

MANAGEMENT DISCUSSION AND ANALYSIS

CONSOLIDATED FINANCIAL RESULTS

The performance highlights of the Group for the Period was as follows:

For the six months ended 30 June, HK\$ million

	2007	2006	Change
Gross premiums written and policy fees	8,317.65	7,061.50	17.8%
Net investment income	975.06	551.79	76.7%
Net realised investment gains	1,176.40	151.78	7.8 times
Net unrealised investment gains	316.66	244.64	29.4%
Net exchange (loss)/gain	(4.37)	24.95	nm
Profit before taxation	782.94	556.53	40.7%
Profit after taxation	634.92	457.60	38.8%
Net profit attributable to the equity holders	488.58	328.29	48.8%
Basic earnings per share (HK cent)	34.7	24.5	10.2 cents

The net profit/(loss) attributable to the equity holders by each business line is summarised below:

For the six months ended 30 June, HK\$ million

	2007	2006	Change
Reinsurance	311.47	205.27	51.7%
Life insurance	153.53	128.47	19.5%
Property and casualty insurance ¹	2.40	4.35	(44.8%)
Corporate and other businesses	21.18	(9.80)	nm
Net profit attributable to the equity holders	488.58	328.29	48.8%

¹ *The property and casualty insurance business is operated by TPI, which is an associate of the Group under the Hong Kong Financial Reporting Standards and is not consolidated into the Group on a line-by-line basis. Therefore, the property and casualty insurance business does not constitute a separate segment of the Group as defined in Note 2 of the interim financial report. Instead, the share of results of TPI for the financial period is recognised and reported as "Share of profits/(losses) of associates" in the consolidated income statement. The equity interest of TPI held by the Group at the balance sheet date is recognised and reported as "Interest in associates" in the consolidated balance sheet. They are grouped under the "Corporate and other businesses" segment in Note 2 of the interim financial report. Readers and investors are advised to pay attention to these details when reading Note 2 of the interim financial report.*

The **gross premiums written and policy fees** for the Period increased to HK\$8,317.65 million from HK\$7,061.50 million in the Last Period. The increase was mainly due to strong premium growth at each of our business segments, in particular the life insurance business in which premiums increased by 19.7% to HK\$6,993.53 million from HK\$5,841.63 million in the Last Period.

The **net profit attributable to the equity holders** for the Period was HK\$488.58 million (2006: HK\$328.29 million). The Group's results improved over that of the Last Period primarily because of improvements in profitability at each of our business segments, in particular the reinsurance business in which profits increased significantly.

The **reinsurance business** contributed net profit to the equity holders of HK\$311.47 million (2006: HK\$205.27 million). The significant improvement in net profit was mainly due to increased underwriting profits and strong investment returns during the Period.

管理層討論和分析

綜合財務業績

本集團期內重點表現概述如下：

截至六月三十日止六個月，百萬港元

	二零零七年	二零零六年	變化
毛承保保費及保單費收入	8,317.65	7,061.50	17.8%
投資收入淨額	975.06	551.79	76.7%
已實現投資收益淨額	1,176.40	151.78	7.8倍
未實現投資收益淨額	316.66	244.64	29.4%
匯兌(虧損)/收益淨額	(4.37)	24.95	不詳述
除稅前溢利	782.94	556.53	40.7%
除稅後溢利	634.92	457.60	38.8%
股東應佔溢利淨額	488.58	328.29	48.8%
每股基本盈利(港仙)	34.7	24.5	10.2仙

按各業務分類之股東應佔溢利/(虧損)淨額概述如下：

截至六月三十日止六個月，百萬港元

	二零零七年	二零零六年	變化
再保險	311.47	205.27	51.7%
人壽保險	153.53	128.47	19.5%
財產保險 ¹	2.40	4.35	(44.8%)
企業及其他業務	21.18	(9.80)	不詳述
股東應佔溢利淨額	488.58	328.29	48.8%

¹ 本集團之財產保險業務由太平保險營運。根據香港財務報告準則，太平保險屬於聯營公司，故並無以分項總計方法綜合於本集團之財務報表內。因此，誠如中期財務報告附註2之定義，財產保險業務並不構成本集團之分項分類，而本財務期分佔太平保險之業績於綜合損益表被確認及列報為「應佔聯營公司溢利/(虧損)」。本集團於結算日持有之太平保險權益，於綜合資產負債表被確認及列報為「於聯營公司的權益」。上述賬項於中期財務報告附註2被歸類為「企業及其他業務」。閱覽者及投資者閱覽中期財務報告附註2時，務請加倍留意。

於本財務期，毛承保保費及保單費收入由去年同期70.6150億港元增加至83.1765億港元。增加主要是因為每個業務分類的保費收入有強勁的增長，尤其是人壽保險保費收入由去年同期58.4163億港元增加19.7%至69.9353億港元。

於本財務期，股東應佔溢利淨額為4.8858億港元（二零零六年：3.2829億港元）。本集團業績得到改善主因是每個業務分類的盈利均有改善，尤其以再保險業務的溢利增幅最為顯著。

再保險業務對股東淨溢利的貢獻為3.1147億港元（二零零六年：2.0527億港元）。淨溢利大幅改善的主因是本財務期內承保溢利上升及投資回報強勁。

MANAGEMENT DISCUSSION AND ANALYSIS

The **life insurance business** contributed net profit to the equity holders of HK\$153.53 million (2006: HK\$128.47 million). The increase in profit was mainly due to continued growth in premiums written and strong investment returns during the Period.

The **property and casualty business** contributed a net profit to the equity holders of HK\$2.40 million (2006: HK\$4.35 million).

CONSOLIDATED INVESTMENT PERFORMANCE

Consolidated investment assets

The total investments of the Group are summarised as follows:

	At 30 June 2007		At 31 December 2006	
	HK\$ million	% of Total	HK\$ million	% of Total
Debt securities	23,871.14	52.2%	19,828.06	53.6%
Direct equity securities	4,125.96	9.0%	3,159.09	8.5%
Equity investment funds	3,295.27	7.2%	2,525.97	6.8%
Composite investment funds	90.91	0.2%	40.21	0.1%
Cash and bank deposits	14,274.41	31.2%	11,359.98	30.7%
Investment properties	81.65	0.2%	106.08	0.3%
Total investments	45,739.34	100.0%	37,019.39	100.0%

The Group's investments in securities are classified as Held-to-Maturity ("HTM"), Available-for-Sale ("AFS") and Designated at Fair Value through Profit or Loss ("DTPL"). The detailed breakdown of such classifications was as follows:

At 30 June 2007, HK\$ million

	HTM	AFS	DTPL	Total
Debt securities	1,039.25	22,192.14	639.75	23,871.14
Direct equity securities	—	3,429.53	696.43	4,125.96
Equity investment funds	—	2,030.72	1,264.55	3,295.27
Composite investment funds	—	65.87	25.04	90.91
	1,039.25	27,718.26	2,625.77	31,383.28

At 31 December 2006, HK\$ million

	HTM	AFS	DTPL	Total
Debt securities	843.47	18,574.85	409.74	19,828.06
Direct equity securities	—	2,516.68	642.41	3,159.09
Equity investment funds	—	1,563.50	962.47	2,525.97
Composite investment funds	—	15.83	24.38	40.21
	843.47	22,670.86	2,039.00	25,553.33

管理層討論和分析

人壽保險業務對股東淨溢利的貢獻為1.5353億港元(二零零六年:1.2847億港元)。溢利增加的主因是本財務期內承保保費持續增長及投資回報強勁。

財產保險業務對股東淨溢利的貢獻為240萬港元(二零零六年:435萬港元)。

綜合投資表現

綜合投資資產

本集團的投資總值概述如下:

	於二零零七年六月三十日		於二零零六年十二月三十一日	
	百萬港元	佔總數百分比	百萬港元	佔總數百分比
債務證券	23,871.14	52.2%	19,828.06	53.6%
直接股本證券	4,125.96	9.0%	3,159.09	8.5%
股本投資基金	3,295.27	7.2%	2,525.97	6.8%
綜合投資基金	90.91	0.2%	40.21	0.1%
現金及銀行存款	14,274.41	31.2%	11,359.98	30.7%
投資物業	81.65	0.2%	106.08	0.3%
投資總額	45,739.34	100.0%	37,019.39	100.0%

本集團證券投資被歸類為持有至到期日、可供出售及指定為通過損益以反映公允價值。按此歸類的分佈概述如下:

於二零零七年六月三十日,百萬港元

	持有至 到期日	可供出售	指定為通過 損益以反映 公允價值	總額
債務證券	1,039.25	22,192.14	639.75	23,871.14
直接股本證券	—	3,429.53	696.43	4,125.96
股本投資基金	—	2,030.72	1,264.55	3,295.27
綜合投資基金	—	65.87	25.04	90.91
	1,039.25	27,718.26	2,625.77	31,383.28

於二零零六年十二月三十一日,百萬港元

	持有至 到期日	可供出售	指定為通過 損益以反映 公允價值	總額
債務證券	843.47	18,574.85	409.74	19,828.06
直接股本證券	—	2,516.68	642.41	3,159.09
股本投資基金	—	1,563.50	962.47	2,525.97
綜合投資基金	—	15.83	24.38	40.21
	843.47	22,670.86	2,039.00	25,553.33

MANAGEMENT DISCUSSION AND ANALYSIS

The percentages of the Group's total investments held by each business segment in terms of carrying values at the balance sheet date were as follows:

	At 30 June 2007	At 31 December 2006
Reinsurance	9.0%	10.4%
Life insurance	85.8%	84.3%
Corporate and other businesses	5.2%	5.3%
	100.0%	100.0%

Consolidated investment income

The total investment income of the Group recognised in the consolidated income statement increased substantially by 160.3% to HK\$2,468.12 million in the Period from HK\$948.21 million in the Last Period. The increase was primarily attributable to the continued strong growth in investment assets of the Group's life insurance and reinsurance operations, and the continued strong performance of the global equity markets, in particular the equity markets in the PRC and Hong Kong, during the Period.

