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ANNOUNCEMENT

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

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 2022 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 2022, China Taiping actively responded to the challenges brought by the changes in the external situations and the in-depth transformation of the industry, fully adhered to the new development concept, deeply implemented the strategy of high-quality development, and earnestly implemented the general requirements of “Stabilising Growth, Increasing Value, Preventing Risks, Focusing on Innovation, and Strengthening Foundation”, effectively coordinated the pandemic prevention and control, operational development and development safety, business development remained stable and positive, serve the national strategy continue to strengthen, strategic layout made positive progress, the risk prevention and control capabilities continued to improve, the pace of reform and innovation accelerated, and digital transformation was effectively promoted, the level of customer service has been continuously improved, and positive results have been achieved in strengthening the foundation.

Business Scale Maintained Steady Growth

- Total premiums written and policy fees were HK\$160.4 billion, grew by 2.2% over the Last Period
- Profit attributable to owners was HK\$2.709 billion, decreased by 47.0% over the Last Period
- Total assets were HK\$1,442.7 billion, grew by 4.6% over the 2021 year-end
- Owners’ equity was HK\$83.664 billion, decreased by 5.0% over the 2021 year-end
- Group embedded value per share attributable to owners was HK\$56.52, decreased by 6.6 % over the 2021 year-end figure of HK\$60.54, while TPL’s embedded value grew by 1.2% over the 2021 year-end

PRC Domestic Insurance Businesses¹ Achieved Steady and Positive Development, with Quality and Value Industry Leading

- Direct premium of the PRC domestic life insurance² grew by 0.1% over the Last Period, remained stable
- TPL’s new business value was RMB2.838 billion, decreased by 11.1% over the Last Period, the decline was lower than major peers and improved quarter by quarter, with the new business value for the 2nd quarter grew by 14.7% on a year on year basis; first year regular premium grew by 9.4% over the Last Period, with first year regular premium from individual insurance and bancassurance grew by 18.7% and 10.8% over the Last Period, respectively; agency force grew by 3.7% over the beginning of the year, monthly average manpower grew by 4.3% over the Last Period; four persistency ratios of the individual agency and bancassurance channels maintained industry-leading
- Group employee benefit business grew by 15.8% over the Last Period, with short term health insurance business grew by 22.2% over the Last Period

¹ Calculated in RMB.

² Including TPL and TPP.

PRC Domestic Insurance Businesses³ Achieved Steady and Positive Development, with Quality and Value Industry Leading (Continued)

- Pension assets under management was over RMB627.0 billion, with both enterprise annuity and occupational annuity assets under management exceeded RMB250.0 billion
- Direct premium of the PRC domestic property and casualty insurance grew by 2.2% over the Last Period; the persistency ratio of motor insurance increased by 7.7 percentage points, the proportion of non-motor insurance was 40.2%, increased by 0.3 percentage point over the Last Period; the combined ratio was 98.8%, optimised by 5.3 percentage points over the Last Period, achieving a turnaround from loss to profit

Overseas Insurance Businesses Achieved a Rapid Growth, the Degree of Internationalisation Continued Enhancing

- CTPI (HK) achieved a steady development of local business, with direct premium income grew by 3.4% over the Last Period, with increased underwriting profit over the Last Period
- TPL (HK)'s business developed steadily, and business from Macau increased rapidly, with market influence continuously enhanced
- TP Macau's premium income sustained its market leadership, with a combined ratio of 78.7% and outstanding underwriting performance
- TP Singapore's property and casualty insurance business achieved a rapid growth, direct premium income grew by 12.6% over the Last Period, with a combined ratio of 88.8%
- TP Indonesia's underwriting results maintained at an outstanding level, with a combined ratio at 46.5%, business grew rapidly, the direct premium income grew by 15.3% over the Last Period, with Chinese enterprises business maintained rapid growth
- TPRe's property and casualty reinsurance business maintained stable development, with premium income grew by 16.7% over the Last Period

Solid Foundation in Net Investment Income, Investment Business Progressed Steadily

- The investment scale grew steadily, net investment income steadily enhanced. As at the end of June 2022, the total investment assets of the Group were HK\$1,231.0 billion, grew by 2.5% over the 2021 year-end, net investment income for the first half of 2022 was HK\$24.609 billion, representing a growth of 16.3% over the Last Period
- Strengthen the research and judgment of the market situation, the equities outperform the market benchmarks. In the first half of 2022, the Group established an investment research center to strengthen capital market research and judgment. Facing an unfavorable market environment, we strengthened tactical operations and product selection. The investment performance of PRC domestic equities outperformed the CSI 300 Total Return Index by 1.90 percentage points, while the investment performance of overseas equities outperformed the Hang Seng Index by 7.26 percentage points

³ Calculated in RMB.

Solid Foundation in Net Investment Income, Investment Business Progressed Steadily *(Continued)*

- The professional capabilities of investment institutions were improved, and the third-party asset management business expanded. In the first half of 2022, the Group continued promoting the professional transformation of investment institutions and improving their professional capabilities and management levels. The scale of third-party entrusted assets managed by the Group was HK\$1,113.9 billion, representing a growth of 7.3% over the 2021 year-end
- Consolidating the foundation for investment control to promote high-quality development of investment. In the first half of 2022, the Group further improved a number of investment management mechanisms, strengthened information systems construction, enhanced centralised investment monitoring capabilities, preventing material risks and systemic risks, which promoted the high-quality development of the investment business

Strategic Clients Cooperation and Cross-selling Business Steadily Promoted

- As at the end of June 2022, China Taiping had established strategic client cooperation relationships with 110 large clients and these strategic clients have contributed total premium of HK\$36.191 billion and new payment from pension of HK\$23.424 billion
- In the first half of 2022, our domestic cross-selling initiatives achieved HK\$5.360 billion insurance sales, including HK\$4.013 billion of property insurance sales through TPL, HK\$1.139 billion of pension sales through TPL, HK\$115 million of property insurance sales through TPP, HK\$62.92 million of life insurance sales through TPI and HK\$29.28 million of pension sales through TPI

Positive Progress in Strategic Layout

- Deepen the support of the Guangdong-Hong Kong-Macau Greater Bay Area and the construction of “The Belt and Road”. In the first half of 2022, the premium income in the Greater Bay Area was HK\$36.8 billion, providing risk protection of HK\$1.76 trillion, and the total investment balance was HK\$90.5 billion. Cumulatively underwritten 281 major projects along the “The Belt and Road”. Established Greater Bay Area Pension Financial Service Center and Investment Center. New progress has been made in the international layout, with the completion of registration of TP Luxembourg, and the construction of reinsurance cooperation platform in Europe steadily promoted and the coverage of underwriting projects of China Taiping ASEAN Insurance Service Center extended to 10 ASEAN countries

Ecosystem Layout Solidly Progressed

- China Taiping Sanya “Taiping Town · Haitang Family” and Chengdu “Taiping Town · Furong Family” retirement community projects progressed smoothly, the number of cooperative elderly community centers increased by 3 centers to 22 centers. Strategic investment in Dazhuanjia and HealthLink, enriching medical and health resources. Taiping Tong launched the “Home-based Elderly Care Platform”. The online doctor project “Chaoebao” has matched service qualifications for 5 million customers, and has completed more than 20 thousand cases of online services. Taiping Healthcare Investment Fund has been operating smoothly, and Taiping GBA Inno-Tech Limited Partnership Fund was incorporated in Hong Kong. The China Taiping Medical Health & Elder Care Ecological Alliance and the Fintech Ecological Alliance were started with good progresses, and the effect of empowering the main insurance business has gradually become prominent

Digital Transformation Further Deepened and Innovative Service Capabilities Continued Strengthening

- The Group held a scientific and technological innovation conference and released the implementation plan for digital transformation. Initiated the second phase project of the Wuhan Data Center, carried out pilot projects such as container cloud platform, microservice architecture, distributed database, a new generation of core systems, such as life insurance, pension and accident and health insurance, has been set up, the science and technology based supporting capabilities have been significantly strengthened
- China Taiping Fintech Ecological Alliance achieved normalised operations, the insurance technology laboratory obtained 22 national licensed invention patents, highlighted products such as “Taiping Encyclopedia”, “Vehicle Insurance Credit”, “Taiping Health Guardian” etc. were steadily advanced, independent research and development of “Guangdong-Hong Kong-Macau Easy ORC” product, technology empowerment continued enhancing
- Improve platform-based technology service capabilities, Human-machine integrated digital service team was setup, “Fuxiang Taiping 1.0” enterprise customer service platform was released, Taiping Tong was upgraded to 3.0, home-based elderly care, Taiping Family Doctor, and Taiping Wealth Management service functions were online, creating a family health and wealth steward

Customer Satisfaction and Social Attention Effectively Enhanced

- TPG, with CTIH as a core subsidiary, the ranking on the “Fortune Global 500” in 2022 was 334th, improved by 10 place over the last year, and has been on the list for 5 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
- Held the 3rd “Lucky Elephant Festival · China Taiping Customer Festival”, with 32.15 million online viewers, and 162.9 thousand offline participants, polishing the service brand of China Taiping
- Strengthened the protection of rights and interests of consumers, and carried out “Dual Optimisation” management and control special action, which contributed to the number of insurance consumer complaints reported by regulator in the first quarter dropped 47.2% from the previous quarter

CONSOLIDATED FINANCIAL RESULTS

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

<i>HK\$ million</i>	1H 2022	1H 2021	Change
Total premiums written and policy fees	160,363.35	156,971.25	+2.2%
Profit before taxation	2,206.84	7,726.63	-71.4%
Profit after taxation	4,016.12	7,074.26	-43.2%
Net profit attributable to the owners	2,708.66	5,112.66	-47.0%
Basic earnings per share (<i>HK\$</i>)	0.754	1.423	-0.669 dollar
Interim dividend proposed	-	-	-

<i>HK\$ million</i>	At 30 June 2022	At 31 December 2021	Change
Total assets	1,442,711.86	1,378,641.97	+4.6%
Total equity	108,240.36	113,455.96	-4.6%
Owners' equity	83,664.05	88,066.83	-5.0%
- Per share (<i>HK\$</i>)	23.279	24.504	-1.225 dollars
Group embedded value	270,965.99	285,888.15	-5.2%
Owners' group embedded value	203,135.76	217,569.12	-6.6%
- Per share (<i>HK\$</i>)	56.521	60.536	-4.015 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 2022	1H 2021	Change
Life insurance	3,015.77	7,007.90	-57.0%
Pension and group life insurance	304.05	198.73	+53.0%
PRC domestic property and casualty insurance	573.45	112.56	+409.5%
Overseas property and casualty insurance	128.33	218.35	-41.2%
Reinsurance	239.39	284.36	-15.8%
Asset management business	445.70	500.30	-10.9%
Others ¹	(690.57)	(1,247.94)	-44.7%
Net profit from operations	4,016.12	7,074.26	-43.2%
Non-controlling interests	(1,307.46)	(1,961.60)	-33.3%
Net profit attributable to the owners	2,708.66	5,112.66	-47.0%

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

	2022	2021
Total equity as at 1 January	113,455.96	116,613.06
Net profit recognised in statement of profit or loss	4,016.12	7,074.26
Net changes in available-for-sale investment reserve	(2,314.44)	(4,699.80)
Revaluation gain arising from reclassification of own-use properties into investment properties	43.27	66.30
Exchange differences arising from translation of financial statements of foreign and non-foreign operations	(4,091.83)	1,324.69
Capital injection made to a subsidiary	-	5.35
Dividend declared by subsidiaries to non-controlling interests	(1,215.47)	(1,431.54)
Dividend declared to shareholders	(1,653.25)	(1,437.61)
Total equity as at 30 June	108,240.36	117,514.71
Attributable to:		
Owners of the Company	83,664.05	91,851.32
Non-controlling interests	24,576.31	25,663.39
	108,240.36	117,514.71

CONSOLIDATED INVESTMENT PERFORMANCE

Assets Management Business

Asset Management within the Group

In the first half of 2022, the COVID-19 pandemic continued to spread around the world, the Federal Reserve rate hiked and balance sheet reduction process was accelerated, the world's financial environment has tightened, the conflict between Russia and Ukraine and its spillover effects intensified inflationary pressures, and the economic outlook is facing increased risks. In the first quarter, the GDP of United States grew at a negative annualised quarter-on-quarter rate of 1.6%, and inflation continued to be high. The core CPI in the first half of the year was 6.2%, which was significantly higher than the data in the same period last year. The economic recovery momentum of the euro zone has weakened. In the first quarter, GDP grew by 5.5% year-on-year, but the annualised quarter-on-quarter rate decreased to 2.0%, and the average economic climate index in the first half of the year was 107.9, which is lower than the 2021 average of 110.8. The Japanese economy continued to grow negatively, with a year-on-year growth of 0.4% in the first quarter of 2022, however, a negative annualised quarter-on-quarter growth rate of 0.5% from the previous quarter, while employment remained stable, with an average unemployment rate of 2.7% in the first half of the year. China's economy grew by 4.8% year-on-year in the first quarter, and achieved positive growth despite the pressure in the second quarter, with a year-on-year growth rate of 0.4% and a year-on-year growth of 2.5% in the first half of the year, while prices were generally stable, with the CPI rising by 1.7% year-on-year in the first half of the year.

The global stock market swung drastically with major indices falling in the first half of 2022. Specifically, there was a decrease of 9.2% in CSI 300, a decrease of 6.6% in Hang Seng Index, a decrease of 20.6% in US S&P 500 Index, a decrease of 9.7% in Euro Stoxx 50 and a decrease of 8.3% in Nikkei 225.

In respect of the bond market, the US bond market was impacted by persistently high inflation and the rate hikes by the Federal Reserve, the yield-to-maturity of 2-year treasury bonds has increased from 0.73% at the beginning of the year to 2.92%, the yield-to-maturity of 10-year treasury bonds has increased from 1.52% at the beginning of the year to 2.98%. PBOC maintained its prudent monetary policy, and market liquidity remained "Reasonable and Sufficient", the general yields remained stable, the yield-to-maturity of 10-year treasury bonds has increased from 2.77% at the beginning of the year to 2.81%, while the yield-to-maturity of 10-year AAA corporate bond yields decrease slightly from 3.68% by 7bp to 3.61%.

