

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

未經審核中期財務報告的附註

(Expressed in Hong Kong dollars)
(以港幣列示)

1 BASIS OF PREPARATION

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standards on Review Engagement 2410, "Review of interim financial information performed by the independent auditor of the entity", issued by the HKICPA. KPMG's review report to the board of directors is set out on page 60.

The interim financial report has been prepared in accordance with the applicable requirements of the Listing Rules, including compliance with HKAS 34 "Interim financial reporting" issued by the HKICPA. It was authorised for issuance on 30 August 2007.

The financial information relating to the financial year ended 31 December 2006 included in the interim financial report does not constitute the company's statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2006 are available from the company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 26 March 2007.

The accounting policies and methods of computation adopted in the 2006 annual financial statements have been applied consistently to this interim financial report.

In 2007, the group adopted the new HKFRSs below, which are relevant to its operations and have resulted in changes to the group's accounting policies for the current and prior periods.

HKFRS 7	Financial instruments: disclosures
Amendment to HKAS 1	Presentation of financial statements: capital disclosures

The HKFRSs that will be effective or are available for voluntary early adoption in the annual financial statements for the year ending 31 December 2007 may be affected by the issuance of additional interpretation(s) or other changes announced by the HKICPA subsequent to the date of issuance of this interim financial report. Therefore the policies that will be applied in the group's financial statements for that period cannot be determined with certainty at the date of issuance of this interim financial report.

The adoption of these new and revised HKFRSs does not have any effect on the profit after taxation and net assets of the group but will result in additional disclosures in the annual financial statements.

1 編製基準

此為未經審核的中期財務報告，但已由畢馬威會計師事務所按照香港會計師公會所頒佈的《香港審閱工作準則》第2410號「獨立核數師對中期財務信息的審閱」的準則審閱。畢馬威會計師事務所給予董事會的獨立審閱報告刊於第61頁。

本中期財務報告已根據聯交所上市規則的規定，並遵照香港會計師公會所頒佈的《香港會計準則》第34號「中期財務報告」的準則編製。並於二零零七年八月三十日核准發放。

本中期財務報告包含截至二零零六年十二月三十一日止財政年度的財務資料，這些財務資料均取自本公司該財政年度的法定賬項，惟並不構成本公司該財政年度的法定賬項。截至二零零六年十二月三十一日止年度的法定賬項可於本公司的註冊辦事處索取。核數師已於二零零七年三月二十六日所發佈的核數師報告中，表示對這些賬項提出無保留意見。

編製本中期財務報告所採納的會計政策及計算方法，均與截至二零零六年度全年財務報告所採納的一致。

本集團於二零零七年採納以下有關其業務的新訂《香港財務報告準則》，並導致本財務期及過往期間的本集團會計政策出現變動。

《香港財務報告準則》第7號
金融工具：披露
經修訂《香港會計準則》第1號
財務報表之呈報：資本披露

將於截至二零零七年十二月三十一日止年度生效或可於該年度的年度財務報表內自願提早採納的《香港財務報告準則》，可能受到香港會計師公會於本中期財務報告刊發日期後頒佈的其他詮釋或其他變動影響。因此，於本中期財務報告刊發日期不可明確釐定將於上述期間應用於本集團財務報表的政策。

採納該等新訂及經修訂《香港財務報告準則》，不會對本集團的除稅後溢利及資產淨值造成任何影響，但會導致年度財務報表的額外披露。

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告的附註 (續)

(Expressed in Hong Kong dollars)
(以港幣列示)

1 BASIS OF PREPARATION (Continued)

The adoption of HKFRS 7 and consequential amendments to HKFRS 4, “Insurance contracts” due to the adoption of HKFRS 7 modify the disclosures of risks arising from the financial instruments held by the group. In addition, Amendment to HKAS 1 requires disclosures of the group’s management of capital. No such disclosures are made in the interim financial report as they are not required under HKAS 34.

2 SEGMENT REPORTING

Segmental information is presented in respect of the group’s business and geographical segments. Business segment information is chosen as the primary reporting format.

By business segments:

The group comprises the following main business segments:

- Reinsurance business;
- Life insurance business; and
- Corporate and other businesses which comprise asset management business, insurance intermediary business, pension business, financial and corporate assets.

1 編製基準 (續)

採納《香港財務報告準則》第7號及因採納《香港財務報告準則》第7號而修訂的《香港財務報告準則》第4號「保險合約」，修改了因本集團持有金融工具所產生的風險披露。此外，《香港會計準則》第1號修訂規定須披露本集團的資本管理。由於《香港會計準則》第34號並無規定，故此並未於中期財務報告作出該等披露。

2 分類匯報

分類資料的匯報是按本集團的業務及地區來區分，其中業務類別被選擇作為首要的匯報格式。

按業務分類：

本集團設有下列的主要業務分類：

- 再保險業務；
- 人壽保險業務；及
- 企業及其他業務，包括資產管理業務、保險中介業務、養老保險業務、財務及企業資產。

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告的附註 (續)

(Expressed in Hong Kong dollars)
(以港幣列示)

2 SEGMENT REPORTING (Continued)

2 分類匯報 (續)

(a) Segmental income statement for the six months ended 30 June 2007

(a) 截至二零零七年六月三十日止六個月分類損益表

		Reinsurance 再保險 \$'000 千元	Life insurance 人壽保險 \$'000 千元	Corporate and other businesses 企業及 其他業務 \$'000 千元	Total 總額 \$'000 千元
Revenue	收入				
Gross premiums written	毛承保保費	1,320,725	6,993,534	—	8,314,259
Policy fees	保單費收入	—	3,388	—	3,388
		1,320,725	6,996,922	—	8,317,647
Less: Premiums ceded to reinsurers and retrocessionaires	減：保費之再保及轉分份額	(181,261)	(34,969)	—	(216,230)
Net premiums written and policy fees	淨承保保費及保單費收入	1,139,464	6,961,953	—	8,101,417
Change in unearned premium provisions, net of reinsurance	未到期責任準備金變化，減再保險	(414,363)	(801)	—	(415,164)
Net earned premiums and policy fees	已賺取保費及保單費收入淨額	725,101	6,961,152	—	7,686,253
Net investment income (Note (i))	投資收入淨額 (註(i))	91,242	836,946	46,876	975,064
Net realised investment gains (Note (iii))	已實現投資收益淨額 (註(iii))	174,494	942,201	59,706	1,176,401
Net unrealised investment gains (Note (iii))	未實現投資收益淨額 (註(iii))	5,355	282,219	29,084	316,658
Net exchange gain/(loss)	匯兌收益/(虧損)淨額	33,659	(34,351)	(3,681)	(4,373)
Other income	其他收入	2,577	1,797	51,952	56,326
Inter-segment transactions	分類之間交易	(150)	(1,090)	(17,247)	(18,487)
		1,032,278	8,988,874	166,690	10,187,842
Benefits, losses and expenses	給付、賠款及費用				
Policyholders' benefits	保單持有人利益	(398,750)	(1,470,452)	—	(1,869,202)
Net commission expenses	佣金支出淨額	(283,738)	(632,988)	—	(916,726)
Administrative and other expenses	行政及其他費用	(24,940)	(735,311)	(101,828)	(862,079)
Change in life insurance funds, net of reinsurance	壽險責任準備金變化，減再保險	—	(5,699,569)	—	(5,699,569)
Inter-segment transactions	分類之間交易	6,213	11,034	1,240	18,487
		(701,215)	(8,527,286)	(100,588)	(9,329,089)
Profit from operations	經營溢利	331,063	461,588	66,102	858,753
Share of losses of associates	應佔聯營公司虧損	—	(149)	(2,000)	(2,149)
Finance costs	財務費用	—	(33,772)	(39,886)	(73,658)
Profit before taxation	除稅前溢利	331,063	427,667	24,216	782,946
Income tax charge	稅項支出	(19,591)	(120,908)	(7,525)	(148,024)
Profit after taxation	除稅後溢利	311,472	306,759	16,691	634,922
Minority interests	少數股東權益	—	(153,226)	6,886	(146,340)
Profit attributable to equity holders	股東應佔溢利	311,472	153,533	23,577	488,582

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告的附註 (續)

(Expressed in Hong Kong dollars)
(以港幣列示)

2 SEGMENT REPORTING (Continued)

2 分類匯報 (續)

(a) Segmental income statement for the six months ended 30 June 2007 (Continued)

(a) 截至二零零七年六月三十日止六個月分類損益表 (續)

		Reinsurance 再保險 \$'000 千元	Life insurance 人壽保險 \$'000 千元	Corporate and other businesses 企業及 其他業務 \$'000 千元	Total 總額 \$'000 千元
Note (i): Net investment income	註 (i): 投資收入淨額				
Interest income from debt securities	債務證券利息收入				
– Held-to-maturity	– 持有至到期日	32,001	–	195	32,196
– Available-for-sale	– 可供出售	10,943	363,820	3,406	378,169
– Designated at fair value through profit or loss	– 指定為通過損益以反映公允價值	5,945	1,297	14,855	22,097
Dividend income from direct equity securities	直接股本證券股息收入				
– Available-for-sale	– 可供出售	3,580	5,726	1,395	10,701
– Designated at fair value through profit or loss	– 指定為通過損益以反映公允價值	1,324	1,856	220	3,400
Dividend income from equity investment funds	股本投資基金股息收入				
– Available-for-sale	– 可供出售	–	182,369	–	182,369
– Designated at fair value through profit or loss	– 指定為通過損益以反映公允價值	–	214,478	93	214,571
Dividend income from composite investment funds	綜合投資基金股息收入				
– Available-for-sale	– 可供出售	464	–	–	464
– Designated at fair value through profit or loss	– 指定為通過損益以反映公允價值	899	–	–	899
Bank deposits and other interest income	銀行存款及其他利息收入	34,851	130,760	26,058	191,669
Rentals receivable from investment properties	應收投資物業租金	1,235	–	–	1,235
Interest expenses on securities sold under repurchase agreements	賣出回購證券利息費用	–	(63,360)	654	(62,706)
		91,242	836,946	46,876	975,064

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告的附註 (續)

(Expressed in Hong Kong dollars)
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2 SEGMENT REPORTING (Continued)

2 分類匯報 (續)

(a) Segmental income statement for the six months ended 30 June 2007 (Continued)

(a) 截至二零零七年六月三十日止六個月分類損益表 (續)

		Reinsurance 再保險 \$'000 千元	Life insurance 人壽保險 \$'000 千元	Corporate and other businesses 企業及 其他業務 \$'000 千元	Total 總額 \$'000 千元
Note (ii): Net realised investment (losses)/gains	註(ii): 已實現投資(虧損)/收益淨額				
Debt securities	債務證券				
- Available-for-sale	- 可供出售	-	(530)	-	(530)
- Designated at fair value through profit or loss	- 指定為通過損益以反映公允價值	(20)	18,861	414	19,255
Direct equity securities	直接股本證券				
- Available-for-sale	- 可供出售	174,320	184,990	52,413	411,723
- Designated at fair value through profit or loss	- 指定為通過損益以反映公允價值	446	212,014	1,572	214,032
Equity investment funds	股本投資基金				
- Available-for-sale	- 可供出售	-	333,848	-	333,848
- Designated at fair value through profit or loss	- 指定為通過損益以反映公允價值	-	193,018	5,307	198,325
Investment properties	投資物業	(252)	-	-	(252)
		174,494	942,201	59,706	1,176,401
Note (iii): Net unrealised investment gains	註(iii): 未實現投資收益淨額				
Debt securities	債務證券				
- Designated at fair value through profit or loss	- 指定為通過損益以反映公允價值	152	79,472	1,387	81,011
Direct equity securities	直接股本證券				
- Designated at fair value through profit or loss	- 指定為通過損益以反映公允價值	2,447	72,223	1,899	76,569
Equity investment funds	股本投資基金				
- Designated at fair value through profit or loss	- 指定為通過損益以反映公允價值	-	130,524	25,798	156,322
Composite investment funds	綜合投資基金				
- Designated at fair value through profit or loss	- 指定為通過損益以反映公允價值	536	-	-	536
Derivative financial instruments	衍生金融工具	453	-	-	453
Surplus on revaluation of investment properties	投資物業重估盈餘	1,767	-	-	1,767
		5,355	282,219	29,084	316,658

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告的附註 (續)

(Expressed in Hong Kong dollars)
(以港幣列示)

2 SEGMENT REPORTING (Continued)

2 分類匯報 (續)

