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ANNOUNCEMENT

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

The Board of Directors of China Taiping Insurance Holdings Company Limited is pleased to announce the unaudited interim financial results of the Company and its subsidiaries for the six months ended 30 June 2021 as follows, which should be read in conjunction with the Management Discussion and Analysis set out below:

MANAGEMENT DISCUSSION AND ANALYSIS

In the first half of 2021, China Taiping thoroughly implemented the new development concept and the general principles of “Devotion of Central Enterprises, Customer First, Leading Innovation and Value Orientation”, seized the opportunities of sustained and stable recovery of the domestic economy, actively responded to various uncertain factors, business development was stable and positive, value growth progressed steadily, investment business performed well, collaborative business solidly promoted and the comprehensive strength continued enhancing. TPG, with CTIH as a core subsidiary, the ranking on the “Fortune Global 500” in 2021 was 344th, improved by 48 place over the last year. Moreover, serving the national strategy has been continuously deepened, the pace of ecosystem construction has been accelerated, the technology development has been continuously strengthened, the concept of customer first has been effectively implemented, the risk prevention and control have been solid and effective, and the management foundation has been further consolidated.

Business Scale Grew Steadily, Comprehensive Strength Continued Enhancing

- Total premiums written and policy fees was HK\$157.0 billion, grew by 14.5% over the Last Period
- Profit attributable to owners was HK\$5.113 billion, grew by 77.7% over the Last Period
- Basic earnings per share HK\$1.423, grew by 77.9% over the Last Period
- Total assets were HK\$1,299.0 billion, grew by 11.1% over the 2020 year-end
- Owners’ equity was HK\$91.851 billion, grew by 1.3% over the 2020 year-end
- Group embedded value per share attributable to owners was HK\$56.460, grew by 6.6 % over the 2020 year-end figure of HK\$52.942, while TPL’s embedded value grew by 7.4% over the 2020 year-end

PRC Insurance Businesses¹ Progressed Steadily, with Quality Improved over the Last Period

- Direct premium of the PRC life insurance² grew by 3.7% over the Last Period
- TPL’s new business value was HK\$3.836 billion, grew by 41.7% over the Last Period, grew by 29.1% in terms of RMB, new business margin increased by 4.2 percentage point over the Last Period, four persistency ratios of the individual agency and bancassurance channels were industry-leading; renewal premium grew by 2.4% over the Last Period
- TPP’s long term employee benefit of group business grew by 30.2% over the Last Period, with first year regular premium grew by 32.1% over the Last Period
- New payment from annuity grew by 29.2% over the Last Period, continued maintaining rapid growth; pension assets under management was over RMB600.0 billion, with occupational annuity assets under management reached RMB200.0 billion level
- Direct premium of the PRC property and casualty insurance grew by 4.0% over the Last Period; non-motor insurance grew by 38.3%, the proportion increased by 9.9 percentage point; the persistency ratio of motor insurance increased by 2.8 percentage point over the Last Period

¹ Calculated in RMB

² Including TPL and TPP

Overseas Insurance Businesses Grew Steadily

- TPL (HK)'s premium income grew by 75.9% over the Last Period, net profit achieving a turnaround from loss to profit over the Last Period, with market influence continued increasing
- CTPI (HK) achieved a steady development of local business, with direct premium income grew by 3.7% over the Last Period, with optimised underwriting profitability over the Last Period
- TP Macau's premium income sustained its market leadership, with a combined ratio of 83.3% and outstanding underwriting performance
- TP Singapore's property and casualty insurance business achieved a rapid growth, direct premium income grew by 37.7% over the Last Period, with a combined ratio of 88.4%
- TP Indonesia's underwriting results maintained at an outstanding level, with a combined ratio at 75.9%, business grew rapidly, the direct premium income grew by 18.7% over the Last Period, with Chinese enterprises business maintaining rapid growth
- TPRe's property and casualty reinsurance business and life reinsurance business achieved fast development, with premium income grew by 20.3% over the Last Period, achieving continual underwriting profit

Mechanism Reform Shown Achievements, Investment Income Notably Increased

- The investment asset scale maintained rapid growth, investment income notably increased. The total investment assets were HK\$1,073.7 billion, grew by 9.6% over the 2020 year-end, investment income for the first half of 2021 was HK\$32.373 billion, representing a growth of 53.6% over the Last Period
- Continued innovating the investment mechanism, with continuous improvement in professional capabilities. In the first half of 2021, the Group continued promoting the professional transformation of investment institutions, innovating the evaluation methods of investment performance, guiding the investment institutions to adhered the concept of value investing and improve their professional capabilities and management, in order to support the development of the insurance business and the implementation of the Group's overall strategies
- Consolidating the foundation for investment control to promote high-quality development of investment. In the first half of 2021, the Group continued improving its investment management infrastructure, increased investment in information system construction, accelerated the handling of market risk events and preventing material risks and systemic risks, which promoted the high-quality development of the investment business

Strategic Clients Cooperation and Cross-selling Business Orderly Advanced

- As at the end of June 2021, China Taiping had established strategic client cooperation relationships with 104 large clients. In the first half of 2021, these strategic clients have contributed total premium of HK\$34.908 billion and new payment from pension of HK\$35.256 billion
- In the first half of 2021, our cross-selling initiatives achieved HK\$5.198 billion insurance sales, including HK\$3.933 billion of property insurance sales through TPL, HK\$1.042 billion of pension sales through TPL, HK\$122 million of property insurance sales through TPP, HK\$57.58 million of life insurance sales through TPI and HK\$42.94 million of pension sales through TPI

Strategic Layout Steadily Promoted

- In the first half of 2021, the Group in depth serving the Guangdong-Hong Kong-Macau Greater Bay Area, Hainan Free Trade Port and other national strategy, formulate a 3-year action plan for participating the construction of the Guangdong-Hong Kong-Macau Greater Bay Area, continued promoting key projects such as exclusive critical illness insurance for the Greater Bay Area and “Hong Kong and Macau cars travelling to Guangdong”. Implement the action plan to assist the construction of Hainan Free Trade Port, launched innovative products such as Taiping medical tourism insurance, and the opening of TPI Hainan branch
- Accelerate the construction layout of the ecosystem, coordinate the establishment of Taiping Medical and Health Equity Investment Fund and Taiping G60 Science and Technology Innovation Equity Investment Fund
- Improve the operation management level of Shanghai “Taiping Town · Hutong Family”, Sanya “Taiping Town · Haitang Family” and Chengdu “Taiping Town · Furong Family” project progressed smoothly, the synergy effect of health care, rehabilitation and elderly care projects on the insurance main business is growing. Steadily promote the coverage of domestic institutions, 2 provincial level and 49 prefectural level or below institutions were established for life, property and casualty and pension business in the first half of 2021

New Progress in Digital Transformation and Technological Innovation

- In the first half of 2021, by focusing on creating value with technology and service, the Group promoted the comprehensive implementation of the 5-year plan for technology development, which effectively improved the overall quality of digital construction of the Group
- Solidly promoted the upgrade of the new-generation core system, unified data platform and data management platform have been officially launched, building intelligent cost control, intelligent human resources management and comprehensive risk management systems, creating intelligent operation platforms such as “Smart Head” and “Intelligent Underwriting”, and thereby reaching new heights in intelligent management and operation level
- Officially established an insurance technology laboratory, technology products such as smart image, and behavior probe have been thoroughly applied in 47 scenarios, and a total of 6 patents were authorised in the first half of the year. Life insurance innovative projects such as Intelligent Audio-Video Recording System in Insurance Sales, Service Expansion Department data cockpit, and Air Taiping have been fully promoted, property insurance “Taiping I-claim” claims operation system has been launched, which effectively promoted the transformation and upgrading of the insurance main business

Customer Satisfaction and Social Attention Continued Increasing

- TPG, with CTIH as a core subsidiary, the ranking on the “Fortune Global 500” in 2021 was 344th, improved by 48 place over the last year, and has been on the list for 4 consecutive years with ranking increasing year by year
- Being selected as “China’s 500 Most Valuable Brands”, “Top 500 Brands in China”, “Insurance 100 2021” etc.; 11 institutions within the Group were rated “A” by international leading rating agencies
- Continued to improve the three-dimensional customer service ecosystem of “Unified service hotline, mobile application, and smart service hall”. Using “Taiping Tong” as a starting point to enhance online service capabilities, successfully held the 2nd Taiping Customer Festival, the “E Counter” mobile counter launched innovative services such as video policy service and self-serviced claim, accelerated the upgrade of smart customer service, continued improving the 95589 hotline service, and promote effective enhancement of customer satisfaction with service

CONSOLIDATED FINANCIAL RESULTS

The financial highlights of the Group for the Period were as follows:

HK\$ million

	1H 2021	1H 2020	Change
Total premiums written and policy fees	156,971.25	137,074.27	+14.5%
Profit before taxation	7,726.63	6,843.73	+12.9%
Profit after taxation	7,074.26	5,078.63	+39.3%
Net profit attributable to the owners	5,112.66	2,876.50	+77.7%
Basic earnings per share (<i>HK\$</i>)	1.423	0.800	+0.623 dollar
Interim dividend proposed	-	-	-

HK\$ million

	At 30 June 2021	At 31 December 2020	Change
Total assets	1,299,011.80	1,169,007.97	+11.1%
Total equity	117,514.71	116,613.06	+0.8%
Owners' equity	91,851.32	90,647.45	+1.3%
- Per share (<i>HK\$</i>)	25.557	25.222	+0.335 dollar
Group embedded value	265,116.45	248,608.54	+6.6%
Owners' group embedded value	202,919.09	190,273.55	+6.6%
- Per share (<i>HK\$</i>)	56.460	52.942	+3.518 dollars

CONSOLIDATED FINANCIAL RESULTS *(Continued)*

The figures below were the results of the respective companies from their operations, before intra-group eliminations.

The net operating profit/(loss) by each business line was summarised below:

<i>HK\$ million</i>	1H 2021	1H 2020	Change
Life insurance	7,007.90	7,421.56	-5.6%
Pension and group life insurance	198.73	247.80	-19.8%
PRC property and casualty insurance	112.56	344.09	-67.3%
Overseas property and casualty insurance	218.35	(53.91)	N/A
Reinsurance	284.36	(89.73)	N/A
Asset management business	500.30	357.51	+39.9%
Others ¹	(1,247.94)	(3,148.69)	-60.4%
Net profit from operations	7,074.26	5,078.63	+39.3%
Non-controlling interests	(1,961.60)	(2,202.13)	-10.9%
Net profit attributable to the owners	5,112.66	2,876.50	+77.7%

¹ Others mainly includes the operating results of the holding company, TPIH (HK), TPFH and consolidation adjustments.

CONSOLIDATED FINANCIAL RESULTS *(Continued)*

The following analysis showed the movement of the total equity of the Group.

HK\$ million

	2021	2020
Total equity as at 1 January	116,613.06	94,056.96
Net profit recognised in statement of profit or loss	7,074.26	5,078.63
Net changes in available-for-sale investment reserve	(4,699.80)	1,908.87
Revaluation gain arising from reclassification of own-use properties into investment properties	66.30	2.59
Exchange differences arising from translation of financial statements of foreign and non-foreign operations	1,324.69	(1,653.45)
Capital injection made to a subsidiary	5.35	-
Acquisition of additional interests in a subsidiary	-	(43.89)
Dividend declared by subsidiaries to non-controlling interests	(1,431.54)	(998.60)
Dividend declared to shareholders	(1,437.61)	(1,078.21)
Total equity as at 30 June	117,514.71	97,272.90
Attributable to:		
Owners of the Company (including capital securities)	91,851.32	78,486.73
Non-controlling interests	25,663.39	18,786.17
	117,514.71	97,272.90

CONSOLIDATED INVESTMENT PERFORMANCE

Assets Management Business

Asset Management within the Group

In the first half of 2021, under the continuous challenge of the COVID-19 pandemic in many countries and regions, the global economy, being benefited from monetary and fiscal policy support and vaccine promotion, has entered a stage of differentiated recovery. The GDP of United States for the first and second quarter recorded annualised quarter-on-quarter growth rates of 6.3% and 6.5% respectively, while the employment situation was gradually improved with the average unemployment rate for the first half of the year of 6.0%, lower than that of the Last Period. Economy in the euro area was recovering at a slower pace, with GDP for the first quarter negatively grew by 1.3% on a year-on-year basis, representing a narrowing decrease, and the average economic climate index for the first half of the year of 104.8, higher than that of 2020 average of 88.2. Japan has continuously experienced a negative economic growth, with a year-on-year negative growth of 1.1% for the fourth quarter of 2020 and remained negative growth of 1.6% for the first quarter of 2021, representing an exacerbating decrease, while employment remained stable with the average unemployment rate for the first half of the year of 2.9%. China's economy has showed a trend of stable recovery and steady improvement, the economy year-on-year growth was 18.3% for the first quarter, and 7.9% for the second quarter, the two-year average growth rate was 5.5% for the second quarter, which was 0.5 percentage point faster than the first quarter, indicating strong economic resilience.

The global stock market fluctuated upward in the first half of 2021. Specifically, there was a slight increase of 0.2% in CSI 300, an increase of 5.9% in Hang Seng Index, an increase of 14.4% in US S&P 500 Index, an increase of 13.0% in Euro Stoxx 600 and an increase of 4.9% in Nikkei 225.

In respect of the bond market, the US bond market rallied due to the higher inflation and concerns that the Federal Reserve would cut QE quota, the yield-to-maturity of 10-year treasury bonds has increased from 0.93% at the beginning of the year to 1.45%, the yield-to-maturity of 2-year treasury bonds has increased from 0.13% at the beginning of the year to 0.25%. PBOC maintained its prudent monetary policy, and market liquidity remained "Reasonable and Sufficient", the general yields decreased slightly. The yield-to-maturity of 10-year treasury bonds has decreased from 3.14% at the beginning of the year to 3.08%, while the yield-to-maturity of 10-year AAA corporate bond yields decrease slightly by 16bp to 3.99%.

The Group conducted in-depth study in the macroeconomic changes, enhance capital market research and judgement, seized opportunities in the equity market and optimised the asset allocation structure of the investment portfolio. In the first half of 2021, the Group maintained the allocation ratio with fixed-income assets as our main body, while extending the duration in asset allocation at high interest rates and shortening the duration gap between assets and liabilities, slightly reduced the proportion of equity asset allocation, placed more emphasis on value investment during product selection, and strengthened credit risk prevention, thus achieving good investment performance.

CONSOLIDATED INVESTMENT PERFORMANCE (Continued)

Investment Income

The total investment income and investment yield of the Group are summarised below:

HK\$ million

	1H 2021	1H 2020	Change
Net investment income ¹	21,083.45	16,907.86	+24.7%
Net realised and unrealised investment gains ²	11,289.89	4,166.77	+171.0%
Total investment income	32,373.34	21,074.63	+53.6%
Annualised net investment yield	4.11%	4.29%	-0.18 pt
Annualised total investment yield ³	6.31%	5.35%	+0.96 pt

¹ Including the interest income from deposits, interests income from debt financial assets, dividends from equity financial assets, rental income from investment properties and deducting interest expenses on securities sold under repurchase agreements.

² Including the income from the spread of investment securities, gain or loss on changes in fair value and impairment loss of investment assets.

³ In the calculation of total investment yield, as the denominator, the average investment assets take into account the effect of securities purchased under resale agreements and securities sold under repurchase agreements. When annualising the total investment yield, the interest income from deposits, interests income from debt financial assets, dividend from equity financial assets, rental income from investment properties, income from the spread of securities and impairment loss of assets, deducting interest expenses on securities sold under repurchase agreements were multiplied by two.

Net investment income grew by 24.7% from HK\$16.908 billion in the first half of 2020 to HK\$21.083 billion in the first half of 2021. The realised and unrealised investment gains grew from HK\$4.167 billion in the first half of 2020 to HK\$11.290 billion in the first half of 2021, mainly because we have taken advantage of the stock market highs for more realised gains.

Under the combined influence of the above factors, the total investment income of investment assets of the Group amounted to HK\$32.373 billion in the first half of 2021, grew by 53.6% over the HK\$21.075 billion in the first half of 2020; the annualised investment yield increased from 5.35% in the first half of 2020 to 6.31% in the first half of 2021.

CONSOLIDATED INVESTMENT PERFORMANCE (Continued)

Investment Portfolio

The assets allocation of the investment portfolio of the Group's insurance funds is as follows:

HK\$ million

	At 30 June 2021 % of Total		At 31 December 2020 % of Total	
By investment category				
Fixed income				
Debt securities	573,877.66	53.4%	493,308.50	50.4%
Term deposits	73,625.92	6.9%	69,247.55	7.1%
Debt products	127,503.54	11.9%	130,167.76	13.3%
Other fixed income investments	81,873.51	7.6%	74,652.91	7.6%
Equity investments				
Equity securities	127,748.61	11.9%	129,735.94	13.2%
Investment funds	38,793.72	3.6%	37,013.28	3.8%
Other equity investments	32,372.39	3.0%	31,461.28	3.2%
Investment properties	22,019.57	2.1%	18,792.11	1.9%
Cash, cash equivalents and others				
Cash and cash equivalents	39,743.92	3.7%	28,945.60	2.9%
Securities purchased under resale agreements/ securities sold under repurchase agreements	(43,877.42)	-4.1%	(33,615.28)	-3.4%
Total invested assets	1,073,681.42	100.0%	979,709.65	100.0%

Based on research and judgement of the capital market, the Group took the initiative in improving its investment portfolio to respond to the new capital market situation, the proportion of fixed income investments to total investment assets increased from 78.4% in the 2020 year-end to 79.8% in the end of June 2021. The proportion of equity investments to total investment assets decreased from 20.2% in the 2020 year-end to 18.5% in the end of June 2021.

Finance Lease Business of the Group

As at the end of June 2021, the financial leasing assets of TSFL were approximately HK\$52.3 billion, representing a growth of 23.1% over the 2020 year-end. The company safeguard the risk bottom line, and the managed assets were of good quality, the proportion of special mentioned assets and non-performing assets were 1.5% and 0.3%, continued lower than the industry average.

Analysis of Investment in Securities

Development on Equity Investments Keep Steady

As of the end of June 2021, stock investments and fund investments held by the Group amounted to approximately HK\$127.7 billion and HK\$38.8 billion, representing approximately 9.8% and 3.0% of the total assets, respectively. Adhering to the concept of value investment, our Group has leveraged on the long-term advantages of insurance funds and focused on the leading companies with reasonable valuation and stable dividends in the industry, so that the overall investment style remained prudent.

CONSOLIDATED INVESTMENT PERFORMANCE *(Continued)*

Analysis of Investment in Securities *(Continued)*

High Credit Ratings for Debt Securities

As at the end of June 2021, debt securities held by the Group amounted to HK\$573.9 billion, representing approximately 44.2% of the total assets, of which 83.5% were PRC bonds investment. Within the PRC bonds, 99.8% were bonds with AAA ratings, government bonds and financial policy bonds, interbank deposits, A-1 ratings short term bonds. Investment grade bonds with BBB ratings or higher reached 100%, with Ministry of Finance for government bonds, and other issuers such as China Development Bank, China Railway, Industrial and Commercial Bank of China, Agricultural Bank of China, Agricultural Development Bank of China and The Export-Import Bank of China etc. Foreign bonds investment constitutes 16.5% of debt securities held by the Group, about 91.5% of them were investment grade bonds with international ratings of BBB or higher.

Good Credit Status for Alternative Investments

As at the end of June 2021, alternative investments held by the Group amounted to HK\$181.9 billion, representing approximately 14.0% of the total assets. From which the ration of trust products financial products increased, reflecting the investments has been further diversified. The credit ratings of the PRC financial investment debt products remained relatively high, products rated AAA accounted for 97.2%, products rated AA+ accounted for 2.3%. The Group's investment in alternative varieties have gone through a rigorous investment decision-making process, with a proprietary information system in place for monitoring during the investment and post-investment management. In general, the Group has made sufficient assessment on its alternative investment risks, which indicated sound asset credit.

Real Estate Financial Investment Debt Products

As at the end of June 2021, real estate financial investment debt products of approximately HK\$31.6 billion, represented only 2.4% of the total assets, the ratio decreased by 0.7 percentage point over the 2020 year-end. The credit ratings of the real estate financial investment debt products were relative high, with major projects located in tier 1 or developed tier 2 cities, financing entities have relatively strong solvencies.

Purchased External Financial Products

As at the end of June 2021, purchased external financial products of about HK\$75.3 billion represented 5.8% of the total assets, the ratio decreased by 0.7 percentage point over the 2020 year-end. Within the purchased external projects, 99.2% of them were with AAA ratings, mainly were from real estate, non-bank financial industry, composite and building decoration etc. The overall credit ratings were relatively high, with risk exposure kept at a relatively low level.

Third-party Assets under Management

In the first half of 2021, with the Group proactive expanded the third-party asset management business, the third-party entrusted investment assets under management maintained its growth. As at the end of June 2021, the total third-party entrusted investment assets managed by the Group amounted to HK\$922.0 billion, increased by 12.0% over the 2020 year-end.

In the first half of 2021, TPAM (including TP Fund) recorded a total management fee income before taxation and deduction of HK\$1.364 billion, including HK\$631 million derived from assets outside of the Group, which accounted for 46.2% of total management fee.