The details of the Group's investment income on a pre-tax basis are summarised as follows:

For the six months ended 30 June 2007, HK\$ million

	Recognised in the consolidated income statement					Sub total	Unrealised gains/ (losses) recognised in the fair value reserve	Grand total
	Interest income/ (expense)	Dividend income	Rental income	Realised gains/ (losses)	Unrealised gains			
Debt securities								
HTM	32.20	—	—	—	—	32.20	—	32.20
AFS	378.17	—	—	(0.53)	—	377.64	(814.65)	(437.01)
DTPL	22.10	—	—	19.26	81.01	122.37	—	122.37
Direct equity securities								
AFS	—	10.70	—	411.72	—	422.42	363.56	785.98
DTPL	—	3.40	—	214.03	76.57	294.00	—	294.00
Equity investment funds								
AFS	—	182.37	—	333.85	—	516.22	302.22	818.44
DTPL	—	214.57	—	198.32	156.32	569.21	—	569.21
Composite investment funds								
AFS	—	0.46	—	—	—	0.46	2.99	3.45
DTPL	—	0.90	—	—	0.54	1.44	—	1.44
Cash and bank deposits	191.46	—	—	—	—	191.46	—	191.46
Investment properties	—	—	1.23	(0.25)	1.77	2.75	—	2.75
Securities sold under repurchase agreements	(62.71)	—	—	—	—	(62.71)	—	(62.71)
Other	0.21	—	—	—	0.45	0.66	—	0.66
	561.43	412.40	1.23	1,176.40	316.66	2,468.12	(145.88)	2,322.24

管理層討論和分析

於結算日各業務分類佔本集團投資總額賬面值之百分比如下：

	於二零零七年 六月三十日	於二零零六年 十二月三十一日
再保險	9.0%	10.4%
人壽保險	85.8%	84.3%
企業及其他業務	5.2%	5.3%
	100.0%	100.0%

綜合投資收入

本集團於綜合損益表內確認的投資收入總額由去年同期的9.4821億港元大幅上升160.3%至24.6812億港元。升幅主要由於本財務期內本集團的人壽保險及再保險業務的投資資產持續強勁增長，以及全球股本市場持續表現強勁，當中以中國及香港的股本市場尤其顯著。

本集團稅前投資收入之詳細分析如下：

截至二零零七年六月三十日止六個月，百萬港元

	於綜合損益表內確認					於公允價值 儲備內確認 之未實現		總額
	利息收入/ (支出)	股息收入	租金收入	已實現 收益/ (虧損)	未實現 收益	小計	收益/ (虧損)	
債務證券								
持有至到期日	32.20	—	—	—	—	32.20	—	32.20
可供出售	378.17	—	—	(0.53)	—	377.64	(814.65)	(437.01)
指定為通過損益以反映 公允價值	22.10	—	—	19.26	81.01	122.37	—	122.37
直接股本證券								
可供出售	—	10.70	—	411.72	—	422.42	363.56	785.98
指定為通過損益以反映 公允價值	—	3.40	—	214.03	76.57	294.00	—	294.00
股本投資基金								
可供出售	—	182.37	—	333.85	—	516.22	302.22	818.44
指定為通過損益以反映 公允價值	—	214.57	—	198.32	156.32	569.21	—	569.21
綜合投資基金								
可供出售	—	0.46	—	—	—	0.46	2.99	3.45
指定為通過損益以反映 公允價值	—	0.90	—	—	0.54	1.44	—	1.44
現金及銀行存款	191.46	—	—	—	—	191.46	—	191.46
投資物業	—	—	1.23	(0.25)	1.77	2.75	—	2.75
賣出回購證券	(62.71)	—	—	—	—	(62.71)	—	(62.71)
其他	0.21	—	—	—	0.45	0.66	—	0.66
	561.43	412.40	1.23	1,176.40	316.66	2,468.12	(145.88)	2,322.24

MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30 June 2006, HK\$ million

	Recognised in the consolidated income statement					Sub total	Unrealised gains/ (losses) recognised in the fair value reserve	Grand total
	Interest income/ (expense)	Dividend income	Rental income	Realised gains/ (losses)	Unrealised gains/ (losses)			
Debt securities								
HTM	34.88	—	—	—	—	34.88	—	34.88
AFS	339.37	—	—	—	—	339.37	(307.92)	31.45
DTPL	16.38	—	—	(4.15)	(8.45)	3.78	—	3.78
Direct equity securities								
AFS	—	3.74	—	68.06	—	71.80	(18.13)	53.67
DTPL	—	13.44	—	44.62	44.66	102.72	—	102.72
Equity investment funds								
AFS	—	26.89	—	17.32	—	44.21	196.82	241.03
DTPL	—	50.55	—	25.93	203.74	280.22	—	280.22
Composite investment funds								
DTPL	—	0.54	—	—	(0.49)	0.05	—	0.05
Cash and bank deposits	100.05	—	—	—	—	100.05	—	100.05
Investment properties	—	—	1.06	—	5.18	6.24	—	6.24
Securities sold under repurchase agreements	(35.90)	—	—	—	—	(35.90)	—	(35.90)
Other	0.79	—	—	—	—	0.79	—	0.79
	455.57	95.16	1.06	151.78	244.64	948.21	(129.23)	818.98

REINSURANCE BUSINESS

The Group's reinsurance business is operated by CIRe, which is a Hong Kong-incorporated company and wholly-owned by the Group. CIRe is mainly engaged in the underwriting of all classes of global reinsurance business, except for casualty reinsurance business outside of Asia. CIRe's key markets are Hong Kong and Macau, China, Japan, the rest of Asia, Europe and other parts of the world.

管理層討論和分析

截至二零零六年六月三十日止六個月，百萬港元

	於綜合損益表內確認					於公允價值 儲備內確認		總額
	利息收入/ (支出)	股息收入	租金收入	已實現 收益/ (虧損)	未實現 收益/ (虧損)	小計	之未實現 收益/ (虧損)	
債務證券								
持有至到期日	34.88	—	—	—	—	34.88	—	34.88
可供出售	339.37	—	—	—	—	339.37	(307.92)	31.45
指定為通過損益以反映 公允價值	16.38	—	—	(4.15)	(8.45)	3.78	—	3.78
直接股本證券								
可供出售	—	3.74	—	68.06	—	71.80	(18.13)	53.67
指定為通過損益以反映 公允價值	—	13.44	—	44.62	44.66	102.72	—	102.72
股本投資基金								
可供出售	—	26.89	—	17.32	—	44.21	196.82	241.03
指定為通過損益以反映 公允價值	—	50.55	—	25.93	203.74	280.22	—	280.22
綜合投資基金								
指定為通過損益以反映 公允價值	—	0.54	—	—	(0.49)	0.05	—	0.05
現金及銀行存款	100.05	—	—	—	—	100.05	—	100.05
投資物業	—	—	1.06	—	5.18	6.24	—	6.24
賣出回購證券	(35.90)	—	—	—	—	(35.90)	—	(35.90)
其他	0.79	—	—	—	—	0.79	—	0.79
	455.57	95.16	1.06	151.78	244.64	948.21	(129.23)	818.98

再保險業務

本集團之再保險業務由本集團全資擁有之香港註冊公司中再國際營運。中再國際主要從事承保全球各類再保險業務，但亞洲以外的責任險業務則除外。中再國際之主要市場為香港及澳門、中國、日本、亞洲其他地區、歐洲及世界其他地方。

MANAGEMENT DISCUSSION AND ANALYSIS

The key financial data and key performance indicators of the reinsurance business are summarised below:

For the six months ended 30 June, HK\$ million

	2007	2006	Change
Gross premiums written	1,320.73	1,216.23	8.6%
Net premiums written	1,139.46	1,079.31	5.6%
Net earned premiums	725.10	698.54	3.8%
Net claims incurred	(398.75)	(413.48)	(3.6%)
Net commission expenses	(283.74)	(250.79)	13.1%
Underwriting profit	31.88	26.54	20.1%
Total investment income	271.09	154.86	75.1%
Net exchange gain	33.66	37.15	(9.4%)
Profit before taxation	331.06	212.54	55.8%
Profit attributable to the equity holders	311.47	205.27	51.7%
Solvency margin ratio	174.4%	147.4%	27.0pts
Technical reserves ratio	384.3%	348.3%	36.0pts
Retained ratio	86.3%	88.7%	(2.4pts)
Earned premiums ratio	54.9%	57.4%	(2.5pts)
Loss ratio ¹	55.0%	59.2%	(4.2pts)
Expense ratio ²	25.8%	23.9%	1.9pts
Combined ratio ³	80.8	83.1	(2.3pts)

¹ The loss ratio is based on net earned premiums.

² The expense ratio is based on net premiums written. In prior periods and years, the expense ratio was based on net earned premiums. The Management believes that calculating the expense ratio under net premiums written is a fairer indicator and better reflects the underwriting performance of CIRe. If the net earned premiums basis is applied, then the expense ratio would be 40.6% for the Period (2006: 37.0%).

³ The combined ratio is the sum of the loss ratio and the expense ratio. If the expense ratio is based on net earned premiums, then the combined ratio would be 95.6 for the Period (2006: 96.2).