(b) Segmental balance sheet as at 30 June 2007

(b) 於二零零七年六月三十日分類資產負債表

		Reinsurance 再保險 \$'000 千元	Life insurance 人壽保險 \$'000 千元	Corporate and other businesses 企業及 其他業務 \$'000 千元	Total 總額 \$'000 千元
Statutory deposits	法定存款	—	513,155	51,316	564,471
Investment properties	投資物業	81,644	—	—	81,644
Other property, plant and equipment	其他物業、機械 裝置及設備	2,993	1,043,482	61,184	1,107,659
Debt securities (Note (i))	債務證券 (註(i))	1,676,765	21,727,907	466,467	23,871,139
Direct equity securities (Note (iii))	直接股本證券 (註(iii))	680,214	2,887,431	558,314	4,125,959
Equity investment funds (Note (iii))	股本投資基金 (註(iii))	—	3,174,562	120,706	3,295,268
Composite investment funds (Note (iv))	綜合投資基金 (註(iv))	90,913	—	—	90,913
Cash and bank deposits	現金及銀行存款	1,589,898	10,945,150	1,174,896	13,709,944
Goodwill	商譽	—	154,909	73,276	228,185
Interest in associates	於聯營公司的權益	—	3,940	387,480	391,420
Reinsurers' share of insurance contract provisions	分保公司應佔 保險合約準備	396,572	38,469	—	435,041
Other segment assets	其他分類資產	832,979	1,226,499	121,751	2,181,229
Total assets	總資產	5,351,978	41,715,504	3,015,390	50,082,872
Life insurance funds	壽險責任準備金	—	30,946,971	—	30,946,971
Unearned premium provisions	未到期責任準備金	1,020,794	331,807	—	1,352,601
Provision for outstanding claims	未決賠款準備	2,162,676	60,667	—	2,223,343
Investment contract liabilities	投資合約負債	—	109,436	—	109,436
Interest-bearing notes	需付息票據	—	1,539,465	1,360,614	2,900,079
Securities sold under repurchase agreements	賣出回購證券	—	4,721,026	49,283	4,770,309
Deferred tax liabilities	遞延稅項負債	5,234	707,848	4,604	717,686
Other segment liabilities	其他分類負債	177,600	625,771	73,776	877,147
Total liabilities	總負債	3,366,304	39,042,991	1,488,277	43,897,572
Minority interests	少數股東權益	—	1,438,426	154,355	1,592,781
Net assets attributable to the equity holders of the company	股東應佔資產淨值	1,985,674	1,234,087	1,372,758	4,592,519

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告的附註 (續)

(Expressed in Hong Kong dollars)
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2 SEGMENT REPORTING (Continued)

(b) Segmental balance sheet as at 30 June 2007 (Continued)

2 分類匯報 (續)

(b) 於二零零七年六月三十日分類資產負債表 (續)

		Reinsurance 再保險 \$'000 千元	Life insurance 人壽保險 \$'000 千元	Corporate and other businesses 企業及 其他業務 \$'000 千元	Total 總額 \$'000 千元
Note (i): Debt securities	註(i): 債務證券				
- Held-to-maturity	- 持有至到期日	1,029,869	—	9,380	1,039,249
- Available-for-sale	- 可供出售	490,479	21,464,918	236,742	22,192,139
- Designated at fair value through profit or loss	- 指定為通過損益 以反映公允價值	156,417	262,989	220,345	639,751
		1,676,765	21,727,907	466,467	23,871,139
Note (ii): Direct equity securities	註(ii): 直接股本證券				
- Available-for-sale	- 可供出售	601,319	2,292,575	535,637	3,429,531
- Designated at fair value through profit or loss	- 指定為通過損益 以反映公允價值	78,895	594,856	22,677	696,428
		680,214	2,887,431	558,314	4,125,959
Note (iii): Equity investment funds	註(iii): 股本投資基金				
- Available-for-sale	- 可供出售	—	2,030,722	—	2,030,722
- Designated at fair value through profit or loss	- 指定為通過損益 以反映公允價值	—	1,143,840	120,706	1,264,546
		—	3,174,562	120,706	3,295,268
Note (iv): Composite investment funds	註(iv): 綜合投資基金				
- Available-for-sale	- 可供出售	65,870	—	—	65,870
- Designated at fair value through profit or loss	- 指定為通過損益 以反映公允價值	25,043	—	—	25,043
		90,913	—	—	90,913

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2 SEGMENT REPORTING (Continued)

2 分類匯報 (續)

(c) Segmental income statement for the six months ended 30 June 2006

(c) 截至二零零六年六月三十日止六個月分類損益表

		Reinsurance 再保險 \$'000 千元	Life insurance 人壽保險 \$'000 千元	Corporate and other businesses 企業及 其他業務 \$'000 千元	Total 總額 \$'000 千元
Revenue	收入				
Gross premiums written	毛承保保費	1,216,230	5,841,633	—	7,057,863
Policy fees	保單費收入	—	3,633	—	3,633
		1,216,230	5,845,266	—	7,061,496
Less: Premiums ceded to reinsurers and retrocessionaires	減: 保費之再保及 轉分份額	(136,918)	(20,610)	—	(157,528)
Net premiums written and policy fees	淨承保保費及保單費收入	1,079,312	5,824,656	—	6,903,968
Change in unearned premium provisions, net of reinsurance	未到期責任準備金變化· 減再保險	(380,773)	(69,198)	—	(449,971)
Net earned premiums and policy fees	已賺取保費及保單費 收入淨額	698,539	5,755,458	—	6,453,997
Net investment income (Note (i))	投資收入淨額 (註(i))	78,969	455,442	17,379	551,790
Net realised investment gains (Note (iii))	已實現投資收益淨額 (註(iii))	74,329	65,138	12,306	151,773
Net unrealised investment gains (Note (iii))	未實現投資收益淨額 (註(iii))	1,557	234,325	8,764	244,646
Net exchange gain/(loss)	匯兌收益/(虧損)淨額	37,149	(11,891)	(311)	24,947
Other income	其他收入	439	521	17,562	18,522
Inter-segment transactions	分類之間交易	(150)	—	(7,909)	(8,059)
		890,832	6,498,993	47,791	7,437,616
Benefits, losses and expenses	給付、賠款及費用				
Policyholders' benefits	保單持有人利益	(413,478)	(592,357)	—	(1,005,835)
Net commission expenses	佣金支出淨額	(250,788)	(408,969)	—	(659,757)
Administrative and other expenses	行政及其他費用	(21,932)	(580,012)	(14,289)	(616,233)
Change in life insurance funds, net of reinsurance	壽險責任準備金變化· 減再保險	—	(4,539,116)	—	(4,539,116)
Inter-segment transactions	分類之間交易	7,909	—	150	8,059
		(678,289)	(6,120,454)	(14,139)	(6,812,882)
Profit from operations	經營溢利	212,543	378,539	33,652	624,734
Share of (losses)/profits of associates	應佔聯營公司(虧損)/溢利	—	(136)	4,032	3,896
Finance costs	財務費用	—	(32,273)	(39,830)	(72,103)
Profit/(loss) before taxation	除稅前溢利/(虧損)	212,543	346,130	(2,146)	556,527
Income tax charge	稅項支出	(7,273)	(88,344)	(3,306)	(98,923)
Profit/(loss) after taxation	除稅後溢利/(虧損)	205,270	257,786	(5,452)	457,604
Minority interests	少數股東權益	—	(129,319)	—	(129,319)
Profit/(loss) attributable to equity holders	股東應佔溢利/(虧損)	205,270	128,467	(5,452)	328,285

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告的附註 (續)

(Expressed in Hong Kong dollars)
(以港幣列示)

2 SEGMENT REPORTING (Continued)

2 分類匯報 (續)

(c) Segmental income statement for the six months ended 30 June 2006 (Continued) (c) 截至二零零六年六月三十日止六個月分類損益表 (續)

	Reinsurance 再保險 \$'000 千元	Life insurance 人壽保險 \$'000 千元	Corporate and other businesses 企業及 其他業務 \$'000 千元	Total 總額 \$'000 千元
Note (i): Net investment income	註(i): 投資收入淨額			
Interest income from debt securities	債務證券利息收入			
– Held-to-maturity	34,691	–	189	34,880
– Available-for-sale	6,211	333,161	–	339,372
– Designated at fair value through profit or loss	6,867	2,683	6,830	16,380
Dividend income from direct equity securities	直接股本證券股息收入			
– Available-for-sale	3,741	–	–	3,741
– Designated at fair value through profit or loss	1,629	9,408	2,401	13,438
Dividend income from equity investment funds	股本投資基金股息收入			
– Available-for-sale	–	26,889	–	26,889
– Designated at fair value through profit or loss	–	50,550	–	50,550
Dividend income from composite investment funds	綜合投資基金股息收入			
– Designated at fair value through profit or loss	542	–	–	542
Bank deposits and other interest income	24,229	68,654	7,959	100,842
Rentals receivable from investment properties	1,059	–	–	1,059
Interest expenses on securities sold under repurchase agreements	–	(35,903)	–	(35,903)
	78,969	455,442	17,379	551,790

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告的附註 (續)

(Expressed in Hong Kong dollars)
(以港幣列示)

2 SEGMENT REPORTING (Continued)

2 分類匯報 (續)

(c) Segmental income statement for the six months ended 30 June 2006 (Continued) (c) 截至二零零六年六月三十日止六個月分類損益表 (續)

	Reinsurance 再保險 \$'000 千元	Life insurance 人壽保險 \$'000 千元	Corporate and other businesses 企業及 其他業務 \$'000 千元	Total 總額 \$'000 千元
Note (ii): Net realised investment gains	註(ii): 已實現投資收益淨額			
Debt securities	債務證券			
– Designated at fair value through profit or loss		– 指定為通過損益以反映公允價值		
	(167)	(12,761)	8,774	(4,154)
Direct equity securities	直接股本證券			
– Available-for-sale	68,061	–	–	68,061
– Designated at fair value through profit or loss	6,435	34,653	3,532	44,620
Equity investment funds	股本投資基金			
– Available-for-sale	–	17,318	–	17,318
– Designated at fair value through profit or loss	–	25,928	–	25,928
	74,329	65,138	12,306	151,773
Note (iii): Net unrealised investment gains	註(iii): 未實現投資收益淨額			
Debt securities	債務證券			
– Designated at fair value through profit or loss		– 指定為通過損益以反映公允價值		
	(4,096)	3,111	(7,467)	(8,452)
Direct equity securities	直接股本證券			
– Designated at fair value through profit or loss	961	27,469	16,231	44,661
Equity investment funds	股本投資基金			
– Designated at fair value through profit or loss	–	203,745	–	203,745
Composite investment funds	綜合投資基金			
– Designated at fair value through profit or loss	(493)	–	–	(493)
Surplus on revaluation of investment properties	5,185	–	–	5,185
	1,557	234,325	8,764	244,646

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告的附註 (續)

(Expressed in Hong Kong dollars)
(以港幣列示)

2 SEGMENT REPORTING (Continued)

(d) Segmental balance sheet as at 31 December 2006

2 分類匯報 (續)

(d) 於二零零六年十二月三十一日分類資產負債表

		Reinsurance 再保險 \$'000 千元	Life insurance 人壽保險 \$'000 千元	Corporate and other businesses 企業及 其他業務 \$'000 千元	Total 總額 \$'000 千元
Statutory deposits	法定存款	—	497,675	49,768	547,443
Investment properties	投資物業	106,077	—	—	106,077
Other property, plant and equipment	其他物業、機械 裝置及設備	2,785	970,025	61,880	1,034,690
Debt securities (Note (i))	債務證券 (註(i))	1,383,586	18,257,752	186,717	19,828,055
Direct equity securities (Note (ii))	直接股本證券 (註(ii))	710,972	1,956,041	492,080	3,159,093
Equity investment funds (Note (iii))	股本投資基金 (註(iii))	—	2,485,383	40,589	2,525,972
Composite investment funds (Note (iv))	綜合投資基金 (註(iv))	40,210	—	—	40,210
Cash and bank deposits	現金及銀行存款	1,603,704	8,000,884	1,207,948	10,812,536
Goodwill	商譽	—	154,909	73,276	228,185
Interest in associates	於聯營公司的權益	—	3,968	346,710	350,678
Reinsurers' share of insurance contract provisions	分保公司應佔保險 合約準備	353,462	38,445	—	391,907
Other segment assets	其他分類資產	486,701	520,343	21,777	1,028,821
Total assets	總資產	4,687,497	32,885,425	2,480,745	40,053,667
Life insurance funds	壽險責任準備金	—	24,406,372	—	24,406,372
Unearned premium provisions	未到期責任準備金	527,934	325,034	—	852,968
Provision for outstanding claims	未決賠款準備	2,133,272	52,894	—	2,186,166
Investment contract liabilities	投資合約負債	—	115,681	—	115,681
Interest-bearing notes	需付息票據	—	1,493,025	1,351,794	2,844,819
Securities sold under repurchase agreements	賣出回購證券	—	2,490,366	—	2,490,366
Deferred tax liabilities	遞延稅項負債	11,050	648,775	6,730	666,555
Other segment liabilities	其他分類負債	128,056	713,791	66,252	908,099
Total liabilities	總負債	2,800,312	30,245,938	1,424,776	34,471,026
Minority interests	少數股東權益	—	1,326,727	77,595	1,404,322
Net assets attributable to the equity holders of the company	股東應佔資產淨值	1,887,185	1,312,760	978,374	4,178,319

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告的附註 (續)

(Expressed in Hong Kong dollars)
(以港幣列示)

2 SEGMENT REPORTING (Continued)

(d) Segmental balance sheet as at 31 December 2006 (Continued)

2 分類匯報 (續)

(d) 於二零零六年十二月三十一日分類資產負債表 (續)

		Reinsurance 再保險 \$'000 千元	Life insurance 人壽保險 \$'000 千元	Corporate and other businesses 企業及 其他業務 \$'000 千元	Total 總額 \$'000 千元
Note (i): Debt securities	註(i): 債務證券				
- Held-to-maturity	- 持有至到期日	834,083	—	9,386	843,469
- Available-for-sale	- 可供出售	414,051	18,160,800	—	18,574,851
- Designated at fair value through profit or loss	- 指定為通過損益 以反映公允價值	135,452	96,952	177,331	409,735
		1,383,586	18,257,752	186,717	19,828,055
Note (ii): Direct equity securities	註(ii): 直接股本證券				
- Available-for-sale	- 可供出售	623,057	1,441,683	451,938	2,516,678
- Designated at fair value through profit or loss	- 指定為通過損益 以反映公允價值	87,915	514,358	40,142	642,415
		710,972	1,956,041	492,080	3,159,093
Note (iii): Equity investment funds	註(iii): 股本投資基金				
- Available-for-sale	- 可供出售	—	1,563,495	—	1,563,495
- Designated at fair value through profit or loss	- 指定為通過損益 以反映公允價值	—	921,888	40,589	962,477
		—	2,485,383	40,589	2,525,972
Note (iv): Composite investment funds	註(iv): 綜合投資基金				
- Available-for-sale	- 可供出售	15,826	—	—	15,826
- Designated at fair value through profit or loss	- 指定為通過損益 以反映公允價值	24,384	—	—	24,384
		40,210	—	—	40,210

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告的附註 (續)

(Expressed in Hong Kong dollars)
(以港幣列示)

2 SEGMENT REPORTING (Continued)

By geographical segments:

For the six months ended 30 June 2007

	Hong Kong and Macau 香港及 澳門	PRC (other than Hong Kong and Macau) 中國 (香港及 澳門除外)	Japan 日本	Rest of Asia 亞洲 其他地區	Europe 歐洲	Rest of the world 其他地區	Total 總額
	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Gross premiums written and policy fees	244,108	7,349,787	81,432	356,782	215,579	69,959	8,317,647

For the six months ended 30 June 2006

	Hong Kong and Macau 香港及 澳門	PRC (other than Hong Kong and Macau) 中國 (香港及 澳門除外)	Japan 日本	Rest of Asia 亞洲 其他地區	Europe 歐洲	Rest of the world 其他地區	Total 總額
	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Gross premiums written and policy fees	239,553	6,139,046	82,243	326,267	219,170	55,217	7,061,496

2. 分類匯報 (續)

按地區分類：

截至二零零七年六月三十日止六個月

截至二零零六年六月三十日止六個月

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告的附註 (續)

(Expressed in Hong Kong dollars)
(以港幣列示)

3 GROSS PREMIUMS WRITTEN AND POLICY FEES

Principal activities

The principal activity of the company is investment holding. The principal activities of the company and its subsidiaries are the underwriting of all classes of reinsurance business and direct life insurance business.