LIFE INSURANCE BUSINESS

The Group's life insurance segment is operated by TPL, TPL (HK), TPL (Macau) and TP Singapore, which are engaged in the underwriting of life insurance businesses in Mainland China, Hong Kong, Macau and Singapore, respectively.

TP Singapore had been approved by The Monetary Authority of Singapore in August 2018 and launched its life insurance business since December 2018. During the Period, the direct premiums written from life insurance business by TP Singapore achieved HK\$824 million (2020: HK\$784 million). The loss after taxation from life insurance business of TP Singapore was resulted in HK\$23 million (2020: loss after taxation of HK\$46 million), which was primarily due to such business operation is still the early stage.

The results under life insurance business for the Period was mainly contributed by TPL, TPL (HK) and its subsidiary TPL (Macau). The figures below were focus on the analysis of TPL and TPL (HK)'s performance.

The figures below were the results of TPL from its operations, before intra-group eliminations.

TPL is 75.1% owned by the Group. The key financial data of the life insurance business operated by TPL was summarised below:

HK\$ million

	1H 2021	1H 2020	Change
Direct premiums written and premium deposits	117,984.04	105,807.25	+11.5%
Less: Premium deposits of universal life products	5,378.13	5,205.52	+3.3%
Premium deposits of unit-linked products	49.56	56.35	-12.0%
Premium deposits of other products	104.60	104.81	-0.2%
Direct premiums written recognised in statement of profit or loss	112,451.75	100,440.57	+12.0%
Inward reinsurance premiums	517.18	1,049.28	-50.7%
Policy fees	86.47	83.49	+3.6%
Net premiums written and policy fees	111,082.21	99,646.69	+11.5%
Net earned premiums and policy fees	110,307.75	98,772.68	+11.7%
Net policyholders' benefits	(22,750.72)	(17,941.34)	+26.8%
Net commission and handling fee expenses	(9,499.16)	(8,308.78)	+14.3%
Change in life insurance contract liabilities, net of reinsurance	(90,499.00)	(75,877.68)	+19.3%
Total investment income	26,201.00	17,546.22	+49.3%
Administrative and other expenses	(9,497.29)	(8,278.40)	+14.7%
Profit before taxation	6,949.04	9,104.08	-23.7%
Profit after taxation	6,762.35	7,743.41	-12.7%
Profit attributable to the owners	5,078.52	5,815.30	-12.7%

HK\$ million

	At 30 June 2021	At 31 December 2020	Change
Total assets	958,558.44	868,188.36	+10.4%
Total equity	71,335.10	73,727.01	-3.2%

LIFE INSURANCE BUSINESS *(Continued)*

The key operational data of the life insurance business operated by TPL was summarised below:

	At 30 June 2021	At 31 December 2020	Change
Market share ¹	4.7%	4.6%	+0.1 pt
Number of provincial branches	38	38	-
Number of sub-branches and marketing centers	1,350	1,304	+46
Number of customers			
- Individual	14,702,331	14,194,581	+507,750
- Corporate	839	831	+8
Distribution network			
- Number of individual agents	388,631	381,239	+7,392
- Number of bancassurance outlets	69,646	68,094	+1,552
Agent monthly per capita regular premiums (RMB) ²	13,956	12,570	+1,386 dollars
Persistency ratios – 13th month ³			
- Individual	96.2%	95.1%	+1.1 pts
- Bancassurance	97.6%	96.3%	+1.3 pts
Compound persistency ratios – 25th month ³			
- Individual	93.5%	92.7%	+0.8 pt
- Bancassurance	96.2%	95.5%	+0.7 pt

¹ Derived according to the premiums published by the CBIRC.

² Based on regular premiums and number of active agents.

³ Based on the amount of premiums.

LIFE INSURANCE BUSINESS (Continued)

Operating Profit

During the Period, the life insurance business operated by TPL produced a net operating profit of HK\$6.762 billion, decreased by 12.7% from HK\$7.743 billion in the Last Period. It was mainly because of the decrease in both the number and the amount of claims under the impact of the COVID-19 pandemic in the Last Period.

Direct Premiums Written and Premium Deposits

TPL's direct premiums written recognised in the consolidated statement of profit or loss grew by 12.0% to HK\$112.452 billion from HK\$100.441 billion in the Last Period. This growth was driven by the contributions of renewal premiums from the in-force business and the year-on-year growth of new policy premiums from the individual distribution channel.

TPL's direct premiums written and premium deposits by line of business were as follows:

For the six months ended 30 June 2021, HK\$ million

	Direct premiums written recognised in the consolidated statement of profit or loss	Premium deposits of universal life products	Premium deposits of unit-linked products	Premium deposits of other products	Total	% of Total
Individual	77,352.40	4,335.39	27.86	64.94	81,780.59	69.3%
Bancassurance	31,023.09	1,042.74	21.70	0.68	32,088.21	27.2%
Group	506.29	-	-	38.98	545.27	0.5%
Other channels ¹	3,569.97	-	-	-	3,569.97	3.0%
	112,451.75	5,378.13	49.56	104.60	117,984.04	100.0%

For the six months ended 30 June 2020, HK\$ million

	Direct premiums written recognised in the consolidated statement of profit or loss	Premium deposits of universal life products	Premium deposits of unit-linked products	Premium deposits of other products	Total	% of Total
Individual	73,694.90	4,151.60	33.64	63.24	77,943.38	73.6%
Bancassurance	24,275.04	1,053.92	22.71	0.64	25,352.31	24.0%
Group	667.63	-	-	40.93	708.56	0.7%
Other channels ¹	1,803.00	-	-	-	1,803.00	1.7%
	100,440.57	5,205.52	56.35	104.81	105,807.25	100.0%

¹ Other Channels mainly consisted of telemarketing.

LIFE INSURANCE BUSINESS *(Continued)*

During the Period, premiums distributed through the individual agency force channel increased to HK\$77.352 billion from HK\$73.695 billion in the Last Period, representing a growth of 5.0%. Driven by the business pace, the active agency force monthly per capita regular premiums increased to RMB13,956 during the Period (31 December 2020: RMB12,570).

In the bancassurance channel, premium increased to HK\$31.023 billion from HK\$24.275 billion in the Last Period, representing a growth of 27.8%. Within this, renewal year bancassurance regular premium increased to HK\$23.873 billion from HK\$16.663 billion in the Last Period, representing a growth of 43.3%.

The persistency ratios remained stable and at the forefront of the industry. The persistency ratios were at 96.2% and 97.6% at the 13th month, and the compound persistency ratios were 93.5% and 96.2% at the 25th month, for the individual agency and bancassurance channels, respectively.

LIFE INSURANCE BUSINESS (Continued)

The detailed breakdown of TPL's single premium products and regular premium products by line of business was summarised as follows:

HK\$ million

Individual

	1H 2021	% of Total	1H 2020	% of Total
Single Premium	73.55	0.1%	61.46	0.1%
Regular Premium				
– First Year	13,008.28	16.8%	11,033.33	15.0%
– Renewal Year	64,270.57	83.1%	62,600.11	84.9%
	77,352.40	100.0%	73,694.90	100.0%

Bancassurance

	1H 2021	% of Total	1H 2020	% of Total
Single Premium	62.50	0.2%	91.62	0.4%
Regular Premium				
– First Year	7,087.94	22.8%	7,520.41	31.0%
– Renewal Year	23,872.65	77.0%	16,663.01	68.6%
	31,023.09	100.0%	24,275.04	100.0%

Group

	1H 2021	% of Total	1H 2020	% of Total
Group Insurance	506.29	100.0%	667.63	100.0%

Other Channels

	1H 2021	% of Total	1H 2020	% of Total
Single Premium	72.57	2.0%	4.96	0.3%
Regular Premium				
– First Year	1,972.25	55.3%	433.30	24.0%
– Renewal Year	1,525.15	42.7%	1,364.74	75.7%
	3,569.97	100.0%	1,803.00	100.0%

LIFE INSURANCE BUSINESS (Continued)

For the individual first year regular premium, the premium by payment term and feature were as follows:

HK\$ million

Individual first year regular premium - by payment term

	1H 2021	% of Total	1H 2020	% of Total
1 - 9 years	8,640.67	66.4%	7,490.12	67.9%
10 - 19 years	540.42	4.2%	542.12	4.9%
20 - 29 years	2,770.94	21.3%	2,982.34	27.0%
30 years+	1,056.25	8.1%	18.75	0.2%
	13,008.28	100.0%	11,033.33	100.0%

Individual first year regular premium - by feature

	1H 2021	% of Total	1H 2020	% of Total
Short-term savings	5,379.40	41.4%	5,457.14	49.5%
Long-term savings	770.95	5.9%	761.50	6.9%
Long-term protection	4,648.10	35.7%	3,319.75	30.1%
Others	2,209.83	17.0%	1,494.94	13.5%
	13,008.28	100.0%	11,033.33	100.0%

For the bancassurance first year regular premium, the premium by payment term was as follows:

Bancassurance first year regular premium - by payment term

	1H 2021	% of Total	1H 2020	% of Total
1 - 9 years	6,125.59	86.4%	7,304.42	97.2%
10 - 14 years	807.39	11.4%	76.95	1.0%
Others	154.96	2.2%	139.04	1.8%
	7,087.94	100.0%	7,520.41	100.0%

LIFE INSURANCE BUSINESS (Continued)

TPL's direct premiums written by product structure were as follows:

HK\$ million

	1H 2021	% of Total	1H 2020	% of Total
Participating	34,007.02	30.3%	43,600.37	43.4%
Annuity	25,595.64	22.8%	15,589.95	15.5%
Long-term health	23,749.73	21.1%	20,555.79	20.5%
Traditional life	22,079.63	19.6%	14,112.85	14.1%
Accident and short-term health	7,014.61	6.2%	6,577.27	6.5%
Universal life	4.49	0.0%	3.79	0.0%
Investment-linked	0.63	0.0%	0.55	0.0%
Total	112,451.75	100.0%	100,440.57	100.0%

TPL's direct premiums written by region were as follows:

HK\$ million

	1H 2021	% of Total		1H 2020	% of Total
Shandong	10,763.85	9.6%	Sichuan	9,927.36	9.9%
Sichuan	10,584.34	9.4%	Shandong	9,796.39	9.8%
Hubei	5,842.80	5.2%	Heilongjiang	5,506.12	5.5%
Heilongjiang	5,711.70	5.1%	Hubei	5,225.37	5.2%
Zhejiang	5,461.58	4.9%	Guangdong	4,836.76	4.8%
Others	74,087.48	65.8%	Others	65,148.57	64.8%
Total	112,451.75	100.0%	Total	100,440.57	100.0%

Highlights on Embedded Value

The embedded value of TPL (expressed in terms of HKD) grew by 7.4% to HK\$216.272 billion from HK\$201.333 billion at the 2020 year-end. The new business value after cost of capital for the Period grew by 41.7% (grew by 29.1% if calculated in RMB) to HK\$3.836 billion from HK\$2.708 billion of the Last Period. These latest actuarial figures of TPL are disclosed in the section of "Embedded Value of TPL".

LIFE INSURANCE BUSINESS (Continued)

Net Policyholders' Benefits

The net policyholders' benefits of TPL were summarised as follows:

HK\$ million

	1H 2021	1H 2020	Change
Surrenders and net claims	15,105.63	9,878.16	+52.9%
Annuity, dividends and maturity payments	6,549.61	7,099.67	-7.7%
Interest allocated to investment and reinsurance contracts	1,095.48	963.51	+13.7%
	22,750.72	17,941.34	+26.8%

Financial Strength and Solvency Margin

The comprehensive solvency ratios of TPL under the CBIRC regulations were as follows:

RMB million

	At 30 June 2021	At 31 December 2020
Available Capital	203,850	202,182
Minimum Capital	98,325	94,958
Comprehensive Solvency Ratio	207%	213%

LIFE INSURANCE BUSINESS (Continued)

TPL (HK) is a Hong Kong-incorporated company established in July 2015 and is wholly-owned by the Group. In connection with the Group's business strategy, TPL (HK) established TPL (Macau), a wholly owned subsidiary of the Group, to explore and develop the life insurance business in Macau. The life insurance license was granted by the Autoridade Monetária De Macau in February 2019 and TPL (Macau) kicked off the operations in June 2019 to expand the life insurance business in Macau actively.

The figures below were the consolidated results of TPL (HK) (including TPL (Macau) from its operations, before intra-group eliminations.

The key financial data of the life insurance business operated by TPL (HK) was summarised below:

HK\$ million

	1H 2021	1H 2020	Change
Direct premiums written and premium deposits	11,753.81	10,832.09	+8.5%
Less: Premium deposits of universal life products	3,691.24	6,248.52	-40.9%
Direct premiums written recognised in statement of profit or loss	8,062.57	4,583.57	+75.9%
Profit/(loss) after taxation	262.87	(258.52)	N/A

HK\$ million

	At 30 June 2021	At 31 December 2020	Change
Total assets	84,457.87	74,842.12	+12.8%
Total equity	3,416.23	3,565.77	-4.2%
Number of individual agents	2,556	2,264	+292
Regulatory Solvency Ratio ¹	213%	269%	-56 pts

¹ Based on local regulations.

Operating Profit

The life insurance business operated by TPL (HK) produced a net operating profit of HK\$263 million during the Period (2020: net operating loss of HK\$259 million). The growth compared to the Last Period was mainly due to the efficiencies of various operations have been improved, and the investment performance was in line with expectations in the Period.

Direct Premiums Written

TPL (HK)'s direct premiums written recognised in the statement of profit or loss grew by 75.9% to HK\$8.063 billion from HK\$4.584 billion in the Last Period. The growth was mainly due to the performance of both new policy premiums and renewal premiums were in line with expectations.

PENSION AND GROUP LIFE INSURANCE BUSINESS

The Group's pension and group life insurance business are operated by TPP. TPP is a PRC-incorporated company and is 100% owned by the Group. TPP is principally engaged in corporate and personal retirement insurance and annuity businesses, and group life insurance business in Mainland China.

The figures below were the results of TPP from its operations, before intra-group eliminations.

The key financial data of the pension and group life insurance business was summarised below:

HK\$ million

	1H 2021	1H 2020	Change
Direct premiums written	4,338.07	3,277.96	+32.3%
Net premiums written	3,939.82	2,926.06	+34.6%
Net earned premiums	3,499.45	2,407.35	+45.4%
Net policyholders' benefits	(2,007.31)	(1,297.18)	+54.7%
Net commission and handling fee expenses	(229.04)	(191.98)	+19.3%
Change in insurance contract liabilities, net of reinsurance	(863.02)	(513.15)	+68.2%
Total investment income	440.67	317.26	+38.9%
Pension administration fee income	583.69	425.21	+37.3%
Agency fee income	3.15	0.56	+462.5%
Administrative and other expenses	(1,201.78)	(837.78)	+43.4%
Profit before taxation	247.00	322.23	-23.3%
Profit after taxation and attributable to the owners	198.73	247.80	-19.8%

HK\$ million

	At 30 June 2021	At 31 December 2020	Change
Total assets	22,969.72	18,894.61	+21.6%
Total equity	3,840.34	3,547.56	+8.3%

The key operational data of the pension business was summarised below:

	At 30 June 2021	At 31 December 2020	Change
Annuity invested assets (<i>HK\$ million</i>)	171,114	153,136	+11.7%
Annuity entrusted assets (<i>HK\$ million</i>)	155,605	137,743	+13.0%
Number of enterprises in funds and schemes	10,142	9,927	+215
Number of branches	42	42	-

PENSION AND GROUP LIFE INSURANCE BUSINESS *(Continued)*

Operating Profit

The pension and group life insurance business recorded a net operating profit of HK\$199 million during the Period (2020: HK\$248 million), representing a decrease of 19.8% compared to the Last Period. It was mainly driven by the increase on the net policyholders' benefits.

Direct Premiums Written

TPP's direct premiums written for the Period grew by 32.3% to HK\$4.338 billion from HK\$3.278 billion in the Last Period.

Financial Strength and Solvency Margin

The comprehensive solvency ratios of TPP under the CBIRC regulations were as follows:

RMB million

	At 30 June 2021	At 31 December 2020
Available Capital	4,066	3,741
Minimum Capital	1,634	1,597
Comprehensive Solvency Ratio	249%	234%

PRC PROPERTY AND CASUALTY INSURANCE BUSINESS

The Group's property and casualty insurance segment in the PRC is operated by TPI. TPI is a PRC-incorporated company and has been 100% owned by the Group. TPI is principally engaged in the underwriting of motor, marine and non-marine policies in Mainland China.

The figures below were the results of TPI from its operations, before intra-group eliminations.

The key financial data of the property and casualty insurance business operated by TPI was summarised below:

HK\$ million

	1H 2021	1H 2020	Change
Direct premiums written	17,374.57	15,392.88	+12.9%
Net premiums written	16,202.70	12,297.92	+31.8%
Net earned premiums	14,782.11	12,269.54	+20.5%
Net claims incurred	(9,880.27)	(6,719.83)	+47.0%
Underwriting expenses	(2,992.29)	(3,965.92)	-24.5%
Net commission and handling fee expenses	(2,517.77)	(1,538.63)	+63.6%
Underwriting profit/(loss)	(608.23)	45.16	N/A
Total investment income	910.19	579.91	+57.0%
Share of results of associates	(42.28)	(24.63)	+71.7%
Other income	66.91	77.31	-13.5%
Other miscellaneous expenses	(56.38)	(126.13)	-55.3%
Finance costs	(86.06)	(80.14)	+7.4%
Profit before taxation	184.15	471.48	-60.9%
Profit after taxation and attributable to the owners	112.56	344.09	-67.3%
Retained ratio	93.3%	79.9%	+13.4 pts
Loss ratio ¹	66.8%	54.9%	+11.9 pts
Expense ratio ¹	37.3%	44.7%	-7.4 pts
Combined ratio ²	104.1%	99.6%	+4.5 pts

HK\$ million

	At 30 June 2021	At 31 December 2020	Change
Total assets	46,707.35	43,435.32	+7.5%
Total equity	8,738.77	8,473.44	+3.1%

¹ Both the loss ratio and expense ratio were based on net earned premiums.

² The combined ratio was the sum of the loss ratio and the expense ratio.

PRC PROPERTY AND CASUALTY INSURANCE BUSINESS *(Continued)*

The key operational data of the property and casualty insurance business operated by TPI was summarised below:

	At 30 June 2021	At 31 December 2020	Change
Market share ¹	2.0%	2.1%	-0.1 pt
Number of provincial branches	33	32	+1
Number of sub-branches and marketing centers	767	721	+46
Number of customers			
- Individual	7,922,669	9,526,532	-1,603,863
- Corporate	341,538	331,511	+10,027
Number of direct sales representatives	11,494	11,829	-335

¹ Derived according to the premiums published by the CBIRC.

Operating Profit

The property and casualty insurance business operated by TPI produced a net operating profit of HK\$113 million during the Period (2020: HK\$344 million), representing a decrease of 67.3%. It was mainly due to the decrease in the underwriting profit after the rate reform of motor insurance as compared to the Last Period.

PRC PROPERTY AND CASUALTY INSURANCE BUSINESS (Continued)

Direct Premiums Written

TPI's direct premiums written grew by 12.9% to HK\$17.375 billion from HK\$15.393 billion in the Last Period. The detailed breakdown of TPI's direct premiums written was as follows:

HK\$ million

Business Line	1H 2021	% of Total	1H 2020	% of Total
Motor	10,438.96	60.1%	10,774.76	70.0%
Marine	461.44	2.6%	274.75	1.8%
Non-marine	6,474.17	37.3%	4,343.37	28.2%
	17,374.57	100.0%	15,392.88	100.0%

TPI's direct premiums written by region were as follows:

HK\$ million

	1H 2021	% of Total		1H 2020	% of Total
Guangdong	1,371.03	7.9%	Shandong	1,718.93	11.2%
Shandong	1,320.30	7.6%	Guangdong	1,043.17	6.8%
Sichuan	1,200.18	6.9%	Sichuan	1,006.88	6.5%
Shanghai	1,020.90	5.9%	Shenzhen	823.07	5.3%
Zhejiang	918.46	5.3%	Shanghai	779.18	5.1%
Others	11,543.70	66.4%	Others	10,021.65	65.1%
Total	17,374.57	100.0%	Total	15,392.88	100.0%

Financial Strength and Solvency Margin

The comprehensive solvency ratios of TPI under the CBIRC regulations were as follows:

RMB million

	At 30 June 2021	At 31 December 2020
Available Capital	10,117	10,010
Minimum Capital	4,436	4,194
Comprehensive Solvency Ratio	228%	239%

OVERSEAS PROPERTY AND CASUALTY INSURANCE BUSINESS

The Group's property and casualty insurance segment covers Hong Kong, Macau, UK, Singapore and Indonesia, and is operated by CTPI (HK), TP Macau, TP UK, TP Singapore and TP Indonesia respectively. CTPI (HK), TP Macau, TP UK and TP Singapore are wholly-owned by the Group. TP Indonesia is 55% owned by the Group.

The figures below are the results of these companies from its operations, before intra-group eliminations.