Profit Attributable to the Equity Holders

CIRe contributed net profit to the equity holders of HK\$311.47 million (2006: HK\$205.27 million). The strong performance during the Period was mainly due to stable growth in premiums written, higher equity investment income, positive exchange rate movements, and higher interest rates on cash deposits. During the Period, CIRe's underwriting profit also increased to HK\$31.88 million from HK\$26.54 million in the Last Period. The higher underwriting profit was primarily due to the absence of major claims during the Period.

Gross Premiums Written

CIRe's gross premiums written increased by 8.6% to HK\$1,320.73 million from HK\$1,216.23 million in the Last Period. During the Period, Mainland China became the single largest market of CIRe. Through its Beijing Representative Office and the Shanghai Office of CIRe, CIRe is able to better serve its clients in China. In its traditional core markets of Hong Kong and Macau, CIRe continues to be the leading reinsurer and has achieved premium growth during the Period even though competition is keen and pricing levels are softening.

CIRe's increase in premiums written was also due to continued economic growth in its other markets, notwithstanding the fact that in many of these areas, price softening in different lines of underlying insurance business and strong competition from other reinsurers, have made maintaining gross premium levels difficult.

管理層討論和分析

再保險業務之主要財務數據及主要表現指標概述如下：

截至六月三十日止六個月，百萬港元

	二零零七年	二零零六年	變化
毛承保保費	1,320.73	1,216.23	8.6%
淨承保保費	1,139.46	1,079.31	5.6%
已賺取保費淨額	725.10	698.54	3.8%
賠款淨額	(398.75)	(413.48)	(3.6%)
佣金支出淨額	(283.74)	(250.79)	13.1%
承保溢利	31.88	26.54	20.1%
投資收入總額	271.09	154.86	75.1%
匯兌收益淨額	33.66	37.15	(9.4%)
除稅前溢利	331.06	212.54	55.8%
股東應佔溢利	311.47	205.27	51.7%
償付能力充足比率	174.4%	147.4%	27.0點
技術性儲備比率	384.3%	348.3%	36.0點
自留比率	86.3%	88.7%	(2.4點)
已賺取保費率	54.9%	57.4%	(2.5點)
賠付率 ¹	55.0%	59.2%	(4.2點)
費用率 ²	25.8%	23.9%	1.9點
綜合成本率 ³	80.8	83.1	(2.3點)

¹ 賠付率按已賺取保費淨額為基準計算。

² 費用率按淨承保保費為基準計算。於過往期間及年度，費用率按已賺取保費淨額為基準計算。管理層相信，按照淨承保保費計算費用率為更公平的指標，並可更好地反映中再國際的承保表現。倘使用已賺取保費淨額基準，則本財務期之費用率將為40.6%（二零零六年：37.0%）。

³ 綜合成本率為賠付率與費用率的總和。倘費用率按已賺取保費淨額為基準計算，則本財務期之綜合成本率將為95.6（二零零六年：96.2）。

股東應佔溢利

中再國際對股東淨溢利的貢獻為3.1147億港元（二零零六年：2.0527億港元）。於本財務期表現強勁，主因是承保保費平穩增長、較高的股本投資收入、正面的匯率變動及較高的現金存款利率。於本財務期，中再國際的承保溢利亦由去年同期的2,654萬港元增加至3,188萬港元。承保溢利較高，主要是由於本財務期內並無重大賠款。

毛承保保費

中再國際的毛承保保費由去年同期的12.1623億港元上升8.6%至13.2073億港元。於本財務期內，中國大陸已成為中再國際的單一最大市場。中再國際通過其北京代表處及中保國際的上海辦事處，加強對中國市場的客戶服務。中再國際在其傳統核心市場—香港及澳門仍為主要的再保險商，儘管本財務期內競爭激烈，定價水平疲軟，但仍錄得保費增長。

中再國際承保保費增加的另一原因是其他市場經濟持續增長，儘管在這些地區內，各類保險業務的價格疲軟及其他再保險商競爭，均導致毛保費水平難以維持。

MANAGEMENT DISCUSSION AND ANALYSIS

CIRe's geographical distribution of gross premiums written is summarised as follows:

For the six months ended 30 June, HK\$ million

	2007	% of Total	2006	% of Total
Hong Kong & Macau	244.11	18.5%	239.55	19.7%
Mainland China (& Taiwan)	352.87	26.7%	293.78	24.2%
Japan	81.43	6.2%	82.24	6.8%
Rest of Asia	356.78	27.0%	326.27	26.8%
Europe	215.58	16.3%	219.17	18.0%
Other	69.96	5.3%	55.22	4.5%
	1,320.73	100.0%	1,216.23	100.0%

Net Claims Incurred

CIRe's net claims incurred decreased by 3.6% to HK\$398.75 million from HK\$413.48 million in the Last Period. The loss ratio decreased to 55.0% from 59.2% in the Last Period. During the Period, CIRe increased its reinsurance retrocessions, which resulted in the relatively slower growth of its net premiums written. However, the additional reinsurance protection helps to cushion the underwriting results of CIRe from adverse catastrophic events. Because CIRe did not experience significant catastrophic claims during the Period, the underwriting result of CIRe was 20.1% higher than that of the Last Period.

CIRe's top three major claims in terms of gross losses during the Period were as follows:

For the six months ended 30 June 2007, HK\$ million

	Date of loss	Gross loss incurred	Net retained loss incurred	% retention
Flooding in Indonesia	Feb 2007	45.74	45.01	98.4%
Windstorm "Kyrill", Europe	Jan 2007	18.21	18.21	100.0%
Explosion—Shin Etsu Chemical, Japan	Mar 2007	13.46	8.75	65.0%

With no major catastrophe impacting the insurance and reinsurance markets in which CIRe underwrites business during the Period, and with the normal development of prior years' claims settlements against loss reserve provisions, CIRe registered a combined ratio of 80.8, a better performance than that of the Last Period (2006: 83.1).

管理層討論和分析

中再國際按地區分佈劃分之毛承保保費簡報如下：

截至六月三十日止六個月，百萬港元

	二零零七年	佔總數百分比	二零零六年	佔總數百分比
香港及澳門	244.11	18.5%	239.55	19.7%
中國大陸(及台灣)	352.87	26.7%	293.78	24.2%
日本	81.43	6.2%	82.24	6.8%
亞洲其他地區	356.78	27.0%	326.27	26.8%
歐洲	215.58	16.3%	219.17	18.0%
其他	69.96	5.3%	55.22	4.5%
	1,320.73	100.0%	1,216.23	100.0%

淨賠款總額

中再國際的賠款淨額由去年同期的4.1348億港元減少3.6%至3.9875億港元。賠付率亦由去年同期的59.2%下跌至55.0%。於本財務期內，中再國際增加再保險轉分，以致淨承保保費增長放緩。然而，額外的再保險保障有助減輕災難性事件對中再國際承保業績的影響。由於中再國際於本財務期內沒有遇上重大的災難性賠款，中再國際的承保業績較去年同期高出20.1%。

中再國際於期內以毛賠付總額計之三大賠案如下：

截至二零零七年六月三十日止六個月，百萬港元

	出險日期	毛賠付總額	自留賠付淨額	自留百分比
印尼水災	2007年2月	45.74	45.01	98.4%
風暴「Kyrill」，歐洲	2007年1月	18.21	18.21	100.0%
爆炸－信越化工，日本	2007年3月	13.46	8.75	65.0%

鑒於本財務期內並無巨大災難影響中再國際承保業務的保險及再保險市場，加上針對過往年度的賠付數額相應的未決賠款儲備的發展正常，中再國際錄得綜合成本率80.8，表現較去年同期為佳(二零零六年：83.1)。

MANAGEMENT DISCUSSION AND ANALYSIS

Investment Performance

The composition of investments held by CIRe was as follows:

	At 30 June 2007		At 31 December 2006	
	HK\$ million	% of Total	HK\$ million	% of Total
Debt securities	1,676.77	40.7%	1,383.59	36.0%
Direct equity securities	680.21	16.5%	710.97	18.5%
Composite investment funds	90.91	2.2%	40.21	1.0%
Cash and bank deposits	1,589.90	38.6%	1,603.70	41.7%
Investment properties	81.64	2.0%	106.08	2.8%
Total invested assets	4,119.43	100.0%	3,844.55	100.0%

During the Period, CIRe continued to adopt a prudent and conservative investment philosophy aimed at generating stable cash inflows. Investments in debt securities, cash and bank deposits represented approximately 79.3% of CIRe's total invested assets as at 30 June 2007 (31 December 2006: 77.7%). Almost all of its debt securities had investment grade ratings from international credit rating agencies.

