等；及(ii)資訊科技服務，包括系統開發、操作及保養。

Report of the Directors

董事會報告書

CONTINUING CONNECTED TRANSACTIONS

(Continued)

G. Sharing of Back Office Services (Continued)

The TPFSC (Shanghai) Group will, according to the levels and items of services to be provided by the TPFSC (Shanghai) Group and upon consultation with its customers (including the Group), jointly determine with its customers (including the Group) the estimated annual costs of, and service items to be provided by, the TPFSC (Shanghai) Group. The TPFSC (Shanghai) Group will then provide the cost sharing proposal to the Group for its consent. The actual fees payable by the Group will be determined on a cost sharing basis and be based on the actual volume of Back Office Services provided by the TPFSC (Shanghai) Group to the Group and the entire operational costs of the TPFSC (Shanghai) Group (including any tax incurred by the TPFSC (Shanghai) Group) for providing the Back Office Services. The TPFSC (Shanghai) Group further undertakes that the fees chargeable to the Group for the Back Office Services will not exceed the estimated annual amounts for 3 years (2010 to 2012) as approved by the Company and TPFSC (Shanghai). The Company's prior written consent is required for any adjustment of such annual amounts.

Members of the Group and the TPFSC (Shanghai) Group will have the rights to enter into separate and definitive agreements from time to time to provide for the detailed terms of each single transaction in accordance with the principles set out in the Back Office Services Framework Agreement.

持續關連交易 (續)

G. 共享後援運營服務 (續)

太平共享服務中心(上海)集團將按照太平共享服務中心(上海)集團即將提供服務之水平及項目,並在向其客戶(包括本集團)諮詢後,與其客戶(包括本集團)共同釐定太平共享服務中心(上海)集團之估計年度成本及即將提供之服務項目。太平共享服務中心(上海)集團屆時將向本集團提供成本分攤計劃書,供本集團同意。本集團應付之實際年度費用,將按成本分攤基準釐定,並以太平共享服務中心(上海)集團向本集團提供後援運營服務之項目數量,以及太平共享服務中心(上海)集團與提供後援運營服務有關之全部營運成本(包括太平共享服務中心(上海)集團所產生之任何稅項)為基準。太平共享服務中心(上海)集團進一步承諾,本集團就後援運營服務之應付款將不超過經本公司及太平共享服務中心(上海)審批之三年(二零一零年至二零一二年)估計年度金額。該等年度金額若有任何調整,須經本公司事先以書面同意。

本集團及太平共享服務中心(上海)集團之成員公司將有權不時訂立個別最終協議,按照後援運營服務框架協議所載原則,規定各宗單一交易之詳細條款。

Report of the Directors

董事會報告書

CONTINUING CONNECTED TRANSACTIONS

(Continued)

G. Sharing of Back Office Services (Continued)

It is expected that the value of back office services provided by TPFSC (Shanghai) Group for each of the financial year ending 31 December 2010, 2011 and 2012 will not exceed HK\$234.67 million, HK\$333.05 million and HK\$402.78 million respectively. The aforesaid projected annual caps in respect of the Back Office Services are set by the Directors by reference to (i) the expected level of Back Office Services to be required by the Group with reference to the historical services requirements of the Group; (ii) the estimated costs to be incurred by the TPFSC (Shanghai) Group in providing the Back Office Services with reference to the historical costs incurred by the Group in operating the Back Office Services through members of the Group and the anticipated expansion of the Group's businesses; and (iii) the expected appreciation of the Renminbi. The service fee was agreed between the TPFSC (Shanghai) Group and the Group after arm's length negotiations.

Since the applicable percentage ratios are, on an annual basis, more than 0.1% but less than 5%, the Continuing Connected Transactions are only subject to reporting and announcement requirements and are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

During the Year, the value of back office services paid to TPFSC (Shanghai) Group was HK\$260.07 million (2011: HK\$214.36 million).