The key financial data of the overseas property and casualty insurance business is summarised below:

HK\$ million

	1H 2021	1H 2020	Change
Direct premiums written			
CTPI (HK)	1,225.42	1,182.21	+3.7%
TP Macau	527.32	490.89	+7.4%
TP UK	237.68	264.50	-10.1%
TP Singapore ¹	338.23	245.63	+37.7%
TP Indonesia	206.67	174.08	+18.7%
Underwriting profit/(loss)			
CTPI (HK)	10.22	6.24	+63.8%
TP Macau	38.36	57.07	-32.8%
TP UK	41.02	(36.79)	N/A
TP Singapore ¹	34.12	15.71	+117.2%
TP Indonesia	5.85	13.88	-57.9%
Profit/(loss) after taxation			
CTPI (HK)	69.39	(131.66)	N/A
TP Macau	58.65	57.59	+1.8%
TP UK	17.51	(29.74)	N/A
TP Singapore ¹	53.41	39.49	+35.2%
TP Indonesia	7.79	14.16	-45.0%
Combined ratio			
CTPI (HK)	98.8%	99.6%	-0.8 pt
TP Macau	83.3%	72.6%	+10.7 pts
TP UK	80.6%	122.5%	-41.9 pts
TP Singapore ¹	88.4%	94.1%	-5.7 pts
TP Indonesia	75.9%	43.2%	+32.7 pts

¹ The results of TP Singapore from its property and casualty insurance business, which do not include its life insurance business.

OVERSEAS PROPERTY AND CASUALTY INSURANCE BUSINESS (Continued)

	At 30 June 2021	At 31 December 2020	Change
Regulatory solvency margin ratio ¹			
CTPI (HK)	1,171%	656%	+515 pts
TP Macau	281%	293%	-12 pts
TP UK	163%	163%	-
TP Singapore	193%	189%	+4 pts
TP Indonesia	200%	179%	+21 pts

¹ Based on the local regulations.

REINSURANCE BUSINESS

The Group's reinsurance business is operated by TPRe and TPRe's wholly owned subsidiary TPRe (China). TPRe is a Hong Kong-incorporated company. During 2020, TPRe allotted and issued shares representing approximately 25% of the enlarged issued capital of TPRe and the equity interest owned by the Group reduced to 75%. TPRe mainly engaged in the underwriting of all classes of non-life reinsurance business around the globe, consisting mainly of short-tail, property reinsurance business in the Asia Pacific region. TPRe also engages in the underwriting of certain classes of long term (life) reinsurance business. TPRe (China) was incorporated in PRC in December 2015.

The figures below were the consolidated results of TPRe (including TPRe (China)) from its operations, before intra-group eliminations.

The key financial data and key performance indicators of the reinsurance business operated by TPRe were summarised below:

HK\$ million

	1H 2021	1H 2020	Change
Direct premiums written	10,743.35	8,931.41	+20.3%
Underwriting profit (non-life)	6.77	53.77	-87.4%
Profit/(loss) after taxation	284.36	(89.73)	N/A
Profit/(loss) attributable to the owners	213.27	(89.73)	N/A
Non-life reinsurance business: Combined ratio	99.9%	98.7%	+1.2 pts

	At 30 June 2021	At 31 December 2020	Change
Regulatory solvency margin ratio ¹	316%	354%	-38 pts

¹ Based on the local regulations.

REINSURANCE BUSINESS (Continued)

Operating Profit

The reinsurance business produced a net operating profit after taxation of HK\$284 million during the Period (2020: net operating loss after taxation of HK\$90 million). The growth compared to the Last Period was mainly due to the decrease in the impairment of financial assets and the increase in exchange gains.

Direct Premiums Written

TPRe's direct premiums written for the Period grew by 20.3% to HK\$10.743 billion from HK\$8.931 billion in the Last Period. The combined ratio of the non-life reinsurance business was 99.9% (2020: 98.7%). The underwriting profit was HK\$7 million (2020: HK\$54 million).

TPRe's life reinsurance business achieved premiums of HK\$3.942 billion (2020: HK\$2.920 billion), mainly from Mainland China, Hong Kong and Southeast Asia.

The figures below were the results of TPRe (China) from its operations, before intra-group eliminations.

The key financial data of the reinsurance business operated by TPRe (China) was summarised below:

HK\$ million

	1H 2021	1H 2020	Change
Direct premiums written	3,630.74	3,093.82	+17.4%
Profit after taxation	99.71	66.63	+49.6%

HK\$ million

	At 30 June 2021	At 31 December 2020	Change
Net assets	2,942.66	2,809.58	+4.7%

REINSURANCE BUSINESS (Continued)

Financial Strength and Solvency Margin

The comprehensive solvency ratios of TPre (China) under the CBIRC regulations were as follows:

RMB million

	At 30 June 2021	At 31 December 2020
Available capital	2,438	2,353
Minimum capital	1,264	1,039
Comprehensive solvency ratio	193%	226%

ASSET MANAGEMENT BUSINESS

The Group's asset management business is mainly operated by TPAM and TP Fund (collectively known as the "TPAM Group") and TPA (HK), which engage in the provision of asset management services to the Group in managing its RMB and non-RMB investment portfolios. TPAM is a PRC-incorporated company and is 80% owned by the Group, while TP Fund, acquired by TPAM in September 2016, is 91.5% owned by TPAM. TPA (HK) is a Hong Kong-incorporated company and is wholly-owned by the Group.

The figures below were the results of TPAM Group and TPA (HK) from their operations, before intra-group eliminations.

The key financial data of the asset management business operated in the PRC by TPAM Group and in Hong Kong by TPA (HK) were summarised below:

HK\$ million

	1H 2021	1H 2020	Change
Management fee income	1,281.65	730.47	+75.5%
Profit after taxation	500.30	357.51	+39.9%
Profit attributable to the owners	409.75	295.88	+38.5%

HK\$ million

	At 30 June 2021	At 31 December 2020	Change
Assets under management	1,171,072	1,060,468	+10.4%

Operating Profit

The asset management business produced a net operating profit of HK\$500 million during the Period (2020: HK\$358 million), representing a growth of 39.9% compared to the Last Period.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's cash and bank deposits as at 30 June 2021 amounted to HK\$113.370 billion (31 December 2020: HK\$98.193 billion).

FINANCIAL LEVERAGE

The Group's interest-bearing notes and bank facilities drawn as at 30 June 2021 amounted to HK\$17.835 billion and HK\$57.358 billion, respectively (31 December 2020: HK\$15.336 billion and HK\$43.658 billion). As of 30 June 2021, CTIH's consolidated financial leverage ratio (calculated by debt over the summation of debt plus equity) was 39.0% (31 December 2020: 33.6%).

CAPITAL STRUCTURE

The Company did not issue new Shares during the Period and in 2020.

STAFF AND STAFF REMUNERATION

As at 30 June 2021, the Group had a total of 66,091 employees (30 June 2020: 67,087 employees), representing a decrease of 996 employees. Total staff costs (excluding retirement plans contributions) for the Period amounted to HK\$8.178 billion (first half of 2020: HK\$7.398 billion), an increase of 10.5%. Bonuses are linked to both the performance of the Group and the performance of the 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.

OUTLOOK

Maintaining Strategy Determination, Enhancing Long-term Value and Striving to Achieve Annual Business Objectives

In the second half of 2021, China Taiping will continue adhere to the general requirements of “Central Enterprise Identity, Customer First, Innovation Leadership, and Value Orientation”, promote high-quality business development guided by values, prioritising value and deepening the transformation of PRC insurance, focus on profitability and strengthen management of overseas insurance, and improve capabilities and returns of investments. At the same time, focus on Guangdong, Hong Kong, Macau and Hainan to serve the national strategy, taking digital transformation as a path to intensify the strength of technology development, improve customer-centric service capabilities, strengthen risk prevention and control for steady development, improve fundamental management level to solidify its foundation, spare no effort to achieve the annual operational targets, and march on towards building an international and modern financial insurance group with the highest value growth in China’s insurance industry.

PRC Life Insurance Business – TPL

- Focus on the simultaneous improvement of employees’ quality and quantity, accelerate the building of a high quality team to drive business transformation and high-quality development of the company with talents
- Adhering to value orientation, enrich the supply of high-quality products, highlight pertinence, differentiation, and inclusiveness, and continue to expand market coverage to tap value increments in new areas and new customer groups
- Adhering to promote technology empowerment, deepen data structure governance, enhance technology development capabilities, and built a “Technology + Finance” ecology to further enhance its operating efficiency and service level

PRC Property and Casualty Insurance Business – TPI

- Motor insurance business will adhere to ensuring quality and steady growth, while non-motor insurance business will adhere to improving strengths and rapid development, enhancing technology empowerment and improving management efficiency
- Taking the Guangdong-Hong Kong-Macau Greater Bay Area, Hainan Free Trade Port and the construction of “The Belt and Road” as key focus points, further enhance the ability to serve the national strategy, deepen customer operation, highlight value orientation, accelerate reform and innovation, and enhance development quality and efficiency

Group Insurance and Pension Business – TPP

- Continue to expand the scale of assets under management of pension business, paying close attention to key projects of annuity, consolidating market position, raise occupational annuity’s comprehensive income ranking, and strives for incremental funds
- Adhere to the equal importance to scale and profitability in group insurance business in achieving the premium growth outperforming the market, while continuing to strengthen quality control and vigorously develop long-term value businesses, grasp government business implementation, strengthen quality control, and strive to achieve business value enhancement

OUTLOOK *(Continued)*

Overseas Life Insurance Business – TPL (HK), TPL (Macau) and TP Singapore

- TPL (HK) will promote professional and integrated management of capital, assets and liabilities and strengthen innovation-driven development
- TPL (Macau) will rapidly develop to be a new growth driver and facilitate the stable growth of overseas life insurance business
- TP Singapore's life insurance business will expand its local and regional high net worth customers, pay more attention to business quality, so as to build a high-quality development business model

Overseas Property and Casualty Business – CTPI (HK), TP Macau, TP UK, TP Singapore and TP Indonesia

- CTPI (HK) will keep up with the market trends, enhance the competitive strengths of products, actively support the development of the Guangdong-Hong Kong-Macau Greater Bay Area, strengthen the innovation-driven and customer service level, continue promoting the construction of information platform, and eventually to achieve stronger profitability
- TP Macau will take innovation as a lead, drive by application of technology, intensify its business expansion, capture the opportunities brought by the development of Guangdong-Hong Kong-Macau Greater Bay Area, and thus consolidate its leading position in the market
- TP UK will consolidate fundamental management and implement new business development measures, improve the capability of professional operating and risk management, intensively develop the business of the Chinese enterprises and local Chinese market, and continue optimising its business structure
- TP Singapore will actively build a regional development pattern to further support the construction of "The Belt and Road", take high-quality development, stronger and better as the main line of work, emphasise on customer-centric, healthy operation, enhance its brand and market competitiveness
- TP Indonesia will strengthen the Chinese enterprises business, proactively provide risk protection and service for Chinese business, continue increasing its local business expansion, and to achieve balanced and sustainable development

Reinsurance Business – TPRe, TPRe (China) and TPRB

- TPRe will accelerate the transformation and upgrading of the property and life reinsurance business, reinforce the leading position in Hong Kong and Macau, deepen its development in Asian market, optimise business structure, accelerate innovation and reform, strengthen the building of core talent team, continue improving catastrophe risk management and professional technical level, and strengthen domestic and overseas collaborations, to rack up its influence in the industry
- TPRe (China) will steadily launching new products, improve customer service, build up its core competencies, expand the business of Shanghai branch, promote the strategic layout to drive its development on a high level
- TPRB will strengthen the building of professional teams, continue expanding its reinsurance channels domestic and abroad, optimise customer service, and extend its influence in the industry

OUTLOOK *(Continued)*

Investments

In the second half of 2021, the global economic outlook will still have great uncertainty, and the future economic trend will largely depending on the evolution path of the COVID-19 pandemic. Compared with the external environment, the China's economy will benefit from the solid promotion of the overall prevention and control of the pandemic, as well as stable economic policies, the job market remains stable, the International Monetary Fund predicts that China's GDP will grow by 8.1% in 2021, which is higher than the target of 6% growth set at the beginning of the year.

The Group will pay close attention to the development of the COVID-19 pandemic and the progress of recovery in different countries, regions and industries, evaluate potential investment opportunities and take risk prevention measures. On the other hand, the Group will meet the national "Ensure Stability on Six Fronts" requirements, and make full use of the advantage of long-term investment of insurance funds to inject financial vitality into the real economy. In terms of investment strategy, the Group will focus on balancing long-term investment returns and risks, continue to promote investment in high quality long-term equity investment and high-dividend stocks, appropriately lengthen the duration of bond allocation, optimise the structure of assets and liabilities, cope with the downward trend of interest rate, and fully improve the investment return.

Adhered to the philosophy of "Taiping for Your Peaceful Life", the Group strives to realise the high-quality development of its investment business with upholding the principles of serving the national strategy and supporting the real economy, and develops medical, health, elderly care and other industrial layouts around the insurance industry to form a virtuous cycle development layout of insurance, investment and ecosystem.

Embedded Value

BASIS OF PREPARATION

The Group has appointed KPMG Advisory (China) Limited (“KPMG Advisory”) to examine whether the methodology and assumptions used by TPL in the preparation of the Embedded Value and the New Business Value as at 30 June 2021 are consistent with standards generally adopted by insurance companies in the PRC. KPMG Advisory has also examined the methodologies used by the Group in preparing the Group Embedded Value.

CAUTIONARY STATEMENT

The calculations of Embedded Value and the New Business Value of TPL are based on certain assumptions with respect to future experience. Thus, the actual results could differ significantly from what were envisioned when these calculations were made. In addition, the Group Embedded Value is also based on certain assumptions, and should not be viewed as the only benchmark for evaluating and valuing the businesses and operations of the Group. From an investor’s perspective, the valuation of CTIH is measured by the stock market price of the Company’s shares on any particular day. In valuing CTIH’s shares, investors should take into account not only the Embedded Value and the New Business Value of TPL and the Group Embedded Value, but also various other considerations. In addition, TPL is 75.1%-owned by the Company. The Embedded Value and the New Business Value of TPL as at 30 June 2021 as disclosed below should therefore not be applied 100% in valuing CTIH. Investors are advised to pay particular attention to this factor, as well as the other assumptions underlying the calculations of the Embedded Value and New Business Value of TPL and the Group Embedded Value, if they believe such calculations are important and material to the valuation of the Company.

Group Embedded Value

HK\$ million

	At 30 June 2021	At 31 December 2020
Adjusted net worth ¹	148,763	135,490
Value of in-force business before cost of capital for TPL	141,962	132,657
Cost of Capital for TPL	(25,609)	(19,538)
Group Embedded Value	265,116	248,609
Attributable to:		
Owners of the Company	202,919	190,274
Non-controlling interests	62,197	58,335
Group Embedded Value	265,116	248,609

¹ The adjusted net worth is based on CTIH’s net asset value, after making the following major adjustments:

- i Goodwill and intangible assets produced during consolidation have been deducted; and
- ii Fair value adjustments to held-to-maturity assets.

Group Embedded Value measured in RMB at 30 June 2021 was RMB220.598 billion (31 December 2020: RMB209.239 billion).

Embedded Value of TPL

1. EMBEDDED VALUE

HK\$ million

	At 30 June 2021	At 31 December 2020
Adjusted net worth	99,919	88,214
Value of in-force business before cost of capital	141,962	132,657
Cost of Capital	(25,609)	(19,538)
Embedded Value	216,272	201,333
Attributable to:		
Owners of the Company	162,420	151,201
Non-controlling interests	53,852	50,132
Embedded Value	216,272	201,333

Embedded Value measured in RMB at 30 June 2021 was RMB179.956 billion (31 December 2020: RMB169.450 billion), among them, the Adjusted net worth was RMB83.141 billion (31 December 2020: RMB74.244 billion).

2. NEW BUSINESS VALUE

HK\$ million

	For the Past 6 Months as of 30 June 2021	For the Past 6 Months as of 30 June 2020
New business value before cost of capital	7,329	5,792
Cost of capital	(3,493)	(3,084)
New business value after cost of capital	3,836	2,708

New Business Value measured in RMB for the first half of 2021 was RMB3.192 billion (first half of 2020: RMB2.473 billion).

New business margin of TPL for the first half of 2021 was 17.6% (first half of 2020: 13.4%); from which the new business margin for individual business was 29.0% (first half of 2020: 29.2%); new business margin for bancassurance business was 5.7% (first half of 2020: -4.1%).

Embedded Value of TPL (Continued)

New business value by line of business was as follows:

HK\$ million

	For the Past 6 Months as of 30 June 2021	For the Past 6 Months as of 30 June 2020
Individual	3,415	3,194
Bancassurance	406	(308)
Others ¹	15	(178)
	3,836	2,708

¹ Others mainly consists of channel business such as internet & telemarketing and group insurance.

Condensed Consolidated Statement of Profit or Loss
for the six months ended 30 June 2021 - unaudited
(Expressed in Hong Kong dollars)

		Six months ended 30 June	
		2021	2020
	Notes	\$'000	\$'000
Income			
Total premiums written and policy fees	3	156,971,245	137,074,268
Less: Premiums ceded to reinsurers		(6,933,454)	(6,882,207)
Net premiums written and policy fees		150,037,791	130,192,061
Change in unearned premium provisions, net of reinsurance		(3,368,986)	(2,336,000)
Net earned premiums and policy fees		146,668,805	127,856,061
Net investment income	4(a)	21,083,451	16,907,861
Net realised investment gains	4(b)	13,411,581	6,756,488
Net unrealised investment gains/(losses) and impairment	4(c)	(2,121,692)	(2,589,723)
Other income	5	3,392,847	2,321,102
Total income		182,434,992	151,251,789
Benefits, losses and expenses			
Net policyholders' benefits	6(a)	(41,490,255)	(33,353,287)
Net commission and handling fee expenses	6(b)	(13,967,432)	(11,709,242)
Administrative and other expenses		(16,654,583)	(14,940,553)
Change in life insurance contract liabilities, net of reinsurance	6(c)	(101,573,926)	(81,761,986)
Total benefits, losses and expenses		(173,686,196)	(141,765,068)
		8,748,796	9,486,721
Share of results of associates and joint ventures		77,351	(1,445,070)
Finance costs	7(a)	(1,099,522)	(1,197,921)
Profit before taxation	7	7,726,625	6,843,730
Income tax charges	8	(652,368)	(1,765,102)
Profit after taxation		7,074,257	5,078,628
Attributable to:			
Owners of the Company		5,112,655	2,876,503
Non-controlling interests		1,961,602	2,202,125
		7,074,257	5,078,628
		dollars	dollars
Earnings per share attributable to the owners of the Company	10		
Basic		1.423	0.800
Diluted		1.423	0.800

The accompanying notes form an integral part of these interim financial statements.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the six months ended 30 June 2021 - unaudited
(Expressed in Hong Kong dollars)

	Six months ended 30 June	
	2021	2020
	\$'000	\$'000
Profit after taxation	7,074,257	5,078,628
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Revaluation gain arising from reclassification of own-use properties to investment properties		
- Revaluation gain arising during the period	77,151	3,459
- Net deferred tax	(10,850)	(865)
Exchange differences on translation of the financial statements of subsidiaries, associates and joint ventures which are not foreign operations	1,321,289	(1,572,562)
Items that may be subsequently reclassified to profit or loss:		
Exchange differences on translation of the financial statements of foreign operations	3,395	(80,898)
Available-for-sale securities		
- Net fair value changes during the period including the impact of impairment and disposal	(6,210,402)	2,387,308
- Net deferred tax	1,510,597	(478,434)
Total comprehensive income for the period	3,765,437	5,336,636
Attributable to:		
Owners of the Company	2,641,475	3,288,373
Non-controlling interests	1,123,962	2,048,263
	3,765,437	5,336,636

Condensed Consolidated Statement of Financial Position

as at 30 June 2021 - unaudited

(Expressed in Hong Kong dollars)

		At 30 June 2021 \$'000	At 31 December 2020 \$'000
	Notes		
Assets			
Statutory deposits	16	5,769,659	6,317,763
Fixed assets	11		
- Property and equipment		29,926,607	23,022,546
- Investment properties		22,019,568	18,792,109
- Right-of-use assets		8,137,955	8,273,607
		60,084,130	50,088,262
Goodwill		722,984	722,365
Intangible assets		261,408	261,408
Interests in associates and joint ventures		19,303,619	18,527,929
Deferred tax assets		2,592,960	2,239,919
Investments in debt and equity securities	13	900,295,912	821,686,758
Securities purchased under resale agreements	19	4,480,120	4,861,664
Amounts due from group companies		2,095,841	2,037,290
Insurance debtors	14	23,541,398	17,629,908
Reinsurers' share of insurance contract provisions		14,760,092	14,340,059
Policyholder account assets in respect of unit-linked products		1,464,344	1,443,637
Finance lease receivables	15A	52,336,549	42,466,477
Other assets	15	103,702,599	94,509,136
Pledged and restricted bank deposits		1,385,609	1,231,963
Deposits at banks with original maturity more than three months		55,944,591	59,337,038
Cash and cash equivalents	17	50,269,986	31,306,390
		1,299,011,801	1,169,007,966
Liabilities			
Life insurance contract liabilities		816,876,090	706,785,380
Unearned premium provisions		27,448,982	24,057,651
Provision for outstanding claims		28,392,536	25,466,722
Investment contract liabilities		83,665,578	77,039,143
Deferred tax liabilities		2,876,364	5,532,602
Interest-bearing notes		17,835,432	15,336,285
Bank borrowings	20	57,358,465	43,657,525
Lease liabilities		2,053,982	2,276,506
Securities sold under repurchase agreements	19	48,357,543	38,476,942
Amounts due to group companies		21,095	20,070
Insurance creditors	18	60,018,799	72,680,319
Other payables and accruals		35,150,235	39,587,862
Current taxation		1,238,456	1,307,392
Insurance protection fund		203,538	170,508
		1,181,497,095	1,052,394,907
Net assets		117,514,706	116,613,059

Condensed Consolidated Statement of Financial Position (Continued)

as at 30 June 2021 - unaudited
(Expressed in Hong Kong dollars)

		At 30 June 2021 \$'000	At 31 December 2020 \$'000
	<i>Notes</i>		
Capital and reserves attributable to the owners of the Company			
Share capital	21	40,771,408	40,771,408
Reserves	22	51,079,912	49,876,044
		91,851,320	90,647,452
Non-controlling interests	22	25,663,386	25,965,607
Total equity		117,514,706	116,613,059

The accompanying notes form an integral part of these interim financial statements.