The classification of CIRe's investments in securities under HTM, AFS and DTPL was as follows:

At 30 June 2007, HK\$ million

	HTM	AFS	DTPL	Total
Debt securities	1,029.87	490.48	156.42	1,676.77
Direct equity securities	—	601.32	78.89	680.21
Composite investment funds	—	65.87	25.04	90.91
	1,029.87	1,157.67	260.35	2,447.89

At 31 December 2006, HK\$ million

	HTM	AFS	DTPL	Total
Debt securities	834.08	414.05	135.46	1,383.59
Direct equity securities	—	623.06	87.91	710.97
Composite investment funds	—	15.83	24.38	40.21
	834.08	1,052.94	247.75	2,134.77

管理層討論和分析

投資表現

中再國際持有之投資組合情況如下：

	於二零零七年六月三十日		於二零零六年十二月三十一日	
	百萬港元	佔總數百分比	百萬港元	佔總數百分比
債務證券	1,676.77	40.7%	1,383.59	36.0%
直接股本證券	680.21	16.5%	710.97	18.5%
綜合投資基金	90.91	2.2%	40.21	1.0%
現金及銀行存款	1,589.90	38.6%	1,603.70	41.7%
投資物業	81.64	2.0%	106.08	2.8%
投資總額	4,119.43	100.0%	3,844.55	100.0%

於本財務期內，中再國際繼續採取審慎穩健之投資理念，旨在產生穩定之現金流入。於二零零七年六月三十日，投資債務證券、現金及銀行存款佔投資總額約79.3%（二零零六年十二月三十一日：77.7%）。幾乎全部債務證券均達到國際信貸評級機構認可之投資評級。

中再國際歸類為持有至到期日、可供出售及指定為通過損益以反映公允價值的證券投資如下：

於二零零七年六月三十日，百萬港元

	持有至 到期日	可供出售	指定為通過 損益以反映 公允價值	總額
債務證券	1,029.87	490.48	156.42	1,676.77
直接股本證券	—	601.32	78.89	680.21
綜合投資基金	—	65.87	25.04	90.91
	1,029.87	1,157.67	260.35	2,447.89

於二零零六年十二月三十一日，百萬港元

	持有至 到期日	可供出售	指定為通過 損益以反映 公允價值	總額
債務證券	834.08	414.05	135.46	1,383.59
直接股本證券	—	623.06	87.91	710.97
綜合投資基金	—	15.83	24.38	40.21
	834.08	1,052.94	247.75	2,134.77

MANAGEMENT DISCUSSION AND ANALYSIS

The total investment income and the investment yield of CIRe's investments on a pre-tax basis recognised in the consolidated income statement was as follows:

For the six months ended 30 June, HK\$ million

	2007	2006	Change
Net investment income	91.24	78.97	15.5%
Net realised investment gains	174.49	74.33	2.3 times
Net unrealised investment gains	5.36	1.56	3.4 times
Total investment income	271.09	154.86	75.1%
Total investment yield (year-to-date)	6.9%	4.8%	2.1pts

CIRe's strong investment income for the Period was a significant contributor to the performance of the reinsurance business. CIRe's net investment income increased significantly by 75.1% primarily due to the strong performance of equity markets in Hong Kong. The above-mentioned investment income and investment yield figures do not include a net exchange gain of HK\$33.66 million (2006: HK\$37.15 million).

The details of CIRe's investment income on a pre-tax basis was as follows:

For the six months ended 30 June 2007, HK\$ million

	Recognised in the consolidated income statement					Unrealised gains/ (losses) recognised in the		Grand total
	Interest income	Dividend income	Rental income	Realised gains/ (losses)	Unrealised gains	Sub total	fair value reserve	
Debt securities								
HTM	32.00	—	—	—	—	32.00	—	32.00
AFS	10.94	—	—	—	—	10.94	(3.67)	7.27
DTPL	5.95	—	—	(0.02)	0.15	6.08	—	6.08
Direct equity securities								
AFS	—	3.58	—	174.32	—	177.90	56.04	233.94
DTPL	—	1.32	—	0.44	2.45	4.21	—	4.21
Composite investment funds								
AFS	—	0.46	—	—	—	0.46	2.99	3.45
DTPL	—	0.90	—	—	0.54	1.44	—	1.44
Cash and bank deposits	34.66	—	—	—	—	34.66	—	34.66
Investment properties	—	—	1.23	(0.25)	1.77	2.75	—	2.75
Other	0.20	—	—	—	0.45	0.65	—	0.65
	83.75	6.26	1.23	174.49	5.36	271.09	55.36	326.45

管理層討論和分析

中再國際在綜合損益表內確認之稅前投資收入總額及稅前投資收益率概述如下：

截至六月三十日止六個月，百萬港元

	二零零七年	二零零六年	變化
投資收入淨額	91.24	78.97	15.5%
已實現投資收益淨額	174.49	74.33	2.3 倍
未實現投資收益淨額	5.36	1.56	3.4 倍
投資收入總額	271.09	154.86	75.1%
總投資收益率(本期)	6.9%	4.8%	2.1 點

中再國際強勁的投資收入為本財務期再保險業務表現的主要貢獻者。主要由於香港股市表現強勁，中再國際投資收入淨額顯著上升75.1%。上述投資收入及投資收益率並不包括3,366萬港元的匯兌收益淨額(二零零六年：3,715萬港元)。

中再國際稅前投資收入之詳細分析如下：

截至二零零七年六月三十日止六個月，百萬港元

	於綜合損益表內確認					於公允價值 儲備內確認 之未實現		總額
	利息收入	股息收入	租金收入	已實現 收益/ (虧損)	未實現 收益	小計	收益/ (虧損)	
債務證券								
持有至到期日	32.00	—	—	—	—	32.00	—	32.00
可供出售	10.94	—	—	—	—	10.94	(3.67)	7.27
指定為通過損益以反映 公允價值	5.95	—	—	(0.02)	0.15	6.08	—	6.08
直接股本證券								
可供出售	—	3.58	—	174.32	—	177.90	56.04	233.94
指定為通過損益以反映 公允價值	—	1.32	—	0.44	2.45	4.21	—	4.21
綜合投資基金								
可供出售	—	0.46	—	—	—	0.46	2.99	3.45
指定為通過損益以反映 公允價值	—	0.90	—	—	0.54	1.44	—	1.44
現金及銀行存款	34.66	—	—	—	—	34.66	—	34.66
投資物業	—	—	1.23	(0.25)	1.77	2.75	—	2.75
其他	0.20	—	—	—	0.45	0.65	—	0.65
	83.75	6.26	1.23	174.49	5.36	271.09	55.36	326.45

MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30 June 2006, HK\$ million

	Recognised in the consolidated income statement					Sub total	Unrealised gains/ (losses)	Grand total
	Interest income	Dividend income	Rental income	Realised gains/ (losses)	Unrealised gains/ (losses)		recognised in the fair value reserve	
Debt securities								
HTM	34.69	—	—	—	—	34.69	—	34.69
AFS	6.21	—	—	—	—	6.21	(6.39)	(0.18)
DTPL	6.87	—	—	(0.17)	(4.10)	2.60	—	2.60
Direct equity securities								
AFS	—	3.74	—	68.06	—	71.80	22.59	94.39
DTPL	—	1.63	—	6.44	0.96	9.03	—	9.03
Composite investment funds								
DTPL	—	0.54	—	—	(0.49)	0.05	—	0.05
Cash and bank deposits	23.44	—	—	—	—	23.44	—	23.44
Investment properties	—	—	1.06	—	5.19	6.25	—	6.25
Other	0.79	—	—	—	—	0.79	—	0.79
	72.00	5.91	1.06	74.33	1.56	154.86	16.20	171.06

LIFE INSURANCE BUSINESS

The Group's life insurance segment is operated by TPL, which is a PRC-incorporated company and is 50.05%-owned by the Group. TPL is principally engaged in the underwriting of life insurance policies in Mainland China.

The key financial data of the life insurance business is summarised below:

For the six months ended 30 June, HK\$ million

	2007	2006	Change
Gross premiums written	6,993.53	5,841.63	19.7%
Net premiums written and policy fees	6,961.95	5,824.66	19.5%
Net earned premiums and policy fees	6,961.15	5,755.46	20.9%
Total investment income	2,061.37	754.91	2.7 times
Net exchange loss	(34.35)	(11.89)	2.9 times
Policyholders' benefits	(1,470.45)	(592.36)	2.5 times
Net commission expenses	(632.99)	(408.97)	54.8%
Change in life insurance funds, net of reinsurance	(5,699.57)	(4,539.12)	25.6%
Administrative and other expenses	(735.31)	(580.01)	26.8%
Finance costs	(33.77)	(32.27)	4.6%
Profit before taxation	427.67	346.13	23.6%
Profit after taxation	306.76	257.79	19.0%
Profit attributable to the equity holders	153.53	128.47	19.5%

管理層討論和分析

截至二零零六年六月三十日止六個月，百萬港元

	於綜合損益表內確認					於公允價值 儲備內確認 之未實現 收益／ (虧損)		總額
	利息收入	股息收入	租金收入	已實現 收益／ (虧損)	未實現 收益／ (虧損)	小計		
債務證券								
持有至到期日	34.69	—	—	—	—	34.69	—	34.69
可供出售	6.21	—	—	—	—	6.21	(6.39)	(0.18)
指定為通過損益以反映 公允價值	6.87	—	—	(0.17)	(4.10)	2.60	—	2.60
直接股本證券								
可供出售	—	3.74	—	68.06	—	71.80	22.59	94.39
指定為通過損益以反映 公允價值	—	1.63	—	6.44	0.96	9.03	—	9.03
綜合投資基金								
指定為通過損益以反映 公允價值	—	0.54	—	—	(0.49)	0.05	—	0.05
現金及銀行存款	23.44	—	—	—	—	23.44	—	23.44
投資物業	—	—	1.06	—	5.19	6.25	—	6.25
其他	0.79	—	—	—	—	0.79	—	0.79
	72.00	5.91	1.06	74.33	1.56	154.86	16.20	171.06

人壽保險業務

本集團之人壽保險業務由本集團擁有50.05%權益之中國註冊公司太平人壽營運，主要從事中國大陸之人壽保險保單的承保。

人壽保險業務之主要財務數據概述如下：

截至六月三十日止六個月，百萬港元

	二零零七年	二零零六年	變化
毛承保保費	6,993.53	5,841.63	19.7%
淨承保保費及保單費收入	6,961.95	5,824.66	19.5%
已賺取保費及保單費收入淨額	6,961.15	5,755.46	20.9%
投資收入總額	2,061.37	754.91	2.7 倍
匯兌虧損淨額	(34.35)	(11.89)	2.9 倍
保單持有人利益	(1,470.45)	(592.36)	2.5 倍
佣金支出淨額	(632.99)	(408.97)	54.8%
壽險責任準備金變化，減再保險	(5,699.57)	(4,539.12)	25.6%
行政及其他費用	(735.31)	(580.01)	26.8%
財務費用	(33.77)	(32.27)	4.6%
除稅前溢利	427.67	346.13	23.6%
除稅後溢利	306.76	257.79	19.0%
股東應佔溢利	153.53	128.47	19.5%

MANAGEMENT DISCUSSION AND ANALYSIS

The key operational data of the life insurance business is summarised below:

	At 30 June 2007	At 31 December 2006	Change
Market share ¹	2.6%	2.7%	(0.1pts)
Number of provincial branches	28	22	6
Number of sub-branches and marketing centres	282	230	52
Number of in-force policies	4,382,740	3,866,820	515,920
Number of sales agents	30,051	25,742	4,309
Persistency ratio – 13th month ²	80.7%	78.2%	2.5pts
Persistency ratio – 25th month ²	91.5%	89.5%	2.0pts

¹ Based on gross premiums written in accordance with PRC GAAP and published by the CIRC.