The Group improved its investment system and mechanism, established an investment research center, strengthen research-driven investment. In the midst of the challenging market environment, dedicated to optimised its investment portfolio and strengthening risk management and control standards. In the first half of 2022, the Group maintained a stable proportion of equity asset allocation, while increasing the allocation of fixed-income assets to improve portfolio return, placing more emphasis on long-term investment, value investment and responsible investment during product selection and strictly control risk exposures, and thereby achieving stable investment results.

CONSOLIDATED INVESTMENT PERFORMANCE *(Continued)*

Investment Income

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

<i>HK\$ million</i>	1H 2022	1H 2021 <i>(restated)</i>	Change
Net investment income ¹	24,609.26	21,160.80	+16.3%
<i>Including: Share of results of associates and joint ventures</i> ²	323.31	77.35	+318.0%
Net realised and unrealised investment gains ³	(4,247.58)	11,289.89	N/A
Total investment income	20,361.68	32,450.69	-37.3%
Annualised net investment yield	4.05%	4.05%	-
Annualised total investment yield ⁴	3.35%	6.21%	-2.86 pts

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

² Including the income generated from asset management products, funds etc., that has been classified as share of results of associates and joint ventures.

³ Including the income from the spread of investment securities, gain or loss on changes in fair value and impairment loss of investment assets.

⁴ In the calculation of annualised 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 interests income from deposits, interests income from debt financial assets, dividend from equity financial assets, rental income from investment properties, share of results of associates and joint ventures, 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 16.3% from HK\$21.161 billion (*restated*) in the first half of 2021 to HK\$24.609 billion in the first half of 2022. The realised and unrealised investment gains decreased from HK\$11.290 billion in the first half of 2021 to a loss of HK\$4.248 billion in the first half of 2022, mainly because the performance of equity assets was dragged down by the drop in the PRC domestic and Hong Kong stock markets.

Under the combined influence of the above factors, the total investment income of investment assets of the Group amounted to HK\$20.362 billion in the first half of 2022, decreased by 37.3% over the HK\$32.451 billion (*restated*) in the first half of 2021; the annualised investment yield decreased from 6.21% (*restated*) in the first half of 2021 to 3.35% in the first half of 2022.

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 2022	% of Total	At 31 December 2021 <i>(restated)</i>	% of Total
By investment category				
Fixed income				
Debt securities	684,983.15	55.6%	624,049.47	51.9%
Term deposits	82,272.19	6.7%	84,874.92	7.1%
Debt products	102,418.35	8.3%	118,896.21	9.9%
Other fixed income investments	85,896.66	7.0%	88,223.06	7.3%
Equity investments				
Equity securities	142,172.34	11.5%	136,185.71	11.3%
Investment funds	59,894.25	4.9%	47,930.33	4.0%
Other equity investments	26,418.20	2.1%	36,463.08	3.0%
Long-term equity investments	19,064.56	1.6%	20,679.53	1.7%
Investment properties	22,998.42	1.9%	22,439.67	1.9%
Cash, cash equivalents and others				
Cash and cash equivalents	46,662.05	3.8%	34,041.58	2.9%
Securities purchased under resale agreements/ securities sold under repurchase agreements	(41,772.61)	-3.4%	(12,449.34)	-1.0%
Total invested assets	1,231,007.56	100.0%	1,201,334.22	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 76.2% *(restated)* in the 2021 year-end to 77.6% in the end of June 2022. The proportion of equity investments to total investment assets slightly increased from 18.3% *(restated)* in the 2021 year-end to 18.5% in the end of June 2022.

Finance Lease Business of the Group

As at the end of June 2022, the financial leasing assets of TSFL were approximately HK\$48.073 billion, representing a decrease of 6.3% over the 2021 year-end. The company safeguard the risk bottom line, and the overall quality of the managed assets remained good, the proportion of special mentioned assets and non-performing assets were 0.3% and 1.7%.

Analysis of Investment in Securities

Development on Equity Investments Keep Steady

As at the end of June 2022, stock investments and fund investments held by the Group amounted to approximately HK\$142.2 billion and HK\$59.894 billion, representing approximately 9.9% and 4.2% 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 2022, debt securities held by the Group amounted to HK\$685.0 billion, representing approximately 47.5% of the total assets, of which 85.0% were PRC domestic bonds investment. Within the PRC domestic bonds, 99.4% 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 15.0% of debt securities held by the Group, about 89.6% 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 2022, alternative investments held by the Group amounted to HK\$170.9 billion, representing approximately 11.8% 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 domestic financial investment debt products remained relatively high, products rated AAA accounted for 94.9%, products rated AA+ accounted for 2.6%. 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 2022, real estate financial investment debt products of approximately HK\$26.214 billion, represented only 1.8% of the total assets, the ratio decreased by 0.4 percentage point over the 2021 year-end. The credit ratings of the real estate financial investment debt products remained high, with relatively comprehensive credit enhancement measures in place, and major projects located in tier 1, provincial capital cities or developed tier 2 cities, financing entities have relatively strong solvencies.

- *Purchased External Financial Products*

As at the end of June 2022, purchased external financial products of about HK\$61.030 billion represented 4.2% of the total assets, the ratio decreased by 1.1 percentage point over the 2021 year-end. Within the purchased external projects, 100% of them were with AAA ratings, 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 2022, 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 2022, the total third-party entrusted investment assets managed by the Group amounted to HK\$1,113.9 billion, increased by 7.3% over the 2021 year-end.

In the first half of 2022, TPAM (including TP Fund) recorded a total management fee income before taxation and deduction of HK\$1.0 billion, including HK\$558 million derived from assets outside of the Group, which accounted for 55.8% 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 was HK\$382 million (2021: HK\$824 million). The loss after taxation from life insurance business of TP Singapore was HK\$158 million (2021: loss after taxation of HK\$23 million), which was primarily due to decline in the fair value of bonds investment caused by rising interest rates.

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 2022	1H 2021	Change
Direct premiums written and premium deposits	119,526.21	117,984.04	+1.3%
Less: Premium deposits of universal life products	6,358.41	5,378.13	+18.2%
Premium deposits of unit-linked products	285.16	49.56	+475.4%
Premium deposits of other products	118.21	104.60	+13.0%
Direct premiums written recognised in statement of profit or loss	112,764.43	112,451.75	+0.3%
Inward reinsurance premiums	1.24	517.18	-99.8%
Policy fees	116.73	86.47	+35.0%
Net premiums written and policy fees	111,370.49	111,082.21	+0.3%
Net earned premiums and policy fees	111,239.07	110,307.75	+0.8%
Net policyholders' benefits	(30,891.36)	(22,750.72)	+35.8%
Net commission and handling fee expenses	(8,768.01)	(9,499.16)	-7.7%
Change in life insurance contract liabilities, net of reinsurance	(79,067.69)	(90,499.00)	-12.6%
Total investment income	18,070.24	26,201.00	-31.0%
Administrative and other expenses	(8,684.62)	(9,497.29)	-8.6%
Profit before taxation	1,754.61	6,949.04	-74.8%
Profit after taxation	3,923.82	6,762.35	-42.0%
Profit attributable to the owners	2,946.79	5,078.52	-42.0%

HK\$ million

	At 30 June 2022	At 31 December 2021	Change
Total assets	1,080,259.94	1,016,841.36	+6.2%
Total equity	66,675.29	69,275.01	-3.8%

LIFE INSURANCE BUSINESS *(Continued)*

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

	At 30 June 2022	At 31 December 2021	Change
Market share ¹	4.6%	4.8%	-0.2 pt
Number of provincial branches	38	38	-
Number of sub-branches and marketing centers	1,371	1,369	+2
Number of customers			
- Individual	15,131,321	14,886,564	+244,757
- Corporate	828	833	-5
Distribution network			
- Number of individual agents	399,276	385,038	+14,238
- Number of bancassurance outlets	71,484	72,909	-1,425
Agent monthly per capita regular premiums (RMB) ²	15,004	13,040	+1,964 dollars
Persistency ratios – 13 th month ³			
- Individual	94.5%	95.0%	-0.5 pt
- Bancassurance	97.4%	97.0%	+0.4 pt
Compound persistency ratios – 25 th month ³			
- Individual	94.1%	92.4%	+1.7 pts
- Bancassurance	97.1%	94.8%	+2.3 pts

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\$3.924 billion, decreased by 42.0% from HK\$6.762 billion in the Last Period. It was mainly because of the continued volatility in the capital market, which resulted in a decrease in investment income compared to 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 0.3% to HK\$112.764 billion from HK\$112.452 billion in the Last Period.

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

For the six months ended 30 June 2022, 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	73,909.81	5,230.45	276.10	67.51	79,483.87	66.5%
Bancassurance	34,611.12	1,127.96	9.06	0.30	35,748.44	29.9%
Group	504.43	-	-	50.40	554.83	0.5%
Other channels ¹	3,739.07	-	-	-	3,739.07	3.1%
	112,764.43	6,358.41	285.16	118.21	119,526.21	100.0%

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%

¹ Other Channels mainly consisted of telemarketing.

LIFE INSURANCE BUSINESS *(Continued)*

During the Period, premiums distributed through the individual agency force channel decreased to HK\$73.910 billion from HK\$77.352 billion in the Last Period, representing a decrease of 4.5%. Driven by the business pace, the active agency force monthly per capita regular premiums increased to RMB15,004 during the Period (31 December 2021: RMB13,040).

In the bancassurance channel, premium increased to HK\$34.611 billion from HK\$31.023 billion in the Last Period, representing a growth of 11.6%. Within this, renewal year bancassurance regular premium increased to HK\$26.677 billion from HK\$23.873 billion in the Last Period, representing a growth of 11.7%.

The persistency ratios remained stable and at the forefront of the industry. The persistency ratios were at 94.5% and 97.4% at the 13th month, and the compound persistency ratios were 94.1% and 97.1% 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 2022	% of Total	1H 2021	% of Total
Single Premium	59.11	0.1%	73.55	0.1%
Regular Premium				
– First Year	15,562.34	21.1%	13,008.28	16.8%
– Renewal Year	58,288.36	78.8%	64,270.57	83.1%
	<u>73,909.81</u>	<u>100.0%</u>	<u>77,352.40</u>	<u>100.0%</u>

Bancassurance

	1H 2022	% of Total	1H 2021	% of Total
Single Premium	18.67	0.1%	62.50	0.2%
Regular Premium				
– First Year	7,915.41	22.9%	7,087.94	22.8%
– Renewal Year	26,677.04	77.0%	23,872.65	77.0%
	<u>34,611.12</u>	<u>100.0%</u>	<u>31,023.09</u>	<u>100.0%</u>

Group

	1H 2022	% of Total	1H 2021	% of Total
Group Insurance	<u>504.43</u>	<u>100.0%</u>	<u>506.29</u>	<u>100.0%</u>

Other Channels

	1H 2022	% of Total	1H 2021	% of Total
Single Premium	108.76	2.9%	72.57	2.0%
Regular Premium				
– First Year	849.92	22.7%	1,972.25	55.3%
– Renewal Year	2,780.39	74.4%	1,525.15	42.7%
	<u>3,739.07</u>	<u>100.0%</u>	<u>3,569.97</u>	<u>100.0%</u>

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 2022	% of Total	1H 2021	% of Total
1 - 9 years	12,025.58	77.3%	8,640.67	66.4%
10 - 19 years	1,589.06	10.2%	540.42	4.2%
20 - 29 years	1,905.24	12.2%	2,770.94	21.3%
30 years+	42.46	0.3%	1,056.25	8.1%
	15,562.34	100.0%	13,008.28	100.0%

Individual first year regular premium - by feature

	1H 2022	% of Total	1H 2021	% of Total
Short-term savings	5,903.88	38.0%	5,379.40	41.4%
Long-term savings	123.33	0.8%	770.95	5.9%
Long-term protection	4,861.17	31.2%	4,648.10	35.7%
Others	4,673.96	30.0%	2,209.83	17.0%
	15,562.34	100.0%	13,008.28	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 2022	% of Total	1H 2021	% of Total
1 - 9 years	7,360.40	93.0%	6,125.59	86.4%
10 - 14 years	495.80	6.3%	807.39	11.4%
Others	59.21	0.7%	154.96	2.2%
	7,915.41	100.0%	7,087.94	100.0%

LIFE INSURANCE BUSINESS (Continued)

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

HK\$ million

	1H 2022	% of Total	1H 2021	% of Total
Participating	23,048.87	20.5%	34,007.02	30.3%
Annuity	28,509.77	25.3%	25,595.64	22.8%
Long-term health	23,256.99	20.6%	23,749.73	21.1%
Traditional life	31,404.80	27.8%	22,079.63	19.6%
Accident and short-term health	6,537.12	5.8%	7,014.61	6.2%
Universal life	5.98	0.0%	4.49	0.0%
Investment-linked	0.90	0.0%	0.63	0.0%
Total	112,764.43	100.0%	112,451.75	100.0%

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

HK\$ million

	1H 2022	% of Total		1H 2021	% of Total
Shandong	10,474.58	9.3%	Shandong	10,763.85	9.6%
Sichuan	10,299.94	9.1%	Sichuan	10,584.34	9.4%
Zhejiang	5,911.26	5.2%	Hubei	5,842.80	5.2%
Hubei	5,891.51	5.2%	Heilongjiang	5,711.70	5.1%
Guangdong	5,609.67	5.0%	Zhejiang	5,461.58	4.9%
Others	74,577.47	66.2%	Others	74,087.48	65.8%
Total	112,764.43	100.0%	Total	112,451.75	100.0%

Highlights on Embedded Value

The embedded value of TPL (expressed in terms of HKD) increased 1.2% to HK\$242.981 billion from HK\$240.105 billion at the 2021 year-end. The new business value after cost of capital for the Period decreased to HK\$3.319 billion from HK\$3.836 billion of the Last Period, representing a decrease of 13.5% (decreased by 11.1% if calculated in RMB). 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 2022	1H 2021	Change
Surrenders and net claims	16,995.77	15,105.63	+12.5%
Annuity, dividends and maturity payments	12,650.70	6,549.61	+93.2%
Interest allocated to investment and reinsurance contracts	1,244.89	1,095.48	+13.6%
	30,891.36	22,750.72	+35.8%

Financial Strength and Solvency Margin

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

RMB million

	At 30 June 2022	At 31 December 2021
Available Capital	198,922	214,315
Minimum Capital	80,503	102,974
Comprehensive Solvency Ratio	247%	208%

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. TPL (Macau) was incorporated 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 2022	1H 2021	Change
Direct premiums written and premium deposits	11,213.64	11,753.81	-4.6%
Less: Premium deposits of universal life products	3.78	3,691.24	-99.9%
Direct premiums written recognised in statement of profit or loss	11,209.86	8,062.57	+39.0%
(Loss)/profit after taxation	(595.60)	262.87	N/A

HK\$ million

	At 30 June 2022	At 31 December 2021	Change
Total assets	102,981.65	97,335.00	+5.8%
Total equity	2,479.17	3,111.14	-20.3%
Number of individual agents	2,966	3,016	-50
Regulatory Solvency Ratio ¹	222%	208%	+14 pts

¹ Based on local regulations.