Condensed Consolidated Statement of Changes in Equity
for the six months ended 30 June 2021 - unaudited
(Expressed in Hong Kong dollars)

		Share capital	Capital reserve	Merger reserve	Exchange reserve	Fair value reserve	Revaluation reserve	Retained profits	Attributable to owners of the Company	Non- controlling interests	Total
	<i>Note</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Balance at 1 January 2021		40,771,408	(5,615,659)	(6,842,218)	(212,624)	10,782,301	1,360,856	50,403,388	90,647,452	25,965,607	116,613,059
Profit for the period		-	-	-	-	-	-	5,112,655	5,112,655	1,961,602	7,074,257
Other comprehensive income for the period, net of deferred tax		-	-	-	1,064,159	(3,593,524)	58,185	-	(2,471,180)	(837,640)	(3,308,820)
Total comprehensive income		-	-	-	1,064,159	(3,593,524)	58,185	5,112,655	2,641,475	1,123,962	3,765,437
Dividends declared to shareholders	9(a)	-	-	-	-	-	-	(1,437,607)	(1,437,607)	-	(1,437,607)
Dividends declared by subsidiaries to non-controlling interests		-	-	-	-	-	-	-	-	(1,431,537)	(1,431,537)
Capital injection made to a subsidiary		-	-	-	-	-	-	-	-	5,354	5,354
Balance at 30 June 2021		40,771,408	(5,615,659)	(6,842,218)	851,535	7,188,777	1,419,041	54,078,436	91,851,320	25,663,386	117,514,706

Condensed Consolidated Statement of Changes in Equity (Continued)
for the six months ended 30 June 2020 - unaudited
(Expressed in Hong Kong dollars)

		Share capital	Capital reserve	Merger reserve	Exchange reserve	Fair value reserve	Revaluation reserve	Retained profits	Attributable to owners of the Company	Non- controlling interests	Total
	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2020		40,771,408	(6,757,647)	(6,842,218)	(4,578,886)	6,126,973	1,348,388	46,239,586	76,307,604	17,749,360	94,056,964
Profit for the period		-	-	-	-	-	-	2,876,503	2,876,503	2,202,125	5,078,628
Other comprehensive income for the period, net of deferred tax		-	-	-	(1,298,915)	1,708,191	2,594	-	411,870	(153,862)	258,008
Total comprehensive income		-	-	-	(1,298,915)	1,708,191	2,594	2,876,503	3,288,373	2,048,263	5,336,636
Dividends declared to shareholders	9(a)	-	-	-	-	-	-	(1,078,206)	(1,078,206)	-	(1,078,206)
Dividends declared by subsidiaries to non-controlling interests		-	-	-	-	-	-	-	-	(998,601)	(998,601)
Acquisition of additional interest in a subsidiary		-	(31,037)	-	-	-	-	-	(31,037)	(12,853)	(43,890)
Balance at 30 June 2020		40,771,408	(6,788,684)	(6,842,218)	(5,877,801)	7,835,164	1,350,982	48,037,883	78,486,734	18,786,169	97,272,903

The accompanying notes form an integral part of these interim financial statements.

Condensed Consolidated Statement of Cash Flows
for the six months ended 30 June 2021 - unaudited
(Expressed in Hong Kong dollars)

	<i>Notes</i>	Six months ended 30 June	
		2021	2020
		\$'000	\$'000
Net cash from operating activities		74,304,397	75,693,054
Net cash used in investing activities		(52,874,962)	(70,322,826)
Net cash used in financing activities		(2,669,637)	(1,722,758)
Effect of changes in exchange rates		203,798	(448,970)
Net increase in cash and cash equivalents		18,963,596	3,198,500
Cash and cash equivalents at 1 January		31,306,390	27,817,656
Cash and cash equivalents at 30 June		50,269,986	31,016,156
Analysis of the balances of cash and cash equivalents:			
Deposits with banks and other financial institutions with original maturity less than three months	17	11,911,674	7,481,865
Cash at bank and on hand	17	38,358,312	23,534,291
		50,269,986	31,016,156

The accompanying notes form an integral part of these interim financial statements.

Notes to the Unaudited Condensed Consolidated Financial Statements
(Expressed in Hong Kong dollars)

1 BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), and with HKAS 34 *Interim financial reporting* issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). It was authorised for issuance on 24 August 2021.

The financial statements relating to the year ended 31 December 2020 that is included in the condensed consolidated interim financial statements for the six months ended 30 June 2021 as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2020 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).

The Company’s auditor has reported on those financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap. 622).

The presentation of financial statement in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at fair value or measured primarily based on actuarial methods as explained in the accounting policies set out below:

Stated at fair value

- (i) investment properties;
- (ii) investments in debt and equity securities classified as available-for-sale, other than those carried at cost less impairment;
- (iii) investments in debt and equity securities classified as held-for-trading and designated at fair value through profit or loss;
- (iv) policyholder account assets in respect of unit-linked products; and
- (v) investment contract liabilities in respect of unit-linked products.

1 BASIS OF PREPARATION (Continued)

Measured primarily based on actuarial methods

- (i) life insurance contract liabilities;
- (ii) unearned premium provisions; and
- (iii) provision for outstanding claims.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2021 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2020, except for the adoption of new standards effective as at 1 January 2021. The Group has not early adopted any other standards, interpretation or amendments that has been issued but not effective.

(a) New accounting standards and amendments adopted by the Group for the first time of financial year beginning on 1 January 2021

In the current interim period, the Group has applied the following new and revised Hong Kong Financial Reporting Standards and interpretation ("new and revised HKFRSs") issued by the HKICPA.

Amendments to HKFRS 9, HKAS 39,
HKFRS 7, HKFRS 4 and HKFRS 16

Interest Rate Benchmark Reform Phase 2

Amendment to HKFRS 16

Covid-19-related Rent Concessions Beyond 30 June 2021

1 BASIS OF PREPARATION (Continued)

(b) New accounting standards that are effective but temporary exemption is applied by the Group

HKFRS 9

Financial Instruments¹

Note:

¹ Effective for annual periods beginning on or after 1 January 2018.

In the current period, the Group continues to apply the temporary exemption from HKFRS 9 under paragraph 20A of HKFRS 4, which permits, but does not require, the insurer to apply HKAS 39 for annual periods beginning before 1 January 2023. An insurer may apply the temporary exemption from HKFRS 9 if, and only if, (a) it has not previously applied any version of HKFRS 9, other than only the requirements for the presentation of gains and losses on financial liabilities designated at fair value through profit or loss, and (b) its activities are predominantly connected with insurance at its annual reporting date that immediately precedes 1 April 2016, or at a subsequent annual reporting date as specified in HKFRS 4. The carrying amount of the Group's liabilities connected with insurance (including life insurance contract liabilities, unearned premium provisions, provision for outstanding claims, investment contract liabilities, insurance and other creditors) relative to the total carrying amount of all its liabilities as at 31 December 2015 was higher than 80%. For the purpose of paragraph 20D of HKFRS 4, the Group's activities continue to be predominantly connected with insurance, based on the sources of income and expenses, the Group's industry classification, and other factors.

2 SEGMENT INFORMATION

The Group is organised primarily based on different types of businesses. The information reported to the Board, being the chief operating decision maker, for the purpose of resources allocation and performance assessment, are prepared and reported on such basis. Accordingly, the Group's operating segments are detailed as follows:

- Life insurance business;
- PRC property and casualty insurance business;
- Overseas property and casualty insurance business;
- Reinsurance business;
- Pension and group life insurance business; and
- Other businesses which comprised the asset management business, insurance intermediary business, financial leasing, property investment business, securities dealing and broking business.

Information regarding the above segments is reported below.

Management monitors the operating results of the Group's business units separately for the purpose of performance assessment.

2 SEGMENT INFORMATION (Continued)

(a) Segmental statement of profit or loss for the six months ended 30 June 2021

	Six months ended 30 June 2021							Total \$'000
	Life insurance \$'000	PRC property and casualty insurance \$'000	Overseas property and casualty insurance \$'000	Reinsurance \$'000	Pension and group life insurance \$'000	Other businesses \$'000	Inter- segment elimination and adjustment \$'000	
Income								
Total premiums written and policy fees	121,954,766	17,690,263	2,891,587	10,760,547	4,338,072	-	(663,990)	156,971,245
Less: Premiums ceded to reinsurers	(2,421,102)	(1,487,560)	(1,197,165)	(1,898,504)	(398,253)	-	469,130	(6,933,454)
Net premiums written and policy fees	119,533,664	16,202,703	1,694,422	8,862,043	3,939,819	-	(194,860)	150,037,791
Change in unearned premium provisions, net of reinsurance	(774,575)	(1,420,596)	(57,480)	(688,736)	(440,366)	-	12,767	(3,368,986)
Net earned premiums and policy fees	118,759,089	14,782,107	1,636,942	8,173,307	3,499,453	-	(182,093)	146,668,805
Net investment income (note (i))	18,365,963	566,621	201,688	816,808	309,995	592,181	230,195	21,083,451
Net realised investment gains/(losses) (note (ii))	10,095,468	353,112	33,932	35,022	138,826	(3,394)	2,758,615	13,411,581
Net unrealised investment gains/(losses) and impairment (note (iii))	(102,909)	(9,541)	(77,943)	(51,050)	(8,157)	(757,526)	(1,114,566)	(2,121,692)
Other income	1,364,280	66,910	32,552	29,020	621,287	3,783,576	(2,504,778)	3,392,847
Segment income	148,481,891	15,759,209	1,827,171	9,003,107	4,561,404	3,614,837	(812,627)	182,434,992
Benefits, losses and expenses								
Net policyholders' benefits	(24,167,411)	(9,880,274)	(931,579)	(4,544,745)	(2,007,308)	-	41,062	(41,490,255)
Net commission and handling fee expenses	(10,015,028)	(2,517,773)	(316,371)	(1,814,529)	(229,041)	-	925,310	(13,967,432)
Administrative and other expenses	(9,883,245)	(3,048,671)	(322,832)	(196,519)	(1,201,779)	(3,094,660)	1,093,123	(16,654,583)
Change in life insurance contract liabilities, net of reinsurance	(98,601,617)	-	-	(2,110,552)	(863,023)	-	1,266	(101,573,926)
Total benefits, losses and expenses	(142,667,301)	(15,446,718)	(1,570,782)	(8,666,345)	(4,301,151)	(3,094,660)	2,060,761	(173,686,196)
Share of results of associates and joint ventures	5,814,590	312,491	256,389	336,762	260,253	520,177	1,248,134	8,748,796
Finance costs	1,482,573	(42,281)	-	-	15,387	24,420	(1,402,748)	77,351
	(65,788)	(86,060)	(4,584)	(2,286)	(28,636)	(1,048,912)	136,744	(1,099,522)
Profit before taxation	7,231,375	184,150	251,805	334,476	247,004	(504,315)	(17,870)	7,726,625
Income tax charges	(223,477)	(71,594)	(33,451)	(50,112)	(48,270)	(219,720)	(5,744)	(652,368)
Profit after taxation	7,007,898	112,556	218,354	284,364	198,734	(724,035)	(23,614)	7,074,257
Non-controlling interests								(1,961,602)
Profit attributable to owners of the Company								<u>5,112,655</u>

Segment income (including total premiums written and policy fees) and segment profit/(loss) represent the income and profit/(loss) earned by each segment which is the measure reported to the Board for the purpose of resource allocation and assessment of segment performance.

2 SEGMENT INFORMATION (Continued)

(a) Segmental statement of profit or loss for the six months ended 30 June 2021 (Continued)

	Six months ended 30 June 2021							Total \$'000
	Life insurance \$'000	PRC property and casualty insurance \$'000	Overseas property and casualty insurance \$'000	Reinsurance \$'000	Pension and group life insurance \$'000	Other businesses \$'000	Inter- segment elimination and adjustment \$'000	
Note (i): Net investment income								
Interests income from debt securities								
- Held-to-maturity	7,947,307	92,188	48,204	577,958	-	19,580	(869)	8,684,368
- Available-for-sale	1,336,379	41,560	14,793	78,707	89,555	6,632	-	1,567,626
- Held-for-trading	39,342	135	33,449	1,625	-	39,949	329,720	444,220
- Designated at fair value through profit or loss	-	-	1,558	-	-	-	-	1,558
Interests income from debt products								
- Loans and receivables	2,895,159	212,087	3,786	36,771	139,272	35,546	239,268	3,561,889
Dividend income from equity securities								
- Available-for-sale	2,333,135	47,685	7,972	28,837	11,804	48,555	478	2,478,466
- Held-for-trading	3,101	-	1,693	-	-	-	126,082	130,876
Dividend income from investment funds								
- Available-for-sale	291,171	7,970	977	3,076	5,551	231	(79,565)	229,411
- Held-for-trading	210,842	4,894	417	3,894	2,018	3,908	(48,277)	177,696
- Designated at fair value through profit or loss	23,978	-	-	-	-	17,759	(23,978)	17,759
- Loans and receivables	45,311	-	26,044	16,780	-	29,987	-	118,122
Bank deposits and other interests income	3,237,978	155,533	13,465	66,218	62,950	29,992	(108,905)	3,457,231
Net rental income receivable from investment properties	115,396	12,623	49,330	3,107	5,702	369,181	(162,133)	393,206
Net interest income/(expenses) on securities purchased/sold under resale/repurchase agreements	(113,136)	(8,054)	-	(165)	(6,857)	(9,139)	(41,626)	(178,977)
	18,365,963	566,621	201,688	816,808	309,995	592,181	230,195	21,083,451

2 SEGMENT INFORMATION (Continued)

(a) Segmental statement of profit or loss for the six months ended 30 June 2021 (Continued)

	Six months ended 30 June 2021							Total \$'000
	Life insurance \$'000	PRC property and casualty insurance \$'000	Overseas property and casualty insurance \$'000	Reinsurance \$'000	Pension and group life insurance \$'000	Other businesses \$'000	Inter- segment elimination and adjustment \$'000	
Note (ii): Net realised investment gains/(losses)								
Debt securities								
- Held-to-maturity	185,484	-	6,040	-	-	-	-	191,524
- Available-for-sale	369,592	548	17,164	60,816	-	(448)	-	447,672
- Held-for-trading	10,834	1,415	(8,080)	5,088	17	(32,024)	6,001	(16,749)
Equity securities								
- Available-for-sale	8,848,936	345,925	16,743	(33,832)	134,683	-	166	9,312,621
- Held-for-trading	23,458	-	1,371	-	-	(21)	2,696,299	2,721,107
Investment funds								
- Available-for-sale	542,779	5,224	694	2,950	4,126	1,620	51	557,444
- Held-for-trading	(27,729)	-	-	-	-	9,941	56,098	38,310
Gain on disposal of partial interest in an associate	142,114	-	-	-	-	-	-	142,114
Gain on disposal of investment properties	-	-	-	-	-	17,538	-	17,538
	10,095,468	353,112	33,932	35,022	138,826	(3,394)	2,758,615	13,411,581
Note (iii): Net unrealised investment gains/(losses) and impairment								
Debt securities								
- Held-for-trading	(78,154)	(366)	(18,502)	312	158	24,903	(105,788)	(177,437)
- Designated at fair value through profit or loss	-	-	(768)	-	-	-	-	(768)
Equity securities								
- Held-for-trading	(2,763)	-	6,306	-	-	5,226	(810,214)	(801,445)
Investment funds								
- Held-for-trading	222,193	-	816	-	67	(499)	(144,430)	78,147
- Designated at fair value through profit or loss	122,869	-	-	-	-	(7,677)	(122,869)	(7,677)
Surplus/(deficit) on revaluation of investment properties	(42,991)	(3,633)	9,892	60	(2,781)	(503,224)	68,735	(473,942)
Impairment loss recognised:								
- Available-for-sale debt securities, equity securities and investment funds	(81,346)	(5,542)	(303)	(1,212)	-	(232,752)	-	(321,155)
- Loans and receivables debt products and investment funds	(209,451)	-	(75,384)	(50,210)	(5,601)	(43,503)	-	(384,149)
- Held-to-maturity debt securities	(33,266)	-	-	-	-	-	-	(33,266)
	(102,909)	(9,541)	(77,943)	(51,050)	(8,157)	(757,526)	(1,114,566)	(2,121,692)

2 SEGMENT INFORMATION (Continued)

(b) Segmental statement of financial position as at 30 June 2021

	At 30 June 2021							
	Life insurance	PRC property and casualty insurance	Overseas property and casualty insurance	Reinsurance	Pension and group life insurance	Other businesses	Inter-segment elimination and adjustment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Statutory deposits	2,811,884	1,502,259	298,485	422,246	721,085	13,700	-	5,769,659
Fixed assets								
- Property and equipment	4,795,448	1,068,255	486,644	22,406	391,139	17,352,745	5,809,970	29,926,607
- Investment properties	5,043,409	606,035	3,163,332	234,300	302,579	19,965,766	(7,295,853)	22,019,568
- Right-of-use assets	2,178,008	565,995	35,037	157,831	290,458	5,992,144	(1,081,518)	8,137,955
Investments in debt and equity securities								
- Debt securities (note (i))	491,047,241	7,212,770	4,931,165	31,312,705	6,316,789	4,748,261	28,308,725	573,877,656
- Equity securities (note (iii))	125,906,454	4,440,926	645,064	2,748,744	1,212,200	4,354,898	20,812,715	160,121,001
- Investment funds (note (iii))	60,660,400	2,239,434	1,610,796	2,649,385	937,139	2,715,425	(32,018,861)	38,793,718
- Debt products (note (iv))	107,514,178	8,014,604	100,069	1,413,965	5,045,239	1,822,077	3,593,405	127,503,537
Cash and bank deposits	75,866,819	8,136,678	1,863,428	5,591,856	3,784,942	7,864,663	4,491,800	107,600,186
Goodwill	-	-	-	-	-	54,467	668,517	722,984
Intangible assets	-	-	-	-	-	-	261,408	261,408
Interests in associates and joint ventures	35,845,168	2,670,050	-	-	811,994	3,217,290	(23,240,883)	19,303,619
Reinsurers' share of insurance contract provisions	3,710,533	3,376,870	4,174,554	3,896,381	500,604	-	(898,850)	14,760,092
Policyholder account assets in respect of unit-linked products	1,464,344	-	-	-	-	-	-	1,464,344
Finance lease receivables	-	-	-	-	-	52,336,549	-	52,336,549
Other segment assets	112,403,872	6,873,473	2,282,162	10,795,063	2,655,549	5,001,015	(3,598,216)	136,412,918
Segment assets	1,029,247,758	46,707,349	19,590,736	59,244,882	22,969,717	125,439,000	(4,187,641)	1,299,011,801
Life insurance contract liabilities	791,460,318	-	-	19,202,482	6,213,290	-	-	816,876,090
Unearned premium provisions	4,847,606	14,221,122	2,311,614	3,890,726	2,432,907	-	(254,993)	27,448,982
Provision for outstanding claims	1,709,076	9,860,701	6,669,022	9,637,913	1,159,682	-	(643,858)	28,392,536
Investment contract liabilities	75,634,985	-	158,914	6,194,418	1,677,261	-	-	83,665,578
Interest-bearing notes	-	3,605,423	-	-	-	14,272,740	(42,731)	17,835,432
Bank borrowings	-	-	240,000	-	-	57,911,658	(793,193)	57,358,465
Lease liabilities	1,953,891	479,169	35,354	170,153	300,397	296,263	(1,181,245)	2,053,982
Securities sold under repurchase agreements	37,310,494	1,477,496	-	-	1,942,128	1,759,243	5,868,182	48,357,543
Other segment liabilities	59,116,929	8,324,671	2,092,588	7,860,550	5,403,715	18,546,947	(1,836,913)	99,508,487
Segment liabilities	972,033,299	37,968,582	11,507,492	46,956,242	19,129,380	92,786,851	1,115,249	1,181,497,095
Non-controlling interests								(25,663,386)
Net assets attributable to the owners of the Company								91,851,320

Segment assets and segment liabilities represent the assets/liabilities recorded by each segment which is the measure reported to the Board for the purpose of resource allocation and assessment of segment performance.