Apart from these, the group also carries on asset management, insurance intermediary businesses and pension business and, to support its insurance activities, holds money market, fixed income, equity and property investments.

Turnover represents gross premiums written and policy fees from reinsurance business and life insurance business.

3 毛承保保費及保單費收入

主要業務

本公司的主要業務是投資控股。本公司及其附屬公司的主要業務是承接各類再保險業務及直接人壽保險業務。

此外，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。

營業額是指再保險業務及人壽保險業務毛承保保費及保單費收入。

Six months ended 30 June 2007 截至二零零七年六月三十日止六個月

		Reinsurance contracts 再保險合約 \$'000 千元	Life insurance contracts 人壽保險合約 \$'000 千元	Investment contracts 投資合約 \$'000 千元	Total 總額 \$'000 千元
Gross premiums written	毛承保保費	1,320,725	6,993,534	—	8,314,259
Policy fees	保單費收入	—	—	3,388	3,388
		1,320,725	6,993,534	3,388	8,317,647

Six months ended 30 June 2006 截至二零零六年六月三十日止六個月

		Reinsurance contracts 再保險合約 \$'000 千元	Life insurance contracts 人壽保險合約 \$'000 千元	Investment contracts 投資合約 \$'000 千元	Total 總額 \$'000 千元
Gross premiums written	毛承保保費	1,216,230	5,841,633	—	7,057,863
Policy fees	保單費收入	—	—	3,633	3,633
		1,216,230	5,841,633	3,633	7,061,496

In respect of the reinsurance business, a substantial proportion of reinsurance premium income is written in the first half of each year because of the seasonal nature of the reinsurance market.

關於再保險業務，因再保險市場的季節性因素，大部分的再保險保費收入已於每年的上半年承保。

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告的附註 (續)

(Expressed in Hong Kong dollars)
(以港幣列示)

4 INVESTMENT INCOME

4 投資收入

		Six months ended 30 June 截至六月三十日止六個月	
		2007 二零零七年 \$'000 千元	2006 二零零六年 \$'000 千元
Net investment income (Note (a))	投資收入淨額 (註(a))	975,064	551,790
Net realised investment gains (Note (b))	已實現投資收益淨額 (註(b))	1,176,401	151,773
Net unrealised investment gains (Note (c))	未實現投資收益淨額 (註(c))	316,658	244,646
		2,468,123	948,209
(a) Net investment income	(a) 投資收入淨額		
Interest income from debt securities (Note (i)):	債務證券利息收入 (註(i)):		
– Held-to-maturity	– 持有至到期日	32,196	34,880
– Available-for-sale	– 可供出售	378,169	339,372
– Designated at fair value through profit or loss	– 指定為通過損益 以反映公允價值	22,097	16,380
Dividend income from direct equity securities (Note (ii)):	直接股本證券股息收入 (註(ii)):		
– Available-for-sale	– 可供出售	10,701	3,741
– Designated at fair value through profit or loss	– 指定為通過損益 以反映公允價值	3,400	13,438
Dividend income from equity investment funds (Note (ii)):	股本投資基金股息收入 (註(ii)):		
– Available-for-sale	– 可供出售	182,369	26,889
– Designated at fair value through profit or loss	– 指定為通過損益 以反映公允價值	214,571	50,550
Dividend income from composite investment funds (Note (iii)):	綜合投資基金股息收入 (註(iii)):		
– Available-for-sale	– 可供出售	464	–
– Designated at fair value through profit or loss	– 指定為通過損益 以反映公允價值	899	542
Bank deposits and other interest income	銀行存款及其他利息收入	191,669	100,842
Rentals receivable from investment properties	應收投資物業租金	1,235	1,059
Interest expenses on securities sold under repurchase agreements	賣出回購證券利息費用	(62,706)	(35,903)
		975,064	551,790

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告的附註 (續)

(Expressed in Hong Kong dollars)
(以港幣列示)

4 INVESTMENT INCOME (Continued)

(a) Net investment income (Continued)

Notes:

		Six months ended 30 June	
		截至六月三十日止六個月	
		2007	2006
		二零零七年	二零零六年
		\$'000	\$'000
		千元	千元
(i) Interest income from debt securities:	(i) 債務證券利息收入：		
Listed	上市	400,850	367,851
Unlisted	非上市	31,612	22,781
(ii) Dividend income from direct equity securities and equity investment funds:	(ii) 直接股本證券及股本投資基金股息收入：		
Listed	上市	267,650	26,254
Unlisted	非上市	143,391	68,364
(iii) Dividend income from composite investment funds:	(iii) 綜合投資基金股息收入：		
Listed	上市	1,363	542

		Six months ended 30 June	
		截至六月三十日止六個月	
		2007	2006
		二零零七年	二零零六年
		\$'000	\$'000
		千元	千元
(b) Net realised investment gains	(b) 已實現投資收益淨額		
Debt securities (Note (i)):	債務證券 (註(i))		
- Available-for-sale	- 可供出售	(530)	-
- Designated at fair value through profit or loss	- 指定為通過損益以反映公允價值	19,255	(4,154)
Direct equity securities (Note (ii)):	直接股本證券 (註(ii))		
- Available-for-sale	- 可供出售	411,723	68,061
- Designated at fair value through profit or loss	- 指定為通過損益以反映公允價值	214,032	44,620
Equity investment funds (Note (ii)):	股本投資基金 (註(ii))		
- Available-for-sale	- 可供出售	333,848	17,318
- Designated at fair value through profit or loss	- 指定為通過損益以反映公允價值	198,325	25,928
Loss on disposal of investment properties	投資物業出售虧損	(252)	-
		1,176,401	151,773

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告的附註 (續)

(Expressed in Hong Kong dollars)
(以港幣列示)

4 INVESTMENT INCOME (Continued)

(b) Net realised investment gains (Continued)

Notes:

		Six months ended 30 June 截至六月三十日止六個月	
		2007 二零零七年 \$'000 千元	2006 二零零六年 \$'000 千元
(i)	Net realised investment gains/(losses) on debt securities:		
	Listed	18,745	(12,141)
	Unlisted	(20)	7,987
(ii)	Net realised investment gains on direct equity securities and equity investment funds:		
	Listed	873,348	137,236
	Unlisted	284,580	18,691

Six months ended 30 June

截至六月三十日止六個月

2007	2006
二零零七年	二零零六年
\$'000	\$'000
千元	千元

		Six months ended 30 June 截至六月三十日止六個月	
		2007 二零零七年 \$'000 千元	2006 二零零六年 \$'000 千元
(c)	Net unrealised investment gains		
	Debt securities (Note (i)):		
	- Designated at fair value through profit or loss	81,011	(8,452)
	Direct equity securities (Note (ii)):		
	- Designated at fair value through profit or loss	76,569	44,661
	Equity investment funds (Note (ii)):		
	- Designated at fair value through profit or loss	156,322	203,745
	Composite investment funds (Note (iii)):		
	- Designated at fair value through profit or loss	536	(493)
	Derivative financial instruments	453	-
	Surplus on revaluation of investment properties	1,767	5,185
		316,658	244,646

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告的附註 (續)

(Expressed in Hong Kong dollars)
(以港幣列示)

4 INVESTMENT INCOME (Continued)

(c) Net unrealised investment gains (Continued)

Notes:

		Six months ended 30 June 截至六月三十日止六個月		
		2007 二零零七年 \$'000 千元	2006 二零零六年 \$'000 千元	
(i)	Net unrealised investment gains/(losses) on debt securities: Listed Unlisted	(i) 債務證券未實現投資 收益/(虧損)淨額: 上市 非上市	80,156 855	(2,082) (6,370)
(ii)	Net unrealised investment gains on direct equity securities and equity investment funds: Listed Unlisted	(ii) 直接股本證券及股本 投資基金未實現投資 收益淨額: 上市 非上市	42,647 190,244	248,406 —
(iii)	Net unrealised investment gains/(losses) on composite investment funds: Listed	(iii) 綜合投資基金未實現投資 收益/(虧損)淨額: 上市	536	(493)

5 OTHER INCOME

5 其他收入

		Six months ended 30 June 截至六月三十日止六個月	
		2007 二零零七年 \$'000 千元	2006 二零零六年 \$'000 千元
Income from asset management business	資產管理業務收入	1,714	1,886
Income from insurance intermediary business	保險中介業務收入	8,492	6,803
Income from pension business	養老保險業務收入	23,534	—
Net loss on sale of fixed assets	出售固定資產虧損淨額	(35)	(6)
Write back of impairment loss on insurance debtors	保險客戶應收賬款減值 虧損回撥	—	147
Write back of bad debts written off	呆壞賬款沖銷回撥	1,740	—
Others	其他	2,394	1,633
		37,839	10,463

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告的附註 (續)

(Expressed in Hong Kong dollars)
(以港幣列示)

6 POLICYHOLDERS' BENEFITS AND NET COMMISSION EXPENSES

6 保單持有人利益及佣金支出淨額

(a) Policyholders' benefits

(a) 保單持有人利益

Six months ended 30 June 2007
截至二零零七年六月三十日止六個月

	Reinsurance contracts	Life insurance contracts	Total
	再保險合約	人壽保險合約	總額
	\$'000	\$'000	\$'000
	千元	千元	千元
Claims and claim adjustment expenses	422,823	208,607	631,430
Less: Reinsurers' and retrocessionaires' share	(24,073)	(25,636)	(49,709)
	398,750	182,971	581,721
Surrenders	—	1,228,004	1,228,004
Annuity and maturity payments	—	42,130	42,130
Policy dividends	—	17,347	17,347
	398,750	1,470,452	1,869,202

Six months ended 30 June 2006
截至二零零六年六月三十日止六個月

	Reinsurance contracts	Life insurance contracts	Total
	再保險合約	人壽保險合約	總額
	\$'000	\$'000	\$'000
	千元	千元	千元
Claims and claim adjustment expenses	475,920	139,940	615,860
Less: Reinsurers' and retrocessionaires' share	(62,442)	(11,684)	(74,126)
	413,478	128,256	541,734
Surrenders	—	427,404	427,404
Annuity and maturity payments	—	32,292	32,292
Policy dividends	—	4,405	4,405
	413,478	592,357	1,005,835

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告的附註 (續)

(Expressed in Hong Kong dollars)
(以港幣列示)

6 POLICYHOLDERS' BENEFITS AND NET COMMISSION EXPENSES (Continued)

(b) Net commission expenses

		Six months ended 30 June 2007 截至二零零七年六月三十日止六個月		
		Reinsurance contracts 再保險合約 \$'000 千元	Life insurance contracts 人壽保險合約 \$'000 千元	Total 總額 \$'000 千元
Gross commission expenses	毛佣金支出	321,548	639,150	960,698
Reinsurance commission income	再保險佣金收入	(37,810)	(6,162)	(43,972)
Net commission expenses	佣金支出淨額	283,738	632,988	916,726
		Six months ended 30 June 2006 截至二零零六年六月三十日止六個月		
		Reinsurance contracts 再保險合約 \$'000 千元	Life insurance contracts 人壽保險合約 \$'000 千元	Total 總額 \$'000 千元
Gross commission expenses	毛佣金支出	292,310	413,847	706,157
Reinsurance commission income	再保險佣金收入	(41,522)	(4,878)	(46,400)
Net commission expenses	佣金支出淨額	250,788	408,969	659,757

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告的附註 (續)

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7 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

7 除稅前溢利

除稅前溢利已扣除：

		Six months ended 30 June 截至六月三十日止六個月	
		2007 二零零七年 \$'000 千元	2006 二零零六年 \$'000 千元
(a) Finance costs: Interest on interest-bearing notes	(a) 財務費用： 需付息票據利息	73,658	72,103
(b) Staff costs: Salaries, wages and other benefits Share option costs Contributions to defined contribution retirement plans	(b) 員工成本： 薪金、工資及其他利益 認股權成本 已訂定供款退休計劃供款	390,035 2,869 38,914 431,818	258,668 474 29,552 288,694
(c) Other items: Auditors' remuneration Depreciation of fixed assets Operating lease charges in respect of properties Share of associates' taxation charge	(c) 其他項目： 核數師酬金 折舊 有關物業的經營租賃費用 佔聯營公司稅項	1,711 29,150 48,925 492	669 23,458 43,264 443

8 INCOME TAX CHARGE

Income tax charge in the consolidated income statement represents:

8 稅項支出

綜合損益表所示的稅項支出為：

		Six months ended 30 June 截至六月三十日止六個月	
		2007 二零零七年 \$'000 千元	2006 二零零六年 \$'000 千元
Current tax – Provision for Hong Kong Profits Tax	當期稅項 – 香港利得稅準備	28,421	10,401
Current tax – Over-provision in respect of prior years for taxation outside Hong Kong	當期稅項 – 多提以往年度香港以外地區稅項準備	(1,622)	–
Deferred taxation (Note)	遞延稅項 (註)	121,225	88,522
		148,024	98,923

Note: Deferred taxation mainly represents deferred tax liabilities recognised in respect of unrealised investment gains and life insurance funds recognised in a subsidiary of the group outside of Hong Kong.