² Based on premium amounts.

Profit Attributable to the Equity Holders

The life insurance business contributed net profit to the equity holders of HK\$153.53 million (2006: HK\$128.47 million).

Gross Premiums Written

TPL's gross premiums written increased by 19.7% to HK\$6,993.53 million from HK\$5,841.63 million in the Last Period. TPL's gross premiums written, by line of business, was as follows:

For the six months ended 30 June 2007, HK\$ million

	Traditional products	Unit-linked products	Total	% of Total
Individual	1,116.73	805.52	1,922.25	27.5%
Group	732.78	1.68	734.46	10.5%
Bancassurance	4,146.26	190.56	4,336.82	62.0%
	5,995.77	997.76	6,993.53	100.0%

For the six months ended 30 June 2006, HK\$ million

	Traditional products	Unit-linked products	Total	% of Total
Individual	632.69	0.14	632.83	10.8%
Group	779.38	21.68	801.06	13.7%
Bancassurance	4,407.74	—	4,407.74	75.5%
	5,819.81	21.82	5,841.63	100.0%

管理層討論和分析

人壽保險業務之主要經營數據概述如下：

	於二零零七年 六月三十日	於二零零六年 十二月三十一日	變化
市場份額 ¹	2.6%	2.7%	(0.1點)
省級分公司數目	28	22	6
支公司及市場推廣中心數目	282	230	52
有效之保單數目	4,382,740	3,866,820	515,920
銷售代理數目	30,051	25,742	4,309
第13個月之保費繼續率 ²	80.7%	78.2%	2.5點
第25個月之保費繼續率 ²	91.5%	89.5%	2.0點

¹ 據中國公認會計準則按毛承保保費計算並由中國保監委刊發。

² 按保費金額。

股東應佔溢利

股東來自人壽保險業務之溢利淨額為1.5353億港元（二零零六年：1.2847億港元）。

毛承保保費

太平人壽之毛承保保費由去年同期之58.4163億港元上升19.7%至69.9353億港元。太平人壽按業務劃分之毛承保保費如下：

截至二零零七年六月三十日止六個月，百萬港元

	傳統產品	單位連結產品	總額	佔總數百分比
個人	1,116.73	805.52	1,922.25	27.5%
團體	732.78	1.68	734.46	10.5%
銀行保險	4,146.26	190.56	4,336.82	62.0%
	5,995.77	997.76	6,993.53	100.0%

截至二零零六年六月三十日止六個月，百萬港元

	傳統產品	單位連結產品	總額	佔總數百分比
個人	632.69	0.14	632.83	10.8%
團體	779.38	21.68	801.06	13.7%
銀行保險	4,407.74	—	4,407.74	75.5%
	5,819.81	21.82	5,841.63	100.0%

MANAGEMENT DISCUSSION AND ANALYSIS

During the Period, because of the continuing strong performance of the PRC equity markets, life insurers in the PRC have experienced heightened interest and demand for investment products from their clients. TPL has therefore been able to further diversify its product mix by selling unit-linked products through its individual agents and bancassurance channels. The sales of unit-linked products have increased substantially in most recent months, along with the continuing rise of the PRC equity markets. Because of the special nature of unit-linked products, their sales have been conducted and monitored carefully by TPL.

During the Period, TPL's premiums from traditional products increased by 3.0% to HK\$5,995.77 million from HK\$5,819.81 million in the Last Period. Premiums distributed through individual agents increased substantially by 76.5% to HK\$1,116.73 million from HK\$632.69 million in the Last Period. During the Period, TPL also increased the sales proportion of its regular premium products. The detailed breakdown of TPL's single premium products and regular premium products by line of business is summarised as follows:

For the six months ended 30 June, HK\$ million

Individual

	2007	% of Total	2006	% of Total
Single Premium	24.63	2.2%	25.01	4.0%
Regular Premium — First Year	485.68	43.5%	338.19	53.5%
Regular Premium — Renewal Year	606.42	54.3%	269.49	42.5%
	1,116.73	100.0%	632.69	100.0%

Group

	2007	% of Total	2006	% of Total
Employee Benefit ("EB")	316.51	43.2%	311.01	39.9%
Annuity	416.27	56.8%	468.37	60.1%
	732.78	100.0%	779.38	100.0%

Bancassurance

	2007	% of Total	2006	% of Total
Single Premium	3,424.10	82.6%	4,046.30	91.8%
Regular Premium — First Year	346.52	8.4%	225.73	5.1%
Regular Premium — Renewal Year	375.64	9.0%	135.71	3.1%
	4,146.26	100.0%	4,407.74	100.0%

TPL's long-term strategy is to gradually increase the proportion of regular premium products in its overall sales. During the Period, regular premium products accounted for 97.8% (Last Period: 96.0%/Full Year of 2006: 96.2%) of the total premiums produced by individual agents. Regular premium products constituted 17.4% (Last Period: 8.2%/Full Year of 2006: 10.8%) of the total premiums produced by the bancassurance channels. The higher proportion of regular premium products significantly enhances the quality and value of TPL's premium income from an actuarial, profit margin perspective.

管理層討論和分析

於本財務期內，由於中國股本市場表現持續強勁，中國的人壽保險商普遍面對客戶對投資產品的殷切需求。因此，太平人壽透過其個人代理及銀行保險分銷渠道，出售單位連結產品以便進一步拓寬其產品組合。近月，隨著中國股本市場持續上揚，單位連結產品銷售大幅增加。鑒於單位連結產品性質特殊，太平人壽一直審慎進行銷售及監察。

於本財務期內，太平人壽的傳統產品保費由去年同期的58.1981億港元增加3.0%至59.9577億港元。其中，個人代理分銷的保費由去年同期的6.3269億港元大幅上升76.5%至11.1673億港元。於本財務期內，太平人壽亦增加了期繳保費產品的銷售比重。以下概述太平人壽按業務劃分的躉繳保費產品及期繳保費產品的詳細分析：

截至六月三十日止六個月，百萬港元

個人

	二零零七年	佔總數百分比	二零零六年	佔總數百分比
躉繳保費	24.63	2.2%	25.01	4.0%
期繳保費 — 首年	485.68	43.5%	338.19	53.5%
期繳保費 — 續年	606.42	54.3%	269.49	42.5%
	1,116.73	100.0%	632.69	100.0%

團體

	二零零七年	佔總數百分比	二零零六年	佔總數百分比
僱員福利	316.51	43.2%	311.01	39.9%
年金	416.27	56.8%	468.37	60.1%
	732.78	100.0%	779.38	100.0%

銀行保險

	二零零七年	佔總數百分比	二零零六年	佔總數百分比
躉繳保費	3,424.10	82.6%	4,046.30	91.8%
期繳保費 — 首年	346.52	8.4%	225.73	5.1%
期繳保費 — 續年	375.64	9.0%	135.71	3.1%
	4,146.26	100.0%	4,407.74	100.0%

太平人壽的長期策略是逐步提升期繳保費產品佔其整體銷售的比例。於本財務期內，個人保險業務之期繳保費佔其總保費97.8%（去年同期：96.0%／二零零六年全年：96.2%）。銀行保險業務之期繳保費佔其總保費17.4%（去年同期：8.2%／二零零六年全年：10.8%）。較高的期繳保費產品比例，大大提高了太平人壽從精算及利潤角度去衡量其保費收入之質量及價值。

MANAGEMENT DISCUSSION AND ANALYSIS

Investment Performance

The composition of investments held by TPL was as follows:

	At 30 June 2007		At 31 December 2006	
	HK\$ million	% of Total	HK\$ million	% of Total
Debt securities	21,727.91	55.4%	18,257.75	58.5%
Direct equity securities	2,887.43	7.4%	1,956.04	6.3%
Equity investment funds	3,174.56	8.1%	2,485.38	8.0%
Cash and bank deposits	11,458.31	29.1%	8,498.56	27.2%
Total invested assets	39,248.21	100.0%	31,197.73	100.0%

The investments in debt securities and cash and bank deposits represented approximately 84.5% of total invested assets as at 30 June 2007 (31 December 2006: 85.7%).