2 SEGMENT INFORMATION (Continued)

(b) Segmental statement of financial position as at 30 June 2021 (Continued)

At 30 June 2021								
	Life insurance	PRC property and casualty insurance	Overseas property and casualty insurance	Reinsurance	Pension and group life insurance	Other businesses	Inter-segment elimination and adjustment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Note (i): Debt securities								
By category:								
- Held-to-maturity	419,957,650	4,840,134	2,023,370	25,633,969	-	1,209,885	(42,731)	453,622,277
- Available-for-sale	67,548,884	2,290,791	1,185,389	5,435,872	6,314,437	351,485	-	83,126,858
- Held-for-trading	3,540,707	81,845	1,638,402	242,864	2,352	3,186,891	28,351,456	37,044,517
- Designated at fair value through profit or loss	-	-	84,004	-	-	-	-	84,004
	491,047,241	7,212,770	4,931,165	31,312,705	6,316,789	4,748,261	28,308,725	573,877,656
Note (ii): Equity securities								
By category:								
- Available-for-sale	125,538,187	4,440,926	532,297	2,748,744	1,212,200	4,229,958	37,635	138,739,947
- Held-for-trading	368,267	-	112,767	-	-	124,940	20,775,080	21,381,054
	125,906,454	4,440,926	645,064	2,748,744	1,212,200	4,354,898	20,812,715	160,121,001
Note (iii): Investment funds								
By category:								
- Available-for-sale	23,228,354	1,520,376	60,350	908,322	431,287	733,234	(3,814,772)	23,067,151
- Held-for-trading	16,357,919	719,058	68,162	126,168	505,852	999,301	(8,734,467)	10,041,993
- Designated at fair value through profit or loss	19,469,622	-	-	-	-	112,370	(19,469,622)	112,370
- Loans and receivables	1,604,505	-	1,482,284	1,614,895	-	870,520	-	5,572,204
	60,660,400	2,239,434	1,610,796	2,649,385	937,139	2,715,425	(32,018,861)	38,793,718
Note (iv): Debt products								
By category:								
- Loans and receivables	107,514,178	8,014,604	100,069	1,413,965	5,045,239	1,822,077	3,593,405	127,503,537

2 SEGMENT INFORMATION (Continued)

(c) Segmental statement of profit or loss for the six months ended 30 June 2020

	Six months ended 30 June 2020							
	Life insurance \$'000	PRC property and casualty insurance \$'000	Overseas property and casualty insurance \$'000	Reinsurance \$'000	Pension and group life insurance \$'000	Other businesses \$'000	Inter-segment elimination and adjustment \$'000	Total \$'000
Income								
Total premiums written and policy fees	107,026,942	15,610,588	3,813,522	8,932,274	3,277,957	-	(1,587,015)	137,074,268
Less: Premiums ceded to reinsurers	(1,950,000)	(3,312,670)	(1,221,187)	(1,490,776)	(351,900)	-	1,444,326	(6,882,207)
Net premiums written and policy fees	105,076,942	12,297,918	2,592,335	7,441,498	2,926,057	-	(142,689)	130,192,061
Change in unearned premium provisions, net of reinsurance	(874,009)	(28,373)	(350,279)	(564,916)	(518,707)	-	284	(2,336,000)
Net earned premiums and policy fees	104,202,933	12,269,545	2,242,056	6,876,582	2,407,350	-	(142,405)	127,856,061
Net investment income (note (i))	14,490,943	525,730	236,732	868,747	259,190	505,999	20,520	16,907,861
Net realised investment gains/(losses) (note (ii))	5,532,541	187,612	3,602	45,263	87,691	199,150	700,629	6,756,488
Net unrealised investment gains/(losses) and impairment (note (iii))	(1,407,638)	(133,435)	(340,832)	(290,252)	(29,627)	(1,046,886)	658,947	(2,589,723)
Other income	1,463,524	77,313	39,841	(208,406)	478,548	3,016,542	(2,546,260)	2,321,102
Segment income	124,282,303	12,926,765	2,181,399	7,291,934	3,203,152	2,674,805	(1,308,569)	151,251,789
Benefits, losses and expenses								
Net policyholders' benefits	(18,965,421)	(6,719,828)	(1,121,057)	(5,263,431)	(1,297,180)	-	13,630	(33,353,287)
Net commission and handling fee expenses	(8,772,565)	(1,538,635)	(826,437)	(1,485,755)	(191,981)	-	1,106,131	(11,709,242)
Administrative and other expenses	(8,583,915)	(4,092,055)	(293,428)	(173,357)	(837,783)	(2,220,094)	1,260,079	(14,940,553)
Change in life insurance contract liabilities, net of reinsurance	(80,812,260)	-	-	(436,593)	(513,153)	-	20	(81,761,986)
Total benefits, losses and expenses	(117,134,161)	(12,350,518)	(2,240,922)	(7,359,136)	(2,840,097)	(2,220,094)	2,379,860	(141,765,068)
Share of results of associates and joint ventures	7,148,142	576,247	(59,523)	(67,202)	363,055	454,711	1,071,291	9,486,721
Finance costs	1,648,894	(24,631)	-	-	(1,338)	(1,904,986)	(1,163,009)	(1,445,070)
	(71,720)	(80,139)	(29,965)	(25,117)	(39,494)	(1,074,778)	123,292	(1,197,921)
Profit before taxation	8,725,316	471,477	(89,488)	(92,319)	322,223	(2,525,053)	31,574	6,843,730
Income tax credits/(charges)	(1,303,756)	(127,388)	35,583	2,590	(74,421)	(283,050)	(14,660)	(1,765,102)
Profit after taxation	7,421,560	344,089	(53,905)	(89,729)	247,802	(2,808,103)	16,914	5,078,628
Non-controlling interests								(2,202,125)
Profit attributable to owners of the Company								<u>2,876,503</u>

Segment income (including total premiums written and policy fees) and segment profit/(loss) represent the income and profit/(loss) earned by each segment which is the measure reported to the Board for the purpose of resource allocation and assessment of segment performance.

2 SEGMENT INFORMATION (Continued)

(c) Segmental statement of profit or loss for the six months ended 30 June 2020 (Continued)

	Six months ended 30 June 2020							Total \$'000
	Life insurance \$'000	PRC property and casualty insurance \$'000	Overseas property and casualty insurance \$'000	Reinsurance \$'000	Pension and group life insurance \$'000	Other businesses \$'000	Inter- segment elimination and adjustment \$'000	
Note (i): Net investment income								
Interests income from debt securities								
- Held-to-maturity	5,480,195	72,243	49,077	582,679	-	10,649	(116)	6,194,727
- Available-for-sale	1,428,136	46,578	13,087	61,667	43,145	6,122	(18)	1,598,717
- Held-for-trading	27,162	226	20,015	1,363	-	39,586	140,072	228,424
- Designated at fair value through profit or loss	-	-	2,022	-	-	-	-	2,022
Interests income from debt products								
- Loans and receivables	2,713,670	198,338	4,912	34,831	132,662	87,838	261,153	3,433,404
Dividend income from equity securities								
- Available-for-sale	1,459,717	43,601	5,830	6,493	10,220	6,246	(37,583)	1,494,524
- Held-for-trading	2,033	-	1,571	-	-	1,278	88,752	93,634
- Designated at fair value through profit or loss	149,040	-	-	-	-	-	-	149,040
Dividend income from investment funds								
- Available-for-sale	270,586	16,760	3,990	39,781	7,542	3,342	(85,462)	256,539
- Held-for-trading	201,503	1,382	-	-	205	3,839	(133,540)	73,389
- Loans and receivables	54,736	-	65,092	70,309	-	34,195	-	224,332
Bank deposits and other interests income	2,868,678	136,186	19,167	70,459	54,520	32,417	(93,158)	3,088,269
Net rental income receivable from investment properties	124,884	10,595	51,969	1,960	6,568	285,798	(130,945)	350,829
Net interest income/(expenses) on securities purchased/sold under resale/repurchase agreements	(289,397)	(179)	-	(795)	4,328	(5,311)	11,365	(279,989)
	<u>14,490,943</u>	<u>525,730</u>	<u>236,732</u>	<u>868,747</u>	<u>259,190</u>	<u>505,999</u>	<u>20,520</u>	<u>16,907,861</u>

2 SEGMENT INFORMATION (Continued)

(c) Segmental statement of profit or loss for the six months ended 30 June 2020 (Continued)

Six months ended 30 June 2020								
	Life insurance \$'000	PRC property and casualty insurance \$'000	Overseas property and casualty insurance \$'000	Reinsurance \$'000	Pension and group life insurance \$'000	Other businesses \$'000	Inter- segment elimination and adjustment \$'000	Total \$'000
Note (ii): Net realised investment gains/(losses)								
Debt securities								
- Held-to-maturity	(29,848)	-	16,481	-	-	184	-	(13,183)
- Available-for-sale	626,943	-	3,854	25,552	(64)	598	(55)	656,828
- Held-for-trading	37,314	14,027	(7,302)	4,223	679	29,388	6,464	84,793
- Designated at fair value through profit or loss	-	-	17	-	-	-	-	17
Equity securities								
- Available-for-sale	4,421,893	162,373	(7,948)	13,639	80,642	-	(317)	4,670,282
- Held-for-trading	(3,233)	-	(1,332)	-	-	217	696,102	691,754
Investment funds								
- Available-for-sale	479,472	11,212	(168)	1,849	6,434	(24,955)	(11)	473,833
- Held-for-trading	-	-	-	-	-	9,039	(1,554)	7,485
Gain on disposal of investment properties	-	-	-	-	-	184,679	-	184,679
	<u>5,532,541</u>	<u>187,612</u>	<u>3,602</u>	<u>45,263</u>	<u>87,691</u>	<u>199,150</u>	<u>700,629</u>	<u>6,756,488</u>
Note (iii): Net unrealised investment gains/(losses) and impairment								
Debt securities								
- Held-for-trading	(58,287)	(17,760)	(11,686)	(169)	(852)	(436)	(49,645)	(138,835)
- Designated at fair value through profit or loss	-	-	735	-	-	-	-	735
Equity securities								
- Held-for-trading	(3,648)	-	(10,069)	-	-	(82,690)	743,121	646,714
- Designated at fair value through profit or loss	(143,993)	-	-	-	-	-	-	(143,993)
Investment funds								
- Held-for-trading	128,009	-	(2,902)	-	-	(4,871)	(112,056)	8,180
- Designated at fair value through profit or loss	-	-	-	-	-	(112,390)	-	(112,390)
Surplus/(deficit) on revaluation of investment properties	(88,069)	(11,253)	2,295	(290)	(14,400)	(230,822)	77,527	(265,012)
Impairment loss recognised:								
- Available-for-sale debt securities, equity securities and investment funds	(767,232)	(47,404)	(4,922)	(27,478)	-	(26,500)	-	(873,536)
- Loans and receivables debt products and investment funds	(474,418)	(57,018)	(314,283)	(262,315)	(14,375)	(589,177)	-	(1,711,586)
	<u>(1,407,638)</u>	<u>(133,435)</u>	<u>(340,832)</u>	<u>(290,252)</u>	<u>(29,627)</u>	<u>(1,046,886)</u>	<u>658,947</u>	<u>(2,589,723)</u>

2 SEGMENT INFORMATION (Continued)

(d) Segmental statement of financial position as at 31 December 2020

	At 31 December 2020							
	Life insurance \$'000	PRC property and casualty insurance \$'000	Overseas property and casualty insurance \$'000	Reinsurance \$'000	Pension and group life insurance \$'000	Other businesses \$'000	Inter-segment elimination and adjustment \$'000	Total \$'000
Statutory deposits	3,596,511	1,485,195	97,424	419,084	712,894	6,655	-	6,317,763
Fixed assets								
- Property and equipment	4,952,551	1,081,753	460,873	31,670	437,312	10,219,861	5,838,526	23,022,546
- Investment properties	5,008,876	602,752	3,202,632	234,240	301,899	16,707,308	(7,265,598)	18,792,109
- Right-of-use assets	2,279,202	545,831	9,996	99,137	301,668	6,007,073	(969,300)	8,273,607
Investments in debt and equity securities								
- Debt securities (note (i))	414,414,378	6,820,692	4,940,909	31,331,381	3,793,517	3,289,272	28,718,354	493,308,503
- Equity securities (note (ii))	131,760,857	3,986,144	509,704	1,062,859	1,315,390	4,216,735	18,345,533	161,197,222
- Investment funds (note (iii))	54,952,659	1,739,422	1,681,643	2,710,378	455,922	2,195,889	(26,722,636)	37,013,277
- Debt products (note (iv))	109,934,826	8,091,969	123,759	1,324,121	5,098,084	2,042,410	3,552,587	130,167,756
Cash and bank deposits	64,429,527	7,628,329	1,772,697	4,737,314	2,391,176	7,126,134	3,790,214	91,875,391
Goodwill	-	-	-	-	-	53,848	668,517	722,365
Intangible assets	-	-	-	-	-	-	261,408	261,408
Interests in associates and joint ventures	31,465,429	2,194,304	-	-	751,877	4,146,102	(20,029,783)	18,527,929
Reinsurers' share of insurance contract provisions	3,681,264	3,290,710	4,312,124	3,697,634	421,198	-	(1,062,871)	14,340,059
Policyholder account assets in respect of unit-linked products	1,443,637	-	-	-	-	-	-	1,443,637
Finance lease receivables	-	-	-	-	-	42,466,477	-	42,466,477
Other segment assets	101,424,010	5,968,219	2,124,023	10,030,380	2,913,667	4,525,548	(5,707,930)	121,277,917
Segment assets	929,343,727	43,435,320	19,235,784	55,678,198	18,894,604	103,003,312	(582,979)	1,169,007,966
Life insurance contract liabilities	684,316,482	-	-	17,192,047	5,276,851	-	-	706,785,380
Unearned premium provisions	4,730,434	12,582,981	2,197,462	2,931,579	1,912,039	-	(296,844)	24,057,651
Provision for outstanding claims	1,366,724	8,034,191	6,792,807	9,069,053	969,972	-	(766,025)	25,466,722
Investment contract liabilities	68,594,595	-	124,287	6,671,299	1,648,962	-	-	77,039,143
Interest-bearing notes	2,410,299	3,564,469	-	-	-	9,404,186	(42,669)	15,336,285
Bank borrowings	-	-	391,300	-	-	43,753,369	(487,144)	43,657,525
Lease liabilities	2,096,712	488,404	10,397	103,324	317,404	301,989	(1,041,724)	2,276,506
Securities sold under repurchase agreements	29,889,794	1,841,451	-	-	718,830	745,043	5,281,824	38,476,942
Other segment liabilities	75,111,433	8,450,384	1,897,816	7,668,014	4,502,986	20,540,877	1,127,243	119,298,753
Segment liabilities	868,516,473	34,961,880	11,414,069	43,635,316	15,347,044	74,745,464	3,774,661	1,052,394,907
Non-controlling interests								(25,965,607)
Net assets attributable to the owners of the Company								90,647,452

Segment assets and segment liabilities represent the assets/liabilities recorded by each segment which is the measure reported to the Board for the purpose of resource allocation and assessment of segment performance.

2 SEGMENT INFORMATION (Continued)

(d) Segmental statement of financial position as at 31 December 2020 (Continued)

At 31 December 2020								
	Life insurance	PRC property and casualty insurance	Overseas property and casualty insurance	Reinsurance	Pension and group life insurance	Other businesses	Inter-segment elimination and adjustment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Note (i): Debt securities								
By category:								
- Held-to-maturity	336,891,255	4,542,879	1,921,498	23,777,078	-	739,295	(42,669)	367,829,336
- Available-for-sale	75,304,259	2,232,399	1,088,156	7,404,330	3,793,517	491,403	-	90,314,064
- Held-for-trading	2,218,864	45,414	1,846,533	149,973	-	2,058,574	28,761,023	35,080,381
- Designated at fair value through profit or loss	-	-	84,722	-	-	-	-	84,722
	<u>414,414,378</u>	<u>6,820,692</u>	<u>4,940,909</u>	<u>31,331,381</u>	<u>3,793,517</u>	<u>3,289,272</u>	<u>28,718,354</u>	<u>493,308,503</u>
Note (ii): Equity securities								
By category:								
- Available-for-sale	131,443,423	3,986,144	409,746	1,062,859	1,315,390	4,084,333	28,517	142,330,412
- Held-for-trading	317,434	-	99,958	-	-	132,402	18,317,016	18,866,810
	<u>131,760,857</u>	<u>3,986,144</u>	<u>509,704</u>	<u>1,062,859</u>	<u>1,315,390</u>	<u>4,216,735</u>	<u>18,345,533</u>	<u>161,197,222</u>
Note (iii): Investment funds								
By category:								
- Available-for-sale	26,734,733	1,559,334	56,561	923,465	455,922	972,362	(3,786,120)	26,916,257
- Held-for-trading	17,647,523	180,088	67,422	121,808	-	392,223	(13,790,329)	4,618,735
- Designated at fair value through profit or loss	9,146,187	-	-	-	-	121,112	(9,146,187)	121,112
- Loans and receivables	1,424,216	-	1,557,660	1,665,105	-	710,192	-	5,357,173
	<u>54,952,659</u>	<u>1,739,422</u>	<u>1,681,643</u>	<u>2,710,378</u>	<u>455,922</u>	<u>2,195,889</u>	<u>(26,722,636)</u>	<u>37,013,277</u>
Note (iv): Debt products								
By category:								
- Loans and receivables	109,934,826	8,091,969	123,759	1,324,121	5,098,084	2,042,410	3,552,587	130,167,756

2 SEGMENT INFORMATION (Continued)

Geographical distribution:

Approximately 90% (30 June 2020: 92%) of the Group's total income is derived from its operations in the PRC (other than Hong Kong and Macau).

The Group's information about its non-current assets by geographical location of the assets are detailed below:

At 30 June 2021				
PRC				
	Hong Kong and Macau	(other than Hong Kong and Macau)	Rest of the world	Total
	\$'000	\$'000	\$'000	\$'000
Non-current assets (other than financial instruments, deferred tax assets, rights arising under insurance contracts and interests in associates and joint ventures)	13,344,383	47,032,523	691,616	61,068,522
At 31 December 2020				
	Hong Kong and Macau	(other than Hong Kong and Macau)	Rest of the world	Total
	\$'000	\$'000	\$'000	\$'000
Non-current assets (other than financial instruments, deferred tax assets, rights arising under insurance contracts and interests in associates and joint ventures)	4,326,360	46,049,617	696,058	51,072,035

Information about major customers:

There were no customers for the six months ended 30 June 2021 and 2020 contributing over 10% of the total premiums written and policy fees of the Group.

3 TOTAL PREMIUMS WRITTEN AND POLICY FEES

Principal activities

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries are the underwriting of direct life insurance business, property and casualty insurance business, all classes of reinsurance business, pension and group life business. Apart from these, the Group also carries on operations in asset management, property investment, financial leasing, insurance intermediaries and securities dealing and broking.

