

EMBEDDED VALUE OF TPL

1. CAUTIONARY STATEMENT

The calculations of embedded value and the new business value of TPL are based on certain assumptions with respect to future experience and thus the actual results could differ significantly from what is envisioned when these calculations are made. From an investor's perspective, the valuation of the Company is measured by the stock market price of the Company's shares on any particular day. In valuing the Company's shares, investors should take into account not only the embedded value and the new business value, but also various other considerations. In addition, TPL is 50.05%-owned by the Company. The embedded value and the new business value as at 30 June 2009 as disclosed below should therefore not be applied 100% in valuing the Company. Investors are advised to pay particular attention to this factor, as well as the other assumptions underlying the calculations of the embedded value and new business value of TPL, if they believe such calculations are important and material to the valuation of the Company.

2. EMBEDDED VALUE

HK\$ million

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

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

太平人壽之內涵價值

1. 提示聲明

計算內涵價值及新業務價值乃基於有關未來經驗之若干假設，故此實際結果可能與作出該等計算時之預測有重大差異。從投資者角度看，本公司之估值乃按照本公司股份於某個別日子之股市價格計量。於評估本公司股份時，投資者不僅要考慮及內涵價值及新業務價值，而且亦應考慮到其他多項因素。此外，本公司擁有太平人壽之50.05%股權。因此，不應把下列所披露之於二零零九年六月三十日之內涵價值及新業務價值全數作為本公司的估值。倘若彼等認為該等因素重要，及對本公司之估值關係重大，投資者務須特別留意該因素，及其他支援計算太平人壽內涵價值及新業務價值計算之因素。

2. 內涵價值

百萬港元

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

經調整資產淨值是太平人壽按中國法定基準計量之股東資產淨值。

EMBEDDED VALUE OF TPL

3. NEW BUSINESS VALUE

HK\$ million

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

TPL's expense overrun is due to its significant investments in establishing a branch network infrastructure, initiating relationships with business partners, establishing computer systems and hiring a highly professional management team and agency force. As such expense overrun is due to the start-up costs of beginning and expanding upon TPL's business operations, the management of the Group and TPL believe that the expense overrun will diminish over time as TPL's scale of operations increases in the future.

太平人壽之內涵價值

3. 新業務價值

百萬港元

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

太平人壽之費用超支乃由於對建設分支網絡基礎設施、與業務夥伴建立關係、添置電腦系統及聘請高度專業之管理團隊及代理隊伍作出重大投資所致。鑒於該等費用超支乃由於太平人壽業務運作起初之開辦費用及擴張所致，本集團及太平人壽之管理層認為，有關費用超支將隨著太平人壽經營規模於日後逐步擴大而下降。