The classification of TPL's investments in securities under HTM, AFS and DTPL was as follows:

At 30 June 2007, HK\$ million

	AFS	DTPL	Total
Debt securities	21,464.92	262.99	21,727.91
Direct equity securities	2,292.57	594.86	2,887.43
Equity investment funds	2,030.72	1,143.84	3,174.56
	25,788.21	2,001.69	27,789.90

At 31 December 2006, HK\$ million

	AFS	DTPL	Total
Debt securities	18,160.80	96.95	18,257.75
Direct equity securities	1,441.68	514.36	1,956.04
Equity investment funds	1,563.49	921.89	2,485.38
	21,165.97	1,533.20	22,699.17

管理層討論和分析

投資表現

太平人壽所持之投資組合如下：

	於二零零七年 六月三十日		於二零零六年 十二月三十一日	
	百萬港元	佔總數百分比	百萬港元	佔總數百分比
債務證券	21,727.91	55.4%	18,257.75	58.5%
直接股本證券	2,887.43	7.4%	1,956.04	6.3%
股本投資基金	3,174.56	8.1%	2,485.38	8.0%
現金及銀行存款	11,458.31	29.1%	8,498.56	27.2%
投資總額	39,248.21	100.0%	31,197.73	100.0%

於二零零七年六月三十日，於債務證券、現金及銀行存款的投資約佔投資總額84.5%（二零零六年十二月三十一日：85.7%）。

歸類為持有至到期日、可供出售及指定為通過損益以反映公允價值的太平人壽之證券投資如下：

於二零零七年六月三十日，百萬港元

	可供出售	指定為通過 損益以反映 公允價值	總額
債務證券	21,464.92	262.99	21,727.91
直接股本證券	2,292.57	594.86	2,887.43
股本投資基金	2,030.72	1,143.84	3,174.56
	25,788.21	2,001.69	27,789.90

於二零零六年十二月三十一日，百萬港元

	可供出售	指定為通過 損益以反映 公允價值	總額
債務證券	18,160.80	96.95	18,257.75
直接股本證券	1,441.68	514.36	1,956.04
股本投資基金	1,563.49	921.89	2,485.38
	21,165.97	1,533.20	22,699.17

MANAGEMENT DISCUSSION AND ANALYSIS

The total investment income and the investment yield of TPL on a pre-tax basis recognised in the consolidated income statement was as follows:

For the six months ended 30 June, HK\$ million

	2007	2006	Change
Net investment income	836.95	455.44	83.8%
Net realised investment gains	942.20	65.14	14.5 times
Net unrealised investment gains	282.22	234.33	20.4%
Total investment income	2,061.37	754.91	2.7 times
Total investment yield (year-to-date)	6.8%	3.8%	3.0 pts

TPL's strong increase in investment income during the Period was primarily due to the strong performance of the equity markets in the PRC. TPL also recorded higher interest income on the cash flows generated by the rapid growth in premiums written. The above-mentioned investment income and investment yield figures do not include a net exchange loss of HK\$34.35 million (2006: HK\$11.89 million).

The details of TPL's investment income on a pre-tax basis was as follows:

For the six months ended 30 June 2007, HK\$ million

	Recognised in the consolidated income statement				Sub total	Unrealised gains/ (losses) recognised in the fair value reserve	Grand total
	Interest income/ (expense)	Dividend income	Realised gains/ (losses)	Unrealised gains			
Debt securities							
AFS	363.82	—	(0.53)	—	363.29	(809.44)	(446.15)
DTPL	1.29	—	18.86	79.47	99.62	—	99.62
Direct equity securities							
AFS	—	5.73	184.99	—	190.72	253.47	444.19
DTPL	—	1.86	212.01	72.22	286.09	—	286.09
Equity investment funds							
AFS	—	182.37	333.85	—	516.22	302.22	818.44
DTPL	—	214.48	193.02	130.53	538.03	—	538.03
Cash and bank deposits	130.76	—	—	—	130.76	—	130.76
Securities sold under repurchase agreements	(63.36)	—	—	—	(63.36)	—	(63.36)
	432.51	404.44	942.20	282.22	2,061.37	(253.75)	1,807.62

管理層討論和分析

太平人壽在綜合損益表內確認之稅前投資收入總額及稅前投資收益率概述如下：

截至六月三十日止六個月，百萬港元

	二零零七年	二零零六年	變化
投資收入淨額	836.95	455.44	83.8%
已實現投資收益淨額	942.20	65.14	14.5 倍
未實現投資收益淨額	282.22	234.33	20.4%
投資收入總額	2,061.37	754.91	2.7 倍
總投資收益率(本期)	6.8%	3.8%	3.0點

中國股本市場的表現強勁，是太平人壽於本財務期的投資收入大幅上升的主因。太平人壽亦錄得由承保保費快速增長而產生更高的現金流利息收入。上述之投資收入及投資收益率不含3,435萬港元的匯兌虧損淨額(二零零六年：1,189萬港元)。

太平人壽之稅前投資收入詳細分析如下：

截至二零零七年六月三十日止六個月，百萬港元

	於綜合損益表內確認				於公允價值儲備內確認之未實現		總額
	利息收入／ (支出)	股息收入	已實現 收益／ (虧損)	未實現 收益	小計	收益／ (虧損)	
債務證券							
可供出售	363.82	—	(0.53)	—	363.29	(809.44)	(446.15)
指定為通過損益以反映公允價值	1.29	—	18.86	79.47	99.62	—	99.62
直接股本證券							
可供出售	—	5.73	184.99	—	190.72	253.47	444.19
指定為通過損益以反映公允價值	—	1.86	212.01	72.22	286.09	—	286.09
股本投資基金							
可供出售	—	182.37	333.85	—	516.22	302.22	818.44
指定為通過損益以反映公允價值	—	214.48	193.02	130.53	538.03	—	538.03
現金及銀行存款	130.76	—	—	—	130.76	—	130.76
賣出回購證券	(63.36)	—	—	—	(63.36)	—	(63.36)
	432.51	404.44	942.20	282.22	2,061.37	(253.75)	1,807.62

MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30 June 2006, HK\$ million

	Recognised in the consolidated income statement				Sub total	Unrealised gains/(losses) recognised in the fair value reserve	Grand total
	Interest income/(expense)	Dividend income	Realised gains/(losses)	Unrealised gains			
Debt securities							
AFS	333.16	—	—	—	333.16	(299.11)	34.05
DTPL	2.68	—	(12.76)	3.11	(6.97)	—	(6.97)
Direct equity securities							
AFS	—	—	—	—	—	(40.72)	(40.72)
DTPL	—	9.41	34.65	27.47	71.53	—	71.53
Equity investment funds							
AFS	—	26.89	17.32	—	44.21	196.82	241.03
DTPL	—	50.55	25.93	203.75	280.23	—	280.23
Cash and bank deposits	68.65	—	—	—	68.65	—	68.65
Securities sold under repurchase agreements	(35.90)	—	—	—	(35.90)	—	(35.90)
	368.59	86.85	65.14	234.33	754.91	(143.01)	611.90

Policyholders' Benefits

The policyholders' benefits of TPL are summarised as follows:

For the six months ended 30 June, HK\$ million

	2007	2006	Change
Net claims	182.97	128.26	42.7%
Surrenders	1,228.00	427.40	2.9 times
Annuity and maturity payments	42.13	32.29	30.5%
Policy dividends	17.35	4.41	3.9 times
	1,470.45	592.36	2.5 times

Net Commission Expenses

For the six months ended 30 June, HK\$ million

	2007	2006	Change
Net commission expenses	632.99	408.97	54.8%
Ratio of net commission expenses to gross premiums written	9.1%	6.9%	2.2pts

管理層討論和分析

截至二零零六年六月三十日止六個月，百萬港元

	於綜合損益表內確認				小計	於公允價值	總額
	利息收入/ (支出)	股息收入	已實現 收益/ (虧損)	未實現 收益		儲備內確認 之未實現 收益/ (虧損)	
債務證券							
可供出售	333.16	—	—	—	333.16	(299.11)	34.05
指定為通過損益以反映公允價值	2.68	—	(12.76)	3.11	(6.97)	—	(6.97)
直接股本證券							
可供出售	—	—	—	—	—	(40.72)	(40.72)
指定為通過損益以反映公允價值	—	9.41	34.65	27.47	71.53	—	71.53
股本投資基金							
可供出售	—	26.89	17.32	—	44.21	196.82	241.03
指定為通過損益以反映公允價值	—	50.55	25.93	203.75	280.23	—	280.23
現金及銀行存款	68.65	—	—	—	68.65	—	68.65
賣出回購證券	(35.90)	—	—	—	(35.90)	—	(35.90)
	368.59	86.85	65.14	234.33	754.91	(143.01)	611.90

保單持有人利益

太平人壽之保單持有人利益概述如下：

截至六月三十日止六個月，百萬港元

	二零零七年	二零零六年	變化
賠償淨額	182.97	128.26	42.7%
退保額	1,228.00	427.40	2.9 倍
年金及到期付款	42.13	32.29	30.5%
保單分紅	17.35	4.41	3.9 倍
	1,470.45	592.36	2.5 倍

佣金支出淨額

截至六月三十日止六個月，百萬港元

	二零零七年	二零零六年	變化
佣金支出淨額	632.99	408.97	54.8%
佣金支出淨額佔毛承保保費	9.1%	6.9%	2.2點

MANAGEMENT DISCUSSION AND ANALYSIS

Administrative and Other Expenses

The administrative and other expenses of TPL are summarised as follows:

For the six months ended 30 June, HK\$ million

	2007	2006	Change
Staff costs	360.02	269.21	33.7%
Rental expenses	43.28	41.38	4.6%
Others	332.01	269.42	23.2%
	735.31	580.01	26.8%
Ratio of administrative and other expenses to gross premiums written	10.5%	9.8%	0.7pts

Financial Strength and Solvency Margin

The solvency margin ratios of TPL under the CIRC regulations were as follows:

RMB million

	At 30 June 2007	At 31 December 2006	At 30 June 2006
Actual Solvency Margin	2,746	1,834	2,028
Minimum Statutory Solvency Margin	1,468	1,240	1,052
Solvency Margin Ratio	187%	148%	193%

PROPERTY AND CASUALTY INSURANCE BUSINESS

The Group's property and casualty insurance business is operated by TPI, which is a PRC-incorporated company and is 40.025%-owned by the Group. TPI is principally engaged in the underwriting of motor, marine and non-marine insurance policies in Mainland China.