Six months ended 30 June 2021						
	Life insurance contracts \$'000	PRC property and casualty insurance contracts \$'000	Overseas property and casualty insurance contracts \$'000	Reinsurance contracts \$'000	Pension and group life insurance contracts \$'000	Total \$'000
Total premiums written	121,853,884	17,649,401	2,868,423	10,286,410	4,196,647	156,854,765
Policy fees	99,279	-	-	17,201	-	116,480
	<u>121,953,163</u>	<u>17,649,401</u>	<u>2,868,423</u>	<u>10,303,611</u>	<u>4,196,647</u>	<u>156,971,245</u>

Six months ended 30 June 2020						
	Life insurance contracts \$'000	PRC property and casualty insurance contracts \$'000	Overseas property and casualty insurance contracts \$'000	Reinsurance contracts \$'000	Pension and group life insurance contracts \$'000	Total \$'000
Total premiums written	106,856,445	15,585,700	2,765,558	8,547,526	3,148,618	136,903,847
Policy fees	169,555	-	-	866	-	170,421
	<u>107,026,000</u>	<u>15,585,700</u>	<u>2,765,558</u>	<u>8,548,392</u>	<u>3,148,618</u>	<u>137,074,268</u>

4 INVESTMENT INCOME

		Six months ended 30 June	
		2021 \$'000	2020 \$'000
Net investment income (note (a))		21,083,451	16,907,861
Net realised investment gains (note (b))		13,411,581	6,756,488
Net unrealised investment gains/(losses) and impairment (note (c))		(2,121,692)	(2,589,723)
		<u>32,373,340</u>	<u>21,074,626</u>

4 INVESTMENT INCOME (Continued)

	Six months ended 30 June	
	2021	2020
	\$'000	\$'000
(a) Net investment income		
Interests income from debt securities <i>(note (i))</i> :		
- Held-to-maturity	8,684,368	6,194,727
- Available-for-sale	1,567,626	1,598,717
- Held-for-trading	444,220	228,424
- Designated at fair value through profit or loss	1,558	2,022
	10,697,772	8,023,890
Interests income from debt products <i>(note (i))</i> :		
- Loans and receivables	3,561,889	3,433,404
Dividend income from equity securities <i>(note (ii))</i> :		
- Available-for-sale	2,478,466	1,494,524
- Held-for-trading	130,876	93,634
- Designated at fair value through profit or loss	-	149,040
	2,609,342	1,737,198
Dividend income from investment funds <i>(note (iii))</i> :		
- Available-for-sale	229,411	256,539
- Held-for-trading	177,696	73,389
- Designated at fair value through profit or loss	17,759	-
- Loans and receivables	118,122	224,332
	542,988	554,260
Bank deposits and other interests income	3,457,231	3,088,269
Gross rental income receivable from investment properties	399,842	355,560
Less: direct outgoings	(6,636)	(4,731)
Net rental income receivable from investment properties	393,206	350,829
Net interest expenses on securities sold/purchased under repurchase/resale agreements	(178,977)	(279,989)
	21,083,451	16,907,861

4 INVESTMENT INCOME (Continued)

		Six months ended 30 June	
		2021	2020
		\$'000	\$'000
(a) Net investment income (Continued)			
<i>Notes:</i>			
<i>(i) Interests income from debt securities and debt products:</i>			
Listed	2,436,225	2,905,906	
Unlisted	11,823,436	8,551,388	
	14,259,661	11,457,294	
<i>(ii) Dividend income from equity securities:</i>			
Listed	2,115,949	1,483,014	
Unlisted	493,393	254,184	
	2,609,342	1,737,198	
<i>(iii) Dividend income from investment funds:</i>			
Listed	88,171	10,512	
Unlisted	454,817	543,748	
	542,988	554,260	

4 INVESTMENT INCOME (Continued)

	Six months ended 30 June	
	2021	2020
	\$'000	\$'000
(b) Net realised investment gains/(losses)		
Debt securities (<i>note (i)</i>) :		
- Held-to-maturity	191,524	(13,183)
- Available-for-sale	447,672	656,828
- Held-for-trading	(16,749)	84,793
- Designated at fair value through profit or loss	-	17
	622,447	728,455
Equity securities (<i>note (ii)</i>) :		
- Available-for-sale	9,312,621	4,670,282
- Held-for-trading	2,721,107	691,754
	12,033,728	5,362,036
Investment funds (<i>note (iii)</i>) :		
- Available-for-sale	557,444	473,833
- Held-for-trading	38,310	7,485
	595,754	481,318
Gain on disposal of partial interest in an associate	142,114	-
Gain on disposal of investment properties	17,538	184,679
	13,411,581	6,756,488

4 INVESTMENT INCOME (Continued)

		Six months ended 30 June	
		2021	2020
		\$'000	\$'000
(b) Net realised investment gains/(losses) (Continued)			
<i>Notes:</i>			
<i>(i) Net realised investment gains on debt securities:</i>			
Listed	621,643	437,596	
Unlisted	804	290,859	
	622,447	728,455	
<i>(ii) Net realised investment gains on equity securities:</i>			
Listed	11,986,804	5,337,667	
Unlisted	46,924	24,369	
	12,033,728	5,362,036	
<i>(iii) Net realised investment gains on investment funds:</i>			
Listed	4,029	2,504	
Unlisted	591,725	478,814	
	595,754	481,318	

4 INVESTMENT INCOME (Continued)

		Six months ended 30 June	
		2021	2020
		\$'000	\$'000
(c) Net unrealised investment gains/(losses) and impairment			
Debt securities (<i>note (i)</i>) :			
- Held-for-trading	(177,437)	(138,835)	
- Designated at fair value through profit or loss	(768)	735	
	(178,205)	(138,100)	
Equity securities (<i>note (ii)</i>) :			
- Held-for-trading	(801,445)	646,714	
- Designated at fair value through profit or loss	-	(143,993)	
	(801,445)	502,721	
Investment funds (<i>note (iii)</i>) :			
- Held-for-trading	78,147	8,180	
- Designated at fair value through profit or loss	(7,677)	(112,390)	
	70,470	(104,210)	
Deficit on revaluation of investment properties	(473,942)	(265,012)	
Impairment loss recognised:			
- Available-for-sale debt securities, equity securities and investment funds	(321,155)	(873,536)	
- Loans and receivables debt products and investment funds	(384,149)	(1,711,586)	
- Held-to-maturity debt securities	(33,266)	-	
	(2,121,692)	(2,589,723)	

4 INVESTMENT INCOME (Continued)

		Six months ended 30 June	
		2021	2020
		\$'000	\$'000
(c) Net unrealised investment gains/(losses) and impairment (Continued)			
<i>Notes:</i>			
(i) Net unrealised investment losses on debt securities:			
Listed	(49,578)	(92,150)	
Unlisted	(128,627)	(45,950)	
	(178,205)	(138,100)	
(ii) Net unrealised investment gains/(losses) on equity securities:			
Listed	(801,445)	646,714	
Unlisted	-	(143,993)	
	(801,445)	502,721	
(iii) Net unrealised investment gains/(losses) on investment funds:			
Listed	1,448	-	
Unlisted	69,022	(104,210)	
	70,470	(104,210)	

5 OTHER INCOME

	Six months ended 30 June	
	2021	2020
	\$'000	\$'000
Interests from finance lease receivables	1,185,857	1,118,445
Income from provision of asset management and securities broking services	391,518	202,277
Income from provision of pension administration services	583,692	425,215
Income from provision of advisory services	169,977	183,543
Income from operating lease	453,066	386,324
Income from provision of property management services	66,919	52,027
Income from provision of agency and insurance intermediary services	109,575	111,328
Income from disposal of inventories	124,800	6,705
Government subsidies	49,299	72,434
Net exchange gains/(losses)	171,205	(372,358)
Recognition of impairment losses on insurance debtors and other assets	(124,894)	(122,401)
Loss on disposal of subsidiaries	(12,528)	-
Provision for finance lease receivables	(81,182)	(58,623)
Others	305,543	316,186
	3,392,847	2,321,102

6 NET POLICYHOLDERS' BENEFITS AND NET COMMISSION AND HANDLING FEE EXPENSES

(a) Net policyholders' benefits

	Six months ended 30 June 2021					Total \$'000
	Life insurance contracts \$'000	PRC property and casualty insurance contracts \$'000	Overseas property and casualty insurance contracts \$'000	Reinsurance contracts \$'000	Pension and group life insurance contracts \$'000	
Claims and claim adjustment expenses	6,806,921	10,666,989	933,665	5,444,753	2,209,670	26,061,998
Surrenders	10,391,924	-	-	85,029	29,016	10,505,969
Annuity, dividends and maturity payments	6,873,700	-	-	-	15,655	6,889,355
Interests allocated to investment and reinsurance contracts	2,164,150	-	-	110,022	327	2,274,499
	26,236,695	10,666,989	933,665	5,639,804	2,254,668	45,731,821
Less: Reinsurers' and retrocessionaires' share	(2,065,418)	(525,389)	(129,196)	(1,296,479)	(225,084)	(4,241,566)
	24,171,277	10,141,600	804,469	4,343,325	2,029,584	41,490,255

	Six months ended 30 June 2020					Total \$'000
	Life insurance contracts \$'000	PRC property and casualty insurance contracts \$'000	Overseas property and casualty insurance contracts \$'000	Reinsurance contracts \$'000	Pension and group life insurance contracts \$'000	
Claims and claim adjustment expenses	4,177,325	7,833,870	1,278,052	5,559,964	1,417,014	20,266,225
Surrenders	6,936,839	-	-	424,881	61,710	7,423,430
Annuity, dividends and maturity payments	7,171,351	-	-	-	11,383	7,182,734
Interests allocated to investment and reinsurance contracts	1,913,448	-	-	152,224	236	2,065,908
	20,198,963	7,833,870	1,278,052	6,137,069	1,490,343	36,938,297
Less: Reinsurers' and retrocessionaires' share	(1,229,891)	(785,458)	(375,168)	(1,024,040)	(170,453)	(3,585,010)
	18,969,072	7,048,412	902,884	5,113,029	1,319,890	33,353,287

6 NET POLICYHOLDERS' BENEFITS AND NET COMMISSION AND HANDLING FEE EXPENSES (Continued)

(b) Net commission and handling fee expenses

	Six months ended 30 June 2021					Total \$'000
	Life insurance contracts \$'000	PRC property and casualty insurance contracts \$'000	Overseas property and casualty insurance contracts \$'000	Reinsurance contracts \$'000	Pension and group life insurance contracts \$'000	
Gross commission and handling fee expenses	9,905,498	2,221,674	565,286	1,933,984	112,938	14,739,380
Reinsurance commission and handling fee income	(29,036)	(249,450)	(201,429)	(242,985)	(49,048)	(771,948)
Net commission and handling fee expenses	9,876,462	1,972,224	363,857	1,690,999	63,890	13,967,432

	Six months ended 30 June 2020					Total \$'000
	Life insurance contracts \$'000	PRC property and casualty insurance contracts \$'000	Overseas property and casualty insurance contracts \$'000	Reinsurance contracts \$'000	Pension and group life insurance contracts \$'000	
Gross commission and handling fee expenses	8,565,332	2,326,764	566,476	1,630,901	98,085	13,187,558
Reinsurance commission and handling fee income	(17,324)	(950,462)	(218,794)	(243,165)	(48,571)	(1,478,316)
Net commission and handling fee expenses	8,548,008	1,376,302	347,682	1,387,736	49,514	11,709,242

(c) Change in life insurance contract liabilities, net of reinsurance

	Six months ended 30 June 2021					Total \$'000
	Life insurance contracts \$'000	PRC property and casualty insurance contracts \$'000	Overseas property and casualty insurance contracts \$'000	Reinsurance contracts \$'000	Pension and group life insurance contracts \$'000	
Change in life insurance contract liabilities	99,340,149	-	-	2,008,846	873,681	102,222,676
Less: Reinsurers' share	(738,532)	-	-	100,440	(10,658)	(648,750)
	98,601,617	-	-	2,109,286	863,023	101,573,926

6 NET POLICYHOLDERS' BENEFITS AND NET COMMISSION AND HANDLING FEE EXPENSES (Continued)

(c) Change in life insurance contract liabilities, net of reinsurance (Continued)

	Six months ended 30 June 2020					Total \$'000
	Life insurance contracts \$'000	PRC property and casualty insurance contracts \$'000	Overseas property and casualty insurance contracts \$'000	Reinsurance contracts \$'000	Pension and group life insurance contracts \$'000	
Change in life insurance contract liabilities	80,811,306	-	-	217,305	525,717	81,554,328
Less: Reinsurers' share	(899)	-	-	221,121	(12,564)	207,658
	<u>80,810,407</u>	<u>-</u>	<u>-</u>	<u>438,426</u>	<u>513,153</u>	<u>81,761,986</u>

7 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	Six months ended 30 June	
	2021 \$'000	2020 \$'000
(a) Finance costs:		
Interests on bank borrowings	848,479	947,292
Interests on interest-bearing notes	201,705	196,421
Interests on lease liabilities	49,338	54,208
	<u>1,099,522</u>	<u>1,197,921</u>
(b) Staff costs (including directors' remuneration):		
Salaries, wages, bonuses and other benefits	8,178,441	7,398,377
Contributions to defined contribution retirement plans	914,757	392,162
	<u>9,093,198</u>	<u>7,790,539</u>
(c) Other items:		
Auditor's remuneration	3,975	3,975
Depreciation of property and equipment	1,105,288	884,019
Depreciation of right-of-use assets	495,891	599,923

8 INCOME TAX CHARGES

Taxation in the condensed consolidated statement of profit or loss represents:

	Six months ended 30 June	
	2021 \$'000	2020 \$'000
Current tax		
Provision for the period	2,432,931	2,865,646
Over-provision in respect of prior years	(240,808)	(231,380)
	2,192,123	2,634,266
Deferred tax		
Reversal of temporary differences	(1,539,755)	(869,164)
Income tax charges	652,368	1,765,102

The provision for Hong Kong Profits Tax represents the Group's estimated Hong Kong Profits Tax liability calculated at the standard tax rate of 16.5% (2020: 16.5%) on its assessable profits from direct life insurance, property and casualty insurance, reinsurance, asset management, property investment, insurance intermediary, securities dealing and broking businesses, except for its assessable profits from the business of reinsurance of offshore risks, which is calculated at 8.25% (2020: 8.25%), one-half of the standard tax rate.

Taxation outside Hong Kong for subsidiaries outside Hong Kong is calculated at the rates prevailing in the relevant jurisdictions. Under the Enterprise Income Tax Law of the PRC, the enterprise income tax rate for domestic companies in the PRC is 25% (2020: 25%).

At 30 June 2021, the Group did not recognise deferred tax assets in respect of tax losses of approximately \$4,503,497,000 (31 December 2020: \$4,109,445,000) and certain temporary differences of \$623,153,000 (31 December 2020: \$529,150,000). \$957,565,000 (31 December 2020: \$546,215,000) of the total tax losses can be carried forward up to five years after the year in which the loss was originated to offset future taxable profits, while the remaining tax losses and temporary differences do not expire under current tax legislation.

9 DIVIDENDS

- (a) On 22 March 2021, the Board of the Company proposed a final cash dividend of \$0.40 per share in respect of the year ended 31 December 2020 (\$0.30 per share in respect of the year ended 31 December 2019). The final dividend amounting to \$1,437,607,000 (2020: \$1,078,206,000) has been recognised as a liability in these interim financial statements.
- (b) No interim dividend in respect of the interim period was proposed, approved or paid during the interim period ended 30 June 2021 (30 June 2020: Nil).

10 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to owners of the Company and the number of ordinary shares in issue during the Period.

	Six months ended 30 June	
	2021 \$'000	2020 \$'000
Profit attributable to owners of the Company	5,112,655	2,876,503
Weighted average number of ordinary shares	3,594,018,538	3,594,018,538
Basic earnings per share (<i>HK\$ per share</i>)	1.423	0.800

No diluted earnings per share has been presented for the period of 2021 and 2020 as the Group had no potential dilutive ordinary shares in issue during the periods.

11 FIXED ASSETS

The carrying amount of land and buildings of \$36,908,000 (30 June 2020: \$48,016,000) has been transferred to investment properties at fair value of \$114,059,000 during the Period (30 June 2020: \$51,475,000) based on revaluation by an independent external property valuer. The valuation was made based on income approach.

The fair values of investment properties of the Group as at 30 June 2021 were measured by an external valuer. The valuation for completed investment properties was made based on income approach. A revaluation loss of \$473,942,000 (30 June 2020: loss of \$265,012,000) has been recognised in the condensed consolidated statement of profit or loss during the Period.

As at 30 June 2021, land and buildings of \$57,633,000 (31 December 2020: \$37,974,000) and investment properties of \$56,398,000 (31 December 2020: \$70,414,000) located in Macau had been pledged in favour of Autoridade Monetária de Macau (“AMCM”) to guarantee the technical reserves in accordance with the Macau Insurance Ordinance.

As at 30 June 2021, operating lease assets of \$2,508,942,000 (31 December 2020: \$2,269,256,000) have been pledged to financial institutions as collateral in connection with banking facilities arrangements.

No subsidiaries of the Group pledged land and buildings located in Hong Kong to secure general banking facilities granted to the Group as at both 30 June 2021 and 31 December 2020.

12 ACQUISITION OF SUBSIDIARIES

During the reporting period, the Group exercised its options and rights as an unitholder to acquire all of the other unitholder's units in the Jinghua Fund (formerly known as China Create Fund) at no additional consideration. The update of the register of members of the Jinghua Fund was completed by its trustee on 18 March 2021, which is considered as the acquisition date. Prior to this acquisition, Jinghua Fund was classified as a joint venture and measured based on the contractual terms of unitholders agreement. After the acquisition, the Group owns 100% equity interest in Jinghua Fund, and is assessed to have obtained control over the Jinghua Fund considering that the Group has power over the investee, rights to variable returns from the involvement with the investee and the ability to use its power to affect the return of the investee. Consequently, the Jinghua Fund is accounted for as a wholly owned subsidiary from the acquisition date and its assets and liabilities are consolidated into the Group's consolidated financial statements using the acquisition method. The Group's approximately 80% equity interest in Jinghua Fund was measured at a fair value of \$959,058,000 as at the acquisition date.

Jinghua Fund is principally engaged in investment holding and operation of a commercial property located in Hong Kong. The property was revalued at the acquisition date by an independent firm of surveyors. The main assets acquired and liabilities assumed and their respective fair value at the acquisition date are commercial property of \$9,300,000,000, cash and cash equivalents of \$202,956,000 and bank borrowings of \$8,500,000,000. No goodwill arose from the transaction.

The amount of income and net loss of the Jinghua Fund since the acquisition date contributed to the Group's results for the reporting period is \$12,514,000 and \$25,632,000 respectively.

If the acquisition had occurred on 1 January 2021, then the Group's consolidated income would have been \$182,444,552,000 and consolidated profit after taxation for the period would have been \$7,018,353,000. In determining these amounts, management has assumed that the fair value adjustments, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2021.

13 INVESTMENTS IN DEBT AND EQUITY SECURITIES

	At 30 June 2021 \$'000	At 31 December 2020 \$'000
Debt securities (<i>Note (i)</i>)	573,877,656	493,308,503
Equity securities (<i>Note (ii)</i>)	160,121,001	161,197,222
Investment funds (<i>Note (iii)</i>)	38,793,718	37,013,277
Debt products (<i>Note (iv)</i>)	127,503,537	130,167,756
	900,295,912	821,686,758
	At 30 June 2021 \$'000	At 31 December 2020 \$'000
Note (i) Debt securities		
Held-to-maturity:		
- Listed in Hong Kong	18,476,739	15,662,849
- Listed outside Hong Kong	105,446,346	94,965,436
- Unlisted	329,699,192	257,201,051
	453,622,277	367,829,336
Issued by:		
Government and central banks	237,398,658	155,650,218
Banks and other financial institutions	118,896,104	121,703,957
Corporate entities	97,327,515	90,475,161
	453,622,277	367,829,336

The held-to-maturity debt securities included an amount of \$5,743,836,000 (31 December 2020: \$6,337,423,000) which will mature within one year.

13 INVESTMENTS IN DEBT AND EQUITY SECURITIES (Continued)

	At 30 June 2021 \$'000	At 31 December 2020 \$'000
Note (i) Debt securities (Continued)		
Available-for-sale:		
- Listed in Hong Kong	5,712,318	7,012,507
- Listed outside Hong Kong	24,843,075	32,768,540
- Unlisted	52,571,465	50,533,017
	83,126,858	90,314,064
Issued by:		
Government and central banks	19,243,646	16,725,533
Banks and other financial institutions	17,650,886	21,746,313
Corporate entities	46,232,326	51,842,218
	83,126,858	90,314,064
Held-for-trading:		
- Listed in Hong Kong	1,073,088	1,167,779
- Listed outside Hong Kong	15,992,181	8,459,815
- Unlisted	19,979,248	25,452,787
	37,044,517	35,080,381
Issued by:		
Government and central banks	1,068,608	2,221,492
Banks and other financial institutions	21,927,828	20,460,817
Corporate entities	14,048,081	12,398,072
	37,044,517	35,080,381

13 INVESTMENTS IN DEBT AND EQUITY SECURITIES (Continued)

	At 30 June 2021 \$'000	At 31 December 2020 \$'000
Note (i) Debt securities (Continued)		
Designated at fair value through profit or loss:		
- Listed in Hong Kong	21,817	22,100
- Listed outside Hong Kong	62,187	62,622
	84,004	84,722
Issued by:		
Corporate entities	84,004	84,722
Total debt securities	573,877,656	493,308,503

13 INVESTMENTS IN DEBT AND EQUITY SECURITIES (Continued)

	At 30 June 2021 \$'000	At 31 December 2020 \$'000
Note (ii) Equity securities		
Available-for-sale:		
- Listed in Hong Kong	51,962,553	43,698,893
- Listed outside Hong Kong	54,405,006	67,170,236
- Unlisted, at fair value	32,371,843	31,460,737
- Unlisted, at cost	545	546
	138,739,947	142,330,412
Held-for-trading:		
- Listed in Hong Kong	740,014	655,869
- Listed outside Hong Kong	20,641,040	18,210,941
	21,381,054	18,866,810
Total equity securities	160,121,001	161,197,222

The unlisted equity securities are issued by private entities incorporated in Macau and Indonesia. In connection with the unlisted equity securities measured at cost at the end of the reporting period, the management considers that their fair values cannot be measured reliably.

13 INVESTMENTS IN DEBT AND EQUITY SECURITIES (Continued)

	At 30 June 2021 \$'000	At 31 December 2020 \$'000
Note (iii) Investment funds		
Available-for-sale:		
- Listed in Hong Kong	1,280,501	1,455,359
- Listed outside Hong Kong	160,329	8,196
- Unlisted, at fair value	21,626,321	25,452,702
	23,067,151	26,916,257
Held-for-trading:		
- Listed outside Hong Kong	2,149,083	1,484,645
- Unlisted	7,892,910	3,134,090
	10,041,993	4,618,735
Designated at fair value through profit or loss:		
- Unlisted	112,370	121,112
Loans and receivables:		
- Unlisted	5,572,204	5,357,173
Total investment funds	38,793,718	37,013,277

All investment funds invested by the Group were the open-ended or close-ended investment funds with underlying assets of equity, bond or composite funds.

	At 30 June 2021 \$'000	At 31 December 2020 \$'000
Note (iv) Debt products		
Loans and receivables:		
- Unlisted	127,503,537	130,167,756

The debt products mainly include debt investments and relevant financial products on infrastructure and property development projects in the PRC and other financial products such as trust schemes, which had domestic credit ratings of AA or above. All debt products will mature from 2021 to 2033 (31 December 2020: 2021 to 2032) and bear interest ranging from 2% to 12% (31 December 2020: 1% to 12%) per annum.

13 INVESTMENTS IN DEBT AND EQUITY SECURITIES (Continued)

Analysed for reporting purposes as:

	At 30 June 2021 \$'000	At 31 December 2020 \$'000
Held-to-maturity		
- Current	5,743,836	6,337,423
- Non-current	447,878,441	361,491,913
Available-for-sale		
- Current	152,946,673	170,149,654
- Non-current	91,987,283	89,411,079
Held-for-trading		
- Current	68,467,564	58,565,926
Designated at fair value through profit or loss		
- Current	196,374	205,834
Loans and receivables		
- Current	35,675,974	28,067,380
- Non-current	97,399,767	107,457,549
	900,295,912	821,686,758

As at 30 June 2021, investments in debt and equity securities with total carrying amounts of \$2,312,404,000 (31 December 2020: \$944,593,000) have been pledged in favour of AMCM to guarantee the technical reserves in accordance with the Macau Insurance Ordinance.