註：遞延稅項主要代表本集團一家香港以外地區的附屬公司確認的未實現投資收益及壽險責任準備金而確認的遞延稅項負債。

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告的附註 (續)

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8 INCOME TAX CHARGE (Continued)

The provision for Hong Kong Profits Tax represents the group's estimated Hong Kong Profits Tax liability calculated at the standard tax rate of 17.5% (2006: 17.5%) on its assessable profits from reinsurance, asset management and insurance intermediary businesses except for its assessable profits from the business of reinsurance of offshore risks, which is calculated at 8.75% (2006: 8.75%), one-half of the standard tax rate.

Taxation outside Hong Kong for overseas subsidiaries is calculated at the rates prevailing in the relevant jurisdictions.

At 30 June 2007, the group did not recognise deferred tax assets in respect of tax losses of approximately \$347,866,000 (31 December 2006: \$270,416,000). Of these, \$331,316,000 (31 December 2006: \$247,068,000) can be carried forward up to five years after the year in which the loss was originated to offset future taxable profits. The remaining tax losses do not expire under current tax legislation.

9 DIVIDENDS

No interim dividend in respect of the interim period was declared and paid after 30 June 2007 (2006: \$Nil).

No final dividend in respect of the previous financial year was declared and paid during the interim period (2006: \$Nil).

10 EARNINGS PER SHARE ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE COMPANY

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity holders of the company of \$488,582,000 (2006: \$328,285,000) and the weighted average number of ordinary shares of 1,407,565,759 shares (2006: 1,338,144,592 shares) in issue during the period.

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to equity holders of the company of \$488,582,000 (2006: \$328,285,000) and the weighted average number of ordinary shares of 1,427,369,651 shares (2006: 1,348,306,116 shares) after adjusting for the effects of all dilutive potential ordinary shares under the company's share option scheme.

8 稅項支出 (續)

香港利得稅準備是指本集團根據來自再保險、資產管理及保險中介業務的應評稅溢利，按17.5%（二零零六年：17.5%）的標準稅率計算的估計應繳利得稅，但來自海外風險的再保險業務應評稅溢利則按適用稅率8.75%（二零零六年：8.75%），即標準稅率的一半計算。

香港以外地區的稅項以相關司法管轄區的現行稅率計算。

於二零零七年六月三十日，本集團有未確認就某些稅項虧損而產生的遞延稅項資產約為347,866,000元（二零零六年十二月三十一日：270,416,000元）。其中331,316,000元（二零零六年十二月三十一日：247,068,000元）可以在發生虧損年起計，最多不多於五年，用作抵銷未來之應評稅利潤。尚餘的稅項虧損額在目前的稅務條例則並無期限。

9 股息

於二零零七年六月三十日後沒有屬於本財務期宣派及支付的中期股息（二零零六年：無）。

沒有屬於上一個財政年度，並於中期財務期宣派及支付的末期股息（二零零六年：無）。

10 股東應佔每股盈利

(a) 每股基本盈利

每股基本盈利是按照股東應佔溢利488,582,000元（二零零六年：328,285,000元），及期內已發行普通股的加權平均數1,407,565,759股（二零零六年：1,338,144,592股）計算。

(b) 每股攤薄盈利

每股攤薄盈利是按照股東應佔溢利488,582,000元（二零零六年：328,285,000元）及已就本公司認股權計劃所有具備潛在攤薄影響的普通股作出調整得出的普通股加權平均數1,427,369,651股（二零零六年：1,348,306,116股）計算。

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告的附註 (續)

(Expressed in Hong Kong dollars)
(以港幣列示)

10 EARNINGS PER SHARE ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE COMPANY (Continued)

(c) Reconciliations

		At 30 June 於六月三十日	
		2007 二零零七年	2006 二零零六年
		No. of shares 股份數目	No. of shares 股份數目
Weighted average number of ordinary shares used in calculating basic earnings per share	用作計算每股基本盈利的普通股加權平均股數	1,407,565,759	1,338,144,592
Deemed issue of ordinary shares for no consideration	視為無償發行的普通股股數	19,803,892	10,161,524
Weighted average number of ordinary shares used in calculating diluted earnings per share	用作計算每股攤薄盈利的普通股加權平均股數	1,427,369,651	1,348,306,116

10 股東應佔每股盈利 (續)

(c) 對賬

11 FIXED ASSETS

The group leases out investment properties under operating leases. The leases typically run for an initial period of two to three years, with an option to renew the lease after that date at which time all terms are renegotiated. Lease payments are usually reviewed annually to reflect market rentals. None of the leases include contingent rentals. The gross carrying amount of investment properties of the group held for use in operating leases was \$67,530,000 (31 December 2006: \$65,819,000).

The group's total future minimum lease payments under non-cancellable operating leases are receivable as follows:

		At 30 June 2007 於二零零七年 六月三十日	At 31 December 2006 於二零零六年 十二月三十一日
		\$'000 千元	\$'000 千元
Within 1 year	1年內	2,016	2,086
After 1 but within 5 years	1年後但在5年內	1,314	977
		3,330	3,063

本集團以經營租賃租出投資物業。這些租賃一般初步為期二至三年，並且有權選擇在到期日後續期，屆時所有條款均可重新商定。租賃付款額通常會逐年檢討，以反映市場租金。各項租賃均不包括或然租金。本集團持作經營租賃的投資物業的賬面毛額為67,530,000元（二零零六年十二月三十一日：65,819,000元）。

本集團根據不可解除的經營租賃在日後應收的最低租賃付款總額如下：

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告的附註 (續)

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12 INVESTMENTS IN DEBT AND EQUITY SECURITIES

12 債務及股本證券投資

		At 30 June 2007 於二零零七年 六月三十日 \$'000 千元	At 31 December 2006 於二零零六年 十二月三十一日 \$'000 千元
Held-to-maturity (Note (i)):	持有至到期日 (附註(i)):		
– Debt securities	– 債務證券	1,039,249	843,469
Available-for-sale (Note (ii)):	可供出售 (附註(ii)):		
– Debt securities	– 債務證券	22,192,139	18,574,851
– Direct equity securities	– 直接股本證券	3,429,531	2,516,678
– Equity investment funds	– 股本投資基金	2,030,722	1,563,495
– Composite investment funds	– 綜合投資基金	65,870	15,826
		27,718,262	22,670,850
Designated at fair value through profit or loss (Note (iii)):	指定為通過損益以反映 公允價值 (附註(iii)):		
– Debt securities	– 債務證券	639,751	409,735
– Direct equity securities	– 直接股本證券	696,428	642,415
– Equity investment funds	– 股本投資基金	1,264,546	962,477
– Composite investment funds	– 綜合投資基金	25,043	24,384
		2,625,768	2,039,011
Total	總額	31,383,279	25,553,330

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告的附註 (續)

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12 INVESTMENTS IN DEBT AND EQUITY SECURITIES (Continued)

12 債務及股本證券投資 (續)

		Central governments and banks 中央政府 及中央銀行 \$'000 千元	Public sector entities 公共機構 \$'000 千元	Banks and other financial institutions 銀行及其他 金融機構 \$'000 千元	Corporate entities 公司實體 \$'000 千元	Others 其他 \$'000 千元	Total 總額 \$'000 千元
(i) Held-to-maturity	(i) 持有至到期日						
At 30 June 2007	於二零零七年六月三十日						
Listed outside Hong Kong	上市—香港以外地區	52,506	101,858	111,489	398,171	11,403	675,427
Unlisted	非上市	70,710	7,668	252,611	32,833	—	363,822
		123,216	109,526	364,100	431,004	11,403	1,039,249
Fair value of securities	證券公允價值	136,878	111,068	365,092	444,136	13,607	1,070,781
Market value of listed securities	上市證券市值	54,425	102,736	113,567	410,186	13,607	694,521
At 31 December 2006	於二零零六年 十二月三十一日						
Listed outside Hong Kong	上市—香港以外地區	52,250	119,112	108,769	395,724	9,784	685,639
Unlisted	非上市	69,717	7,613	33,932	46,568	—	157,830
		121,967	126,725	142,701	442,292	9,784	843,469
Fair value of securities	證券公允價值	139,825	129,576	147,005	459,188	12,205	887,799
Market value of listed securities	上市證券市值	55,285	121,129	112,004	411,019	12,205	711,642

The held-to-maturity debt securities include an amount of \$96,714,000 (31 December 2006: \$91,843,000) which is maturing within one year.

持有至到期日債務證券包括於一年內到期價值 96,714,000 元 (二零零六年十二月三十一日 : 91,843,000 元) 的債務證券。

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未經審核中期財務報告的附註 (續)

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12 INVESTMENTS IN DEBT AND EQUITY SECURITIES (Continued)

12 債務及股本證券投資 (續)

		Central governments and banks 中央政府及中央銀行 \$'000 千元	Public sector entities 公共機構 \$'000 千元	Banks and other financial institutions 銀行及其他金融機構 \$'000 千元	Corporate entities 公司實體 \$'000 千元	Others 其他 \$'000 千元	Total 總額 \$'000 千元
(ii) Available-for-sale	(ii) 可供出售						
At 30 June 2007	於二零零七年六月三十日						
Listed debt securities	上市債務證券						
- in Hong Kong	- 香港	37,946	-	15,390	-	-	53,336
- outside Hong Kong	- 香港以外地區	9,762,430	7,674	2,822,917	8,724,057	16,570	21,333,648
Listed direct equity securities	上市直接股本證券						
- in Hong Kong	- 香港	-	-	525,930	550,752	-	1,076,682
- outside Hong Kong	- 香港以外地區	-	-	2,295,737	4,386	-	2,300,123
Listed equity investment funds outside Hong Kong	上市股本投資基金 香港以外地區	-	-	554,492	-	-	554,492
Listed composite investment funds outside Hong Kong	上市綜合投資基金 香港以外地區	-	-	-	65,870	-	65,870
Unlisted debt securities	非上市債務證券	-	-	457,455	347,700	-	805,155
Unlisted direct equity securities	非上市直接股本證券	-	-	-	52,726	-	52,726
Unlisted equity investment funds	非上市股本投資基金	-	-	1,476,230	-	-	1,476,230
		9,800,376	7,674	8,148,151	9,745,491	16,570	27,718,262
Fair value of securities	證券公允價值	9,800,376	7,674	8,148,151	9,745,491	16,570	27,718,262
Market value of listed securities	上市證券市值	9,800,376	7,674	6,214,466	9,345,065	16,570	25,384,151
Current	當期	9,800,376	7,674	8,148,151	9,745,491	16,570	27,718,262
Non-current	非當期	-	-	-	-	-	-
		9,800,376	7,674	8,148,151	9,745,491	16,570	27,718,262

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告的附註 (續)

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12 INVESTMENTS IN DEBT AND EQUITY SECURITIES (Continued)

12 債務及股本證券投資 (續)

		Central governments and banks 中央政府 及中央銀行 \$'000 千元	Public sector entities 公共機構 \$'000 千元	Banks and other financial institutions 銀行及其他 金融機構 \$'000 千元	Corporate entities 公司實體 \$'000 千元	Others 其他 \$'000 千元	Total 總額 \$'000 千元
(ii) Available-for-sale (Continued)	(ii) 可供出售 (續)						
At 31 December 2006	於二零零六年 十二月三十一日						
Listed debt securities	上市債務證券						
- in Hong Kong	- 香港	—	—	15,356	—	—	15,356
- outside Hong Kong	- 香港以外地區	8,867,426	7,632	2,254,178	6,908,382	15,554	18,053,172
Listed direct equity securities	上市直接股本證券						
- in Hong Kong	- 香港	—	12,225	698,612	345,290	—	1,056,127
- outside Hong Kong	- 香港以外地區	—	—	1,457,224	—	—	1,457,224
Listed equity investment funds	上市股本投資基金						
outside Hong Kong	香港以外地區	—	—	1,157	—	—	1,157
Listed composite investment funds	上市綜合投資基金						
outside Hong Kong	香港以外地區	—	—	—	15,826	—	15,826
Unlisted debt securities	非上市債務證券	—	—	247,808	258,515	—	506,323
Unlisted direct equity securities	非上市直接股本證券	—	—	—	3,327	—	3,327
Unlisted equity investment funds	非上市股本投資基金	—	—	1,562,338	—	—	1,562,338
		8,867,426	19,857	6,236,673	7,531,340	15,554	22,670,850
Fair value of securities	證券公允價值	8,867,426	19,857	6,236,673	7,531,340	15,554	22,670,850
Market value of listed securities	上市證券市值	8,867,426	19,857	4,426,527	7,269,498	15,554	20,598,862
Current	當期	8,867,426	19,857	6,236,673	7,531,340	15,554	22,670,850
Non-current	非當期	—	—	—	—	—	—
		8,867,426	19,857	6,236,673	7,531,340	15,554	22,670,850