持續關連交易 (續)

G. 共享後援運營服務 (續)

預計由二零一零年、二零一一年及二零一二年截至十二月三十一日止的每個財政年度太平共享服務中心(上海)集團提供後援運營服務不會超過分別為2.3467億港元、3.3305億港元及4.0278億港元。有關後援運營服務之上述預期年度上限，乃董事參考下列各項後設定：(i)參考本集團過往需求而預期本集團對後援運營服務需求的水平；(ii)經考慮本集團過往透過本集團之成員公司進行後援運營服務所產生之歷史成本及本集團業務之預估擴張情況，太平共享服務中心(上海)集團提供後援運營服務時估計將會產生之成本；及(iii)預期人民幣升值。服務費乃太平共享服務中心(上海)集團與本集團經公平磋商後議定。

由於適用的百份比率，逐年計算會多於0.1%但少於5%，根據上市規則第14A，有關該等持續關連交易，祇需要遵守申報及公告的規定，惟可獲豁免獨立股東批准的規定。

於年內支付予太平共享服務中心(上海)集團的後援運營服務費用為2.6007億港元(二零一一年：2.1436億港元)。

Report of the Directors

董事會報告書

CONTINUING CONNECTED TRANSACTIONS

(Continued)

H. Sharing of Internal Audit Services

On 23 November 2009, the Company entered into the Internal Audit Services Framework Agreement with TPG pursuant to which the TPG Group agreed to provide and the Group agreed to obtain the Internal Audit Services at a consideration determined on a cost sharing basis. The Internal Audit Service provided by TPG Group to the Group under the Internal Audit Services Framework Agreement include without limitation internal audit services.

The TPG Group will, according to the levels and items of services to be provided by the TPG Group and upon consultation with its customers (including the Group), jointly determine with its customers (including the Group) the estimated annual costs of, and service items to be provided by, the TPG Group. The TPG Group will then provide the cost sharing proposal to the Group for its consent. The actual fees payable by the Group will be determined on a cost sharing basis and be based on the actual volume of Internal Audit Services provided by the TPG Group to the Group and the entire operational costs of the TPG Group (including any tax incurred by the TPG Group) for providing the Internal Audit Services. The TPG Group further undertakes that the fees chargeable to the Group for the Internal Audit Services will not exceed the estimated annual amounts for 3 years (2010 to 2012) as approved by the Company and TPG. The Company's prior written consent is required for any adjustment of such annual amounts.

Members of the Group and the TPG Group will have the rights to enter into separate and definitive agreements from time to time to provide for the detailed terms of each single transaction in accordance with the principles set out in the Internal Audit Services Framework Agreement.

持續關連交易 (續)

H. 共享內部審計服務

於二零零九年十一月二十三日，本公司與中國太平集團訂立內部審計服務框架協議，據此，中國太平集團系同意提供而本集團同意接受內部審計服務，作價按成本共享基準釐定。中國太平集團系根據內部審計服務框架協議將向本集團提供之內部審計服務，包括但不限於內部審計服務。

中國太平集團系將按照中國太平集團系即將提供服務之水平及項目，並在向其客戶（包括本集團）諮詢後，與其客戶（包括本集團）共同釐定中國太平集團系之估計年度成本及即將提供之服務項目。中國太平集團系屆時將向本集團提供成本分攤計劃書，供本集團同意。本集團應付之實際年度費用，將按成本分攤基準釐定，並以中國太平集團系向本集團提供內部審計服務之項目數量，以及中國太平集團系與提供內部審計服務有關之全部營運成本（包括中國太平集團系所產生之任何稅項）為基準。中國太平集團系進一步承諾，本集團就內部審計服務之應付款將不超過經本公司及中國太平集團審批之三年（二零一零年至二零一二年）估計年度金額。該等年度金額若有任何調整，須經本公司事先以書面同意。

本集團及中國太平集團系之成員公司將有權不時訂立個別最終協議，按照內部審計服務框架協議所載原則，規定各宗單一交易之詳細條款。

Report of the Directors

董事會報告書

CONTINUING CONNECTED TRANSACTIONS

(Continued)

H. Sharing of Internal Audit Services (Continued)

It is expected that the value of internal audit services provided by TPG Group for each of the financial year ending 31 December 2010, 2011 and 2012 will not exceed HK\$45.39 million, HK\$50.38 million and HK\$55.02 million respectively. The aforesaid projected annual caps in respect of the Internal Audit Services are set by the Directors by reference to (i) the expected level of Internal Audit Services to be required by the Group with reference to the historical services requirements of the Group; (ii) the estimated costs to be incurred by the TPG Group in providing the Internal Audit Services with reference to the historical costs incurred by the Group in operating the Internal Audit Services through members of the Group and the anticipated expansion of the Group's businesses; and (iii) the expected appreciation of the Renminbi. The service fee was agreed between the TPG Group and the Group after arm's length negotiations.

