

# MANAGEMENT DISCUSSION AND ANALYSIS

## CONSOLIDATED FINANCIAL RESULTS

The performance highlights of the Group for the Period are summarised as follows:

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

	2006	2005	Change
Gross premiums written and policy fees	7,061.50	3,743.17	88.7%
Net investment income and net gain	948.21	315.80	200.3%
Net exchange gain/(loss)	24.95	(46.87)	nm
Net profit/(loss) attributable to the Group	328.29	(43.77)	nm
Basic earnings/(loss) per share (HK cent)	24.5	(3.3)	nm

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

The business segment data (Note 2 to the interim financial report) should be read in conjunction with this analysis.

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

	2006	2005	Change
Reinsurance	205.27	76.76	167.4%
Life insurance	128.47	(83.87)	nm
Property and casualty insurance <sup>1</sup>	4.35	(11.46)	nm
Corporate and other businesses	(9.80)	(25.20)	(61.1%)
Net profit/(loss) attributable to the Group	328.29	(43.77)	nm

<sup>1</sup> *The property and casualty insurance business is operated by TPI which is an associated company of the Group under the Hong Kong accounting 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 are advised to pay attention to this when reading Note 2 of the consolidated financial statements.*

The **gross premiums written and policy fees** for the Period increased significantly to HK\$7,061.50 million from HK\$3,743.17 million in the Last Period. The increase was mainly due to the strong premium growth in the life insurance business in which premiums increased by 113.0% to HK\$5,841.63 million from HK\$2,742.04 million in the Last Period.

The **net profit attributable to the Group** for the Period was HK\$328.29 million (2005: loss of HK\$43.77 million). The Group's results improved over that of the Last Period primarily because of improvements in profitability at each of our business segments.

The **reinsurance business** contributed net profit to the Group of HK\$205.27 million (2005: HK\$76.76 million). The improvement in net profit was mainly due to stable underwriting profits and a strong investment performance during the Period.

## 管理層討論和分析

### 綜合財務表現

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

	二零零六年	二零零五年	變化
毛承保保費及保單費收入	7,061.50	3,743.17	88.7%
投資收入及收益淨額	948.21	315.80	200.3%
匯兌收益／(虧損)淨額	24.95	(46.87)	不詳述
本集團應佔溢利／(虧損)淨額	328.29	(43.77)	不詳述
每股基本盈利／(虧損) (港仙)	24.5	(3.3)	不詳述

按各業務線分類之本集團應佔溢利／(虧損)淨額概述如下：

下文分析應與業務分類資料(本中期財務報告附註2)一併閱覽。

截至六月三十日止六個月，百萬港元

	二零零六年	二零零五年	變化
再保險	205.27	76.76	167.4%
人壽保險	128.47	(83.87)	不詳述
財產保險業務 <sup>1</sup>	4.35	(11.46)	不詳述
企業及其他業務	(9.80)	(25.20)	(61.1%)
本集團應佔溢利／(虧損)淨額	328.29	(43.77)	不詳述

<sup>1</sup> 本集團之財產保險業務由太平保險營運。根據香港會計準則，太平保險屬於本集團之聯營公司，故並無以分項方法綜合於本集團之財務報表內。因此，誠如本中期財務報告附註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「於聯營公司之權益」。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」。閣下閱覽本中期財務報告附註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37.4317億港元大幅增加至70.6150億港元。增加主要是因為人壽保險業務的保費收入有強勁的增長，期內人壽保險保費收入由去年同期27.4204億港元增加113.0%至58.4163億港元。

於本財務期，本集團應佔溢利淨額為3.2829億港元(二零零五年：虧損4,377萬港元)。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。

再保險業務對本集團淨溢利的貢獻為2.0527億港元(二零零五年：7,676萬港元)。淨溢利改善的主因是本財務期內承保溢利保持穩定及投資表現強勁。

# MANAGEMENT DISCUSSION AND ANALYSIS

The **life insurance business** contributed net profit to the Group of HK\$128.47 million (2005: loss of HK\$83.87 million). This profit during the Period represents an important milestone in the Group's and TPL's strategic objective to achieve profitability for the full year in 2006.

The **property and casualty business** contributed a net profit to the Group of HK\$4.35 million (2005: loss of HK\$11.46 million). This profit during the Period represents a very positive trend at the property and casualty business, which strategically aims to achieve a break-even result for the full year in 2006.

## CONSOLIDATED INVESTMENT PERFORMANCE

The total investments of the Group are summarised as follows:

	At 30 June 2006		At 31 December 2005	
	HK\$ million	% of Total	HK\$ million	% of Total
Debt securities	19,520.08	66.9%	16,719.52	67.5%
Cash and bank deposits	6,773.87	23.2%	5,111.02	20.6%
Equity securities	902.01	3.1%	649.50	2.6%
Equity investment funds	1,829.17	6.3%	745.11	3.0%
Money market investment funds	9.13	—	1,465.05	5.9%
Composite investment funds	23.46	0.1%	8.38	—
Investment properties	110.67	0.4%	105.48	0.4%
<b>Total investments</b>	<b>29,168.39</b>	<b>100.0%</b>	<b>24,804.06</b>	<b>100.0%</b>

The percentage of total investments held by each business segment was as follows:

	At 30 June 2006	At 31 December 2005
Reinsurance	11.4%	12.5%
Life insurance	85.5%	83.6%
Corporate and other businesses	3.1%	3.9%
	<b>100.0%</b>	<b>100.0%</b>

The total investment income excluding the exchange gain/loss of the Group significantly increased by 200.3% to HK\$948.21 million from HK\$315.80 million in the Last Period. The increase was primarily due to the significant increase in investment assets at the Group which resulted from the strong premium growth in the reinsurance and life insurance businesses, as well as strong investment returns from equities markets, particularly in the PRC and in Hong Kong.