As discussed in the "Consolidated Financial Result" section of the Management Review and Analysis, TPI is not consolidated into the Group on a line-by-line basis. Therefore, except for the profit/(loss) attributable to the equity holders, the following key financial data and ratios of TPI should not be applied to the consolidated financial statements.

管理層討論和分析

行政及其他費用

太平人壽之行政及其他費用概述如下：

截至六月三十日止六個月，百萬港元

	二零零七年	二零零六年	變化
員工成本	360.02	269.21	33.7%
租賃開支	43.28	41.38	4.6%
其他	332.01	269.42	23.2%
	735.31	580.01	26.8%
行政及其他費用佔毛承保保費比率	10.5%	9.8%	0.7點

財務實力及償付能力

太平人壽按中國保監委規定之償付能力充足率如下：

百萬人民幣

	於二零零七年 六月三十日	於二零零六年 十二月三十一日	於二零零六年 六月三十日
實際償付能力	2,746	1,834	2,028
最低法定償付能力	1,468	1,240	1,052
償付能力充足率	187%	148%	193%

財產保險業務

本集團之財產保險業務由本集團擁有40.025%權益之中國註冊公司太平保險營運，主要從事中國大陸之車險、水險及非水險保單的承保。

誠如本管理層討論及分析內「綜合財務業績」一節所討論，太平保險並沒有按分項方法綜合於本集團之財務報表內。因此，除股東應佔溢利／（虧損）外，下列太平保險之主要財務數據及比率不適用於綜合財務報表。

MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30 June, HK\$ million

	2007	2006	Change
Gross premiums written	1,787.74	959.15	86.4%
Net premiums written	1,510.62	775.40	94.8%
Net earned premiums	999.98	608.21	64.4%
Total investment income	172.47	37.17	4.6 times
Profit after taxation	6.01	10.87	(44.7%)
Profit attributable to the equity holders	2.40	4.35	(44.8%)
Technical reserves ratio	201.8%	200.5%	1.3pts
Retained ratio	84.5%	80.8%	3.7pts
Earned premiums ratio	55.9%	63.4%	(7.5pts)
Loss ratio ¹	52.7%	57.5%	(4.8pts)
Expense ratio ²	41.9%	36.5%	5.4pts
Combined ratio ³	94.6	94.0	0.6pts

¹ The loss ratio is based on net earned premiums.

² The expense ratio is based on net premiums written. In prior periods and years, the expense ratio was based on net earned premiums. The Management believes that calculating the expense ratio under net premiums written is a fairer indicator and better reflects the underwriting performance of TPI. If the net earned premiums basis is applied, then the expense ratio would be 63.2% for the Period (2006: 46.5%).

³ The combined ratio is the sum of the loss ratio and the expense ratio. If the expense ratio is based on net earned premiums, then the combined ratio would be 115.9 for the Period (2006: 104.0).

Profit Attributable to the Equity Holders

TPI contributed net profit to the equity holders of HK\$2.40 million (2006: HK\$4.35 million).

Gross Premiums Written

TPI's gross premiums written increased by 86.4% to HK\$1,787.74 million from HK\$959.15 million in the Last Period. The detailed breakdown of TPI's gross premiums written was as follows:

For the six months ended 30 June, HK\$ million

Business Line	2007	% of Total	2006	% of Total
Motor	1,364.93	76.4%	644.68	67.2%
Marine	77.54	4.3%	63.67	6.6%
Non-marine	345.27	19.3%	250.80	26.2%
	1,787.74	100.0%	959.15	100.0%

管理層討論和分析

截至六月三十日止六個月，百萬港元

	二零零七年	二零零六年	變化
毛承保保費	1,787.74	959.15	86.4%
淨承保保費	1,510.62	775.40	94.8%
已賺取保費淨額	999.98	608.21	64.4%
投資收入總額	172.47	37.17	4.6倍
除稅後溢利	6.01	10.87	(44.7%)
股東應佔溢利	2.40	4.35	(44.8%)
技術性儲備比率	201.8%	200.5%	1.3點
自留比率	84.5%	80.8%	3.7點
已賺取保費率	55.9%	63.4%	(7.5點)
賠付率 ¹	52.7%	57.5%	(4.8點)
費用率 ²	41.9%	36.5%	5.4點
綜合成本率 ³	94.6	94.0	0.6點

¹ 賠付率按已賺取保費淨額為基準計算。

² 費用率按淨承保保費為基準計算。於過往期間及年度，費用率按已賺取保費淨額為基準計算。管理層相信，按照淨承保保費計算費用率為更公平的指標，並可更好地反映太平保險的承保表現。倘使用已賺取保費淨額基準，則本財務期之費用率將為63.2%（二零零六年：46.5%）

³ 綜合成本率為賠付率與費用率的總和。倘費用率按已賺取保費淨額為基準計算，則本財務期之綜合成本率將為115.9（二零零六年：104.0）。

股東應佔溢利

太平保險對股東淨溢利的貢獻為240萬港元（二零零六年：435萬港元）。

毛承保保費

太平保險之毛承保保費由去年同期之9.5915億港元上升86.4%至17.8774億港元。太平保險毛承保保費詳細分析如下：

截至六月三十日止六個月，百萬港元

業務種類	二零零七年	佔總數百分比	二零零六年	佔總數百分比
車險	1,364.93	76.4%	644.68	67.2%
水險	77.54	4.3%	63.67	6.6%
非水險	345.27	19.3%	250.80	26.2%
	1,787.74	100.0%	959.15	100.0%

MANAGEMENT DISCUSSION AND ANALYSIS

Combined Ratio

The loss ratio on net earned premiums has improved to 52.7% during the Period from 57.5% in the Last Period, while the expense ratio on net premiums written has increased to 41.9% from 36.5% in the Last Period. The combined ratio is one of the key performance indicators of the property and casualty insurance business. TPI's combined ratio of 94.6 during the Period is almost identical to the 94.0 in the Last Period, reflecting satisfactory underwriting performance. The trends of TPI's loss ratio, expense ratio and combined ratio are as follows:

For the six months ended 30 June

	2007	2006	2005
Loss ratio	52.7%	57.5%	59.6%
Expense ratio	41.9%	36.5%	37.6%
Combined ratio	94.6	94.0	97.2

CORPORATE AND OTHER BUSINESSES

The corporate and other businesses are mainly comprised of the corporate company, asset management business, insurance intermediary business and pension business. The corporate company is mainly responsible for overall group strategic planning, overall group capital management and deployment in support of the operating businesses, investor relations, credit ratings and research analysts relations, and compliance with the listing and other laws and regulations of Hong Kong.

Asset management business in Hong Kong operated by CIGAML

The Group's asset management business in Hong Kong is operated by CIGAML, which is a Hong Kong-incorporated company and is wholly-owned by the Group. CIGAML is licensed with Hong Kong's Securities & Futures Commission, and is mainly engaged in the provision of investment consultancy services to the Group in managing its non-RMB investment portfolio. CIGAML currently is a cost centre of the Group because the asset management fee income received from the Group companies are eliminated at the consolidated level, while the corresponding expenses, such as salary and incentive compensation paid to fund managers, are absorbed in full at the consolidated level. Investors are advised to pay particular attention to this factor when evaluating the financial performance of CIGAML.

The key financial data of CIGAML is summarised below:

For the six months ended 30 June, HK\$ million

	2007	2006	Change
Asset management fee income	1.51	1.89	(20.1%)
Total investment income	20.38	12.99	56.9%
Profit attributable to the equity holders	15.74	10.13	55.4%

Insurance intermediary business

The Group's insurance intermediary business is substantially operated by SINO-RE, which is a Hong Kong-incorporated company and is wholly-owned by the Group. SINO-RE is mainly engaged in the rendering of brokering services for reinsurance and insurance companies. SINO-RE's key markets are Hong Kong, Macau and Mainland China. SINO-RE's brokerage income increased significantly during the Period mainly due to the strong premium growth of SINO-RE's core clients.

管理層討論和分析

綜合成本率

期內按已賺取保費淨額之賠付率由去年同期的57.5%改善至52.7%。另外，期內按淨承保保費之費用率由去年同期的36.5%上升至41.9%。綜合成本率乃財產保險業務主要表現指標之一。期內，太平保險之綜合成本率為94.6與去年同期的94.0相若，反映承保表現令人滿意。太平保險之賠付率、費用率及綜合成本率走勢如下：

截至六月三十日止六個月

	二零零七年	二零零六年	二零零五年
賠付率	52.7%	57.5%	59.6%
費用率	41.9%	36.5%	37.6%
綜合成本率	94.6	94.0	97.2

企業及其他業務

企業及其他業務主要由本企業公司、資產管理業務、保險中介業務及養老保險業務所組成。企業公司主要負責集團的整體策略計劃、整體的資本管理及運用以支援各營運公司、投資者關係、信貸評級及分析員關係及處理與在香港上市及其他法律及規則的合規工作。

由中保資產管理營運之香港資產管理業務

本集團位於香港之資產管理業務由本集團全資擁有之香港註冊公司中保資產管理營運。中保資產管理獲香港證券及期貨事務管理委員會發牌，主要就本集團非人民幣投資組合之管理提供投資諮詢服務。中保資產管理現為本集團之成本中心，因為收自本集團旗下各公司之資產管理費乃在綜合賬上對銷，而相應開支，例如工資及付予基金經理之獎金等則在綜合賬上全額並納。建議投資者於評估中保資產管理之財務表現時，應特別注意此因素。

中保資產管理之主要財務數據概述如下：

截至六月三十日止六個月，百萬港元

	二零零七年	二零零六年	變化
資產管理費收入	1.51	1.89	(20.1%)
投資收入總額	20.38	12.99	56.9%
股東應佔溢利	15.74	10.13	55.4%

保險中介業務

本集團之保險中介業務主要由本集團全資擁有之香港註冊公司華夏營運。華夏主要從事為再保險及保險公司提供經紀服務。華夏之主要市場為香港、澳門及中國大陸。華夏經紀佣金收入於期內大幅上升的主因為華夏的核心客戶之保費增長強勁。

MANAGEMENT DISCUSSION AND ANALYSIS

The key financial data of SINO-RE is summarised below:

For the six months ended 30 June, HK\$ million

	2007	2006	Change
Insurance intermediary income	8.49	6.80	24.9%
Profit attributable to the equity holders	10.05	7.58	32.6%

SINO-RE's profit attributable to the equity holders increased by 32.6% to HK\$10.05 million from HK\$7.58 million in the Last Period.