Operating Results

The life insurance business operated by TPL (HK) produced a net operating loss of HK\$596 million during the Period (2021: net operating profit of HK\$263 million). The decrease compared to the Last Period was mainly due to the loss on disposal of risky assets, and recognition of impairment loss on financial assets in the Period.

Direct Premiums Written

TPL (HK)'s direct premiums written recognised in the statement of profit or loss grew by 39.0% to HK\$11.210 billion from HK\$8.063 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 2022	1H 2021	Change
Direct premiums written	5,063.20	4,338.07	+16.7%
Net premiums written	4,600.20	3,939.82	+16.8%
Net earned premiums	4,274.19	3,499.45	+22.1%
Net policyholders' benefits	(2,457.43)	(2,007.31)	+22.4%
Net commission and handling fee expenses	(249.44)	(229.04)	+8.9%
Change in insurance contract liabilities, net of reinsurance	(1,020.77)	(863.02)	+18.3%
Total investment income	665.39	440.67	+51.0%
Pension administration fee income	547.81	583.69	-6.1%
Agency fee income	2.13	3.15	-32.4%
Administrative and other expenses	(1,359.61)	(1,201.78)	+13.1%
Profit before taxation	351.88	247.00	+42.5%
Profit after taxation and attributable to the owners	304.05	198.73	+53.0%

HK\$ million

	At 30 June 2022	At 31 December 2021	Change
Total assets	26,036.75	24,114.36	+8.0%
Total equity	4,067.59	4,161.27	-2.3%

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

	At 30 June 2022	At 31 December 2021	Change
Annuity invested assets (<i>HK\$ million</i>)	145,444	179,099	-18.8%
Annuity entrusted assets (<i>HK\$ million</i>)	170,218	173,748	-2.0%
Number of enterprises in funds and schemes	10,559	10,450	+109
Number of branches	46	46	-

PENSION AND GROUP LIFE INSURANCE BUSINESS (Continued)

Operating Profit

The pension and group life insurance business recorded a net operating profit of HK\$304 million during the Period (2021: HK\$199 million), representing a grew of 53% compared to the Last Period. It was mainly driven by the increase on the investment income.

Direct Premiums Written

TPP's direct premiums written for the Period grew by 16.7% to HK\$5.063 billion from HK\$4.338 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 2022	At 31 December 2021
Available Capital	4,928	4,154
Minimum Capital	1,892	1,621
Comprehensive Solvency Ratio	261%	256%

PRC DOMESTIC 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 2022	1H 2021	Change
Direct premiums written	17,883.04	17,374.57	+2.9%
Net premiums written	16,245.86	16,202.70	+0.3%
Net earned premiums	14,433.98	14,782.11	-2.4%
Net claims incurred	(9,122.60)	(9,880.27)	-7.7%
Underwriting expenses	(3,460.28)	(2,992.29)	+15.6%
Net commission and handling fee expenses	(1,677.85)	(2,517.77)	-33.4%
Underwriting profit/(loss)	173.26	(608.23)	N/A
Total investment income	593.06	910.19	-34.8%
Share of results of associates	(28.16)	(42.28)	-33.4%
Other income	97.06	66.91	+45.1%
Other miscellaneous expenses	(39.54)	(56.38)	-29.9%
Finance costs	(87.50)	(86.06)	+1.7%
Profit before taxation	708.16	184.15	+284.6%
Profit after taxation and attributable to the owners	573.44	112.56	+409.5%
Retained ratio	90.8%	93.3%	-2.5 pts
Loss ratio ¹	63.2%	66.8%	-3.6 pts
Expense ratio ¹	35.6%	37.3%	-1.7 pts
Combined ratio ²	98.8%	104.1%	-5.3 pts

HK\$ million

	At 30 June 2022	At 31 December 2021	Change
Total assets	47,829.93	43,982.91	+8.7%
Total equity	8,106.39	8,043.47	+0.8%

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 DOMESTIC 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 2022	At 31 December 2021	Change
Market share ¹	1.8%	2.0%	-0.2 pt
Number of provincial branches	33	33	-
Number of sub-branches and marketing centers	848	806	+42
Number of customers			
- Individual	8,037,939	7,851,413	+186,526
- Corporate	442,391	440,862	+1,529
Number of direct sales representatives	11,410	11,449	-39

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\$573 million during the Period (2021: HK\$113 million), representing a grew of 409.5%. It was mainly due to the improvement in the combined ratio as compared to the Last Period.

PRC DOMESTIC PROPERTY AND CASUALTY INSURANCE BUSINESS

(Continued)

Direct Premiums Written

TPI's direct premiums written grew by 2.9% to HK\$17.883 billion from HK\$17.375 billion in the Last Period. The detailed breakdown of TPI's direct premiums written was as follows:

HK\$ million

Business Line	1H 2022	% of Total	1H 2021	% of Total
Motor	10,696.68	59.8%	10,438.96	60.1%
Marine	381.84	2.1%	461.44	2.6%
Non-marine	6,804.52	38.1%	6,474.17	37.3%
	17,883.04	100.00%	17,374.57	100.0%

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

HK\$ million

	1H 2022	% of Total		1H 2021	% of Total
Shandong	1,635.14	9.1%	Guangdong	1,371.03	7.9%
Guangdong	1,338.90	7.5%	Shandong	1,320.30	7.6%
Sichuan	1,213.50	6.8%	Sichuan	1,200.18	6.9%
Shanghai	1,038.09	5.8%	Shanghai	1,020.90	5.9%
Hebei	993.62	5.6%	Zhejiang	918.46	5.3%
Others	11,663.79	65.2%	Others	11,543.70	66.4%
Total	17,883.04	100.0%	Total	17,374.57	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 2022	At 31 December 2021
Available Capital	9,590	9,380
Minimum Capital	5,107	4,352
Comprehensive Solvency Ratio	188%	216%

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 2022	1H 2021	Change
Direct premiums written			
CTPI (HK)	1,267.61	1,225.42	+3.4%
TP Macau	494.33	527.32	-6.3%
TP UK	182.05	237.68	-23.4%
TP Singapore ¹	380.72	338.23	+12.6%
TP Indonesia	238.36	206.67	+15.3%
Underwriting profit/(loss)			
CTPI (HK)	16.88	10.22	+65.2%
TP Macau	48.82	38.36	+27.3%
TP UK	(44.11)	34.65	N/A
TP Singapore ¹	36.05	34.12	+5.7%
TP Indonesia	10.19	5.85	+74.2%
Profit/(loss) after taxation			
CTPI (HK)	115.57	69.39	+66.6%
TP Macau	42.26	58.65	-27.9%
TP UK	(44.58)	17.51	N/A
TP Singapore ¹	9.23	53.41	-82.7%
TP Indonesia	13.46	7.79	+72.8%
Combined ratio			
CTPI (HK)	98.9%	98.8%	+0.1 pt
TP Macau	78.7%	83.3%	-4.6 pts
TP UK	140.9%	83.6%	+57.3 pts
TP Singapore ¹	88.8%	88.4%	+0.4 pt
TP Indonesia	46.5%	75.9%	-29.4 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 2022	At 31 December 2021	Change
Regulatory solvency margin ratio ¹			
CTPI (HK)	997%	1,026%	-29 pts
TP Macau	283%	293%	-10 pts
TP UK	220%	171%	+49 pts
TP Singapore	193%	175%	+18 pts
TP Indonesia	177%	179%	-2 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 2022	1H 2021	Change
Direct premiums written	9,808.04	10,743.35	-8.7%
Underwriting (loss)/profit (non-life)	(165.53)	6.77	N/A
Profit after taxation	239.39	284.36	-15.8%
Profit attributable to the owners	179.54	213.27	-15.8%
Non-life reinsurance business: Combined ratio	102.9%	99.9%	+3.0 pts

	At 30 June 2022	At 31 December 2021	Change
Regulatory solvency margin ratio ¹	214%	278%	-64 pts

¹ Based on the local regulations.

REINSURANCE BUSINESS *(Continued)*

Operating Profit

The reinsurance business produced a net operating profit after taxation of HK\$239 million during the Period (2021: HK\$284 million). The decrease compared to the Last Period was mainly due to the increase in the impairment of financial assets and the increase in exchange losses.

Direct Premiums Written

TPre's direct premiums written for the Period decreased by 8.7% to HK\$9.808 billion from HK\$10.743 billion in the Last Period. The combined ratio of the non-life reinsurance business was 102.9% (2021: 99.9%). The underwriting loss was HK\$166 million (2021: underwriting profit of HK\$7 million).

TPre's life reinsurance business premiums of HK\$1.869 billion (2021: HK\$3.942 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 2022	1H 2021	Change
Direct premiums written	5,001.35	3,630.74	+37.8%
Profit after taxation	99.16	99.71	-0.6%

HK\$ million

	At 30 June 2022	At 31 December 2021	Change
Net assets	2,935.90	3,012.83	-2.6%

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 2022	At 31 December 2021
Available capital	2,479	2,459
Minimum capital	1,312	1,169
Comprehensive solvency ratio	189%	210%

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 and increased registered capital by TPL in January 2022, is 56.3% owned by TPAM and 38.5% owned by TPL. 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 2022	1H 2021	Change
Management fee income	901.11	1,281.65	-29.7%
Profit after taxation	445.70	500.30	-10.9%
Profit attributable to the owners	355.46	409.75	-13.3%

HK\$ million

	At 30 June 2022	At 31 December 2021	Change
Assets under management	1,466,979	1,314,841	+11.6%

Operating Profit

The asset management business produced a net operating profit of HK\$446 million during the Period (2021: HK\$500 million), representing a decrease of 10.9% compared to the Last Period.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's cash and bank deposits as at 30 June 2022 amounted to HK\$128.934 billion (31 December 2021: HK\$118.916 billion).

FINANCIAL LEVERAGE

The Group's interest-bearing notes and bank facilities drawn as at 30 June 2022 amounted to HK\$37.482 billion and HK\$55.318 billion, respectively (31 December 2021: HK\$32.798 billion and HK\$60.146 billion). As at 30 June 2022, CTIH's consolidated financial leverage ratio (calculated by debt over the summation of debt plus equity) was 46.2% (31 December 2021: 45.0%).

CAPITAL STRUCTURE

The Company did not issue new Shares during the Period and in 2021.

STAFF AND STAFF REMUNERATION

As at 30 June 2022, the Group had a total of 64,967 employees (30 June 2021: 66,091 employees), representing a decrease of 1,124 employees. Total staff costs (excluding retirement plans contributions) for the Period amounted to HK\$8.899 billion (first half of 2021: HK\$8.178 billion), representing an increase of 8.8%. 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, Striving to Overcome Difficulties and Fully Achieving Annual Business Objectives

In the second half of 2022, China Taiping will adhere to the general requirements of “Stabilising Growth, Increasing Value, Preventing Risks, Focusing on Innovation, and Strengthening Foundation” to maintain strategy determination with strong resolve and confidence and leverage its resilience to long-term difficulties and challenges as well as dedication to seizing opportunities at the material time, adhering to value growth unswervingly, stabilising and enhancing investment returns, strengthening risk prevention and control, deepening Guangdong-Hong Kong-Macau Greater Bay Area strategic layout, deeply promote the construction of the ecosystem, intensifying digital transformation and technological innovation, upgrading customer service and focusing on strengthening fundamentals, continue to reduce costs and increase efficiency, accelerate the implementation of high-quality development strategy, and thus making every effort to achieve the annual business goals.

PRC Domestic Life Insurance Business – TPL

- Maintain strategy determination, accelerate the promotion of both quantity and quality of the channel team to continuously consolidate the building of the talent team, so as to promote the high-quality development of the company
- Adhering to customer first and value orientation, take into account of differentiation and inclusiveness, actively promote product and service innovations, accelerate the construction of medical health and elder care ecosystem, to continuously create advantages and features of customer operation
- Speed up the promotion of technological empowerment, continuously improve operational efficiency, management quality and service level, and continued enhancing capacity for sustainable development and core competitiveness

PRC Domestic Property and Casualty Insurance Business – TPI

- Motor insurance business will adhere to the value orientation, strengthen market benchmarking, expand the differentiate authorisation of institutions, strictly abide by the bottom line of compliance operation, and continuously improve the persistency ratio and the comprehensive ratio, thus achieving the growth at a faster speed and with better quality
- Non-motor insurance business will fully tap its potential in serving the national strategies, rural revitalisation and social security and people’s well-being, double efforts in product innovation, service innovation and technological innovation, and optimise product mix

Group Insurance and Pension Business – TPP

- Seize the policy opportunity of the third pillar of pension, increase the proportion of pension business, and consolidate the overall situation of annuity entrusted business; continuous optimisation of asset allocation and strengthen research on investment strategies, to promote continuous improvement of pension investment performance
- For group insurance, continue to optimise the business structure, accelerate the development of the worksite marketing for long-term business so as to effectively improve the operating efficiency

OUTLOOK *(Continued)*

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

- TPL (HK) will adhere to the value orientation, follow the route of high-quality development, promote comprehensive acceleration of transformation, and further strengthen the construction of professional and integrated management in the three dimensions of capital, assets and liabilities
- TPL (Macau) will seize the opportunity of the joint development of the Greater Bay Area, and expand its influence in the Macau market, so as to contribute to the steady growth of the value and profitability of overseas life insurance business
- TP Singapore’s life insurance business will actively explore local affluent customers and high-net-worth businesses within the region, further increase business value and improve capital efficiency, thus achieving high-quality development