## REINSURANCE BUSINESS

The Group's reinsurance business is operated by CIRe, which is a Hong Kong incorporated company and wholly-owned by the Group. It is mainly engaged in the underwriting of all classes of 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

人壽保險業務對本集團淨溢利的貢獻為1.2847億港元(二零零五年：虧損8,387萬港元)。本財務期的溢利，對本集團及太平人壽於二零零六年達至全年有溢利的策略目標，是一個重要的里程碑。

財產保險業務為本集團帶來435萬港元的淨溢利貢獻(二零零五年：虧損1,146萬港元)。財產保險業務在本財務期的溢利對於二零零六年可以達至全年收支平衡的策略目標，顯示了非常正面的趨勢。

### 綜合投資表現

本集團的投資總值概述如下：

	於二零零六年六月三十日		於二零零五年十二月三十一日	
	百萬港元	佔總數百分比	百萬港元	佔總數百分比
債務證券	19,520.08	66.9%	16,719.52	67.5%
現金及銀行存款	6,773.87	23.2%	5,111.02	20.6%
股本證券	902.01	3.1%	649.50	2.6%
股本投資基金	1,829.17	6.3%	745.11	3.0%
貨幣市場投資基金	9.13	—	1,465.05	5.9%
綜合投資基金	23.46	0.1%	8.38	—
投資物業	110.67	0.4%	105.48	0.4%
投資總額	29,168.39	100.0%	24,804.06	100.0%

各業務分類佔投資總值之百分比如下：

	於二零零六年 六月三十日	於二零零五年 十二月三十一日
再保險	11.4%	12.5%
人壽保險	85.5%	83.6%
企業及其他業務	3.1%	3.9%
	100.0%	100.0%

本集團不含匯兌收益／(虧損)的投資收入總額由去年同期之3.1580億港元大幅上升200.3%至9.4821億港元。升幅主要由於本集團的投資資產受再保險及人壽保險業務的強勁保費收入帶動而大幅增加，以及在股本市場投資有強勁的回報，當中以中國及香港的股本市場尤其顯著。

### 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。其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、其他亞洲國家或地區、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*

	2006	2005	Change
Gross premiums written	<b>1,216.23</b>	999.61	21.7%
Net premiums written	<b>1,079.31</b>	844.71	27.8%
Net earned premiums	<b>698.54</b>	551.18	26.7%
Net claims incurred	<b>(413.48)</b>	(284.46)	45.4%
Net commission expenses	<b>(250.79)</b>	(213.04)	17.7%
Underwriting profit	<b>26.54</b>	47.18	(43.7%)
Net investment income and net gain	<b>154.86</b>	84.19	83.9%
Net exchange gain/(loss)	<b>37.15</b>	(45.64)	nm
Profit attributable to the Group	<b>205.27</b>	76.76	167.4%
Solvency margin ratio	<b>67.8%</b>	60.5%	7.3 pts
Technical reserves ratio	<b>348.3%</b>	398.4%	(50.1 pts)
Retained ratio	<b>88.7%</b>	84.5%	4.2 pts
Earned premiums ratio	<b>57.4%</b>	55.1%	2.3 pts
Loss ratio	<b>59.2%</b>	51.5%	7.7 pts
Expense ratio	<b>37.0%</b>	39.9%	(2.9 pts)
Combined ratio	<b>96.2%</b>	91.4%	4.8 pts

## Profit Attributable to the Group

CIRe contributed net profit to the Group of HK\$205.27 million (2005: HK\$76.76 million). The net profit attributable to the Group for the Period is one of CIRe's best interim results in recent years. The positive performance during the Period was mainly due to higher equity investment income, positive exchange rate movements, and higher interest rates on cash deposits. The underwriting profit, however, decreased to HK\$26.54 million from HK\$47.18 million in the Last Period. The lower underwriting profit was due to the strong premium growth during the Period, which resulted in a large increase in the unearned premium provisions and the immediate expensing of underwriting commissions and policy acquisition costs for the Period, which increased along with the larger premium income written.

## Gross Premiums Written

CIRe's gross premiums written increased strongly by 21.7% to HK\$1,216.23 million from HK\$999.61 million in the Last Period. The increase was primarily due to the continued growth of the underlying insurance markets within Asia. CIRe has been able to maintain its core clients and core reinsurance contracts with reasonable terms and conditions. In certain markets, such as in Mainland China and Singapore, CIRe was able to acquire additional new business and increase its market share.

## Net Claims Incurred

CIRe's net claims incurred increased by 45.4 % to HK\$413.48 million from HK\$284.46 million in the Last Period. The loss ratio also increased to 59.2% from 51.5% in the Last Period. Although no major catastrophes or fire risk losses occurred which affected CIRe during the Period, there were a number of marine losses, involving hull or cargo interests.

## 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

	二零零六年	二零零五年	變化
毛承保保費	<b>1,216.23</b>	999.61	21.7%
淨承保保費	<b>1,079.31</b>	844.71	27.8%
已賺取保費淨額	<b>698.54</b>	551.18	26.7%
賠款淨額	<b>(413.48)</b>	(284.46)	45.4%
佣金支出淨額	<b>(250.79)</b>	(213.04)	17.7%
承保溢利	<b>26.54</b>	47.18	(43.7%)
投資收入及收益淨額	<b>154.86</b>	84.19	83.9%
匯兌收益／(虧損)淨額	<b>37.15</b>	(45.64)	不詳述
本集團應佔溢利	<b>205.27</b>	76.76	167.4%
償付能力充足比率	<b>67.8%</b>	60.5%	7.3 點
技術性儲備比率	<b>348.3%</b>	398.4%	(50.1 點)
自留比率	<b>88.7%</b>	84.5%	4.2 點
滿期保費率	<b>57.4%</b>	55.1%	2.3 點
賠付率	<b>59.2%</b>	51.5%	7.7 點
費用率	<b>37.0%</b>	39.9%	(2.9 點)
滿期保費綜合成本率	<b>96.2%</b>	91.4%	4.8 點

### 本集團應佔溢利

中再國際對本集團淨溢利的貢獻為2.0527億港元(二零零五年：7,676萬港元)。中再國際在本財務期對本集團的淨溢利貢獻是近年最佳的中期業績之一，主因是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。然而，承保溢利由去年同期之4,718萬港元下跌至2,654萬港元。較遜色的承保溢利是由於強勁的保費增長，引致未到期責任準備金增加，而期內的承保佣金支出及保單獲得成本均是即時報銷，它們會隨著本財務期保費收入增加而上升。

