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ANNOUNCEMENT

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

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 2024 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 2024, China Taiping deeply implemented the high-quality development strategy by actively promoting the transition of growth models, structural adjustment, and quality and efficiency enhancement. Business development showed steady progress, the pace of value growth accelerated, and new achievements were made in high-quality development. By focusing on the responsibilities and mission of central financial enterprises, solid efforts were made in the “Five Target Areas” of technology finance, green finance, inclusive finance, ageing finance, and digital finance. The quality and effectiveness of serving the real economy and social livelihood significantly improved. By focusing on the positioning of large state-owned financial enterprises, multiple measures were taken to enhance core competitiveness, steadily improve investment capabilities, promote ecosystem construction, and deepen comprehensive collaboration. By focusing on problem-oriented approaches, efforts were made to solve problems through innovation and transformation, promote value transformation, optimise capital structure, and deepen asset-liability management. By focusing on financial security, risk prevention and compliance operations were continuously strengthened. By focusing on the roots and soul of the modern financial system with Chinese characteristics, corporate culture construction was comprehensively strengthened, and brand influence continued to expand.

Profit Attributable to Owners Continued Growing, with Economies of Scale Continuously Enhanced

- Profit attributable to owners was HK\$6.027 billion, increased by 15.4% over the Last Period
- Insurance revenue was HK\$55.875 billion, increased by 3.2% over the Last Period
- Insurance service results stood at HK\$11.249 billion, increased by 38.0% over the Last Period
- Net investment results was HK\$7.503 billion, increased by 360.7% over the Last Period
- Contractual service margin (“CSM”) was HK\$215.5 billion, increased by 2.0% over the 2023 year-end
- Total assets amounted to HK\$1,640.4 billion, increased by 8.7% over the 2023 year-end
- Group embedded value per share attributable to owners was HK\$61.09, increased by 8.1%¹ over the 2023 year-end of HK\$56.51, while TPL’s embedded value increased by 8.7%¹ over the 2023 year-end

Life Insurance Businesses² Developed Steadily, with Value and Quality Further Enhanced

- Insurance revenue and insurance service results of the life insurance increased by 7.3% and 38.4% over the Last Period respectively, with insurance revenue and insurance service results of the PRC domestic life insurance³ increased by 5.8% and 43.9% over the Last Period respectively
- As at the end of June 2024, CSM of the life insurance was RMB195.9 billion, increased by 2.8% over the 2023 year-end and new business contribution to CSM for the first half of 2024 was RMB12.203 billion, increased by 28.3% over the Last period

¹ Under the same economic assumptions

² Calculated in RMB.

³ Including TPL and TPP.

Life Insurance Businesses² Developed Steadily, with Value and Quality Further Enhanced (Continued)

- TPL's insurance revenue and insurance service results increased by 7.1% and 43.8% over the Last Period respectively, with new business contribution to CSM increased by 31.0% over the Last Period. Direct premium increased by 6.9% over the Last Period, first year premium from individual insurance increased by 9.9% over the Last Period, with first year premium of long term individual insurance increased by 14.3% over the Last Period. New business value was RMB6.694 billion, increased by 83.6% over the Last Period, new business margin was 24.6%, increased by 12.4 percentage points over the Last Period, with bancassurance seeing its new business value increased by 299.7% over the Last Period, and its new business margin 20.0%, increased by 16.4 percentage points over the Last Period. Four persistency ratios of the individual agency and bancassurance channels maintained industry-leading
- TPP's insurance service results increased by 53.6% over the Last Period, with new business contribution to CSM increased by 12.8% over the Last Period. The group employee benefit protection business saw continued transformation, vigorously developing the high value long term insurance business
- Overseas life insurance continued to deepen transformation towards value orientation, with steady business development

Property and Casualty Insurance Businesses Achieved Steady and Positive Development, with Business Structure Continuously Optimised

- TPI's⁴ insurance revenue increased by 6.1% over the Last Period, the combined ratio was 97.0%. Direct premium increased by 4.3% over the Last Period. The persistency ratio of motor insurance increased by 2.7 percentage points over the Last Period. The proportion of direct premium from non-motor insurance business increased by 0.5 percentage point over the Last Period, with business structure continuously optimised
- CTPI (HK)'s direct business grew steadily, the combined ratio was 92.1%, and good underwriting performance
- TP Macau's market position is solid, the engineering insurance, workers' compensation insurance and corporate property and casualty insurance business grew rapidly, with a combined ratio of 80.6% and outstanding underwriting performance
- TP Singapore's property and casualty insurance business achieved a steady growth and the combined ratio was 85.6%, with excellent underwriting performance
- TP Indonesia's insurance revenue increased by 29.9% over the Last Period, the combined ratio was 88.5%, maintaining good underwriting profitability

⁴ Calculated in RMB.

Reinsurance Business Profitability Continued Improving, with Market Leading Position Consolidated

- TPRE's property and casualty reinsurance combined ratio was 96.7%, achieving a turnaround from underwriting loss to profit. A balanced development of domestic and overseas business, with the business structure of reinsurance business continued optimising and market leadership in Hong Kong and Macau's property and casualty reinsurance business consolidated

Steady Progress in Investment Business, with Equity Performance Significantly Outperforming the Market

- Investment size grew steadily and net investment income steadily enhanced. As at the end of June 2024, the total investment assets of the Group were HK\$1,476.4 billion, increased by 9.4% over the 2023 year-end. Net investment income for the first half of 2024 was HK\$24.501 billion, representing an increase of 10.8% over the Last Period
- Big jump in total investment income with significantly improved investment yield. Total investment income of the Group for the first half of 2024 was HK\$37.242 billion, representing an increase of 57.1% over the Last Period. Annualised total investment yield was 5.27%, representing an increase of 1.38 percentage points over the Last Period
- Grasped the structural market opportunities, equity outperformed market benchmarks. In the first half of 2024, the Group strengthened its investment research and grasped the structural market opportunities, its holdings of high-dividend stock strategy performed well, and as a result, the Group's equity investment had a comprehensive investment yield of 15.6%, outperformed the CSI 300 Total Return Index by 13.5 percentage points

Pragmatic and Efficient Promotion of Comprehensive Synergy and Strategic Cooperation

- As at the end of June 2024, China Taiping had established strategic cooperation with 120 large clients and these strategic clients have contributed a total premium of HK\$38.369 billion and new payment from pension of HK\$37.220 billion
- In the first half of 2024, our domestic cross-selling initiatives achieved HK\$4.787 billion insurance sales, including HK\$3.565 billion of property insurance sales through TPL, HK\$915 million of pension sales through TPL

Solid and Effective Service to National Strategies

- Writing the “Five Target Areas” of Finance
 - Developing Technological Finance: Premiums of strategic emerging industries increased by 25.9% year-on-year, and the investment scale reached HK\$105.5 billion, up 13.7% from the 2023 year-end
 - Developing Green Finance: Green insurance premiums reached HK\$2.488 billion, up 19.8% year-on-year; green investments reached HK\$71.023 billion, up 8.9% from the 2023 year-end. TPG was selected in the Fortune China ESG Influence List for 3 consecutive years
 - Developing Inclusive Finance: our PRC domestic property insurance covered 73,000 small and micro enterprises, an increase of 17.9%; agricultural insurance premiums increased by 54.6%, providing risk protection of HK\$15.194 billion to 330,000 farmers. TPG was awarded the highest grade for 3 consecutive years in the 2023 Evaluation of Targeted Poverty Alleviation Performance among centrally administered state-owned units
 - Developing Ageing Finance: development of the third-pillar business achieved new breakthroughs, with a cumulative total of 67,000 individual pension policies issued, and HK\$14.974 billion in new commercial pension payments in the first half, market ranking rose to 2nd in the industry. The first pension target fund product was successfully raised in November 2023, and was included in the “Private Pension Fund Directory” since March 2024
 - Developing Digital Finance: The HKFRS 17 project concluded successfully, achieved Third-level Certification of the Data Security capability Maturity Model (DSMM), built the Group’s Privacy Data Computing Platform, the second phase of the Wuhan data center project was smoothly started, and large models were applied in multiple scenarios, “Group Property Insurance Risk Detective”, “Vehicle Insurance Fraud Sentinel”, “Health Guardian”, and “Insurance Product Advisor” were solidly implemented, significantly empowering the main business
- Actively Serving the High-Quality Belt and Road Cooperation. The Company underwrote 355 major projects along the route, up 19.9% year-on-year, providing risk protection of HK\$536.1 billion, up 36.7%. The 2nd China Taiping Symposium on Servicing Captive Insurers was held to consolidate and expand exchanges and cooperation with state-owned enterprises going global
- Deeply Participating in the Guangdong-Hong Kong-Macau Greater Bay Area Development. The Company’s investment portfolio in GBA amounted to HK\$102.0 billion, up 17.2% from the 2023 year-end. The “China Taiping Solutions for Hong Kong Residents Retirement Care in GBA” was further implemented. The operation of the Hengqin Traditional Chinese Medicine Science and Technology Industrial Park of Co-operation between Guangdong and Macau was officially undertaken, with 14 key projects including the Chinese Medicine Guangdong Laboratory and the Hengqin Taiping 1929 Global Reception Room started construction. The industrial park’s occupancy rate significantly increased to 72.9%

Deep Implementation of Strategic Measures

- Continuous optimisation of capital structure. TPL repurchased RMB11.63 billion of existing capital supplementary bonds. TPP introduced a strategic investment of RMB1.075 billion from Ageas, and TPRe was approved to use its own catastrophe risk model. The capital structure of the Group and its main subsidiaries was optimised
- Steady advancement of ecosystem construction. The annual Ecological Alliance Conference was held, with 31 medical health & elder care members and 46 fintech members jointly participating for the first time. Relying on the ecological alliance, a close-looped service chain of mutual promotion and virtuous cycle between the Group's insurance main business and healthcare and fintech service resources was gradually formed. By the end of June, the Group had 63 "self-owned + third-party cooperation" elder care communities, covering 51 cities in 25 provinces. China Taiping • Furong Home in Chengdu opened on schedule, and China Taiping • Yulan Home in Beijing began trial operation. The Taiping Medical and Health Equity Investment Fund landed 27 projects cumulatively. Successfully organised the Group's 2nd Technological Innovation Competition and Micro-innovation Competition, and the Fintech Ecological Alliance has transformed 7 technological achievements into products, including the medical health and elder care digital platform and digitisation of marine insurance, and has incubated 21 cooperative innovation products
- Steady Expansion of International Layout: TP Luxembourg successfully opened, further enhanced the layout in the European market. The Dubai Managing Office was approved for establishment, entered the Middle East market for the first time

Risk Compliance Management Continued to Strengthen

- The overall risk management and control capability of the Company continued to strengthen, with the SARMRA assessment score meeting expectations and the standardisation and refinement of risk management continuing to improve, which was fully recognised by regulatory authorities. Risk appetite management was strengthened in a comprehensive manner, and closely linked with the Company's strategy, budgeting and other important operational decisions. The Group's risk prevention awareness has been strengthened through enhanced risk management training for all staff and the publication of financial risk cases
- Risk prevention and control at source have become more precise. The Group has launched daily risk monitoring and special risk investigation under the "Combining Point and Surface Measures with Key-point Risk Management" principle. We have strengthened the forward-looking management of potentially risky projects, and have made practical and detailed classification of investment assets. Improved the communication and sharing mechanism of entity rating information, and formally launched the offshore module of the credit rating system and the offshore credit rating model
- The Group has also improved the risk prevention and control mechanism for criminal cases, launched internal control compliance inspections, and regularised the management of systems, authorisations and connected transactions

Brand Value Further Highlighted, with the “Big Consumer Protection” Service Pattern Preliminarily Taken Shape

- TPG, with CTIH as a core subsidiary, was ranked 60th in “Insurance 100” by Brand Finance and has been on the list for 10 consecutive years, and ranked 45th in the “China’s 500 Most Valuable Brands” by World Brand Lab
- The Fifth “Lucky Elephant Festival • Taiping Customer Festival” successfully opened, together with the holding of a series of activities such as the 2nd “Taiping Global Intern Camp”, “China Taiping Hero Kids” football carnival, the opening of the “China Taiping • Furong Home” health and elder care community, “Media into Taiping”, which attracted over 25 million participants. A new “Taiping 1929 Global Reception Room” was unveiled in Hong Kong. The Customer Service and Consumer Rights Protection Conference was held. We also organised high-quality events such as “3·15” Consumer Protection Education Promotion and “7.8 National Insurance Public Propaganda Day”, covering over 70 million consumers. The first phase of the Group’s Consumer Protection Management System went online, and the number of domestic complaints reported by the Group in the first quarter decreased by 80.8% year-on-year, better than the industry average, customer complaints for overseas insurance companies were at a relatively low level

CONSOLIDATED FINANCIAL RESULTS

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

HK\$ million

	1H 2024	1H 2023	Change
Insurance revenue	55,874.72	54,128.83	+3.2%
Insurance service expenses	43,148.39	44,667.25	-3.4%
Insurance service results	11,249.32	8,149.85	+38.0%
Net investment results	7,503.38	1,628.79	+360.7%
Profit before taxation	16,528.16	7,844.45	+110.7%
Profit after taxation	8,978.24	7,521.24	+19.4%
Profit attributable to owners	6,026.68	5,220.36	+15.4%
Basic earnings per share (<i>HK\$</i>)	1.538	1.365	+0.173 dollar
Interim dividend proposed	-	-	-

HK\$ million

	At 30 June 2024	At 31 December 2023	Change
Total assets	1,640,354.99	1,509,497.49	+8.7%
Contractual service margin	215,533.96	211,207.80	+2.0%
Total equity	132,321.61	132,595.65	-0.2%
Ordinary shareholders' equity	78,653.10	78,988.11	-0.4%
- Per share (<i>HK\$</i>)	21.884	21.978	-0.094 dollar
Group embedded value ¹	293,937.87	272,123.42	+8.0%
Ordinary shareholders' group embedded value ¹	219,546.00	203,105.77	+8.1%
- Per share (<i>HK\$</i>) ¹	61.086	56.512	+4.574 dollars

¹ Under the same economic assumptions.

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:

HK\$ million

	1H 2024	1H 2023	Change
Life insurance ¹	7,845.81	7,477.70	+4.9%
PRC domestic property and casualty insurance ²	371.19	185.36	+100.3%
Overseas property and casualty insurance ³	304.15	174.28	+74.5%
Reinsurance ⁴	498.60	(285.68)	N/A
Asset management business ⁵	263.25	92.93	+183.3%
Others ⁶	(304.76)	(123.35)	+147.1%
Net profit from operations	8,978.24	7,521.24	+19.4%
Non-controlling interests	(2,951.56)	(2,300.88)	+28.3%
Profit attributable to owners	6,026.68	5,220.36	+15.4%

¹ Life insurance includes the operating results of TPL, TPP's life and pension insurance business, TPL (HK) and TP Singapore's life insurance business.

² PRC domestic property and casualty insurance includes the operating results of TPI.

³ Overseas Property and casualty insurance includes the operating results of CTPI (HK), TP Macau, TP UK, TP Singapore and TP Indonesia's property and casualty insurance business.

⁴ Reinsurance mainly includes the operating results of TPre and TPre (China).

⁵ Asset management business includes the operating results of TPAM, TP Fund, TPFH, TPCA, and TPP's annuity investment business.

⁶ Others mainly includes the operating results of the holding company, TPIH (HK) and consolidation adjustments.

CONSOLIDATED FINANCIAL RESULTS *(Continued)*

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

HK\$ million

	2024	2023
Total equity as at 1 January	132,595.65	108,843.60
Net profit recognised in statement of profit or loss	8,978.24	7,521.24
Net changes in fair value reserve	31,217.23	10,828.66
Net changes in insurance finance reserve	(37,202.29)	(14,557.20)
Revaluation gain arising from reclassification of own-use properties into investment properties	3.50	12.08
Exchange differences arising from translation of financial statements of foreign and non-foreign operations	(820.17)	(3,246.66)
Capital injection made to a subsidiary	-	11.70
Perpetual subordinated capital securities issued	-	15,674.80
Dividend declared by subsidiaries to non-controlling interests	(872.05)	(239.34)
Dividend paid to holders of the perpetual capital securities	(500.29)	-
Dividend declared to shareholders	(1,078.21)	(934.44)
Total equity as at 30 June	132,321.61	123,914.44
Attributable to:		
Ordinary shareholders of the Company	78,653.10	82,029.94
Perpetual subordinated capital securities	15,991.83	15,990.01
Non-controlling interests	37,676.68	25,894.49
	132,321.61	123,914.44

LIFE INSURANCE BUSINESS

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

TPL is incorporated in the Mainland China and is 75.1% owned by the Group.