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

- CTPI (HK) will adhere to value orientation, improve business quality, proactively serve the construction of the Guangdong-Hong Kong-Macau Greater Bay Area, accelerate channel expansion, strengthen customer service quality, strengthen informatisation construction, and continue improving its innovation management capability
- TP Macau will improve online operation and service level, continuously strengthens synergistic development with TPI and TPL (Macau), and deepen the exploitation of business growth points to ensure a leading position in the industry, while ensuring the debut effect of “Macau Cars Travelling to Guangdong”
- TP UK will further standardise its corporate governance, strengthen and improve system construction, to give play to the role as a bridge linking the Chinese and British insurance markets, and continue to intensively develop the business of the Chinese enterprise and local Chinese market
- TP Singapore will actively support the construction of “The Belt and Road”, taking high-quality development as the main line of work, adhering to value orientation and promoting innovative development, to continuously maintain outstanding underwriting profitability
- TP Indonesia will expand business cooperation with Chinese enterprise customers, maintain stable growth of Chinese enterprises business, continue to optimise the quality of local business structure, and improve the profitability of local business, so as to achieve stable and balanced business development

OUTLOOK *(Continued)*

Reinsurance Business – TPre, TPre (China) and TPRB

- TPre will enhance the level of professional operation and management, strengthen catastrophe risk management and professional technical capabilities, accelerate the transformation and upgrading of property and life reinsurance business, reinforce the leading position in Hong Kong and Macau, deepen its development in Asian market, seize the opportunity of the rate hardening underwriting cycle, optimise business structure and cost of liabilities to rack up its influence in the industry and underwriting profitability
- TPre (China) will continue to strengthen customer service, strengthen research and analysis capabilities for health insurance product, take active participation in the research of innovative product and service solutions, promote the development of protection business, so as to enhance profitability
- TPRB will continue strengthen and expand its reinsurance channels domestic and abroad, refine its professional capabilities, research in market development trends and customer needs, strengthen communications with both reinsurer and cedant, making preparations for renewal at the end of the year

Investments

In the second half of 2022, the global economic growth has experienced a notable slowdown due to the tightening of global financial environment and the spillover effect of the conflict between Russia and Ukraine. According to the World Economic Outlook released by the International Monetary Fund in July, the global economy is predicted to grow by 3.2% in 2022, down 0.4 percentage point from the April prediction. The global inflation has been further pushed up by the conflict between Russia and Ukraine. The International Monetary Fund anticipates that inflation will hit 6.6% this year in advanced economies and 9.5% in emerging markets and developing countries, respectively. The spread of COVID-19 has had a significant influence on China's economy, but various economic figures have shown signs of stabilisation since June. With the introduction of a number of macro-control policies, the economy is expected to stabilise and improve in the second half of 2022.

Declining corporate earnings growth as a consequence of the global economic downturn and lower risk appetite of investors resulting from the volatile pandemic situation have put pressure on the price of risk assets. United States Federal Funds futures prices indicate that the market expects Federal Reserve rate hikes will continue while United States inflation and United States bond interest rates will remain high or climb even higher. Long-term interest rates are likely to fall gradually as economic development slows down, and may occur an inversion of long-term and short-term interest rates. In the second half of 2022, China's macroeconomic policy will focus on stabilising growth, ensuring employment and maintain a reasonable and sufficient market liquidity, the interest rates in China's bond market are anticipated to remain low and the economic growth in China is expected to pick up, industries and enterprises supported by the policies may see a recovery in profit, with the abundant liquidity, structural market opportunities may arise.

OUTLOOK *(Continued)*

Investments *(Continued)*

The Group will pay close attention to the development of the conflict between Russia and Ukraine and the COVID-19 pandemic, 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, strictly control credit risks and strive to enhance investment returns.

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, elder 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 2022 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 2022 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 2022	At 31 December 2021
Adjusted net worth ¹	144,545	158,730
Value of in-force business before cost of capital for TPL	151,129	150,108
Cost of capital for TPL	(24,708)	(22,950)
Group Embedded Value	270,966	285,888
Attributable to:		
Owners of the Company	203,136	217,569
Non-controlling interests	67,830	68,319
Group Embedded Value	270,966	285,888

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 2022 was RMB231.727 billion (31 December 2021: RMB233.742 billion).

Embedded Value of TPL

1. EMBEDDED VALUE

HK\$ million

	At 30 June 2022	At 31 December 2021
Adjusted net worth	116,560	112,947
Value of in-force business before cost of capital	151,129	150,108
Cost of capital	(24,708)	(22,950)
Embedded Value	242,981	240,105
Attributable to:		
Owners of the Company	182,479	180,319
Non-controlling interests	60,502	59,786
Embedded Value	242,981	240,105

Embedded Value measured in RMB at 30 June 2022 was RMB207.795 billion (31 December 2021: RMB196.309 billion), among them, the adjusted net worth was RMB99.681 billion (31 December 2021: RMB92.345 billion).

2. NEW BUSINESS VALUE

HK\$ million

	For the Past 6 Months as of 30 June 2022	For the Past 6 Months as of 30 June 2021
New Business Value before cost of capital	6,256	7,329
Cost of capital	(2,937)	(3,493)
New Business Value after cost of capital	3,319	3,836

New Business Value measured in RMB for the first half of 2022 was RMB2.838 billion (first half of 2021: RMB3.192 billion).

New business margin of TPL for the first half of 2022 was 13.5% (first half of 2021: 17.6%); from which the new business margin for individual business was 17.3% (first half of 2021: 29.0%); new business margin for bancassurance business was 6.0% (first half of 2021: 5.7%).

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 2022	For the Past 6 Months as of 30 June 2021
Individual	2,678	3,415
Bancassurance	462	406
Others ¹	179	15
	3,319	3,836

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 2022 - unaudited

(Expressed in Hong Kong dollars)

		Six months ended 30 June	
	Notes	2022 \$'000	2021 \$'000
Income			
Total premiums written and policy fees	3	160,363,346	156,971,245
Less: Premiums ceded to reinsurers		(5,951,260)	(6,933,454)
Net premiums written and policy fees		154,412,086	150,037,791
Change in unearned premium provisions, net of reinsurance		(3,534,079)	(3,368,986)
Net earned premiums and policy fees		150,878,007	146,668,805
Net investment income	4(a)	24,285,950	21,083,451
Net realised investment gains	4(b)	521,271	13,411,581
Net unrealised investment gains/(losses) and impairment	4(c)	(4,768,847)	(2,121,692)
Other income	5	3,525,178	3,392,847
Total income		174,441,559	182,434,992
Benefits, losses and expenses			
Net policyholders' benefits	6(a)	(54,627,831)	(41,490,255)
Net commission and handling fee expenses	6(b)	(13,132,368)	(13,967,432)
Administrative and other expenses		(15,936,344)	(16,654,583)
Change in life insurance contract liabilities, net of reinsurance	6(c)	(87,314,135)	(101,573,926)
Total benefits, losses and expenses		(171,010,678)	(173,686,196)
		3,430,881	8,748,796
Share of results of associates and joint ventures		323,311	77,351
Finance costs	7(a)	(1,547,352)	(1,099,522)
Profit before taxation	7	2,206,840	7,726,625
Income tax credits/(charges)	8	1,809,284	(652,368)
Profit after taxation		4,016,124	7,074,257
Attributable to:			
Owners of the Company		2,708,661	5,112,655
Non-controlling interests		1,307,463	1,961,602
		4,016,124	7,074,257
		<i>dollars</i>	<i>dollars</i>
Earnings per share attributable to the owners of the Company			
	10		
Basic		0.754	1.423
Diluted		0.754	1.423

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 2022 - unaudited
(Expressed in Hong Kong dollars)

	Six months ended 30 June	
	2022	2021
	\$'000	\$'000
Profit after taxation	4,016,124	7,074,257
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	52,827	77,151
- Net deferred tax	(9,558)	(10,850)
Exchange differences on translation of the financial statements of subsidiaries, associates and joint ventures which are not foreign operations	(4,012,252)	1,321,289
Items that may be subsequently reclassified to profit or loss:		
Exchange differences on translation of the financial statements of foreign operations	(79,576)	3,395
Available-for-sale securities		
- Net fair value changes during the period including the impact of impairment and disposal	(2,510,643)	(6,210,402)
- Net deferred tax	196,196	1,510,597
Total comprehensive income for the period	(2,346,882)	<u>3,765,437</u>
Attributable to:		
Owners of the Company	(2,746,774)	2,641,475
Non-controlling interests	399,892	<u>1,123,962</u>
	(2,346,882)	<u>3,765,437</u>

Condensed Consolidated Statement of Financial Position

as at 30 June 2022 - unaudited
(Expressed in Hong Kong dollars)

	Notes	At 30 June 2022 \$'000	At 31 December 2021 \$'000
Assets			
Statutory deposits	16	6,088,910	5,543,578
Fixed assets	11		
- Property and equipment		31,590,007	32,944,714
- Investment properties		22,998,421	22,439,672
- Right-of-use assets		7,665,923	8,211,004
		62,254,351	63,595,390
Goodwill		721,512	723,948
Intangible assets		261,408	261,408
Interests in associates and joint ventures		19,064,559	20,679,533
Deferred tax assets		7,545,638	5,502,790
Investments in debt and equity securities	13	1,015,886,297	963,524,800
Securities purchased under resale agreements	19	4,615,445	6,923,758
Amounts due from group companies		2,108,396	2,051,643
Insurance debtors	14	26,295,358	20,064,258
Reinsurers' share of insurance contract provisions		13,864,304	13,333,198
Policyholder account assets in respect of unit-linked products		1,599,522	1,603,338
Finance lease receivables	15A	48,073,106	51,294,691
Other assets	15	111,487,729	110,166,726
Pledged and restricted bank deposits		1,286,417	1,405,678
Deposits at banks with original maturity more than three months		71,130,727	72,021,332
Cash and cash equivalents	17	50,428,179	39,945,905
		1,442,711,858	1,378,641,974
Liabilities			
Life insurance contract liabilities		935,952,918	887,816,852
Unearned premium provisions		27,629,952	24,796,028
Provision for outstanding claims		32,656,920	30,678,062
Investment contract liabilities		83,116,198	86,490,951
Deferred tax liabilities		1,714,016	1,818,084
Interest-bearing notes		37,482,005	32,797,725
Bank borrowings	20	55,317,692	60,145,506
Lease liabilities		2,015,869	2,230,327
Securities sold under repurchase agreements	19	46,388,059	19,373,099
Amounts due to group companies		23,599	19,733
Insurance creditors	18	74,907,927	80,045,507
Other payables and accruals		35,544,101	37,313,707
Current taxation		1,510,444	1,471,983
Insurance protection fund		211,802	188,450
		1,334,471,502	1,265,186,014
Net assets		108,240,356	113,455,960

Condensed Consolidated Statement of Financial Position *(Continued)*

as at 30 June 2022 - unaudited
(Expressed in Hong Kong dollars)

	<i>Notes</i>	At 30 June 2022 \$'000	At 31 December 2021 \$'000
<hr/>			
Capital and reserves attributable to the owners of the Company			
Share capital	<i>21</i>	40,771,408	40,771,408
Reserves	<i>22</i>	42,892,639	<u>47,295,424</u>
		83,664,047	88,066,832
Non-controlling interests	<i>22</i>	24,576,309	<u>25,389,128</u>
		108,240,356	<u>113,455,960</u>
Total equity		108,240,356	<u>113,455,960</u>

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 2022 - unaudited

(Expressed in Hong Kong dollars)

Note	Share capital \$'000	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 2022	40,771,408	(5,615,659)	(6,842,218)	2,045,498	(188,263)	1,416,584	56,479,482	88,066,832	25,389,128	113,455,960
Profit for the period	-	-	-	-	-	-	2,708,661	2,708,661	1,307,463	4,016,124
Other comprehensive income for the period, net of deferred tax	-	-	-	(3,163,240)	(2,328,324)	36,129	-	(5,455,435)	(907,571)	(6,363,006)
Total comprehensive income	-	-	-	(3,163,240)	(2,328,324)	36,129	2,708,661	(2,746,774)	399,892	(2,346,882)
Dividends declared to shareholders	-	-	-	-	-	-	(1,653,249)	(1,653,249)	-	(1,653,249)
Dividends declared by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	(1,215,473)	(1,215,473)
Acquisition of additional interest in a subsidiary	-	(2,762)	-	-	-	-	-	(2,762)	2,762	-
Balance at 30 June 2022	40,771,408	(5,618,421)	(6,842,218)	(1,117,742)	(2,516,587)	1,452,713	57,534,894	83,664,047	24,576,309	108,240,356

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

<i>Note</i>	Share capital \$'000	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 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	-	-	-	-	-	-	(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

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 2022 - unaudited

(Expressed in Hong Kong dollars)

	<i>Notes</i>	Six months ended 30 June	
		2022	2021
		\$'000	\$'000
Net cash from operating activities		58,045,908	74,304,397
Net cash used in investing activities		(49,306,006)	(52,874,962)
Net cash from/(used in) financing activities		3,291,130	(2,669,637)
Effect of changes in exchange rates		(1,548,758)	203,798
Net increase in cash and cash equivalents		10,482,274	18,963,596
Cash and cash equivalents at 1 January		39,945,905	31,306,390
Cash and cash equivalents at 30 June		50,428,179	50,269,986
Analysis of the balances of cash and cash equivalents:			
Deposits with banks and other financial institutions with original maturity less than three months	<i>17</i>	5,052,555	11,911,674
Cash at bank and on hand	<i>17</i>	45,375,624	38,358,312
		50,428,179	50,269,986

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 29 August 2022.

