

REPORT OF THE DIRECTORS

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

PRINCIPAL ACTIVITIES

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

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

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

MAJOR INSURANCE CUSTOMERS

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

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

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

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

董事會報告書

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

主要業務

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

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

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

主要保險客戶

主要保險客戶於本財政年度佔本集團的毛承保保費及保單費收入的資料臚列如下：

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

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

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

REPORT OF THE DIRECTORS

CONSOLIDATED FINANCIAL STATEMENTS

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

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

FIXED ASSETS

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

SHARE CAPITAL

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

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

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

RESERVES

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

DISTRIBUTABLE RESERVES

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

DONATIONS

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

綜合財務報表

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

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

固定資產

固定資產的變動詳情載於綜合財務報表附註15。

股本

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

購買、出售或贖回本公司的上市證券

本公司或任何其附屬公司於年內概無購入、出售或贖回任何本公司的上市證券。

儲備

本公司及本集團於年內儲備變動的詳情載於綜合財務報表附註38。

可分配儲備

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

捐款

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

REPORT OF THE DIRECTORS

DIRECTORS

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

Executive directors

Feng Xiaozeng (*resigned on 7 November 2008*)

Lin Fan

Song Shuguang

Xie Yiqun

He Zhiguang (*appointed on 12 March 2009*)

Ng Yu Lam Kenneth

Shen Koping Michael

Lau Siu Mun Sammy

Non-executive directors

Zheng Changyong (*resigned on 12 March 2009*)

Li Tao (*appointed on 12 March 2009*)

Wu Jiesi*

Che Shujian*

Lau Wai Kit *

* *Independent*

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

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

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

CONFIRMATION OF INDEPENDENCE

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

DIRECTORS' SERVICE CONTRACTS

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

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

董事會報告書

董事會

於本年度及截至本年報之日的董事如下：

執行董事

馮曉增 (已於二零零八年十一月七日請辭)

林帆

宋曙光

謝一群

何志光 (於二零零九年三月十二日委任)

吳俞霖

沈可平

劉少文

非執行董事

鄭常勇 (已於二零零九年三月十二日請辭)

李濤 (於二零零九年三月十二日委任)

武捷思*

車書劍*

劉偉傑*

*獨立

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

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

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

獨立性的確認

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

董事的服務合約

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

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

REPORT OF THE DIRECTORS

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

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

Long Positions in shares and underlying shares of the Company:

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

Notes:

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

Save as disclosed above:

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

董事及最高行政人員的股份、相關股份及債權證的權益及淡倉

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

本公司的股份及相關股份的好倉情況：

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

註：

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

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

除上述者外：

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

REPORT OF THE DIRECTORS

SHARE OPTION SCHEME

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

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

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

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

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

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

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

認股權計劃

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

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

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

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

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

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

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

REPORT OF THE DIRECTORS

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

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

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

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

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

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

董事會報告書

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

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

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

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

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

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

REPORT OF THE DIRECTORS

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

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

董事會報告書

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

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

REPORT OF THE DIRECTORS

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

Notes:

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

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

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

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

董事會報告書

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

註：

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

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

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

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

REPORT OF THE DIRECTORS

SHARE AWARD SCHEME

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

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

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

股份獎勵計劃

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

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

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

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

REPORT OF THE DIRECTORS

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

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

Notes:

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

董事會報告書

董事獲獎授股份的資料臚列如下：

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

註：

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

REPORT OF THE DIRECTORS

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

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

Long Positions in Shares of the Company:

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

Notes:

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

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

董事會報告書

主要股東及其他人事的股份及相關股份的權益及淡倉

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

本公司股份的好倉情況：

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

註：

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

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

REPORT OF THE DIRECTORS

DIRECTORS' INTEREST IN CONTRACTS

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

CONNECTED TRANSACTIONS

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

Joint Bidding Agreement with TPI, CIHC and Ming An China

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

Capital Contribution to TPI

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

Supplemental Agreement with CIHC and Ming An China

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

董事在合約擁有的權益

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

關連交易

本集團於年內與中保控股及其附屬公司(「中保控股集團」)訂立以下關連交易。

與太平保險、中保控股及民安中國之聯合競投協議

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

向太平保險增資

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

與中保控股及民安中國之補充協議

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

REPORT OF THE DIRECTORS

CONTINUING CONNECTED TRANSACTIONS

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

A. Reinsurance Transaction

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

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

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

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

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

B. Retrocession Transaction

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

持續關連交易

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

A. 再保險交易

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

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

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

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

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

B. 轉分交易

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

REPORT OF THE DIRECTORS

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

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

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

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

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

C. Investment Management Services

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

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

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

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

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

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

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

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

C. 投資管理服務

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

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

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

REPORT OF THE DIRECTORS

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

D. Provision of Training Services

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

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

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

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

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

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

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

D. 提供培訓服務

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

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

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

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

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

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

REPORT OF THE DIRECTORS

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

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

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

INTEREST BEARING NOTES

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

FIVE YEAR SUMMARY

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

RETIREMENT SCHEMES

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

CORPORATE GOVERNANCE

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

AUDIT COMMITTEE

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

PUBLIC FLOAT

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

董事會報告書

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

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

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

需付息票據

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

五年概要

本集團於過去五個財務年度的業績及資產與負債概要載於第275至276頁。

退休計劃

有關該等退休計劃的摘要載於綜合財務報表附註39。

企業管治

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

審核委員會

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

公眾持股量

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

REPORT OF THE DIRECTORS

AUDITORS

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

By order of the Board

Lin Fan

Chairman

Hong Kong, 18 March 2009

核數師

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

承董事會命
林帆
董事長

香港，二零零九年三月十八日