### 毛承保保費

中再國際之毛承保保費由去年之9.9961億港元顯著上升21.7%至12.1623億港元。升幅主要由於亞洲市場中之相關保險市場持續增長。中再國際能以合理的條件維持其核心客戶及核心再保險合約。在某些市場如中國大陸及新加坡，中再國際能取得新業務及增加市場份額。

### 賠款淨額

中再國際之賠款淨額由去年同期之2.8446億港元上升45.4%至4.1348億港元。賠付率亦由去年同期之51.5%上升至59.2%。雖然期內沒有巨大災難或火災賠付影響中再國際，但期內發生好幾宗涉及船隻或貨運的水險賠款。

# MANAGEMENT DISCUSSION AND ANALYSIS

## Investment Performance

The composition of investments held by CIRe was as follows:

	At 30 June 2006		At 31 December 2005	
	HK\$ million	% to Total	HK\$ million	% to Total
Debt securities	1,441.28	43.5%	1,473.64	47.5%
Cash and bank deposits	1,404.45	42.3%	1,187.08	38.2%
Equity securities	332.80	10.0%	325.72	10.5%
Money market investment funds	6.40	0.2%	4.69	0.1%
Composite investment funds	23.46	0.7%	8.38	0.3%
Investment properties	110.67	3.3%	105.48	3.4%
<b>Total invested assets</b>	<b>3,319.06</b>	<b>100.0%</b>	<b>3,104.99</b>	<b>100.0%</b>

Investment in debt securities and cash and bank deposits represented approximately 85.8% of total invested assets as at 30 June 2006 (31 December 2005: 85.7%). During the Period, CIRe continued to adopt a prudent and conservative investment philosophy aimed at generating stable cash inflows.

The net investment income and the investment yield of CIRe are summarised as follows:

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

	2006	2005	Change
Net investment income	78.97	63.62	24.1%
Net gain (Net realised and unrealised gain from investments)	75.89	20.57	268.9%
<b>Total investment income</b>	<b>154.86</b>	<b>84.19</b>	<b>83.9%</b>
Net investment yield (annualised)	4.9%	4.2%	0.7pt
<b>Total investment yield (annualised)</b>	<b>9.6%</b>	<b>5.7%</b>	<b>3.9pts</b>

The higher total investment income for the Period was a significant contributor to the performance of the reinsurance business. The net investment income significantly increased by 83.9% due to improved net investment yields and a larger investment asset base which resulted from the premium growth. The above investment income and investment yield did not include a net exchange gain of HK\$37.15 million (2005: loss of HK\$45.64 million).

## 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.

## 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：

	於二零零六年六月三十日		於二零零五年十二月三十一日	
	百萬港元	佔總數百分比	百萬港元	佔總數百分比
債務證券	1,441.28	43.5%	1,473.64	47.5%
現金及銀行存款	1,404.45	42.3%	1,187.08	38.2%
股本證券	332.80	10.0%	325.72	10.5%
貨幣市場投資基金	6.40	0.2%	4.69	0.1%
綜合投資基金	23.46	0.7%	8.38	0.3%
投資物業	110.67	3.3%	105.48	3.4%
投資資產總額	3,319.06	100.0%	3,104.99	100.0%

於二零零六年六月三十日，投資債務證券及現金及銀行存款佔投資資產總額約 85.8% (二零零五年十二月三十一日：85.7%)。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。

中再國際之投資收入淨額及投資收益率概述如下：

截至六月三十日止六個月，百萬港元

	二零零六年	二零零五年	變化
投資收入淨額	78.97	63.62	24.1%
收益淨額(投資的已變現及未變現收益淨額)	75.89	20.57	268.9%
投資收入總額	154.86	84.19	83.9%
淨投資收益率(已年化)	4.9%	4.2%	0.7 點
總投資收益率(已年化)	9.6%	5.7%	3.9 點

投資收入總額為本財務期再保險業務表現的主要貢獻者。由於淨投資收益率改善及投資資產受到保費增長帶動而增加，令投資收入淨額顯著上升83.9%。上述投資收入及投資收益率並不包括3,715萬港元的匯兌收益淨額(二零零五年：虧損4,564萬港元)。

### 人壽保險業務

本集團之人壽保險業務由太平人壽經營，太平人壽是在中國註冊成立之公司，由本集團擁有50.05%權益。太平人壽主要在中國大陸從事人壽保險保單之承保。



# MANAGEMENT DISCUSSION AND ANALYSIS

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

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

	2006	2005	Change
Gross premiums written (including investment contract premiums) under PRC GAAP	5,904.58	2,787.28	111.8%
Less: investment contract premiums	(62.95)	(45.24)	39.1%
Gross premiums written under HK GAAP	5,841.63	2,742.04	113.0%
Net premiums written and policy fees	5,824.66	2,718.06	114.3%
Net earned premiums and policy fees	5,755.46	2,597.66	121.6%
Net investment income and net gain	754.91	205.12	268.0%
Net exchange loss	(11.89)	(0.39)	nm
Policyholders' benefits	(592.36)	(225.58)	162.6%
Net commission expenses	(408.97)	(267.62)	52.8%
Change in life insurance funds, net of reinsurance	(4,539.12)	(2,154.96)	110.6%
Administrative and other expenses	(580.01)	(401.84)	44.3%
Finance costs	(32.27)	—	nm
Profit/(loss) after taxation	257.79	(169.08)	nm
Profit/(loss) attributable to the Group	128.47	(83.87)	nm

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

	At 30 June 2006	At 31 December 2005	Change
Market share <sup>1</sup>	2.7%	2.1%	0.6 pt
Number of provincial branches	22	22	—
Number of sub-branches and marketing centres	233	215	18
Number of in-force policies	2,852,669	2,232,160	620,509
Number of sales agents	20,678	18,413	2,265
Persistency ratio-13th month <sup>2</sup>	83.4%	79.5%	3.9 pts
Persistency ratio-25th month <sup>2</sup>	91.0%	90.3%	0.7 pt