The financial statements relating to the year ended 31 December 2021 that is included in the condensed consolidated interim financial statements for the six months ended 30 June 2022 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 2021 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 statements 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 2022 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2021, except for the adoption of new standards effective as at 1 January 2022. 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 2022

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 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020 Cycle

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 domestic 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 2022

	Six months ended 30 June 2022							Total \$'000
	Life insurance \$'000	PRC domestic 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	124,498,746	18,112,599	3,459,513	9,878,341	5,063,200	-	(649,053)	160,363,346
Less: Premiums ceded to reinsurers	(1,716,221)	(1,866,734)	(1,130,314)	(1,290,695)	(463,004)	-	515,708	(5,951,260)
Net premiums written and policy fees	122,782,525	16,245,865	2,329,199	8,587,646	4,600,196	-	(133,345)	154,412,086
Change in unearned premium provisions, net of reinsurance	(132,133)	(1,811,885)	(170,644)	(1,089,653)	(326,008)	-	(3,756)	(3,534,079)
Net earned premiums and policy fees	122,650,392	14,433,980	2,158,555	7,497,993	4,274,188	-	(137,101)	150,878,007
Net investment income (note (i))	21,157,573	572,341	188,201	949,852	357,212	664,577	396,194	24,285,950
Net realised investment gains/(losses) (note (ii))	2,351,945	24,278	27,965	152,593	308,192	70,387	(2,414,089)	521,271
Net unrealised investment gains/(losses) and impairment (note (iii))	(4,704,459)	(3,557)	(164,704)	(301,019)	(13)	(254,867)	659,772	(4,768,847)
Other income	1,610,495	97,061	61,754	(69,509)	585,809	3,739,287	(2,499,719)	3,525,178
Segment income	143,065,946	15,124,103	2,271,771	8,229,910	5,525,388	4,219,384	(3,994,943)	174,441,559
Benefits, losses and expenses								
Net policyholders' benefits	(35,293,039)	(9,122,598)	(1,269,483)	(6,516,067)	(2,457,428)	-	30,784	(54,627,831)
Net commission and handling fee expenses	(9,479,303)	(1,677,849)	(520,092)	(2,066,217)	(249,444)	(426)	860,963	(13,132,368)
Administrative and other expenses	(9,064,900)	(3,499,821)	(359,247)	(214,158)	(1,359,612)	(2,945,904)	1,507,298	(15,936,344)
Change in life insurance contract liabilities, net of reinsurance	(87,136,643)	-	-	842,244	(1,020,773)	-	1,037	(87,314,135)
Total benefits, losses and expenses	(140,973,885)	(14,300,268)	(2,148,822)	(7,954,198)	(5,087,257)	(2,946,330)	2,400,082	(171,010,678)
Share of results of associates and joint ventures	2,092,061	823,835	122,949	275,712	438,131	1,273,054	(1,594,861)	3,430,881
Finance costs	(935,199)	(28,164)	-	-	(52,275)	(50,379)	1,389,328	323,311
Profit before taxation	706,590	708,167	118,387	272,051	351,881	113,400	(63,636)	2,206,840
Income tax credits/(charges)	2,309,181	(134,721)	9,946	(32,663)	(47,832)	(276,605)	(18,022)	1,809,284
Profit after taxation	3,015,771	573,446	128,333	239,388	304,049	(163,205)	(81,658)	4,016,124
Non-controlling interests								(1,307,463)
Profit attributable to owners of the Company								2,708,661

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 2022 (Continued)

	Six months ended 30 June 2022							Total \$'000
	Life insurance \$'000	PRC domestic 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	9,528,318	91,705	53,186	611,213	-	28,698	(962)	10,312,158
- Available-for-sale	1,616,968	41,737	21,489	138,768	141,012	4,060	(80)	1,963,954
- Held-for-trading	51,622	548	26,124	1,491	9	37,322	520,643	637,759
- Designated at fair value through profit or loss	-	-	1,145	-	-	-	-	1,145
Interests income from debt products								
- Loans and receivables	2,553,345	165,056	2,727	32,444	108,484	31,870	114,694	3,008,620
Dividend income from equity securities								
- Available-for-sale	2,740,964	45,116	15,808	70,025	20,158	39,192	125	2,931,388
- Held-for-trading	11,092	-	1,393	-	-	830	159,692	173,007
Dividend income from investment funds								
- Available-for-sale	742,526	52,014	195	3,854	5,593	3,254	30,967	838,403
- Held-for-trading	223,784	12,200	24	3,354	10,554	8,742	(39,691)	218,967
- Designated at fair value through profit or loss	-	-	-	-	-	19,525	-	19,525
- Loans and receivables	-	-	3,561	14,835	-	8,902	-	27,298
Bank deposits and other interests income	3,762,235	155,897	12,613	72,305	68,237	36,639	(113,565)	3,994,361
Net rental income receivable from investment properties	107,030	15,486	49,936	3,798	7,422	449,815	(178,260)	455,227
Net interest income/(expenses) on securities purchased/sold under resale/repurchase agreements	(180,311)	(7,418)	-	(2,235)	(4,257)	(4,272)	(97,369)	(295,862)
	21,157,573	572,341	188,201	949,852	357,212	664,577	396,194	24,285,950

2 SEGMENT INFORMATION (Continued)

(a) Segmental statement of profit or loss for the six months ended 30 June 2022 (Continued)

	Six months ended 30 June 2022							Total \$'000
	Life insurance \$'000	PRC domestic 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	(248,211)	-	(128)	60,837	-	-	-	(187,502)
- Available-for-sale	394,724	9,958	(1,228)	(409)	162,939	2,151	(12)	568,123
- Held-for-trading	(38,733)	(8,437)	7,137	1,095	-	14,222	31,559	6,843
Equity securities								
- Available-for-sale	2,107,899	38,106	21,575	98,999	145,253	48,696	(264)	2,460,264
- Held-for-trading	3,637	-	1,061	-	-	-	(2,408,953)	(2,404,255)
Investment funds								
- Available-for-sale	187,482	(15,349)	(195)	(7,939)	-	(3,178)	138	160,959
- Held-for-trading	18,505	-	(257)	10	-	8,496	(36,557)	(9,803)
Gain on disposal of partial interest in an associate	(73,358)	-	-	-	-	-	-	(73,358)
	2,351,945	24,278	27,965	152,593	308,192	70,387	(2,414,089)	521,271
Note (iii): Net unrealised investment gains/(losses) and impairment								
Debt securities								
- Held-for-trading	(195,753)	(1,476)	(140,048)	(71,969)	1,456	(30,974)	(169,086)	(607,850)
- Designated at fair value through profit or loss	-	-	(1,119)	-	-	-	-	(1,119)
Equity securities								
- Held-for-trading	(12,944)	-	(3,789)	-	-	(15,550)	(258,407)	(290,690)
Investment funds								
- Held-for-trading	(746,591)	-	(3,665)	-	616	(1,324)	593,954	(157,010)
- Designated at fair value through profit or loss	(351,644)	-	-	-	-	(34,530)	348,505	(37,669)
Surplus/(deficit) on revaluation of investment properties	(36,931)	(11,729)	2,345	(100)	(5,714)	(153,653)	89,340	(116,442)
Impairment loss recognised:								
- Available-for-sale debt securities, equity securities and investment funds	(2,731,622)	(6,323)	(12,902)	(30,047)	(6,855)	(20,314)	55,424	(2,752,639)
- Loans and receivables debt products and investment funds	(100,820)	15,971	-	(5,045)	10,484	4,673	42	(74,695)
- Held-to-maturity debt securities	(528,154)	-	(5,526)	(193,858)	-	(3,195)	-	(730,733)
	(4,704,459)	(3,557)	(164,704)	(301,019)	(13)	(254,867)	659,772	(4,768,847)

2 SEGMENT INFORMATION (Continued)

(b) Segmental statement of financial position as at 30 June 2022

	At 30 June 2022							Total \$'000
	Life insurance \$'000	PRC domestic 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	
Statutory deposits	3,159,501	1,461,664	332,499	431,950	701,598	1,698	-	6,088,910
Fixed assets								
- Property and equipment	4,653,382	1,052,108	470,002	17,852	402,185	19,480,176	5,514,302	31,590,007
- Investment properties	4,852,348	573,253	3,148,569	233,600	270,478	20,968,471	(7,048,298)	22,998,421
- Right-of-use assets	2,064,734	551,010	29,036	128,733	228,377	5,576,962	(912,929)	7,665,923
Investments in debt and equity securities								
- Debt securities (note (i))	592,699,349	7,871,630	5,623,502	34,704,249	8,354,388	4,915,107	30,814,925	684,983,150
- Equity securities (note (ii))	134,344,214	5,073,437	695,149	2,459,552	1,849,577	3,677,292	20,491,320	168,590,541
- Investment funds (note (iii))	83,290,801	4,839,226	198,681	1,537,159	1,435,956	2,237,109	(33,644,680)	59,894,252
- Debt products (note (iv))	88,717,528	6,021,634	100,000	1,227,482	3,801,705	1,497,608	1,052,397	102,418,354
Cash and bank deposits	87,275,202	6,732,195	1,996,526	5,666,872	4,635,473	7,649,488	8,889,567	122,845,323
Goodwill	-	-	-	-	-	52,995	668,517	721,512
Intangible assets	-	-	-	-	-	-	261,408	261,408
Interests in associates and joint ventures	37,248,332	2,792,090	-	-	755,833	2,648,308	(24,380,004)	19,064,559
Reinsurers' share of insurance contract provisions	3,307,798	3,232,713	3,953,805	4,230,762	490,870	-	(1,351,644)	13,864,304
Policyholder account assets in respect of unit-linked products	1,599,522	-	-	-	-	-	-	1,599,522
Finance lease receivables	-	-	-	-	-	48,073,106	-	48,073,106
Other segment assets	125,277,944	7,628,970	2,679,067	13,389,316	3,110,307	5,707,615	(5,740,653)	152,052,566
Segment assets	1,168,490,655	47,829,930	19,226,836	64,027,527	26,036,747	122,485,935	(5,385,772)	1,442,711,858
Life insurance contract liabilities	908,391,720	-	-	20,036,541	8,042,399	-	(517,742)	935,952,918
Unearned premium provisions	4,264,413	14,682,042	2,192,804	4,433,265	2,312,871	-	(255,443)	27,629,952
Provision for outstanding claims	1,292,558	10,899,835	6,859,076	12,633,481	1,550,430	-	(578,460)	32,656,920
Investment contract liabilities	75,810,832	-	108,990	5,404,705	1,791,671	-	-	83,116,198
Interest-bearing notes	19,946,805	3,507,992	-	-	-	14,063,356	(36,148)	37,482,005
Bank borrowings	-	-	100,000	-	-	56,878,142	(1,660,450)	55,317,692
Lease liabilities	1,895,229	503,766	29,823	134,164	234,572	207,761	(989,446)	2,015,869
Securities sold under repurchase agreements	35,633,607	994,779	89,891	-	781,856	1,146,224	7,741,702	46,388,059
Other segment liabilities	71,102,617	9,135,128	2,136,363	10,106,075	7,255,356	16,992,516	(2,816,166)	113,911,889
Segment liabilities	1,118,337,781	39,723,542	11,516,947	52,748,231	21,969,155	89,287,999	887,847	1,334,471,502
Non-controlling interests								(24,576,309)
Net assets attributable to the owners of the Company								83,664,047

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 2022 (Continued)

	Life insurance	PRC domestic property and casualty insurance	Overseas property and casualty insurance	Reinsurance	Pension and group life insurance	Other businesses	segment elimination and adjustment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Note (i): Debt securities								
By category:								
- Held-to-maturity	495,135,028	4,380,082	2,861,003	26,908,467	-	1,897,093	(36,148)	531,145,525
- Available-for-sale	90,896,911	3,130,902	1,330,458	7,682,927	8,338,887	404,370	-	111,784,455
- Held-for-trading	6,667,410	360,646	1,389,699	112,855	15,501	2,613,644	30,851,073	42,010,828
- Designated at fair value through profit or loss	-	-	42,342	-	-	-	-	42,342
	592,699,349	7,871,630	5,623,502	34,704,249	8,354,388	4,915,107	30,814,925	684,983,150
Note (ii): Equity securities								
By category:								
- Available-for-sale	133,813,831	5,073,437	601,074	2,459,552	1,849,577	3,546,054	(1,256,197)	146,087,328
- Held-for-trading	530,383	-	94,075	-	-	131,238	21,747,517	22,503,213
	134,344,214	5,073,437	695,149	2,459,552	1,849,577	3,677,292	20,491,320	168,590,541
Note (iii): Investment funds								
By category:								
- Available-for-sale	44,121,175	2,946,460	89,444	1,191,068	304,224	656,539	(1,338,377)	47,970,533
- Held-for-trading	15,437,958	1,892,766	24,603	175	1,131,732	1,183,044	(8,574,635)	11,095,643
- Designated at fair value through profit or loss	23,731,668	-	-	-	-	74,977	(23,731,668)	74,977
- Loans and receivables	-	-	84,634	345,916	-	322,549	-	753,099
	83,290,801	4,839,226	198,681	1,537,159	1,435,956	2,237,109	(33,644,680)	59,894,252
Note (iv): Debt products								
By category:								
- Loans and receivables	88,717,528	6,021,634	100,000	1,227,482	3,801,705	1,497,608	1,052,397	102,418,354

2 SEGMENT INFORMATION (Continued)

(c) 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 domestic 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 credits/(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								5,112,655

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 2021 (Continued)

	Six months ended 30 June 2021							Total \$'000
	Life insurance \$'000	PRC domestic 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)
	<u>18,365,963</u>	<u>566,621</u>	<u>201,688</u>	<u>816,808</u>	<u>309,995</u>	<u>592,181</u>	<u>230,195</u>	<u>21,083,451</u>

2 SEGMENT INFORMATION (Continued)

(c) 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 domestic 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
	<u>10,095,468</u>	<u>353,112</u>	<u>33,932</u>	<u>35,022</u>	<u>138,826</u>	<u>(3,394)</u>	<u>2,758,615</u>	<u>13,411,581</u>
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)
	<u>(102,909)</u>	<u>(9,541)</u>	<u>(77,943)</u>	<u>(51,050)</u>	<u>(8,157)</u>	<u>(757,526)</u>	<u>(1,114,566)</u>	<u>(2,121,692)</u>