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告的附註 (續)

(Expressed in Hong Kong dollars)
(以港幣列示)

12 INVESTMENTS IN DEBT AND EQUITY SECURITIES (Continued)

12 債務及股本證券投資 (續)

		Central governments and banks 中央政府 及中央銀行 \$'000 千元	Public sector entities 公共機構 \$'000 千元	Banks and other financial institutions 銀行及其他 金融機構 \$'000 千元	Corporate entities 公司實體 \$'000 千元	Others 其他 \$'000 千元	Total 總額 \$'000 千元
(iii) Designated at fair value through profit or loss	(iii) 指定為通過損益以反映公允價值						
At 30 June 2007	於二零零七年六月三十日						
Listed debt securities outside Hong Kong	上市債務證券 香港以外地區	126,528	—	64,201	201,624	681	393,034
Listed direct equity securities – in Hong Kong	上市直接股本證券 – 香港	—	—	18,287	43,827	175	62,289
– outside Hong Kong	– 香港以外地區	—	—	628,589	5,550	—	634,139
Listed equity investment funds outside Hong Kong	上市股本投資基金 香港以外地區	—	—	1,182,806	—	3,492	1,186,298
Listed composite investment funds outside Hong Kong	上市綜合投資基金 香港以外地區	—	—	—	25,043	—	25,043
Unlisted debt securities	非上市債務證券	—	—	246,717	—	—	246,717
Unlisted equity investment funds	非上市股本投資基金	—	—	68,732	—	9,516	78,248
		126,528	—	2,209,332	276,044	13,864	2,625,768
Fair value of securities	證券公允價值	126,528	—	2,209,332	276,044	13,864	2,625,768
Market value of listed securities	上市證券市值	126,528	—	1,893,883	276,044	4,348	2,300,803
Current	當期	126,528	—	2,209,332	276,044	13,864	2,625,768
Non-current	非當期	—	—	—	—	—	—
		126,528	—	2,209,332	276,044	13,864	2,625,768

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告的附註 (續)

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(以港幣列示)

12 INVESTMENTS IN DEBT AND EQUITY SECURITIES (Continued)

12 債務及股本證券投資 (續)

		Central governments and banks 中央政府 及中央銀行 \$'000 千元	Public sector entities 公共機構 \$'000 千元	Banks and other financial institutions 銀行及其他 金融機構 \$'000 千元	Corporate entities 公司實體 \$'000 千元	Others 其他 \$'000 千元	Total 總額 \$'000 千元
(iii) Designated at fair value through profit or loss (Continued)	(iii) 指定為通過損益 以反映公允價值 (續)						
At 31 December 2006	於二零零六年 十二月三十一日						
Listed debt securities outside Hong Kong	上市債務證券 香港以外地區	38,133	—	64,476	83,792	—	186,401
Listed direct equity securities - in Hong Kong	上市直接股本證券 - 香港	—	471	21,082	38,249	193	59,995
- outside Hong Kong	- 香港以外地區	—	—	577,212	5,208	—	582,420
Listed equity investment funds outside Hong Kong	上市股本投資基金 香港以外地區	—	—	942,836	—	—	942,836
Listed composite investment funds outside Hong Kong	上市綜合投資基金 香港以外地區	—	—	—	24,384	—	24,384
Unlisted debt securities	非上市債務證券	—	—	223,334	—	—	223,334
Unlisted equity investment funds	非上市股本投資基金	—	—	19,641	—	—	19,641
		38,133	471	1,848,581	151,633	193	2,039,011
Fair value of securities	證券公允價值	38,133	471	1,848,581	151,633	193	2,039,011
Market value of listed securities	上市證券市值	38,133	471	1,605,606	151,633	193	1,796,036
Current	當期	38,133	471	1,848,581	151,633	193	2,039,011
Non-current	非當期	—	—	—	—	—	—
		38,133	471	1,848,581	151,633	193	2,039,011

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告的附註 (續)

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13 INSURANCE DEBTORS

13 保險客戶應收賬款

		At 30 June 2007 於二零零七年 六月三十日 \$'000 千元	At 31 December 2006 於二零零六年 十二月三十一日 \$'000 千元
Amounts due from insurance customers and suppliers	應收保險客戶及供應商款項	798,018	352,953
Deposits retained by cedants	分保人保留的按金	89,155	100,214
		887,173	453,167

All of the insurance debtors are expected to be recovered within one year.

所有保險客戶應收賬款預期在一年之內可以收回。

Amounts due from insurance customers and suppliers include amounts due from fellow subsidiaries of \$12,777,000 (31 December 2006: \$8,219,000) which are trade related in nature.

應收保險客戶及供應商款項包括應收同系附屬公司款項12,777,000元(二零零六年十二月三十一日:8,219,000元)·有關款項屬營業性質。

The following is an ageing analysis of amounts due from insurance customers and suppliers (net of impairment loss):

應收保險客戶及供應商款項(已扣除減值後淨額)·其賬齡分析如下:

		At 30 June 2007 於二零零七年 六月三十日 \$'000 千元	At 31 December 2006 於二零零六年 十二月三十一日 \$'000 千元
Not yet due	未到期	592,263	275,942
Current	現已到期	173,246	60,186
More than 3 months but less than 12 months	超過3個月但少於12個月	31,317	14,612
More than 12 months	超過12個月	1,192	2,213
		798,018	352,953

14 STATUTORY DEPOSITS

14 法定存款

Certain subsidiaries of the group have placed \$564,471,000 (31 December 2006: \$547,443,000) with banks as a capital guarantee funds, pursuant to relevant PRC insurance rules and regulations. The funds can only be used with the prior approval of the relevant authorities in the event that the PRC subsidiaries cannot meet the statutory solvency requirements or goes into liquidation.

本集團若干附屬公司根據中國有關保險法規的規定將一筆為數564,471,000元(二零零六年十二月三十一日:547,443,000元)的款項存於銀行·作為資本保證基金。該筆款項只可在該附屬公司不能達到法定償付能力要求或清盤時·並得到有關政府部門批准·方可動用。

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15 CASH AND CASH EQUIVALENTS

15 現金及現金等價物

		At 30 June 2007 於二零零七年 六月三十日 \$'000 千元	At 31 December 2006 於二零零六年 十二月三十一日 \$'000 千元
Deposits with banks and other financial institutions with original maturity less than three months	原到期日少於3個月的銀行及其他財務機構存款	2,764,053	5,031,088
Money market funds	貨幣市場基金	28,268	7,184
Cash at bank and in hand	銀行及手頭現金	5,646,150	1,042,738
		8,438,471	6,081,010

16 INSURANCE CREDITORS

16 保險客戶應付賬款

		At 30 June 2007 於二零零七年 六月三十日 \$'000 千元	At 31 December 2006 於二零零六年 十二月三十一日 \$'000 千元
Amounts due to insurance customers and suppliers	應付保險客戶及供應商款項	61,899	33,706
Amounts due to insurance intermediaries	應付保險中介款項	26,425	24,157
Deposits retained from retrocessionaires	轉分保險人保留的按金	25,945	23,855
Prepaid premiums received	預收保費	106,274	158,312
		220,543	240,030

All of the insurance creditors are expected to be settled within one year.

Amounts due to insurance customers and suppliers include amounts due to fellow subsidiaries of \$19,136,000 (31 December 2006: \$752,000) which are trade-related in nature.

所有保險客戶應付賬款預期將於一年內清償。

應付保險客戶及供應商款項包括應付同系附屬公司款項為19,136,000元(二零零六年十二月三十一日: 752,000元), 有關款項屬營業性質。

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告的附註 (續)

(Expressed in Hong Kong dollars)
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16 INSURANCE CREDITORS (Continued)

The following is an ageing analysis of amounts due to insurance customers and suppliers:

16 保險客戶應付賬款 (續)

應付保險客戶及供應商款項之賬齡分析如下:

		At 30 June 2007 於二零零七年 六月三十日 \$'000 千元	At 31 December 2006 於二零零六年 十二月三十一日 \$'000 千元
Current	現時	20,223	13,528
More than 3 months but less than 12 months	超過3個月但少於12個月	33,781	12,681
More than 12 months	超過12個月	7,895	7,497
		61,899	33,706

17 SHARE CAPITAL

17 股本

		At 30 June 2007 於二零零七年六月三十日		At 31 December 2006 於二零零六年十二月三十一日	
		No. of shares 股份數目	\$'000 千元	No. of shares 股份數目	\$'000 千元
Authorised:	法定股本:				
Ordinary shares of \$0.05 each	每股面值0.05元 普通股	2,000,000,000	100,000	2,000,000,000	100,000
Issued and fully paid:	已發行及繳足股本:				
At the beginning of the period/year	於期初/年初	1,406,251,592	70,313	1,336,463,592	66,824
Share issued	已發行股份	—	—	63,750,000	3,187
Shares issued under share option scheme	根據認股權計劃 發行的股份	6,375,000	318	6,038,000	302
At the end of the period/year	於期末/年末	1,412,626,592	70,631	1,406,251,592	70,313

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告的附註 (續)

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18 EQUITY COMPENSATION BENEFITS

(a) Movements in share options

18 股本補償福利

(a) 認股權的變動

		At 30 June 2007	At 31 December 2006
		於二零零七年 六月三十日	於二零零六年 十二月三十一日
		Number	Number
		數目	數目
At the beginning of the period/year	於期初／年初	28,590,000	34,678,000
Granted	已授出	975,000	350,000
Exercised (Note 17)	已行使 (附註17)	(6,375,000)	(6,038,000)
Lapsed	失效	(18,000)	(400,000)
At the end of the period/year	於期末／年末	23,172,000	28,590,000
Options vested at the end of the period/year	於期末／年末 已歸屬的認股權	21,271,000	27,206,666

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告的附註 (續)

(Expressed in Hong Kong dollars)
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18 EQUITY COMPENSATION BENEFITS (Continued)

18 股本補償福利 (續)

(b) Terms of unexpired and unexercised share options at the balance sheet date

(b) 於結算日尚未屆滿及尚未行使的認股權的年期

Date granted 授出日期	Exercise period 行使期	Exercise price 行使價 \$ 元	At 30 June 2007 於二零零七年 六月三十日 Number 數目	At 31 December 2006 於二零零六年 十二月三十一日 Number 數目
25 September 2000 to 9 October 2000 2000年9月25日至 2000年10月9日	25 September 2000 to 8 October 2010 2000年9月25日至2010年10月8日	1.1100	3,350,000	4,660,000
9 February 2001 to 17 February 2001 2001年2月9日至 2001年2月17日	9 February 2001 to 16 February 2011 2001年2月9日至2011年2月16日	0.9500	1,003,000	1,213,000
12 September 2002 to 23 September 2002 2002年9月12日至 2002年9月23日	12 September 2002 to 22 September 2012 2002年9月12日至2012年9月22日	3.2250	3,210,000	5,265,000
7 January 2003 2003年1月7日	7 January 2003 to 6 January 2013 2003年1月7日至2013年1月6日	3.9750	156,000	156,000
5 January 2004 2004年1月5日	5 January 2004 to 4 January 2014 2004年1月5日至2014年1月4日	3.9800	350,000	350,000
31 December 2004 2004年12月31日	27 January 2005 to 26 January 2015 2005年1月27日至2015年1月26日	3.2000	350,000	350,000
2 November 2005 (Note (i)) 2005年11月2日 (註 (i))	23 November 2005 to 27 November 2015 2005年11月23日至2015年11月27日	2.8750	13,078,000	15,896,000
30 December 2005 2005年12月30日	3 January 2006 to 2 January 2016 2006年1月3日至2016年1月2日	3.3000	350,000	350,000
30 June 2006 2006年6月30日	30 June 2006 to 29 June 2016 2006年6月30日至2016年6月29日	5.0000	175,000	175,000
29 December 2006 2006年12月29日	29 December 2006 to 28 December 2016 2006年12月29日至2016年12月28日	9.8000	175,000	175,000
26 February 2007 (Note (ii)) 2007年2月26日 (註 (ii))	26 February 2007 to 25 February 2017 2007年2月26日至2017年2月25日	9.4900	800,000	—
29 June 2007 2007年6月29日	29 June 2007 to 28 June 2017 2007年6月29日至2017年6月28日	14.2200	175,000	—
			23,172,000	28,590,000

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18 EQUITY COMPENSATION BENEFITS (Continued)

(b) Terms of unexpired and unexercised share options at the balance sheet date (Continued)

Notes:

- (i) 18,000 options lapsed during the period (2006: Nil). 1,367,000 options were unvested, which have vesting periods up to 23 November 2007.
- (ii) 534,000 options were unvested, which have vesting periods up to 26 February 2009.