## 管理層討論和分析

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

	二零零六年	二零零五年	變化
根據中國公認會計準則之毛承保保費 (包括投資合約保費)	<b>5,904.58</b>	2,787.28	111.8%
減：投資合約保費	<b>(62.95)</b>	(45.24)	39.1%
根據香港公認會計準則之毛承保保費	<b>5,841.63</b>	2,742.04	113.0%
淨承保保費及保單費收入	<b>5,824.66</b>	2,718.06	114.3%
已賺取保費及保單費收入淨額	<b>5,755.46</b>	2,597.66	121.6%
投資收入及收益淨額	<b>754.91</b>	205.12	268.0%
匯兌虧損淨額	<b>(11.89)</b>	(0.39)	不詳述
保單持有人利益	<b>(592.36)</b>	(225.58)	162.6%
佣金支出淨額	<b>(408.97)</b>	(267.62)	52.8%
壽險責任準備金變化，減再保險	<b>(4,539.12)</b>	(2,154.96)	110.6%
行政及其他費用	<b>(580.01)</b>	(401.84)	44.3%
財務費用	<b>(32.27)</b>	—	不詳述
除稅後溢利／(虧損)	<b>257.79</b>	(169.08)	不詳述
本集團應佔溢利／(虧損)	<b>128.47</b>	(83.87)	不詳述

人壽保險業務之主要經營數據概述如下：

	於二零零六年 六月三十日	於二零零五年 十二月三十一日	變化
市場份額 <sup>1</sup>	<b>2.7%</b>	2.1%	0.6 點
省級分公司數目	<b>22</b>	22	—
支公司及市場推廣中心數目	<b>233</b>	215	18
有效之保單數目	<b>2,852,669</b>	2,232,160	620,509
銷售代理數目	<b>20,678</b>	18,413	2,265
第13個月之保費繼續率 <sup>2</sup>	<b>83.4%</b>	79.5%	3.9 點
第25個月之保費繼續率 <sup>2</sup>	<b>91.0%</b>	90.3%	0.7 點

# MANAGEMENT DISCUSSION AND ANALYSIS

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

	2006	2005	Change
Total investment yield (annualised) <sup>3</sup>	7.7%	3.6%	4.1 pts
Ratio of net commission expenses to gross premiums written and investment contract premiums	6.9%	9.6%	(2.7 pts)
Ratio of administrative and other expenses to gross premiums written and investment contract premiums	9.8%	14.4%	(4.6 pts)

<sup>1</sup> Based on the gross premiums written (including investment contract premiums) in accordance with the PRC GAAP and published by the CIRC. The market shares at 30 June 2006 and at 31 December 2005 were based on the gross premiums written under the PRC GAAP for the six months ended 30 June 2006 and the year ended 31 December 2005, respectively.

<sup>2</sup> Based on the amount of premiums.

<sup>3</sup> Excluded exchange loss incurred from foreign currency capital assets.

## Profit Attributable to the Group

The **life insurance business** contributed net profit to the Group of HK\$128.47 million (2005: loss of HK\$83.87 million). The life insurance business's profit during the Period is in line with our business plan and strategic goal for the year of 2006, which is the fifth full year of operation for TPL. The strong performance for the Period was mainly attributable to strong premium growth, strict controls on costs and expenses, as well as improved returns on investment assets.

## Gross Premiums Written

TPL's gross premiums written increased by 113.0% to HK\$5,841.63 million from HK\$2,742.04 million in the Last Period. TPL's gross premiums written, by line of business, was as follows:

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

Distribution Channel	2006	% of Total	2005	% of Total
Individual	632.83	10.8%	370.33	13.5%
Group	801.06	13.7%	651.62	23.8%
Bancassurance	4,407.74	75.5%	1,720.09	62.7%
	<b>5,841.63</b>	<b>100.0%</b>	2,742.04	100.0%

Premium growth was mainly driven by the strong performance of the bancassurance channel, in which premiums increased by 156.3% to HK\$4,407.74 million from HK\$1,720.09 million in the Last Period. The premium distributed through individual agents increased by 70.9% to HK\$632.83 million from HK\$370.33 million in the Last Period, while the premium on group life also increased by 22.9% to HK\$801.06 million from HK\$651.62 million in the Last Period.

## 管理層討論和分析

截至六月三十日止六個月，百萬港元

	二零零六年	二零零五年	變化
總投資收益率(已年化) <sup>3</sup>	7.7%	3.6%	4.1 點
佣金支出淨額佔毛承保保費及投資合約保費比率	6.9%	9.6%	(2.7 點)
行政及其他費用佔毛承保保費及投資合約保費比率	9.8%	14.4%	(4.6 點)

<sup>1</sup> 據中國公認會計準則按毛承保保費(包括投資合約保費)計算並由中國保監委刊發。於二零零六年六月三十日及二零零五年十二月三十一日之市場份額分別根據截至二零零六年六月三十日止六個月及截至二零零五年十二月三十一日止全年，按中國公認會計準則之毛承保保費計算。

<sup>2</sup> 按保費金額。

<sup>3</sup> 不包括外匯資本資產產生之匯兌虧損。

### 本集團應佔溢利

本集團來自人壽保險業務之溢利淨額為1.2847億港元(二零零五年：虧損8,387萬港元)。人壽保險業務於本財務期的溢利，是符合太平人壽開始營運後的第五整年，即二零零六年的業務計劃及策略目標。期內良好的表現主要來自強勁的保費增長，嚴謹的成本和費用控制及投資資產回報改善。

### 毛承保保費

太平人壽之毛承保保費由去年同期之27.4204億港元上升113.0%至58.4163億港元。太平人壽按業務劃分之毛承保保費如下：

截至六月三十日止六個月，百萬港元

分銷渠道	二零零六年	佔總數百分比	二零零五年	佔總數百分比
個人	632.83	10.8%	370.33	13.5%
團體	801.06	13.7%	651.62	23.8%
銀行保險	4,407.74	75.5%	1,720.09	62.7%
	5,841.63	100.0%	2,742.04	100.0%

保費增長主要由銀行保險分銷渠道的強勁表現所帶動，該分銷渠道的保費由去年同期的17.2009億港元上升156.3%至44.0774億港元。由個人代理分銷的保費由去年同期的3.7033億港元上升70.9%至6.3283億港元，而團體壽險保費亦由去年同期的6.5162億港元上升22.9%至8.0106億港元。