2 SEGMENT INFORMATION (Continued)

(d) Segmental statement of financial position as at 31 December 2021

	At 31 December 2021							Inter-segment elimination and adjustment \$'000	Total \$'000
	Life insurance \$'000	PRC domestic property and casualty insurance \$'000	Overseas property and casualty insurance \$'000	Reinsurance \$'000	Pension and group life insurance \$'000	Other businesses \$'000			
Statutory deposits	2,507,143	1,528,865	318,242	450,063	733,855	5,410	-	5,543,578	
Fixed assets									
- Property and equipment	5,147,679	1,168,701	505,531	26,576	486,133	19,854,192	5,755,902	32,944,714	
- Investment properties	5,039,873	611,485	3,149,593	233,700	288,699	20,455,502	(7,339,180)	22,439,672	
- Right-of-use assets	2,268,238	581,468	26,407	140,246	265,057	5,950,287	(1,020,699)	8,211,004	
Investments in debt and equity securities									
- Debt securities (note (i))	528,213,444	7,534,628	5,035,300	35,440,581	7,630,850	3,801,562	36,393,108	624,049,473	
- Equity securities (note (ii))	135,905,326	4,705,522	754,600	2,691,001	1,165,433	3,970,053	23,456,848	172,648,783	
- Investment funds (note (iii))	72,151,189	2,669,652	1,528,134	2,888,162	222,639	2,381,755	(33,911,198)	47,930,333	
- Debt products (note (iv))	103,049,526	6,971,728	100,000	1,310,594	4,515,477	1,848,103	1,100,783	118,896,211	
Cash and bank deposits	80,417,304	6,483,287	1,823,852	5,141,116	4,086,035	9,743,188	5,678,133	113,372,915	
Goodwill	-	-	-	-	-	55,431	668,517	723,948	
Intangible assets	-	-	-	-	-	-	261,408	261,408	
Interests in associates and joint ventures	37,669,297	2,988,756	-	-	1,182,675	2,979,386	(24,140,581)	20,679,533	
Reinsurers' share of insurance contract provisions	3,369,253	3,051,350	4,055,225	3,692,046	428,945	-	(1,263,621)	13,333,198	
Policyholder account assets in respect of unit-linked products	1,603,338	-	-	-	-	-	-	1,603,338	
Finance lease receivables	-	-	-	-	-	51,294,691	-	51,294,691	
Other segment assets	121,274,358	5,687,465	1,889,611	10,803,480	3,108,565	6,642,171	(4,696,475)	144,709,175	
Segment assets	1,098,615,968	43,982,907	19,186,495	62,817,565	24,114,363	128,981,731	942,945	1,378,641,974	
Life insurance contract liabilities	859,916,296	-	-	21,042,431	7,365,964	-	(507,839)	887,816,852	
Unearned premium provisions	4,387,435	13,224,686	2,231,674	3,127,506	2,010,680	-	(185,953)	24,796,028	
Provision for outstanding claims	1,409,666	10,523,889	6,663,760	11,270,116	1,380,480	-	(569,849)	30,678,062	
Investment contract liabilities	77,981,743	-	132,012	6,602,465	1,774,731	-	-	86,490,951	
Interest-bearing notes	14,707,790	3,669,276	-	-	-	14,463,578	(42,919)	32,797,725	
Bank borrowings	-	-	100,000	-	-	61,641,641	(1,596,135)	60,145,506	
Lease liabilities	2,092,312	537,503	26,829	144,927	273,472	261,825	(1,106,541)	2,230,327	
Securities sold under repurchase agreements	6,863,136	489,114	-	234,053	358,293	340,050	11,088,453	19,373,099	
Other segment liabilities	78,695,635	7,494,967	2,250,748	8,670,941	6,789,476	17,451,513	(495,816)	120,857,464	
Segment liabilities	1,046,054,013	35,939,435	11,405,023	51,092,439	19,953,096	94,158,607	6,583,401	1,265,186,014	
Non-controlling interests								(25,389,128)	
Net assets attributable to the owners of the Company								88,066,832	

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 2021 (Continued)

	At 31 December 2021							Inter-segment elimination and adjustment	Total
	Life insurance	PRC domestic property and casualty insurance	Overseas property and casualty insurance	Reinsurance	Pension and group life insurance	Other businesses			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
Note (i): Debt securities									
By category:									
- Held-to-maturity	445,062,818	4,866,668	2,037,105	27,784,117	-	1,265,175	(42,919)	480,972,964	
- Available-for-sale	79,653,084	2,439,864	1,341,824	7,510,605	7,622,110	175,487	-	98,742,974	
- Held-for-trading	3,497,542	228,096	1,573,021	145,859	8,740	2,360,900	36,436,027	44,250,185	
- Designated at fair value through profit or loss	-	-	83,350	-	-	-	-	83,350	
	<u>528,213,444</u>	<u>7,534,628</u>	<u>5,035,300</u>	<u>35,440,581</u>	<u>7,630,850</u>	<u>3,801,562</u>	<u>36,393,108</u>	<u>624,049,473</u>	
Note (ii): Equity securities									
By category:									
- Available-for-sale	135,438,358	4,705,522	640,948	2,691,001	1,165,433	3,847,207	(1,025,835)	147,462,634	
- Held-for-trading	466,968	-	113,652	-	-	122,846	24,482,683	25,186,149	
	<u>135,905,326</u>	<u>4,705,522</u>	<u>754,600</u>	<u>2,691,001</u>	<u>1,165,433</u>	<u>3,970,053</u>	<u>23,456,848</u>	<u>172,648,783</u>	
Note (iii): Investment funds									
By category:									
- Available-for-sale	27,843,028	1,722,699	92,851	1,017,722	197,412	491,044	(1,241,575)	30,123,181	
- Held-for-trading	21,666,716	946,953	50,770	454,074	25,227	1,022,884	(11,040,969)	13,125,655	
- Designated at fair value through profit or loss	21,628,654	-	-	-	-	106,575	(21,628,654)	106,575	
- Loans and receivables	1,012,791	-	1,384,513	1,416,366	-	761,252	-	4,574,922	
	<u>72,151,189</u>	<u>2,669,652</u>	<u>1,528,134</u>	<u>2,888,162</u>	<u>222,639</u>	<u>2,381,755</u>	<u>(33,911,198)</u>	<u>47,930,333</u>	
Note (iv): Debt products									
By category:									
- Loans and receivables	103,049,526	6,971,728	100,000	1,310,594	4,515,477	1,848,103	1,100,783	118,896,211	

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 2022					
	Life insurance contracts \$'000	PRC domestic 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	124,355,356	18,066,926	3,435,367	9,348,304	4,945,368	160,151,321
Policy fees	141,721	-	-	70,304	-	212,025
	124,497,077	18,066,926	3,435,367	9,418,608	4,945,368	160,363,346

	Six months ended 30 June 2021					
	Life insurance contracts \$'000	PRC domestic 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
	121,953,163	17,649,401	2,868,423	10,303,611	4,196,647	156,971,245

4 INVESTMENT INCOME

	Six months ended 30 June	
	2022 \$'000	2021 \$'000
Net investment income (note (a))	24,285,950	21,083,451
Net realised investment gains (note (b))	521,271	13,411,581
Net unrealised investment gains/(losses) and impairment (note (c))	(4,768,847)	(2,121,692)
	20,038,374	32,373,340

4 INVESTMENT INCOME (Continued)

	Six months ended 30 June	
	2022 \$'000	2021 \$'000
(a) Net investment income		
Interests income from debt securities <i>(note (i))</i> :		
- Held-to-maturity	10,312,158	8,684,368
- Available-for-sale	1,963,954	1,567,626
- Held-for-trading	637,759	444,220
- Designated at fair value through profit or loss	1,145	1,558
	12,915,016	10,697,772
Interests income from debt products <i>(note (i))</i> :		
- Loans and receivables	3,008,620	3,561,889
Dividend income from equity securities <i>(note (ii))</i> :		
- Available-for-sale	2,931,388	2,478,466
- Held-for-trading	173,007	130,876
	3,104,395	2,609,342
Dividend income from investment funds <i>(note (iii))</i> :		
- Available-for-sale	838,403	229,411
- Held-for-trading	218,967	177,696
- Designated at fair value through profit or loss	19,525	17,759
- Loans and receivables	27,298	118,122
	1,104,193	542,988
Bank deposits and other interests income	3,994,361	3,457,231
Gross rental income receivable from investment properties	461,480	399,842
Less: direct outgoings	(6,253)	(6,636)
Net rental income receivable from investment properties	455,227	393,206
Net interest expenses on securities sold/purchased under repurchase/resale agreements	(295,862)	(178,977)
	24,285,950	21,083,451

4 INVESTMENT INCOME (Continued)

	Six months ended 30 June	
	2022	2021
	\$'000	\$'000
(a) Net investment income (Continued)		
<i>Notes:</i>		
(i) Interests income from debt securities and debt products:		
Listed	3,948,724	2,436,225
Unlisted	11,974,912	11,823,436
	15,923,636	14,259,661
(ii) Dividend income from equity securities:		
Listed	2,593,865	2,115,949
Unlisted	510,530	493,393
	3,104,395	2,609,342
(iii) Dividend income from investment funds:		
Listed	11,352	88,171
Unlisted	1,092,841	454,817
	1,104,193	542,988

4 INVESTMENT INCOME (Continued)

	Six months ended 30 June	
	2022	2021
	\$'000	\$'000
(b) Net realised investment gains/(losses)		
Debt securities <i>(note (i))</i> :		
- Held-to-maturity	(187,502)	191,524
- Available-for-sale	568,123	447,672
- Held-for-trading	6,843	(16,749)
	387,464	622,447
Equity securities <i>(note (ii))</i> :		
- Available-for-sale	2,460,264	9,312,621
- Held-for-trading	(2,404,255)	2,721,107
	56,009	12,033,728
Investment funds <i>(note (iii))</i> :		
- Available-for-sale	160,959	557,444
- Held-for-trading	(9,803)	38,310
	151,156	595,754
Gain on disposal of partial interest in an associate	(73,358)	142,114
Gain on disposal of investment properties	-	17,538
	521,271	13,411,581

4 INVESTMENT INCOME (Continued)

	Six months ended 30 June	
	2022	2021
	\$'000	\$'000
(b) Net realised investment gains/(losses) (Continued)		
<i>Notes:</i>		
(i) Net realised investment gains		
on debt securities:		
Listed	(92,298)	621,643
Unlisted	479,762	804
	387,464	622,447
(ii) Net realised investment gains on		
equity securities:		
Listed	(1,030,049)	11,986,804
Unlisted	1,086,058	46,924
	56,009	12,033,728
(iii) Net realised investment gains on		
investment funds:		
Listed	8,105	4,029
Unlisted	143,051	591,725
	151,156	595,754

4 INVESTMENT INCOME (Continued)

	Six months ended 30 June	
	2022	2021
	\$'000	\$'000
(c) Net unrealised investment gains/(losses) and impairment		
Debt securities (note (i)) :		
- Held-for-trading	(607,850)	(177,437)
- Designated at fair value through profit or loss	(1,119)	(768)
	(608,969)	(178,205)
Equity securities (note (ii)) :		
- Held-for-trading	(290,690)	(801,445)
Investment funds (note (iii)) :		
- Held-for-trading	(157,010)	78,147
- Designated at fair value through profit or loss	(37,669)	(7,677)
	(194,679)	70,470
Deficit on revaluation of investment properties	(116,442)	(473,942)
Impairment loss recognised:		
- Available-for-sale debt securities, equity securities and investment funds	(2,752,639)	(321,155)
- Loans and receivables debt products and investment funds	(74,695)	(384,149)
- Held-to-maturity debt securities	(730,733)	(33,266)
	(4,768,847)	(2,121,692)

4 INVESTMENT INCOME (Continued)

	Six months ended 30 June	
	2022	2021
	\$'000	\$'000
(c) Net unrealised investment gains/(losses) and impairment (Continued)		
<i>Notes:</i>		
(i) Net unrealised investment losses on debt securities:		
Listed	(576,213)	(49,578)
Unlisted	(32,756)	(128,627)
	(608,969)	(178,205)
(ii) Net unrealised investment losses on equity securities:		
Listed	(290,690)	(801,445)
(iii) Net unrealised investment gains/(losses) on investment funds:		
Listed	(6,274)	1,448
Unlisted	(188,405)	69,022
	(194,679)	70,470

5 OTHER INCOME

	Six months ended 30 June	
	2022	2021
	\$'000	\$'000
Interests from finance lease receivables	1,221,011	1,185,857
Income from provision of asset management and securities broking services	315,773	391,518
Income from provision of pension administration services	547,811	583,692
Income from provision of advisory services	120,975	169,977
Income from operating lease	555,540	453,066
Income from provision of property management services	71,947	66,919
Income from provision of agency and insurance intermediary services	135,299	109,575
Income from disposal of inventories	24,017	124,800
Government subsidies	96,538	49,299
Net exchange gains	330,697	171,205
Recognition of impairment losses on insurance debtors and other assets	(58,092)	(124,894)
Loss on disposal of subsidiaries	-	(12,528)
Provision for finance lease receivables	(125,082)	(81,182)
Others	288,744	305,543
	3,525,178	3,392,847

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

(a) Net policyholders' benefits

	Six months ended 30 June 2022					Total \$'000
	Life insurance contracts \$'000	PRC domestic 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	7,553,050	9,646,256	1,710,942	7,067,840	2,627,911	28,605,999
Surrenders	10,528,470	-	-	69,896	51,438	10,649,804
Annuity, dividends and maturity payments	15,874,314	-	-	-	13,092	15,887,406
Interests allocated to investment and reinsurance contracts	2,366,356	-	-	70,708	427	2,437,491
	36,322,190	9,646,256	1,710,942	7,208,444	2,692,868	57,580,700
Less: Reinsurers' and retrocessionaires' share	(1,024,784)	(443,247)	(370,509)	(908,490)	(205,839)	(2,952,869)
	35,297,406	9,203,009	1,340,433	6,299,954	2,487,029	54,627,831

	Six months ended 30 June 2021					Total \$'000
	Life insurance contracts \$'000	PRC domestic 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

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

(b) Net commission and handling fee expenses

	Six months ended 30 June 2022					Total \$'000
	Life insurance contracts \$'000	PRC domestic 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	9,368,945	1,689,164	729,188	2,157,111	122,440	14,066,848
Reinsurance commission and handling fee income	(14,428)	(475,586)	(172,079)	(212,507)	(59,880)	(934,480)
Net commission and handling fee expenses	9,354,517	1,213,578	557,109	1,944,604	62,560	13,132,368

	Six months ended 30 June 2021					Total \$'000
	Life insurance contracts \$'000	PRC domestic 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

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

	Six months ended 30 June 2022					Total \$'000
	Life insurance contracts \$'000	PRC domestic 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	87,378,183	-	-	(1,005,940)	1,033,264	87,405,507
Less: Reinsurers' share	(231,637)	-	-	152,756	(12,491)	(91,372)
	87,146,546	-	-	(853,184)	1,020,773	87,314,135

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 2021					Total \$'000
	Life insurance contracts \$'000	PRC domestic 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

7 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	Six months ended 30 June	
	2022 \$'000	2021 \$'000
(a) Finance costs:		
Interests on bank borrowings	910,260	848,479
Interests on interest-bearing notes	588,733	201,705
Interests on lease liabilities	48,359	49,338
	1,547,352	1,099,522
(b) Staff costs (including directors' remuneration):		
Salaries, wages, bonuses and other benefits	8,899,440	8,178,441
Contributions to defined contribution retirement plans	893,719	914,757
	9,793,159	9,093,198
(c) Other items:		
Auditor's remuneration	9,359	3,975
Depreciation of property and equipment	1,188,904	1,105,288
Depreciation of right-of-use assets	558,215	495,891

8 INCOME TAX (CREDITS)/CHARGES

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

	Six months ended 30 June	
	2022	2021
	\$'000	\$'000
Current tax		
Provision for the period	1,102,813	2,432,931
Over-provision in respect of prior years	(692,919)	(240,808)
	409,894	2,192,123
Deferred tax		
Reversal of temporary differences	(2,219,178)	(1,539,755)
Income tax (credits)/charges	(1,809,284)	652,368

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% (2021: 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% (2021: 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% (2021: 25%).