TPP is incorporated in the Mainland China and is wholly-owned by the Group. TPP operates corporate and personal retirement insurance and group life insurance business, apart from its annuity and retirement plan's investment, entrustment and other management services business under the section headed "Asset Management Business". On 20 May 2024, the Company, Dragon Jade, Ageas and TPP entered into a capital increase agreement, pursuant to which Ageas has conditionally agreed to subscribe for, and TPP has conditionally agreed to issue new shares representing approximately 10% of the enlarged issued share capital of TPP at the consideration of RMB1.075 billion to Ageas. As at 30 June 2024, TPP has received the consideration and the obtainment of relevant regulatory approvals is still in progress. For details of the capital increase agreement, please refer to the announcement of the Company dated 20 May 2024.

TPL (HK) is incorporated in Hong Kong, China in 2015 and is wholly-owned by the Group. In order to execute the Group's business strategy, TPL (HK) incorporated a subsidiary in Macau, China, TPL (Macau), in 2019 to explore and develop life insurance business in Macau, China.

TP Singapore is incorporated in Singapore and is wholly-owned by the Group. TP Singapore launched its life insurance business since 2018 alongside its property and casualty insurance business. TP Singapore's property and casualty insurance business under the section headed "Overseas Property and Casualty Insurance Business".

Financial Performance

The figures below were the results of life insurance business, before intra-group eliminations.

During the period, the Group's insurance revenue of the life insurance business was HK\$32.471 billion, increased by 4.7% over the Last Period.

HK\$ million

	1H 2024	1H 2023	Change
Insurance revenue	32,470.53	31,002.11	+4.7%
Insurance service expenses	(21,878.98)	(23,288.15)	-6.1%
Net expenses from reinsurance contracts held	(278.55)	(76.65)	+263.4%
Insurance service results	10,313.00	7,637.31	+35.0%
Net investment results	6,159.48	463.36	+1,229.3%
Profit before taxation	14,960.87	7,396.45	+102.3%
Profit after taxation	7,845.81	7,477.70	+4.9%
<i>HK\$ million</i>	At 30 June 2024	At 31 December 2023	Change
Total assets	1,393,916.91	1,255,876.78	+11.0%
Total equity	60,357.21	61,767.89	-2.3%

LIFE INSURANCE BUSINESS (Continued)

Financial Performance (Continued)

Contractual Service Margin

The movements in life insurance business's contractual service margin are summarised below:

HK\$ million

	2024	2023	Change
Balance as at 1 January	210,336.64	220,683.17	-4.7%
Contracts initially recognised in this Period	13,435.41	10,734.74	+25.2%
CSM recognised for service provided	(8,858.89)	(9,122.08)	-2.9%
Changes in estimates that adjust the CSM	(2,468.89)	(2,679.14)	-7.8%
Changes in estimates that result in onerous contract losses or reversal of losses	5.21	(2.16)	N/A
Financial movements in insurance contracts	3,705.35	3,976.83	-6.8%
Effect of exchange differences	(1,510.90)	(6,892.38)	-78.1%
Balance as at 30 June	214,643.93	216,698.98	-0.9%

Solvency

The comprehensive solvency ratios of life insurance business under local regulations are summarised below:

	At 30 June 2024	At 31 December 2023	Change
TPL	278%	284%	-6pts
TPP	258%	229%	+29pts
TPL (HK)	168%	235%	-67pts

LIFE INSURANCE BUSINESS (Continued)

Insurance Performance

Premium

Direct premium of life insurance business are summarised below:

HK\$ million

	1H 2024	1H 2023	Change
TPL	120,185.89	115,265.34	+4.3%
TPP	5,293.30	5,711.22	-7.3%
TPL (HK)	10,235.04	10,904.36	-6.1%
TP Singapore	393.71	362.21	+8.7%

TPL's direct premium increased by 4.3% to HK\$120.186 billion from HK\$115.265 billion in the Last Period.

TPL's direct premium by line of business are summarised below:

HK\$ million

	1H 2024	1H 2023	Change
Individual	77,206.73	73,384.93	+5.2%
Bancassurance	38,324.48	37,043.60	+3.5%
Group	538.24	611.06	-11.9%
Other Channels ¹	4,116.44	4,225.75	-2.6%
	120,185.89	115,265.34	+4.3%

¹ Other Channels mainly consisted of telemarketing.

LIFE INSURANCE BUSINESS (Continued)

Insurance Performance (Continued)

Premium (Continued)

The detailed breakdown of TPL's direct premium by payment type was summarised as follows:

HK\$ million

Individual

	1H 2024	1H 2023	Change
Long-term First Year			
– Single Premium	109.46	120.40	-9.1%
– Regular Premium	14,951.98	13,385.84	+11.7%
Renewal Year	58,137.51	55,607.18	+4.6%
Short-term	4,007.78	4,271.51	-6.2%
	<u>77,206.73</u>	<u>73,384.93</u>	+5.2%

Bancassurance

	1H 2024	1H 2023	Change
Long-term First Year			
– Single Premium	92.60	70.80	+30.8%
– Regular Premium	9,335.17	13,411.40	-30.4%
Renewal Year	28,861.18	23,519.74	+22.7%
Short-term	35.53	41.66	-14.7%
	<u>38,324.48</u>	<u>37,043.60</u>	+3.5%

Group

	1H 2024	1H 2023	Change
Group Insurance	<u>538.24</u>	<u>611.06</u>	-11.9%

Other Channels

	1H 2024	1H 2023	Change
Long-term First Year			
– Single Premium	678.33	782.73	-13.3%
– Regular Premium	566.43	563.55	+0.5%
Renewal Year	2,850.01	2,860.67	-0.4%
Short-term	21.67	18.80	+15.3%
	<u>4,116.44</u>	<u>4,225.75</u>	-2.6%

LIFE INSURANCE BUSINESS (Continued)

Premium (Continued)

TPL's direct premium by product type are summarised below:

HK\$ million

	1H 2024	1H 2023	Change
Traditional life	59,037.18	44,509.96	+32.6%
Long-term health	20,444.70	21,206.13	-3.6%
Annuity	18,436.41	24,729.87	-25.4%
Participating	16,924.65	19,032.30	-11.1%
Accident and short-term health	5,335.23	5,779.89	-7.7%
Universal life	6.67	6.18	+7.9%
Investment-linked	1.05	1.01	+4.0%
Total	120,185.89	115,265.34	+4.3%

Key Operational Data

TPL's key operational data was summarised below:

	At 30 June 2024	At 31 December 2023	Change
Market share ¹	4.2%	4.8%	-0.6pt
Number of provincial branches	38	38	-
Number of sub-branches and marketing centers	1,356	1,378	-22
Number of customers			
- Individual	14,709,271	15,174,031	-464,760
- Corporate	807	811	-4
Distribution network			
- Number of individual agents	227,594	234,715	-7,121
- Number of bancassurance outlets	82,017	78,997	+3,020
Agent monthly per capita regular direct premium (RMB) ²	23,415	14,410	+9,005 dollars
Direct premium persistency ratios – 13 th month ³			
- Individual	98.8%	96.2%	+2.6pts
- Bancassurance	98.6%	98.0%	+0.6pt
Direct premium persistency ratios – 25 th month ³			
- Individual	95.1%	90.0%	+5.1pts
- Bancassurance	97.8%	95.9%	+1.9pts

¹ Derived according to the direct premium published by the NFRA.

² Based on regular direct premium and number of active agents.

³ Based on the amount of direct premium.

PRC DOMESTIC PROPERTY AND CASUALTY INSURANCE BUSINESS

The Group's PRC domestic property and casualty insurance segment is operated by TPI. TPI is incorporated in the Mainland China and is wholly-owned by the Group.

Financial Performance

The figures below were the results of TPI's business, before intra-group eliminations.

TPI's key financial data was summarised below:

HK\$ million

	1H 2024	1H 2023	Change
Insurance revenue	16,663.14	16,101.57	+3.5%
Insurance service expenses	(15,738.02)	(15,331.72)	+2.7%
Net expenses from reinsurance contracts held	(425.15)	(377.91)	+12.5%
Insurance service results	499.97	391.94	+27.6%
Net investment results	99.33	(63.41)	N/A
Profit before taxation	435.95	193.88	+124.9%
Profit after taxation	371.19	185.36	+100.3%
Combined ratio ¹	97.0%	97.6%	-0.6pt

HK\$ million

	At 30 June 2024	At 31 December 2023	Change
Total assets	44,479.33	43,089.43	+3.2%
Total equity	10,016.80	9,218.42	+8.7%

¹ Combined ratio = (Insurance service expenses + Net expenses from reinsurance contracts held) / insurance revenue.

PRC DOMESTIC PROPERTY AND CASUALTY INSURANCE BUSINESS (Continued)

TPI's BUSINESS (Continued)

Insurance Performance

Premium

TPI's direct premium increased by 1.7% to HK\$18.753 billion from HK\$18.433 billion in the Last Period. The detailed breakdown of TPI's direct premium by category are summarised below:

HK\$ million

Business Line	1H 2024	1H 2023	Change
Motor	10,392.73	10,304.47	+0.9%
Marine	426.39	361.71	+17.9%
Non-marine	7,934.35	7,766.66	+2.2%
	18,753.47	18,432.84	+1.7%

Solvency

TPI's comprehensive solvency ratio under local regulations is summarised below:

	At 30 June 2024	At 31 December 2023	Change
Comprehensive solvency ratio	229%	216%	+13pts

Key Operational Data

TPI's key operational data was summarised below:

	At 30 June 2024	At 31 December 2023	Change
Market share ¹	1.9%	1.9%	-
Number of provincial branches	33	33	-
Number of sub-branches and marketing centers	999	953	+46
Number of customers			
- Individual	9,452,151	9,853,300	-401,149
- Corporate	509,828	503,502	+6,326
Number of direct sales representatives	11,311	12,218	-907

¹ Derived according to the direct premium published by the NFRA.

OVERSEAS PROPERTY AND CASUALTY INSURANCE BUSINESS

The Group's overseas property and casualty insurance segment covers Hong Kong and Macau of China, 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.

TP Singapore's life insurance business aforementioned in the section headed "Life Insurance Business".

Financial Performance

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

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

HK\$ million

	1H 2024	1H 2023	Change
Insurance revenue			
CTPI (HK)	1,518.21	1,679.91	-9.6%
TP Macau	454.64	363.27	+25.2%
TP UK	125.30	236.25	-47.0%
TP Singapore ¹	412.24	401.56	+2.7%
TP Indonesia	324.35	249.74	+29.9%
Insurance service results			
CTPI (HK)	119.43	139.37	-14.3%
TP Macau	88.19	115.50	-23.6%
TP UK	66.50	15.43	+331.0%
TP Singapore ¹	59.22	32.10	+84.5%
TP Indonesia	37.25	45.83	-18.7%
Net investment results			
CTPI (HK)	29.09	70.93	-59.0%
TP Macau	36.68	27.81	+31.9%
TP UK	19.17	10.26	+86.8%
TP Singapore ¹	34.83	3.00	+1,061.0%
TP Indonesia	(0.94)	2.34	N/A
Profit/(loss) before taxation			
CTPI (HK)	82.98	132.69	-37.5%
TP Macau	105.00	85.55	+22.7%
TP UK	(0.16)	(34.96)	-99.5%
TP Singapore ¹	103.95	45.51	+128.4%
TP Indonesia	40.72	6.20	+556.8%
Profit/(loss) after taxation			
CTPI (HK)	65.67	119.65	-45.1%
TP Macau	93.35	75.30	+24.0%
TP UK	1.13	(37.55)	N/A
TP Singapore ¹	93.71	34.04	+175.3%
TP Indonesia	31.76	4.83	+557.6%

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)

Combined ratio

Combined ratios of overseas property and casualty business are summarised below:

HK\$ million

	1H 2024	1H 2023	Change
CTPI (HK)	92.1%	91.7%	+0.4pt
TP Macau	80.6%	68.2%	+12.4pts
TP UK	46.9%	93.5%	-46.6pts
TP Singapore ¹	85.6%	92.0%	-6.4pts
TP Indonesia	88.5%	81.6%	+6.9pts

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

² Combined ratio = (Insurance service expenses + Net expenses from reinsurance contracts held) / insurance revenue.

Insurance Performance

Premium

Direct premium by overseas property and casualty business are summarised below:

HK\$ million

	1H 2024	1H 2023	Change
CTPI (HK)	1,457.91	1,372.91	+6.2%
TP Macau	578.21	487.75	+18.5%
TP UK	204.43	214.12	-4.5%
TP Singapore ¹	425.58	405.92	+4.8%
TP Indonesia	356.81	299.28	+19.2%

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

Solvency

The comprehensive solvency ratios of overseas property and casualty insurance business under local regulations are summarised below:

	At 30 June 2024	At 31 December 2023 ²	Change
CTPI (HK)	940%	1,084%	-144pts
TP Macau	315%	321%	-6pts
TP UK	191%	187%	+4pts
TP Singapore ¹	233%	220%	+13pts
TP Indonesia	293%	238%	+55pts

¹ TP Singapore's solvency margin ratio includes both its life insurance business and property and casualty insurance business.

² There are audit adjustments for CTPI (HK), TP UK and TP Singapore's solvency margin ratio at 31 December 2023.

REINSURANCE BUSINESS

The Group's reinsurance business is mainly operated by TPre and TPre (China).

TPRe is 75% owned by the Group. TPre (China) was incorporated in the Mainland China in 2015 and is wholly-owned by TPre.

Financial Performance

The figures below were the consolidated results of reinsurance operating segment, before intra-group eliminations.

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

HK\$ million

	1H 2024	1H 2023	Change
Insurance revenue	4,333.42	4,921.02	-11.9%
Insurance service expenses	(3,868.76)	(4,958.27)	-22.0%
Net expenses from reinsurance contracts held	(320.53)	(278.61)	+15.0%
Insurance service results	144.13	(315.86)	N/A
Net investment results	328.80	169.83	+93.6%
Profit/(loss) before taxation	546.94	(272.11)	N/A
Profit/(loss) after taxation	498.60	(285.68)	N/A
Combined ratio ¹	96.7%	105.8%	-9.1pts

HK\$ million

	At 30 June 2024	At 31 December 2023	Change
Total assets	48,240.78	48,181.66	+0.1%
Total equity	11,687.39	11,130.59	+5.0%

¹ Combined ratio = (Insurance service expenses + Net expenses from reinsurance contracts held) / insurance revenue, property and casualty reinsurance only.

REINSURANCE BUSINESS (Continued)

Insurance Performance

Premium

Reinsurance business's total premium decreased by 9.8% to HK\$9.044 billion from HK\$10.032 billion in the Last Period.

Total premium by types of reinsurance contracts are summarised below:

HK\$ million

	1H 2024	1H 2023	Change
Life	2,233.79	2,041.54	+9.4%
Non-life	6,810.06	7,990.26	-14.8%
	9,043.85	10,031.80	-9.8%

Solvency

The comprehensive solvency ratios of reinsurance business under local regulations are summarised below:

	At 30 June 2024	At 31 December 2023	Change
TPre	302%	277%	+25pts
TPre (China)	247%	215%	+32pts

ASSET MANAGEMENT BUSINESS

The Group's asset management business is mainly operated by TPAM and TP Fund, TPCA, TPFH, and TPP, which engage in the provision of asset management services to the Group in managing its RMB and non-RMB investment portfolios and the annuity investment and entrustment services.

TPAM is incorporated in the Mainland China 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.

TPCA is incorporated in the Mainland China in 2017. TPCA is 60% owned by TPL and 40% owned by TPI.

TPFH is incorporated in Hong Kong, China and is wholly-owned by the Group.

TPP operates the Group's annuity and retirement plan's investment, entrustment services etc., apart from its corporate and personal retirement insurance and group life insurance business aforementioned in the section headed "Life Insurance Business".

Financial Performance

The figures below were the results of asset management business, before intra-group eliminations.