As at 30 June 2021, investments in debt and equity securities with total carrying amounts of \$9,666,000 (31 December 2020: \$9,768,000) have been set asides as guarantee fund, pursuant to Regulation of the Minister of Finance of the Republic of Indonesia.

14 INSURANCE DEBTORS

	At 30 June 2021 \$'000	At 31 December 2020 \$'000
Amounts due from insurance customers	21,892,887	16,155,336
Less: allowance for impaired debts	(249,024)	(227,837)
	21,643,863	15,927,499
Deposits retained by cedants	1,897,535	1,702,409
	23,541,398	17,629,908

As at 30 June 2021, the amounts of insurance debtors included \$19,641,699,000 (31 December 2020: \$14,133,877,000), which is expected to be recovered within one year.

The following is an ageing analysis of the amounts due from insurance customers:

	At 30 June 2021 \$'000	At 31 December 2020 \$'000
Neither past due nor impaired		
- Uninvoiced	5,605,295	5,297,938
- Current	13,707,688	8,376,728
Past due but not impaired		
- Less than 3 months	1,314,568	1,412,484
- More than 3 months but less than 12 months	756,529	480,747
- More than 12 months	259,783	359,602
Past due and impaired	249,024	227,837
	21,892,887	16,155,336

15 OTHER ASSETS

	At 30 June 2021 \$'000	At 31 December 2020 \$'000
Other assets and deposits	22,542,575	20,459,365
Interests and dividend receivables from financial assets	12,687,796	10,734,733
Value-added tax prepaid	1,236,477	1,202,071
Pension management fees receivable	867,910	976,344
Guarantee deposits paid	793,164	800,921
Receivables from payment service providers	572,705	753,554
Tax recoverables	43,102	751,693
Deposit for the purchase of property	334,187	700,078
Securities settlement fund	685,241	462,029
Prepayment	1,138,963	427,658
Inventories (<i>note (i)</i>)	270,890	319,056
Rental and utility deposits	219,601	252,568
Receivables from operating lease (<i>note (ii)</i>)	151,356	178,351
Tax certificate paid to Hong Kong Inland Revenue Department	174,449	162,199
Assets classified as held-for-sale	-	29,799
Others	3,366,734	2,708,311
Loans and advances	81,877,371	74,653,939
	104,419,946	95,113,304
Less: allowance for impaired debts	(717,347)	(604,168)
	103,702,599	94,509,136

Notes:

- (i) The Group's inventories comprise raw materials, product in progress, other supplemental materials and lands purchased that have been set to be used to build properties for sale by a subsidiary.
- (ii) As at 30 June 2021, the receivables from operating lease of the Group included an amount of \$64,043,000 (31 December 2020: \$65,228,000) that were pledged to financial institutions as collateral in connection with banking facilities arrangements.

15A FINANCE LEASE RECEIVABLES

	At 30 June 2021 \$'000	At 31 December 2020 \$'000
Finance lease receivables	59,802,264	48,865,915
Less: unearned finance income	(5,135,358)	(4,175,880)
	54,666,906	44,690,035
Less: provision for impairment losses	(2,330,357)	(2,223,558)
	52,336,549	42,466,477

As at 30 June 2021, finance lease receivables include the amounts of \$7,225,340,000 (31 December 2020: \$8,250,840,000) that were pledged to financial institutions as collateral in connection with banking facilities arrangements.

The following table sets out a maturity analysis of finance lease receivables, showing the undiscounted lease payments to be received after the reporting date:

	At 30 June 2021 \$'000	At 31 December 2020 \$'000
Less than 1 year	23,069,109	18,267,267
1 to 2 years	15,290,107	12,384,662
2 to 3 years	9,526,611	7,804,586
3 to 4 years	5,542,621	4,730,022
4 to 5 years	3,360,186	2,550,921
More than 5 years	3,013,630	3,128,457
Total undiscounted finance lease receivables	59,802,264	48,865,915

16 STATUTORY DEPOSITS

- (a) Certain subsidiaries of the Group have placed \$5,049,047,000 (31 December 2020: \$6,144,468,000) with banks as capital guarantee funds, pursuant to the relevant PRC insurance rules and regulations. The funds can only be used with the prior approval of the relevant authorities in the event that the PRC subsidiaries cannot meet the statutory solvency requirements or go into liquidation.
- (b) A subsidiary of the Group has pledged a deposit of \$61,703,000 (31 December 2020: \$62,637,000) registered in favour of the Monetary Authority of Singapore pursuant to section 34D of the Singapore Insurance Act.
- (c) A subsidiary of the Group has pledged a deposit of \$3,515,000 (31 December 2020: \$3,553,000) with banks as guarantee fund, pursuant to Regulation of the Minister of Finance of the Republic of Indonesia.
- (d) A subsidiary of the Group has deposited a sum of \$1,697,000 (31 December 2020: \$1,696,000) in the name of Director of Accounting Service with a bank pursuant to section 77(2e) of the Hong Kong Trustee Ordinance. The effective interest rate of the deposit as at 30 June 2021 is 0.08% (31 December 2020: 0.08%).
- (e) A subsidiary of the Group deposited a sum of \$12,004,000 (31 December 2020: \$4,958,000) with The Stock Exchange of Hong Kong Limited, Hong Kong Securities Clearing Company Limited and the Securities and Futures Commission.
- (f) Certain subsidiaries of the Group deposited a sum of \$641,693,000 (31 December 2020: \$100,451,000) registered in favour of AMCM to guarantee the technical reserves in accordance with the Macau Insurance Ordinance.

17 CASH AND CASH EQUIVALENTS

	At 30 June 2021 \$'000	At 31 December 2020 \$'000
Deposits with banks and other financial institutions with original maturity less than three months	11,911,674	3,592,751
Cash at bank and on hand	38,358,312	27,713,639
	50,269,986	31,306,390

18 INSURANCE CREDITORS

	At 30 June 2021 \$'000	At 31 December 2020 \$'000
Amounts due to insurance customers/creditors	12,794,364	12,974,193
Amounts due to insurance intermediaries	8,746,772	7,804,261
Deposits retained from retrocessionaires	5,660,399	5,370,043
Surrenders payable	5,925	287
Prepaid premiums received	32,811,339	46,531,535
	60,018,799	72,680,319

The entire amounts due to insurance customers/creditors are expected to be settled within one year.

The following is an ageing analysis of the amounts due to insurance customers/creditors:

	At 30 June 2021 \$'000	At 31 December 2020 \$'000
Current	9,235,919	9,211,093
More than 3 months but less than 12 months	3,502,876	3,700,624
More than 12 months	55,569	62,476
	12,794,364	12,974,193

19 SECURITIES PURCHASED UNDER RESALE AGREEMENTS/SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

The Group entered into transactions in which it transferred financial assets directly to third parties. As the Group has not transferred the significant risks and rewards relating to these securities, it continues to recognise the full carrying amount and has recognised the cash received on the transfer as securities sold under repurchase agreements. The following were the Group's held-to-maturity securities, available-for-sale securities and held-for-trading securities that were transferred to the third parties with terms to repurchase these securities at the agreed dates and prices. These securities are either measured at amortised cost or carried at fair value respectively in the Group's condensed consolidated statement of financial position.

	At 30 June 2021			
	Held-to-maturity securities \$'000	Available-for-sale securities \$'000	Held-for-trading securities \$'000	Total \$'000
Carrying amount of transferred assets	56,345,028	11,153,429	7,676,680	75,175,137
Carrying amount of associated liabilities - securities sold under repurchase agreements	(33,954,888)	(7,278,621)	(7,124,034)	(48,357,543)
Net position	22,390,140	3,874,808	552,646	26,817,594

	At 31 December 2020			
	Held-to-maturity securities \$'000	Available-for-sale securities \$'000	Held-for-trading securities \$'000	Total \$'000
Carrying amount of transferred assets	32,233,733	2,509,602	6,714,069	41,457,404
Carrying amount of associated liabilities - securities sold under repurchase agreements	(30,429,846)	(2,020,229)	(6,026,867)	(38,476,942)
Net position	1,803,887	489,373	687,202	2,980,462

Conversely, the Group also enters into short-term investment arrangements secured by the securities purchased. The securities purchased are not recognised on the condensed consolidated statement of financial position.

All of the securities purchased under resale agreements and securities sold under repurchase agreements are denominated in RMB and will be settled within 20 days (31 December 2020: 18 days) from the end of the reporting period. The carrying amount of the securities purchased under resale agreements and securities sold under repurchase agreements approximate to their fair values.

20 BANK BORROWINGS

	At 30 June 2021 \$'000	At 31 December 2020 \$'000
Unsecured		
Bank loans (<i>note (i)</i>)	11,449,402	11,994,433
Bank loans for finance lease receivables (<i>note (ii)</i>)	30,105,588	23,989,695
	41,554,990	35,984,128
Secured		
Bank loans (<i>note (iii)</i>)	8,500,000	-
Bank loans for finance lease receivables (<i>note (iv)</i>)	7,303,475	7,673,397
	15,803,475	7,673,397
	57,358,465	43,657,525

The bank borrowings are repayable as follows:

	At 30 June 2021 \$'000	At 31 December 2020 \$'000
Within 1 year	41,246,789	29,568,970
After 1 year but within 5 years	14,495,923	13,415,219
After 5 years	1,615,753	673,336
	57,358,465	43,657,525

The amounts presented in the above table are based on scheduled repayment dates set out in the loan agreements.

Notes:

- (i) As at 30 June 2021, the bank loans are unsecured and carry interest at Hong Kong Interbank Offered Rate (“HIBOR”) plus 0.70% to HIBOR plus 1.15% (31 December 2020: HIBOR plus 0.70% to HIBOR plus 1.20%) per annum, with effective interest rates ranging from 0.78% to 1.40% (31 December 2020: 0.88% to 3.63%) per annum.
- (ii) As at 30 June 2021, the bank loans for finance lease receivables are unsecured and carry interest at fixed interest rates ranging from 0.82% to 4.43% (31 December 2020: fixed interest rates ranging from 3.10% to 3.98%) per annum.

20 BANK BORROWINGS (Continued)

Notes: (Continued)

- (iii) As at 30 June 2021, the bank loans are secured by the shares of certain subsidiaries and pledged and restricted bank deposits and carry interest at HIBOR plus 1.20%, with effective interest rates at 1.30% per annum.
- (iv) As at 30 June 2021, the bank loans are secured by operating lease assets, finance lease receivables and operating lease receivables and carry interest based on the benchmark interest rate issued by the People's Bank of China, with effective interest rates ranging from 1.69% to 4.04% (31 December 2020: 3.81% to 3.98%) per annum.

21 SHARE CAPITAL

	At 30 June 2021		At 31 December 2020	
	No. of shares	\$'000	No. of shares	\$'000
Ordinary Shares, issued and fully paid:				
At the beginning of the period/year	3,594,018,538	40,771,408	3,594,018,538	40,771,408
At the end of the period/year	3,594,018,538	40,771,408	3,594,018,538	40,771,408

All of the shares issued by the Company rank pari passu and do not carry pre-emptive rights.

22 RESERVES

		Capital reserve \$'000	Merger reserve \$'000	Exchange reserve \$'000	Fair value reserve \$'000	Revaluation reserve \$'000	Retained profits \$'000	Attributable to owners of the Company \$'000	Non- controlling interests \$'000	Total \$'000
	<i>Note</i>									
Balance at 1 January 2021		(5,615,659)	(6,842,218)	(212,624)	10,782,301	1,360,856	50,403,388	49,876,044	25,965,607	75,841,651
Profit for the period		-	-	-	-	-	5,112,655	5,112,655	1,961,602	7,074,257
Other comprehensive income for the period:										
Revaluation gain arising from reclassification of own-use properties to investment properties		-	-	-	-	58,185	-	58,185	8,116	66,301
Exchange differences on translation of the financial statements of subsidiaries, associates and joint ventures		-	-	1,064,159	-	-	-	1,064,159	260,525	1,324,684
Net changes in fair value of available-for-sale securities		-	-	-	(3,593,524)	-	-	(3,593,524)	(1,106,281)	(4,699,805)
Total comprehensive income		-	-	1,064,159	(3,593,524)	58,185	5,112,655	2,641,475	1,123,962	3,765,437
Dividend declared to shareholders	9(a)	-	-	-	-	-	(1,437,607)	(1,437,607)	-	(1,437,607)
Dividend declared by subsidiaries to non-controlling interests		-	-	-	-	-	-	-	(1,431,537)	(1,431,537)
Capital injection made to a subsidiary		-	-	-	-	-	-	-	5,354	5,354
Balance at 30 June 2021		(5,615,659)	(6,842,218)	851,535	7,188,777	1,419,041	54,078,436	51,079,912	25,663,386	76,743,298

22 RESERVES (Continued)

		Capital reserve	Merger reserve	Exchange reserve	Fair value reserve	Revaluation reserve	Retained profits	Attributable to owners of the Company	Non- controlling interests	Total
	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2020		(6,757,647)	(6,842,218)	(4,578,886)	6,126,973	1,348,388	46,239,586	35,536,196	17,749,360	53,285,556
Profit for the period		-	-	-	-	-	2,876,503	2,876,503	2,202,125	5,078,628
Other comprehensive income for the period:										
Revaluation gain arising from reclassification of own-use properties to investment properties		-	-	-	-	2,594	-	2,594	-	2,594
Exchange differences on translation of the financial statements of subsidiaries, associates and joint ventures		-	-	(1,298,915)	-	-	-	(1,298,915)	(354,545)	(1,653,460)
Net changes in fair value of available-for-sale securities		-	-	-	1,708,191	-	-	1,708,191	200,683	1,908,874
Total comprehensive income		-	-	(1,298,915)	1,708,191	2,594	2,876,503	3,288,373	2,048,263	5,336,636
Dividend declared to shareholders	9(a)	-	-	-	-	-	(1,078,206)	(1,078,206)	-	(1,078,206)
Dividend declared by subsidiaries to non-controlling interests		-	-	-	-	-	-	-	(998,601)	(998,601)
Acquisition of additional interest in a subsidiary		(31,037)	-	-	-	-	-	(31,037)	(12,853)	(43,890)
Balance at 30 June 2020		(6,788,684)	(6,842,218)	(5,877,801)	7,835,164	1,350,982	48,037,883	37,715,326	18,786,169	56,501,495

22 RESERVES (Continued)

	Capital reserve \$ '000	Merger reserve \$ '000	Exchange reserve \$ '000	Fair value reserve \$ '000	Revaluation reserve \$ '000	Retained profits \$ '000	Attributable to owners of the Company \$ '000	Non- controlling interests \$ '000	Total \$ '000
Balance at 1 January 2020	(6,757,647)	(6,842,218)	(4,578,886)	6,126,973	1,348,388	46,239,586	35,536,196	17,749,360	53,285,556
Profit for the year	-	-	-	-	-	6,548,980	6,548,980	3,907,901	10,456,881
Other comprehensive income for the year:									
Revaluation gain arising from reclassification of own-use properties to investment properties	-	-	-	-	12,468	-	12,468	2,554	15,022
Exchange differences on translation of the financial statements of subsidiaries, associates and joint ventures	-	-	4,366,262	-	-	-	4,366,262	1,295,329	5,661,591
Net changes in fair value of available-for-sale securities	-	-	-	4,655,328	-	-	4,655,328	928,935	5,584,263
Total comprehensive income	-	-	4,366,262	4,655,328	12,468	6,548,980	15,583,038	6,134,719	21,717,757
Dividend declared to shareholders	-	-	-	-	-	(1,078,206)	(1,078,206)	-	(1,078,206)
Dividend declared by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	(1,077,602)	(1,077,602)
Transfer of capital reserve due to capitalisation of retained earnings as share capital from a subsidiary	1,306,972	-	-	-	-	(1,306,972)	-	-	-
Deemed disposal of partial interest in a subsidiary	(131,299)	-	-	-	-	-	(131,299)	3,172,645	3,041,346
Acquisition of additional interest in a subsidiary	(33,685)	-	-	-	-	-	(33,685)	(13,515)	(47,200)
Balance at 31 December 2020	(5,615,659)	(6,842,218)	(212,624)	10,782,301	1,360,856	50,403,388	49,876,044	25,965,607	75,841,651

23 MATURITY PROFILE

The following table details the Group's contractual maturity for some of its financial assets and financial liabilities.

	Repayable on demand \$'000	Less than 3 months \$'000	3 to 12 months \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total \$'000
At 30 June 2021						
Assets						
Deposits at banks and other financial institutions (including statutory deposits)	404,000	12,764,148	3,404,768	56,211,743	841,265	73,625,924
Pledged and restricted bank deposits	580,850	413,405	390,182	1,172	-	1,385,609
Debt securities						
- held-to-maturity	-	1,513,126	4,230,710	54,353,980	393,524,461	453,622,277
- available-for-sale	-	2,340,103	11,642,966	34,826,656	34,317,133	83,126,858
- held-for-trading	-	249,725	7,371,621	19,285,713	10,137,458	37,044,517
- designated at fair value through profit or loss	-	-	-	84,004	-	84,004
Debt products						
- loans and receivables	110,386	9,687,636	20,862,624	71,125,198	25,717,693	127,503,537
Securities purchased under resale agreements	-	4,480,120	-	-	-	4,480,120
Loans and advances	77	3,854	81,873,440	-	-	81,877,371
Finance lease receivables	50,954	147,473	2,485,944	38,807,031	10,845,147	52,336,549
Amounts due from group companies	33,556	-	62,285	2,000,000	-	2,095,841
	1,179,823	31,599,590	132,324,540	276,695,497	475,383,157	917,182,607
Liabilities						
Interest-bearing notes	-	-	-	14,230,009	3,605,423	17,835,432
Lease liabilities	-	234,510	666,068	1,127,792	25,612	2,053,982
Bank borrowings	-	17,904,388	23,342,401	14,495,923	1,615,753	57,358,465
Investment contract liabilities						
- universal life and other products	2,034,907	472,381	1,762,089	4,836,198	73,095,659	82,201,234
Securities sold under repurchase agreements	-	48,357,543	-	-	-	48,357,543
Amounts due to group companies	20,150	945	-	-	-	21,095
	2,055,057	66,969,767	25,770,558	34,689,922	78,342,447	207,827,751

23 MATURITY PROFILE (Continued)

	Repayable on demand \$'000	Less than 3 months \$'000	3 to 12 months \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total \$'000
At 31 December 2020						
Assets						
Deposits at banks and other financial institutions (including statutory deposits)	4,958	4,996,592	3,780,720	60,346,466	118,816	69,247,552
Pledged and restricted bank deposits	397,428	631,314	202,041	1,180	-	1,231,963
Debt securities						
- held-to-maturity	-	1,217,607	5,119,816	49,182,542	312,309,371	367,829,336
- available-for-sale	-	3,175,596	13,480,672	31,416,211	42,241,585	90,314,064
- held-for-trading	-	3,355,738	6,862,608	20,841,777	4,020,258	35,080,381
- designated at fair value through profit or loss	-	-	-	84,722	-	84,722
Debt products						
- loans and receivables	331,622	1,563,779	21,100,755	80,423,882	26,747,718	130,167,756
Securities purchased under resale agreements	-	4,861,664	-	-	-	4,861,664
Loans and advances	1,031	-	74,652,908	-	-	74,653,939
Finance lease receivables	50,347	475,378	1,895,184	30,841,938	9,203,630	42,466,477
Amounts due from group companies	27,198	10,092	2,000,000	-	-	2,037,290
	<u>812,584</u>	<u>20,287,760</u>	<u>129,094,704</u>	<u>273,138,718</u>	<u>394,641,378</u>	<u>817,975,144</u>
Liabilities						
Interest-bearing notes	-	-	2,410,299	7,035,737	5,890,249	15,336,285
Lease liabilities	-	272,963	733,010	1,240,584	29,949	2,276,506
Bank borrowings	-	10,483,222	19,085,748	13,415,219	673,336	43,657,525
Investment contract liabilities						
- universal life and other products	2,357,854	115,516	1,792,518	3,494,311	67,835,307	75,595,506
Securities sold under repurchase agreements	-	38,476,942	-	-	-	38,476,942
Amounts due to group companies	20,070	-	-	-	-	20,070
	<u>2,377,924</u>	<u>49,348,643</u>	<u>24,021,575</u>	<u>25,185,851</u>	<u>74,428,841</u>	<u>175,362,834</u>

24 FAIR VALUES OF FINANCIAL INSTRUMENTS

(a) Fair value of Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

The fair value of financial assets and liabilities are determined as follows:

- The fair value of financial assets and financial liabilities classified as Level 1 with standard terms and conditions and traded on active liquid markets are determined with reference to recent transaction price or quoted market bid prices and ask prices respectively;
- The fair value of derivative instruments are estimated using discounted cash flow analysis and the applicable yield curve for the duration of the non-applicable derivative;
- The fair value of unlisted investment funds and unlisted debt securities included in financial assets at fair value through profit or loss and available-for-sale investments classified as Level 2 are established by reference to the prices quoted by respective fund administrators or by using valuation techniques including discounted cash flow method. The main parameters used include bond prices, interest rates, foreign exchange rates, prepayment rates, counter party credit spreads and others; and
- The Level 3 financial assets, primarily comprises unlisted equity securities. Fair values are generally determined using valuation techniques, including discounted cash flows translation and markets comparison methods. Unobservable inputs include discount rates, comparable company valuation multiples, liquidity spreads, recent transaction prices of similar instruments. The valuation requires management to make certain assumptions about unobservable inputs to the models.

