

Community Chest PCI walk raises HK\$1m to benefit children

PCI and the C...
 Staff and agents...
 Children Service...
 The Community...
 The 4.6 billion...
 Tung Recreation...
 Tai O Pavilion...

Mainland China plan unveiled

PCI, together with a group of...
 The Community...
 The 4.6 billion...
 Tung Recreation...
 Tai O Pavilion...

PCI takes on exclusive Sam Hui Live title sponsorship

PCI became the exclusive title sponsor for Sam Hui Live when the Cantonese pop legend returned to the stage in 2004 after 12 years of retirement...
 PCI's National...

PCI neon sign becomes new HK landmark

PCI's neon sign was...
 PCI's neon sign...
 PCI's neon sign...

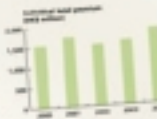


High ratings from Fitch and Moody's

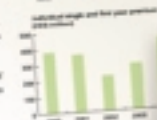
Pacific Century Insurance...
 Moody's Investors Service...
 PCI's high-quality manage...

HK\$467.4m – a first-year premium record

Annualized first year premiums on in-



Single and first year premiums in-



Total turnover showed an increase of

Management expressed concern by 14.8% to HK\$284.7 million and total operating expenses for the year were HK\$212.0 million, or 4.7% below 2003. These reductions were mainly attributable to continued stringent cost control and lower real estate. Ex-

Managing Director...
 PCI has received...
 PCI's high-quality manage...

Dividends totaling 10 cents per share recommended

Pacific Century Insurance Holdings Limited reported consolidated net profit of HK\$196.3 million for the 6-

Earnings per share were HK\$0.24, compared with HK\$0.36 the previous year. The Directors recommended a final dividend of HK\$0.16 per share (2003) and a special dividend of HK\$0.04 per share (2003) to be paid in April and May. In the US, Federal Reserve started

2004 appeared to be a wild ride for all financial markets. Most markets started the year on a first year, as interest rates, as well as inflation, remained low. However, higher oil and commodity prices on the global economy and inflation. Subsequent devalued dollar globally, while inflation was well contained. From its more severe Federal Reserve tightening began to

US\$100 million 10-year bond issued

The Group successfully issued a 10-year bond with an aggregate principal amount of US\$100 million, raising US\$98.6 million, net of expenses, to fund expansion in Hong Kong and mainland China.

As of 31 December 2004, the Group had cash and bank balances of HK\$2,672.3 million, plus time deposits of HK\$206.5 million. During the year under review, net cash inflow from operations, including investments, amounted to HK\$28.3 million.

2004 proved to be another year of solid growth for PCI Investment Management Limited. Total funds under management rose by 20% to HK\$219.3 billion, as of the end of 2004. Two new products were introduced last year. In January 2004, we launched a new subsidiary fund under our flagship umbrella investment fund, known as the PCIM Emerging Markets Bond Fund. In April, we launched Eastern Explorer, a multi-strategy alternative investment fund with a focus on Asian financial markets.

While market outlook uncertainties remain in 2005, consensus opinion forecasts a general slowdown in world economic growth amid rising interest rates globally. Under this scenario, 2005 will be another challenging year for investments. As our fund size continues to grow, we will expand our investment team with the aim of achieving satisfactory returns for our clients.

A significant chapter in our story

This annual report represents a significant chapter in the Pacific Century Insurance (PCI) story.

Not only does it mark our 10th anniversary and provide the opportunity to reflect on our achievements to date, but it also serves to remind us of the responsibilities we have to our various stakeholders. These are our customers, our shareholders, our people and the community in which we conduct our business.

As we stand at this 10-year milestone facing the next decade, we are preparing to make the very best of opportunities to grow the value in our home market and expand into mainland China.

At the same time, we will build on our core strengths, strive for continuous improvement in our business and continue to enhance PCI's reputation as a company that cares and shares, especially to the benefit of those in Hong Kong society who are less fortunate.

With these commitments and responsibilities in mind, this 2004 Annual Report looks back over the last year, and ahead to a challenging 2005 and beyond.