At 30 June 2022, the Group did not recognise deferred tax assets in respect of tax losses of approximately \$5,797,384,000 (31 December 2021: \$5,535,391,000) and certain temporary differences of \$314,272,000 (31 December 2021: \$445,754,000). \$1,068,596,000 (31 December 2021: \$1,108,094,000) 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 23 March 2022, the Board of the Company proposed a final cash dividend of \$0.46 per share in respect of the year ended 31 December 2021 (\$0.40 per share in respect of the year ended 31 December 2020). The final dividend amounting to \$1,653,249,000 (2021: \$1,437,607,000) 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 2022 (30 June 2021: 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	
	2022	2021
	\$'000	\$'000
Profit attributable to owners of the Company	2,708,661	5,112,655
Weighted average number of ordinary shares	3,594,018,538	3,594,018,538
Basic earnings per share (<i>HK \$ per share</i>)	0.754	1.423

No diluted earnings per share has been presented for the period of 2022 and 2021 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 \$151,604,000 (30 June 2021: \$36,908,000) has been transferred to investment properties at fair value of \$204,431,000 during the Period (30 June 2021: \$114,059,000) 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 2022 were measured by an external valuer. The valuation for completed investment properties was made based on income approach. A revaluation loss of \$116,442,000 (30 June 2021: loss of \$473,942,000) has been recognised in the condensed consolidated statement of profit or loss during the Period.

As at 30 June 2022, land and buildings of \$8,678,000 (31 December 2021: \$8,684,000) and investment properties of \$50,661,000 (31 December 2021: \$50,696,000) 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 2022, operating lease assets of \$4,413,096,000 (31 December 2021: \$2,443,714,000) 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 2022 and 31 December 2021.

12 ACQUISITION OF SUBSIDIARIES

During the six months ended 30 June 2021, 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 was 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 was 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 were 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.

13 INVESTMENTS IN DEBT AND EQUITY SECURITIES

	At 30 June 2022 \$'000	At 31 December 2021 \$'000
Debt securities <i>(Note (i))</i>	684,983,150	624,049,473
Equity securities <i>(Note (ii))</i>	168,590,541	172,648,783
Investment funds <i>(Note (iii))</i>	59,894,252	47,930,333
Debt products <i>(Note (iv))</i>	102,418,354	118,896,211
	1,015,886,297	963,524,800

	At 30 June 2022 \$'000	At 31 December 2021 \$'000
<i>Note (i) Debt securities</i>		
Held-to-maturity:		
- Listed in Hong Kong	20,088,760	19,070,707
- Listed outside Hong Kong	120,438,339	114,229,535
- Unlisted	390,618,426	347,672,722
	531,145,525	480,972,964
Issued by:		
Government and central banks	306,688,069	257,601,564
Banks and other financial institutions	115,843,997	116,811,031
Corporate entities	108,613,459	106,560,369
	531,145,525	480,972,964

The held-to-maturity debt securities included an amount of \$15,335,246,000 (31 December 2021: \$7,874,760,000) which will mature within one year.

13 INVESTMENTS IN DEBT AND EQUITY SECURITIES (Continued)

	At 30 June 2022 \$'000	At 31 December 2021 \$'000
Note (i) Debt securities (Continued)		
Available-for-sale:		
- Listed in Hong Kong	8,423,116	8,402,351
- Listed outside Hong Kong	27,956,109	29,293,045
- Unlisted	75,405,230	61,047,578
	111,784,455	98,742,974
Issued by:		
Government and central banks	16,447,132	20,018,747
Banks and other financial institutions	41,724,725	30,697,775
Corporate entities	53,612,598	48,026,452
	111,784,455	98,742,974
Held-for-trading:		
- Listed in Hong Kong	754,736	1,210,826
- Listed outside Hong Kong	27,298,907	24,438,818
- Unlisted	13,957,185	18,600,541
	42,010,828	44,250,185
Issued by:		
Government and central banks	922,264	794,671
Banks and other financial institutions	20,000,115	27,169,881
Corporate entities	21,088,449	16,285,633
	42,010,828	44,250,185

13 INVESTMENTS IN DEBT AND EQUITY SECURITIES (Continued)

	At 30 June	At 31 December
	2022	2021
	\$'000	\$'000
Note (i) Debt securities (Continued)		
Designated at fair value through profit or loss:		
- Listed in Hong Kong	-	21,710
- Listed outside Hong Kong	42,342	61,640
	42,342	83,350
Issued by:		
Corporate entities	42,342	83,350
Total debt securities	684,983,150	624,049,473

13 INVESTMENTS IN DEBT AND EQUITY SECURITIES (Continued)

	At 30 June 2022 \$'000	At 31 December 2021 \$'000
Note (ii) Equity securities		
Available-for-sale:		
- Listed in Hong Kong	59,211,268	52,181,466
- Listed outside Hong Kong	60,668,336	58,818,091
- Unlisted, at fair value	26,207,180	36,462,531
- Unlisted, at cost	544	546
	146,087,328	147,462,634
Held-for-trading:		
- Listed in Hong Kong	1,068,060	1,055,307
- Listed outside Hong Kong	21,224,673	24,130,842
- Unlisted	210,480	-
	22,503,213	25,186,149
Total equity securities	168,590,541	172,648,783

The unlisted equity securities are issued by private entities incorporated in the PRC, 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 2022 \$'000	At 31 December 2021 \$'000
Note (iii) Investment funds		
Available-for-sale:		
- Listed in Hong Kong	1,208,604	1,219,652
- Listed outside Hong Kong	544,759	426,701
- Unlisted, at fair value	46,217,170	28,476,828
	47,970,533	30,123,181
Held-for-trading:		
- Listed outside Hong Kong	2,375,788	3,279,963
- Unlisted	8,719,855	9,845,692
	11,095,643	13,125,655
Designated at fair value through profit or loss:		
- Unlisted	74,977	106,575
Loans and receivables:		
- Unlisted	753,099	4,574,922
Total investment funds	59,894,252	47,930,333

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 2022 \$'000	At 31 December 2021 \$'000
Note (iv) Debt products		
Loans and receivables:		
- Unlisted	102,418,354	118,896,211

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 2022 to 2033 (31 December 2021: 2022 to 2033) and bear interest ranging from 4% to 12% (31 December 2021: 1% to 12%) per annum.

13 INVESTMENTS IN DEBT AND EQUITY SECURITIES (Continued)

Analysed for reporting purposes as:

	At 30 June 2022 \$'000	At 31 December 2021 \$'000
Held-to-maturity		
- Current	15,335,246	7,874,760
- Non-current	515,810,279	473,098,204
Available-for-sale		
- Current	178,300,763	163,420,832
- Non-current	127,541,553	112,907,957
Held-for-trading		
- Current	75,609,684	82,561,989
Designated at fair value through profit or loss		
- Current	117,319	189,925
Loans and receivables		
- Current	33,028,345	39,162,000
- Non-current	70,143,108	84,309,133
	1,015,886,297	963,524,800

As at 30 June 2022, investments in debt and equity securities with total carrying amounts of \$5,210,873,000 (31 December 2021: \$3,090,035,000) have been pledged in favour of AMCM to guarantee the technical reserves in accordance with the Macau Insurance Ordinance.

As at 30 June 2022, investments in debt and equity securities with total carrying amounts of \$9,851,000 (31 December 2021: \$9,918,000) have been set aside as guarantee fund, pursuant to Regulation of the Minister of Finance of the Republic of Indonesia.

14 INSURANCE DEBTORS

	At 30 June 2022 \$'000	At 31 December 2021 \$'000
Amounts due from insurance customers	24,383,300	18,283,635
Less: allowance for impaired debts	(298,260)	(266,003)
	24,085,040	18,017,632
Deposits retained by cedants	2,210,318	2,046,626
	26,295,358	20,064,258

As at 30 June 2022, the amounts of insurance debtors included \$21,509,100,000 (31 December 2021: \$17,701,149,000), 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 2022 \$'000	At 31 December 2021 \$'000
Neither past due nor impaired		
- Uninvoiced	7,570,400	6,504,934
- Current	13,211,199	9,560,134
Past due but not impaired		
- Less than 3 months	1,567,760	989,871
- More than 3 months but less than 12 months	1,427,592	767,508
- More than 12 months	308,089	195,185
Past due and impaired	298,260	266,003
	24,383,300	18,283,635

15 OTHER ASSETS

	At 30 June 2022 \$'000	At 31 December 2021 \$'000
Other assets and deposits	26,547,404	22,919,347
Interests and dividend receivables from financial assets	14,146,112	11,832,170
Value-added tax prepaid	1,050,042	1,232,650
Pension management fees receivable	821,308	1,165,926
Guarantee deposits paid	660,046	820,152
Receivables from payment service providers	786,051	675,266
Tax recoverables	96,375	171,289
Deposit for the purchase of property	66,319	69,307
Securities settlement fund	3,242,677	743,008
Prepayment	1,047,202	2,041,318
Inventories (<i>note (i)</i>)	224,721	244,476
Rental and utility deposits	216,768	213,374
Receivables from operating lease (<i>note (ii)</i>)	115,657	181,812
Tax certificate paid to Hong Kong Inland Revenue Department	181,697	174,449
Assets classified as held-for-sale	-	27,680
Others	3,892,429	3,326,470
Loans and advances	85,896,665	88,223,065
	112,444,069	111,142,412
Less: allowance for impaired debts	(956,340)	(975,686)
	111,487,729	110,166,726

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 2022, the receivables from operating lease of the Group included an amount of HK\$57,742,000 (31 December 2021: \$64,806,000) that were pledged to financial institutions as collateral in connection with banking facilities arrangements.

15A FINANCE LEASE RECEIVABLES

	At 30 June 2022 \$'000	At 31 December 2021 \$'000
Finance lease receivables	55,238,420	58,818,853
Less: unearned finance income	(4,548,492)	(4,913,676)
	50,689,928	53,905,177
Less: provision for impairment losses	(2,616,822)	(2,610,486)
	48,073,106	51,294,691

As at 30 June 2022, finance lease receivables include the amounts of \$4,357,458,000 (31 December 2021: \$7,040,507,000) 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 2022 \$'000	At 31 December 2021 \$'000
Less than 1 year	20,986,078	22,582,074
1 to 2 years	13,902,077	14,508,799
2 to 3 years	8,978,544	9,788,972
3 to 4 years	5,319,850	5,428,491
4 to 5 years	2,827,167	3,381,890
More than 5 years	3,224,704	3,128,627
	55,238,420	58,818,853

16 STATUTORY DEPOSITS

- (a) Certain subsidiaries of the Group have placed \$4,913,221,000 (31 December 2021: \$5,138,013,000) 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 \$81,151,000 (31 December 2021: \$83,135,000) 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 \$3,420,000 (31 December 2021: \$3,578,000) 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 \$1,698,000 (31 December 2021: \$1,698,000) 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 2022 is 0.08% (31 December 2021: 0.08%).
- (e) A subsidiary of the Group deposited a sum of Nil (31 December 2021: \$3,713,000) 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 \$1,089,420,000 (31 December 2021: \$313,441,000) 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 2022 \$'000	At 31 December 2021 \$'000
Deposits with banks and other financial institutions with original maturity less than three months	5,052,555	7,310,007
Cash at bank and on hand	45,375,624	32,635,898
	50,428,179	39,945,905

18 INSURANCE CREDITORS

	At 30 June 2022 \$'000	At 31 December 2021 \$'000
Prepaid premiums received	43,995,380	52,192,063
Amounts due to insurance customers/creditors	15,303,131	13,333,730
Amounts due to insurance intermediaries	9,647,750	8,649,994
Deposits retained from retrocessionaires	5,947,952	5,869,369
Surrenders payable	13,714	351
	74,907,927	80,045,507

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 2022 \$'000	At 31 December 2021 \$'000
Current	12,087,167	10,076,491
More than 3 months but less than 12 months	3,091,994	3,177,663
More than 12 months	123,970	79,576
	15,303,131	13,333,730

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 2022			
	Held-to- maturity securities \$'000	Available- for-sale securities \$'000	Held-for- trading securities \$'000	Total \$'000
Carrying amount of transferred assets	64,787,673	8,350,435	8,752,120	81,890,228
Carrying amount of associated liabilities - securities sold under repurchase agreements	(36,292,282)	(1,867,704)	(8,228,073)	(46,388,059)
Net position	<u>28,495,391</u>	<u>6,482,731</u>	<u>524,047</u>	<u>35,502,169</u>

	At 31 December 2021			
	Held-to- maturity securities \$'000	Available- for-sale securities \$'000	Held-for- trading securities \$'000	Total \$'000
Carrying amount of transferred assets	33,559,190	8,283,929	11,988,745	53,831,864
Carrying amount of associated liabilities - securities sold under repurchase agreements	(6,264,855)	(1,714,018)	(11,394,226)	(19,373,099)
Net position	<u>27,294,335</u>	<u>6,569,911</u>	<u>594,519</u>	<u>34,458,765</u>

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 27 days (31 December 2021: 28 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 2022 \$'000	At 31 December 2021 \$'000
Unsecured		
Bank loans (<i>note (i)</i>)	15,250,000	11,349,754
Bank loans for finance lease receivables (<i>note (ii)</i>)	28,442,624	33,396,254
	43,692,624	44,746,008
Secured		
Bank loans (<i>note (iii)</i>)	4,600,000	8,500,000
Bank loans for finance lease receivables (<i>note (iv)</i>)	7,025,068	6,899,498
	11,625,068	15,399,498
	55,317,692	60,145,506

The bank borrowings are repayable as follows:

	At 30 June 2022 \$'000	At 31 December 2021 \$'000
Within 1 year	34,618,471	48,350,574
After 1 year but within 5 years	18,793,969	9,715,026
After 5 years	1,905,252	2,079,906
	55,317,692	60,145,506

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 2022, the bank loans are unsecured and carry interest at Hong Kong Interbank Offered Rate (“HIBOR”) plus 0.64% to HIBOR plus 1.10% (31 December 2021: HIBOR plus 0.80% to HIBOR plus 1.15%) per annum, with effective interest rates ranging from 0.88% to 1.77% (31 December 2021: 1.00% to 1.40%) per annum.