The key financial data of the asset management business operated is summarised below:

HK\$ million

	1H 2024	1H 2023	Change
Management fee income	1,571.62	1,284.93	+22.3%
Profit before taxation	430.13	226.10	+90.2%
Profit after taxation	263.25	92.93	+183.3%

Assets Under Management

The size of assets under management of major subsidiaries is summarised below:

HK\$ million

	At 30 June 2024	At 31 December 2023	Change
TPAM	1,676,510.93	1,548,163.58	+8.3%
TPCA	58,983.43	67,814.66	-13.0%
TPFH	128,104.00	118,426.53	+8.2%
TPP	624,649.84	605,571.96	+3.2%

ASSET MANAGEMENT BUSINESS (Continued)

Assets Under Management (Continued)

Managed assets within the Group and for third parties is summarised below:

HK\$ million

	At 30 June 2024	At 31 December 2023	Change
Insurance fund assets within the Group	1,476,388.76	1,349,531.70	+9.4%
Managed assets for third parties	1,088,857.65	1,090,003.12	-0.1%

Insurance Fund Management within the Group

Investment Income

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

HK\$ million

	1H 2024	1H 2023	Change
Net investment income ¹	24,500.78	22,113.41	+10.8%
<i>Including: Share of results of associates and joint ventures</i> ²	1,140.05	1,243.79	-8.3%
Net realised and unrealised investment gains ³	12,741.20	1,591.14	+700.8%
Total investment income	37,241.98	23,704.55	+57.1%
Annualised net investment yield	3.47%	3.63%	-0.16pt
Annualised total investment yield ⁴	5.27%	3.89%	+1.38pts
Unannualised comprehensive investment yield ⁵	5.58%	2.96%	+2.62pts

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.

⁵ Given the high volatility of the comprehensive investment yield, the unannualised comprehensive investment yield is disclosed. Except for annualisation, the calculation basis is the same as the Last Period. Comprehensive investment yield includes the net investment income, net realised and unrealised investment gains, and changes in fair value of equity securities and debt securities under FVOCI.

ASSET MANAGEMENT BUSINESS (Continued)

Assets Under Management (Continued)

Insurance Fund Management within the Group (Continued)

Net investment income increased by 10.8% from HK\$22.113 billion in the first half of 2023 to HK\$24.501 billion in the first half of 2024. The realised and unrealised investment gains substantially increased from HK\$1.591 billion in the first half of 2023 to HK\$12.741 billion in the first half of 2024, mainly because the optimised structure of equity portfolio led to better equity performance than the Last Period.

Under the combined influence of the above factors, the total investment income of investment assets of the Group amounted to HK\$37.242 billion in the first half of 2024, increased by 57.1% over the HK\$23.704 billion in the first half of 2023; the annualised total investment yield increased from 3.89% in the first half of 2023 to 5.27% in the first half of 2024.

Investment Portfolio

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

HK\$ million

	At 30 June 2024	% of Total	At 31 December 2023	% of Total
By investment category				
Fixed income				
Term deposits	59,607.08	4.0%	52,714.61	3.9%
Debt securities	1,081,966.54	73.3%	926,465.69	68.7%
Debt products	68,532.17	4.6%	77,538.72	5.7%
Equity investments				
Equity securities	110,744.25	7.5%	113,353.32	8.4%
Investment Funds	75,950.85	5.1%	82,872.22	6.1%
Other equity investments	9,826.58	0.7%	23,679.92	1.8%
Long-term equity investments	33,238.04	2.3%	27,874.85	2.1%
Investment properties	24,116.43	1.6%	24,685.92	1.8%
Cash, cash equivalents and others				
Cash and cash equivalents	46,897.73	3.2%	42,554.40	3.2%
Securities purchased under resale agreements/ securities sold under repurchase agreements	(34,490.91)	-2.3%	(22,207.95)	-1.7%
Total invested assets	1,476,388.76	100.0%	1,349,531.70	100.0%

Based on research and judgement of the capital market, the Group optimised its investment portfolio structure. As at the end of June 2024, the proportion of fixed income investments to the insurance fund within the Group was 81.9%, the proportion of equity investments was 13.3%, the proportion of long-term equity investments was 2.3%, the proportion of investment properties was 1.6% and the proportion of cash and others was 0.9%.

ASSET MANAGEMENT BUSINESS (Continued)

Assets Under Management (Continued)

Insurance Fund Management within the Group (Continued)

Analysis of Investment in Securities

Development on Equity Investments Keep Steady

As at the end of June 2024, stock investments held by the Group amounted to approximately HK\$110.7 billion, representing approximately 6.8% of the total assets. Adhering to the concept of value investment, our Group has leveraged on the long-term advantages of insurance funds and mainly invested in equities with reasonable valuation, stable dividends and good margin of safety, and the overall investment style remained prudent.

High Credit Ratings for Debt Securities

As at the end of June 2024, debt securities held by the Group amounted to HK\$1,082.0 billion, representing approximately 66.0% of the total assets, of which 89.5% were PRC domestic bonds investment. Within the PRC domestic bonds, 99.9% were bonds with AAA ratings, government bonds and financial policy bonds, investment grade bonds with BBB ratings or higher reaching 100%. Overseas bonds investment constitutes 10.5% of debt securities held by the Group, and about 93.3% of them were investment grade bonds with international ratings of BBB or higher.

Relatively Good Credit Status for Debt Products

As at the end of June 2024, debt products held by the Group amounted to HK\$68.532 billion, representing approximately 4.2% of the total assets. The credit ratings of the PRC domestic financial investment debt products remained relatively high, with products rated AAA accounting for 83.1%, the remaining being low risk bank wealth management products which accounted for 16.9%; overseas financial investment debt products mainly were private debts and debt funds. The Group's investment in debt products 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.

- *Relatively Low Proportion of Real Estate Financial Investment Debt Products*

As at the end of June 2024, real estate financial investment debt products amounted to approximately HK\$18.355 billion, representing 1.1% of the total assets, down by 0.3 percentage point over the 2023 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 are located in tier-1, provincial capital cities or advanced tier-2 cities, thus the financing entities are of relatively strong solvencies.

Third-party Assets under Management

In the first half of 2024, the Group proactively expanded third-party asset management business, and the third-party entrusted investment assets under management remained stable. As at the end of June 2024, the total third-party entrusted investment assets managed by the Group amounted to HK\$1,088.9 billion, basically the same as the 2023 year-end.

In the first half of 2024, TPAM (including TP Fund) recorded a total management fee income before taxation and deduction of HK\$1.015 billion, including HK\$406 million derived from assets outside of the Group, which accounted for 40.0% of total management fee.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's cash and bank deposits as at 30 June 2024 amounted to HK\$106.505 billion (31 December 2023: HK\$95.269 billion).

FINANCIAL LEVERAGE

The Group's interest-bearing notes and bank facilities drawn as at 30 June 2024 amounted to HK\$10.992 billion and HK\$70.733 billion, respectively (31 December 2023: HK\$28.607 billion and HK\$71.177 billion). As at 30 June 2024, CTIH's consolidated financial leverage ratio (calculated by interest-bearing debts over the summation of interest-bearing debts plus ordinary shareholders' equity and the contractual service margin after taxation) was 25.4% (31 December 2023: 29.6%).

CAPITAL STRUCTURE

The Company did not issue new Shares during the Period and in 2023.

In March 2023, the Company had issued USD2 billion of perpetual subordinated capital securities, with an initial distribution rate of 6.4%, callable in 2028.

STAFF AND STAFF REMUNERATION

As at 30 June 2024, the Group had a total of 63,673 employees (30 June 2023: 65,532 employees), representing a decrease of 1,859 employees. Total staff costs (excluding retirement plans contributions) for the Period amounted to HK\$6.855 billion (first half of 2023: HK\$7.931 billion), with a decrease of 13.6%. 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

Maintain Strategic Determination and Promote New Breakthroughs in High-Quality Development

In the second half of 2024, China Taiping will adhere to the overall requirements of the “Five Focuses”, actively making progress in the transition of growth models, structural adjustment, and quality and efficiency enhancement to achieve new breakthroughs in high-quality development. The Company will accelerate the pace of reform and transformation to further advance high-quality development, fulfill responsibilities as a central enterprise and proactively serve national strategies, strictly adhere to compliance, and solidly carry out risk prevention and resolution, leverage unique advantages to improve the quality of international operations, empower main business development, and steadily promote ecosystem construction, explore collaboration potential and fully strengthen business synergies, adhere to customer-first principles and comprehensively enhance technology-enabled customer service, and lay a solid management foundation and consolidate the achievements of solidifying efforts.

PRC Domestic Life Insurance Business – TPL

- Led by the strategic vision of “Becoming the Model of Value Growth in the Industry and a Professional Provider of High-quality ‘Life Insurance + Services’”. TPL will adhere to the business philosophy of “Value, Quality, and Professionalism”, and fully promote high-quality development through customer-centric, service-driven, ecosystem-supported, technology-empowered and team-based practice
- Deepen value orientation around the main tasks of “Adjusting Structure, Reducing Costs, Promoting Innovation, Nurturing Talent, and Preventing Risks”. TPL will continue to optimise business structure, promote cost reduction and efficiency enhancement, deepen model innovation and technological empowerment, strengthen field and in-house teams building, consolidate risk control capabilities, and comprehensively improve operational management capabilities and efficiency

PRC Domestic Property and Casualty Insurance Business – TPI

- On Motor insurance, targeting underwriting profitability, TPI will strengthen operational monitoring and correction, further cost reduction, optimise business structure, increase contribution from new policies, and continuously improve renewal rates for all vehicle types and the operational efficiency of new energy vehicle insurance
- On non-motor insurance, TPI will focus on serving national strategies, enhance product and service innovation, continuously strengthen agricultural insurance service capabilities, strictly maintain quality while expanding the coverage and income of policy-based health insurance, and increase premium contributions from key categories such as green insurance and inclusive insurance

Group Insurance and Pension Business – TPP

- Seize policy opportunities to continue expanding and enhancing the third pillar of pension business, such as individual pension and commercial pension, and solidify the first-mover advantage. TPP will continuously increase the asset management scale of annuity business, stabilise the size of annuity trustee business, vigorously develop new annuity business, and strengthen the capabilities of trustee and account management
- For group insurance, TPP will focus on the core pension business and promote business transformation by increasing the proportion of high-value long-term products and strengthening quality control with refined management on short-term products to promote value growth for group business

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

- TPL (HK) will insist on value transformation by effectively pushing forward key innovative projects, comprehensively enhancing capabilities to ensure quality service, thoroughly and meticulously implementing asset-liability management, and rigorously guarding against various risks
- TPL (Macau) will continue to deepen value transformation of channels and further explore new channels and opportunities
- TP Singapore on life insurance business will steadily promote transformation development, emphasis value orientation, continuously optimise business quality and structure, strengthen cross-border collaboration, and further improve business margin and capital efficiency

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

- CTPI (HK) will continue to increase its service efforts in key areas of social development, promote the implementation of major strategic projects, focus on optimising business quality and operating efficiency, accelerate digital transformation, actively support the development of the Greater Bay Area
- TP Macau will actively seize policy opportunities in the Greater Bay Area, promote cross-border product and service innovation, support the construction and operation of the Chinese Medicine Technology Industrial Park, strengthen cross-border collaboration, promote cross-selling between P&C and life insurance, and consolidate the company's market leadership
- TP UK will continuously enhance basic management capabilities, strengthen and improve system construction, optimise business structure, and deepen the engagement with the Chinese community and Chinese enterprises
- TP Singapore will maintain the good development momentum in the Chinese-related market, strengthen business quality orientation, enhance refined management, increase the application of digital technology, improve risk management levels, and maintain the excellent level of underwriting profitability
- TP Indonesia will actively serve projects involving Chinese overseas interests, maintain market advantages in Chinese-related business, continuously promote quality optimisation of local business, improve local business profitability, and achieve stable and balanced business development

OUTLOOK *(Continued)*

Reinsurance Business – TPRE, TPRE (China) and TPRB

- TPRE will properly respond to the implementation of RBC, seize the opportunity of the hard market underwriting cycle, accelerate the optimisation of business structure, strengthen catastrophe risk management and professional technical capacity building, and continuously enhance industry influence and underwriting profitability
- TPRE (China) will actively serve national strategic projects, participate in the construction of the international reinsurance center in Shanghai, do a good job in year-end renewal strategy analysis, increase efforts in new business research and promotion, and continuously improve profitability
- TPRB will continuously improve reinsurance placement capacity, strengthen market research and reinsurance demand analysis, prepare for year-end renewals, further increase the per capita capacity for serving external clients, and continue to develop life insurance brokerage business

Investments

In July 2024, the Third Plenary Session of the 20th Central Committee of the CPC emphasised “unswervingly achieving the annual economic and social development goals,” effectively implementing macro policies, actively expanding domestic demand, and developing new quality productivity according to local conditions. Against the backdrop of deepening financial system reforms and improving the coordinated functions of investment and financing in the capital market, it is expected that market sentiment and expectations will gradually improve. On the international front, according to the minutes of the US Federal Reserve meeting in June, the pathway of interest rate cuts will roll out in the second half of the year. However, there are still different views on the number of rate cuts, with the Federal Reserve’s dot plot indicating expectations for 1 to 2 rate cuts. It is anticipated that overseas interest rates will decline following the Federal Reserve’s rate cuts, while attention must also be paid to the impact of the US presidential election on trade policy and inflation.

The Group will resolutely implement China’s general principle of “Pursuing Progress While Ensuring Stability”, strive to realise high-quality development of its investment business, make full use of the long term advantages of insurance funds, enhance the quality and effectiveness of services to the real economy, promote the “Five Target Areas” as in “Technology Finance, Green Finance, Inclusive Finance, Ageing Finance and Digital Finance” while optimising medical, health, elder care and other industrial layouts around the insurance industry to promote a virtuous cycle for the combined development of insurance, investment and the greater business ecosystem.

The Group will pay close attention to domestic and overseas economic trend and important changes in the capital market, balancing risks and returns, building a more prudent and robust investment portfolio, focusing on the ability to defend against unfavorable scenario, reducing portfolio volatility, strictly controlling credit risk, and stabilising investment return.

EMBEDDED VALUE

BACKGROUND

The Group consists of three major business segments: the life insurance business, property and casualty insurance business and reinsurance business. The Group also has other companies and operations in the areas of investment holding, asset management, pensions and other businesses. The life insurance segment operated by TPL, a 75.1%-owned subsidiary, is a significant part of the Group in terms of gross premiums written, total assets and profitability. In order to provide investors with additional information to evaluate the profitability and valuation of TPL, the Group discloses the Embedded Value and New Business Value of TPL in its Annual and Interim Results Announcements. The Embedded Value consists of the shareholders' adjusted net worth plus the present value of future expected cash flows to shareholders from the in-force business, less the costs of holding regulatory solvency capital to support the in-force business. The New Business Value represents an actuarially determined estimate of the economic value arising from the new life insurance business issued during the Period.

The Group's other business segments (including property and casualty insurance, reinsurance and pension and group life insurance) (collectively, "Other Core Operations") continue to develop well. To provide investors with further information on these operations, the Group also discloses the Group Embedded Value. The Group Embedded Value is defined as the Adjusted Net Worth of the Other Core Operations plus the Embedded Value of TPL. The Adjusted Net Worth of the Other Core Operations is determined by Hong Kong Financial Reporting Standards, with marked-to-market and goodwill adjustments. Please note that the Group Embedded Value calculation does not include any valuation for future new business.

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 2024 are consistent with the valuation standard, general actuarial principles, related laws & regulations, as well as available market information. KPMG Advisory has also examined the adjustment steps used by the Group for the adjusted net worth of its other core businesses 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 2024 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.

EMBEDDED VALUE *(Continued)*

GROUP EMBEDDED VALUE

HK\$ million

	At 30 June 2024	At 31 December 2023
Adjusted Net Worth ¹	202,178	185,712
Value of in-force business before cost of capital for TPL	137,789	131,025
Cost of capital for TPL	(46,029)	(44,614)
Group Embedded Value	293,938	272,123
Attributable to:		
Owners of the Company	219,546	203,106
Non-controlling interests	74,392	69,018
Group Embedded Value	293,938	272,123

Note: Figures may not match totals due to rounding (similarly hereinafter).

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;*
- ii Adjustment for after-tax difference between market value and book value of assets; and*
- iii Adjustment for after-tax difference between provisions and valuation-related liabilities.*

Group Embedded Value after adjustment measured in RMB at 30 June 2024 was RMB268.271 billion (31 December 2023: RMB246.604 billion).