# MANAGEMENT DISCUSSION AND ANALYSIS

An analysis of each distribution channel is as follows:

## Individual

	2006	% of Total	2005	% of Total
Single Premium	24.69	3.9%	36.63	9.9%
Regular Premium — First Year	338.19	53.4%	212.45	57.4%
Regular Premium — Renewal Year	269.95	42.7%	121.25	32.7%
	<b>632.83</b>	<b>100.0%</b>	370.33	100.0%

## Group

	2006	% of Total	2005	% of Total
Employee Benefit (“EB”)	311.01	38.8%	199.01	30.5%
Annuity	490.05	61.2%	452.61	69.5%
	<b>801.06</b>	<b>100.0%</b>	651.62	100.0%

## Bancassurance

	2006	% of Total	2005	% of Total
Single Premium	4,046.30	91.8%	1,564.39	90.9%
Regular Premium — First Year	225.73	5.1%	140.51	8.2%
Regular Premium — Renewal Year	135.71	3.1%	15.19	0.9%
	<b>4,407.74</b>	<b>100.0%</b>	1,720.09	100.0%

Regular premium products accounted for 96.1% (Last Period: 90.1%) of the total premium produced by individual agents. Regular premium products in the bancassurance channel also recorded an impressive increase of 132.1% to HK\$361.44 million from HK\$155.70 million in the Last Period. The higher proportion of regular premium products was the result of TPL's successful marketing strategy of promoting long-term life policies with recurring premium through its agency force and the bancassurance channel. In the group life segment, employee benefit products increased by 56.3% to HK\$311.01 million from HK\$199.01 million in the Last Period. Overall, the significant increase of regular premium and employee benefit products demonstrates that TPL has been successful in its efforts to sell more higher profit margin products and to improve the value of its premiums booked during the Period.

## 管理層討論和分析

各分銷渠道之分析如下：

### 個人

	二零零六年	佔總數百分比	二零零五年	佔總數百分比
躉繳保費	24.69	3.9%	36.63	9.9%
期繳保費 — 首年	338.19	53.4%	212.45	57.4%
期繳保費 — 續年	269.95	42.7%	121.25	32.7%
	<b>632.83</b>	<b>100.0%</b>	370.33	100.0%

### 團體

	二零零六年	佔總數百分比	二零零五年	佔總數百分比
僱員福利	311.01	38.8%	199.01	30.5%
年金	490.05	61.2%	452.61	69.5%
	<b>801.06</b>	<b>100.0%</b>	651.62	100.0%

### 銀行保險

	二零零六年	佔總數百分比	二零零五年	佔總數百分比
躉繳保費	4,046.30	91.8%	1,564.39	90.9%
期繳保費 — 首年	225.73	5.1%	140.51	8.2%
期繳保費 — 續年	135.71	3.1%	15.19	0.9%
	<b>4,407.74</b>	<b>100.0%</b>	1,720.09	100.0%

個人保險業務之期繳保費佔其總保費96.1%(去年同期：90.1%)。銀行保險業務之期繳保費亦錄得可觀上升，由去年同期的1.5570億港元上升132.1%至3.6144億港元。期繳保金產品所佔比例較高，乃太平人壽通過代理及銀行保險網絡推廣長期人壽期繳保單的市場策略成果。在團體人壽分類，僱員福利業務保費由去年的1.9901億港元上升56.3%至3.1101億港元。總括而言，期繳保費及僱員福利產品的保費大幅上升，顯示太平人壽已成功銷售較高邊際利潤的產品及改善了在本財務期內保費的價值。

# MANAGEMENT DISCUSSION AND ANALYSIS

## Investment Performance

The composition of investments held by TPL was as follows:

	30 June 2006		31 December 2005	
	HK\$ million	% to Total	HK\$ million	% to Total
Debt securities	17,673.64	70.9%	14,841.99	71.6%
Cash and bank deposits	4,984.88	20.0%	3,503.22	16.9%
Equity securities	442.97	1.8%	183.49	0.9%
Equity investment funds	1,829.17	7.3%	745.11	3.6%
Money market investment funds	2.73	—	1,460.36	7.0%
<b>Total invested assets</b>	<b>24,933.39</b>	<b>100.0%</b>	<b>20,734.17</b>	<b>100.0%</b>

The investments in debt securities and cash and bank deposits represented approximately 90.9% of total invested assets as at 30 June 2006 (31 December 2005: 88.5%).

The net investment income and the investment yield of TPL are summarised as follows:

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

	2006	2005	Change
Net investment income	455.44	235.51	93.4%
Net gain/(loss) (Net realised and unrealised gain/(loss) from investments)	299.47	(30.39)	nm
<b>Total investment income</b>	<b>754.91</b>	<b>205.12</b>	<b>268.0%</b>
Net investment yield (annualised)	4.6%	4.1%	0.5pt
<b>Total investment yield (annualised)</b>	<b>7.7%</b>	<b>3.6%</b>	<b>4.1pts</b>

The higher total investment income was attributable to a larger investment asset base resulting from the significant growth in premium income, and also from the strong performance of the equities market in the PRC. The above investment income and investment yield does not include a net exchange loss of HK\$11.89 million (2005: HK\$0.39 million).