OUTLOOK

Reinsurance business – CIRe

Due to the special nature of the reinsurance portfolio written by CIRe, CIRe's gross premiums written during the first half of the year is almost always far more than that of the second half of the year. CIRe has increased its purchases of reinsurance retrocessions and continues to focus on a highly disciplined underwriting approach. CIRe is therefore reasonably confident of achieving a positive underwriting results for the full year, assuming that no exceptional market events or catastrophes take place during the second half of the year.

CIRe's investment portfolio produced strong returns during the first half of the year. The investment performance in the second half of the year will depend on the global investment market trends, especially the equity markets in Hong Kong. Most of CIRe's investment assets will continue to be invested in high quality fixed income securities and cash deposits at banks which provide a steady and recurring flow of interest income. Such stable cash inflows help to cushion the potential volatility inherent in CIRe's reinsurance underwriting activities.

Therefore, CIRe is confident of achieving an overall profitable result for the full year of 2007. However, Management believes that it will be a significant challenge to reach the record results of the Last Year.

Life insurance business – TPL

The life insurance business operated by TPL in the first half of the year was in line with the strategic business plan, which sought both top-line premium growth and an improvement of product mix. Having achieved its strategic objective of operating profits in 2006, TPL has initiated a new phase of business expansion in 2007 which focuses on quality long-term growth in premiums, as well as enhancing overall policy values. Six new branches have been established in Hunan, Shanxi, Shaanxi, Yunnan, Jilin and Guangxi and 52 new sub-branches have been newly added to its sales networks this period. Chongqing branch will also be opened soon. In addition, TPL plans to establish three new branches, in Xinjiang, Neimenggu and Guizhou, to begin operations at the beginning of 2008. It is expected that the larger sales network, together with the expanding individual agency force, will accelerate the top line premium growth, bottom line profit and overall policy values of TPL.

TPL's investment portfolio produced strong returns during the first half of the year. The investment performance in the second half of the year will depend on investment market trends in the PRC, especially the A-share equity markets. However, most of TPL's investment assets will continue to be invested in fixed income securities and cash deposits at banks which provide a steady and recurring flow of interest income.

Management is optimistic that TPL will deliver solid growth in both premiums and operating profits for the full year of 2007.

管理層討論和分析

華夏之主要財務數據概述如下：

截至六月三十日止六個月，百萬港元

	二零零七年	二零零六年	變化
保險中介收入	8.49	6.80	24.9%
股東應佔溢利	10.05	7.58	32.6%

華夏之股東應佔溢利由去年同期之758萬港元上升32.6%至1,005萬港元。

展望

再保險業務 — 中再國際

鑒於中再國際承保的再保險組合的特性，中再國際上半年的毛承保保費大致上遠高於下半年的毛承保保費。中再國際已增加購買轉分保再保險，並繼續較嚴謹的承保模式。因此，中再國際充滿信心，假設下半年並無發生特殊市場事件或災難，則全年將可達到良好的承保業績。

中再國際的投資組合於上半年產生強勁回報，下半年投資表現將視乎全球投資市場走勢而定，尤其是香港股本市場。中再國際的大部分投資資產將繼續投資於高質素債務證券及銀行現金存款，以提供長期、穩定的利息收入來源。穩定的投資現金流入有助減輕中再國際再保險承保活動的潛在波動性。

因此，中再國際對二零零七年全年取得理想整體業績充滿信心。然而，管理層認為達到去年的創紀錄佳績，是一個不小的挑戰。

人壽保險業務 — 太平人壽

於本財務期內，太平人壽經營的人壽保險業務，其上半年業務發展符合戰略計劃，即尋求保費增長並同時改良業務產品結構。繼達到二零零六年的經營溢利戰略目標後，太平人壽於二零零七年邁開新一階段的業務擴充，著重保費優質長期增長，及提升整體保單價值。於本財務期，太平人壽於湖南、山西、陝西、雲南、吉林及廣西增開了六家分公司，其銷售網絡已增添52家支公司，而重慶分公司亦即將正式開業。此外，太平人壽計劃在新疆、內蒙古及貴州開設三家分公司，預期二零零八年初投入營運。擴大後的銷售網絡連同擴展中的個人代理隊伍，將會加快太平人壽的保費增長、經營溢利及整體保單價值。

太平人壽的投資組合於上半年取得強勁回報。下半年投資表現將視乎中國的投資市場走勢而定，尤其是A股股本市場。然而，太平人壽的大部分投資資產將繼續投資於債務證券及銀行現金存款，藉以提供長期、穩定的利息收入來源。

管理層對太平人壽於二零零七年全年保費及經營溢利取得穩健增長感到樂觀。

MANAGEMENT DISCUSSION AND ANALYSIS

Property and casualty insurance business – TPI

The property and casualty insurance business operated by TPI has experienced substantial growth, while maintaining a satisfactory combined ratio, during the first half of the year. Although operating profits decreased slightly from that of last year, such result was mainly due to TPI's rapid growth of premiums written, which resulted in upfront acquisition costs. The Group now believes that TPI's overall infrastructure, which has been gradually developed over the past five years, is now capable of supporting faster premium growth, which is critical to achieving reasonable economies of scale. To support the premium expansion plan, in July 2007, TPI increased its paid-up capital from RMB1 billion to RMB1.3 billion. During the Period, TPI established three new provincial branches, in Liaoning, Hebei and Yunnan, all of which have already begun producing premium income. Despite the continuing competitive conditions in the PRC property and casualty insurance industry, Management believes that TPI will maintain its growth momentum and produce a satisfactory result during the second half of 2007.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's cash and bank deposits as at 30 June 2007 amounted to HK\$14,274.41 million (31 December 2006: HK\$11,359.98 million). There was no bank borrowing during the Period except for certain temporary bank overdrafts for insignificant amounts. The interest-bearing notes as at 30 June 2007 amounted to HK\$2,900.08 million (31 December 2006: HK\$2,844.82 million). The gearing ratio, which is calculated by dividing the total assets of the Group by interest-bearing notes issued, was 5.8% as at 30 June 2007 (31 December 2006: 7.1%).

CAPITAL STRUCTURE

During the Period, the Company issued 6,375,000 new shares (31 December 2006: 69,788,000 shares, of which 6,038,000 shares were issued under the Company's employee share option scheme) for cash under the Company's employee share option scheme. Net proceeds received for the shares issued for cash in aggregate amounted to HK\$16.33 million (31 December 2006: HK\$529.92 million).

STAFF AND STAFF REMUNERATION

As at 30 June 2007, the Group had a total of 7,508 employees (2006: 6,263 employees), an increase of 1,245 employees. Total remuneration for the Period amounted to HK\$431.82 million (2006: HK\$288.69 million), an increase of 49.6%. Bonuses are linked to both the performance of the Group and the performance of each individual.

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

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

管理層討論和分析

財產保險業務 — 太平保險

於本財務期內，太平保險經營的財產保險業務呈大幅增長，綜合成本率則維持於滿意水平。經營溢利稍遜去年，主因是太平保險的承保保費快速增長，致業務獲取成本全部在期內入帳。本集團認為，太平保險的整體網絡架構經過五年發展，現應可支撐更快的保費增長速度，以達致有效的規模經濟效益。為支持保費擴張計劃，太平保險於二零零七年七月將繳足資本由人民幣10億元增加至人民幣13億元。於本財務期內，太平保險於遼寧、河北及雲南開設三家省級分公司，而上述分公司已全部開始產生保費收入。儘管中國財產保險行業競爭持續激烈，管理層認為，太平保險將可於二零零七年下半年維持其增長動力，並取得令人滿意的業績。

流動資金及財務資源

於二零零七年六月三十日，本集團的現金及銀行存款為142.7441億港元（二零零六年十二月三十一日：113.5998億港元）。除若干小額臨時銀行透支外，本財務期內並無任何銀行借貸。二零零七年六月三十日須付息票據總額為29.0008億港元（二零零六年十二月三十一日：28.4482億港元）。二零零七年六月三十日已發行須付息票據除以本集團總資產所得出的槓桿比率為5.8%（二零零六年十二月三十一日：7.1%）

資本結構

本財務期本公司根據員工認股權計劃以現金代價發行6,375,000股新股（二零零六年十二月三十一日：69,788,000股，其中6,038,000股是根據本公司員工認股權計劃發行）。發行新股換取現金的總代價淨額為1,633萬港元（二零零六年十二月三十一日：5.2992億港元）。

員工及員工酬金

於二零零七年六月三十日，本集團的僱員總人數達7,508人（二零零六年：6,263人），增加1,245人。本財務期總酬金為4.3182億港元（二零零六年：2.8869億港元），增加49.6%。花紅與本集團的業績及員工的個人表現掛鉤。

購買、出售或贖回本公司的上市證券

於本財務期內本公司或任何其附屬公司概無購入、出售或贖回任何本公司的上市證券。