(c) Details of share options granted, all of which were granted for \$1 consideration

18 股本補償福利 (續)

(b) 於結算日尚未屆滿及尚未行使的認股權的年期 (續)

註:

- (i) 18,000認股權於期內失效(二零零六年: 無)。其中1,367,000認股權屬於尚未歸屬的認股權,於二零零七年十一月二十三日前歸屬。
- (ii) 其中534,000認股權屬於尚未歸屬的認股權,於二零零九年二月二十六日前歸屬。

(c) 已授出的認股權詳情,該等認股權全部均為以代價1元授出

Exercise period 行使日期	Exercise price 行使價 \$ 元	Six months ended 30 June 2007 截至二零零七年 六月三十日 止六個月 Number 數目	Year ended 31 December 2006 截至二零零六年 十二月三十一日 止年度 Number 數目	
30 June 2006 to 29 June 2016	2006年6月30日至 2016年6月29日	5.0000	—	175,000
29 December 2006 to 28 December 2016	2006年12月29日至 2016年12月28日	9.8000	—	175,000
26 February 2007 to 25 February 2017	2007年2月26日至 2017年2月25日	9.4900	800,000	—
29 June 2007 to 28 June 2017	2007年6月29日至 2017年6月28日	14.2200	175,000	—
			975,000	350,000

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18 EQUITY COMPENSATION BENEFITS (Continued)

18 股本補償福利 (續)

(d) Details of share options exercised

(d) 已行使的認股權詳情

Exercise date 行使日期		Exercise price 行使價 \$ 元	Weighted average market value per share at exercise date 行使日加權 平均每股市價 \$ 元	Proceeds received 所得款項 \$'000 千元	Number 數目
2 January	一月二日	2.875	10.4279	863	300,000
4 January	一月四日	0.950	9.9222	10	10,000
19 January	一月十九日	3.225	9.3523	2,258	700,000
13 February	二月十三日	2.875	9.1656	1,150	400,000
13 April	四月十三日	1.110	10.4675	44	40,000
23 May	五月二十三日	1.110	11.1931	555	500,000
23 May	五月二十三日	2.875	11.1931	1,438	500,000
29 May	五月二十九日	3.225	11.9602	16	5,000
30 May	五月三十日	3.225	11.7649	484	150,000
4 June	六月四日	0.950	12.0394	190	200,000
4 June	六月四日	3.225	12.0394	323	100,000
5 June	六月五日	2.875	11.9500	719	250,000
8 June	六月八日	3.225	11.5589	2,580	800,000
8 June	六月八日	2.875	11.5589	2,013	700,000
25 June	六月二十五日	3.225	14.6482	968	300,000
26 June	六月二十六日	2.875	14.3066	431	150,000
28 June	六月二十八日	1.110	13.7392	855	770,000
28 June	六月二十八日	2.875	13.7392	1,438	500,000
Six months ended 30 June 2007	截至二零零七年 六月三十日止六個月			16,335	6,375,000
Year ended 31 December 2006	截至二零零六年 十二月三十一日止年度			14,860	6,038,000

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18 EQUITY COMPENSATION BENEFITS (Continued)

(e) Fair value of share options and assumptions:

The estimate of the fair value of the share options granted is measured based on the Black-Scholes pricing model.

		Date of grant 授出日 26 February 2007 二零零七年 二月二十六日	Date of grant 授出日 29 June 2007 二零零七年 六月二十九日
Fair value at measurement date (\$)	於計量日的公允價值(元)	5.095299	8.648458
Share price (\$)	股價(元)	9.07	14.22
Exercise price (\$)	行使價(元)	9.49	14.22
Expected volatility (Note (i))	預期波動率(註(i))	42.97%	46.23%
Option life (Year)	認股權年期(年)	10	10
Expected dividends (Note (ii))	預期股息(註(ii))	0.38%	0.38%
Risk-free interest rate (Note (iii))	無風險利率(註(iii))	4.206%	4.775%

Notes:

- (i) The expected volatility is based on the historical volatility of the share price one year immediately preceding the grant date.
- (ii) Expected dividends are based on historical dividends since the listing of the company.
- (iii) Risk-free interest rate is based on the yield of the 10-year Hong Kong Exchange Fund Note.

18 股本補償福利 (續)

(e) 認股權的公允價值及假設：

授出認股權之估計公允價值按 Black-Scholes 認股權定價模式。

	Date of grant 授出日 26 February 2007 二零零七年 二月二十六日	Date of grant 授出日 29 June 2007 二零零七年 六月二十九日
Fair value at measurement date (\$)	5.095299	8.648458
Share price (\$)	9.07	14.22
Exercise price (\$)	9.49	14.22
Expected volatility (Note (i))	42.97%	46.23%
Option life (Year)	10	10
Expected dividends (Note (ii))	0.38%	0.38%
Risk-free interest rate (Note (iii))	4.206%	4.775%

註：

- (i) 預計波幅是根據授出日過往一年股價的波幅。
- (ii) 估計股息按本公司上市以來過往的股息。
- (iii) 無風險利率按十年期的香港外匯基金票據的孳息率。

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19 RESERVES

19 儲備

		Capital reserve 資本儲備 \$'000 千元	Share premium 股份溢價 \$'000 千元	Exchange reserve 匯兌儲備 \$'000 千元	Fair value reserve 公允價值 儲備 \$'000 千元	Employee share-based compensation reserve 以股份 為本之僱員 補償儲備 \$'000 千元	Retained profits 保留溢利 \$'000 千元	Total 總額 \$'000 千元
At 1 January 2007	於二零零七年 一月一日	567,458	2,174,123	46,986	841,088	20,530	457,821	4,108,006
Shares issued	已發行股份	—	19,605	—	—	—	—	19,605
Exchange differences on translation of the financial statements of subsidiaries outside Hong Kong	換算香港以外地區 附屬公司賬項 的匯兌差異	—	—	50,174	—	—	—	50,174
Available-for-sale securities:	可供出售證券:	—	—	—	(143,755)	—	—	(143,755)
- changes in fair value (Note (i))	- 公允價值變化 (註(i))	—	—	—	(738)	—	—	(738)
- deferred tax recognised	- 確認遞延稅項	—	—	—	37,910	—	—	37,910
- transferred to consolidated income statement on disposal	- 於出售時轉至 綜合損益表	—	—	—	(180,927)	—	—	(180,927)
Profit for the period	本財務期溢利	—	—	—	—	—	488,582	488,582
Equity settled share-based transactions	股本償付之股份 為本交易	—	—	—	—	(724)	—	(724)
At 30 June 2007	於二零零七年 六月三十日	567,458	2,193,728	97,160	697,333	19,806	946,403	4,521,888

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告的附註 (續)

(Expressed in Hong Kong dollars)
(以港幣列示)

19 RESERVES (Continued)

19 儲備 (續)

		Capital reserve 資本儲備 \$'000 千元	Share premium 股份溢價 \$'000 千元	Exchange reserve 匯兌儲備 \$'000 千元	Fair value reserve 公允價值 儲備 \$'000 千元	Employee share-based compensation reserve 以股份 為本之僱員 補償儲備 \$'000 千元	(Accumulated losses)/ retained profits (累計虧損)/ 保留溢利 \$'000 千元	Total 總額 \$'000 千元
At 1 January 2006	於二零零六年 一月一日	567,458	1,644,418	6,125	254,648	20,629	(52,944)	2,440,334
Shares issued	已發行股份	—	529,705	—	—	—	—	529,705
Exchange differences on translation of the financial statements of subsidiaries outside Hong Kong	換算香港以外地區 附屬公司賬項 的匯兌差異	—	—	40,861	—	—	—	40,861
Available-for-sale securities:	可供出售證券:	—	—	—	586,440	—	—	586,440
- changes in fair value (Note (i))	- 公允價值變化 (註(i))	—	—	—	750,368	—	—	750,368
- deferred tax recognised	- 確認遞延稅項	—	—	—	(151,392)	—	—	(151,392)
- transferred to consolidated income statement on disposal	- 於出售時轉至 綜合損益表	—	—	—	(12,536)	—	—	(12,536)
Profit for the year	本財務年度溢利	—	—	—	—	—	510,765	510,765
Equity settled share-based transactions	股本償付之股份 為本交易	—	—	—	—	(99)	—	(99)
At 31 December 2006	於二零零六年 十二月三十一日	567,458	2,174,123	46,986	841,088	20,530	457,821	4,108,006

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告的附註 (續)

(Expressed in Hong Kong dollars)
(以港幣列示)

19 RESERVES (Continued)

Notes:

19 儲備 (續)

註:

30 June 2007
二零零七年六月三十日

		Reinsurance 再保險 \$'000 千元	Life insurance 人壽保險 \$'000 千元	Corporate and other businesses 企業及 其他業務 \$'000 千元	Total 總額 \$'000 千元
Note (i): Changes in fair value	註(i): 公允價值變化				
Debt securities	債務證券	(3,677)	(809,435)	(1,535)	(814,647)
Direct equity securities	直接股本證券	56,046	253,472	54,041	363,559
Equity investment funds	股本投資基金	—	302,216	—	302,216
Composite investment funds	綜合投資基金	2,991	—	—	2,991
		55,360	(253,747)	52,506	(145,881)
Share of associates	聯營公司份額	—	—	18,396	18,396
Shared by minority interests	少數股東應佔權益	—	126,747	—	126,747
		55,360	(127,000)	70,902	(738)

31 December 2006
二零零六年十二月三十一日

		Reinsurance 再保險 \$'000 千元	Life insurance 人壽保險 \$'000 千元	Corporate and other businesses 企業及 其他業務 \$'000 千元	Total 總額 \$'000 千元
Note (i): Changes in fair value	註(i): 公允價值變化				
Debt securities	債務證券	(142)	(322,246)	—	(322,388)
Direct equity securities	直接股本證券	162,125	682,581	199,056	1,043,762
Equity investment funds	股本投資基金	—	431,921	—	431,921
Composite investment funds	綜合投資基金	(226)	—	—	(226)
		161,757	792,256	199,056	1,153,069
Share of associates	聯營公司份額	—	—	(6,970)	(6,970)
Shared by minority interests	少數股東應佔權益	—	(395,731)	—	(395,731)
		161,757	396,525	192,086	750,368

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告的附註 (續)

(Expressed in Hong Kong dollars)
(以港幣列示)

20 MATURITY PROFILE

20 到期情況

		Repayable on demand	3 months or less	1 year or less but over 3 months	5 years or less but over 1 year	After 5 years	Undated	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元	千元
At 30 June 2007	於二零零七年 六月三十日							
Assets	資產							
Deposits at banks and other financial institutions (including statutory deposits)	銀行及其他財務 機構存款(包括 法定存款)	187,168	2,576,885	1,250,395	4,466,537	—	—	8,480,985
Money market funds	貨幣市場基金	28,268	—	—	—	—	—	28,268
Pledged deposits at banks	已抵押予銀行的存款	—	—	119,012	—	—	—	119,012
Certificates of deposit (under held-to-maturity)	存款證 (持有至到期)	—	—	—	244,480	—	—	244,480
Certificates of deposit (under available-for-sale)	存款證 (可供出售)	—	—	—	131,960	—	—	131,960
Certificates of deposit (under designated at fair value)	存款證(通過損益 以反映公允價值)	50,545	—	—	—	—	—	50,545
Debt securities (under held-to-maturity)	債務證券 (持有至到期)	—	20,311	76,403	501,153	196,902	—	794,769
Debt securities (under available-for-sale)	債務證券 (可供出售)	—	15,755	82,164	6,029,803	15,932,457	—	22,060,179
Debt securities (under designated at fair value)	債務證券(通過損益 以反映公允價值)	262,989	—	140,799	52,864	90,994	41,560	589,206
Securities purchased under resale agreements	買入返售證券	121,107	—	—	—	—	—	121,107
Loans and advances	貸款及墊款	—	—	191,196	102,631	—	—	293,827
		650,077	2,612,951	1,859,969	11,529,428	16,220,353	41,560	32,914,338
Liabilities	負債							
Interest-bearing notes	需付息票據	—	—	—	—	2,900,079	—	2,900,079
Securities sold under repurchase agreements	賣出回購證券	4,770,309	—	—	—	—	—	4,770,309
Investment contract liabilities	投資合約負債	109,436	—	—	—	—	—	109,436
Insurance protection fund	保險保障基金	6,398	—	—	—	—	—	6,398
		4,886,143	—	—	—	2,900,079	—	7,786,222

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告的附註 (續)

(Expressed in Hong Kong dollars)
(以港幣列示)

20 MATURITY PROFILE (Continued)

20 到期情況 (續)

		Repayable on demand	3 months or less	1 year or less but over 3 months	5 years or less but over 1 year	After 5 years	Undated	Total
		接獲 要求時 償還 \$'000 千元	三個月 或以下 \$'000 千元	一年以下 但超過 三個月 \$'000 千元	五年以下 但超過 一年 \$'000 千元	五年後 \$'000 千元	未有限 \$'000 千元	總額 \$'000 千元
At 31 December 2006	於二零零六年 十二月三十一日							
Assets	資產							
Deposits at banks and other financial institutions (including statutory deposits)	銀行及其他財務 機構存款(包括 法定存款)	193,810	4,927,332	670,293	4,424,946	—	—	10,216,381
Money market funds	貨幣市場基金	7,184	—	—	—	—	—	7,184
Pledged deposits at banks	已抵押予銀行的存款	—	—	93,676	—	—	—	93,676
Certificates of deposit (under held-to-maturity)	存款證 (持有至到期)	—	—	—	10,000	—	—	10,000
Debt securities (under held-to-maturity)	債務證券 (持有至到期)	—	31,068	60,775	523,155	218,471	—	833,469
Debt securities (under available-for-sale)	債務證券 (可供出售)	—	5,117	120,793	3,823,787	14,625,154	—	18,574,851
Debt securities (under designated at fair value)	債務證券(通過損益 以反映公允價值)	96,950	—	148,603	30,497	91,633	42,052	409,735
Loans and advances	貸款及墊款	—	—	115,973	—	—	—	115,973
		297,944	4,963,517	1,210,113	8,812,385	14,935,258	42,052	30,261,269
Liabilities	負債							
Interest-bearing notes	需付息票據	—	—	—	—	2,844,819	—	2,844,819
Securities sold under repurchase agreements	賣出回購證券	—	2,490,366	—	—	—	—	2,490,366
Investment contract liabilities	投資合約負債	115,681	—	—	—	—	—	115,681
Insurance protection fund	保險保障基金	—	—	10,385	—	—	—	10,385
		115,681	2,490,366	10,385	—	2,844,819	—	5,461,251

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告的附註 (續)

(Expressed in Hong Kong dollars)
(以港幣列示)

21 COMMITMENTS

- (a) Capital commitments outstanding at 30 June 2007 not provided for in the interim financial report were as follows:

	At 30 June 2007 於二零零七年 六月三十日 \$'000 千元	At 31 December 2006 於二零零六年 十二月三十一日 \$'000 千元
Contracted for	27,951	46,717

- (b) At 30 June 2007, the total future minimum lease payments under non-cancellable operating leases were payable as follows:

	At 30 June 2007 於二零零七年 六月三十日 \$'000 千元	At 31 December 2006 於二零零六年 十二月三十一日 \$'000 千元
Within 1 year	67,719	61,820
After 1 year but within 5 years	47,257	56,104
After 5 years	9	1,281
	114,985	119,205

The group leases a number of properties under operating leases which run for an initial period of 1 to 6 years, with an option to renew the leases when all terms are renegotiated. Lease payments are usually reviewed annually to reflect market rentals. None of the leases includes contingent rentals.