## 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：

	於二零零六年六月三十日		於二零零五年十二月三十一日	
	百萬港元	佔總數百分比	百萬港元	佔總數百分比
債務證券	17,673.64	70.9%	14,841.99	71.6%
現金及銀行存款	4,984.88	20.0%	3,503.22	16.9%
股本證券	442.97	1.8%	183.49	0.9%
股本投資基金	1,829.17	7.3%	745.11	3.6%
貨幣市場投資基金	2.73	—	1,460.36	7.0%
投資資產總額	24,933.39	100.0%	20,734.17	100.0%

於二零零六年六月三十日，於債務證券、現金及銀行存款的投資約佔投資資產總額90.9%（二零零五年十二月三十一日：88.5%）。

太平人壽之投資收入淨額及投資收益率概述如下：

截至六月三十日止六個月，百萬港元

	二零零六年	二零零五年	變化
投資收入淨額	455.44	235.51	93.4%
收益／(虧損)淨額(投資的已變現及未變現收益／(虧損)淨額)	299.47	(30.39)	不詳述
投資收入總額	754.91	205.12	268.0%
淨投資收益率(已年化)	4.6%	4.1%	0.5 點
總投資收益率(已年化)	7.7%	3.6%	4.1 點

投資收入總額上升主要是投資資產受到強勁保費收入所帶動而增加及在中國股本市場有強勁的表現。上述之投資收入及投資收益率不含1,189萬港元(二零零五年：39萬港元)的匯兌虧損淨額。



# MANAGEMENT DISCUSSION AND ANALYSIS

## Policyholders' Benefits

The policyholders' benefits of TPL are summarised as follows:

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

	2006	2005	Change
Net claims	<b>128.26</b>	50.59	153.5%
Surrenders	<b>427.40</b>	160.05	167.0%
Annuity and maturity payments	<b>32.29</b>	12.88	150.7%
Policy dividends	<b>4.41</b>	2.06	114.1%
	<b>592.36</b>	225.58	162.6%

## Net Commission Expenses

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

	2006	2005	Change
Net commission expenses	<b>408.97</b>	267.62	52.8%
Ratio of net commission expenses to gross premiums written and investment contract premiums	<b>6.9%</b>	9.6%	(2.7 pts)

## Administrative and Other Expenses

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

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

	2006	2005	Change
Staff costs	<b>269.21</b>	206.38	30.4%
Rental expenses	<b>41.38</b>	36.75	12.6%
Others	<b>269.42</b>	158.71	69.8%
	<b>580.01</b>	401.84	44.3%
Ratio of administrative and other expenses to gross premiums written and investment contract premiums	<b>9.8%</b>	14.4%	(4.6 pts)

## 管理層討論和分析

### 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

	二零零六年	二零零五年	變化
賠償淨額	128.26	50.59	153.5%
退保總額	427.40	160.05	167.0%
年金及到期付款	32.29	12.88	150.7%
保單分紅	4.41	2.06	114.1%
	<b>592.36</b>	<b>225.58</b>	<b>162.6%</b>

### 佣金支出淨額

截至六月三十日止六個月，百萬港元

	二零零六年	二零零五年	變化
佣金支出淨額	408.97	267.62	52.8%
佣金支出淨額佔毛承保保費及 投資合約保費比率	6.9%	9.6%	(2.7 點)

### 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

	二零零六年	二零零五年	變化
員工成本	269.21	206.38	30.4%
租賃開支	41.38	36.75	12.6%
其他	269.42	158.71	69.8%
	<b>580.01</b>	<b>401.84</b>	<b>44.3%</b>
行政及其他費用佔毛承保保費及 投資合約保費比率	9.8%	14.4%	(4.6 點)

# MANAGEMENT DISCUSSION AND ANALYSIS

## PROPERTY AND CASUALTY INSURANCE BUSINESS

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

As discussed in the “Consolidated Financial Results” section of the Management Discussion and Analysis, TPI is not consolidated into the Group on a line-by-line basis. Therefore, except for the profit/(loss) attributable to the Group, the following key financial data and ratios of TPI should not be read in conjunction with the consolidated financial statements.

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

	2006	2005	Change
Gross premiums written	<b>959.15</b>	656.72	46.1%
Net premiums written	<b>775.40</b>	536.38	44.6%
Net earned premiums	<b>608.21</b>	390.55	55.7%
Profit/(loss) after taxation	<b>10.87</b>	(28.64)	nm
Profit/(loss) attributable to the Group	<b>4.35</b>	(11.46)	nm
Technical reserves ratio	<b>200.5%</b>	214.3%	(13.8 pts)
Retained ratio	<b>80.8%</b>	81.7%	(0.9 pt)
Earned premiums ratio	<b>63.4%</b>	59.5%	3.9 pts
Loss ratio	<b>57.5%</b>	59.6%	(2.1 pts)
Expense ratio	<b>46.5%</b>	51.6%	(5.1 pts)
Combined ratio	<b>104.0%</b>	111.2%	(7.2 pts)

### Profit Attributable to the Group

TPI contributed net profit to the Group of HK\$4.35 million (2005: loss of HK\$11.46 million). The performance during the Period is encouraging and is an important step towards TPI's objective of achieving a break-even result for the full year in 2006, TPI's fifth full-year of operations.

TPI's gross premiums written increased by 46.1% to HK\$959.15 million from HK\$656.72 million in the Last Period. The gross premiums written was as follows:

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

Business Line	2006	% to Total	2005	% to Total
Motor	<b>644.68</b>	<b>67.2%</b>	417.02	63.5%
Marine	<b>63.67</b>	<b>6.6%</b>	59.76	9.1%
Non-Marine	<b>250.80</b>	<b>26.2%</b>	179.94	27.4%
	<b>959.15</b>	<b>100.0%</b>	656.72	100.0%

The combined ratio is one of the key performance indicators of the property and casualty insurance business. TPI's cautious expansion plan, together with strict cost controls and risk management, have enabled TPI to significantly reduce its expense ratio to 46.5% from 51.6% in the Last Period. Together with an improvement of the loss ratio to 57.5% from 59.6%, the combined ratio of TPI has effectively been reduced to 104.0% from 111.2% in the Last Period.