EMBEDDED VALUE *(Continued)*

TPL's Embedded Value

1 EMBEDDED VALUE

HK\$ million

	At 30 June 2024	At 31 December 2023
Adjusted net worth	175,062	158,964
Value of in-force business before cost of capital	137,789	131,025
Cost of capital	(46,029)	(44,614)
Embedded Value	266,822	245,375
Attributable to:		
Owners of the Company	200,383	184,277
Non-controlling interests	66,439	61,098
Embedded Value	266,822	245,375

Embedded Value measured in RMB at 30 June 2024 was RMB243.523 billion (31 December 2023: RMB222.364 billion), among them, the adjusted net worth was RMB159.776 billion (31 December 2023: RMB144.057 billion).

EMBEDDED VALUE (Continued)

TPL's Embedded Value (Continued)

2 NEW BUSINESS VALUE

HK\$ million

	For the Past 6 Months as of 30 June 2024	For the Past 6 Months as of 30 June 2023
New Business Value before cost of capital	10,138	7,870
Cost of capital	(2,803)	(3,915)
New Business Value after cost of capital	7,335	3,955

New Business Value measured in RMB for the first half of 2024 was RMB6.694 billion (first half of 2023: RMB3.646 billion, restated value was RMB3.214 billion).

New business margin of TPL for the first half of 2024 was 24.6% (first half of 2023: 12.2%); from which the new business margin for individual business was 27.5% (first half of 2023: 18.6%); new business margin for bancassurance business was 20.0% (first half of 2023: 3.6%).

New Business Value by line of business was as follows:

HK\$ million

	For the Past 6 Months as of 30 June 2024	For the Past 6 Months as of 30 June 2023
Individual	5,239	3,279
Bancassurance	1,873	464
Others ¹	222	212
	7,335	3,955

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 2024 - unaudited
(Expressed in Hong Kong dollars)

	Notes	Six months ended 30 June	
		2024 \$'000	2023 \$'000
Insurance revenue	3(a)	55,874,723	54,128,830
Insurance service expenses	8	(43,148,387)	(44,667,250)
Net expenses from reinsurance contracts held		(1,477,021)	(1,311,726)
Insurance service results		11,249,315	8,149,854
Interest revenue	4	19,669,797	17,636,649
Financial assets not measured at fair value through profit or loss		14,621,840	13,801,184
Financial assets measured at fair value through profit or loss		5,047,957	3,835,465
Other investment return	5	17,656,096	5,555,853
Net impairment loss on financial assets	6	(1,223,973)	(731,742)
Share of results of associates and joint ventures		1,140,053	1,243,794
Investment return	3(b)	37,241,973	23,704,554
Finance expenses from insurance contracts issued	3(b)	(29,872,643)	(22,183,048)
Finance income from reinsurance contracts held	3(b)	169,676	129,668
Net changes in investment contract liabilities	3(b)	(35,628)	(22,385)
Net investment results		7,503,378	1,628,789
Other income	7	2,955,583	3,185,053
Other operating expenses	8	(3,284,371)	(3,402,162)
Other finance costs	9(a)	(1,895,748)	(1,717,081)
Profit before taxation	9	16,528,157	7,844,453
Income tax charges	10	(7,549,913)	(323,212)
Profit after taxation		8,978,244	7,521,241
Attributable to:			
Owners of the Company		6,026,680	5,220,365
Non-controlling interests		2,951,564	2,300,876
		8,978,244	7,521,241
		<i>dollars</i>	<i>dollars</i>
Earnings per share attributable to the ordinary shareholders	12		
Basic		1.538	1.365
Diluted		1.538	1.365

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 2024 - unaudited
(Expressed in Hong Kong dollars)

	Six months ended 30 June	
	2024	2023
	\$'000	\$'000
Profit after taxation	8,978,244	7,521,241
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, net of deferred tax	3,490	12,084
Exchange differences on translation of the financial statements of subsidiaries, associates and joint ventures which are not foreign operations	(778,136)	(3,279,402)
Changes in the the fair value of equity investments at fair value through other comprehensive income, net of deferred tax	4,221,387	1,642,147
Finance expenses from insurance contracts issued, net of deferred tax	(4,254)	-
Items that may be subsequently reclassified to profit or loss:		
Exchange differences on translation of the financial statements of foreign operations	(42,041)	32,734
Changes in the the fair value of debt investments at fair value through other comprehensive income, net of deferred tax	26,995,841	9,186,516
Finance expenses from insurance contracts issued, net of deferred tax	(37,191,220)	(14,587,131)
Finance income/(expenses) from reinsurance contracts held, net of deferred tax	(6,819)	29,938
Total comprehensive income for the period	2,176,492	558,127
Attributable to:		
Owners of the Company	1,243,788	(60,273)
Non-controlling interests	932,704	618,400
	2,176,492	558,127

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

Condensed Consolidated Statement of Financial Position

as at 30 June 2024 - unaudited
(Expressed in Hong Kong dollars)

	Notes	At 30 June 2024 \$'000	At 31 December 2023 \$'000
Assets			
Statutory deposits	13	5,882,981	6,126,504
Fixed assets			
- Property and equipment	14	34,051,421	34,787,745
- Investment properties		24,116,432	24,685,922
- Right-of-use assets		6,665,801	6,729,005
		64,833,654	66,202,672
Goodwill		353,304	353,658
Intangible assets		261,408	261,408
Interests in associates and joint ventures		33,238,038	27,874,851
Deferred tax assets		6,561,340	11,549,792
Financial investments	15		
- At fair value through profit or loss		443,714,923	460,487,656
- At amortised cost		115,918,310	125,324,198
- Debt investments at fair value through other comprehensive income		746,156,364	612,963,068
- Equity investments at fair value through other comprehensive income		41,230,786	25,134,939
Securities purchased under resale agreements	16	6,066,505	7,108,241
Amounts due from group companies		1,352,912	1,313,246
Insurance contract assets		1,223,843	1,451,667
Reinsurance contract assets		10,692,258	11,295,059
Finance lease receivables	17	50,341,786	53,388,724
Other assets	18	11,904,751	9,519,295
Pledged and restricted bank deposits		2,286,625	2,412,297
Deposits at banks with original maturity more than three months		51,437,473	44,175,811
Cash and cash equivalents	19	46,897,725	42,554,402
		1,640,354,986	1,509,497,488
Liabilities			
Insurance contract liabilities	20	1,325,033,437	1,196,541,128
Reinsurance contract liabilities		141,269	133,735
Investment contract liabilities		17,600,643	6,030,767
Deferred tax liabilities		1,950,423	1,964,299
Interest-bearing notes	21	10,992,401	28,606,595
Bank borrowings	22	70,733,315	71,176,964
Lease liabilities		1,674,064	1,646,685
Securities sold under repurchase agreements	16	40,557,411	29,316,187
Amounts due to group companies		16,704	16,639
Other payables and accruals		38,530,586	40,409,767
Current taxation		803,127	1,059,068
		1,508,033,380	1,376,901,834
Net assets		132,321,606	132,595,654

Condensed Consolidated Statement of Financial Position *(Continued)*

as at 30 June 2024 - unaudited

(Expressed in Hong Kong dollars)

	<i>Notes</i>	At 30 June 2024 \$'000	At 31 December 2023 \$'000
Capital and reserves attributable to owners of the Company			
Share capital	23	40,771,408	40,771,408
Reserves	24	37,881,693	38,216,702
		78,653,101	78,988,110
Perpetual subordinated capital securities	25	15,991,830	15,991,524
		94,644,931	94,979,634
Non-controlling interests		37,676,675	37,616,020
Total equity		132,321,606	132,595,654

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 2024 - unaudited
(Expressed in Hong Kong dollars)

Attributable to owners of the Company												
Notes	Share capital \$'000	Capital reserve \$'000	Merger reserve \$'000	Exchange reserve \$'000	Fair value reserve \$'000	Insurance finance reserve \$'000	Revaluation reserve \$'000	Retained profits \$'000	Ordinary shareholders sub-total \$'000	Perpetual subordinated capital securities \$'000	Non-controlling interests \$'000	Total \$'000
Balance at 1 January 2024	40,771,408	(5,618,303)	(6,842,218)	(5,962,339)	32,151,963	(61,414,865)	1,562,384	84,340,080	78,988,110	15,991,524	37,616,020	132,595,654
Profit for the period	-	-	-	-	-	-	-	6,026,680	6,026,680	-	2,951,564	8,978,244
Other comprehensive income for the period, net of deferred tax	-	-	-	(585,322)	23,858,193	(28,059,253)	3,490	-	(4,782,892)	-	(2,018,860)	(6,801,752)
Total comprehensive income	-	-	-	(585,322)	23,858,193	(28,059,253)	3,490	6,026,680	1,243,788	-	932,704	2,176,492
Dividend declared to shareholders	-	-	-	-	-	-	-	(1,078,206)	(1,078,206)	-	-	(1,078,206)
Dividend declared by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(872,049)	(872,049)
Distribution to holders of perpetual subordinated capital securities	25	-	-	-	-	-	-	(500,591)	(500,591)	500,591	-	-
Declared to holders of perpetual subordinated capital securities	25	-	-	-	-	-	-	-	-	(500,285)	-	(500,285)
Disposal of equity investments at fair value through other comprehensive income	15(ii)	-	-	-	(20,875)	-	-	20,875	-	-	-	-
Balance at 30 June 2024	40,771,408	(5,618,303)	(6,842,218)	(6,547,661)	55,989,281	(89,474,118)	1,565,874	88,808,838	78,653,101	15,991,830	37,676,675	132,321,606

Condensed Consolidated Statement of Changes in Equity (Continued)
for the six months ended 30 June 2024 - unaudited
(Expressed in Hong Kong dollars)

	Attributable to owners of the Company											Total \$'000	
	Share capital \$'000	Capital reserve \$'000	Merger reserve \$'000	Exchange reserve \$'000	Fair value reserve \$'000	Insurance finance reserve \$'000	Revaluation reserve \$'000	Retained profits \$'000	Ordinary shareholders sub-total \$'000	Perpetual subordinated capital securities \$'000	Non- controlling interests \$'000		
Notes													
Balance at 1 January 2023	40,771,408	(5,618,303)	(6,842,218)	(4,839,609)	15,011,588	(36,410,708)	1,479,780	79,787,927	83,339,865	-	25,503,730	108,843,595	
Profit for the period	-	-	-	-	-	-	-	5,220,365	5,220,365	-	2,300,876	7,521,241	
Other comprehensive income for the period, net of deferred tax	-	-	-	(2,448,672)	8,229,806	(11,070,847)	9,075	-	(5,280,638)	-	(1,682,476)	(6,963,114)	
Total comprehensive income	-	-	-	(2,448,672)	8,229,806	(11,070,847)	9,075	5,220,365	(60,273)	-	618,400	558,127	
Dividend declared to shareholders	11(a)	-	-	-	-	-	-	(934,445)	(934,445)	-	-	(934,445)	
Dividend declared by subsidiaries to non-controlling interests		-	-	-	-	-	-	-	-	-	(239,339)	(239,339)	
Capital injections made to a subsidiary		-	-	-	-	-	-	-	-	-	11,700	11,700	
Issuance of perpetual subordinated capital securities	25	-	-	-	-	-	-	-	-	15,674,799	-	15,674,799	
Distribution to holders of perpetual subordinated capital securities	25	-	-	-	-	-	-	(315,215)	(315,215)	315,215	-	-	
Disposal of equity investments at fair value through other comprehensive income	15(ii)	-	-	-	(102,469)	-	-	102,469	-	-	-	-	
Balance at 30 June 2023		40,771,408	(5,618,303)	(6,842,218)	(7,288,281)	23,138,925	(47,481,555)	1,488,855	83,861,101	82,029,932	15,990,014	25,894,491	123,914,437

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 2024 - unaudited

(Expressed in Hong Kong dollars)

	Notes	Six months ended 30 June	
		2024 \$'000	2023 \$'000
Net cash from operating activities		79,708,417	78,171,202
Net cash used in investing activities		(53,083,871)	(75,255,300)
Net cash from/(used in) financing activities		(22,059,976)	14,645,616
Effect of changes in exchange rates		(221,247)	(3,297,403)
Net increase in cash and cash equivalents		4,343,323	14,264,115
Cash and cash equivalents at 1 January		42,554,402	42,472,429
Cash and cash equivalents at 30 June		<u>46,897,725</u>	<u>56,736,544</u>
Analysis of the balances of cash and cash equivalents:			
Deposits with banks and other financial institutions with original maturity less than three months	19	16,167,642	18,734,309
Cash at bank and on hand	19	30,730,083	38,002,235
		<u>46,897,725</u>	<u>56,736,544</u>

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 27 August 2024.

The financial statements relating to the year ended 31 December 2023 that is included in the condensed consolidated interim financial statements for the six months ended 30 June 2024 as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year. 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 2023 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 condensed 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 in the Group's annual financial statements for the year ended 31 December 2023:

Stated at fair value

- (i) Investment properties;
- (ii) Financial investments at fair value through profit or loss;
- (iii) Debt investments at fair value through other comprehensive income;
- (iv) Equity investments at fair value through other comprehensive income; and
- (v) Certain investment contract liabilities.

Measured primarily based on actuarial methods

Insurance and reinsurance contract assets and liabilities.

1 BASIS OF PREPARATION (Continued)

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2024 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as at 1 January 2024. The Group has not early adopted any other standards, interpretation or amendments that has been issued but not effective.

New accounting standards and amendments adopted by the Group for the first time of financial year beginning on 1 January 2024

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 HKAS 1	Presentation of Financial Statements
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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; 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 2024

	Six months ended 30 June 2024						Total \$'000
	Life insurance \$'000	PRC domestic and casualty insurance \$'000	Overseas property and casualty insurance \$'000	Reinsurance \$'000	Other businesses \$'000	Inter-segment elimination and adjustment \$'000	
Insurance revenue	32,470,529	16,663,142	2,814,300	4,333,418	-	(406,666)	55,874,723
Insurance service expenses	(21,878,978)	(15,738,024)	(1,810,768)	(3,868,755)	-	148,138	(43,148,387)
Net expenses from reinsurance contracts held	(278,546)	(425,147)	(619,841)	(320,535)	-	167,048	(1,477,021)
Insurance service results	10,313,005	499,971	383,691	144,128	-	(91,480)	11,249,315
Interest revenue	17,526,001	414,021	203,778	833,447	347,837	344,713	19,669,797
Other investment return	17,503,530	34,214	19,196	142,553	168,831	(212,228)	17,656,096
Net impairment loss on financial assets	(957,569)	(167)	(4,529)	(258,455)	(4,529)	1,276	(1,223,973)
Share of results of associates and joint ventures	1,026,205	(21,680)	-	-	8,408	127,120	1,140,053
Investment return	35,098,167	426,388	218,445	717,545	520,547	260,881	37,241,973
Finance expense from insurance contracts issued	(28,911,413)	(385,499)	(142,644)	(458,500)	-	25,413	(29,872,643)
Finance income from reinsurance contracts held	42,205	58,442	62,021	35,898	-	(28,890)	169,676
Net changes in investment contract liabilities	(69,481)	-	-	33,853	-	-	(35,628)
Net investment results	6,159,478	99,331	137,822	328,796	520,547	257,404	7,503,378
Other income	469,540	40,979	56,001	165,632	4,444,311	(2,220,880)	2,955,583
Other operating expenses	(1,603,199)	(126,355)	(209,877)	(62,482)	(3,119,409)	1,836,951	(3,284,371)
Other finance costs	(377,956)	(77,974)	(16,623)	(29,133)	(1,515,956)	121,894	(1,895,748)
Profit before taxation	14,960,868	435,952	351,014	546,941	329,493	(96,111)	16,528,157
Income tax charges	(7,115,055)	(64,759)	(46,861)	(48,339)	(292,918)	18,019	(7,549,913)
Profit after taxation	7,845,813	371,193	304,153	498,602	36,575	(78,092)	8,978,244
Non-controlling interests							(2,951,564)
Profit attributable to owners of the Company							6,026,680

Segment income (including total insurance service results and net investment results) 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)