21 承擔

- (a) 於二零零七年六月三十日，尚未在本中期財務報表反映的資本性承諾如下：

	At 30 June 2007 於二零零七年 六月三十日 \$'000 千元	At 31 December 2006 於二零零六年 十二月三十一日 \$'000 千元
Contracted for	27,951	46,717

- (b) 於二零零七年六月三十日，根據不可解除的經營租賃在日後應付的最低租賃付款額如下：

	At 30 June 2007 於二零零七年 六月三十日 \$'000 千元	At 31 December 2006 於二零零六年 十二月三十一日 \$'000 千元
Within 1 year	67,719	61,820
After 1 year but within 5 years	47,257	56,104
After 5 years	9	1,281
	114,985	119,205

本集團以經營租賃租入部分物業。這些租賃一般初步為期一至六年，並有權選擇在到期日後續期，屆時所有條款均可重新商定。租賃付款通常會逐年檢討，以反映市場租金。各項租賃均不包括或然租金。

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告的附註 (續)

(Expressed in Hong Kong dollars)
(以港幣列示)

22 MATERIAL RELATED PARTY TRANSACTIONS

The following is a summary of significant transactions entered into between the group and its related parties during the period:

Business ceded by related companies: 關連公司分出的業務：
 - Gross premiums written 一毛承保保費
 - Commission expenses paid 一佣金支出

Note:

- (i) Certain fellow subsidiaries of the group ceded business to and received commission from a subsidiary of the company.

Apart from the above, on 30 June 2006, the company entered into an agreement with CIHK to acquire a 4.9% equity interest in a wholly-owned subsidiary of CIHK for a consideration of \$102,578,000. The company also entered into certain letters of confirmation with CIHC, CIHK and other various parties in regard to the waiver of certain rights and the relaxation of certain non-competition restrictions. The details of this transaction are set out in a Circular dated 1 August 2006.

The group operates in an economic environment predominated by enterprises directly or indirectly owned or controlled by the PRC government through its numerous authorities, affiliates or other organisations (collectively "State-owned Entities"). During the period, the group had transactions with State-owned Entities including but not limited to sales of insurance policies, banking related services and rendering and receiving of utilities and other services. These transactions are conducted in the ordinary course of the group's insurance business on terms similar to those that would have been entered into with non-state-owned entities. The group has also established its pricing strategy and approval processes for its major insurance products. Such pricing strategy and approval processes do not depend on whether the customers are State-owned Entities or not. Having due regard to the substance of the relationships, the directors believe that none of these transactions are material related party transactions that require separate disclosure.

The group considers that the key management personnel of the group include only the directors of the company only.

22 重大關連人仕交易

以下是本集團與關連人仕於期內進行的重大交易概要：

Six months ended 30 June
截至六月三十日止六個月

Note 附註	2007	2006
	\$'000	\$'000
	千元	千元

(i)	197,384	119,968
	69,723	42,625

註：

- (i) 本集團若干同系附屬公司向本公司一間附屬公司轉介業務及向其收取佣金。

除此之外，於二零零六年六月三十日，本公司與香港中保達成協議，以代價102,578,000元收購香港中保之一間全資附屬公司的4.9%股權。此外，本公司亦與中保控股、香港中保及其他人仕訂立一些關於放棄若干權利和放棄若干不競爭限制的確認函。此交易之詳情載於二零零六年八月一日發行的通函內。

本集團正處於一個以國家控制實體佔主導地位的經濟制度下營運，那些國家控制實體是由中國政府通過其政府機構、代理機構、附屬機構或其它機構直接或間接擁有的（統稱「國有實體」），本集團於期內與國有實體進行包括但不限於保單銷售、銀行相關服務及提供及接受公共事業及其他服務之交易，該些交易所執行的條款跟本集團日常保險業務過程中與非國有實體進行交易所執行的條款相似。本集團亦已制定就其主要保險產品的定價策略及審批程序。該等定價策略及審批程序與客戶是否國有實體無關。經考慮其關係的性質後，董事相信該等交易並非重大關連人仕交易，故毋須獨立披露。

本集團認為本集團的主要管理人員只包括本公司的董事。

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告的附註 (續)

(Expressed in Hong Kong dollars)
(以港幣列示)

23 INSURANCE AND FINANCIAL RISK MANAGEMENT

(a) Underwriting strategy

Reinsurance

The group's reinsurance portfolio is made up of a mix of business spreading across different geographic regions and classes, with emphasis towards Asian countries covering property damage, marine cargo and hull and miscellaneous non-marine classes. In addition to diversifying its underwriting portfolio, the group does not actively seek acceptance of any liability reinsurance business from customers operating outside the Asia Pacific region, in particular, the United States of America. In the Asia Pacific region, where these are core-markets of the group, liability reinsurance for motor, workers' compensation and general third party liability businesses are written on a limited scale in order to provide customers in the region with comprehensive reinsurance services.

Life insurance

The group focuses its life insurance business towards the PRC's life insurance market, offering a wide range of insurance products covering different types of individual and group life insurance, health insurance, accident insurance and annuity. With regard to the control of quality of the insurance policies underwritten, the group has formulated strict operational procedures on underwriting and claims settlement to control risks on insurance underwriting.

(b) Reinsurance strategy

Reinsurance

The group purchases reinsurance protections in order to increase its underwriting capacity, to diversify its risk exposure and to harmonise its net retention exposure to avoid any significant adverse impact on its financial performance which may be caused by single or multiple catastrophic losses. The reinsurance protections are chosen after careful consideration of reinsurers' reputation and credit worthiness.

Life insurance

The group purchases reinsurance protection from other reinsurers in the normal course of business in order to limit the potential for losses arising from longer and concentrated exposures. In assessing the credit worthiness of reinsurers, the group takes into account, among other factors, ratings and evaluation performed by recognised credit rating agencies, their claims-paying and underwriting track record, as well as the group's past experience with them.

23 保險及財務風險管理

(a) 承保策略

再保險

本集團的一般再保險組合由涵蓋不同地區及類別的一系列業務類別組成，重點在於亞洲國家，包括財物損毀、貨運及船隻保險以及其他非海事保險。除多元化承保組合外，本集團並無積極從亞太地區以外（尤其是美國）營運的客戶尋求任何責任再保險業務。在亞太地區，即本集團的核心市場，本集團會有限度承保汽車責任再保險、工傷賠償及一般第三者責任險，為區內客戶提供全面的再保險服務。

人壽保險

本集團人壽保險業務的核心在於中國人壽保險市場，提供各種各樣的保險產品，包括不同類型的個人及團體人壽保險、健康險、意外險及年金。在承保的保單質量控制方面，本集團已設立嚴格的承保及理賠操作程序，以控制保險承保的風險。

(b) 再保險策略

再保險

本集團購買再保險保障以提高承保能力、分散風險及平抑自留風險，避免個別或多次災難性損失可能嚴重打擊本集團的財務表現。選擇再保險保障時會審慎考慮再保險商的聲譽及信用水平。

人壽保險

本集團於日常業務過程中向其他再保險公司購買再保險保障，以限制因較長期及集中風險而產生的潛在損失。在評估再保險公司的信用水平時，本集團會考慮認可信用評級機構的評級及評估、以往賠款及承保記錄及與本集團以往的交易經驗等因素。

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告的附註 (續)

(Expressed in Hong Kong dollars)
(以港幣列示)

23 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(c) Asset and liability matching

Reinsurance

A key aspect in the management of the group's risk is through matching the timing of cash flows from assets and liabilities.

The group actively manages its assets using an approach that balances quality, diversification, asset and liability matching, liquidity and investment return. The goal of the investment process is to maximise investment returns at a tolerable risk level, whilst ensuring that the assets and liabilities are managed on a cash flow and duration basis.

Life insurance

The objective of the group's asset and liability management is to match the group's assets with liabilities on the basis of duration. However, under the current regulatory and market environment in the PRC, the group is unable to invest in assets with a duration of sufficient length to match the duration of its life insurance liabilities. When the regulatory and market environment permits, the group intends to gradually lengthen the duration of its assets. The group monitors the duration gap between the assets and liabilities closely and prepares cash flow projection from assets and liabilities on a regular basis. Currently, the group intends to reduce the level of the asset-liability mismatch by:

- actively seeking to acquire longer dated fixed rate debt investments with an acceptable level of yield;
- upon the maturity dates of fixed rate debt investments, rolling over the proceeds to longer dated fixed rate debt investments;
- disposing of some of the shorter dated fixed rate debt investments, particularly those with lower yields, and rolling over the proceeds to longer dated fixed rate debt investments; and
- investing in equities for the long term.

23 保險及財務風險管理 (續)

(c) 資產與負債配對

再保險

本集團管理風險的主要範疇在於資產與負債的現金流動配對及其時間配對。

本集團通過平衡質素、多元組合、資產與負債配對、流動性與投資回報等方面的手段來積極管理資產。投資過程的目標是在可容忍的風險程度內將投資回報提升至最高水平，同時確保資產與負債按現金流動及期限基準管理。

人壽保險

本集團的資產與負債管理目標為按期限基準配對本集團的資產與負債。然而，有鑒於中國現行監管及市場環境，本集團未能投資於期限足以配比其壽險負債的資產。在監管及市場環境允許的情況下，本集團有意逐步延長其資產的期限。本集團密切監督資產與負債的期限差距，定期進行資產與負債的現金流動預測。目前，本集團有意透過以下方法降低資產與負債不配的程度：

- 積極尋求取得收益水平可接受的較長期定息債務投資；
- 於定息債務投資到期後，將所得款項滾存入更長期的定息債務投資；
- 出售部份短期定息債務投資，尤其是收益率較低者，將所得款項滾存入更長期的定息債務投資；及
- 長期投資股份。

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

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23 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(d) Financial risk

Transactions in financial instruments may result in the group assuming financial risks. These include market risk, credit risk, liquidity risk and reinsurance risk. Each of these financial risks is described below, together with a summary of the ways in which the group manages these risks.

(i) Market risk

Market risk can be described as the risk of change in fair value of a financial instrument due to changes in interest rates, equity prices or foreign currency exchange rates.

— Interest rate risk

Reinsurance

Reinsurance premium and loss reserves are not discounted. In addition, most of the fixed rate debt securities are classified under the held-to-maturity category and stated at amortised cost. Therefore interest rate risks to the group on these reserves for reinsurance contracts and investments are not significant.

Life insurance

The group is exposed to interest rate risk on its reserves for life insurance contracts and its fixed rate debt investment portfolio. The group monitors this exposure through periodic reviews of its asset and liability positions. Estimates of cash flows, as well as the impact of interest rate fluctuations relating to the investment portfolio and insurance liabilities, are modelled and reviewed periodically.

— Equity price risk

The group has a portfolio of marketable equity securities, which is carried at fair value and is exposed to price risk. This risk is defined as the potential loss in market value resulting from an adverse change in prices. The group's objective is to earn competitive relative returns by investing in a diverse portfolio of high quality and liquid securities.

23 保險及財務風險管理 (續)

(d) 財務風險

金融工具交易可引致本集團須承擔若干財務風險。該等風險包括市場風險、信用風險、流動資金風險及再保風險。各有關財務風險連同本集團管理該等風險的方法闡述如下。

(i) 市場風險

市場風險乃指因利率、股本價值或外幣匯率變動造成金融工具的公允價值變動而引致的風險。

— 利率風險

再保險

再保險保費及賠付準備並無折扣。此外，大部份定息債務證券被歸類為持有至到期類，並按已攤銷成本列賬。因此，本集團就再保險合約及投資等儲備方面並無重大利率風險。

人壽保險

本集團就人壽保險合約及其定息債券投資組合的儲備須承擔利率風險。本集團透過定期審閱其資產及負債情況監控該風險。就本集團投資組合及保險負債而言，吾等會對現金流量估值以及因利率變動所帶來的影響均進行定期模擬及審閱。

— 股本價格風險

本集團的有價股本證券組合以公允價值列賬及須承擔價格風險。該風險指因價格的不利變動而造成的市值潛在損失。本集團的目標是透過投資於高質素的多元化流動證券組合以賺取具競爭力的相對回報。

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

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(Expressed in Hong Kong dollars)
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23 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(d) Financial risk (Continued)

(i) Market risk (Continued)

— Equity price risk (Continued)

In respect of the reinsurance business, the equity securities are limited to less than 20% of total investments. The equity security portfolio is diversified among different countries and different industries. At 30 June 2007, the equity securities were carried at a fair value of \$680.21 million (31 December 2006: \$710.97 million), representing 16.5% (31 December 2006: 18.5%) of total investments held by the reinsurance business.