## 管理層討論和分析

### 財產保險業務

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，除本集團應佔溢利／(虧損)外，下列主要財務數據及比率不應與綜合財務報表內者一併閱覽。

截至六月三十日止六個月，百萬港元

	二零零六年	二零零五年	變化
毛承保保費	<b>959.15</b>	656.72	46.1%
淨承保保費	<b>775.40</b>	536.38	44.6%
已賺取保費淨額	<b>608.21</b>	390.55	55.7%
除稅後溢利／(虧損)	<b>10.87</b>	(28.64)	不詳述
本集團應佔溢利／(虧損)	<b>4.35</b>	(11.46)	不詳述
技術性儲備比率	<b>200.5%</b>	214.3%	(13.8 點)
自留比率	<b>80.8%</b>	81.7%	(0.9 點)
滿期保費率	<b>63.4%</b>	59.5%	3.9 點
賠付率	<b>57.5%</b>	59.6%	(2.1 點)
費用率	<b>46.5%</b>	51.6%	(5.1 點)
滿期保費綜合成本率	<b>104.0%</b>	111.2%	(7.2 點)

### 本集團應佔溢利

太平保險對本集團淨溢利的貢獻為435萬港元(二零零五年：虧損1,146萬港元)。上半年的表現令人鼓舞，是太平保險在第五個整年營運，即於二零零六年邁向全年達至收支平衡的一個重要里程碑。

太平保險之毛承保保費由去年同期之6.5672億港元上升46.1%至9.5915億港元。毛承保保費概述如下：

截至六月三十日止六個月，百萬港元

業務種類	二零零六年	佔總數百分比	二零零五年	佔總數百分比
車險	<b>644.68</b>	<b>67.2%</b>	417.02	63.5%
水險	<b>63.67</b>	<b>6.6%</b>	59.76	9.1%
非水險	<b>250.80</b>	<b>26.2%</b>	179.94	27.4%
	<b>959.15</b>	<b>100.0%</b>	656.72	100.0%

滿期保費綜合成本率乃財產保險業務主要表現指標之一。謹慎的發展計劃加上嚴謹的成本控制及風險管理，使太平保險的費用率由去年同期的51.6%明顯下降至46.5%。同時間，賠付率由去年同期的59.6%下降至57.5%，滿期保費綜合成本率有效地由去年同期的111.2%下降至104.0%。

# MANAGEMENT DISCUSSION AND ANALYSIS

## CORPORATE AND OTHER BUSINESSES

The corporate and other businesses are mainly comprised of the corporate company, asset management business and insurance intermediary 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 rating and research analyst relations, and compliance with laws and regulations in relation to the listing in Hong Kong.

### Asset management business

The Group's asset management business is operated by CIGAML which is a Hong Kong-incorporated company and is wholly-owned by the Group. CIGAML is mainly engaged in the provision of investment consultancy services.

The key financial data of CIGAML is summarised below:

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

	2006	2005	Change
Asset management fee income	1.89	2.15	(12.1%)
Total investment income	12.99	11.09	17.1%
Profit attributable to the Group	10.13	4.20	141.2%

The profit attributable to the Group increased by 141.2% to HK\$10.13 million from HK\$4.20 million in the Last Period. The increase was primarily due to higher investment income and effective controls on operating costs.

Assets under management at 30 June 2006 was HK\$4,269.29 million (31 December 2005: HK\$4,669.78 million).

### 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.

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

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

	2006	2005	Change
Insurance intermediary income	6.80	5.49	23.9%
Profit attributable to the Group	7.58	4.34	74.7%

The profit attributable to the Group increased by 74.7% to HK\$7.58 million from HK\$4.34 million in the Last Period.

## 管理層討論和分析

### 企業及其他業務

企業及其他業務主要由本企業公司、資產管理業務及保險中介業務所組成。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，及支援各營運公司、投資者關係、信貸評級及分析員關係及依循與在香港上市有關之法律及規則。

### 資產管理業務

本集團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。中保資產管理主要從事提供投資顧問服務。

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

	二零零六年	二零零五年	變化
資產管理費收入	1.89	2.15	(12.1%)
投資收入總額	12.99	11.09	17.1%
本集團應佔溢利	10.13	4.20	141.2%

本集團應佔溢利由去年同期之420萬港元上升141.2%至1,013萬港元。升幅主要由於較高的投資收入及有效控制營運成本所致。

於二零零六年六月三十日所管理的資產為42.6929億港元(二零零五年十二月三十一日：46.6978億港元)。

### 保險中介公司業務

本集團之保險中介公司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，主要市場為香港、澳門及中國大陸。

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

	二零零六年	二零零五年	變化
保險中介收入	6.80	5.49	23.9%
本集團應佔溢利	7.58	4.34	74.7%

本集團應佔溢利由去年同期之434萬港元上升74.7%至758萬港元。

# MANAGEMENT DISCUSSION AND ANALYSIS

## OUTLOOK

In the first half of 2006, through its subsidiaries and associated companies, CIH achieved an impressive result which represents a significant milestone for the Group's objective of achieving breakeven or profitability in its PRC businesses in 2006, the fifth full-year of operations for TPL and TPI. After several years of capital contributions and the dedication of management time and resources to TPL and TPI, these two operations are beginning to attain the economies of scale necessary to generate profits. The satisfactory result during the Period enables the Group to have confidence that TPL and TPI will be able to continue the positive operational trends and successfully accomplish their objectives of breakeven or profitability for the full year of 2006. Together with a strong operational performance from CIRe, the Group is confident that the consolidated operations for the full year will return to profitability, assuming no unexpected adverse and material events occur in the remainder of the year.

The reinsurance business written through CIRe is expected to continue to be strong. Business renewals have been very positive, and CIRe is making inroads into new businesses from both existing and new clients. CIRe plans to deploy more resources and effort on developing the Mainland China market, where we believe that CIRe will have strong competitive advantages and strong business opportunities. CIRe's business prospects for the second half of 2006 is expected to be positive. Nonetheless, any exceptional catastrophic or market event may adversely impact CIRe's operations and results.

The life insurance business written through TPL has had rapid expansion during the first half of the year. Although premium growth slowed down during the second quarter as compared with the first quarter, particularly in the bancassurance segment, TPL's performance during the Period was in line with its business plan. The Group believes that the overall ambitious goals of TPL in 2006 are still achievable. The pension business, recently launched and operated by TPP, a subsidiary of TPL, has secured several impressive pension schemes of major clients. It is anticipated that TPP will expand rapidly once the remaining legal and tax issues concerning the newly established PRC pension business are resolved.

The property and casualty insurance market in China is currently experiencing a substantial change in its market landscape and competitive environment due to strong measures recently introduced by the PRC insurance regulator, the CIRC. Such measures include eradicating illegal rebates, excessive premium discounts, and excessive commissions to insurance intermediaries. Furthermore, the introduction in July 2006 of the nationwide Motor Compulsory Third Party Liability Insurance business for the first time in the PRC will not only expand the potential market for motor car insurance, but also enhance and develop the insurance consciousness and mindset of the Chinese people, which will benefit the insurance industry as a whole.