(b) Segmental statement of financial position as at 30 June 2024

	At 30 June 2024						Total \$'000
	PRC		Overseas		Inter-		
	Life insurance \$'000	domestic property and casualty insurance \$'000	property and casualty insurance \$'000	Reinsurance \$'000	Other businesses \$'000	segment elimination and adjustment \$'000	
Statutory deposits	3,601,194	1,606,945	192,438	479,078	3,326	-	5,882,981
Fixed assets							
- Property and equipment	4,529,169	983,550	510,041	38,494	22,911,478	5,078,689	34,051,421
- Investment properties	4,658,345	519,043	3,044,293	216,710	22,408,155	(6,730,114)	24,116,432
- Right-of-use assets	1,795,397	498,321	34,713	132,379	4,975,234	(770,243)	6,665,801
Goodwill	-	-	-	-	49,657	303,647	353,304
Intangible assets	-	-	-	-	-	261,408	261,408
Interests in associates and joint ventures	44,233,006	2,477,583	-	-	2,521,297	(15,993,848)	33,238,038
Financial investments							
- At fair value through profit or loss ("FVPL")	405,063,795	10,312,900	1,181,796	7,443,479	4,767,476	14,945,477	443,714,923
- At amortised cost	86,468,106	6,080,393	3,607,812	16,048,840	2,714,195	998,964	115,918,310
- Debt investments at fair value through other comprehensive income	722,281,080	7,494,448	2,766,451	12,040,141	1,574,244	-	746,156,364
- Equity investments at fair value through other comprehensive income	34,371,289	2,813,533	388,619	998,738	2,859,872	(201,265)	41,230,786
Insurance contract assets	217,288	743,501	185,005	105,423	-	(27,374)	1,223,843
Reinsurance contract assets	3,773,535	2,024,446	3,896,315	1,794,917	-	(796,955)	10,692,258
Finance lease receivables	-	-	-	-	50,341,786	-	50,341,786
Cash and bank deposits	64,553,501	6,573,295	1,951,733	6,061,703	16,569,449	4,912,142	100,621,823
Other segment assets	18,371,203	2,351,368	1,249,073	2,880,880	5,188,468	(4,155,484)	25,885,508
Segment assets	1,393,916,908	44,479,326	19,008,289	48,240,782	136,884,637	(2,174,956)	1,640,354,986
Insurance contract liabilities	1,260,662,988	24,303,020	8,520,333	31,901,190	-	(354,094)	1,325,033,437
Reinsurance contract liabilities	42,466	234,774	35,803	25,039	-	(196,813)	141,269
Investment contract liabilities	16,227,291	-	76,114	1,297,238	-	-	17,600,643
Interest-bearing notes	3,802,812	3,370,214	-	1,442,031	2,377,344	-	10,992,401
Bank borrowings	-	-	-	-	70,733,315	-	70,733,315
Lease liabilities	1,649,651	437,176	35,029	136,667	227,430	(811,889)	1,674,064
Securities sold under repurchase agreements	29,327,417	1,660,533	547,857	668,516	72,710	8,280,378	40,557,411
Other segment liabilities	21,847,071	4,456,813	1,485,940	1,082,713	16,621,849	(4,193,546)	41,300,840
Segment liabilities	1,333,559,696	34,462,530	10,701,076	36,553,394	90,032,648	2,724,036	1,508,033,380
Non-controlling interests							(37,676,675)
Net assets attributable to owners of the Company							94,644,931

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)

(c) Segmental statement of profit or loss for the six months ended 30 June 2023

	Six months ended 30 June 2023						Total \$'000
	Life insurance \$'000	PRC domestic property and casualty insurance \$'000	Overseas property and casualty insurance \$'000	Reinsurance \$'000	Other businesses \$'000	Inter- segment elimination and adjustment \$'000	
Insurance revenue	31,002,109	16,101,565	2,928,161	4,921,024	-	(824,029)	54,128,830
Insurance service expenses	(23,288,151)	(15,331,717)	(1,939,572)	(4,958,271)	-	850,461	(44,667,250)
Net expenses from reinsurance contracts held	(76,653)	(377,914)	(657,214)	(278,605)	-	78,660	(1,311,726)
Insurance service results	7,637,305	391,934	331,375	(315,852)	-	105,092	8,149,854
Interest revenue	15,746,408	410,058	108,393	817,667	342,950	211,173	17,636,649
Other investment return	5,624,312	(188,241)	45,488	(188,647)	478,127	(215,186)	5,555,853
Net impairment loss on financial assets	(698,329)	8,121	(7,651)	(82,384)	48,079	422	(731,742)
Share of results of associates and joint ventures	1,174,589	1,149	-	-	9,922	58,134	1,243,794
Investment return	21,846,980	231,087	146,230	546,636	879,078	54,543	23,704,554
Finance expense from insurance contracts issued	(21,404,509)	(355,252)	(58,845)	(398,843)	-	34,401	(22,183,048)
Finance income from reinsurance contracts held	42,434	60,756	19,625	22,869	-	(16,016)	129,668
Net changes in investment contract liabilities	(21,550)	-	-	(835)	-	-	(22,385)
Net investment results	463,355	(63,409)	107,010	169,827	879,078	72,928	1,628,789
Other income	1,177,716	68,176	43,411	(40,954)	4,160,029	(2,223,325)	3,185,053
Other operating expenses	(1,485,778)	(122,653)	(255,337)	(64,942)	(3,363,523)	1,890,071	(3,402,162)
Other finance costs	(396,145)	(80,163)	(13,360)	(20,192)	(1,328,807)	121,586	(1,717,081)
Profit before taxation	7,396,453	193,885	213,099	(272,113)	346,777	(33,648)	7,844,453
Income tax credits/(charges)	81,251	(8,529)	(38,815)	(13,566)	(351,555)	8,002	(323,212)
Profit after taxation	7,477,704	185,356	174,284	(285,679)	(4,778)	(25,646)	7,521,241
Non-controlling interests							(2,300,876)
Profit attributable to owners of the Company							5,220,365

Segment income (including total insurance service results and net investment results) 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)

(d) Segmental statement of financial position as at 31 December 2023

	At 31 December 2023						Total \$'000
	Life insurance \$'000	PRC domestic property and casualty insurance \$'000	Overseas property and casualty insurance \$'000	Reinsurance \$'000	Other businesses \$'000	Inter- segment elimination and adjustment \$'000	
Statutory deposits	3,639,418	1,600,053	404,423	478,889	3,721	-	6,126,504
Fixed assets							
- Property and equipment	4,724,533	1,074,680	490,334	48,904	23,340,098	5,109,196	34,787,745
- Investment properties	4,717,052	520,426	3,121,443	227,100	22,868,205	(6,768,304)	24,685,922
- Right-of-use assets	1,871,076	524,755	15,024	76,628	4,993,692	(752,170)	6,729,005
Goodwill	-	-	-	-	50,011	303,647	353,658
Intangible assets	-	-	-	-	-	261,408	261,408
Interests in associates and joint ventures	41,519,953	2,526,489	-	-	2,617,047	(18,788,638)	27,874,851
Financial investments							
- At fair value through profit or loss	415,154,030	11,597,179	1,579,219	7,582,328	4,672,719	19,902,181	460,487,656
- At amortised cost	94,826,084	6,703,729	3,292,967	16,881,775	2,614,669	1,004,974	125,324,198
- Debt investments at fair value through other comprehensive income	591,183,915	6,397,005	2,436,727	11,486,330	1,459,091	-	612,963,068
- Equity investments at fair value through other comprehensive income	19,593,103	1,756,576	396,578	771,097	2,820,026	(202,441)	25,134,939
Insurance contract assets	542,755	754,511	56,485	104,543	-	(6,627)	1,451,667
Reinsurance contract assets	4,217,837	2,091,551	4,063,686	1,787,072	-	(865,087)	11,295,059
Finance lease receivables	-	-	-	-	53,388,724	-	53,388,724
Cash and bank deposits	55,303,251	4,976,522	2,039,117	5,367,055	17,123,883	4,332,682	89,142,510
Other segment assets	18,583,768	2,565,952	1,182,166	3,369,943	5,441,725	(1,652,980)	29,490,574
Segment assets	<u>1,255,876,775</u>	<u>43,089,428</u>	<u>19,078,169</u>	<u>48,181,664</u>	<u>141,393,611</u>	<u>1,877,841</u>	<u>1,509,497,488</u>
Insurance contract liabilities	1,132,463,075	23,795,758	9,042,936	31,644,686	-	(405,327)	1,196,541,128
Reinsurance contract liabilities	44,378	186,875	17,487	42,318	-	(157,323)	133,735
Investment contract liabilities	3,835,037	-	146,534	2,049,196	-	-	6,030,767
Interest-bearing notes	16,917,168	3,325,618	-	1,480,759	6,883,050	-	28,606,595
Bank borrowings	-	-	-	-	75,544,406	(4,367,442)	71,176,964
Lease liabilities	1,723,179	463,175	15,445	80,658	169,409	(805,181)	1,646,685
Securities sold under repurchase agreements	15,828,525	717,617	526,976	400,581	57,861	11,784,627	29,316,187
Other segment liabilities	23,297,526	5,381,967	1,068,071	1,352,876	11,496,384	852,949	43,449,773
Segment liabilities	<u>1,194,108,888</u>	<u>33,871,010</u>	<u>10,817,449</u>	<u>37,051,074</u>	<u>94,151,110</u>	<u>6,902,303</u>	<u>1,376,901,834</u>
Non-controlling interests							<u>(37,616,020)</u>
Net assets attributable to owners of the Company							<u>94,979,634</u>

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)

Geographical distribution:

Approximately 92% (30 June 2023: 92%) of the Group's total income is derived from its operations in the Mainland, PRC.

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

	At 30 June 2024			
	Hong Kong, PRC and Macau, PRC	Mainland, PRC	Rest of the world	Total
	\$'000	\$'000	\$'000	\$'000
Non-current assets (other than financial instruments, deferred tax assets, rights arising under insurance and interests in associates and joint ventures)	<u>12,316,688</u>	<u>52,446,283</u>	<u>685,395</u>	<u>65,448,366</u>
	At 31 December 2023			
	Hong Kong, PRC and Macau, PRC	Mainland, PRC	Rest of the world	Total
	\$'000	\$'000	\$'000	\$'000
Non-current assets (other than financial instruments, deferred tax assets, rights arising under insurance and interests in associates and joint ventures)	<u>12,550,258</u>	<u>53,557,692</u>	<u>709,788</u>	<u>66,817,738</u>

Information about major customers:

There were no customers for the six months ended 30 June 2024 and 30 June 2023 contributing over 10% of the total insurance revenue of the Group.

3 INSURANCE REVENUE AND INSURANCE FINANCE RESULTS (Continued)

(b) Total investment return and insurance finance income/expenses

An analysis of the Group's investment return and net insurance finance income/expenses recognised in profit or loss and other comprehensive income ("OCI") for the periods ended 30 June 2024 and 30 June 2023 are presented in the table below.

	Six months ended 30 June	
	2024	2023
	\$'000	\$'000
(a) Investment return		
Interest revenue	19,669,797	17,636,649
Dividend income	3,254,152	2,835,733
Net rental income receivable from investment properties	436,774	397,237
Net realised investment losses	(7,009,202)	(1,231,628)
Net unrealised investment gains	20,974,372	3,554,511
Net impairment loss on financial assets	(1,223,973)	(731,742)
Share of results of associates and joint ventures	1,140,053	1,243,794
Subtotal of investment return recognised in profit and loss	37,241,973	23,704,554
Amounts of investment return recognised in OCI	41,661,744	14,279,787
Total investment return	78,903,717	37,984,341
(b) Net changes in investment contract liabilities		
Amounts recognised in profit or loss	(35,628)	(22,385)
(c) Net finance expenses from insurance contracts		
Change of fair value of contracts with direct participation features	29,910,106	17,179,876
Interest accrued on insurance contracts	12,243,515	9,856,215
Changes to interest rate and other financial assumptions	37,615,198	14,994,593
Net exchange losses	41,925	158,233
Total net finance expenses from insurance contracts	79,810,744	42,188,917
Represented by:		
Amounts recognised in profit or loss	29,872,643	22,183,048
Amounts recognised in other comprehensive income	49,938,101	20,005,869
Total	79,810,744	42,188,917
(d) Net finance income from reinsurance contracts		
Interest accrued on reinsurance contracts held	147,736	105,158
Changes to interest rate and other financial assumptions	17,495	34,946
Net exchange gains	5,269	20,493
Total net finance income from reinsurance contracts	170,500	160,597
Represented by:		
Amounts recognised in profit or loss	169,676	129,668
Amounts recognised in other comprehensive income	824	30,929
Total	170,500	160,597

4 INTEREST REVENUE

	Six months ended 30 June	
	2024	2023
	\$'000	\$'000
<hr/>		
Financial assets not measured at fair value through profit or loss:		
Debt investments at amortised cost	2,593,816	2,935,865
Debt investments at fair value through other comprehensive income	10,911,973	9,089,487
Interest revenue on securities purchased under resale agreements	76,201	285,467
Interest expenses on securities sold under repurchase agreements	(428,929)	(422,047)
Bank deposits and others	1,468,779	1,912,412
	14,621,840	13,801,184
Financial assets measured at fair value through profit or loss:		
Debt investments at fair value through profit or loss	5,047,957	3,835,465
	19,669,797	17,636,649

5 OTHER INVESTMENT RETURN

	Six months ended 30 June	
	2024	2023
	\$'000	\$'000
Dividend income		
- Equity securities at fair value through profit or loss	1,668,782	1,941,584
- Investment funds	603,965	775,378
- Equity securities at fair value through other comprehensive income	981,405	118,771
	<u>3,254,152</u>	<u>2,835,733</u>
Net rental income receivable from investment properties	436,774	397,237
Net realised investment gains/(losses)		
- Debt investments at fair value through profit or loss		
Listed	(43,314)	(165,917)
Unlisted	286,840	103,983
- Equity securities at fair value through profit or loss		
Listed	(9,041,838)	(953,030)
Unlisted	682,477	536
- Investment funds		
Listed	(214,008)	8,789
Unlisted	(2,197,802)	(97,605)
- Debt investments at amortised cost		
Listed	(292,070)	(139,121)
Unlisted	-	(43,753)
- Debt investments at fair value through other comprehensive income		
Listed	31,430	(243,732)
Unlisted	3,943,996	184,924
- Gain on disposal of interest in associates	123,522	-
- Other net gains/(losses)	(288,435)	113,298
	<u>(7,009,202)</u>	<u>(1,231,628)</u>
Net unrealised investment gains/(losses)		
- Debt investments at fair value through profit or loss		
Listed	213,616	723,582
Unlisted	5,631,457	2,126,948
- Equity securities at fair value through profit or loss		
Listed	14,606,720	334,301
Unlisted	114,011	42,517
- Investment funds		
Listed	242,776	(83,986)
Unlisted	2,354,118	447,907
- Deficit on revaluation of investment properties	(392,904)	(36,758)
- Recognition of impairment losses on interest in associates and joint ventures	(1,795,422)	-
	<u>20,974,372</u>	<u>3,554,511</u>
	<u>17,656,096</u>	<u>5,555,853</u>

6 NET IMPAIRMENT LOSS ON FINANCIAL ASSETS

	Six months ended 30 June	
	2024	2023
	\$'000	\$'000
Impairment loss recognised:		
- Financial investments at amortised cost	(870,140)	(594,279)
- Debt investment at fair value through other comprehensive income	(353,833)	(137,463)
	(1,223,973)	(731,742)

7 OTHER INCOME

	Six months ended 30 June	
	2024	2023
	\$'000	\$'000
Interests from finance lease receivables	1,139,325	1,073,770
Income from provision of pension administration services	541,577	375,455
Income from provision of asset management and securities broking services	243,149	288,072
Income from operating lease	458,513	635,523
Income from provision of advisory services	97,773	157,852
Income from provision of property management services	74,555	66,314
Income from provision of agency and insurance intermediary services	324,597	116,793
Income from sales of inventories	1,477	42,452
Government subsidies	24,475	43,706
Net gains/(losses) on disposal of property and equipment	(36,734)	1,679
Net exchange gains/(losses)	(86,006)	179,148
Reversal/(recognition) of impairment losses on finance lease receivables	122,752	(76,799)
Recognition of impairment losses on other assets	(231,548)	(17,667)
Others	281,678	298,755
	2,955,583	3,185,053

8 EXPENSES

	Six months ended 30 June	
	2024	2023
	\$'000	\$'000
Claims and benefits	22,330,830	23,786,322
Fees and commissions	11,170,575	11,248,482
Staff costs	7,826,764	8,828,804
Depreciation and amortisation	1,582,017	1,672,245
Taxes and surcharges	416,159	352,755
Assets management and other service expenses	733,817	835,011
Other expenses	1,886,554	1,725,619
	45,946,716	48,449,238
Amounts attributed to insurance acquisition cash flows incurred during the period	(14,485,344)	(15,325,743)
Amortisation of insurance acquisition cash flows	14,971,386	14,945,917
	46,432,758	48,069,412
Represented by:		
Insurance service expenses	43,148,387	44,667,250
Other operating expenses	3,284,371	3,402,162
	46,432,758	48,069,412

9 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	Six months ended 30 June	
	2024	2023
	\$'000	\$'000
(a) Other finance costs:		
Interests on bank borrowings	1,368,192	1,182,762
Interests on interest-bearing notes	493,608	497,336
Interests on lease liabilities	33,948	36,983
	1,895,748	1,717,081
(b) Staff costs (including directors' remuneration):		
Salaries, wages, bonuses and other benefits	6,855,195	7,931,369
Contributions to defined contribution retirement plans	971,569	897,435
	7,826,764	8,828,804
(c) Other items:		
Auditor's remuneration		
- Audit and assurance services	15,521	12,623
- Non-audit services	2,321	1,648
Depreciation of property and equipment	1,099,810	1,167,809
Depreciation of right-of-use assets	482,207	504,436

10 INCOME TAX CHARGES

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

	Six months ended 30 June	
	2024	2023
	\$'000	\$'000
Current tax		
Provision for the period	607,801	1,845,109
Under/(over)-provision in respect of prior years	(22,303)	26,263
	585,498	1,871,372
Deferred tax		
Origination/(reversal) of temporary differences	6,964,415	(1,548,160)
Income tax charges	7,549,913	323,212

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% (2023: 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% (2023: 8.25%), one-half of the standard tax rate.