In respect of the life insurance business, the current PRC regulation does not allow an insurance company to hold listed equities and mutual funds more than 5% and 15% respectively of total assets. An insurance company is only allowed to invest equities listed in the PRC. At 30 June 2007, the equity securities and mutual funds were carried at a fair value of \$6,061.99 million (31 December 2006: \$4,441.42 million), representing 15.4% (31 December 2006: 14.2%) of total investments held by the life insurance business.

— Foreign exchange risk

In respect of the reinsurance business, premiums are received mainly in HKD and USD and also in a number of Asian currencies which follow closely the USD currency rate movement. The group aims to hold assets in these currencies in broadly similar proportion to its insurance liabilities.

In respect of the life insurance business, premiums are received in RMB and the insurance regulation in the PRC requires the insurers to hold RMB assets. The capital injections from the shareholders outside the PRC were in HKD and USD.

23 保險及財務風險管理 (續)

(d) 財務風險 (續)

(i) 市場風險 (續)

— 股本價格風險 (續)

就再保險業務而言，股本證券須低於總投資額的20%。股本證券組合分散投資於不同國家及不同行業。於二零零七年六月三十日，股本證券以公允價值6.8021億元(二零零六年十二月三十一日：7.1097億元)列賬，佔一般再保險業務總投資額的16.5%(二零零六年十二月三十一日：18.5%)。

就人壽保險業務而言，根據當前中國法例的規定，保險公司持有上市股本及互惠基金的比例不得超過總資產的5%及15%。保險公司只限於投資在中國上市的股本證券。於二零零七年六月三十日，股本證券及互惠基金以公允價值60.6199億元(二零零六年十二月三十一日：44.4142億元)列賬，佔人壽保險業務總投資額的15.4%(二零零六年十二月三十一日：14.2%)。

— 外匯風險

就再保險業務而言，保費主要以港幣及美元計值，同時亦以多種傾向緊隨美元匯率變動的亞洲貨幣計值。本集團致力維持以該等貨幣持有資產的比例與其保險負債大致相同。

就人壽保險業務而言，保費以人民幣計值，而中國保險法例規定保險公司持有人民幣資產。中國境外股東以港幣及美元注資。

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告的附註 (續)

(Expressed in Hong Kong dollars)
(以港幣列示)

23 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(d) Financial risk (Continued)

(ii) Credit risk

Credit risk is the risk of economic loss resulting from the failure of one of the obligors to make any payment of principal or interest when due, in the case of fixed income investments and receivables or in the case of an equity investment, the loss in value is resulting from a corporate failure.

Reinsurance

The group is exposed to credit risks primarily associated with reinsurance debtors and debt securities. To reduce the credit risk with reinsurance debtors, the group takes into account, among other factors, ratings and evaluations by recognised credit rating agencies, their claims payment and underwriting track record, as well as the group's past transaction experience with them. The group also spreads out the credit risk by reinsuring with a number of reinsurers who are domiciled in many different countries. To reduce the credit risk associated with fixed income investments, the group restricts investments in fixed income debt securities with credit ratings generally not below the investment grade, i.e. BBB or higher, except for certain sovereign rated securities.

Life insurance

The group is exposed to credit risks primarily associated with its investments in debt securities issued by the PRC enterprises. To reduce the credit risk, the group established a detailed credit control policies, by undertaking a credit analysis. In addition, the risk level of the various investment sectors is continuously monitored with investment mix adjusted accordingly.

The total allowance and impairment provision for receivable consists of two components: individual impairment allowances and collective impairment allowances. The individual impairment allowance component applies to receivables evaluated individually for impairment and is based upon management's best estimate of the present value of the cash flows which are expected to be received. Each impaired asset is assessed on its merits. Collective impairment allowances cover credit losses inherent in portfolios of receivables with similar economic characteristics where there is objective evidence to suggest that they contain impaired receivables but the individual impaired item cannot be identified. In assessing the need for collective impairment allowances, management considers factors such as credit quality, portfolio size, concentrations, and economic factors.

23 保險及財務風險管理 (續)

(d) 財務風險 (續)

(ii) 信用風險

信用風險是指·對固定利息投資及應收賬款而言·債務人到期未能支付任何本金或利息而引起經濟損失的風險·或對股本投資而言·因被投資企業經營失敗而引起損失的風險。

再保險

本集團主要會承受的信用風險與其再保險債務人及於其投資組合內的債務證券有關。為降低與再保險債務人有關的信用風險·本集團將(其中包括)認可信用評級機構的評級及評估·債務人賠款支付及承保的紀錄以及本集團與債務人的過往交易經驗等因素考慮在內。此外·本集團亦透過與不同國家的再保險公司分保·予以分散信用風險。為降低與固定利息投資有關的信用風險·本集團限制對信貸評級一般低於投資等級(即BBB或更高)的固定利息債務證券的投資·但部份主權評級證券除外。

人壽保險

本集團主要會承受的信用風險與其對中國企業發行債務證券的投資有關。為降低信用風險·本集團透過信用分析制定一套詳盡的信用控制政策。此外·不同投資行業的風險水平透過調整投資組合而獲得持續監控。

應收賬款的準備總額及減值準備由兩部份組成:個別減值準備及集體減值準備。個別減值準備適用於為減值而個別作出估值的應收賬款·乃基於管理人員對擬收取現金流量現值的最佳估計。各項減值資產均按其素質予以估值。集體減值準備指具有相似經濟特徵的應收賬款組合的內在信用虧損·且有客觀事實證明其包含減值應收賬款但個別減值項目卻無法確認。在評定集體減值準備的需要時·管理人員考慮的因素包括信用質素·組合規模·集中程度及經濟因素。

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

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23 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(d) Financial risk (Continued)

(iii) Liquidity risk

The group has to meet daily calls on its cash resources, notably from claims arising from its reinsurance contracts and life insurance contracts. There is therefore a risk that cash will not be available to settle liabilities when due.

The group manages this risk by formulating policies and general strategies of liquidity management to ensure that the group can meet its financial obligations in normal circumstances and that an adequate stock of high-quality liquid assets is maintained in order to contain the possibility of a liquidity crisis.

Apart from liquidity management and regulatory compliance, the group always strives to maintain a comfortable liquidity cushion as a safety net for coping with unexpected large funding requirements and to maintain a contingency plan to be enacted should there be a company specific crisis.

(iv) Reinsurance risk

The group cedes insurance risk to limit exposure to underwriting losses under various agreements that cover certain reinsurance and life insurance policies. These reinsurance agreements spread the risk and minimise the effect of losses. The amount of each risk retained depends on the group's evaluation of the specific risk, subject to certain circumstances, to maximum limits based on characteristics of coverage. Under the terms of the reinsurance agreements, the reinsurer agrees to reimburse the ceded amount in the event the claim is paid. However, the group remains liable to its policyholders with respect to ceded insurance if any reinsurer fails to meet the obligations it assumes.

(e) Reserve adequacy

The group exercises great care and effort in setting up the reserves for its reinsurance business. The reserves are estimated by the group, using actuarial methods such as loss development methods and/or the Bornhuetter-Ferguson methods. The adequacy of reserves is regularly reviewed.

23 保險及財務風險管理 (續)

(d) 財務風險 (續)

(iii) 流動性風險

本集團須滿足其現金資源的每日調用，尤其是其再保險合約及人壽保險合約產生的賠款費用，因此存在現金不足以償還到期負債的風險。

本集團透過制定流動資金管理的政策及一般策略管理該風險，以確保本集團能滿足正常財務需求及備存充裕的高質素流動資產，以應對任何流動資金危機。

除流動性管理及法規遵從外，本集團通常會留存適度的流動資金緩衝額作為應對預料之外的大筆資金需求的安全措施，以及制定應急計劃以應付公司的特定危機。

(iv) 再保險風險

本集團透過分散保險風險以限制所承受包含若干再保險及人壽保險保單的不同協議下的承保賠付的風險。該等再保險協議令風險得以分散，並將賠付的影響降至最低。各種風險的自留金額取決於本集團對特定風險的估值，在某些情況下取決於承保範圍特徵的最高限額。根據再保險協議條款的規定，再保險公司同意在賠款支付後攤還分出的金額。然而，倘任何再保險公司未能履行其相應的責任，本集團仍將就分出的保險對保單持有人負責。

(e) 充足儲備

本集團為再保險業務建立儲備時極為審慎。本集團採用精算法如賠付發展法，及／或「BORNHUETTER-FERGUSON」法估算儲備。並定期檢討儲備金是否充足。

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

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23 INSURANCE AND FINANCIAL RISK MANAGEMENT

(Continued)

(e) Reserve adequacy (Continued)

The computation of the group's reserves for its life insurance business is in accordance with accounting principles generally accepted in Hong Kong. The determination of annual reserves to be made are based on realistic assumptions on mortality and morbidity rates, returns on investment, persistency rates and policy maintenance expenses after reasonable and prudent adjustments for adverse deviation to ensure adequacy of reserves on a going concern basis.

(f) Risks associated with investment contracts without discretionary participation features ("DPF")

There is no material difference in risk exposure between life insurance contracts and investment contracts without DPF, except that the mortality risk of investment contracts is generally much smaller.

24 CONTINGENT LIABILITIES

The group has received a query issued by the Inland Revenue Department of Hong Kong in relation to the taxability of certain investment income from its offshore investments for the years of assessment from 1999 to 2004. The directors consider that the group has a good prospect to support its tax position. As such, no provision for a potential tax exposure of approximately \$29,000,000 (31 December 2006: \$26,000,000) was made at 30 June 2007.

Same as herein disclosed and other than those incurred in the normal course of the group's insurance business, there was no outstanding litigation nor any contingent liabilities as at 30 June 2007.

23 保險及財務風險管理 (續)

(e) 充足儲備 (續)

本集團根據香港公認會計準則計算本集團人壽保險業務之儲備。每年的準備金是以現實的死亡率、傷病率、投資回報率、續保率和維護費用假設而釐定，並為可能出現的不利偏差在假設做了合理和審慎的調整，以確保在持續經營的基礎上準備金的充足性。

(f) 與不具酌情分紅特色的投資合約的有關風險

人壽保險合約與不具酌情分紅特色的投資合約的風險並無重大差異，惟投資合約的死亡率風險通常較小。

24 或然負債

本集團收到香港稅務局的詢問，關於相當之離岸投資收入於一九九九年至二零零四年評稅年度內的應課稅事宜。董事認為本集團的稅務觀點很可能得到支持，因此，於二零零七年六月三十日本集團毋需就約29,000,000元（二零零六年十二月三十一日：26,000,000元）的潛在稅務風險計提準備。

除本報表所披露者及在本集團日常保險業務中產生的訴訟外，於二零零七年六月三十日，本集團概無任何未決訴訟或或然負債。

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

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25 POST BALANCE SHEET EVENT

On 9 July 2007, the company entered into the conditional capital contribution agreement with CIHC, ICBC (Asia) and TPI pursuant to which CIHC and the company will contribute, in cash, an aggregate amount of RMB300,000,000 as additional registered capital into TPI. Of the aggregate amount, RMB179,925,000 will be contributed by CIHC and RMB120,075,000 will be contributed by the company. ICBC (Asia) has decided to not participate in the capital contribution. Upon completion, each of CIHC, the company and ICBC (Asia) will be directly interested in 50.398%, 40.025% and 9.577%, respectively, of the equity interests in TPI. The percentage of equity interests held by the company in TPI will remain unchanged after completion. In addition, CIHC, the company and ICBC (Asia) also entered into the conditional option deed pursuant to which CIHC has agreed to grant the right to ICBC (Asia) at nil consideration to, conditional upon completion, acquire from CIHC the equity interest of approximately 2.873% in TPI as enlarged by the capital contribution for a consideration of RMB37,350,000 within twelve 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 company has waived its right to purchase the Option Interest if the Option is exercised by ICBC (Asia).

26 OFF-BALANCE SHEET EXPOSURES

At 30 June 2007, the notional amounts of significant derivative transactions entered into by the group were as follows:

Exchange rate forward and option contracts 外匯匯率遠期及期權合約

Off-balance sheet exposures arise from forward and option contracts transactions undertaken by the group in foreign exchange markets. The contractual and notional amounts of these financial instruments indicate the value of transactions outstanding at the balance sheet date; they do not express amounts at risk.

25 資產負債表日後事件

二零零七年七月九日，本公司與中保控股、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總額人民幣300,000,000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179,925,000元，本公司則將增資人民幣120,075,000元。工銀（亞洲）已決定不參與增資。於完成時，中保控股、本公司及工銀（亞洲）各自將分別直接擁有太平保險之50.398%、40.025%及9.577%股權之權益。完成後，本公司於太平保險持有之股權百分比將維持不變。此外，中保控股、本公司與工銀（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，於期權契據日期或各訂約方根據期權契據條款可能延後之較後日期起計十二個月內，向中保控股收購太平保險經增資擴大後約2.873%之股權，代價為人民幣37,350,000元。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。

26 資產負債表以外承受的風險

二零零七年六月三十日本集團已進行的重大衍生工具交易的名義價值如下：

At 30 June 2007 於二零零七年 六月三十日 \$'000 千元	At 31 December 2006 於二零零六年 十二月三十一日 \$'000 千元
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29,729	68,490
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資產負債表以外承受的風險是由於本集團在外匯市場進行了遠期及期權合約交易。此等金融工具的合約金額及名義金額祇反映交易在結算日尚未結清的價值，並不表達風險值。