The Group also believes that the document "Several Opinions on the Reform and Development of the Insurance Industry" recently issued by the State Council of the PRC will have far-reaching effects on the development of insurance and other supporting businesses in the PRC. Having spent the last few years in building up its business infrastructure in the PRC in the areas of life insurance, property and casualty insurance, pension and asset management through TPL, TPI, TPP and TPAM, respectively, the Group believes that CIH is well positioned to take advantage of the great opportunities and potential in China, one of the world's fastest growing insurance, asset management, and financial services markets.

## LIQUIDITY AND FINANCIAL RESOURCES

The Group's cash and bank deposits as at 30 June 2006 amounted to HK\$6,773.87 million (31 December 2005: HK\$5,111.02 million). There was no bank borrowing during the Period. The interest-bearing notes as at 30 June 2006 amounted to HK\$2,807.41 million (31 December 2005: HK\$2,789.47 million). The gearing ratio, which represents interest-bearing notes issued divided by the total assets of the Group, was 8.6% as at 30 June 2006 (31 December 2005: 10.2%).

## 管理層討論和分析

### 展望

二零零六年上半年，中保國際通過其附屬公司及聯營公司取得驕人業績，尤其是太平人壽及太平保險在開業第五個年頭的二零零六年，完成本集團對中國業務達至收支平衡或有盈利之目標，此乃重大之里程碑。經歷多年來對太平人壽及太平保險之注入資本及管理層投放的時間和資源，此兩項業務開始達致朝向收支相抵或產生盈利貢獻的目標邁進。期內令人滿意之業績令本集團對太平人壽及太平保險充滿信心，相信其必能繼續良好的勢頭，並成功於二零零六年年底完成全年收支平衡或達至有盈利之目標。再加上中再國際經營業績強勁，本集團有信心，倘於本年餘下日子並無發生預期以外之重大負面事件，全年的綜合業績將可轉虧為盈。

中再國際之再保險業務預期將繼續強勁。續轉業務展示良好勢頭，中再國際亦針對現有客戶及新客戶積極開拓新業務。中再國際計劃投放更多資源及精力開發中國內地市場，而我們相信中再國際在中國市場將擁有強勁之競爭優勢及商機。中再國際於二零零六年下半年的業務展望預期將為正面。然而，發生任何意外災難性事件或市場事件或會對中再國際之營運及業績造成不良影響。

太平人壽之人壽保險業務於今年上半年擴展迅速。儘管第二季度之保費增長相較第一季度有所放緩（銀行保險分類尤甚），太平人壽於期內之業績仍符合其業務計劃預期。本集團相信太平人壽於二零零六年之整體目標計劃仍能達到。太平人壽附屬公司太平養老最近開展並投入運作之養老金業務已成功吸納若干主要客戶之養老金計劃。中國新建立之養老金業務一俟相關法律及稅務事宜得到妥善解決後，預期太平養老將可快速擴展。

有鑑於中國保險業監管者——中國保險監督管理委員會——嚴厲措施新近出台，中國之財產保險業市場形勢及競爭環境方面正經歷重大改變。該等措施包括取締非法回佣、過度的保費折扣及過量的保險中介人佣金。此外，二零零六年七月於中國首次推出之機動車交通事故責任強制保險業務，不單可拓展機動車保險之潛在市場，亦將提升中國人民之保險意識及思維，這對保險行業整體而言亦甚為有利。

本集團亦相信，中國國務院最近所頒佈之文件《關於保險業改革發展的若干意見》將對中國之保險及其他支援業務之發展構成深遠影響。本集團於過去數年分別通過太平人壽、太平保險、太平養老及太平資產管理在中國建立了人壽保險、財產保險、養老金及資產管理範疇之業務基礎，本集團相信中保國際已作好充份準備，抓緊中國這個全球保險業務、資產管理及金融服務市場發展最為迅速國家之一的巨大機遇與潛力。

### 流動資金及財務資源

於二零零六年六月三十日，本集團的現金及銀行存款為67.7387億港元（二零零五年十二月三十一日：51.1102億港元）。本財務期並無任何銀行借貸。二零零六年六月三十日須付息票據總額為28.0741億港元（二零零五年十二月三十一日：27.8947億港元）。二零零六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8.6%（二零零五年十二月三十一日：10.2%）。



# MANAGEMENT DISCUSSION AND ANALYSIS

## CAPITAL STRUCTURE

During the Period, the Company issued 2,418,000 new shares (31 December 2005: 4,770,000 shares) for cash under the Company's staff share option scheme. Net proceeds received for shares issued for cash in aggregate amounted to HK\$4.07 million (31 December 2005: HK\$5.23 million).

## STAFF AND STAFF REMUNERATION

As at 30 June 2006, the Group had a total of 6,263 employees (2005: 5,411 employees), an increase of 852 employees. Total remuneration for the Period amounted to HK\$288.69 million (2005: HK\$225.10 million), an increase of 28.2%. Bonuses are linked to both the performance of the Group as well as individual performance.

## MAJOR EVENT DURING THE PERIOD

On 30 June 2006, the Company entered into a conditional agreement with CIHK to acquire a 4.9% equity interest in The Ming An Insurance Company (Hong Kong) Limited, a wholly-owned subsidiary of CIHK, for a consideration of HK\$102,578,339.

## 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

### 資本結構

本財務期內本公司根據員工認股權計劃以現金為代價發行2,418,000股新股(二零零五年十二月三十一日：4,770,000股)。發行新股換取現金的總代價為407萬港元(二零零五年十二月三十一日：523萬港元)。

### 員工及員工酬金

於二零零六年六月三十日，本集團的僱員總人數達6,263人(二零零五年：5,411人)，增加852人。總酬金為2.8869億港元(二零零五年：2.2510億港元)，增加28.2%。花紅與本集團的業績及員工的個人表現掛鉤。

### 本財務期重要事項

於二零零六年六月三十日，本公司與香港中保達成有條件協議。以代價102,578,339港元收購香港民安保險有限公司，香港中保之一間全資附屬公司的4.9%股權。

### 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。