Taxation outside Hong Kong, PRC for subsidiaries outside Hong Kong, PRC 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% (2023: 25%).

The Group is subject to the global minimum top-up tax under the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The Group has conducted a preliminary assessment and no Pillar Two top-up income taxes are levied for the Period. Based on the information available, current tax exposure or impact on the Group's income tax position is not expected to be material for the relevant jurisdictions which have Pillar Two legislation enacted or substantively enacted for the Period. The Group is continuing to assess the impact of the Pillar Two legislation on its future financial performance.

At 30 June 2024, the Group did not recognise deferred tax assets in respect of certain tax losses of \$37,701,453,000 (31 December 2023: \$12,077,090,000) and certain temporary differences of \$85,229,000 (31 December 2023: \$248,346,000). \$32,978,752,000 (31 December 2023: \$11,806,717,000) 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.

11 DIVIDENDS

- (a) On 25 March 2024, the Board of the Company proposed a final dividend of \$0.30 per share in respect of the year ended 31 December 2023 (\$0.26 per share in respect of the year ended 31 December 2022). The final dividend amounting to \$1,078,206,000 (2023: \$934,445,000) 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 2024 (30 June 2023: Nil).

12 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	
	2024	2023
	\$'000	\$'000
Profit attributable to owners of the Company	6,026,680	5,220,365
Distribution relating to perpetual subordinated capital securities	(500,591)	(315,215)
Profit used to determine basic earnings per share	5,526,089	4,905,150
Weighted average number of ordinary shares	3,594,018,538	3,594,018,538
Basic earnings per share (<i>HK\$ per share</i>)	1.538	1.365

No diluted earnings per share has been presented for the six months ended 30 June 2024 and 30 June 2023 as the Group had no potential dilutive ordinary shares in issue during the periods.

13 STATUTORY DEPOSITS

- (a) Certain subsidiaries of the Group have placed \$4,927,039,000 (31 December 2023: \$4,954,474,000) with banks as capital guarantee funds, pursuant to the relevant insurance rules and regulations. The funds can only be used with the prior approval of the relevant authorities in the event that the subsidiaries cannot meet the statutory solvency requirements or go into liquidation.
- (b) A subsidiary of the Group has pledged a deposit of \$121,490,000 (31 December 2023: \$124,632,000) 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 \$3,134,000 (31 December 2023: \$3,299,000) 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 \$1,787,000 (31 December 2023: \$1,756,000) in the name of Director of Accounting Service with a bank pursuant to section 77(2e) of the Hong Kong Trustee Ordinance.
- (e) A subsidiary of the Group has deposited a sum of \$1,539,000 (31 December 2023: \$1,966,000) 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 have deposited a sum of \$827,992,000 (31 December 2023: \$1,040,377,000) registered in favour of Autoridade Monetária de Macau (“AMCM”) to guarantee the technical reserves in accordance with the Macau Insurance Ordinance.

14 FIXED ASSETS

The carrying amount of land and buildings of \$239,287,000 (30 June 2023: \$1,388,806,000) has been transferred to investment properties at fair value of \$243,914,000 during the Period (30 June 2023: \$1,407,768,000) 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 2024 were measured by an external valuer. The valuation for completed investment properties was made based on income approach. A revaluation deficit of \$392,904,000 (30 June 2023: \$36,758,000) has been recognised in the condensed consolidated statement of profit or loss during the Period.

As at 30 June 2024, land and buildings of \$6,382,440,000 (31 December 2023: \$11,150,000) and investment properties of \$2,175,671,000 (31 December 2023: \$48,506,000) located in Macau, PRC or Hong Kong, PRC have been pledged in favour of AMCM to guarantee the technical reserves in accordance with the Macau Insurance Ordinance or to secure bank loans.

As at 30 June 2024, operating lease assets of \$3,094,940,000 (31 December 2023: \$3,182,133,000) have been pledged to financial institutions as collateral in connection with banking facilities arrangements.

15 FINANCIAL INVESTMENTS

	At 30 June 2024 \$'000	At 31 December 2023 \$'000
<hr/>		
At fair value through profit or loss		
Debt investments		
- Listed	35,715,151	38,265,432
- Unlisted	252,708,884	227,451,705
Equity securities		
- Listed	73,469,035	90,945,778
- Unlisted	5,871,006	20,952,524
Investment funds		
- Listed	7,340,282	6,057,913
- Unlisted	68,610,565	76,814,304
	443,714,923	460,487,656
<hr/>		
At amortised cost		
- Listed	76,138,640	79,088,199
- Unlisted	39,779,670	46,235,999
	115,918,310	125,324,198
<hr/>		
Debt investments at fair value through other comprehensive income		
- Listed	114,474,226	110,118,877
- Unlisted	631,682,138	502,844,191
	746,156,364	612,963,068
<hr/>		
Equity investments at fair value through other comprehensive income		
- Listed	37,275,216	22,407,546
- Unlisted	3,955,570	2,727,393
	41,230,786	25,134,939
<hr/>		

15 FINANCIAL INVESTMENTS *(Continued)*

Notes:

- (i) As at 30 June 2024, debt and equity investments with total carrying amounts of \$13,182,555,000 (31 December 2023: \$10,323,138,000) have been pledged in favour of AMCM to guarantee the technical reserves in accordance with the Macau Insurance Ordinance.

As at 30 June 2024, debt and equity investments with total carrying amounts of \$10,153,000 (31 December 2023: \$9,782,000) have been set asides as guarantee fund, pursuant to Regulation of the Minister of Finance of the Republic of Indonesia.

- (ii) For the equity investments which are not held for trading but for long-term investments, the Group has irrevocably elected to recognise them as equity investments at fair value through other comprehensive income at initial recognition.

During the Period, for the consideration of optimising asset allocation and asset-liability management, the Group disposed of equity investments at fair value through other comprehensive income amounted to \$5,307,466,000 (30 June 2023: \$10,057,589,000), and the net cumulative profit of \$20,875,000 (30 June 2023: \$102,469,000) on disposal was transferred from other comprehensive income to retained profits.

The dividend income of equity investments at fair value through other comprehensive income recognised during the Period are disclosed in Note 5.

16 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 retained substantially all of the risks and rewards of ownership 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 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 2024			
	Amortised cost \$'000	FVPL \$'000	Fair value through other comprehensive income ("FVOCI") \$'000	Total \$'000
Carrying amount of transferred/pledged assets	3,568,017	9,641,175	67,126,752	80,335,944
Carrying amount of associated liabilities - securities sold under repurchase agreements	(2,332,890)	(8,744,100)	(29,480,421)	(40,557,411)
Net position	<u>1,235,127</u>	<u>897,075</u>	<u>37,646,331</u>	<u>39,778,533</u>

	At 31 December 2023			
	Amortised cost \$'000	FVPL \$'000	FVOCI \$'000	Total \$'000
Carrying amount of transferred/pledged assets	13,669,860	12,741,200	39,381,140	65,792,200
Carrying amount of associated liabilities - securities sold under repurchase agreements	(6,076,151)	(11,842,277)	(11,397,759)	(29,316,187)
Net position	<u>7,593,709</u>	<u>898,923</u>	<u>27,983,381</u>	<u>36,476,013</u>

Conversely, the Group also enters into short-term investment arrangements secured by the securities purchased. The securities purchased are not recognised in 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 one year 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.

As at 30 June 2024, most of the securities purchased under resale agreements and the securities sold under repurchase agreements will mature within 31 days (31 December 2023: 25 days), with interest rates of 0.8% to 2.8% (31 December 2023: 1.5% to 6.3%) and 1.0% to 5.6% (31 December 2023: 1.6% to 5.8%) per annum, respectively.

17 FINANCE LEASE RECEIVABLES

	At 30 June 2024 \$'000	At 31 December 2023 \$'000
Finance lease receivables	57,670,715	61,757,102
Less: unearned finance income	(4,773,735)	(5,290,923)
	52,896,980	56,466,179
Less: ECL allowance	(2,555,194)	(3,077,455)
	50,341,786	53,388,724

As at 30 June 2024, finance lease receivables included the amounts of \$4,229,412,000 (31 December 2023: \$4,366,621,000) 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 2024 \$'000	At 31 December 2023 \$'000
Less than 1 year	17,782,410	19,498,605
1 to 2 years	14,225,296	15,235,847
2 to 3 years	8,596,098	9,435,530
3 to 4 years	6,365,071	6,279,799
4 to 5 years	3,911,789	4,634,015
More than 5 years	6,790,051	6,673,306
	57,670,715	61,757,102

18 OTHER ASSETS

	At 30 June 2024 \$'000	At 31 December 2023 \$'000
Securities settlement fund	3,508,927	2,678,005
Value-added tax prepaid	1,321,175	1,246,732
Dividends receivable from financial investments	1,123,574	13,566
Receivables from payment service providers	1,083,515	483,581
Guarantee deposits paid	856,632	738,055
Prepayments	682,666	539,516
Pension management fees receivable	291,812	292,631
Rental and utility deposits	186,333	198,512
Receivables from operating lease <i>(note (i))</i>	153,292	177,441
Inventories <i>(note (ii))</i>	123,856	125,371
Deposits for the purchase of property	49,481	57,276
Tax recoverables	16,405	32,390
Tax certificate paid to Hong Kong Inland Revenue Department	-	193,169
Others	4,001,588	3,993,859
	13,399,256	10,770,104
Less: ECL allowance	(1,494,505)	(1,250,809)
	11,904,751	9,519,295

Notes:

- (i) As at 30 June 2024, receivables from operating lease of \$61,881,000 (31 December 2023: Nil) have been pledged to financial institutions as collateral in connection with banking facilities arrangements.
- (ii) 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.

19 CASH AND CASH EQUIVALENTS

	At 30 June 2024 \$'000	At 31 December 2023 \$'000
Deposits with banks and other financial institutions with original maturity less than three months	16,167,642	15,181,566
Cash at bank and on hand	30,730,083	27,372,836
	46,897,725	42,554,402

20 INSURANCE CONTRACT LIABILITIES

(a) Analysis by remaining coverage and incurred claims of insurance contracts:

	At 30 June 2024 \$'000	At 31 December 2023 \$'000
Insurance contract liabilities		
Liabilities for remaining coverage		
- Excluding loss component	1,275,288,446	1,146,783,322
- Loss component	9,509,574	9,764,260
Liabilities for incurred claims	40,235,417	39,993,546
	1,325,033,437	1,196,541,128

(b) Analysis by measurement component of insurance contracts:

	At 30 June 2024 \$'000	At 31 December 2023 \$'000
Insurance contract liabilities		
Insurance contracts not measured under PAA		
- Estimates of present value of future cash flows	1,039,691,473	917,109,951
- Risk adjustment for non-financial risk	32,092,284	30,589,846
- Contractual service margin	215,728,865	211,286,714
	1,287,512,622	1,158,986,511
Insurance contracts measured under PAA	37,520,815	37,554,617
	1,325,033,437	1,196,541,128

20 INSURANCE CONTRACT LIABILITIES (Continued)

(c) Effect of contracts initially recognised in the Period

The following tables summarise the effect on the measurement components arising from the initial recognition of insurance contracts not measured under the PAA during the Period.

Insurance contracts

	Profitable contracts issued \$'000	Onerous contracts issued \$'000	Total \$'000
Six months ended 30 June 2024			
Estimates of the present value of future cash outflows			
- Insurance acquisition cash flows	7,262,136	1,801,876	9,064,012
- Claims payable and other expenses	70,722,297	22,337,088	93,059,385
Total estimates of present value of cash outflows	77,984,433	24,138,964	102,123,397
Estimates of present value of cash inflows	(93,770,051)	(23,884,682)	(117,654,733)
Risk adjustment for non-financial risk	1,026,318	349,382	1,375,700
Contractual service margin	14,759,300	-	14,759,300
Losses recognised on initial recognition	-	603,664	603,664
Six months ended 30 June 2023			
Estimates of the present value of future cash outflows			
- Insurance acquisition cash flows	10,534,546	3,704,810	14,239,356
- Claims payable and other expenses	68,336,865	30,789,413	99,126,278
Total estimates of present value of cash outflows	78,871,411	34,494,223	113,365,634
Estimates of present value of cash inflows	(91,222,404)	(33,362,598)	(124,585,002)
Risk adjustment for non-financial risk	1,041,100	363,977	1,405,077
Contractual service margin	11,309,893	-	11,309,893
Losses recognised on initial recognition	-	1,495,602	1,495,602

21 INTEREST-BEARING NOTES

- (a) During the second quarter of 2021, TSFL issued 3.45% notes at par for the principal amount of RMB2,000,000,000 and 3.59% notes at par for the principal amount of RMB2,000,000,000. Interest on the notes is payable annually in arrears. The notes were mature and fully redeemed in the second quarter of 2024.
- (b) On 2 December 2021, TPL, a subsidiary of the Group, issued 3.61% capital supplementary bonds at par for the principal amount of RMB10,000,000,000. The bonds will mature on 5 December 2031 but the bonds can be redeemed at the fifth anniversary year of the issue date at par value at the discretion of TPL. Interest on the bonds is payable annually in arrears. During the Period, TPL has repurchased and canceled capital supplementary bonds of RMB8,210,000,000. After the completion of the repurchase and cancellation of the capital supplementary bonds, the remaining outstanding balances of the capital supplementary bonds are RMB1,790,000,000.

On 14 January 2022, TPL issued 3.45% capital supplementary bonds at par for the principal amount of RMB5,000,000,000. The bonds will mature on 18 January 2032 but the bonds can be redeemed at the fifth anniversary year of the issue date at par value at the discretion of TPL. Interest on the bonds is payable annually in arrears. During the Period, TPL has repurchased and canceled capital supplementary bonds of RMB3,420,000,000. After the completion of the repurchase and cancellation of the capital supplementary bonds, the remaining outstanding balances of the capital supplementary bonds are RMB1,580,000,000.

The above repurchase and cancellation of the capital supplementary bonds has incurred other loss of \$288,061,000 recognised in the profit of loss during the Period.

22 BANK BORROWINGS

	At 30 June 2024 \$'000	At 31 December 2023 \$'000
Unsecured		
Bank loans (<i>note (i)</i>)	13,461,225	14,964,472
Bank loans for financial leasing (<i>note (ii)</i>)	47,339,261	46,099,283
	60,800,486	61,063,755
Secured		
Bank loan (<i>note (iii)</i>)	4,602,132	4,602,381
Bank loans for financial leasing (<i>note (iv)</i>)	5,330,697	5,510,828
	70,733,315	71,176,964

The bank borrowings are repayable as follows:

	At 30 June 2024 \$'000	At 31 December 2023 \$'000
Within 1 year	52,015,605	45,833,187
After 1 year but within 5 years	17,008,339	23,969,902
After 5 years	1,709,371	1,373,875
	70,733,315	71,176,964

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

22 BANK BORROWINGS (Continued)

Notes:

- (i) As at 30 June 2024, the bank loans are unsecured and carry interest at Hong Kong Interbank Offered Rate (“HIBOR”) plus 0.64% to HIBOR plus 1.00% (31 December 2023: HIBOR plus 0.64% to HIBOR plus 1.00%) per annum, with effective interest rates ranging from 4.90% to 6.39% (31 December 2023: 2.82% to 6.46%) per annum. The Group has repaid unsecured bank loans of \$1,500,000,000 during the Period.
- (ii) As at 30 June 2024, the bank loans for financial leasing are unsecured and carry interest at weighted average interest rates ranging from 2.16% to 6.52% (31 December 2023: 2.07% to 6.80%) per annum.
- (iii) As at 30 June 2024, the bank loan is secured by investment properties and the shares of certain subsidiaries and pledged and restricted bank deposits and carry interest at HIBOR plus 1.03% (31 December 2023: HIBOR plus 1.03%), with effective interest rates at 5.64% (31 December 2023: 6.30%) per annum.
- (iv) As at 30 June 2024, the bank loans for financial leasing are secured by operating lease assets, finance lease receivables and operating lease receivables and carry interest at interest rates ranging from 2.47% to 6.53% (31 December 2023: 2.47% to 6.86%) per annum.