20 BANK BORROWINGS (Continued)

Notes: (Continued)

- (ii) As at 30 June 2022, the bank loans for finance lease receivables are unsecured and carry interest at interest rates ranging from 0.79% to 4.05% (31 December 2021: interest rates ranging from 0.4% to 4.3%) per annum.
- (iii) As at 30 June 2022, the bank loans are secured by the shares of certain subsidiaries and pledged and restricted bank deposits and carry interest at HIBOR plus 1.02% (31 December 2021: HIBOR plus 1.20%), with effective interest rates at 1.93% (31 December 2021: 1.36%) per annum.
- (iv) As at 30 June 2022, the bank loans for finance lease receivables 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 2.80% to 3.95% (31 December 2021: 1.51% to 4.04%) per annum.

21 SHARE CAPITAL

	At 30 June 2022		At 31 December 2021	
	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

Note	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 2022	(5,615,659)	(6,842,218)	2,045,498	(188,263)	1,416,584	56,479,482	47,295,424	25,389,128	72,684,552
Profit for the period	-	-	-	-	-	2,708,661	2,708,661	1,307,463	4,016,124
Other comprehensive income for the period:									
Revaluation gain arising from reclassification of own-use properties to investment properties	-	-	-	-	36,129	-	36,129	7,140	43,269
Exchange differences on translation of the financial statements of subsidiaries, associates and joint ventures	-	-	(3,163,240)	-	-	-	(3,163,240)	(928,588)	(4,091,828)
Net changes in fair value of available-for-sale securities	(i)	-	-	(2,328,324)	-	-	(2,328,324)	13,877	(2,314,447)
Total comprehensive income	-	-	(3,163,240)	(2,328,324)	36,129	2,708,661	(2,746,774)	399,892	(2,346,882)
Dividend declared to shareholders	9(a)	-	-	-	-	(1,653,249)	(1,653,249)	-	(1,653,249)
Dividend declared by subsidiaries to non-controlling interests		-	-	-	-	-	-	(1,215,473)	(1,215,473)
Acquisition of additional interest in a subsidiary		(2,762)	-	-	-	-	(2,762)	2,762	-
Balance at 30 June 2022	(5,618,421)	(6,842,218)	(1,117,742)	(2,516,587)	1,452,713	57,534,894	42,892,639	24,576,309	67,468,948

Note:

- (i) Considering the application of shadow accounting, net changes in fair value changes of available-for-sale securities were presented net of an amount of \$2,169,594,000 related to changes in fair value of available-for-sale securities attributable to participating policyholders, net of deferred tax.

22 RESERVES (Continued)

	Note	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 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 \$'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 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 year	-	-	-	-	-	7,513,701	7,513,701	3,438,672	10,952,373
Other comprehensive income for the year:									
Revaluation gain arising from reclassification of own-use properties to investment properties	-	-	-	-	55,728	-	55,728	8,560	64,288
Exchange differences on translation of the financial statements of subsidiaries, associates and joint ventures	-	-	2,258,122	-	-	-	2,258,122	707,120	2,965,242
Net changes in fair value of available-for-sale securities	-	-	-	(10,970,564)	-	-	(10,970,564)	(3,183,779)	(14,154,343)
Total comprehensive income	-	-	2,258,122	(10,970,564)	55,728	7,513,701	(1,143,013)	970,573	(172,440)
Dividend declared to shareholders	-	-	-	-	-	(1,437,607)	(1,437,607)	-	(1,437,607)
Dividend declared by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	(1,553,547)	(1,553,547)
Disposal of a subsidiary	-	-	-	-	-	-	-	1,046	1,046
Capital injections made to a subsidiary	-	-	-	-	-	-	-	5,449	5,449
Balance at 31 December 2021	(5,615,659)	(6,842,218)	2,045,498	(188,263)	1,416,584	56,479,482	47,295,424	25,389,128	72,684,552

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 2022						
Assets						
Deposits at banks and other financial institutions (including statutory deposits)	772,034	6,786,196	29,516,549	41,104,755	4,092,658	82,272,192
Pledged and restricted bank deposits	726,322	351,771	208,155	169	-	1,286,417
Debt securities						
- held-to-maturity	-	2,508,666	12,826,580	48,905,393	466,904,886	531,145,525
- available-for-sale	-	3,497,226	13,814,872	46,917,222	47,555,135	111,784,455
- held-for-trading	-	1,779,256	6,250,800	24,730,933	9,249,839	42,010,828
- designated at fair value through profit or loss	-	11,744	30,598	-	-	42,342
Debt products						
- loans and receivables	90,066	10,660,473	21,639,707	54,494,625	15,533,483	102,418,354
Securities purchased under resale agreements	-	4,615,445	-	-	-	4,615,445
Loans and advances	2	267	85,896,396	-	-	85,896,665
Finance lease receivables	8,701	317,640	4,258,307	33,557,810	9,930,648	48,073,106
Amounts due from group companies	46,111	62,285	2,000,000	-	-	2,108,396
	1,643,236	30,590,969	176,441,964	249,710,907	553,266,649	1,011,653,725
Liabilities						
Interest-bearing notes	-	7,045,409	2,318,206	4,677,323	23,441,067	37,482,005
Lease liabilities	-	231,432	634,526	1,114,215	35,696	2,015,869
Bank borrowings	-	17,043,844	17,574,627	18,793,969	1,905,252	55,317,692
Investment contract liabilities						
- universal life and other products	2,404,551	568,853	860,995	5,281,418	72,400,859	81,516,676
Securities sold under repurchase agreements	-	46,378,437	9,622	-	-	46,388,059
Amounts due to group companies	23,599	-	-	-	-	23,599
	2,428,150	71,267,975	21,397,976	29,866,925	97,782,874	222,743,900

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 2021						
Assets						
Deposits at banks and other financial institutions (including statutory deposits)	663,248	7,343,181	10,345,738	64,076,566	2,446,184	84,874,917
Pledged and restricted bank deposits	696,869	424,073	283,605	1,131	-	1,405,678
Debt securities						
- held-to-maturity	-	911,299	6,963,461	56,267,476	416,830,728	480,972,964
- available-for-sale	-	5,344,723	10,596,333	37,970,767	44,831,151	98,742,974
- held-for-trading	-	6,385,098	5,644,462	23,393,035	8,827,590	44,250,185
- designated at fair value through profit or loss	-	-	62,204	21,146	-	83,350
Debt products						
- loans and receivables	94,207	8,829,088	25,486,404	62,419,234	22,067,278	118,896,211
Securities purchased under resale agreements	-	6,923,758	-	-	-	6,923,758
Loans and advances	78	19	88,222,968	-	-	88,223,065
Finance lease receivables	4,108	171,612	4,145,580	35,396,098	11,577,293	51,294,691
Amounts due from group companies	2,051,643	-	-	-	-	2,051,643
	<u>3,510,153</u>	<u>36,332,851</u>	<u>151,750,755</u>	<u>279,545,453</u>	<u>506,580,224</u>	<u>977,719,436</u>
Liabilities						
Interest-bearing notes	-	-	9,707,681	4,849,449	18,240,595	32,797,725
Lease liabilities	-	251,336	715,405	1,232,887	30,699	2,230,327
Bank borrowings	-	19,560,399	28,790,175	9,715,026	2,079,906	60,145,506
Investment contract liabilities						
- universal life and other products	2,468,588	177,925	1,902,093	5,089,576	75,249,431	84,887,613
Securities sold under repurchase agreements	-	18,883,985	489,114	-	-	19,373,099
Amounts due to group companies	19,733	-	-	-	-	19,733
	<u>2,488,321</u>	<u>38,873,645</u>	<u>41,604,468</u>	<u>20,886,938</u>	<u>95,600,631</u>	<u>199,454,003</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 2022			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
Investments in debt and equity securities:				
- Available-for-sale	182,238,532	85,338,619	38,264,621	305,841,772
- Held-for-trading	67,690,400	7,883,661	35,623	75,609,684
- Designated at fair value through profit or loss	-	42,342	74,977	117,319
Policyholder account assets in respect of unit-linked products	<u>1,511,086</u>	<u>88,436</u>	<u>-</u>	<u>1,599,522</u>
Financial liabilities				
Investment contract liabilities in respect of unit-linked products	<u>(1,511,086)</u>	<u>(88,436)</u>	<u>-</u>	<u>(1,599,522)</u>
	At 31 December 2021			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
Investments in debt and equity securities:				
- Available-for-sale	154,267,443	82,066,956	39,993,844	276,328,243
- Held-for-trading	71,565,926	10,889,812	106,251	82,561,989
- Designated at fair value through profit or loss	-	83,350	106,575	189,925
Policyholder account assets in respect of unit-linked products	<u>1,283,781</u>	<u>319,557</u>	<u>-</u>	<u>1,603,338</u>
Financial liabilities				
Investment contract liabilities in respect of unit-linked products	<u>(1,283,781)</u>	<u>(319,557)</u>	<u>-</u>	<u>(1,603,338)</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 2022	39,993,844	106,251	106,575	40,206,670
Purchases	4,913,548	-	1,515	4,915,063
Gains or losses recognised in:				
- profit or loss	-	(70,944)	(33,793)	(104,737)
- other comprehensive income	489,737	-	-	489,737
Transfer to Level 3	1,495,796	-	-	1,495,796
Disposals and others	(5,650,517)	-	-	(5,650,517)
Transfer out of Level 3	(1,478,717)	-	-	(1,478,717)
Exchange difference	(1,499,070)	316	680	(1,498,074)
At 30 June 2022	<u>38,264,621</u>	<u>35,623</u>	<u>74,977</u>	<u>38,375,221</u>

	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	6,138,888	-	522	6,139,410
Gains or losses recognised in:				
- profit or loss	-	4,656	(13,535)	(8,879)
- other comprehensive income	1,101,428	-	-	1,101,428
Disposals and others	(7,567,534)	-	(2,235)	(7,569,769)
Transfer out of Level 3	(275,793)	-	-	(275,793)
Exchange difference	950,953	364	711	952,028
At 31 December 2021	<u>39,993,844</u>	<u>106,251</u>	<u>106,575</u>	<u>40,206,670</u>

At 30 June 2022, investments in debt and equity securities classified as available-for-sale with carrying amounts of \$303,291,000 (31 December 2021: \$231,955,000) 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 \$24,845,000 (31 December 2021: \$516,362,000) were transferred from Level 2 to Level 1 because quoted prices in active markets were available as at 30 June 2022.

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 2022 and 31 December 2021 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 2022					
Held-to-maturity debt securities	531,145,525	546,741,258	92,735,049	454,006,209	-
Loans and receivables					
- investment funds	753,099	753,099	-	753,099	-
- debt products	102,418,354	103,164,831	-	1,515,049	101,649,782
Interest-bearing notes	(37,482,005)	(38,076,181)	-	(38,076,181)	-
	Carrying amount \$'000	Fair value \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
At 31 December 2021					
Held-to-maturity debt securities	480,972,964	512,569,171	102,865,435	409,703,736	-
Loans and receivables					
- investment funds	4,574,922	4,574,922	-	4,574,922	-
- debt products	118,896,211	119,869,371	-	1,737,262	118,132,109
Interest-bearing notes	(32,797,725)	(33,159,945)	-	(33,159,945)	-

25 COMMITMENTS

(a) Capital commitments as at 30 June 2022 were as follows:

	At 30 June 2022 \$'000	At 31 December 2021 \$'000
Contracted for but not provided		
- property and equipment	2,701,965	3,111,967
- investments	11,080,569	8,367,112
Authorised but not contracted for		
- property and equipment	64,993	59,782
	13,847,527	11,538,861

(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 \$30,581,098,000 (31 December 2021: \$29,014,183,000).

As at 30 June 2022, the Group had contracted with tenants for the following future minimum lease payments:

	At 30 June 2022 \$'000	At 31 December 2021 \$'000
Within 1 year	2,080,978	1,981,126
After 1 year but within 2 years	1,577,532	1,548,362
After 2 years but within 3 years	968,751	1,035,939
After 3 years but within 4 years	644,539	512,336
After 4 years but within 5 years	532,990	389,834
After 5 years	1,354,483	1,210,863
	7,159,273	6,678,460

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 \$227,731.15 million (31 December 2021: \$216,003.65 million), representing approximately 18% (31 December 2021: approximately 18%) 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 91% 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 2022, 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 2022.

(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 23 March 2022 (being the date of approval of the Company's 2021 Annual Report) and 29 August 2022 (being the date of approval of the Company's 2022 Interim Report) are set out below:

Mr. WU Ting Yuk Anthony has retired as an independent non-executive director of Guangdong Investment Limited with effect from June 2022.

Mrs. LAW FAN Chiu Fun Fanny has retired as an external director of China Resources Holdings Company Limited with effect from June 2022, and has no longer been a member of the Executive Council of the Government of the HKSAR since July 2022.

Mr. HONG Bo has resigned as an executive director and deputy general manager of TPG, TPG (HK) and the Company with effect from August 2022.

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 2022, 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 2022, 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	2,201,515,256 <i>(Note 1)</i>	Long position	61.25
TPG (HK)	1,889,811,144 Shares as beneficial owner and 311,704,112 Shares <i>(Note 2)</i> as interest of controlled corporation	2,201,515,256	Long position	61.25

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, 77,303,275 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 2022.

Corporate Governance

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

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.

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

Corporate Information

DIRECTORS

Executive directors

WANG Sidong *Chairman*
YIN Zhaojun *Vice Chairman &
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*
ZHU Dajian
WU Ting Yuk Anthony
LAW FAN Chiu Fun Fanny

Corporate Governance Committee

WANG Sidong *Chairman*
YIN Zhaojun
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 AUDITOR

KPMG
(Certified Public Accountants and Registered
PIE Auditors)

PRINCIPAL BANKERS

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

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 2021”	The six months ended 30 June 2021
“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 2022”	The six months ended 30 June 2022
“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 Luxembourg”	China Taiping Insurance (LU) S.A.
“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, 29 August 2022

As at the date of this announcement, the Board comprises 11 directors, of which Mr. WANG Sidong, Mr. YIN Zhaojun, 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.