24 FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(a) Fair value of Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

Fair value measurements and valuation process

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

At 30 June 2021				
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Investments in debt and equity securities:				
- Available-for-sale	134,216,075	75,095,369	35,621,967	244,933,411
- Held-for-trading	65,317,407	3,047,698	102,459	68,467,564
- Designated at fair value through profit or loss	-	84,004	112,370	196,374
Policyholder account assets in respect of unit-linked products	<u>1,098,779</u>	<u>365,565</u>	<u>-</u>	<u>1,464,344</u>
Financial liabilities				
Investment contract liabilities in respect of unit-linked products	<u>(1,098,779)</u>	<u>(365,565)</u>	<u>-</u>	<u>(1,464,344)</u>
At 31 December 2020				
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Investments in debt and equity securities:				
- Available-for-sale	147,406,366	72,507,919	39,645,902	259,560,187
- Held-for-trading	53,558,169	4,906,526	101,231	58,565,926
- Designated at fair value through profit or loss	-	84,722	121,112	205,834
Policyholder account assets in respect of unit-linked products	<u>1,183,075</u>	<u>260,562</u>	<u>-</u>	<u>1,443,637</u>
Financial liabilities				
Investment contract liabilities in respect of unit-linked products	<u>(1,183,075)</u>	<u>(260,562)</u>	<u>-</u>	<u>(1,443,637)</u>

24 FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(a) Fair value of Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

Reconciliation of Level 3 fair value measurements of financial assets:

	Available-for-sale unlisted securities \$'000	Held-for-trading unlisted securities \$'000	Designated at fair value through profit or loss unlisted securities \$'000	Total \$'000
At 1 January 2021	39,645,902	101,231	121,112	39,868,245
Purchases	1,027,018	1,499	322	1,028,839
Gains or losses recognised in:				
- profit or loss	-	(217)	-	(217)
- other comprehensive income	2,416,579	-	-	2,416,579
Transfer to Level 3	232,249	-	-	232,249
Disposals/Settlements	(8,041,283)	-	(9,239)	(8,050,522)
Exchange difference	341,502	(54)	175	341,623
At 30 June 2021	35,621,967	102,459	112,370	35,836,796

	Available-for-sale unlisted securities \$'000	Held-for-trading unlisted securities \$'000	Designated at fair value through profit or loss unlisted securities \$'000	Total \$'000
At 1 January 2020	29,970,455	99,064	1,116,284	31,185,803
Purchases	8,254,200	797	4,017	8,259,014
Gains or losses recognised in:				
- profit or loss	-	1,182	(101,288)	(100,106)
- other comprehensive income	2,228,870	-	-	2,228,870
Transfer to Level 3	137,475	-	218,386	355,861
Disposals/Settlements	(2,662,323)	-	(1,188,091)	(3,850,414)
Exchange difference	1,717,225	188	71,804	1,789,217
At 31 December 2020	39,645,902	101,231	121,112	39,868,245

At 30 June 2021, investments in debt and equity securities classified as available-for-sale with carrying amounts of \$96,263,000 (31 December 2020: \$110,346,000) were transferred from Level 1 to Level 2 because quoted prices in the markets for such investments were no longer regularly available. Conversely, investments in debt and equity securities classified as available-for-sale with carrying amounts of \$54,474,000 (31 December 2020: \$40,025,000) were transferred from Level 2 to Level 1 because quoted prices in active markets were available as at 30 June 2021.

The transfer to Level 3 fair value measurements were because of the changes of inputs in fair value measurements

24 FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(b) Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 30 June 2021 and 31 December 2020 except for the following financial instruments, for which their carrying amounts and fair value and the level of fair value hierarchy are disclosed below:

	Carrying amount \$'000	Fair value \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
At 30 June 2021					
Held-to-maturity debt securities	453,622,277	471,433,409	91,507,516	379,925,893	-
Loans and receivables					
- investment funds	5,572,204	5,572,204	-	5,572,204	-
- debt products	127,503,537	130,760,359	-	1,223,431	129,536,928
Interest-bearing notes	(17,835,432)	(18,179,094)	-	(18,179,094)	-
	Carrying amount \$'000	Fair value \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
At 31 December 2020					
Held-to-maturity debt securities	367,829,336	383,468,983	78,180,719	305,288,264	-
Loans and receivables					
- investment funds	5,357,173	5,357,173	-	5,357,173	-
- debt products	130,167,756	131,767,564	-	1,494,067	130,273,497
Interest-bearing notes	(15,336,285)	(15,513,250)	-	(15,513,250)	-

25 COMMITMENTS

(a) Capital commitments as at 30 June 2021 were as follows:

	At 30 June 2021 \$'000	At 31 December 2020 \$'000
Contracted for but not provided		
- property and equipment	3,223,235	3,340,068
Authorised but not contracted for		
- property and equipment	58,955	102,057
	3,282,190	3,442,125

(b) Operating lease commitments: The Group as lessor

The Group leases out operating lease assets and investment properties under operating leases. The leases typically run for an initial period of 2 to 5 years, with an option to renew the lease after that date at which time all terms are renegotiated. Lease payments are usually reviewed every 2 to 5 years to reflect market rental. None of the leases includes contingent rentals.

The gross carrying amounts of the operating lease assets and investment properties of the Group held for use in operating leases were \$28,062,711,000 (31 December 2020: \$24,687,208,000).

As at 30 June 2021, the Group had contracted with tenants for the following future minimum lease payments:

	At 30 June 2021 \$'000	At 31 December 2020 \$'000
Within 1 year	1,631,501	1,555,464
After 1 year but within 2 years	1,232,895	1,244,906
After 2 years but within 3 years	963,287	809,830
After 3 years but within 4 years	548,909	538,368
After 4 years but within 5 years	264,537	173,421
After 5 years	600,071	457,049
	5,241,200	4,779,038

26 MATERIAL RELATED PARTY TRANSACTIONS

The Group has not entered significant recurring and non-recurring transactions with related parties during the Period.

Business transactions between state-owned enterprises controlled by the PRC (collectively “State-Owned Entities”) are within the scope of related party transaction. During the Period, the Group had transactions with State-Owned Entities including but not limited to the sales of insurance policies and banking related services. These transactions are conducted in the ordinary course of the Group’s insurance business on terms similar to those that would have been entered into with non-State-Owned Entities. The Group has also established its pricing strategy and approval processes for its major insurance products. Such pricing strategy and approval processes do not depend on whether the customers are State-Owned Entities or not. Having due regard to the substance of the relationships, the Directors believe that none of these transactions are related party transactions that require separate disclosure.

27 INSURANCE AND FINANCIAL RISK MANAGEMENT

(a) Underwriting strategy

Life insurance business

The Group operates its life insurance business in the PRC, Hong Kong, Macau and Singapore’s life insurance market, offering a wide range of insurance products covering different types of individual and group life insurance, health insurance, accident insurance and annuity. With regard to the control of quality of the insurance policies underwritten, the Group has formulated strict operational procedures on underwriting and claims settlement to control risks on insurance underwriting.

Property and casualty insurance business

The Group is engaged in the underwriting of property and casualty insurance business in the PRC, Hong Kong, Macau, UK, Singapore and Indonesia. The Group focuses its property and casualty insurance business by offering a wide range of insurance products covering different types of property insurance (including compulsory motor insurance), liability insurance, credit insurance, guarantee insurance, short-term accident and health insurance and the related reinsurance business. The Group has formulated strict operational procedures on underwriting and claims settlement to control risks on insurance underwriting.

Reinsurance business

The Group’s reinsurance portfolio is made up of a mix of business spreading across different geographic regions with emphasis towards Asian countries, covering property damage, life, marine cargo and hull and miscellaneous non-marine classes. Whilst diversifying its underwriting portfolio, the Group does not actively seek acceptance of any liability reinsurance business from customers operating outside the Asia Pacific region. In the Asia Pacific region, where these are core-markets of the Group, liability reinsurance businesses are written on a limited scale in order to provide customers in the region with comprehensive reinsurance services.

27 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(a) Underwriting strategy (Continued)

Reinsurance business (Continued)

For life reinsurance business strategy, current portfolio of life business is mainly made up of saving business with emphasis on Hong Kong market. Besides maintaining current business scale, in order to diversify and balance the underwriting portfolio, the Group starts to emphasise on the development of protection business and financial reinsurance business. The Group's strategy is to develop business with prudent attitude, gain more sophisticated market experience instead of seeking fast business expansion.

(b) Reinsurance strategy

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

(c) Asset and liability matching

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

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

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

27 **INSURANCE AND FINANCIAL RISK MANAGEMENT** *(Continued)*

(d) Financial risk

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

There is no significant change in the Group's exposures to risk and how they arise, nor the Group's objectives, policies and processes for managing each of these risks.

(i) Market risk

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

(a) Interest rate risk

Interest rate risk is risk to the earnings or market value of a fixed-rate financial instrument due to uncertain future market interest rates.

The Group monitors this exposure through periodic reviews of its financial instruments. Estimates of cash flows, as well as the impact of interest rate fluctuations relating to the investment portfolio are modelled and reviewed periodically.

(b) Equity price risk

The Group has a portfolio of marketable equity securities, which are carried at fair value and is exposed to price risk. As the financial risks of unit-linked contracts are fully undertaken by the policyholders, the assets related to unit-linked products are not included in the analysis of equity price risk below. This risk is defined as the potential loss in market value resulting from an adverse change in prices.

The Group manages the equity price risk by investing in a diverse portfolio of high quality and liquid securities.

The Group's investment in equity securities and investment funds was carried at a fair value of \$193,341.97 million (31 December 2020: \$192,852.78 million), representing approximately 17% (31 December 2020: approximately 19%) of total investments held by the Group.

27 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(d) Financial risk (Continued)

(i) Market risk (Continued)

(c) Foreign exchange risk

In respect of the life insurance and property and casualty insurance business in the PRC, premiums are received in RMB and the insurance regulation in the PRC requires insurers to hold RMB assets. Therefore, the foreign exchange risk in respect of RMB for the Group's PRC operations is not significant in the condensed consolidated statement of profit or loss.

In respect of the property and casualty insurance business in Hong Kong, the majority of the premiums are received in HKD and USD. The exchange rate between HKD and USD is currently pegged. The currency position of assets and liabilities is monitored by the Group periodically.

In respect of the property and casualty insurance business in Macau, UK, Singapore and Indonesia and reinsurance business, the foreign exchange risks in such various currencies are not significant in the condensed consolidated statement of profit or loss.

(ii) Credit risk

Credit risk is the risk of economic loss resulting from the failure of one of the obligors to make full payment of principal or interest when due.

The Group is exposed to credit risks primarily associated with bank deposits, money market funds, insurance debtors, investments in debt securities and debt products, reinsurance arrangements with reinsurers and other debtors.

To reduce the credit risk associated with the investments in debt securities and debt products, the Group has established detailed credit control policy. In addition, the risk level of the various investment sectors is continuously monitored with the investment mix adjusted accordingly. In respect of the debt securities and debt products invested by life insurance and property and casualty insurance business in the PRC, the investment procedures manual, which is managed by an investment committee, includes the minimum acceptable domestic credit rating of the issuers as required by the CBIRC. Any non-compliance or violation of the manual will be followed up and rectification action will be taken immediately. In respect of the debt securities invested by property and casualty insurance business in Hong Kong, more than 99% of the bonds are with ratings of investment grade or above. In respect of the debt securities invested by reinsurance business, about 93% of the debt securities are with ratings of investment grade.

27 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(d) Financial risk (Continued)

(ii) Credit risk (Continued)

As at 30 June 2021, debt securities held by the Group mainly comprised of domestic bonds. Majority of the domestic securities were the investment grade bonds with BBB ratings or above.

Management manages credit risks on bank balances by using banks are with good credit qualities.

In assessing the need for impairment allowances, management considers factors such as credit quality, portfolio size, concentration, and economic factors.

The credit risk associated with insurance debtors and other debtors will not cause a material impact on the Group's condensed consolidated financial statements taking into consideration of their collateral held and/or maturity term of no more than one year as at 30 June 2021.

(iii) Liquidity risk

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

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

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

(e) Reserve adequacy

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

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

27 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(e) Reserve adequacy (Continued)

In assessing the liability adequacy for its life insurance business, the process employed to determine the assumptions that have the greatest effect on the measurement is described below:

1. The qualified professional actuaries of the Group are responsible for setting the assumptions.
2. The assumptions are set based on best estimates in accordance with actual operating performance of the business.
3. Certain assumptions are topped up with additional margin based on professional actuarial estimates to derive a risk margin in the liability of insurance contracts.
4. Scenario testing in respect of applying different assumptions is performed.
5. The qualified professional actuaries of the Group make recommendations to the board and management of the relevant subsidiaries in regards to the results of the scenario testing.
6. The board and management of the relevant subsidiaries are responsible for making final decisions in the determination of the assumptions.

Changes to Information in respect of Directors

In accordance with Rule 13.51B(1) of the Listing Rules, the changes to information required to be disclosed by the Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) between 22 March 2021 (being the date of approval of the Company's 2020 Annual Report) and 24 August 2021 (being the date of approval of the Company's 2021 Interim Report) are set out below:

Mr. WU Ting Yuk Anthony has been appointed as an independent non-executive director of Sing Tao News Corporation Limited with effect from June 2021.

After making specific enquiries by the Company and confirmed by the Directors, other than the above disclosures, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 30 June 2021, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise which had to be notified to the Company and the Stock Exchange pursuant to the Model Code.

During the Period, no Directors nor any of their spouses or children under the age of eighteen years has any interests in or has been granted any rights to subscribe for equity or debt securities of the Company nor was there been any exercise of any such rights by any of them.

At no time during the Period was the Company, any of its holding companies, subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors or chief executive of the Company or any of their spouses or children under eighteen years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares

As of 30 June 2021, the interests and short positions of the shareholders, other than a director or chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of SFO were as follows:

Substantial shareholders	Capacity	Number of ordinary shares	Long position/ short position	Percentage of issued share capital %
TPG	Interest of controlled corporation	2,182,585,256 (Note 1)	Long position	60.73
TPG (HK)	1,861,616,179 Shares as beneficial owner and 320,969,077 Shares (Note 2) as interest of controlled corporation	2,182,585,256	Long position	60.73

Notes:

- (1) TPG's interests in the Company is held by TPG (HK), Easiwell, Golden Win and Manhold, all of which are wholly-owned subsidiaries of TPG.
- (2) 168,098,887 Shares are held by Easiwell, 86,568,240 Shares are held by Golden Win and 66,301,950 Shares are held by Manhold.

Save as disclosed above, the register required to be kept under Section 336 of the SFO showed that the Company had not been notified of any interests or short positions in the shares and underlying shares of the Company as at 30 June 2021.

Corporate Governance

During the Period, the Company was in compliance with the CG Code provisions, with the following exceptions:

- (1) The non-executive directors are not appointed for a specific term, but are subject to retirement by rotation and re-election at the Company's annual general meeting in accordance with the Company's Articles of Association.

The Company has adopted the Model Code as the code of conduct regarding securities transactions by Directors. Having made specific enquiries of all Directors, the Company confirmed that during the Period, all Directors have complied with the required standards as set out in the "Model Code for Securities Transactions by Directors of Listed Issuers" contained in Appendix 10 to the Listing Rules.

The interim results for the Period has been reviewed by the audit committee of the Company and KPMG.

Corporate Information

DIRECTORS

Executive directors

WANG Sidong *Chairman*
YIN Zhaojun *Vice Chairman &
General Manager*
HONG Bo *Deputy General Manager*
XIAO Xing *Deputy General Manager*

Non-executive directors

GUO Zhaoxu
HU Xingguo
ZHANG Cui
YANG Changgui

Independent non-executive directors

ZHU Dajian
WU Ting Yuk Anthony
XIE Zhichun
LAW FAN Chiu Fun Fanny

Audit Committee

WU Ting Yuk Anthony *Chairman*
HU Xingguo
ZHANG Cui
ZHU Dajian
XIE Zhichun
LAW FAN Chiu Fun Fanny

Remuneration Committee

ZHU Dajian *Chairman*
WANG Sidong
YIN Zhaojun
YANG Changgui
WU Ting Yuk Anthony
XIE Zhichun
LAW FAN Chiu Fun Fanny

Nomination Committee

WANG Sidong *Chairman*
HONG Bo
ZHU Dajian
WU Ting Yuk Anthony
LAW FAN Chiu Fun Fanny

Corporate Governance Committee

WANG Sidong *Chairman*
YIN Zhaojun
HONG Bo
XIAO Xing

Risk Management Committee

XIE Zhichun *Chairman*
YIN Zhaojun
XIAO Xing
GUO Zhaoxu
ZHANG Cui

COMPANY SECRETARY

ZHANG Ruohan

AUTHORISED REPRESENTATIVES

WANG Sidong
ZHANG Ruohan

REGISTERED OFFICE

25/F., 18 King Wah Road,
North Point,
Hong Kong
Telephone : (852) 2854 6100
Facsimile : (852) 2544 5269
E-mail : mail@cntaiping.com

REGISTRAR AND TRANSFER OFFICE

Hong Kong Registrars Limited
Shops 1712-16, 17/F, Hopewell Centre,
183 Queen's Road East,
Hong Kong

INDEPENDENT AUDITORS

KPMG
(Certified Public Accountants and Registered
PIE Auditors)

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Nanyang Commercial Bank, Limited

WEBSITE

www.ctih.cntaiping.com
www.cntaiping.com

STOCK MARKET LISTING

The Main Board of The Stock Exchange
of Hong Kong Limited
(Stock Code: HK 00966)

Definitions

In the announcement, the following expressions shall have the following meanings unless the context requires otherwise:

“Board”	the board of Directors
“CBIRC”	China Banking and Insurance Regulatory Commission
“CG Code”	Corporate Governance Code as set out in Appendix 14 of the Listing Rules
“CTPI (HK)”	China Taiping Insurance (HK) Company Limited
“Directors”	The directors of the Company, including the independent non-executive directors
“Easiwell”	Easiwell Limited
“Golden Win”	Taiping Golden Win Investment Limited
“HIBOR”	Hong Kong Interbank Offer Rate
“HKAS”	Hong Kong Accounting Standard
“HKFRS”	Hong Kong Financial Reporting Standard
“HKICPA”	Hong Kong Institute of Certified Public Accountants
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Indonesia”	Republic of Indonesia
“Last Period” or “1H 2020”	The six months ended 30 June 2020
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	Macau Special Administrative Region of the PRC
“Manhold”	Manhold Limited
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
“SFO”	Securities and Futures Ordinance
“Share(s)”	Share(s) in the capital of the Company
“Singapore”	Republic of Singapore

“the Company” or “CTIH”	China Taiping Insurance Holdings Company Limited
“the Group”	CTIH and its subsidiaries
“the Period” or “1H 2021”	The six months ended 30 June 2021
“the PRC”	The People’s Republic of China
“the Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TP Fund”	Taiping Fund Management Company Limited
“TPA (HK)”	Taiping Assets Management (HK) Company Limited
“TPAM”	Taiping Asset Management Company Limited
“TPFH”	Taiping Financial Holdings Company Limited
“TPG”	China Taiping Insurance Group Ltd.
“TPG (HK)”	China Taiping Insurance Group (HK) Company Limited
“TPI”	Taiping General Insurance Company Limited
“TPIH (HK)”	Taiping Investment Holdings (HK) Company Limited
“TPL”	Taiping Life Insurance Company Limited
“TPL (HK)”	China Taiping Life Insurance (Hong Kong) Company Limited
“TPL (Macau)”	China Taiping Life Insurance (Macau) Company Limited
“TPP”	Taiping Pension Company Limited
“TPRB”	Taiping Reinsurance Brokers Limited
“TPRe”	Taiping Reinsurance Company Limited
“TPRe (China)”	Taiping Reinsurance (China) Company Limited
“TP Indonesia”	PT China Taiping Insurance Indonesia
“TP Macau”	China Taiping Insurance (Macau) Company Limited
“TP Singapore”	China Taiping Insurance (Singapore) PTE. Ltd.

“TP UK”	China Taiping Insurance (UK) Company Limited
“TSFL”	Taiping & Sinopec Financial Leasing Co. Ltd.
“UK”	the United Kingdom of Great Britain and Northern Ireland
“US”	United States of America
“RMB”	Renminbi
“HKD” or “HK\$”	Hong Kong dollars
“USD”	United States dollars

By Order of the Board of
China Taiping Insurance Holdings Company Limited
ZHANG Ruohan
Company Secretary

Hong Kong, 24 August 2021

As at the date of this announcement, the Board comprises 12 directors, of which Mr. WANG Sidong, Mr. YIN Zhaojun, Mr. HONG Bo and Mr. XIAO Xing are executive directors, Mr. GUO Zhaoxu, Mr. HU Xingguo, Ms. ZHANG Cui and Mr. YANG Changgui are non-executive directors, and Mr. ZHU Dajian, Mr. WU Ting Yuk Anthony, Mr. XIE Zhichun and Mrs. LAW FAN Chiu Fun Fanny are independent non-executive directors.