23 SHARE CAPITAL

	At 30 June 2024		At 31 December 2023	
	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.

24 RESERVES

	Attributable to owners of the Company										Total \$'000
	Capital reserve \$'000	Merger reserve \$'000	Exchange reserve \$'000	Fair value reserve \$'000	Insurance finance reserve \$'000	Revaluation reserve \$'000	Retained profits \$'000	Ordinary shareholders sub-total \$'000	Perpetual subordinated capital securities \$'000	Non- controlling interests \$'000	
Balance at 1 January 2024	(5,618,303)	(6,842,218)	(5,962,339)	32,151,963	(61,414,865)	1,562,384	84,340,080	38,216,702	15,991,524	37,616,020	91,824,246
Profit for the period	-	-	-	-	-	-	6,026,680	6,026,680	-	2,951,564	8,978,244
Other comprehensive income for the period:											
Revaluation gain arising from reclassification of own-use properties to investment properties, net of deferred tax	-	-	-	-	-	3,490	-	3,490	-	-	3,490
Exchange differences on translation of the financial statements of subsidiaries, associates and joint ventures	-	-	(585,322)	-	-	-	-	(585,322)	-	(234,855)	(820,177)
Changes in the the fair value of equity investments at FVOCI, net of deferred tax	-	-	-	3,402,879	-	-	-	3,402,879	-	818,508	4,221,387
Changes in the the fair value of debt investments at FVOCI, net of deferred tax	-	-	-	20,455,314	-	-	-	20,455,314	-	6,540,527	26,995,841
Finance expenses from insurance contracts issued, net of deferred tax	-	-	-	-	(28,054,078)	-	-	(28,054,078)	-	(9,141,396)	(37,195,474)
Finance expenses from reinsurance contracts held, net of deferred tax	-	-	-	-	(5,175)	-	-	(5,175)	-	(1,644)	(6,819)
Total comprehensive income	-	-	(585,322)	23,858,193	(28,059,253)	3,490	6,026,680	1,243,788	-	932,704	2,176,492
Dividend declared to shareholders	-	-	-	-	-	-	(1,078,206)	(1,078,206)	-	-	(1,078,206)
Dividend declared by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	(872,049)	(872,049)
Distributions to holders of perpetual subordinated capital securities	-	-	-	-	-	-	(500,591)	(500,591)	500,591	-	-
Declared to holders of perpetual subordinated capital securities	-	-	-	-	-	-	-	-	(500,285)	-	(500,285)
Disposal of equity investments at FVOCI	-	-	-	(20,875)	-	-	20,875	-	-	-	-
Balance at 30 June 2024	(5,618,303)	(6,842,218)	(6,547,661)	55,989,281	(89,474,118)	1,565,874	88,808,838	37,881,693	15,991,830	37,676,675	91,550,198

24 **RESERVES** (Continued)

	Attributable to owners of the Company										Total \$'000
	Capital reserve \$'000	Merger reserve \$'000	Exchange reserve \$'000	Fair value reserve \$'000	Insurance finance reserve \$'000	Revaluation reserve \$'000	Retained profits \$'000	Ordinary shareholders sub-total \$'000	Perpetual subordinated capital securities \$'000	Non- controlling interests \$'000	
Balance at 1 January 2023	(5,618,303)	(6,842,218)	(4,839,609)	15,011,588	(36,410,708)	1,479,780	79,787,927	42,568,457	-	25,503,730	68,072,187
Profit for the period	-	-	-	-	-	-	5,220,365	5,220,365	-	2,300,876	7,521,241
Other comprehensive income for the period:											
Revaluation gain arising from reclassification of own-use properties to investment properties, net of deferred tax	-	-	-	-	-	9,075	-	9,075	-	3,009	12,084
Exchange differences on translation of the financial statements of subsidiaries, associates and joint ventures	-	-	(2,448,672)	-	-	-	-	(2,448,672)	-	(797,996)	(3,246,668)
Changes in the the fair value of equity investments at FVOCI, net of deferred tax	-	-	-	1,268,232	-	-	-	1,268,232	-	373,915	1,642,147
Changes in the the fair value of debt investments at FVOCI, net of deferred tax	-	-	-	6,961,574	-	-	-	6,961,574	-	2,224,942	9,186,516
Finance expenses from insurance contracts issued, net of deferred tax	-	-	-	-	(11,095,710)	-	-	(11,095,710)	-	(3,491,421)	(14,587,131)
Finance income from reinsurance contracts held, net of deferred tax	-	-	-	-	24,863	-	-	24,863	-	5,075	29,938
Total comprehensive income	-	-	(2,448,672)	8,229,806	(11,070,847)	9,075	5,220,365	(60,273)	-	618,400	558,127
Dividend declared to shareholders	-	-	-	-	-	-	(934,445)	(934,445)	-	-	(934,445)
Dividend declared by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	(239,339)	(239,339)
Issuance of perpetual subordinated capital securities	-	-	-	-	-	-	-	-	15,674,799	-	15,674,799
Distributions to holders of perpetual subordinated capital securities	-	-	-	-	-	-	(315,215)	(315,215)	315,215	-	-
Capital injections made to a subsidiary	-	-	-	-	-	-	-	-	-	11,700	11,700
Disposal of equity investments at FVOCI	-	-	-	(102,469)	-	-	102,469	-	-	-	-
Balance at 30 June 2023	(5,618,303)	(6,842,218)	(7,288,281)	23,138,925	(47,481,555)	1,488,855	83,861,101	41,258,524	15,990,014	25,894,491	83,143,029

25 PERPETUAL SUBORDINATED CAPITAL SECURITIES

- (a) The Company entered into an agreement on 9 March 2023 to issue perpetual subordinated capital securities in an aggregate principal amount of USD2,000,000,000 (approximately \$15.700 billion), callable in 2028. According to the terms and conditions of the securities, the securities confer a right on the holders to receive distributions from the issue date. The rate of distribution shall be (i) 6.40% per annum in respect of the period from and including the issue date to but excluding 9 March 2028, (ii) applicable 5 year United States Treasury securities rate plus 2.072% per annum in respect of the period from and including 9 March 2028. The Company may redeem in whole, but not in part, the securities at their principal amount together with any distributions accrued on or after 9 March 2028. The Company may elect to defer any distributions, and is not subject to any restriction as to the number of times distribution can be deferred, if any distribution has been deferred, the Company shall be subject to certain restrictions from making dividends or distributions.

The perpetual subordinated capital securities were recorded as equity amounting to \$15,674,799,000 net of issuance costs in the year ended 31 December 2023. The balance of the perpetual subordinated capital securities as at 30 June 2024 have included the accrued distribution payments.

The distribution relating to perpetual subordinated capital securities amounted to \$500,591,000 (30 June 2023: \$315,215,000) and paid to holders of perpetual subordinated capital securities amounted to \$500,285,000 (30 June 2023: Nil) during the Period.

- (b) Approved by NFRA and the People's Bank of China, TPL issued capital bond without fixed terms on 19 December 2023. It has an aggregate nominal value of RMB11,000,000,000 (approximately \$12.100 billion) with a coupon rate of 3.3%. Other major terms of the perpetual bonds are : (i) The interest rate will be reset every five years, and the annualised fixed interest rate after each reset will be the prime rate on the prime rate adjustment date plus a fixed spread determined at the time of issuance, (ii) On each interest payment date of such perpetual bonds, TPL may, at its sole option, defer payment of all or part of the current interest and all interest already deferred in accordance with the terms of the contract to the next interest payment date without any limitation on the number of times interest may be deferred or constituting an event of default, and no interest will accrue on the deferred interest, (iii) In the event of deferred interest payments, TPL will not distribute earnings to common shareholders until the current interest and deferred interest have been paid in full, and (iv) The order of settlement is subordinate to the TPL's policy obligations, other common liabilities and subordinated capital instruments, and prior to the TPL's core tier 1 capital instruments.

The perpetual capital securities were recorded as equity as non-controlling interests amounting to \$12,090,038,000 net of issuance costs in the year ended 31 December 2023.

The distribution relating to the perpetual capital securities amounted to \$197,614,000 during the Period.

26 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 prices (unadjusted) 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 at FVOCI 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.

26 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)

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 2024			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial investments				
- At fair value through profit or loss	165,289,935	228,879,494	49,545,494	443,714,923
- Debt investment at FVOCI	40,903,782	703,513,175	1,739,407	746,156,364
- Equity investment at FVOCI	31,841,794	6,589,624	2,799,368	41,230,786
	<u>238,035,511</u>	<u>938,982,293</u>	<u>54,084,269</u>	<u>1,231,102,073</u>
Financial liability				
- Investment contract liabilities measured at fair value	<u>2,049,925</u>	<u>11,842,206</u>	-	<u>13,892,131</u>

	At 31 December 2023			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial investments				
- At fair value through profit or loss	176,236,045	224,217,628	60,033,983	460,487,656
- Debt investment at FVOCI	44,594,710	566,605,585	1,762,773	612,963,068
- Equity investment at FVOCI	16,968,862	5,451,249	2,714,828	25,134,939
	<u>237,799,617</u>	<u>796,274,462</u>	<u>64,511,584</u>	<u>1,098,585,663</u>
Financial liability				
- Investment contract liabilities measured at fair value	<u>1,075</u>	<u>1,377,129</u>	-	<u>1,378,204</u>

26 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:

	Financial investments at FVPL \$'000	Debt investments at FVOCI \$'000	Equity investments at FVOCI \$'000	Total \$'000
At 1 January 2024	60,033,983	1,762,773	2,714,828	64,511,584
Purchases	1,395,837	-	17,476	1,413,313
Gain or losses recognised in:				
- profit or loss	75,093	-	-	75,093
- other comprehensive income	-	2,921	57,002	59,923
Disposals	(11,576,935)	(13,852)	-	(11,590,787)
Transfer into Level 3	18,652	-	11,463	30,115
Exchange difference	(401,136)	(12,435)	(1,401)	(414,972)
At 30 June 2024	<u>49,545,494</u>	<u>1,739,407</u>	<u>2,799,368</u>	<u>54,084,269</u>
	Financial investments at FVPL \$'000	Debt investments at FVOCI \$'000	Equity investments at FVOCI \$'000	Total \$'000
At 1 January 2023	66,912,938	1,802,345	3,052,180	71,767,463
Purchases	7,640,399	-	158,967	7,799,366
Gain or losses recognised in:				
- profit or loss	(464,158)	2,177	(34,990)	(496,971)
- other comprehensive income	(1,554)	(15,573)	(157,133)	(174,260)
Disposals	(12,313,409)	(626)	(302,785)	(12,616,820)
Transfer into Level 3	151,643	-	-	151,643
Transfer out of Level 3	(954,536)	-	-	(954,536)
Exchange difference	(937,340)	(25,550)	(1,411)	(964,301)
At 31 December 2023	<u>60,033,983</u>	<u>1,762,773</u>	<u>2,714,828</u>	<u>64,511,584</u>

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

26 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 amortised cost are not materially different from their fair values as at 30 June 2024 and 31 December 2023 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 2024					
Financial investments at amortised cost	115,918,310	108,734,049	67,691,345	11,652,881	29,389,823
Interest-bearing notes	10,992,401	11,022,944	-	11,022,944	-
	Carrying amount \$'000	Fair value \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
At 31 December 2023					
Financial investments at amortised cost	125,324,198	117,734,434	66,597,544	16,556,103	34,580,787
Interest-bearing notes	28,606,595	26,347,115	-	26,347,115	-

For listed debt investments measured at amortised cost classified as Level 1, fair value is based on quoted prices (unadjusted) for identical assets traded in active market.

For unlisted debt investments measured at amortised cost classified as Level 2, fair value is determined by generally accepted pricing models including discounted cash flow technique by using observable market inputs such as market interest yield.

For debt investments measured at amortised cost classified as Level 3, fair value is determined by generally accepted pricing models including discounted cash flow technique by using unobservable discount rates that reflect the credit risk.

27 COMMITMENTS

(a) Capital commitments as at 30 June 2024 were as follows:

	At 30 June 2024 \$'000	At 31 December 2023 \$'000
Contracted for but not provided		
- property and equipment	379,612	643,159
- investments	1,681,688	4,218,449
Authorised but not contracted for		
- property and equipment	32,316	21,129
	2,093,616	4,882,737

(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 operating lease assets and investment properties of the Group held for use in operating leases were \$33,578,007,000 (31 December 2023: \$34,617,004,000).

As at 30 June 2024, the Group had contracted with tenants for the following future minimum lease payments:

	At 30 June 2024 \$'000	At 31 December 2023 \$'000
Within 1 year	1,752,463	2,114,951
After 1 year but within 2 years	1,309,475	1,457,430
After 2 year but within 3 years	1,017,257	1,121,415
After 3 year but within 4 years	699,421	889,318
After 4 year but within 5 years	417,840	590,835
After 5 years	753,202	1,054,735
	5,949,658	7,228,684

28 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, leasing services 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.

29 INSURANCE AND FINANCIAL RISK MANAGEMENT

(a) Underwriting strategy

Life insurance business

The Group operates its life insurance business in the PRC, Hong Kong, PRC, Macau, PRC 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, PRC, Macau, PRC, 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.

29 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, PRC 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.

29 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(d) Insurance risk

(i) Life insurance business

Concentration of insurance risks

Concentration risk is the risk of incurring a major loss as a result of having a significant mortality or other insurance coverage on a particular person or a group of persons due to the same event. The Group manages the concentration of insurance risks by way of reinsurance arrangements with a maximum retention risk of RMB500,000 per person in life and personal accident policies and RMB200,000 on critical illness insurance. In addition, the Group purchases catastrophe protection for losses arising from claims involving multiple lives from the same event. The maximum retention risk is RMB1 million for each and every loss occurrence, and the total coverage is RMB100 million for each and every loss occurrence. The Group purchases surplus treaties and proportional treaties to cover life, accident and long term health risks. In addition, an excess of loss reinsurance contract is applied for any insurance contract with significant sum insured.

Management of risks

The key risk associated with life insurance contracts is the risk of potential loss arising with respect to a particular insurance product as a result of actual market conditions and loss experience being different from the assumed market conditions and loss experience used when designing and pricing the product.

The Group manages the risks by centralising the product design function at the head office level, headed by the chief appointed actuary and senior management in other key functional departments. Standards and guidelines are established to ensure that the risks associated with particular products are within the acceptable level. The pricing method, the solvency requirement, the profit margin, the loss experience are key considerations in designing a product.

In addition, the underwriting and claim processing departments strictly follow the established standards and procedures.

29 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(d) Insurance risk (Continued)

(ii) Property and casualty insurance business

Concentration of insurance risks

Within the insurance process, concentration of risk may arise where a particular event or series of events could impact heavily upon the Group's liabilities. Such concentrations may arise from a single insurance contract or through a small number of related contracts, and relate to circumstances where significant liabilities could arise.

Management of risks

The Group delegates underwriting authority to experienced underwriters. Each underwriting department has an underwriting manual for each class of business. The underwriting manual is approved by the Business Management Committee and specifies the authority of underwriters at each level. Each underwriting manual clearly states the insurable risk, risks that can be insured on a limited scale and uninsurable risk as well as the probable maximum loss which underwriters at each level can underwrite. Risks that exceed the underwriting authority of the head of the underwriting department have to be reviewed and approved by the Business Management Committee. For claims handling, there is a procedures manual that lays down the operational procedures and controls required to mitigate the insurance risk.

The Group also arranges both treaty reinsurance and facultative reinsurance in accordance with international practice. Treaty reinsurance provides automatic reinsurance cover under specific reinsurance contract terms and conditions. Facultative reinsurance is reinsurance of individual risk. Each contract is arranged separately. The choice of reinsurance contract depends on market conditions, market practice and the nature of business. Facultative reinsurance is arranged when an individual risk is not covered by treaty reinsurance or exceeds treaty reinsurance capacity and exceeds its own underwriting capacity.