Since the applicable percentage ratios are, on an annual basis, more than 0.1% but less than 5%, the Continuing Connected Transactions are only subject to reporting and announcement requirements and are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

During the Year, the value of internal audit services paid to TPG Group was HK\$52.06 million (2011: HK\$48.80 million).

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

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

持續關連交易 (續)

H. 共享內部審計服務 (續)

預計由二零一零年、二零一一年及二零一二年截至十二月三十一日止的每個財政年度中國太平集團系提供內部審計服務不會超過分別為4,539萬港元、5,038萬港元及5,502萬港元。有關內部審計服務之上述預期年度上限，乃董事參考下列各項後設定：(i)參考本集團過往需求而預期本集團對內部審計服務需求的水平；(ii)經考慮本集團過往透過本集團之成員公司進行內部審計服務所產生之歷史成本及本集團業務之預估擴張情況，中國太平集團系提供內部審計服務時估計將會產生之成本；及(iii)預期人民幣升值。服務費乃中國太平集團系與本集團經公平磋商後議定。

由於適用的百份比率，逐年計算會多於0.1%但少於5%，根據上市規則第14A，有關該等持續關連交易，祇需要遵守申報及公告的規定，惟可獲豁免獨立股東批准的規定。

於年內支付予中國太平集團系的內部審計服務費用為5,206萬港元（二零一一年：4,880萬港元）。

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

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

Report of the Directors

董事會報告書

CONTINUING CONNECTED TRANSACTIONS

(Continued)

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued his unqualified letter containing his findings and conclusions in respect of the continuing connected transactions disclosed by the Group in pages 108 to 126 of the Annual Report in accordance with Main Board Listing Rule 14A.38. A copy of the auditor's letter has been provided by the Company to The Stock Exchange of Hong Kong Limited.

持續關連交易 (續)

本公司核數師獲委聘按照香港會計師公會頒布的香港鑒證業務準則第3000號下之「非審核或審閱過往財務資料之鑒證工作」規定，並參照實務說明第740號「關於香港《上市規則》所述持續關連交易的核數師函件」，審查本集團之持續關連交易。根據上市規則第14A.38條，核數師已就本集團於年報第108至126頁所披露的持續關連交易之審查結果及結論，發出無保留意見函件。本公司已將有關函件之副本提交予香港聯合交易所有限公司。

INTEREST BEARING NOTES

Particulars of the interest bearing notes of the Company and the Group as at 31 December 2012 are set out in note 32 to the consolidated financial statements.

需付息票據

本集團及本公司於二零一二年十二月三十一日有關需付息票據的摘要載於綜合財務報表附註32。

FIVE YEAR SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on pages 334 to 335.

五年概要

本集團於過去五個財務年度的業績及資產與負債概要載於第334至335頁。

RETIREMENT SCHEMES

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

退休計劃

有關該等退休計劃的摘要載於綜合財務報表附註39。

CORPORATE GOVERNANCE

Information on the Company's corporate governance practices during the Year under review is set out in the "Corporate Governance Report" of the Company's 2012 annual report.

企業管治

有關本年度的本公司企業管治常規的資料載於本公司二零一二年年報「企業管治報告書」之內文。

Report of the Directors

董事會報告書

AUDIT COMMITTEE

Further information on the composition of the Audit Committee and the work performed by the Audit Committee during the Year under review is set out in the Company's 2012 annual report under the section headed "Audit Committee" in the Corporate Governance Report.

PUBLIC FLOAT

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

AUDITOR

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

By order of the Board

WANG Bin

Chairman

Hong Kong, 19 March 2013

審核委員會

有關審核委員會的成員組合及本年度的工作詳載於本公司二零一二年年報企業管治報告書標題「審核委員會」一段之內文。

公眾持股量

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

核數師

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

承董事會命

董事長

王濱

香港，二零一三年三月十九日