29 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(d) Insurance risk (Continued)

(iii) Reinsurance business

Concentration of insurance risks

Concentration of risk arises from the accumulation of risks within a particular business line. The Group's key methods in managing these risks are diversification of the business line and areas where the gross premiums are written.

Management of risks

The key risks associated with reinsurance contracts are those relating to underwriting.

The Group maintains underwriting teams who are responsible for the underwriting and sales of the Group's reinsurance products. The team promoting a certain product to a customer has the requisite expertise to determine whether the Group can meet the specific requirement of the customer within the Group's risk appetite. All inward business is screened and analysed by the underwriting staff. The decision to underwrite and the level of risk exposure accepted are determined by reference to the underwriting guideline setting out the types of business desired, and the maximum capacity per risk. Such criteria are determined by considering factors including the risk exposure, the pricing, the profit potential, the class of business, the marketing strategy, the retrocession facilities available and the market trends.

The Group arranges pro rata and excess of loss retrocessions for its different lines of reinsurance business, in order to enhance its underwriting capacity as well as to harmonise its net retained exposures. Proportional retrocessions have been arranged in respect of its nonmarine reinsurance business from the Asia-Pacific territories. In addition, a series of excess of loss retrocession covers are also arranged to protect the Group against major catastrophic events.

The life retrocession arrangements are normally decided collectively with the Group's management board before the confirmation of any new retrocession arrangements. All life retrocession arrangement follows the fundamental retrocession guideline of the group and regulatory requirement. Retrocession arrangements used to manage the volatility of mortality risk.

29 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(e) Financial risk

Transactions in financial investments 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. The objective of market risk management is to control market risk exposures within acceptable parameters while optimising the return on risk.

Market risk principally arises from the Group's equity investments, interest-bearing financial assets and financial liabilities, and financial assets and financial liabilities denominated in foreign currencies, but these exposures are largely offset by similar exposures arising from insurance and reinsurance contracts. The nature of the Group's business and asset-liability matching processes means that it is exposed to market risk on net assets representing shareholders' equity. Interest rate risk also arise from guarantees in the Group's insurance and investment contracts to the extent that they are not economically hedged or borne by contract holders.

(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. Some of the contracts issued by the Group contain interest rate guarantees.

The Group monitors this exposure through periodic reviews of its financial instruments and closely matching, where possible, the durations of insurance contracts with fixed and guaranteed terms and the supporting financial assets. Estimates of cash flows, as well as the impact of interest rate fluctuations relating to the investment portfolio are modelled and reviewed periodically.

The Group is exposed to fair value interest rate risk in relation to the debt investments measured at FVPL and FVOCI, and the measurement of insurance liabilities.

29 INSURANCE AND FINANCIAL RISK MANAGEMENT *(Continued)*

(e) Financial risk *(Continued)*

(i) Market risk *(Continued)*

(b) Equity price risk

The Group has a portfolio of marketable equity securities, which is carried at fair value and is exposed to price risk. 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 does not have a significant concentration of equity price risk.

As at 30 June 2024, the Group's investment in equity securities and investment funds was carried at a fair value of \$196,521.67 million (31 December 2023: \$219,905.46 million), representing approximately 15% (31 December 2023: approximately 18%) of total investments held by the Group.

(c) Foreign exchange risk

The Group is exposed to foreign currency transaction risk to the extent that the currencies in which insurance and reinsurance contracts and financial instruments are denominated differ from the functional currencies of Group entities.

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 and reinsurance business in Hong Kong, PRC, 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, PRC, 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.

29 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(e) Financial risk (Continued)

(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 investment in debt investments measured at amortised cost and FVOCI, and finance lease receivables. The statutory deposits, pledged and restricted bank deposits, cash and cash equivalent and amounts due from group companies and other assets are subject to ECL requirement, the identified impairment allowance was immaterial.

The Group internally grades financial assets based on the credit quality, risk characteristics and the Group's internal credit control policy.

Where applicable, these internal credit ratings are aligned to external credit rating companies such as Moody's and China Central Depository & Clearing Co., Ltd.

Credit risk management practices

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 credit rating of the issuers as required by the NFRA. Any non-compliance or violation of the manual will be followed up and rectification action will be taken immediately.

The Group does not have any significant concentration of counterparty credit risk arising from the investments in debt securities since the investment portfolio is well diversified.

The credit risk associated with reinsurance companies is managed by regular evaluation of the credit quality of the relevant reinsurers. In addition, majority of the reinsurers' share of insurance contract provisions are held under a net settlement arrangement against the corresponding insurance creditor balances with the same reinsurer.

29 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(e) Financial risk (Continued)

(ii) Credit risk (Continued)

Judgement of significant increase in credit risk

In determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group evaluates the credit risk at initial recognition and also whether there is any significant increase in credit risk for each reporting period.

The Group considers individual financial asset or financial assets with similar credit risk characteristics to determine ECL staging by comparing the credit risk of the financial asset at reporting date with the credit risk at initial recognition. Various reasonable supporting information are used to judge if there is significant increase in credit risk, including forward-looking information, when determining the ECL staging for financial assets.

The Group set quantitative and qualitative criteria to identify whether the financial asset has significant increase in credit risk since initial recognition. Major factors being considered is the probability of default upon initial recognition of financial asset and whether there has been ongoing increase in probability of default throughout each reporting period. The Group assess significant increase in credit risk as at each reporting date based on available reasonable and supportive forward-looking information such as but not limited to:

- External credit rating (as far as available);
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the issuer's ability to meet its obligations;
- Actual or expected significant changes in the operating results of the issuer;
- Significant increase in credit risk on other financial instruments issued by the same issuer; and
- Significant changes in the value of the collateral supporting the financial asset or the quality or third party guarantees or credit enhancements.

In the judgement of whether the financial instruments have significant increase in credit risks after initial recognition, the Group considers the 30 days past due as one of criteria of significant increase in credit risks, in accordance with HKFRS 9.

29 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(e) Financial risk (Continued)

(ii) Credit risk (Continued)

Judgement of credit-impaired assets

At each reporting date, the Group assesses whether financial assets measured at amortised cost, debt investments at FVOCI and lease receivables are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Internal credit rating is default grade; or
- The lender gives the borrower concessions for economic or contractual reasons due to the debtor financial difficulties, where such concessions are normally reluctant to be made by the borrower; or
- Significant financial difficulty of the issuer or counterparty; or
- It becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- Disappearance of an active market for that financial asset because of financial difficulties.

A financial asset that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

29 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(e) Financial risk (Continued)

(ii) Credit risk (Continued)

Judgement of credit-impaired assets (Continued)

In assessing whether an investment in sovereign debt is credit-impaired, the Group considers the following factors:

- the market's assessment of creditworthiness as reflected in bond yields;
- the rating agencies' assessments of creditworthiness;
- the country's ability to access the capital markets for new debt issuance;
- the probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness; and
- the international support mechanisms in place to provide the necessary support as "Lender of Last Resort" to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms, including an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfil the required criteria.

The financial asset is considered credit-impaired when the counterparty fails to make contractual payments within 90 days of when they fall due.

29 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(e) Financial risk (Continued)

(ii) Credit risk (Continued)

Modified financial assets

The contractual terms of a financial asset may be modified for a number of reasons, including changing market conditions and other factors not related to a current or potential credit deterioration of the debtor. An existing financial asset whose terms have been modified may be derecognised and the renegotiated asset recognised as a new financial asset at fair value plus eligible transaction costs in accordance with the accounting policies set out in the Group's annual financial statements for the year ended 31 December 2023. The new asset is allocated to Stage 1 (assuming that it is not credit-impaired at the date of modification).

When the terms of a financial asset are modified and the modification does not result in derecognition, the determination of whether the asset's credit risk has increased significantly reflects a comparison of:

- its internal credit rating as at the reporting date based on the modified terms; with
- the internal credit rating based on data on initial recognition and the original contractual terms.

Credit quality analysis

The following tables mainly disclosed the credit quality analysis for the net carrying amount of debt investments measured at FVOCI and at amortised cost, and finance lease receivables without taking into account collateral or other credit enhancements.

	At 30 June 2024			
	<i>Stage 1</i> \$'000	<i>Stage 2</i> \$'000	<i>Stage 3</i> \$'000	<i>Total</i> \$'000
Net carrying amount:				
Debt investments at FVOCI	742,464,935	3,545,988	145,441	746,156,364
<i>Amortised cost</i>				
Debt investments at amortised cost	104,001,675	11,252,409	664,226	115,918,310
Finance lease receivables	48,593,765	1,339,050	408,971	50,341,786
	895,060,375	16,137,447	1,218,638	912,416,460
	At 31 December 2023			
	<i>Stage 1</i> \$'000	<i>Stage 2</i> \$'000	<i>Stage 3</i> \$'000	<i>Total</i> \$'000
Net carrying amount:				
Debt investments at FVOCI	610,608,351	2,182,040	172,677	612,963,068
<i>Amortised cost</i>				
Debt investments at amortised cost	115,147,201	8,587,261	1,589,736	125,324,198
Finance lease receivables	51,664,386	1,337,843	386,495	53,388,724
	777,419,938	12,107,144	2,148,908	791,675,990

29 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(e) Financial risk (Continued)

(ii) Credit risk (Continued)

Inputs, assumptions and techniques used for estimating impairment

The parameters and assumptions involved in ECL model are described below:

For financial assets with or without significant increase in credit risk, lifetime or 12 months expected credit losses are provided respectively. ECL is the result of discounting the product of Exposure at Default (“EAD”), Probability at Default (“PD”) and Loss Given Default (“LGD”).

EAD: EAD is based on the amounts of the Group expects to be owed at the time of default, over the next 12 months or over the remaining lifetime.

PD: PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months or over the remaining lifetime of the obligation, depending on whether the financial asset has significant increase in credit risk since initial recognition or is assessed to be credit-impaired as described above. PD for each internal credit rating is determined by the Group's Credit Rating Center and is reviewed annually.

LGD: LGD represents the Group's expectation of the extent of loss on default exposure. LGD varies type of financial asset, type of counterparty, seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at EAD. The Group determines LGD taking into consideration publications by Basel Committee on Banking Supervision and Moody's, adjusted based on the financial condition of the borrower and the Group's experience studies.

The Group makes adjustment to the probability of default taking into consideration historical default rates and adjusts for forward-looking macroeconomic data. There were no significant changes to estimation techniques or assumptions made during the Period.

Incorporation of forward-looking information

The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since initial recognition and its measurement of ECL. External information including economic data and forecasts published by governmental bodies and monetary authorities in the countries where the Group operates would be considered when incorporating the forward-looking information.

29 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(e) Financial risk (Continued)

(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.

Insurance and reinsurance contracts

The following table provides a maturity analysis of the Group's insurance and reinsurance contracts, which reflects the dates on which the net undiscounted cash flows are expected to occur.

	At 30 June 2024							Total \$'000
	Less than 1 year \$'000	1 year to 2 years \$'000	2 years to 3 years \$'000	3 years to 4 years \$'000	4 years to 5 years \$'000	Over 5 years \$'000		
	Insurance contracts	47,137,697	28,655,415	17,157,640	18,327,092	17,739,080	909,593,672	
Reinsurance contracts	(2,941,267)	(662,164)	(153,037)	(84,738)	(171,221)	(353,002)	(4,365,429)	
Total	44,196,430	27,993,251	17,004,603	18,242,354	17,567,859	909,240,670	1,034,245,167	

	At 31 December 2023							Total \$'000
	Less than 1 year \$'000	1 year to 2 years \$'000	2 years to 3 years \$'000	3 years to 4 years \$'000	4 years to 5 years \$'000	Over 5 years \$'000		
	Insurance contracts	35,951,905	33,243,708	30,105,817	19,397,011	8,601,207	774,116,741	
Reinsurance contracts	(3,408,011)	(790,125)	(163,165)	(131,628)	(54,510)	(374,293)	(4,921,732)	
Total	32,543,894	32,453,583	29,942,652	19,265,383	8,546,697	773,742,448	896,494,657	

The amounts from insurance contracts that are payable on demand are \$902.218 billion as at 30 June 2024 (31 December 2023: \$844.238 billion).

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 25 March 2024 (being the date of approval of the Company's 2023 Annual Report) and 27 August 2024 (being the date of approval of the Company's 2024 Interim Report).

On 27 August 2024, the nomination committee and remuneration committee of the Company has been re-organised into nomination and remuneration committee with Mr. ZHU Dajian (chairman), Mr. WANG Sidong and Mrs. LAW FAN Chiu Fun Fanny as members.

Accordingly, on the same day, Mr. YIN Zhaojun, Mr. WU Ting Yuk Anthony and Mr. XIE Zhichun ceased to be member of the remuneration committee of the Company; while Mr. WANG Sidong ceased to be chairman and Mr. LI Kedong and Mr. WU Ting Yuk Anthony ceased to be member of the nomination committee of the Company.

On 27 August 2024, the Company established the strategy and investment committee, in place of the corporate governance committee, to oversee the strategy, investment and corporate governance matters of the Company, with Mr. WANG Sidong (Chairman), Mr. YIN Zhaojun, Mr. LI Kedong and Mr. HU Xingguo as members.

Accordingly, on the same day, Mr. WANG Sidong ceased to be chairman and Mr. YIN Zhaojun and Mr. LI Kedong ceased to be member of the corporate governance committee of the Company.

After making specific enquiries by the Company and confirmed by the Directors, save as disclosed above, there is no 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 2024, 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 at 30 June 2024, 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 (Note 1)	Long position	61.25
TPG (HK)	1,913,138,449 Shares as beneficial owner and 288,376,807 Shares (Note 2) 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, Taiping Golden Win and Manhold, all of which are wholly-owned subsidiaries of TPG.

(2) 168,098,887 Shares are held by Easiwell, 53,975,970 Shares are held by Taiping 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 2024.

Corporate Governance

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

The chairman of the Board, Mr. WANG Sidong, was unable to attend the annual general meeting of the Company held on 28 June 2024 (the "Meeting") due to other business engagement. Mr. YIN Zhaojun, the vice chairman, executive director and general manager of the Company, chaired the Meeting on behalf of the chairman of the Board and was available to answer questions.

The Company has adopted the Model Code as the code of conduct regarding securities transactions by the 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*
LI Kedong *Deputy General Manager*

Non-executive directors

GUO Zhaoxu
HU Xingguo
ZHANG Cui

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

NOMINATION AND REMUNERATION COMMITTEE

ZHU Dajian *Chairman*
WANG Sidong
LAW FAN Chiu Fun Fanny

RISK MANAGEMENT COMMITTEE

XIE Zhichun *Chairman*
YIN Zhaojun
GUO Zhaoxu
ZHANG Cui

STRATEGY AND INVESTMENT COMMITTEE

WANG Sidong *Chairman*
YIN Zhaojun
LI Kedong
HU Xingguo

COMPANY SECRETARY

ZHANG Ruohan

AUTHORISED REPRESENTATIVES

WANG Sidong
ZHANG Ruohan

REGISTERED OFFICE

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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
Public Interest Entity 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:

“Ageas”	Ageas Insurance International NV
“Board”	the board of Directors
“CG Code”	Corporate Governance Code as set out in Appendix C1 of the Listing Rules
“CTPI (HK)”	China Taiping Insurance (HK) Company Limited
“Directors”	The directors of the Company, including the independent non-executive directors
“Dragon Jade”	Dragon Jade Industrial District Management (Shenzhen) Co., Ltd.
“Easiwell”	Easiwell 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 2023”	The six months ended 30 June 2023
“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 C3 to the Listing Rules
“NFRA”	National Financial Regulatory Administration
“SFO”	Securities and Futures Ordinance
“Share(s)”	Share(s) in the capital of the Company
“Singapore”	Republic of Singapore

“Taiping Golden Win”	Taiping Golden Win Investment Limited
“the Company” or “CTIH”	China Taiping Insurance Holdings Company Limited
“the Group”	CTIH and its subsidiaries
“the Period” or “1H 2024”	The six months ended 30 June 2024
“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
“TPCA”	Taiping Capital Insurance 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, 27 August 2024

As at the date of this announcement, the Board comprises 10 directors, of which Mr. WANG Sidong, Mr. YIN Zhaojun and Mr. LI Kedong are executive directors, Mr. GUO Zhaoxu, Mr. HU Xingguo and Ms. ZHANG Cui 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.